# Safe financial position in a volatile macro environment

PKN ORLEN consolidated financial results for 1 quarter 2012

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25 April 2012

# Agenda

- Achievements in 1Q 2012
- Macroeconomic environment
- Financial and operating results in 1Q 2012
- Liquidity
- Upstream and energy
- Summary

# PKN ORLEN achievements in 1Q 2012


## Financial parameters

- Over PLN 900 m of operating profit.
- Volatile macro environment:
  - increase in crude oil price by 13% (y/y).
  - increase in model refining margin and U/B differential by 0,2 USD/bbl (y/y) to 4,6 USD/bbl.
  - decrease in petrochemical margin by (-) 133 EUR/t (y/y) to 618 EUR/t.

## Operational parameters

- Increase in crude oil throughput by 4% (y/y) to 6,7 mt.
- Increase in retail sales by 8% (y/y) and market share.
- Record-high petrochemical sales, mainly due to PTA sales.

## Liquidity situation

- Further debt reduction to PLN 7,1 bn and financial gearing to 26,9%.
- Issue of 7-year bonds for a total amount of PLN 1 bn.
- Sales of next tranche of crude oil obligatory inventories for PLN 1,2 bn.

## Realization of strategic projects

- Shale gas: core samples testing from vertical wells (Wierzbica i Lubartów) as well as ongoing project works and choice of first vertical well location (Garwolin).
- Energy: short list of suppliers for gas turbine is prepared and selection process for power plant contractor in Włocławek in „turn-key" formula is in progress.

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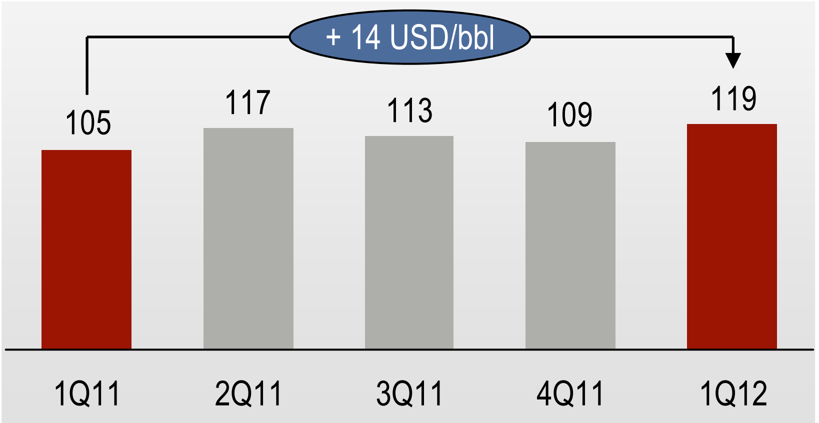
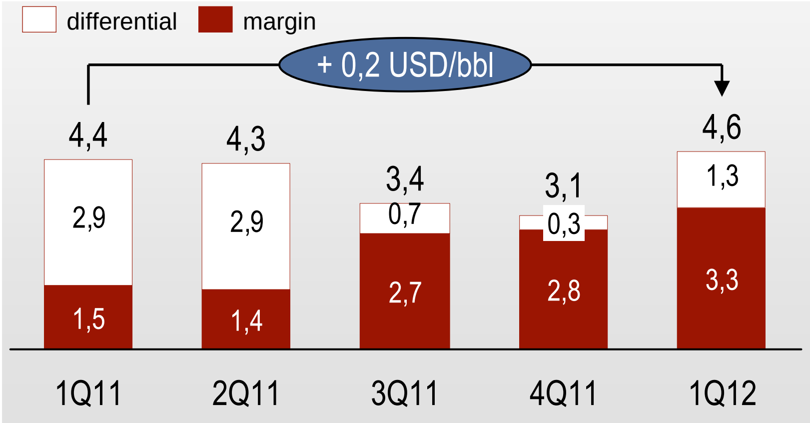
# Unstable macro environment in 1Q 2012 (y/y)

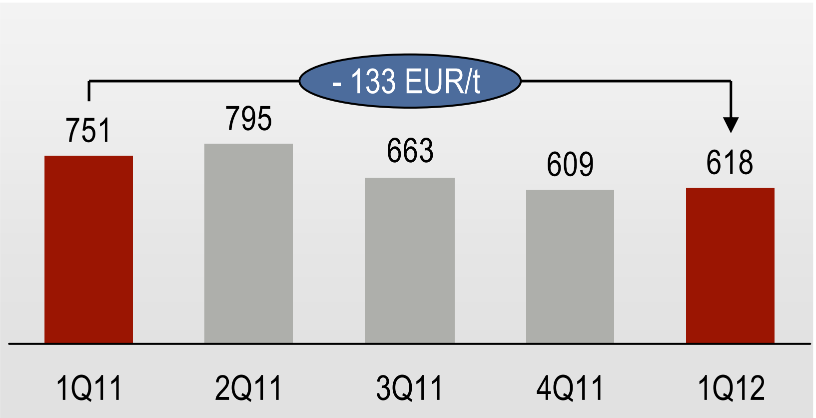
**Crude oil price increase by 13%**
Average Brent Crude Oil price, USD/bbl



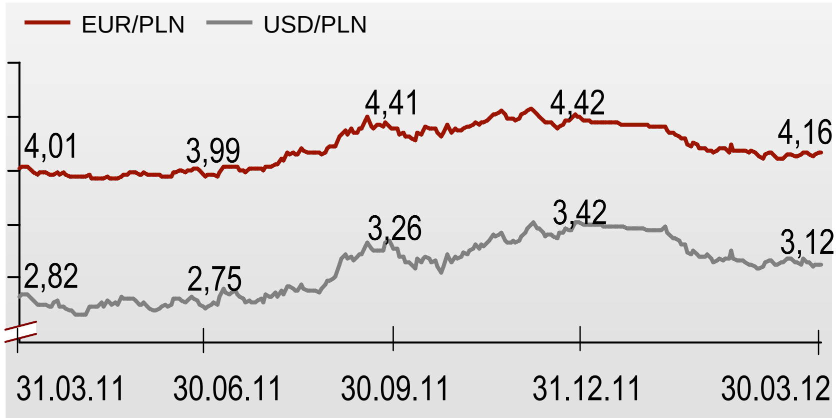

**Increase in total of refining margin and U/B diff by 5%**
Model refining margin and Ural/Brent differential, USD/bbl



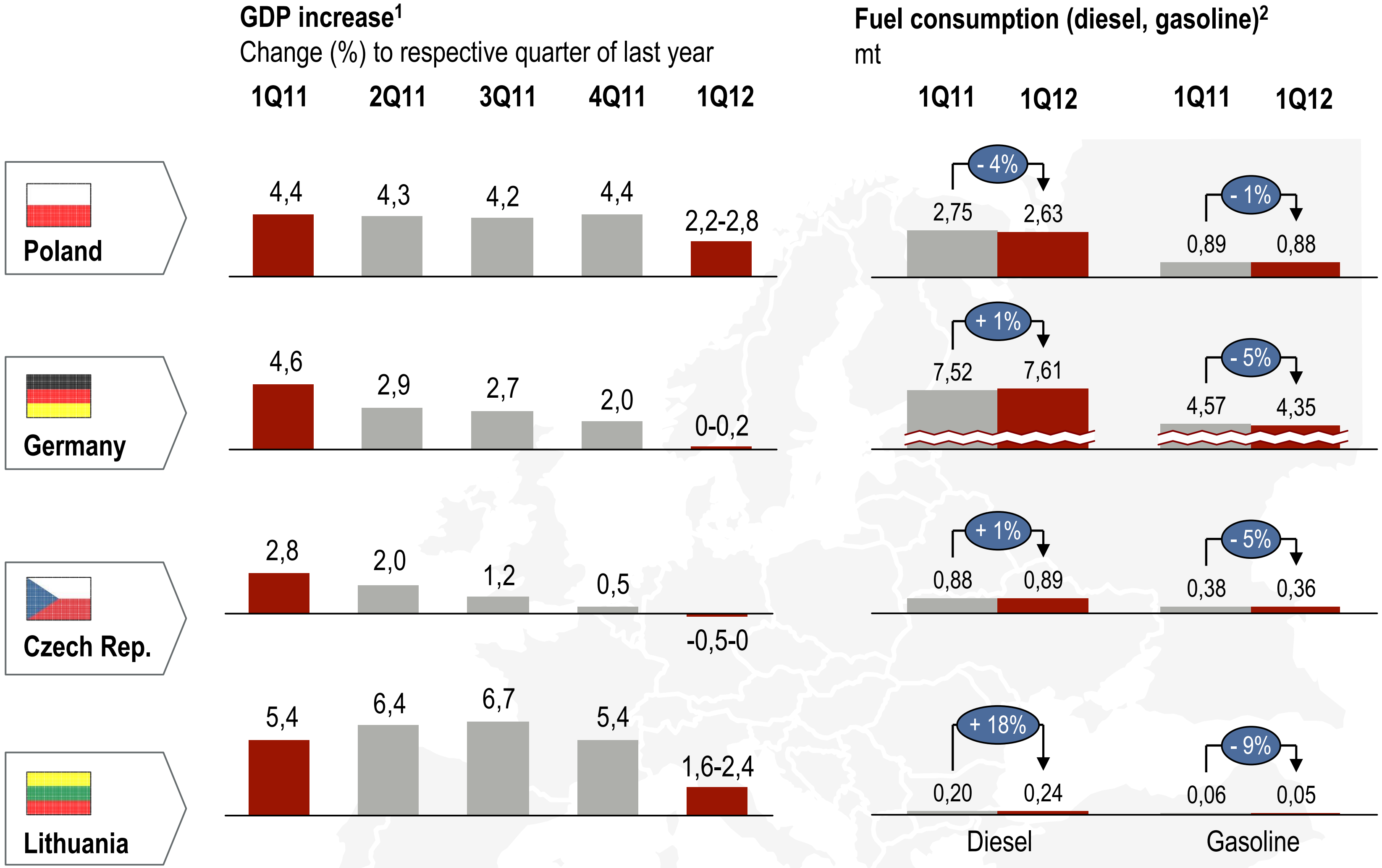

**Petrochemical margin decrease by (-) 18%**
Model petrochemical margin, EUR/t




**PLN appreciation against USD and EUR in 1Q'12**
EUR/PLN and USD/PLN exchange rate



# Lower GDP growth and high prices influence fuel consumption




[1] Poland – Statistical Office (GUS) / not unseasonal data; (Germany, the Czech Rep., Lithuania) – Eurostat / unseasonal data, 1Q'12 – estimates.
[2] 1Q'12 – estimates

