



UNIPETROL 4Q 2008 CONSOLIDATED UNAUDITED FINANCIAL RESULTS (IFRS)

*Krzysztof Urbanowicz, CEO
Wojciech Ostrowski, CFO*

February 26, 2009



Agenda

Highlights

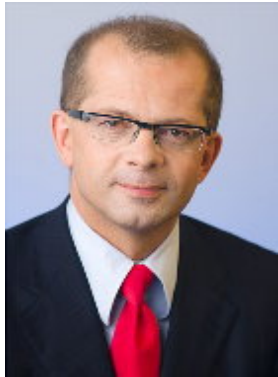
Financial results

Segments

Supporting slides

New Board of Directors

Team of experienced managers



Krzysztof Urbanowicz
Chairman and
CEO



Marek Serafin
Vice-chairman



Wojciech Ostrowski
Vice-chairman
and CFO



Martin Durčák
Member



Ivan Ottis
Member



Arkadiusz Kotlicki
Member and
Chief
Administration
Officer

New CEO to introduce ambitious and quick-to-implement recovery plan

To save the pole position for UNIPETROL once the economy recovers

Priorities

1) Increase possible throughput and production volumes

2) Increase profitability through

- ☞ Strict cash management
- ☞ Working capital squeeze

3) Focus on costs

- ☞ Strict OPEX control – we ended 2008 10% below planned overheads and further savings are being discussed
- ☞ CAPEX reduction – significant cuts already in 2008 (-24% y/y), further reduction to keep only projects with highest economic value

Initiatives in the pipeline also include:

- ☞ Modified product portfolio (lowered number of PE and PP grades, product swaps with PKN ORLEN)
- ☞ Improved efficiency of production of polyolefins
- ☞ More competitive pricing policy for our products
- ☞ Introduction of higher value fuels (JET grades) to the market

4Q 08 Highlights

Unpredictable moves in crude oil price and hard time for polyolefins

Operations – underlying results are good

- 1.1mt of processed crude oil in 4Q 08 contributed to the record FY volume of 4.5mt
- Both petrochemical and fuel sales volumes up 6% in FY08 over FY07; down in 4Q -17% q/q
- We have restructured UNIPETROL Trade, closing 9 less profitable branches, keeping only subsidiaries in Germany and Switzerland
- Squeeze out process in PARAMO in its final stage to acquire full ownership

External environment – collapse of prices and economic slowdown pushed our results

- 52% fall in crude oil price q/q and further strengthening of USD against EUR, causing significant decrease of value of our inventories of more than 2bn y/y
- Unlike olefin, the polyolefin margins collapsed, even turning negative in December
- Tightened access to credit and lack of cash on the market caused fall in consumer demand
- Automotive industry, construction, durables consumer goods already in recession

Financial position – strong

- Free cash flow well under control
- Healthy balance sheet with no maturing debts
- Volume of receivables beyond maturity not rising

Net finance cost increased due to USD/EUR impact on trade receivables/trade liabilities

Sales Volumes

Impact of economic slowdown is visible

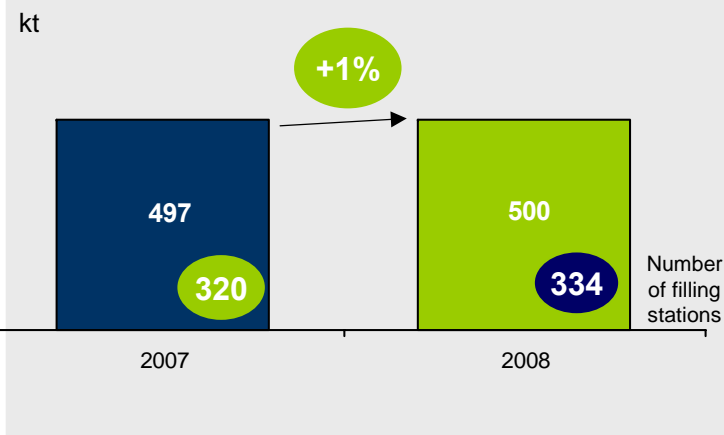
	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	FY 07	FY 08	q/q	y/y	FY07/08
<i>kt</i>	1	2	3	4	5	6	7	8=5/4	9=5/1	10=7/6
Fuels	721	750	815	903	749	3,046	3,217	-17%	4%	6%
Petrochemicals	251	405	422	396	329	1,459	1,552	-17%	31%	6%
Retail distribution	128	114	129	133	124	497	500	-7%	-3%	1%

☞ Sales volumes in petrochemicals dropped 17% q/q in 4Q but are 6% up for the full year (y/y)

☞ High sales volumes through retail distribution in 4Q resulted in record full-year volume of 500kt on stagnating retail market

☞ Diesel sales volumes hit by economic slowdown in 4Q, for the whole year we experienced 13% growth over 2007; total fuel volumes grew 6% for the whole year

Retail sales volumes



Production

All production targets met for 2008

	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	FY 07	FY 08	q/q	y/y	FY07/FY08
	1	2	3	4	5	6	7	8=5/4	9=5/1	10=7/6
Crude oil throughput (kt)	909	1,027	1,179	1,216	1,111	4,140	4,533	-9%	22%	9%
Utilisation ratio (%)	65	74	86	88	79	75	84	-9pp	+14pp	+9pp
Light distillates ¹⁾ yield (%)	28	29	28	30	31	30	33	+1pp	+3pp	+3pp
Middle distillates ²⁾ yield (%)	38	42	47	45	43	40	46	-2pp	+1pp	+6pp
Heavy distillates ³⁾ yield (%)	15	10	10	10	10	12	10	0pp	-5pp	-2pp

