



Record high financial and operating results

PKN ORLEN consolidated financial results for 4 quarter 2010

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10 February 2011



ORLEN

Agenda

- ▶ **Achievements in 2010**

Macroeconomic environment

Financial and operating results in 4Q 2010

Liquidity

Priorities for 2011

Summary



The best yearly operating profit and net profit since 5 years



- ▶ **Record high results:**
 - ▶ PLN 3,1 bn of operating profit.
 - ▶ PLN 2,5 bn of net profit.
- ▶ **Marco environment improvement:**
 - ▶ **increase in model refining margin and URAL/Brent differential in total** by 0,6 USD/bbl (y/y) to 5,2 USD/bbl.
 - ▶ **significant increase in petrochemical margin** by 147 EUR/t (y/y) to 694 EUR/t.
- ▶ **Net debt reduction** by 2,5 bn (y/y) to PLN 7,8 bn **and financial gearing** from 54% to 39%, i.e. to the level determined in our strategy.
- ▶ **Cash release** in amount of PLN 1,7 bn through the sale of over 1 m tonnes of crude oil from mandatory reserves.
- ▶ **Covenant** net debt / (EBITDA + dividend from Polkomtel) on the safe level below 1,5.
- ▶ **Raising rating outlook** from negative to stable by Fitch and Moody's agencies.



Great achievements as a result of consistent implementation of many actions



- ▶ **Crude oil throughput increase** to over 28 m tonnes.
- ▶ **Utilisation ratio increase** in ORLEN Lietuva, Unipetrol and full utilisation in Plock's refinery.
- ▶ Record high **sales volumes** in total, over 34 m tonnes.
- ▶ **Retail sales volumes** increase by 5%.
- ▶ **Purchase of 56 fuel stations in Germany** from OMV Deutschland GmbH.
- ▶ **Realisation of National Index Target** for 2010 settled at the level of 5,75%.
- ▶ Continued **investment program** in amount of PLN 3 bn.
- ▶ **HDS VII start-up** – increase in volumes of the highest quality diesel.
- ▶ **Construction completion and technological start-up of PX/PTA complex** – new, high quality product; more efficient utilisation of gasoline fractions.
- ▶ **Advanced work** to prepare gas-fuelled power plant investment in Wloclawek.



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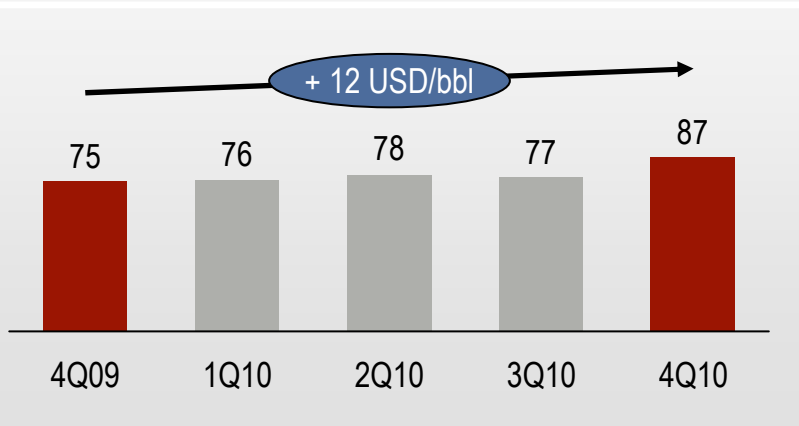
Summary



Improvement of macroeconomic factors in 4Q 2010 (y/y)

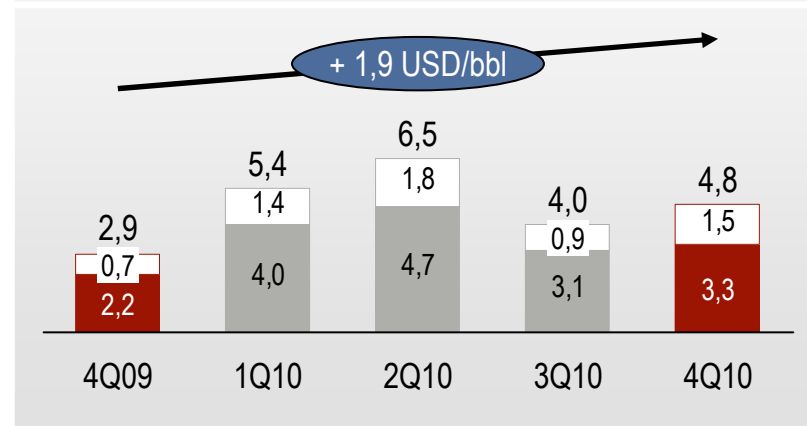
Crude oil price increase

Average Brent Crude Oil price, USD/bbl



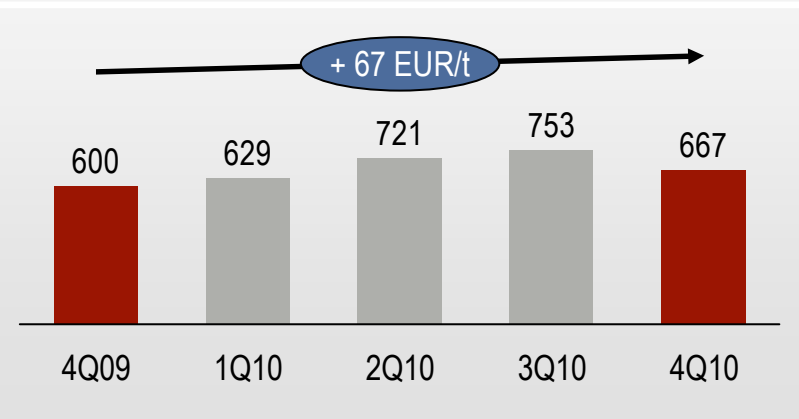
Refining margin and U/B diff increase

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



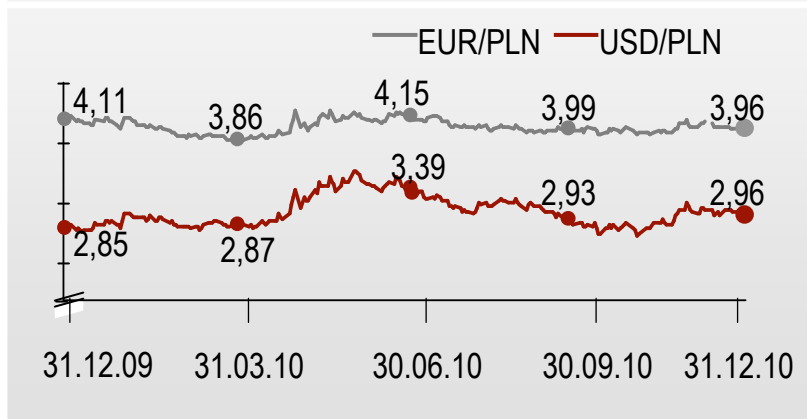
Petrochemical margin increase

Model petrochemical margin, EUR/t

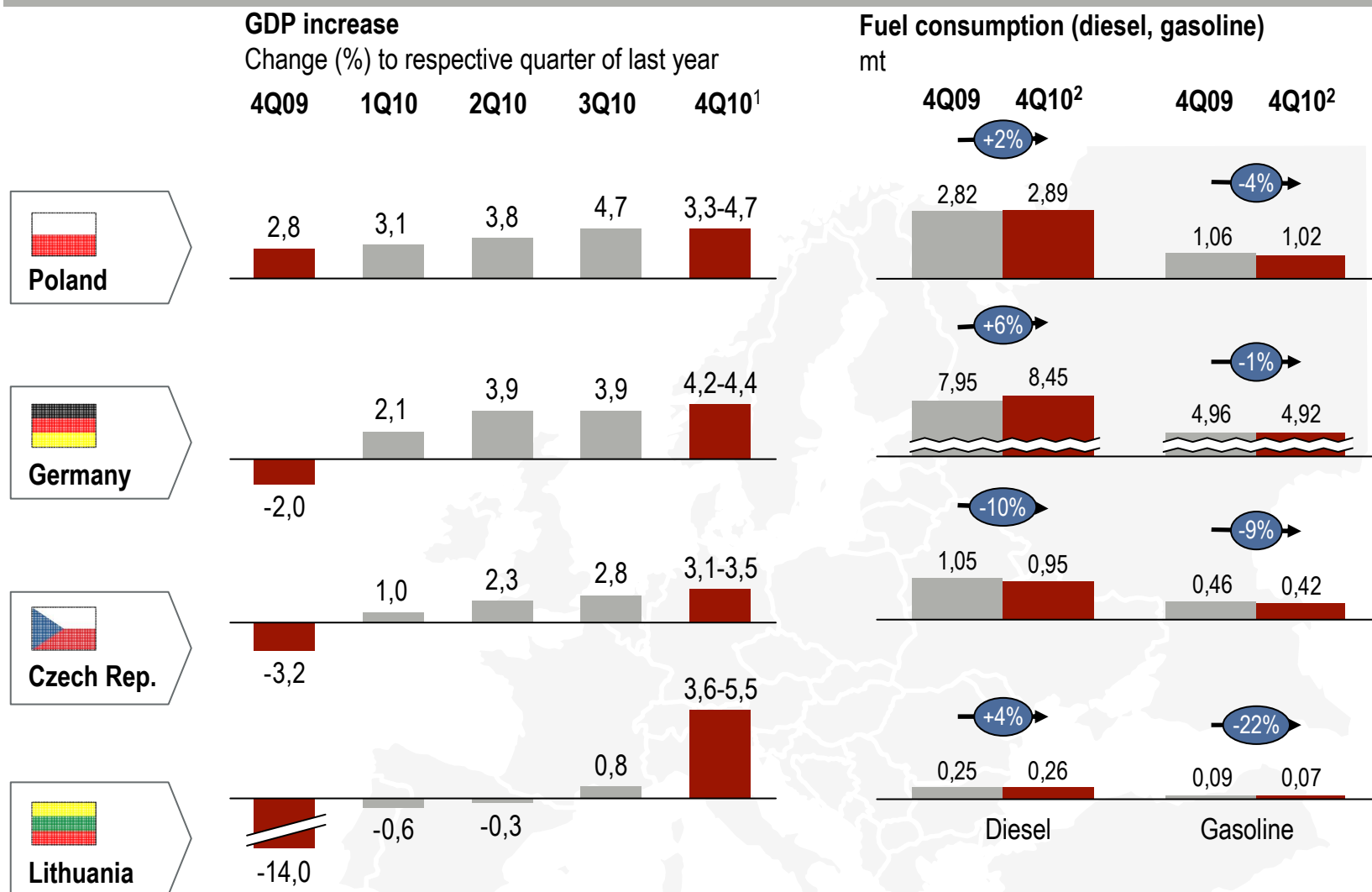


PLN fluctuates against USD and EUR

EUR/PLN and USD/PLN exchange rate



Maintained GDP growth in 4Q 2010 and further increase of diesel consumption



¹ Estimates based on: Statistical Office (GUS); Eurostat; CERA; European Commission; analysts' estimates.

