

# UNIPETROL GROUP

## Overview and update



Prague, 3 - 4 December 2009



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- The following types of statements:
  - Projections of revenues, income, earnings per share, capital expenditures, dividends, capital structure or other financial items;
  - Statements of plans or objectives for future operations;
  - Expectations or plans of future economic performance; and
  - Statements of assumptions underlying the foregoing types of statements
- are "forward-looking statements", and words such as "anticipate", "believe", "estimate", "intend", "may", "will", "expect", "plan", "target" and "project" and similar expressions as they relate to Unipetrol, its business segments, brands, or the management of each are intended to identify such forward looking statements. Although Unipetrol believes the expectations contained in such forward-looking statements are reasonable at the time of this presentation, the Company can give no assurance that such expectations will prove correct. Any forward-looking statements in this presentation are based only on the current beliefs and assumptions of our management and information available to us. A variety of factors, many of which are beyond Unipetrol's control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of Unipetrol to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For us, particular uncertainties arise, among others, from: (a) changes in general economic and business conditions (including margin developments in major business areas); (b) price fluctuations in crude oil and refinery products; (c) changes in demand for the Unipetrol's products and services; (d) currency fluctuations; (e) loss of market and industry competition; (f) environmental and physical risks; (g) the introduction of competing products or technologies by other companies; (h) lack of acceptance of new products or services by customers targeted by Unipetrol; (i) changes in business strategy; (j) as well as various other factors. Unipetrol does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated. Readers of this presentation and related materials on our website should not place undue reliance on forward-looking statements.

# AGENDA

## Company Overview

Update on External Environment and Corporate Activities

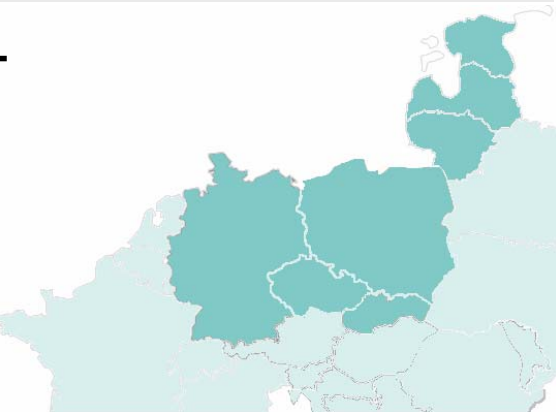
# UNIPETROL'S PROFILE

## Basic Data

### Unipetrol Group

- **3 refineries** with a total annual capacity of 5.5 million tonnes and **integrated petrochemical plant**
- More than **335 filling stations**
- About **4,100 employees**
- Part of the **PKN Orlen Group** since 2005

PKN Orlen Group



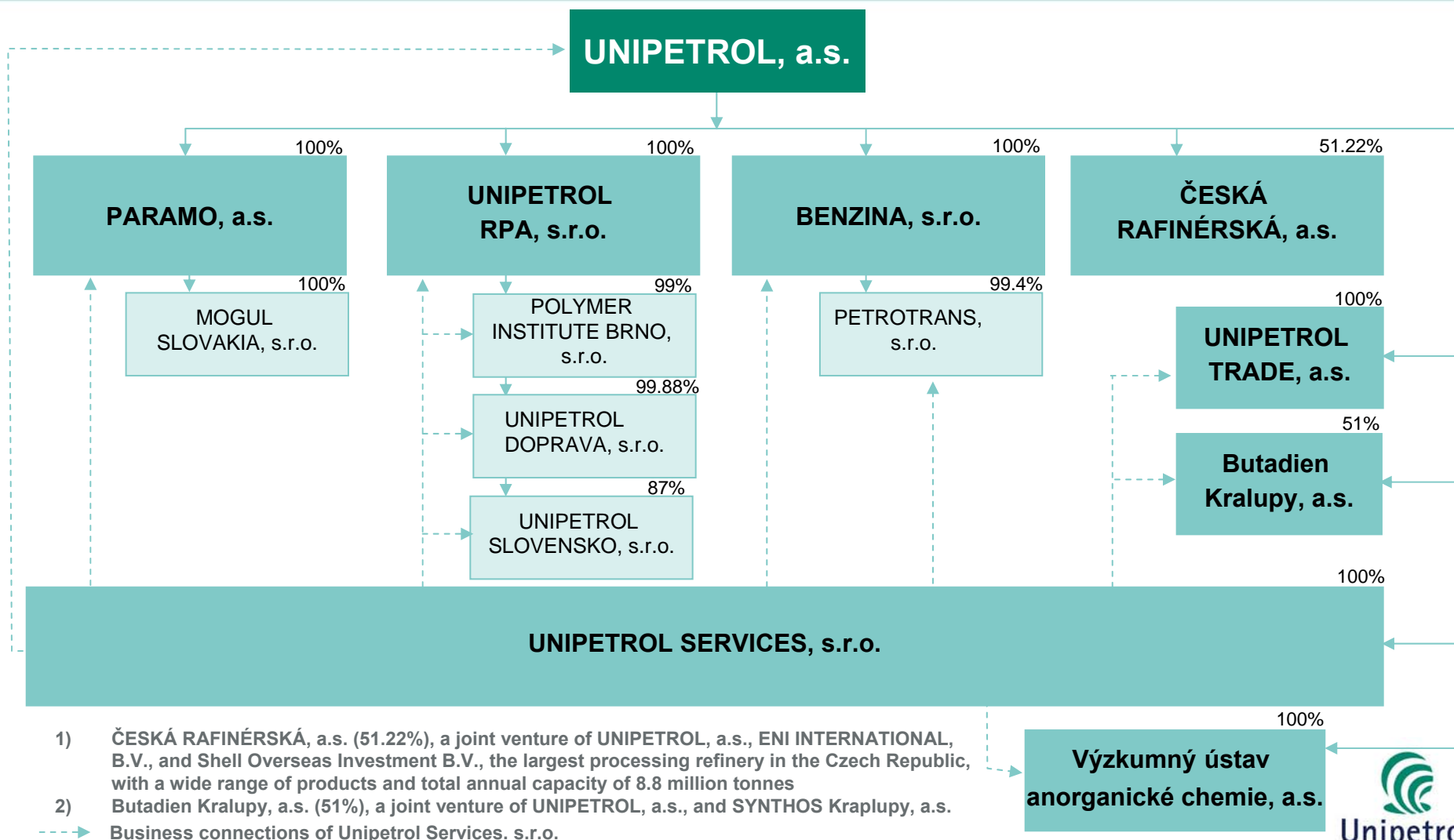
- Unipetrol is the leading refinery and petrochemical group in the Czech Republic and a major player in Central and Eastern Europe; since 2005 it has been part of Central Europe's largest refining and petrochemical group PKN Orlen

