



**PKN ORLEN audited consolidated financial results:
FY 2005 (IFRS)**

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April 28th 2006*



ORLEN

Audited consolidated financial results 2005

The highest ever results of PKN ORLEN following restructuring and corporate culture changes; supported by market conditions¹

The highest ever net profit of PKN ORLEN

| After Q4'05 | in PLN m | 2004 | 2005 |
|--------------|--|---------|-----------------------|
| unaudited | | audited | audited |
| 22.3% | ROACE (%)² <i>Ex. negative goodwill**</i> | 16.5% | 21.8% 13.5% |
| 6 797 | EBITDA* <i>EBITDA ex. negative goodwill**</i> | 4 037 | 6 728 4 834 |
| 4 724 | Net profit* <i>Ex. negative goodwill**</i> | 2 538 | 4 638 2 744 |
| 3 634 | Cash flow from operations | 3 637 | 3 664 |
| 15.7% | Gearing (%)³ | 3.5% | 17.0% |
| 882 | Cost cutting | 637 | 882 |

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

* Due to creation of on-off provisions for business risk, restructuring, write-off receivables and company protection package – including PLN 149 m at ORLEN Deutschland - 4q'05 results were depressed by app. PLN 282 m.

** Unipetrol results consolidation is resulting in one-off effect of negative goodwill accounted in 2005 to another operating costs in amount of PLN 1 894 m.

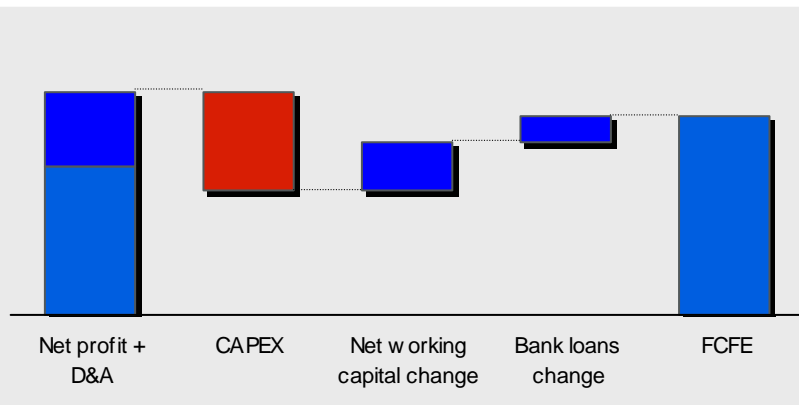
Dividend proposal

Potential acquisition of Mažeikiu Nafta determines the decision of the Management

- In case of PKN ORLEN ongoing participation in the tender offer for Mažeikiu Nafta, the Management would like to propose to account all of the net income - reduced by write-off for Labour Social Service Fund - to retention fund
 - PLN 2 522 m
- Potential investment in Mažeikiu Nafta represents a more significant value creation potential for the shareholders than the dividend payment

- In the situation of PKN ORLEN final termination of participation in the tender for Mažeikiu Nafta, Management of PKN ORLEN would like to adopt new dividend policy starting already from 2006 (from the 2005 net profit) and propose dividend of PLN 4,50 per share. The proposed amount translates to:
 - 76% of PKN ORLEN net income of 2005
 - PLN 1 925 m
 - 50% free cash flow to equity (FCFE)

Free Cash Flow to Equity (FCFE)



