PKN ORLEN consolidated financial results
4Q16

26 January 2017

#ORLEN4Q16@PKN_ORLEN

Agenda

- Key highlights 2016
- Macroeconomic environment
- Financial and operating results
- Liquidity and investments
- Market outlook for 2017

Key highlights 2016

Value creation

- EBITDA LIFO: PLN 9,4 bn*
- Results under the pressure of weaker macro and shutdowns
- Record-high retail result
- Long-term contract with Saudi Aramco for crude oil deliveries
- Building units of Polyethylene in Litvinov and Metathesis in Płock
- Strategy for 2017-2021

People

- The World's Most Ethical Company 2016
- Top Employer Polska 2016
- Stock of the year from WIG20 index according to Parkiet daily
- Financial reporting and Integrated Report 2015 of ORLEN Group awarded for the highest quality (IRiP, WSE)
- ORLEN Warsaw Marathon / Verva Street Racing

Financial strength

- Dividend for 2015: payout PLN 0,9 bn / PLN 2,00 per share
- Eurobond issue: value of EUR 750 m
- Financial gearing: 11,5%

* Data before impairments of assets in the amount of PLN 0,2 bn, of which mainly: PLN 0,3 bn impairment reversal on refining assets in Unipetrol, PLN (-) 0,1 bn ORLEN Upstream in Poland and ORLEN Oil assets

Agenda

Key highlights 2016

Macroeconomic environment

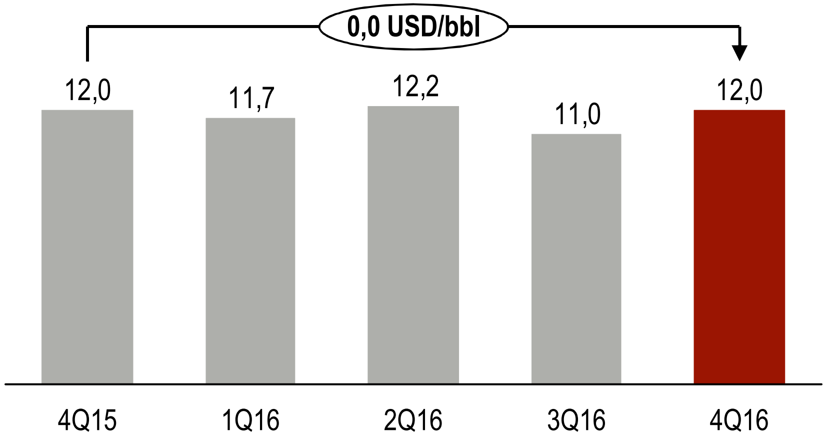
Financial and operating results

Liquidity and investments

Market outlook for 2017

Macro environment in 4Q16 (y/y)

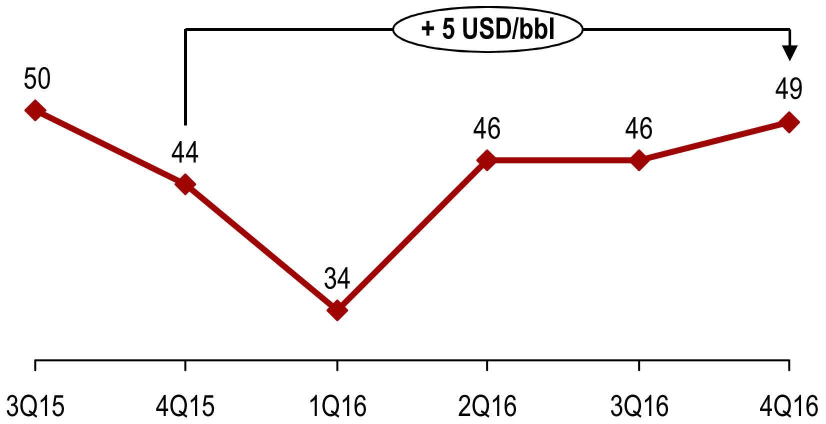
Comparable level of downstream margin
Model downstream margin, USD/bbl



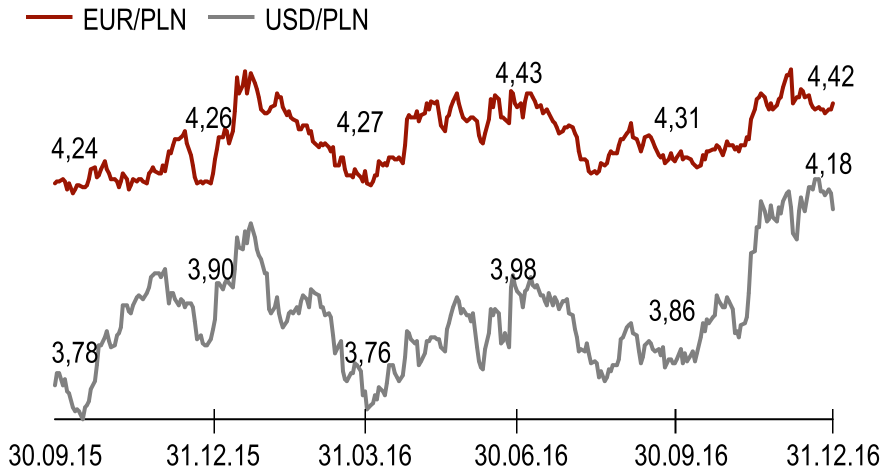
Product slate of downstream margin
Crack margins

Refining products (USD/t)	4Q15	3Q16	4Q16	Δ (y/y)
Diesel	85	66	87	2%
Gasoline	140	125	131	-6%
HHO	-147	-119	-110	25%
SN 150	197	106	110	-44%
Petrochemical products (EUR/t)				
Ethylene	604	619	608	1%
Propylene	373	368	393	5%
Benzene	264	304	266	1%
PX	427	431	396	-7%

Crude oil price increase
Average Brent crude oil price, USD/bbl



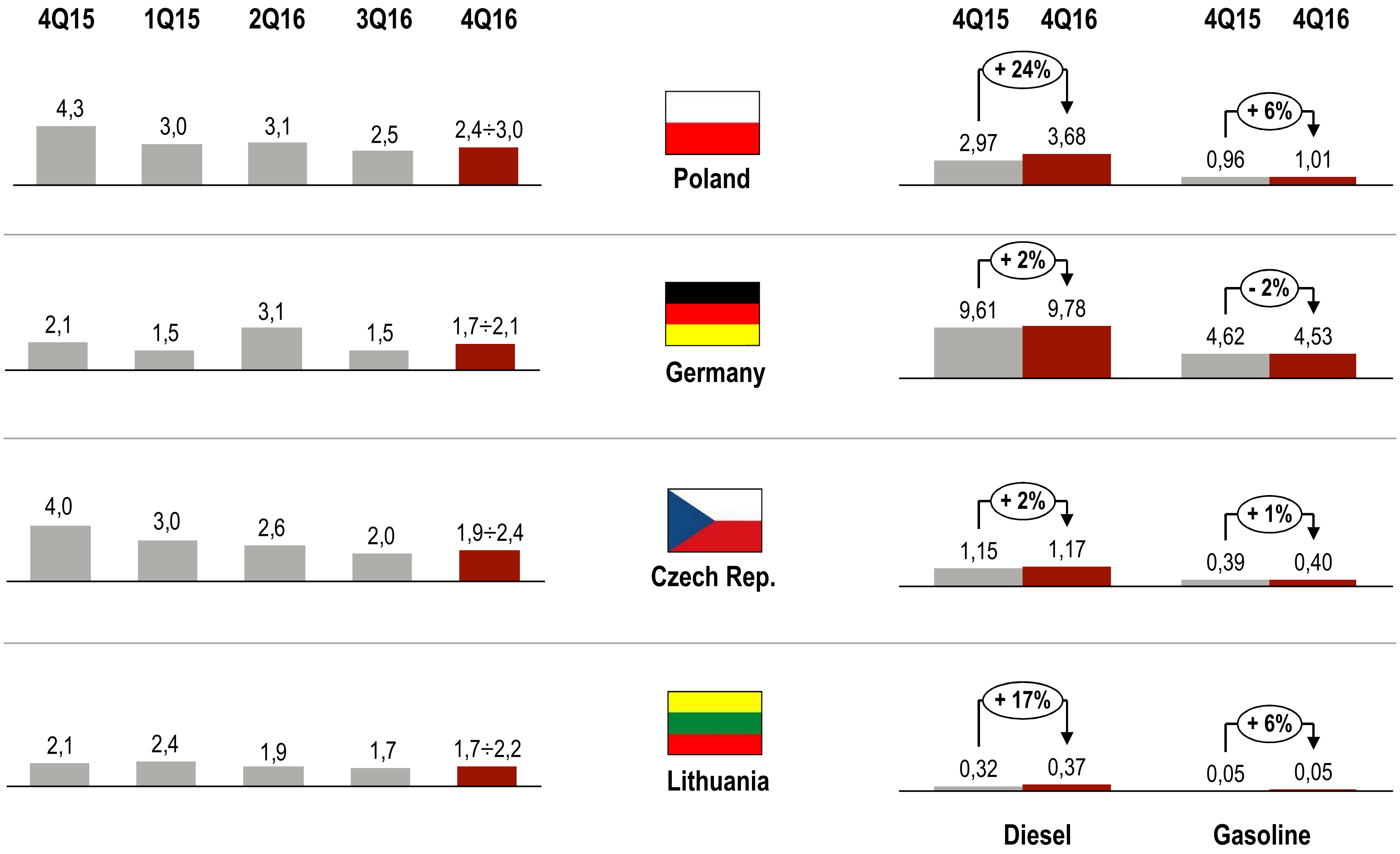
Weakening of average PLN against USD and EUR
USD/PLN and EUR/PLN exchange rate



Diesel consumption increase (y/y)

GDP increase[1]
Change (%) to respective quarter of the last year

Fuel consumption (diesel, gasoline)[2]
mt



[1] Poland – Statistical Office / not unseasonal data; (Germany, Lithuania) – Eurostat / not unseasonal data, the Czech Rep. – Statistical Office / unseasonal data, 4Q16 – estimates
[2] 4Q16 – PKN ORLEN estimates based on available data from ARE, Lithuanian Statistical Office, Czech Statistical Office and German Association of Petroleum Industry

