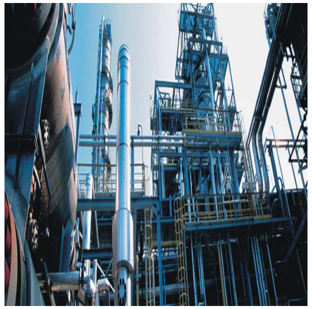
Petchem and retail driving the results

PKN ORLEN consolidated financial results for 1Q 2014



Jacek Krawiec, CEO
Sławomir Jędrzejczyk, CFO

24 April 2014

Agenda

Key highlights 1Q14

Macroeconomic environment

Financial and operating results

Investments

Liquidity and debt

Outlook 2014

Key highlights 1Q14

Shareholders

- Management Board appointment for the next 3 year term
- Management Board recommendation for dividend payout: PLN 616m (PLN 1,44 per share) i.e. 3,0% dividend yield
- Dividend day / dividend payment: 16 June / 8 July 2014

Value creation

- EBITDA LIFO: PLN 1,0 bn
- Petchem supports downstream results
- Record-high 1Q in retail
- Upstream: 330k boe production in Canada

Financial standing

- Financial gearing: 24,8%
- Temporary debt increase due to working capital increase and repurchase of the tranche of obligatory reserves
- Diversification of financing: issue of 2 next retail bonds series at the beginning of April in total amount up to PLN 300 m

PKN ORLEN perception

- The World's Most Ethical Company 2014 (Ethisphere Institute)
- Top Employers Polska 2014
- II place in Warsaw Scan 2014 for the quality of information and corporate governance

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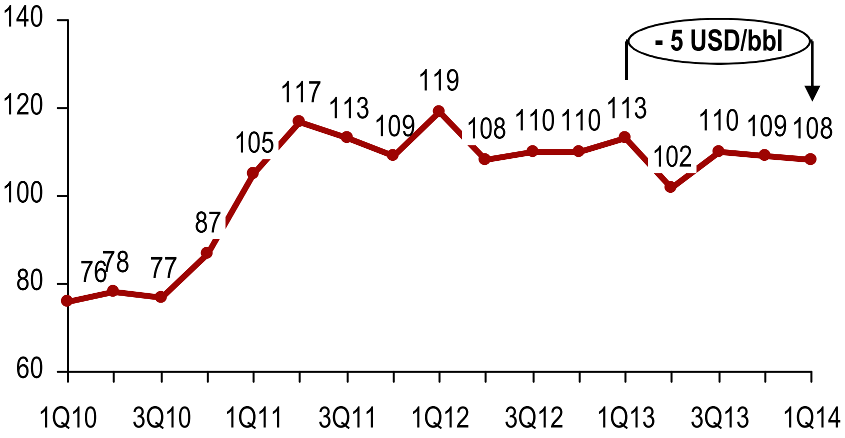
Macro environment in 1Q14 (y/y)

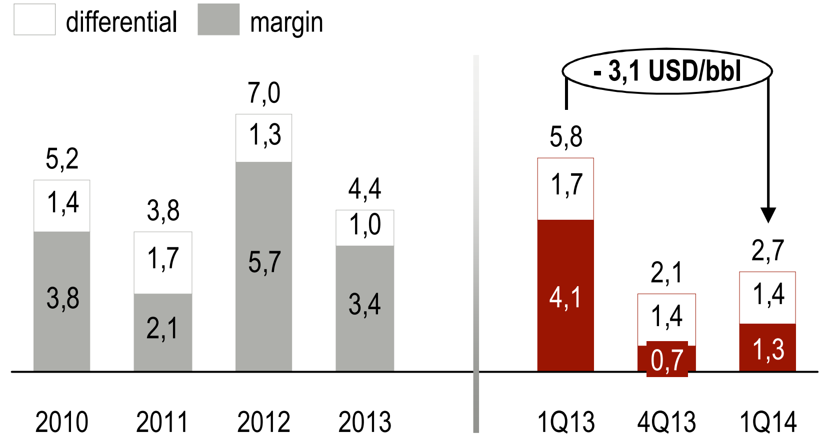
Crude oil price decrease

Average Brent Crude Oil price, USD/bbl



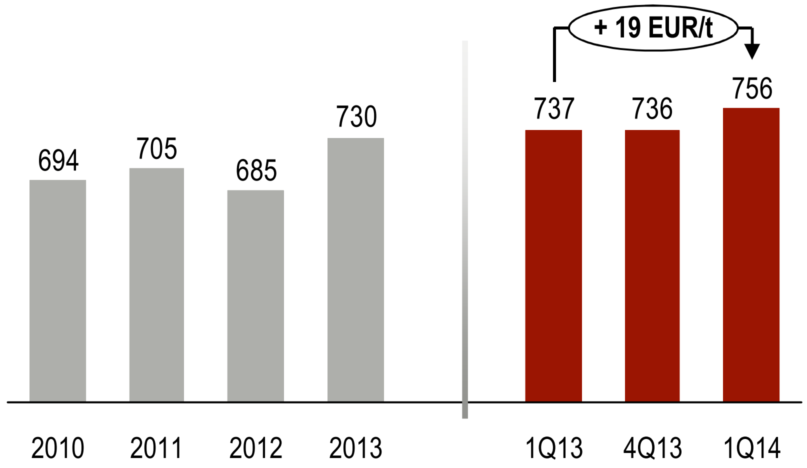
Refining margin and B/U differential decrease

