UNIPETROL GROUP

Integrated downstream player with petrochemical focus

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Member of the Board of Directors and CFO

7 April 2011

AGENDA

- **Introduction**

Unipetrol in refining

Unipetrol in petchem (incl. energy)

Unipetrol in retail

The 2011 targets

Supporting slides

UNIPETROL'S STRATEGIC AREAS OF DEVELOPMENT

OPERATING EFFICIENCY

REFINING

PETCHEM & ENERGY

RETAIL

DEVELOPMENT AND DIVERSIFICATION

PETCHEM & ENERGY

RETAIL

INNOVATION

RESEARCH & DEVELOPMENT

SOCIAL RESPONSIBILITY

MAXIMIZING OF SYNERGIES WITH STRATEGIC SHAREHOLDER

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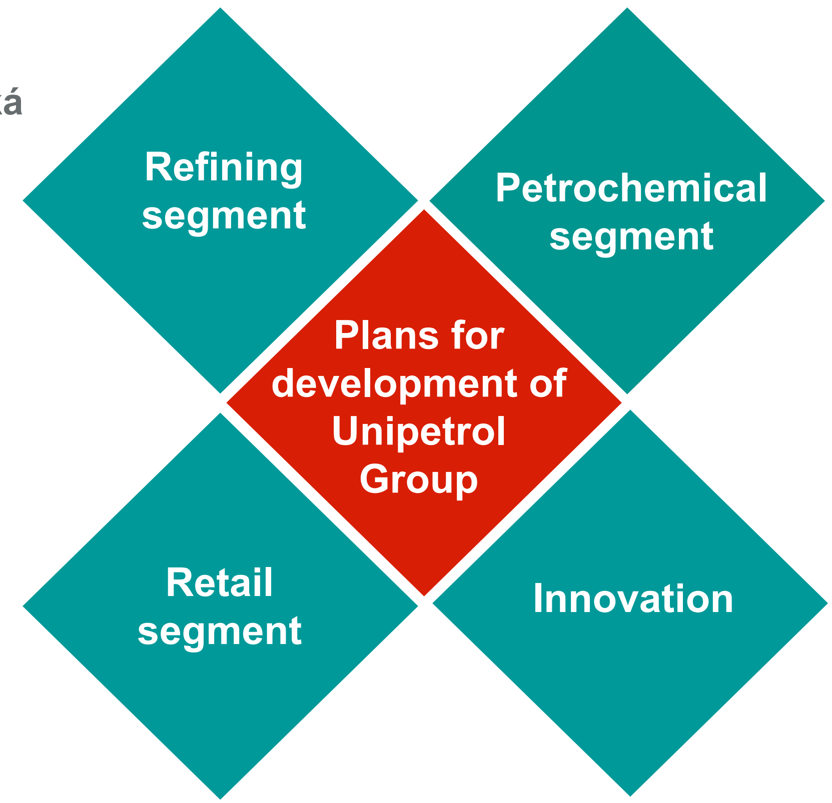
DEVELOPMENT PLANS IN A NUTSHELL

- Focus on maximum operating efficiency of current refining assets.
- Ongoing interest in Česká rafinérská as well as continuation of full integration of Paramo activities.

- Goal is to reach ca 20% fuel retail market share by 2013.
- To achieve the goal, we plan to focus on DOFO concept promotion, full self-service filling stations as well as acquisition activity.

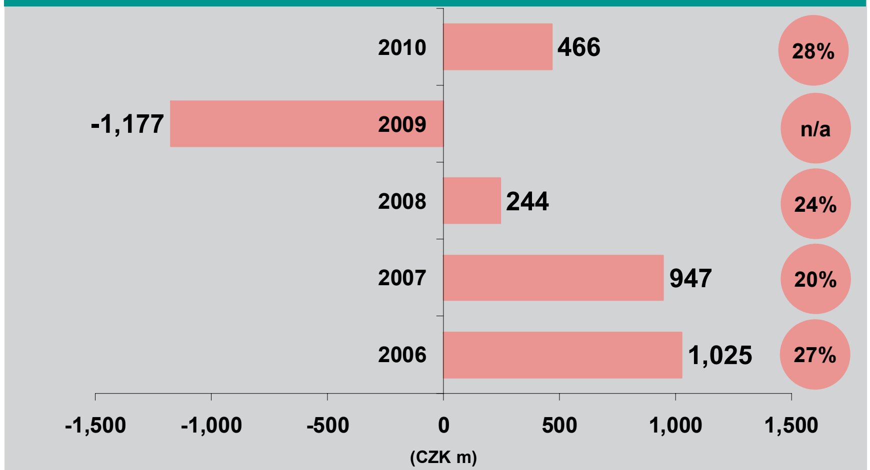


- Focus on operational efficiency of current petchem assets.
- Simultaneously, we are working on the development of petchem segment (energy area as well as petchem itself).

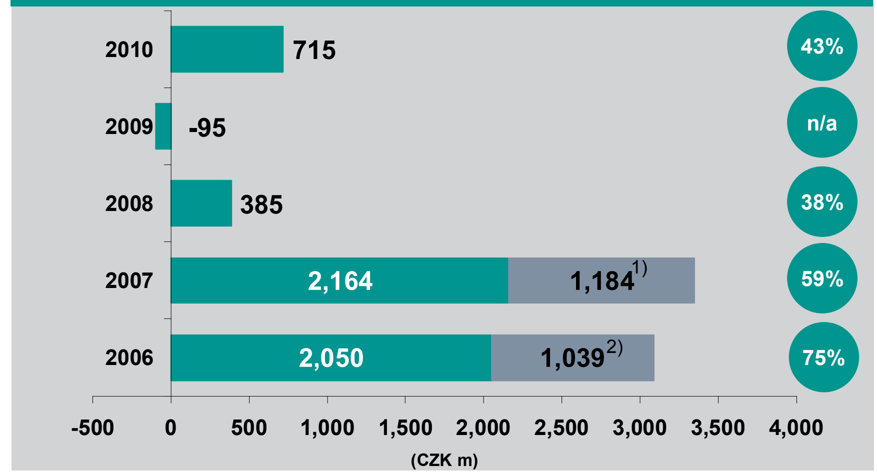
- Continue in our R&D efforts to support our main segments via our R&D subsidiaries (VUAnCh and PIB).