Agenda

Key highlights 2016

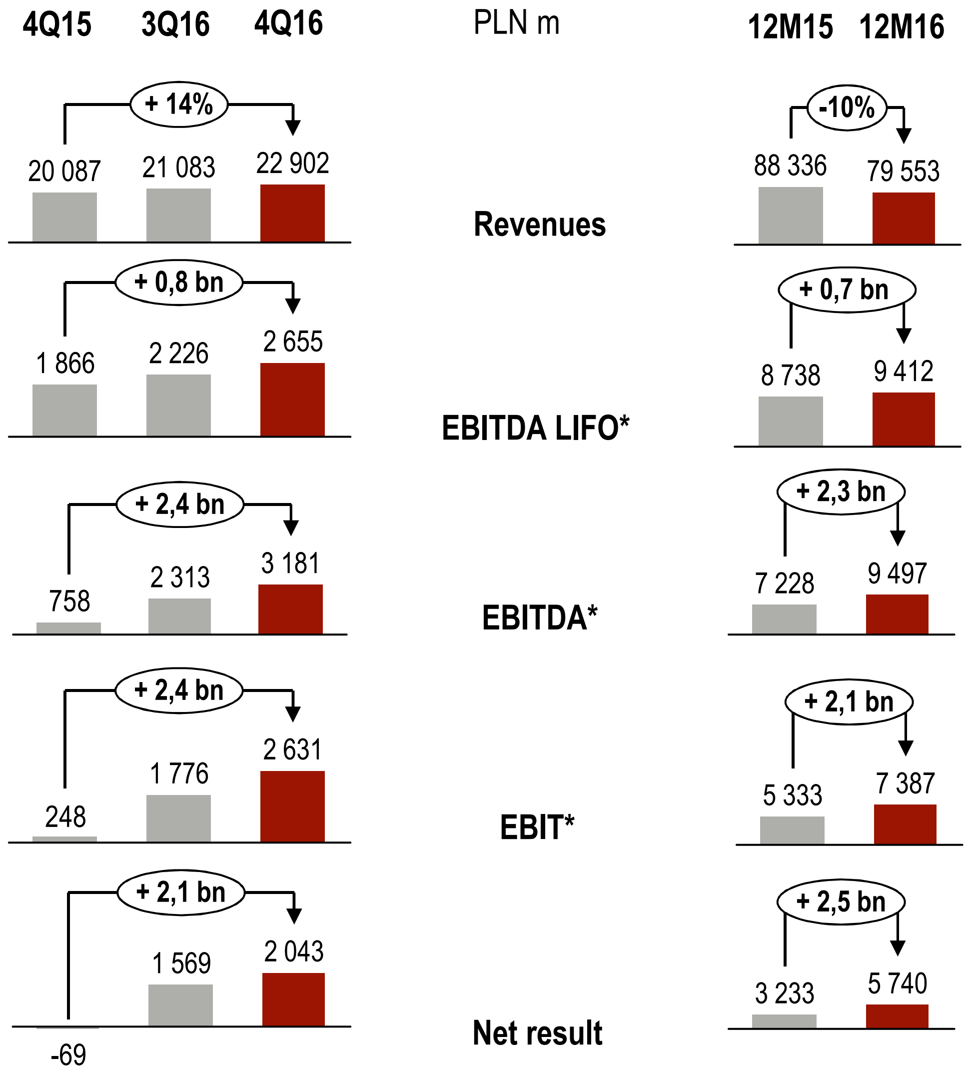
Macroeconomic environment

Financial and operating results

Liquidity and investments

Market outlook for 2017

Financial results in 4Q16



Revenues: increase by 14% (y/y) due to higher crude oil price and sales volumes increase

EBITDA LIFO: increase by PLN 0,8 bn (y/y) due to positive effect of sales volumes increase, higher fuel and non-fuel margins in retail, insurance payment related to Steam Cracker in Litvinov and inventory revaluation (NRV) at negative effect of lower trading margins for refining products (y/y)

LIFO effect: PLN 0,5 bn in 4Q16 mainly due to higher crude oil prices in PLN

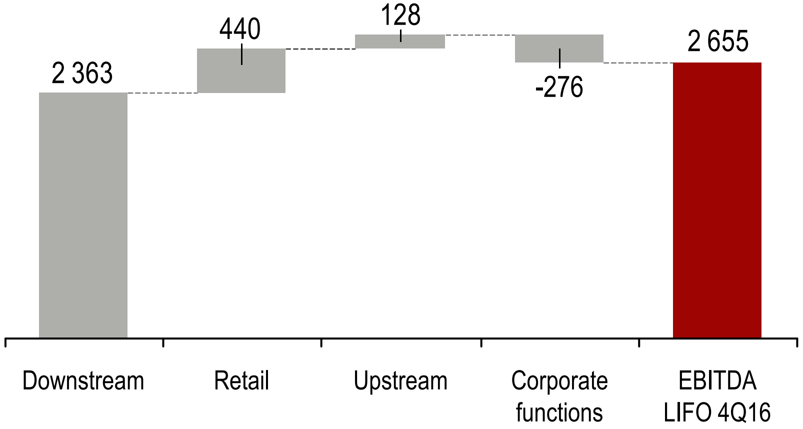
Financials' result: PLN (-) 0,3 bn mainly due to negative FX including PLN (-) 0,2 bn unrealized FX as well as interest costs

Net result: over PLN 2,0 bn profit in 4Q16

* Data before impairments of assets:
4Q15: PLN (-) 0,4 bn regarding mainly upstream assets of ORLEN Upstream in Canada
4Q16: PLN 0,2 bn , of which mainly: PLN 0,3 bn reversal of impairment of refining assets in Unipetrol, PLN (-) 0,1 bn ORLEN Upstream in Poland and ORLEN Oil assets
12M15: PLN (-) 1,0 bn, of which mainly: PLN (-) 0,4 bn ORLEN Upstream in Poland, PLN (-) 0,1 bn Unipetrol , PLN (-) 0,4 bn ORLEN Upstream in Canada
12M16: PLN 0,2 bn , of which mainly: PLN 0,3 bn reversal of impairment of refining assets in Unipetrol, PLN (-) 0,1 bn ORLEN Upstream in Poland and ORLEN Oil assets

EBITDA LIFO

Segments' results in 4Q16
PLN m



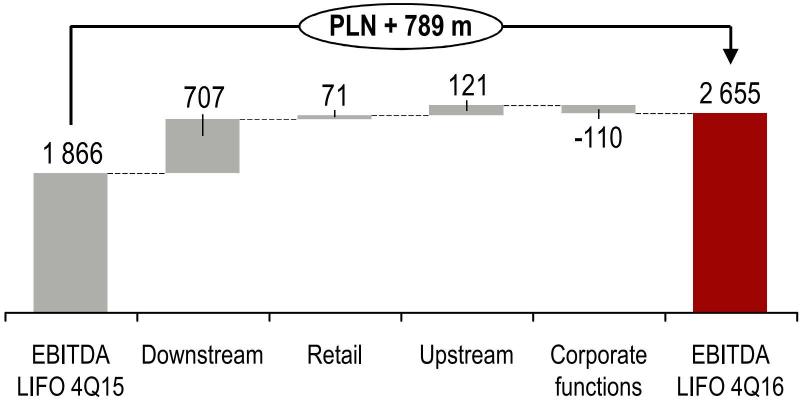
Positive impact (y/y) of:

- sales volumes increase
- weakening of PLN against foreign currencies
- higher fuel and non-fuel margins in retail
- insurance payment related to Steam Cracker in Litvinov
- inventory revaluation (NRV)

offset by negative impact (y/y) of:

- lower trading margins for refining products

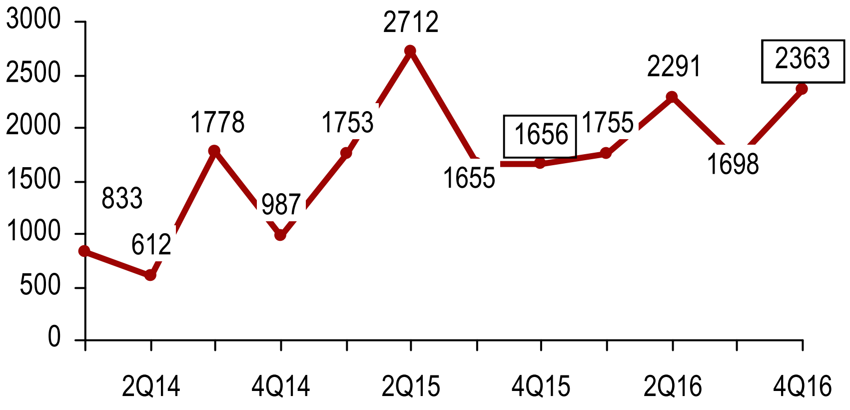
Change in segments' results (y/y)
PLN m



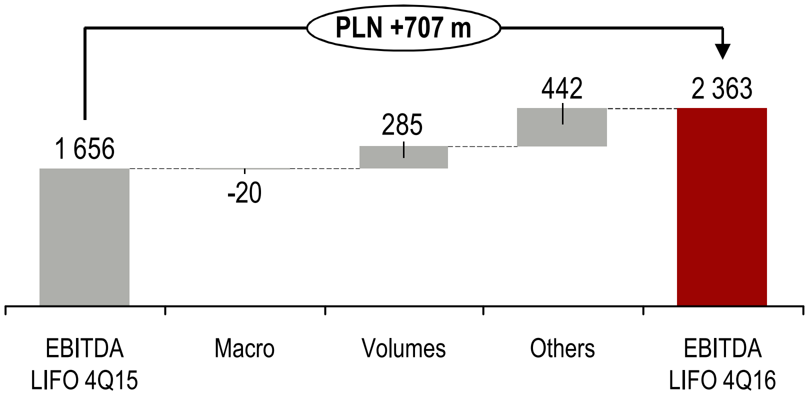
- **Downstream:** positive impact of sales volumes increase, weakening of PLN against foreign currencies, insurance payment related to Steam Cracker in Litvinov and inventory revaluation (NRV) at negative impact of lower trading margins for refining products (y/y)
- **Retail:** positive impact of sales volumes increase and higher fuel and non-fuel margins (y/y)
- **Upstream:** positive impact of sales volumes increase and macro due to higher crude oil and gas prices (y/y)
- **Corporate function:** costs on comparable level (y/y) with one off effect of provisions update

Downstream – EBITDA LIFO
Good result due to higher sales and one-off's

EBITDA LIFO
PLN m



EBITDA LIFO – impact of factors
PLN m



- Higher throughput by 7% (y/y) mainly due to relaunch of FCC and Steam Cracker installations after unplanned shutdowns
- Sales volumes increase by 7% (y/y)
- Sales increase (y/y): diesel 13%, polyolefins 32%, fertilizers 12% and PVC 5%
- Weakening of PLN against USD by 4% and EUR by 3% (y/y)

Others include mainly:

