



Consolidated financial results of PKN ORLEN Q3'2007 (IFRS)

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ORLEN

Agenda

Financial and operational results in Q3'07

Analysis of results in Q3'07 - segments

Supporting slides



PKN ORLEN Group financial results stable on a Y/Y basis

Excluding one-offs relating to modernisation costs and the Unipetrol write-off

Key financial data in Q3'07 ⁽¹⁾					
IFRS, in mln PLN	Q3'06	Q2'07	Q3'07	change y/y [%]	change q/q [%]
	1	2	3	4=3/1	5=3/2
EBITDA	1 681	1 874	1 438	-14,5%	-23,3%
EBITDA Excl. one-off S/D cost in Unipetrol and Mazeikiu Nafta (2)	1 681	1 874	1 625	-3,3%	-13,3%
Net profit after excluding minority shareholders	966	1 110	562	-41,8%	-49,4%
Net profit after excl. minority shareholders Excl. write off in Unipetrol and one off S/D cost (3)	966	1 110	926	-4,1%	-16,5%
Cash flow from operations	1 533	1 314	630	-58,9%	-52,1%
ROACE (%)⁽⁴⁾	15,6%	13,8%	9,0%	-6,6pp	-4,8pp
Gearing (%)⁽⁵⁾	10,9%	37,9%	33,7%	22,8pp	-4,2pp
Net Debt / EBITDA⁽⁶⁾	0,20	1,00	1,30	1,1	0,3
Optima Program	117	133	122	4,3%	-8,3%

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

2) Lost margin and costs of modernisation due to ShoutDown in 3Q'07 in Unipetrol 167 mln PLN and Mazeikiu 24 mln PLN => Total 187 mln PLN.

3) Net profit in Q3'07 after excl. Minority shareholders increased by 364 m PLN which combines : 213 mln PLN book-value write-off in Unipetrol stake in Agrobohemie a.s. and Synthesia a.s. and 151 mln PLN costs related to (2) adjusted by tax 19%

4) ROACE = EBIT after tax / average capital employed (equity + net debt)

5) Gearing = net debt / equity

6) Interest-bearing borrowings less Cash & cash equivalents and less Short term investments / EBITDA + dividends received from Polkomtel

Significant increase in refinery wholesale of 63% y/y from Mazeikiu Nafta contribution.
Petrochemicals influenced by planned shut-downs and revamping.

Key operating data in 3Q'07

	Q3'2006		Q3'2007		y/y [%]	
	<i>unconsolidated</i>	Group	unconsolidated	Group	<i>unconsolidated</i>	Group
	1	2	3	4	5=3/1	6=4/2
Wholesale sales (kt) ¹	1 837	2 446	1 899	3 988	3,4%	63,0%
Petrochemical sales (kt)	439	852	404	736	-8,0%	-13,6%
Retail sales (m litres) ²	814	1 398	939	1 540	15,4%	10,2%
Crude oil throughput	3 524	4 750	3 513	6 093	-0,3%	28,3%
Refinery utilisation ratio³	102%		102%	-	<i>0pp</i>	-

1) Refers to gasoline, diesel, Jet, LHO

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

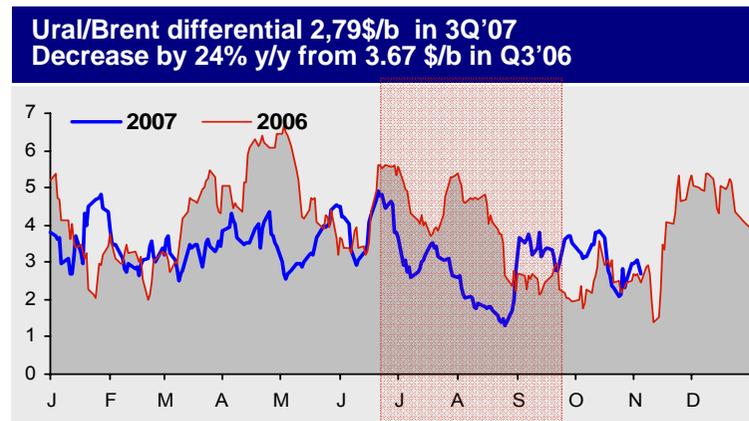
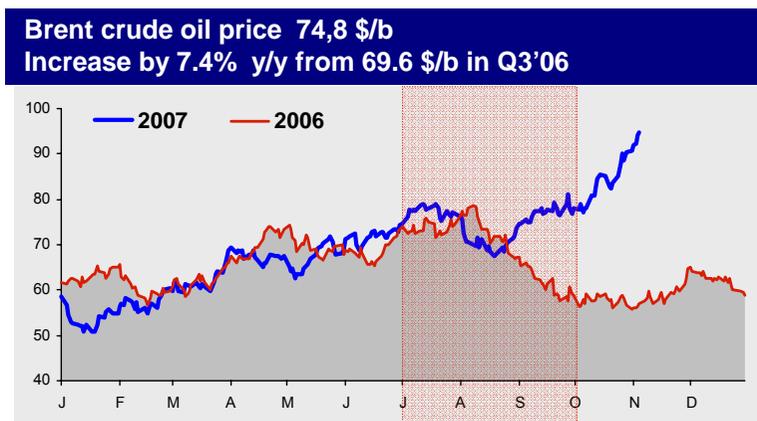
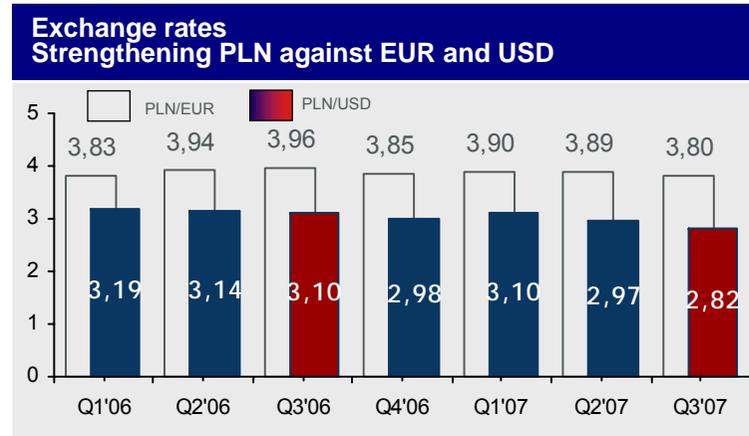
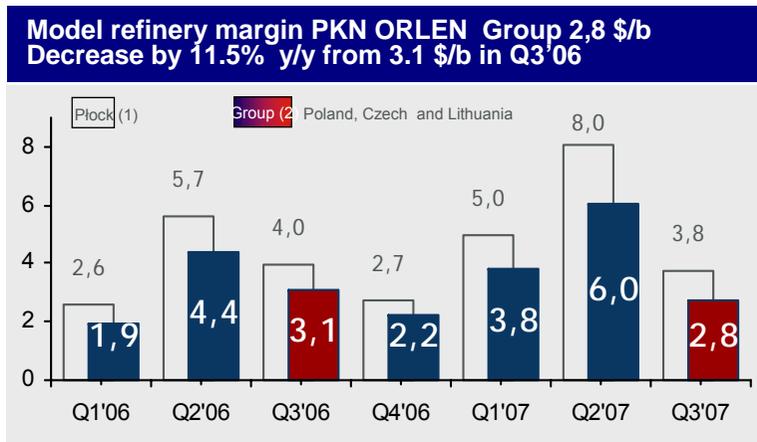
3) Refers to deep processing capacity at PKN ORLEN 13.8 m t/y