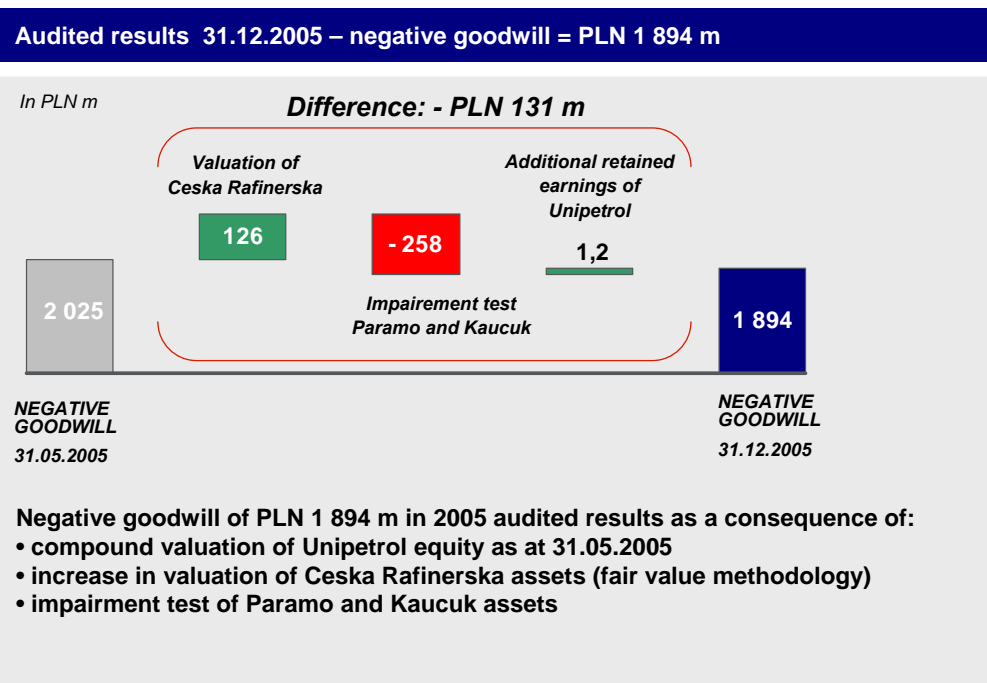
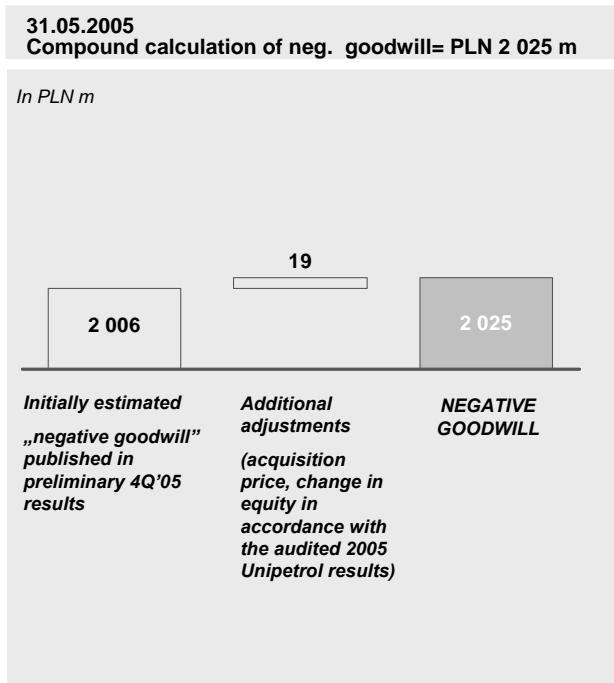
- Accelerated implementation of new dividend policy published in January in Strategy Update 2006-2009
- Dividend payment of 50% of Free Cash Flow to Equity
 - takes into account capital expenditures & mergers and acquisitions
 - allows for maintaining the optimal capital structure



Conclusion of the Unipetrol transaction

Calculation of negative goodwill effect in PKN ORLEN consolidated financial report FY2005

Final calculation of negative goodwill associated with Unipetrol acquisition (accounted to other operating costs) amounted in 2005 to PLN 1,89 bn