² Source: Poland – estimates for XII; Germany – estimates for XI & XII; Czech – estimates for XI & XII; Lithuania – estimates for XII.



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▶ **Financial and operating results in 4Q 2010**

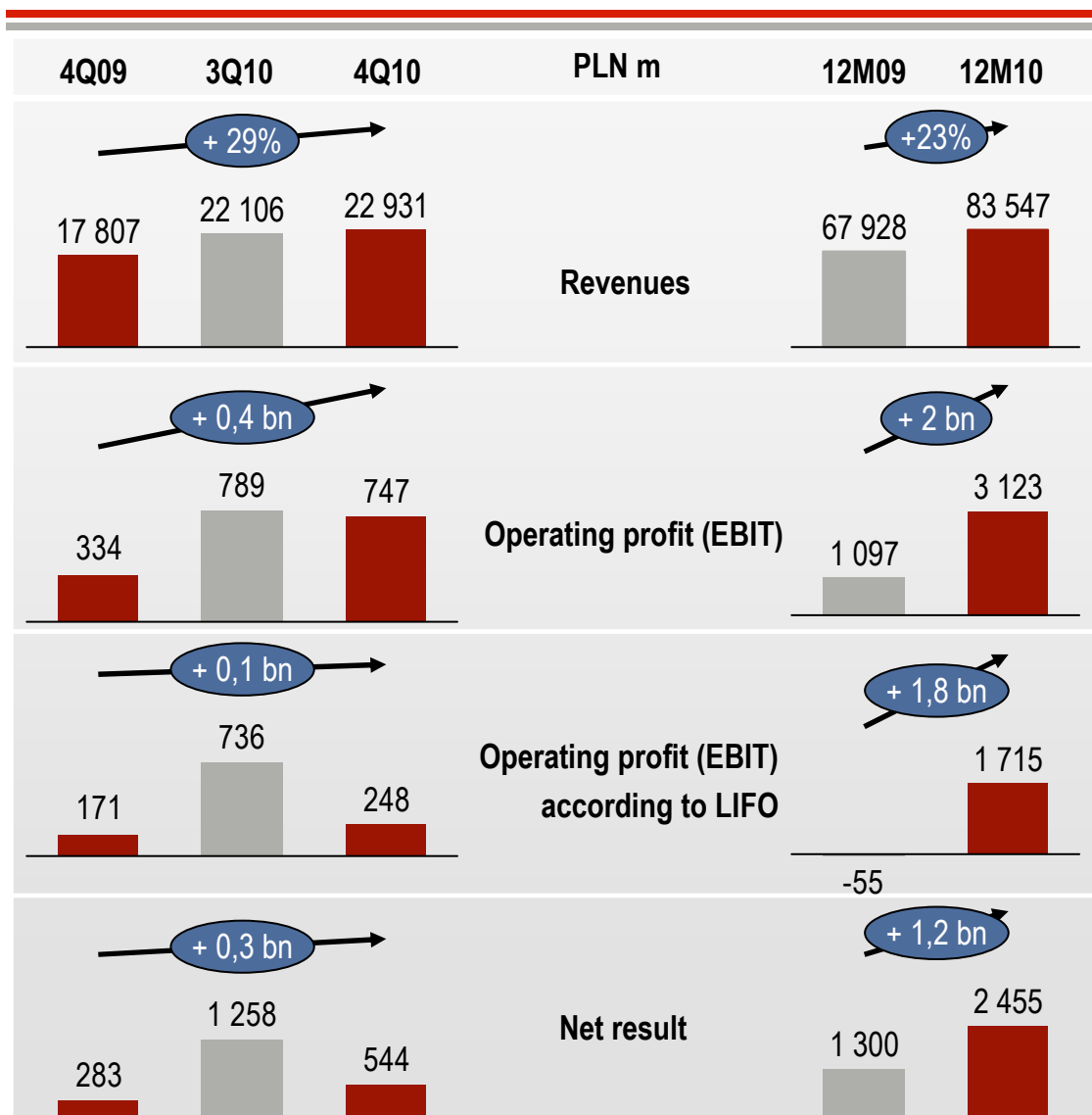
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Significant improvement in financial and operating results in 2010



▶ PLN 83,5 bn of revenues in 2010 due to record high sales and macro improvement, i.e. crude price, margins and PLN exchange rate against USD.

▶ PLN 1,7 bn of operating profit according to LIFO achieved due to higher sales in all segments and cost cutting while exposed on negative one-offs.

▶ Significant crude oil price increase in 2010 improved operating result due to LIFO effect in amount of PLN 1,4 bn.

▶ Net result increase by PLN 1,2 bn in 2010 compared to previous year.



Good results achieved in all segments

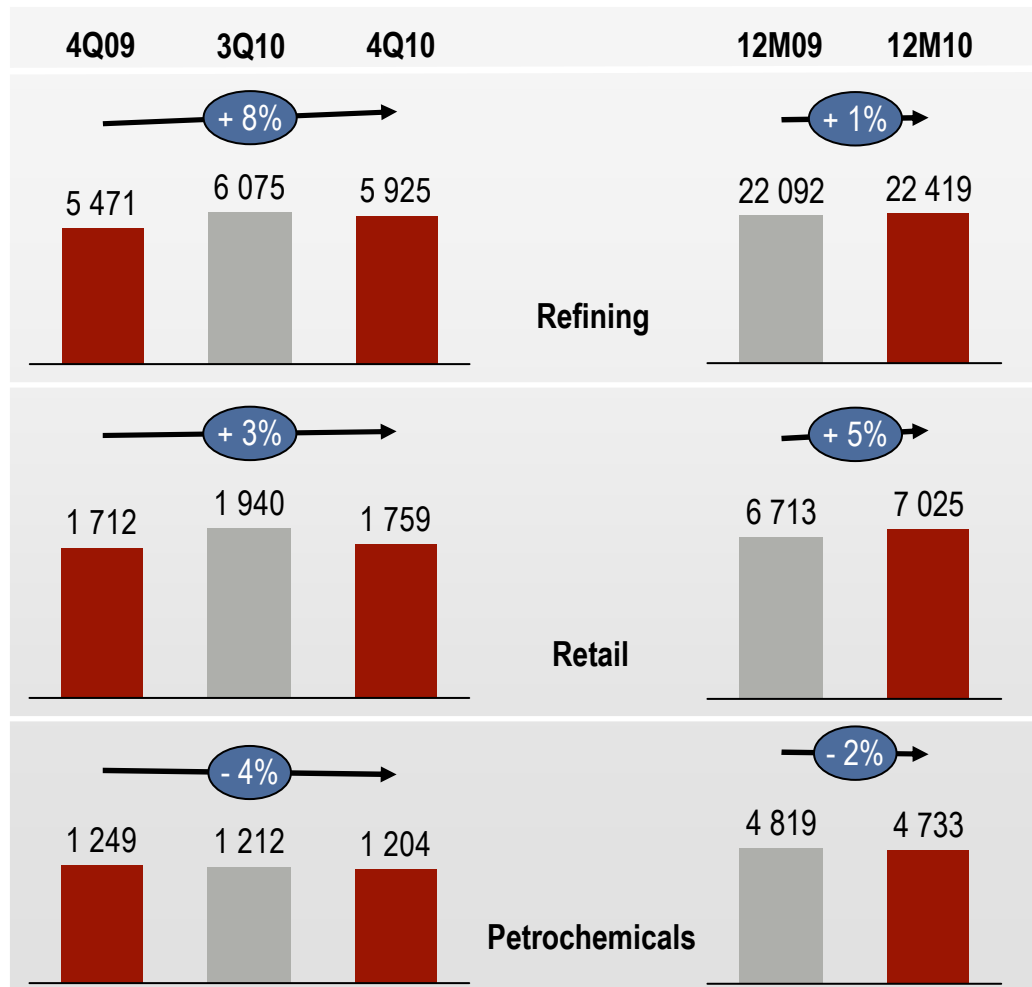
4Q09	3Q10	4Q10	change y/y	PLN m	12M09	12M10	change y/y
334	789	747	124%	EBIT, of which:	1097	3 123	185%
171	736	248	45%	EBIT acc. to LIFO	-55	1715	-
333	462	610	83%	Refining	1124	2 481	121%
173	402	141	-18%	Refining acc. to LIFO	94	1124	1096%
207	309	224	8%	Retail	880	825	-6%
-17	142	117	-	Petrochemicals	-196	486	-
-20	149	87	-	Petrochemicals acc. to LIFO	-319	435	-
-189	-124	-204	-8%	Corporate functions	-711	-669	6%

- ▶ Operating result according to LIFO in refining segment in 4q 2010 lowered by PLN (-) 190 m (y/y) mainly due to impairment of assets and business risk provisions creation in ORLEN Lietuva and Rafineria Trzebinia.
- ▶ Good results in retail due to increase of sales volumes and non-fuel margin, limited by unfavourable impact of fuel margin as a result of increasing fuel prices.
- ▶ Increase in result of petrochemical segment achieved due to margin improvement on petrochemical products by 11% in 2010.
- ▶ Reduction of corporate functions costs by PLN 42 m (y/y).



