



Strategy realisation in face of market challenges

PKN ORLEN consolidated financial results for 4 quarter 2011

Jacek Krawiec, CEO

Sławomir Jędrzejczyk, CFO

9 February 2012



ORLEN

Agenda

- ▶ **Achievements in 2011**

Macroeconomic environment

Financial and operating results in 4Q 2011

Liquidity

Energy and upstream

Summary of 2011



PKN ORLEN achievements in 2011



Financial parameters

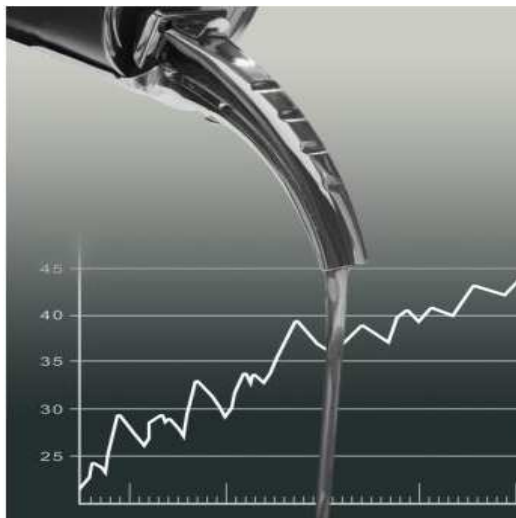
- ▶ Tough macro environment:
 - ▶ increase in crude oil price by 40% (y/y) to 111 USD/bbl.
 - ▶ strong depreciation of PLN against USD and EUR.
 - ▶ decrease in model refining margin and URAL/Brent differential in total by (-) 1,4 USD/bbl (y/y) to 3,8 USD/bbl.
 - ▶ increase in petrochemical margin by 11 EUR/t (y/y) to 705 EUR/t.
- ▶ Over PLN 900m operating profit acc. LIFO
- ▶ Significant positive impact of one-offs:
 - ▶ PLN 2,3 bn non-cash inventory revaluation effect.
 - ▶ PLN 2,3 bn profit form sales of Polkomtel.

Good liquidity situation

- ▶ Debt reduction by PLN 0,2 bn (y/y) to PLN 7,6 bn, financial gearing to the safe level of 29,6% and covenant: net debt / (EBITDA + dividend from Polkomtel) to 1,29.
- ▶ Financing of PKN ORLEN secured for the next 5 years due to signing credit agreements for the total amount of almost EUR 2,9 bn.
- ▶ Fitch maintained stable rating of financial standing at BB+.



PKN ORLEN achievements in 2011



Operational parameters

- ▶ 27,8 mt crude oil throughput i.e. (-) 1% (y/y) due to carried out maintenance shutdowns of key installations.
- ▶ Increase in throughput capacity in Plock refinery from 15,1 mt/y to 16,3 mt/y as a result of launching Europe's most advanced petrochemical PX/PTA complex in 2Q 2011.
- ▶ Sales volumes increase in total by 4% (y/y) to record-high level of 35,5 mt, achieved in all segments.
- ▶ Realisation of National Index Target for 2011 settled at the level of 6,20%.
- ▶ Advanced preparation of building power plant up to 500 MWe in Wloclawek investment.
- ▶ Finalisation of first vertical well on shale gas concession.
- ▶ Signing strategically important agreements for:
 - ▶ crude oil supplies to Plock until the end of 2014.
 - ▶ import of ca. 90 m m³ of natural gas from Germany (ca. 8% of PKN ORLEN's yearly needs).
 - ▶ reloading of petroleum products – long-term contract until the end of 2024 signed between ORLEN Lietuva and Klaipedos Nafta.



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Achievements in 2011

- ▶ **Macroeconomic environment**

Financial and operating results in 4Q 2011

Liquidity

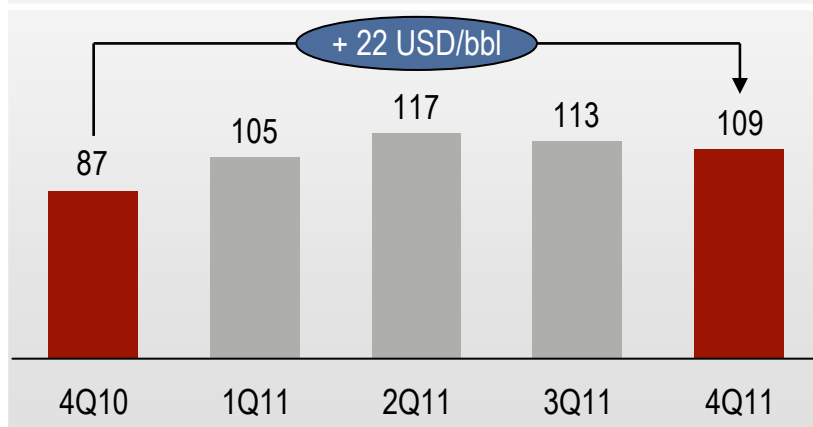
Energy and upstream

Summary of 2011

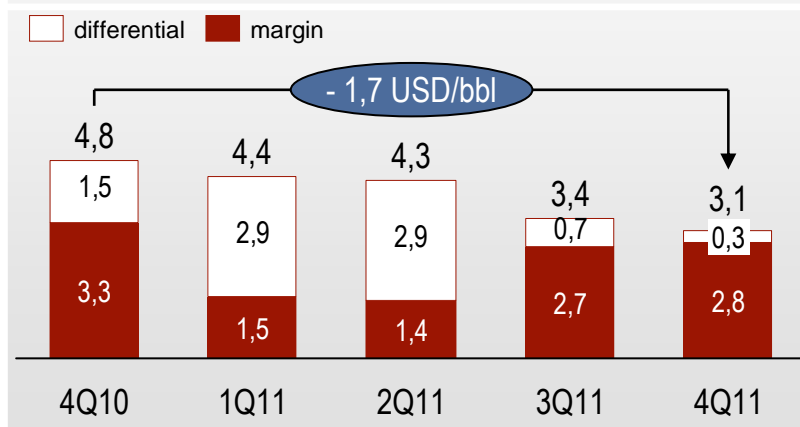


Unfavourable macro environment in 4Q 2011 (y/y)

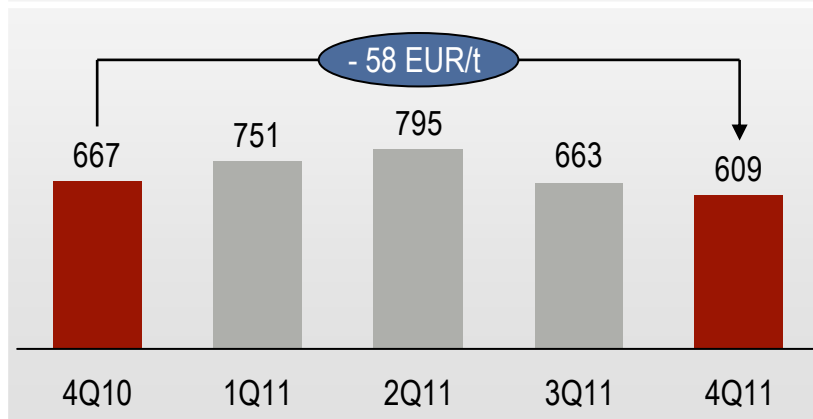
Crude oil price increase by 26%
Average Brent Crude Oil price, USD/bbl



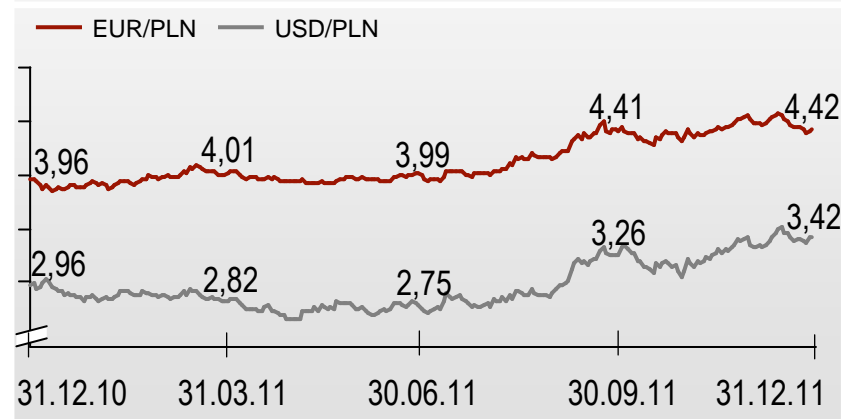
Decrease in total of refining margin and U/B diff by 35%
Model refining margin and Ural/Brent differential, USD/bbl