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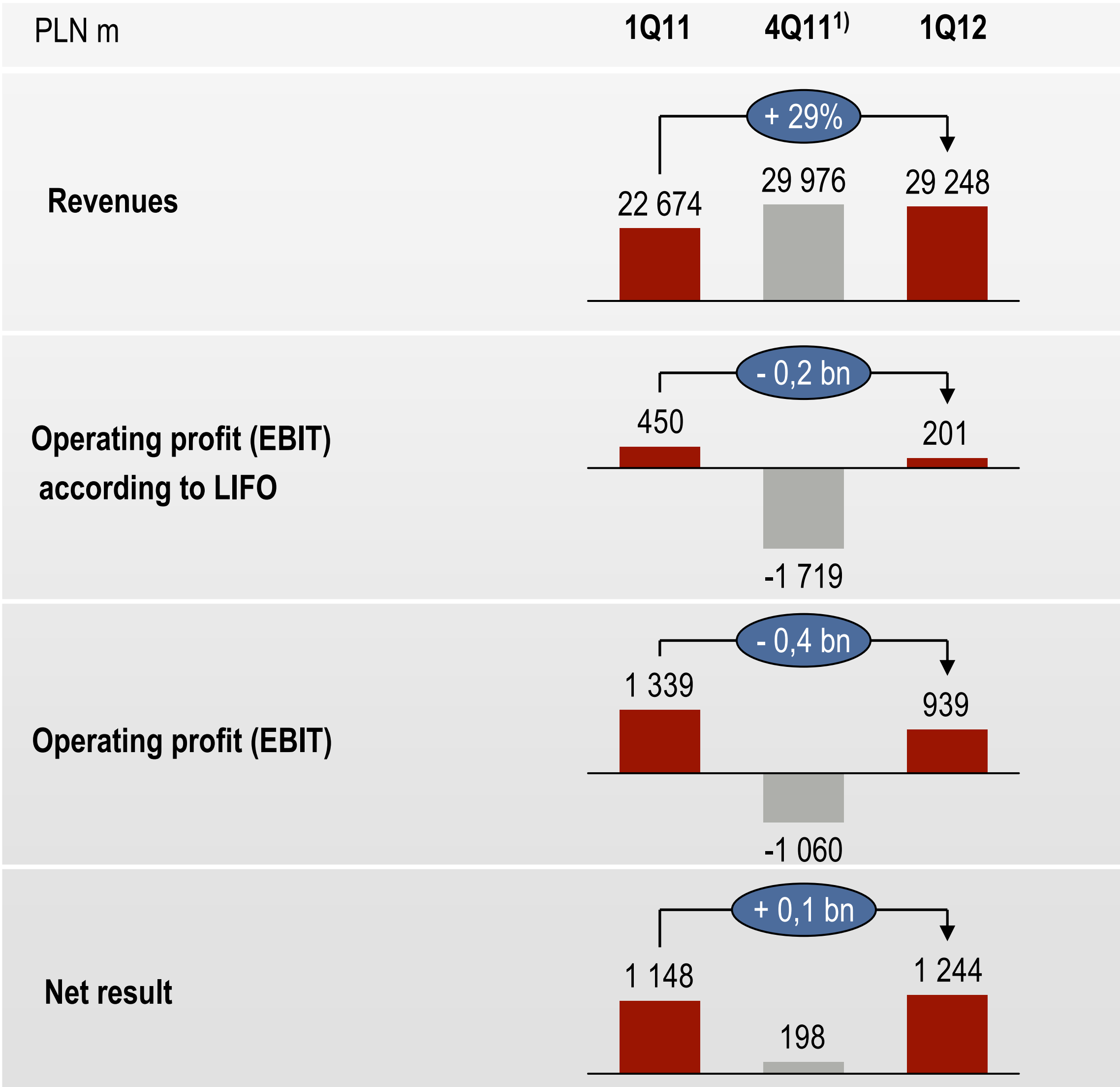
# Over PLN 29 bn of revenues




- Increase of revenues by 29% (y/y) as a result of higher sales volumes, higher crude oil prices and weakening of PLN against foreign currencies.
- Decrease of operating profit according to LIFO by PLN (-) 0,2 bn (y/y) mainly due to higher costs of biocomponents taxation in refining and lower margins in petrochemicals.
- PLN 0,7 bn of LIFO effect due to rising crude oil prices in 1q12.
- PLN 0,6 bn of positive foreign exchange differences from revaluation of debt and other positions in EUR due to PLN strengthening in 1q12.

1) Changes made to data presented after 4q11 mainly due to impairments in the amount of PLN (-) 1188 m.

