



Consolidated financial results of PKN ORLEN Q1'2007 (IFRS)

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15 May 2007



ORLEN

Agenda

Financial results in Q1'07

Analysis of results in Q1'07 - segments

Supporting slides



The EBITDA of the PKN ORLEN Capital Group increased by 21% y/y and 67% q/q, after excluding the effects of the Mazeikiu Nafta consolidation

Key financial data in Q1'07¹

in PLN m	Q1'2006	Q4'2006	Q1'2007	change y/y [%]	change q/q [%]
	1	2	3	4=3/1	5=3/2
EBITDA	983	713	995	1,2%	39,6%
EBITDA <i>after excluding MN consolidation effect²</i>	983	713	1 191	21,2%	67,0%
Net profit ex minority shareholders	348	146	49	-85,9%	-66,4%
Net profit <i>after excluding minority shareholders and MN consolidation effect² (pro forma)</i>	348	146	336	-3,4%	130,1%
Cash flow from operations	-557	1 046	594	-	-43.2%
ROACE (%)³	5.8%	2.1%	4,0%	-1.8p.p.	+1.9p.p.
Gearing (%)⁴	19.7%	22.2%	39.2%	+19.5 p.p.	+17%p.p.
Optima Program	54	84.5	88	63.0%	4%

- 1) Refers to the PKN ORLEN Capital Group including Unipetrol and Mazeikiu Nafta, IFRS numbers unless otherwise stated
- 2) MN: EBITDA Mazeikiu Nafta effect – MN negative operating result of PLN and 334 and the depreciation in the amount of 138m.
Net profit Mazeikiu Nafta effect – negative PLN 287m
- 3) ROACE = operating profit after tax / average capital employed (equity + net debt)
- 4) Gearing = net debt / equity



**One-off effects influenced the Q1'2007 financial results.
The clean operating result, based on LIFO, increased by 185% y/y.**

in PLN m	Q1'2006	Q1'2007	y/y [%]
	1	2	3=2/1
Operating result (reported)	417	375	-10.1%
selected one-off effects	-	75	
reassessment value of the CO ₂ emission rights at MN Capital Group	-	63	
other	-	12	
Clean operating result	417	450	8.0%
LIFO effect (pro forma)	+179	-227	
Clean operating result based on LIFO	238	677	184.5%

Comments:

- Including the effect of LIFO inventory valuation, the financial results in Q1'2007 increased by approximately 185% which demonstrate the strength of PKN ORLEN's performance.

- The clean operating result of the PKN ORLEN Capital Group in Q1'2007, after excluding one-off effects and the LIFO effect, is in line with the level of cash flow from operations (PLN 594 m).



The significant increase in retail fuel sales, and also in petrochemical and refined product volume sales, was a result of the positive effect of PKN ORLEN's pro-sales activities.

Key operating data in Q1'2007

	Q1'2006		Q1'2007		change y/y	change y/y
					[%]	[%]
	<i>PKN ORLEN parent company</i>	PKN ORLEN	<i>PKN ORLEN parent company</i>	PKN ORLEN	<i>PKN ORLEN parent company</i>	PKN ORLEN
	1	2	3	4	5=3/1	6=4/2
Wholesale volume sale (kt) ^{1,4}	1 489	2 126	1 560	3 026	4,8%	42,3%
Petrochemical volume sale (kt) ⁴	316	1 274	340	1 233	7,6%	-3,2%
Retail volume sale (m litres) ²	878	1 178	1 024	1 352	16,6%	14,8%
Refinery utilisation ratio ³	93.0%	-	97.0%	-	+4p.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 13.8 m t/y in 2006

4) Refers to PKN ORLEN parent company excluding export



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Financial results in Q1'07

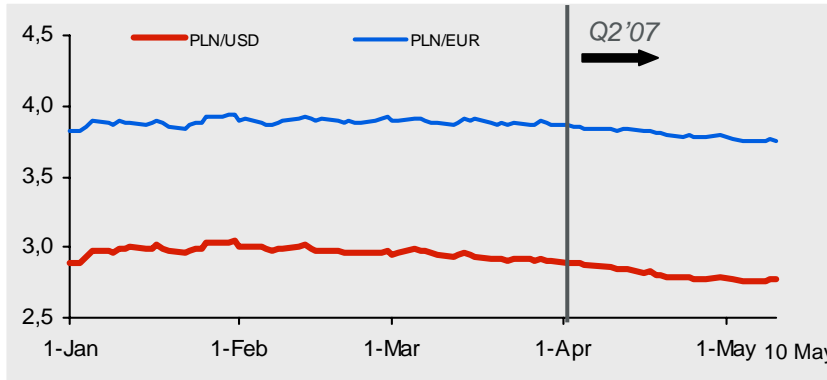
Analysis of results in Q1'07 - segments

Supporting slides

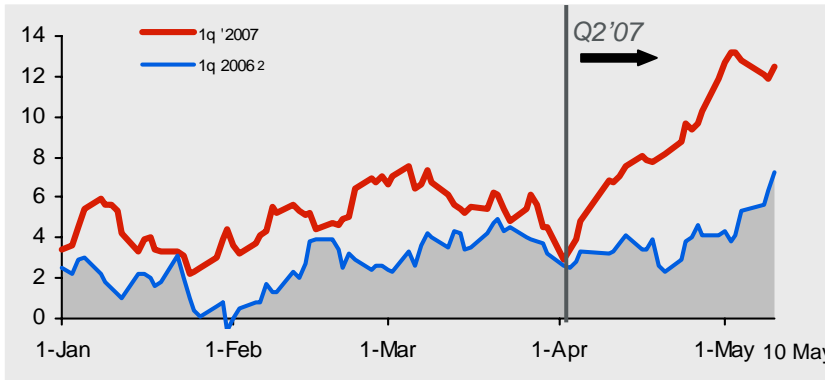


Significant improvement in key macroeconomic factors in the refining segment in Q1'2007 y/y and q/q.