### Unipetrol's Mission:

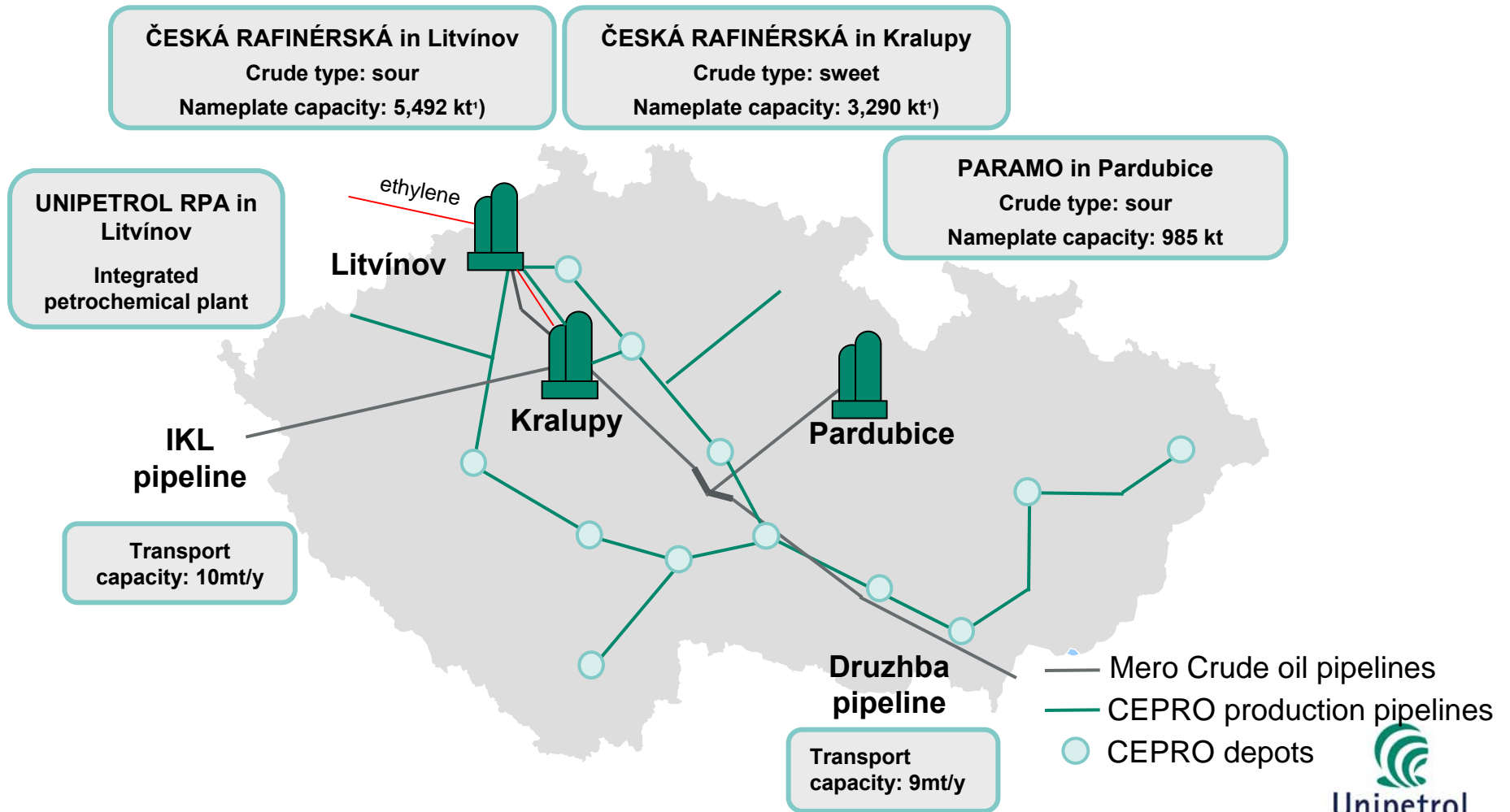
- We strive to ensure long-term and permanent value growth for our shareholders. We want to achieve this by focusing on three strategic business segments:
- **Crude oil refining and wholesale**
- **Petrochemical production and sales**
- **Retail distribution of motor fuels**



