PKN ORLEN and UNIPETROL – Partnership for Central Europe – Investors Day

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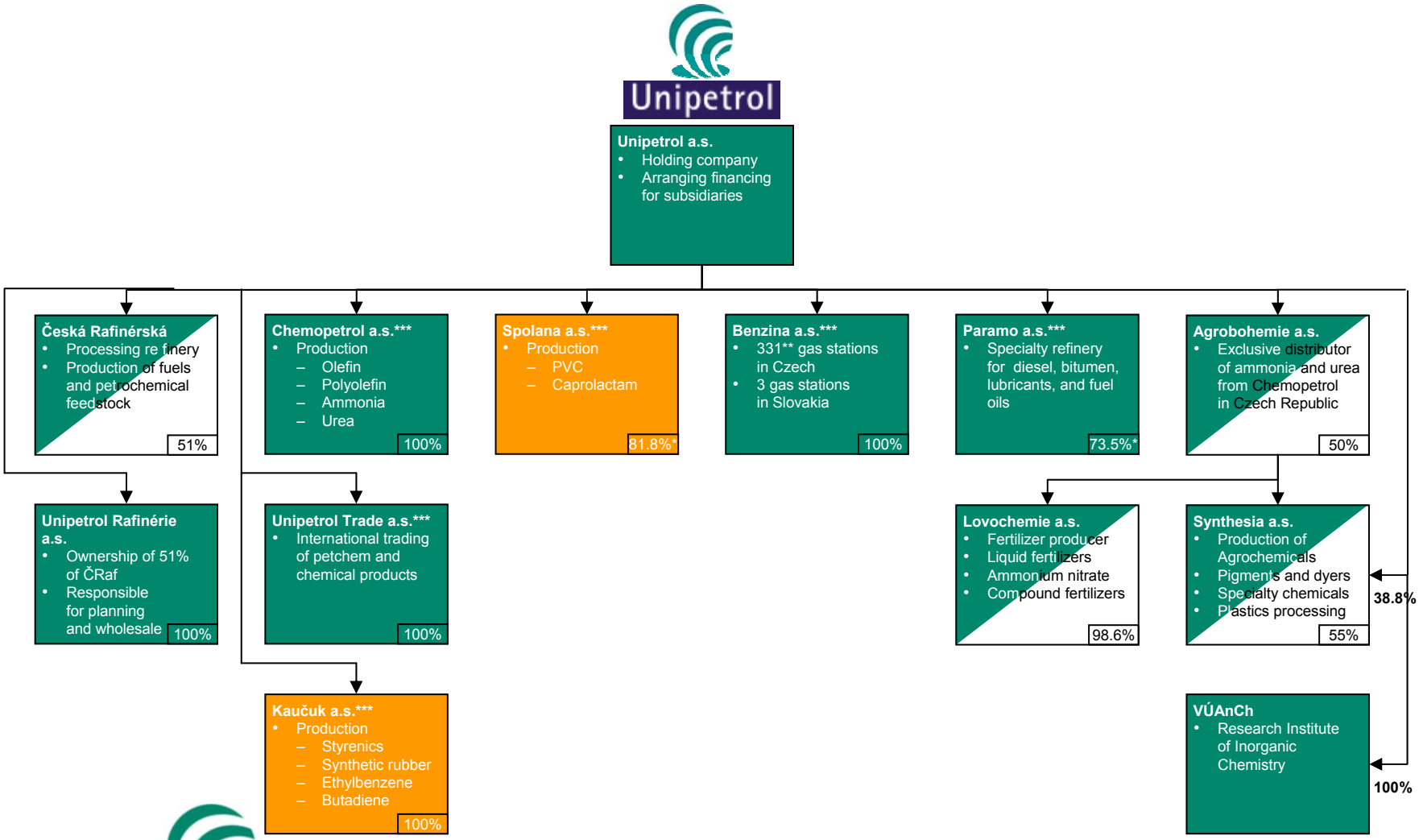
June 28, 2006

Agenda

- **Update of UNIPETROL portfolio strategy and goals**
- Operational improvement program results
- Implementation of segment based management
- Lessons learned

UNIPETROL simplified holding structure



* Additional 13.4% share in Spolana and 3,7% of Paramo is owned by PKN ORLEN
** Includes 18 stations taken over from Paramo Trysk
*** Companies that have own subsidiaries. Part of those is in the process of restructuring, e.g. Celio, BUT (subsidiaries of Chemopetrol)
Note: Diagram refers to current ownership structure of Unipetrol, which would change as a result of divestments

The integration priorities of 2005 have been fully realized and the 2006 priorities are well advanced

✓ Completed
✓ On track
Explained later in the presentation

Target	**Initializing Cooperation**	**Restructuring and full integration**	**Exploring new growth**
Time	**Until end of 2005**	**2006**	**2007 - 2009**
Actions	• Transaction closure ✓ • Assuming legal, corporate, and operational alignment ✓ • Definition of asset portfolio reorganization strategy ✓ • Definition of standalone operational improvements within Partnership Program ✓ • Capturing „quick wins" ✓ • Development of 2005-2009 mid term and investment plan aligned with PKN ORLEN assumptions ✓ • Defining synergies on PKN ORLEN side ✓	• Continued implementation of the Partnership Program ✓ • Group restructuring – Divestment of non-core assets ✓ – Optimizing legal and corporate governance restructuring ✓ – Introduction of segment based management as of January 2007 ✓ – Launch of polyolefin strategy project • Further integration and harmonization between PKN ORLEN and Unipetrol – Harmonization of organization structure and HR policy ✓ – Further alignment of processes (budgeting, financial reporting, production planning) ✓ • Introducing a „two brands" strategy in retail* ✓	• Capturing additional growth opportunities • Potential acquisition of logistics assets in the Czech market • Supporting further expansion especially in the petrochemical area

* Accelerated to 2006

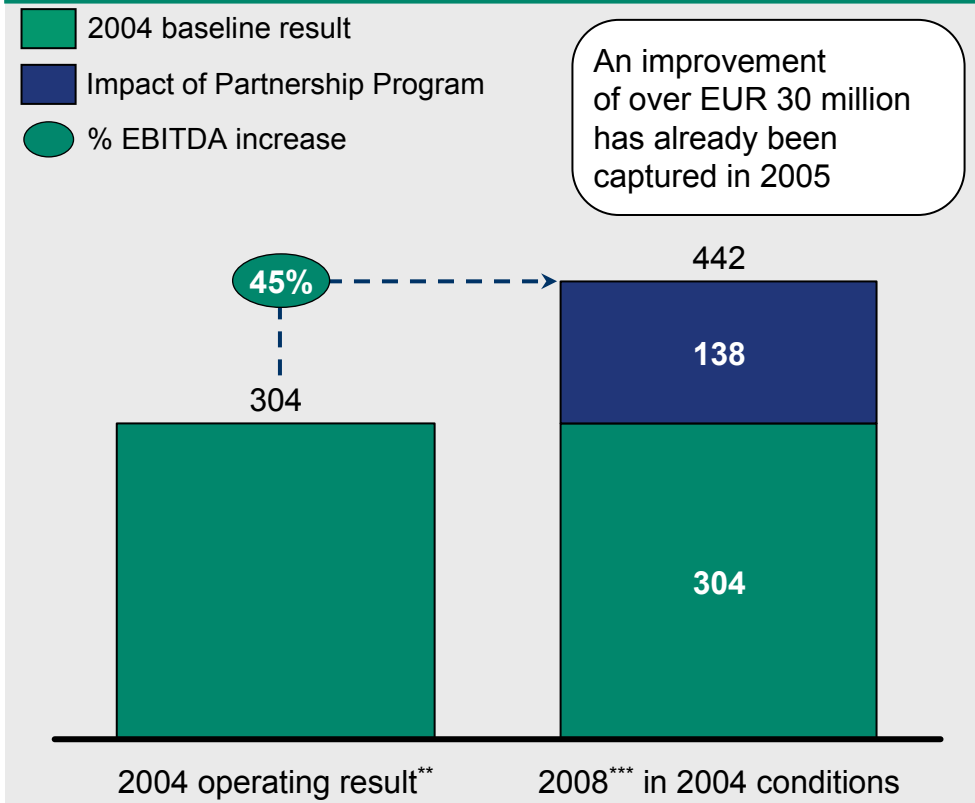
UNIPETROL and PKN ORLEN maintain the objectives of the Partnership Program at EUR 138 million under 2004 macroeconomic conditions