ORLEN

Macroeconomic environment

Decrease in model refinery margin by 11.5% y/y and Ural/Brent differential by 24% y/y



1) Margin 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)

2) Model refinery margin PKN ORLEN = revenues from product sales (88% Products = 22% Gasoline + 11% Naphtha + 38% Diesel + 3% LHO + 4% JET + 10% HHO) less costs (100% feedstock = 88% Brent crude + 12% internal consumption); price of products based on market quotations

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Production facility modernisation in the Czech Republic and Lithuania

Restructuring of the asset portfolio also affected PKN ORLEN's Group financial results.

IFRS, in mln PLN	Q3'06	Q2'07	Unipetrol impact Q3'07	MN impact Q3'07	Q3'07	change y/y [%]	change q/q [%]
	1	2	3	4	5	6=5/1	7=5/2
Revenues	14 879	16 218	3 020	3 085	17 265	16,0%	6,5%
EBIT	1 148	1 292	84	-35	834	-27,4%	-35,4%
Financial income	198	222	23	13	205	3,5%	-7,6%
Financial expenses	-95	-106	-367	-20	-542	470,5%	410,3%
Net profit	1 014	1 189	-206	-15	507	-50,0%	-57,4%
Net profit ex.minority sharehold.	966	1 110	-205	-15	562	-41,8%	-49,4%
LIFO adjustment , gross ⁽¹⁾	30	-596	5	-20	-251	-	-57,9%

Comments:

- Significant increase in PKN ORLEN revenues by 16% y/y from Mazeikiu Nafta consolidation effect and total product sales increased by 14%
- EBIT decreased by 27% y/y due to refinery margin weaker and appreciation of Polish zloty
- Gross LIFO effect, at the level of -251 mln PLN due to Ural crude oil price increase of around USD 7 bbl in 3Q'07 vs. 2Q'07
- As a result of the restructuring in Unipetrol in 3Q'07 some assets were reclassified and written-down to fair value. Write-off in other financial costs -338 mln PLN and with net profit impact -213 mln PLN
- Net profit (ex. minority shareholders) 775 mln PLN after eliminating book-value write-offs in Unipetrol of 213 mln PLN ⁽²⁾

¹⁾ Lifo adjustment : EBIT (LIFO) - EBIT (reported based on weighted average inventory valuation)

²⁾ Net profit in Q3'07 after excl. Minority shareholders increased by 364 m PLN which combines : 213 mln PLN book-value write-off in Unipetrol stake in Agrochemie a.s. and Synthesia a.s.



Increase in crude oil prices and Mazeikiu Nafta consolidation resulted in cost increasing q/q and y/y

IFRS, in mln PLN	Q3'06	Q2'07	Unipetrol impact Q3'07	MN impact Q3'07	Q3'07	change y/y [%]	change q/q [%]
	1	2	3	4	5	6=5/1	7=5/2
Raw materials and energy	7 972	9 385	1 895	2 765	10 239	28,4%	9,1%
Costs of goods for resale	3 834	3 674	531	129	4 227	10,3%	15,1%
External services	752	813	247	118	949	26,2%	16,7%
Staff costs	360	517	86	64	433	20,3%	-16,2%
Depreciation and amortisation	533	582	149	116	604	13,3%	3,8%
Taxes and charges	75	74	1	5	85	13,3%	14,9%
Other	70	75	21	18	80	14,3%	6,7%
Total	13 596	15 120	2 930	3 215	16 617	22,2%	9,9%
Variable costs	12 282	13 361	2 562	2 966	14 966	21,9%	12,0%
Fixed costs	1 314	1 759	368	249	1 651	25,6%	-6,1%
Other operating costs	204	173	42	10	121	-40,7%	-30,1%
Change in inventories	61	-286	1	-105	-216	-	-24,5%
Total operating costs	13 861	15 007	2 973	3 120	16 522	19,2%	10,1%

Comments:

- External costs of services increased by 16,7% q/q as a result of revamping and shut-down maintenance

- Fixed costs increased by 25,6% due to Mazeikiu Nafta consolidation.



EBIT profit at PLN 834 mln in 3Q 2007

Dynamic increase in retail by 59% q/q and in petrochemicals by 33% y/y.