- PLN 0,3 bn (y/y) – positive impact of insurance payment related to Steam Cracker in Litvinov
- PLN 0,1 bn (y/y) – positive net impact of inventory revaluation (NRV) and lower trading margins for refining products (y/y)

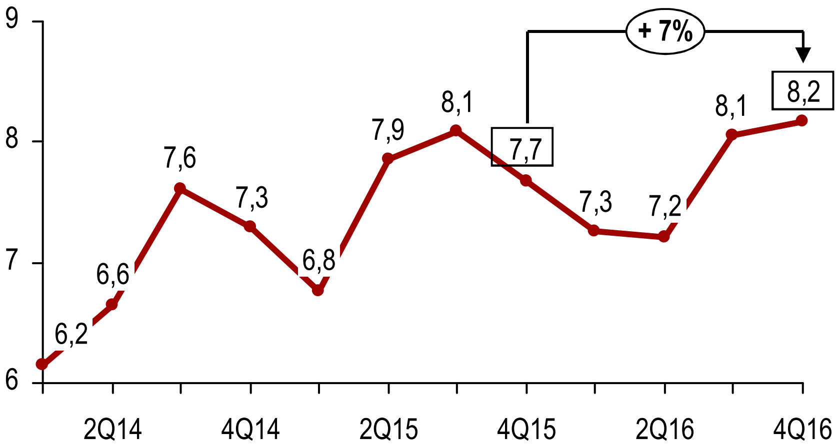
- Negative impact of lower margins on petrochemical products and fertilizers
- Lower sales (y/y): gasoline (-) 3%, olefins (-) 38%, PTA (-) 2%

Macro: margins and differential: PLN (-) 74 m, exchange rate PLN 54 m, of which hedge PLN (-) 52 m

Downstream – operational data
Higher throughput and sales volumes increase by 7% (y/y)

Sales volumes

mt



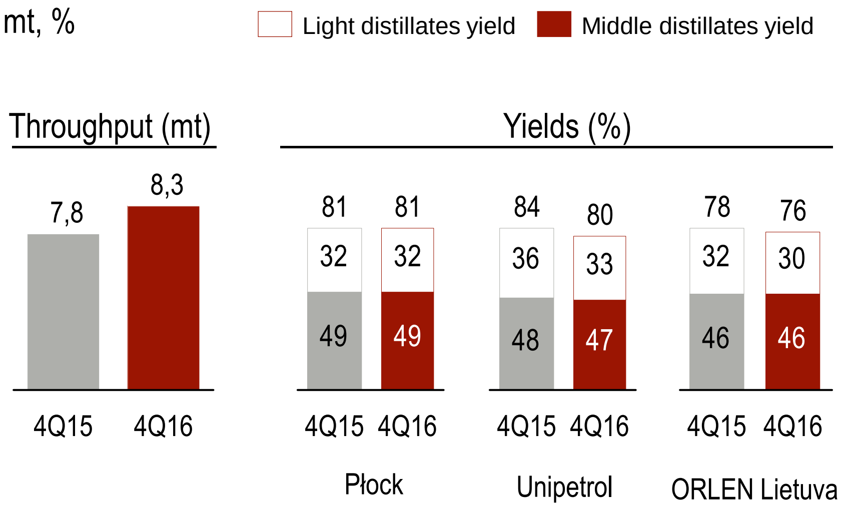
Utilization ratio

%

Refineries	4Q15	3Q16	4Q16	Δ (y/y)
Płock	94%	98%	93%	-1 pp
Unipetrol	72%	48%	90%	18 pp
ORLEN Lietuva	90%	96%	97%	7 pp
Petrochemical installations				
Olefins (Płock)	90%	71%	45%	-45 pp
Olefins (Unipetrol)	0%	0%	70%	70 pp
BOP	84%	68%	46%	-38 pp

Crude oil throughput and fuel yield

mt, %

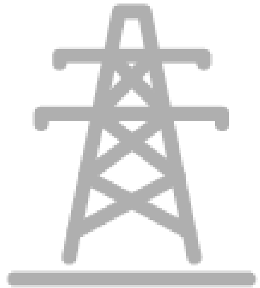


- Higher throughput by 7% and utilization ratio by 6pp (y/y), of which: (-) 1pp in Płock due to shutdown of CDU, HDS and Olefin unit, PE/PP in BOP and PVC in Anwil; 18pp in Unipetrol mainly due to relaunch of FCC and Steam Cracker installations after unplanned shutdowns and 7pp in ORLEN Lietuva due to lack of shutdowns
- Poland – higher sales of refining products at lower petrochemical sales due to Olefin unit maintenance shutdown. Higher sales of fertilizers partially offset by lower sales of PVC due to maintenance shutdowns.
- Czech Rep. – petrochemical sales increase due to relaunch in November 2016 of Steam Cracker installation after unplanned shutdowns from August 2015 at flat refining products sales
- ORLEN Lietuva – higher sea-borne sales at lower inland sales.

Downstream
Energy projects realisation of industrial cogeneration

Construction of CCGT Włocławek

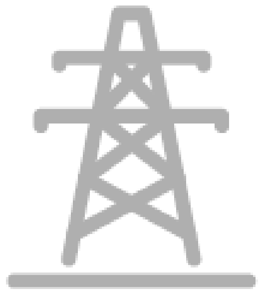
- 4Q16 - the shutdown phase connected with the elimination of diagnosed defects
- The elements of the steam turbine were repaired and balanced
- The installation works due to the repairment of the steam turbine are conducted
- 1Q17 - planned restart of the block
- 2Q17 - the block intended for commercial operation



463 MWe

Construction of CCGT Płock

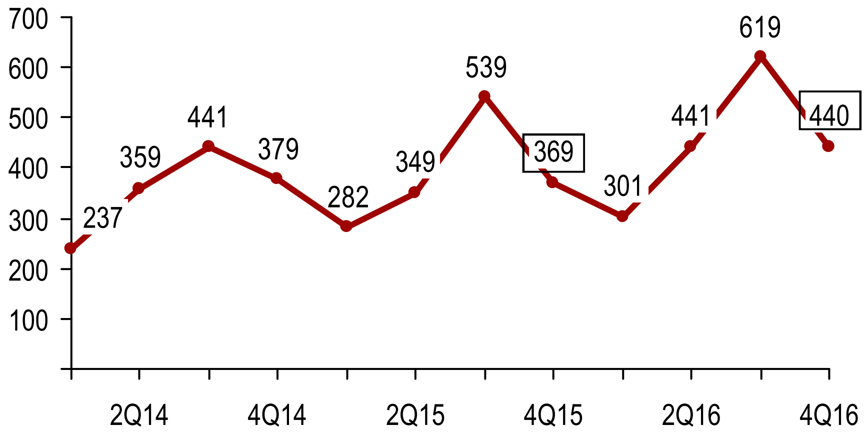
- In 4Q16 intensive installation works started including: power train, boiler, steam extraction pipelines, cooling water towers, gas station and water treatment station
- All of technological modules were delivered
- Completion of 400kV cable installation from the step-up transformer to the coupling station
- 100% easement was obtained for 400kV block line
- CAPEX PLN 1,65 bn
- Planned start-up at the end of 4Q17



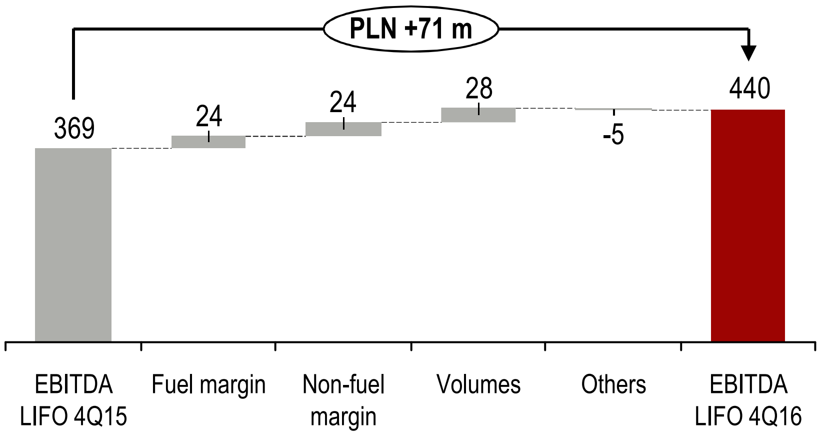
596 MWe

Retail – EBITDA LIFO
Record-high result in 4Q

EBITDA LIFO
PLN m



EBITDA LIFO – impact of factors
PLN m

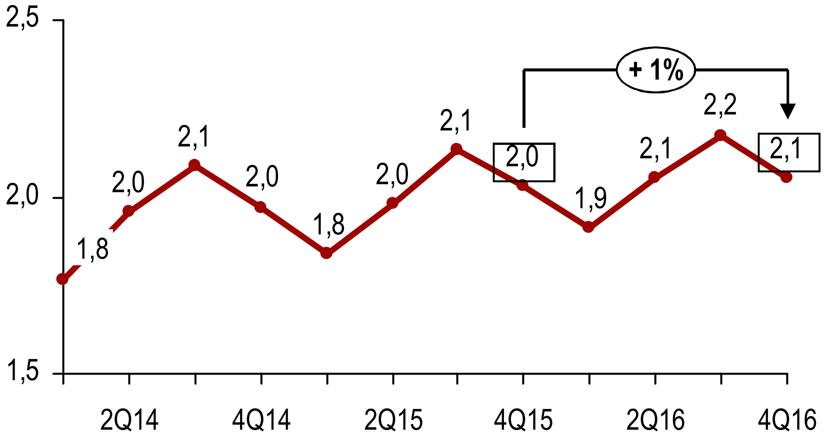


- Sales increase by 1% (y/y)
- Market share increase in the Czech Republic (y/y)
- Fuel margin increase in Polish and German markets at lower margins in Czech and Lithuanian markets (y/y)
- Non-fuel margins increase in Polish, German and Czech markets (y/y)
- 1691 Stop Cafe and Stop Cafe Bistro locations; increase by 133 (y/y)

- Others include mainly higher costs of running fuel stations connected with the higher sales volumes

Retail – operational data
Increase of sales, fuel margins and non-fuel margins (y/y)