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



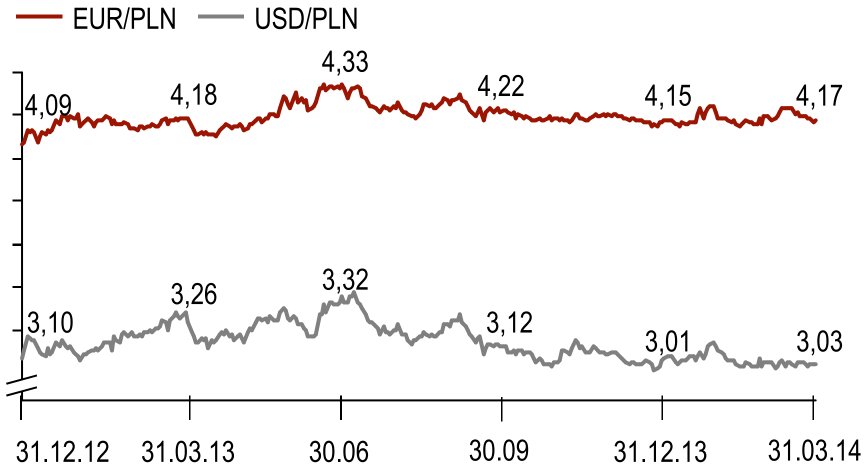
Petrochemical margin increase

Model petrochemical margin, EUR/t

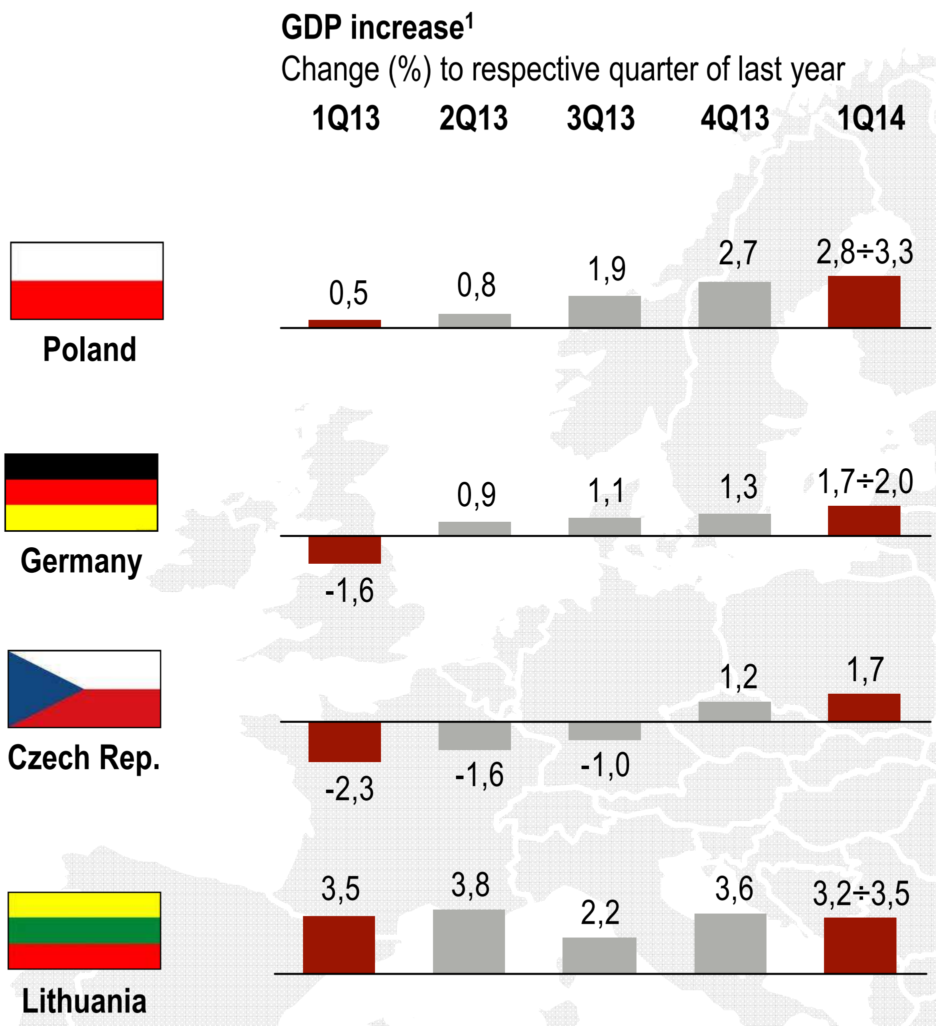


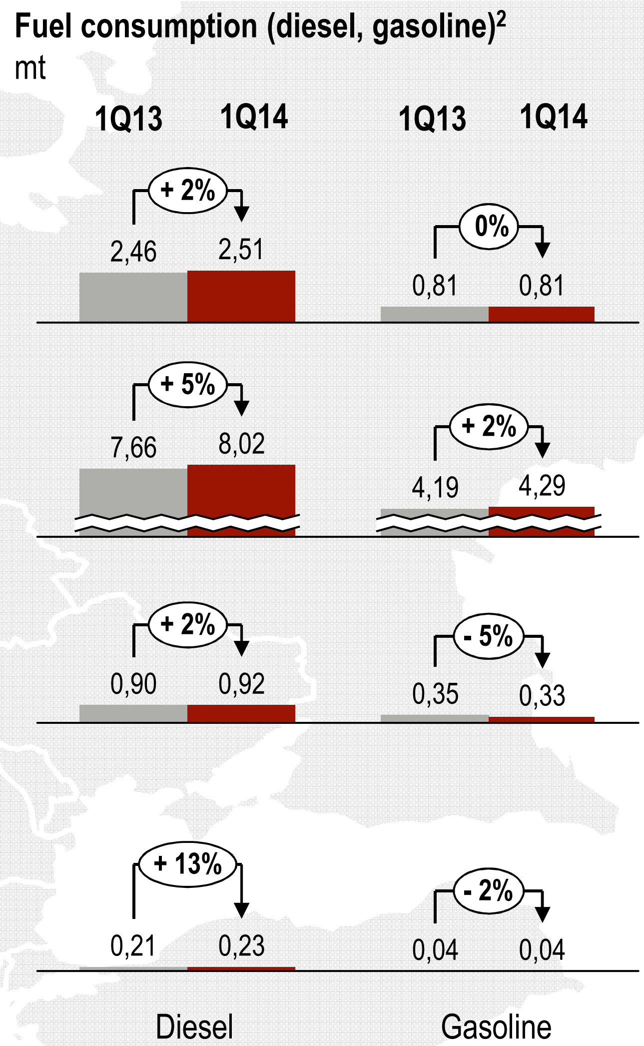
Average PLN stronger vs USD and weaker vs EUR

USD/PLN and EUR/PLN exchange rate



Increase in GDP and diesel consumption





[1] Poland – Statistical Office (GUS) / not unseasonal data; (Germany, Lithuania) – Eurostat / not unseasonal data, the Czech Rep - OECD / unseasonal data, 1Q14 – estimates

[2] 1Q14 – estimates based on January and February 2014

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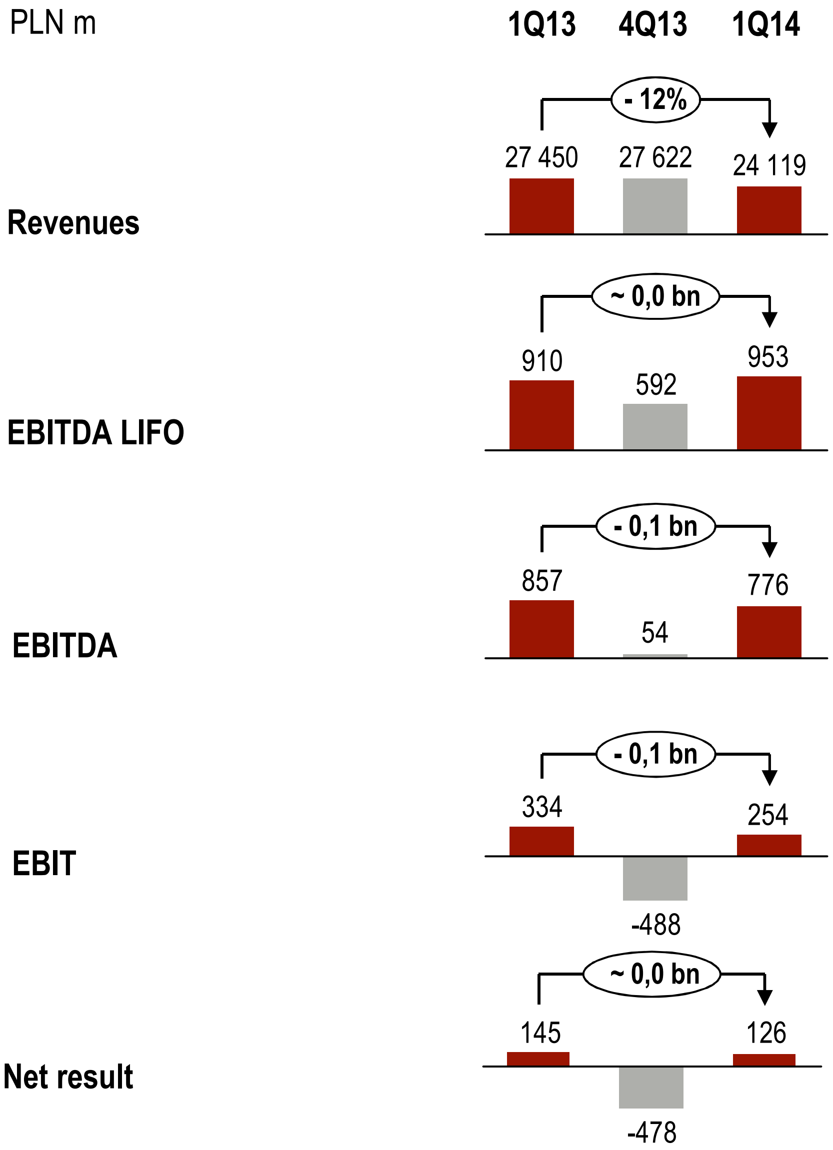
Financial results



Revenues: decrease by (-) 12% (y/y) due to lower crude oil prices by (-) 4%, lower sales volumes by (-) 7% and strengthening of PLN against USD by (-) 3%

EBITDA LIFO: negative impact of lower refining margins and B/U differential by (-) 3,1 USD/bbl and worsening of petchem products' margins offset by positive impact of weakening of PLN against EUR, retail margins and one-offs in refining

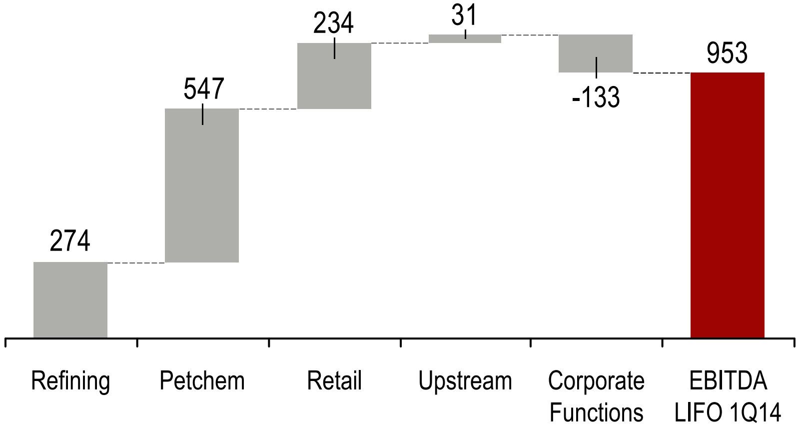
LIFO effect: PLN (-) 0,2 bn as a result of crude oil price decrease in PLN

Financials' result: PLN (-) 0,1 bn mainly as a result of interest costs and negative FX from credit revaluation in EUR and other balance sheet positions in USD

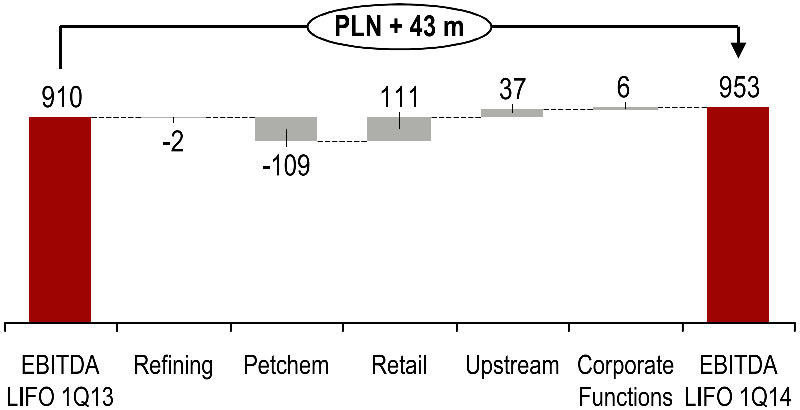
Net result: over PLN 0,1 bn net profit despite negative LIFO effect

EBITDA LIFO
Almost PLN 1 bn due to strong petchem and retail

Segments' results in 1Q14
PLN m



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



Negative impact of:

- Lower refining margins and B/U diff, strengthening of PLN against USD and worsening of petchem products' margins (y/y)