# SIMPLIFIED STRUCTURE OF UNIPETROL GROUP AFTER RESTRUCTURING MEASURES

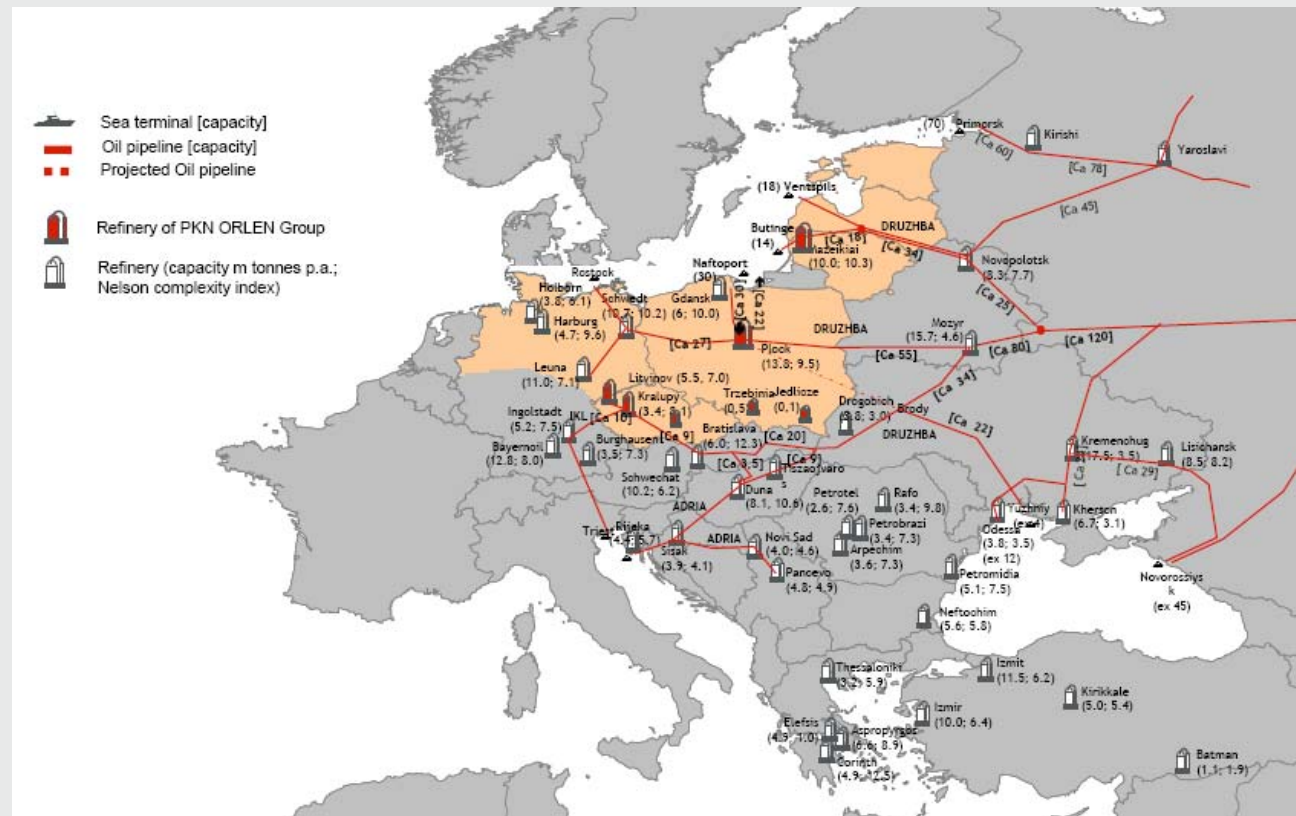


# UNIPETROL'S CONNECTIONS



# UNIPETROL'S NELSON COMPLEXITY INDEX SLIGHTLY ABOVE GLOBAL AVERAGE

## Refining capacities and Nelson complexity index



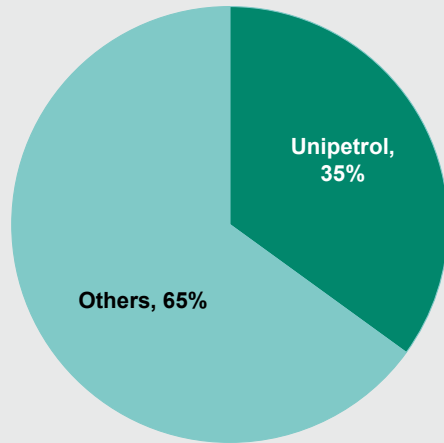
- Litvinov refinery: 5.5 mtpa, 7.0 Nelson complexity index
- Kralupy refinery: 3.3 mtpa, 8.1 Nelson complexity index
- Paramo refinery: 1.0 mtpa, 3.6 Nelson complexity index



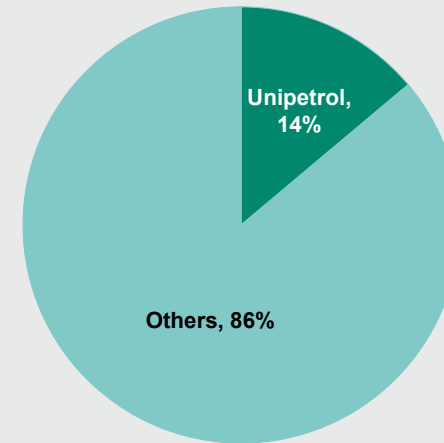
Unipetrol's (weighted average) Nelson complexity index of 7.0 slightly above 2007 global average of 6.8