SEGMENTAL EBIT CONTRIBUTION SUPPORT OUR DIVERSIFICATION

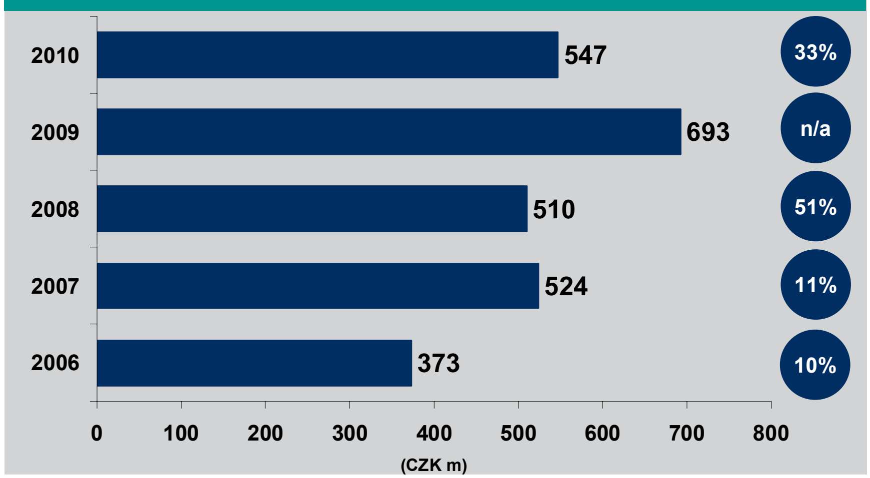
Refining segment EBIT and its share on total



Petchem segment EBIT and its share on total



Retail segment EBIT and its share on total



- Volatility of refining and petchem segment is smooth out by more stable retail segment.
- Overall, petchem segment is the main EBIT contributor.

1) EBIT contribution from Kaučuk (sold in 2007).

2) EBIT contribution from Kaučuk (sold in 2007) and Spolana (sold in 2006).

Note: Difference to 100% is contribution of "Other segment" (Corporate Functions and Services).

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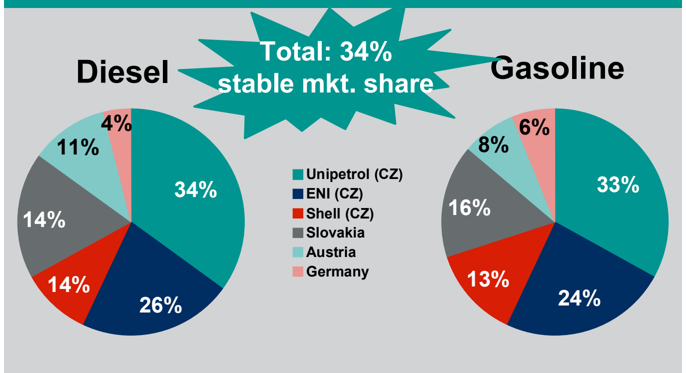
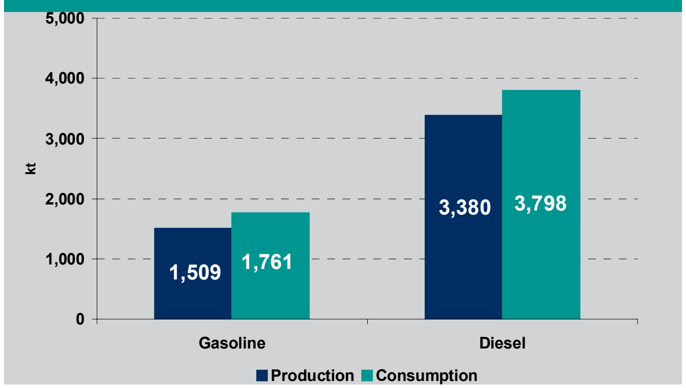
ALTHOUGH CZECH FUEL MARKET REMAINS IN DEFICIT WE STRIVE TO IMPROVE OUR EXPORTS