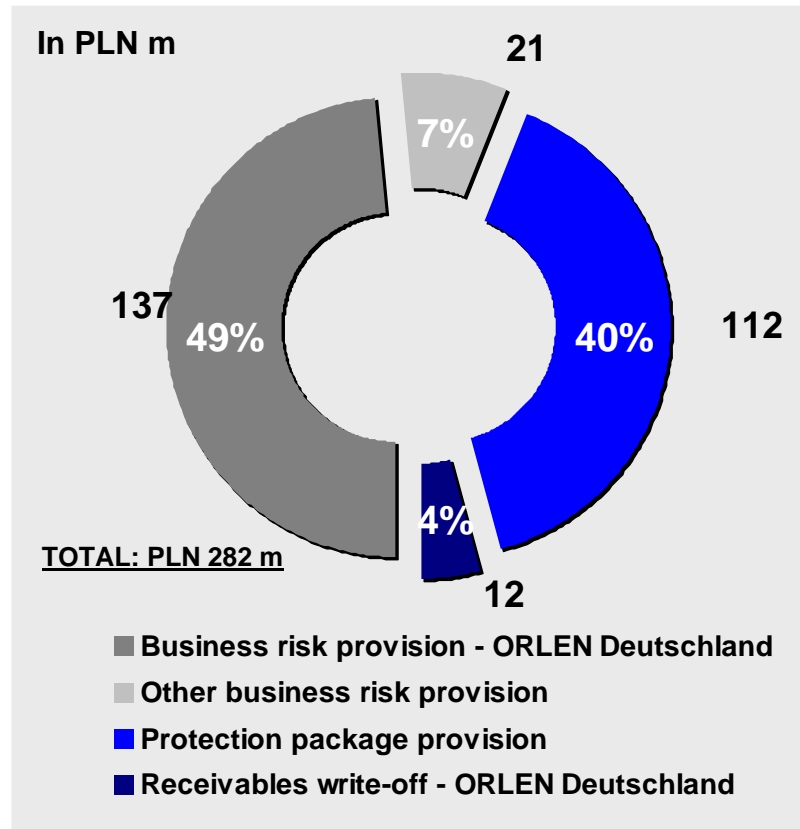


As promised the final transaction closing was concluded by the end of 2005.

Financial results 2005

Sound financial results of PKN ORLEN were achieved even after exclusion of one-off items

Major one-off negative items in Q4'05 consolidated results of PKN ORLEN



Clean net result Q4'05*:

PLN 610 m

Major one-off items in 2005 consolidated results of PKN ORLEN

In m PLN

One-off effect on P&L

+ 1 894

Negative goodwill - resulting from acquisition and consolidation of Unipetrol¹

- 376

Business risk provision - agreements concerning the sale of some Unipetrol assets – Q2'05²

- 166¹

Protection package provision – Q2'05 (PLN 54 m) and Q4'05 (PLN 112 m)

- 149

ORLEN Deutschland - provision for business risk and write-off of receivables – Q4'05 (PLN 137 m, PLN 12 m)

Clean net result 2005*:

PLN 3 426m

1) Total gross amount. Protection package of PLN 36.7 m was utilized in 2005.

* Pro forma calculation



ORLEN

Simplified P&L account

Increase of EBIT by 9% excluding negative goodwill effect*

| IFRS, PLN m | 2004 | after Q4'05 28.02.2006 | audited | | | | |
|--|--------|---------------------------|----------------------|--------|------------|--------------|---------------------|
| | | | Unipetrol 7m'2005 | 2005 | difference | difference % | change 2005/2004 |
| | | | 3 | 4 | 5=4-2 | 6=5/2 | 7=4/1 |
| | 1 | 2 | | | | | |
| Revenues | 30 680 | 42 804 | 7 368 | 41 188 | -1 616 | -3,8% | 34,3% |
| Operating profit | 2 687 | 5 060 | 176 | 4 948 | -112 | -2,2% | 84,1% |
| Net profit | 2 538 | 4 724 | 96 | 4 638 | -86 | -1,8% | 82,7% |
| Net profit ex minority shareholders | 2 482 | 4 670 | 96 | 4 585 | -85 | -1,8% | 84,7% |

Key differences between audited and preliminary results of 2005 (in m PLN):

- adjustment of negative goodwill - 111*
- adjustment of hedging instruments - 26
- change of provisions 41
- others 11

- Revenues in 2005 excluding 7 months of Unipetrol consolidation increase by 10% y/y.
- EBIT result excluding Unipetrol consolidation and one-off negative goodwill, increases by 9% y/y

* Unipetrol results consolidation is resulting in one-off effect of negative goodwill accounted to another operating costs in amount of PLN 1 894 m.
Proforma calculation

Comments regarding the difference between 111 m PLN and 131 m PLN on slide 4 (initially estimated 2 006 m PLN negative goodwill)