# IMPORTANT PLAYER FROM REGIONAL AS WELL AS EUROPEAN PERSPECTIVE

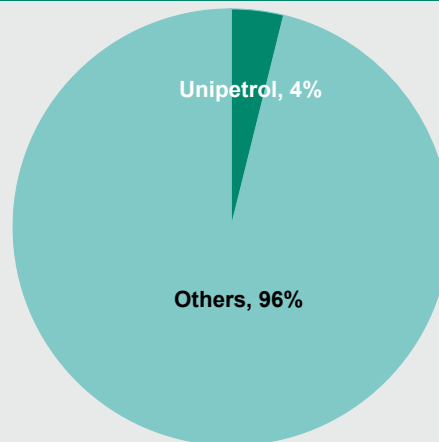
## Refining – market share in the Czech Republic



## Retail – market share in the Czech Republic



## Petrochemical – market share in Europe





# PRODUCT MIX BIASED TOWARDS LIGHT AND MIDDLE DISTILLATES

	9M2009	2008	2007	2006	2005
<b>Crude oil throughput (kt)</b>	3,022	4,533	4,137	4,281	4,152
<b>Utilisation ratio (%)</b>	73	84	75	77	75
<b>Light distillates <sup>1)</sup> yield (%)</b>	31	33	31	32	30
<b>Middle distillates <sup>2)</sup> yield (%)</b>	44	46	43	40	38
<b>Heavy distillates <sup>3)</sup> yield (%)</b>	10	10	10	11	14
<b>Refinery products sales <sup>4)</sup> (kt)</b>	2,056	2,940	3,123	2,818	3,025
<b>Petrochemical products sales <sup>4)</sup> (kt)</b>	1,327	1,872	1,660	1,480	1,560
<b>Retail sales <sup>4)</sup> (kt)</b>	371	501	498	443	368

1) LPG, gasoline, naphtha

2) JET, diesel

3) Fuel oils, bitumen

4) Sales outside Unipetrol Group

# CYCLICAL EBITDA DEVELOPMENT

2000-9M2009 EBITDA and EBITDA growth (m CZK)



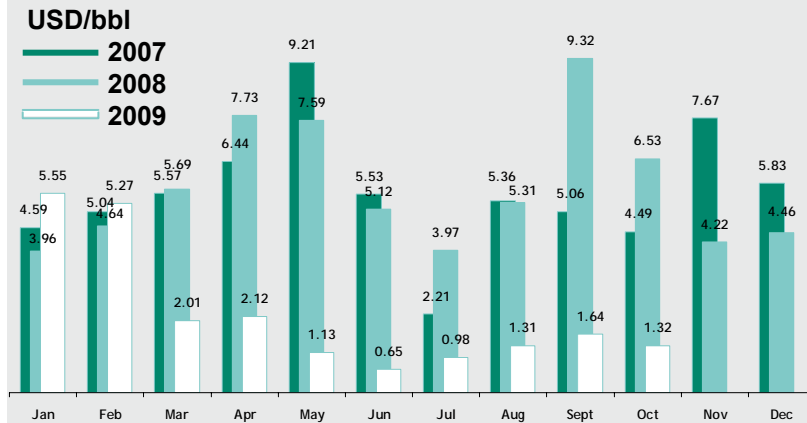
# AGENDA

Company Overview

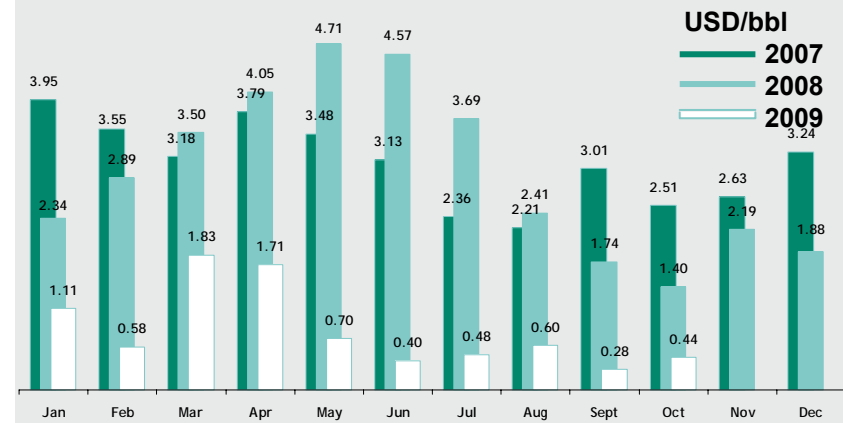
**Update on External Environment and Corporate Activities**