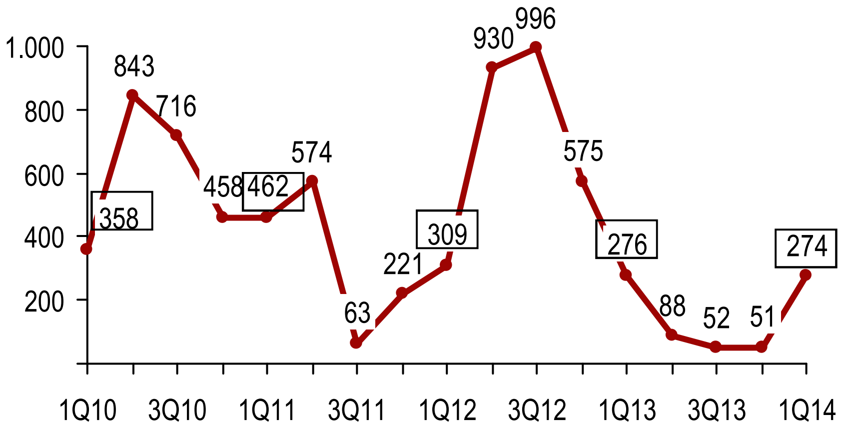
offset by positive impact of:

- Fuel margins increase in retail (y/y)
- Sales volumes increase in retail by 6% (y/y) and petchem by 4% (y/y)
- Weakening of PLN against EUR (y/y)
- Positive one-offs in refining

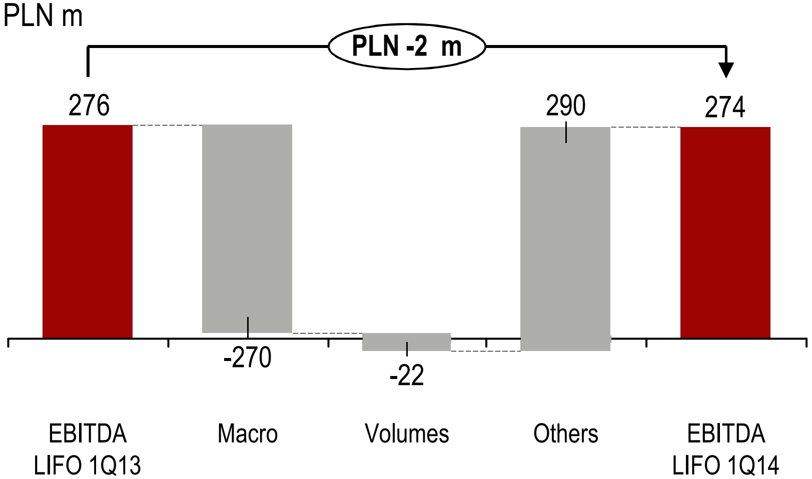
- **Refining**: lower margins and B/U diff, stronger PLN vs USD and decrease in volumes (y/y) due to lower sales in Lithuania. Positive impact of one-offs in 1Q14 in the amount of PLN 261 m
- **Retail**: increase in volumes as well as fuel and non-fuel margins in all markets (y/y)
- **Petchem**: worsening of petchem products' margins (y/y) at weaker PLN vs EUR and volumes increase (y/y)
- **Upstream**: exploration projects in Poland (expenses capitalized), positive contribution of TriOil in Canada
- **Corporate Functions**: stable cost level (y/y)

Refining – EBITDA LIFO
Results under the pressure of tough macro

EBITDA LIFO quarterly (without impairments*)
PLN m



EBITDA LIFO (after impairments*) – impact of factors
PLN m



Macro: exchange rate PLN (-) 19 m, margins PLN (-) 180 m, differential PLN (-) 71 m
* Impairments: 4Q11 = PLN (-) 0,3 bn; 4Q12 = PLN (-) 0,7 bn

+

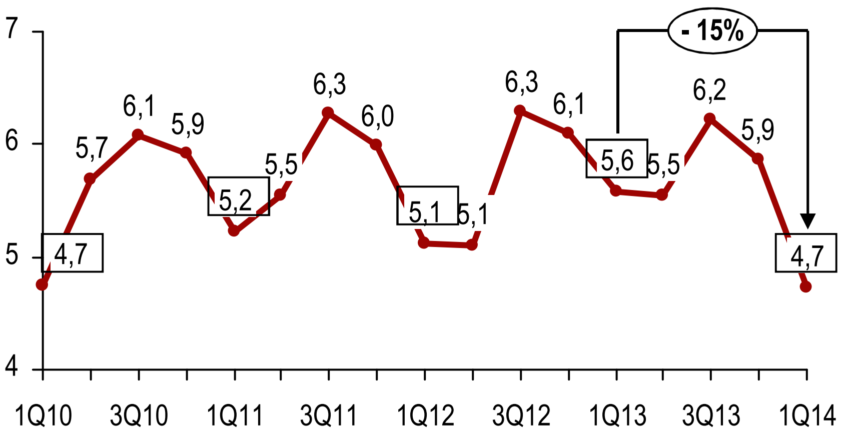
- Sales increase in the Czech Rep. (y/y) at comparable volumes in Poland (y/y)
- Fuel yield improvement in Plock and Czech refineries (y/y)
- Others include mainly positive effect of one-offs in the amount of PLN 261m including gain on bargain purchase of 16.3% shares of Ceska Rafinerska and repurchase of the tranche of obligatory reserves

–

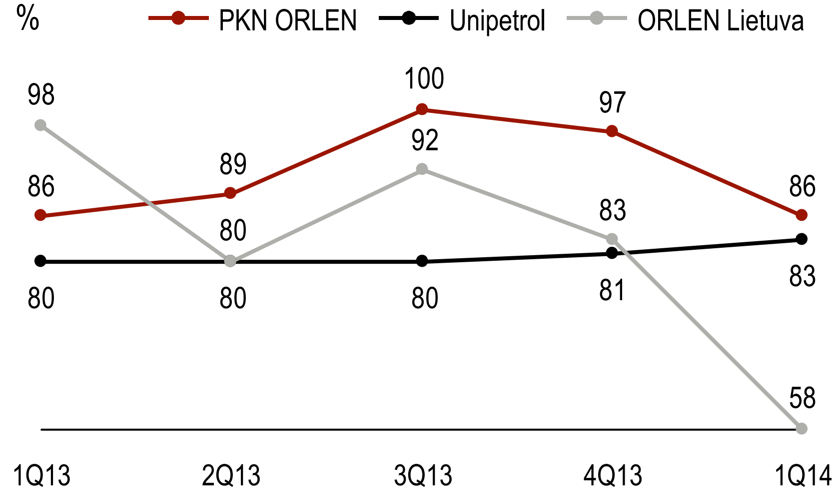
- Decrease in refining margin and B/U differential by (-) 3,1 USD/bbl (r/r)
- Strengthening of average PLN against USD by (-) 9gr to 3,06 USD/PLN (y/y)
- Lower crude oil throughput and utilization ratio (y/y) due to optimization of ORLEN Lietuva performance
- Sales decrease on the markets under ORLEN Lietuva coverage due to unfavourable market conditions

Refining – operational data
Limitation of crude oil throughput due to market challanges

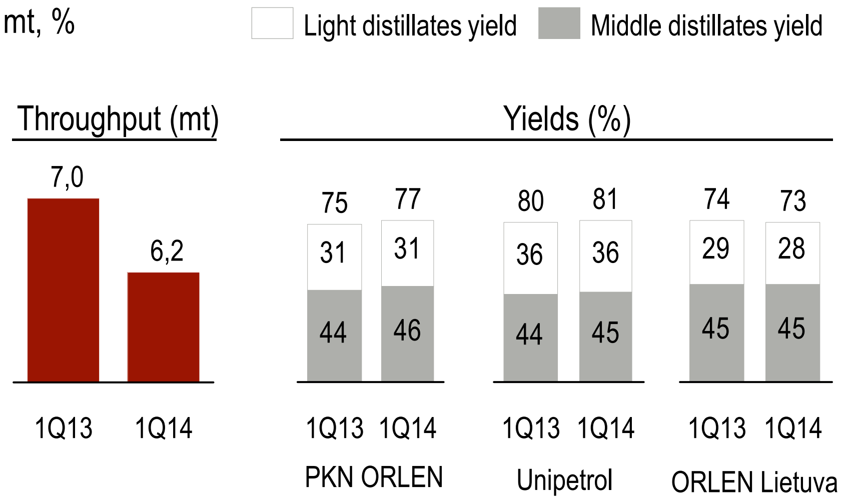
Sales volumes
mt



Utilization ratio
%



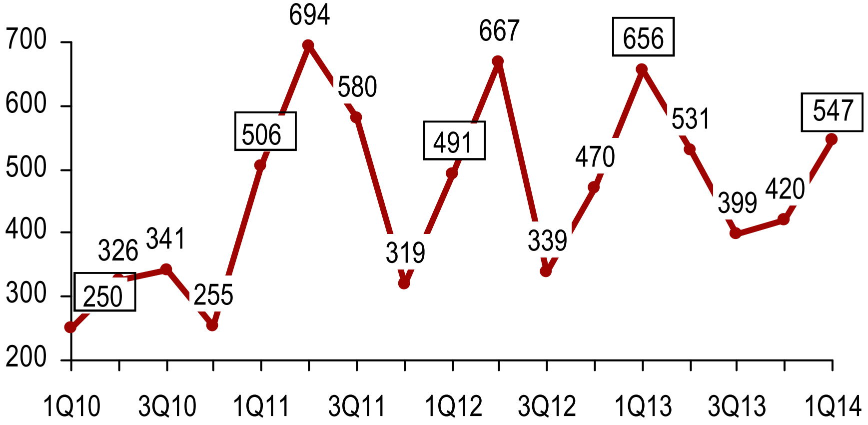
Crude oil throughput and fuel yield
mt, %