REMINDER FROM OCT 2005

Partnership Program

- The Partnership Program was conceived by UNIPETROL in June 2005 with the aim of improving operational performance across all of its subsidiaries
- PKN ORLEN is providing support for the Program by offering the know-how and the time of its experts in order to assist UNIPETROL in extracting maximum value from its operations
- The Partnership Program covers all subsidiaries in which UNIPETROL owns a majority stake, regardless of any future divestment decisions in their respect

UNIPETROL EBITDA* in average 2004 macroeconomic conditions (EUR million)



* Consolidated EBITDA includes UNIPETROL, UNIPETROL Rafinerie, Paramo, Chemopetrol, Kaučuk, Spolana, BENZINA consolidated fully, Česká Rafinérská consolidated following the proportional method and Agrobohemie and Aliachem consolidated following the equity method. EBITDA calculations do not consider the effects of possible divestments

** Adjusted for one-off expenses as well as non-operating and extraordinary charges

*** Expected EBITDA forecast calculated under fixed 2004 macroeconomic conditions: Brent crude USD 38.2/b, Brent/Ural differential USD 4.1/b, refinery margin USD 3.6/b, CZK/EUR 31.90

To remind, UNIPETROL strategy focuses on core businesses and economic cooperation with PKN ORLEN to maximize the value of our assets

✓ Completed
✓ Advanced
Under evaluation

Value-creation potential in business unit

Relative ability to extract value

	High	Medium/Low
High	**Retain and give top priority** • Česká rafinérská – diesel, gasoline, • Paramo – lubricants • Chemopetrol – olefins, polyolefins, POX • Benzina • Paramo Trysk ✓ • Kaučuk Butadiene[3]	**Retain and manage for cash** • Česká rafinérská – fuel oils, bitumen • Paramo – diesel, fuel oils, bitumen
Low	**Potentially divest** • Chemopetrol – ammonia, urea[1], oxo-alcohols, ethanol • Spolana – PVC/chloralkali, caprolactam[4] ✓	**Divest** • Synthesia – specialty chemicals[2] • Synthesia (Fatra) – plastics processing[2] • Lovochemie – fertilizers • Agrobohemie[2] • Kaučuk – ethylbenzene, styrene[3], SBR, polystyrene, ABS ✓

UPDATED STRATEGY

Keep and expand presence on the home Czech market in core businesses
- Refining
- Petrochemicals
- Fuel retailing

Divest non-core assets
- Chemicals[4]
- Specialty chemicals
- Plastics processing
- Agrochemicals
- Subscale units and old technologies
- Styrenics businesses

[1] Divestment might be possible only as a long-term option, after commercial obligations expire
[2] These assets are subject of legal proceedings as a result of "Future share purchase agreements" between UNIPETROL and DEZA from October 2000 and August 2001 and until their legal status is defined, cannot be disposed
[3] Butadiene extraction is strategic for petrochemical and refinery business
[4] Spolana is strategic from PKN ORLEN perspective, as a vehicle to consolidate PVC business, but is not strategic for UNIPETROL

Disposal process of assets that are in full UNIPETROL's control is well advanced

	Activity	I	II	III	IV	V	VI	VII	VIII	IX
Spolana	• Public announcement for 81.78%	▬	▬	▬						
	• Offers submitted			▲						
	• Due diligence by selected investors			▬	▬					
	• Binding bid					▲				
	• Negotiations/resolution of critical issues					▬	▬			
	• Signing of share purchase agreement							▬	▬	
Kaučuk	• Approach to potential investor (~30 firms)	▲								
	• Preliminary interest letters from 12 investors	▬	▬							
	• Development of transactions structure		▬	▬	▬					
	• Non-binding offers and qualification for due diligence					▲ ▬				
	• Due diligence						▬			
	• Negotiations with the bidders							▬	▬	
	• Agreement with the investor								▬	▬

Unipetrol

UNIPETROL is well advanced in implementing strategies for key assets in priority businesses

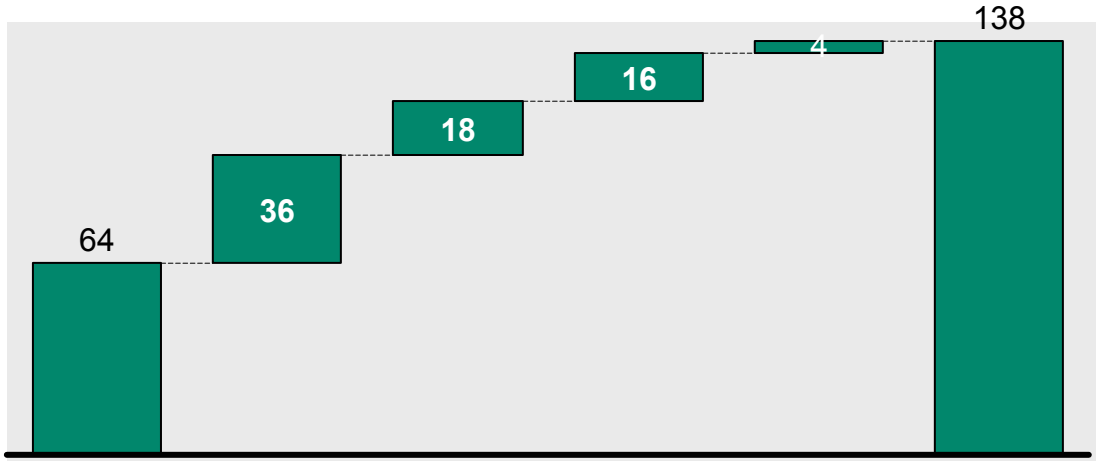
✓ Completed
✓ On track

Business	Assets	Strategy	
Refining	• **UNIPETROL rafinérie (Česká rafinérská)** – Diesel/gasoline – Fuel oils • **Paramo** – Diesel – Fuel oils	• Maximize value from crude purchasing – Leverage joint purchasing power with PKN ORLEN • Coordinate production by creating single planning unit and optimizing shutdowns • Cooperate with PKN ORLEN to create integrated wholesale function organized by product (diesel/gasoline, bitumen, oils, lubricants)	✓ ✓ ✓*
Petrochemicals	• **Chemopetrol** – Olefins – Polyolefins – POX	• Integrate and optimize olefin production with refining • Select optimal strategy to maximize polyolefin value • Keep POX given strategic importance of hydrogen source • Decide on non-core assets where spin-off/demerger/sale is complicated by commercial linkages to priority businesses***	✓ ✓
Chemicals	• **Spolana** – PVC/chloralkali – Caprolactam	• Divest Spolana • Drive value through operational improvements	✓ ✓
Retail	• **Retail** – BENZINA – ParamoTrysk	• Restore financial stability of BENZINA by – Comprehensive cost reduction program and restructuring of financing – Shut down of unprofitable subscale stations – Fuel and non-fuel margin stimulation program • Achieve scale by acquiring other networks • Realize scale synergies with PKN ORLEN in selected non-fuel purchasing and gas stations development costs • Pursue integration of Paramo Trysk with BENZINA	✓ ✓ ✓ ✓
Bitumens/ Lubricants	• **Paramo** – Bitumen – Lubricants	• Convert Paramo to processing regime and cooperate with PKN ORLEN to create an integrated lubricant and bitumen producer**	✓

