



UNIPETROL 3Q 2008 CONSOLIDATED UNAUDITED FINANCIAL RESULTS (IFRS)

François Vleugels, CEO
Wojciech Ostrowski, CFO

November 13, 2008



Agenda

Highlights

Financial results

Segments

Supporting slides

3Q 08 Highlights

Net profit up 84% to CZK 557m

Operations

- ☞ A strong quarter-on-quarter growth in net profit, 84% and in revenues, 10%, EBIT down 8% q/q.
- ☞ A record throughput of 1,216kt and a utilisation ratio of 88%, middle distillate yield as high as 45%.
- ☞ Fuel sales volumes grew by 11% q/q and by 7 % y/y; the main driver was diesel sales (+19% q/q and 37% y/y), petrochemical sales volumes down 6% q/q, but up 16% y/y.
- ☞ Solid EBIT contribution of the retail part.
- ☞ On the cost side, Raw material and energy costs grew 41% 9M/9M; Excluding this item, the remaining costs decreased 25% 9M/9M
- ☞ Deep analyses of investment projects under new economic conditions resulted in CAPEX cutbacks already in 2008

3Q 08 Highlights

Cautious recovery in petrochemical segment

External environment

- Still difficult downstream environment, although the market has partially recovered in the petchem segment on decreasing naphtha prices in quarter-on-quarter in 3Q 2008.
- A sharp fall in crude oil price from an average of 133 USD/bbl in July to 72 USD/bbl in October (the same level as mid-2007).
- Sharp appreciation of USD from an average exchange rate of 1.58 USD/EUR in July to 1.34 USD/EUR in October (the same level as mid-2007).
- Negative q/q inventory revaluation: - CZK 362m in refining and - CZK 137m in petchem.
- The model petrochemical olefin margin in CZK: up 37% q/q, down 6% y/y. The model petrochemical polyolefin margin in CZK: up 8% q/q, down 35% y/y. The model refining margin in CZK: down 9% q/q, up 22% y/y.
- The Brent-Ural differential under pressure, in CZK down 53% q/q and 50% y/y.

4Q 08 Outlook

Extreme volatility persists

Operations

- ☞ Steam cracker has been running at full capacity since beginning November; injection types of HDPE back on stream as well.
- ☞ Smooth production until year end expected.
- ☞ Completion of PP intensification to 275kt/y.
- ☞ FY throughput of 4,593kt to be met.
- ☞ CAPEX under review

External environment

- ☞ Naphtha prices decreased for 4 months in a row (July - October); naphtha price down 33% Oct/Sep, naphtha-crude oil spread turned negative in October.
- ☞ Ethylene 4Q contracted price down 9% q/q to EUR 1,120, HDPE and PE prices down 8% Oct/Sep
- ☞ Model petrochemical olefin margin in EUR up 25% Oct/Sep.
- ☞ Extreme volatility and uncertainty continues, e.g benzene quotations collapsed by 60%, from 797 EUR/t in October to 316 EUR/t in November.
- ☞ Crude oil development and petrochemical margins development will be the key to our 4Q financial performance.

External Environment

Reversal in the crude oil price and USD/EUR developments; squeezed BU diff; partially recovered petchem environment on decreasing naphtha prices

	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	9M 07	9M 08	q/q	y/y	9M/9M
	1	2	3	4	5	6	7	8=5/4	9=5/1	10=7/6
Brent crude oil (USD/bbl)	74.75	88.46	96.72	121.19	115.07	67.09	110.99	-5%	+54%	+65%
Ural crude oil (USD/bbl)	71.98	85.42	93.36	117.47	113.31	63.79	108.05	-4%	+57%	+69%
Brent-Ural differential (USD/bbl)	2.77	3.04	3.36	3.72	1.76	3.30	2.95	-53%	-36%	-11%
(CZK/bbl)	56	56	57	59	28	69	48	-53%	-50%	-30%
Model refining margin (USD/bbl) ¹⁾	6.85	7.63	6.84	11.65	10.56	7.97	9.68	-9%	+54%	+21%
(CZK/bbl)	139	141	117	185	169	167	157	-9%	+22%	-6%
Model petrochemical olefin margin (EUR/t) ²⁾	366.11	298.34	345.08	284.70	400.79	377.30	343.52	41%	+9%	-9%
(CZK/t)	10,221	8,002	8,819	7,066	9,652	10,591	8,512	37%	-6%	-20%
Model petrochemical polyolefin margin (EUR/t) ³⁾	355.25	323.07	279.59	242.02	269.52	354.97	263.71	+11%	-24%	-26%
(CZK/t)	9,918	8,665	7,145	6,007	6,490	9,965	6,547	+8%	-35%	-34%
CZK/EUR ⁴⁾	27.92	26.82	25.56	24.82	24.08	28.07	24.82	-3%	-14%	-12%
CZK/USD ⁴⁾	20.33	18.51	17.05	15.88	15.99	20.89	16.31	+1%	-21%	-22%
USD/EUR ⁴⁾	1.37	1.45	1.50	1.56	1.51	1.34	1.52	-3%	+10%	+13%

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

Sales

Sales volumes improvements across all segments

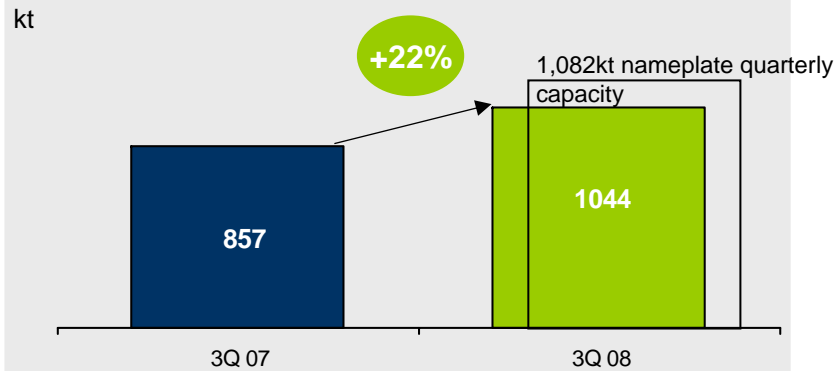
	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	9M 07	9M 08	q/q	y/y	9M/9M
<i>kt</i>	1	2	3	4	5	6	7	8=5/4	9=5/1	10=7/6
Fuels	842	721	750	815	903	2,926 ¹⁾	2,468	+ 11%	+ 7%	
Petrochemicals	342	251	405	422	396	1,208	1,222	- 6%	+ 16%	+ 1%
Retail distribution	132	128	114	129	133	369	376	+ 3%	+ 1%	+ 2%