IFRS, in mln PLN	Q3'06	Q1207	Unipetrol efect Q3'07	MN effect Q3'07	Q3'07	y/y [%]	q/q [%]
	1	2	3	4	5	6=5/1	7=5/2
EBIT , of which	1 148	1 292	84	-35	834	-27,4%	-35,4%
Refining¹	909	921	-10	35	462	-49,2%	-49,8%
Petrochemical	221	349	99		294	33,0%	-15,8%
Chemical	57	68			56	-1,8%	-17,6%
Retail	153	101	12	1	161	5,2%	59,4%
Others²	-15	-1	-17	-71	-9	-40,0%	800,0%
Non-attributable³	-177	-146			-130	-26,6%	-11,0%

Comments:

- Decrease in the refinery segment EBIT in Czech due to planed shut-down and negative impact of macro. In Lithuania, despite the planned turnaround, a positive refining EBIT.
- Increase in retail EBIT by 5% y/y as a result of y/y increments in fuel sales in Poland (+15,4%), Czech Republic (+10%) and Germany (+4%).

1) Production, Wholesale and Logistics

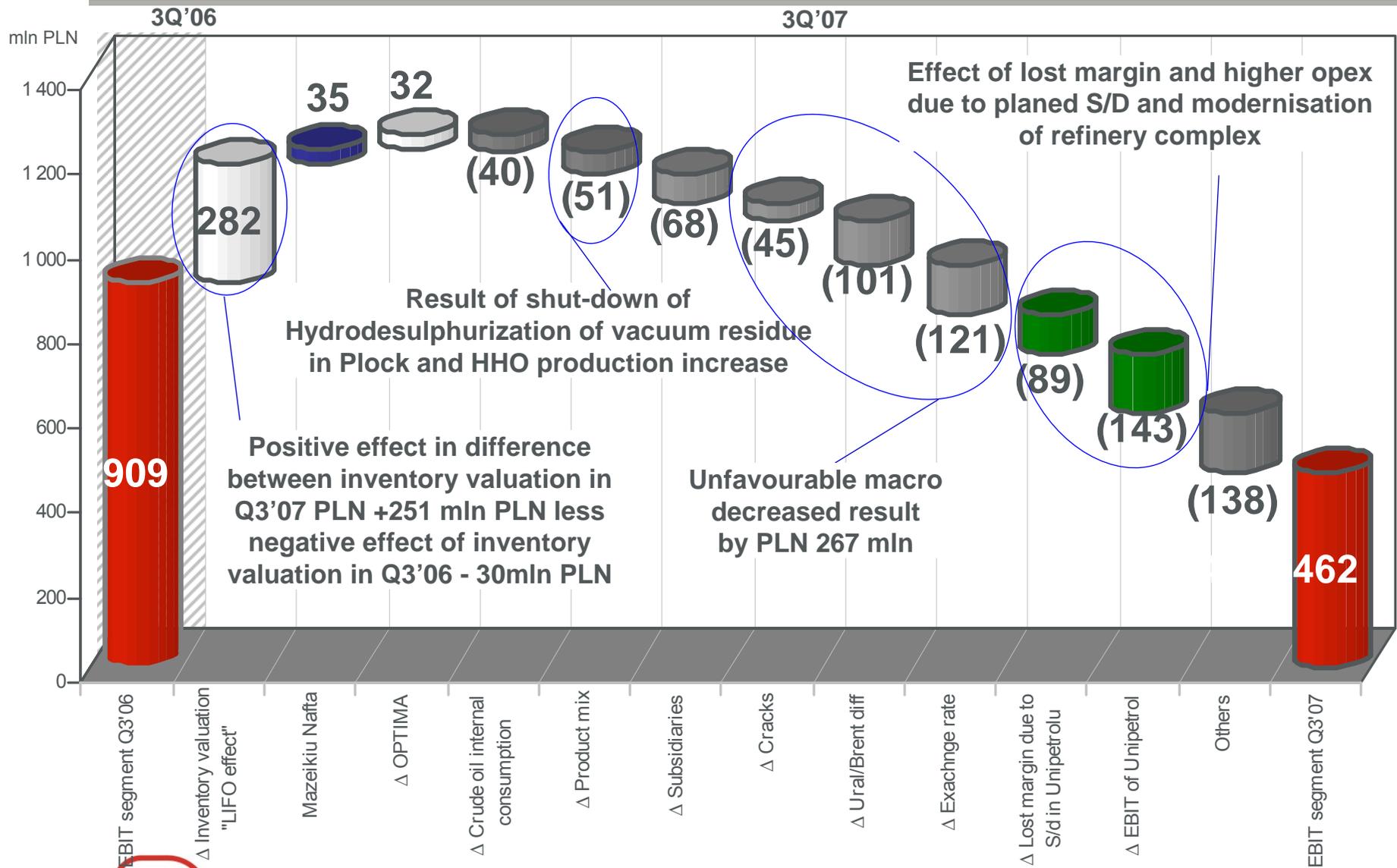
2) Departments responsible for energy media, PKN ORLEN's social activities, subsidiary services and crude oil turnover

3) Non-attributable includes the corporate centre of PKN and subsidiaries not mentioned in other segments. Also includes provisions for business risk