* Coordinated wholesale within UNIPETROL and exclusivity agreements with PKN ORLEN
** Conversion to processing is complex due to the minority shareholders interest. Nevertheless coordination of market approach is executed via mutual cooperation/exclusivity agreement
*** Planned to be addressed in H2 2006

The Partnership Program impact is estimated at EUR 138 million

2008 UNIPETROL EBITDA increase vs. 2004 base*
EUR mil



1 Refining	2 Petro-chemicals	3 Chemi-cals	4 Retail	5/6 Bitu-men's/lubs ****	Total
• UNIPE-TROL Rafinérie • Česká rafinérská • Paramo (fuels)	• Chemo-petrol • Kaučuk	• Spolana	• BENZINA • Paramo Trysk	• Paramo (lubri-cants/ bitumens)	Key subsidiaries from value creation perspective

Key value drivers
EUR mil

	2008 potential*	Percent
• Revenue enhancement	88	63
• Variable cost optimization	38	28**
• Fixed cost optimization	12	9***

* Budget effect calculated under fixed 2004 macroeconomic conditions
** The impact of variable cost reduction may slightly drop reflecting lower potential of improved purchasing
*** The impact of fixed cost reduction may increase reflecting higher commitment in financial costs reduction and maintenance cost reduction
**** Bitumen's/lubes have been separated from Refining reflecting target segment structure
Note: Impact estimation is not reduced by the effects of future divestments

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By December 31, 2005 initiatives have already delivered over EUR 30 million vs. 2004 base in comparable market conditions

Subsidiary	Net EBITDA impact of initiatives* EUR million	Key initiatives
UniRaf	20	• Motor fuels sales co-ordination/ increased throughput • Replacement of atmospheric gas oil (feedstock to diesel) with virgin naphtha in steam cracker feedstock pattern
Chemopetrol	8	• Optimization of pricing structure in polyolefins and olefins • Alternative utilization of shut down ethanol unit • Headcount reduction
Spolana	3	• PVC pricing and volume improvement • Increased capacity utilization of caprolactam
BENZINA	1	• Maintenance cost reduction • Office rent reduction • Non-fuel margin increase
Total	32	

28

* In 2004 macroeconomic conditions

(X) Original target

Consolidated financial highlights of UNIPETROL a.s.

Consolidated Profit & Loss highlights of UNIPETROL a.s. for periods 1H2005, Y2005 and 1Q2006

in '000 CZK		1H 2005 IFRS	2005 IFRS	1Q 2006 IFRS
UNIPETROL	Revenues	42 865 533	80 946 337	20 139 968
	EBITDA	5 146 800	9 505 133	1 979 217
	EBIT	2 823 903	5 279 069	978 152
	Net result	1 759 607	3 407 111	814 195

Consolidated Balance Sheet highlights of UNIPETROL a.s. for periods 1H2005, Y2005 and 1Q2006

in '000 CZK		1H 2005 IFRS	2005 IFRS	Q1 2006 IFRS
UNIPETROL	Equity	37 289 760	38 988 043	39 789 643
	Total Assets	78 318 284	76 441 640	74 660 650

Consolidated financial highlights of UNIPETROL a.s.

Interest-bearing liabilities* of UNIPETROL a.s. for periods 1H2005, Y2005, 1Q2006

in '000 CZK		1H 2005 IFRS	2005 IFRS	1Q2006 IFRS
UNIPETROL	Liabilities*	17 618 528	15 465 145	17 125 403
	Equity	37 289 760	38 988 043	39 789 643
	Liabilities*/Equity ratio	47%	40%	43%

*interest-bearing liabilities

Operational highlights of Unipetrol a.s.

Operational highlights for 2005 and 2006, quarterly basis

Operating data*	Q1'05	Q2'05	Q3'05	Q4'05	2005	Q1'06
Total sales (tt) , of which	1 118	1 326	1 400	1 320	**5 164**	1 186
- light product sales (tt) [1]	746	848	919	854	**3 367**	813
- other refinery products sales (tt)	123	192	197	166	**678**	110
- pet-chem sales (tt)	209	236	235	249	**928**	213
- other product sales (tt)	41	51	50	51	**192**	51
Retail sales of motor fuels (tL)[2]	104	126	136	120	**486**	107
Processed crude (tt)	874	1 022	1 134	1 122	**4 151**	875
Utilisation[3]	64%	74%	81%	81%	**75%**	64%
White product yield[4]	72%	69%	72%	71%	**71%**	74%
Fuel yield[5]	52%	55%	59%	58%	**56%**	56%

*Refers to Unipetrol Group
1) Gasoline, Diesel, LHO, Jet
2) Gasoline, Diesel, LPG
3) 51% of Ceska Rafinerska, 100% of Paramo
4) Gasoline, Diesel, LHO, Jet
5) Gasoline, Diesel, LPG, LHO

Sensitivity analysis of Unipetrol Rafinerie and Paramo

Change of crude oil price, REBCO differential to Brent and CZK/USD vs. results of Unipetrol Rafinerie and Paramo

CZK million

Change	by	Impact on Gross Profit on Sales (in m CZK)		
		real 2004*	real 2005*	plan 2006*
UniRaf and Paramo (added)				
Crude oil price Brent[1]	*increase by 1 USD/bbl*	**- 703**	**- 735**	**- 705**
Brent/REBCO differential	*decrease by USD 0,25/bbl*	**- 125**	**- 127**	**- 120**
CZK/USD exchange rate[2]	*weaker by CZK 0,5*	**+ 39**	**+ 26**	**+ 57**

*Refers to Unipetrol Rafinerie and Paramo gross profit on sales (added)