# REFINING EXTERNAL ENVIRONMENT

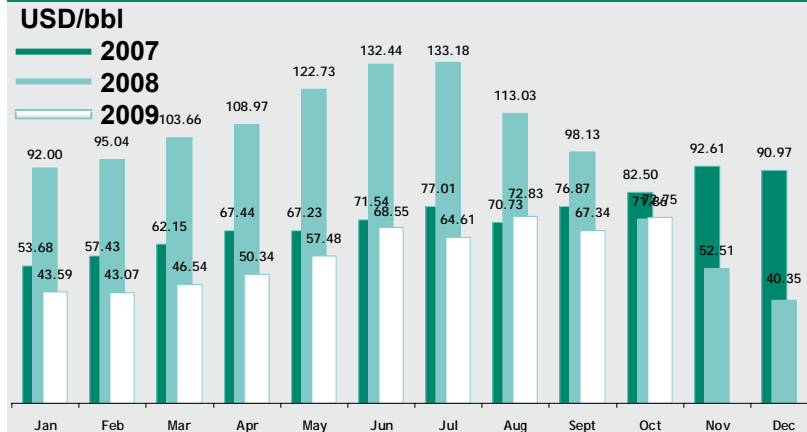
## Unipetrol model refining margin



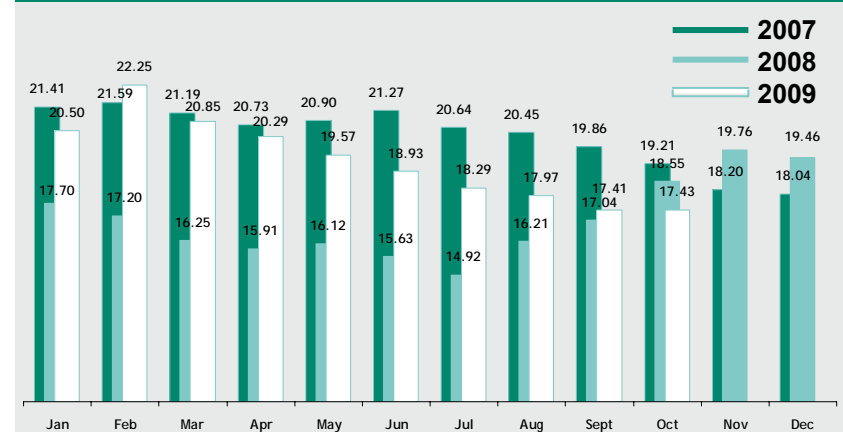
## Brent-Ural price differential<sup>1)</sup>



## Brent crude price

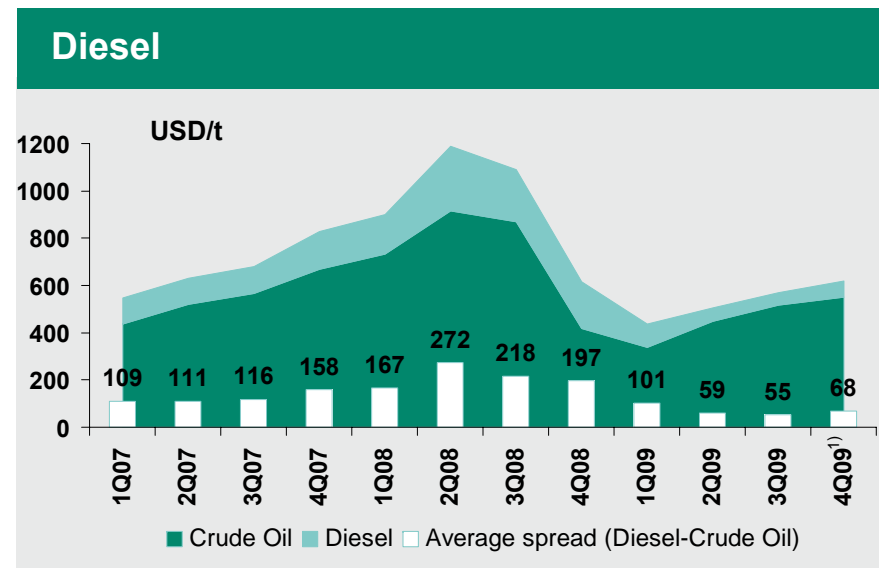
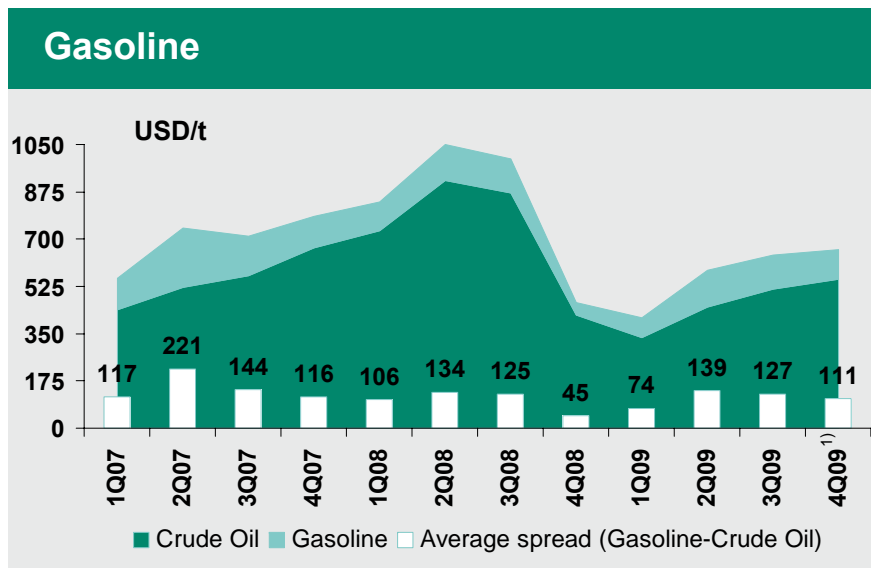


## CZK/USD



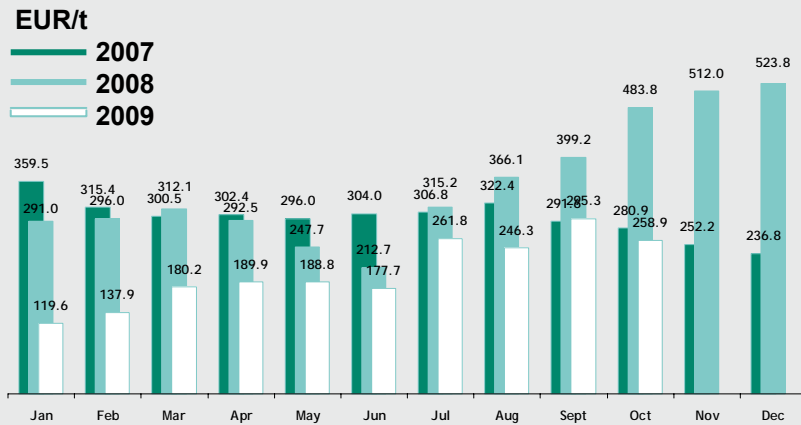
1) Spread fwd Brent Dtd v Ural Rdam = Med Strip - Ural Rdam (Ural CIF Rotterdam)

