OMNICELL, Inc
Form 4
April 26, 2007

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
PETERSMEYER GARY S

(Last) (First) (Middle)

C/O OMNICELL, INC., 1201 CHARLESTON ROAD

(Street)

MOUNTAIN VIEW, CA 94043

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
OMNICELL, Inc [OMCL]

3. Date of Earliest Transaction (Month/Day/Year)
04/24/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	04/24/2007		A		1,767 (1)	A	$ 0	1,767	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PETERSMEYER GARY S C/O OMNICELL, INC. 1201 CHARLESTON ROAD MOUNTAIN VIEW, CA 94043	X			

Signatures

/s/ Gary S. Petersmeyer	04/26/2007
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Grant of restricted shares in consideration of services as a Board Member. Shares shall vest in full on the date of the Company's 2008 Annual Meeting of Stockholders.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. /font>

Derivatives designated as cash flow hedging instruments:

Commodity price swap contracts

$
—

$
—

$
—

$
24,630

$
(27,144
)

$
(2,514
)
Forward sales contracts

1,468

—

1,468

—

—

—

Interest rate swap contracts

—

—

—

2,868

—

2,868

$
1,468

$
—

$
1,468

$
27,498

$
(27,144
)

$
354

Derivatives not designated as cash flow hedging instruments:

Explanation of Responses:

Commodity price swap contracts

$
12,493

$
(1,842
)

$
10,651

$
12,178

$
(4,171
)

$
8,007

NYMEX futures contracts

—

—

—

5,837

—

5,837

$
12,493

Explanation of Responses:

$
(1,842
)

$
10,651

$
18,015

$
(4,171
)

$
13,844

Total net balance

$
12,119

$
14,198

Explanation of Responses:

Balance sheet classification:

Prepayment and other

$
12,119

Accrued liabilities

$
562

Other long-term liabilities

13,636

$
12,119

Explanation of Responses:

$
14,198

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Explanation of Responses:

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HOLLYFRONTIER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) Continued

	Derivatives in Net Asset Position			Derivatives in Net Liability Position		
	Gross Assets	Gross Liabilities Offset in Balance Sheet (In thousands)	Net Assets Recognized in Balance Sheet	Gross Liabilities	Gross Assets Offset in Balance Sheet	Net Liabilities Recognized in Balance Sheet
December 31, 2012						
Derivatives designated as cash flow hedging instruments:						
Commodity price swap contracts	$—	$—	$—	$37,828	$(17,383)	$20,445
Interest rate swap contracts	—	—	—	3,430	—	3,430
	$—	$—	$—	$41,258	$(17,383)	$23,875
Derivatives not designated as cash flow hedging instruments:						
Commodity price swap contracts	$—	$—	$—	$46,154	$—	$46,154
NYMEX futures contracts	—	—	—	5,563	—	5,563
	$—	$—	$—	$51,717	$—	$51,717
Total net balance			$—			$75,592
Balance sheet classification:				Accrued liabilities		$62,388
				Other long-term liabilities		13,204
						$75,592

At March 31, 2013, we had a pre-tax net unrealized loss of $4.3 million classified in accumulated other comprehensive income that relates to all accounting hedges. Assuming commodity prices and interest rates remain unchanged, an unrealized gain of approximately $5.3 million will be effectively transferred from accumulated other comprehensive income into the statement of income as the hedging instruments mature over the next twelve-month period.

NOTE 11: Equity

Changes to equity during the three months ended March 31, 2013 are presented below:

	HollyFrontier Stockholders' Equity (In thousands)	Noncontrolling Interest	Total Equity
Balance at December 31, 2012	$6,052,954	$589,704	$6,642,658
Net income	333,669	9,702	343,371

Dividends	(163,388)	—	(163,388)
Distributions to noncontrolling interest holders	—	(15,288)	(15,288)
Other comprehensive income, net of tax	11,759	792	12,551
Allocated equity on HEP common unit issuances, net of tax	54,011	60,145	114,156
Equity-based compensation	7,457	1,123	8,580
Excess tax benefit attributable to equity-based compensation	744	—	744
Purchase of treasury stock (1)	(11,413)	—	(11,413)
Purchase of HEP units for restricted grants	—	(2,924)	(2,924)
Balance at March 31, 2013	$6,285,793	$643,254	$6,929,047

(1) Includes 31,141 shares withheld under the terms of stock-based compensation agreements to provide funds for the payment of payroll and income taxes due at the vesting of share-based awards.

We have a Board approved repurchase program that authorizes us to repurchase common stock in the open market or through privately negotiated transactions. The timing and amount of stock repurchases will depend on market conditions, corporate, regulatory and other relevant considerations. This program may be discontinued at any time by the Board of Directors. As of March 31, 2013, we had remaining authorization to repurchase up to $494.4 million under this stock repurchase program.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) Continued

NOTE 12: Other Comprehensive Income (Loss)

The components and allocated tax effects of other comprehensive income (loss) are as follows:

	Before-Tax	Tax Expense (Benefit)	After-Tax
	(In thousands)		
Three Months Ended March 31, 2013			
Unrealized gain, net of reclassifications from sale or maturity, on available-for-sale securities	$16	$8	$8
Unrealized gain on hedging activities	18,297	6,809	11,488
Actuarial loss on post-retirement healthcare plan reclassified to net income upon partial plan settlement	1,726	671	1,055
Other comprehensive income	20,039	7,488	12,551
Less other comprehensive income attributable to noncontrolling interest	792	—	792
Other comprehensive income attributable to HollyFrontier stockholders	$19,247	$7,488	$11,759
Three Months Ended March 31, 2012			
Unrealized gain, net of reclassifications from sale or maturity, on available-for-sale securities	$188	$74	$114
Unrealized loss on hedging activities	(155,615)	(60,744)	(94,871)
Other comprehensive loss	(155,427)	(60,670)	(94,757)
Less other comprehensive income attributable to noncontrolling interest	537	—	537
Other comprehensive loss attributable to HollyFrontier stockholders	$(155,964)	$(60,670)	$(95,294)

The temporary unrealized gain (loss) on available-for-sale securities is due to changes in market prices of securities.

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(Unaudited) Continued

The following table presents the income statement line item effects for reclassifications out of accumulated other comprehensive income (“AOCI”):

AOCI Components	Gain (Loss) Reclassified From AOCI (In thousands)		Income Statement Line Item
Three Months Ended March 31, 2013			
Securities available-for-sale	$3		Interest income
	1		Income tax expense
	$2		Net of tax
Hedging instruments:			
Commodity price swaps	$(19,185	)	Sales and other revenues
	(6,532	)	Cost of products sold
	(1,573	)	Operating expenses
Interest rate swaps	(1,353	)	Interest expense
	(28,643	)	
	(10,823	)	Income tax benefit
	(17,820	)	Net of tax
	820		Noncontrolling interest
	$(17,000	)	Net of tax and noncontrolling interest
Retiree medical obligation	$(84	)	Cost of products sold
	(1,549	)	Operating expenses
	(93	)	General and administrative expenses
	(1,726	)	
	(671	)	Income tax benefit
	$(1,055	)	Net of tax
Total reclassifications for the period	$(18,053	)	
Three Months Ended March 31, 2012			
Securities available-for-sale	$117		Interest income
	46		Income tax expense
	$71		Net of tax
Hedging instruments			
Commodity price swaps	$(34,125	)	Sales and other revenues
	50,541		Cost of products sold
Interest rate swaps	(1,498	)	Interest expense
	14,918		
	6,143		Income tax expense
	8,775		Net of tax
	873		Noncontrolling interest

	$9,648	Net of tax and noncontrolling interest
Total reclassifications for the period	$9,719	

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(Unaudited) Continued

Accumulated other comprehensive income (loss) in the equity section of our consolidated balance sheets includes:

	March 31, 2013	December 31, 2012
	(In thousands)	
Pension obligation	$(23,973)	$(23,973)
Retiree medical obligation	29,660	28,605
Unrealized gain (loss) on available-for-sale securities	1	(7)
Unrealized (loss) on hedging activities, net of noncontrolling interest	(2,354)	(13,050)
Accumulated other comprehensive income (loss)	$3,334	$(8,425)

NOTE 13: Retirement Plan

We sponsor a non-contributory defined benefit retirement plan that covers certain employees and is fully frozen. In 2012, our Compensation Committee, pursuant to authority delegated to it by the Board of Directors, approved the termination of the HollyFrontier Corporation Pension Plan (the "Plan"). Accordingly, our remaining liability under the Plan is expected to be funded in 2013. Our actual obligations under the Plan are contingent upon the timing of the pension plan termination as well as participant settlement obligations. We expect to record an additional expense on termination of the Plan at the date we are released from the liability, including the amount of actuarial loss currently recorded as accumulated other comprehensive income ($37.6 million, $23.0 million after-tax) at March 31, 2013 plus an amount equal to any contribution we make to the Plan in excess of the $19.3 million accrued pension liability we have recorded at March 31, 2013.

The net periodic pension expense consisted of the following components:

	Three Months Ended March 31,	
	2013	2012
	(In thousands)	
Service cost – benefit earned during the period	$—	$170
Interest cost on projected benefit obligations	899	991
Expected return on plan assets	(46)	(950)
Amortization of prior service cost	—	17
Amortization of net loss	693	483
Estimated effect of curtailment	—	225
Net periodic pension expense	$1,546	$936

The expected long-term annual rate of return on plan assets is 0.25%, which is the rate used in measuring 2013 net periodic benefit costs.

In 2012, we established a program for plan participants whose benefits pursuant to the defined benefit plan were frozen. The program provides for payments after year-end for each of the next three years provided the employee remains with us. The payments are based on each employee's years of service and eligible salary. For the three months ended March 31, 2013 and 2012, we recognized transition benefit costs of $2.9 million and $3.4 million, respectively, associated with transition to the new defined contribution plan.

We have a post-retirement healthcare and other benefits plan that is available to certain of our employees who satisfy certain age and service requirements.The net periodic benefit expense of this plan consisted of the following components:

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HOLLYFRONTIER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) Continued

	Three Months Ended March 31,	
	2013	2012
	(In thousands)	
Service cost – benefit earned during the period	$278	$475
Interest cost on projected benefit obligations	159	875
Amortization of prior service credit	(1,474)	(550)
Amortization of net loss	31	75
Actuarial loss on post-retirement healthcare plan reclassified to net income upon partial plan settlement	1,726	—
Net periodic pension expense	$720	$875

In the first quarter of 2013, we settled a portion of our post-retirement medical obligation. Upon settlement, we reclassified a $1.7 million pretax loss out of accumulated other comprehensive income that was recognized as a charge to net income.

NOTE 14: Contingencies

We are a party to various litigation and legal proceedings which we believe, based on advice of counsel, will not either individually or in the aggregate have a materially adverse effect on our financial condition, results of operations or cash flows.