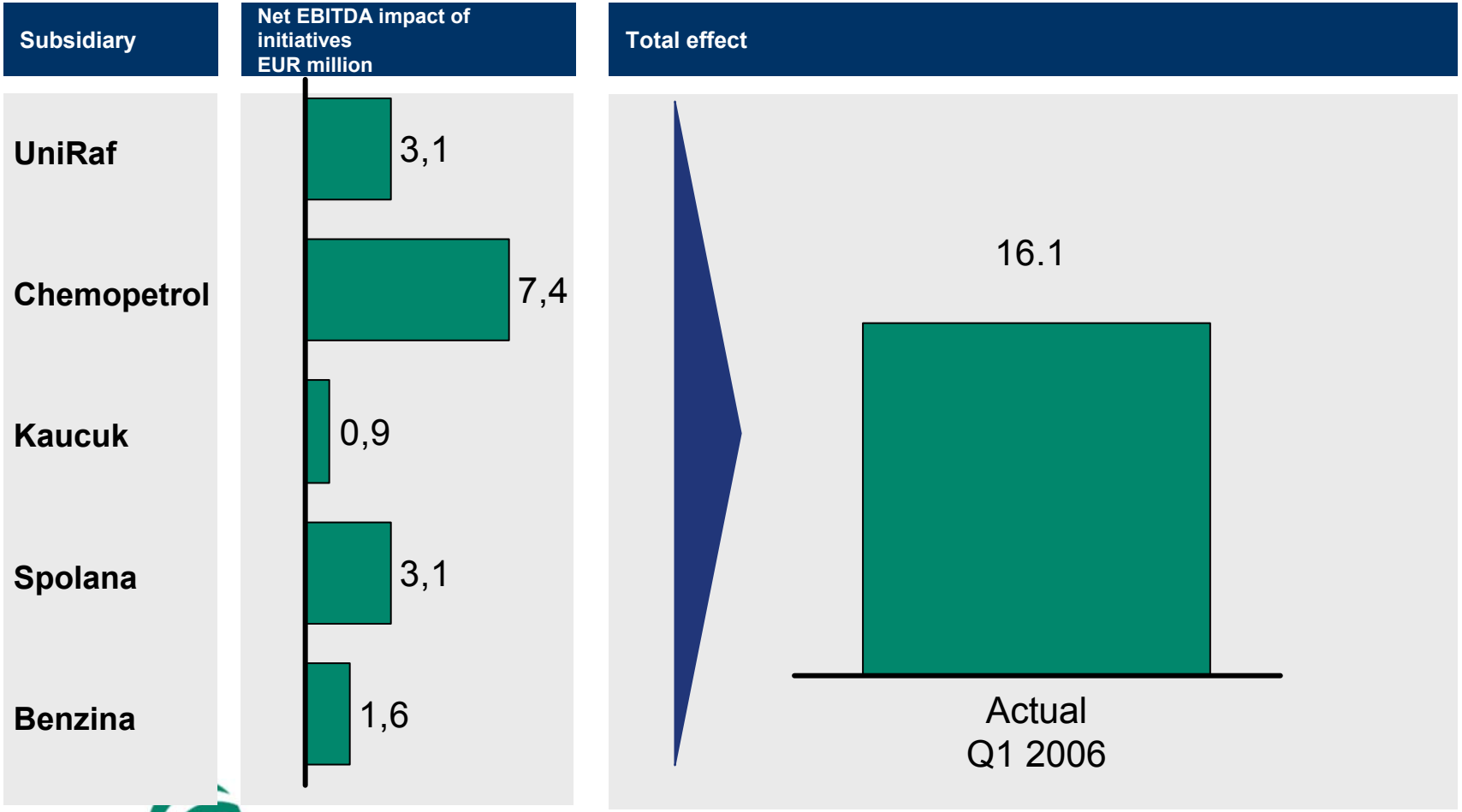
1) *Holding the product prices constant*

2) *For Chemopetrol 2006 plan the effect of weaker CZK/EUR of CZK 0,5 regards to ca. + 37 mln CZK on Gross Profit on Sales*

Extracted impact of Partnership initiatives for core subsidiaries

Q1 2006 EBITDA impact, in 2004 macro conditions

EUR million

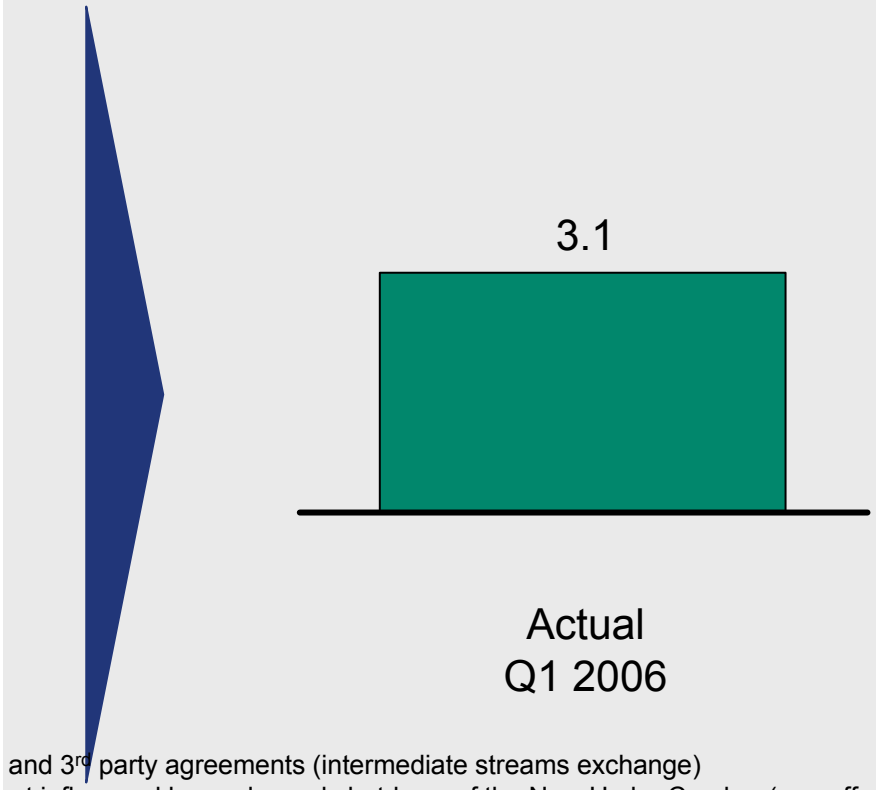


Extracted impact of Partnership initiatives

UniRaf Q1 2006 EBITDA impact, in 2004 macro conditions

EUR million

Subsidiary	Net EBITDA impact of initiatives EUR million
Motor fuel sales coordination	1.2**
Replacement of atmospheric gas oil	1.7**
Others*	0,2



* Mainly planning optimization and 3rd party agreements (intermediate streams exchange)

** Negative results to large extent influenced by unplanned shutdown of the New Hydro Cracker (one off event)

Note: Motor fuel sales coordination is measured via improved throughput of UniRaf at 2004 refinery margin; replacement of atmospheric gas oil is measured via improved margin from blending Atmospheric Gas Oil into fuels vs. selling it to Chemopetrol at agreed price formula