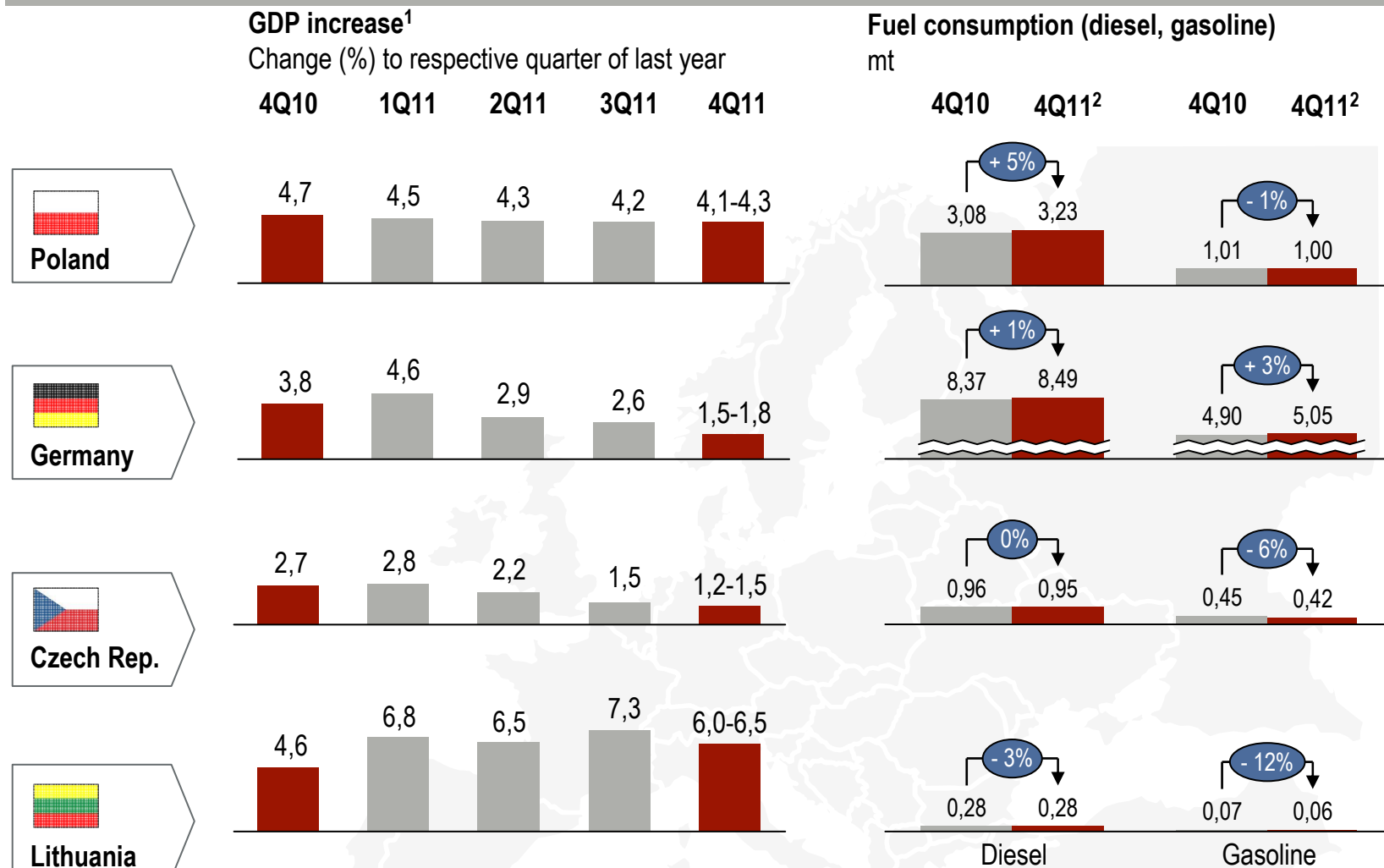
Petrochemical margin decrease by 9%
Model petrochemical margin, EUR/t



PLN depreciation against USD and EUR
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, 4Q2011: estimates.

² Estimates.



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Achievements in 2011

Macroeconomic environment

▶ **Financial and operating results in 4Q 2011**

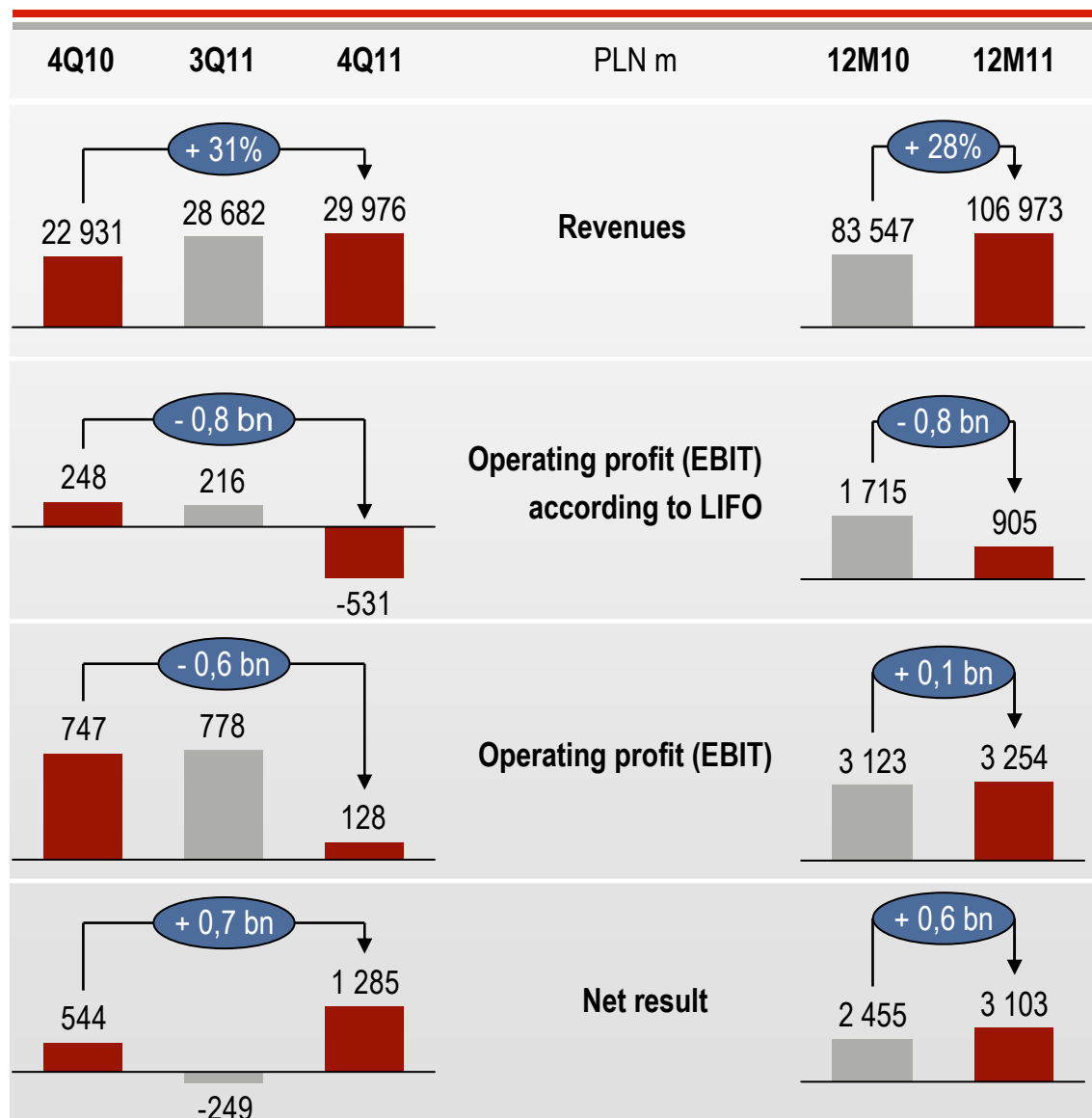
Liquidity

Energy and upstream

Summary of 2011



Over PLN 100 bn of revenues in 2011



- ▶ Increase of revenues in 2011 by 28% (y/y): sales growth, crude oil price increase and weakening of PLN against foreign currencies.
- ▶ Decrease of EBIT acc. to LIFO in 2011 by PLN (-) 0,8 bn (y/y): worsening of macroeconomic factors in refining, pressure on retail margin due to high fuel prices and impairment on assets in 4q11 for PLN (-) 0,6 bn.
- ▶ LIFO effect in amount of PLN 2,3 bn: significant crude oil price increase in 2011 and simultaneous weakening of PLN against USD.
- ▶ PLN (-) 1,5 bn of negative foreign exchange differences referred to debt revaluation, other positions and interests in 2011.
- ▶ PLN 2,3 bn of capital gain from Polkomtel sale booked in financial revenues.



Over PLN 900 m of operating profit according to LIFO in 2011

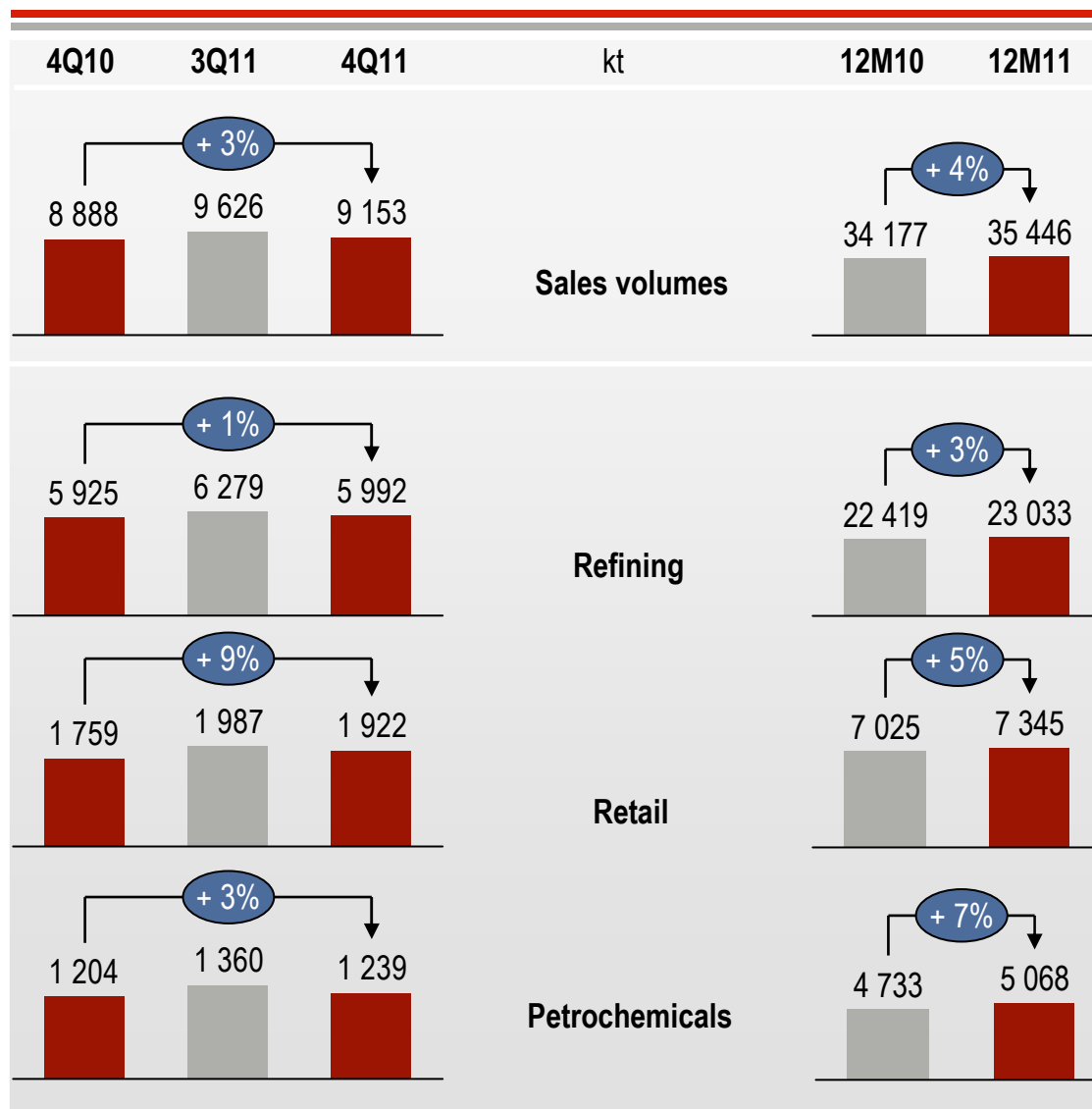
| 4Q10 | 3Q11 | 4Q11 | change y/y | PLN m | 12M10 | 12M11 | change y/y |
|-------|-------|------|------------|-----------------------------|-------|-------|------------|
| 1 343 | 1 392 | 763 | -43% | EBITDA | 5 546 | 5 634 | 2% |
| 747 | 778 | 128 | -83% | EBIT, of which: | 3 123 | 3 254 | 4% |
| 248 | 216 | -531 | - | EBIT acc. to LIFO | 1 715 | 905 | -47% |
| 610 | 335 | 346 | -43% | Refining | 2 481 | 2 219 | -11% |
| 141 | -215 | -295 | - | Refining acc. to LIFO | 1 124 | -22 | - |
| 224 | 181 | 40 | -82% | Retail | 825 | 439 | -47% |
| 117 | 367 | -202 | - | Petrochemicals | 486 | 1 071 | 120% |
| 87 | 355 | -220 | - | Petrochemicals acc. to LIFO | 435 | 963 | 121% |
| -204 | -105 | -56 | 73% | Corporate functions | -669 | -475 | 29% |

