Estimations of selected financial and operating data for ORLEN Capital Group for 3Q12
Regulatory announcement no 194/2012 dated 19 October 2012

Polski Koncern Naftowy ORLEN Spolka Akcyjna ("Company", "PKN ORLEN S.A.") hereby announces estimates of selected financial and operating data for ORLEN Capital Group ("PKN ORLEN") for 3Q12.

Table 1.

Macro environment	unit	3Q11	4Q11	1Q12	2Q12	3Q12	change q/q	change y/y	9M11	9M12	change 9M12 / 9M11
Brent crude oil price	USD/b	113,4	109,4	118,6	108,3	**109,5**	*1%*	*-3%*	111,9	**112,1**	*0%*
Brent/Ural differential[1]	USD/b	0,7	0,3	1,3	2,1	**0,7**	*-67%*	*0%*	2,2	**1,4**	*-36%*
Model refining margin[2]	USD/b	2,7	2,8	3,3	6,8	**8,4**	*24%*	*211%*	1,9	**6,2**	*226%*
Model petrochemical margin[3]	EUR/t	663	609	618	772	**625**	*-19%*	*-6%*	736	**672**	*-9%*
Average USD/PLN[4]	PLN	2,94	3,28	3,23	3,33	**3,31**	*-1%*	*13%*	2,86	**3,29**	*15%*
Average EUR/PLN[4]	PLN	4,15	4,42	4,23	4,26	**4,14**	*-3%*	*0%*	4,02	**4,21**	*5%*
USD/PLN (at the end of period)[4]	PLN	3,26	3,42	3,12	3,39	**3,18**	*-6%*	*-2%*	3,26	**3,18**	*-2%*
EUR/PLN (at the end of period)[4]	PLN	4,41	4,42	4,16	4,26	**4,11**	*-4%*	*-7%*	4,41	**4,11**	*-7%*

1) Spread Ural Rdam vs fwd Brent Dtd = Med Strip - Ural Rdam (Ural CIF Rotterdam).
2) PKN ORLEN model refining margin = revenues from products sold (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 quotations. Spot market quotations.
3) PKN ORLEN model petrochemical margin = revenues from products sold (98% Products = 44% HDPE + 7% LDPE + 35% PP Homo + 12% PP Copo) - costs (100% input = 75% Naphtha + 25% LS VGO). Contract market quotations.
4) According to the National Bank of Poland.

Table 2.

Production	unit	3Q11	4Q11	1Q12	2Q12	3Q12	change q/q	change y/y	9M11	9M12	change 9M12 / 9M11
Total crude oil throughput in PKN ORLEN, including:	th t	7 418	7 179	6 655	6 362	**7 431**	*17%*	*0%*	20 606	**20 448**	*-1%*
Throughput in Plock	th t	3 953	3 814	3 656	3 836	**3 759**	*-2%*	*-5%*	10 734	**11 251**	*5%*
Utilisation ratio[5]	%	97%	94%	90%	94%	**92%**	*-2 p.p.*	*-5 p.p.*	90%	**92%**	*2 p.p.*
Fuel yield[6]	%	75%	76%	78%	76%	**78%**	*2 p.p.*	*3 p.p.*	76%	**77%**	*1 p.p.*
Throughput in Unipetrol	th t	941	1 010	906	1 013	**1 043**	*3%*	*11%*	2 932	**2 962**	*1%*
Utilisation ratio[7]	%	74%	79%	71%	79%	**93%**	*14 p.p.*	*19 p.p.*	77%	**81%**	*4 p.p.*
Fuel yield[6]	%	81%	77%	81%	79%	**80%**	*1 p.p.*	*-1 p.p.*	78%	**80%**	*2 p.p.*
Throughput in ORLEN Lietuva	th t	2 435	2 283	2 023	1 454	**2 551**	*75%*	*5%*	6 724	**6 028**	*-10%*
Utilisation ratio[8]	%	96%	90%	79%	57%	**100%**	*43 p.p.*	*4 p.p.*	88%	**79%**	*-9 p.p.*
Fuel yield[6]	%	75%	75%	76%	73%	**75%**	*2 p.p.*	*0 p.p.*	75%	**75%**	*0 p.p.*

5) Throughput capacity for Plock refinery is 16,3 mt/y.
6) Fuel yield = gasoline, naphtha, LPG, diesel, LHO, JET (production excluding BIO and internal transfers) / crude oil throughput.
7) Throughput capacity for Unipetrol was 5,1 mt/y. Since 3Q12 is 4,5 mt/y due to discontinuation of crude oil processing in Paramo. CKA [51% Litvinov (2,81 mt/y) and 51% Kralupy (1,64 mt/y)].
8) Throughput capacity for ORLEN Lietuva is 10,2 mt/y.

Table 3.

Sales	unit	3Q11	4Q11	1Q12	2Q12	3Q12	change q/q	change y/y	9M11	9M12	change 9M12 / 9M11
Total sales in PKN ORLEN including:	th t	9 626	9 153	8 224	8 149	**9 627**	*18%*	*0%*	26 293	**26 000**	*-1%*
Refining sales	th t	6 279	5 992	5 111	5 095	**6 290**	*23%*	*0%*	17 041	**16 496**	*-3%*
Retail sales	th t	1 987	1 922	1 732	1 873	**1 995**	*7%*	*0%*	5 423	**5 600**	*3%*
Petrochemical sales	th t	1 360	1 239	1 381	1 181	**1 342**	*14%*	*-1%*	3 829	**3 904**	*2%*

Macro environment

Changes in macroeconomic factors in 3Q12 (y/y):

- Model refining margin and Brent/Ural differential in total increased by 5,7 USD/bbl to 9,1 USD/bbl.
- Model petrochemical margin decreased by (-) 38 EUR/t to 625 EUR/t.
- Average USD/PLN increased by PLN 0,37 to 3,31.
- Average EUR/PLN decreased by PLN (-) 0,01 to 4,14.