Update on other key initiatives in progress – UniRaf

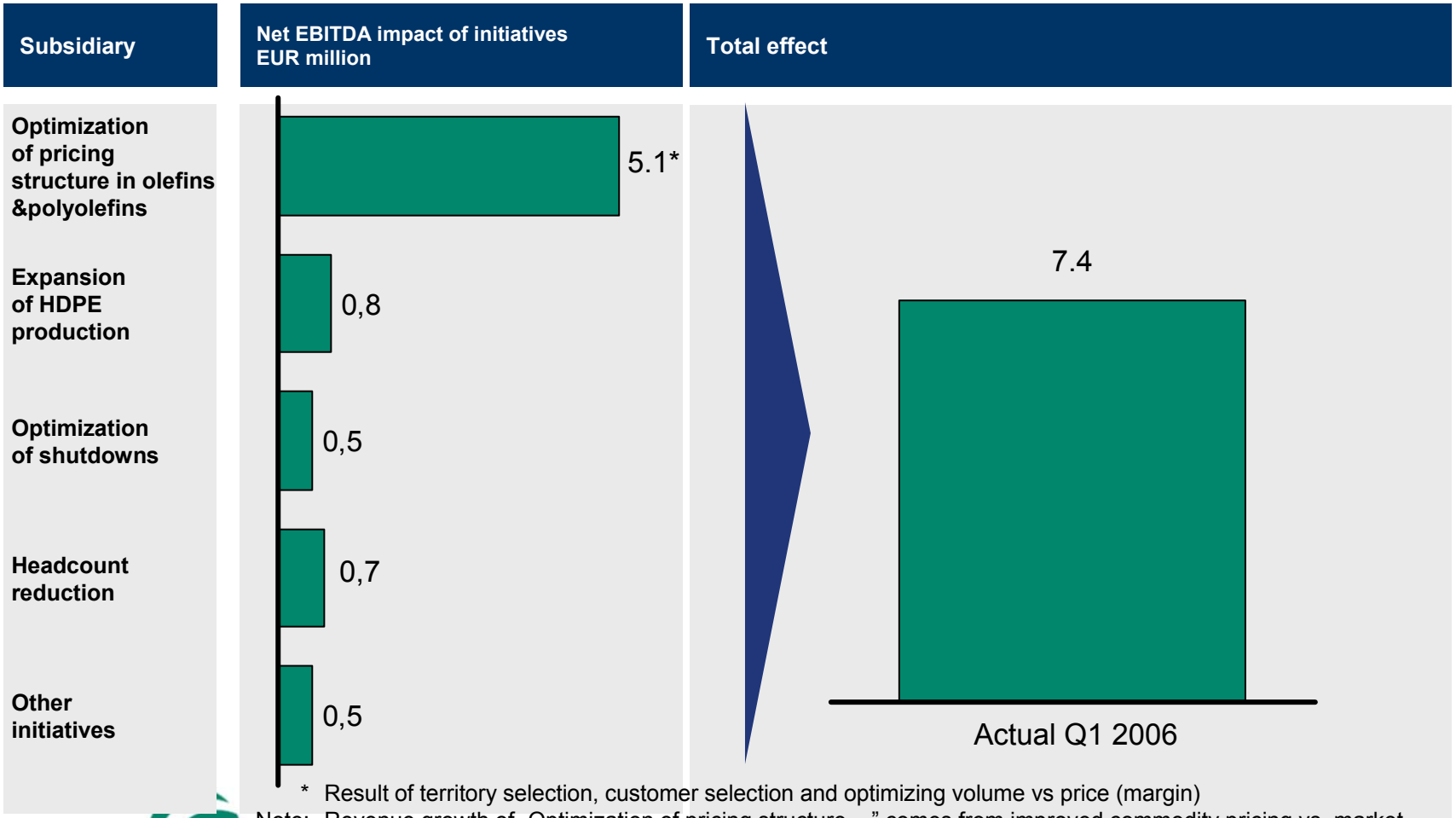
Initiative	Value in 2007 EUR mln	Approach	Progress so far
Single planning unit	9.1	• Not coordinated planning prior to the merger („separate entities”). • Since the merger: coordination of yearly and monthly plans among key subsidiaries • Intent to create centralized planning unit in Unipetrol	• Yearly plan for the UNIPETROL holding optimized first time ever for the Group • Monthly operational plans coordinated between the companies • Approved proposal to centralize planning in corporate centre
Integrated wholesale function	14.0	• Legal limitations: (a) PKN ORLEN, and its subsidiaries and (b) UNIPETROL, a.s. are separate publicly trades companies • Creating a fully integrated wholesale function is complex	• Coordinated activities in fuels of UniRaf with PKN ORLEN via exclusivity agreement, and plans to further extend coordination with Paramo • Coordinated activities in oil and asphalt segments of Paramo with PKN ORLEN subsidiaries (ORLENOil, and ORLEN Asfalt)
Leverage joint crude purchasing power	N/A*	• In Q4 2005 UniRaf signed contract with PKN ORLEN for intermediation in crude purchasing and supply	• Agreements is fully implemented and yields benefits for UniRaf

* Actual details of potential are confidential

Extracted impact of Partnership initiatives

Chemopetrol Q1 2006 EBITDA impact, in 2004 macro conditions

EUR million



* Result of territory selection, customer selection and optimizing volume vs price (margin)

Note: Revenue growth of „Optimization of pricing structure ..." comes from improved commodity pricing vs. market quotations. As the market quotations for polyolefins are not always precise, the same is valid for the assessment of pricing initiative impact. Revenue growth from HDPE expansion comes from increased sales volume

Update on other key initiatives in progress – Chemopetrol

Initiative	Value in 2007 EUR mln	Approach	Progress so far
Optimization of pricing structure	8.8	• Renegotiation of key contracts • Direct sales to selected customers currently served by third parties • Tailor-made specialty products in polyolefins	• Rigorous implementation of Commercial Excellence Program: Business Service Standards, Account Management, Territory/channel to the market strategy, Optimization of volume/margin decisions • Petchem Team has decided to increase target of this initiative
Integration of olefin production with refining	N/A*	• Planning integration of refinery and olefin production is strong (first time ever) • Additionally, planning helps to address emergencies (e.g. in March despite a shut down of the NHC unit planning ensured SC feedstock, partially from PKN)	• Yearly plan for the UNIPETROL holding optimized first time ever for the Group • Monthly operational plans coordinated between the companies • Approved proposal to centralize planning in corporate centre
Coordination of shutdowns	1.2	• Planned shutdowns timings are coordinated. The shutdowns are mapped and aligned among the companies. • Additionally, the coordination of major shutdowns between PKN ORLEN and UNIPETROL has started.	• Fully implemented. Part of day-to-day business
Polyolefin strategy	N/A**	• Polyolefins are core/strategic assets, and PKN/UNIPETROL are defining future business options and their implications	• PKN ORLEN/UNIPETROL have just launched a common project to assess the options

* Impact so far reflected mainly at the UniRaf/Refinery team within replacement of atmospheric gas oil initiative (additional impact for petchem, e.g. due to improved yields, is under evaluation)

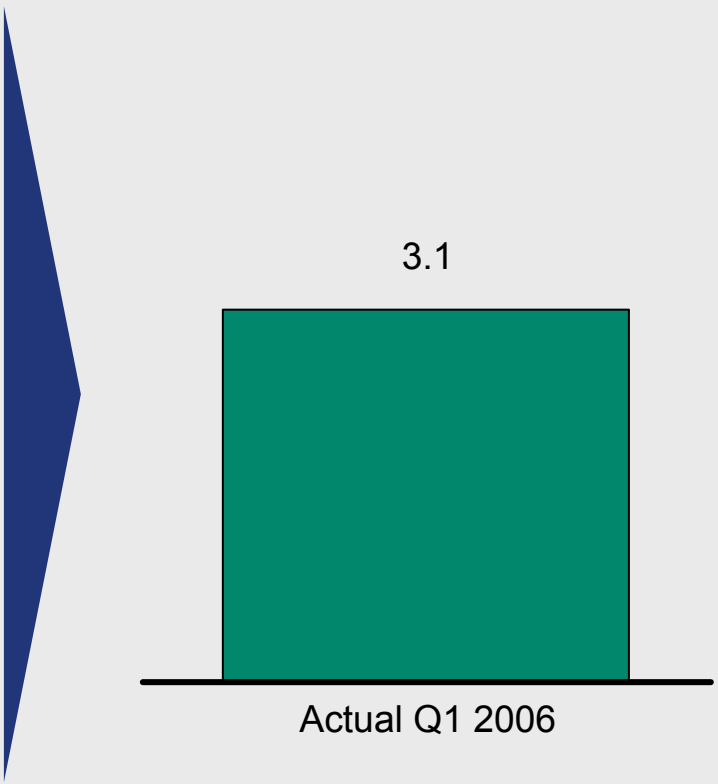
** Not accounted for in Partnership Program value creation