- 🌀 Growth of fuel sales driven mainly by excellent growth of diesel sales, up 37% y/y, and 19% q/q
- 🌀 Strong sales volumes despite problems with naphtha cracker and production of injection types of HDPE
- 🌀 Strong retail sales volumes despite still generally high fuel prices for end customers

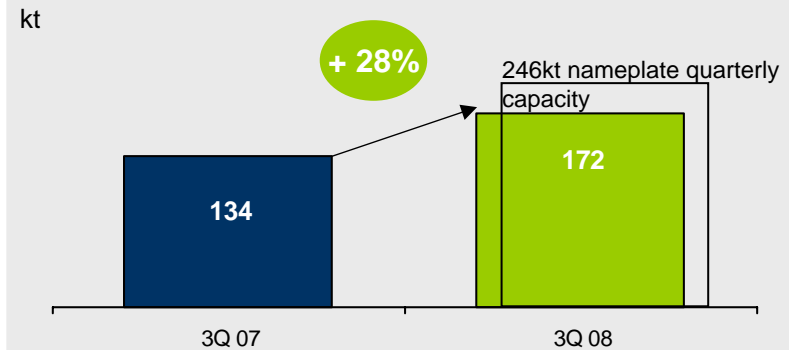
Refinery Throughput

Record 1,216kt of processed crude oil; Utilisation soared to 88%

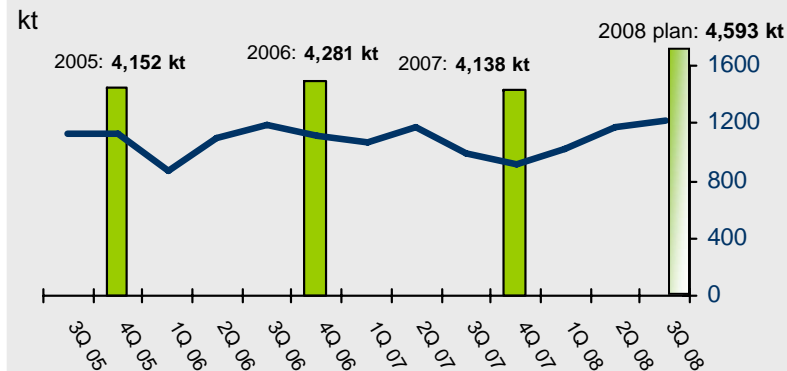
Litvinov and Kralupy sites



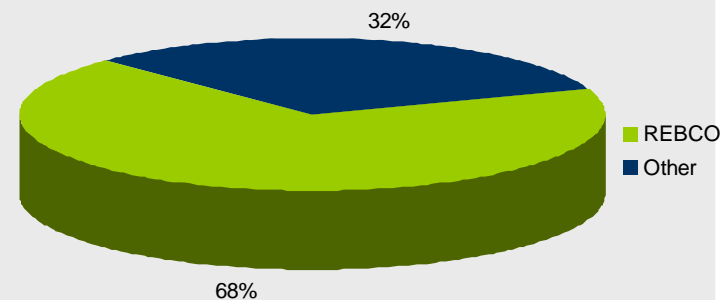
Pardubice site



Total processed crude development



REBCO¹⁾ vs. other types of crude



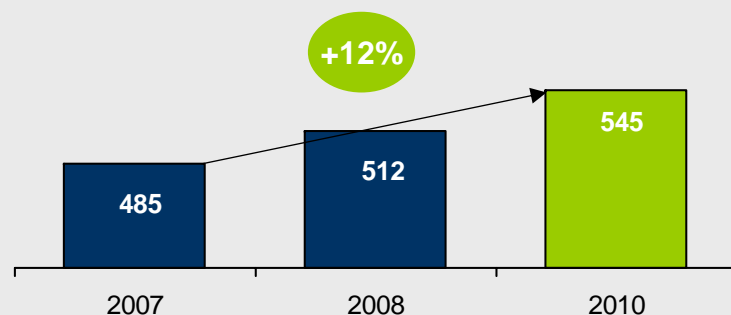
Production

Improvement of all production indicators; petchem debottlenecking continues

	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	9M 07	9M 08	q/q	y/y	9M/9M
	1	2	3	4	5	6	7	8=5/4	9=5/1	10=7/6
Crude oil throughput (kt)	991	908	1,027	1,179	1,216	3,229	3,422	3%	23%	6%
Utilisation ratio (%)	71	65	74	86	88	78	83	+ 2pp	+ 17pp	+ 5pp
Light distillates ¹⁾ yield (%)	28	28	29	28	30	27	29	+ 2pp	+ 2pp	+ 2pp
Middle distillates ²⁾ yield (%)	41	38	42	47	45	41	45	- 2pp	+ 4pp	+ 4pp
Heavy distillates ³⁾ yield (%)	12	15	10	10	10	12	10	0	- 2pp	- 2pp