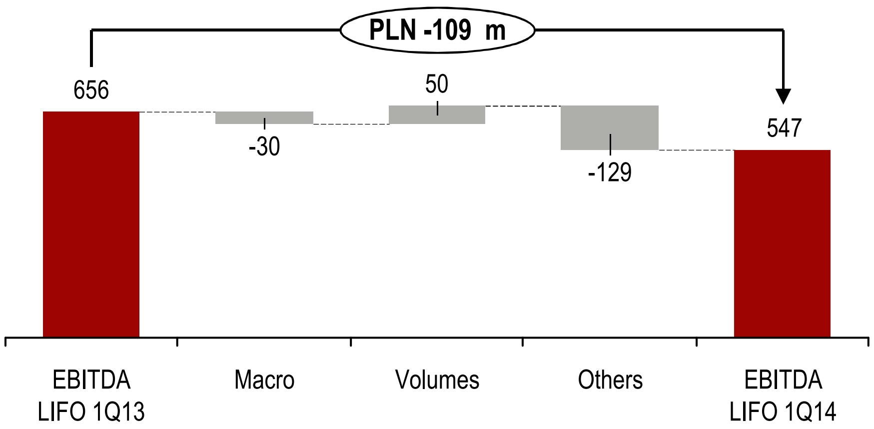
- Sales volumes decrease in total by (-) 15% (y/y) due to lower sales on the markets under ORLEN Lietuva coverage by (-) 40% (y/y) due to crude oil throughput limitation as a result of maintaining unfavourable market conditions. Volumes increase in the Czech Rep. by 20% (y/y) at comparable sales in Poland (y/y)
- PKN ORLEN S.A.: fuel yield increase by 2pp (y/y) due to increase in conversion of Hydrocracking before planned maintenance shutdown for 2Q14 and launching Dewaxing on HDS installation
- Unipetrol: fuel yield increase by 1pp (y/y) and utilization increase by 3pp (y/y) due to lack of maintenance shutdown of Hydrocracking and Visbreaking that took place in 1Q13
- ORLEN Lietuva: limitation of utilization ratio by (-) 40pp (y/y) due to unfavourable macro environment

Petrochemicals – EBITDA LIFO
Stable good results

EBITDA LIFO quarterly (without impairments*)
PLN m



EBITDA LIFO – impact of factors
PLN m



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- Sales increase in all markets, in total by 4% (y/y)
- Better margins on polyolefins and PVC
- Weakening of average PLN against EUR by 3gr to 4,19 EUR/PLN (y/y)

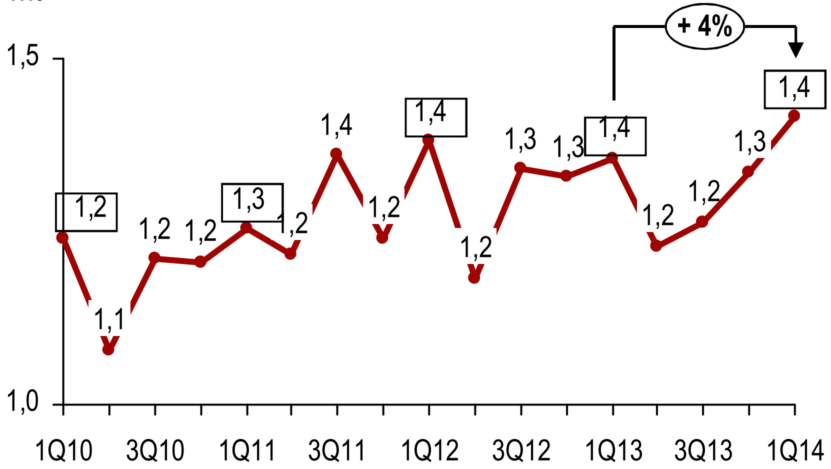
–

- Weakening of margins on petrochemical products (y/y), especially: butadiene (-) 51%, toluene (-) 32%, paraxylen (-) 30%
- Others include mainly negative effect of lower trade margins

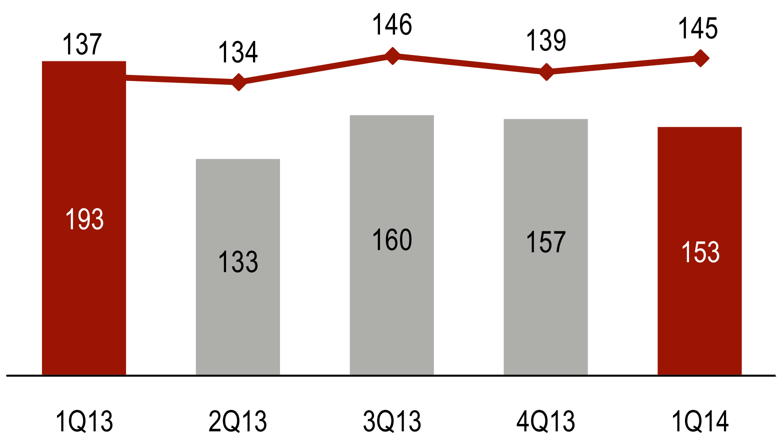
Macro: exchange rate PLN 123 m, margins PLN (-) 153 m
* Impairments: 4Q11 = PLN (-) 1,4 bn

Petrochemicals – operational data
Sales increase by 4% (y/y)

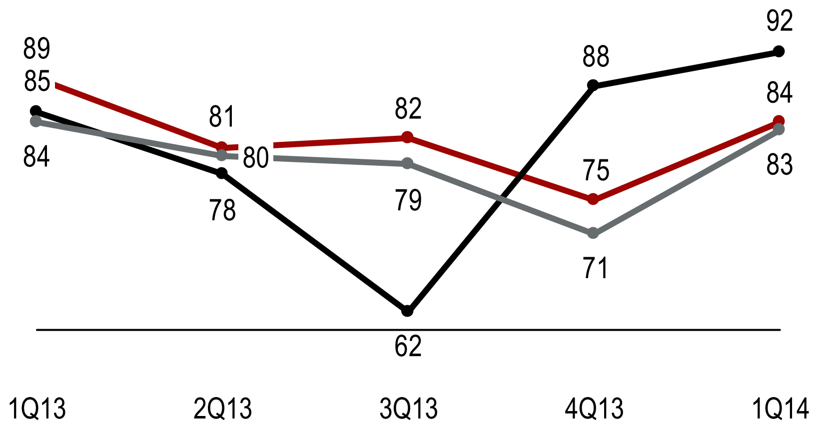
Sales volumes
mt



PTA sales volumes and EBITDA
kt, PLN m



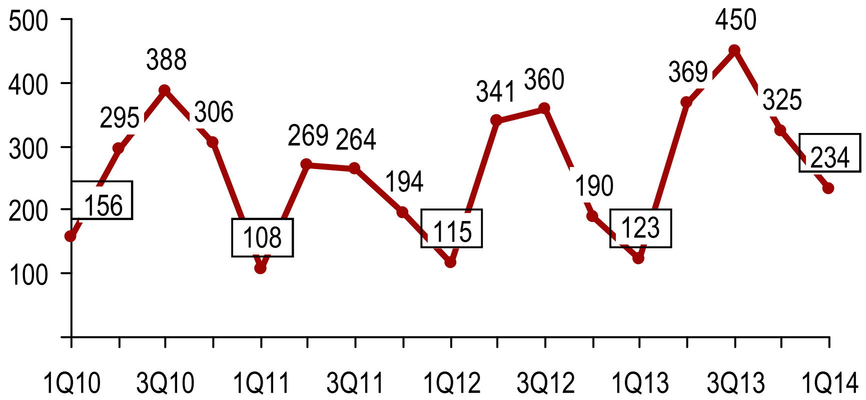
Utilization ratio
%



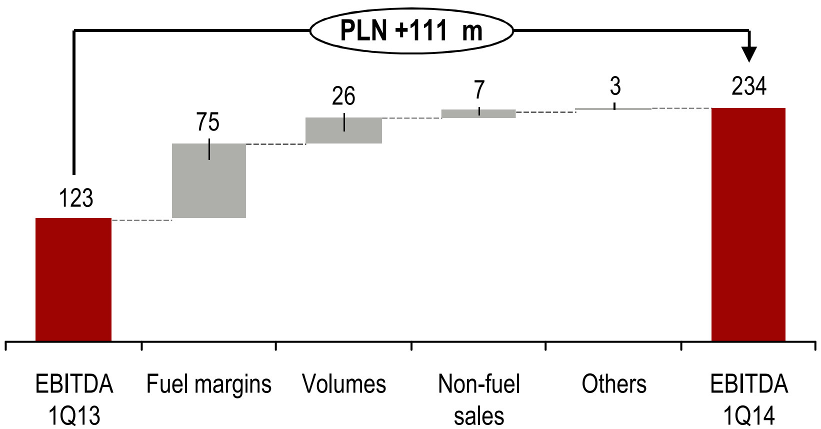
- Sales increase in all markets, in total by 4% (y/y) including: in Poland by 2% (y/y) and in the Czech Rep. by 8% (y/y)
- In Poland sales increase mainly in fertilizers by 13% (y/y) and PTA by 6% (y/y), in the Czech Rep. sales of polyolefins by 18% (y/y) due to better market conditions
- Comparable utilization ratio of major petchem installations (y/y)
- PTA utilization in 1Q14 was 90%. Exceptionally good result in 1Q13 due to higher margins on paraxylen