Record throughput of 4,533kt

Utilisation ratio up 9 percentage points FY08/FY07

Fuel yield (middle distillate yield + light distillate yield) as high as 74%, i.e. +8pp y/y

Total processed crude development



External Environment

Sharp fall in crude oil price, collapse of polyolefin margins, USD up vs. EUR

	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	FY 07	FY 08	q/q	y/y	FY07/08
	1	2	3	4	5	6	7	8=5/4	9=5/1	10=7/6
Brent crude oil (USD/bbl)	88.46	96.72	121.19	115.07	55.45	72.43	97.11	-52%	-37%	34%
Ural crude oil (USD/bbl)	85.42	93.36	117.47	113.31	54.56	69.20	94.67	-52%	-36%	37%
Brent-Ural differential (USD/bbl)	3.04	3.36	3.72	1.76	0.89	3.23	2.44	-49%	-71%	-24%
(CZK/bbl)	56	57	59	28	17	66	40	-39%	-70%	-39%
Model refining margin (USD/bbl) ¹⁾	7.63	6.84	11.65	10.56	9.10	7.89	9.54	-14%	19%	21%
(CZK/bbl)	141	117	185	169	175	160	161	4%	24%	1%
Model petrochemical olefin margin (EUR/t) ²⁾	298.34	345.08	284.70	400.79	557.23	357.56	396.95	39%	87%	11%
(CZK/t)	8,002	8,819	7,066	9,652	14,097	9,944	9,908	46%	76%	0%
Model petrochemical polyolefin margin (EUR/t) ³⁾	323.07	279.59	242.02	269.52	36.48	346.99	206.90	-86%	-89%	-40%
(CZK/t)	8,665	7,145	6,007	6,490	923	9,640	5,141	-86%	-89%	-47%
CZK/EUR ⁴⁾	26.82	25.56	24.82	24.08	25.30	27.75	24.91	5%	-6%	-10%
CZK/USD ⁴⁾	18.51	17.05	15.88	15.99	19.21	20.24	16.90	20%	4%	-17%
USD/EUR ⁴⁾	1.45	1.50	1.56	1.51	1.32	1.37	1.47	-13%	-9%	8%

1) UNIPETROL model refining margin = revenues from products sold (95.5% Products = Premium Unleaded 23.4%, Regular Unleaded 15.5%, Jet/Kerosene 8.3%, Diesel 33.3%, 1% Sulphur Fuel Oil 12.9%, Propane 1.5%, Butane 0.3%, Sulphur 0.4%) minus costs (100% input = Brent Dated); products prices according to quotations.

2) UNIPETROL model petrochemical olefin margin = revenues from products sold (100% Products = 33.3% Ethylene + 33.3% Propylene + 33.3% Benzene) minus costs (100% Naphtha); products prices according to quotations.

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

4) Quarterly average foreign exchange rates by the Czech National Bank.

Source: ICIS, PLATTS, FERTWEEK, THOMSONREUTERS, CNB

Agenda

Highlights

Financial results

Segments

Supporting slides

Key Financial Data

Bottom line squeezed by negative macroeconomic environment

	4Q 07	3Q 08	4Q 08	FY 07 restated	FY 08	q/q	y/y	FY07/08
<i>m CZK</i>	1	2	3	4	5	6=3/2	7=3/1	8=5/4
Revenues	21,149	29,899	19,015	88,462	98,144	-36%	-10%	11%
EBITDA	227	1,638	-351	8,298	4,481			-46%
EBIT	-657	772	-1,261¹⁾	4,812	1,003			-79%
Net profit attributable to shareholders of the parent company	-557	557	-1,200	1,210	65			-95%
EPS (CZK) ²⁾	-3.1	3.1	-6.6	7.0	0.4			-95%
EBITDA margin ³⁾	1.1%	5.5%	-1.8%	9.4%	4.6%			-51%
EBIT margin ⁴⁾	-3.1%	2.6%	-6.6%	5.4%	1.0%			-81%

1) Total negative macro effect adds up to CZK 1,263m, for details go to slide 17.

2) Earning per share = net profit attributable to shareholders of the parent company / number of issued shares

3) EBITDA margin = Operating profit before amortisation / revenues

4) EBIT margin = Operating profit / revenues

Detailed Financial Data

Strong operating cash flow, CAPEX down 39%, good financial position

	4Q 07	3Q 08	4Q 08	FY 07 restated	FY 08	q/q	y/y	FY07/08
<i>m CZK</i>	1	2	3	4	5	6=3/2	7=3/1	8=5/4
Operating cash flow (CF)	-851	299	3,634	4,023	4,213	1,115%		5%
Capital expenditures (CAPEX)	2,262	683	1,387	5,464	4,170	103%	-39%	-24%
Free cash flow (CF-CAPEX)	-3,113	-384	2,247	-1,441	43			
Net Working Capital ¹⁾	8,114	6,958	4,088	8,114	4,088	-41%	-50%	- 50%
Net finance costs	-119	- 47	-331	-2,896 ²⁾	-981			
Financial gearing ³⁾	3.7%	14.6%	8.4%	3.7%	8.4%	-43%	125%	125%
Net debt / EBITDA ⁴⁾				0.2	0.7			250%
ROACE ⁵⁾	-1.1%	1.3%	-2.4%	8.7%	1.9%			- 78%