- ▶ Refining: negative macro environment, maintenance shutdowns, higher biocomponents costs, partially offset by efficiency improvement and lower depreciation and amortization.
- ▶ Retail: lower fuel margins in Poland due to high fuel prices and impairments of assets limited positive effect of sales volumes increase achieved mainly in Polish and German market.
- ▶ Petrochemicals: lower margins and impairment of assets in Spolana limited by sales volumes increase due to sales of PTA and PVC.
- ▶ Corporate functions: received compensation and return of paid fines improve result.



Impairments in 4q11: PLN (-) 284m Spolana (Anwil)– petrochemicals; PLN (-) 132m Paramo (Unipetrol)– refining; PLN (-) 94m ORLEN Lietuva – refining; PLN (-) 73m PKN ORLEN– retail

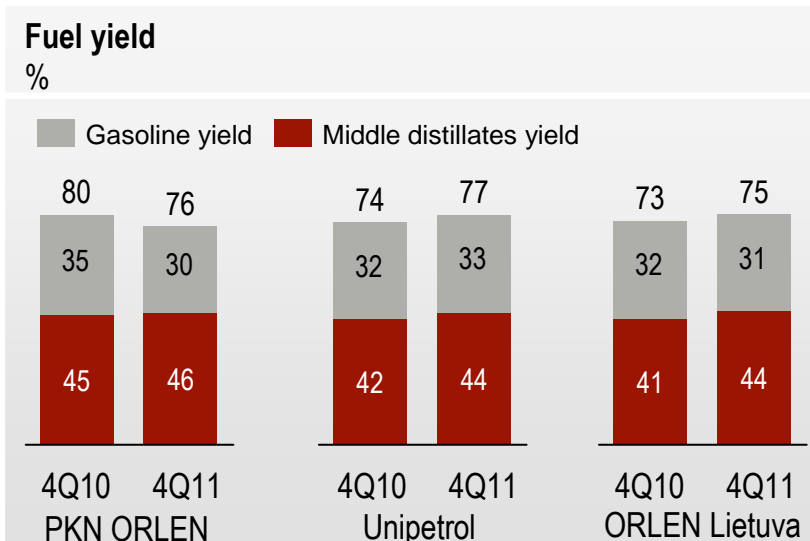
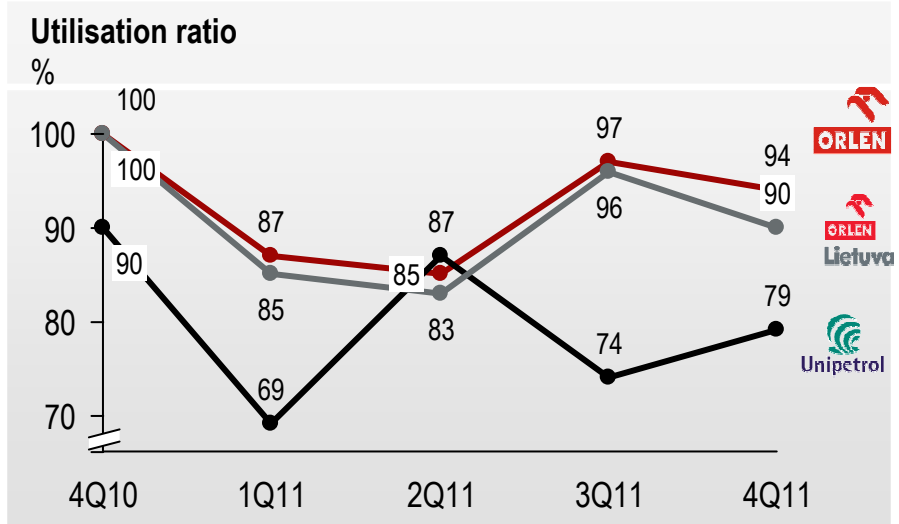
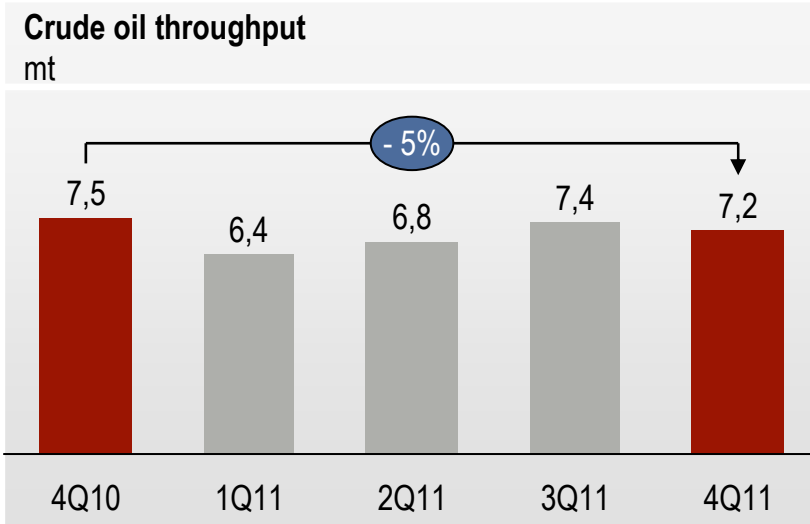
Record high annual sales volumes of over 35 mt of products and goods



- ▶ Total sales volumes in 4q11 increased by 3% (y/y) to 9,2 mt.
- ▶ Refining sales increase by 1% (y/y) achieved in Polish market and lower sales in Czech market due to repairs in Litvinov.
- ▶ Retail sales volumes increase by 9% (y/y) achieved in Polish and German market. High crude oil quotations and weak PLN vs USD resulted in high fuel prices and lower retail margins.
- ▶ Petrochemical sales volumes increase by 3% (y/y) mainly due to start of terephthalic acid (PTA) sales in May 2011 and higher sales of PVC, while lower sales of olefins, polyolefins and fertilizers resulted from maintained repairs.



Crude oil throughput decrease by (-) 5% (y/y) as a result of shutdowns in Unipetrol and limited production in ORLEN Lietuva due to economic reasons



- ### Comments
- ▶ Decrease of utilisation ratio in Plock by (-) 6 pp (y/y) as a result of maintenance shutdown of CDU III and lower fuel yield by (-) 4 pp (y/y) due to FCC shutdown.
 - ▶ Lower by (-) 11 pp (y/y) utilisation ratio in Unipetrol reflects maintenance shutdowns in refining and petrochemical in Litvinov that started in 3q11 and reduced utilisation in Paramo refinery.
 - ▶ Limited crude oil throughput by (-) 10% (y/y) in ORLEN Lietuva as a result of unfavourable macroeconomic situation in December but with higher by 2 pp (y/y) fuel yield.

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Summary of 2011



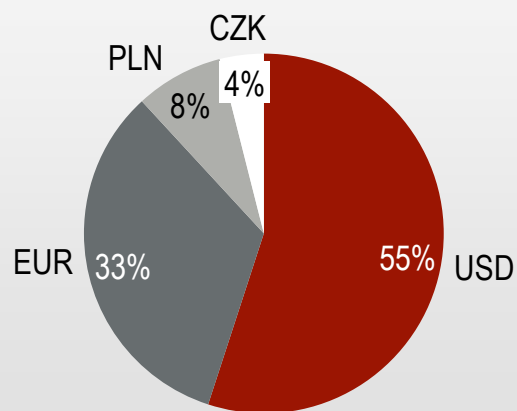
Safe level of debt and financial ratios

Good financial standing

- ▶ Stable level of debt and gearing 30,9%.
- ▶ Covenant net debt / (EBITDA + dividend from Polkomtel) 1,29.
- ▶ PLN 3,7 bn inflow from sales of Polkomtel shares.
- ▶ Revaluation of credits increased net debt in 4Q2011 by PLN (-) 0,3 bn (q/q).
- ▶ Negative net foreign exchange differences due to revaluation of debt amounted to PLN (-) 0,1 bn.