The highest in the history total sales volumes, over 34 mt

Sales volumes th t

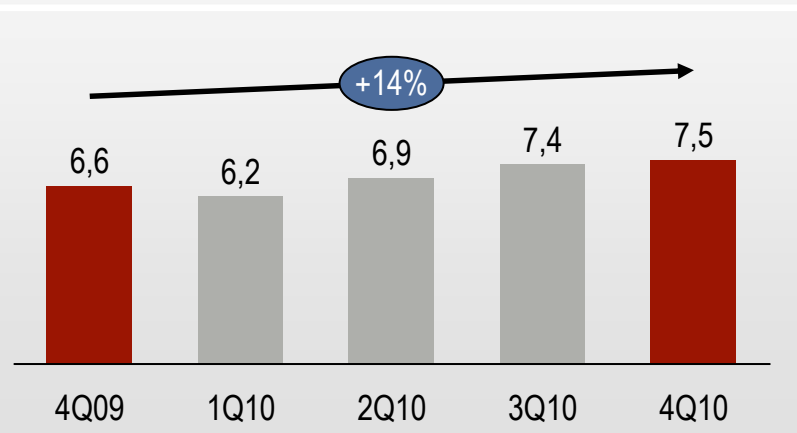


- ▶ Total sales volumes in 4q2010 increased by 5% (y/y) to the level of 8,9 mt as a result of economic pick-up and higher crude throughput.
- ▶ Refining sales volumes increase by 8% (y/y) mainly in Unipetrol and ORLEN Lietuva.
- ▶ Retail sales volumes increase by 3% (y/y) achieved in Polish market while keeping stable volumes in Czech Republic and Germany. Unit margins still under the pressure of rising fuel prices.
- ▶ Noticeable increase in diesel consumption and decrease in gasoline consumption in the majority of operating markets.
- ▶ Further volumes growth of olefins, polyolefins and fertilizers with stable sales of PVC and lower volumes of other petrochemical products.

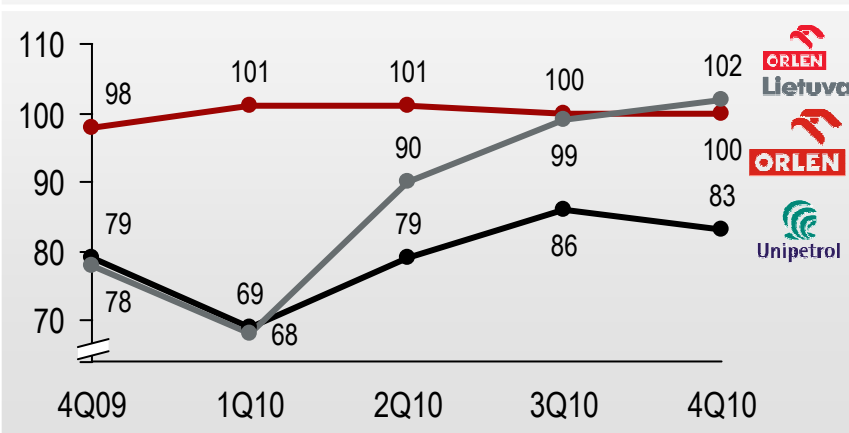


Increased crude oil throughput up to 7,5 mt in 4Q 2010

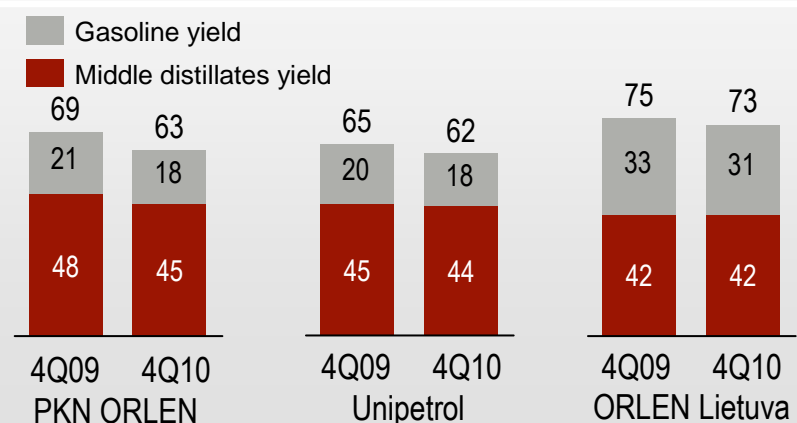
Crude oil throughput
mt



Utilisation ratio
%



Fuel yield
%



Comments

- ▶ Crude oil throughput increase in PKN ORLEN Group by 14% (y/y) and 2% (q/q) to the record high level of 7,5 mt.
- ▶ Full utilization of available capacities in ORLEN Lietuva and in refinery in Plock.
- ▶ Fuel yield decrease (y/y) in refinery in Plock and Unipetrol due to shutdowns of conversion installations, mainly Hydrocracking, and in ORLEN Lietuva.



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Safe level of indebtedness and financial ratios

Safe financial situation

- ▶ Decreasing of indebtedness by PLN 2,5 bn (y/y) and financial gearing to the level of 30-40% determined in strategy.
- ▶ Covenant net debt / (EBITDA + dividend from Polkomtel) on safe level below 1,5.
- ▶ Available credit facilities in PKN ORLEN amount to over EUR 1 bn.
- ▶ Begin of credit lines refinancing process mainly due in 2H 2012.

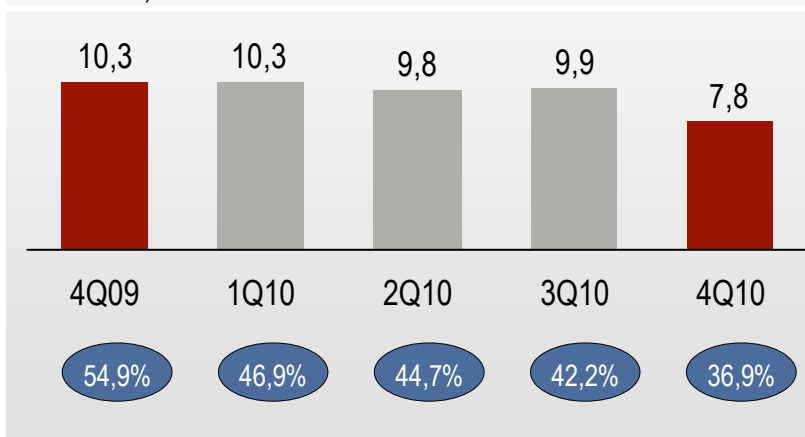
Impact of PLN exchange rate on debt

- ▶ Revaluation of credits, mainly in USD, increased net debt in 4q2010 by PLN 52 m (q/q).
- ▶ Negative net foreign exchange differences entered into profit and loss account amounted to PLN (-) 12 m.
- ▶ Negative, mainly unrealized, net foreign differences due to revaluation of USD denominated debt connected with ORLEN Lietuva investment and foreign subsidiaries credits amounted to PLN 62 m and were booked in balance sheet into equity.