Segment Breakdown

Operating result in refining and petchem hit by price drop

	4Q 07	3Q 08	4Q 08	FY 07	FY 08	q/q	y/y	FY 07/08
<i>m CZK</i>	1	2	3	4	5	6=3/2	7=3/1	8=5/4
EBIT, of which	-657	772	-1,261	4,812	1,003			-79%
• Refining & Marketing	-235	-61	-946	947	13			-99%
• Petrochemicals	-508	608	-379	3,348	359			-89%
• Retail distribution	183	137	89	524	455	-35%	-51%	-13%
• Others, Non-attributable, Eliminations	-97	88	-25	-6	176			

Key factors for each segment in 4Q 08

REFINING & MARKETING

- ☞ Diesel volumes down
- ☞ Gasoline spreads down
- ☞ Inventory negative revaluation

PETROCHEMICALS

- ☞ Polyolefin margins down
- ☞ Ethylene unit shut down
- ☞ Demand slowdown
- ☞ Inventory negative revaluation

RETAIL DISTRIBUTION

- ☞ Solid volumes
- ☞ Growing non-fuel business
- ☞ Unit margin under pressure

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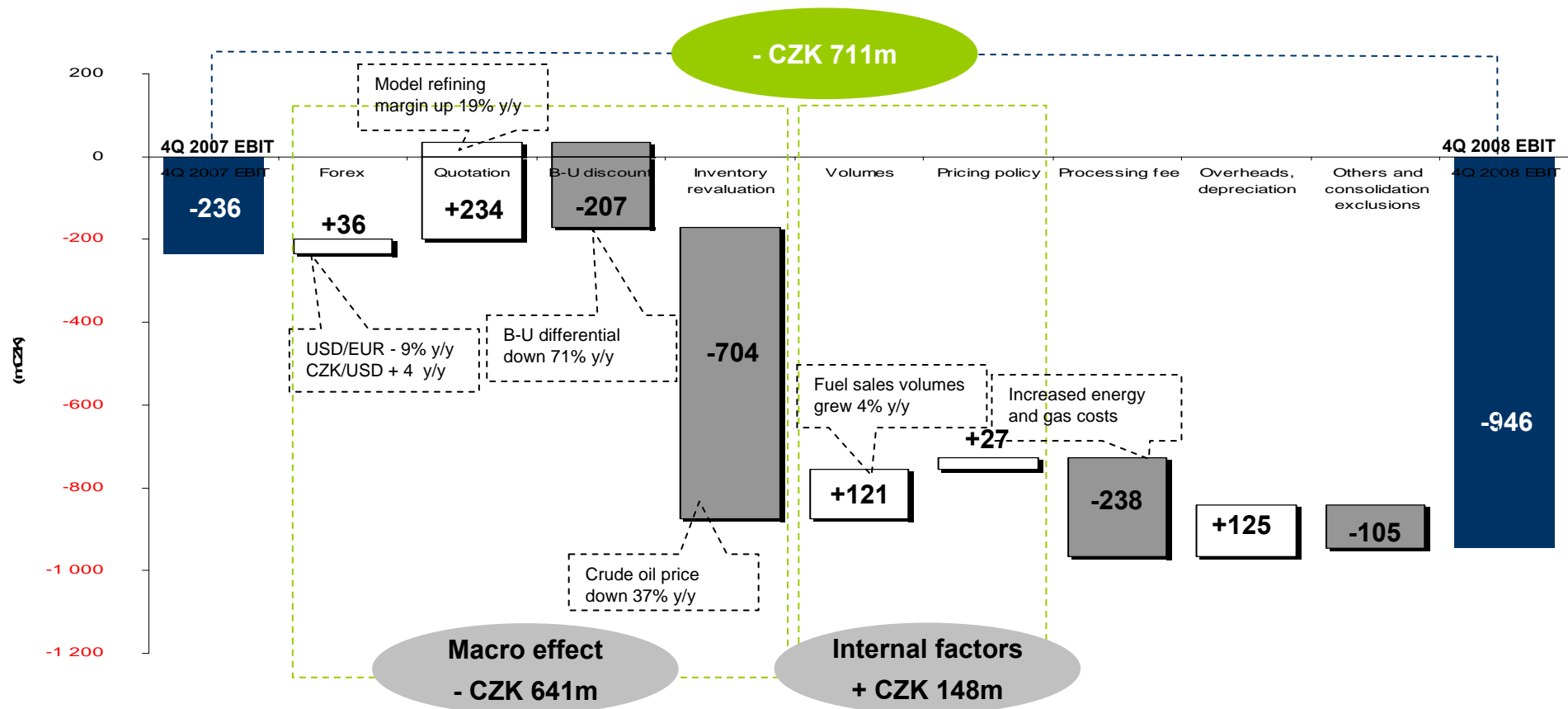
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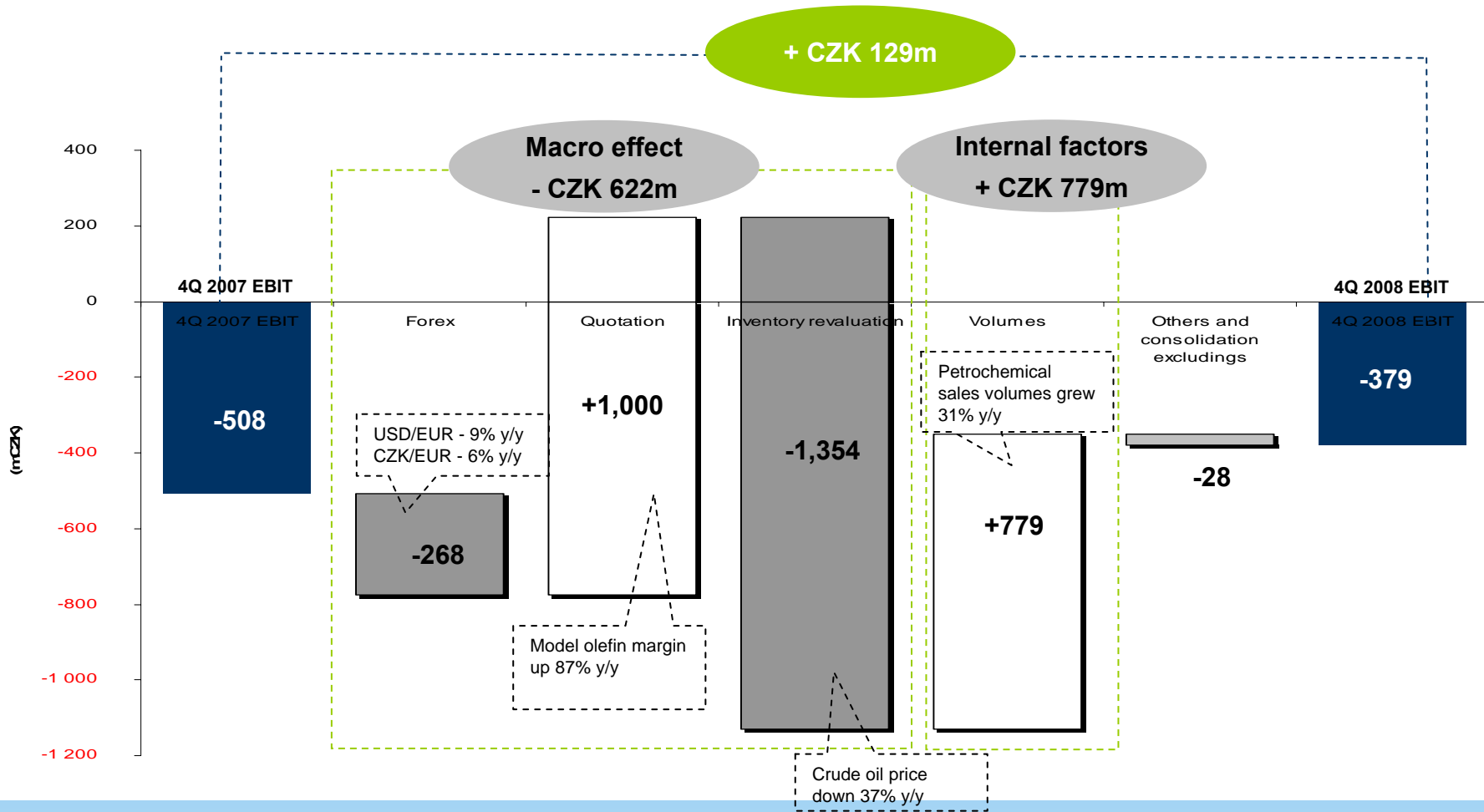
Refining and Marketing