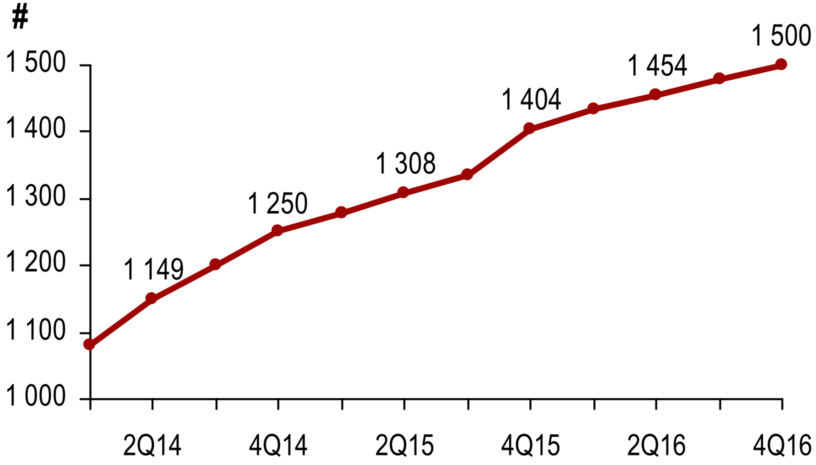
Sales volumes
mt



Number of petrol stations and market shares (by volume)
#, %

	# stations	Δ y/y	% market	Δ y/y
PL	1 766	17	35,1%	-0,7 pp
DE	572	7	6,0%	0,0 pp
CZ	363	24	17,5%	1,5 pp
LT	25	-1	3,5%	-0,2 pp

Number of Stop Cafe and Stop Cafe Bistro in Poland
#



- Sales increase by 1% (y/y), of which: increase in Poland by 4%, in the Czech Rep. by 15% and in Lithuania by 8% at comparable sales (y/y) in Germany*
- Market share increase in the Czech Republic by 1,5 pp (y/y)
- 2726 stations at the end of 4Q16, i.e. increase of stations in total by 47 (y/y), of which: increase in Poland by 17, in Germany by 7 and in the Czech Rep. by 24 and decrease in Lithuania by (-) 1 station
- Further growth of non-fuel offer by launching 39 Stop Cafe and Stop Cafe Bistro locations in 4Q16. In total, at the end of 4Q16 there were 1691 locations, including: 1500 in Poland, 168 in the Czech Rep. and 23 in Lithuania

* Sales volumes on ORLEN Deutschland fuel stations. After elimination of intercompany transactions within ORLEN Group, total sales volumes of ORLEN Deutschland decreased by (-) 8% (y/y).

Upstream
Exploration and production projects in Poland

Poland

4Q16

- Start of acquisition of 2D seismic data, continuation of the acquisition of 3D seismic data and conduction of the production tests on exploration well on Bieszczady project
- Production launch of new exploration well within the cooperation with PGNiG (Karmin deposit) and continuation of works on usage of next exploration wells on Płotki project
- New concession for exploration and recognition of hydrocarbons in the Edge area was acquired
- Wołomin concession was not renewed (the concession has expired in December 2016).

Total reserves of crude oil and gas (2P)

Ca. 11 mln boe*

4Q16

Average production: 1,2 th. boe/d (92% gas)

EBITDA**: PLN 38 m

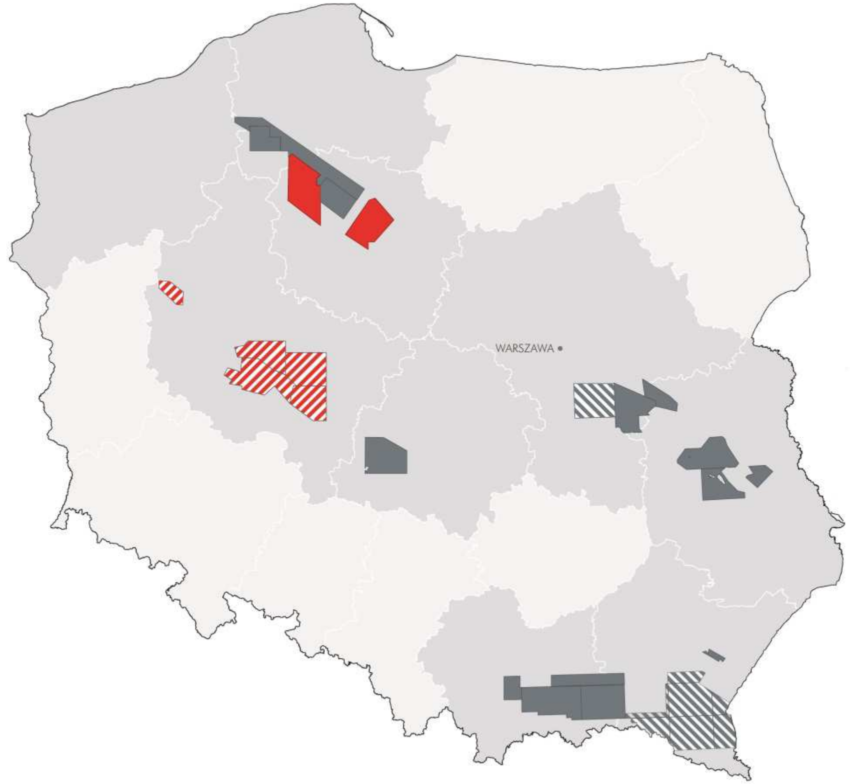
CAPEX: PLN 76 m

12M16

Average production : 1,4 th. boe/d (90% gas)

EBITDA**: PLN 45 m

CAPEX: PLN 182 m



Exploration assets

- with cooperation: Warsaw South (51% of shares), Bieszczady (49% of shares)
- ORLEN Upstream 100% of shares: Karbon, Lublin Shale,
  Mid-Poland Unconventionals, Karpaty, Miocen, Edge, Poręba-Tarnawa, Skołyszyn

Exploration and production assets

- with cooperation: Sieraków (49% of shares), Płotki*** (49% of shares)
- ORLEN Upstream 100% of shares: Edge

* Data as of 31.12.2016

** Does not include the impairment loss on assets in amount of PLN (-) 72 m.
Includes PLN 29 m resulting from the allocation of FX Energy purchase price.

*** Comercial production

Upstream
Production projects in Canada

Canada

4Q16

- Start of commercial operation of the gas processing installation owned in 100% by ORLEN Upstream in the Ferrier/Strachan area with the production capacity 1,1 mln m3 of reservoir fluid per day, which may allow to process of 6,5 th. boe/d
- Started drilling of 6 wells (4,4 net*) in the Ferrier area and 1 well (0,4 net) in the Kakwa area
- 2 wells (2,0 net) have been included into production in the Kakwa area
- 1 fracking (1,0 net*) was done

Total reserves of crude oil and gas (2P)

Ca. 103 mln boe** (43% liquid hydrocarbons, 57% gas)

4Q16

Average production: 12,7 th. boe/d (44% liquid hydrocarbons)

EBITDA: PLN 90 m

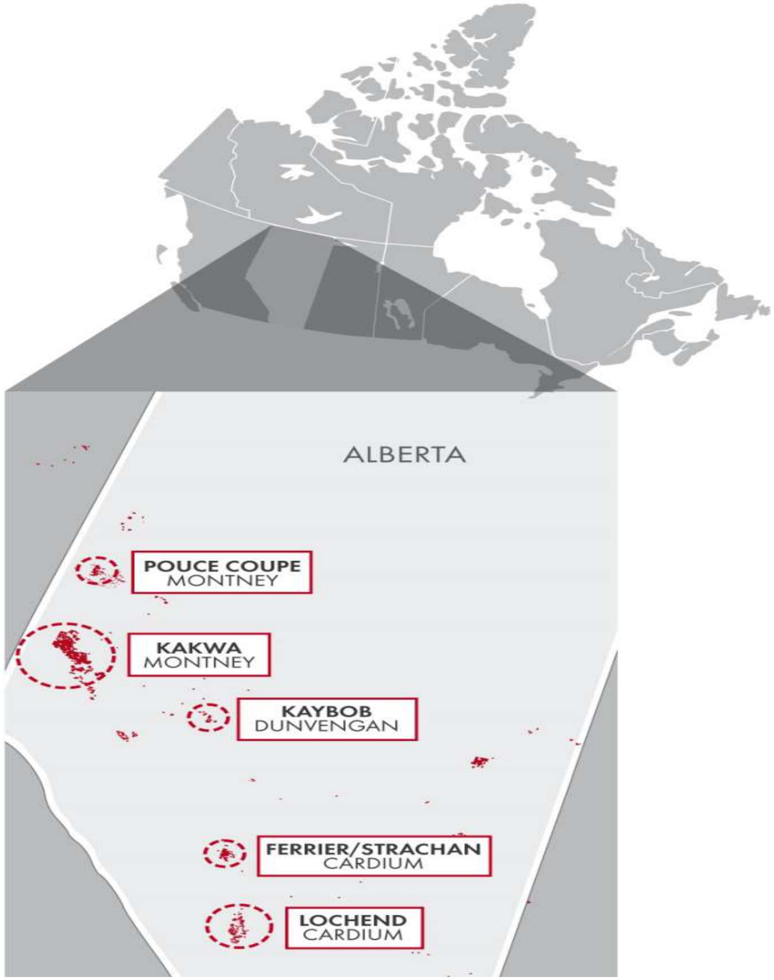
CAPEX: PLN 49 m

12M16

Average production: 12,2 th. boe/d (46% liquid hydrocarbons)

EBITDA: PLN 210 m

CAPEX: PLN 343 m



Assets of ORLEN Upstream Canada in Alberta

The assets are concentrated in Alberta province and they consists of 5 areas:Lochend, Kaybob, Pouce Coupe, Ferrier/Strachan and Kakwa

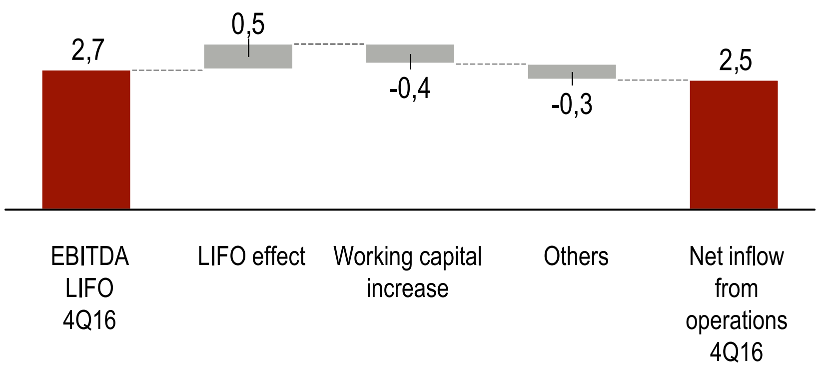
* Number of wells multiplied by percent of share in particular asset
** Data as on 31.12.2016