Net debt and financial leverage

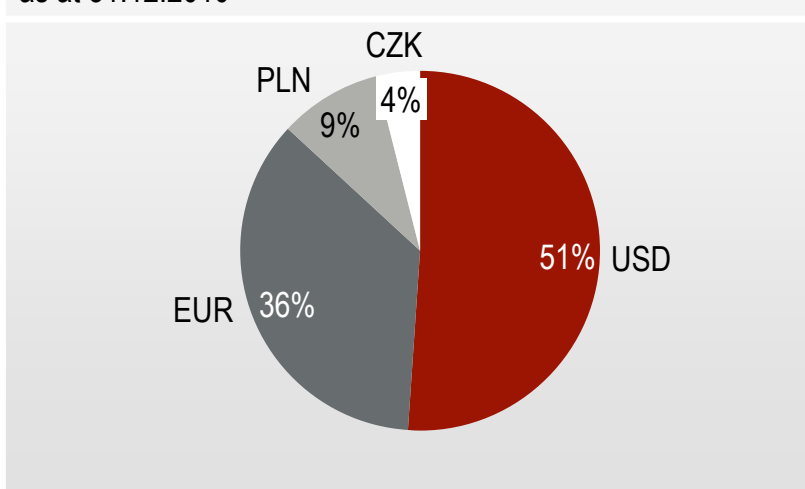
in PLN bn, %

 Financial gearing



Gross debt structure by currency

as at 31.12.2010



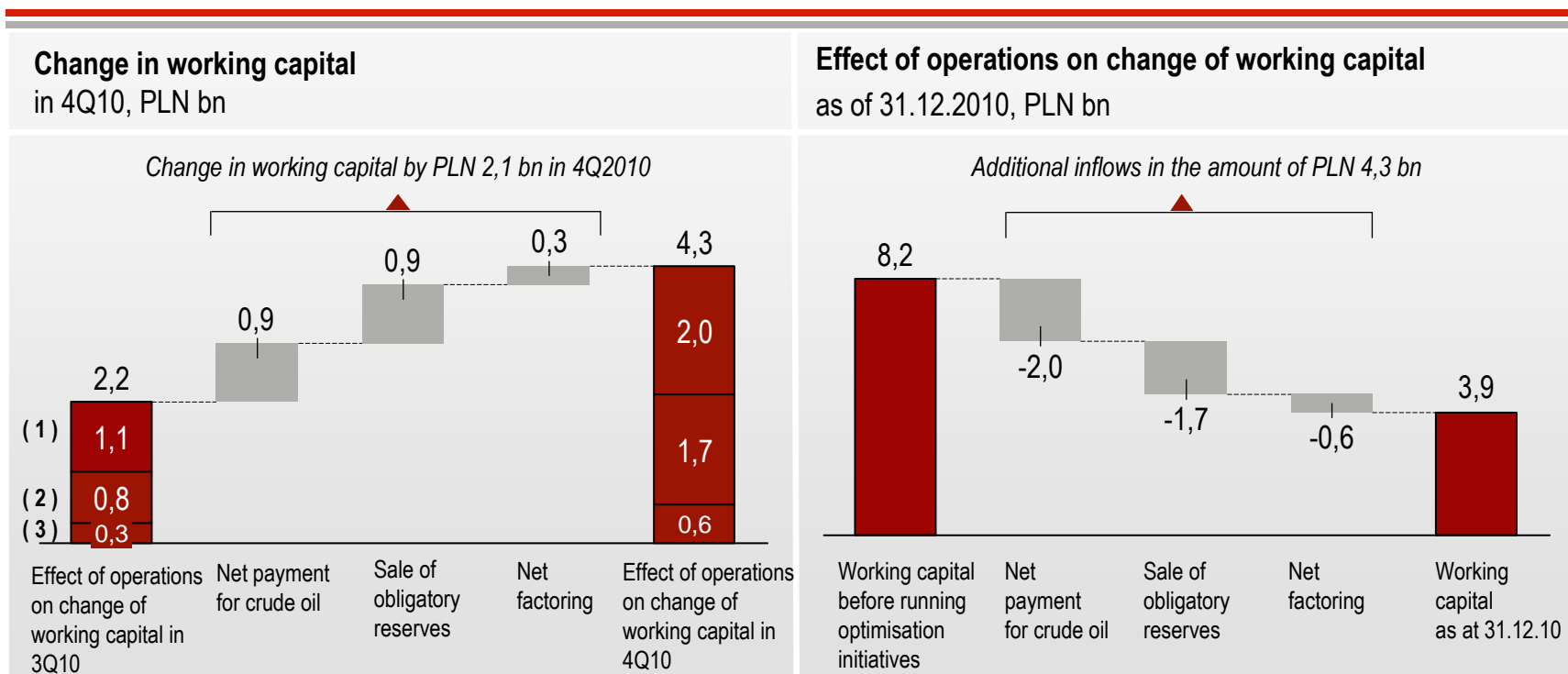
Over PLN 6,1 bn of cash flow from operations in 2010

4Q09	3Q10	4Q10	change v/y	PLN m	12M09	12M10	change v/y
401	1 625	1 385	984	Cash flow from operations before working capital change	3 348	5 231	1 883
2 515	-1 225	1 441	-1 074	Working capital change	1 814	879	-935
2 916	400	2 826	-90	Cash flow from operations	5 162	6 110	948
414	-1 339	-625	-1 039	Cash flow from investments	-2 527	-2 920	-393
-964	-680	-955	9	Capital expenditures (CAPEX)	-3 776	-3 011	765
3 330	-939	2 201	-1 129	Free cash flow	2 635	3 190	555

- ▶ PLN 5,2 bn of cash flow from operations before working capital change.
- ▶ Working capital changes mainly due to effects of introduced optimization initiatives.
- ▶ Increase of capital expenditures in 2010 due to payment of deferred liabilities from 2009 at the amount of PLN 0,6 bn.
- ▶ Decrease of cash flow from investments by PLN 0,8 bn (y/y) to PLN 3 bn and finishing of key projects.
- ▶ Almost PLN 3,2 bn of free cash flow in 2010.



Continuation of initiatives decreasing working capital



- ▶ Additional inflows from deferred net payment for crude oil decreased in 4q10 by PLN 0.9 bn and amounted to PLN 2 bn.
- ▶ Inflows from sales of second tranche of obligatory reserves w 4q2010 amounted to PLN 0,9 bn. Sales of obligatory inventories in total in 2010 reduced working capital by PLN 1,7 bn.
- ▶ Operations in factoring in 4q2010 increase by PLN 0,3 bn and generated PLN 0,6 bn of additional inflows.
- ▶ Implemented from 2009 all operations in working capital generated at the end of 4q2010 additional inflows at the amount of PLN 4,3 bn, including PLN 1,9 bn for 2010.

- (1) Extension of payment for crude oil
- (2) Sale of obligatory reserves
- (3) Accelerating of receivables inflow – factoring



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Operational priorities



PKN ORLEN

Sales:

- ▶ Despite of the growing competition annual term contracts were signed at the level of the previous year.
- ▶ Further increase in market share despite high fuel prices limiting unit margins.

Production:

- ▶ Maintaining of high production capacity utilization and fuel yields
- ▶ More planned maintenance shutdowns than in 2010 – Hydrocracking, Hydrogen plant, H-Oil and FCC in Plock and shutdown of OL and UP refineries.

ORLEN LIETUVA

- ▶ Final analysis of strategic scenarios and verification of interest from potential partners.
- ▶ Bank's recommendation regarding the future of the Lithuanian investment expected at the turn of Feb/March 2011.
- ▶ Continuation of operating activities, including employment optimization program and further costs reduction.

INVESTMENTS

Petrochemicals:

- ▶ PX/PTA - technological start up is pending .
- ▶ Most modern unit of that type in Europe.
- ▶ Production capacity: 400 th tones of PX (paraxylene) and 600 th tones of PTA (purified terephthalic acid) annually.
- ▶ 60-70% of production capacity utilization in 2011
- ▶ Start of products sales in 2q2011.
- ▶ Contracts made with receivers in Poland and abroad
- ▶ Capital expenditures at the level of EUR 1 billion.

Refining:

- ▶ HDS VII - start up made in 4q2010.
- ▶ Increase of production capacity of diesel by 1 m tones annually.
- ▶ Capital expenditures at the level of PLN 500 m.



Actions releasing capital



POLKOMTEL

- ▶ Cooperation between all shareholders in the sales process.
- ▶ Sending information memorandum is in progress, gathering initial offers in 1q2010.
- ▶ Finalization of sales process planned in 1H2011.



ANWIL

- ▶ Conducting analysis of business lines split.
- ▶ Potential investors are interested in separate business lines: PVC and fertilizers.
- ▶ Increase of the Company's share in Anwil to the level of 90,35% through the acquisition of 5,56% share from the State Treasury in December 2010.



MANDATORY RESERVES

- ▶ Sales over 1 m tonnes of reserves for amount of PLN 1,7 bn:
 - ▶ I tranche – March 2010.
 - ▶ II tranche – December 2010.
- ▶ Value of reserves at the end of 2010 amounts to PLN 5 billion.
- ▶ The Government decision regarding project of new act is expected in the mid 2011.



Building new segments



UPSTREAM PROJECTS

Latvian shelf – work out data from exploration gathered so far.

- ▶ The drill is planned at the turn of 2011/2012.

Polish lowland – exploratory drill has been started.

- ▶ Next 2 appraisal drills are planned at the turn of 2011/2012.

Lublin region – seismic and hole data integration is finished.

- ▶ Data analysis and choice of drills' locations is in progress.
- ▶ The drill is planned in the 2 half 2011 and next one in 1H2012.

Shale gas– seismic works are started.

- ▶ First analysis findings in mid 2011.
- ▶ Drills planned in 2H2011.



ENERGY

- ▶ Advanced preparation of investment in Włocławek, final decision to make in 3q 2011
- ▶ Process of the power plant builder selection is in progress.
- ▶ We have the environmental decision and agreement for connection to the energy network.
- ▶ Decision about the selection of the contractor to be made at the turn of 3/4q2011.
- ▶ Start up of building in Włocławek in 2012.
- ▶ Start-up in 2014, investment at the level of PLN 1,5 billion.



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Summary of 2010

▶ **Very good results**

- ▶ PLN 3,1 billion of operating result, improvement of the result by PLN 2 billion (y/y) .
- ▶ PLN 2,5 billion of net profit, improvement of the result by PLN 1,2 billion (y/y).
- ▶ Increase in sales volumes by 2% (y/y) to the record level of over 34 m tonnes.

▶ **Big safety buffer regarding liquidity**

- ▶ Efficient implementation of initiatives reducing working capital brought additional PLN 1,9 billion.
- ▶ Debt reduction by PLN 2,5 billion (y/y) and financial gearing to the level of 39%.
- ▶ Credit agreements covenant [net debt / (operating profit + amortization + dividend from Polkomtel)] at a safe level below 1,5.
- ▶ Increase of rating outlook from negative to stable by Fitch and Moody's.

▶ **Consistently realized actions increasing PKN ORLEN value**

- ▶ Finalization of key investment programs, ie. start up of HDS VII and finalization of building and start up of PX/PTA units
- ▶ Advanced sales of Polkomtel.
- ▶ Preparation of projects in energy and upstream segment.

▶ **Positive notes on PKN ORLEN operating in 2010**

- ▶ 1 place in the category „Best Managed Companies – Most Convincing and Coherent Strategy by Country: Poland” awarded by financial magazine Euromoney.
- ▶ Best investor relations in Poland (IR Magazine, 2010).