NOTE 15: Segment Information

Our operations are organized into two reportable segments, Refining and HEP. Our operations that are not included in the Refining and HEP segments are included in Corporate and Other. Intersegment transactions are eliminated in our consolidated financial statements and are included in Consolidations and Eliminations.

The Refining segment represents the operations of the El Dorado, Tulsa, Navajo, Cheyenne and Woods Cross Refineries and NK Asphalt (aggregated as a reportable segment). Refining activities involve the purchase and refining of crude oil and wholesale and branded marketing of refined products, such as gasoline, diesel fuel and jet fuel. These petroleum products are primarily marketed in the Mid-Continent, Southwest and Rocky Mountain regions of the United States. Additionally, the Refining segment includes specialty lubricant products produced at our Tulsa Refineries that are marketed throughout North America and are distributed in Central and South America. NK Asphalt operates various asphalt terminals in Arizona and New Mexico.

The HEP segment includes all of the operations of HEP, a consolidated VIE, which owns and operates logistics assets consisting of petroleum product and crude oil pipelines and terminal, tankage and loading rack facilities in the Mid-Continent, Southwest and Rocky Mountain regions of the United States. The HEP segment also includes a 75% interest in UNEV (a consolidated subsidiary of HEP) and a 25% interest in the SLC Pipeline. Revenues from the HEP segment are earned through transactions with unaffiliated parties for pipeline transportation, rental and terminalling operations as well as revenues relating to pipeline transportation services provided for our refining operations. Our revaluation of HEP's assets and liabilities at March 1, 2008 (date of reconsolidation) resulted in basis adjustments to our consolidated HEP balances. Therefore, our reported amounts for the HEP segment may not agree to amounts reported in HEP's periodic public filings.

The accounting policies for our segments are the same as those described in the summary of significant accounting policies in our Annual Report on Form 10-K for the year ended December 31, 2012.

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HOLLYFRONTIER CORPORATION
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(Unaudited) Continued

	Refining	HEP [1]	Corporate and Other	Consolidations and Eliminations	Consolidated Total
	(In thousands)				
Three Months Ended March 31, 2013					
Sales and other revenues	$4,692,426	$76,484	$563	$(61,684)	$4,707,789
Depreciation and amortization	$57,170	$13,749	$1,050	$(207)	$71,762
Income (loss) from operations	$542,202	$33,474	$(25,972)	$(509)	$549,195
Capital expenditures	$63,632	$5,013	$3,319	$—	$71,964
Three Months Ended March 31, 2012					
Sales and other revenues	$4,919,737	$67,577	$156	$(55,732)	$4,931,738
Depreciation and amortization	$41,721	$13,395	$1,193	$(207)	$56,102
Income (loss) from operations	$414,943	$32,113	$(26,975)	$(517)	$419,564
Capital expenditures	$45,534	$14,254	$1,599	$—	$61,387
March 31, 2013					
Cash, cash equivalents and investments in marketable securities	$20	$18,193	$2,524,923	$—	$2,543,136
Total assets	$6,946,525	$1,428,372	$2,671,573	$(350,298)	$10,696,172
Long-term debt	$—	$811,913	$487,092	$(15,760)	$1,283,245
December 31, 2012					
Cash, cash equivalents and investments in marketable securities	$2,101	$5,237	$2,386,063	$—	$2,393,401
Total assets	$6,702,872	$1,426,800	$2,531,967	$(332,642)	$10,328,997
Long-term debt	$—	$864,673	$487,472	$(15,907)	$1,336,238

(1) HEP acquired our 75% interest in UNEV in July 2012. As a result, we have recast our HEP segment information for the three months ended March 31, 2012 to include the UNEV Pipeline operations as a consolidated subsidiary of HEP. The UNEV Pipeline operations were previously presented under Corporate and Other.

HEP segment revenues from external customers were $12.9 million and $11.9 million for the three months ended March 31, 2013 and 2012, respectively.

NOTE 16: Supplemental Guarantor/Non-Guarantor Financial Information

Our obligations under the HollyFrontier Senior Notes have been jointly and severally guaranteed by the substantial majority of our existing and future restricted subsidiaries (“Guarantor Restricted Subsidiaries”). These guarantees are full and unconditional. HEP, in which we have a 39% ownership interest at March 31, 2013, and its subsidiaries (collectively, “Non-Guarantor Non-Restricted Subsidiaries”), and certain of our other subsidiaries (“Non-Guarantor Restricted Subsidiaries”) have not guaranteed these obligations.

The following condensed consolidating financial information is provided for HollyFrontier Corporation (the “Parent”), the Guarantor Restricted Subsidiaries, the Non-Guarantor Restricted Subsidiaries and the Non-Guarantor

Non-Restricted Subsidiaries. The information has been presented as if the Parent accounted for its ownership in the Guarantor Restricted Subsidiaries, and the Guarantor Restricted Subsidiaries accounted for the ownership of the Non-Guarantor Restricted Subsidiaries and Non-Guarantor Non-Restricted Subsidiaries, using the equity method of accounting. The Guarantor Restricted Subsidiaries and the Non-Guarantor Restricted Subsidiaries are collectively the "Restricted Subsidiaries."

HEP acquired our 75% interest in UNEV in July 2012. As a result, we have recast our HEP segment information for the three months ended March 31, 2012 to include the UNEV Pipeline operations as a consolidated subsidiary of HEP. UNEV was previously presented as a Non-Guarantor Restricted Subsidiary.

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HOLLYFRONTIER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) Continued

Condensed Consolidating Balance Sheet

March 31, 2013	Parent	Guarantor Restricted Subsidiaries	Non-Guarantor Restricted Subsidiaries	Eliminations	HollyFrontier Corp. Before Consolidation of HEP	Non-Guarantor Non-Restricted Subsidiaries (HEP Segment)	Eliminations	Consolidated
	(In thousands)							
ASSETS								
Current assets:								
Cash and cash equivalents	$1,854,247	$—	$2	$—	$1,854,249	$18,193	$—	$1,872,442
Marketable securities	665,685	9	—	—	665,694	—	—	665,694
Accounts receivable, net	4,766	650,601	7,763	—	663,130	37,129	(43,735)	656,524
Intercompany accounts receivable (payable)	(765,537)	499,248	266,289	—	—	—	—	—
Inventories	—	1,469,309	—	—	1,469,309	1,491	—	1,470,800
Income taxes receivable	37,904	—	—	—	37,904	—	—	37,904
Prepayments and other	22,859	39,266	—	—	62,125	1,984	(4,163)	59,946
Total current assets	1,819,924	2,658,433	274,054	—	4,752,411	58,797	(47,898)	4,763,310
Properties, plants and equip, net	25,019	2,468,535	—	—	2,493,554	1,005,577	(284,933)	3,214,198
Marketable securities (long-term)	5,000	—	—	—	5,000	—	—	5,000
Investment in subsidiaries	5,909,650	175,693	—	(6,085,343)	—	—	—	—
Intangibles and other assets	17,096	2,334,619	40,418	(25,000)	2,367,133	363,998	(17,467)	2,713,664
Total assets	$7,776,689	$7,637,280	$314,472	$(6,110,343)	$9,618,098	$1,428,372	$(350,298)	$10,696,172
LIABILITIES AND EQUITY								
Current liabilities:								
Accounts payable	$68,099	$1,294,946	$—	$—	$1,363,045	$12,346	$(35,972)	$1,339,419
	151,403	—	—	—	151,403	—	—	151,403

Income taxes payable								
Accrued liabilities	52,552	63,281	1,200	—	117,033	14,135	(4,163)	127,005
Deferred income tax liabilities	149,127	—	—	—	149,127	—	—	149,127
Total current liabilities	421,181	1,358,227	1,200	—	1,780,608	26,481	(40,135)	1,766,954
Long-term debt	460,374	35,958	—	(25,000)	471,332	811,913	—	1,283,245
Liability to HEP	—	254,789	—	—	254,789	—	(254,789)	—
Deferred income tax liabilities	549,151	—	—	—	549,151	4,951	—	554,102
Other long-term liabilities	57,168	78,656	—	—	135,824	30,193	(3,193)	162,824
Investment in HEP	—	—	137,579	—	137,579	—	(137,579)	—
Equity – HollyFrontier	6,288,815	5,909,650	175,693	(6,085,343)	6,288,815	453,256	(456,278)	6,285,793
Equity – noncontrolling interest	—	—	—	—	—	101,578	541,676	643,254
Total liabilities and equity	$7,776,689	$7,637,280	$314,472	$(6,110,343)	$9,618,098	$1,428,372	$(350,298)	$10,696,172

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HOLLYFRONTIER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) Continued

Condensed Consolidating Balance Sheet

December 31, 2012	Parent	Guarantor Restricted Subsidiaries	Non-Guarantor Restricted Subsidiaries	Eliminations	HollyFrontier Corp. Before Consolidation of HEP	Non-Guarantor Non-Restricted Subsidiaries (HEP Segment)	Eliminations	Consolidated
	(In thousands)							
ASSETS								
Current assets:								
Cash and cash equivalents	$1,748,808	$3,652	$2	$—	$1,752,462	$5,237	$—	$1,757,699
Marketable securities	630,579	7	—	—	630,586	—	—	630,586
Accounts receivable, net	4,788	627,262	—	—	632,050	38,097	(35,917)	634,230
Intercompany accounts receivable (payable)	(546,655)	285,291	261,364	—	—	—	—	—
Inventories	—	1,318,373	—	—	1,318,373	1,259	—	1,319,632
Income taxes receivable	74,957	—	—	—	74,957	—	—	74,957
Prepayments and other	21,867	34,667	—	—	56,534	2,360	(5,733)	53,161
Total current assets	1,934,344	2,269,252	261,366	—	4,464,962	46,953	(41,650)	4,470,265
Properties, plants and equip, net	24,209	2,444,398	—	—	2,468,607	1,014,556	(288,463)	3,194,700
Marketable securities (long-term)	5,116	—	—	—	5,116	—	—	5,116
Investment in subsidiaries	5,251,396	74,120	—	(5,325,516)	—	—	—	—
Intangibles and other assets	11,825	2,284,329	25,000	(25,000)	2,296,154	365,291	(2,529)	2,658,916
Total assets	$7,226,890	$7,072,099	$286,366	$(5,350,516)	$9,234,839	$1,426,800	$(332,642)	$10,328,997
LIABILITIES AND EQUITY								
Current liabilities:								
Accounts payable	$1,941	$1,336,097	$—	$—	$1,338,038	$12,030	$(35,917)	$1,314,151
	—	—	—	—	—	—	—	—