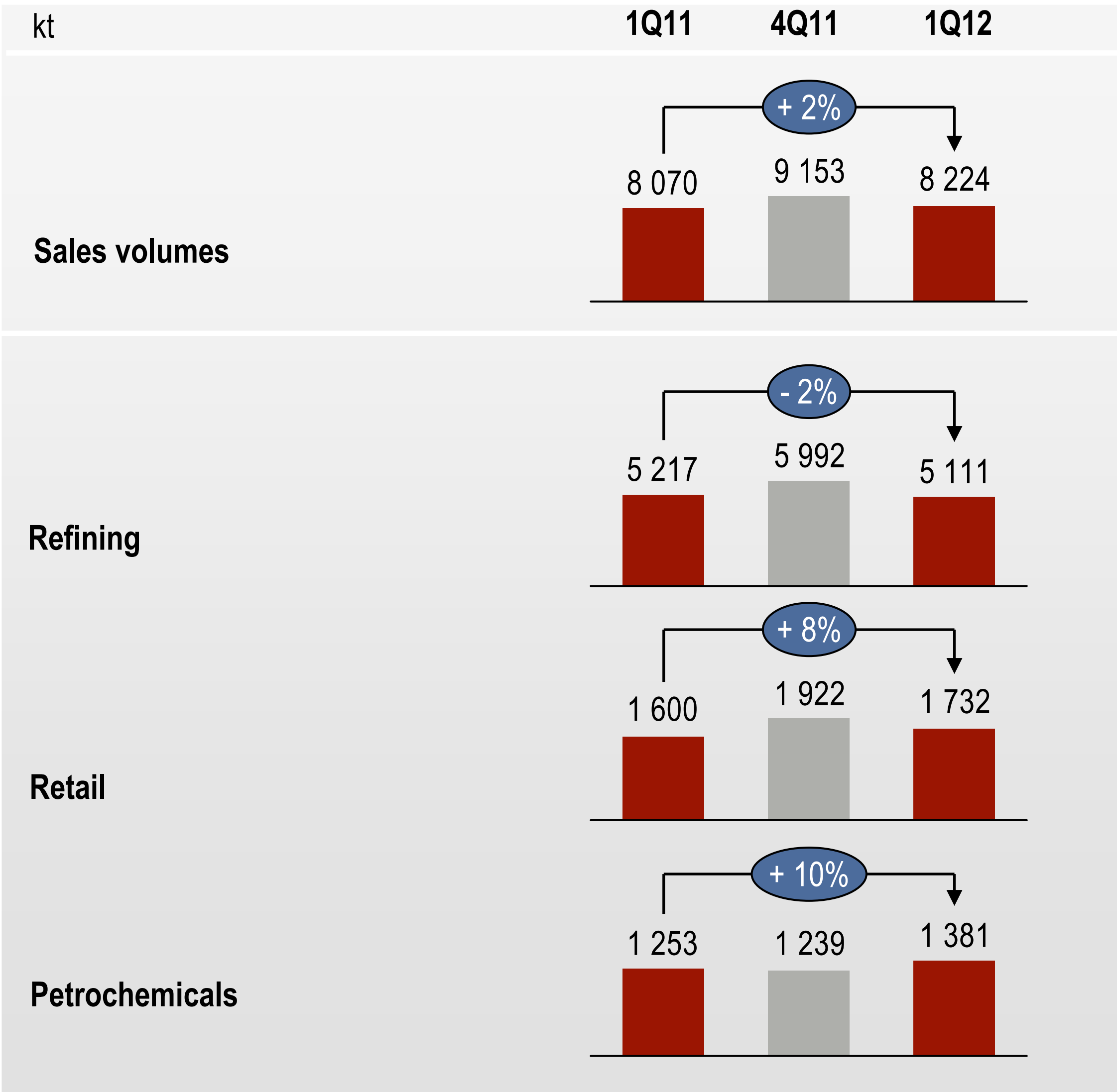
# Over PLN 900 m of operating profit

| 1Q11 | 4Q11[1)] | 1Q12 | change y/y | PLN m | 3M11 | 3M12 | change y/y |
|---|---|---|---|---|---|---|---|
| **1 893** | **-425** | **1 518** | **-20%** | **EBITDA** | **1 893** | **1 518** | **-20%** |
| **1 339** | **-1 060** | **939** | **-30%** | **EBIT, of which:** | **1 339** | **939** | **-30%** |
| 450 | -1 719 | 201 | -55% | EBIT according to LIFO | 450 | 201 | -55% |
| **1 028** | **233** | **732** | **-29%** | **Refining** | **1 028** | **732** | **-29%** |
| 185 | -408 | 48 | -74% | Refining acc. to LIFO | 185 | 48 | -74% |
| **26** | **26** | **26** | **0%** | **Retail** | **26** | **26** | **0%** |
| **385** | **-1 260** | **346** | **-10%** | **Petrochemicals** | **385** | **346** | **-10%** |
| 339 | -1 278 | 292 | -14% | **Petrochemicals acc.to LIFO** | 339 | 292 | -14% |
| **-100** | **-59** | **-165** | **-65%** | **Corporate functions** | **-100** | **-165** | **-65%** |

- Refining: negative impact of market environment and higher costs of biocomponents taxation partially compensated by volumes effect and lower depreciation.
- Retail: increase in volumes and non-fuel margin on Polish, German and Lithuanian markets offset lower fuel margins and higher costs of volumes increase.
- Petrochemicals: sales volumes increase achieved due to sales of PTA and higher sales of polyolefins and fertilizers limited by lower petrochemical margins.
- Corporate functions: lack of positive effect recorded in 1q11 due to partial compensation of penalty paid to ENERGA-OPERATOR S.A.

1) Changes made to data presented after 4q11 mainly due to impairments in the amount of PLN (-) 1188 m, of which: refining PLN (-) 113 m; retail PLN (-) 14 m; petrochemicals PLN (-) 1058 m; corporate functions PLN (-) 3 m.

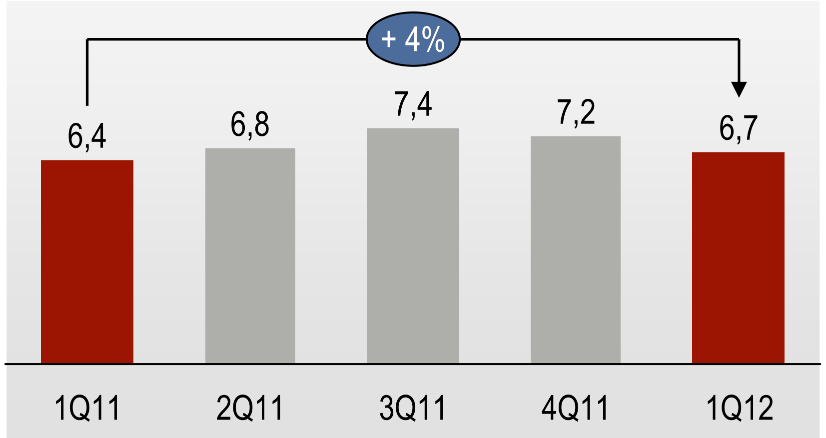
# Retail sales volumes increase and record high petrochemical sales volumes



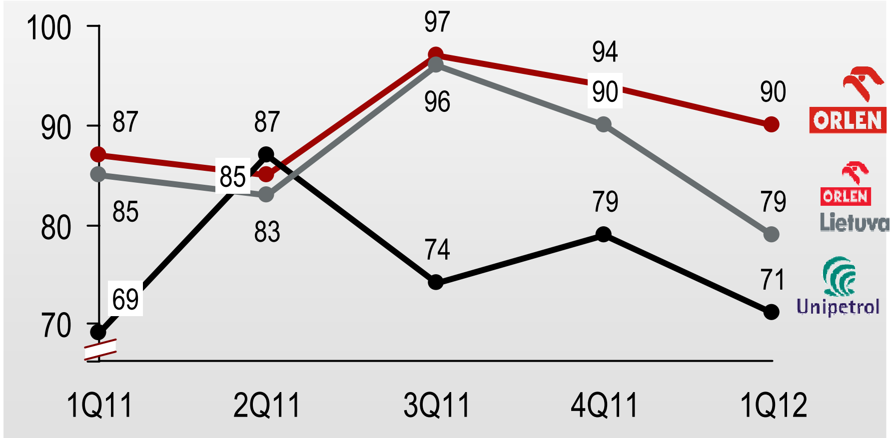

- Total sales volumes in 1q12 increased by 2% (y/y) to 8,2 mt.
- Refining sales volumes decreased by (-) 2% (y/y) due to remaining high crude oil prices influencing fuel prices and higher volumes transferred to retail.
- Increase of retail sales volumes by 8% (y/y) and market share due to higher volumes on Polish, German and Lithuanian market at low margins.
- Petrochemical sales volumes increase by 10% (y/y) achieved mainly due to start-up of terephthalic acid (PTA) sales in 2q11 and higher sales of polyolefins and fertilizers.

# Crude oil throughput increase by 4% (y/y) despite tough market environment

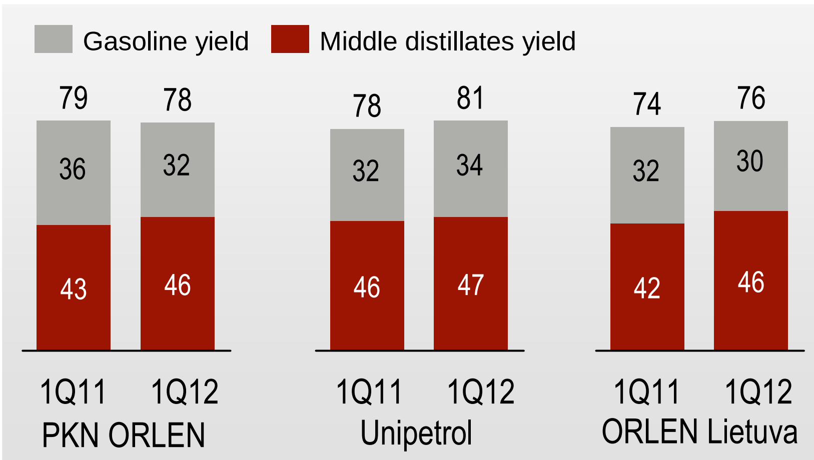
**Crude oil throughput**
mt




**Utilisation ratio**
%




**Fuel yield**
%




**Comments**

- Crude oil throughput increased by 4% (y/y) as a result of PX/PTA start-up. Limitation of throughput by (-) 7% (q/q) due to seasonality and market conditions.
- Plock refinery: increase of utilisation ratio by 3 pp (y/y) due to lack of Hydrocracking shutdown conducted in 1q11.
- Unipetrol: increase of utilisation ratio by 2 pp (y/y) due to lack of Hydrocracking and Fluid Catalytic Cracking (FCC) units shutdowns, which took place in 1q11.
- ORLEN Lietuva: decrease of utilisation ratio by (-) 6pp (y/y) due to FCC shutdown and unfavourable macroeconomic situation.
- Better fuel yields structure – middle dis. increase in all Group refineries.

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▸ **Liquidity**

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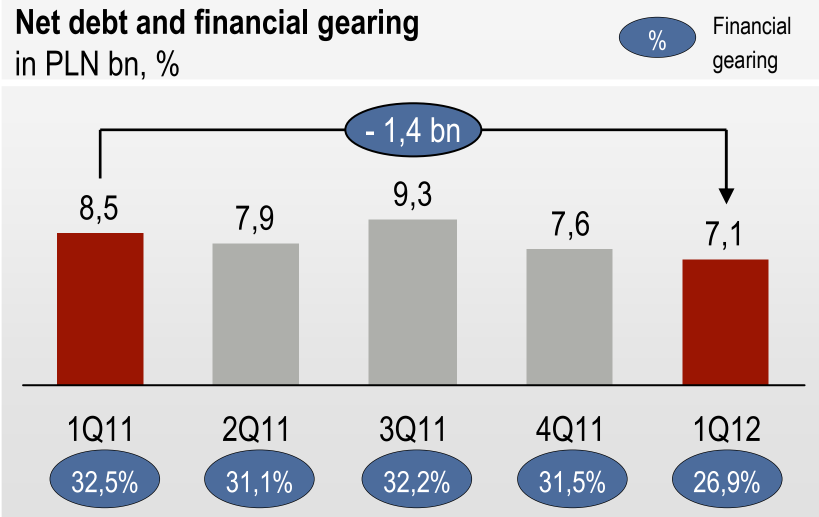
# Safe level of indebtedness and financial ratios

## Good financial standing

- Further debt reduction to PLN 7,1 bn and financial gearing to 26,9%.
- Covenant net debt / EBITDA at the level of 1,65.
- Issue of 7-year bonds at the total value of PLN 1 bn.
- Sale of next tranche of obligatory inventories valued at PLN 1,2 bn.
- Net positive FX from debt revaluation amounted to PLN 0,9 bn, of which ca. PLN 0,5 bn was booked in equity and PLN 0,4 bn in profit and loss account.