EBIT of PKN ORLEN by segments

Significant improvement of operating results

| IFRS basis, PLN m | 2004 | Unipetrol 4kw05 | Unipetrol 7months 2005 | 2005 | y/y |
|---------------------------------------|-------|--------------------|---------------------------|--------------|--------|
| Operating profit , of which | 2 686 | 66 | 176 | 4 947 | 84,2% |
| <i>negative goodwill</i> | | | | 1 894 | |
| operating profit (excl.neg. goodwill) | | | | 3 053 | |
| Refining¹ | 2 248 | 53 | 165 | 2 947 | 31,1% |
| Retail | -6 | -13 | -11 | 78 | - |
| Petrochemicals | 881 | 40 | 70 | 858 | -2,6% |
| Others² | -32 | -14 | -48 | -98 | 206,3% |
| Non attributable³ | -405 | 0 | 0 | -732 | 80,7% |

Comments

The differences between Unipetrol results and the consolidated numbers of Czech company accounted in PKN ORLEN resulted from the asset revaluation of Unipetrol - in accordance with IFRS 3

- Depreciation of Unipetrol in PKN ORLEN books for the period June-December 2005 - 538 m PLN
- Depreciation of Unipetrol in PKN ORLEN books for the period of Q42005 - 269 m PLN

1) Production, Wholesale and Logistics

2) Departments responsible for energetic media and social activity and services subsidiaries of PKN ORLEN

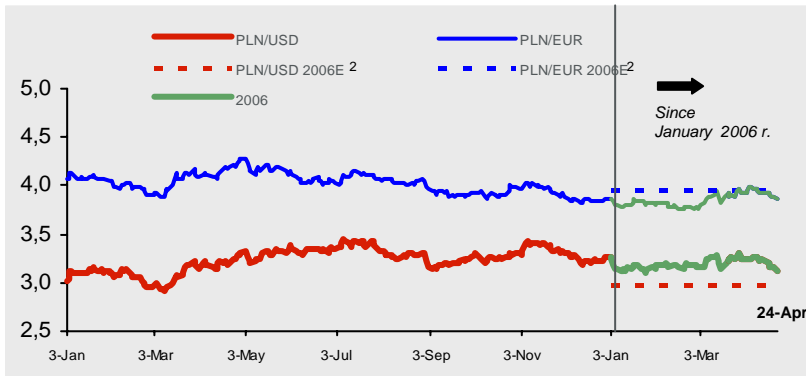
4) Includes corporate centre of PKN and subsidiaries not mentioned in previous segments



Macroeconomic environment in 2005

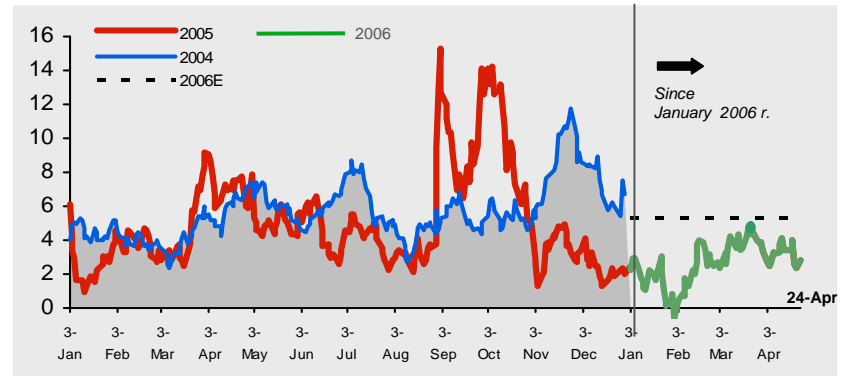
Variable and volatile refining and petrochemical sector

Exchange rates average¹



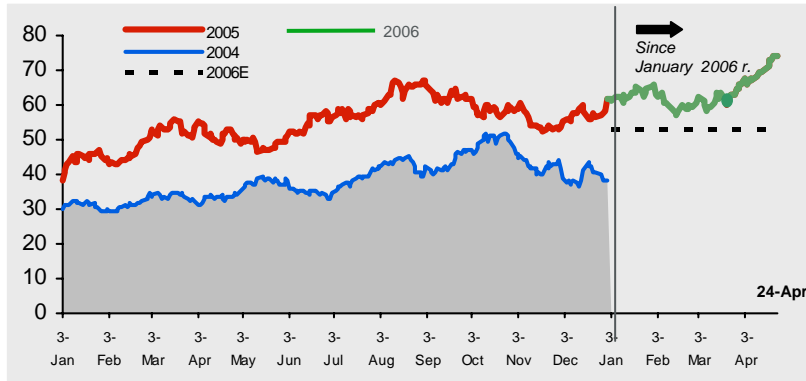
Refinery margin

5.12 \$/b average in 2005³ Decrease by 9% y/y
 2.56 \$/b average in 1q2006³ Decrease by 30% y/y