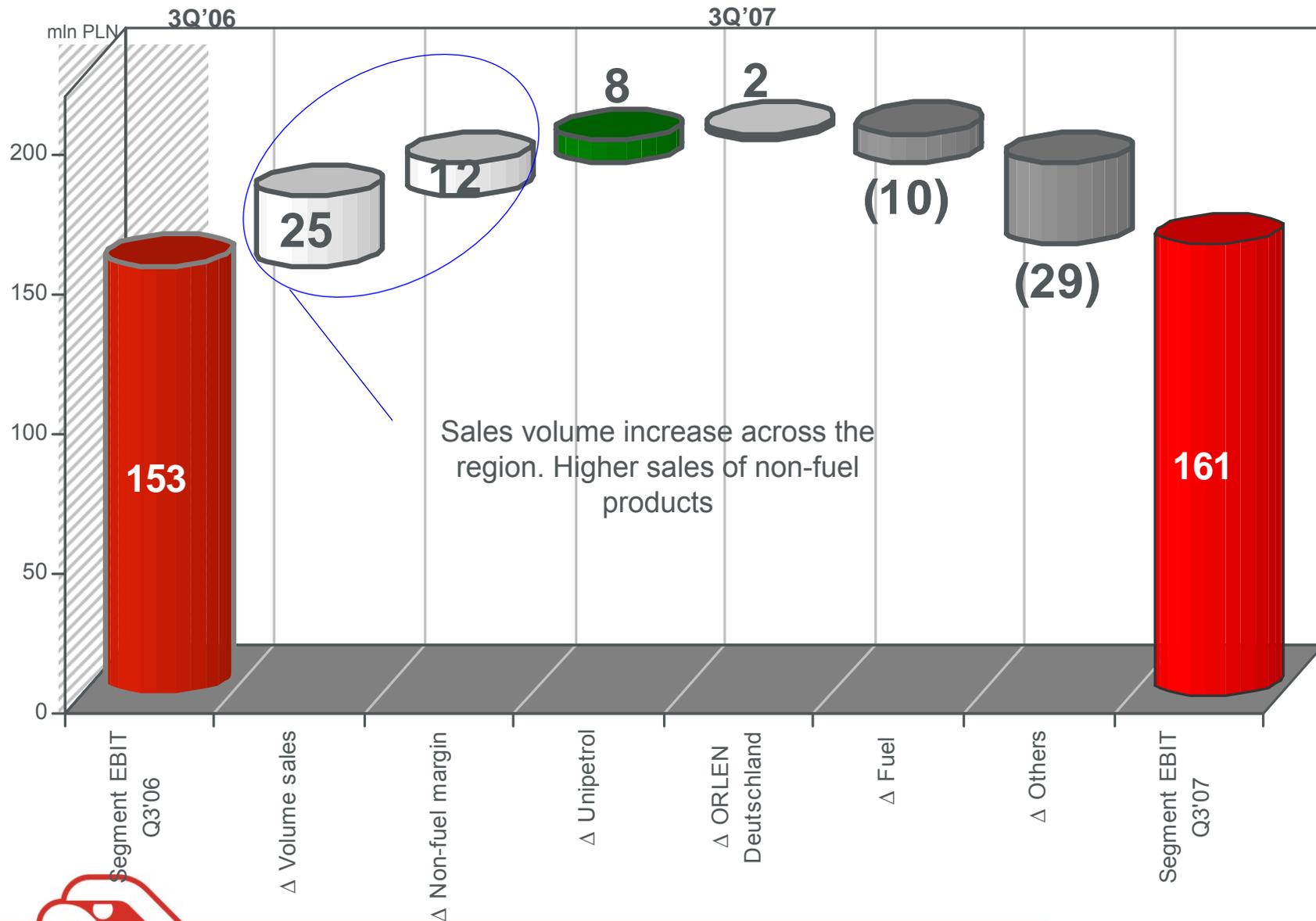
Refining segment. EBIT lower by 49% y/y

due to strong Polish zloty, unfavourable macro and planned turnarounds.



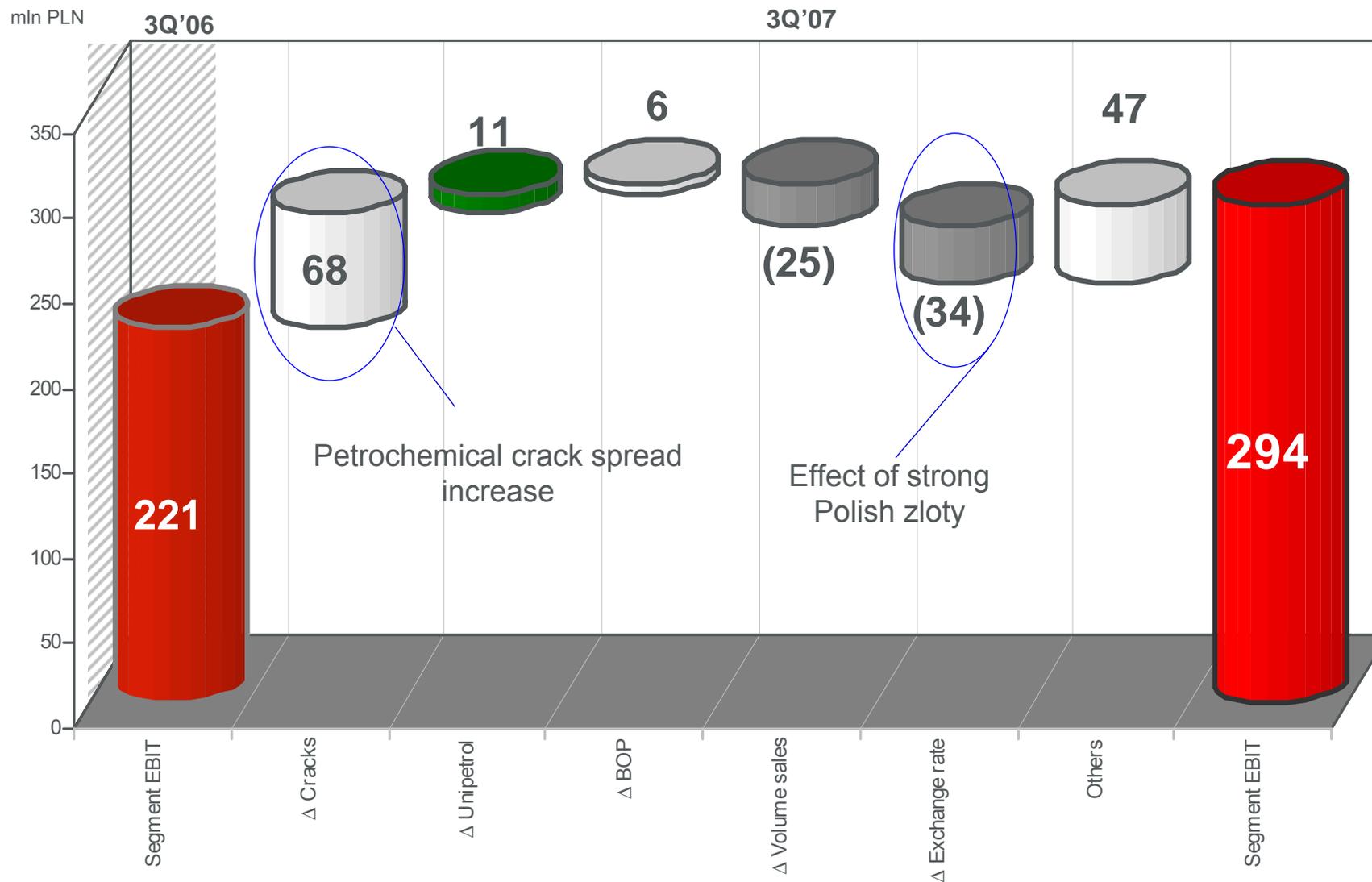
Retail segment. EBIT increased by over 5% y/y

Higher sales and increased non-fuel margins were the engine of growth.