Gross debt structure by currency

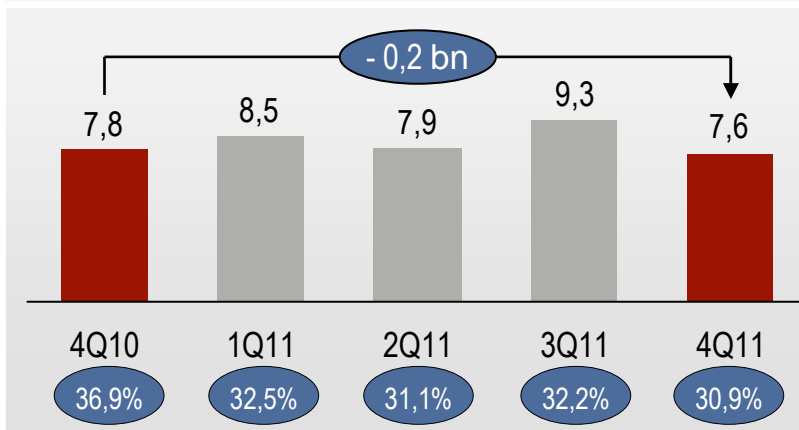
As of 31.12.2011



Net debt and financial gearing

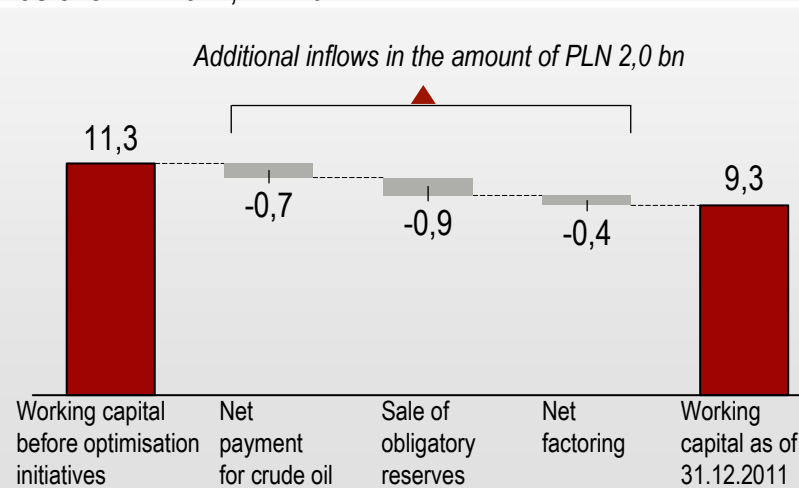
in PLN bn, %

Financial gearing



Effect of operations on change of working capital

as of 31.12.2011, PLN bn



Over PLN 5,5 bn of cash flow from operations

| 4Q10 | 3Q11 | 4Q11 | change y/y | PLN m | 12M10 | 12M11 | change y/y |
|-------|------|--------|---------------|--|--------|--------|---------------|
| 1 389 | 734 | 1 320 | -69 | Cash flow from operations before working capital change | 5 235 | 5 571 | 336 |
| -663 | 346 | -1 701 | -1 038 | Working capital change without initiatives | -3 425 | -2 507 | 918 |
| 2 100 | -600 | -300 | -2 400 | Change of initiatives | 4 300 | -2 300 | -6 600 |
| 2 826 | 480 | -681 | -3 507 | Cash flow from operations | 6 110 | 764 | -5 346 |
| -625 | -406 | 2 910 | 3 535 | Cash flow from investments | -2 920 | 1 493 | 4 413 |
| -955 | -621 | -689 | 266 | Capital expenditures (CAPEX) | -3 011 | -2 133 | 878 |
| 2 201 | 74 | 2 229 | 28 | Free cash flow | 3 190 | 2 257 | -933 |

- ▶ Higher by PLN 2,5 bn involvement in working capital due to increase of crude oil and products prices.
- ▶ Safe liquidity situation allowed for scale reduction of initiatives decreasing working capital by PLN 2,3 bn.
- ▶ Inflow from Polkomtel sales PLN 3,7 bn increased in 4Q2011 cash flow from investments as well as free cash flow.
- ▶ Decrease of CAPEX by PLN 0,9 bn (y/y) as a result of finishing key projects initiated in the previous years.



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ENERGY

New projects and improvement of efficiency of assets held



NEW PROJECTS

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

- ▶ Advanced preparation of investment: we have the environmental decision, agreement for connection to the energy network and the permission to build energy block.
- ▶ Agreement for building of pipeline signed with GAZ-SYSTEM
- ▶ Process of selection of the contractor of power plant in „turn-key” formula in 1H 2012.
- ▶ Power plant will meet the commercial sales as well as Anwil energy needs.
- ▶ Block building starting in 2012 and start-up at the turn of 2014/2015.
- ▶ Estimated CAPEX in the amount of ca. PLN 1,5 bn.

2. Potential building of next power plant in Płock



IMPROVEMENT OF ASSETS EFFICIENCY

1. Modernization of heat and power plant in Płock

- ▶ Investment program in the amount of ca. PLN 1 bn within 2-3 years.
- ▶ The aim is to meet the environmental requirements i.e. reduction of emission by 90% and increase of capacity (increase of energy production by 20% and steam heat by 7% till 2017).
- ▶ Decision about the selection of the contractor in 1H 2012.
- ▶ Start-up till the end of 2015.

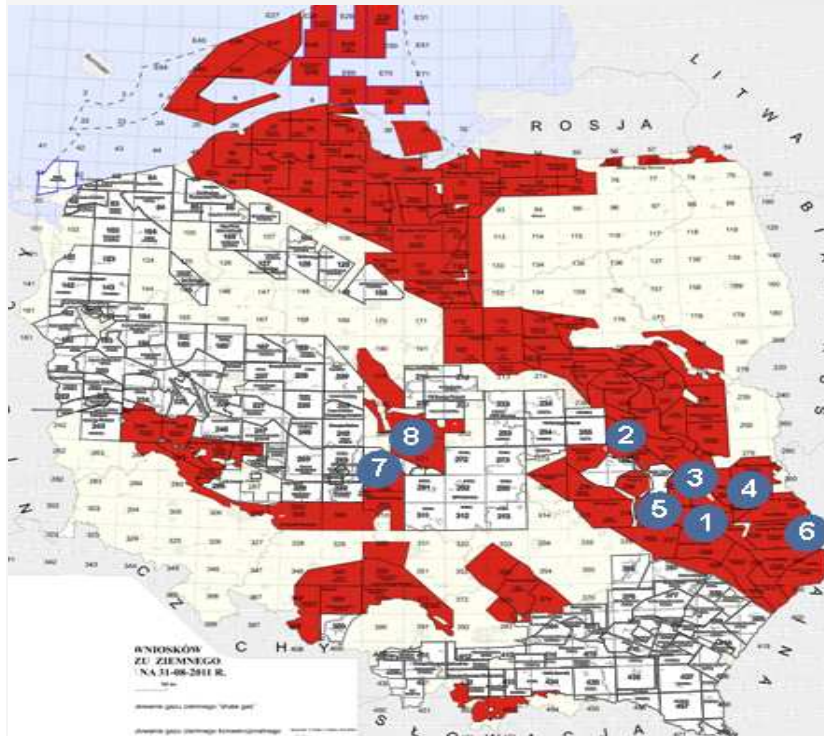
2. Restructuring and modernization of heat and power plant in Unipetrol



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.Belżyce

Hrubieszów Shale project:

- ▶ 6.Hrubieszów

Mid-Poland Unconventionals project:

- ▶ 7.Sieradz, 8.Łódź

Status of projects

Lublin Shale project:

- ▶ A minimum of 2 exploratory drills are planned in 2012

Wierzbica

- ▶ Finishing of vertical drill in December 2011.
- ▶ Start-up of horizontal drills fracturing in June 2012 after positive findings of samples.

Lubartów

- ▶ Finishing of vertical drill in January 2012.

Hrubieszów Shale project:

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

Mid-Poland Unconventionals project:

- ▶ Reinterpretation of archival seismic data is planned in 2012.

Shale gas resources in Poland

- ▶ 5.3 bn m³ acc. to estimates of U.S. Energy Information Administration (EIA).

UPSTREAM

Conventional projects – crude oil and gas



1. Latvian shelf

- ▶ Off-shore project on Latvian shelf is realized together with Kuwait Energy Company.
- ▶ 2 exploration and upstream licenses.
- ▶ A minimum of 1 drill is planned in 2012.

Status of project:

- ▶ Analysis of newly acquired 3D seismic data and choice of drills' locations are in progress.

2. Lublin region

- ▶ Exploration project in Poland (Lublin) is 100% realized by ORLEN Upstream.
- ▶ 5 exploration licenses at the area of 4 700 km².
- ▶ 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.
- ▶ 1 appraisal drill is planned in 2012.

Status of project:

- ▶ Appraisal drill finished. Data analysis and choice of next drill location are in progress.



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Summary of 2011



Results under the pressure of tough macro environment

- ▶ Over PLN 900 m of operating profit according to LIFO
- ▶ Positive influence of non-cash effect of inventories valuation of PLN 2,3 bn and profit from Polkomtel sale PLN 2,3 bn.
- ▶ Over PLN 100 bn of sales revenues.
- ▶ Over 35 m tones of sales volumes; grow by 4% (y/y).

Good liquidity situation

- ▶ Reduction in debt to PLN 7,6 bn, financial gearing to the level of 29,6%, and covenant level to 1,29.
- ▶ Continuation of initiatives reducing working capital.
- ▶ Signing of credit agreements refinancing the debt for the total value of EUR 2,9 bn.

Realization of actions increasing PKN ORLEN value

- ▶ Start up of petrochemical complex of PX/PTA.
- ▶ Sales of 24,39% shares of Polkomtel owned by PKN ORLEN for PLN 3,7 bn.
- ▶ Continuation of projects in energy and upstream segments.

Positive notes on PKN ORLEN operating

- ▶ Fitch maintained stable rating of financial standing at BB+.
- ▶ Again qualified to the prestigious RESPECT Index.
- ▶ First place in category „The Best Managed Company – Most Convincing and Coherent strategy by country: Poland” (Euromoney magazine, 2011).