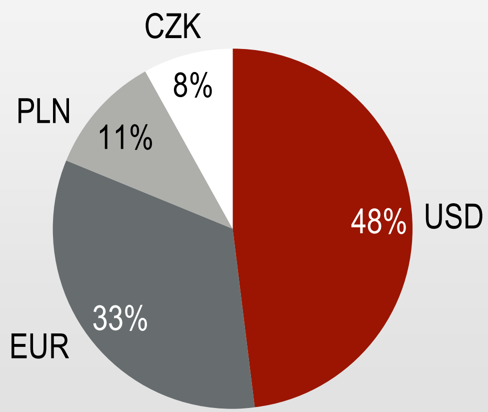
## Net debt and financial gearing

in PLN bn, %



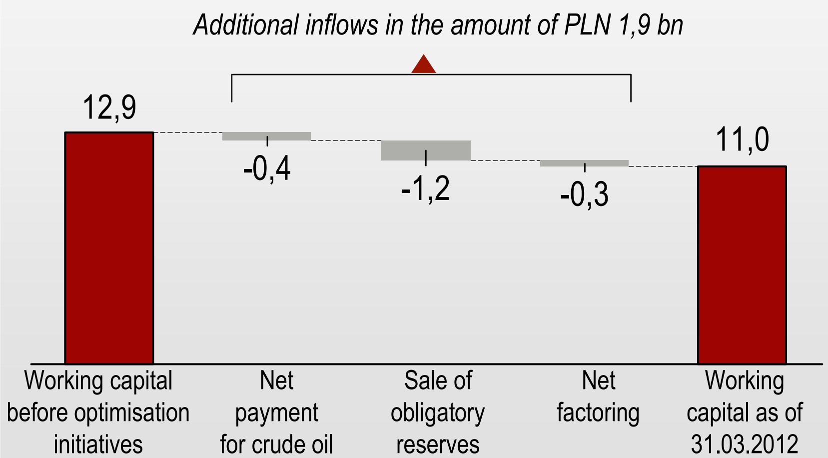

## Gross debt structure by currency

as of 31.03.2012




## Effect of initiatives decreasing working capital

as of 31.03.2012, PLN bn



# PLN 1,7 bn of cash flow from operations before working capital change

| 1Q11 | 4Q11 | 1Q12 | change y/y | PLN m | 3M11 | 3M12 | change y/y |
|---|---|---|---|---|---|---|---|
| **1 928** | **1 313** | **1 676** | **-252** | **Cash flow from operations before working capital change** | **1 928** | **1 676** | **-252** |
| -1 070 | -1 697 | -1 428 | -358 | Working capital change without initiatives | -1 070 | -1 428 | -358 |
| -900 | -300 | -100 | 800 | Change of initiatives | -900 | -100 | 800 |
| -42 | -684 | 148 | 190 | Cash flow from operations | -42 | 148 | 190 |
| **-607** | **2 913** | **-556** | **51** | **Cash flow from investments** | **-607** | **-556** | **51** |
| **-326** | **-689** | **-238** | **88** | **Capital expenditures (CAPEX)** | **-326** | **-238** | **88** |
| **-649** | **2 229** | **-408** | **241** | **Free cash flow** | **-649** | **-408** | **241** |

- PLN 1,7 bn of cash flow from operations before working capital change decreased due to higher demand for working capital.
- Higher demand for net working capital mainly due to higher inventory value as a result of increasing crude oil prices and accumulation of semi-products to reduce negative impact of shutdown in ORLEN Lietuva in 2q12.
- Repurchase of obligatory inventories for PLN 0,9 bn from Maury Sp. z o.o. (RBS). Sale of III tranche of inventories for PLN 1,2 bn to Ashby Sp. z o.o. (RBS).
- Initiatives lowering working capital at the similar level as at the end 2011.

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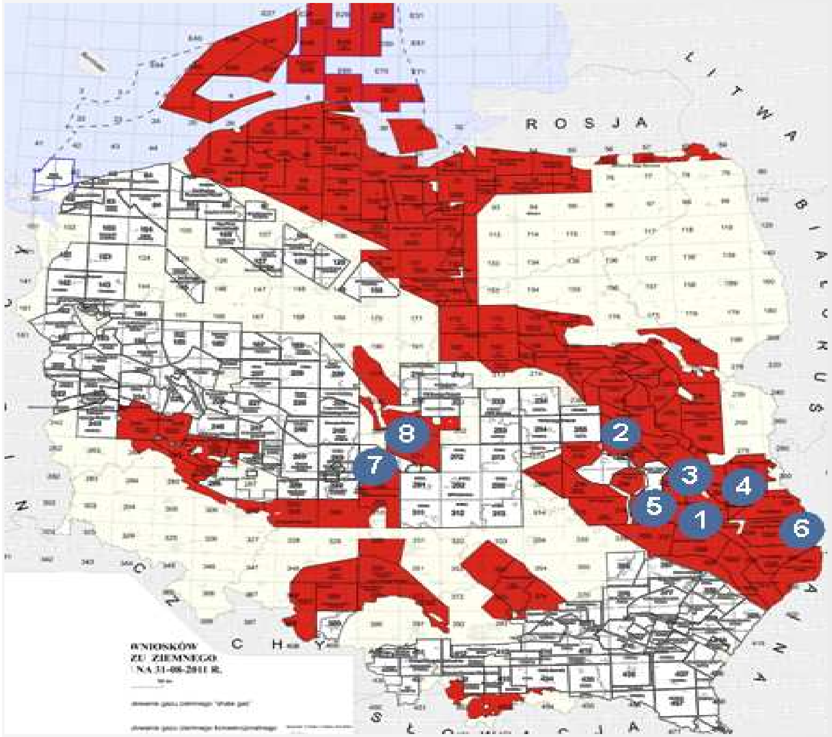
# UPSTREAM
# Shale gas – realization of exploratory projects

## PKN ORLEN has 8 licenses for shale gas exploration in Poland




**Lublin Shale Project:**

- 1.Lublin, 2.Garwolin, 3.Lubartów, 4.Wierzbica, 5.Bełżyce

**Hrubieszów Shale Project:**

- 6.Hrubieszów

**Mid-Poland Unconventionals Project:**

- 7.Sieradz, 8.Łódź

## Status of projects

**Lublin Shale project:**

- 2 first vertical wells on Wierzbica and Lubartów licenses are finished.
- 2-7 wells (including up to 2 horizontal) are planned in 2012.

***Wierzbica and Lubartów***

- Ongoing analysis of geographical measurements and testing core samples.
- Start-up of horizontal wells and fracking after positive findings of samples.
- Information and education actions for local communities and for local and regional authorities were conducted.

***Garwolin***

- Ongoing project works and choice of first vertical well location.

**Hrubieszów Shale Project:**

- Obtaining and interpretation of seismic data is planned in 2012.

**Mid-Poland Unconventionals Project:**

- Reinterpretation of preparation of methodology for acquisition of new seismic data in 2013 is planned in 2012.

## Shale gas resources in Poland

- 5.3 bn $m^3$ acc. to estimates of U.S. Energy Information Administration (EIA) and up to 0.8 bn $m^3$ acc. to Polish Geological Institute.

# UPSTREAM
# Conventional projects – crude oil and gas

**1. Latvian shelf** - off-shore project on Latvian shelf is realized together with Kuwait Energy.

- 2 exploration and upstream licenses.
- Maximum 2 drills are planned in 2012.

**Status of project:**

- Analysis of acquired 3D seismic data and choice of drills' locations were made.
- Geotechnical analysis of sea bottom in the region of planned drills were made.
- Currently final interpretation of sea bottom analysis are conducted.

**2. Lublin region** - exploration project in Poland (Lublin) realized by ORLEN Upstream.

- 5 exploration licenses at the area of 4 700 $km^2$.
- 3D seismic works and optional 1 exploration drill in the case of positive evaluation are planned in 2012.

**Status of project:**

- Data analysis and choice of drills' locations are in progress.

**3. Polish Lowland** - exploration and upstream project in Poland (Sieraków) is realized together with PGNiG S.A. (PKN ORLEN owns 49% of shares).

- 1 exploration and upstream license.
- First appraisal drill is finished.
- 1 appraisal drill is planned in 2012.

**Status of project:**

- The final drill's location was selected.

# ENERGY
# New projects and improvement of efficiency of assets held

## 1. Building of gas power plant to 500 MWe in Włocławek

- Advanced preparation of investment: we have the environmental decision, the permission to build energy block, the agreement with GAZ-SYSTEM for building a pipeline and the agreement with PSE Operator for connection to the energy network.
- Power plant will meet the commercial sales as well as Anwil energy and steam needs.
- Block building is planned to start in 2012. Start-up at 2015.
- Estimated CAPEX in the amount of ca. PLN 1,5 bn.

**Project status:**

- Short list of suppliers of gas turbine is prepared.
- Selection of the power plant contractor in „turn-key” formula is in progress.

## 2. Concept of building of gas power plant in Płock

- Finishing of final concept selection.
- Developing the feasibility study of the selected option (450-600 MWe).
- Report on ground testing completed.
- Environmental Impact Report  and connection of utilities study contracted.
- The block building and Company electric grid connection contractor – selection process in progress.
- Conditions of connection to the power grid received from PSE Operator.
- Gas supply within existing connection agreement were confirmed.