Improved volumes and prices minimises impact from external factors



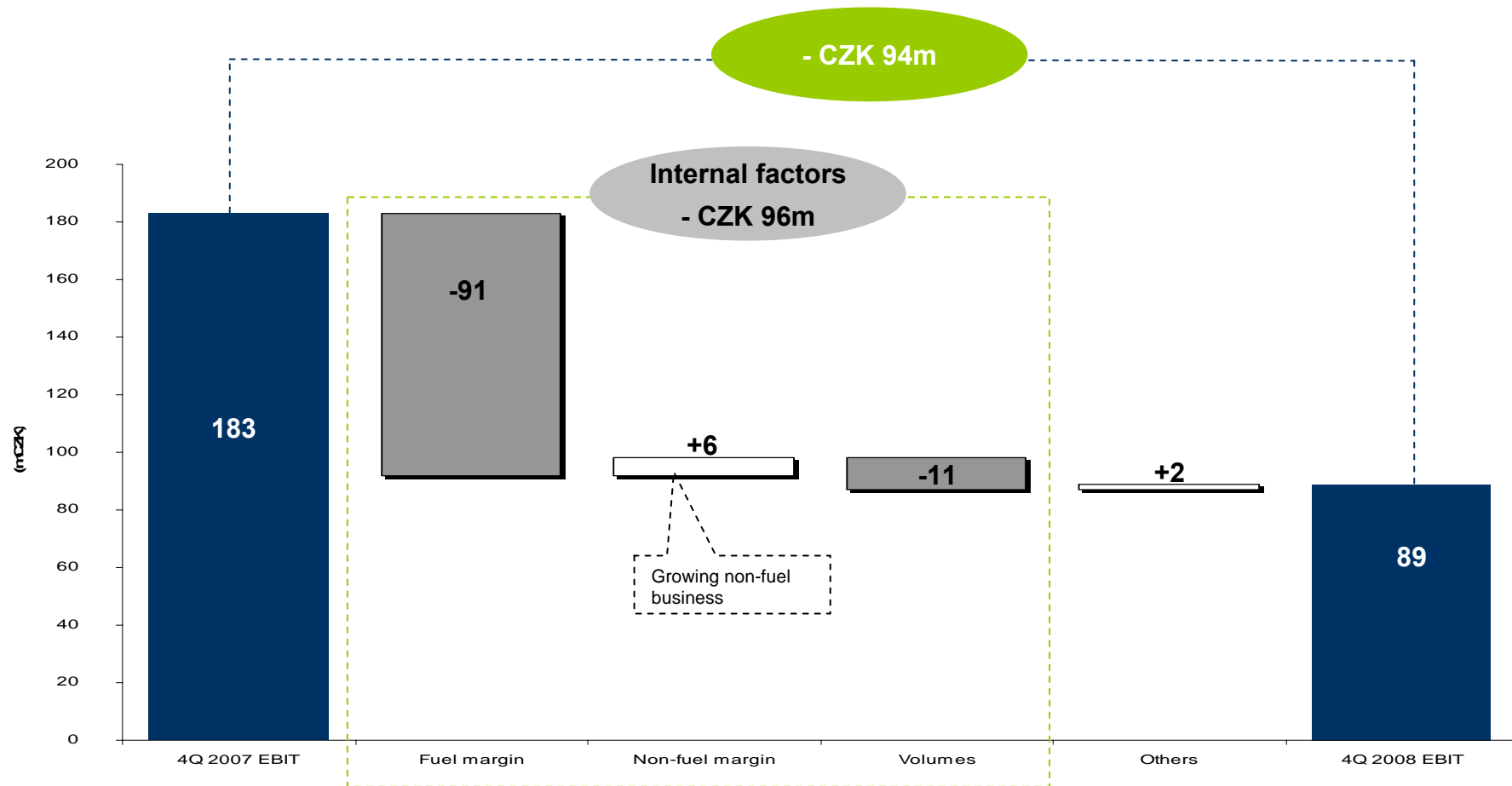
Petrochemicals

Increased volumes helped to mitigate negative macro factors



Retail Distribution

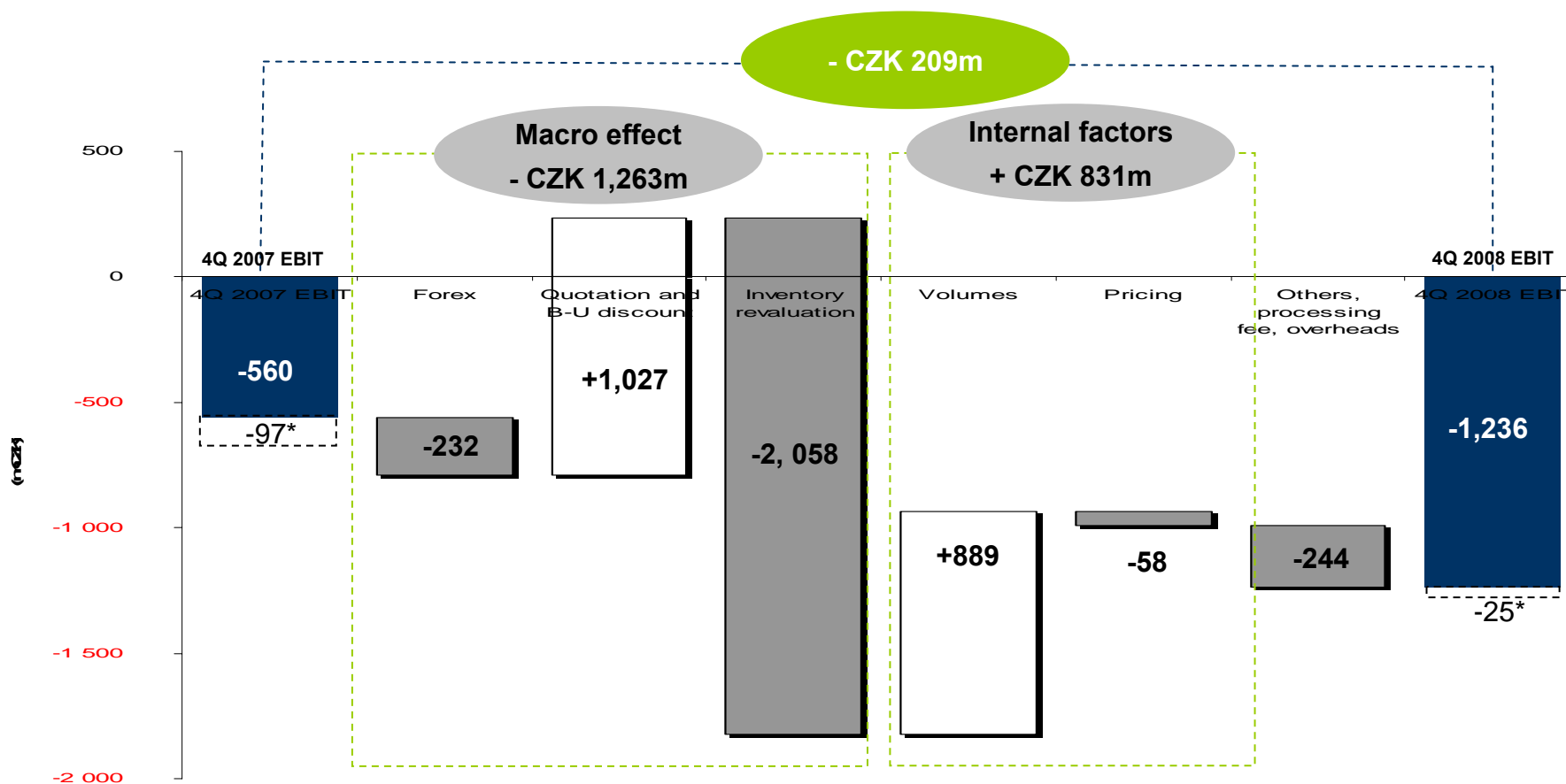
Pressured margins pushed result CZK 91m lower