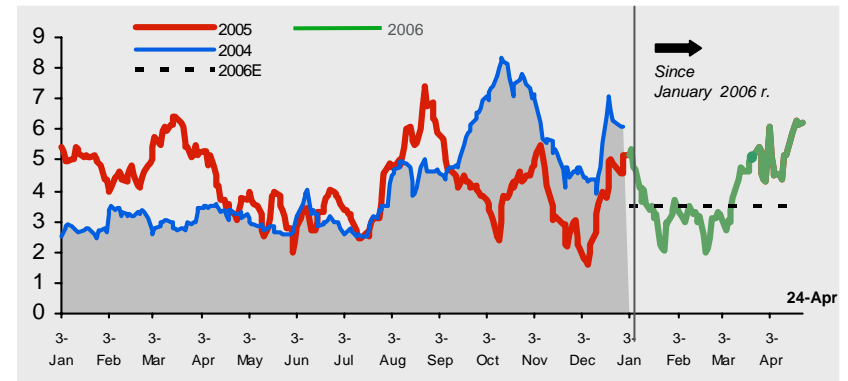
Brent

54.48 \$/b average in 2005 Increase by 42% y/y
 61.78 \$/b average in 1q2006 Increase by 30% y/y



Brent/Ural differential

4.20 \$/b average in 2005 Increase by 2% y/y
 3.63 \$/b average in 1q2006 Decrease by 29% y/y



1) Source: NBP
 2) Estimates published in PKN ORLEN Strategy Update 2006-2009
 3) Calculated as: Products (88.36%) vs. Brent Dtd (100%). Products contain Premium Uni (25.21%), EN590 (23.20%), Naptha (16.51%), LOO (15.31%), HSFO (5.44%) i Jet (2.69%) (source: CIF NWE quotations, except HSFO FOB ARA)