Thank You for Your attention

For more information on PKN ORLEN, please contact

Investor Relations Department:

telephone: + 48 24 256 81 80

fax: + 48 24 367 77 11

e-mail: ir@orlen.pl

www.orlen.pl



ORLEN

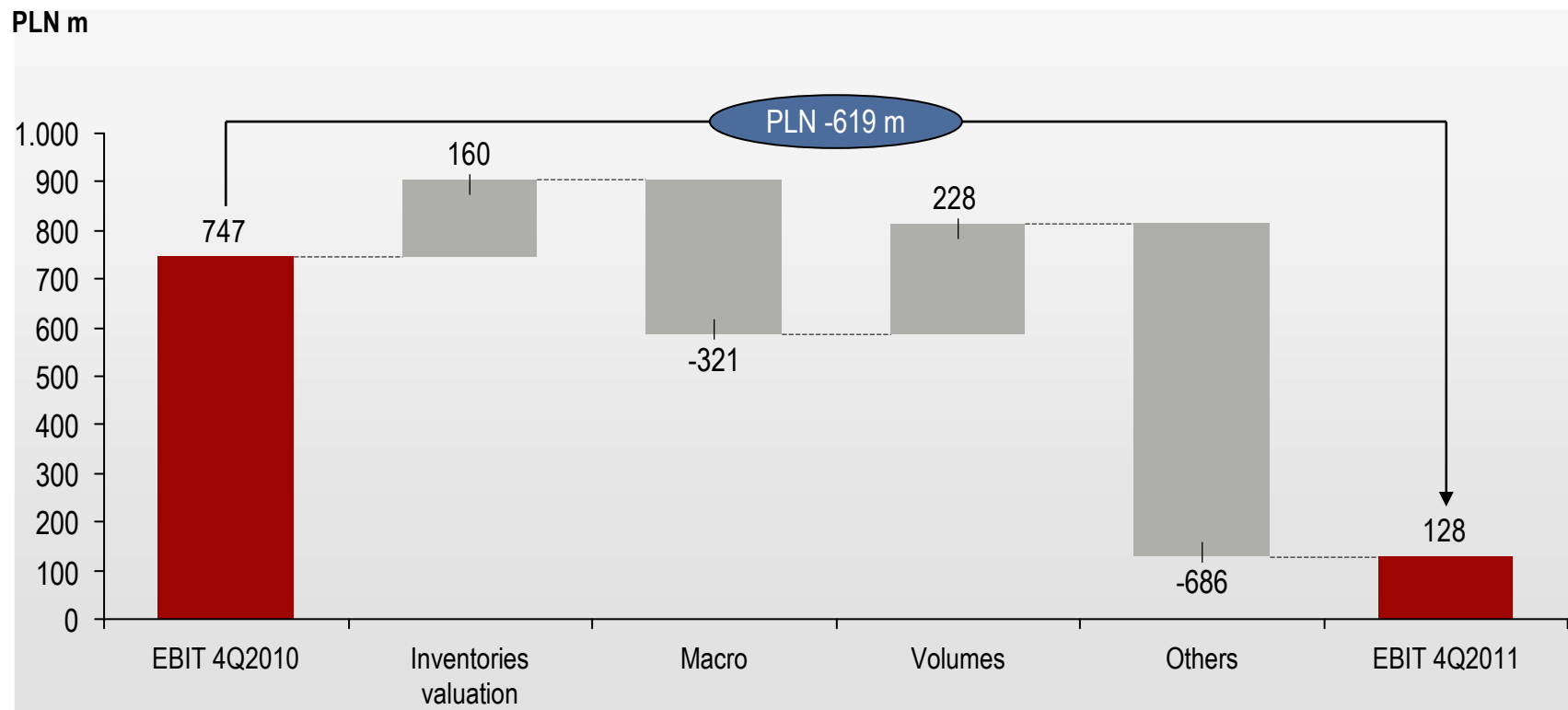
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- ▶ **Supporting slides**



PKN ORLEN

Negative impact of revaluation of assets



- ▶ Positive impact of inventories valuation (y/y) as a result of growing crude oil prices in PLN.
- ▶ Positive volume impact as a result of start of PTA sales in 2011.
- ▶ Others mainly include negative impact of impairment of assets, legislation changes in respect of National Index Target realization and drop in retail margins.

Inventories valuation effect: PKN ORLEN PLN 404 m, ORLEN Lietuva PLN (-) 156 m, Unipetrol PLN (-) 61 m, others PLN (-) 27 m.

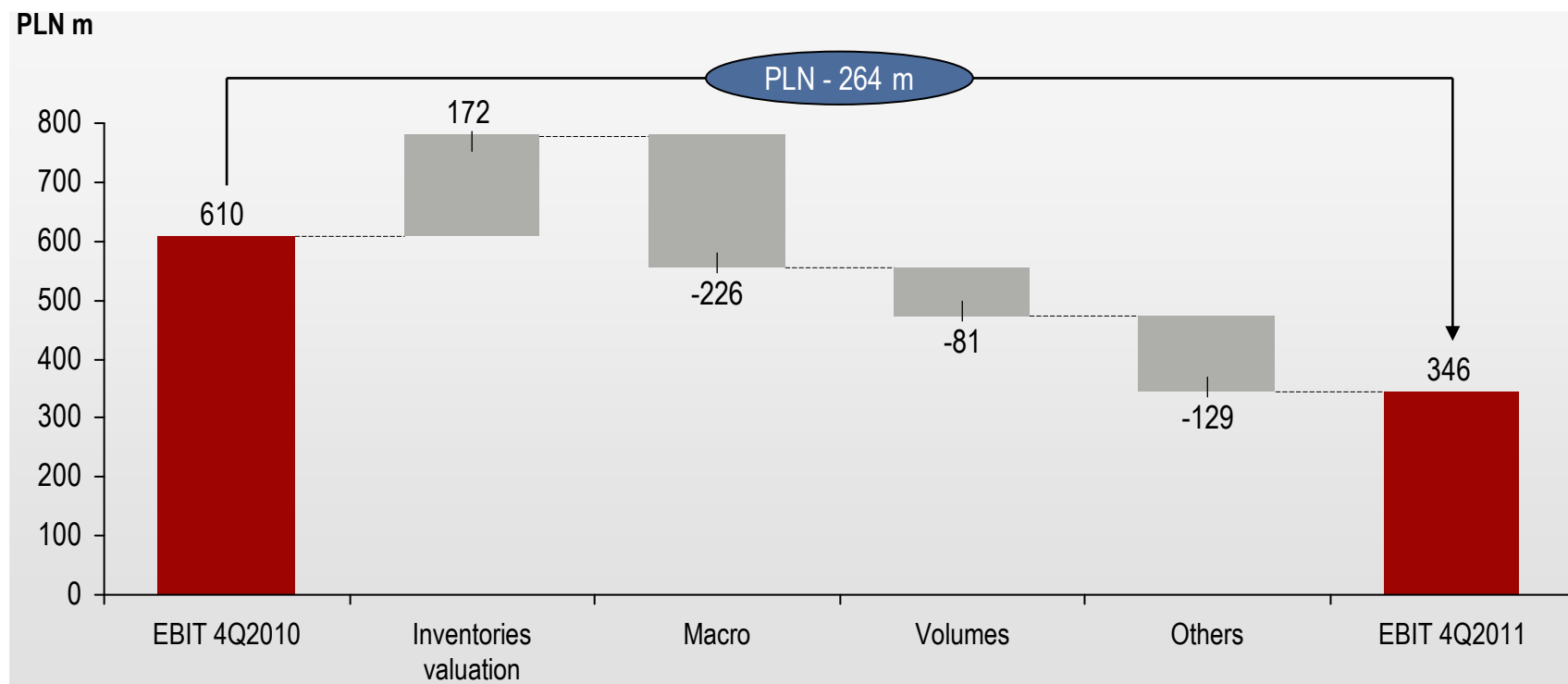
Macroeconomic effect: exchange rate PLN (-) 24 m, margins PLN (-) 295 m, differential PLN (-) 2 m.



ORLEN

Refining segment

Unfavorable influence of tough market environment and legislation changes



- ▶ Positive impact of crude oil prices changes on inventories valuation (y/y) and observed worsening of macro factors.
- ▶ Negative volume effect connected with increase of share of heavy fractions in sales structure as a result of conducted maintenance of production units.
- ▶ Others mainly include negative effects of legislation changes connected with taxation of biocomponents in fuels partially offset by efficiency improvement.

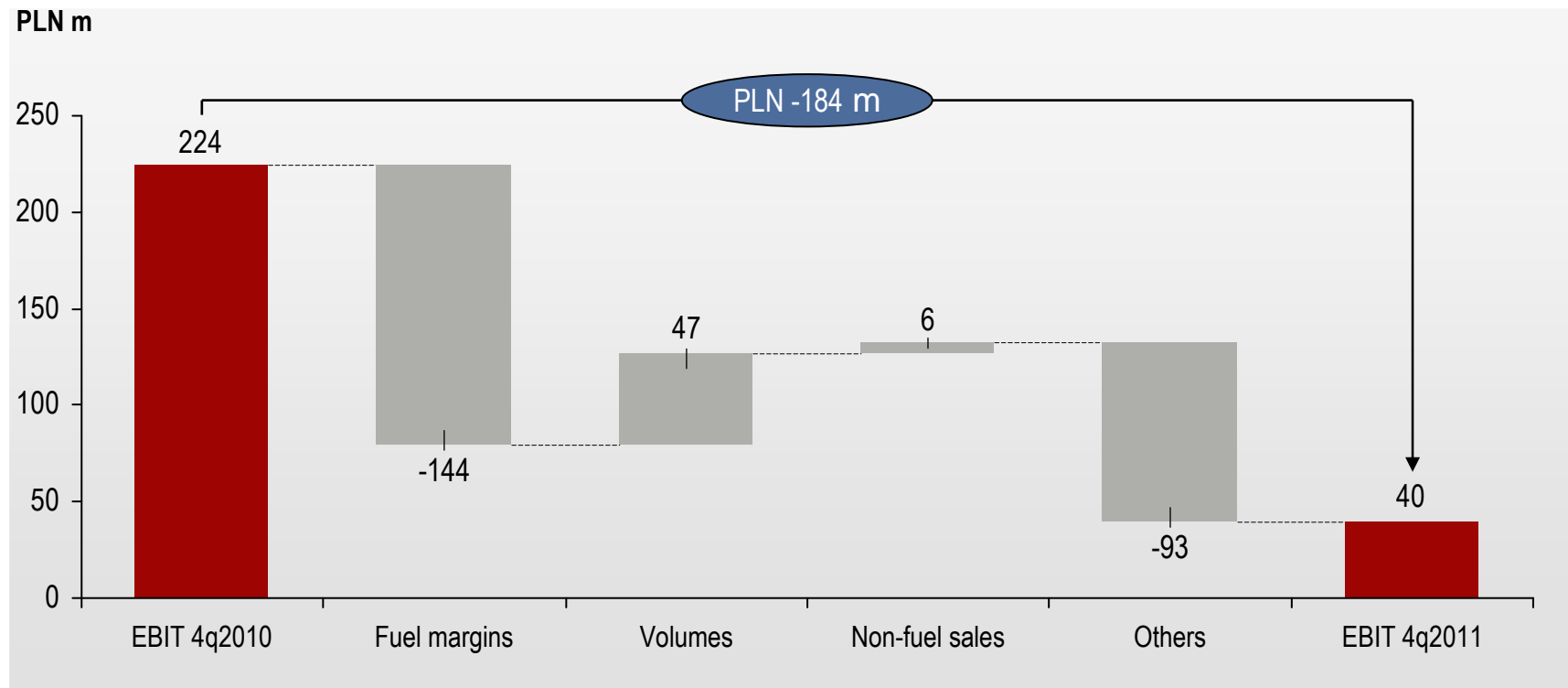
Inventories valuation effect: PKN ORLEN PLN 404 m, ORLEN Lietuva PLN (-) 156 m, Unipetrol PLN (-) 49 m, others PLN (-) 27 m.
Macroeconomic effect: exchange rate PLN 8 m, margins PLN (-) 232 m, differential PLN (-) 2 m.



