



Consolidated financial results of PKN ORLEN Q3'2006 (IFRS)

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ORLEN

Agenda

Financial results in Q3'06

Analysis of results in Q3'06 - segments

Supporting slides



Increase in the PKN ORLEN results despite more challenging macroeconomic environment

Key financial data in Q3'06¹

PLN m	Q3'2005	Q2'2006	Q3'2006	change y/y [%]	change q/q [%]
	1	2	3	4=3/1	5=3/2
EBITDA	1 623	1 644	1 681	3.6%	2.3%
Net profit ex minority shareholders	985	881	1 026	4,2%	16.5%
Cash flow from operations	1 100	1 684	1 533	39.4%	-9.0%
ROACE (%)²	16.7%	16.0%	16.0%	-0.7 p.p.	0 p.p.
Gearing (%)³	17.1%	18.4%	10.9%	- 6.2 p.p.	- 7.5 p.p.
Optima Program	-*	44	117	-	166%

1) Refers to the PKN ORLEN Capital Group including Unipetrol, IFRS numbers unless otherwise stated

2) ROACE = operating profit after tax / average capital employed (equity + net debt)

3) Gearing = net debt / equity

* In Q3'05 there was the previous cost cutting programme realised



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Strong increase in volume sales of retail fuels and petrochemical products shows impact of marketing initiatives of PKN ORLEN

Key operating data in Q3'06

	Q3'2005		Q3'2006		change y/y	change y/y
	<i>PKN ORLEN</i>	PKN ORLEN	<i>PKN ORLEN</i>	PKN ORLEN	[%]	[%]
	<i>mother comp</i>		<i>mother comp</i>		<i>PKN ORLEN</i>	PKN ORLEN
	1	2	3	4	5=3/1	6=4/2
Wholesale volume sales (kt) ^{1,4}	1 577	2 491	1 757	2 447	11.4%	-1.8%
Petrochemical volume sales (kt) ⁴	227	859	414	1 314	81.9%	53.0%
Retail volume sales of fuels (m litres) ²	703	1 237	814	1 398	15.7%	13.0%
Refinery utilisation ratio ³	93.3%		102.1%		+8.8p.p.	-

1) Refers to gasoline, diesel, Jet, LHO

2) Refers to retail sales of gasoline, diesel, LPG

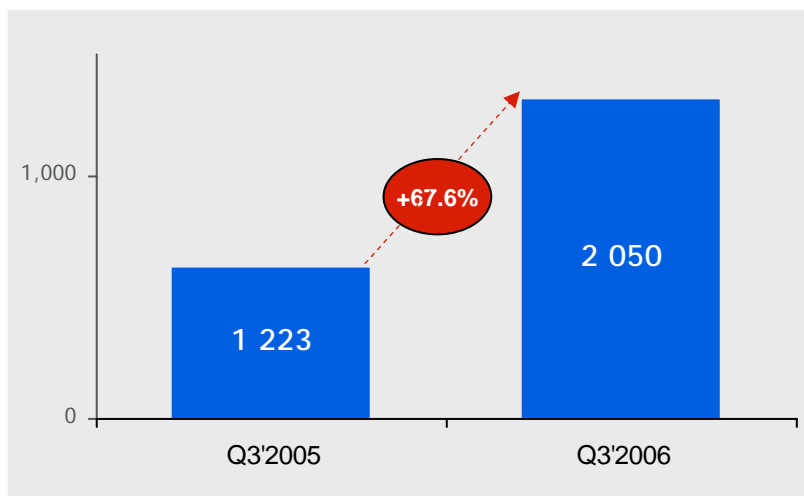
3) Refers to deep processing capacity at PKN ORLEN at 13.5 mt/y in 2005 and 13,8 m t/y in 2006

4) Refers to PKN ORLEN mother company excluding export

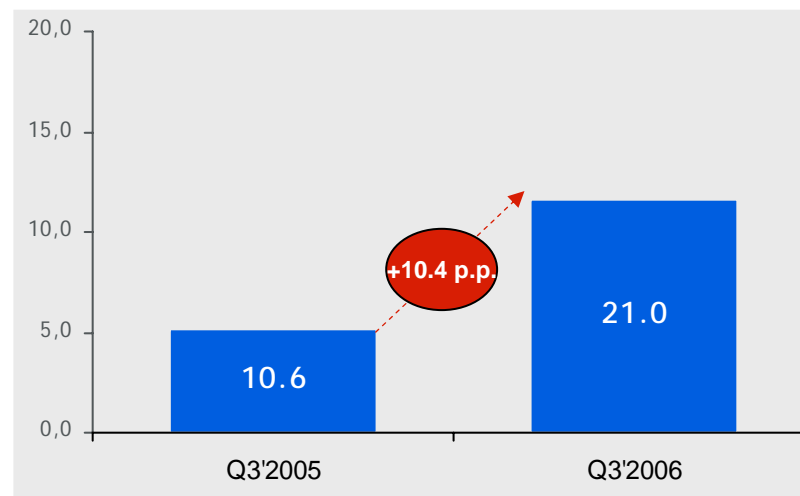


Dynamic increase of EBITDA in comparable market conditions confirms PKN ORLEN's efficiency

EBITDA (PLN m) Q3'2006 (comparable market conditions)¹



ROACE (%) Q3'2006 (comparable market conditions)¹



Financial assumptions for 2006 - delivery on track

Item	Delivery in Q3'06
<ul style="list-style-type: none"> • EBITDA¹ • Fixed costs² • CAPEX 	<ul style="list-style-type: none"> • Increase by 67.6% y/y • below the previous year's level by 14% • PLN 432 m

1) Based on the same market conditions – average 2004: crude oil Brent \$38.3/b, Brent/Ural differential \$4.1/b, refinery margin \$5.6/b, PLN/EUR 4.52; PLN/USD 3,65; excluding Q3'2006 business risk provision.

2) Excluding strategic projects, amortisation and depreciation. Refers to PKN ORLEN mother company.