Income taxes payable								
Accrued liabilities	71,226	105,298	581	—	177,105	23,705	(5,733)	195,077
Deferred income tax liabilities	145,225	—	(9)	—	145,216	—	—	145,216
Total current liabilities	218,392	1,441,395	572	—	1,660,359	35,735	(41,650)	1,654,444
Long-term debt	460,254	36,311	—	(25,000)	471,565	864,673	—	1,336,238
Liability to HEP	—	257,777	—	—	257,777	—	(257,777)	—
Deferred income tax liabilities	530,544	—	1,175	—	531,719	—	4,951	536,670
Other long-term liabilities	48,757	85,220	—	—	133,977	28,683	(3,673)	158,987
Investment in HEP	—	—	210,499	—	210,499	—	(210,499)	—
Equity – HollyFrontier	5,968,943	5,251,396	74,120	(5,325,516)	5,968,943	382,207	(298,196)	6,052,954
Equity – noncontrolling interest	—	—	—	—	—	115,502	474,202	589,704
Total liabilities and equity	$7,226,890	$7,072,099	$286,366	$(5,350,516)	$9,234,839	$1,426,800	$(332,642)	$10,328,997

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HOLLYFRONTIER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) Continued

Condensed Consolidating Statement of Income and Comprehensive Income

Three Months Ended March 31, 2013	Parent	Guarantor Restricted Subsidiaries	Non-Guarantor Restricted Subsidiaries	Eliminations	HollyFrontier Corp. Before Consolidation of HEP	Non-Guarantor Non-Restricted Subsidiaries (HEP Segment)	Eliminations	Consolidated
	(In thousands)							
Sales and other revenues	$531	$4,692,426	$32	$—	$4,692,989	$76,484	$(61,684)	$4,707,789
Operating costs and expenses:								
Cost of products sold	—	3,853,128	(92)	133	3,853,169	—	(60,634)	3,792,535
Operating expenses	—	239,423	(19)	—	239,404	26,029	(334)	265,099
General and administrative	24,131	1,775	60	—	25,966	3,232	—	29,198
Depreciation and amortization	926	60,620	—	—	61,546	13,749	(3,533)	71,762
Total operating costs and expenses	25,057	4,154,946	(51)	133	4,180,085	43,010	(64,501)	4,158,594
Income (loss) from operations	(24,526)	537,480	83	(133)	512,904	33,474	2,817	549,195
Other income (expense):								
Earnings of equity method investments	550,891	11,614	11,992	(563,103)	11,394	657	(11,992)	59
Interest income (expense)	(7,221)	1,797	137	152	(5,135)	(12,382)	(2,272)	(19,789)
	543,670	13,411	12,129	(562,951)	6,259	(11,725)	(14,264)	(19,730)
Income before income taxes	519,144	550,891	12,212	(563,084)	519,163	21,749	(11,447)	529,465
Income tax provision	186,039	—	—	—	186,039	55	—	186,094
Net income	333,105	550,891	12,212	(563,084)	333,124	21,694	(11,447)	343,371
Less net income attributable to noncontrolling interest	—	—	—	—	—	2,890	6,812	9,702
Net income attributable to	$333,105	$550,891	$12,212	$(563,084)	$333,124	$18,804	$(18,259)	$333,669

HollyFrontier stockholders Comprehensive income attributable to HollyFrontier stockholders	$344,864	$568,396	$12,831	$(581,208)	$344,883	$19,423	$(18,878)	$345,428

Condensed Consolidating Statement of Income and Comprehensive Income

Three Months Ended March 31, 2012	Parent	Guarantor Restricted Subsidiaries	Non-Guarantor Restricted Subsidiaries	Eliminations	HollyFrontier Corp. Before Consolidation of HEP	Non-Guarantor Non-Restricted Subsidiaries (HEP Segment)	Eliminations	Consolidated
	(In thousands)							
Sales and other revenues	$99	$4,919,737	$57	$—	$4,919,893	$67,577	$(55,732)	$4,931,738
Operating costs and expenses:								
Cost of products sold	—	4,241,301	—	491	4,241,792	—	(54,875)	4,186,917
Operating expenses	—	222,115	—	(385)	221,730	20,030	(133)	241,627
General and administrative	24,973	501	15	—	25,489	2,039	—	27,528
Depreciation and amortization	1,103	45,174	—	—	46,277	13,395	(3,570)	56,102
Total operating costs and expenses	26,076	4,509,091	15	106	4,535,288	35,464	(58,578)	4,512,174
Income (loss) from operations	(25,977)	410,646	42	(106)	384,605	32,113	2,846	419,564
Other income (expense):								
Earnings of equity method investments	421,061	8,502	8,375	(429,677)	8,261	831	(8,375)	717
Interest income (expense)	(14,023)	1,913	199	504	(11,407)	(19,170)	(2,278)	(32,855)
	407,038	10,415	8,574	(429,173)	(3,146)	(18,339)	(10,653)	(32,138)
Income before income taxes	381,061	421,061	8,616	(429,279)	381,459	13,774	(7,807)	387,426
Income tax provision	140,331	—	—	—	140,331	75	—	140,406
Net income	240,730	421,061	8,616	(429,279)	241,128	13,699	(7,807)	247,020
Less net income attributable to noncontrolling interest	—	—	—	—	—	(557)	5,881	5,324
	$240,730	$421,061	$8,616	$(429,279)	$241,128	$14,256	$(13,688)	$241,696

Net income attributable to HollyFrontier stockholders								
Comprehensive income attributable to HollyFrontier stockholders	$145,436	$264,909	$9,000	$(273,511)	$145,834	$14,640	$(14,072)	$146,402

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HOLLYFRONTIER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) Continued

Condensed Consolidating Statement of Cash Flows

Three Months Ended March 31, 2013	Parent	Guarantor Restricted Subsidiaries	Non-Guarantor Restricted Subsidiaries	HollyFrontier Corp. Before Consolidation of HEP	Non-Guarantor Non-Restricted Subsidiaries (HEP Segment)	Eliminations	Consolidated
	(In thousands)						
Cash flows from operating activities	$ 176,731	$ 58,316	$ 1,499	$ 236,546	$ 29,438	$ (17,421)	$ 248,563
Cash flows from investing activities							
Additions to properties, plants and equip	(1,736)	(65,215)	—	(66,951)	—	—	(66,951)
Additions to properties, plants and equip – HEP	—	—	—	—	(5,013)	—	(5,013)
Proceeds from sale of property	—	—	—	—	2,290	—	2,290
Purchases of marketable securities	(178,251)	—	—	(178,251)	—	—	(178,251)
Sales and maturities of marketable securities	143,280	—	—	143,280	—	—	143,280
	(36,707)	(65,215)	—	(101,922)	(2,723)	—	(104,645)
Cash flows from financing activities							
Net repayments under credit agreement – HEP	—	—	—	—	(53,000)	—	(53,000)
Proceeds from sale of HEP common units	73,444	—	—	73,444	—	—	73,444
Proceeds from common unit offerings - HEP	—	—	—	—	73,444	—	73,444
Purchase of treasury stock	(6,610)	—	—	(6,610)	—	—	(6,610)
Contribution from general partner	—	—	(1,499)	(1,499)	1,499	—	—
Dividends	(102,163)	—	—	(102,163)	—	—	(102,163)
Distributions to noncontrolling interest	—	—	—	—	(32,709)	17,421	(15,288)
Excess tax benefit from equity-based compensation	744	—	—	744	—	—	744
Purchase of units for incentive grants - HEP	—	—	—	—	(2,719)	—	(2,719)
Other	—	3,247	—	3,247	(274)	—	2,973
	(34,585)	3,247	(1,499)	(32,837)	(13,759)	17,421	(29,175)

Cash and cash equivalents							
Increase (decrease) for the period	105,439	(3,652)	—	101,787	12,956	—	114,743
Beginning of period	1,748,808	3,652	2	1,752,462	5,237	—	1,757,699
End of period	$ 1,854,247	$ —	$ 2	$ 1,854,249	$ 18,193	$ —	$ 1,872,442

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HOLLYFRONTIER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) Continued

Condensed Consolidating Statement of Cash Flows

Three Months Ended March 31, 2012	Parent	Guarantor Restricted Subsidiaries	Non-Guarantor Restricted Subsidiaries	HollyFrontier Corp. Before Consolidation of HEP	Non-Guarantor Non-Restricted Subsidiaries (HEP Segment)	Eliminations	Consolidated
	(In thousands)						
Cash flows from operating activities	$253,124	$ (3,659)	$ —	$ 249,465	$ 19,296	$ (14,856)	$253,905
Cash flows from investing activities:							
Additions to properties, plants and equip	(1,019)	(46,114)	—	(47,133)	—	—	(47,133)
Additions to properties, plants and equip – HEP	—	—	—	—	(14,254)	—	(14,254)
Investment in Sabine Biofuels	—	(1,200)	—	(1,200)	—	—	(1,200)
Purchases of marketable securities	(106,573)	—	—	(106,573)	—	—	(106,573)
Sales and maturities of marketable securities	100,480	—	—	100,480	—	—	100,480
	(7,112)	(47,314)	—	(54,426)	(14,254)	—	(68,680)
Cash flows from financing activities:							
Net borrowings under credit agreement – HEP	—	—	—	—	(45,000)	—	(45,000)
Repayment of promissory notes	—	72,900	—	72,900	(72,900)	—	—
Net proceeds from issuance of senior notes - HEP	—	—	—	—	294,750	—	294,750
Principal tender on senior notes - HEP	—	—	—	—	(157,761)	—	(157,761)
Purchase of treasury stock	(62,532)	—	—	(62,532)	—	—	(62,532)
Contribution from joint venture partner	—	(9,000)	—	(9,000)	14,500	—	5,500
Dividends	(126,019)	—	—	(126,019)	—	—	(126,019)
Distributions to noncontrolling interest	—	—	—	—	(29,716)	15,325	(14,391)
Excess tax benefit from equity-based compensation	3,792	—	—	3,792	—	—	3,792
	—	—	—	—	(1,283)	—	(1,283)

Purchase of units for restricted grants - HEP							
Deferred financing costs	—	—	—	—	(1,123)	—	(1,123)
Other	—	(313)	—	(313)	270	(469)	(512)
	(184,759)	63,587	—	(121,172)	1,737	14,856	(104,579)
Cash and cash equivalents							
Increase (decrease) for the period:	61,253	12,614	—	73,867	6,779	—	80,646
Beginning of period	1,575,891	(3,358)	2	1,572,535	6,369	—	1,578,904
End of period	$ 1,637,144	$ 9,256	$ 2	$ 1,646,402	$ 13,148	$ —	$ 1,659,550

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Item 2 contains "forward-looking" statements. See "Forward-Looking Statements" at the beginning of Part I of this Quarterly Report on Form 10-Q. References herein to HollyFrontier Corporation ("HollyFrontier") include HollyFrontier and its consolidated subsidiaries. In accordance with the Securities and Exchange Commission's ("SEC") "Plain English" guidelines, this Quarterly Report on Form 10-Q has been written in the first person. In this document, the words "we," "our," "ours" and "us" refer only to HollyFrontier and its consolidated subsidiaries or to HollyFrontier or an individual subsidiary and not to any other person, with certain exceptions. Generally, the words "we," "our," "ours" and "us" include Holly Energy Partners, L.P. ("HEP") and its subsidiaries as consolidated subsidiaries of HollyFrontier, unless when used in disclosures of transactions or obligations between HEP and HollyFrontier or its other subsidiaries. This document contains certain disclosures of agreements that are specific to HEP and its consolidated subsidiaries and do not necessarily represent obligations of HollyFrontier. When used in descriptions of agreements and transactions, "HEP" refers to HEP and its consolidated subsidiaries.