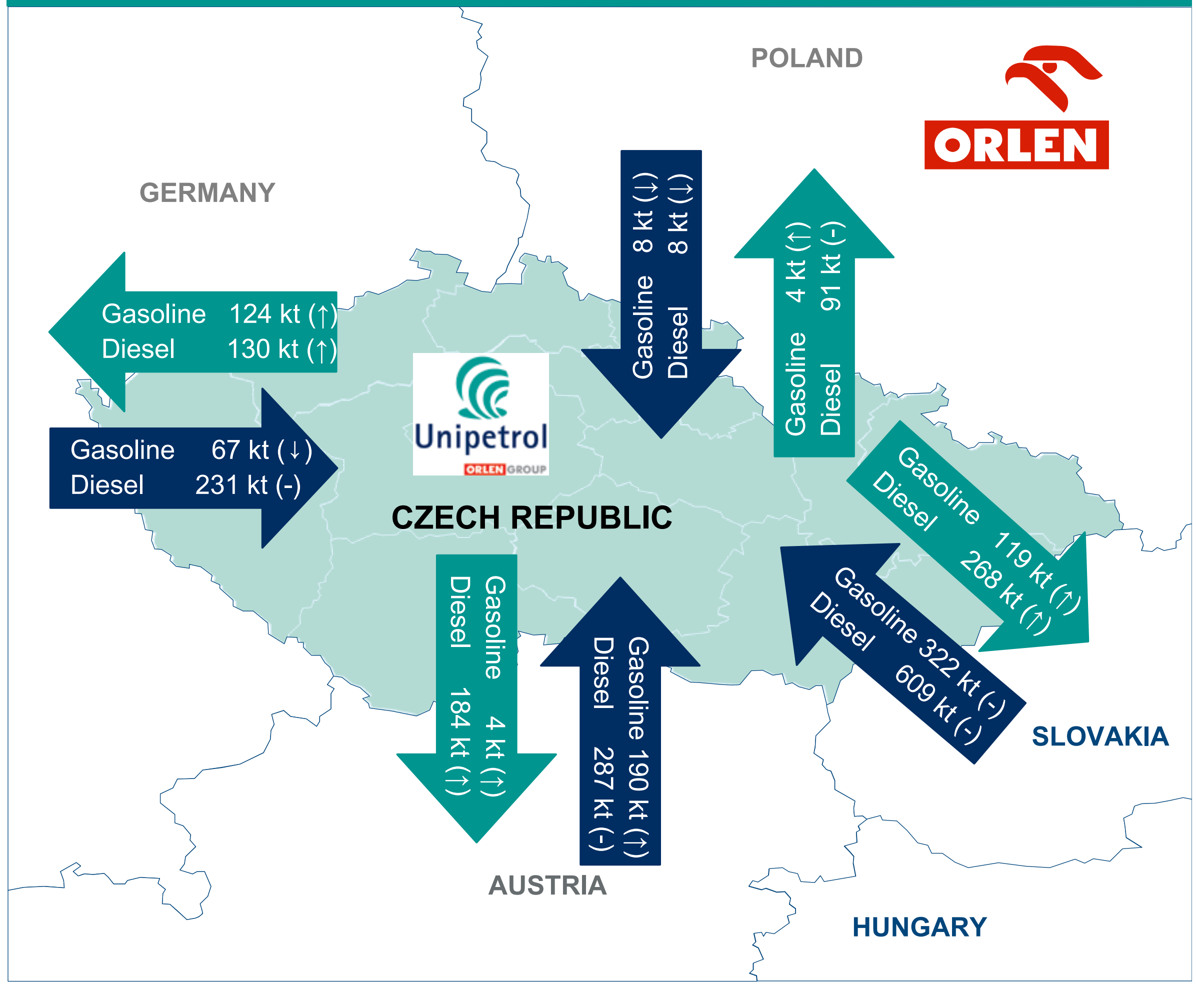
Unipetrol's wholesale fuel mkt. share



Czech fuel market balance



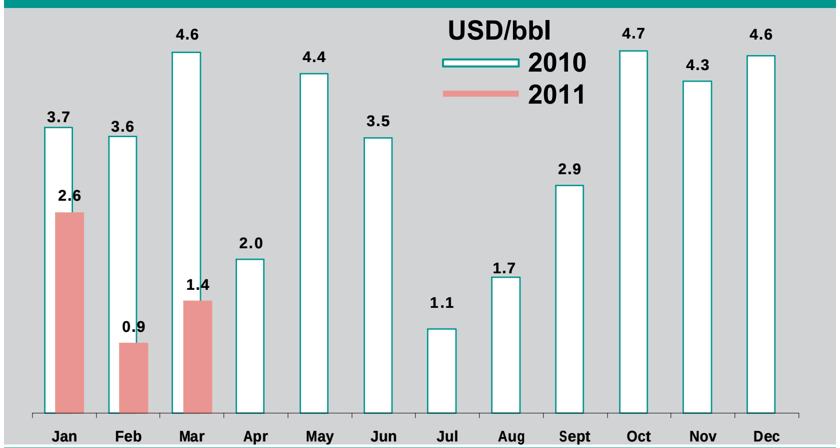
2010 total Czech fuel market flows



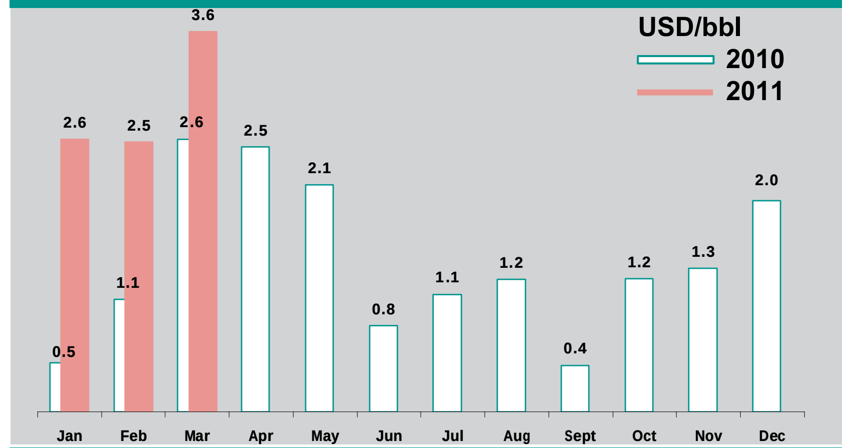
Arrows indicate 2010/2009 change: over +20% (↑), between +20% and -20% (-), below -20% (↓).

BRENT-URAL DIFF. AT USD 3+/BARREL LEVELS LAST SEEN IN MID-2008

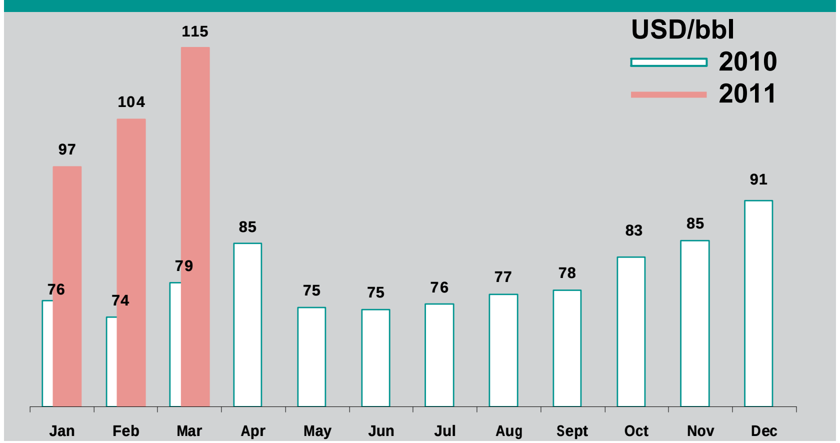
Unipetrol model refining margin[1)]



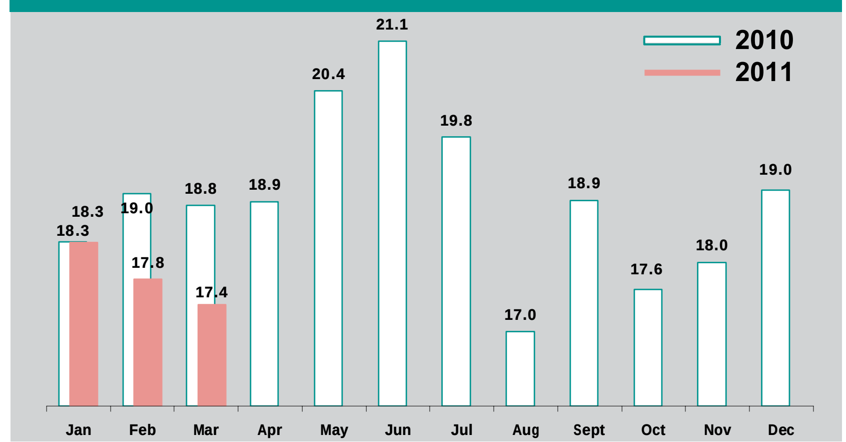
Brent-Ural price differential[2)]



Brent crude price (feedstock)



CZK/USD



1) Unipetrol model refining margin = revenues from products sold (97% Products = Gasoline 17%, Petchem feedstock 20%, JET 2%, Diesel 40%, Sulphur Fuel Oils 9%, LPG 3%, Sulphur 1%, Other feedstock 5%) minus costs (100% input = Brent Dated); product prices according to quotations.

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

Source: REUTERS, FERTWEEK, CNB

2011 MAIN NEW OPERATING IMPROVEMENT INITIATIVES IN REFINING

- **Slurry oil filtration** in Kralupy refinery in order to achieve required quality of heavy fuel oil without need to mix it with more valuable products.

- **Higher processing of C9** to increase production of motor fuels, e.g. diesel.

- **Improvement of fuel pricing and B30 biodiesel sales,** thus benefit from more favourable excise tax obligations.

- **Lower energy consumption in Paramo:** natural gas and energy savings related to GOHT unit.