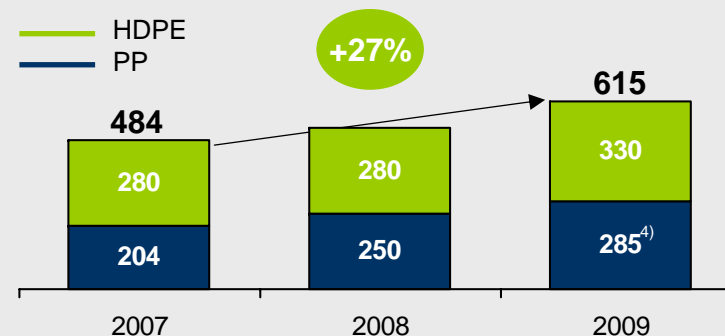
Steam cracker nameplate capacity

kt



HDPE+PP nameplate capacities

kt



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Key Financial Data

Bottom line up 84% q/q

	3Q 07	2Q 08	3Q 08	9M 07	9M 08	q/q	y/y	9M/9M
<i>m CZK</i>	1	2	3	4	5	6=3/2	7=3/1	8=5/4
Revenues	22,156	27,081	29,899	67,629	79,129	+ 10%	+ 35%	+ 17%
EBITDA	1,752	1,702	1,638	7,818	4,831	- 4%	- 6%	- 38%
EBIT	1,013	838	772	5,504	2,263	- 8%	- 24%	- 59%
Net profit attributable to shareholders of the parent company	-1,267	302	557	1,800	1,265	+ 84%		- 30%
Net profit w/o one-offs	1,204 ¹⁾	302	557	4,271 ¹⁾	1,265	+ 84%	- 54 %	- 70%
EPS (CZK) ²⁾	-6.99	1.76	3.07	9.93	6.98	+ 1.31	+ 10.06	- 2.95
EBITDA margin ³⁾	7.9%	6.3%	5.5%	11.6%	6.1%	- 13%	- 31%	- 47%
EBIT margin ⁴⁾	4.6%	3.1%	2.6%	8.1%	2.9%	- 17%	- 44%	- 65%

1) Adjusted by excluding the Impairment to shares in AGROBOHEMIE and Synthesia of CZK 2,471m
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

Stabilisation of cash flow, up 45% q/q; net working capital kept low

	3Q 07	2Q 08	3Q 08	9M 07	9M 08	q/q	y/y	9M/9M
<i>m CZK</i>	1	2	3	4	5	6=3/2	7=3/1	8=5/4
Operating cash flow (CF)	1,525	206	299	4,821	580	+ 45%	- 80%	- 88%
Capital expenditures (CAPEX)	1,314	1,045	683	3,213	2,783	- 35%	- 48%	- 13%
Free cash flow (CF-CAPEX)	211	-839	-384	1,608	-2,203			
Net Working Capital ¹⁾	12,632	6,735	6,958	12,632	6,958	+ 3%	- 45%	- 45%
Net finance costs	-2,551 ²⁾	-462	- 47	- 2,777	- 651			
Financial gearing ³⁾	-3.4%	6.0%	14.6%	-3.4%	14.6%	+ 8.6pp	+ 18pp	+ 18pp
Net debt / EBITDA ⁴⁾	- 0.30	0.84	0.90	- 0.14	0.92	+ 7%		
ROACE ⁵⁾	2.0%	1.6%	1.3%	10.1%	3.9%	- 0.3pp	- 0.7pp	- 6.2pp

Segment Breakdown

Solid petchem result compensating weak refining result

	3Q 07	2Q 08	3Q 08	9M 07	9M 08	q/q	y/y	9M/9M
<i>m CZK</i>	1	2	3	4	5	6=3/2	7=3/1	8=5/4
EBIT, of which	1,013	838	772	5,504	2,263	- 8%	- 24%	- 59%
• Refining	82	966	-61	1,182	959			- 19%
• Petrochemicals	678	-260	608	3,855	738		-10%	- 81%
• Retail distribution	133	68	137	341	365	+ 101 %	+ 3%	+ 7%
• Others, Non-attributable, Eliminations	120	64	88	126	201	+38%	- 26%	+ 59%

3Q 08 Overview

REFINING

Refining segment hit by a sharp change in price of crude and its derivatives. Q/q negative inventory revaluation effect of - CZK 362m. Model refining margin in CZK dropped 6% q/q but grew 22% y/y. B-U differential lost 53% y/y and 50% q/q. Diesel-crude spread has remained strong above 200 USD/t and diesel sales volumes grew 37% y/y and 19% q/q. Overall, sales volumes grew 7% y/y and 11% q/q.

PETROCHEMICALS

On the whole, very good performance of the petrochemical segment (+ CZK 869m q/q) thanks to favourable naphtha price. For technical reasons, the steam cracker did not produce at full capacity and injection types of HDPE were not produced either. Sales volumes dropped by 6% q/q, but grew 16% y/y. CZK model margins for olefins and polyolefins grew q/q 37% and 8%, respectively, but were lower y/y by 6% and 35%, respectively. Q/q inventory revaluation of - CZK 137m. EBIT/t of CZK 1,540 achieved (-22% y/y).

RETAIL DISTRIBUTION

Decreasing filling station prices and a favourable workday structure resulted in a 1% increase in sales y/y and 3% q/q. The total fuel gross margin supported by favourable unit margin development. EBIT/station of CZK 411 thousand achieved (-1 % y/y)

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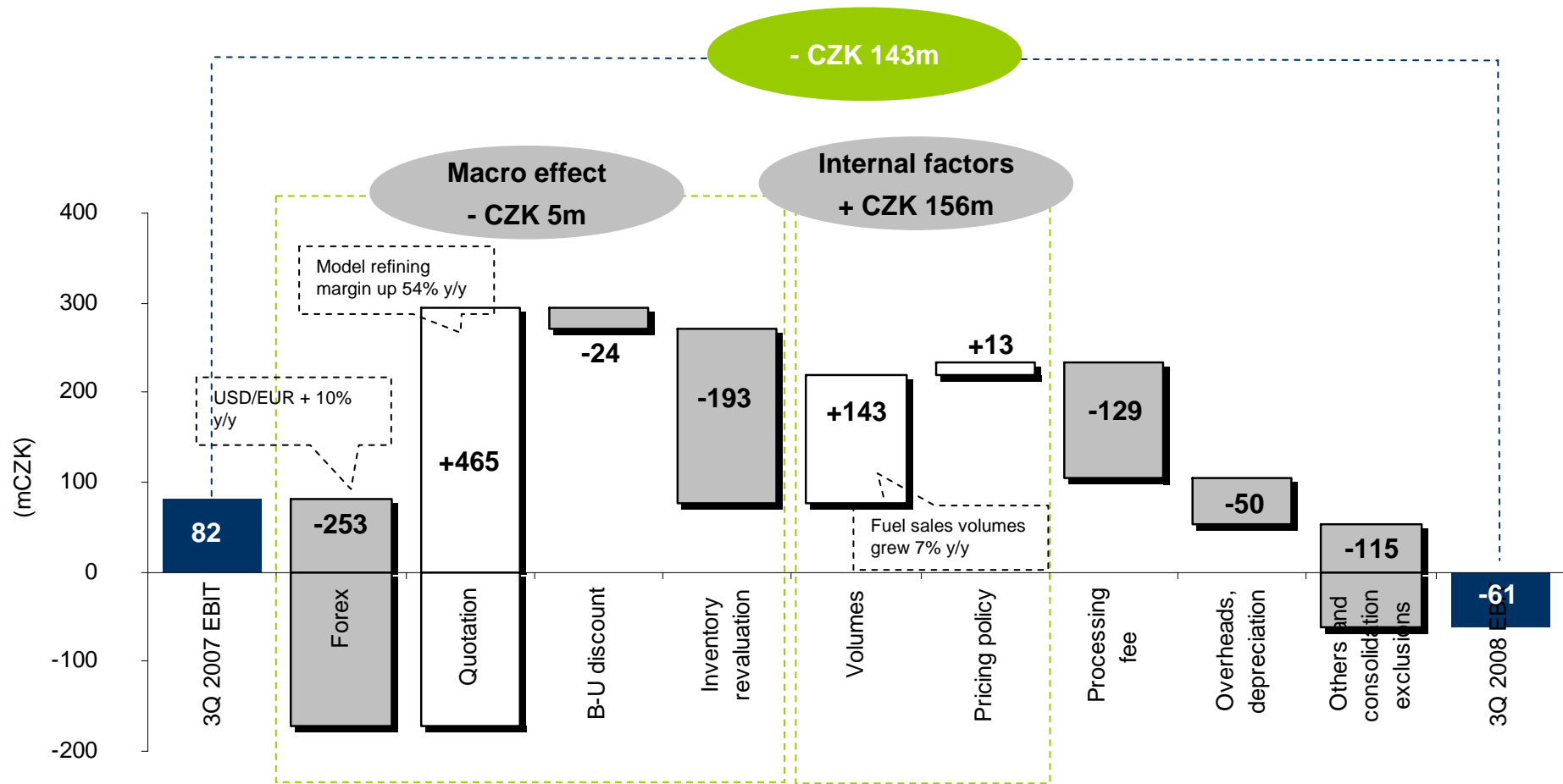
Financial results