Changes in macroeconomic factors in 3Q12 (q/q):

- Model refining margin and Brent/Ural differential in total increased by 0,2 USD/bbl.
- Model petrochemical margin decreased by (-) 147 EUR/t.
- Average USD/PLN decreased by PLN (-) 0,02.

  USD/PLN at the end of 3Q12 decreased by PLN (-) 0,21 and amounted to 3,18.
- Average EUR/PLN decreased by PLN (-) 0,12.

  EUR/PLN at the end of 3Q12 decreased by PLN (-) 0,15 and amounted to 4,11.

Operational parameters

Crude oil throughput in PKN ORLEN reached 7,4mt in 3Q12 and was comparable (y/y).

- Plock refinery: lower utilisation ratio by (-) 5 pp (y/y) as a result of cyclical maintenance shutdown of Olefin II and PTA. Simultaneously, maintenance shutdown of CDU III was conducted. Increase of fuel yield by 3 pp (y/y) mainly due to lack of maintenance shutdowns, which took place in 3Q11 as well as usage of semi-products accumulated during maintenance shutdown of Hydrocracker in 2Q12.
- Unipetrol: increase of utilisation ratio by 19 pp (y/y) mainly due to reduction in throughput capacity from 5,1 mt/y to 4,5 mt/y since 3Q12 as a result of discontinuation of crude oil processing in Paramo and lack of maintenance shutdowns of refinery and petrochemicals in Litvinov, which took place in 3Q11. Comparable fuel yield (y/y) despite lack of one-offs increasing fuel yield in 3Q11 due to usage of semi-products accumulated before shutdowns.
- ORLEN Lietuva: full utilisation in 3Q12 as a result of finalization of cyclical maintenance shutdown of refinery in 2Q12 and favourable macro environment.

Stable refining and retail sales at lower petrochemical volumes due to maintenance shutdown of Olefin II and PTA.

- Lower refining volumes (y/y) on Polish market due to downward trend in fuel consumption compensated by sales increase in ORLEN Lietuva.
- Remained high retail volumes (y/y) at falling consumption, mainly due to increase on German market. Gradual retail margins improvement in 3Q12 (y/y) on Polish market at remained pressure on margins in the Czech Republic.
- Lower by (-) 8% (y/y) olefin, polyolefin and PTA sales due to maintenance shutdowns and lower by (-) 19% (y/y) PVC volumes reflecting falling consumption compensated by 15% (y/y) increase in fertilizers sales.

Financial parameters

- Positive total impact of changes in macroeconomic factors and sales volumes amounted to ca. PLN 0,6 bn (y/y).

- Positive impact of other operating elements and change of other operating activity balance amounted to ca. PLN 0,2 bn (y/y), of which PLN 0,1 bn relates to 'yellow' certificates granted to PKN ORLEN for the period from 2010 to the end of September 2012 based on decision of President of Energy Regulatory Office confirming fulfilment of obligations high-efficiency cogeneration in energy production by Płock heat and power plant.

As a result, estimated EBIT acc. LIFO will be higher by ca. PLN 0,8 bn (y/y).

Due to rising crude oil prices in July and August 2012, estimated LIFO effect will boost EBIT in 3Q12 by over PLN 0,4 bn.

As a result, estimated EBIT in 3Q12 will amount to ca. PLN 1,4 bn.

Positive net effect from debt revaluation in 3Q12 amounted to ca. PLN 0,5 bn, of which ca. PLN 0,3 bn refers to USD denominated debt connected with ORLEN Lietuva investment and foreign units debts, which will be booked in equity. Remaining part in the amount of ca. PLN 0,2 bn will be booked in P&L.
Revaluation of other positions in foreign currencies, valuation and settlement of hedging instruments as well as net interests costs will not have material impact on financials.

Moreover, we inform that due to standard quarterly procedures in accordance with IAS 36 (Impairment of Assets) there are currently carried out analysis of potential reasons to conduct tests for impairment of assets.

Additionally, in accordance with IAS 10 (Events After the Balance Sheet Date), significant events taking place after the balance sheet date till the date of financial statements approval, in particular risks evaluation, can impact the reported results.

All information published in this report is an estimate and may differ from results which will be published on 25 October 2012 in PKN ORLEN consolidated financial statements for 3Q12.

This announcement has been prepared pursuant to §5 item 1 p 25 and §31 of the Regulation of the Minister of Finance, dated 19 February 2009, on current and periodic information to be published by issuers of securities and on the conditions under which such information may be recognized as being equivalent to information required by the regulations of law of a state which is not a member state (Journal of Laws 2009 No. 33, item 259, with subsequent changes) and Article 56 section 1 p 1 of the Act on Public Offerings, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies dated 29 July 2005 (Journal of Laws 2009 No. 185, item 1439, with subsequent changes).

Management Board of PKN ORLEN S.A.