Extracted impact of Partnership initiatives

Spolana Q1 2006 EBITDA impact, in 2004 macro conditions

EUR million

Subsidiary	Net EBITDA impact of initiatives EUR million
S-PVC pricing improvement	1.7*
S-PVC sales volume increase	1.2*
Purchasing optimization	0.2
Others	N/A



* Result of territory selection, customer selection and optimizing volume vs price

Note: Pricing improvement of S-PVC comes from improved pricing vs. market quotations. As the market quotations for styrenics are not always precise, the same is valid for the assessment of pricing initiative impact. Revenue growth from S-PVC sales improvement comes from increased sales volume

Update on other key initiatives in progress – Spolana

Initiative	Value in 2007 EUR mln	Approach	Progress so far
S-PVC sales and pricing integration	7.4	• Within chemical VCT both PKN ORLEN and UNIPETROL are supporting Spolana with commercial excellence expertise, focusing on customer segmentation and pricing/merger improvements • Integration of sales function is not legally feasible for the time being	• Best commercial practices are under implementation, including territory selection, customer selection and optimizing volume vs price
S-PVC production optimization	1.3	• Improve product portfolio and increase volume of high margin products	• Toll agreements with other producers on selected S-PVC grades for certain applications

Extracted impact of Partnership initiatives

BENZINA Q1 2006 EBITDA impact, in 2004 macro conditions

EUR million

* The headcount of BENZINA decreased from 184 in June 2005 to 122 in June 2006

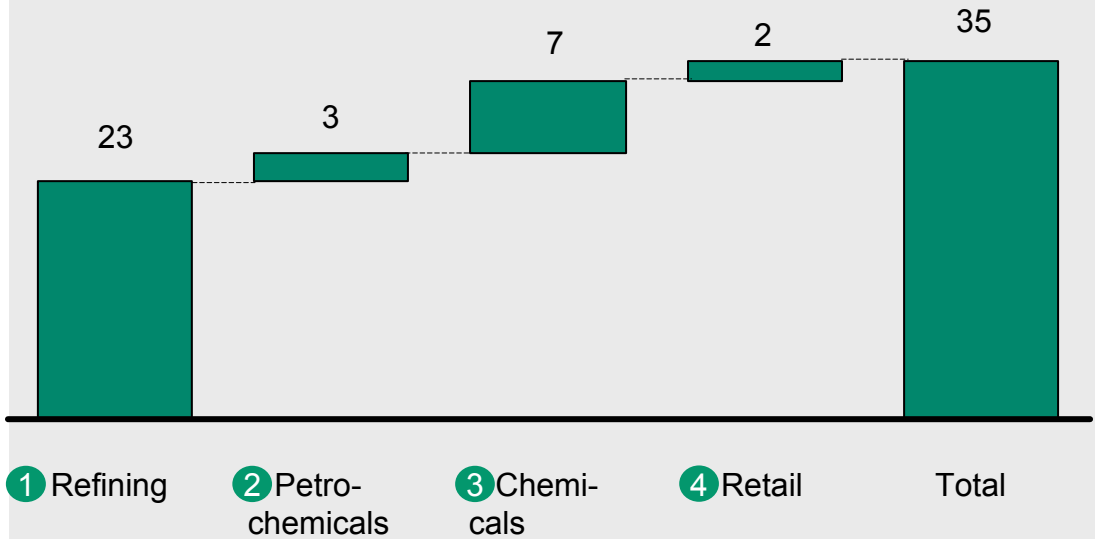
Update on other key initiatives in progress – BENZINA

Initiative	Value in 2007 EUR mln	Approach	Progress so far
Restoring financial stability	N/A	• The restoring financial stability consisted of 3 parts: capital increase, cost reduction, and revenues improvement	• Capital increased by CZK 1,299 million via cash injection • Cost reduction: headcount reduction, integration of BENZINA Trade and Paramo Trysk, reduction of operational costs (maintenance, marketing) and disposal of cash negative assets • The revenue improvement: pricing tactics (see below). The plans related to branding, further optimization of pricing, service improvements, and cards are in implementation
Fuel pricing changes and volume drive	2.7	• Short-term focus on tactical initiatives/priorities – Change pricing strategy to faster match competitors – Implement micro-market segmentation and pricing tool to guide optimal decisions	• Price strategy developed/approved and implemented already in Q3 2005 • Micro markets mapped and segmented • Pricing tool in development
Two - brand strategy	N/A*	• Unipetrol considers dividing BENZINA petrol station into 2 brands – one will be economical and 2nd will be meant for demanding customers and will offer more services, and higher quality	• Concept approved

* The potential of improved perception has been already factored in the margin expectation of the Partnership

Important integration synergies will be also reached on PKN ORLEN side

2008 PKN ORLEN EBITDA increase vs. 2004 base
EUR mil[1]



Key value drivers
EUR mil

	2008 potential EUR mil[2]	Percent
• Revenue enhancement	24	68
• Variable cost optimization	8	23
• Fixed cost optimization	3	9

1 Assuming 2004 macroeconomic conditions constant: Brent 38.2 USD/bbl, Brent/Ural differential 4.1 USD/bbl, refining margin 3.6 USD/bbl, EUR 1 = CZK 31.90. Synergies, in PLN: Refining 104mm, Petrochemicals 13mm, Chemicals 31mm, Retail 9mm, total over 157mm, at EUR/PLN 4.534, as in 2004
2 Budget effect, assuming 2004 macroeconomic conditions constant

Update on the implementation of PKN ORLEN Synergies

Initiative	Value in 2007 EUR mln	Approach	Progress so far
Refining	23	• Co-ordination of refinery production at PKN ORLEN and Unipetrol • Integration of fuel wholesale in Poland and the Czech Republic • Optimization and integration of logistics at PKN ORLEN and Unipetrol • Co-ordination of purchases for refinery production	• Production planning on a Group level being implemented with COM Program (Margin Optimization). • Exchange of raw materials and products between PL & CZ (diesel, gasoline, naphtha for cracking) in Q1 2006 over 70 kt of products • Mutual exclusive representation agreements for PL & CZ signed • Logistics improved. Own rail car fleet use for cross border shipments, return loads program, reduction of rail cars lease • Crude purchasing centralized
Petrochemi-cals	3	• Optimization and streamlining of the technical downtime process • Co-ordination of purchases for petrochemical production	• Initiative under validation. Decision on implementing in Q3 • Additionally, via technical experts visits in PL & CZ new opportunities („Best Practices Exchange”) in production, maintenance uncovered • Validation and implementation plans in Q3
Chemicals	7	• Restructuring of ammonia purchasing process • Optimization of PVC sales	• Ammonia supply coordination done. Q1 2006 results limited due to natural gas supply limitations in PL • Business optimization initiatives temporarily on hold, due to divestment process of Spolana
Retail	2	• Joint non-fuel purchases for the retail network • Co-ordination of the loyalty program • Optimization of retail operations in southern Poland	• Initiative to be implemented. • Done. Fleet cards acceptance in Q3 2006 • Initiative under validation of financial effects