Agenda

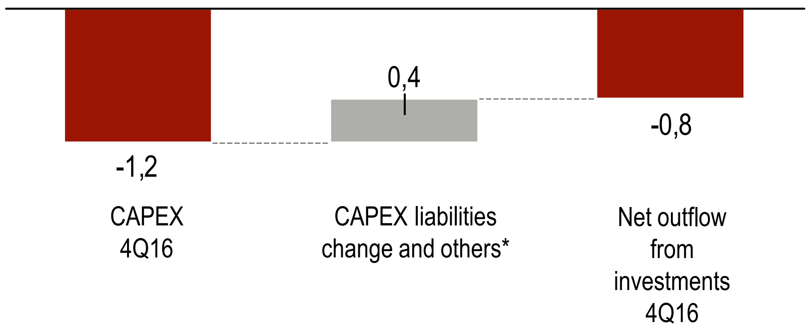
- Key highlights 2016
- Macroeconomic environment
- Financial and operating results
- Liquidity and investments
- Market outlook for 2017

Cash flow

Cash flow from operations
PLN bn

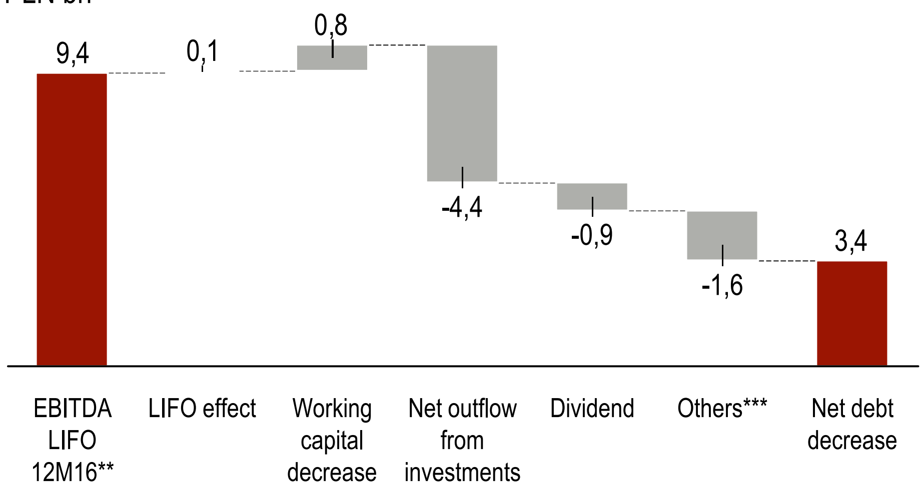


Cash flow from investments
PLN bn



- Working capital increase in 4Q16 by PLN 0,4 bn mainly as a result of inventories value increase due to rising crude oil prices in 4Q16
- Others of PLN (-) 0,3 bn include mainly booking in the result the next insurance payment related to Steam Cracker fire in Litvinov, which is to be received in cash in 1Q17
- Obligatory reserves in the balance sheet at the end of 4Q16 amounted to PLN 4,1 bn, out of which PLN 3,7 bn in Poland

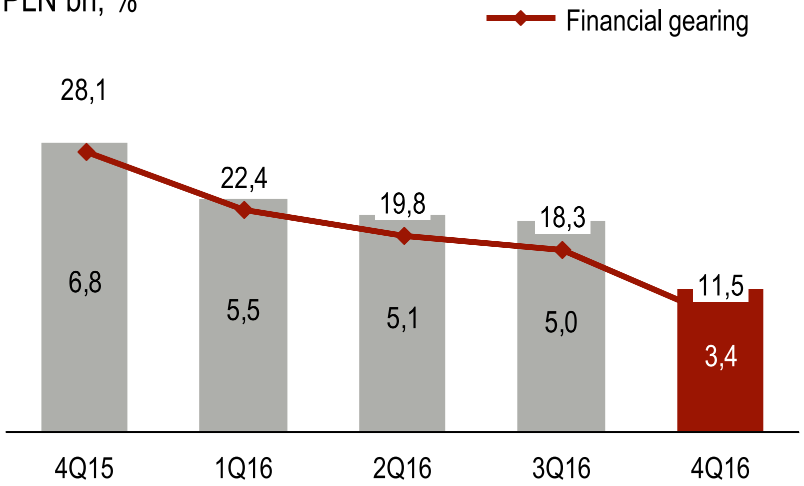
Free cash flow for 12M16
PLN bn



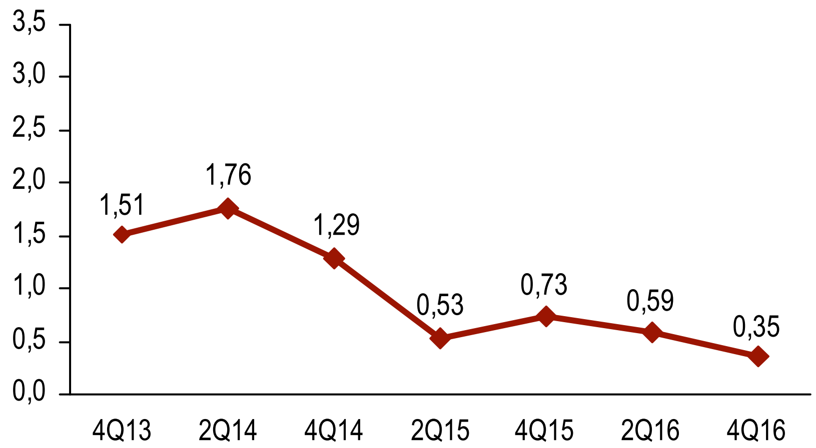
* mainly cash-in from dividends and sale of fixed assets and CAPEX liabilities change
** includes PLN 1,3 bn of partial compensation related to Steam Cracker fire in Litvinov
*** mainly: results of companies consolidated under equity method, income tax, interests, FX differences (operational and from revaluation of foreign-currency denominated debts) and part of next insurance payment related to Steam Cracker, which will be received in cash in 1Q17 in the amount of PLN 0,2 bn

Debt
Safe level of debt and financial gearing

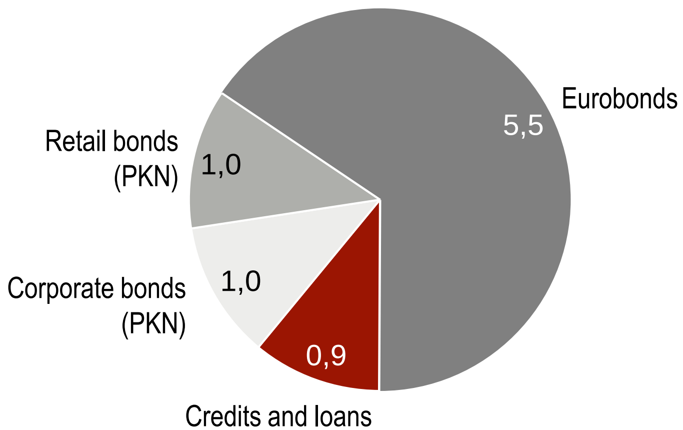
Net debt and gearing
PLN bn, %



Net debt/EBITDA LIFO



Diversified sources of financing (gross debt)
PLN bn

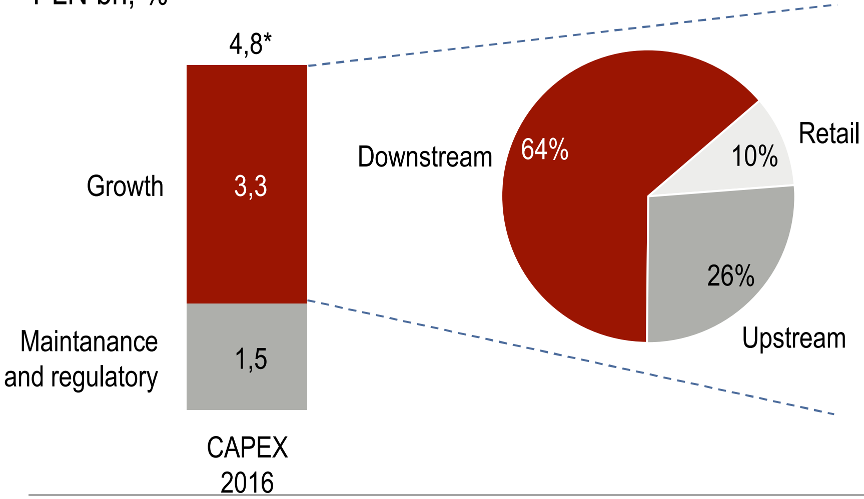


- Gross debt structure:
  EUR 66%, PLN 33%, CAD 1%
- Diversified financing: PLN 7,5 bn (ca. 90%) in retail bonds, corporate bonds and Eurobonds
- Average maturity in 2021
- Investment grade: BBB – with a stable outlook
- Net debt decrease by PLN (-) 1,6 bn (q/q) due to positive cash flow from operations in the amount of PLN 2,5 bn, reduced by cash outflow from investments of PLN (-) 0,8 bn and of PLN (-) 0,1 bn mainly due to FX diffferences from revaluation of foreign-currency credits and debt valuation

CAPEX

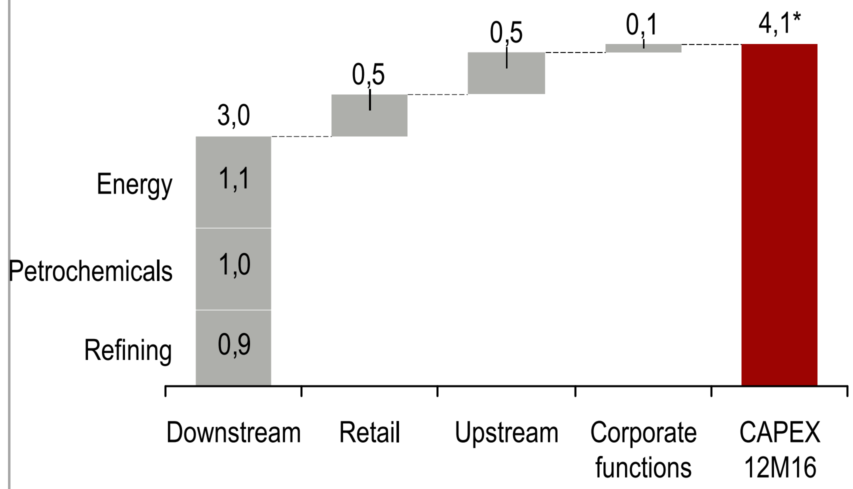
Planned CAPEX in 2016*

PLN bn, %



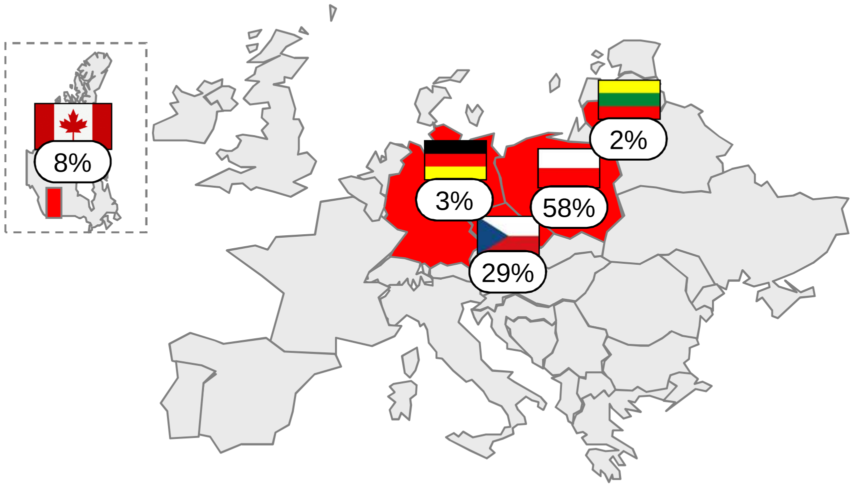
Realized CAPEX in 12M16* – split by segment