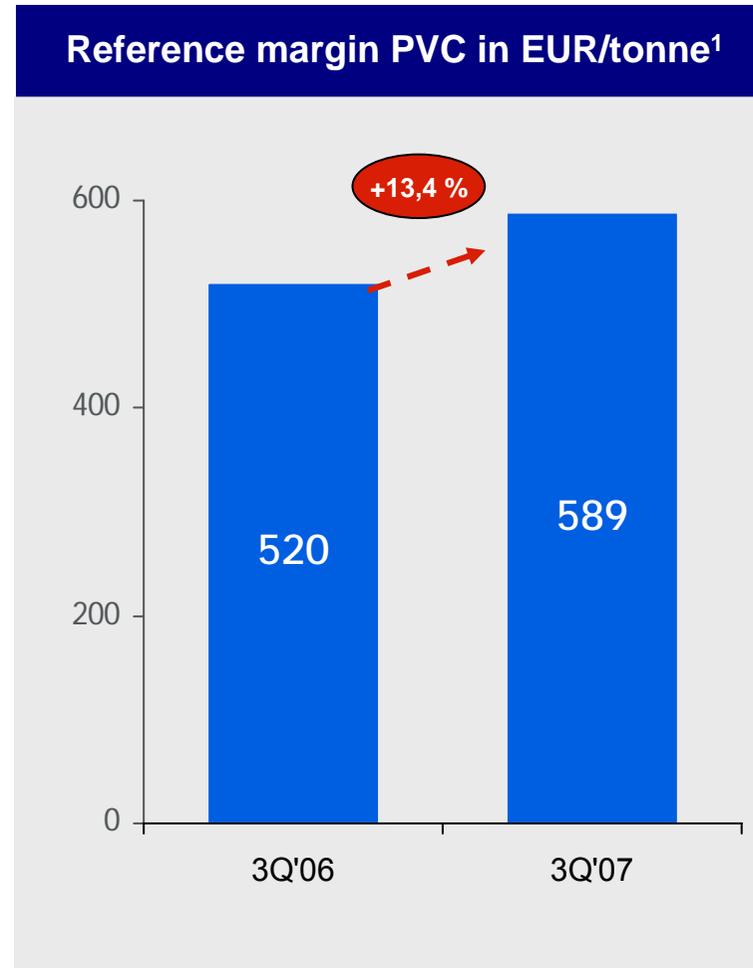
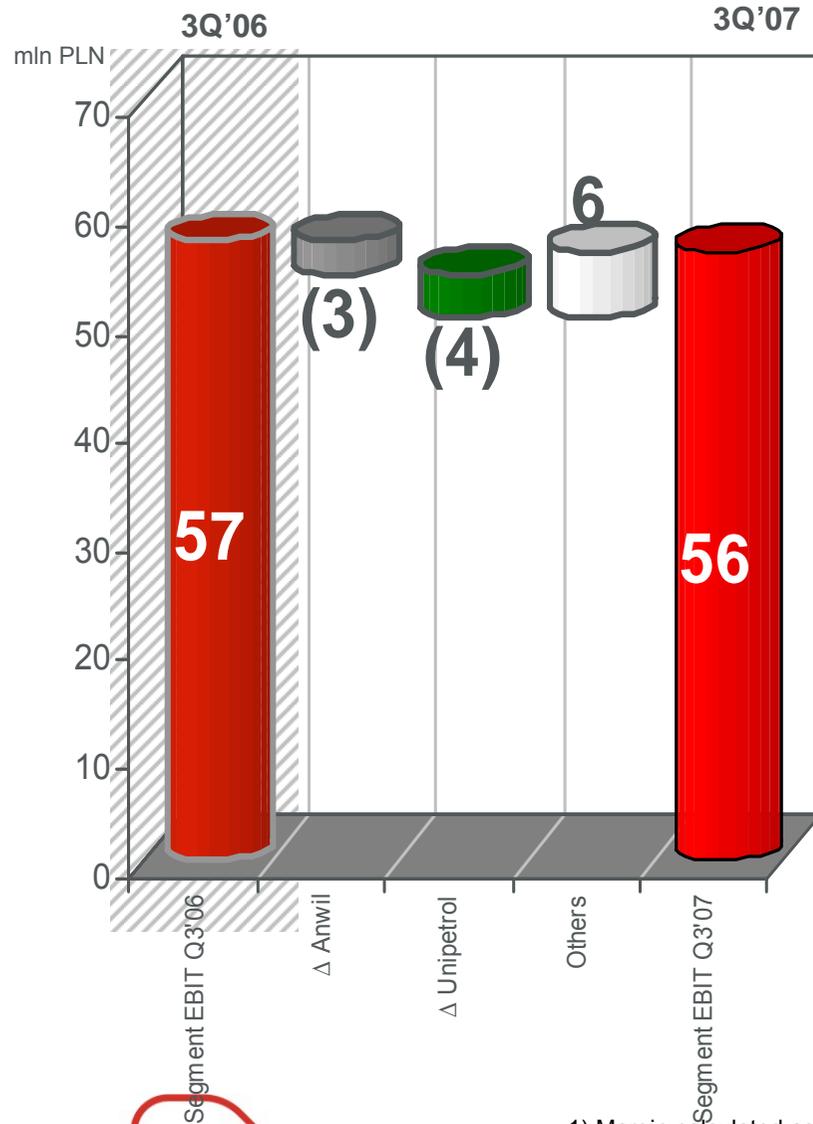
Petrochemical segment EBIT increased by over 33% y/y.