OVERVIEW

We are principally an independent petroleum refiner that produces high-value refined products such as gasoline, diesel fuel, jet fuel, specialty lubricant products, and specialty and modified asphalt. We own and operate refineries having a combined crude oil processing capacity of 443,000 barrels per day that serve markets throughout the Mid-Continent, Southwest and Rocky Mountain regions of the United States. Our refineries are located in El Dorado, Kansas (the "El Dorado Refinery"), Tulsa, Oklahoma (the, "Tulsa Refineries"), which comprise two production facilities, the Tulsa West and East facilities, a petroleum refinery in Artesia, New Mexico, which operates in conjunction with crude, vacuum distillation and other facilities situated 65 miles away in Lovington, New Mexico (collectively, the "Navajo Refinery"), Cheyenne, Wyoming (the, "Cheyenne Refinery") and Woods Cross, Utah (the "Woods Cross Refinery").

Our discussion of financial and operating results for the three months ended March 31, 2013 and 2012 is presented in the following section.

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RESULTS OF OPERATIONS

Financial Data (Unaudited)

	Three Months Ended March 31,		Change from 2012	
	2013	2012	Change	Percent
	(In thousands, except per share data)			
Sales and other revenues	$4,707,789	$4,931,738	$(223,949)	(5)%
Operating costs and expenses:				
Cost of products sold (exclusive of depreciation and amortization)	3,792,535	4,186,917	(394,382)	(9)
Operating expenses (exclusive of depreciation and amortization)	265,099	241,627	23,472	10
General and administrative expenses (exclusive of depreciation and amortization)	29,198	27,528	1,670	6
Depreciation and amortization	71,762	56,102	15,660	28
Total operating costs and expenses	4,158,594	4,512,174	(353,580)	(8)
Income from operations	549,195	419,564	129,631	31
Other income (expense):				
Earnings of equity method investments	59	717	(658)	(92)
Interest income	1,531	460	1,071	233
Interest expense	(21,320)	(33,315)	11,995	(36)
	(19,730)	(32,138)	12,408	(39)
Income before income taxes	529,465	387,426	142,039	37
Income tax provision	186,094	140,406	45,688	33
Net income	343,371	247,020	96,351	39
Less net income attributable to noncontrolling interest	9,702	5,324	4,378	82
Net income attributable to HollyFrontier stockholders	$333,669	$241,696	$91,973	38 %
Earnings per share attributable to HollyFrontier stockholders:				
Basic	$1.64	$1.16	$0.48	41 %
Diluted	$1.63	$1.16	$0.47	41 %
Cash dividends declared per common share	$0.80	$0.60	$0.20	33 %
Average number of common shares outstanding:				
Basic	203,515	208,531	(5,016)	(2)%
Diluted	204,217	209,138	(4,921)	(2)%

Balance Sheet Data

	March 31, 2013	December 31, 2012
	(Unaudited)	
	(In thousands)	
Cash, cash equivalents and investments in marketable securities	$2,543,136	$2,393,401
Working capital	$2,996,356	$2,815,821
Total assets	$10,696,172	$10,328,997
Long-term debt	$1,283,245	$1,336,238
Total equity	$6,929,047	$6,642,658

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Other Financial Data (Unaudited)

	Three Months Ended March 31,	
	2013	2012
	(In thousands)	
Net cash provided by operating activities	$248,563	$253,905
Net cash used for investing activities	$(104,645)	$(68,680)
Net cash used for financing activities	$(29,175)	$(104,579)
Capital expenditures	$71,964	$61,387
EBITDA [(1)]	$611,314	$471,059

(1) Earnings before interest, taxes, depreciation and amortization, which we refer to as "EBITDA", is calculated as net income plus (i) interest expense, net of interest income, (ii) income tax provision, and (iii) depreciation and amortization. EBITDA is not a calculation provided for under GAAP; however, the amounts included in the EBITDA calculation are derived from amounts included in our consolidated financial statements. EBITDA should not be considered as an alternative to net income or operating income as an indication of our operating performance or as an alternative to operating cash flow as a measure of liquidity. EBITDA is not necessarily comparable to similarly titled measures of other companies. EBITDA is presented here because it is a widely used financial indicator used by investors and analysts to measure performance. EBITDA is also used by our management for internal analysis and as a basis for financial covenants. EBITDA presented above is reconciled to net income under "Reconciliations to Amounts Reported Under Generally Accepted Accounting Principles" following Item 3 of Part I of this Form 10-Q.

Our operations are organized into two reportable segments, Refining and HEP. See Note 15 "Segment Information" in the Notes to Consolidated Financial Statements for additional information on our reportable segments.

Refining Operating Data (Unaudited)

The following tables set forth information, including non-GAAP performance measures, about our refinery operations. The cost of products and refinery gross margin do not include the effect of depreciation and amortization. Reconciliations to amounts reported under GAAP are provided under "Reconciliations to Amounts Reported Under Generally Accepted Accounting Principles" following Item 3 of Part I of this Form 10-Q.

	Three Months Ended March 31,	
	2013	2012
Mid-Continent Region (El Dorado and Tulsa Refineries)		
Crude charge (BPD) [(1)]	240,480	256,270
Refinery throughput (BPD) [(2)]	267,020	272,790
Refinery production (BPD) [(3)]	260,210	268,260
Sales of produced refined products (BPD)	242,560	259,060
Sales of refined products (BPD) [(4)]	253,750	264,390
Refinery utilization [(5)]	92.5 %	98.6 %
Average per produced barrel [(6)]		
Net sales	$116.55	$119.99
Cost of products [(7)]	93.90	102.20
Refinery gross margin	22.65	17.79
Refinery operating expenses [(8)]	5.84	4.81
Net operating margin	$16.81	$12.98

Refinery operating expenses per throughput barrel [9]	$5.31		$4.57	
Feedstocks:				
Sweet crude oil	72	%	70	%
Sour crude oil	5	%	9	%
Heavy sour crude oil	13	%	15	%
Other feedstocks and blends	10	%	6	%
Total	100	%	100	%

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	Three Months Ended March 31,			
	2013		2012	
Mid-Continent Region (El Dorado and Tulsa Refineries)				
Sales of produced refined products:				
Gasolines	47	%	47	%
Diesel fuels	31	%	32	%
Jet fuels	9	%	9	%
Fuel oil	1	%	—	%
Asphalt	4	%	1	%
Lubricants	3	%	5	%
Gas oil / intermediates	—	%	1	%
LPG and other	5	%	5	%
Total	100	%	100	%
Southwest Region (Navajo Refinery)				
Crude charge (BPD) (1)	71,220		81,140	
Refinery throughput (BPD) (2)	80,100		90,400	
Refinery production (BPD) (3)	74,190		87,060	
Sales of produced refined products (BPD)	71,160		87,250	
Sales of refined products (BPD) (4)	89,820		93,130	
Refinery utilization (5)	71.2	%	81.1	%
Average per produced barrel (6)				
Net sales	$121.97		$125.91	
Cost of products (7)	94.77		106.37	
Refinery gross margin	27.20		19.54	
Refinery operating expenses (8)	8.06		6.67	
Net operating margin	$19.14		$12.87	
Refinery operating expenses per throughput barrel (9)	$7.16		$6.44	
Feedstocks:				
Sour crude oil	80	%	81	%
Heavy sour crude oil	10	%	9	%
Other feedstocks and blends	10	%	10	%
Total	100	%	100	%
Sales of produced refined products:				
Gasolines	52	%	54	%
Diesel fuels	37	%	36	%
Fuel oil	7	%	5	%
Asphalt	1	%	2	%
LPG and other	3	%	3	%
Total	100	%	100	%
Rocky Mountain Region (Cheyenne and Woods Cross Refineries)				
Crude charge (BPD) (1)	68,920		70,240	
Refinery throughput (BPD) (2)	74,190		78,740	
Refinery production (BPD) (3)	72,870		77,200	
Sales of produced refined products (BPD)	72,390		76,640	
Sales of refined products (BPD) (4)	78,540		79,320	

Refinery utilization (5)	83.0 %	84.6 %

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	Three Months Ended March 31,			
	2013		2012	
Rocky Mountain Region (Cheyenne and Woods Cross Refineries)				
Average per produced barrel [6]				
Net sales	$108.26		$110.76	
Cost of products [7]	86.54		96.79	
Refinery gross margin	21.72		13.97	
Refinery operating expenses [8]	8.11		6.57	
Net operating margin	$13.61		$7.40	
Refinery operating expenses per throughput barrel [9]	$7.91		$6.39	
Feedstocks:				
Sweet crude oil	44	%	45	%
Sour crude oil	1	%	2	%
Heavy sour crude oil	34	%	31	%
Black wax crude oil	14	%	11	%
Other feedstocks and blends	7	%	11	%
Total	100	%	100	%
Sales of produced refined products:				
Gasolines	59	%	56	%
Diesel fuels	27	%	30	%
Jet fuels	—	%	1	%
Fuel oil	1	%	2	%
Asphalt	7	%	5	%
LPG and other	6	%	6	%
Total	100	%	100	%
Consolidated				
Crude charge (BPD) [1]	380,620		407,650	
Refinery throughput (BPD) [2]	421,310		441,930	
Refinery production (BPD) [3]	407,270		432,520	
Sales of produced refined products (BPD)	386,110		422,950	
Sales of refined products (BPD) [4]	422,110		436,840	
Refinery utilization [5]	85.9	%	92.0	%
Average per produced barrel [6]				
Net sales	$116.00		$119.54	
Cost of products [7]	92.68		102.08	
Refinery gross margin	23.32		17.46	
Refinery operating expenses [8]	6.68		5.51	
Net operating margin	$16.64		$11.95	
Refinery operating expenses per throughput barrel [9]	$6.12		$5.28	
Feedstocks:				
Sweet crude oil	53	%	52	%
Sour crude oil	19	%	22	%
Heavy sour crude oil	16	%	16	%

Black wax crude oil	2	%	2	%
Other feedstocks and blends	10	%	8	%
Total	100	%	100	%

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	Three Months Ended March 31, 2013		2012	
Consolidated				
Sales of produced refined products:				
Gasolines	50	%	50	%
Diesel fuels	31	%	32	%
Jet fuels	6	%	6	%
Fuel oil	2	%	2	%
Asphalt	4	%	2	%
Lubricants	2	%	3	%
LPG and other	5	%	5	%
Total	100	%	100	%

(1) Crude charge represents the barrels per day of crude oil processed at our refineries.
(2) Refinery throughput represents the barrels per day of crude and other refinery feedstocks input to the crude units and other conversion units at our refineries.
(3) Refinery production represents the barrels per day of refined products yielded from processing crude and other refinery feedstocks through the crude units and other conversion units at our refineries.
(4) Includes refined products purchased for resale.
(5) Represents crude charge divided by total crude capacity (BPSD). Our consolidated crude capacity is 443,000 BPSD.
(6) Represents average per barrel amount for produced refined products sold, which is a non-GAAP measure. Reconciliations to amounts reported under GAAP are provided under "Reconciliations to Amounts Reported Under Generally Accepted Accounting Principles" following Item 3 of Part I of this Form 10-Q.
(7) Transportation, terminal and refinery storage costs billed from HEP are included in cost of products.
(8) Represents operating expenses of our refineries, exclusive of depreciation and amortization.
(9) Represents refinery operating expenses, exclusive of depreciation and amortization, divided by refinery throughput.