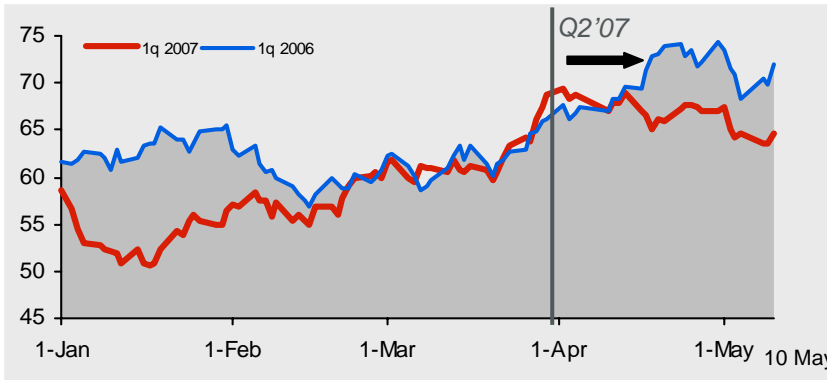
Exchange rates¹



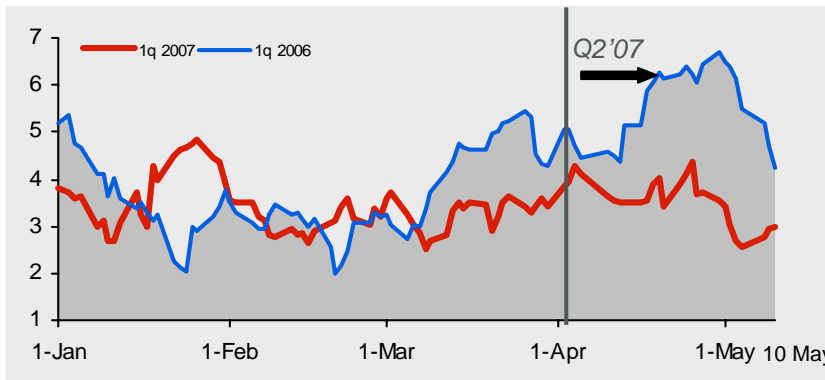
**Refinery margin \$ 5,0/b average in Q1'2007³
Increase by 95% y/y vs. \$ 2,56/b**



**Brent \$ 57,79 /b average in Q1'2007
Decrease by 7% y/y vs. \$ 61,79/b**



**Brent/Ural differential \$ 3,38/b average in Q1'2007
Decrease by 6% y/y vs. \$ 3,59/b**



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)



Simplified P&L account

Operating income (after excluding MN) increased by 70% y/y despite the negative LIFO effect

in PLN m, IFRS	Q1'2006	Q4'2006	Unipetrol effect Q1'2007	MN effect Q1'2007	Q1'2007	change y/y [%]	change q/q [%]
	1	2	3	4	5	6=5/1	7=5/2
Revenues	11 331	13 115	2 852	1 782	13 408	18,3%	2,2%
Operating profit	417	173	263	-334	375	-10,1%	116,8%
Operating profit excluding MN consolidation effect*	417	173	-	-	709	70,0%	309,8%
Net profit	373	76	176	-287	140	-62,5%	84,2%
Net profit excluding minority shareholders	348	146	173	-287	49	-85,9%	-66,4%
Net profit excluding minority shareholders and MN consolidation effect (pro forma)	348	146	-	-	336	-3,4%	130,1%

Comments:

- Significant increase of PKN ORLEN revenues (after excluding MN consolidation effect) due to increase of refined product wholesale sales by 4.8%, retail sales by 16.6% and petrochemical product sales of the parent company by 7.6% (y/y).

- Operating profit (after excluding the effect of MN consolidation) increased by 70% y/y despite the negative impact of LIFO inventory valuation.
- Net profit (after excluding the effect of MN consolidation) was comparable on a year-on-year basis, despite an increase in financial costs of 55%. This was related to the higher debt level.



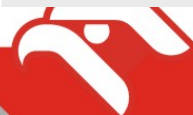
Costs by kind

Operating cost q/q comparison at a satisfactory level, despite an increase in the company's volume of activity and the Mazeikiu Nafta consolidation.

IFRS basis, PLN m	Q1'2006	Q4'2006	Unipetrol effect Q1'2007	MN effect Q1'2007	Q1'2007	change y/y [%]	change q/q [%]
	1	2	3	4	5	6=5/1	7=5/2
Raw materials and energy	6 291	6 985	1 846	1 586	8 067	28,2%	15,5%
Costs of goods for resale	2 885	3 831	269	57	3 095	7,3%	-19,2%
External services	654	795	231	124	769	17,6%	-3,3%
Staff costs	346	403	96	63	439	26,9%	8,9%
Depreciation and amortisation	566	540	155	138	620	9,5%	14,8%
Taxes and charges	98	62	1	5	110	12,2%	77,4%
Others	51	111	14	24	64	25,5%	-42,3%
Total	10 891	12 727	2 612	1 998	13 164	20,9%	3,4%
Variable costs	9 568	11 039	2 243	1 637	11 516	20,4%	4,3%
Fixed costs	1 323	1 688	370	361	1 648	24,5%	-2,3%
Other operating costs	94	514	88	65	254	170,2%	-50,6%
Change in inventories, other payable and accrued expenses, internal costs	62	-60	-79	68	-255	-	325,0%
Total operating costs	11 047	13 181	2 622	2 130	13 163	19,2%	-0,1%

Comments:

- Increase of costs y/y caused by MN acquisition.
- Depreciation and amortisation also increased due to reassessment of Mazeikiu Nafta assets to fair value.
- After excluding the effect of Mazeikiu Nafta consolidation, total operating costs were lower by PLN 14 m y/y.
- A visible decrease in the costs of external services by 3.3% q/q.