## 3. Planned modernization of heat and power plant in Płock as well as efficiency improvement of heat and power plant in Unipetrol

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# Summary

## Achievements in volatile environment

- Over PLN 29 bn of revenues; increase by 29% (y/y).
- Over PLN 900 m of operating profit.
- 8,2 mt sales volumes; increase by 2% (y/y) due to higher retail sales and record high petrochemical sales.

## Safe financial position

- Further debt reduction to PLN 7,1 bn and financial gearing to 26,9%.
- Issue of 7-year bonds for a total amount of PLN 1 bn.
- Sales of next tranche of crude oil obligatory inventories for PLN 1,2 bn.

## Realization of strategic projects

- Shale gas: core samples testing from vertical wells (Wierzbica i Lubartów) as well as ongoing project works and choice of first vertical well location (Garwolin).
- Energy: short list of suppliers for gas turbine is prepared and selection process for power plant contractor in Włocławek in „turn-key” formula is in progress.


# Thank You for Your attention

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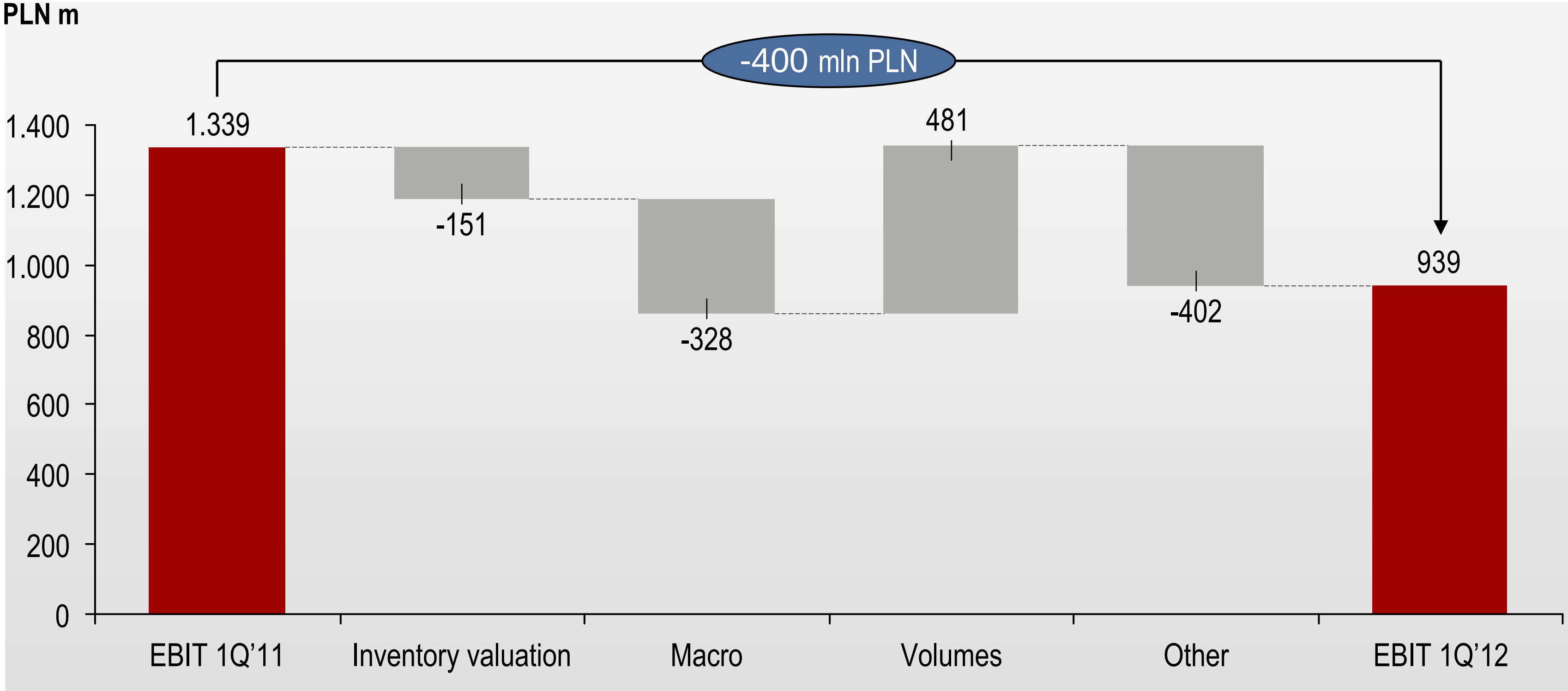
- **Supporting slides**

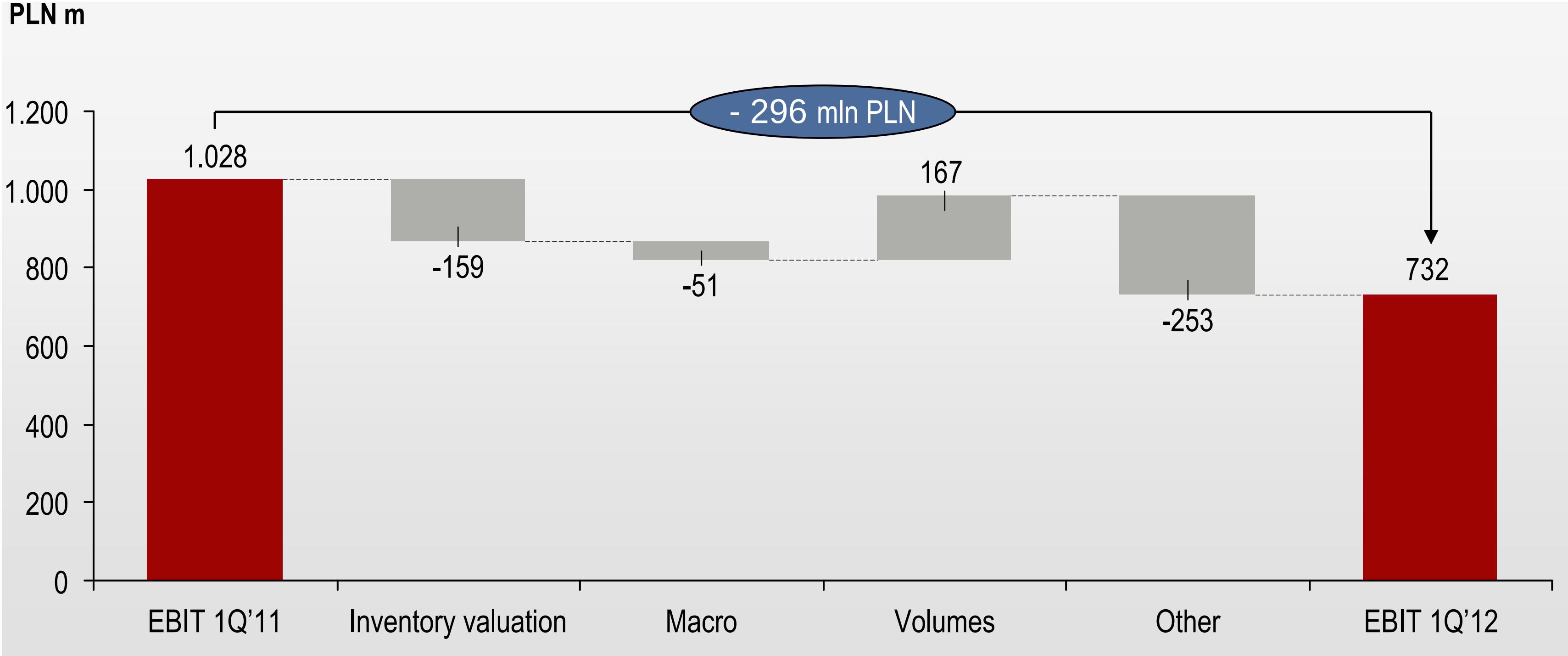
# PKN ORLEN
## Effect of higher volumes overweight negative impact of the environment




- Effect of higher sales volumes exceeded negative impact of changes in inventory valuation and worsening of macro environment.
- Other consists of:
  - negative effects of legislation changes in taxation of biocomponents in fuels
  - lower one-off impact connected with low-sulphur crude throughput and received partial compensation of penalty paid to ENERGA-OPERATOR S.A. in 1q11 and repurchase of II tranche of inventory in 1q12.

Inventories valuation effect: PKN ORLEN PLN (-) 124 m, ORLEN Lietuva PLN (-) 51 m, Unipetrol PLN 16 m, others PLN 8 m.
Macroeconomic effect: exchange rate PLN 28 m, margins PLN (-) 235 m, differential PLN (-) 121 m.