PLN bn



Realized CAPEX in 12M16* – split by country

%



Major growth projects in 4Q16**

DOWNSTREAM

- Building CCGT in Włocławek and Plock with infrastructure
- Building polyethylene installation in the Czech Republic
- Building metathesis installation in Plock

RETAIL

- Start-up of 29 fuel stations (incl. 11 own stations and 11 OMV stations were added to Benzina in the Czech Rep.), 13 closed, 8 modernized.
- 39 Stop Cafe and Stop Cafe Bistro locations opened (incl. 21 in Poland)

UPSTREAM

- Canada – PLN 49 m / Poland – PLN 76 m

Rebuilt of Steam Cracker in Litvinov – as of 31.12.2016

- Estimated total cost of the rebuilt and lost margin is PLN 2,3 bn***
- PLN 1,3 bn compensation was booked in 2016, including PLN 0,3 bn in 4Q16. Cash received amounted to PLN 1,1 bn in 2016.

* Does not include PLN 0,6 bn capital expenditures on rebuilding of Steam Cracker in Litvinov. Main discrepancy from planned capex for 2016: PLN (-) 0,3 bn capex optimisation in Upstream segment, PLN (-) 0,3 bn update of investments schedules in Downstream, PLN (-) 0,1 bn optimisation of expenditures in Corporate Functions and Retail

** CAPEX 4Q16 amounted to PLN 1187 m: refining PLN 222 m, petrochemicals PLN 372 m, energy PLN 173 m, retail PLN 235 m , upstream PLN 125 m, corporate functions PLN 60 m.

***Final amount of the compensation will depend on the final agreement with insurers

Agenda

- Key highlights 2016
- Macroeconomic environment
- Financial and operating results
- Liquidity and investments
- Market outlook for 2017

PKN ORLEN outlook in 2017

Main development projects

DOWNSTREAM

- Construction of Polyethylene Installation in Czech Republic
- Construction of CCGT in Płock
- Construction of Metathesis Installation in Płock

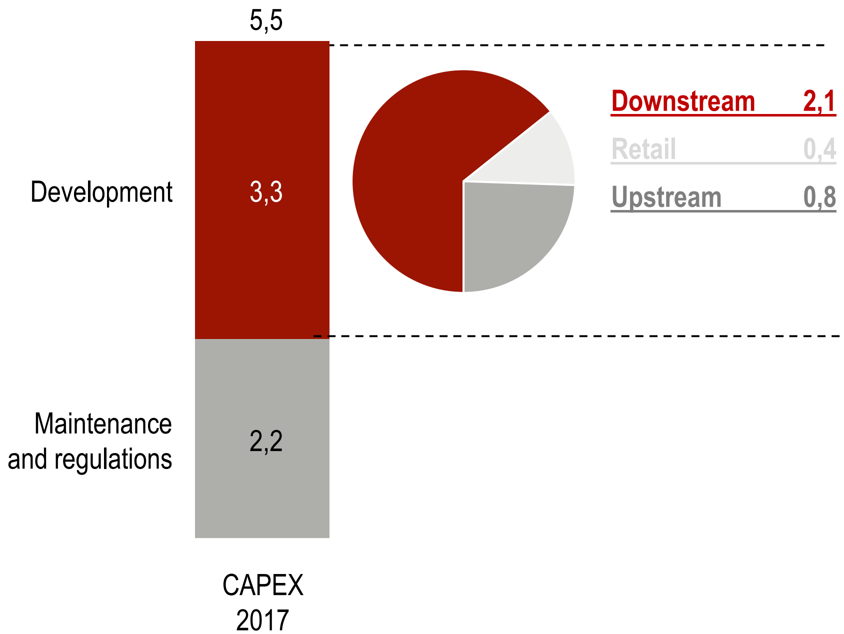
RETAIL

- Construction of new petrol stations
- Integration of 40 acquired OMV stations into Unipetrol network
- Stations modernization and expansion of non-fuel offer

UPSTREAM

- Continuation of exploration and exploitation works in Poland and Canada

CAPEX
PLN bn



Market outlook in 2017

Macroeconomic environment

- Brent crude oil price – increase of price vs. the average for 2016 due to higher consumption and arrangements of the main producers regarding restrictions of supply.
- Downstream margin – decrease in margin vs. the average for 2016 due to drop in margin on petrochemical products (y/y). Despite of the decrease downstream margin will still remain on the high level due to favourable macro environment i.e. low price of crude oil and increase in consumption of fuels and petrochemical products.

Economy

- GDP outlook for 2017* - the highest increase is estimated for Poland in amount of 3,6% (y/y). GDP growth on our other markets: Czech Republic 2,9%, Lithuania 2,4%, Germany 1,5%.
- Fuel consumption – expected fuel demand increase in Poland, the Czech Rep. and Lithuania along with flat consumption in Germany. Maintaining dynamics in 2017 in Poland as a result of higher consumption due to economic growth as well as reduction of grey zone.

Regulatory environment

- Grey zone – implementation of package aimed at reduction of the grey zone: fuel package (from 1 August 2016), energy package (implementation at the end of 1Q17), transportation package (planned from 2Q17)
- Obligatory crude oil reserves – reduction of reserves in 2017 from 60 to 53 days (ca. 0,3 mt). Reduction schedule: 60 days by 30 March/ 57 days from 31 March to 30 December/ 53 days from 30 December 2017.
- National Index Target – reduction of ratio for PKN ORLEN in 2017 from 6,035% to 5,822%.

* Poland (NBP, November 2016); Germany (European Commission, November 2016); Czech Republic (CNB, November 2016); Lithuania (Lietuvos Bankas, December 2016)

Thank you for your attention

For more information on PKN ORLEN, please contact Investor Relations Department:
phone: + 48 24 256 81 80
fax: + 48 24 367 77 11
e-mail: ir@orlen.pl

www.orlen.pl

Agenda

Supporting slides

Results – split by quarter

PLN m	4Q15	3Q16	4Q16	Δ (y/y)	12M15	12M16	Δ
Revenues	20 087	21 083	22 902	14%	88 336	79 553	-10%
EBITDA LIFO*	1 866	2 226	2 655	42%	8 738	9 412	8%
LIFO effect	-1 108	87	526	-	-1 510	85	-
EBITDA*	758	2 313	3 181	320%	7 228	9 497	31%
Depreciation	-510	-537	-550	-8%	-1 895	-2 110	-11%
EBIT LIFO*	1 356	1 689	2 105	55%	6 843	7 302	7%
EBIT*	248	1 776	2 631	961%	5 333	7 387	39%
Net result	-69	1 569	2 043	-	3 233	5 740	78%

* Data before impairments of assets:
4Q15: PLN (-) 0,4 bn regarding mainly upstream assets of ORLEN Upstream in Canada
4Q16: PLN 0,2 bn, of which mainly: PLN 0,3 bn impairment reversal on refining assets in Unipetrol, PLN (-) 0,1 bn ORLEN Upstream in Poland and ORLEN Oil assets
12M15: PLN (-) 1,0 bn, of which mainly: ORLEN Upstream in Poland PLN (-) 0,4 bn, Unipetrol PLN (-) 0,1 bn, ORLEN Upstream in Canada PLN (-) 0,4 bn
12M16: PLN 0,2 bn, of which mainly: PLN 0,3 bn impairment reversal on refining assets in Unipetrol, PLN (-) 0,1 bn ORLEN Upstream in Poland and ORLEN Oil assets

Results – split by segment

4Q16 PLN m	Downstream	Retail	Upstream	Corporate functions	TOTAL
EBITDA LIFO	2 363	440	128	-276	2 655
LIFO effect	526	-	-	-	526
EBITDA	2 889	440	128	-276	3 181
Depretiation	-353	-97	-73	-27	-550
EBIT	2 536	343	55	-303	2 631
EBIT LIFO	2 010	343	55	-303	2 105

4Q15 PLN m	Downstream	Retail	Upstream	Corporate functions	TOTAL
EBITDA LIFO*	1 656	369	7	-166	1 866
LIFO effect	-1 108	-	-	-	-1 108
EBITDA*	548	369	7	-166	758
Depretiation	-327	-95	-64	-24	-510
EBIT*	221	274	-57	-190	248
EBIT LIFO*	1 329	274	-57	-190	1 356

* Data before impairments of assets:
4Q15: PLN (-) 0,4 bn regarding mainly upstream assets of ORLEN Upstream in Canada
4Q16: PLN 0,2 bn, of which mainly: PLN 0,3 bn impairment reversal on refining assets in Unipetrol, PLN (-) 0,1 bn ORLEN Upstream in Poland and ORLEN Oil assets

EBITDA LIFO – split by segment

PLN m	4Q15	3Q16	4Q16	Δ (y/y)	12M15	12M16	Δ
Downstream	1 656	1 698	2 363	43%	7 776	8 107	4%
Retail	369	619	440	19%	1 539	1 801	17%
Upstream	7	58	128	1729%	44	255	480%
Corporate functions	-166	-149	-276	-66%	-621	-751	-21%
EBITDA LIFO*	**1 866**	**2 226**	**2 655**	**42%**	**8 738**	**9 412**	**8%**