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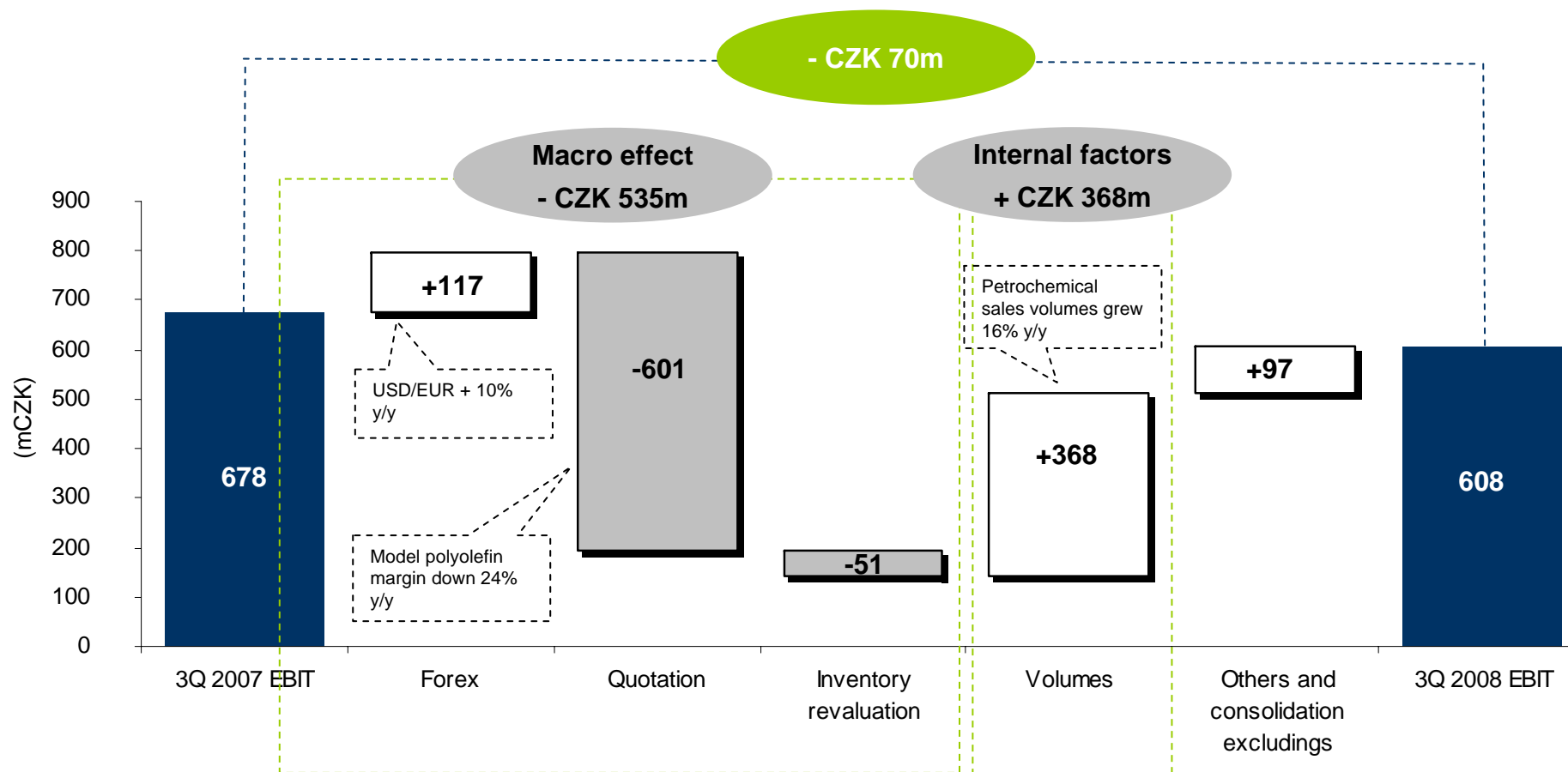
Refining

