



MERGER OF CHEMOPETROL, UNIPETROL RAFINÉRIE AND UNIPETROL RPA

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Since the beginning of 2007 the *New Corporate Governance Model* was introduced to reflect the future needs

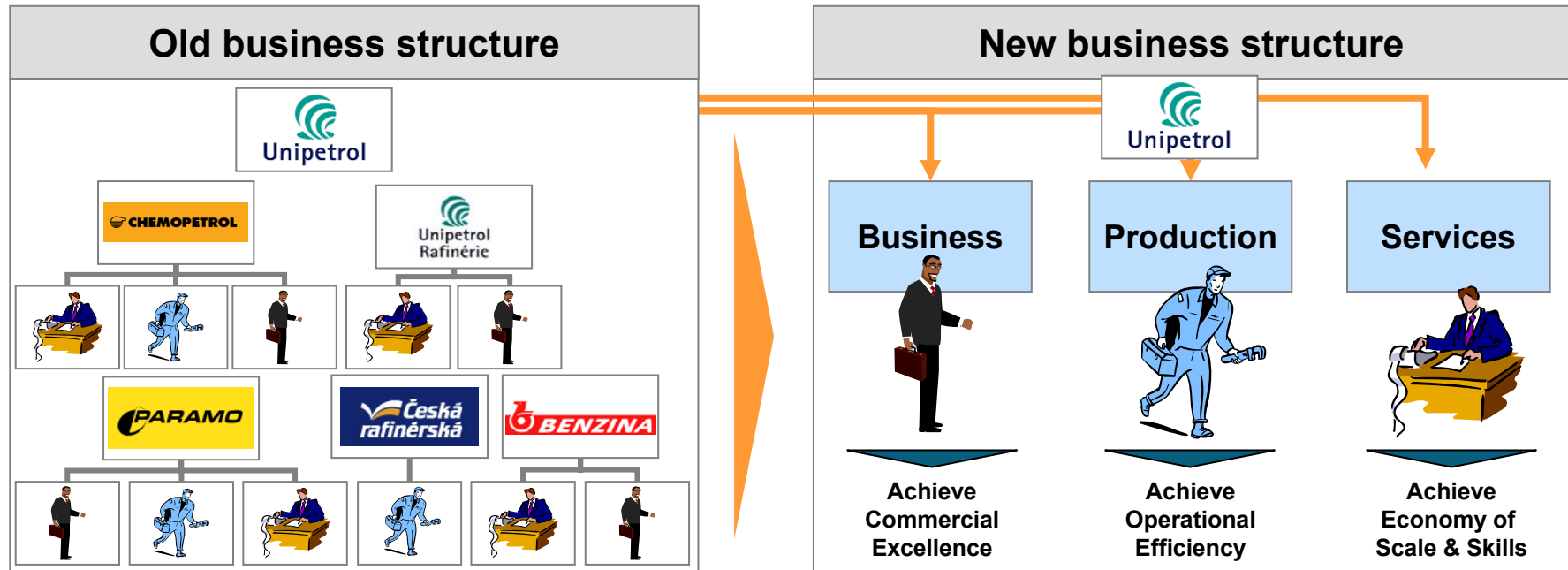
The main changes in UNIPETROL's corporate governance model are:

- separating of production, sales and support activities;
- establishing of a dedicated Commercial company;
- development of Shared Services Centre (Unipetrol Services, s.r.o.);
- strengthening of central functions of the holding company (Unipetrol, a.s.);
- changing legal form of subsidiaries by 100% owned by Unipetrol from joint stock companies into limited liability companies;
- delegation of more responsibility to managers;
- introduction of segment planning, budgeting and reporting.

a.s. = inc. s.r.o. = ltd.