Results of Operations – Three Months Ended March 31, 2013 Compared to Three Months Ended March 31, 2012

Summary

Net income attributable to HollyFrontier stockholders for the three months ended March 31, 2013 was $333.7 million ($1.64 per basic and $1.63 per diluted share), a $92.0 million increase compared to $241.7 million ($1.16 per basic and diluted share) for the three months ended March 31, 2012. Net income increased due principally to higher year-over-year first quarter refining margins. Refinery gross margins for the three months ended March 31, 2013 increased to $23.32 per produced barrel from $17.46 for the three months ended March 31, 2012.

Sales and Other Revenues

Sales and other revenues decreased 5% from $4,931.7 million for the three months ended March 31, 2012 to $4,707.8 million for the three months ended March 31, 2013 on lower year-over-year first quarter sales prices and volumes of refined products sold. The average sales price we received per produced barrel sold was $119.54 for the three months ended March 31, 2012 compared to $116.00 for the three months ended March 31, 2013. Additionally, refinery production and corresponding sales volumes of produced refined products were down due to planned turnaround and maintenance projects at our El Dorado and Navajo Refineries. Sales and other revenues for the three months ended March 31, 2013 and 2012 include $12.9 million and $11.9 million, respectively, in HEP revenues attributable to pipeline and transportation services provided to unaffiliated parties.

Cost of Products Sold

Cost of products sold decreased 9% from $4,186.9 million for the three months ended March 31, 2012 to $3,792.5 million for the three months ended March 31, 2013, due principally to lower crude oil costs and sales volumes. The average price we paid per barrel for crude oil and feedstocks and the transportation costs of moving the finished products to the market place decreased 9% from $102.08 for the three months ended March 31, 2012 to $92.68 for the three months ended March 31, 2013.

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Cost of products sold for the three months ended March 31, 2013 includes $18.2 million in costs related to renewable fuel credits. We expect to purchase approximately 50% of estimated renewable fuel credits needed to comply with Environmental Protection Agency (“EPA”) renewable fuel standards in 2013. These will be purchased at market prices, which have recently substantially increased and may be affected by many factors including demand and federal regulation, and we cannot accurately predict our future cost of these fuel credits. Increases in the price of these credits could have an adverse effect on our financial condition and results of operations.

Gross Refinery Margins

Gross refinery margin per produced barrel increased 34% from $17.46 for the three months ended March 31, 2012 to $23.32 for the three months ended March 31, 2013. This was due to a larger decrease in crude oil and feedstock prices when compared to the decrease in average per barrel sales prices for refined products sold for the quarter. Gross refinery margin does not include the effects of depreciation and amortization. See “Reconciliations to Amounts Reported Under Generally Accepted Accounting Principles” following Item 3 of Part 1 of this Form 10-Q for a reconciliation to the income statement of prices of refined products sold and cost of products purchased.

Operating Expenses

Operating expenses, exclusive of depreciation and amortization, increased 10% from $241.6 million for the three months ended March 31, 2012 to $265.1 million for the three months ended March 31, 2013 due principally to higher repair and maintenance costs and higher fuel costs during the quarter.

General and Administrative Expenses

General and administrative expenses increased 6% from $27.5 million for the three months ended March 31, 2012 to $29.2 million for the three months ended March 31, 2013 due to higher payroll and other miscellaneous year-over-year cost increases.

Depreciation and Amortization Expenses

Depreciation and amortization increased 28% from $56.1 million for the three months ended March 31, 2012 to $71.8 million for the three months ended March 31, 2013. The increase was due principally to depreciation and amortization attributable to capitalized improvement projects and capitalized refinery turnaround costs.

Interest Expense

Interest expense was $21.3 million for the three months ended March 31, 2013 compared to $33.3 million for the three months ended March 31, 2012. This decrease was due to lower year-over-year debt levels principally as a result of the redemption of our $200 million 8.5% senior notes in September 2012. For the three months ended March 31, 2013 and 2012, interest expense included $12.5 million and $13.0 million, respectively, in interest costs attributable to HEP operations.

Income Taxes

For the three months ended March 31, 2013, we recorded income tax expense of $186.1 million compared to $140.4 million for the three months ended March 31, 2012. This increase is due principally to higher pre-tax earnings during the three months ended March 31, 2013 compared to the same period of 2012. Our effective tax rates, before consideration of earnings attributable to the noncontrolling interest, were 35.1% and 36.2% for the three months ended March 31, 2013 and 2012, respectively.

LIQUIDITY AND CAPITAL RESOURCES

HollyFrontier Credit Agreement

We have a $1 billion senior secured credit agreement (the “HollyFrontier Credit Agreement”) with Union Bank, N.A. as administrative agent and certain lenders from time to time party thereto. The HollyFrontier Credit Agreement matures in July 2016 and may be used to fund working capital requirements, capital expenditures, acquisitions and general corporate purposes. Obligations under the HollyFrontier Credit Agreement are collateralized by our inventory, accounts receivables and certain deposit accounts and guaranteed by our material, wholly-owned subsidiaries. At March 31, 2013, we were in compliance with all covenants, had no outstanding borrowings and had outstanding letters of credit totaling $29.0 million under the HollyFrontier Credit Agreement.

HEP Credit Agreement

HEP has a $550 million senior secured revolving credit facility that matures in June 2017 (the “HEP Credit Agreement”) and is available to fund capital expenditures, investments, acquisitions, distribution payments and working capital and for general partnership purposes. It is also available to fund letters of credit up to a $50 million sub-limit and to fund distributions to unitholders up to a $60 million sub-limit. At March 31, 2013, HEP was in compliance with all of its covenants, had outstanding borrowings of $368.0 million and no outstanding letters of credit under the HEP Credit Agreement

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HEP's obligations under the HEP Credit Agreement are collateralized by substantially all of HEP's assets (presented parenthetically in our consolidated balance sheets). Indebtedness under the HEP Credit Agreement involves recourse to HEP Logistics Holdings, L.P., its general partner, and is guaranteed by HEP's wholly-owned subsidiaries. Any recourse to the general partner would be limited to the extent of HEP Logistics Holdings, L.P.'s assets, which other than its investment in HEP, are not significant. HEP's creditors have no other recourse to our assets. Furthermore, our creditors have no recourse to the assets of HEP and its consolidated subsidiaries.

HollyFrontier Senior Notes
Our senior notes consist of the following:
- 9.875% senior notes ($286.8 million principal amount maturing June 2017)
- 6.875% senior notes ($150 million principal amount maturing November 2018)

These senior notes (collectively the "HollyFrontier Senior Notes") are unsecured and impose certain restrictive covenants, including limitations on our ability to incur additional debt, incur liens, enter into sale-and-leaseback transactions, pay dividends, enter into mergers, sell assets and enter into certain transactions with affiliates. At any time when the HollyFrontier Senior Notes are rated investment grade by both Moody's and Standard & Poor's and no default or event of default exists, we will not be subject to many of the foregoing covenants. Additionally, we have certain redemption rights under the HollyFrontier Senior Notes.

HollyFrontier Financing Obligation
We have a financing obligation that relates to a sale and lease-back of certain crude oil tankage that we sold to an affiliate of Plains All American Pipeline, L.P. ("Plains") in October 2009 for $40.0 million. Monthly lease payments are recorded as a reduction in principal over the 15-year lease term ending in 2024.

HEP Senior Notes
HEP's senior notes consist of the following:

- 8.25% HEP senior notes ($150 million principal amount maturing March 2018)
- 6.5% HEP senior notes ($300 million principal amount maturing March 2020)

The 8.25% and 6.5% HEP senior notes (collectively, the "HEP Senior Notes") are unsecured and impose certain restrictive covenants, including limitations on HEP's ability to incur additional indebtedness, make investments, sell assets, incur certain liens, pay distributions, enter into transactions with affiliates, and enter into mergers. At any time when the HEP Senior Notes are rated investment grade by both Moody's and Standard & Poor's and no default or event of default exists, HEP will not be subject to many of the foregoing covenants. Additionally, HEP has certain redemption rights under the HEP Senior Notes.

Indebtedness under the HEP Senior Notes involves recourse to HEP Logistics Holdings, L.P., its general partner, and is guaranteed by HEP's wholly-owned subsidiaries. However, any recourse to the general partner would be limited to the extent of HEP Logistics Holdings, L.P.'s assets, which other than its investment in HEP, are not significant. HEP's creditors have no other recourse to our assets. Furthermore, our creditors have no recourse to the assets of HEP and its consolidated subsidiaries.

HEP Common Unit Issuance
In March 2013, HEP closed on a public offering of 1,875,000 of its common units. Additionally, our wholly-owned subsidiary, HollyFrontier Holdings LLC, as a selling unitholder, closed on a public sale of 1,875,000 HEP common units held by it. HEP used net proceeds of $73.4 million to to repay indebtedness incurred under its credit facility and for general partnership purposes.

Liquidity
We believe our current cash and cash equivalents, along with future internally generated cash flow and funds available under our credit facilities will provide sufficient resources to fund currently planned capital projects and our liquidity needs for the foreseeable future. In addition, components of our growth strategy include construction of new refinery processing units and the expansion of existing units at our facilities and selective acquisition of complementary assets for our refining operations intended to increase earnings and cash flow.

As of March 31, 2013, our cash, cash equivalents and investments in marketable securities totaled $2.5 billion. We consider all highly-liquid instruments with a maturity of three months or less at the time of purchase to be cash equivalents. Cash equivalents are stated at cost, which approximates market value. These primarily consist of investments in conservative, highly-rated instruments issued by financial institutions, government and corporate entities with strong credit standings and money market funds.