# MOTOR FUEL SPREADS - GASOLINE FARING BETTER THAN DIESEL LATELY

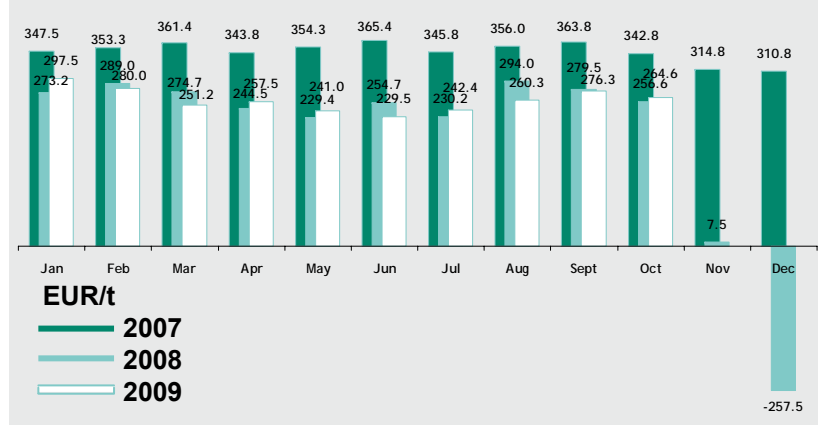


# PETROCHEMICAL EXTERNAL ENVIRONMENT

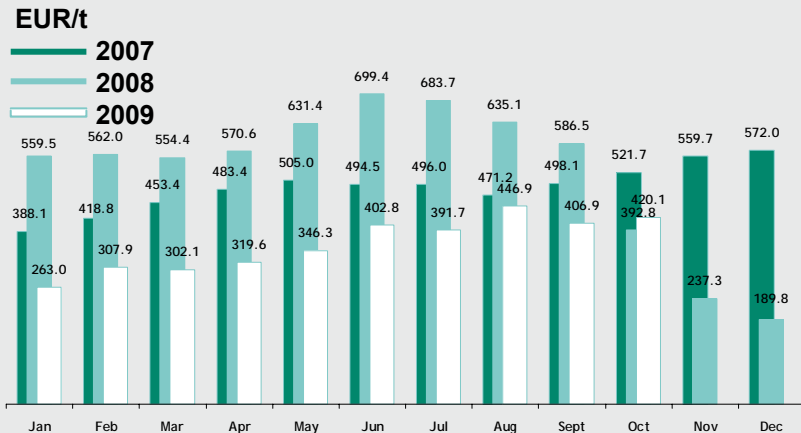
## Unipetrol model olefin margin



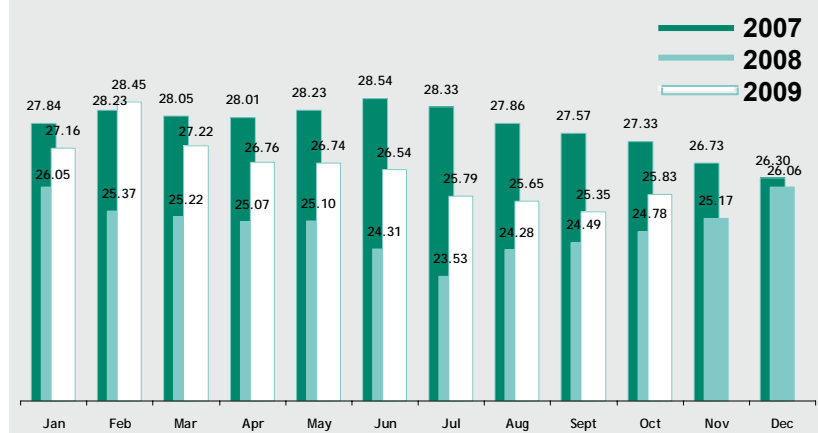
## Unipetrol model polyolefin margin



## Naphtha price

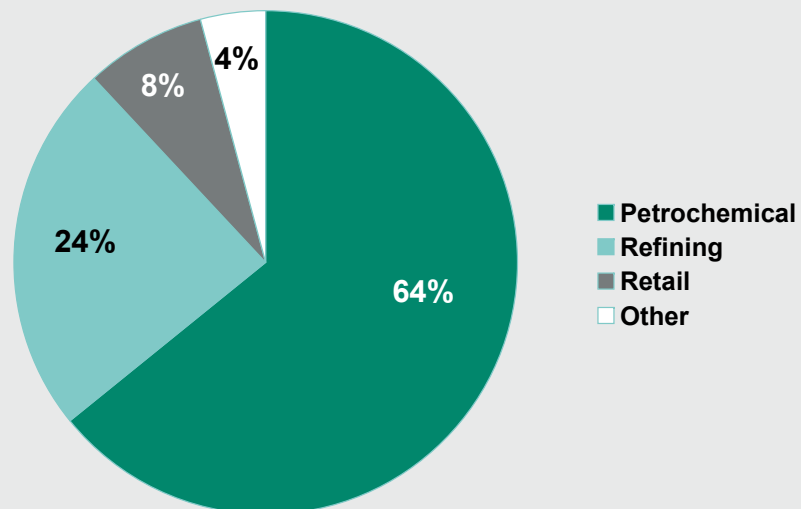