Efficient use of production capacity and favourable market conditions.



Chemical segment. EBIT dropped by 2% y/y.

Cost increases off-set by favourable fertilizer and PVC market



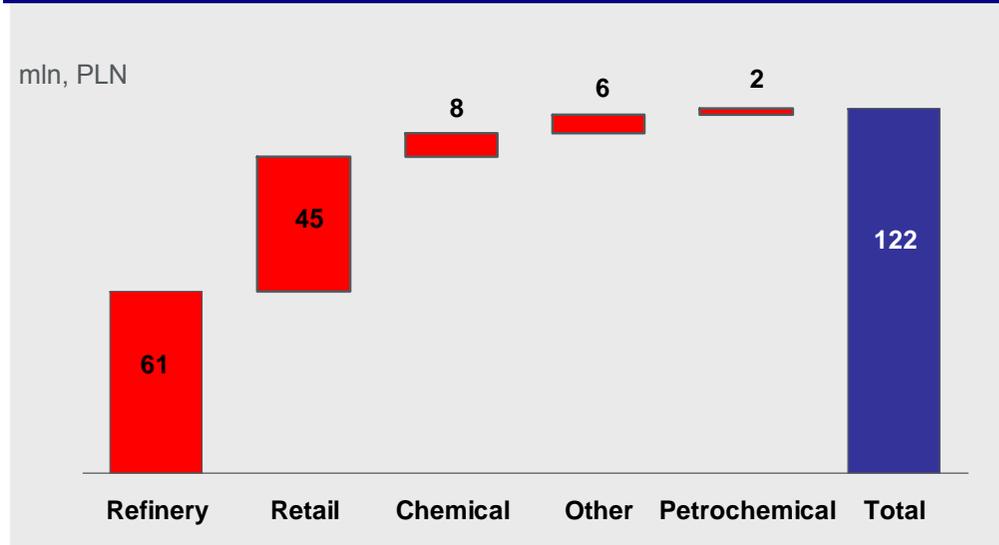
1) Margin calculated as: PVC quotation (ICIS for German market) – 0.47 x ethylene spots quotation (ICIS)



OPTIMA program results as of Q3'07.

Cost-savings of PLN 122 m were realised – an increase of 5% y/y.

Realisation of work and results after Q3' 2007 are in line with expectations



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

Examples of initiatives realised in Q3'07 (in PLN m)

- PLN 6.5 m – reduction in 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 HDS VI unit
- PLN 1.3 m – cost optimisation of storage facilities
- PLN 2.2 m – increasing utilization of company-owned railway transport



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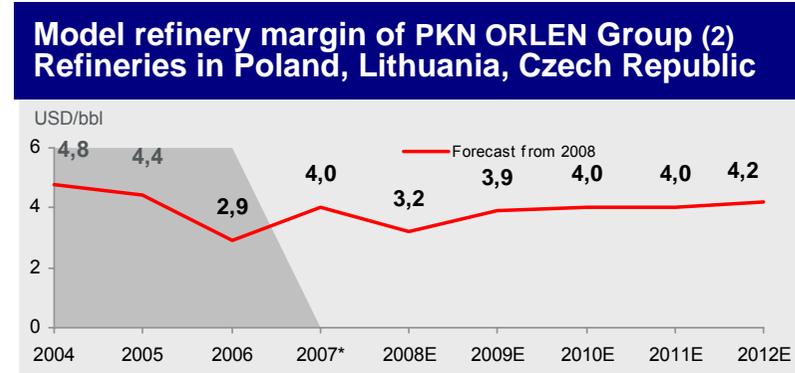
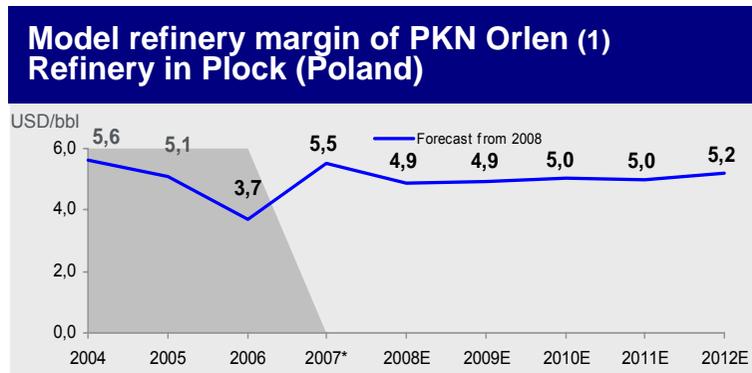
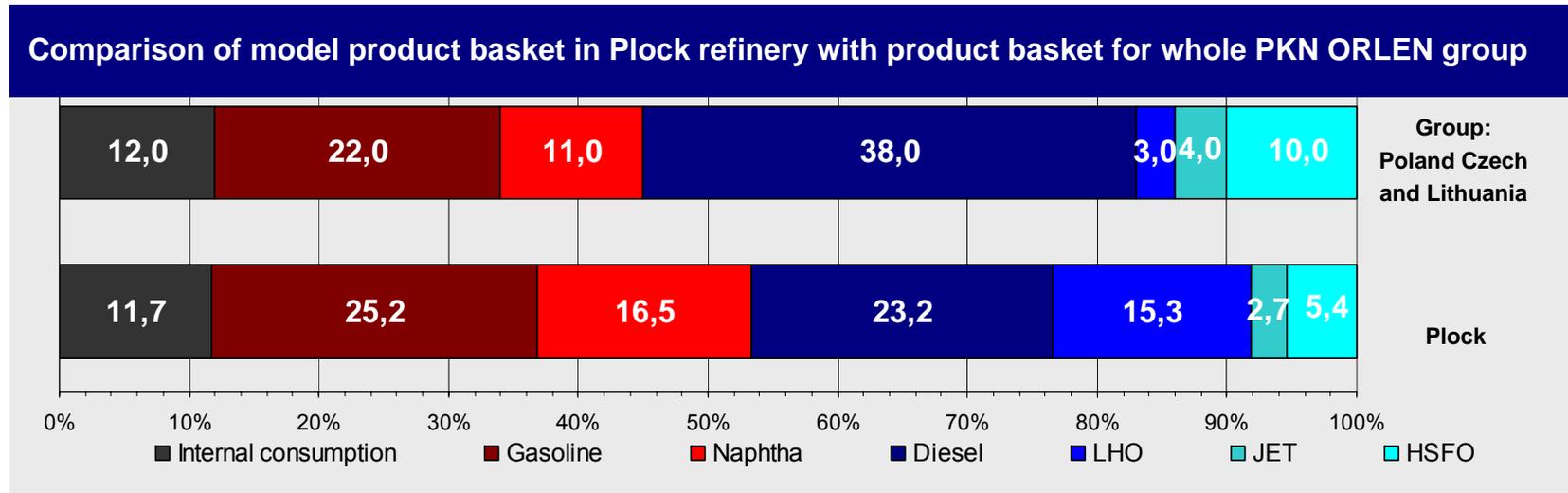
Supporting slides