* Data before impairments of assets:
4Q15: PLN (-) 0,4 bn regarding mainly upstream assets of ORLEN Upstream in Canada
4Q16: PLN 0,2 bn, of which mainly: PLN 0,3 bn impairment reversal on refining assets in Unipetrol, PLN (-) 0,1 bn ORLEN Upstream in Poland and ORLEN Oil assets
12M15: PLN (-) 1,0 bn, of which mainly: ORLEN Upstream in Poland PLN (-) 0,4 bn, Unipetrol PLN (-) 0,1 bn, ORLEN Upstream in Canada PLN (-) 0,4 bn
12M16: PLN 0,2 bn, of which mainly: PLN 0,3 bn impairment reversal on refining assets in Unipetrol, PLN (-) 0,1 bn ORLEN Upstream in Poland and ORLEN Oil assets

Results - split by company

4Q16 PLN m	PKN ORLEN S.A.	Unipetrol [2)]	ORLEN Lietuva [2)]	Others and consolidation corrections	Total
Revenues	16 309	4 289	4 530	-2 226	22 902
EBITDA LIFO	1 341	545	313	456	2 655
LIFO effect [1)]	405	89	23	9	526
EBITDA	1 746	634	336	465	3 181
Depreciation	-295	-93	-15	-147	-550
EBIT	1 451	541	321	318	2 631
EBIT LIFO	1 046	452	298	309	2 105
Financial income	788	55	3	-723	123
Financial costs	373	52	-6	-841	-422
Net result	1 580	685	391	-613	2 043

1) Calculated as a difference between operating profit acc. to LIFO and operating profit based on weighted average
2) Presented data shows Unipetrol Group and ORLEN Lietuva results acc. to IFRS before taking into account adjustments made for ORLEN Group consolidation

ORLEN Lietuva Group

USD m	4Q15	3Q16	4Q16	Δ y/y	12M15	12M16	Δ
Revenues	953	949	1 113	17%	4 138	3 607	-13%
EBITDA LIFO	20	48	77	285%	289	279	-3%
EBITDA	25	31	83	232%	295	258	-13%
EBIT	21	28	79	276%	284	244	-14%
Net result	43	14	95	121%	237	238	0%

- Sales increase in 4Q16 by 5% (y/y) due to higher seaborne sales and lower inland sales. The growth of incomes from sales reflects also the crude oil prices increase and as a result higher refining products quotations.
- Higher utilisation by 7 pp (y/y) mainly due to higher sales volumes and lack of repair shutdowns from 4Q15. Lower fuel yield (y/y) mainly as a result of processing of additional fuel semi-products from the reserves in 4Q15, prepared before the repair shutdown taken place in 3Q15.
- EBITDA LIFO higher by USD 57 m (y/y) due to higher sales volumes and the positive impact (y/y) of inventories revaluation to net realisable value at the negative impact of trading margins.
- CAPEX 4Q16: USD 0,3 m / 12M16: USD 24,0 m

Data before impairments of assets::
4Q15: USD 1 m / 4Q16 : USD (-) 3 m
12M16 : USD (-) 3 m

UNIPETROL Group

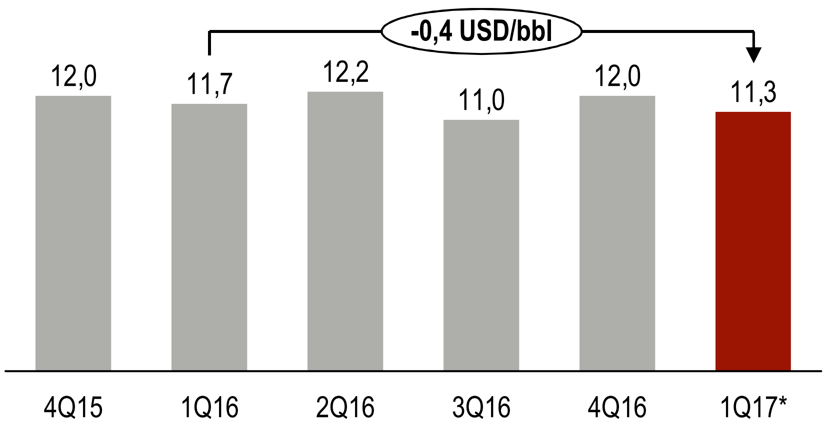
CZK m	4Q15	3Q16	4Q16	Δ y/y	12M15	12M16	Δ
Revenues	22 956	23 110	26 466	15%	108 907	87 813	-19%
EBITDA LIFO	824	1 936	3 312	302%	11 604	10 186	-12%
EBITDA	725	1 398	3 853	431%	11 368	10 077	-11%
EBIT	279	918	3 282	1076%	9 515	8 121	-15%
Net result	206	739	4 185	1932%	7 706	8 037	4%

- Sales increase in 4Q16 by 10% (y/y) mainly in petrochemical products area due to the launch of ethylene production installation in November 2016 after the breakdown in August 2015 and the acquisition of Spolana Company. Higher revenues from the sales of products reflect the growth in sales volumes and quotations of refinery and petrochemical products due to higher crude oil prices.
- The increase of crude oil processing and utilization by 18 pp (y/y) to 90% in 4Q16 due to renewal of works of the Olefiny Unit. Lower fuel yield by 4 pp (y/y) due to the launch of the installation of Fluid Catalytic Cracking (FCC) in Kralupy in 4Q16 after the emergency shutdown in the middle of May 2016 and the launch of the Olefiny Unit Installation, what caused the change in the structures of processed fractions at the refnery installations.
- EBITDA LIFO in 4Q16 higher by CZK 2,5 bn (y/y) due to higher sales volumes, positive impact of other operational activity as a result of revenues from insurers related to the breakdown of ethylene production installation in the amount of CZK 1,8 bn and positive influence (y/y) of inventories revaluation to net realisable value at the negative influence of macroeconomic environment within the petrochemical area and trading margins.
- CAPEX 4Q16: CZK 2,1 bn / 12M16: CZK 10,8 bn including mainly the reconstruction of ethylene installation and FCC and construction of PE3 installation.

Data before impairments of assets:
3Q16: CZK (-) 6 m
4Q15: CZK (-) 6 m / 4Q16: CZK 1 865 m
12M15: CZK (-) 716 m / 12M16: CZK 1 852 m

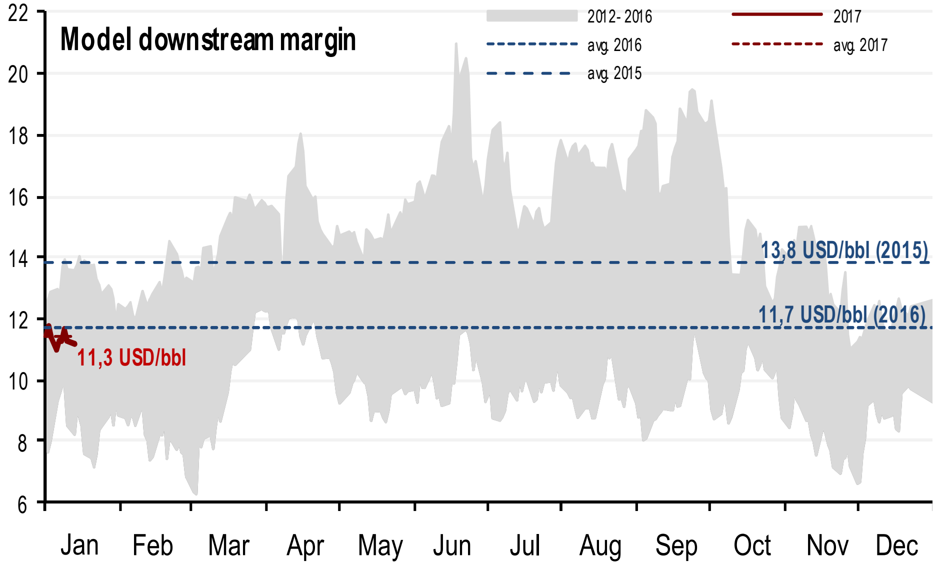
Macro environment in 1Q17

Downstream margin decrease
Model downstream margin, USD/bbl

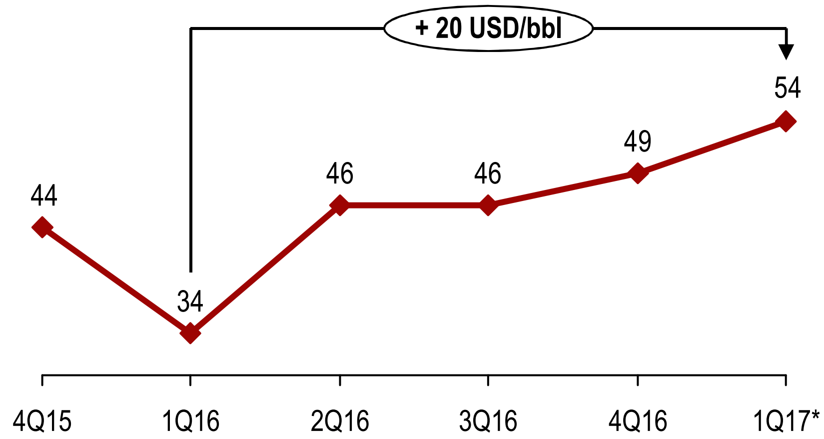


Product slate of downstream margin
Crack margins

Refining products (USD/t)	1Q16	4Q16	1Q17*	∆ Q/Q	∆ Y/Y
Diesel	60	87	75	-14%	25%
Gasoline	143	131	138	5%	-3%
HHO	-122	-110	-112	-2%	8%
SN 150	234	110	101	-8%	-57%
Petchem products (EUR/t)					
Ethylene	606	608	593	-2%	-2%
Propylene	342	393	378	-4%	11%
Benzene	319	266	414	56%	30%
PX	459	396	405	2%	-12%