Road from ineffective conglomerate to highly efficient Group

Necessary condition keeping momentum of consolidated Group performance



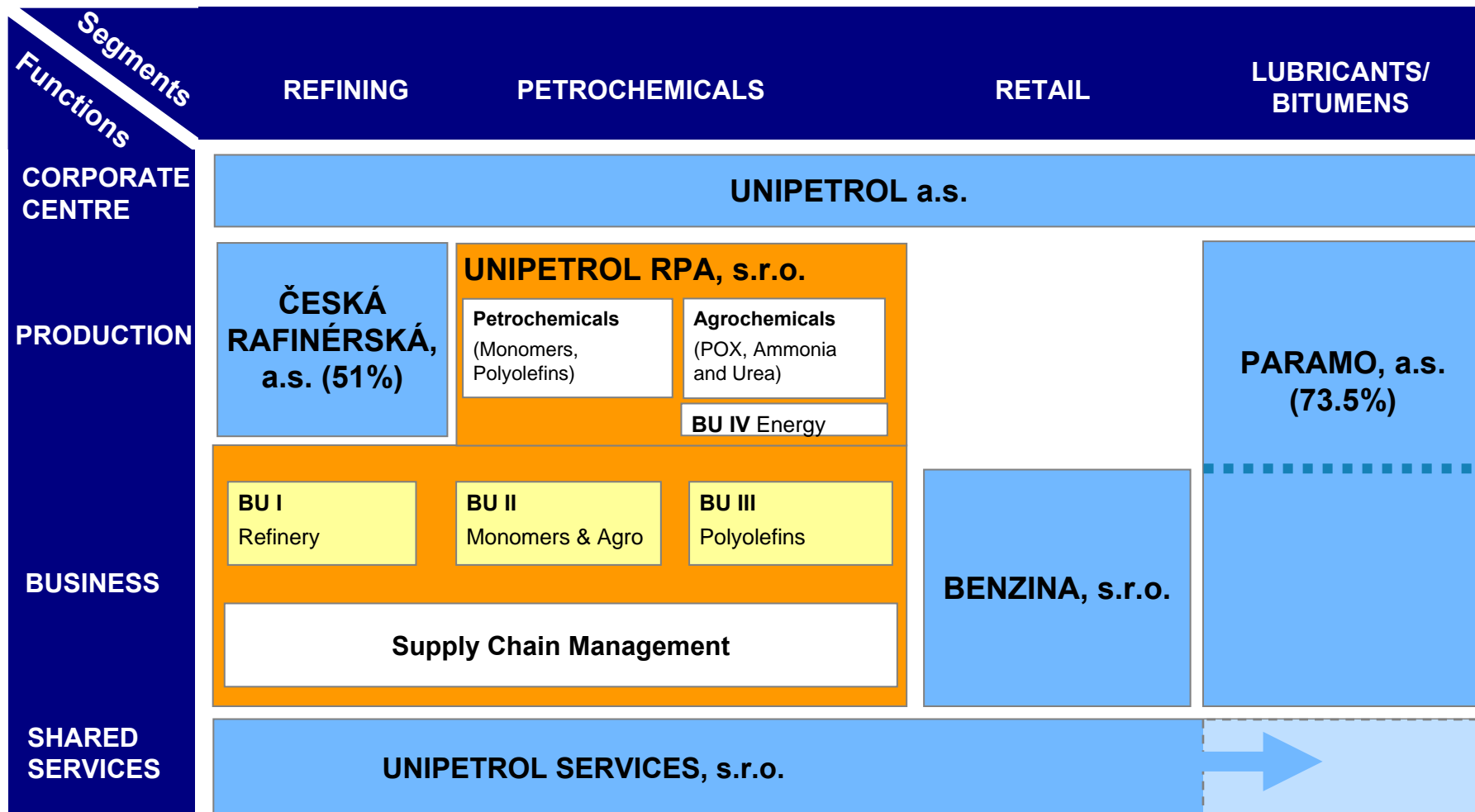
Objective of the new Corporate Governance Model is to ensure:

- Realignment of the business model to focus and leverage competitive advantage
- Alignment with PKN Orlen segments enabling optimization and capturing synergies as per Partnership Program
- Increased transparency and control across the Group

- Simplification
- Standardization
- Unification
- Harmonization
- Leadership

UNIPETROL New Corporate Governance Model – Current State

CGM change is running according to the plan



Rationale for setting up UNIPETROL RPA s.r.o.

Increase of internal efficiency

Main advantages of the merge:

Production

- Feedstock flow optimization within one company (optimization of gross margin of group Unipetrol)