Retail – EBITDA LIFO
Record-high 1Q result

EBITDA LIFO quarterly (without impairments*)
PLN m



EBITDA LIFO – impact of factors
PLN m



* Impairments: 4Q11 = PLN (-) 0,1bn

+

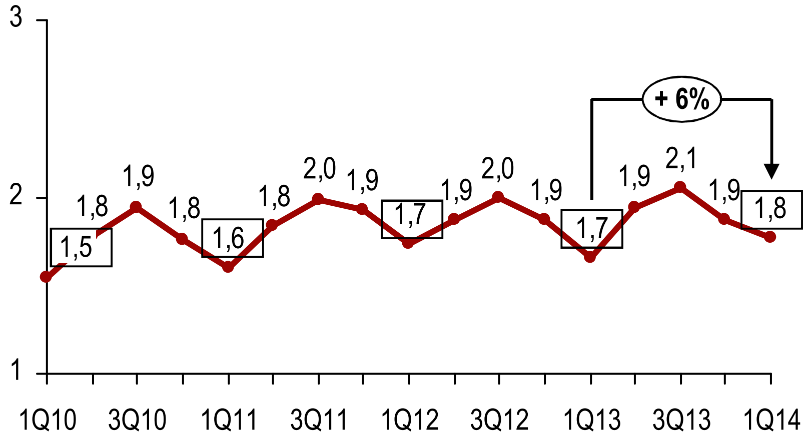
- Better fuel and non-fuel margins in all markets (y/y)
- Higher fuel sales in all markets, in total by 6% (y/y) due to fuel consumption improvement
- Market share increase in all markets (y/y)
- Increase number of Stop Cafe and Bistro Cafe presence

−

- Maintaining ‘grey zone’ in the Czech Rep. and Poland

Retail – operational data
Sales increase by 6% (y/y) and Stop Cafe and Bistro Cafe by 34

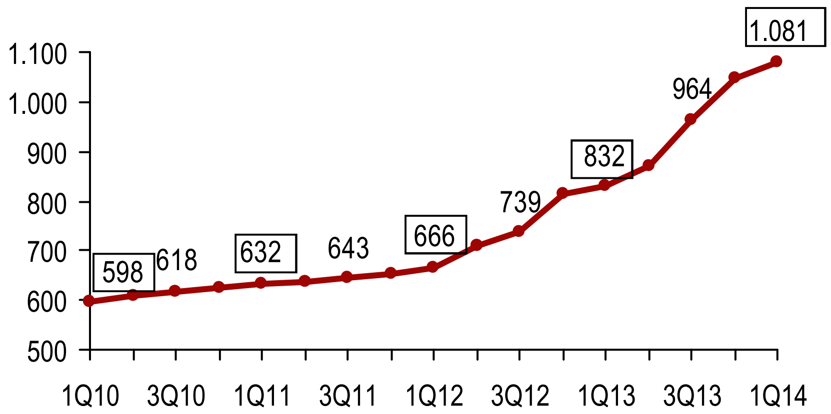
Sales volumes
mt



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

	# stations	Δ y/y	% market	Δ y/y
PL	1 772	-6	35,9%	1,3 pp
CZ	338	1	14,8%	1,1 pp
DE	555	-4	5,9%	0,1 pp
LT	26	0	3,5%	0,4 pp

Number of Stop Cafe and Bistro Cafe in Poland
#



- Sales volumes increase in all markets, in total by 6% (y/y) including: Poland by 6% (y/y), Czech Rep. by 9% (y/y), Germany by 7% (y/y) and Lithuania by 30% (y/y)
- 2685 stations at the end of 1Q14, i.e. decrease of total # of stations by (-) 9 (y/y), mainly due to shutdowns in Poland as a result of new regulations implementation
- Development of non-fuel offer by launching in 1Q14 further 34 new Stop Cafe and Bistro Cafe in Poland

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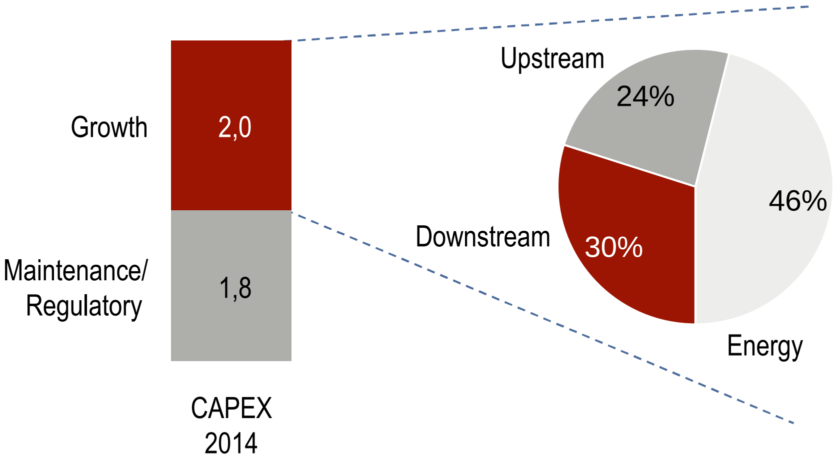
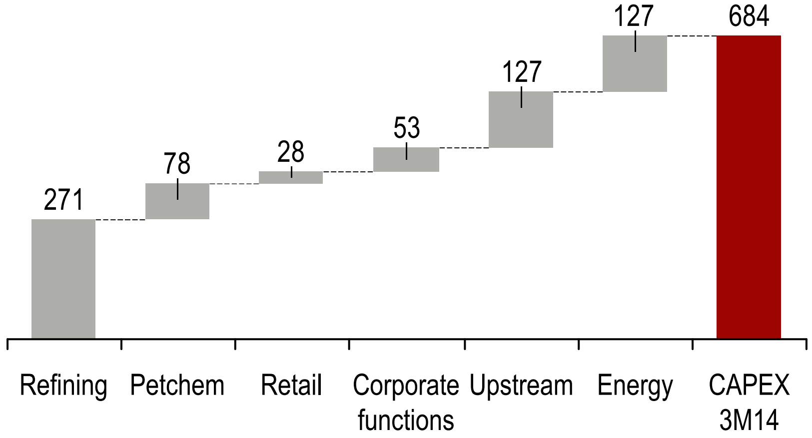
CAPEX
PLN 0,7 bn in 1Q2014

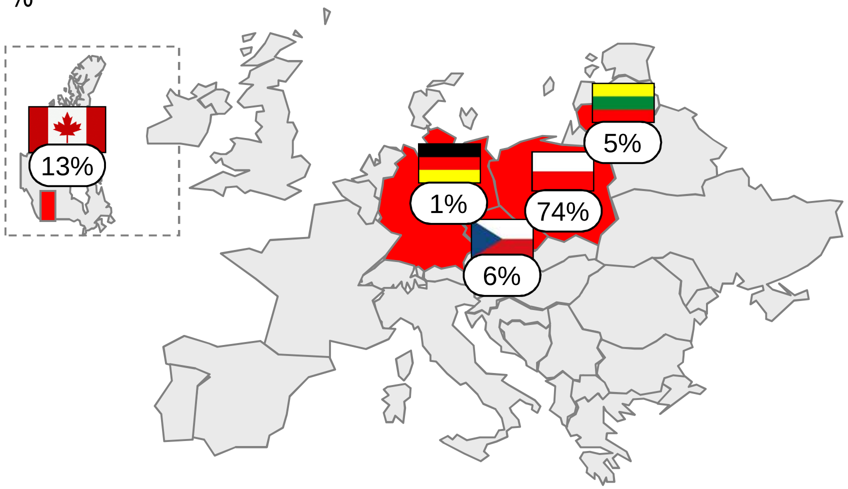
Planned CAPEX 2014 (basic pool)
PLN bn



CAPEX 3M14 – split by segment
PLN m



CAPEX 3M14 – split by country
%



* Including TriOil share in upstream

Main growth projects in 1Q2014

Refining
Launching Visbreaker Vacuum Flasher (ORLEN Lietuva)

Retail
5 stations opened, 23 modernized, 17 stations closed.
34 Stop Cafe and Stop Cafe Bistro opened

Petchem
Building of Education and Research Centre UniCRE (Unipetrol), construction of loading and storage installation of Big Bag packages (Anwil), projects connected with Energy Plant in Wloclawek (Anwil)

Energy
Construction of CCGT in Włocławek with infrastructure

Upstream
Poland – shale gas exploration drills (1 drill)
Canada – shale gas production drills (8 drills gross, ie. 6,3 net*)

Upstream
Exploration projects in Poland and production projects in Canada

Poland

Shale gas exploration projects

- Currently 10 wells finished: 7 vertical and 3 horizontal as well as 2 fracking

Lublin Shale

- In 1Q14 the first horizontal drill done on Wodynie-Łuków and preparation works for seismic data on Wołomin concession in progress
- At the same time analysis of data from realized operations in progress

Mid-Poland Unconventionals and Hrubieszów Shale

- Currently, processing and interpretation of data is in progress. Finalization of works is planned for 2Q14

Conventional projects

- Currently 3 wells finished
- **Project Sieraków** – in 1Q14 preliminary analysis of project's potential done
- **Project Karbon** – in 1Q14 acquisition of seismic data on Lublin block and continuation of seismic data interpretation on Bełżyce block and preparation to the first exploration drill. Drilling began in April 2014.