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Retail segment

Pressure on fuel margins due to high prices of fuels

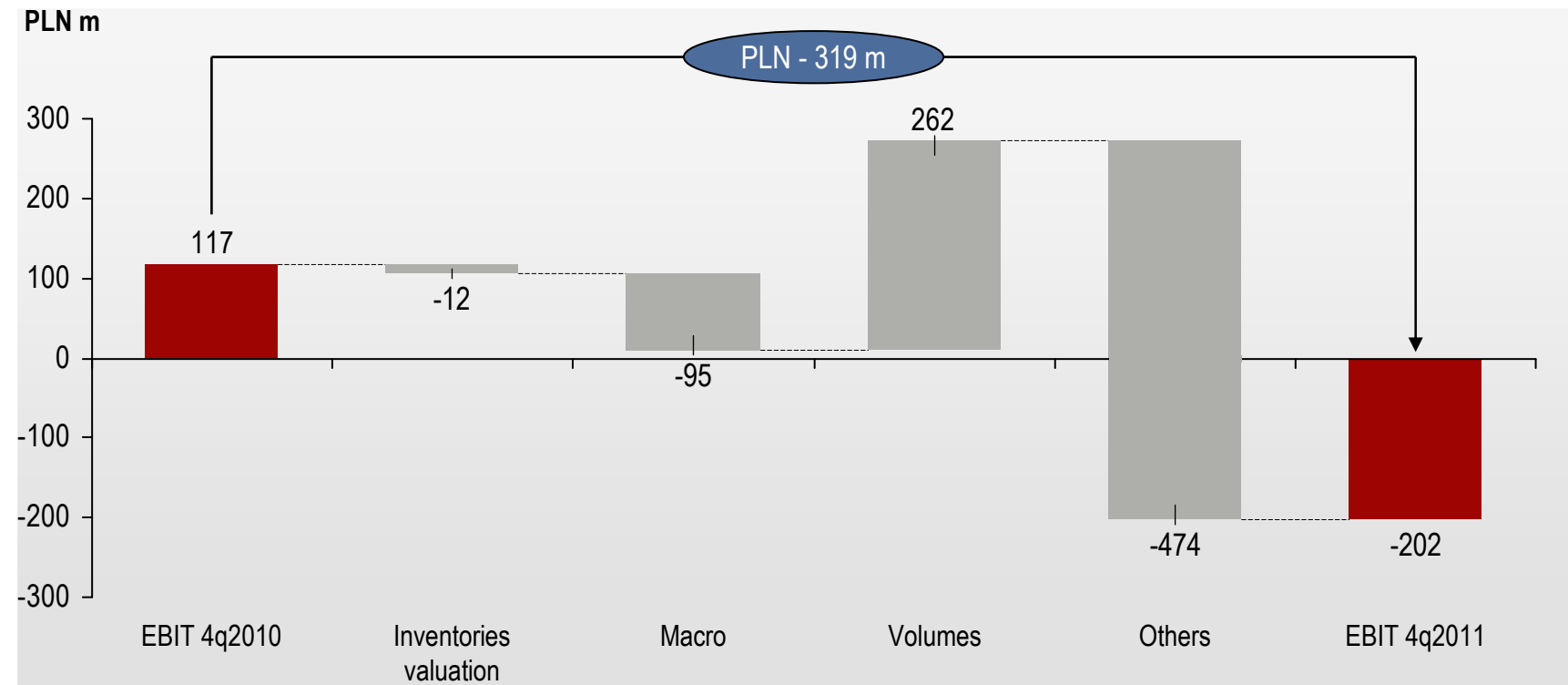


- ▶ High prices of fuels maintained which limited the level of retail margins were partially offset by higher volumes of sales and margins realized on non-fuel goods and services.
- ▶ Grow in volume sales of fuels by 9% (y/y) achieved thanks to growth on the Polish and German market.
- ▶ Other positions include mainly negative effects on other operating activity connected with impairment of gas stations assets and higher costs of stations operating due to growing volume sales.



Petrochemical segment

PTA as a lever of growth for increase of petrochemical segment result



- ▶ Lower petrochemical margins partially offset by high quotations of paraxylene.
- ▶ Increase of sales achieved mainly due to start of sales of PTA and higher sales of plastics.
- ▶ Other positions are mainly connected with impairment of tangible assets in Spolana and higher costs of amortization and depreciation and worsening of margins realized on fertilizers.



Inventories valuation effect: PKN ORLEN PLN 0 m, Unipetrol PLN (-) 12 m.
Macroeconomic effect: exchange rate PLN (-) 32 m, margins PLN (-) 63 m.

ORLEN

Main P&L elements breakdown by key companies in 4Q2011

| IFRS, PLN m | PKN ORLEN (unconsolidated) | Unipetrol ⁴⁾ | ORLEN Lietuva ⁴⁾ | Others & consolidation excludings | ORLEN Group 3Q11 | ORLEN Group 3Q10 | Change |
|--|-------------------------------|-------------------------|--------------------------------|---|------------------------|------------------------|-------------|
| Revenues | 21 944 | 4 257 | 6 872 | -3 097 | 29 976 | 22 931 | 31% |
| EBITDA | 1 131 | -218 | -83 | -67 | 763 | 1 343 | -43% |
| Depreciation & amortisation | 273 | 137 | 109 | 116 | 635 | 596 | 7% |
| EBIT | 858 | -355 | -192 | -183 | 128 | 747 | -83% |
| Financial revenues ¹⁾ | 2 556 | -29 | 121 | -226 | 2 422 | 114 | 2025% |
| Financial costs ²⁾ | -758 | -43 | -149 | 209 | -742 | -200 | 271% |
| Net result | 2 158 | -398 | -206 | -269 | 1 285 | 544 | 136% |
| LIFO adjustment ³⁾ | -649 | -39 | 26 | 3 | -659 | -499 | 32% |

1) Consolidation excludings resulting mainly from the result on the sale of Polkomtel shares at the consolidation level of PLN (-) 233 m.

2) Consolidation excludings resulting mainly from transferring of PLN 196 m of negative exchange rates differences from debts in USD to equity as a result of establishment of protecting connection with ORLEN Lietuva investment.

3) Calculated as a difference between operational profit based on LIFO and operational profit based on weighted average.

4) 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 4Q2011

| IFRS, PLN m | PKN ORLEN (unconsolidated) | Unipetrol ⁴⁾ | ORLEN Lietuva ⁴⁾ | Others & consolidation excludings | ORLEN Group 4Q11 | ORLEN Group 4Q10 | Change |
|---|-------------------------------|-------------------------|--------------------------------|---|------------------------|------------------------|-------------|
| EBIT | 858 | -355 | -192 | -183 | 128 | 747 | -83% |
| <i>EBIT acc. to LIFO</i> | 209 | -394 | -166 | -180 | -531 | 248 | - |
| Refinery¹⁾ | 767 | -247 | -233 | 59 | 346 | 610 | -43% |
| <i>Refinery acc. to LIFO</i> | 120 | -270 | -207 | 62 | -295 | 141 | - |
| Retail | 4 | 18 | 0 | 18 | 40 | 224 | -82% |
| Petrochemicals²⁾ | 191 | -124 | 0 | -269 | -202 | 117 | - |
| <i>Petrochemicals acc. to LIFO</i> | 189 | -140 | 0 | -269 | -220 | 87 | - |
| Corporate Functions³⁾ | -104 | -2 | 41 | 9 | -56 | -204 | 73% |

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

ORLEN Lietuva Group

Key elements of the profit and loss account ¹

| 4Q10 | 3Q11 | 4Q11 | change y/y | IFRS, USD m | 12M10 | 12M11 | change y/y |
|-------|-------|-------|---------------|--------------------------|-------|-------|---------------|
| 1 743 | 2 218 | 2 096 | 20% | Revenues | 5 786 | 8 170 | 41% |
| 39 | -7 | 8 | -79% | EBITDA | 104 | 110 | 6% |
| 15 | -24 | -14 | - | EBIT | 11 | 31 | 178% |
| -24 | -6 | -6 | 75% | <i>EBIT acc. to LIFO</i> | -40 | -1 | 98% |
| 1 | -38 | -24 | - | Net result | -31 | -1 | 97% |

- ▶ Further improvement of operational indicators: lower energy intensity ratio, reduction of losses, maintenance index improvement.
- ▶ Improved fuel yield in 4q11 by 0,4 pp (q/q).
- ▶ Continuation of employment optimisation programme resulting in reduction of 133 persons in 2011.
- ▶ Improvement in Inland sales in 2011 by 5 pp (y/y) to 42%.
- ▶ Increase in operational result acc. to LIFO in 2011 by USD 39 m (y/y) due to abovementioned activities.

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 12 months 2011 made for the ORLEN Group consolidation amounted to ca. USD 88 m.



UNIPETROL Group

Key elements of the profit and loss account ¹

| 4Q10 | 3Q11 | 4Q11 | change y/y | IFRS, CZK m | 12M10 | 12M11 | change y/y |
|--------|--------|--------|---------------|--------------------------|--------|--------|---------------|
| 22 014 | 24 065 | 24 327 | 11% | Revenues | 85 967 | 97 428 | 13% |
| 983 | 505 | -1 778 | - | EBITDA | 5 174 | 1 118 | -78% |
| 122 | -230 | -2 554 | - | EBIT | 1 678 | -1 989 | - |
| -499 | -228 | -2 778 | -457% | <i>EBIT acc. to LIFO</i> | 670 | -2 728 | - |
| -68 | -128 | -3 141 | -4519% | Net result | 937 | -2 806 | - |

- ▶ Unfavourable macro environment and maintenance shutdowns at the beginning of 4Q2011 in refinery and petrochemical.
- ▶ One-off concerning impairment of assets in Paramo refinery in the amount of CZK 1,2 bn.
- ▶ Fixed costs reduction by over CZK 200 m and workforce optimization by over (-) 5% in 2011.
- ▶ Average retail margin decreased (y/y) and EBIT acc. to LIFO in 2011 was lower by CZK 3,4 bn mainly due to one-offs, worsening macro environment and lower sales volumes.

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 increasing depreciation and amortization costs and fixed assets impairment for 12 months 2011 made for the ORLEN Group consolidation amounted to ca. CZK 416 m.