Factors under UNIPETROL Management's Control

Internal factors contribute CZK 831m, dampening negative macro factors

Full utilisation of available capacities and sales volumes increases were the main drivers behind internal factors' improvements.



Thank you for your attention!

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www.unipetrol.cz



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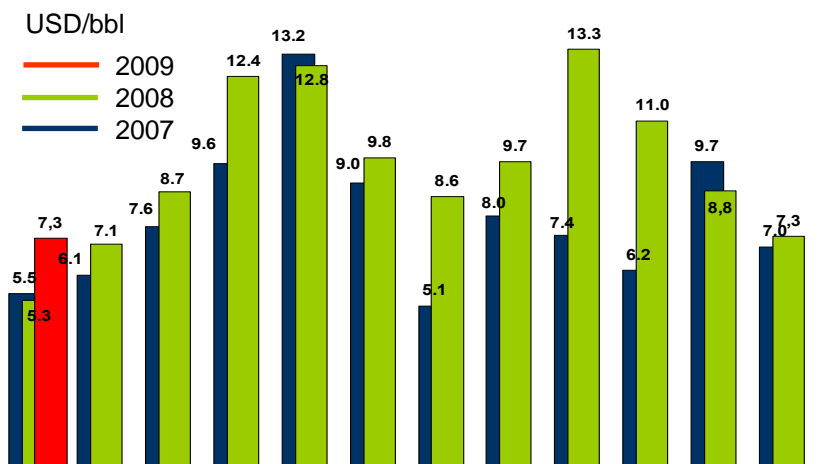
Financial results

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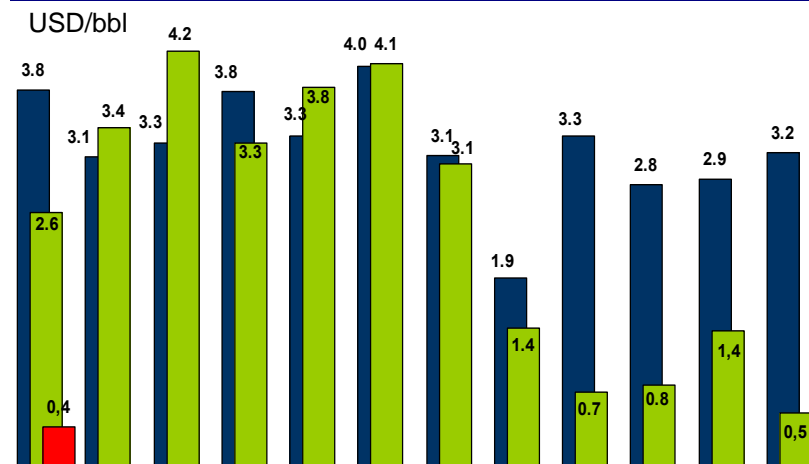
Supporting slides