The significant increase in operating profit y/y and q/q (after excluding the MN consolidation effect) demonstrates the dynamic development of PKN ORLEN in its operating segments.

in PLN m, IFRS	Q1'2006	Q4'2006	Unipetrol effect Q1'2007	MN effect Q1'2007	Q1'2007	change y/y [%]	change q/q [%]
	1	2	3	4	5	6=5/1	7=5/2
Operating profit , of which	417	173	263	-334	375	-10,1%	116,8%
Operating profit excluding MN consolidation effect	417	173	-	-	709	70,0%	309,8%
Refining¹	106	-3	49	-263	14	-86,8%	-
Petrochemical	310	82	224	-	370	19,4%	351,2%
Chemical	57	83	-	-	83	45,6%	0,0%
Retail	6	182	3	-0,3	108	1700,0%	-40,7%
Others²	49	-10	-13	-71	-64	-	-540,0%
Non-attributable³	-111	-161	-	-	-136	-22,5%	15,5%

Comments

- Negative effect of Mazeikiu Nafta consolidation in the refining segment as a result of the MN fire in 2006. The fire caused a decrease in refinery operational capacity by approximately 50%.
- Favourable petrochemical market situation – high margins in the petrochemical segment – positively influenced operating profit (including Unipetrol contribution of PLN 224 m).
- Good result of the chemical segment was a consequence of high demand for artificial fertilizers and a very good market situation in the building industry.
- Retail fuel volume sales increased in the parent company . This increased the result of the segment by PLN 44 m y/y.



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1) Production, Wholesale and Logistics

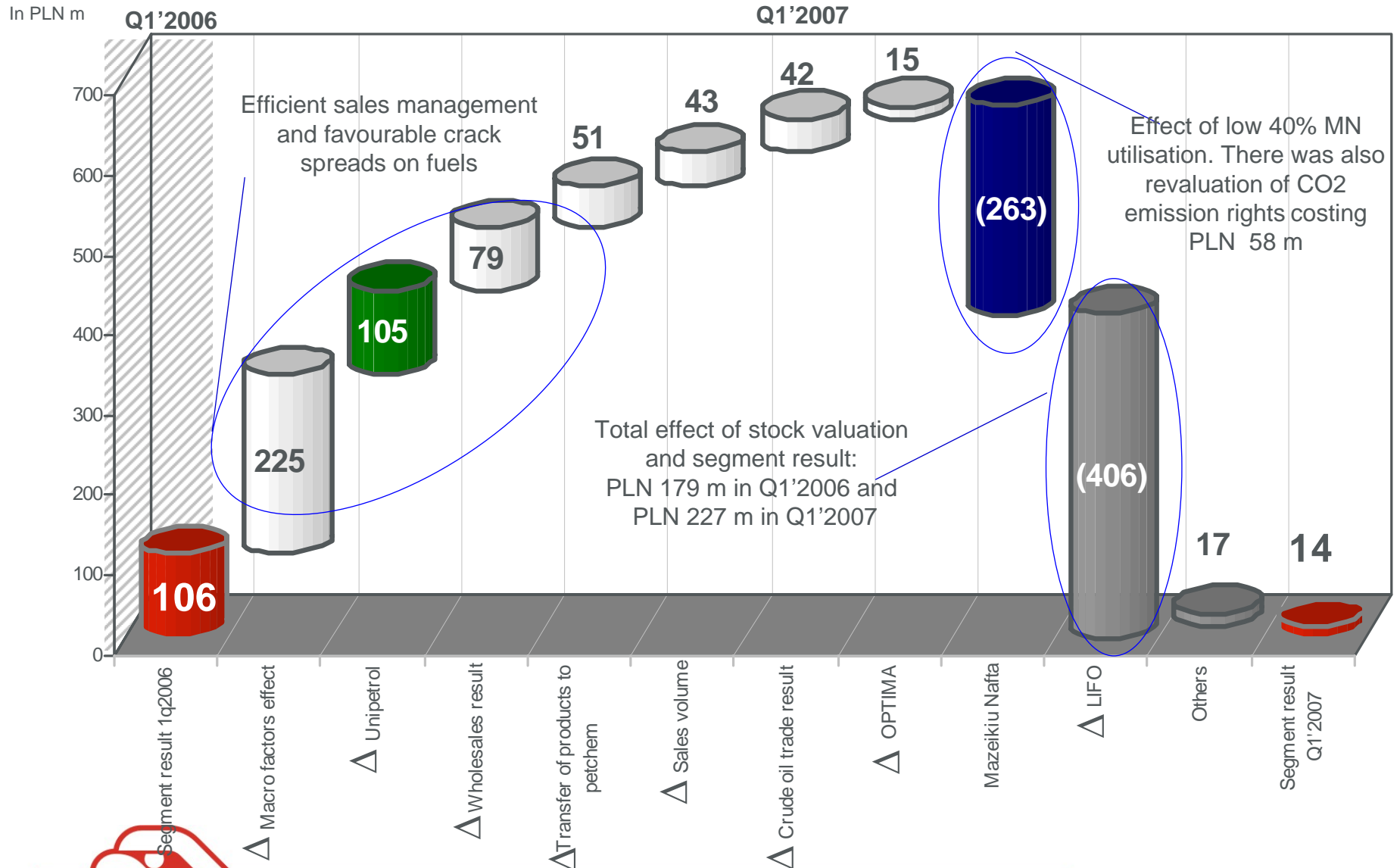
2) Departments responsible for energetic media PKN ORLEN social activity, subsidiaries services and crude oil turnover