TriOil – upstream company in Canada

Assets

- Assets portfolio in Canadian province of Alberta on 3 areas - Lochend, Kaybob oraz Pouce Coupe
- Ca. 22 m boe of crude oil and gas reserves (2P)
- Average production in 2013 ca. 3,8 th boe/d (60% crude oil, 40% gas)

1Q14

- Average production– 3,7 th boe/d
- Number of realized drills: 8 gross (6,3 net*)
- EBITDA – PLN 37 m
- CAPEX – PLN 89 m
- Analysis of further inorganic development possibility

* Including TriOil share in upstream

Energy
Projects' realization

Strategic assumptions

- Concentration on industrial cogeneration – projects with the highest profitability / the lowest risk, among others, thanks to guarantee of permanent receiving of steam, which enable to achieve very high efficiency
- Good locations and synergies of gas energy with other segments
- Adaptation of projects to local conditions
- Natural gas as strategic importance fuel for PKN ORLEN

Building a CCGT plant in Wloclawek (463 MWe)

- In 1Q14 assembly works of engine room building were in progress and assembly works of boiler were start. Successively deliveries of key components were realized ie. gas turbine, generator and parts of boiler, which arrived by sea to harbour in Gdańsk
- 20 subcontractors are involved (over 300 people)
- In 2Q14 continuation of deliveries of key components are planned
- Energy and gas connections (PSE Operator i Gaz system) realized according to schedules
- Total CAPEX PLN 1,4 bn. Start-up of production in 4Q15

Concept of building a CCGT plant in Plock (450-600 MWe)

- The process of selecting the contractor to build the power plant in the turnkey formula and long-term service agreement are in progress.
- The construction of block designing is in progress
- Finishing of arrangements with PSE regarding energy connection agreement to KSE
- The final investment decision at positive results of the profitability analysis of the project

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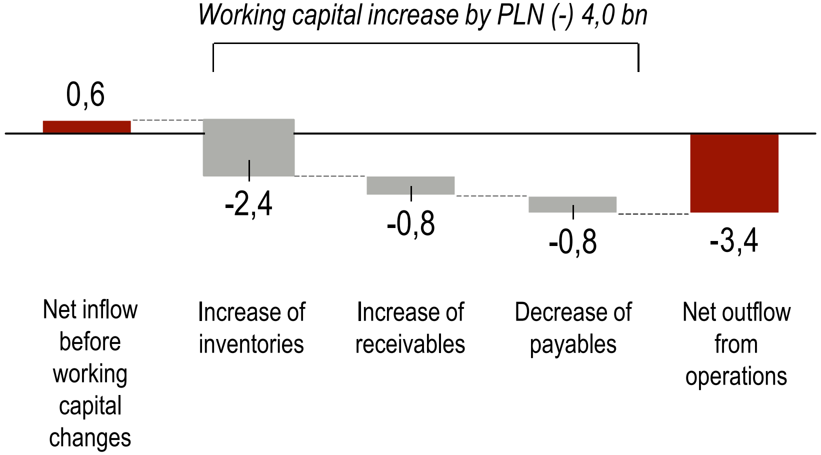
Cash flow

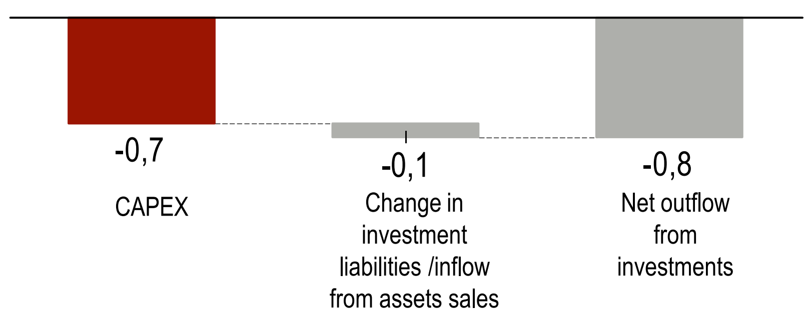
Cash flow from operations

PLN bn



Cash flow from investments

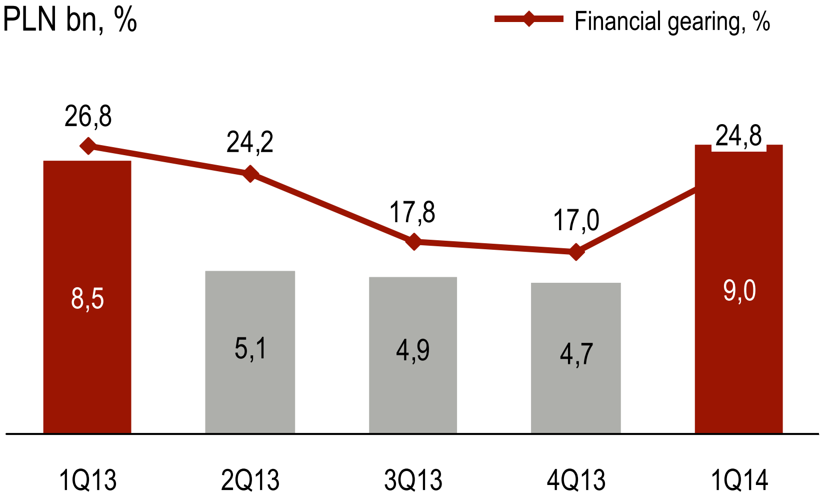
PLN bn



- Temporary increase of working capital in 1Q14 mainly due to:
  - repurchase of obligatory inventories tranche in the amount of PLN 1,2 bn
  - increase of inventories due to planned shutdowns in 2Q14
- Obligatory inventories in the balance sheet at the end of 1Q14 amounted to PLN 8,2 bn, of which PLN 7,4 bn in Poland
- In addition, there is 1 tranche of obligatory inventories sold in the amount of PLN 1,0 bn. There are some works on selling further tranche in 2Q14

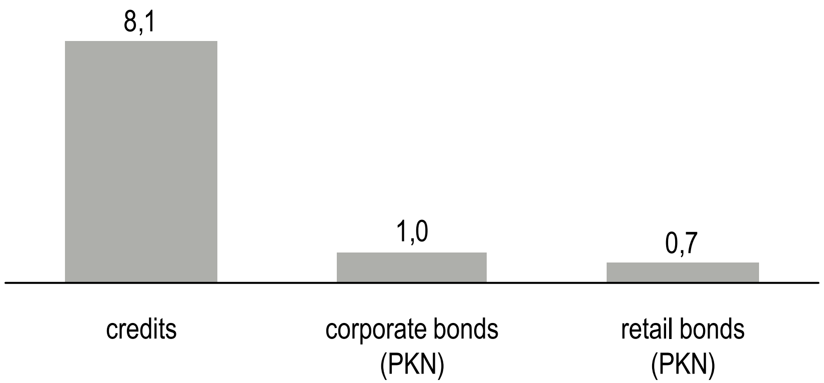
Debt

Net debt and gearing
PLN bn, %



- Debt increase by PLN 0,5 bn (y/y) due to temporary increase of operating inventories
- Gross debt structure:
  USD 27%, EUR 40%, PLN 20%, CZK 13%
- Issue of 2 retail bonds series at the beginning of April in total amount up to PLN 300 m that close the whole program worth PLN 1 bn activated a year ago.

Utilization of financial sources (gross debt)
PLN bn



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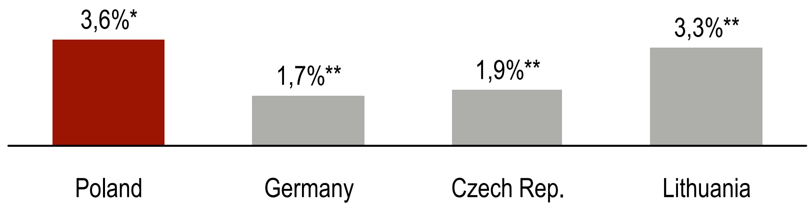
Outlook 2014

Macro - assumptions

- **Brent crude oil price** – expected a slight decrease (y/y) as a result of potential additional supply from Libya and Iran and slower economic growth of China. Materialize of political risks can increase crude oil prices.
- **Refining margin** – expected improvement (y/y) due to lower crude oil prices and incraese of consumption in the USA and in Europe
- **Brent/Ural spread** – comparable level to 2013
- **Petchem margin** – expected to be kept above 700 EUR/t

Economy – GDP forecast growth

- **GDP** - in 2014 Polish economy will speed up to 3,6 percent and in 2015 will reach 3,7 percent – NBP, March 2014



- **Fuel consumption** – increase of demand for diesel, but further decrease in demand for gasoline in CEE region in 2014 - JBC Energy, October 2013

Regulatory environment

- **Grey zone** – implementation mutual responsibility for VAT, shortening of VAT settling period from 3 to 1 month, establishing of companies register, security deposit from PLN 200 th to PLN 300 m. Further regulations expected.
- **Obligatory crude oil reserves** – new act decreasing obligation of keeping obligatory reserves from 76 days to 53 days. The act is to be passed by the half of 2014 and come into force from 1 January 2015.
- **Energy law** – extension of support through red and yellow certificates by the end of 2018. The Act comes into force on 30 April 2014.
- **Hydrocarbon act** – the Government accepted the shale gas exploration bill.