Thank You for Your attention

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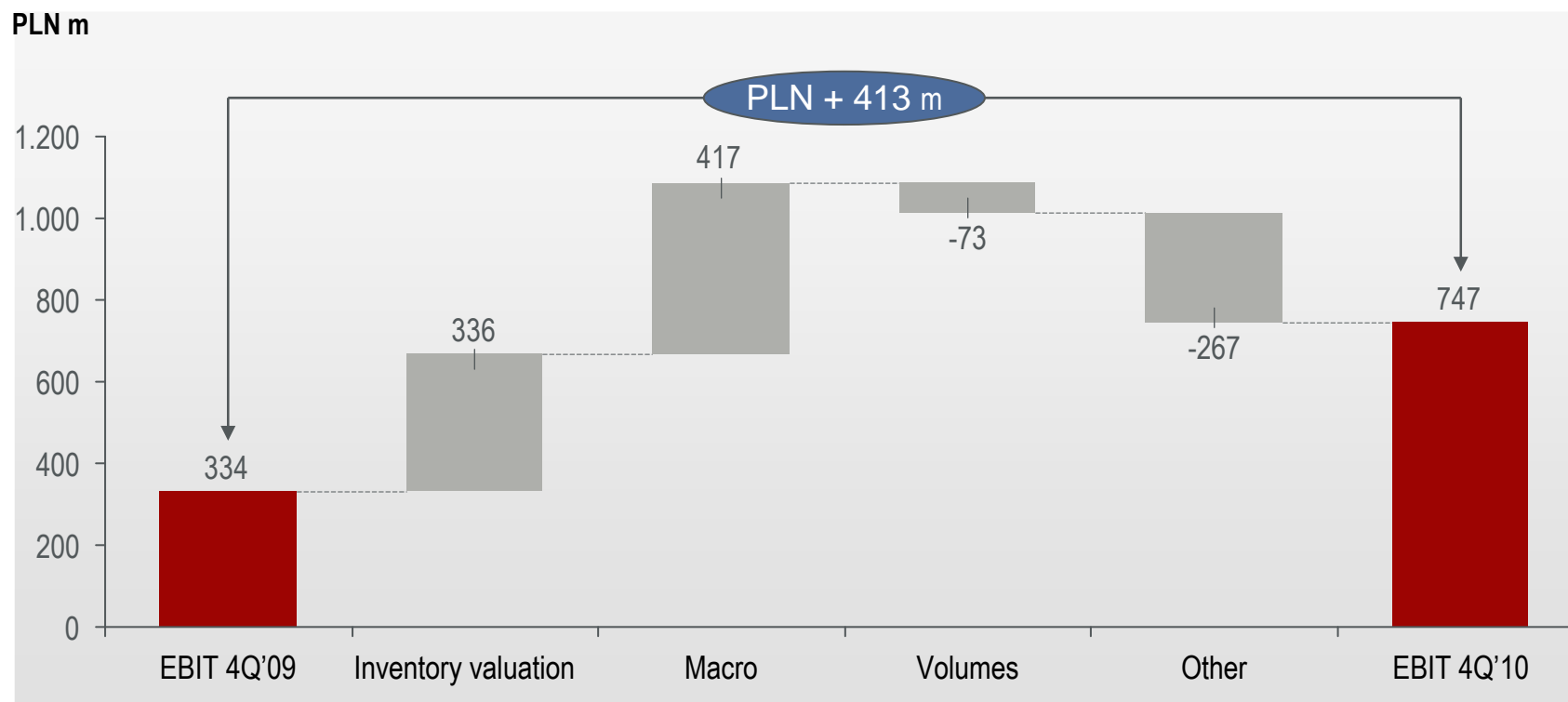
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- ▶ **Supporting slides**



PKN ORLEN

Improvement of macroeconomic environment



- ▶ Higher impact of inventory valuation (y/y) due to growing crude oil and positive impact of macroeconomic factors.
- ▶ Positive volumes effects in retail and petrochemical segments partially limited negative impact of refining sales structure changes due to conducted maintenance shutdowns.
- ▶ Other: including change of other operating activity balance in the amount of PLN (-) 236 m including mainly one-off effects of revaluation of assets and update of business risks provisions .

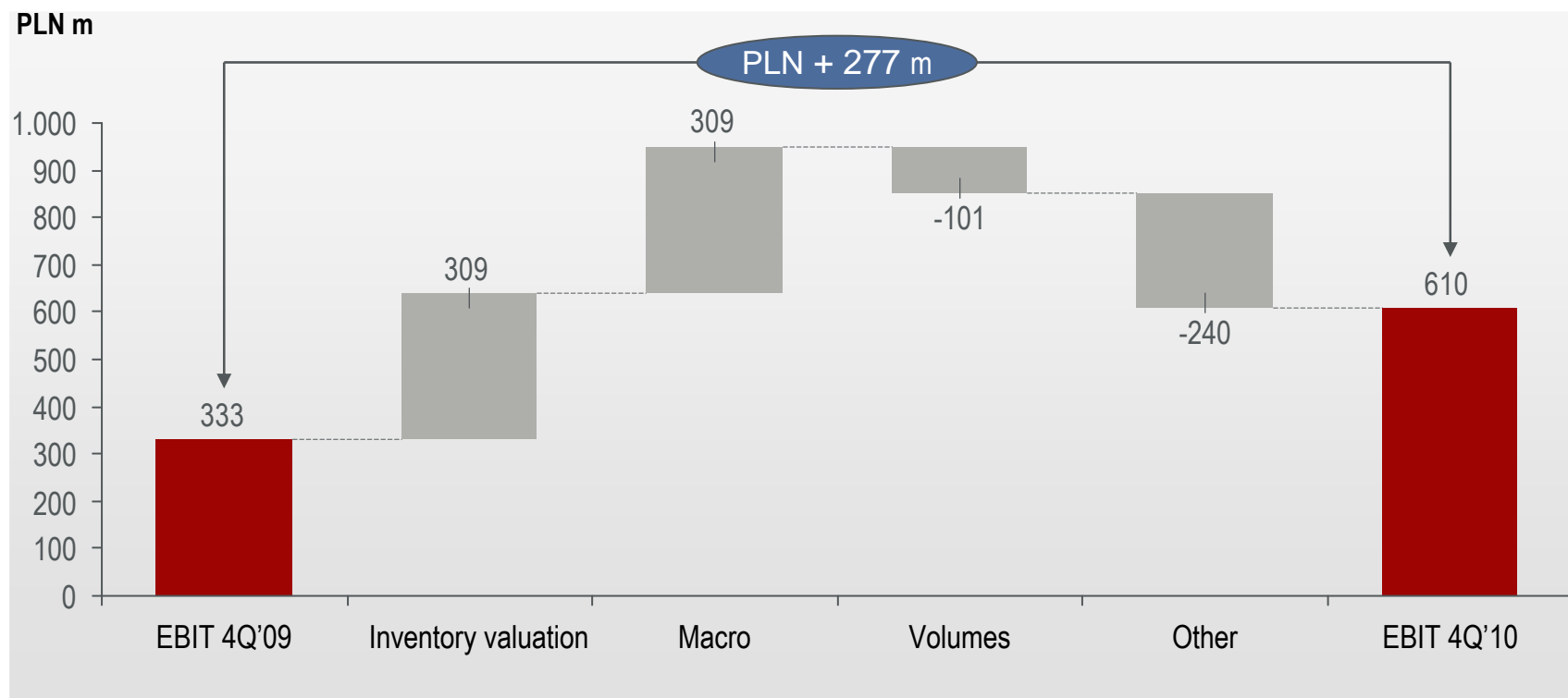
Inventories valuation effect: PKN ORLEN PLN 206 m, ORLEN Lietuva PLN 52 m, Unipetrol PLN 51 m, other PLN 27 m.
Macroeconomic effect: exchange rate PLN (-) 81 m, margins PLN 381 m, differential PLN 117 m.



ORLEN

Refining segment

Increase of utilization in all Group refineries



- ▶ Positive impact of inventory valuation (y/y) due to increasing crude oil prices, refining margins and differential.
- ▶ Negative impact of maintenance shutdowns on refining products sales structure.
- ▶ Negative effect on other operating activity at the level of PLN (-) 190 m (y/y) including mainly one-offs effects of revaluation of assets and business risks provisions in ORLEN Lietuva and in Trzebinia refinery.