External Environment Refining

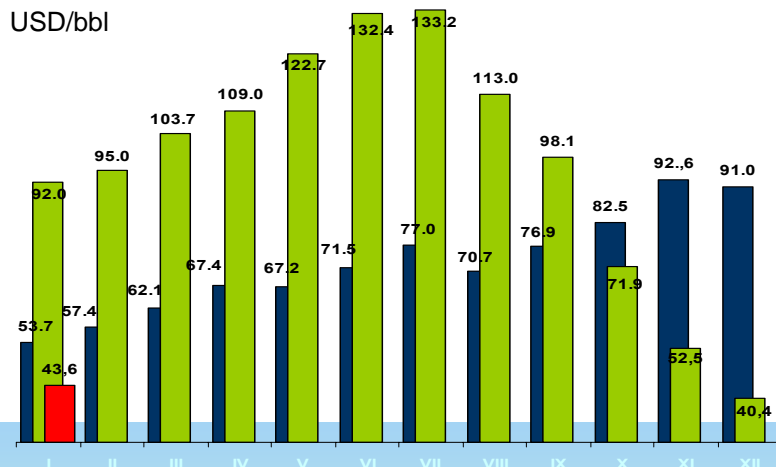
Model refining margin



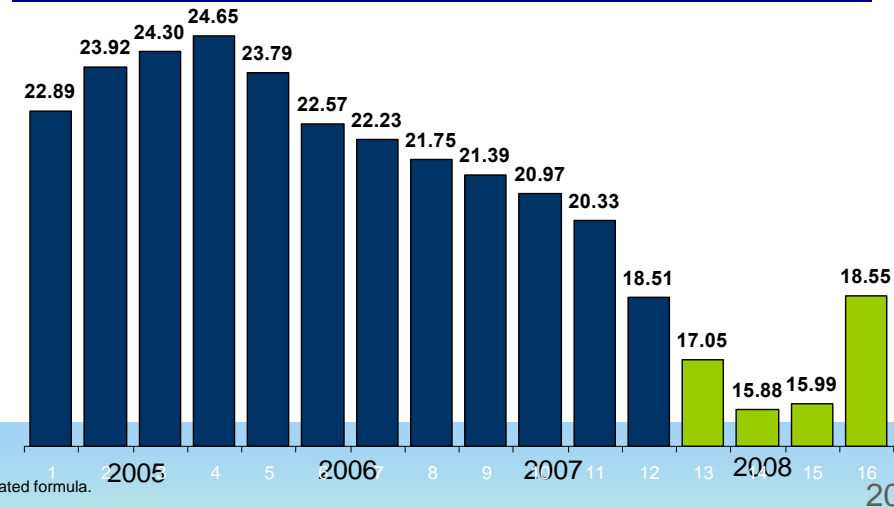
Brent-Ural price differential¹⁾



Brent crude price



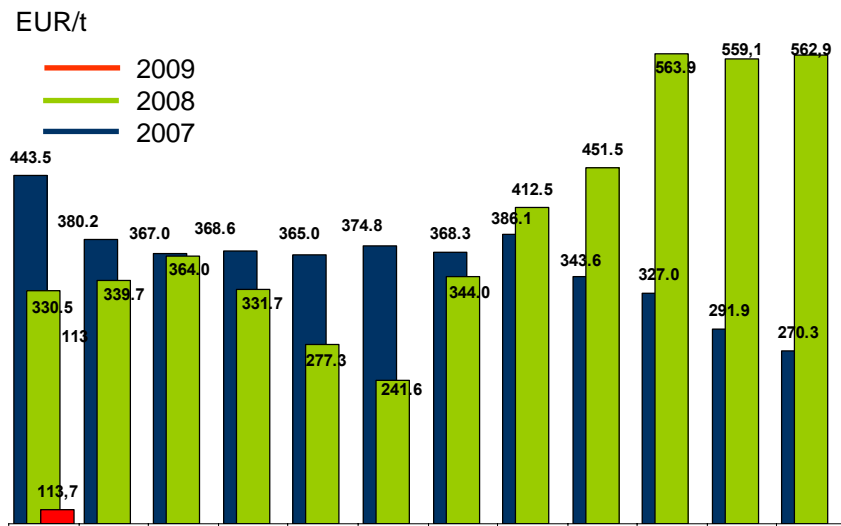
CZK/USD



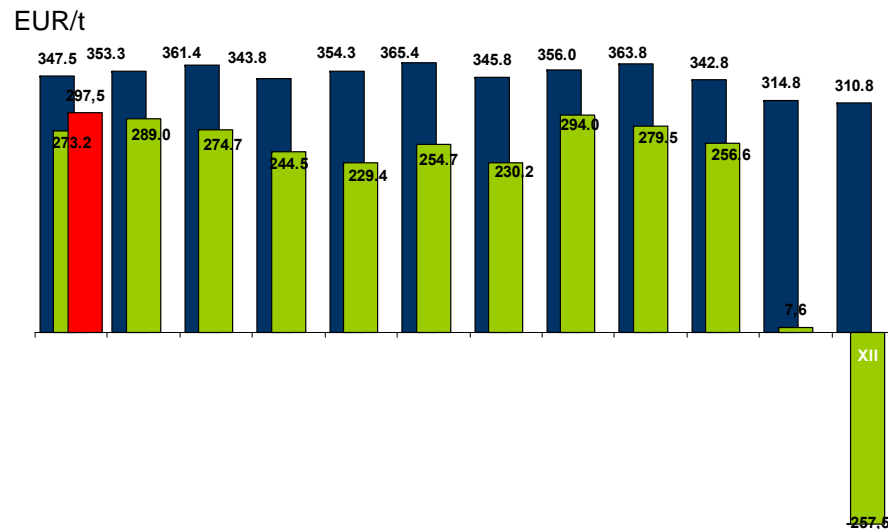
1) Starting the next presentation of 1Q 2009 financial results we will be showing B-U differential based on an updated formula.