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Financial results in Q3'06

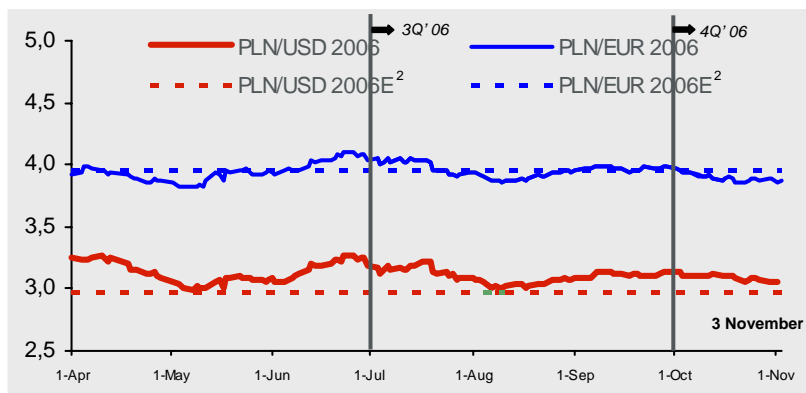
Analysis of results in Q3'06 - segments

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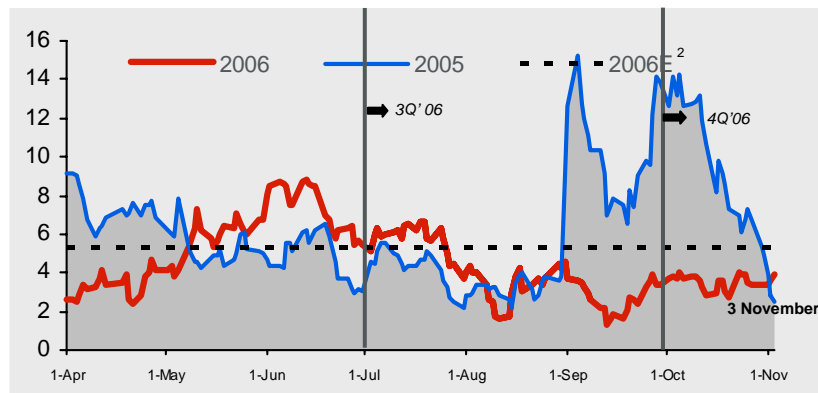
Unfavourable macroeconomic conditions in refining segment in Q3'2006 y/y and q/q

Exchange rates¹



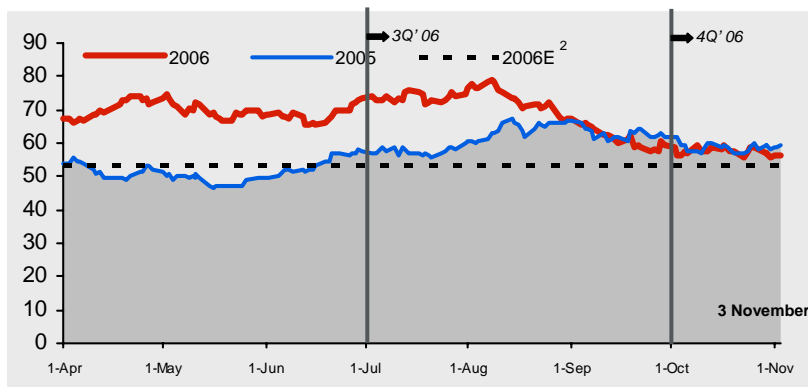
Refinery margin

\$3.96/b average in Q3'2006³. Decrease by 35% y/y and 29.9% q/q



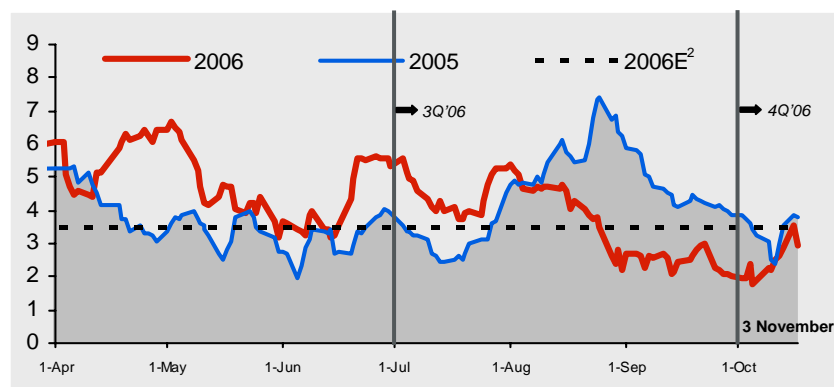
Brent crude

\$69.61/b average in Q3'2006. Increase by 12.9% y/y and 0% q/q



Brent/Ural differential

\$3.67/b average in Q3'2006. Decrease by 14.7% y/y and 23.7% q/q



1) Source: NBP (Polish National Bank)

2) Estimates published in PKN ORLEN Strategy

3) Calculated as: Products (88.36%) vs. Brent Dtd (100%). Products contain Premium Unl (25.21%), USLD (23.20%), Naphtha (16.51%), LHO (15.31%), HSFO (5.44%) i Jet (2.69%) (source: CIF NWE quotations, except HSFO FOB ARA)



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Simplified P&L account

Increase in net profit q/q by 16.5%, despite unfavourable macro conditions

IFRS, PLN m	Q3'2005	Q2'2006	Unipetrol effect Q3'2006	Q3'2006	change y/y [%]	change q/q [%]
	1	2	3	4	5=4/1	6=4/2
Revenues	13 074	13 545	3 742	14 879	13.8%	9.8%
Operating profit	1 091	1 200	189	1 179	8.1%	-1.8%
Net profit	994	958	97	1 037	4.3%	8.2%
Net profit ex minority shareholders	985	881	98	1 026	4.2%	16.5%

Comments

- Revenue increase due to sales volume growth of petrochemical products by 53% (y/y) and retail motor fuels by 13% (y/y)
- Sound operating profit in Q3'06 despite unfavourable macroenvironment conditions - supported by marketing initiatives

- Ural-Brent differential drop reduced the operating result by PLN 68 m.
- Total effect on net profit is supported by increase in consolidated Unipetrol a.s. profit.