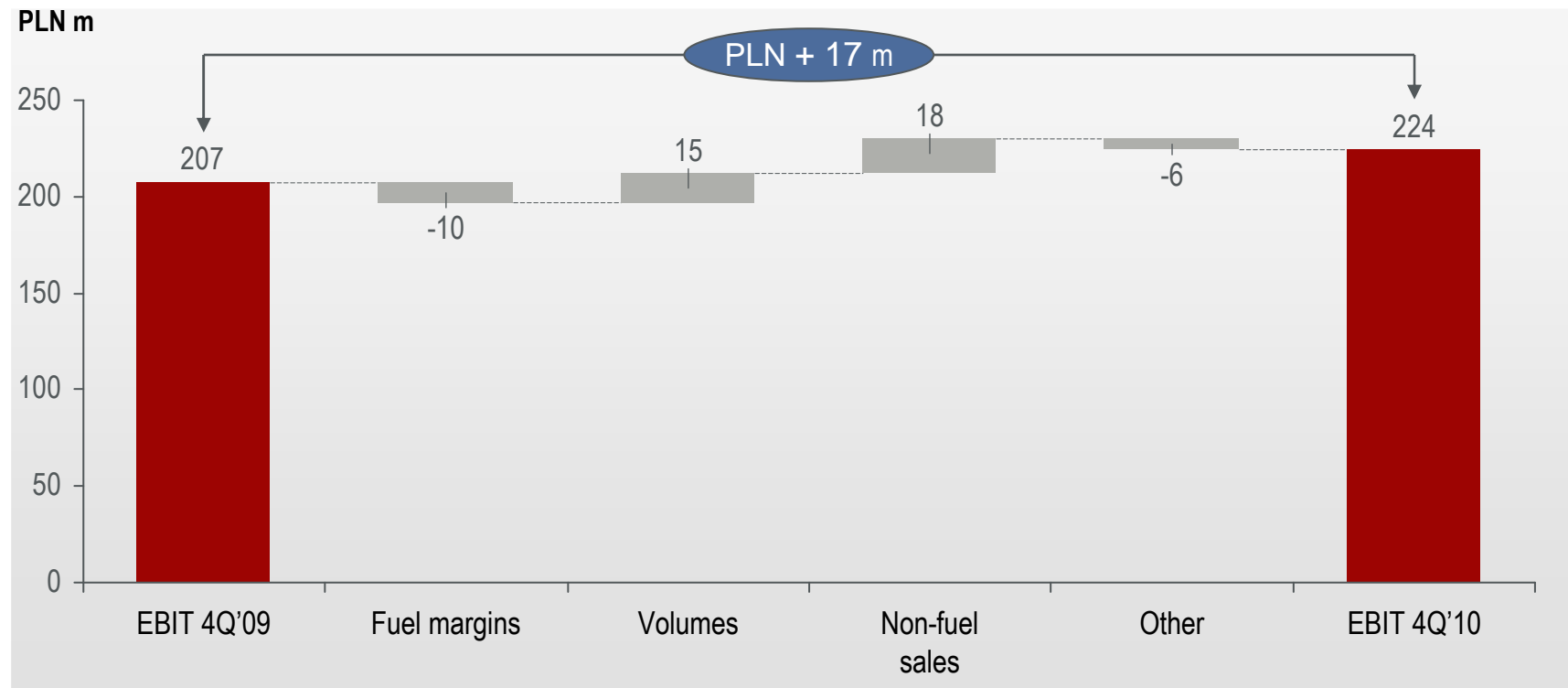


Inventories valuation effect: PKN ORLEN PLN 201 m, ORLEN Lietuva PLN 52 m, Unipetrol PLN 29 m, other PLN 27 m.
 Macroeconomic effect: exchange rate PLN (-) 12 m, margins PLN 204 m, differential PLN 117 m.

ORLEN

Retail segment

Market pressure on fuel margins level

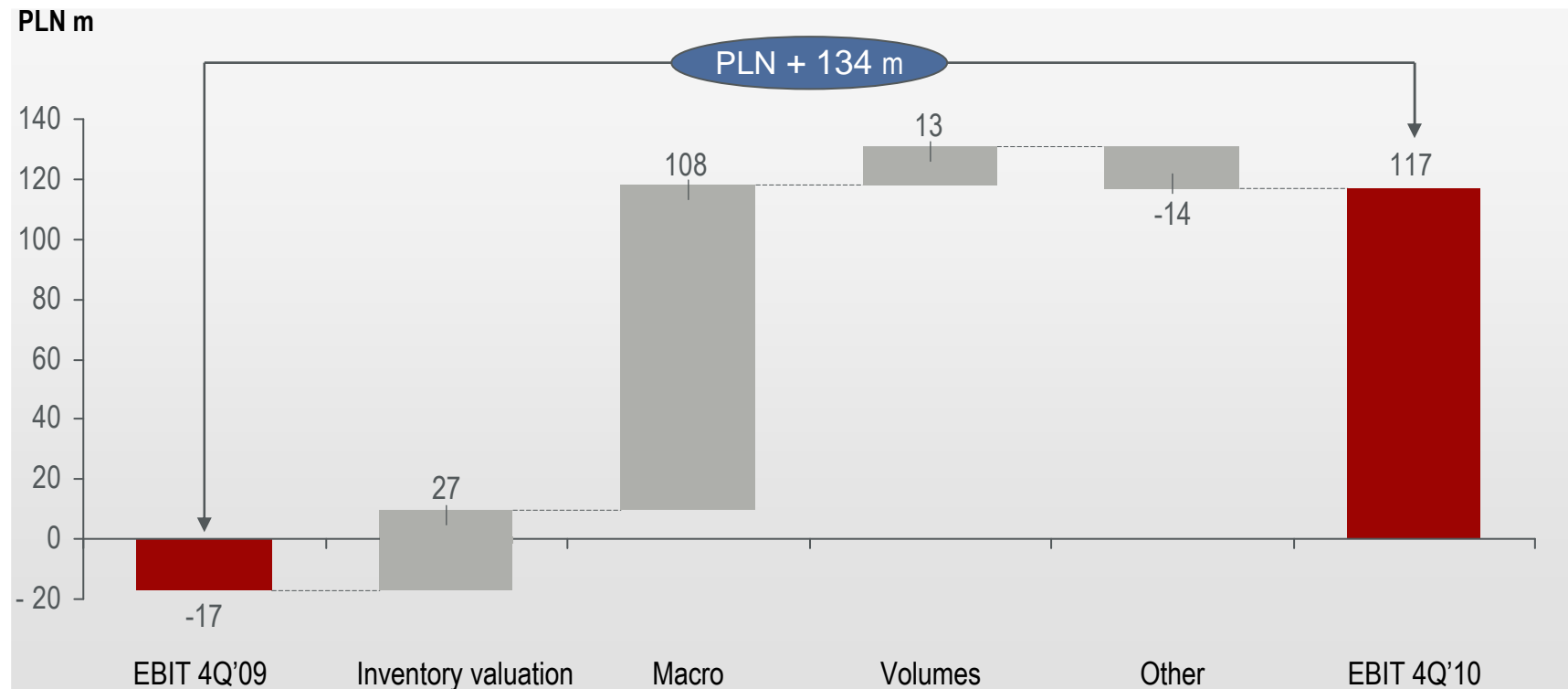


- ▶ Increase of volume sales by 3% (y/y) achieved mainly on Polish market at further optimization of the number of CoDo fuel stations.
- ▶ Stable level of volume sales on Czech market at decreasing fuel consumption.
- ▶ Unit margins under pressure of growing fuel prices.
- ▶ Increase of non-fuel margin in Group by over 9% (y/y) as a result of permanent extension of the trade offer and effective sales management.



Petrochemical segment

Olefins, polyolefins and fertilizers sales growth and stable level of PVC



- ▶ Increase in volume sales of olefins, polyolefins and fertilizers at maintaining of stable level of PVC sales despite breakdown of production units in Anwil.
- ▶ Observed improvement of petrochemical margins partially limited by strengthening of average PLN exchange rate against EUR.
- ▶ Negative result on other operating activity in the amount of PLN (-) 51 m connected mainly with revaluation of fixed assets in Spolana company at positive impact of received grants in the result of reduction of nitrous oxide emission in Anwil Group.



Inventories valuation effect: PKN ORLEN PLN 5 m, Unipetrol PLN 22 m.
Macroeconomic effect: exchange rate PLN (-) 69 m, margins PLN 177 m.

ORLEN

Main P&L elements breakdown by key companies in 4Q 2010

IFRS, PLN m	PKN ORLEN (unconsolidated)	Unipetrol ³⁾	ORLEN Lietuva ³⁾	Others & consolidation excludings	ORLEN Group 4Q10	ORLEN Group 4Q09
Revenues	17 349	3 551	5 217	-3 186	22 931	17 807
EBITDA	992	171	35	145	1 343	965
Depreciation & amortisation	222	139	123	112	596	631
EBIT	770	32	-88	33	747	334
Financial revenues ¹⁾	63	20	65	-34	114	96
Financial costs	-146	-42	-78	66	-200	-204
Net profit	573	12	-105	64	544	283
LIFO adjustment ²⁾	-245	-100	-130	-24	-499	-163

1) Consolidation excludings resulting mainly from transferring of PLN (-) 57 m of negative exchange rates differences from debts in USD to equity as a result of establishment of protecting connection with ORLEN Lietuva investment and elimination of dividend in the amount of PLN (-) 51 m received in ORLEN Group.

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 4Q 2010

IFRS, PLN m	PKN ORLEN (unconsolidated)	Unipetrol ⁴⁾	ORLEN Lietuva ⁴⁾	Others & consolidation excludings	ORLEN Group 4Q10	ORLEN Group 4Q09
EBIT	770	32	-88	33	747	334
<i>EBIT acc. to LIFO</i>	525	-68	-218	9	248	171
Refinery¹⁾	687	-13	-63	-1	610	333
<i>Refinery acc. to LIFO</i>	444	-85	-193	-25	141	173
Retail	179	22	-1	24	224	207
Petrochemicals²⁾	73	33	-	11	117	-17
<i>Petrochemicals acc. to LIFO</i>	71	5	-	11	87	-20
Corporate Functions³⁾	-169	-10	-24	-1	-204	-189

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 account¹

4Q09	3Q10	4Q10	change y/y	IFRS, USD m	12M09	12M10	change y/y
1 246	1 542	1 743	40%	Revenues	4 333	5 786	34%
8	16	39	388%	EBITDA	80	104	30%
-11	-7	15	-	EBIT	0,5	11	2160%
-39	-21	-24	38%	<i>EBIT acc. to LIFO</i>	-109	-40	63%
-41	9	1	-	Net result	-34	-31	9%

- ▶ Positive EBIT in 4q 2010 in amount of USD 15 m.
- ▶ Fixed costs and costs of wages lower in 4q 2010 by USD 4 m (y/y).
- ▶ Continuation of optimization employment programme: reduction of employment by 85 posts in 4q 2010 (319 employees in 2010).
- ▶ Further improvement of operating ratios: increase of utilization to the level of 102%, improvement of energy efficiency and limitation of own losses.
- ▶ Stable, high fuel yield at the level of 73%.

1) Presented data shows ORLEN Lietuva Group results acc. to IFRS in accordance with values published on Lithuanian market and do not include correction increasing depreciation and amortization costs as a result of completed valuation of ORLEN Lietuva Group fixed assets on the date of acquisition by PKN ORLEN and fixed assets impairment loss included in 2008. Correction of ORLEN Lietuva Group result includes mainly increasing depreciation and amortization costs and fixed assets impairment for the PKN ORLEN Group consolidation purposes amounted to USD 105 m in 2010..