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

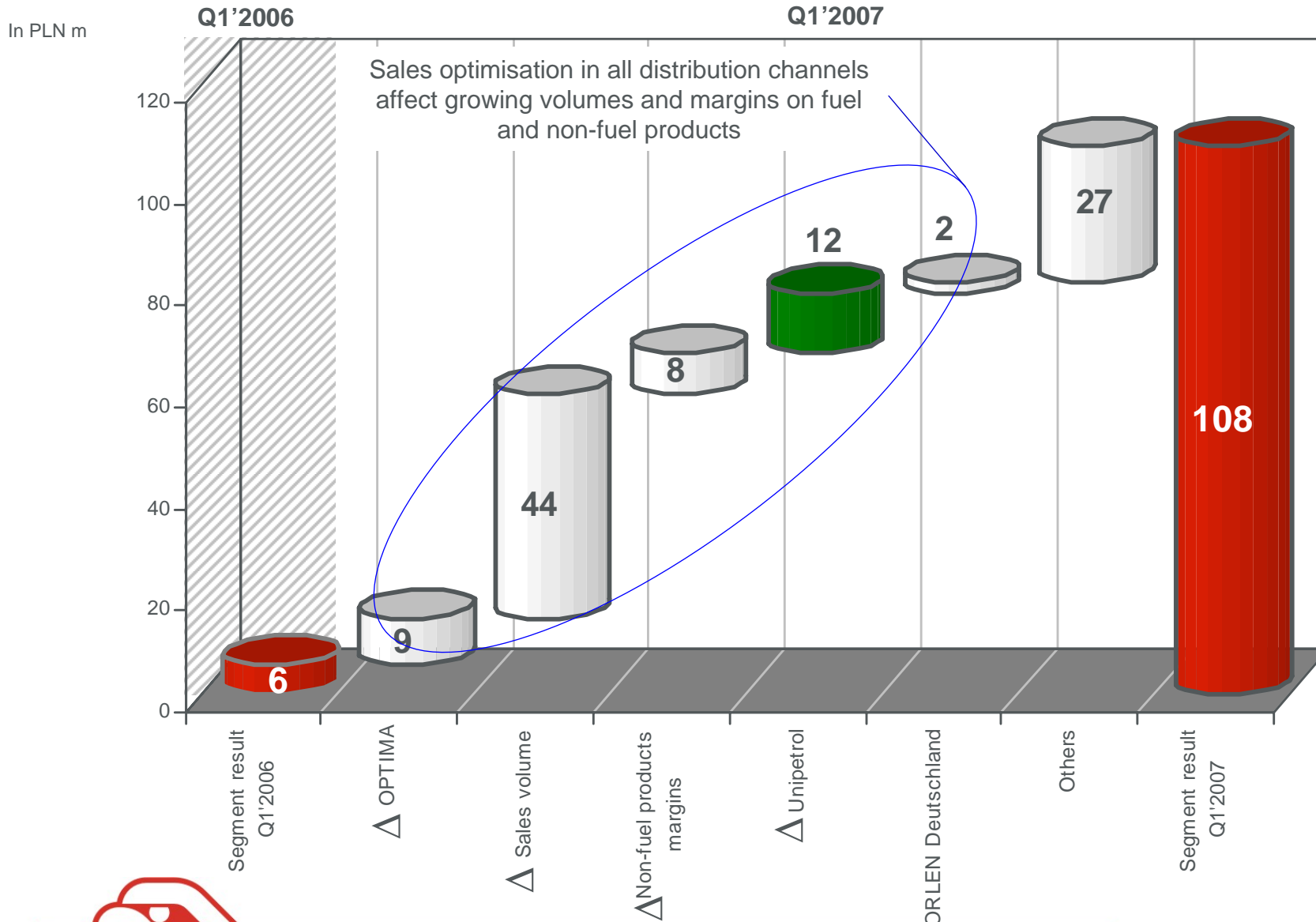
Refining segment

Focus on efficiency improvement and optimisation of product slate
 Lower result connected with inventory valuation effect