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New corporate governance brings closer alignment to segment based management

Current focus

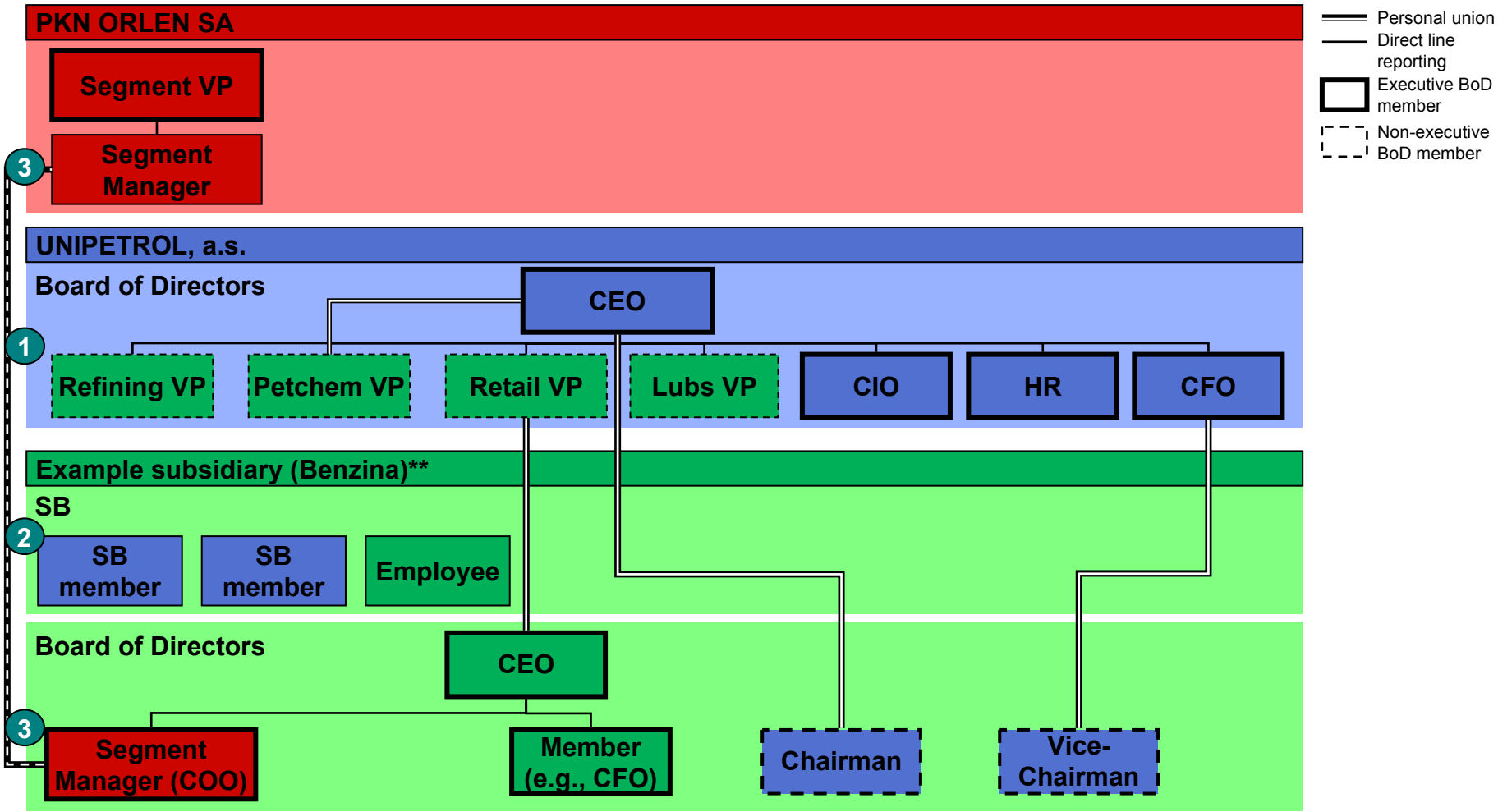
	Phase 1: Interim Corporate Gov. model (As of August 01 2006)	Phase 2
Goal	• Continue value improvement by introducing **business** segments in Unipetrol	• Help capture synergies by creating **functional** segments in Unipetrol
Timing aspiration	• August 2006	• 2007
Organization and process changes	A **Align structure in key business segments with PKN ORLEN** B **Split processing and commercial functions. Centralize critical corporate functions into Unipetrol, a.s. and shared services**	• Centralize all functions (both corporate and service) • Align structure in functional segments (e.g., purchasing, IT) with PKN ORLEN function managers as executives in Shared Service Center (SSC)
Ownership structure changes	• All companies remain in their current state – Chemopetrol and Paramo management reorganized to split processing and commercial functions	• Transform fully owned subsidiaries from joined stock to limited liability companies • Split Chemopetrol to processing and commercial companies (the second to be integrated with Unitrade) • Progress towards splitting Paramo into refining processing and Lubricants (processing and sales)* • Create Shared Service Centre (SSC) containing most functional segments as a separate company

* Coordination of sales within segments: with UniRafs (fuel) and oils and bitumens with PKN ORLEN

Note: This proposal has been approved by UNIPETROL Board of Directors and Supervisory Board and is supported by the main shareholder

A The model assumes strong UNIPETROL, a.s. SB and PKN ORLEN alignment at subsidiary BoD level

TO BE IMPLEMENTED AS OF AUGUST 2006



* PKN ORLEN Segment Managers in subsidiaries' BoDs and their peers should not be members of UNIPETROL, a.s. SB

** These recommendations are fully valid for Benzina but specific solutions may differ slightly between companies

B Split processing and commercial functions in key Unipetrol subsidiaries to align with PKN ORLEN segments

PKN ORLEN segments

	Refining	Petchem	Retail	Lubs/Bitumens
Production/ processing	Česká Rafinerská Refining	Chemopetrol production		UNIPETROL lubs/ bitumens businesses*
Commercial	UniRaf Wholesale	Chemopetrol commercial** UniTrade	Benzina	
Support functions	**Shared services:** Finance accounting, Tax, HR, Legal, IT, Supply chain, Purchasing, HSF, Maintenance			
Corporate center	**UNIPETROL, a.s.:** Controlling, Strategy, Planning, Risk management, Change management, Internal audit			

