



UNIPETROL

Unipetrol to launch a new polyethylene unit

Prague

10th September 2015

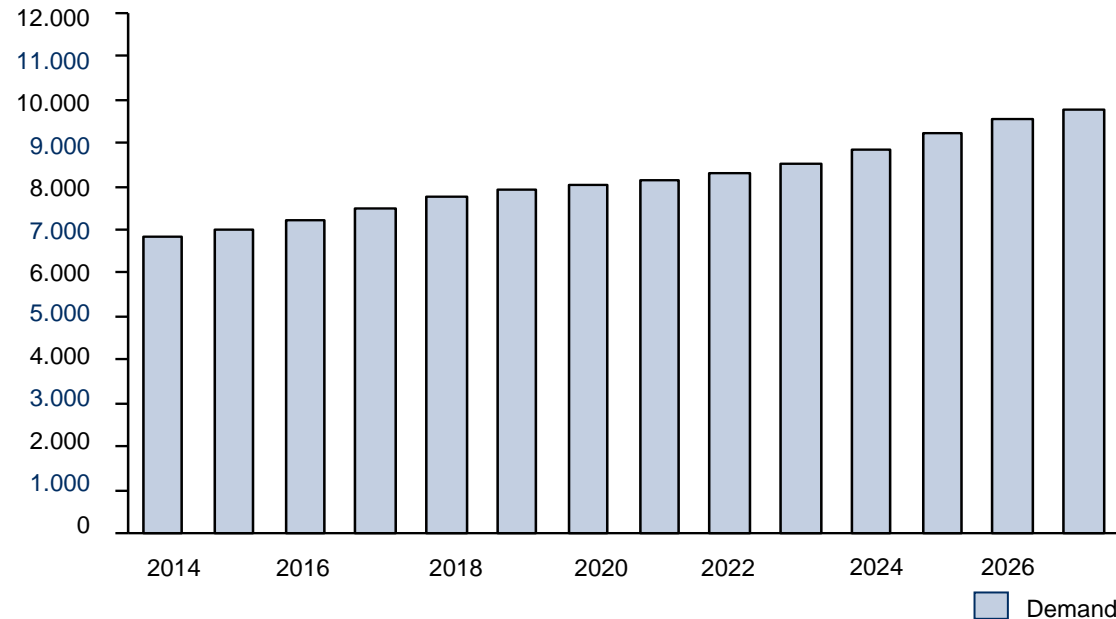


Key parameters of the project PE3

- Unipetrol response to the global trend of growing demand for high-density polyethylene (HDPE)
- The biggest investment in the history of the Czech petroleum industry
- PE3 will be one of the most modern production facilities of this kind in Europe
- Positive economic impact on the whole Unipetrol Group, PE3 will contribute to high utilization of the ethylene unit
- Better integration of the petrochemical and refining production of Unipetrol Group
- The most advanced technology to ensure even better safety and reliability of the production.



European demand of HDPE, 2014-2027 [kt]



Source: Nexant 2014

- HDPE maintains its position as the polyolefin with the good future demand growth outlook.
- In 2015-2030, the growth of European HDPE demand should be increased on average by 2,4% per year
- Due to competition of cheap materials from Asia and Middle East, European manufacturers continue to focus on specialties – advanced bimodal HDPE grades, optimized for automotive and building industries, pipes, caps and closures for PET bottles and health products.





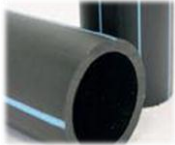




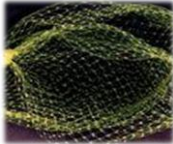



- Total demand growth in Europe 2015 - 2030: +47,0 %
- Good market knowledge of Unipetrol = very good sales feasibility out of 270 kt : 120kt will replace PE1 volume
- Very high level of technological knowledge, also from R&D point (PIB)

Wide product portfolio:

- covers all main PE application groups
- high scope of competitive, advance specialties
- wider product portfolio enable flexible reaction on market demand fluctuation, minimize market risk when one segment stagnates (no production limitations, just switch from one segment product to another)

PE3 – Broad portfolio of premium quality products

- Technology for production of high-density polyethylene (HDPE)
- License from the company INEOS
- Natural line (270 kt/y), black line (100 kt/y)
- Various modification of polyethylene:

INJECTION MOULDING PRODUCTS	BLOW MOULDING PRODUCTS	PIPES	WOVEN AND KNITTED PRODUCTS, SPECIAL PRODUCTS
			
			
			

Realization of PE3 project

- The total investment of 8.5 billion crowns



INEOS

The new polyethylene unit will be built on the basis of the technology license from the company INEOS that Unipetrol gained at the end of 2013.