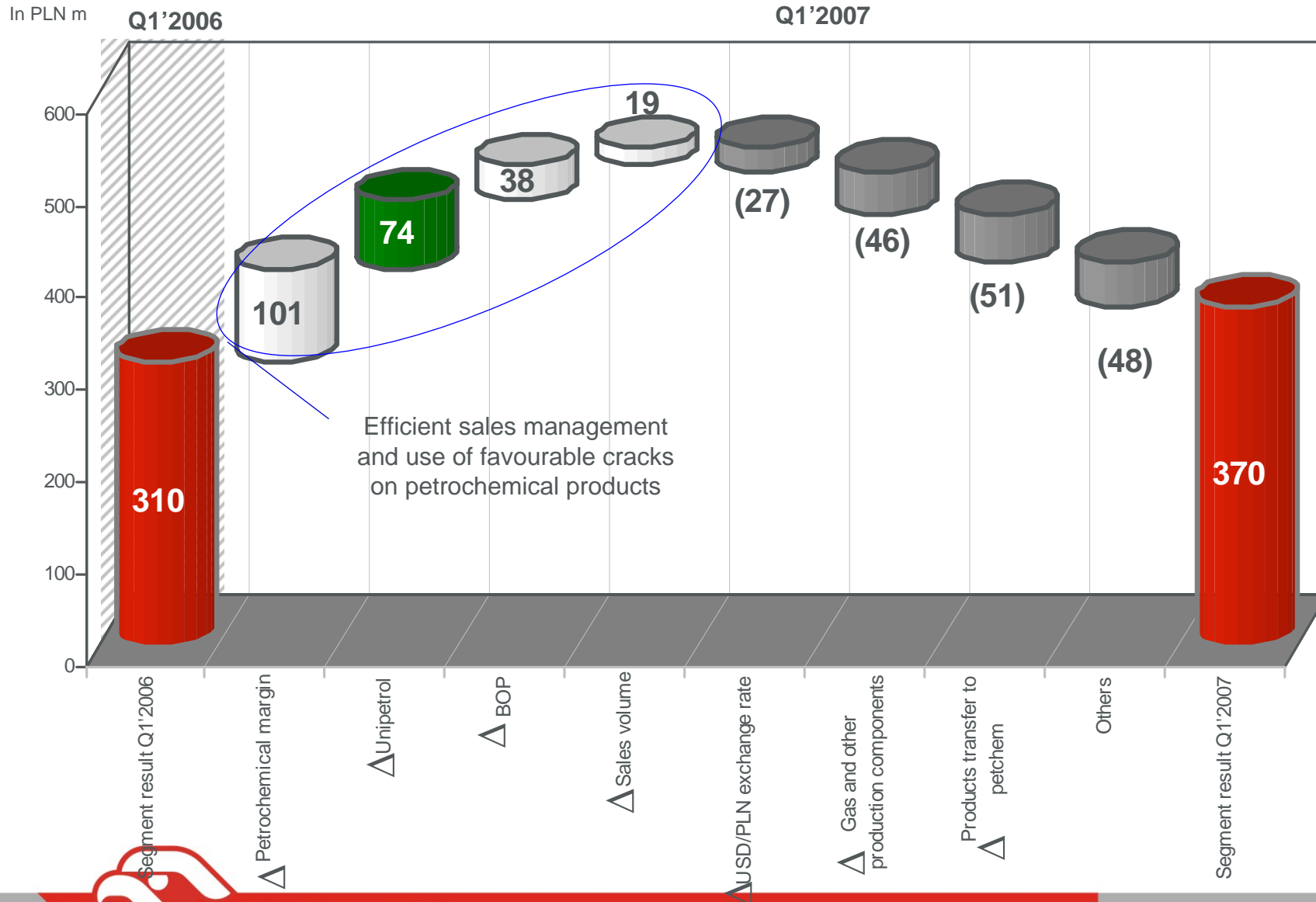
Retail segment

Volume sales dynamics increase is continued



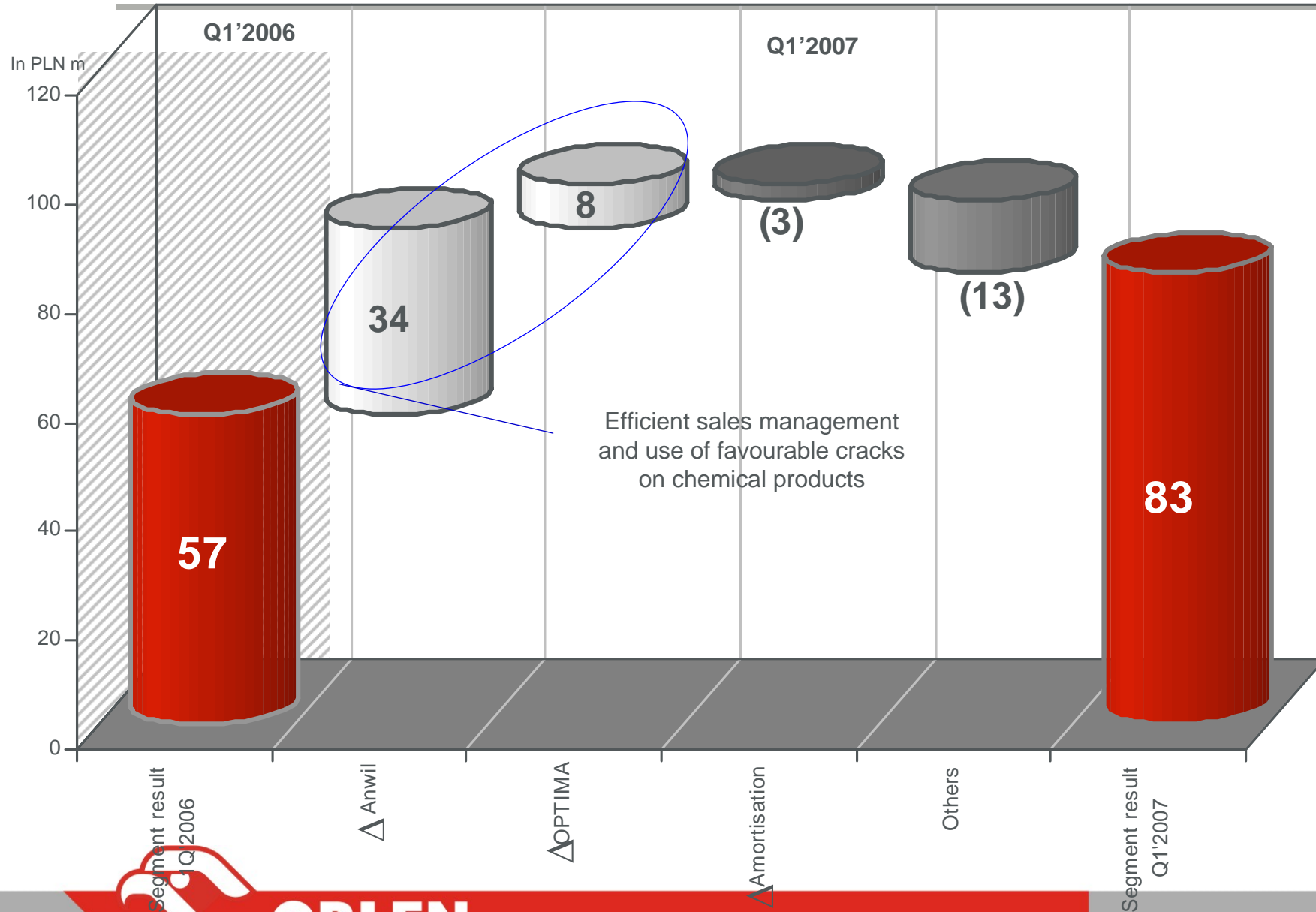
Petrochemical segment

Significant improvement in subsidiaries results as a key driver of an increase



Chemical segment

Radical improvement of segment efficiency

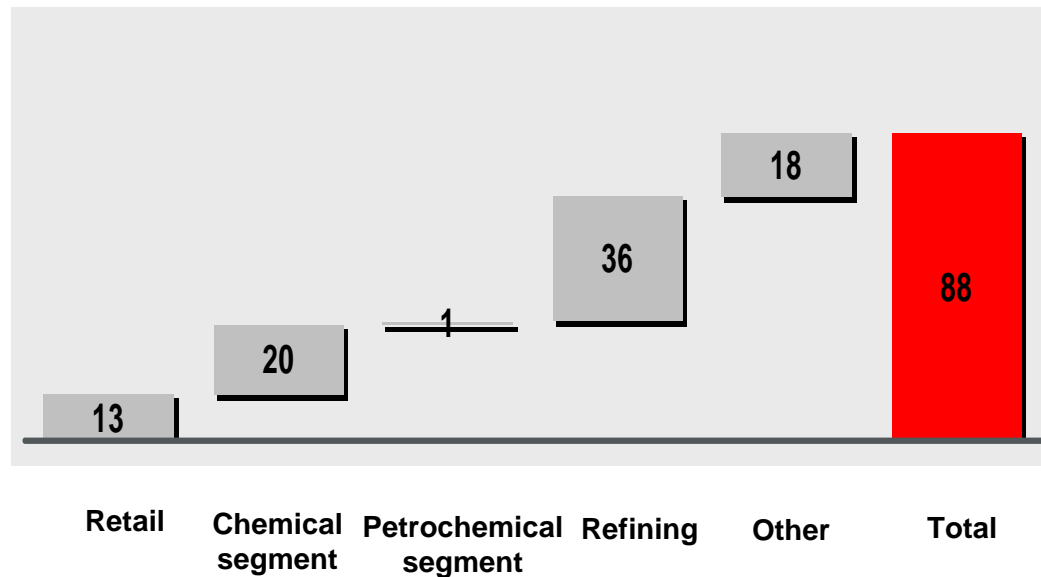


OPTIMA program results after Q1'2007

Cost-savings realised at the level of PLN 88 m – increase by 63% y/y

In PLN m

Realisation of work and results after 1 quarter are in line with expectations



- Progress of work in the majority of segments is at either a satisfactory or very good level (Refining)
- Program leader is the refining segment