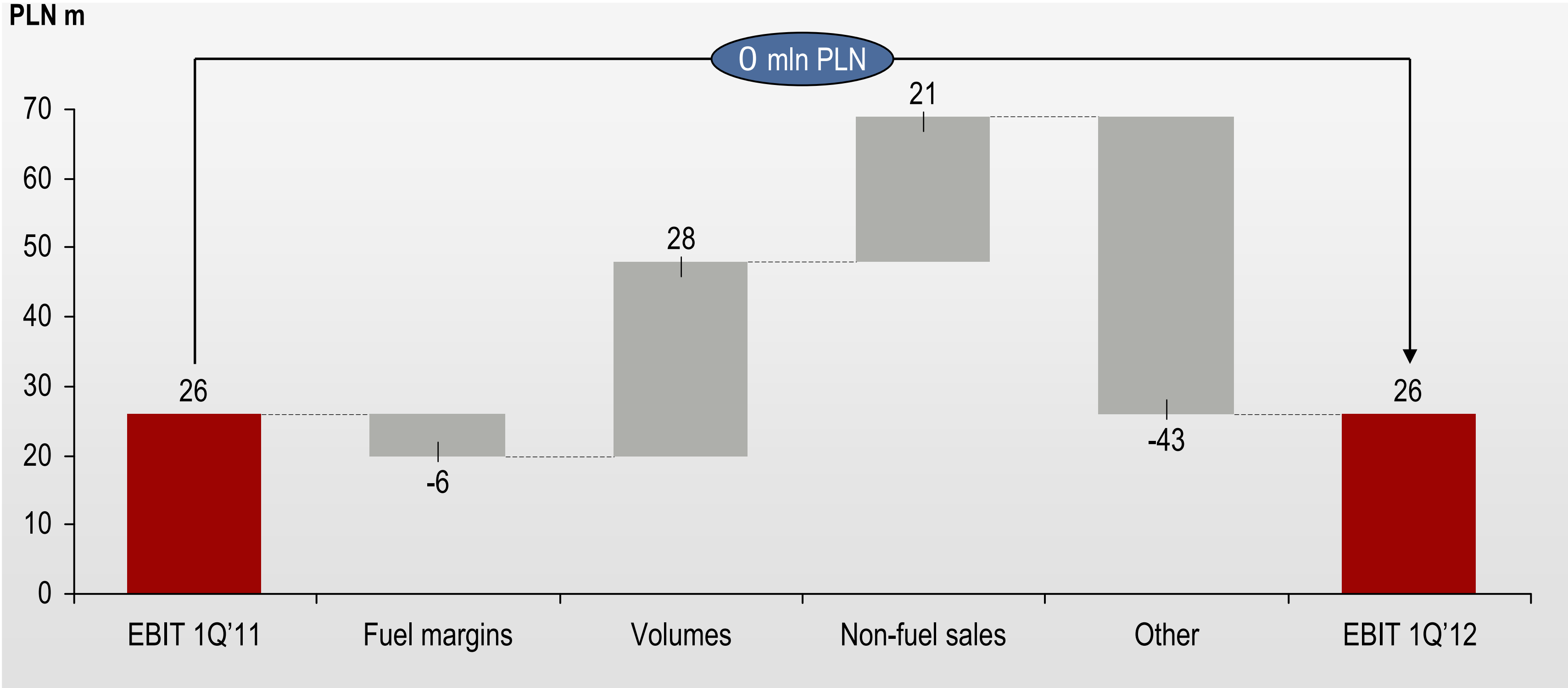
# Refining segment
# Unfavorable impact of though macro environment and legislation changes




- Negative impact of crude oil price changes and macroeconomic factors mainly due to lowering Ural/Brent differential.
- Positive volume effect due to fuel yields improvement and, as a result, change in sales structure.
- Others include mainly negative effects of legislation changes in taxation of biocomponents in fuels and one-offs connected with change in the structure of crude oil processed from 1q11 and repurchase of obligatory reserves of crude oils.

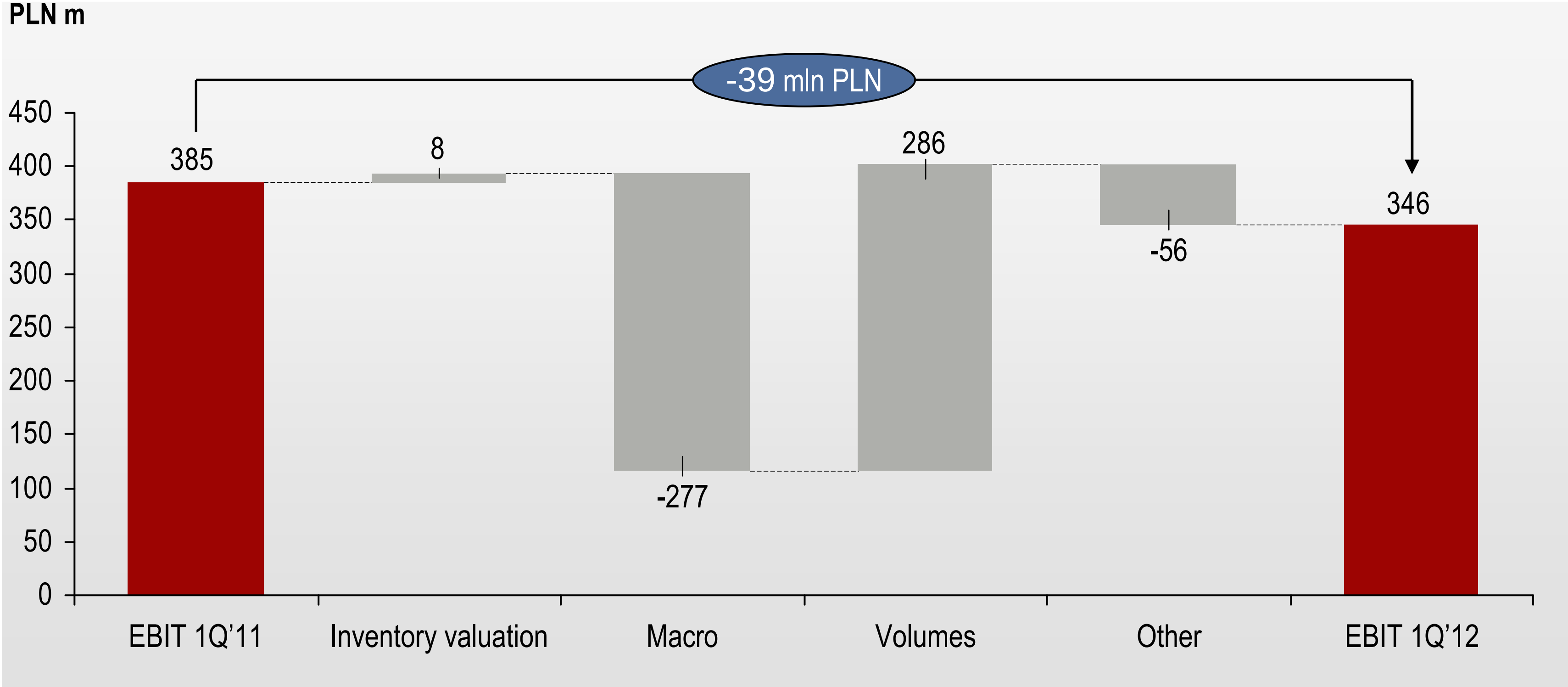
Inventories valuation effect: PKN ORLEN PLN (-) 109 m, ORLEN Lietuva PLN (-) 51 m, Unipetrol PLN (-) 7 m, others PLN 8 m.
Macroeconomic effect: exchange rate PLN 31 m, margins PLN 39 m, differential PLN (-) 121 m.

# Retail segment
# Increase in retail sales by 8% (y/y) and market share




- Pressure on margins due to high crude oil prices and in consequence fuel prices
- Increase in sales volumes of fuels by 8% (y/y) achieved on Polish, German and Lithuanian markets.
- Others include mainly higher costs of functioning fuel stations due to growing sales volumes.

# Petrochemical segment
# Record high sales offset negative impact of macro environment




- Low petrochemical margins since 2H11.
- Increase in sales achieved mainly due to start-up of PTA sales and higher sales of polyolefins and fertilizers.
- Others include mainly higher depreciation due to start-up of PX/PTA complex.

Inventories valuation effect: PKN ORLEN PLN (-) 15 m, Unipetrol PLN 23 m.
Macroeconomic effect: exchange rate PLN (-) 3 m, margins PLN (-) 274 m.

# Main P&L elements breakdown by key companies in 1Q2012

| IFRS, PLN m | PKN ORLEN (unconsolidated) | Unipetrol[3)] | ORLEN Lietuva[3)] | Others and consolidation corrections | ORLEN Group 1Q'12 | ORLEN Group 1Q'11 | Change |
|---|---|---|---|---|---|---|---|
| **Revenues** | **22 135** | **4 290** | **6 241** | **-3 418** | **29 248** | **22 674** | **29%** |
| **EBITDA** | **933** | **122** | **167** | **296** | **1 518** | **1 893** | **-20%** |
| **Depreciation** | **263** | **130** | **94** | **92** | **579** | **554** | **5%** |
| **EBIT** | **670** | **-8** | **73** | **204** | **939** | **1 339** | **-30%** |
| Financial income[1)] | 1 102 | 34 | 56 | -365 | 827 | 247 | 235% |
| Financial costs | -97 | -67 | -58 | -11 | -233 | -275 | -15% |
| **Net result** | **1 356** | **-58** | **83** | **-137** | **1 244** | **1 148** | **8%** |
| LIFO effect[2)] | -453 | -111 | -153 | -21 | -738 | -889 | -17% |

1) Consolidation excludings resulting mainly from transferring of PLN 395 m of positive exchange rates differences from debts in USD to equity as a result of establishment of protecting connection with ORLEN Lietuva investment.
2) Calculated as a difference between operational profit based on LIFO and operational profit based on weighted average.
3) Presented data show Unipetrol Group and ORLEN Lietuva results acc. to IFRS after taking into account adjustments made for ORLEN Group consolidation.