Internal improvements in terms of volumes and pricing, + CZK 156m



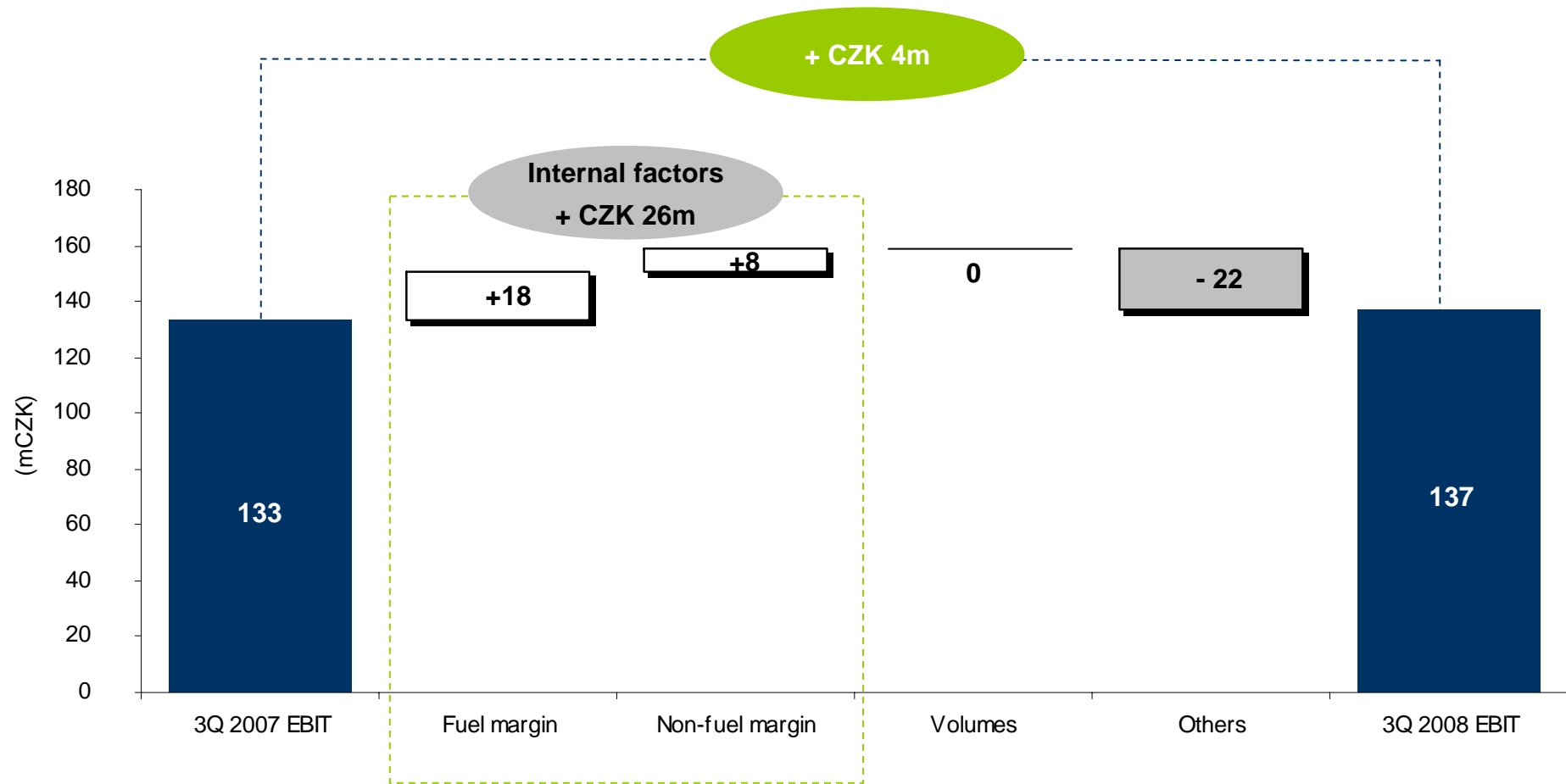
Petrochemicals

External factors – CZK 535m, increased volumes + CZK 368m



Retail Distribution

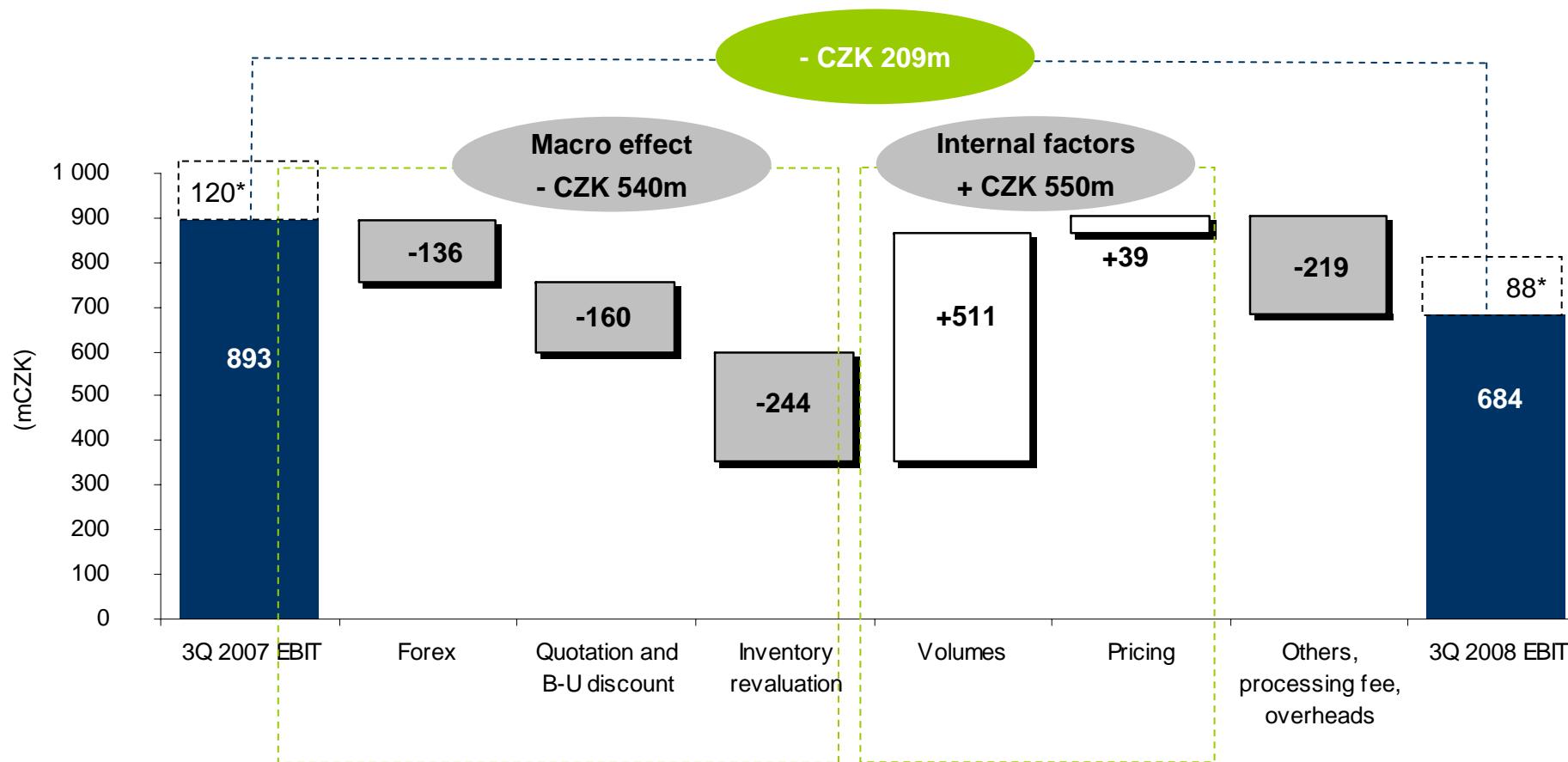
Pricing improvements + CZK 26m, volumes kept despite higher prices