Examples of initiatives realised in Q1'2007 (in PLN m)

- PLN 6 m – reduction of use of electric and thermal energy as a result of change in technology of chlorine production from diaphragm to membrane
- PLN 5 m – increase of hydro-raffinate yield at HON VI unit
- PLN 2.5 m – processing of post-pyrolysis oil at CDU II



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Financial results for Q1' 2007

Segmental analysis of financial results for Q1'2007

Supporting slides

- **Orlen Deutschland**
- **Petrochemicals market – summary**
- **Unipetrol**
- **OPTIMA – areas in accordance with the plan assumptions**
- **Operating data in selected subsidiaries of PKN ORLEN Group**

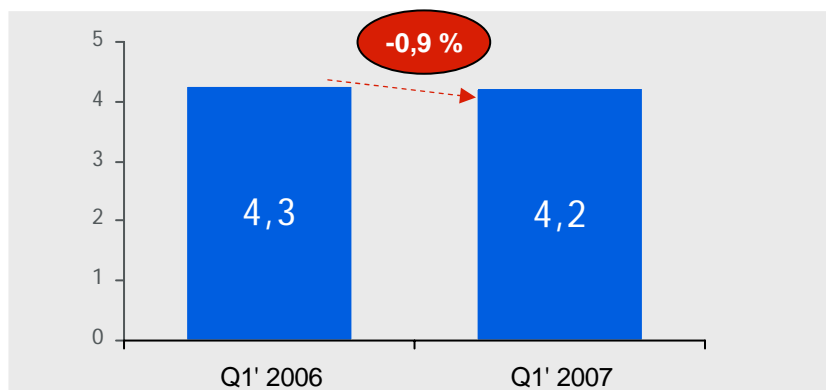


ORLEN Deutschland

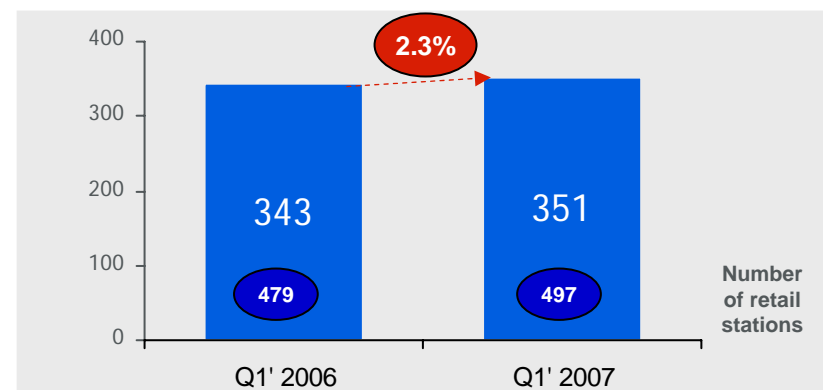
Business restructuring visible at the operating level of the Company

IFRS, PLN m	Q1'2006	Q4'2006	Q1'2007	change y/y [%]	change q/q [%]
	1	2	3	4=3/1	5=3/2
Asstes	1 445	1 214	1 388	-3.9%	14.3%
Equity	327	346	350	7,0%	1.2%
IFRS, PLN m				change y/y [%]	change q/q [%]
Revenues	2 004	2 155	1 844	-8.0%	-14.4%
Cost of sales	-2 023	-2 111	-1 846	8,7%	12,6%
Administrative and GA costs	-5	-4	-4	20,0%	0.0%
Profit/loss on sale	-23	40	-6	73,9%	-
Other operating revenues/cost	21	-46	6	-71.4%	-
Operating profit/loss	-2	-6	-0,4	80,0%	93,3%
Profit/loss net	-4	-5	-0,9	77,5%	82,0%