Agenda

Supporting slides

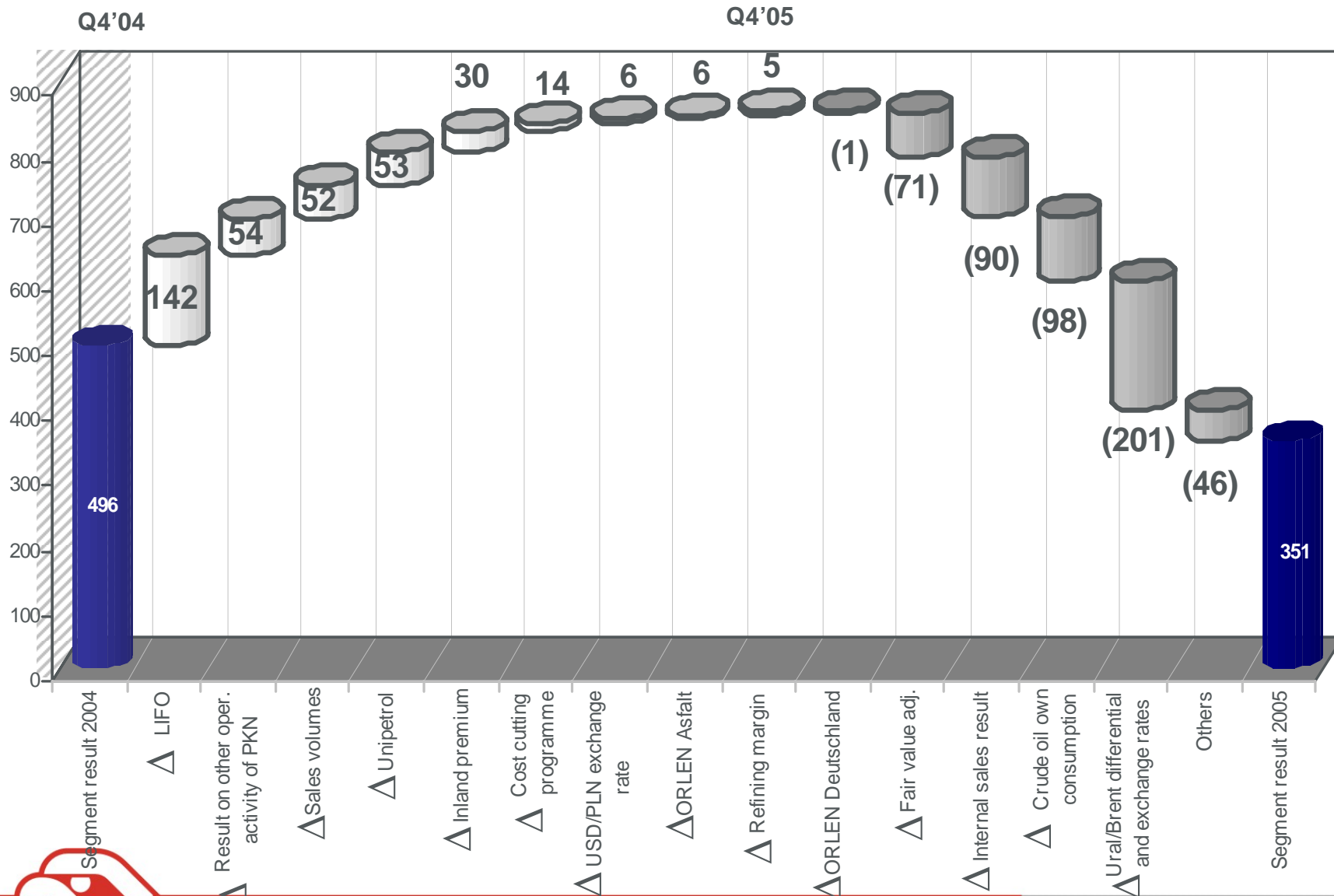
Supporting slides

- Segments waterfall charts q/q
- Petrochemicals market – environment summary
- Unipetrol
- Retail market in Poland