## CZK/EUR



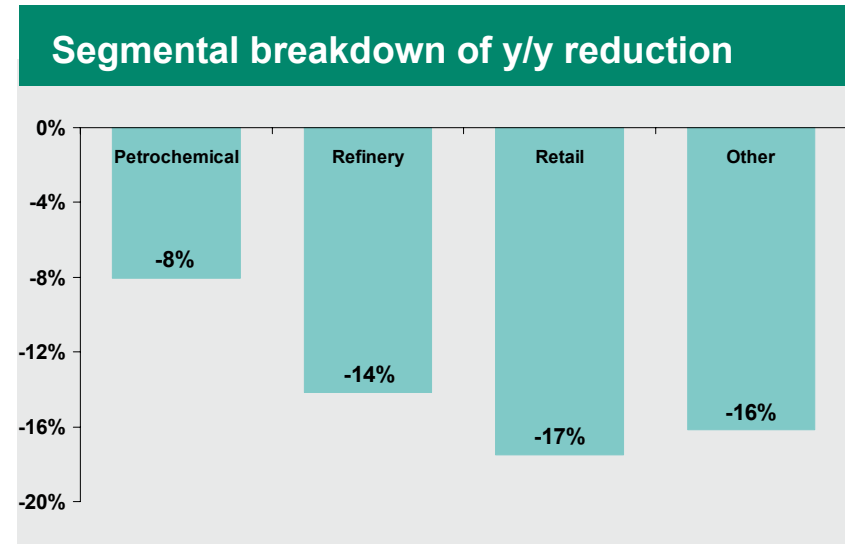
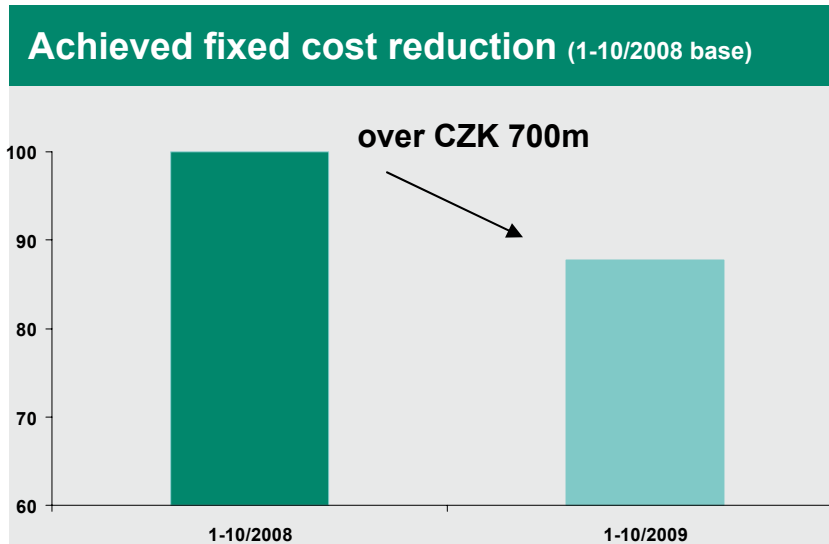
# PETROCHEMICAL ACCOUNTS FOR MAJORITY OF 2009 PLANNED CAPEX

Segment share of 2009 planned CAPEX



- **Butadiene unit**
- **FCC unit upgrade – LPG part**
- **Polypropylene unit expansion**
- **Exchange of retail information system**
- **Steam cracker capacity expansion**