- **Mazeikiu Nafta**
- **Unipetrol**
- **Orlen Deutschland**
- **Crude oil processing and product yields in PKN ORLEN Group**



Model refinery margin formula change in PKN ORLEN

based on model basket of whole group product split.



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

2) Model refinery margin PKN ORLEN = revenues from products sold (88% Products = 22% Gasoline + 11% Naphta + 38% Diesel + 3% LHO + 4% JET + 10% HSFO) minus costs (100% input = 88% Brent Crude Oil + 12% internal consumption); product prices according to quotations

(*) 2007 data based on 10-month average; Forecasts based on: company's calculations according to CERA, CMAI, PCI, PVM, Nexant, investment banks estimates

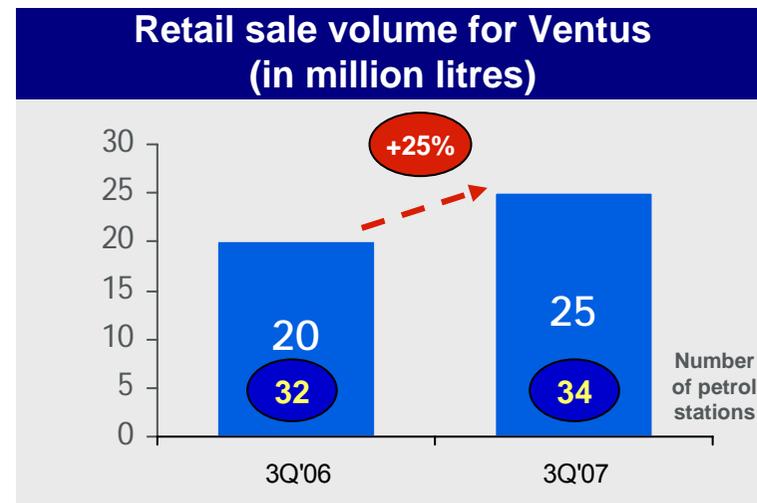
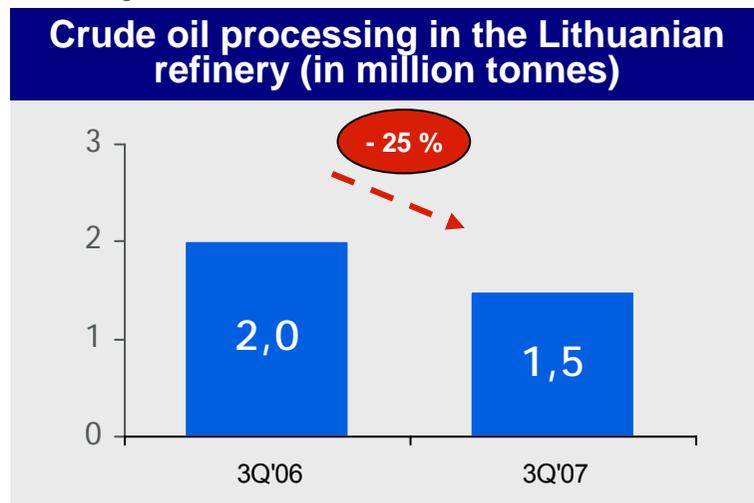


Mazeikiu Nafta Group. Selected items from financial statements¹

70 mln USD insurance improved EBIT in 3Q'07. EBIT Q1-3'07 amounted to 58 mln USD

IFRS, in mln USD	Q3'2006	Q2'2007	Q3'2007	y/y [%]	q/q [%]
	1	2	3	4=3/1	5=3/2
Revenues	1 179	958	1 113	-6%	16%
EBITDA	7	54	80	1043%	48%
EBIT	-3	45	70	-	56%
Net result	1	33	75	7400%	127%

1) Note the above numbers are not subject to PKN Group consolidation and present Mazeikiu Nafta Group results according to Lithuanian accounting standards and historical cost

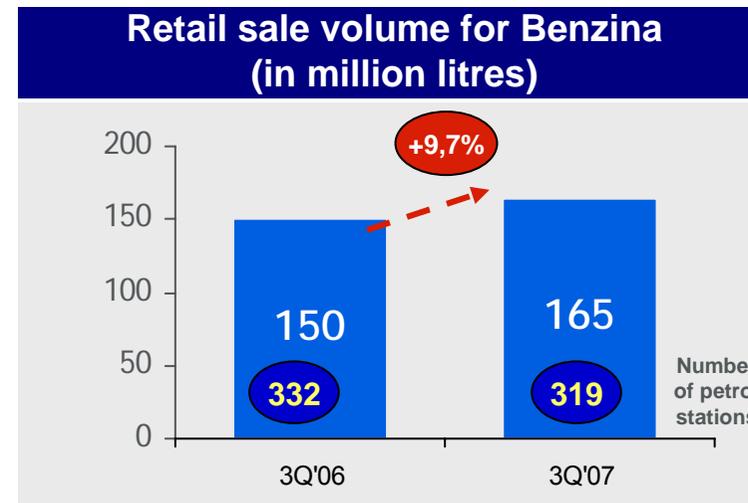
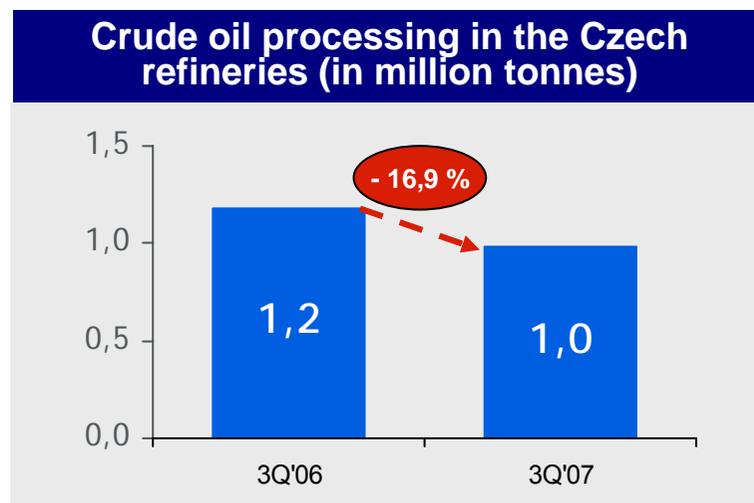