UNIPETROL Group.

Key elements of the profit and loss account¹

4Q09	3Q10	4Q10	change y/y	IFRS, CZK m	12M09	12M10	change y/y
18 347	22 505	22 014	20%	Revenues	67 387	85 967	28%
620	1 170	983	59%	EBITDA	2 778	5 174	86%
-260	238	122	-	EBIT	-654	1 678	-
-563	513	-499	11%	<i>EBIT acc. to LIFO</i>	-2 067	670	-
-262	175	-68	74%	Net result	-840	937	-

- ▶ Increase of refining sales by 3 % (y/y) based on higher diesel sales as well as light and heavy heating oil.
- ▶ Significant increase of olefin sales volume by 20% (y/y).
- ▶ Continuation of increase of polyolefin prices.
- ▶ Further increase of high-margin fuels (VERVA) sales by 51% (y/y).
- ▶ Increase of market share of Benzina by 0,4 pp to 14,2%.
- ▶ Very good financial condition, negative net debt CZK (-) 2,5 bn what implies negative financial leverage (-) 6,5%.

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 2010 made for the PKN ORLEN Group consolidation was ca. CZK 442 m.



Key production data

Key production data	4Q09	3Q10	4Q10	change (y/y)	change (q/q)	12M09	12M10	change (y/y)
Refinery in Poland ¹								
Processed crude (tt)	3 498	3 664	3 788	8%	3%	14 526	14 452	-1%
Utilisation	98%	100%	100%	2 pp	0 pp	102%	100%	-2 pp
Fuel yield ⁴	69%	65%	63%	-6 pp	-2 pp	65%	64%	-1 pp
Middle distillates yield ⁵	48%	44%	45%	-3 pp	1 pp	44%	45%	0 pp
Gasoline yield ⁶	21%	21%	18%	-3 pp	-3 pp	21%	19%	-2 pp
Rafinerie w Czechach ²								
Processed crude (tt)	1 087	1 182	1 141	5%	-3%	4 110	4 353	6%
Utilisation	79%	86%	83%	4 pp	-3 pp	75%	79%	4 pp
Fuel yield ⁴	65%	66%	62%	-3 pp	-4 pp	64%	63%	-1 pp
Middle distillates yield ⁵	45%	47%	44%	-1 pp	-3 pp	45%	45%	0 pp
Gasoline yield ⁶	20%	19%	18%	-2 pp	-1 pp	19%	18%	-1 pp
Rafineria na Litwie ³								
Processed crude (tt)	1 944	2 481	2 541	31%	2%	8 407	8 985	7%
Utilisation	78%	99%	102%	24 pp	3 pp	84%	90%	6 pp
Fuel yield ⁴	75%	73%	73%	-2 pp	0 pp	72%	73%	1 pp
Middle distillates yield ⁵	42%	43%	42%	0 pp	-1 pp	40%	42%	2 pp
Gasoline yield ⁶	33%	30%	31%	-2 pp	1 pp	32%	31%	-1 pp

1) For 14,4 mt/y in 2010 and 14,3 mt/y in 2009 in PKN ORLEN quarterly. PKN ORLEN nameplate capacity in 2010 were presented so far as 15,1 mt/y and has been updated in 3q2010.

2) Production data refers to Ceska Rafinerska refinery [51% Litvinov (2,8 m t/y) and 51% Kralupy (1,7 m t/y)] and 100% Paramo (1,0 m t/y): Total 5,5 m t/y

3) Production data refers to ORLEN Lietuva refinery: 10 m t/y.




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

5) Middle distillates yield is a ratio of diesel, light heating oil (LHO) and JET production to crude oil throughput.

6) Gasoline yield is a ratio of gasoline production to crude oil throughput.



Major planned maintenance shutdowns for 2011

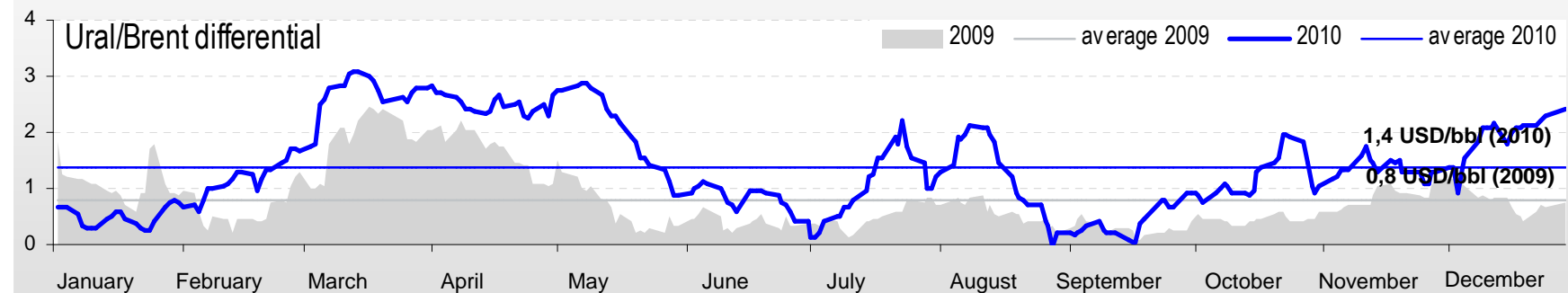
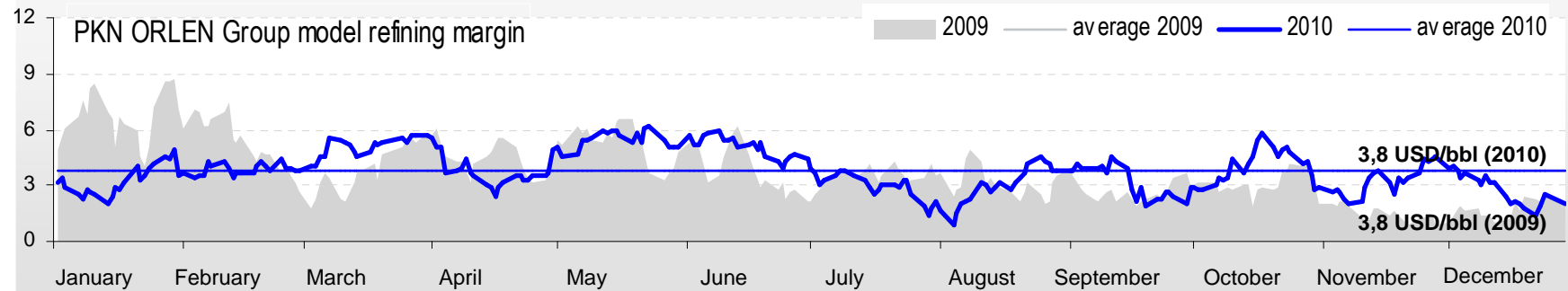
		1Q 11	2Q 11	3Q 11	4Q 11
	HDS V		■		
	Hydrogen Unit		■		
	Hydrocracker		■		
	H-Oil		■		
	FCC				■
	Refinery		■		■
	Litvinov - refinery			■	
	Litvinov - petrochemical			■	
	Kralupy - HDS		■		
	Paramo	■			

- ▶ Wider range of planned maintenance shutdowns comparing to previous year.
- ▶ Shutdowns of Hydrocracker, Hydrogen Unit, H-Oil and FCC in Plock are key in 2011.
- ▶ In April 2011 - 2-week shutdown of Lithuanian refinery.
- ▶ In September 2011- 5-week shutdown of Litvinov plant.

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



Macro environment in 2010 vs 2009



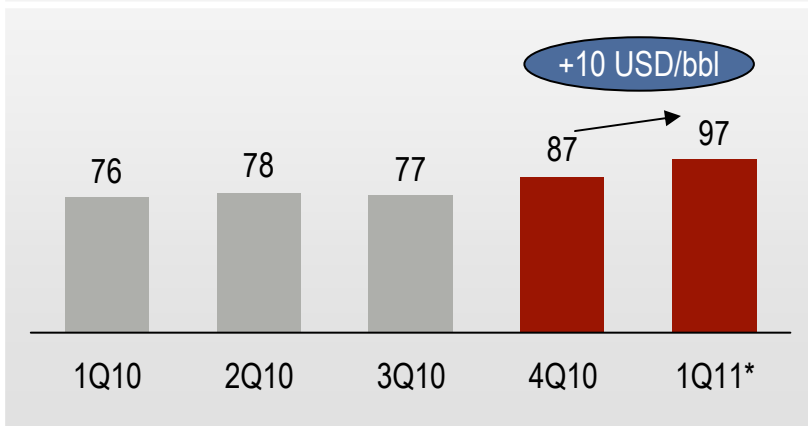
- ▶ Crude oil price – increase to 94USD/bbl at the end of 2010, the highest level since 2 years.
- ▶ PLN exchange rate – strengthening of yearly average PLN against USD by 3% to 3,02 and against EUR by 8% to 3,99.
- ▶ Ural/Brent differential – 0,6 USD/bbl above yearly average 2009 level.
- ▶ Model refining margin – yearly average remained at the 2009 level, i.e. 3,8 USD/bbl.
- ▶ Model petrochemical margin – yearly average significantly increased by 147 EUR/t to 694 EUR/t.