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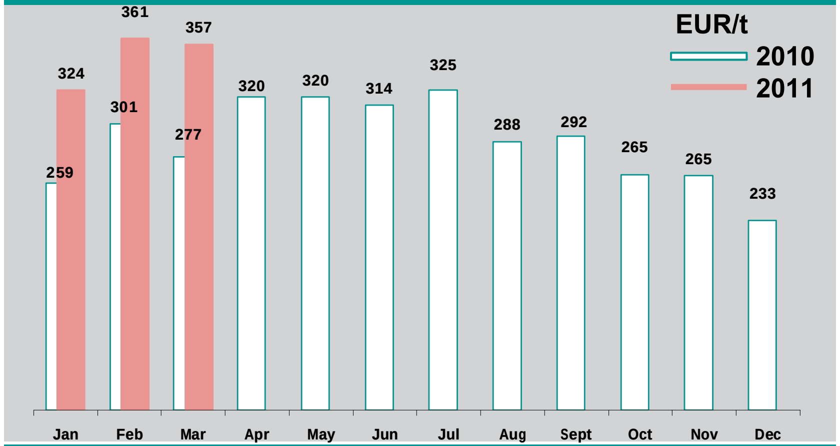
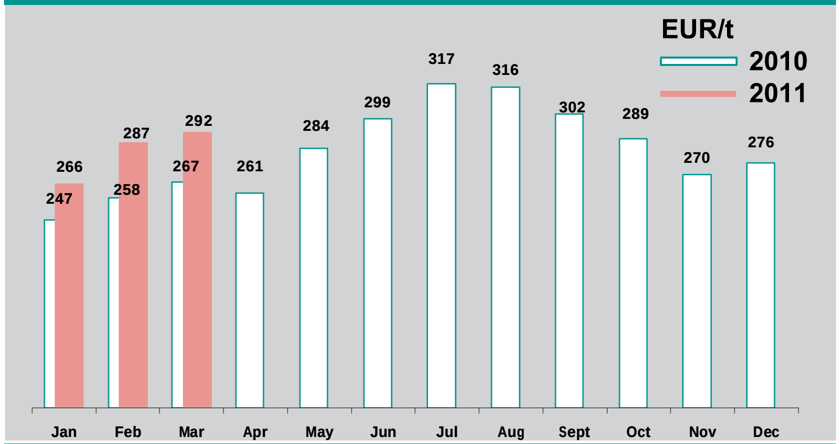
COMBINED PETCHEM MARGIN SIGNIFICANTLY ABOVE EUR 600/T LEVEL ON STRONG OLEFINS

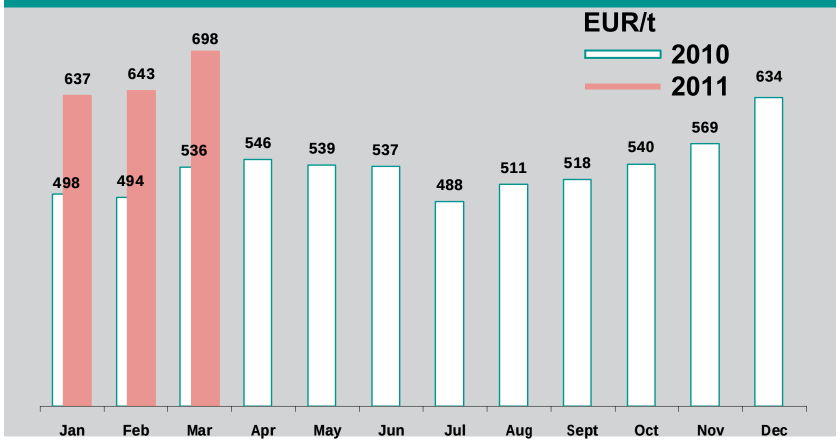
Unipetrol model olefin margin[1)]



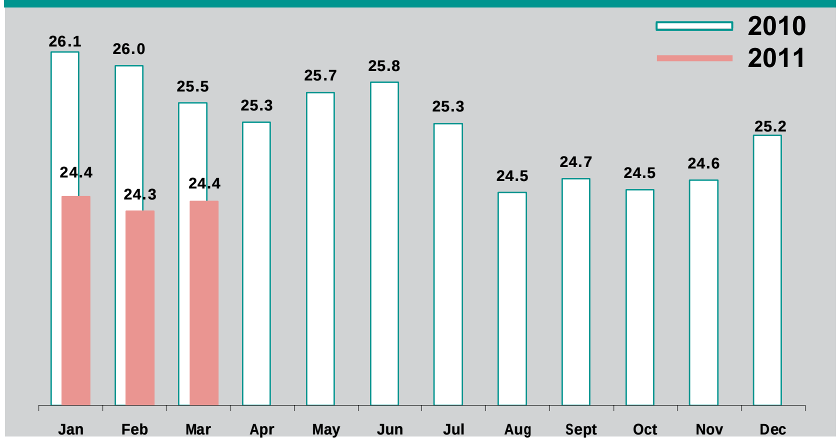
Unipetrol model polyolefin margin[2)]



Naphtha price (feedstock)



CZK/EUR



1) Unipetrol model petrochemical olefin margin = revenues from products sold (100% Products = 40% Ethylene + 20% Propylene + 20% Benzene + 20% Naphtha) minus costs (100% Naphtha); product prices according to quotations.

2) Unipetrol model petrochemical polyolefin margin = revenues from products sold (100% Products = 60% HDPE + 40% Polypropylene) minus costs (100% input = 60% Ethylene + 40% Propylene); product prices according to quotations.

Source: REUTERS, ICIS, CNB

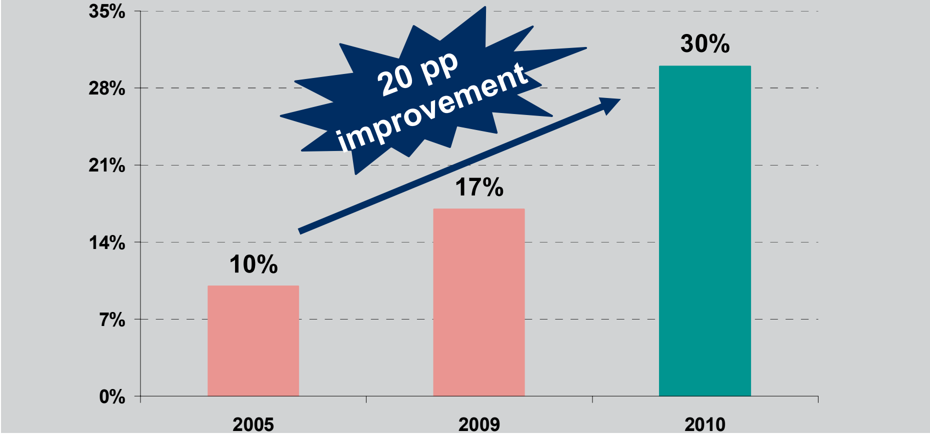
SHARE OF MODIFIED AND SPECIALIZED PETCHEM GRADES IMPROVED

- **Products with a higher added value -** products requiring the observance of stringent European standards confirmed by independent certification (e.g. civil **engineering sector** – geomembranes/landfills, **health sector** – bicomponent fibres for non-woven textiles).