Reference retail margin in Germany quarterly average



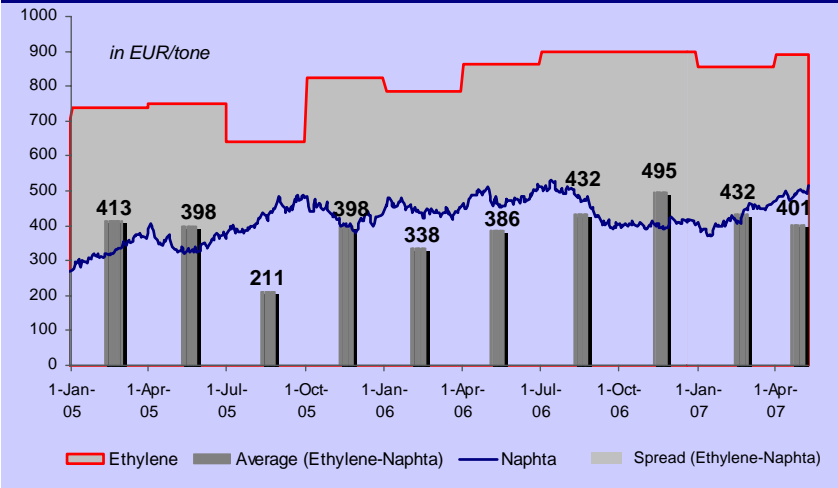
Volume retail sales in OD – m litres



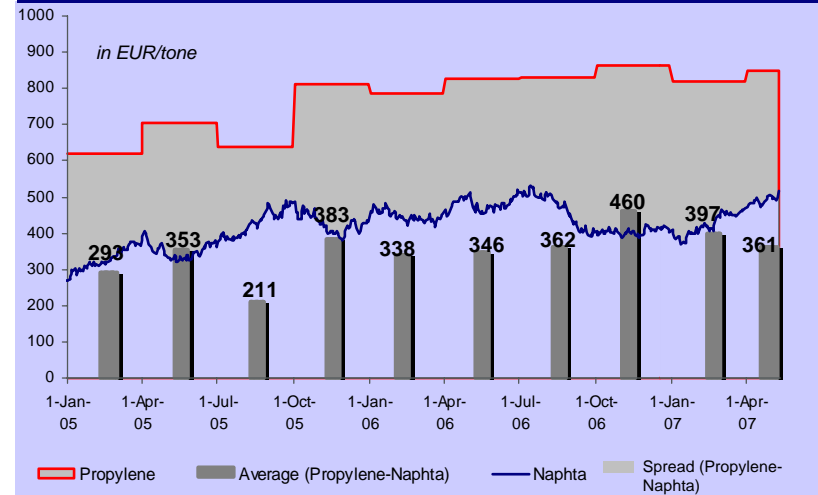
Petrochemical market

from 1 January 2005 to 10 May 2007

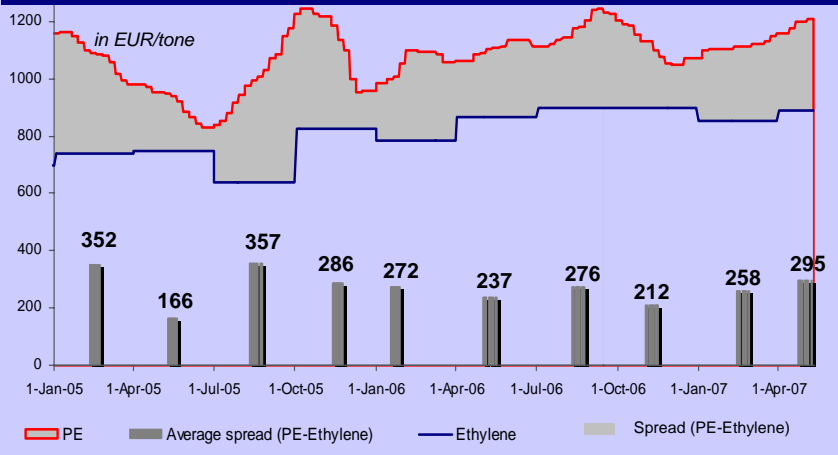
Ethylene



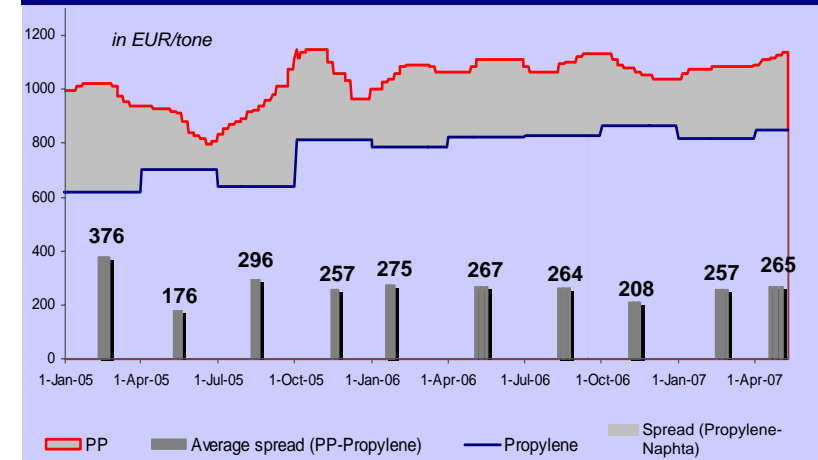
Propylene



Poliethylene (LDPE)



Polipropylene



Source: Market quotations



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Unipetrol Group

Financial and operating results for Q1'2007

Preliminary consolidated financial results of Unipetrol for Q1'2007

IFRS, CZK m	Q1'06	Q4'06	Q1'07	y/y [%]	q/q [%]
	1	2	3	4=2/1	5=4/3
Revenues	20 256	22 782	20 633	1,9%	-9,4%
EBIT	978	-916	2 318	137,0%	-
Net profit	786	-1 195	1 564	99,0%	-



Unipetrol Group

Selected operating data in 2005 - 2007

Selected operating data in Q1'2005 – Q1'2007

Operating data*	2004	Q1' 05	Q2' 05	Q3' 05	Q4' 05	2005	Q1' 06	Q2' 06	Q3' 06	Q4' 06	2006	Q1' 07
Total sales (th.t), including	4 692	1 118	1 326	1 400	1 320	5 164	1 186	1 366	1 513	1 354	5 418	1 366
- light products sales (th.t) ¹	3 039	746	848	919	854	3 367	813	941	1 015	914	3 683	906
-other refining products sales (th.t)	552	123	192	197	166	677	110	164	173	152	599	160
- petrochemical products sales (th.t)	905	209	236	235	249	928	213	200	274	240	926	257
-other products sales (th.t)	196	41	51	50	51	192	51	60	51	48	211	43
Motor fuels retail sales (tL)²	491	104	126	136	120	486	107	134	150	144	535	136
Crude oil processed (th.t)	3 718	874	1 022	1 134	1 122	4 152	875	1 103	1 193	1 110	4 281	1 070
Utilisation³	67%	64%	74%	81%	81%	75%	64%	80%	85%	79%	77%	78%
White products yield⁴	71%	72%	69%	72%	71%	71%	73%	74%	73%	71%	73%	74%
Fuels yield⁵	54%	52%	55%	59%	58%	56%	56%	59%	59%	57%	58%	59%