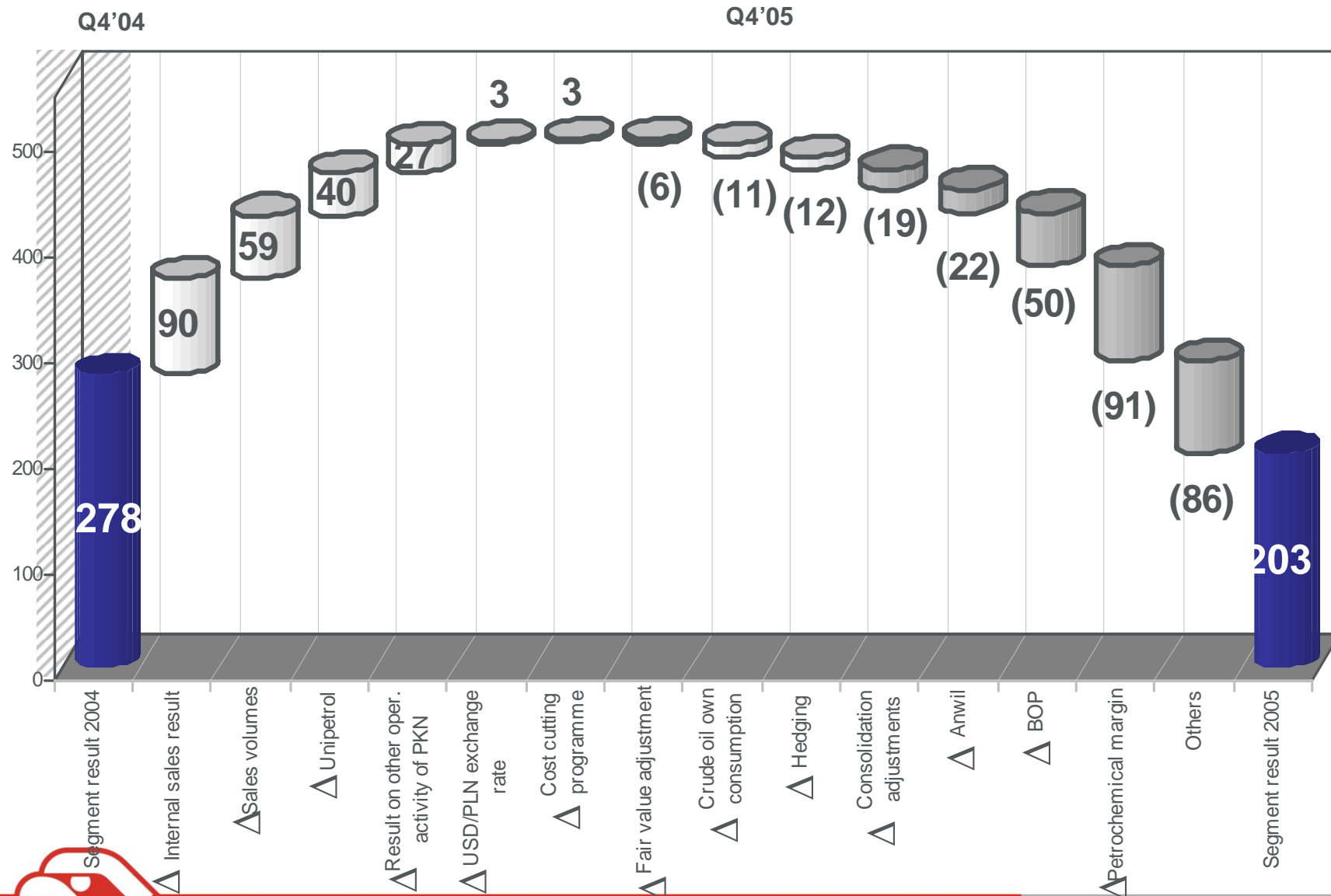
Refining segment

PLN m

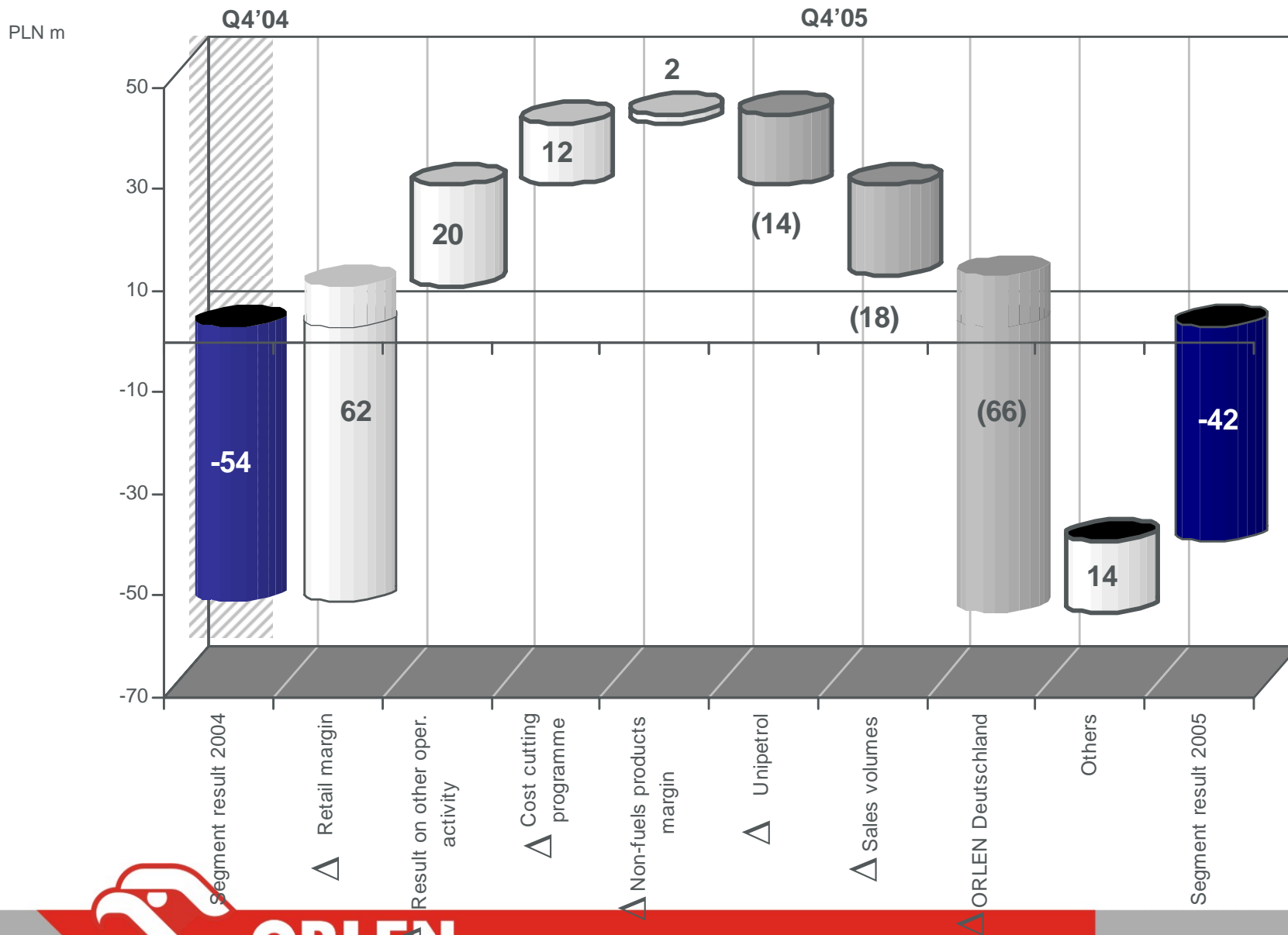