Unipetrol Group. Selected items from financial statements¹.

Lower result due to planned shut-down and modernisation of production complex.

IFRS, in mln CZK	Q3'2006	Q2'2007	Q3'2007	r/r [%]	q/q [%]
	1	2	3	4=3/1	5=3/2
Revenues	26 958	24 841	22 156	-17,8%	-10,8%
EBITDA	2 774	2 956	1 752	-36,8%	-40,7%
EBIT	1 767	2 173	1 013	-42,7%	-53,4%
Net result	722	1 503	-1 267	-	-

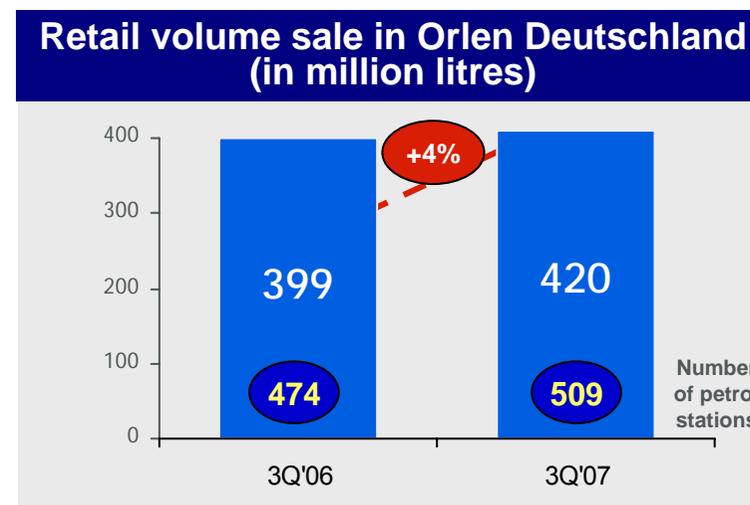
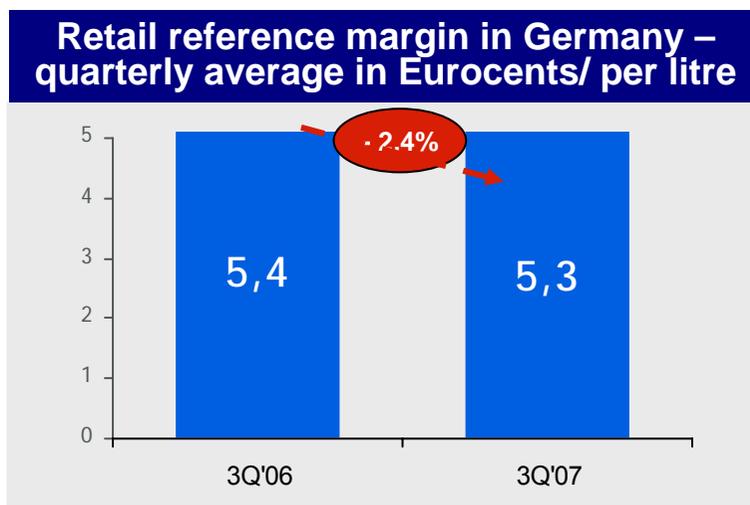
1) Note the above numbers are not subject to PKN Group consolidation and present Unipetrol Group results according to Czech accounting standards and historical cost



ORLEN Deutschland.

Improvement in EBIT q/q.

IFRS, in mln PLN	Q3'2006	Q2'2007	Q3'2007	y/y [%]	q/q [%]
	1	2	3	4=3/1	5=3/2
Revenues	2 372	2 193	2 281	-3,8%	4,0%
EBITDA	40	29	32	-19,3%	11,3%
EBIT	23	11,0	15	-36,1%	34,8%
Net result	24	12,0	17	-29,5%	38,9%



Key production data.

Crude oil processed increased by 1.2% y/y despite MN and Unipetrol shut-downs

Key production data	3Q'2006	2Q'2007	3Q'2007	y/y [%]	q/q [%]
	1	2	3	4=3/1	5=3/2
Refinery in Poland ¹					
Processed crude (th. tonnes)	3 524	3 273	3 513	-0,3%	7,3%
Utilisation	102%	95%	102%	0pp	7pp
White products yield	77%	69%	80%	3pp	11pp
Fuel yield	63%	59%	66%	3pp	7pp
Refineries in Czech ²					
Processed crude (th. tonnes)	1 193	1 168	991	-16,9%	-15,2%
Utilisation	85%	85%	71%	-14pp	-14pp
White products yield	73%	70%	73%	0pp	3pp
Fuel yield	59%	56%	61%	2pp	5pp
Refinery in Lithuania ³					
Processed crude (th. tonnes)	2 026	1 499	1 500	-26,0%	0,1%
Utilisation	79%	59%	59%	-21pp	0pp
White products yield	71%	72%	71%	0pp	-1pp
Fuel yield	60%	76%	80%	19pp	3pp

1) Production data refers to refinery in Plock, assumptions: refinery capacity of 13.8 m t/y

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