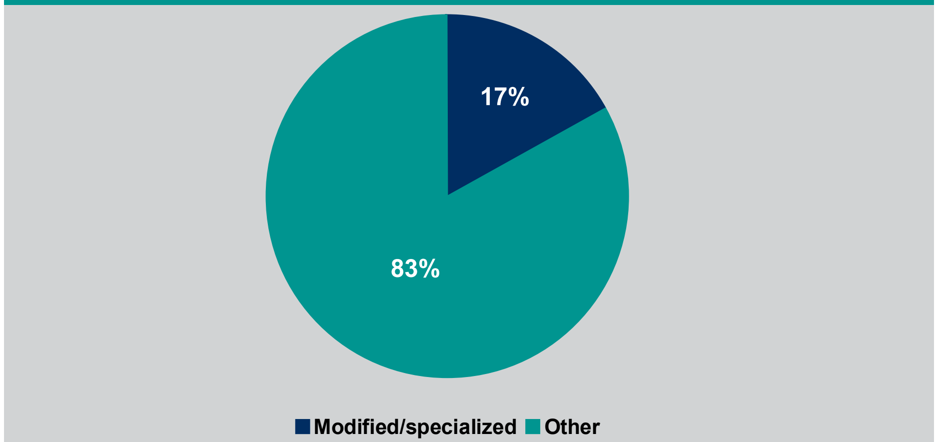
- **Our main markets for petrochemical production:** Czech Republic, Germany, Slovakia, Austria, The Baltic countries, and Ukraine.

- **Main sectors:** packaging (58%), building (16%), textile (12%), smaller exposure to automotive (4%), electro (4%), agro (3%) and other (3%).

Volume share of modified/specialized PE grades

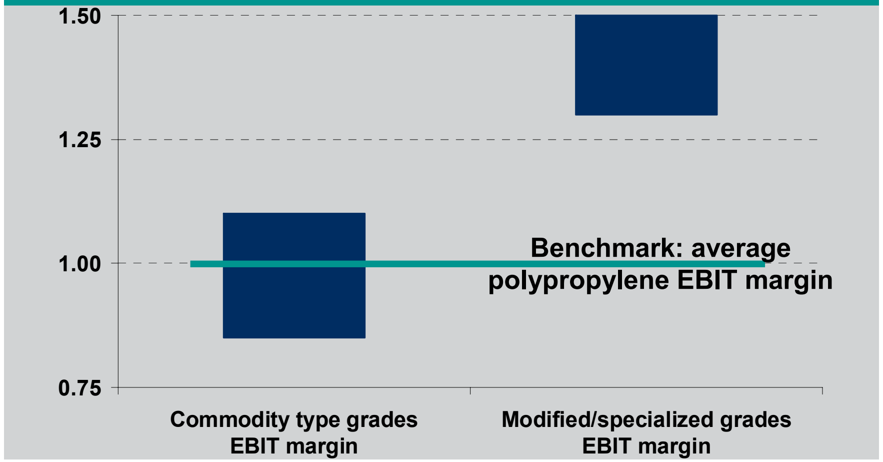


Volume share of modified/specialized PP grades

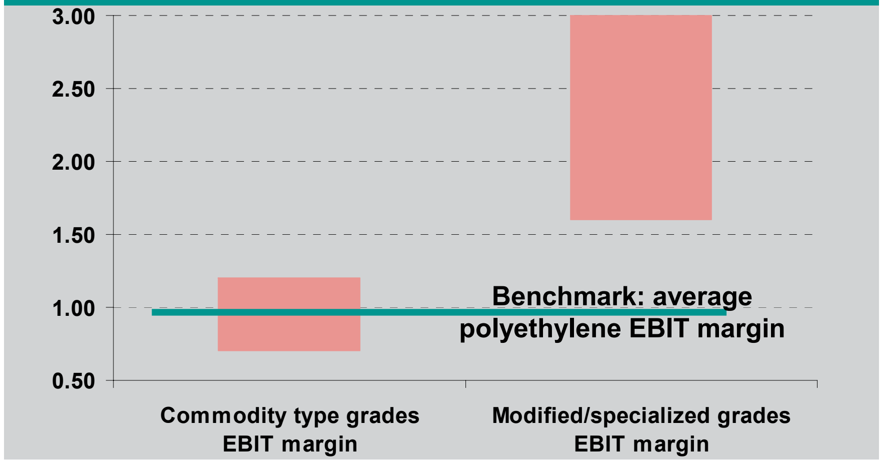


STRIVING TO IMPROVE PROFITABILITY WITH OPTIMAL BALANCE BETWEEN GRADES

PP commodity vs. modified grades margin



PE commodity vs. modified grades margin



- **Polypropylene (PP) commodity grades brings EBIT margin in the range of 0.85x to 1.1x, while modified/specialized grades brings EBIT margin in the range of 1.3x to 1.5x** of the overall average PP EBIT margin.
- **Polyethylene (PE) commodity grades brings EBIT margin in the range of 0.7x to 1.2x, while modified/specialized grades brings EBIT margin in the range of 1.6x to 3.0x** of the overall average PE EBIT margin.
- Unipetrol works on **keeping optimum balance between standard and easy to produce commodity type grades and higher margin but more complex modified/specialized grades** in order to achieve maximum profit at optimum capacity utilization and product balance in whole petrochemical chain.

2011 NEW KEY PETCHEM IMPROVEMENT INITIATIVES

- **Price optimization** of steam cracker feedstock.
- **Specific ethylene consumption** on polyethylene unit.

- **Production optimization** via hydrogen yield increase.
- **Sales volume increase of selected products:** e.g. Ethylene, Chezacarb Soot.

- Improved **catalyst management** and **maintenance cost** optimization.
- **Numerous smaller variable cost reductions** in production and energy area.

OPTIMIZATION OF CURRENT ENERGY ASSETS FOR FUTURE DEVELOPMENT

- As communicated in **mid-September 2010, we have launched initial process of closing down T200 heat and power plant** pursuant IPPC permit in several stages:

  1) Decommissioning of **"old part" of T200** in phase I *(completed in March 2011)*
  2) Decommissioning of **TG2 & TG9 part** in phase II
  3) Dismantling of decommissioned T200 and **new T700 structure set up** in phase III

- T200 shutdown requires **selective reduction of over 100 FTE** (full-time employees) in the Energy Services Unit during 2010-2011.

Project stage	Phase I	Phase II	Phase III	Future development
Operation mode	T200 T700	T200 T700	T700	? T700
Time schedule	1Q/2Q 2011	3Q/4Q 2011	1Q/2Q 2012	

Generation unit in its current form

Generation unit partly decommissioned

Generation unit fully decommissioned

Potential new generation unit

AVAILABLE ENERGY TECHNOLOGIES FOR UNIPETROL

- Crude oil residuals
- Hard coal
- Gas
- Lignite
- Nuclear
- Coal gasification

Gas

To ensure the supply of steam, larger installation (in MW) is required.