ORLEN. Fuelling the future.

* NBP, March 2014
** IMF WORLD ECONOMIC OUTLOOK, April 2014

Thank You for Your attention

www.orlen.pl

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

Agenda

Supporting slides

Results – split by quarters

(PLN, m)	1Q14	4Q13*	1Q13*	Δ y/y	3M14	3M13*	Δ
Revenues	24 119	27 622	27 450	-12%	24 119	27 450	-12%
EBITDA LIFO	953	592	910	5%	953	910	5%
Effect LIFO	-177	-538	-53	-234%	-177	-53	-234%
EBITDA	776	54	857	-9%	776	857	-9%
Depreciation	-522	-542	-523	0%	-522	-523	0%
EBIT	254	-488	334	-24%	254	334	-24%
EBIT LIFO	431	50	387	11%	431	387	11%
Net result	126	-478	145	-13%	126	145	-13%

* Restarted data based on new IFRS 11 effective from January 2014

Results – split by segments

1Q14 (PLN, m)	Refining	Retail	Petrochemicals	Upstream	Corporate functions	Total
EBITDA LIFO	274	234	547	31	-133	953
Effect LIFO	-162	0	-15	0	0	-177
EBITDA	112	234	532	31	-133	776
Depreciation	-227	-90	-161	-17	-27	-522
EBIT	-115	144	371	14	-160	254
EBIT LIFO	47	144	386	14	-160	431

1Q13* (PLN, m)	Refining	Retail	Petrochemicals	Upstream	Corporate functions	Total
EBITDA LIFO	276	123	656	-6	-139	910
Effect LIFO	-69	0	16	0	0	-53
EBITDA	207	123	672	-6	-139	857
Depreciation	-241	-86	-167	0	-29	-523
EBIT	-34	37	505	-6	-168	334
EBIT LIFO	35	37	489	-6	-168	387

* Restarted data based on new IFRS 11 effective from January 2014

EBITDA LIFO - split by segments

(PLN, m)	1Q14	4Q13	1Q13	Δ y/y	3M14	3M13	Δ
Refining	274	51	276	-1%	274	276	-1%
Refining - LIFO effect	-162	-535	-69	-135%	-162	-69	-135%
Retail	234	325	123	90%	234	123	90%
Petrochemicals	547	405	656	-17%	547	656	-17%
Petrochemicals - LIFO effect	-15	-3	16	-	-15	16	-
Upstream	31	-15	-6	-	31	-6	-
Corporate functions	-133	-174	-139	4%	-133	-139	4%
EBITDA LIFO	**953**	**592**	**910**	**5%**	**953**	**910**	**5%**

Results 1Q14 - split by companies

IFRS PLN, m	PKN ORLEN S.A.	Unipetrol 2)	ORLEN Lietuva 2)	Others and consolidation corrections	Total
Revenues	17 415	4 395	3 927	-1 618	24 119
EBITDA LIFO	445	284	-64	288	953
Effect LIFO 1)	-129	-20	-25	-3	-177
EBITDA	316	264	-89	285	776
Depreciation	-246	-93	-89	-94	-522
EBIT	70	171	-178	191	254
EBIT LIFO	199	191	-153	194	431
Financial income	30	14	13	-9	48
Financial costs3)	-108	-42	-19	21	-148
Net result	-7	145	-157	145	126

1) Calculated as a difference between operational profit acc. to LIFO and operational profit based on weighted average
2) Presented data shows Unipetrol Group and ORLEN Lietuva results acc. to IFRS after taking into account adjustments made for ORLEN Group consolidation.
3) Consolidation correction results, among others, from transferring of PLN (-) 15 m of negative FX differences from debts in USD to equity as a result of investment hedge in ORLEN Lietuva.

EBITDA LIFO in 1Q14 – split by segments and companies

IFRS PLN, m	PKN ORLEN S.A.	Unipetrol 4)	ORLEN Lietuva 4)	Others and consolidation corrections	Total
Refining 1)	107	115	-36	88	274
Retail	202	16	2	14	234
Petrochemicals 2)	260	152	0	135	547
Upstream	-9	0	0	40	31
Corporate functions 3)	-115	1	-30	11	-133
EBITDA LIFO	**445**	**284**	**-64**	**288**	**953**

1) Refining: refining production, refining wholesale, supportive production and oils (in total – production and sales).
2) Petrochemicals: petrochemical production, petrochemical wholesale and chemicals (in total – production and sales).
3) The corporate functions: corporate functions of ORLEN Group companies and companies not included in above segments.
4) Presented data shows Unipetrol Group and ORLEN Lietuva results acc. to IFRS after taking into account adjustments made for ORLEN Group consolidation.

ORLEN Lietuva Group
Key elements of the profit and loss account [1]

IFRS, USD m	1Q14	4Q13	1Q13	Δ y/y	3M14	3M13	Δ
Revenues	1 285	1 932	2 257	-43%	1 285	2 257	-43%
EBITDA LIFO	-21	-48	39	-	-21	39	-
EBITDA	-29	-57	33	-	-29	33	-
EBIT	-47	-75	16	-	-47	16	-
Net result	-42	-65	-1	-4100%	-42	-1	-4100%

- EBITDA LIFO in 1Q14 decreased by USD (-) 60 m (y/y) mainly due to negative impact of macro and market environment in refining influencing lower production and sales
- Lower Inland sales by (-) 11 pp (y/y) mainly as a result of lower sales volumes in Lithuania and Eastern Europe markets
- Increase of internal usage by 1,4 pp (y/y) and worse other operating KPI's in 1Q14 due to lower utilization by (-) 40% (y/y) caused by unfavourable macro environment

Action plan for 2014:

- Product slate improvement: full utilization of new Vacuum Flasher
- Cost efficiency improvement: general and personal costs
- Logistics efficiency improvement: renegotiations of rail tariffs
- Production efficiency improvement: extension of period among maintenance turnarounds

1) Presented data show ORLEN Lietuva Group results acc. to IFRS in accordance with values published on Lithuanian market and does not include correction connected with fixed assets of ORLEN Lietuva Group on the date of acquisition by PKN ORLEN. Correction increasing depreciation and amortization costs for 3 months 2014 made for the ORLEN Group consolidation amounted to ca. USD11 m.

UNIPETROL Group
Key elements of the profit and loss account [1]

IFRS, CZK m	1Q14	4Q13	1Q13	Δ y/y	3M14	3M13	Δ
Revenues	28 809	25 070	24 776	16%	28 809	24 776	16%
EBITDA LIFO	1 857	252	438	324%	1 857	438	324%
EBITDA	1 726	246	540	220%	1 726	540	220%
EBIT	1 100	-396	-70	-	1 100	-70	-
Net result	937	-690	-148	-	937	-148	-

- Revenues significantly higher by 16% (y/y) thanks to increase in stake to 68% in Ceska Rafinerska from February 2014 upon successful completion of acquisition of Shell's 16% stake
- EBITDA LIFO in 1Q14 was CZK 1,857 m includes positive impact of negative goodwill of CZK 1,186 m related to the acquisition, booked in refining segment
- Adjusted EBITDA LIFO was CZK 671 m implies improvement by CZK 233 m (y/y)
    - Refining CZK (-) 90 m (y/y), due to tough macro environment
    - Petrochemicals CZK 269 m (y/y), thanks to high utilization of steam-cracker, higher sales volumes due to better market conditions
    - Retail CZK 57 m (y/y), thanks to better fuel sales and improvement in fuel and non-fuel margins. New antifraud legislation valid from October 2013 already helped to reduce grey zone

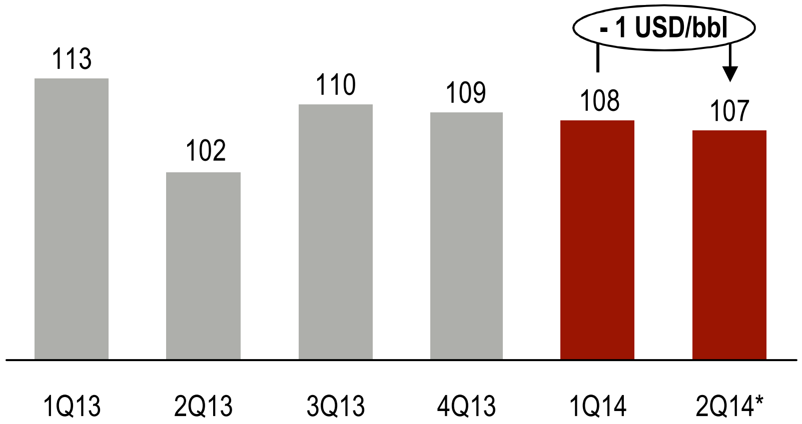
Action plan for 2014:

- Speed up of Operational Excellence Initiatives in Ceska Rafinerska
- Refining and retail sales enhancement upon grey zone limitation
- Investing in synergies between refining and petchem segments
- Regulatory affairs management in the area of renewable energy sources fee, fuels grey zone limitation and biofuel burdens
- Retail segment market share increase and non-fuel sales increase driven by expected economic recovery

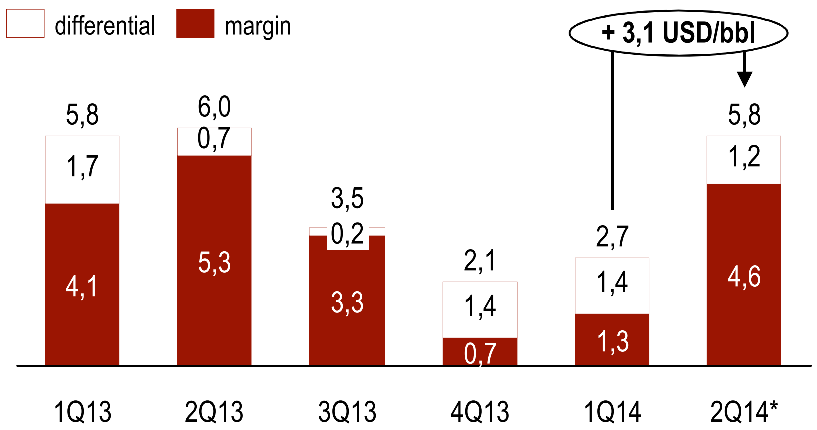
1) Presented data show Unipetrol Group results acc. to IFRS in accordance with values published on Czech market and does not include correction connected with fixed assets of Unipetrol Group on the date of acquisition by PKN ORLEN. Correction of depreciation and amortization costs and fixed assets impairment for 3 months 2014 made for the ORLEN Group consolidation increased the result of Unipetrol Group by ca. CZK 28 m.