# 1-10/2009 FIXED COST REDUCTION AHEAD OF OUR OBJECTIVES

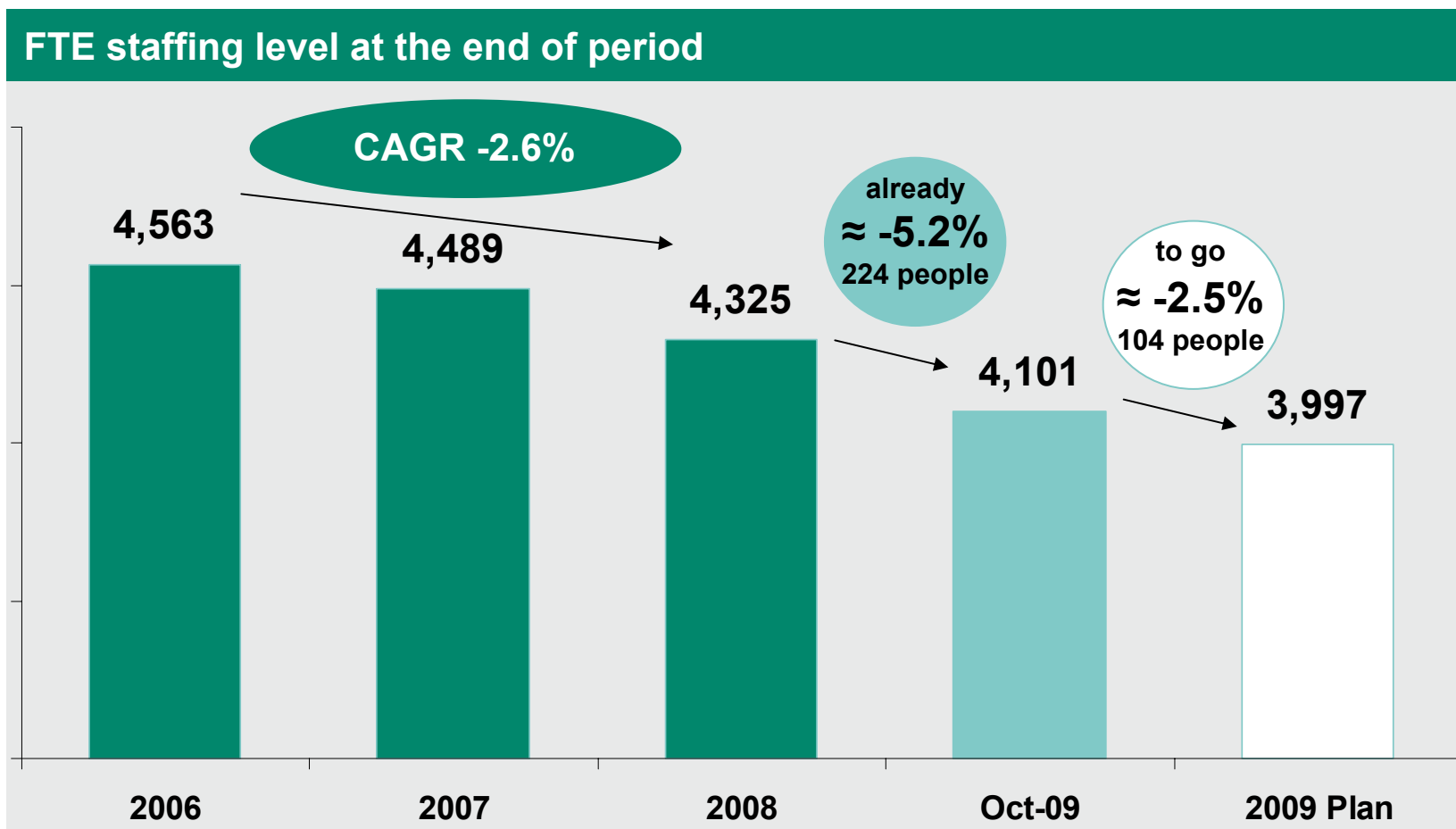


## MAIN CONTRIBUTIONS

- Staff costs, Promotion, Overhead material, Fuel and Travel costs.
- Refining and Petrochemical segment accounts for 63% of cost reduction.
- Cost reduction in all segments better than planned.

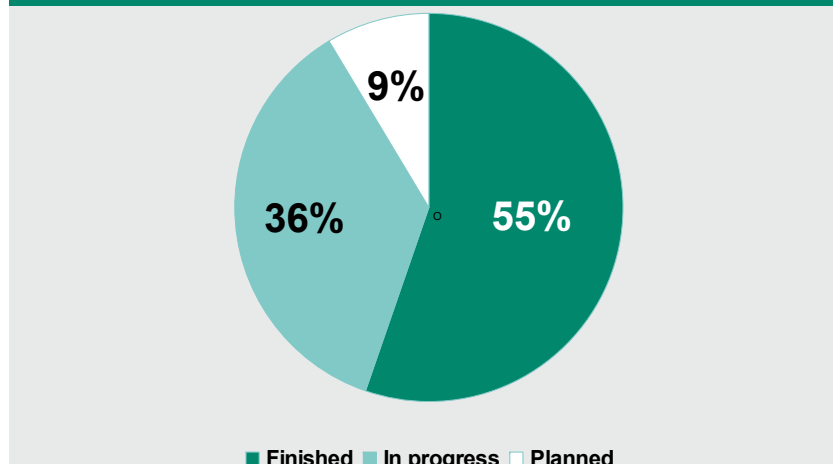


# 1-10/2009 HR RESTRUCTURING<sup>1)</sup> IN LINE WITH PLANS

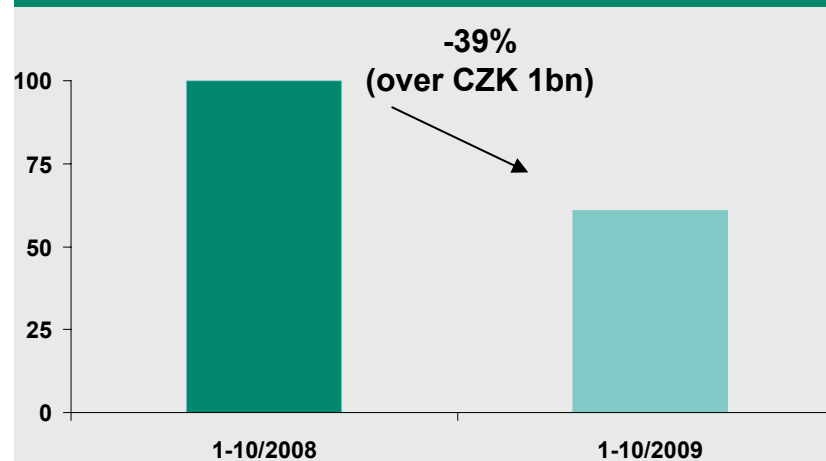


# 1-10/2009 VARIABLE COST AND CAPEX REDUCTION ON TRACK TO REACH OUR TARGETS

## Updated status of variable cost savings



## CAPEX cuts (1-10/2008 base)



## VARIABLE COST SAVINGS

- Identification of additional cost savings (estimated range of CZK 200m – 300m full year impact unchanged).
- Increased share of “Finished” and “In progress” initiatives from 70% in 2Q09 to 91% in October.

## CAPEX DEVELOPMENT

- 1-10/2009 CAPEX<sup>1)</sup> is lower than 2009 plan and reaches 73% of our FY2009 level.
- 78% of CAPEX on ongoing projects, mainly development and refurbishment.
- 22% of CAPEX on newly launched projects, mainly refurbishment.



# CALENDAR OF UPCOMING EVENTS

## IR events

- **Beginning of February 2010<sup>1)</sup>**      **4Q09 trading statement**
- **End of February 2010<sup>1)</sup>**      **4Q09 consolidated results**

# THANK YOU FOR YOUR ATTENTION

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