Key production data

| Key production data | 4Q10 | 3Q11 | 4Q11 | change (y/y) | change (q/q) | 12M10 | 12M11 | change (y/y) |
|--|-------|-------|-------|-----------------|-----------------|--------|--------|-----------------|
| Refinery in Poland ¹ | | | | | | | | |
| Processed crude (tt) | 3 788 | 3 953 | 3 814 | 1% | -4% | 14 452 | 14 547 | 1% |
| Utilisation | 100% | 97% | 94% | -6 pp | -3 pp | 96% | 89% | -7 pp |
| Fuel yield ⁴ | 80% | 75% | 76% | -4 pp | 1 pp | 78% | 76% | -2 pp |
| Middle distillates yield ⁵ | 45% | 44% | 46% | 1 pp | 2 pp | 45% | 44% | -1 pp |
| Light distillates yield ⁶ | 35% | 31% | 30% | -5 pp | -1 pp | 33% | 32% | -1 pp |
| Refineries in the Czech Rep. ² | | | | | | | | |
| Processed crude (tt) | 1 141 | 941 | 1 010 | -11% | 7% | 4 353 | 3 942 | -9% |
| Utilisation | 90% | 74% | 79% | -11 pp | 5 pp | 85% | 77% | -8 pp |
| Fuel yield ⁴ | 74% | 81% | 77% | 3 pp | -4 pp | 75% | 78% | 3 pp |
| Middle distillates yield ⁵ | 42% | 46% | 44% | 2 pp | -2 pp | 43% | 45% | 2 pp |
| Light distillates yield ⁶ | 32% | 35% | 33% | 1 pp | -2 pp | 32% | 33% | 1 pp |
| Refinery in Lithuania ³ | | | | | | | | |
| Processed crude (tt) | 2 541 | 2 435 | 2 283 | -10% | -6% | 8 985 | 9 007 | 0% |
| Utilisation | 100% | 96% | 90% | -10 pp | -6 pp | 88% | 88% | 0 pp |
| Fuel yield ⁴ | 73% | 75% | 75% | 2 pp | 0 pp | 74% | 75% | 1 pp |
| Middle distillates yield ⁵ | 41% | 45% | 44% | 3 pp | -1 pp | 42% | 44% | 2 pp |
| Light distillates yield ⁶ | 32% | 30% | 31% | -1 pp | 1 pp | 32% | 31% | -1 pp |

1) Nameplate capacity for Plock refinery is 15,1 mt/y in 2010 and in 1q'2011. Since 2q'2011 nameplate capacity is 16,3 mt/y as a result of PX/PTA installation start-up.

2) Nameplate capacity for Unipetrol refineries are 5,1 mt/y in 2011. CKA [51% Litvinov (2.8 mt/y) and 51% Kralupy (1.7mt/y)] and 100% Paramo (0,6 mt/y).

3) Nameplate capacity for ORLEN Lietuva refinery is 10,2 mt/y in 2011.

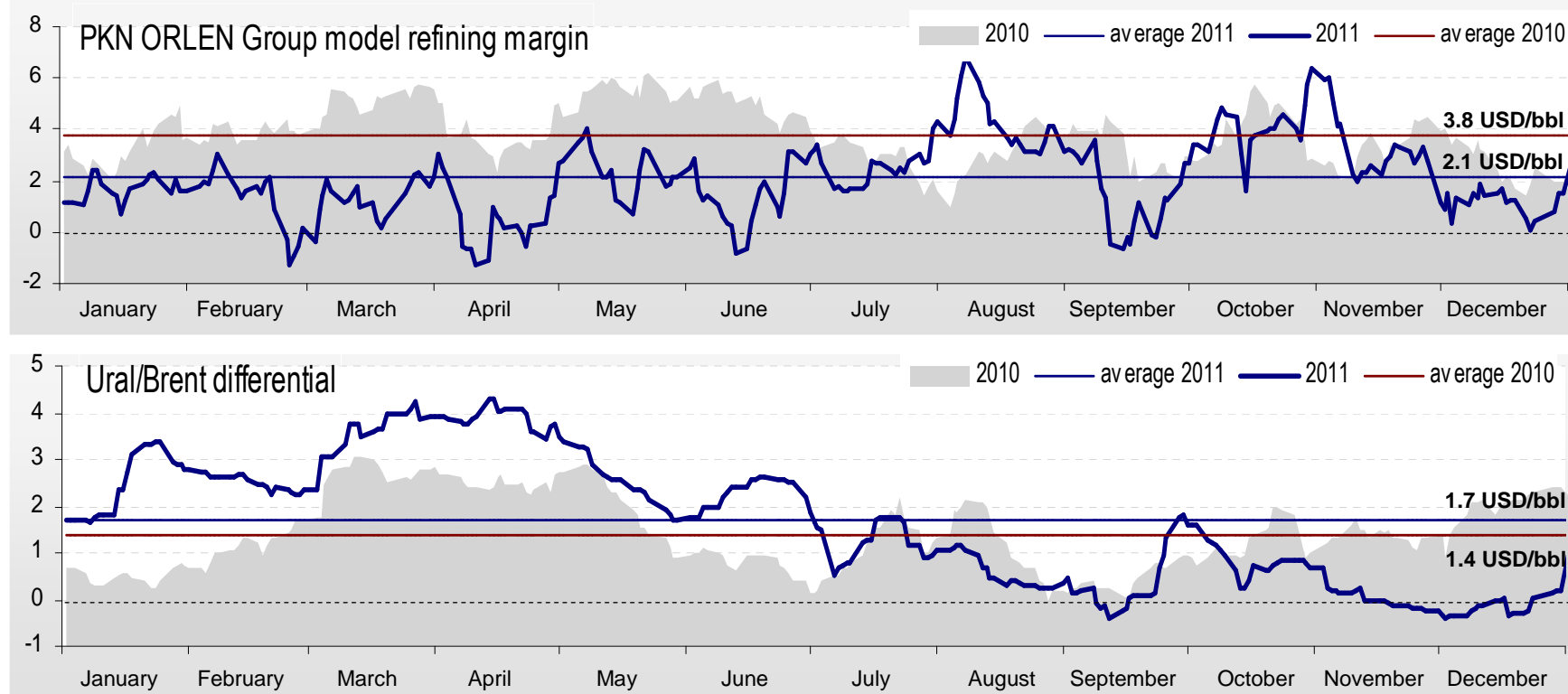
4) Fuel yield equals middle distillates yield plus light distillates yield. Differences can occur due to rounding.

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.



Macro environment – comparison 2011 vs 2010



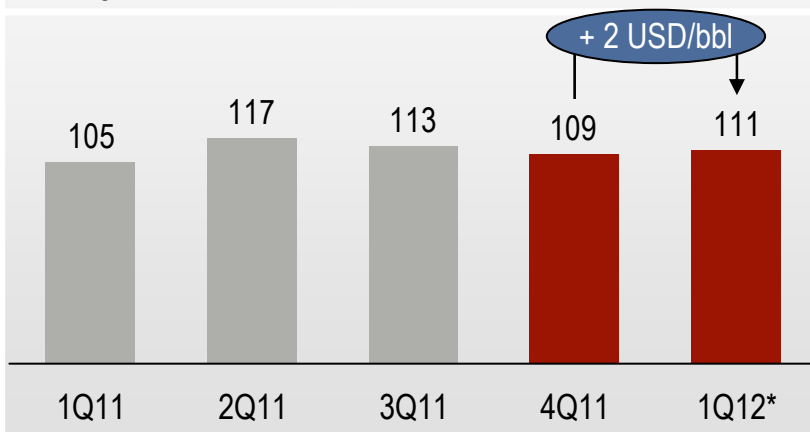
- ▶ **Crude oil price** – in the range 94-127 USD/bbl. Average 111 USD/bbl in 2011 vs 80 USD/bbl in 2010.
- ▶ **Ural/Brent differential** – yearly average increased by 0,3 USD/bbl to 1,7 USD/bbl in 2011.
- ▶ **Model refining margin** – yearly average decreased by 1,7 USD/bbl to 2,1 USD/bbl in 2011.
- ▶ **Model petrochemical margin** – yearly average increased by 11 EUR/t to 705 EUR/t in 2011.



Macro environment in 1Q 2012

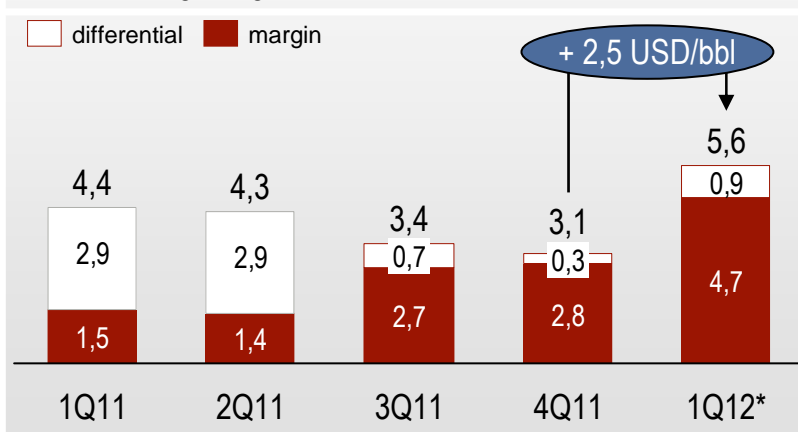
Crude oil price increase

Average Brent Crude Oil price, USD/bbl



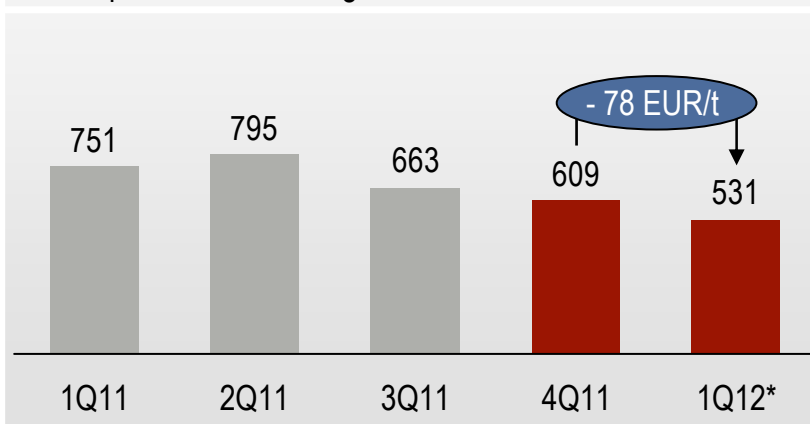
Increase in total of refining margin and U/B diff