Factors under UNIPETROL Management's Control

Added up to CZK 550m, mitigating negative macro factors

Full utilisation of available capacities and sales volumes increases, as well as focus on pricing policies are the main drivers behind internal factors' improvements.



Thank you for your attention!

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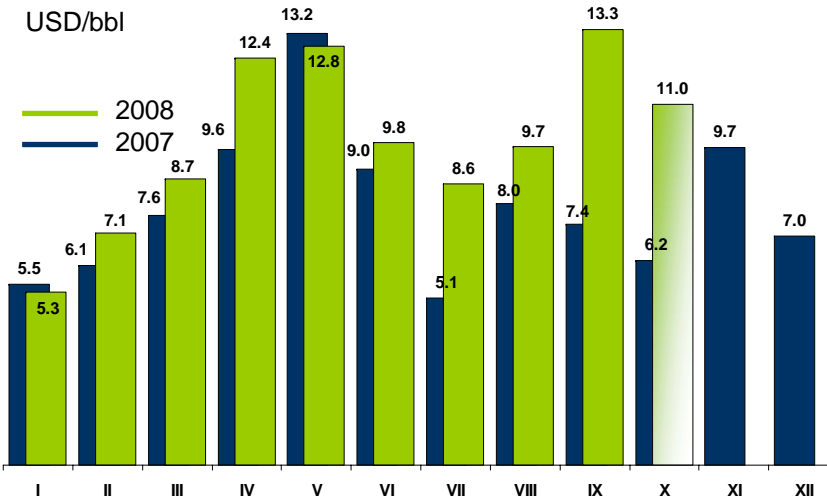
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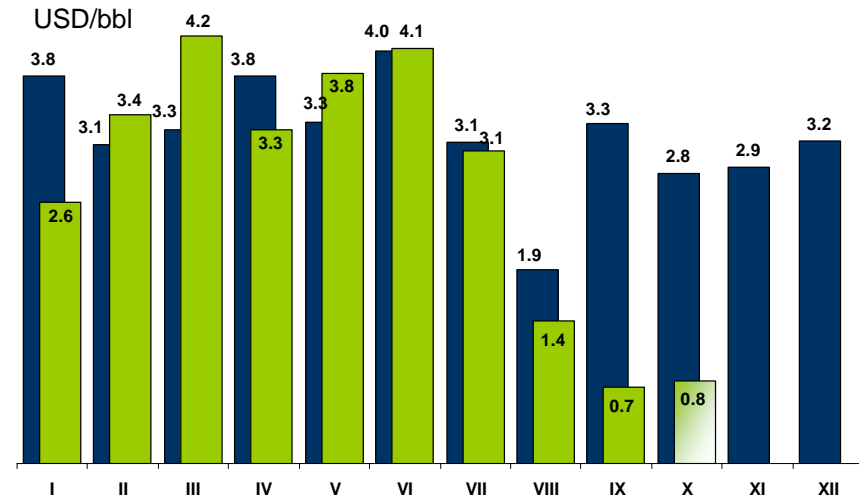
Supporting slides