Lignite

The need to ensure coal supply in the long-term contract.

Final decision: subject to analysis

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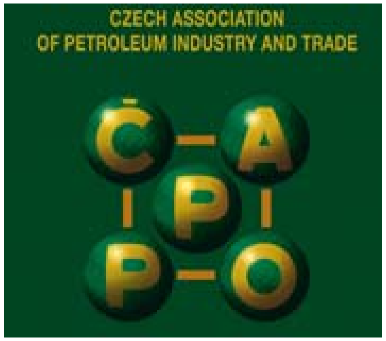
IMPLEMENTATION OF CORRECTIVE LEGISLATIVE MEASURES TO FIGHT ILLEGAL MARKET

- Introduction of **mandatory registration for sellers of motor** fuels *(implemented as amendment to Fuels and Filling Stations Law in 1Q2011)*.
- Ministry of Finance measure: to have **access to the balance gauges** (inflow and outflow) **of the fuel dispenser** at the filling stations.
- Ministry of Finance measure: introduction of the **record-keeping obligation** for inflow and outflow of the motor fuels *(implemented in August 2010).*
- **Abolition of tax benefit of emulsion diesel** *(it is part of the excise tax law draft amendment, expected voting and implementation in 2H 2011)*.
- **Public announcement of state control results** done by Czech Trade Inspection (COI) *(implemented in 1Q 2011)*.
- Introduction of **"VAT guarantee" to all parties involved in the chain of selling imported motor fuels** (most important but most difficult measure to implement as the change of the tax guarantee system requires consensus of all EU member stats – *in the Czech Republic implemented in 1Q2011, year 2012/2013 is preliminary expectation for EU implementation in our view)*.



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BENZINA'S PLANS FOR FUTURE DEVELOPMENT

- Introduction of **Stop Café concept** (from Poland) to the Czech Republic upon successful test that we are currently running.
- **Test of STAR and ORLEN brands** at selected filling stations in the Czech Republic.
- Continuation with selective **construction of new filling stations**, with new road network additions.
- Continuation of **promotion our DOFO concept to independent dealers**. We believe the attractiveness of the concept to further increase upon successful elimination of the illegal market in the Czech Republic.
- Maintaining our **target to reach ca. 20% market share by 2013** jointly through organic growth and acquisition activity.
- Launch of **self service filling stations** at selected locations.
- **Increase our cooperation with hypermarkets**, (for the time being there is only cooperation on wholesale level - Unipetrol RPA).

Visualization of self service filling station

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TARGETS FOR 2011

Financial plans

- **Fixed cost reduction by additional ca CZK 200m.**
- **Better EBIT margin than in 2010.**
- **Positive free cash flow.**
- **Similar level of CAPEX as in 2010** (ca CZK 3.0bn).
- **Continuation of the long-term trend in staffing reduction.**

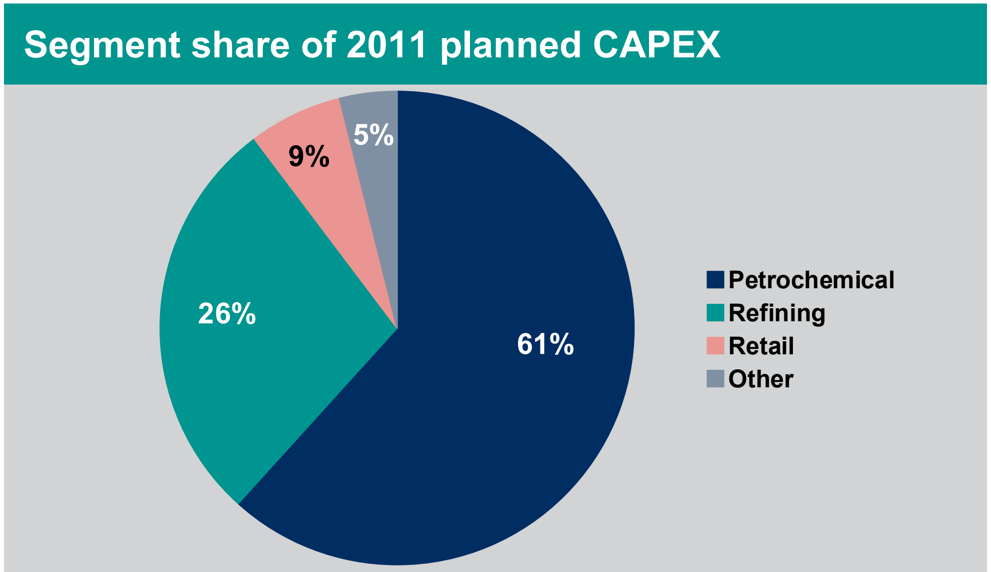
Operational plans

- **Slightly higher crude oil throughput than in 2010.**
- **Increase in refining sales volumes from 2010 level.**
- **Increase of retail market share close to 15%.**
- **2 new additions to Benzina's portfolio of filling stations, 1 self-service station and over 10 facelifts or rebrandings.**
- **Paramo and Unipetrol RPA's refining part restructuring.**

Maintenance plans

- **Refining**
  - **Cyclical shutdown in Litvinov refinery** (ca. 5-6 weeks in 3Q).
  - **Paramo's Pardubice refinery** (2 months in 1Q).
  - ✓ **HDS in Kralupy** (2 weeks in 1Q).
  - **Visebreaking unit** (3 weeks in 2Q).
- **Petrochemical**
  - **Cyclical shutdown of all units** (ca. 5-6 weeks in 3Q)

PETCHEM CONTINUES TO ACCOUNT FOR MAJORITY OF PLANNED CAPEX



- **Cyclical shutdown in Litvinov site:** to secure reliable and safe production in refining and petchem.
- **Refurbishment of steam cracker furnaces:** continuous modernisation of strategic assets in petrochemical production.
- **Initial phase of replacing steam cracker boiler room's equipment:** multi-year project of modernization in order to be in line with the industry standards.
- **Propylene cleaning unit:** use of external propylene will allow debottlenecking of polypropylene unit.
- **Modification of NRL unit flare system in Litvinov:** to improve and thus align flare system with best practices in relief systems.
- **Upgrade of rail loading station:** to increase HSE standards, reliability and optimisation of maintenance costs.

UNIPETROL’S KEY GROWTH OPPORTUNITIES

- Benefiting from forecasted **growth of plastics consumption** in CEE region.

- **Modified/specialized petchem grades with higher margin** and revised contract terms.

- **Improved efficiency of refining as well as petchem units** following extensive maintenance program.

- Retail **market share to grow** with network upgrades as well as **new regulation** to mitigate motor fuel grey zone.