*Refers to Unipetrol Group

1) Gasoline, ON, LHO, Jet

2) Gasoline, ON, LPG

3) 51% Ceska Rafinerska, 100% Paramo

4) Gasoline, ON, LHO, Jet

5) Gasoline, ON, LPG, LHO

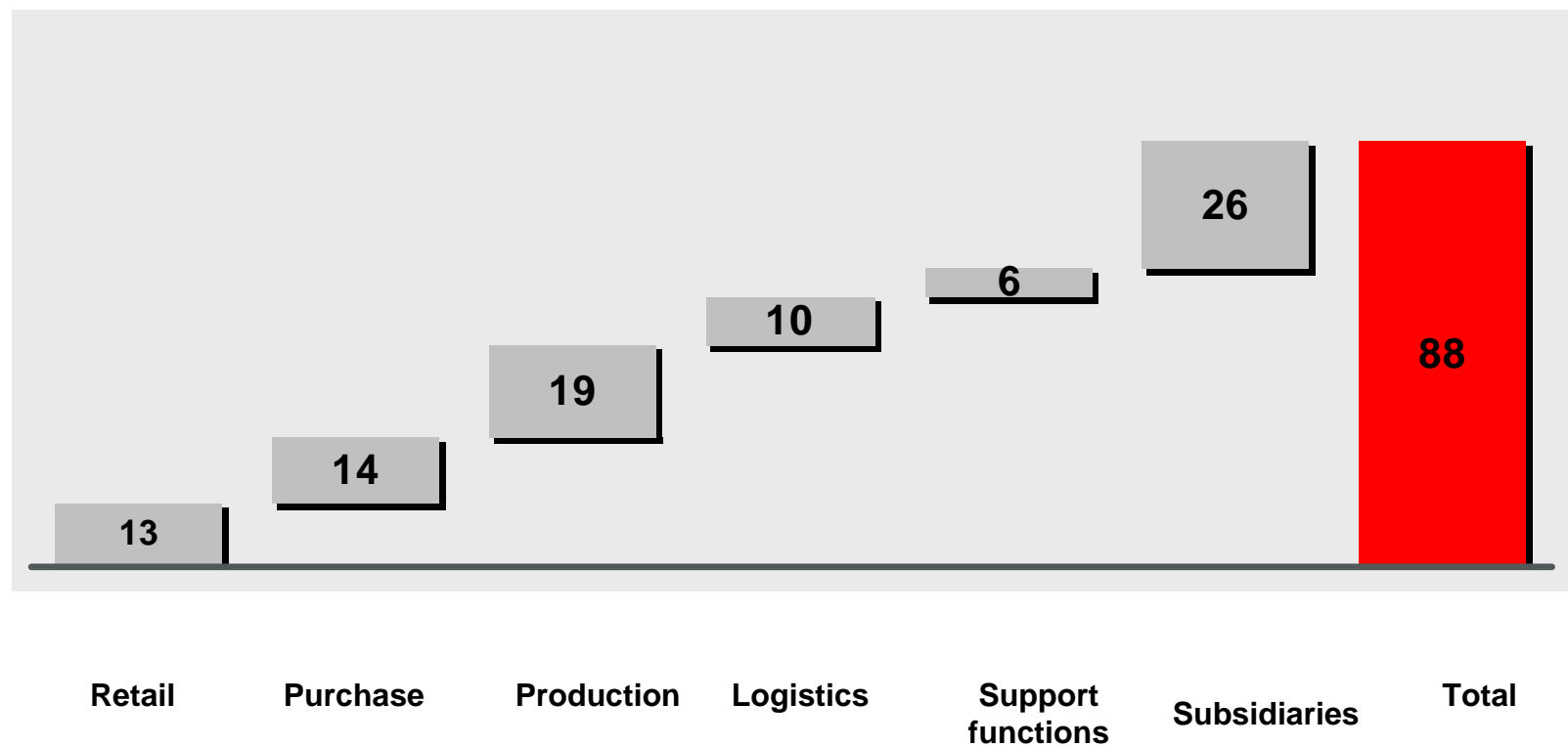


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OPTIMA Program results after Q1'2007 in certain areas

in PLN m

Realisation of work and results after 1 quarter are in line with expectations



Operating data in Q1'2007 vs. Q1'2006

Increase in crude oil processed in PKN ORLEN and Unipetrol

Selected operating data	Q1'2006	Q1'2007	change y/y [%]
Refinery in Poland¹			
Crude oil processed (th.t)	3 201	3 348	5.0%
Utilisation	92.8%	97.0%	+4p.p.
White products yield	80.7%	80.9%	0p.p.
Fuel yield	62.6%	62.6%	0p.p.
Refinery in Czech²			
Crude oil processed (th.t)	875	1 070	22%
Utilisation	64%	78%	+14p.p.
White products yield	73%	74%	+1p.p.
Fuel yield	56%	59%	+3p.p.
Refinery in Lithuania³			
Crude oil processed (th.t)	2 255	1 006	-55%
Utilisation	89.4%	39.9%	-49.5p.p.
White products yield	71.4%	61.9%	-9.5p.p.
Fuel yield	61.5%	71.8%	+10.3p.p.

1) Production data refer to Refinery in Plock, assumptions: refinery capacity at the level of 13,5 m t/y in 2005 and 13,8 m t/y in 2006.

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

3) Production data refer to Mazeikiu Nafta refinery: 10 m t/y. Data for 2006 were not consolidated within PKN ORLEN Group



Mazeikiu Nafta

Selected items from balance sheet and P&L

IFRS, USD m	Q1'06	Q4'06	Q1'07	y/y [%]	q/q [%]
	1	2	3	4=3/1	5=3/2
Assets	1 654	1 585	1 457	-11,9%	-8,1%
Equity	721	749	698	-3,2%	-6,8%
IFRS, in PLN m	Q1'06	Q4'06	Q1'07	y/y [%]	q/q [%]
Revenues	1 140	690	599	-47,5%	-13,2%
Gross profit on sales	128	-32	0	-	-
EBITDA	71	-81	-47	-	42,0%
EBIT	56	-90	-57	-	36,7%
Net profit/loss	47	-66	-51	-	22,7%

Comments

- The above data refers to the Mazeikiu Nafta financial statements as a stand-alone entity based on IFRS.
- Due to the acquisition of Mazeikiu Nafta PKN ORLEN has revalued assets to fair value.
- Data regarding Mazeikiu Nafta presented in the PKN ORLEN consolidated financial statement for Q1'07 differs, including among other items, by depreciation of USD 46 m, which makes the operating profit of Mazeikiu Nafta on the consolidated level USD 112 m.