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We have a Board approved stock repurchase program that authorizes us to repurchase common stock in the open market or through privately negotiated transactions. The timing and amount of stock repurchases will depend on market conditions, corporate, regulatory and other relevant considerations. This program may be discontinued at any time by the Board of Directors. As of March 31, 2013, we had remaining authorization to repurchase up to $494.4 million under this stock repurchase program.

Cash and cash equivalents increased $114.7 million for the three months ended March 31, 2013. Cash provided by operating activities of $248.6 million exceeded net cash used for investing and financing activities of $104.6 million and $29.2 million, respectively. Working capital increased by $180.5 million during the three months ended March 31, 2013.

Cash Flows – Operating Activities

Three Months Ended March 31, 2013 Compared to Three Months Ended March 31, 2012
Net cash flows provided by operating activities were $248.6 million for the three months ended March 31, 2013 compared to $253.9 million for the three months ended March 31, 2012, a decrease of $5.3 million. Net income for the three months ended March 31, 2013 was $343.4 million, an increase of $96.4 million compared to $247.0 million for the three months ended March 31, 2012. Non-cash adjustments consisting of depreciation and amortization, deferred income taxes, equity-based compensation expense and fair value changes to derivative instruments resulted in an increase to operating cash flows of $6.1 million for the three months ended March 31, 2013 compared to $75.2 million for the same period in 2012. Changes in working capital items decreased cash flows by $32.0 million for the three months ended March 31, 2013 compared to a decrease of $67.5 million for the three months ended March 31, 2012. Additionally, for the three months ended March 31, 2013, turnaround expenditures increased to $69.8 million from $21.8 million for the same period of 2012.

Cash Flows – Investing Activities and Planned Capital Expenditures

Three Months Ended March 31, 2013 Compared to Three Months Ended March 31, 2012
Net cash flows used for investing activities were $104.6 million for the three months ended March 31, 2013 compared to $68.7 million for the three months ended March 31, 2012, a decrease of $36.0 million. Cash expenditures for properties, plants and equipment for the first three months of 2013 increased to $72.0 million from $61.4 million for the same period in 2012. These include HEP capital expenditures of $5.0 million and $14.3 million for the three months ended March 31, 2013 and 2012, respectively. Also for the three months ended March 31, 2013 and 2012, we invested $178.3 million and $106.6 million, respectively, in marketable securities and received proceeds of $143.3 million and $100.5 million, respectively, from the sale or maturity of marketable securities.

Planned Capital Expenditures

HollyFrontier Corporation
Each year our Board of Directors approves our annual capital budget which includes specific projects that our management is authorized to undertake. Additionally, when conditions warrant or as new opportunities arise, additional projects may be approved. The funds appropriated for a particular capital project may be expended over a period of several years, depending on the time required to complete the project. Therefore, our planned capital expenditures for a given year consist of expenditures appropriated in that year’s capital budget plus expenditures for projects appropriated in prior years which have not yet been completed. Our appropriated capital budget for 2013 is $320.0 million including both sustaining capital and major capital projects. We expect to spend approximately $400.0 million to $450.0 million in cash for capital projects appropriated in 2013 and prior years. This spending is comprised of $130.0 million to $146.0 million at the Woods Cross Refinery, $116.0 million to $130.0 million at the Tulsa

Refineries, $56.0 million to $65.0 million at the El Dorado Refinery, $58.0 million to $61.0 million at the Cheyenne Refinery, $28.0 million to $33.0 million at the Navajo Refinery and $12.0 million to $15.0 million for miscellaneous other projects. In addition, we expect to spend $156.0 million on refinery turnarounds and tank maintenance during 2013.

A significant portion of our current capital spending is associated with compliance-oriented capital improvements. This spending is required due to existing consent decrees (for projects including FCC unit flue gas scrubbers and tail gas treatment units), federal fuels regulations (particularly, MSAT2 which mandates a reduction in the benzene content of blended gasoline), refinery waste water treatment improvements and other similar initiatives. Our refinery operations and related emissions are highly regulated at both federal and state levels, and we invest in our facilities as needed to remain in compliance with these standards. Additionally, when faced with new emissions or fuels standards, we seek to execute projects that facilitate compliance and also improve the operating costs and/or yields of associated refining processes.

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El Dorado Refinery

Newly appropriated capital projects at the El Dorado Refinery include naphtha fractionation, an additional hydrogen plant and a Low-Nox addition to the FCC unit flue gas scrubber. Continuing project work will include coke drum pressure reduction designed to improve liquid yields and a new tail gas treatment unit to reduce air emissions in compliance with the El Dorado Refinery's existing EPA consent decree.

Tulsa Refineries

New 2013 appropriations for the Tulsa Refineries include a gasoline-blending system and numerous infrastructure upgrades. We will continue spending on the conversion of our propane de-asphalt unit to ROSE technology and on our sulfur recovery project related to the refinery fuel gas system. The sulfur recovery project is anticipated to be completed in approximately the second quarter of 2013 and, in addition to facilitating compliance with our EPA consent, is anticipated to also allow us to increase use of lower priced sour / heavy crude in Tulsa. Spending on maintenance capital items and general improvements continues at an elevated level at the Tulsa Refineries due to perceived opportunities.

Navajo Refinery

The Navajo Refinery capital spending in 2013 will be principally on previously approved capital appropriations as well as maintenance capital spending. Included among previously approved capital projects is a $25.0 million upgrade to the Navajo Refinery's waste water treatment system.

Cheyenne Refinery

We plan to install a new hydrogen plant at the Cheyenne Refinery and have appropriated this capital project as part of our 2013 budget. The hydrogen plant, along with a previously approved naphtha fractionation project, is anticipated to allow us to reduce benzene content in Cheyenne gasoline production, while at the same time improving the refinery's overall liquid yields and light oils production. Previously appropriated projects still underway at Cheyenne include wastewater treatment plant improvements, a wet gas scrubber for the FCC unit to reduce air emissions, a redundant tail gas unit associated with sulfur recovery processes and additional investment in the waste water treatment plant to reduce selenium concentration in waste water.

Woods Cross Refinery

Newly appropriated capital for the Woods Cross Refinery consists of warehouse and office relocations to accommodate the refinery expansion and modernization program and a new rail loading rack for intermediates and finished products associated with refining waxy crude oil. We continue to work on the $225.0 million refinery expansion project announced previously. The permit for the refinery expansion project is pending and will require a second public comment period that is expected to begin soon. We currently expect the project to be completed in approximately the fourth quarter of 2014 or first quarter of 2015.

Regulatory compliance items or other presently existing or future environmental regulations / consent decrees could cause us to make additional capital investments beyond those described above and incur additional operating costs to meet applicable requirements.

HEP

Each year the Holly Logistic Services, L.L.C. board of directors approves HEP’s annual capital budget, which specifies capital projects that HEP management is authorized to undertake. Additionally, at times when conditions warrant or as new opportunities arise, special projects may be approved. The funds allocated for a particular capital project may be expended over a period of several years, depending on the time required to complete the project. Therefore, HEP’s planned capital expenditures for a given year consist of expenditures approved for capital projects included in its current year capital budget as well as, in certain cases, expenditures approved for capital projects in capital budgets for prior years. The 2013 HEP capital budget is comprised of $10.1 million for maintenance capital expenditures and $2.0

million for expansion capital expenditures.

HEP is proceeding with the expansion of its crude oil transportation system in southeastern New Mexico in response to increased crude oil production in the area. The expansion will provide shippers with additional pipeline takeaway capacity to either common carrier pipeline stations for transportation to major crude oil markets or to our New Mexico refining facilities. To complete the project, HEP will convert an existing refined products pipeline to crude oil service, construct several new pipeline segments, expand an existing pipeline and build new truck unloading stations and crude storage capacity. Excluding the value of the existing pipeline to be converted, total capital expenditures are expected to cost between $35.0 million and $40.0 million. The project is expected to provide increased capacity of up to 100,000 BPD across HEP's system and anticipates it will be in service no later than early 2014.

UNEV is proceeding with a project to add certain enhancements to its product terminal in Las Vegas, Nevada. The project will cost approximately $13.0 million with construction scheduled to be completed during the second quarter of 2014.

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HEP is also performing preliminary engineering, routing and cost estimates for two proposed new pipelines. The first proposed pipeline would be a new 50-mile intrastate crude oil pipeline between Cushing, Oklahoma and our Tulsa refining facilities that would allow for a significant portion of crude oil transported to be heavy Canadian and sour crude oil. The second proposed pipeline would be a new 100-mile interstate petroleum products pipeline between our refinery in Cheyenne, Wyoming and Denver, Colorado. The project also will evaluate the construction of a new petroleum products terminal in North Denver or, alternatively, the routing of the new pipeline to existing third-party product terminals in the Denver area. HEP anticipates that it will be in a position to decide whether to proceed with these projects in the second quarter of 2013 when preliminary engineering and detailed project cost estimates are completed and if necessary shipper commitments can be secured.

HEP and we are collaborating to construct a rail facility that will enable crude oil loading and unloading near our Artesia and / or Lovington, New Mexico refining facilities. The rail project, which will be connected to HEP's crude oil pipeline transportation system in southeastern New Mexico, will have an initial capacity of up to 70,000 BPD and will enable access to a variety of crude oil types including WTI, WTS and WCS. The project will provide both additional crude oil takeaway options for producers as crude production in the region continues to grow, and an expanded set of crude oil sourcing options for us. Project completion is expected by early 2014.

Cash Flows – Financing Activities

Three Months Ended March 31, 2013 Compared to Three Months Ended March 31, 2012
Net cash flows used for financing activities were $29.2 million for the three months ended March 31, 2013 compared to $104.6 million for the three months ended March 31, 2012, a decrease of $75.4 million. During the three months ended March 31, 2013, we received $73.4 million from the sale of HEP common units, purchased $6.6 million in common stock, paid $102.2 million in dividends and recognized $0.7 million excess tax benefits on our equity-based compensation. Also during this period, HEP received $57.0 million and repaid $110.0 million under the HEP Credit Agreement, paid distributions of $15.3 million to noncontrolling interests, purchased $2.7 million in HEP common units in the open market for recipients of its incentive grants and received proceeds of $73.4 million upon its common unit offering in March 2013. During the three months ended March 31, 2012, we purchased $62.5 million in common stock, paid $126.0 million in dividends and recognized $3.8 million excess tax benefits on our equity-based compensation. Also during this period, HEP received $294.8 million in net proceeds upon the issuance of the HEP 6.5% senior notes, paid $157.8 million in principal on the HEP 6.25% senior notes, received $36.0 million and repaid $81.0 million under the HEP Credit Agreement, paid distributions of $14.4 million to noncontrolling interests, incurred $1.1 million in deferred financing costs and purchased $1.3 million in HEP common units in the open market for recipients of its incentive grants. The UNEV joint venture partner contributions received during the three months ended March 31, 2012 were $5.5 million.