Operating costs

Cost discipline maintained – decrease of fixed costs q/q

IFRS, PLN m	Q3'05	Q2'06	Unipetrol effect Q3'06	Q3'06	y/y [%]	q/q [%]
	1	2	3	4	5=4/1	5=4/2
Raw materials and energy	6 541	7 629	2 253	7 972	22%	4%
Costs of goods for resale	3 387	3 161	640	3 834	13%	21%
External services	633	791	261	752	19%	-5%
Staff costs	343	404	114	360	5%	-11%
Depreciation and amortisation	532	444	195	501	-6%	13%
Taxes and charges	62	65	2	75	21%	15%
Others	68	81	22	70	3%	-14%
Total	11 566	12 575	3 487	13 564	17%	8%
Variable costs	10 367	11 212	3 037	12 295	19%	10%
Fixed costs	1 199	1 363	450	1 269	6%	-7%
Other operating costs	121	75	69	204	69%	172%
Change in inventories, other payable and accrued expenses, internal costs	388	-192	29	61	-84%	-132%
Total operating costs	12 075	12 458	3 585	13 829	14.5%	11.0%

Comments

- Fixed costs of PKN ORLEN parent company decreased by 14% in Q3'06 y/y despite business base growth and excluding strategic project cost as well as amortisation and depreciation

- Variable cost increase y/y due to Unipetrol consolidation and higher feedstock price
- Increase of amortisation and depreciation costs by 13% q/q due to the investments and extension of Company's asset base



Increase of operating profit as a result of corporate strategy and increase of Unipetrol results (y/y)

IFRS, in m PLN	3Q'2005	2Q'2006	Unipetrol effect 3Q'2006	3Q'2006	y/y [%]	q/q [%]
	1	2	3	4	5=4/1	6=4/2
Operating profit , of which	1 091	1 200	189	1 179	8.1%	-1.8%
Refining¹	1 109	926	133	917	-17.3%	-1.0%
Petrochemical	141	223	89	211	49.6%	-5.4%
Chemical	-52	34	-4	57	-	67.6%
Retail	50	76	4	187	274.0%	146.1%
Others²	-16	8	-16	-15	6.3%	-
Non-attributable³	-141	-67	-17	-178	-26.2%	-165.7%

Comments

- Increase in retail unit margins on gasoline and diesel, and retail sales volumes growth resulted in record segment results
- Petrochemical segment result higher by 49.6% y/y due to full utilisation of upgraded capacity. At the same time, estimated positive effect of increase of petrochemical margins in the parent company amounted to PLN 69m*.
- Higher result of chemical segment due to improvement of main product sales y/y including: polyvinyl chloride increase by 15.8%, soda lye increase by 441.7% and CANWIL by 13.9%
- Unipetrol consolidated profit increase by 43% y/y to PLN 189 ml

1) Production, Wholesale and Logistics

2) Departments responsible for energetic media PKN ORLEN social activity, subsidiaries services and crude oil turnover

3) Position non-attributable includes corporate centre of PKN and subsidiaries not mentioned in previous segments, and also provision on the business risk

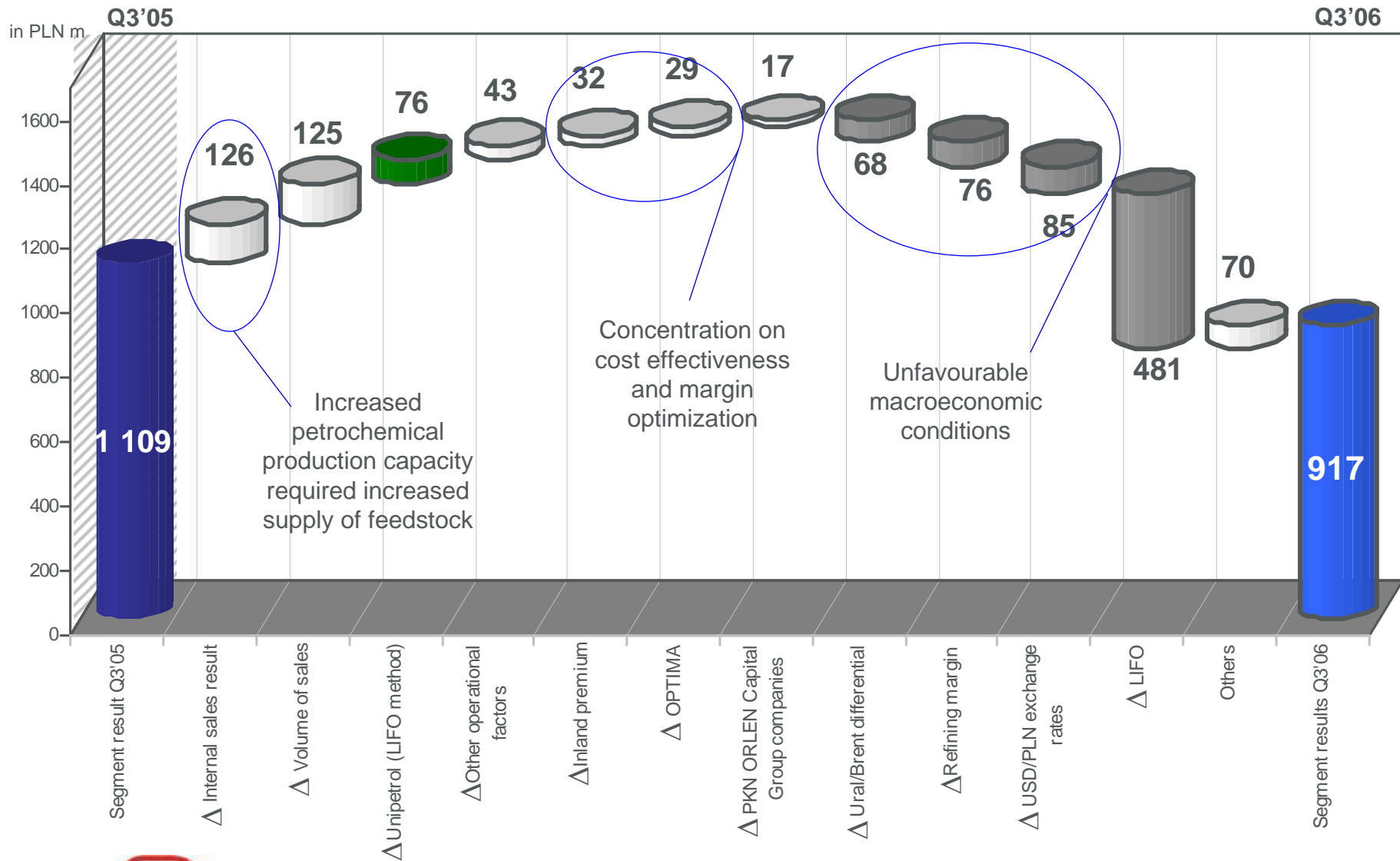
* Concerning applied in PKN ORLEN price reduction systems