Business

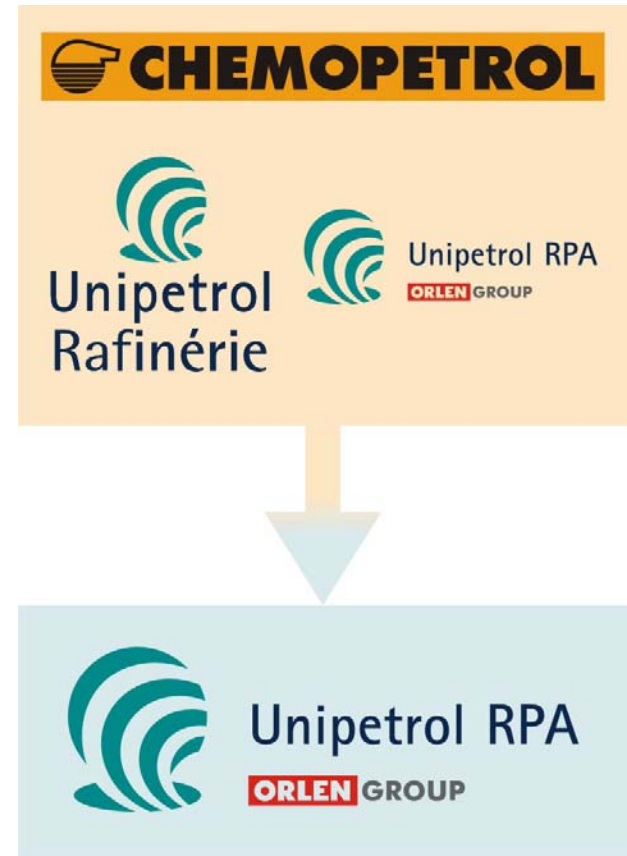
- Optimization of internal sales of own products within the Group

Supply Chain Management

- Full control over the value chain from feed stock procurement to Customer Care

Main advantages of s.r.o. over a.s.

- More flexible and effective decision making process by appointed Executives
- Direct supervision over the business and activities of the company by the sole member



Unipetrol RPA, s.r.o. Organizational structure



What will change for employees?

Their working conditions will remain the same as they are now

- the nature of the activities carried out will not change
- contractual terms for employees will remain the same
- the duration of the job and other employee amenities (e.g., boarding, health care, etc.) will remain unchanged
- the advantages of the collective bargaining agreement will be retained
- the unions have been informed of employees' transfer

What will change for business partners?

- all customer and supplier relations will **remain unchanged** and pass over to Unipetrol RPA
- business partners have been informed by means of a letter
- the company's new identification data:

UNIPETROL RPA, s.r.o.

Registered office: Litvínov, Záluží 1, Post Code: 436 70

Company No.: 27 59 70 75

Incorporated in the Commercial Register conducted by Regional Court in Ústí nad Labem, section C, encl. 24430

Basic Capital

**Balance on day of merge registration
(simulated on data as at 30 June 2007)**

The merger of the three companies into UNIPETROL RPA, s.r.o. will require the reclassification of registered capital to the Reserve Fund, with the value of Total Liabilities remaining unchanged

Merged companies

The post-merger company

	Total Liabilities	-1 222	15 386 424	2 605 801
A.	Equity	-1 222	15 386 424	2 605 801
A.I.	Registered capital	200	10 846 764	301 000
A.I.1.	Registered capital	200	10 846 764	301 000
A.II.	Capital funds		262 735	
A.II.2.	Other capital funds		262 735	
A.III.	Reserve Fund, undistributable fund and other funds from profit		414 265	29 651
A.III.1.	Legal Reserve Fund/Undistributable fund		410 536	29 651
A.III.2.	Statutory and other funds		3 729	
A.IV.	Profit/loss from previous years	-1 422	2 117 184	1 665 701
A.IV.1.	Retained profit from previous years	-1 422	2 117 184	1 665 701
A.V.	Profit/loss for the current accounting period (+/ -)		1 745 476	609 448

17 991 003
17 991 003
200
200
262 735
262 735
11 591 681
11 587 952
3 729
3 781 463
3 781 463
2 354 924

* Excerpt from the Balance Sheet

Basic Capital

Reclassification from the Reserve Fund back to the registered capital, with Liabilities remaining unchanged again (supposed to happen in September 2007)

	Total liabilities	17 991 003		17 991 003
A.	Equity	17 991 003		17 991 003
A.I.	Registered capital	200		11 147 964
A.I.1.	Registered capital	200		11 147 964
A.II.	Capital funds	262 735		262 735
A.II.2.	Other capital funds	262 735		262 735
A.III.	Reserve Funds, undistributable fund and other funds from profit	11 591 681		443 917
A.III.1.	Legal Reserve Fund/Undistributable fund	11 587 952		440 188
A.III.2.	Statutory and other funds	3 729		3 729
A.IV.	Profit/loss from previous years	3 781 463		3 781 463
A.IV.1.	Retained profit from previous years	3 781 463		3 781 463
A.V.	Profit/loss for current accounting period (+ / -)	2 354 924		2 354 924

* Excerpt from the Balance Sheet

Transfer of the original registered capital of CHEMOPETROL, CZK 10,846,764,000, and UNIRAF, CZK 301,000,000