2011 GROWTH

CALENDAR OF UPCOMING EVENTS

IR events

• 21 April 2011	1Q11 trading statement
• **29 April 2011**	**1Q11 consolidated financial results**

THANK YOU FOR YOUR ATTENTION

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Intro and achievements in FY2011

Unipetrol in refining

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DIVERSIFIED UNIPETROL'S CONNECTIONS

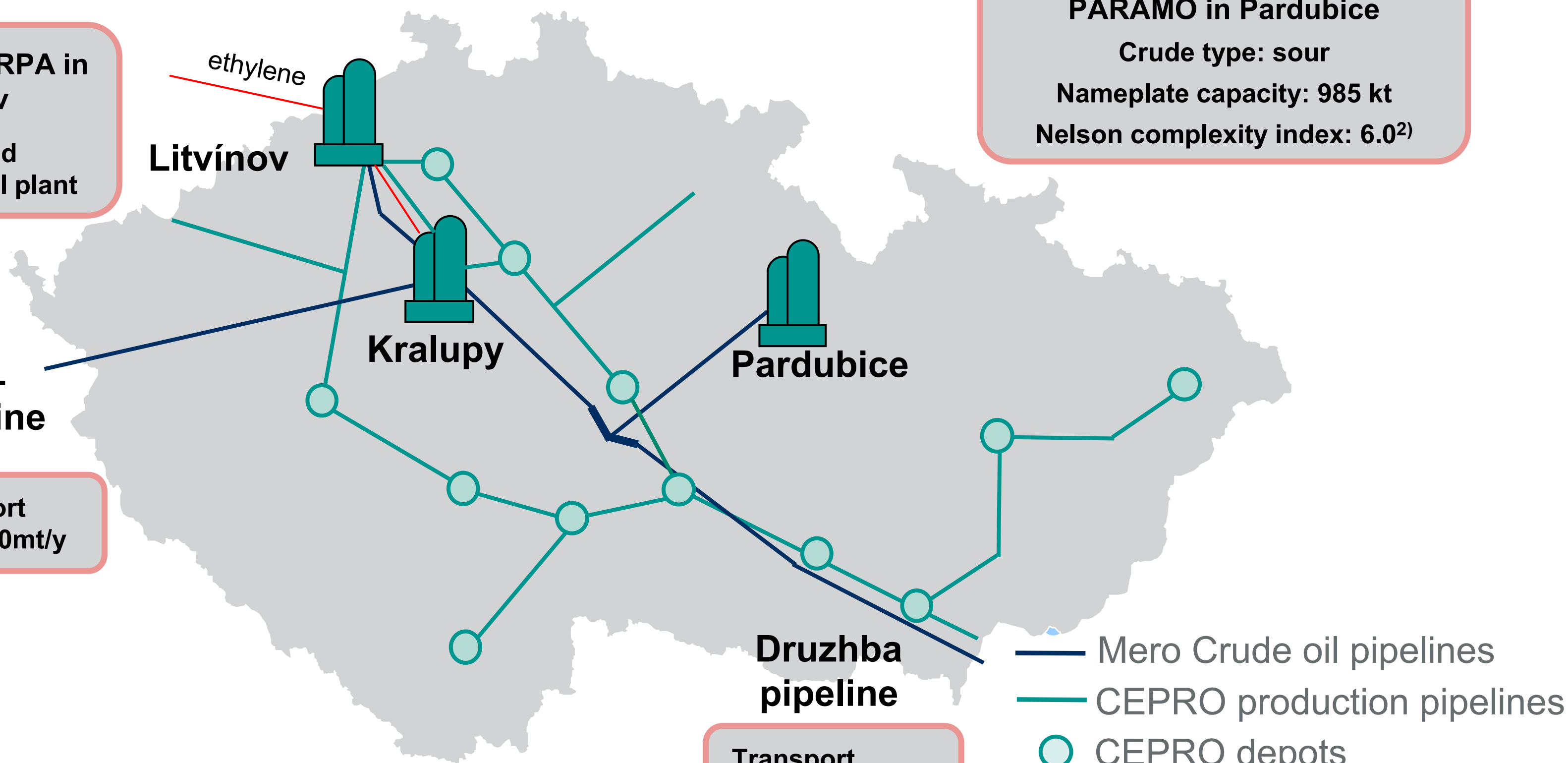
ČESKÁ RAFINÉRSKÁ in Litvínov
Crude type: sour
Nameplate capacity: 5,492 kt[1])
Nelson complexity index: 7.0

ČESKÁ RAFINÉRSKÁ in Kralupy
Crude type: sweet
Nameplate capacity: 3,206 kt[1])
Nelson complexity index: 8.1

PARAMO in Pardubice
Crude type: sour
Nameplate capacity: 985 kt
Nelson complexity index: 6.0[2])

UNIPETROL RPA in Litvínov

Integrated petrochemical plant



Transport capacity: 10mt/y

Transport capacity: 9mt/y

1) 100% of capacity of ČESKA RAFINÉRSKÁ
2) NCI for refinery itself: 3.6 (lubs production improves the indicator)

BEST YEAR OUT OF LAST THREE FOR PETCHEM AND SECOND BEST IN BENZINA'S HISTORY

	FY09	FY10	FY10/FY09
CZKm	1	2	3=2/1
Revenues	**67,387**	**85,967**	*+28%*
EBITDA	**2,778**	**5,174**	*+86%*
EBIT	**-654**	**1,678**	*n/a*
Net result attrib. to shrhld. of the parent co.	**-840**	**937**	*n/a*
EPS (CZK) 2)	**-4.63**	**5.17**	*n/a*
EBIT margin 3)	**-1.0%**	**2.0%**	*+3.0pp*

	FY09	FY10	FY10/FY09
CZKm	1	2	3=2/1
EBIT, of which	**-654**	**1,678**	*n/a*
• **Refining**	**-1,177**	**466**	*n/a*
• **Petrochemical**	**-95**	**715**	*n/a*
• **Retail distribution**	**693**	**547**	*-21%*
• **Others, Non-attributable, Eliminations**	**-75**	**-50**	*n/a*

1) Minor mathematical discrepancy when adding up 1Q10 and 2Q10 or between segments and total due to rounding.
2) Earnings per share = net profit attributable to shareholders of the parent company / number of issued shares
3) EBIT margin = Operating profit / Revenues

FREE CASH FLOW INCREASED BY CA 80% UP TO CZK 3.7BN

	FY09	FY10	FY10/FY09
CZKm	1	2	3=2/1
Operating cash flow (OCF)	**3,881**	**4,636**	*+19%*
Capital expenditure (CAPEX)	**3,187**	**3,089**	*-3%*
Free cash flow (Operating - Investment CF)	**2,069**	**3,700**	*+79%*
Net Working Capital [1)]	**5,051**	**8,144**	*+61%*
Net finance costs	**564**	**492**	*-13%*
Gearing [2)]	**3.2%**	**-6.5%**	*-9.7pp*
Net debt / EBITDA [3)]	**0.44**	**-0.49**	*n/a*
ROACE [4)]	**-1.3%**	**3.8%**	*+5.1pp*