External Environment Refining

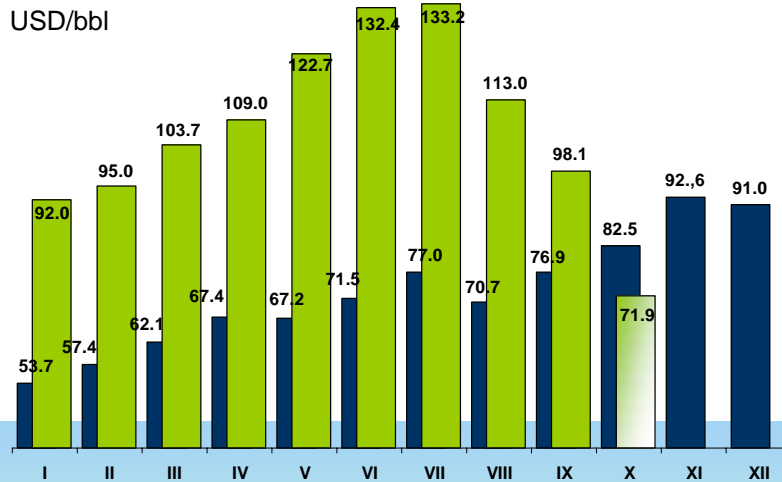
Model refining margin



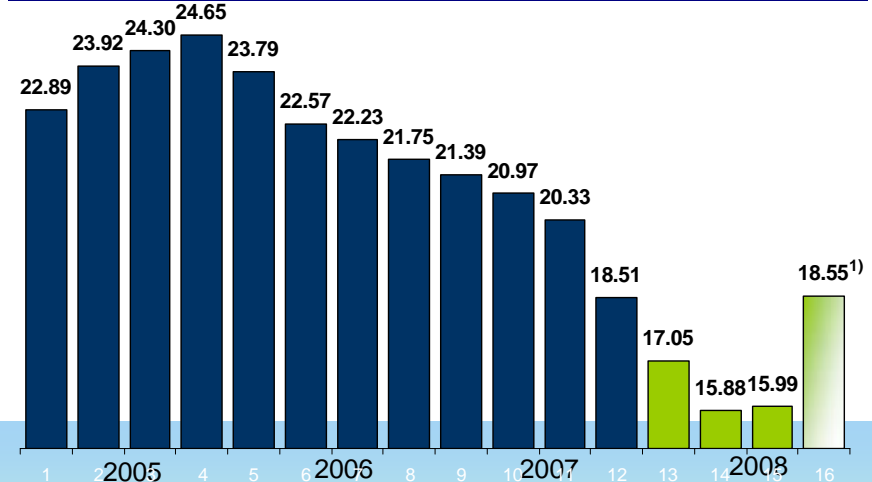
Brent-Ural price differential



Brent crude price

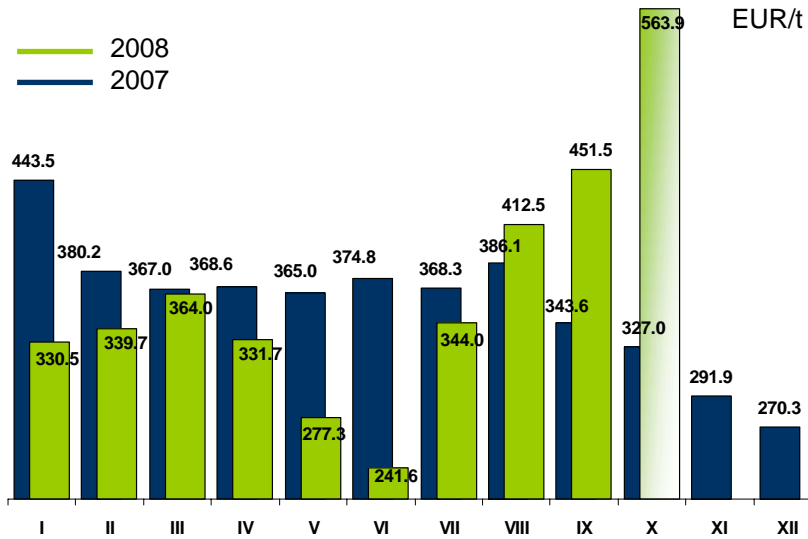


CZK/USD

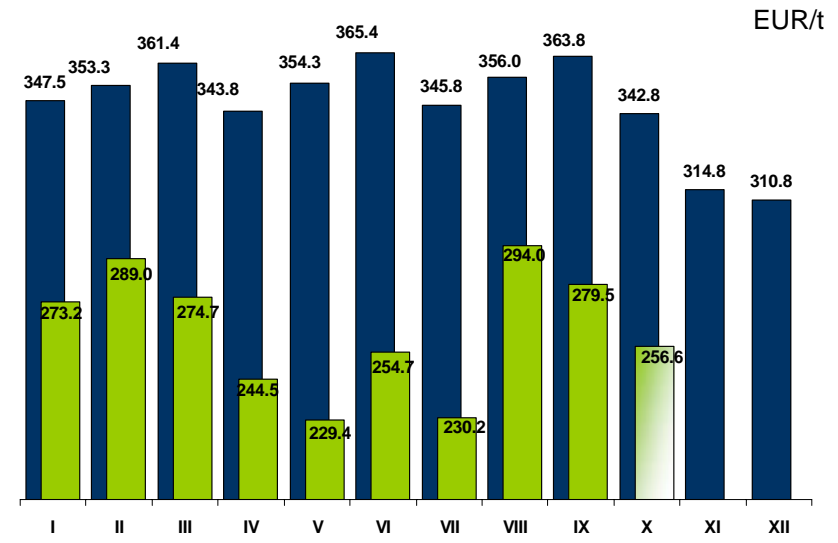


External Environment Petrochemicals

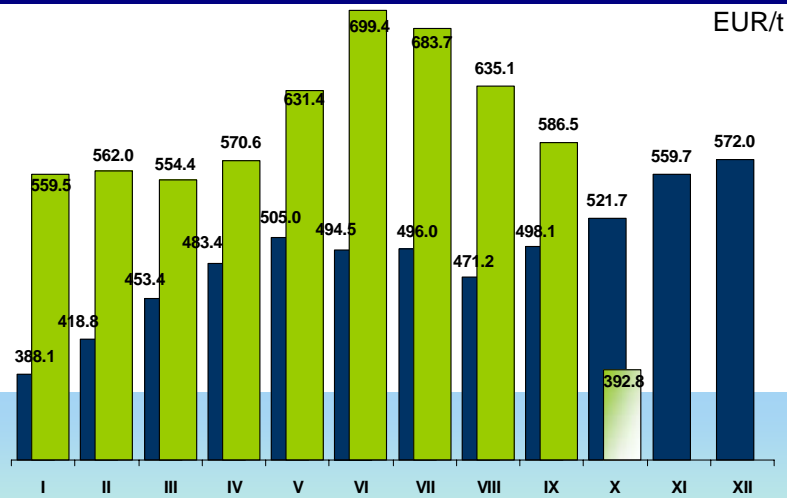
Model petrochemical olefin margin



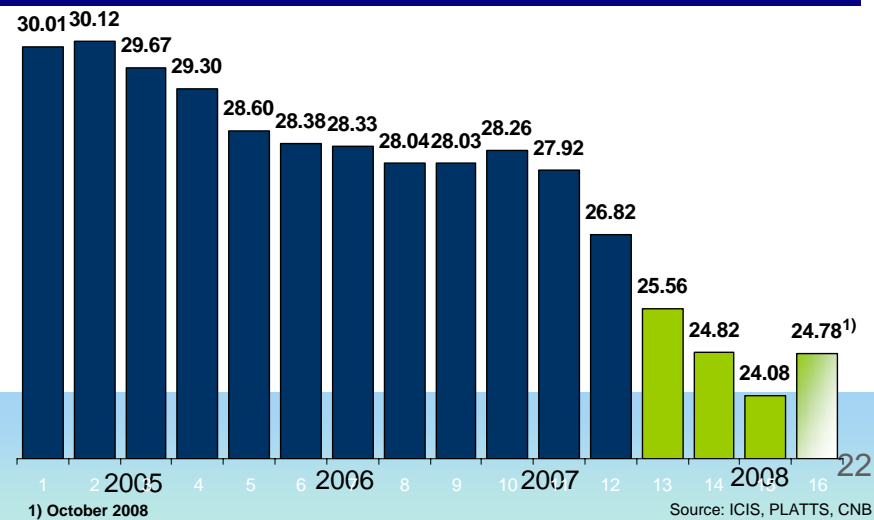
Model petrochemical polyolefin margin



Naphtha price



CZK/EUR



Sales Breakdown

Refinery products

	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	9M 07	9M 08	q/q	y/y	9M/9M
<i>kt</i>	1	2	3	4	5	6	7	8=5/4	9=5/1	10=7/6
Fuels	842	721	750	815	903	2,926 ¹⁾	2,468	+ 11%	+ 7%	
Diesel	420	377	447	483	575	1,330	1,505	+ 19%	+ 37%	+ 13%
Petrol	219	218	196	234	232	670	662	- 1%	6%	- 1%
JET	26	18	13	28	26	62	67	- 7%	0%	+ 8%
LPG	50 ¹⁾	21	17	22	27	157 ¹⁾	66	+ 23%		
Fuel Oils	45	68	75	48	40	221	163	- 17%	- 11%	- 26%
Naphtha	82 ¹⁾	19	2	0	3	486 ¹⁾	5			
Other refinery products										
Lubes	7	7	6	7	7	21	20	0%	0%	- 5%
Bitumen	81	79	34	89	83	197	206	- 7%	+ 2%	+ 5%
Retail distribution	132	128	114	129	133	369	376	+ 3%	+ 1%	+ 2%

Sales Breakdown

Petrochemicals

	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	9M 07	9M 08	q/q	y/y	9M/9M
<i>kt</i>	1	2	3	4	5	6	7	8=5/4	9=5/1	10=7/6
Petrochemicals	342	251	405	422	396	1,208	1,222	- 6%	+ 16%	+ 1%
Monomers & Agro										
Ethylene	32	23	38	43	42	131	123	- 2%	+ 31%	- 6%
Benzene	41	18	43	50	51	145	144	+ 2%	24%	- 1%
Propylene	5	3	5	8	9	30	22	13%	80%	- 27%
Urea	42	28	52	41	49	142	142	+ 20%	+ 17%	0%
Ammonia	45	37	55	44	48	146	147	+ 9%	+ 7%	+ 1%
C4 fraction	33	20	44	46	45	120	135	-2%	+ 36%	+ 13%
Oxo-alcohols	12	10	15	15	17	44	46	+ 13%	+ 42%	+ 5%