Macro environment in 1Q 2011

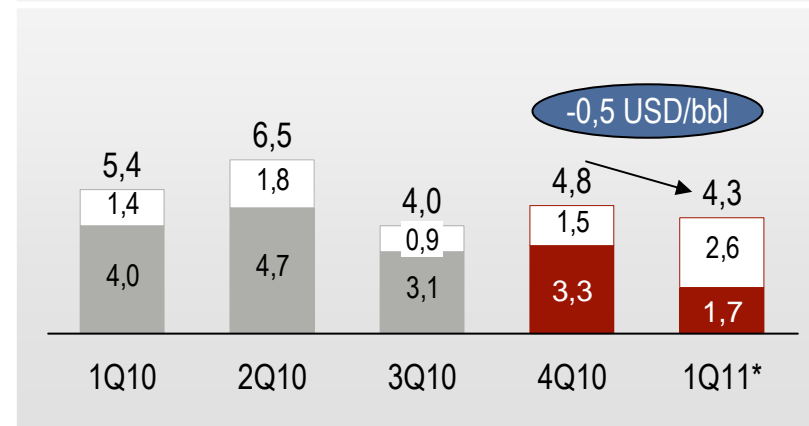
Crude oil price increase

Average Brent Crude Oil price, USD/bbl



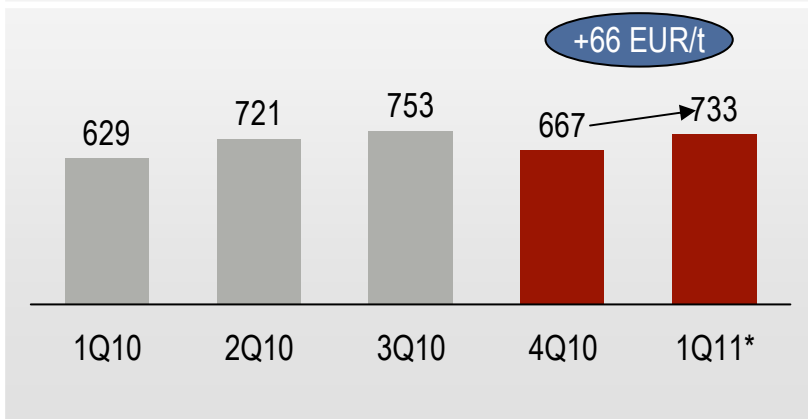
Refining margin decrease, whereas U/B diff increase

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



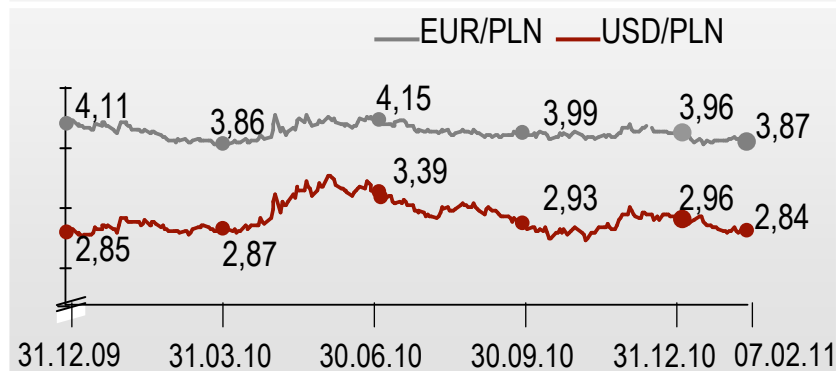
Petrochemical margin increase

Model petrochemical margin, EUR/t



PLN stronger against EUR and USD

EUR/PLN and USD/PLN exchange rate

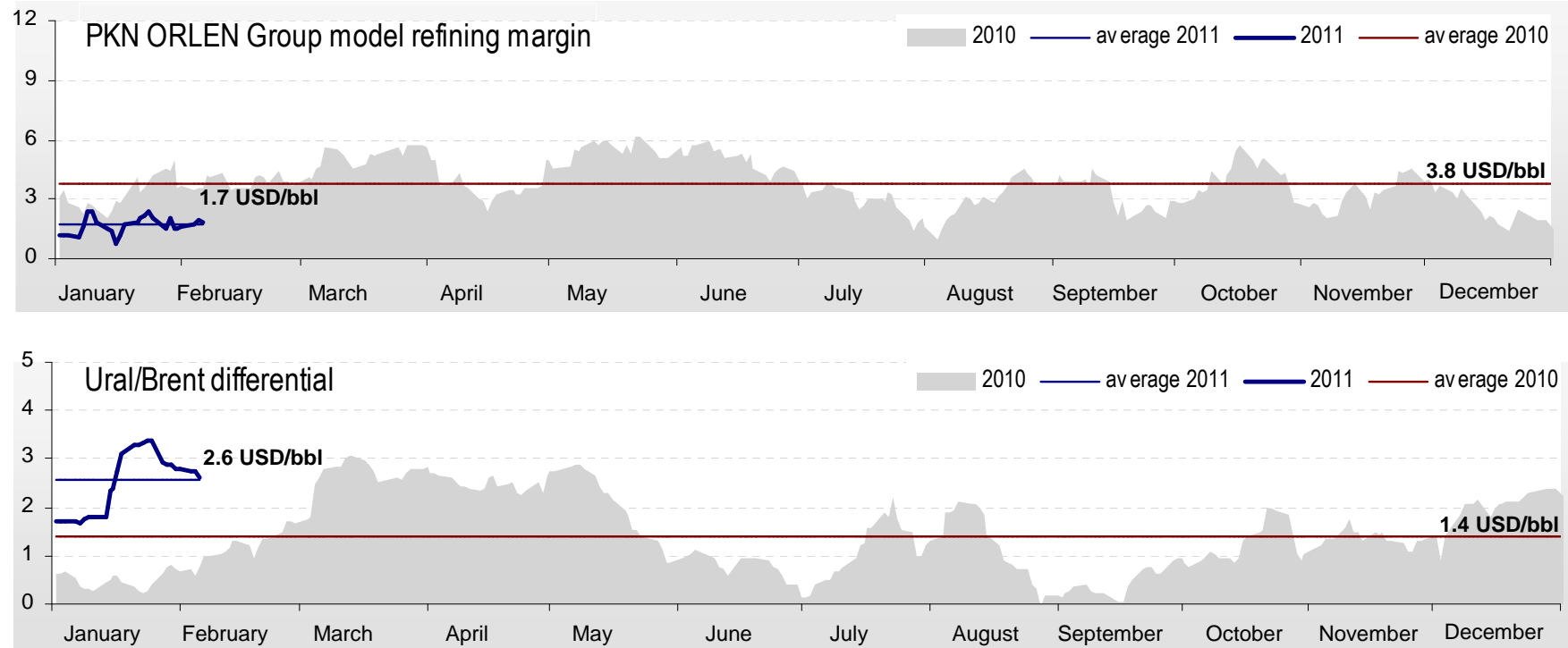


* Data QTD for 07.02.2011



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Macro environment forecast for 2011



- ▶ Crude oil price – further increase over 100USD/bbl.
- ▶ PLN exchange rate – strengthening against USD and EUR.
- ▶ Ural/Brent differential – increase to 2,6 USD/bbl (yearly average expected between 1,0-1,5USD/bbl).
- ▶ Model refining margin – decrease to 1,7 USD/bbl (yearly average expected between 4,0-4,5USD/bbl).
- ▶ Model petrochemical margin – increase to 733 EUR/t (yearly average expected between 700-750EUR/t).

* Data QTD for 07.02.2011



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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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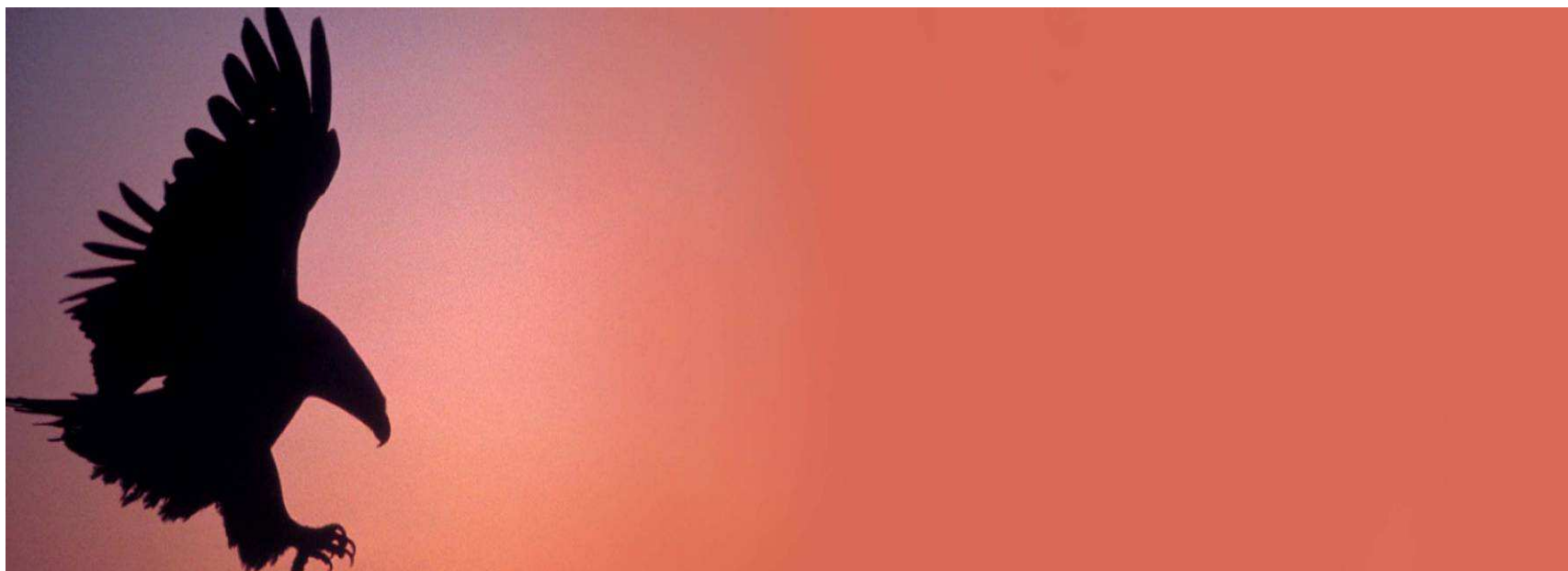
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