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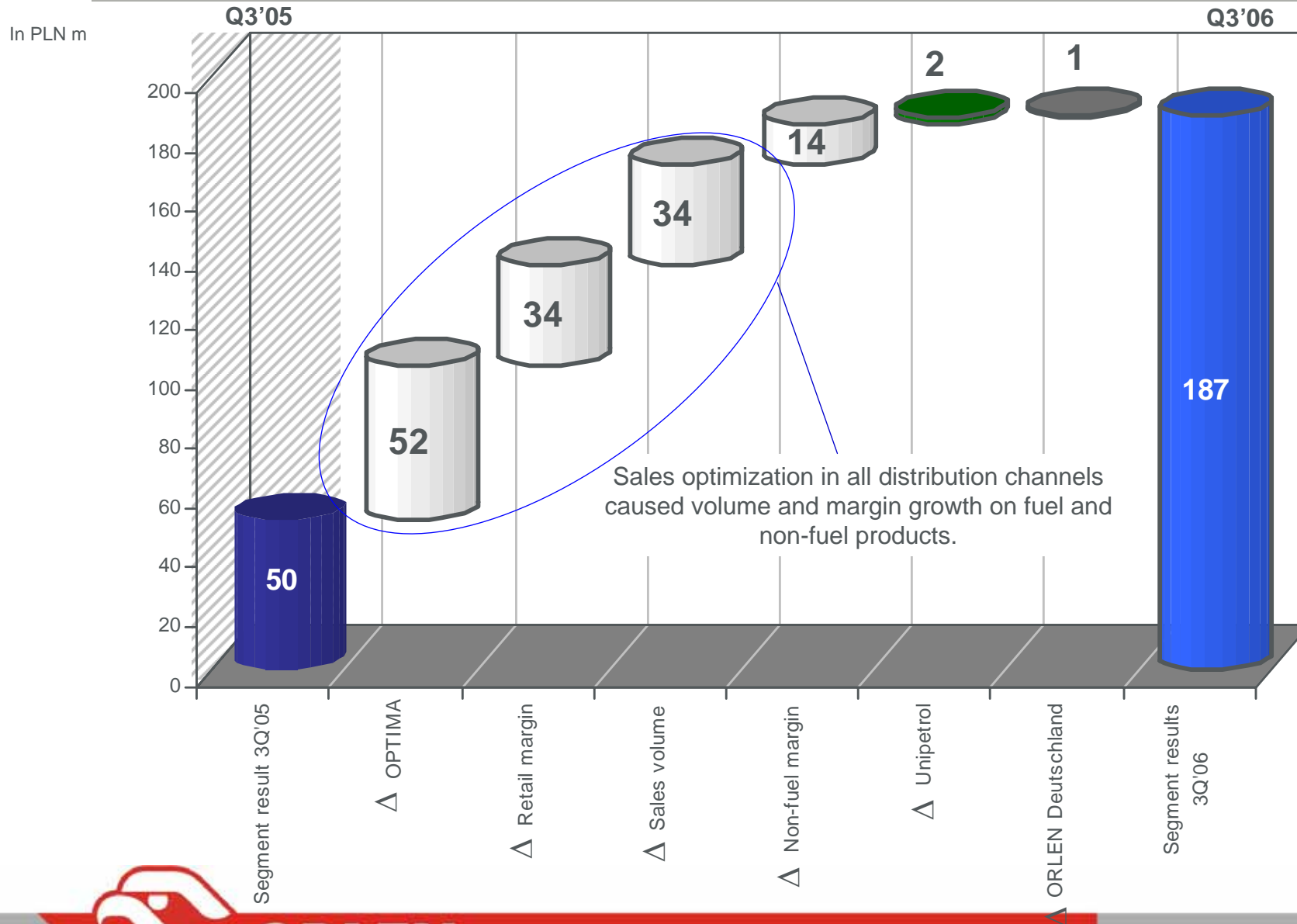
Refining

Concentration on efficiency improvement and product slate optimisation.
 Good results despite unfavourable macroeconomic conditions.