Metrostav

The spadework at the site necessary for construction of PE3



ČKD Praha DIZ

Logistic connections. Technical components such as the launch of the supply system for ethylene supply, cooling units, high-voltage electrical equipment etc.

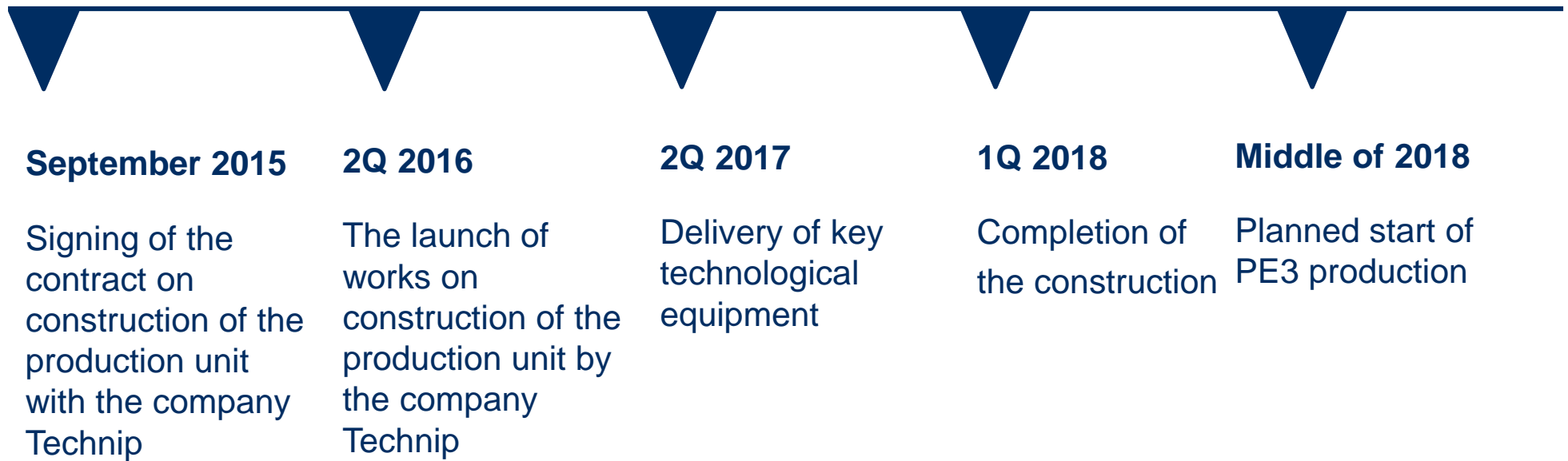


Technip

Construction of the production unit PE3 on the basis of the technology license from the company INEOS .



Project schedule



REFINERY

Excellence in operations

Optimization and use of integration with other segments while analyzing selective upgrades

PETROCHEMISTRY

Key profit maker strengthening its market position

Using the positive market trends to upgrade while optimizing operations

RETAIL

Gain market share leveraging on strong market position

Leveraging market position to gain market share in a healthier market

ENERGO

Security of energy needs at optimized costs

Minimizing total energy (electricity + heat) costs for the whole Group while maintaining flexibility

The top half of the slide features a teal background. On the left, there is a faint world map. Overlaid on the map are several curved lines that sweep from the left towards the right. Three arrows are positioned along these lines: one white arrow on the left, and two teal arrows further to the right, indicating a direction of flow or movement.

Thank you for your attention!

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- **Leading refining and petrochemical group** in the Czech Republic and major player in Central Europe
- Part of the largest refining and petrochemical group in Central Europe **PKN Orlen** since 2005
 - PKN Orlen holds 63% of company's shares, the company is listed on the Prague Stock Exchange
- **2 refineries** – Litvínov and Kralupy
- **Petrochemical units** fully integrated with Litvínov refinery
 - Steam cracker – heart of petrochemical complex processing feedstock from refineries
 - 3 polymer units
- **Retail distribution of fuels** with 338 fuel filling stations (Benzina Plus and Benzina)
 - The largest network of petrol stations in the Czech market with an estimated market share more of 15%
- Wide range of transportation services (Petrotrans and Unipetrol Doprava)
- Revenues in 2014 reached 124 billion crowns
- 3,700 employees (as of 31st December 2014)

Location in the very heart of Europe