Contractual Obligations and Commitments

HollyFrontier Corporation
There were no significant changes to our contractual obligations during the three months ended March 31, 2013.

HEP
During the three months ended March 31, 2013, HEP had net repayments of $53.0 million resulting in $368.0 million of outstanding borrowings under the HEP Credit Agreement at March 31, 2013.

There were no other significant changes to HEP’s long-term contractual obligations during this period.

CRITICAL ACCOUNTING POLICIES

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities as of the date of the financial statements. Actual results may differ from these estimates under different assumptions or conditions.

Our significant accounting policies are described in "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies" in our Annual Report on Form 10-K for the year ended December 31, 2012. Certain critical accounting policies that materially affect the amounts recorded in our consolidated financial statements include the assessment and consolidation of variable interest entities, the use of the LIFO method of valuing certain inventories, the amortization of deferred costs for regular major maintenance and repairs at our refineries, assessing the possible impairment of certain long-lived assets and goodwill, accounting for derivative instruments and assessing contingent liabilities for probable losses.

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We use the LIFO method of valuing inventory. Under the LIFO method, an actual valuation of inventory can only be made at the end of each year based on the inventory levels at that time. Accordingly, interim LIFO calculations are based on management's estimates of expected year-end inventory levels and are subject to the final year-end LIFO inventory valuation.

Goodwill represents the excess of the cost of an acquired entity over the fair value of the assets acquired and liabilities assumed. Goodwill is not subject to amortization and is tested annually or more frequently if events or circumstances indicate the possibility of impairment. As of March 31, 2013, there have been no impairments to goodwill.

RISK MANAGEMENT

We use certain strategies to reduce some commodity price and operational risks. We do not attempt to eliminate all market risk exposures when we believe that the exposure relating to such risk would not be significant to our future earnings, financial position, capital resources or liquidity or that the cost of eliminating the exposure would outweigh the benefit.

Commodity Price Risk Management
Our primary market risk is commodity price risk. We are exposed to market risks related to the volatility in crude oil and refined products, as well as volatility in the price of natural gas used in our refining operations. We periodically enter into derivative contracts in the form of commodity price swaps and futures contracts to mitigate price exposure with respect to:

- our inventory positions;
- natural gas purchases;
- costs of crude oil and related grade differentials;
- prices of refined products; and
- our refining margins.

As of March 31, 2013, we have the following notional contract volumes related to all outstanding derivative contracts used to mitigate commodity price risk:

		Notional Contract Volumes by Year of Maturity					
Contract Description	Total Outstanding Notional	2013	2014	2015	2016	2017	Unit of Measure
Natural gas price swap - long	91,200,000	14,400,000	19,200,000	19,200,000	19,200,000	19,200,000	MMBTU
Natural gas price swap - short	45,600,000	7,200,000	9,600,000	9,600,000	9,600,000	9,600,000	MMBTU
WTI price swap - long	8,340,000	7,975,000	365,000	—	—	—	Barrels
Ultra-low sulfur diesel price swap - short	8,340,000	7,975,000	365,000	—	—	—	Barrels
Unleaded gasoline price swap - long	125,000	125,000	—	—	—	—	Barrels
Unleaded gasoline price swap - short	125,000	125,000	—	—	—	—	Barrels
WCS price swap - long	5,362,500	5,362,500	—	—	—	—	Barrels
WTS price swap - long	1,960,000	1,960,000	—	—	—	—	Barrels

NYMEX futures (WTI) - long	234,000	234,000	—	—	—	—	Barrels
NYMEX futures (WTI) - short	1,178,000	1,178,000	—	—	—	—	Barrels
Forward sales - diesel and gasoline	535,000	535,000	—	—	—	—	Barrels
Physical contracts - long	540,000	540,000	—	—	—	—	Barrels
Physical contracts - short	540,000	540,000	—	—	—	—	Barrels

The following sensitivity analysis provides the hypothetical effects of market price fluctuations to the commodity positions hedged under our derivative contracts:

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Change in Underlying Commodity Prices of Hedged Positions	Derivative Fair Value Gain (Loss) at March 31, 2013	2012
	(In thousands)	
10% increase in underlying commodity prices	$(27,011)	$(69,072)
10% decrease in underlying commodity prices	$27,011	$69,072

Interest Rate Risk Management
HEP uses interest rate swaps to manage its exposure to interest rate risk.

As of March 31, 2013, HEP had three interest rate swap contracts that hedge its exposure to the cash flow risk caused by the effects of LIBOR changes on $305.0 million in credit agreement advances. The first interest rate swap effectively converts $155.0 million of LIBOR based debt to fixed rate debt having an interest rate of 0.99% plus an applicable margin of 2.50% as of March 31, 2013, which equaled an effective interest rate of 3.49%. This swap matures in February 2016. HEP has two additional interest rate swaps with identical terms which effectively convert $150.0 million of LIBOR based debt to fixed rate debt having an interest rate of 0.74% plus an applicable margin of 2.50% as of March 31, 2013, which equaled an effective interest rate of 3.24%. Both of these swap contracts mature in July 2017. These swap contracts have been designated as cash flow hedges.

The market risk inherent in our fixed-rate debt and positions is the potential change arising from increases or decreases in interest rates as discussed below.

For the fixed rate HollyFrontier Senior Notes and HEP Senior Notes, changes in interest rates will generally affect fair value of the debt, but not our earnings or cash flows. The outstanding principal, estimated fair value and estimated change in fair value (assuming a hypothetical 10% change in the yield-to-maturity rates) for these debt instruments as of March 31, 2013 is presented below:

	Outstanding Principal	Estimated Fair Value	Estimated Change in Fair Value
	(In thousands)		
HollyFrontier Senior Notes	$436,812	$469,573	$12,292
HEP Senior Notes	$450,000	$480,563	$13,950

For the variable rate HEP Credit Agreement, changes in interest rates would affect cash flows, but not the fair value. At March 31, 2013, outstanding borrowings under the HEP Credit Agreement were $368.0 million. By means of its cash flow hedges, HEP has effectively converted the variable rate on $305.0 million of outstanding principal to a weighted average fixed rate of 3.37%.

At March 31, 2013, our marketable securities included investments in investment grade, highly liquid investments with maturities of three months or less at the time of purchase and hence the interest rate market risk implicit in these cash investments is low. Due to the short-term nature of our cash and cash equivalents, a hypothetical 10% increase in interest rates would not have a material effect on the fair market value of our portfolio. Since we have the ability to liquidate this portfolio, we do not expect our operating results or cash flows to be materially affected by the effect of a sudden change in market interest rates on our investment portfolio.

Our operations are subject to hazards of petroleum processing operations, including fire, explosion and weather-related perils. We maintain various insurance coverages, including business interruption insurance, subject to certain deductibles. We are not fully insured against certain risks because such risks are not fully insurable, coverage is unavailable, or premium costs, in our judgment, do not justify such expenditures.

Financial information is reviewed on the counterparties in order to review and monitor their financial stability and assess their ongoing ability to honor their commitments under the derivative contracts. We have not experienced, nor do we expect to experience, any difficulty in the counterparties honoring their commitments.

We have a risk management oversight committee consisting of members from our senior management. This committee oversees our risk enterprise program, monitors our risk environment and provides direction for activities to mitigate identified risks that may adversely affect the achievement of our goals.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

See “Risk Management” under “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Reconciliations to Amounts Reported Under Generally Accepted Accounting Principles

Reconciliations of earnings before interest, taxes, depreciation and amortization (“EBITDA”) to amounts reported under generally accepted accounting principles in financial statements.

Earnings before interest, taxes, depreciation and amortization, which we refer to as EBITDA, is calculated as net income attributable to HollyFrontier stockholders plus (i) interest expense, net of interest income, (ii) income tax provision, and (iii) depreciation and amortization. EBITDA is not a calculation provided for under GAAP; however, the amounts included in the EBITDA calculation are derived from amounts included in our consolidated financial statements. EBITDA should not be considered as an alternative to net income or operating income as an indication of our operating performance or as an alternative to operating cash flow as a measure of liquidity. EBITDA is not necessarily comparable to similarly titled measures of other companies. EBITDA is presented here because it is a widely used financial indicator used by investors and analysts to measure performance. EBITDA is also used by our management for internal analysis and as a basis for financial covenants.

Set forth below is our calculation of EBITDA.

	Three Months Ended March 31,	
	2013	2012
	(In thousands)	
Net income attributable to HollyFrontier stockholders	$333,669	$241,696
Add income tax provision	186,094	140,406
Add interest expense	21,320	33,315
Subtract interest income	(1,531)	(460)
Add depreciation and amortization	71,762	56,102
EBITDA	$611,314	$471,059

Reconciliations of refinery operating information (non-GAAP performance measures) to amounts reported under generally accepted accounting principles in financial statements.

Refinery gross margin and net operating margin are non-GAAP performance measures that are used by our management and others to compare our refining performance to that of other companies in our industry. We believe these margin measures are helpful to investors in evaluating our refining performance on a relative and absolute basis.

Refinery gross margin per barrel is the difference between average net sales price and average cost of products per barrel of produced refined products. Net operating margin per barrel is the difference between refinery gross margin and refinery operating expenses per barrel of produced refined products. These two margins do not include the effect of depreciation and amortization. Each of these component performance measures can be reconciled directly to our consolidated statements of income.

Other companies in our industry may not calculate these performance measures in the same manner.

Refinery Gross and Net Operating Margins

Below are reconciliations to our consolidated statements of income for (i) net sales, cost of products and operating expenses, in each case averaged per produced barrel sold, and (ii) net operating margin and refinery gross margin. Due to rounding of reported numbers, some amounts may not calculate exactly.