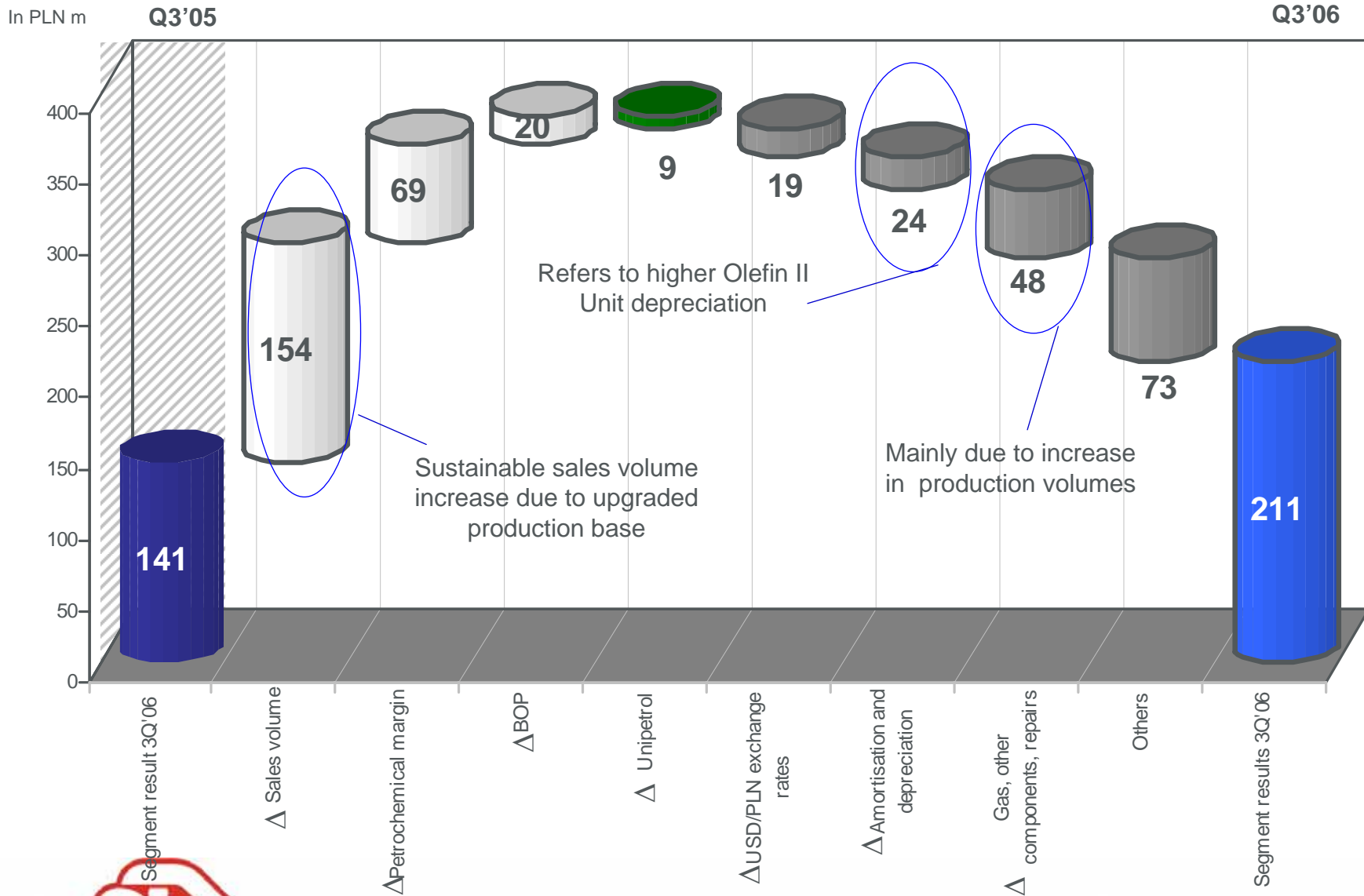
Retail

Excellent effects of the implemented strategy. Profit increased over 3.5 times



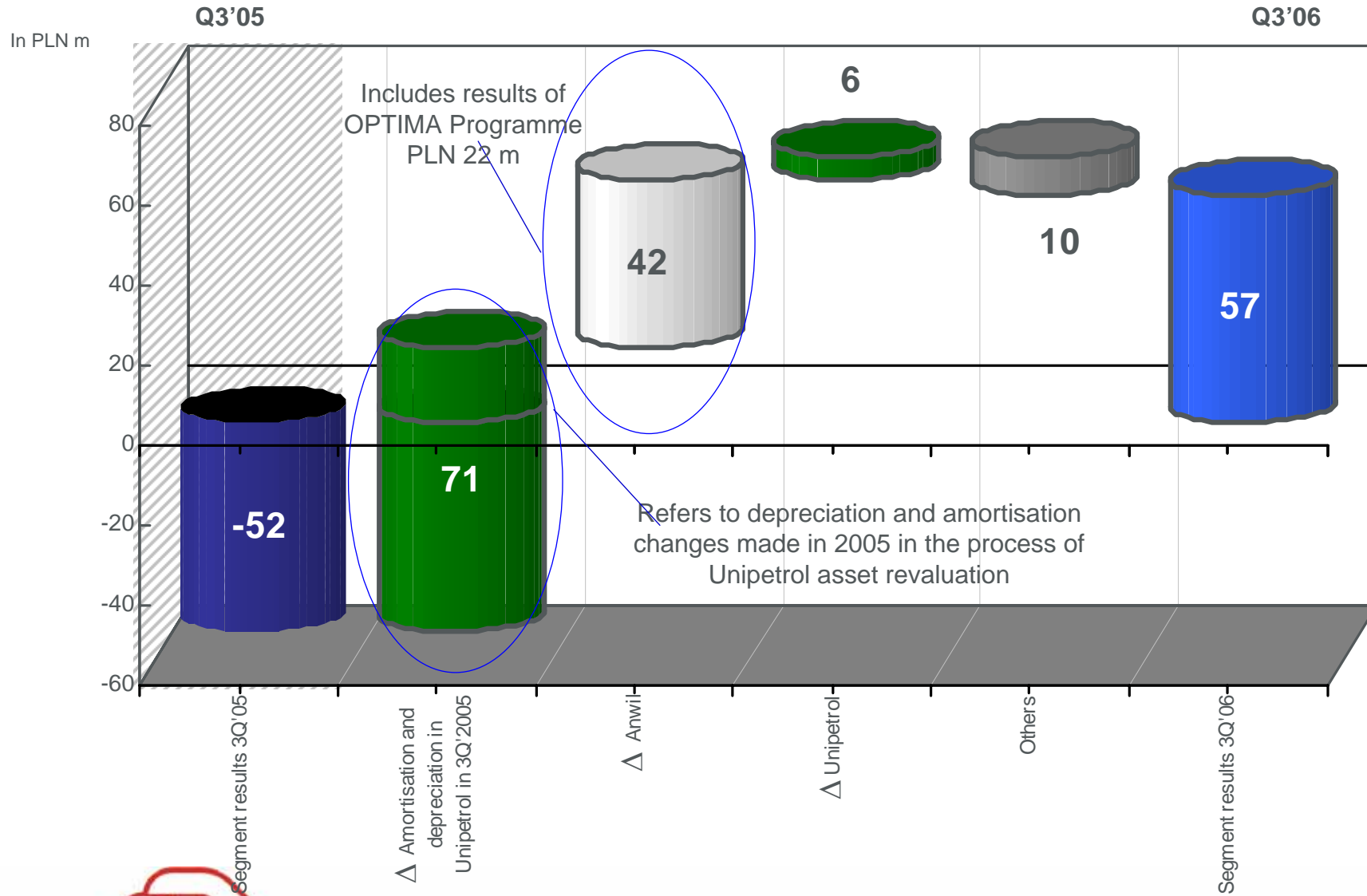
Petrochemicals

Significant sales volume increase is a key driver of segment result.