Crude oil price increase
Average Brent crude oil price, USD/bbl

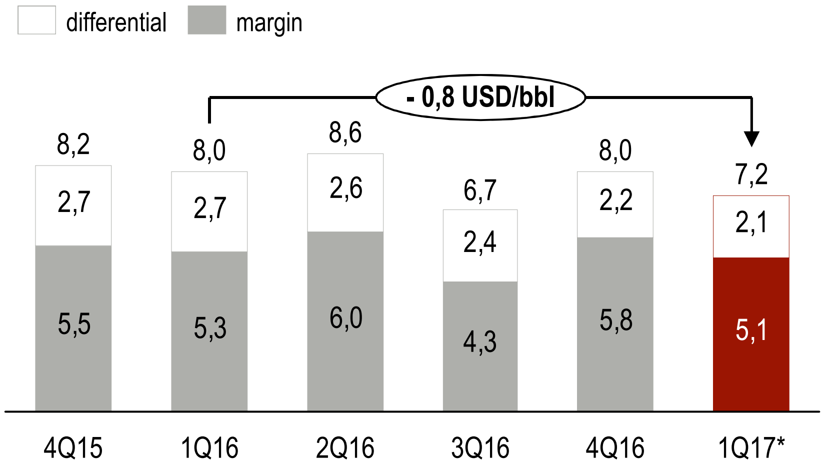


* Data as of 20.01.2017

Macro environment in 1Q17

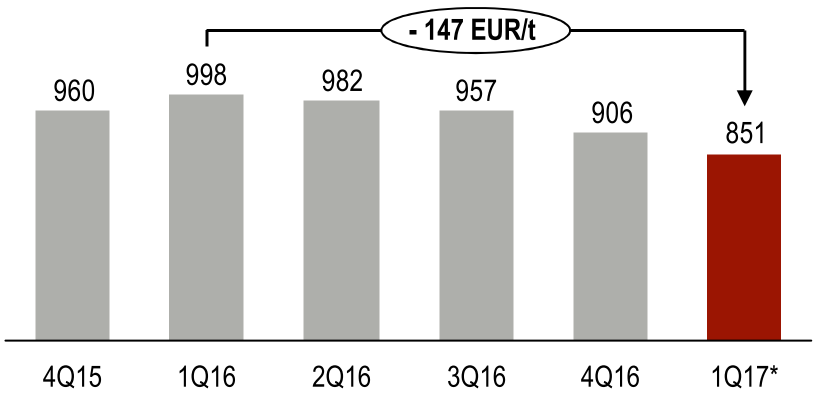
Refining margin and B/U differential decrease

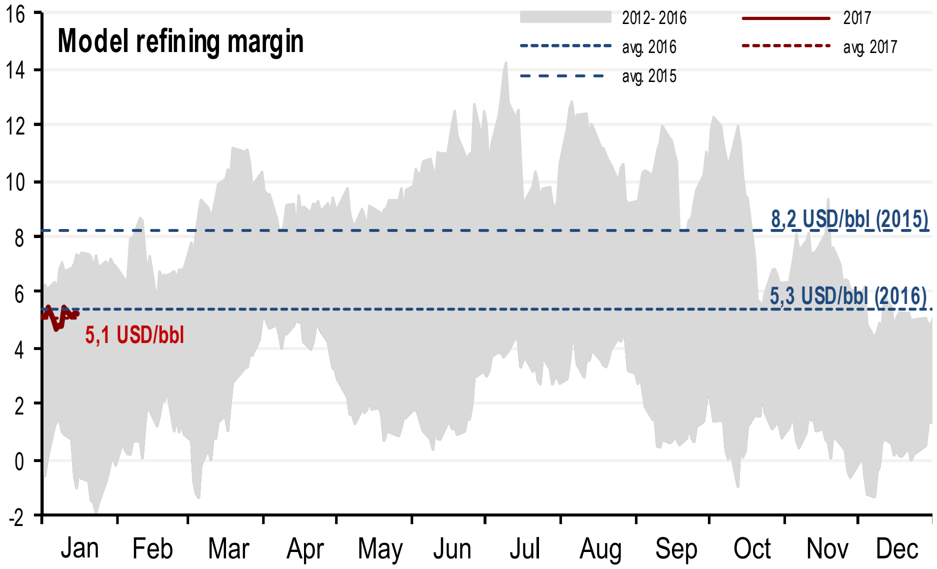
Model refining margin and Brent/Ural differential, USD/bbl

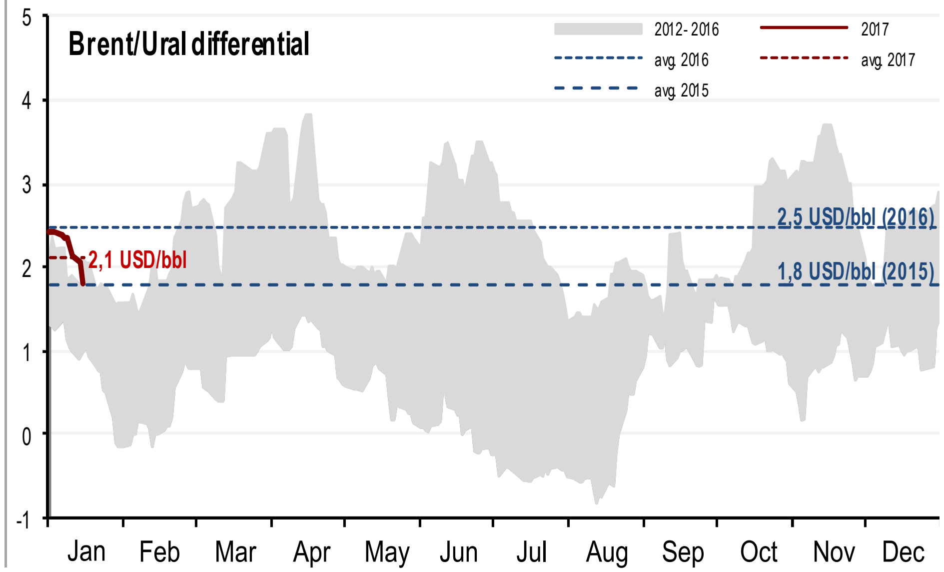


Petrochemical margin decrease

Model petrochemical margin, EUR/t







* Data as of 20.01.2017

Production data

	4Q15	3Q16	4Q16	Δ (y/y)	Δ (q/q)	12M15	12M16	Δ
Total crude oil throughput in PKN ORLEN	7 776	7 532	8 308	7%	10%	30 908	30 147	-2%
Utilization in PKN ORLEN	88%	86%	94%	6 pp	8 pp	90%	86%	-4 pp
Refinery in Poland [1]								
Processed crude (kt)	3 843	4 003	3 799	-1%	-5%	15 674	15 130	-3%
Utilization	94%	98%	93%	-1 pp	-5 pp	96%	93%	-4 pp
Fuel yield [4]	81%	79%	81%	0 pp	2 pp	79%	79%	0 pp
Middle distillates yield [5]	49%	49%	49%	0 pp	0 pp	48%	48%	0 pp
Light distillates yield [6]	32%	30%	32%	0 pp	2 pp	31%	31%	0 pp
Refineries in the Czech Rep. [2]								
Processed crude (kt)	1 567	1 039	1 956	25%	88%	6 495	5 422	-17%
Utilization	72%	48%	90%	18 pp	42 pp	84%	62%	-22 pp
Fuel yield [4]	84%	82%	80%	-4 pp	-2 pp	82%	82%	0 pp
Middle distillates yield [5]	48%	49%	47%	-1 pp	-2 pp	47%	48%	1 pp
Light distillates yield [6]	36%	33%	33%	-3 pp	0 pp	35%	34%	-1 pp
Refinery in Lithuania [3]								
Processed crude (kt)	2 301	2 435	2 483	8%	2%	8 486	9 323	10%
Utilization	90%	96%	97%	7 pp	1 pp	83%	91%	8 pp
Fuel yield [4]	78%	75%	76%	-2 pp	1 pp	77%	76%	-1 pp
Middle distillates yield [5]	46%	44%	46%	0 pp	2 pp	46%	45%	-1 pp
Light distillates yield [6]	32%	31%	30%	-2 pp	-1 pp	31%	31%	0 pp

1) Throughput capacity for Plock refinery is 16,3 mt/y
2) Throughput capacity for Unipetrol increased since May 2015 from 5,9 mt/y to 8,7 mt/y as a result of stake increase in CKA. CKA [Litvinov (5,4 mt/y) and Kralupy (3,3 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

Model downstream margin = revenues (90,7% Products = 22,8% Gasoline + 44,2% Diesel + 15,3% HHO + 1,0% SN 150 + 2,9% Ethylene + 2,1% Propylene + 1,2% Benzene + 1,2% PX) – costs (input 100% = 6,5% Brent crude oil + 91,1% URAL crude oil + 2,4% natural gas)

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).

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

Net debt = (short-term + long-term Interest-bearing loans and borrowings)– cash

Disclaimer

This presentation ("Presentation") has been prepared by PKN ORLEN S.A. ("PKN ORLEN" or "Company"). Neither the Presentation nor any copy hereof may be copied, distributed or delivered directly or indirectly to any person for any purpose without PKN ORLEN's knowledge and consent. Copying, mailing, distribution or delivery of this Presentation to any person in some jurisdictions may be subject to certain legal restrictions, and persons who may or have received this Presentation should familiarize themselves with any such restrictions and abide by them. Failure to observe such restrictions may be deemed an infringement of applicable laws.

This Presentation contains neither a complete nor a comprehensive financial or commercial analysis of PKN ORLEN and of the ORLEN Group, nor does it present its position or prospects in a complete or comprehensive manner. PKN ORLEN has prepared the Presentation with due care, however certain inconsistencies or omissions might have appeared in it. Therefore it is recommended that any person who intends to undertake any investment decision regarding any security issued by PKN ORLEN or its subsidiaries shall only rely on information released as an official communication by PKN ORLEN in accordance with the legal and regulatory provisions that are binding for PKN ORLEN.

The Presentation, as well as the attached slides and descriptions thereof may and do contain forward-looking statements. However, such statements must not be understood as PKN ORLEN's assurances or projections concerning future expected results of PKN ORLEN or companies of the ORLEN Group. The Presentation is not and shall not be understood as a forecast of future results of PKN ORLEN as well as of the ORLEN Group.

It should be also noted that forward-looking statements, including statements relating to expectations regarding the future financial results give no guarantee or assurance that such results will be achieved. The Management Board's expectations are based on present knowledge, awareness and/or views of PKN ORLEN's Management Board's members and are dependent on a number of factors, which may cause that the actual results that will be achieved by PKN ORLEN may differ materially from those discussed in the document. Many such factors are beyond the present knowledge, awareness and/or control of the Company, or cannot be predicted by it.

No warranties or representations can be made as to the comprehensiveness or reliability of the information contained in this Presentation. Neither PKN ORLEN nor its directors, managers, advisers or representatives of such persons shall bear any liability that might arise in connection with any use of this Presentation. Furthermore, no information contained herein constitutes an obligation or representation of PKN ORLEN, its managers or directors, its Shareholders, subsidiary undertakings, advisers or representatives of such persons.

This Presentation was prepared for information purposes only and is neither a purchase or sale offer, nor a solicitation of an offer to purchase or sell any securities or financial instruments or an invitation to participate in any commercial venture. This Presentation is neither an offer nor an invitation to purchase or subscribe for any securities in any jurisdiction and no statements contained herein may serve as a basis for any agreement, commitment or investment decision, or may be relied upon in connection with any agreement, commitment or investment decision.

For more information on PKN ORLEN, please contact Investor Relations Department:

phone: + 48 24 256 81 80

fax: + 48 24 367 77 11

e-mail: ir@orlen.pl

www.orlen.pl