# Operating results breakdown by key segments and companies in 1Q2012

| IFRS, PLN m | PKN ORLEN (unconsolidated) | Unipetrol[4)] | ORLEN Lietuva[4)] | Others and consolidation corrections | ORLEN Group 1Q'12 | ORLEN Group 1Q'11 | Change |
|---|---|---|---|---|---|---|---|
| **EBIT** | **670** | **-8** | **73** | **204** | **939** | **1 339** | **-30%** |
| *EBIT acc. to LIFO* | *217* | *-119* | *-80* | *183* | *201* | *450* | *-55%* |
| **Refining[1)]** | **552** | **23** | **112** | **45** | **732** | **1 028** | **-29%** |
| *Refining acc. to LIFO* | *104* | *-39* | *-41* | *24* | *48* | *185* | *-74%* |
| **Retail** | **23** | **12** | **-1** | **-8** | **26** | **26** | **0%** |
| **Petrochemicals[2)]** | **228** | **-40** | **0** | **158** | **346** | **385** | **-10%** |
| *Petrochemicals acc. to LIFO* | *223* | *-89* | *0* | *158* | *292* | *339* | *-14%* |
| **Corporate functions[3)]** | **-133** | **-3** | **-38** | **9** | **-165** | **-100** | **-65%** |

1) Refining: refining production, refining wholesale, supportive production and oils (in total – production and sales).
2) Petrochemicals: petrochemical production, petrochemical wholesale and chemicals (in total – production and sales).
3) The corporate functions: corporate functions of ORLEN Group companies and companies not included in above segments.
4) Presented data show Unipetrol Group and ORLEN Lietuva results acc. to IFRS after taking into account adjustments made for ORLEN Group consolidation.

# ORLEN Lietuva Group
## Key elements of the profit and loss account [1]

| 1Q11 | 4Q11 | 1Q12 | change y/y | IFRS, USD m | 3M11 | 3M12 | change y/y |
|---|---|---|---|---|---|---|---|
| **1 754** | **2 096** | **1 930** | **10%** | **Revenues** | **1 754** | **1 930** | **10%** |
| **73** | **0** | **52** | **-29%** | **EBITDA** | **73** | **52** | **-29%** |
| **53** | **-19** | **35** | **-34%** | **EBIT** | **53** | **35** | **-34%** |
| *-18* | *-12* | *-13* | *28%* | *EBIT acc. to LIFO* | *-18* | *-13* | *28%* |
| **52** | **-28** | **36** | **-31%** | **Net result** | **52** | **36** | **-31%** |

- Drop in utilization ratio by (-) 6 pp (y/y) due to maintenance shutdown at FCC unit and unfavourable macro situation.
- Further improvement of operating ratios (y/y): operational availability ratio higher by 5 pp, reduction of internal usage by 0,2 pp, improvement in fuels yields by 2pp.
- Continuation of employment optimization program – further reduction of 27 persons.
- EBIT acc. to LIFO higher by USD 5 m (y/y) due to better fuel yields, volumes and sales structure.

1) Presented data show ORLEN Lietuva Group results acc. to IFRS in accordance with values published on Lithuanian market and does not include correction connected with fixed assets of ORLEN Lietuva Group on the date of acquisition by PKN ORLEN. Correction increasing depreciation and amortization costs and fixed assets impairment for 3 months 2012 made for the ORLEN Group consolidation amounted to ca. USD 13 m.

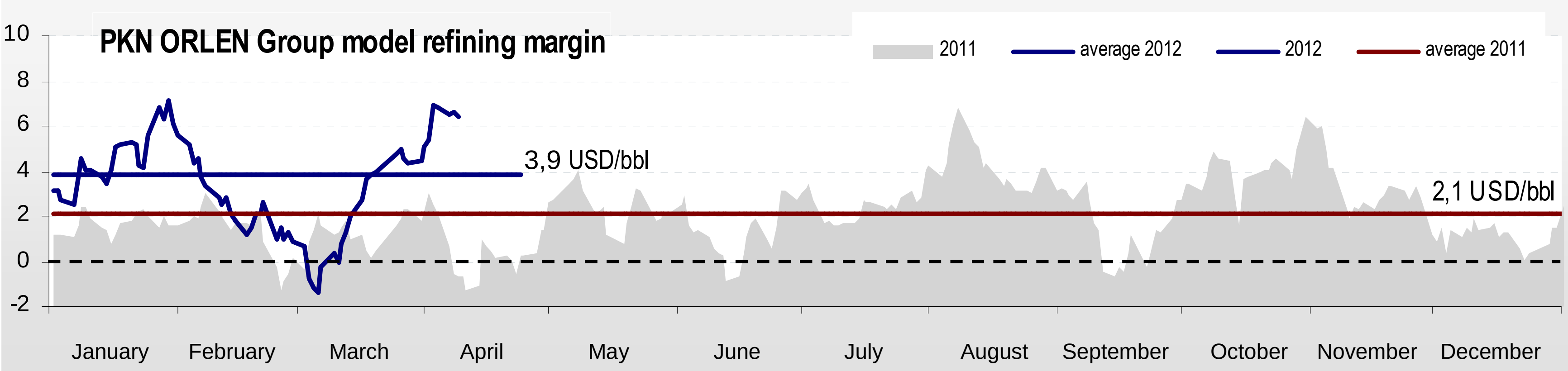
# UNIPETROL Group
## Key elements of the profit and loss account [1]

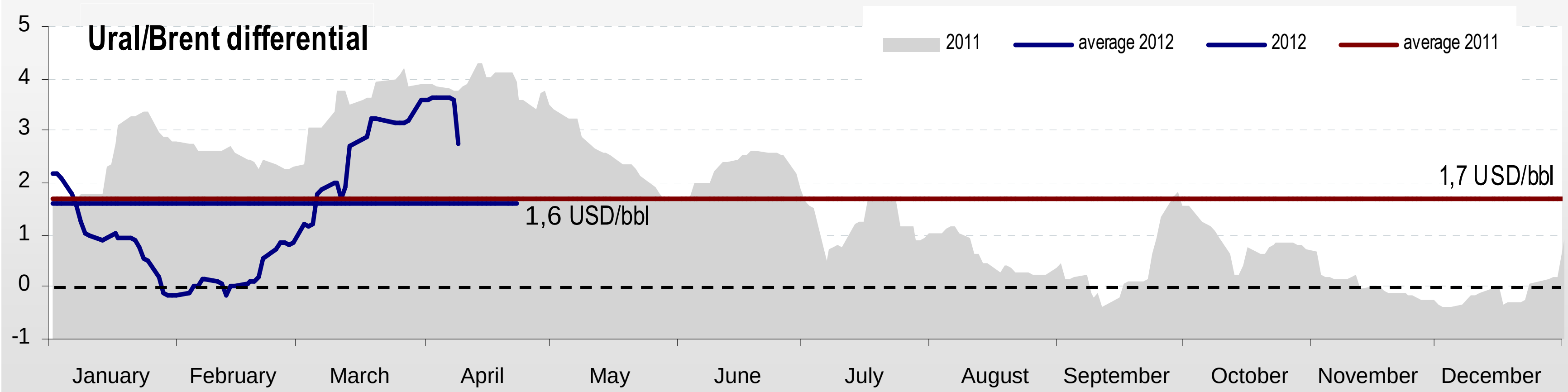
| 1Q11 | 4Q11 | 1Q12 | change y/y | IFRS, CZK m | 3M11 | 3M12 | change y/y |
|---|---|---|---|---|---|---|---|
| **23 088** | **24 327** | **25 449** | **10%** | **Revenues** | **23 088** | **25 449** | **10%** |
| **1 379** | **-5 159** | **720** | **-48%** | **EBITDA** | **1 379** | **720** | **-48%** |
| **571** | **-5 935** | **-51** | **-** | **EBIT** | **571** | **-51** | **-** |
| *4* | *-6 159* | *-703* | *-* | *EBIT acc. to LIFO* | *4* | *-703* | *-* |
| **464** | **-6 249** | **-363** | **-** | **Net result** | **464** | **-363** | **-** |

- Decrease of operating result (y/y) due to worsening of macro environment in petchem partially offset by volumes increase and reduction of overheads.
- Refining: EBIT increase by CZK 61 m (y/y) mainly due to sales growth by 3% (y/y) and strict cost control.
- Retail: EBIT decrease by CZK (-) 22 m (y/y) mainly lower volumes and non-fuel sales.
- Petrochemicals: EBIT decrease by CZK (-) 621 m (y/y) mainly due to lower petrochemical margins as a result of high costs of feedstock.

1) Presented data show Unipetrol Group results acc. to IFRS in accordance with values published on Czech market and does not include correction connected with fixed assets of Unipetrol Group on the date of acquisition by PKN ORLEN. Correction of depreciation and amortization costs and fixed assets impairment for 3 months 2012 made for the ORLEN Group consolidation increased the result of Unipetrol Group by ca. CZK 2,3 m.