* Integration of Paramo fuels with UniRaf to be resolved

** Integration of olefin sales to UniRaf to be resolved

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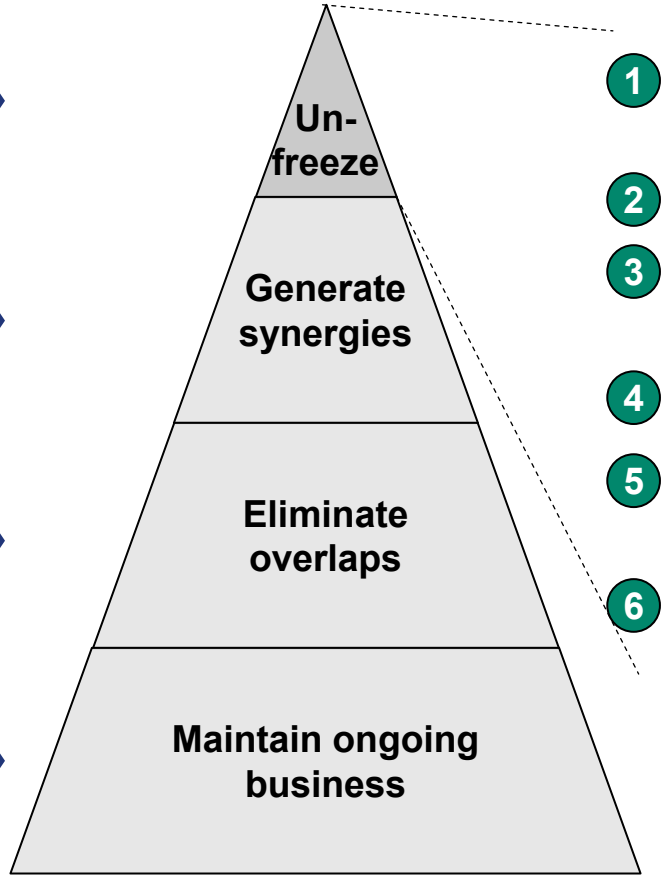
The integration process has allowed both companies to draw important lesson for the future integration projects

Value creation for UNIPETROL

Synergies at PKN

Alignment of CAPEX

Aligned governance



1. Model for aligned corporate governance
2. Strengthened leadership
3. Stronger control via centralized/shared core functions
4. Asset restructuring capability
5. Optimizing margins for multiple segments/locations
6. „Commercial excellence" capability

THANK YOU FOR YOUR ATTENTION

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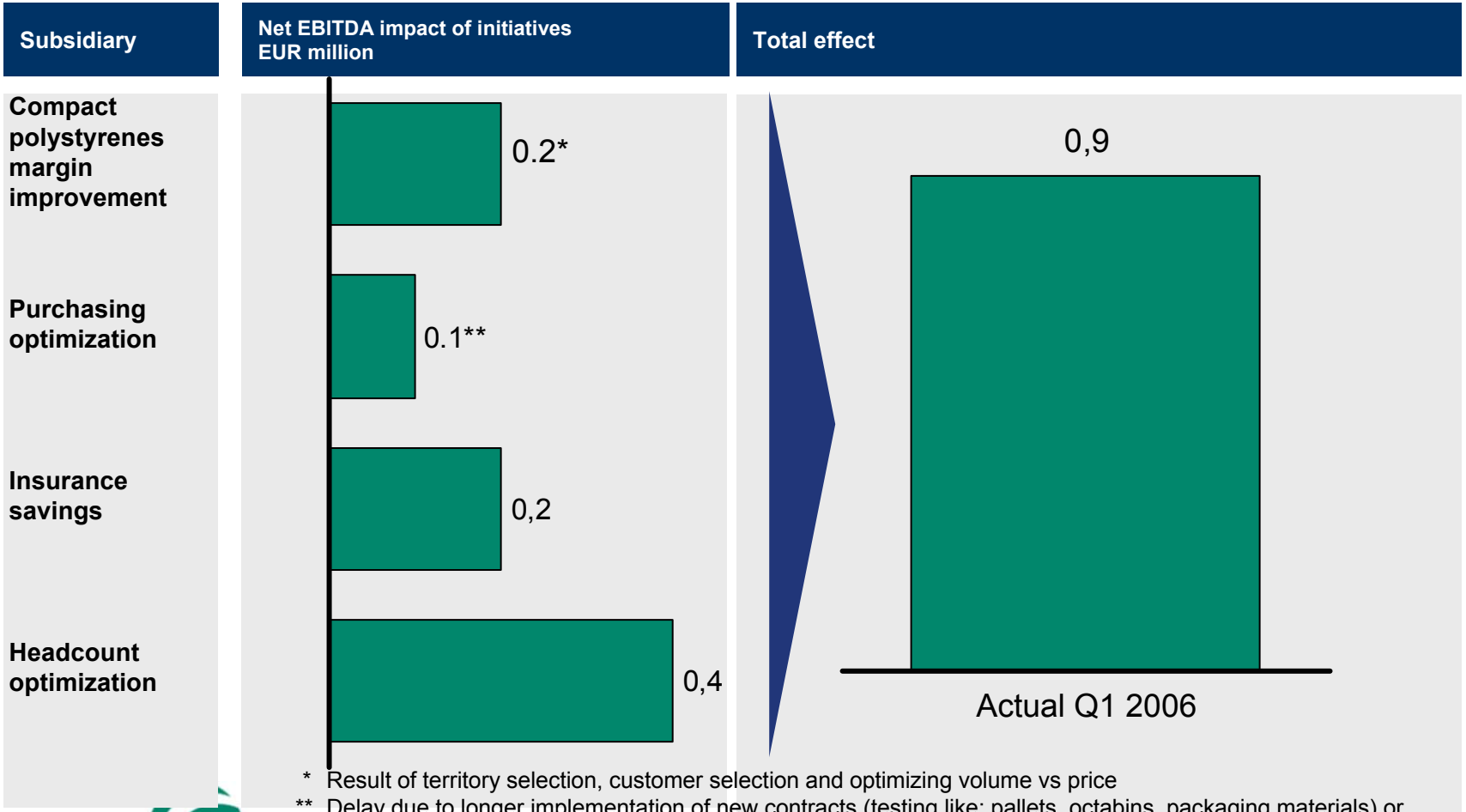
Supporting slides

- Extracted impact of Partnership initiatives in Q1’06 - Kaucuk
- Total UNIPETROL CAPEX, 2006-2009

Extracted impact of Partnership initiatives

Kaucuk Q1 2006 EBITDA impact, in 2004 macro conditions

EUR million



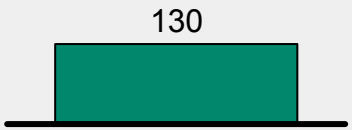
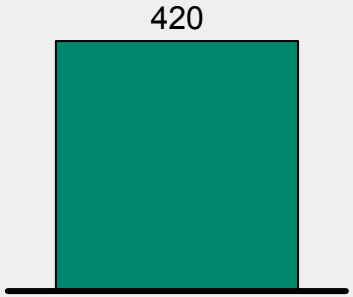
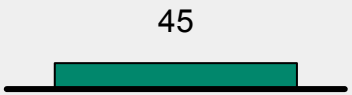
* Result of territory selection, customer selection and optimizing volume vs price

** Delay due to longer implementation of new contracts (testing like: pallets, octabins, packaging materials) or prolonged contract termination. Still the objectives for 2006 should be delivered.

Note: Margin improvement of compact polystyrenes comes from improved pricing vs. market quotations. As the market quotations for styrenics are not always precise, the same is valid for the assessment of pricing initiative impact.

UNIPETROL is realizing an investment program to secure and create organic growth*

Total UNIPETROL CAPEX*, 2006-2009 cumulative, EUR million

Refining	Petrochemicals	Chemicals	Retail
			
• Hydrocracker throughput and conversion expansion • 2009 clean fuel specification readiness • Bio fuels production • Maintenance and efficiency improvement • Environmental compliance	• Completion of steam cracker expansion (Olefins II) • Efficiency improvement projects in Chemopetrol and Kaučuk • PP and HDPE production expansion • Stay in business projects	• Maintenance and stay-in-business investment • Efficiency improvement projects	• Capital spending required for network optimization and restructuring, e.g., – Network maintenance – New stations – Site rebranding and upgrading

* Preliminary and rough data, currently under revision.