Chemicals

Significant improvement of segment performance.

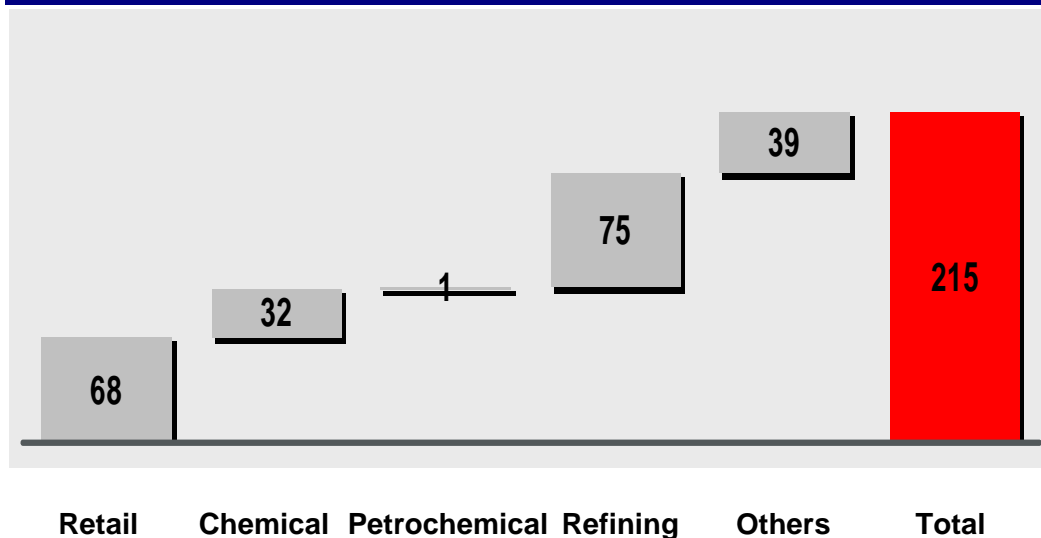


Results of OPTIMA Program after Q3'06

Achieved savings of over PLN 200 m

in PLN m

Programme realisation and results after 3Q' 06 are in line with expectations



- Progress in the majority of segments is at a satisfactory or very good (in refining and others) level
- Refining segment leads with the results.

OPTIMA Program potential in 2009 – examples of major initiatives

- 32.7 PLN m – reconfiguration of chloride production technology (Anwil)
- 20.0 PLN m – increase of hydrosulfide yield on the HDS VI unit
- 8.5 PLN m – optimisation in the use of recovered heat at the Hydrocracking and Olefin II units
- 5.4 PLN m – increase of efficiency in furfural unit



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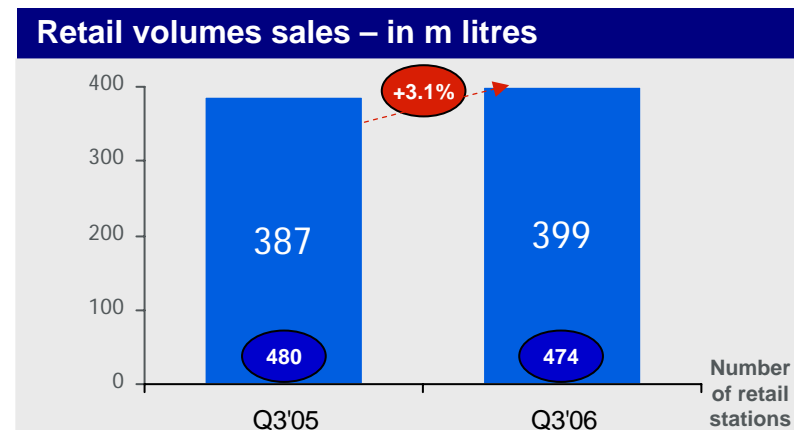
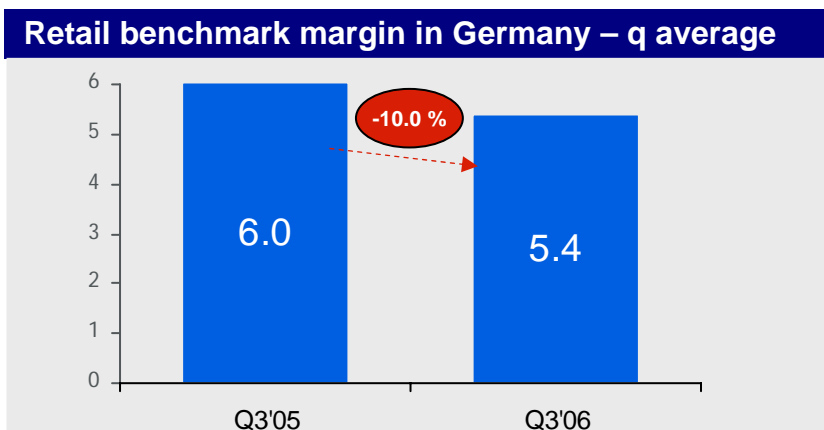
- **Orlen Deutschland**
- **Petrochemical market – environment summary**
- **Unipetrol**
- **OPTIMA –cost reduction according to plan expectations**