Model refining margin and Ural/Brent differential, USD/bbl



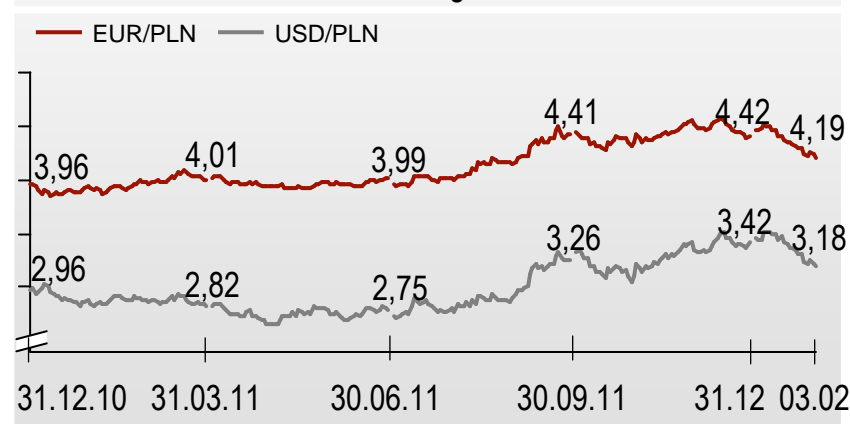
Petrochemical margin decrease

Model petrochemical margin, EUR/t



PLN appreciation against USD and EUR

EUR/PLN and USD/PLN exchange rate

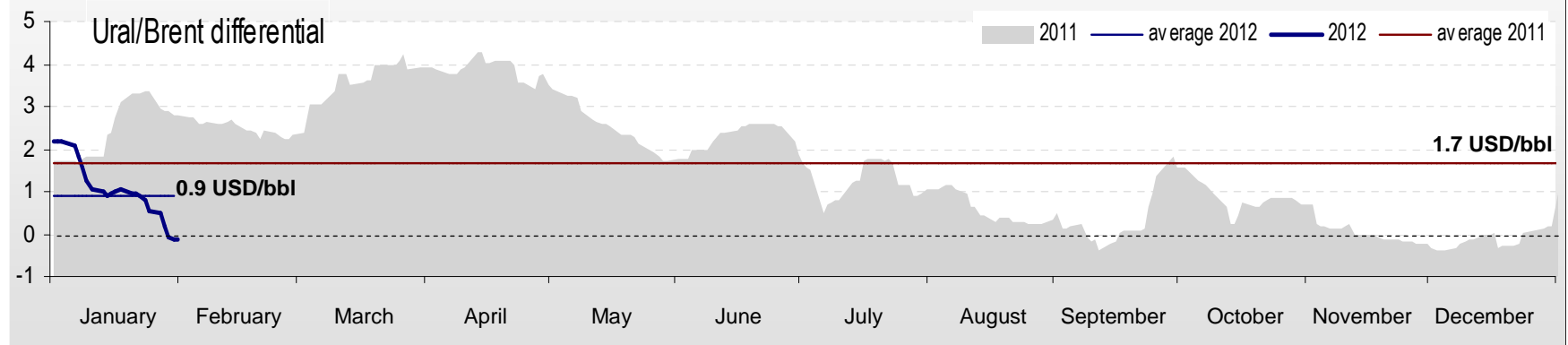
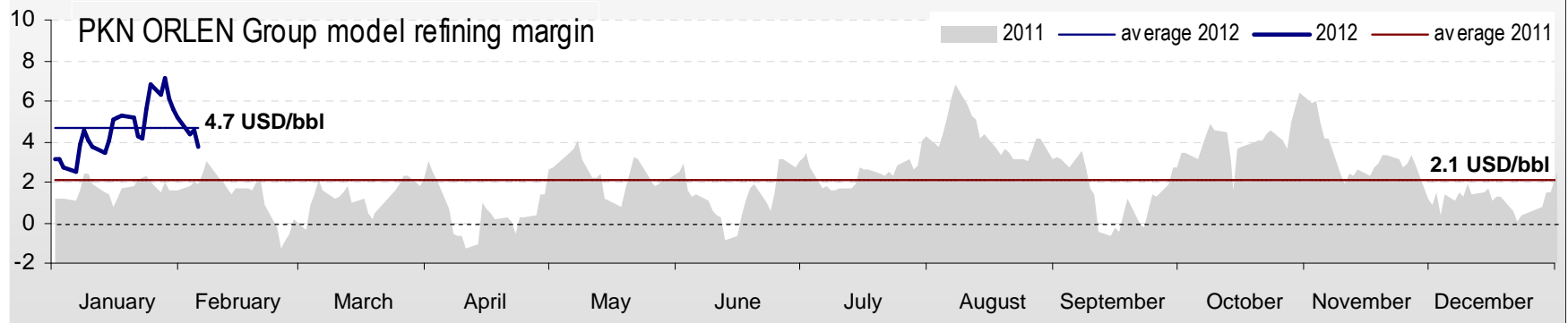


* Data QTD as of 03.02.2012



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Macro environment in 2012






- ▶ **Crude oil price** – in the range 108-114 USD/bbl. Average 111 USD/bbl in 2012.
- ▶ **Ural/Brent differential** – yearly average decreased by 0,8 USD/bbl to 0,9 USD/bbl in 2012.
- ▶ **Model refining margin** – yearly average increased by 2,6 USD/bbl to 4,7 USD/bbl in 2012.



* Data QTD as of 03.02.2012

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Maintenance shutdowns of key installations in 2011




| | | 1Q 11 | 2Q 11 | 3Q 11 | 4Q 11 |
|--|--------------------------|-------|-------|-------|-------|
|  | HDS V | | ■ | | |
| | CDU III | | | | ■ |
| | Hydrogen Unit | | ■ | ■ | ■ |
| | Hydrocracker | ■ | | | |
| | H-Oil | | ■ | ■ | |
| | FCC | | | | ■ |
|  | Refinery | | ■ | | ■ |
|  | Litvinov - refinery | | | ■ | |
| | Litvinov - petrochemical | | | ■ | |
| | Kralupy - HDS | | ■ | | |
| | Paramo - refinery | ■ | | | ■ |

HDS – Diesel Hydrodesulphurization Unit
 CDU – Crude Distillation Unit
 H-Oil – Hydrodesulphurization of Vacuum Residue Unit
 FCC – Fluid Catalytic Cracking



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Maintenance shutdowns schedule of key installations for 2012

| | | Q1'12 | | | Q2'12 | | | Q3'12 | | | Q4'12 | | |
|---|--------------------------|-------|--|--|-------|--|--|-------|--|--|-------|--|--|
|  | CDU III | | | | | | | | | | | | |
| | HDS VI | | | | | | | | | | | | |
| | PX/PTA | | | | | | | | | | | | |
| | Olefin Unit | | | | | | | | | | | | |
| | Hydrogen Unit | | | | | | | | | | | | |
| | H-Oil | | | | | | | | | | | | |
|  | Refinery | | | | | | | | | | | | |
|  | Litvinov - refinery | | | | | | | | | | | | |
| | Litvinov - petrochemical | | | | | | | | | | | | |
| | Kralupy - HDS | | | | | | | | | | | | |
| | Paramo - refinery | | | | | | | | | | | | |

CDU – Crude Distillation Unit
 HDS – Diesel Hydrodesulphurization Unit
 PX/PTA – petrochemical complex
 H-Oil – Hydrodesulphurization of Vacuum Residue Unit



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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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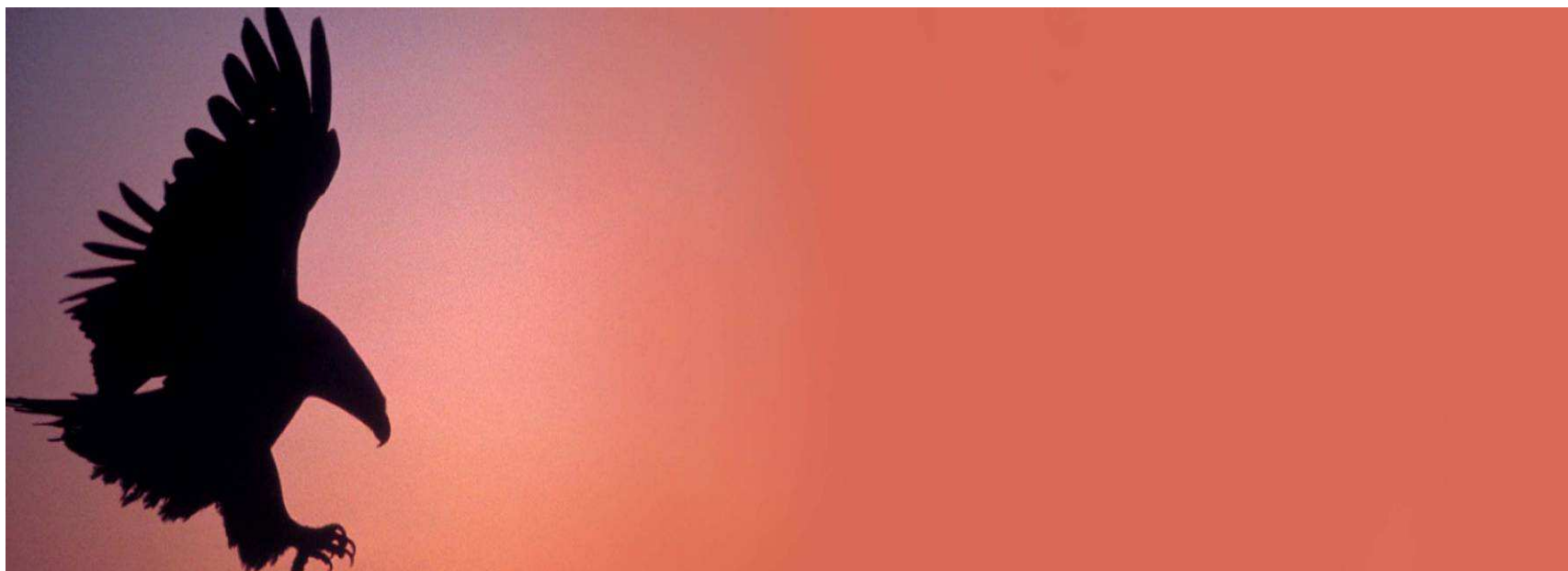
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For more information on PKN ORLEN, please contact

Investor Relations Department:

telephone: + 48 24 256 81 80

fax + 48 24 367 77 11

e-mail: ir@orlen.pl

www.orlen.pl



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