- **Improved cash flow helped to virtually "wipe out" debt, resulting in negative gearing of -6.5%.**
- **Capital expenditures reached over CZK 3bn in 2010, i.e. similar level as year before.**

1) Net Working Capital = current assets – current liabilities, at the end of the period (excl. derivatives, provisions and income tax)
2) Gearing = net debt / equity, both at the end of the period
3) Interest-bearing borrowings less cash / EBITDA (rolling over the last four quarters)
4) Return on average capital employed = Operating profit after taxes in the period / average capital employed in the period

PRODUCT MIX CONTINUES TO BE BIASED TOWARDS MIDDLE DISTILLATES…

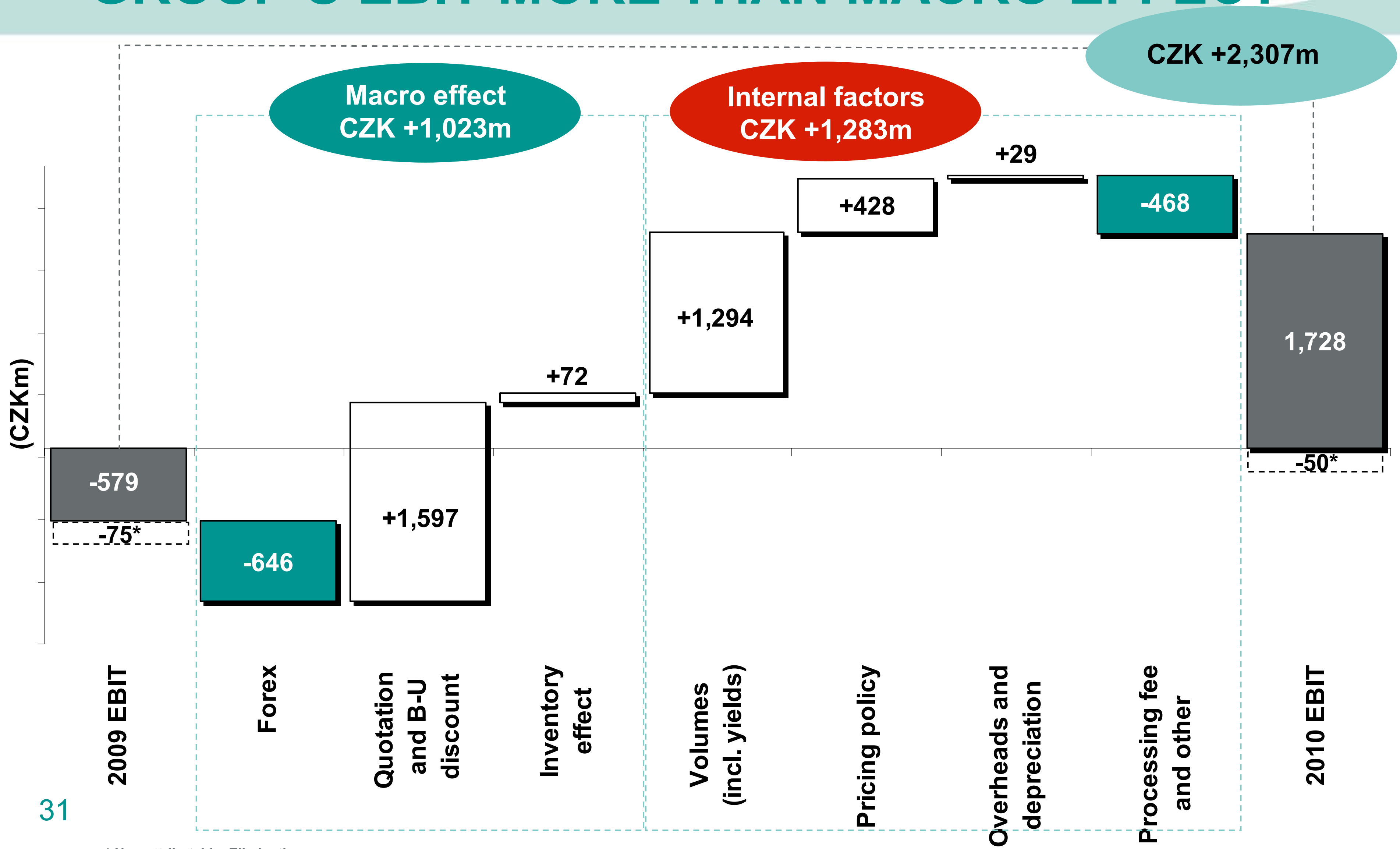
	2005	2006	2007	2008	2009	2010
Crude oil throughput (kt)	4,152	4,281	4,137	4,533	**4,110**	**4,352**
Utilisation ratio (%)	75	77	75	82	**75**	**79**
Light distillates[1] yield (%)	30	32	31	31	**31**	**33**
Middle distillates[2] yield (%)	38	40	43	44	**44**	**43**
Heavy distillates[3] yield (%)	14	11	10	10	**10**	**11**
Refinery products sales[4] (kt)	3,393	3,261	3,621	3,825	**3,409**	**3,548**
Petrochemical products sales (kt)	1,560	1,480	1,660	1,830	**1,824**	**1,772[5]**

- **Cyclical decrease in utilisation ratio due to ca 4-year regular maintenance shutdown cycle in Kralupy and Litvinov refinery. Next one scheduled for 2011 in Litvinov.**
- **Utilization ratio almost 85% in 2H10 thanks to good technical availability of the units.**

1) LPG, gasoline, naphtha
2) JET, diesel
3) Fuel oils, bitumen
4) Includes retail distribution - Benzina
5) As of June 2010, only 51% of C4 fraction sales considered as external due to launch of Budatien Kralupy.

All data refers to Unipetrol RPA, i.e., 51.22% of Ceska Rafinerska and 100% of Paramo

INTERNAL FACTORS HELPED TO IMPROVE GROUP'S EBIT MORE THAN MACRO EFFECT



* Non-attributable, Eliminations

CO2 EMISSIONS ON THE DECLINE IN ORDER TO BE MORE COMPETITIVE AND CASH ON SAVINGS

Allocation of allowances (th units/year) Actual emissions (kt/year)	Unipetrol RPA	Česká Rafinérská[1)]	Paramo	Unipetrol Group
NAP I. allocations 2005-2007	3,495	563	270	**4,328**
2005: actual CO2 emissions	3,071	411	194	**3,676**
2006: actual CO2 emissions	3,092	466	196	**3,754**
2007: actual CO2 emissions	2,889	463	191	**3,543**
NAP II. allocations 2008-2012	3,121	444	199	**3,764**
2008: actual CO2 emissions	2,762	466	176	**3,404**
2009: actual CO2 emissions	2,558	413	172	**3,143**
2010: actual CO2 emissions	2,468	452	170	**3,090**

1) 51.22% share

DISCLAIMER

The following types of statements:

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