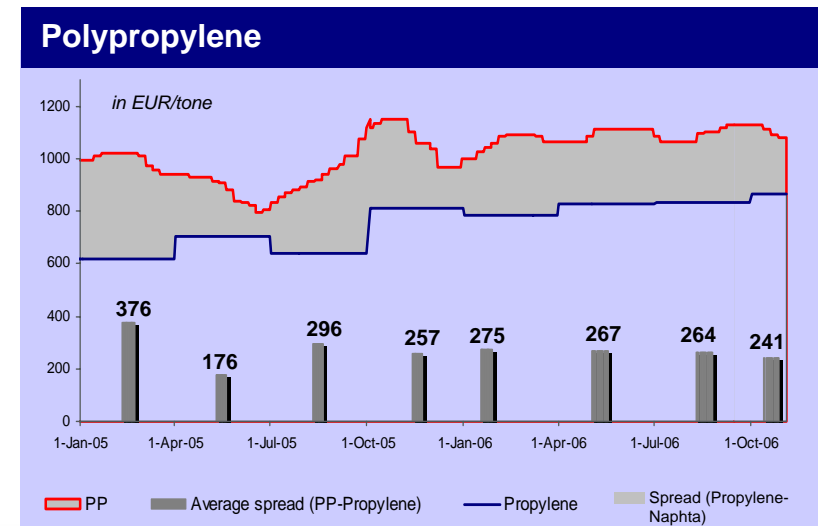
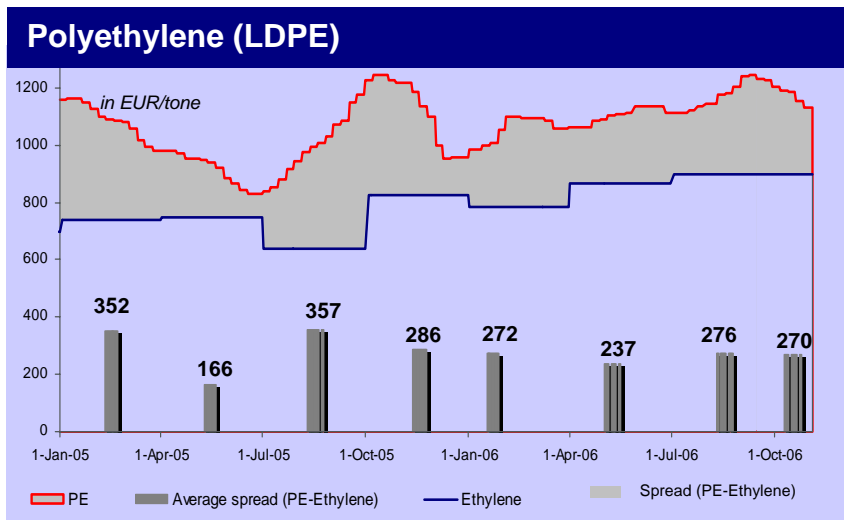
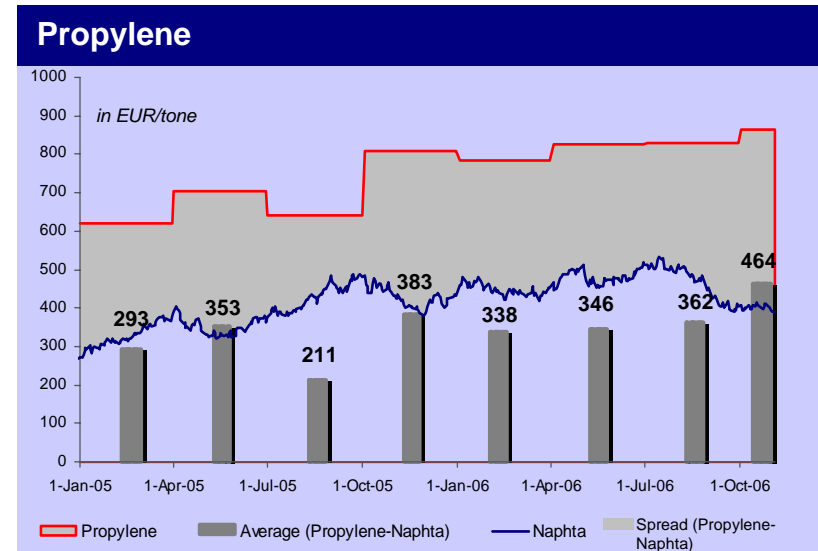
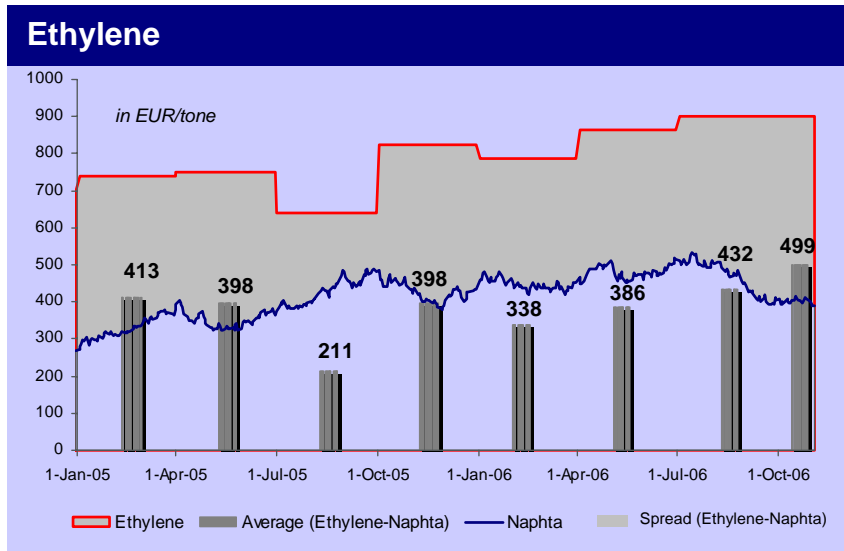
ORLEN Deutschland

Restructuring of the business visible in the results

IFRS, PLN m	Q3'05	Q2'06	Q3'06	y/y [%]	q/q [%]
	1	2	3	4=3/1	5=3/2
Assets	1 485	1 509	1 490	0.3%	-1.3%
Equity	459	350	350	-23.7%	0.0%
IFRS, in PLN m	Q2'06			y/y [%]	q/q [%]
Revenues	2 391	2 327	2 369	-0.9%	1.8%
Cost of sale	-2 384	-2 328	-2 365	-0.8%	1.6%
SG&A	-6	-6	-6	0.0%	0.0%
Profit/Loss on sales	1	-8	-2	-	75.0%
Other operating revenues/costs	14	13	25	78.6%	-92.3%
Operating profit/loss	15	-2	23	53.3%	-
Net profit/loss	9	-4	24	166.7%	-



Petrochemical market from 1 January 2005 to 3 November 2006



Source: Market quotations



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Unipetrol Group

Selected financial data for Q3'06 vs. Q3'05 (1/2)

Preliminary financial results of main subsidiaries of Unipetrol a.s.