Macro environment in 2Q14 (q/q)

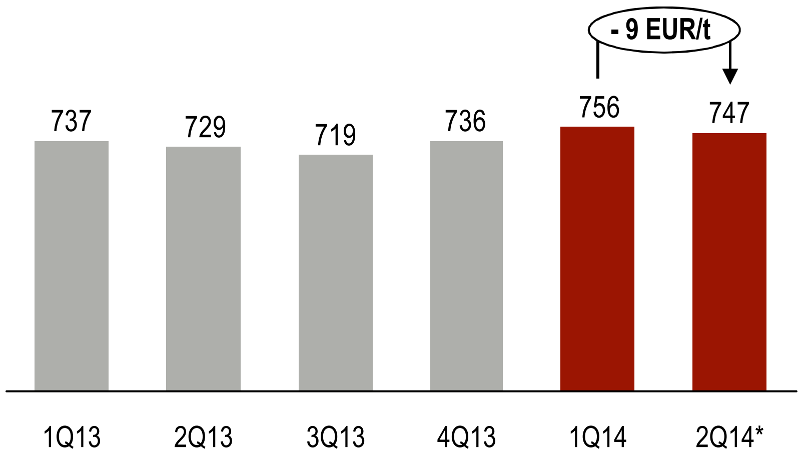
Crude oil price decrease
Average Brent Crude Oil price, USD/bbl



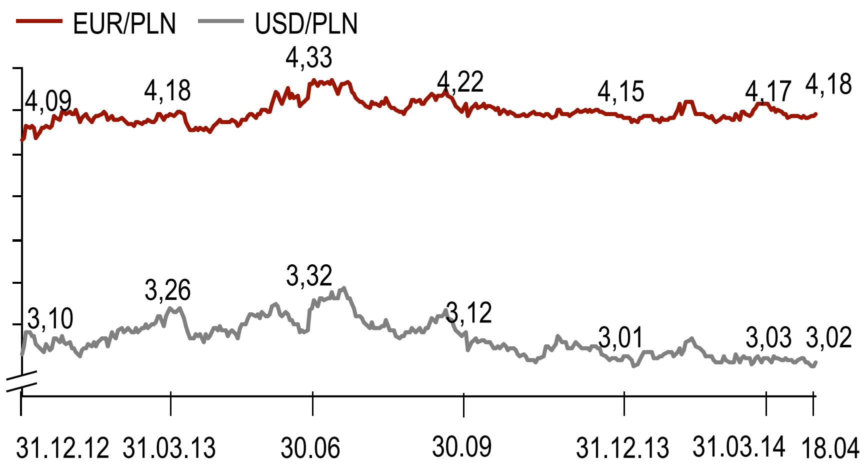
Refining margin and B/U differential increase
Model refining margin and Brent/Ural differential, USD/bbl



Petrochemical margin decrease
Model petrochemical margin, EUR/t

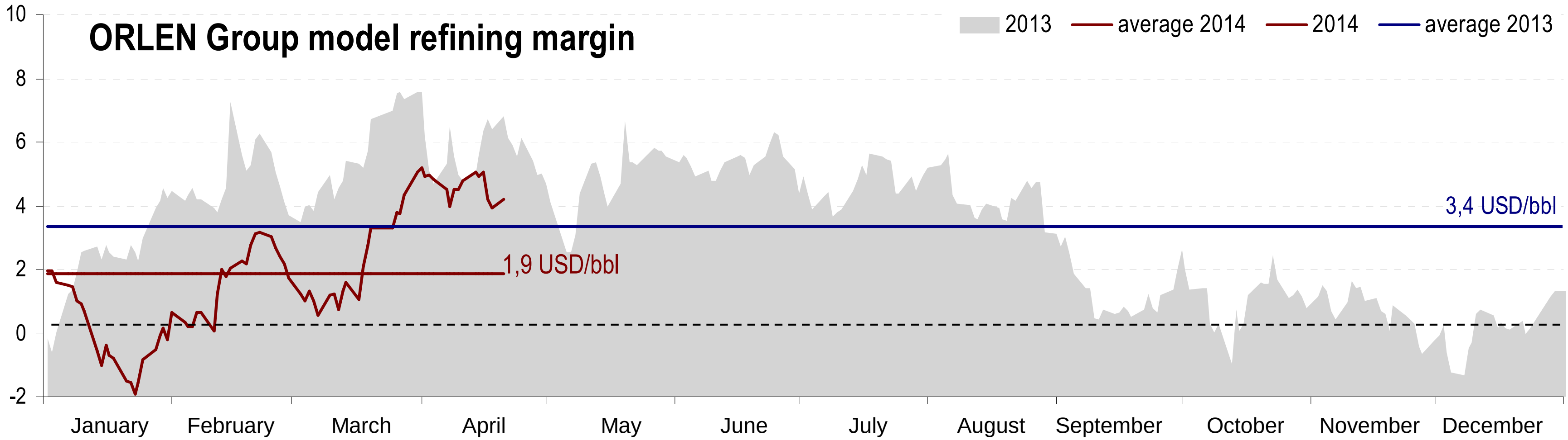


Average PLN strengthen against USD and EUR
USD/PLN and EUR/PLN exchange rate



* Data as of 17.04.2014

Macro environment in 2014



- **Crude oil price** – in the range 103 - 111 USD/bbl. Average 108 USD/bbl in 2014. Currently ca. 109 USD/bbl.
- **Model refining margin** – in the range (-) 1,9 – 5,2 USD/bbl. Average 1,9 USD/bbl in 2014. Currently ca. 4,2 USD/bbl.
- **Brent/Ural differential** – in the range 0,4 - 2,1 USD/bbl. Average 1,3 USD/bbl in 2014. Currently ca. 1,4 USD/bbl.

Data as of 17.04.2014

Production data

	1Q14	4Q13	1Q13	Δ (y/y)	Δ (q/q)	3M14	3M13	Δ
Total crude oil throughput in PKN ORLEN	6 190	7 089	7 003	-12%	-13%	6 190	7 003	-12%
Utilization in PKN ORLEN	78%	91%	90%	-12 pp	-13 pp	78%	90%	-12 pp
Refinery in Poland [1]								
Processed crude (tt)	3 503	3 947	3 504	0%	-11%	3 503	3 504	0%
Utilization	86%	97%	86%	0 pp	-11 pp	86%	86%	0 pp
Fuel yield [4]	77%	79%	75%	2 pp	-2 pp	77%	75%	2 pp
Middle distillates yield [5]	46%	47%	44%	2 pp	-1 pp	46%	44%	2 pp
Light distillates yield [6]	31%	32%	31%	0 pp	-1 pp	31%	31%	0 pp
Refineries in the Czech Rep.[2]								
Processed crude (tt)	1 125	906	896	26%	24%	1 125	896	26%
Utilization	83%	81%	80%	3 pp	2 pp	83%	80%	3 pp
Fuel yield [4]	81%	78%	80%	1 pp	3 pp	81%	80%	1 pp
Middle distillates yield [5]	45%	45%	44%	1 pp	0 pp	45%	44%	1 pp
Light distillates yield [6]	36%	33%	36%	0 pp	3 pp	36%	36%	0 pp
Refinery in Lithuania[3]								
Processed crude (tt)	1 467	2 126	2 501	-41%	-31%	1 467	2 501	-41%
Utilization	58%	83%	98%	-40 pp	-25 pp	58%	98%	-40 pp
Fuel yield [4]	73%	77%	74%	-1 pp	-4 pp	73%	74%	-1 pp
Middle distillates yield [5]	45%	46%	45%	0 pp	-1 pp	45%	45%	0 pp
Light distillates yield [6]	28%	31%	29%	-1 pp	-3 pp	28%	29%	-1 pp

1) Throughput capacity for Plock refinery is 16,3 mt/y.
2) Throughput capacity for Unipetrol increased since February 2014 from 4,5 mt/y to 5,9 mt/y as a result of stake increase in CKA.. CKA [68% Litvinov (3,7 mt/y) i 51% Kralupy (2,2 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

PKN ORLEN 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).

PKN ORLEN 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

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www.orlen.pl

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