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Reconciliations of refined product sales from produced products sold to total sales and other revenues

	Three Months Ended March 31,	
	2013	2012
	(Dollars in thousands, except per barrel amounts)	
Consolidated		
Average sales price per produced barrel sold	$116.00	$119.54
Times sales of produced refined products sold (BPD)	386,110	422,950
Times number of days in period	90	91
Refined product sales from produced products sold	$4,030,988	$4,600,909
Total refined product sales from produced products sold	$4,030,988	$4,600,909
Add refined product sales from purchased products and rounding [(1)]	409,891	155,613
Total refined product sales	4,440,879	4,756,522
Add direct sales of excess crude oil [(2)]	236,250	158,282
Add other refining segment revenue [(3)]	15,297	4,933
Total refining segment revenue	4,692,426	4,919,737
Add HEP segment sales and other revenues	76,484	67,577
Add corporate and other revenues	563	156
Subtract consolidations and eliminations	(61,684)	(55,732)
Sales and other revenues	$4,707,789	$4,931,738

Reconciliation of average cost of products per produced barrel sold to total cost of products sold

	Three Months Ended March 31,	
	2013	2012
	(Dollars in thousands, except per barrel amounts)	
Consolidated		
Average cost of products per produced barrel sold	$92.68	$102.08
Times sales of produced refined products sold (BPD)	386,110	422,950
Times number of days in period	90	91
Cost of products for produced products sold	$3,220,621	$3,928,901
Total cost of products for produced products sold	$3,220,621	$3,928,901
Add refined product costs from purchased products and rounding [(1)]	394,087	156,672
Total cost of refined products sold	3,614,708	4,085,573
Add crude oil cost of direct sales of excess crude oil [(2)]	226,268	155,810
Add other refining segment cost of products sold [(4)]	12,193	409
Total refining segment cost of products sold	3,853,169	4,241,792
Subtract consolidations and eliminations	(60,634)	(54,875)
Costs of products sold (exclusive of depreciation and amortization)	$3,792,535	$4,186,917

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Reconciliation of average refinery operating expenses per produced barrel sold to total operating expenses

	Three Months Ended March 31, 2013	2012
	(Dollars in thousands, except per barrel amounts)	
Consolidated		
Average refinery operating expenses per produced barrel sold	$6.68	$5.51
Times sales of produced refined products sold (BPD)	386,110	422,950
Times number of days in period	90	91
Refinery operating expenses for produced products sold	$232,129	$212,071
Total refinery operating expenses for produced products sold	$232,129	$212,071
Add other refining segment operating expenses and rounding (5)	7,756	9,210
Total refining segment operating expenses	239,885	221,281
Add HEP segment operating expenses	26,029	20,030
Add corporate and other costs	(481)	449
Subtract consolidations and eliminations	(334)	(133)
Operating expenses (exclusive of depreciation and amortization)	$265,099	$241,627

Reconciliation of net operating margin per barrel to refinery gross margin per barrel to total sales and other revenues

	Three Months Ended March 31, 2013	2012
	(Dollars in thousands, except per barrel amounts)	
Consolidated		
Net operating margin per barrel	$16.64	$11.95
Add average refinery operating expenses per produced barrel	6.68	5.51
Refinery gross margin per barrel	23.32	17.46
Add average cost of products per produced barrel sold	92.68	102.08
Average sales price per produced barrel sold	$116.00	$119.54
Times sales of produced refined products sold (BPD)	386,110	422,950
Times number of days in period	90	91
Refined product sales from produced products sold	$4,030,988	$4,600,909
Total refined product sales from produced products sold	$4,030,988	$4,600,909
Add refined product sales from purchased products and rounding (1)	409,891	155,613
Total refined product sales	4,440,879	4,756,522
Add direct sales of excess crude oil (2)	236,250	158,282
Add other refining segment revenue (3)	15,297	4,933
Total refining segment revenue	4,692,426	4,919,737
Add HEP segment sales and other revenues	76,484	67,577
Add corporate and other revenues	563	156
Subtract consolidations and eliminations	(61,684)	(55,732)
Sales and other revenues	$4,707,789	$4,931,738

(1) We purchase finished products when opportunities arise that provide a profit on the sale of such products, or to meet delivery commitments.

(2) We purchase crude oil that at times exceeds the supply needs of our refineries. Quantities in excess of our needs are sold at market prices to purchasers of crude oil that are recorded on a gross basis with the sales price recorded as revenues and the corresponding acquisition cost as inventory and then upon sale as cost of products sold. Additionally, at times we enter into buy/sell exchanges of crude oil with certain parties to facilitate the delivery of quantities to certain locations that are netted at carryover cost.

(3) Other refining segment revenue includes the incremental revenues associated with NK Asphalt and miscellaneous revenue.

(4) Other refining segment cost of products sold includes the incremental cost of products for NK Asphalt and miscellaneous costs.

(5) Other refining segment operating expenses include the marketing costs associated with our refining segment and the operating expenses of NK Asphalt.

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Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures. Our principal executive officer and principal financial officer have evaluated, as required by Rule 13a-15(b) under the Securities Exchange Act of 1934 (the “Exchange Act”), our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e)) under the Exchange Act as of the end of the period covered by this Quarterly Report on Form 10-Q. Our disclosure controls and procedures are designed to provide reasonable assurance that the information we are required to disclose in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Based upon the evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2013.

Changes in internal control over financial reporting. There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during our last fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Commitment and Contingency Reserves

We periodically establish reserves for certain legal proceedings. The establishment of a reserve involves an estimation process that includes the advice of legal counsel and subjective judgment of management. While management believes these reserves to be adequate, future changes in the facts and circumstances could result in the actual liability exceeding the estimated ranges of loss and amounts accrued.

While the outcome and impact on us cannot be predicted with certainty, management believes that the resolution of these proceedings through settlement or adverse judgment will not have a material adverse effect on our consolidated financial position or cash flow. Operating results, however, could be significantly impacted in the reporting periods in which such matters are resolved.

Environmental Matters
We are reporting the following proceedings to comply with SEC regulations which require us to disclose proceedings arising under federal, state or local provisions regulating the discharge of materials into the environment or protecting the environment if we reasonably believe that such proceedings may result in monetary sanctions of $100,000 or more. Our respective subsidiaries have or will develop corrective action plans regarding these disclosures that will be implemented in consultation with the respective federal and state agencies. It is not possible to predict the ultimate outcome of these proceedings, although none are currently expected to have a material effect on our consolidated financial position.

Frontier Refining LLC (“FR”), our wholly-owned subsidiary, has undertaken environmental audits at the Cheyenne Refinery regarding compliance with federal and state air quality and waste requirements. By letters dated October 5, 2012, and November 7, 2012, FR submitted reports to the EPA voluntarily disclosing non-compliance with certain emission limitations, reporting, and other provisions of a 2009 federal consent decree. By letter dated January 10, 2013, FR submitted to the EPA a voluntary self-disclosure of preliminary audit findings consistent with the EPA’s Audit Policy. By letter dated October 31, 2012, FR submitted a preliminary report to the Wyoming Department of Environmental Quality (“WDEQ”) voluntarily disclosing non-compliance with certain notification, reporting, and other provisions of the refinery's state air permits and other regulatory requirements. The Cheyenne Refinery also has four outstanding Notices of Violations issued in 2010, 2011 and 2013 that are subject to ongoing settlement negotiations with the WDEQ. Additional air, water and waste audits are ongoing or planned for the Cheyenne Refinery for 2013.

Between November 2010 and February 2012, certain of our subsidiaries submitted multiple reports to the EPA to voluntarily disclose non-compliance with fuels regulations at the Cheyenne, El Dorado, Navajo, Tulsa and Woods Cross refineries and at the Cedar City, Utah and Henderson, Colorado terminals. The EPA has requested additional information regarding certain of these reports, and our subsidiaries have complied with all requests received to date.

Other
We are a party to various other litigation and proceedings that we believe, based on advice of counsel, will not either individually or in the aggregate have a materially adverse impact on our financial condition, results of operations or cash flows.

Item 1A. Risk Factors

Except for the additional risk factor information described below, there have been no material changes in our risk factors as previously disclosed in Part 1, “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012. In addition to the other information set forth in this quarterly report, you should carefully consider the risk factors discussed below and in our 2012 Form 10-K, which could materially affect our business, financial condition or future results. The risks described in this quarterly report and in our 2012 Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

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The availability and cost of renewable identification numbers could have an adverse effect on our financial condition and results of operations.

Pursuant to the 2007 Energy Independence and Security Act, the EPA promulgated the Renewable Fuel Standard 2 (“RFS2”) regulations reflecting the increased volume of renewable fuels mandated to be blended into the nation's fuel supply. The regulations, in part, require refiners to add annually increasing amounts of “renewable fuels” to their petroleum products or purchase credits, known as renewable identification numbers (“RINs”), in lieu of such blending. We currently purchase RINs for some fuel categories on the open market in order to comply with the quantity of renewable fuels we are required to blend under the RFS2. Recently, due in part to the nation's fuel supply approaching the “blend wall” (the 10% ethanol limit prescribed by most automobile warranties), the price of RINs has been extremely volatile with the price dramatically increasing in recognition of the decrease in RINs availability. While we cannot predict the future prices of RINs, the costs to obtain the necessary number of RINs could be material. If we are unable to pass the costs of compliance with the RFS2 on to our customers, if sufficient RINs are unavailable for purchase, if we have to pay a significantly higher price for RINs or if we are otherwise unable to meet the RFS2 mandates, our financial condition and results of operations could be adversely affected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) Common Stock Repurchases Made in the Quarter

Under our common stock repurchase programs, repurchases are being made from time to time in the open market or privately negotiated transactions based on market conditions, securities law limitations and other factors. The following table includes repurchases made under these programs during the first quarter of 2013.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
January 2013	—	$—	—	$494,399,956
February 2013	—	$—	—	$494,399,956
March 2013 (1)	186,700	$52.45	—	$494,399,956
Total for January to March 2013	186,700		—	

(1) The March 2013 shares repurchased were not purchased under our approved stock repurchase program, but rather pursuant to separate authority from our Board of Directors. These repurchases were made in the open market.

Item 6. Exhibits

The Exhibit Index on page 54 of this Quarterly Report on Form 10-Q lists the exhibits that are filed or furnished, as applicable, as part of the Quarterly Report on Form 10-Q.

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SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	HOLLYFRONTIER CORPORATION (Registrant)
Date: May 8, 2013	/s/ Douglas S. Aron Douglas S. Aron Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Date: May 8, 2013	/s/ J. W. Gann, Jr. J. W. Gann, Jr. Vice President, Controller and Chief Accounting Officer (Principal Accounting Officer)

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Exhibit Index

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of HollyFrontier Corporation (incorporated by reference to Exhibit 3.1 of Registrant's Current Report on Form 8-K filed July 8, 2011, File No. 1-03876).
3.2	Amended and Restated By-Laws of HollyFrontier Corporation (incorporated by reference to Exhibit 3.1 of Registrant's Current Report on Form 8-K filed November 21, 2011, File No. 1-03876).
10.1+	HollyFrontier Corporation Form of Amendment to Change in Control Agreement for David L. Lamp and George J. Damiris (incorporated by reference to Exhibit 10.1 of Registrant's Current Report on Form 8-K filed March 14, 2013, File No. 1-03876).
10.2	Second Amendment to Credit Agreement and First Amendment to Guarantee and Collateral Agreement, dated March 19, 2013, among HollyFrontier Corporation and certain of its subsidiaries, as borrowers, Union Bank, N.A., as administrative agent and certain lenders from time to time party thereto (incorporated by reference to Exhibit 10.1 of Registrant's Current Report on Form 8-K filed March 21, 2013, File No. 1-03876).
31.1*	Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer under Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002.
101++	The following financial information from HollyFrontier Corporation’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Cash Flows, and (v) Notes to the Consolidated Financial Statements.

* Filed herewith.
** Furnished herewith.
+ Constitutes management contracts or compensatory plans or arrangements.
++ Filed electronically herewith.