IFRS in CZK m	Q1-Q3'05	Q1-Q3'06	Q3'05	Q3'06	Q1-Q3 y/y	Q3 y/y
Chemopetrol a.s.						
Revenues	23 408	25 768	7 980	8 773	10,1%	9,9%
EBIT	2 407	2 649	416	768	10,1%	84,4%
Net result	1 944	1 799	455	334	-7,5%	-26,6%
Benzina a.s.						
Revenues	4 626	5 798	1 879	2 323	25,3%	23,6%
EBIT	-33	129	39	86	-	121,8%
Net result	-363	-247	-99	8	31,9%	-
Ceska Rafinerska a.s. (100%)						
Revenues	6 872	6 926	2 453	2 450	0,8%	-0,1%
EBIT	402	359	159	118	-10,9%	-25,8%
Net result	286	264	109	81	-8,0%	-26,1%
Unipetrol Rafinerie a.s.						
Revenues	41 112	48 303	17 041	18 637	17,5%	9,4%
EBIT	433	819	247	905	89,1%	266,1%
Net result	162	667	102	706	312,5%	589,1%

Comments

- Strong revenues from sales driven by higher prices of petrochemical and agrochemical products.
- However, the negative One-off item (withdrawal of CZK 324m investment allowance) lowers Chemopetrol's 3Q'06 and 1-3Q'06 net result below last year's level.

- Restructuring and operational improvements visible in the positive results of Q3'06.
- Higher fuels sales were supported by successful marketing activities.

- Despite decreased refinery margins during 3Q'06, Unipetrol Rafinerie generated a significant increase of net profit by 589% y/y in Q3'06
- The growth in Unipetrol Rafinerie sales driven mainly by increased sales of fuel and also due to higher prices of selected refinery products.



Unipetrol Group

Selected financial data for Q3'06 vs. Q3'05 (2/2)

Preliminary financial results of main subsidiaries of Unipetrol a.s.

IFRS in CZK m	Q1-Q3'05	Q1-Q3'06	Q3'05	Q3'06	Q1-Q3 y/y	Q3 y/y	Comments
Kaucuk a.s.							
Revenues	7 937	8 556	2 386	2 940	7,8%	23,2%	<ul style="list-style-type: none"> High overall sales in 3Q'06 were achieved thanks to high sales of synthetic rubber, due to major customers having finished their shutdowns, and high demand for expandable polystyrene - caused by this year's long construction season.
EBIT	482	667	194	141	38,4%	-27,3%	
Net result	254	514	31	95	102,8%	202,0%	
Paramo a.s. (100%)							
Revenues	7 808	8 644	2 986	3 429	10,7%	14,8%	<ul style="list-style-type: none"> Realized higher average prices for production sold resulted in better revenues. Improved margins on main products – lubricants, asphalts and diesel.
EBIT	-67	189	-38	162	-	-	
Net result	-153	171	-58	32	-	-	
Spolana a.s. (100%)							
Revenues	4 267	4 615	1 272	1 631	8,1%	28,2%	<ul style="list-style-type: none"> Decreased Caprolactam production, the result of a flood crisis at the beginning of the year minimized by the shortening of a planned shutdown in July. The planned sodium hydroxide and PVC unit shutdowns were postponed from August to October in order to coordinate the shutdowns with CHEMOPETROL. The Caprolactam market situation was characterized by strong demand leading to full capacity utilization.
EBIT	168	261	-52	76	55,1%	-	
Net result	86	188	-76	50	118,4%	-	



Unipetrol Group

Financial and operational results for Q3'06

Preliminary consolidated financial highlights of Unipetrol a.s. for Q3'06

IFRS, in CZK m	31/12/2005	30/09/2006	[%]			
	1	2	3	4	5=2/1	
Equity	39 696	42 613	-	-	7,3%	
Total assets	76 442	76 702	-	-	0,3%	

IFRS, in m CZK	1-3Q05	1-3Q06	3Q05	3Q06	1-3Q y/y [%]	3Q r/r [%]
	1	2	3	4	5=2/1	6=4/3
Revenues	66 560	71 809	28 418	26 873	7,9%	-5,4%
EBIT	3 844	4 481	1 016	1 679	16,6%	65,2%
Net profit	2 289	2 912	529	931	27,2%	75,9%



Unipetrol Group

Selected financial data in 2005-2006

Selected operational highlights for Q1'05 to Q3'06

Operational data*	2004	Q1'05	Q2'05	Q3'05	Q4'05	2005	Q1'06	Q2'06	Q3'06	y/y [%]	q/q [%]
Total sales, of which	4 692	1 118	1 326	1 400	1 320	5 164	1 187	1 365	1 513	8.1%	10.8%
- light products (kt) ¹	3 039	746	848	919	854	3 367	813	941	1 015	10.5%	7.9%
- other refinery products (kt)	552	123	192	197	166	678	110	164	174	-12.0%	5.8%
- petrochemical products (kt)	905	209	236	235	249	928	213	200	274	16.7%	37.0%
- other products (kt)	196	41	51	50	51	192	51	60	51	2.3%	-15.5%
Retail sales of motor fuels (kt)²	491	104	126	136	120	486	107	134	150	10.3%	11.9%
Processed crude oil (kt)	3 718	874	1 022	1 134	1 122	4 151	875	1 103	1 193	5.2%	8.2%
Utilisation ratio³	67%	64%	74%	81%	81%	75%	64%	80%	85%	4 p.p.	5 p.p.
White product yield⁴	71%	72%	69%	72%	71%	71%	74%	74%	73%	1 p.p.	-1 p.p.
Fuel yield⁵	54%	52%	55%	59%	58%	56%	56%	59%	59%	0 p.p.	0 p.p.

*Refers to Unipetrol Group

1) Gasoline, Diesel, LHO, Jet

2) Gasoline, Diesel, LPG

3) 51% of Ceska Rafinerska, 100% of Paramo

4) Gasoline, Diesel, LHO, Jet

5) Gasoline, Diesel, LPG, LHO



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Results of OPTIMA Program after Q3'06 in individual areas

in PLN m

Execution and results after Q3'06 in line with expectations