# Macro environment in 2Q 2012



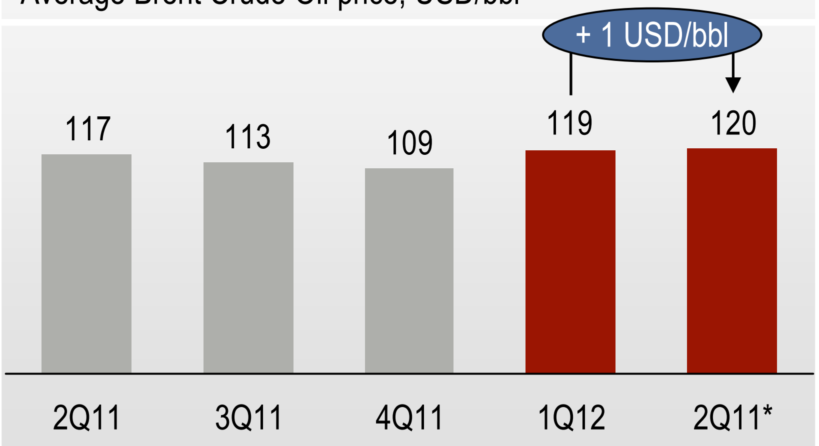




- **Crude oil price** – decrease from 128 USD/bbl to 118 USD/bbl.
- **Ural/Brent differential** – increase to 4 USD/bbl.
- **Model refining margin** – significant increase to over 8 USD/bbl.

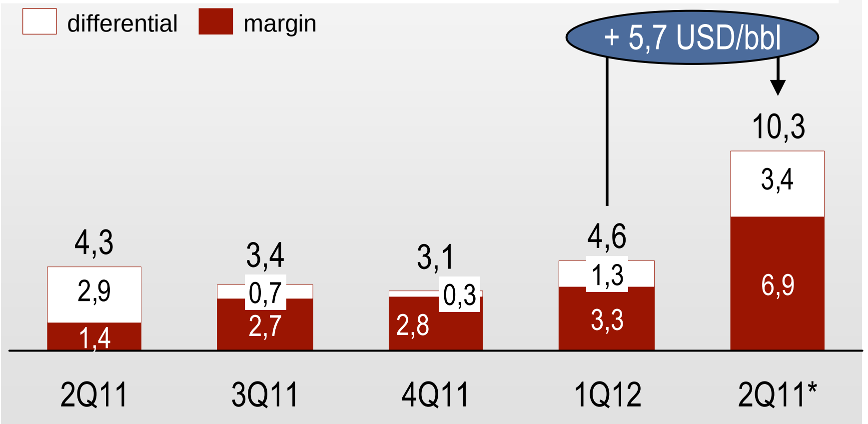
Data as of 20.04.2012

# Macro environment in 2Q 2012

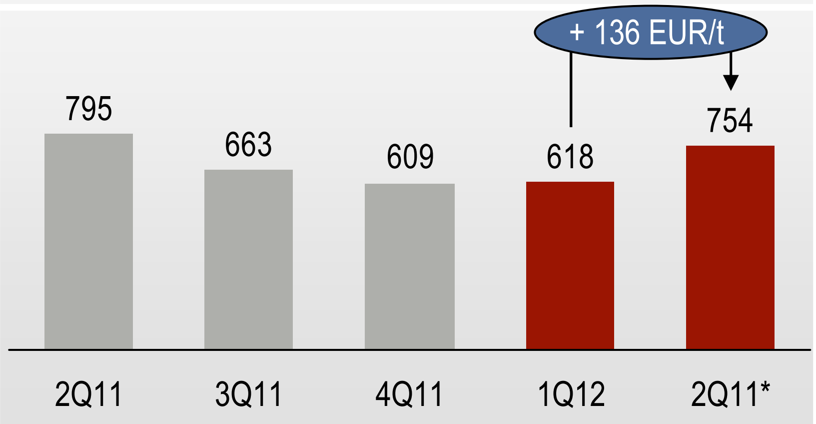
**Crude oil price increase**
Average Brent Crude Oil price, USD/bbl



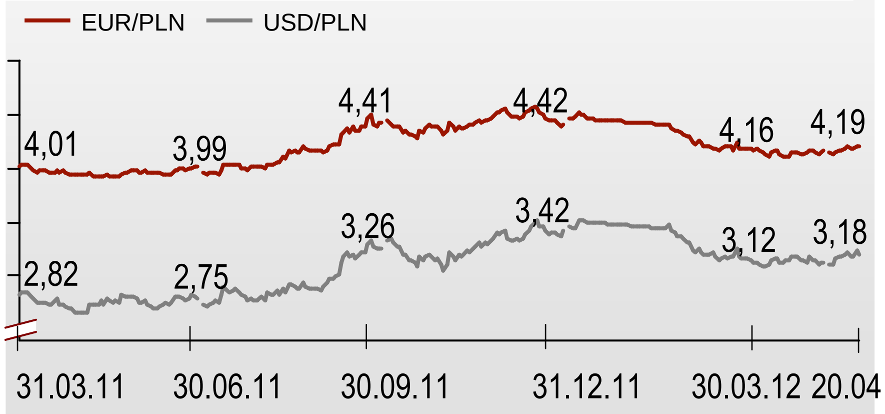

**Increase in total of refining margin and U/B diff**
Model refining margin and Ural/Brent differential, USD/bbl




**Petrochemical margin increase**
Model petrochemical margin, EUR/t




**PLN appreciation against USD and EUR**
EUR/PLN and USD/PLN exchange rate




* Data QTD as of 20.04.2012

ORLEN

# Key production data

| Key production data | 1Q11 | 4Q11 | 1Q12 | change (y/y) | change (q/q) | 3M10 | 3M11 | change (y/y) |
|---|---|---|---|---|---|---|---|---|
| **Refinery in Poland [1]** | | | | | | | | |
| Processed crude (tt) | 3 301 | 3 814 | 3 656 | 11% | -4% | 3 301 | 3 656 | 11% |
| Utilisation | 87% | 94% | 90% | 3 pp | -4 pp | 87% | 90% | 3 pp |
| Fuel yield [4] | 79% | 76% | 78% | -1 pp | 2 pp | 79% | 78% | -1 pp |
| Middle distillates yield [5] | 43% | 46% | 46% | 3 pp | 0 pp | 43% | 46% | 3 pp |
| Light distillates yield [6] | 36% | 30% | 32% | -4 pp | 2 pp | 36% | 32% | -4 pp |
| **Refineries in the Czech Rep.[2]** | | | | | | | | |
| Processed crude (tt) | 879 | 1 010 | 906 | 3% | -10% | 879 | 906 | 3% |
| Utilisation | 69% | 79% | 71% | 2 pp | -8 pp | 69% | 71% | 2 pp |
| Fuel yield [4] | 78% | 77% | 81% | 3 pp | 4 pp | 78% | 81% | 3 pp |
| Middle distillates yield [5] | 46% | 44% | 47% | 1 pp | 3 pp | 46% | 47% | 1 pp |
| Light distillates yield [6] | 32% | 33% | 34% | 2 pp | 1 pp | 32% | 34% | 2 pp |
| **Refinery in Lithuania[3]** | | | | | | | | |
| Processed crude (tt) | 2 166 | 2 283 | 2 023 | -7% | -11% | 2 166 | 2 023 | -7% |
| Utilisation | 85% | 90% | 79% | -6 pp | -11 pp | 85% | 79% | -6 pp |
| Fuel yield [4] | 74% | 75% | 76% | 2 pp | 1 pp | 74% | 76% | 2 pp |
| Middle distillates yield [5] | 42% | 44% | 46% | 4 pp | 2 pp | 42% | 46% | 4 pp |
| Light distillates yield [6] | 32% | 31% | 30% | -2 pp | -1 pp | 32% | 30% | -2 pp |

1) Throughput capacity for Plock refinery was 15,1 mt/y in 1q'2011. Since 2q'2011 is 16,3 mt/y as a result of PX/PTA complex start-up.
2) Throughput capacity for Unipetrol is 5,1 mt/y. CKA [51% Litvinov (2,8 mt/y) and 51% Kralupy (1,7mt/y)] and 100% Paramo (0,6 mt/y).
3) Throughput capacity for ORLEN Lietuva is 10,2 mt/y.
4) Fuel yield equals middle distillates yield plus light distillates yield. Differences can occur due to rounding.
5) Middle distillates yield is a ratio of diesel, light heating oil (LHO) and JET production excluding BIO and internal transfers to crude oil throughput.
6) Light distillates yield is a ratio of gasoline, naphtha, LPG production excluding BIO and internal transfers to crude oil throughput.

# Dictionary

**PKN ORLEN model refining margin** = revenues (93,5% Products = 36% Gasoline + 43% Diesel + 14,5% HHO) - costs (100% input: crude oil and other raw materials). Total input calculated acc. to Brent Crude quotations. Spot market quotations.

**Spread Ural Rdam vs fwd Brent Dtd** = Med Strip - Ural Rdam (Ural CIF Rotterdam).

**PKN ORLEN model petrochemical margin** = revenues (98% Products = 44% HDPE + 7% LDPE + 35% PP Homo + 12% PP Copo) - costs (100% input = 75% Naphtha + 25% LS VGO). Contract market quotations.

**Fuel yield** = middle distillates yield + gasoline yield (yields calculated in relation to crude oil).

**Working capital (in balance sheet)** = inventories + trading receivables and other receivables – trading liabilities and other liabilities.

**Working capital change (in cash flow)** = changes in receivables + changes in inventories + changes in liabilities

**Gearing** = net debt / equity calculated acc. to average balance sheet amount in the period

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