Polyolefins										
PE (HDPE)	70	58	73	95	62	207	230	- 5%	- 11%	+ 11%
PP	48	36	49	55	53	151	157	- 4%	+ 10%	+ 4%

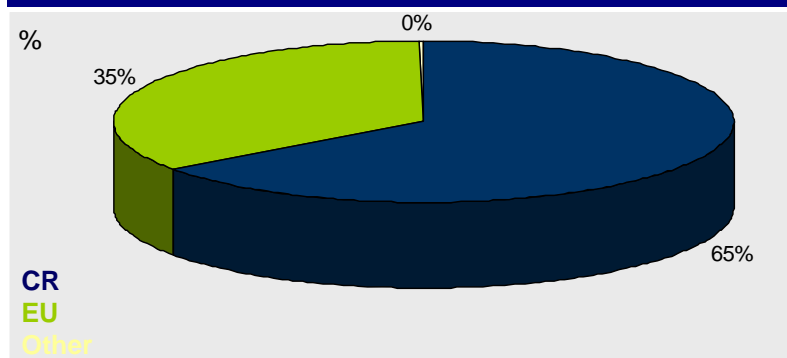
Geographical segments and Inventories structure

9M data

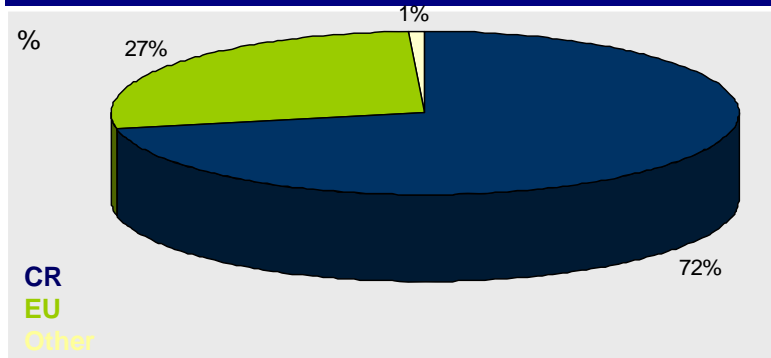
Geographical segments

- Shift towards the Czech Republic, where we see the highest growth potential and are the market leader.
- In first nine months of 2008 + 7pp revenues generated in CR.

Revenues by region in 9M 2007



Revenues by region in 9M 2008



Inventories structure

- Total inventory CZK 11.3bn (+ 9% YTD).
- Decrease in the net realisable value for inventories amount to CZK 266m after 9M 08 (included in OPEX), same period previous year: CZK 34m



- Raw materials
- Work in progress
- Finished goods
- Goods for sale
- Spare parts

EBITDA and Revenues

By segments

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EBITDA, of which	1,752	1,702	1,638	7,818	4,831	- 4%	- 6%	- 38%
• Refining	295	1,234	193	1,808	1,728	- 84%	- 34 %	- 4%
• Petrochemicals	1,086	213	1,093	5,196	2,167	+ 413%	+ 1 %	- 58%
• Retail	211	147	217	547	602	+ 48%	+ 3 %	+ 5%
• Others, Non-attributable, Eliminations	160	108	135	241	333	+ 25%	- 16 %	+ 38%

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REVENUES, of which	22,156	27,081	29,899	67,629	79,129	+10%	+ 35%	+ 17%
• Refining	19,182	20,604	22,995	57,802	59,485	+12%	+ 20 %	+ 3%
• Petrochemicals	9,172	11,503	10,997	35,653	32,671	- 4%	+ 20 %	- 8%
• Retail	2,371	2,792	2,862	6,286	7,916	+ 2%	+ 21 %	+ 26%
• Others, Non-attributable, Eliminations	-8,569	-7,818	-6,955	- 32,112	-20,943			

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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