External Environment Petrochemicals

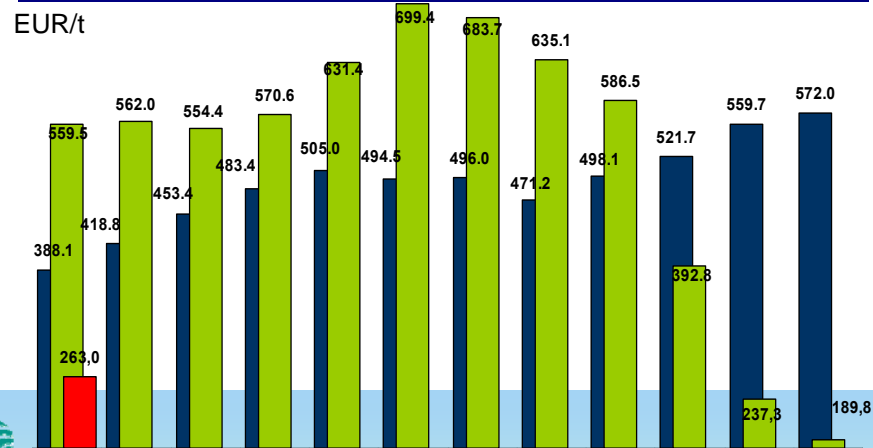
Model petrochemical olefin margin



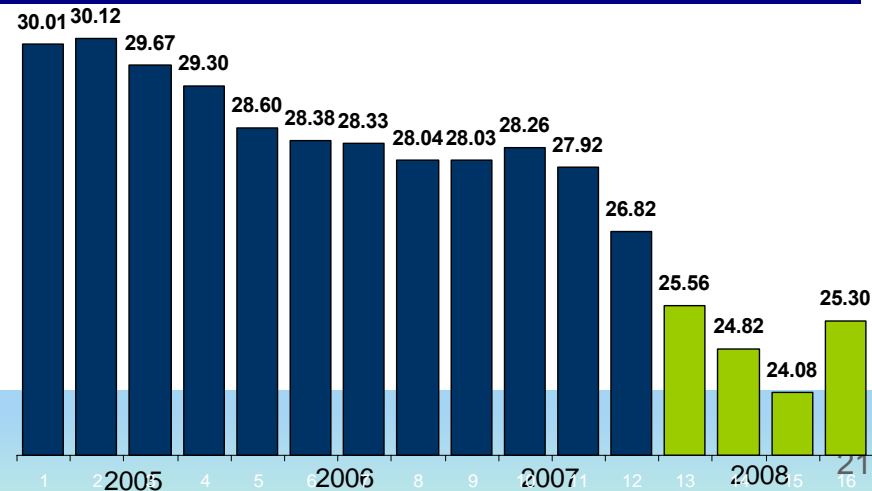
Model petrochemical polyolefin margin



Naphtha price



CZK/EUR



Sales Breakdown Refinery products

	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	FY07	FY 08	q/q	y/y	FY07/08
<i>kt</i>	1	2	3	4	5	6	7	8=5/4	9=5/1	10=7/6
Fuels	721	750	815	903	749	3,046	3,217	-17%	4%	6%
Diesel	377	447	483	575	423	1,707	1,928	-26%	12%	13%
Petrol	218	196	234	232	225	888	887	-3%	3%	0%
JET	18	13	28	26	21	80	88	-19%	17%	10%
LPG	21	17	22	27	25	82	91	-7%	19%	11%
Fuel Oils	68	75	48	40	55	289	218	38%	-19%	-25%
Other refinery products										
Bitumen	79	34	89	83	64	276	270	-23%	-19%	-2%
Lubes	7	6	7	7	5	28	25	-29%	-29%	-11%
Retail distribution	128	114	129	133	124	497	500	-7%	-3%	1%

Sales Breakdown

Petrochemicals

	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	FY 07	FY 08	q/q	y/y	FY07/08
<i>kt</i>	1	2	3	4	5	6	7	8=5/4	9=5/1	10=7/6
Petrochemicals	251	405	422	396	329	1,459	1,552	-17%	31%	6%
Monomers & Agro										
Ethylene	23	38	43	42	30	154	153	-29%	30%	-1%
Benzene	18	43	50	51	35	163	179	-31%	94%	10%
Propylene	3	11	12	9	5	33	27	-44%	67%	-18%
Urea	28	52	41	49	39	170	181	-20%	39%	6%
Ammonia	37	55	44	48	49	183	196	2%	32%	7%
C4 fraction	20	44	46	45	30	140	165	-33%	50%	18%
Oxo-alcohols	10	15	15	17	9	54	56	-47%	-10%	4%
Polyolefins										
PE (HDPE)	58	73	95	62	57	265	287	-8%	-2%	8%
PP	36	49	55	53	39	187	196	-26%	8%	5%

EBITDA and Revenues

By segments

	4Q 07	3Q 08	4Q 08	FY 07	FY 08	q/q	y/y	FY07/08
<i>m CZK</i>	1	2	3	4	5	6=3/2	7=3/1	8=5/4
EBITDA, of which	227	1,638	-351	8,298	4,481			-46%
• Refining	7	193	-385	1,815	1,058			-42%
• Petrochemicals	-9	1,093	205	5,485	2,262	-81%		-59%
• Retail	272	217	97	846	774	-55%	-64%	-8%
• Others, Non-attributable, Eliminations	-44	135	-267	151	386			155%

	4Q 07	3Q 08	4Q 08	FY 07	FY 08	q/q	y/y	FY07/08
<i>m CZK</i>	1	2	3	4	5	6=3/2	7=3/1	8=5/4
REVENUES, of which	21,149	29,899	19,015	88,462	98,144	-36%	-10%	11%
• Refining	18,464	23,414	12,714	69,457	72,590	-46%	-31%	5%
• Petrochemicals	8,875	9,607	7,066	40,710	34,888	-26%	-20%	-14%
• Retail	2,532	2,862	2,088	8,818	10,004	-27%	-18%	13%
• Others, Non-attributable, Eliminations	-8,722	-5,984	-2,853	-30,522	-19,338			

Disclaimer

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

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