Petrochemical segment

PLN m

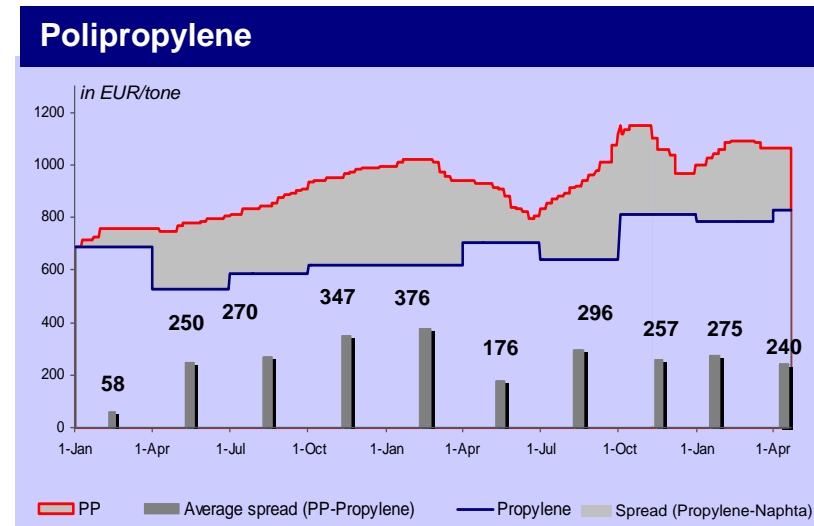
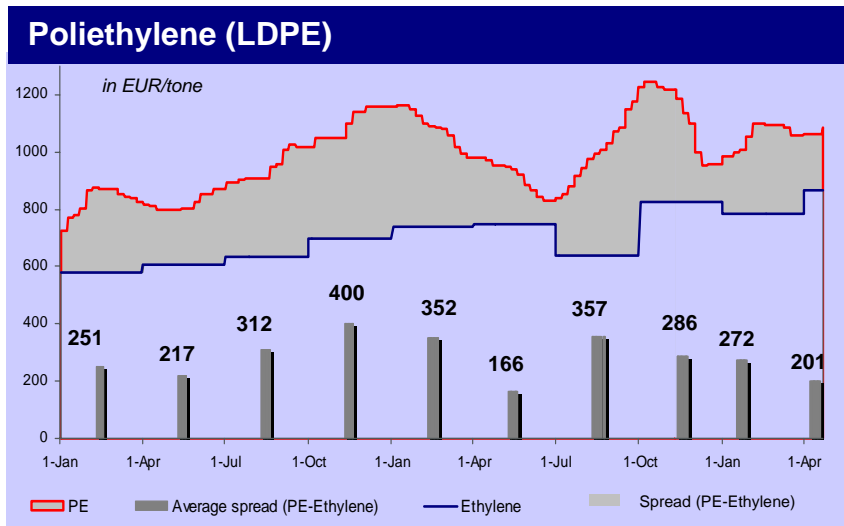
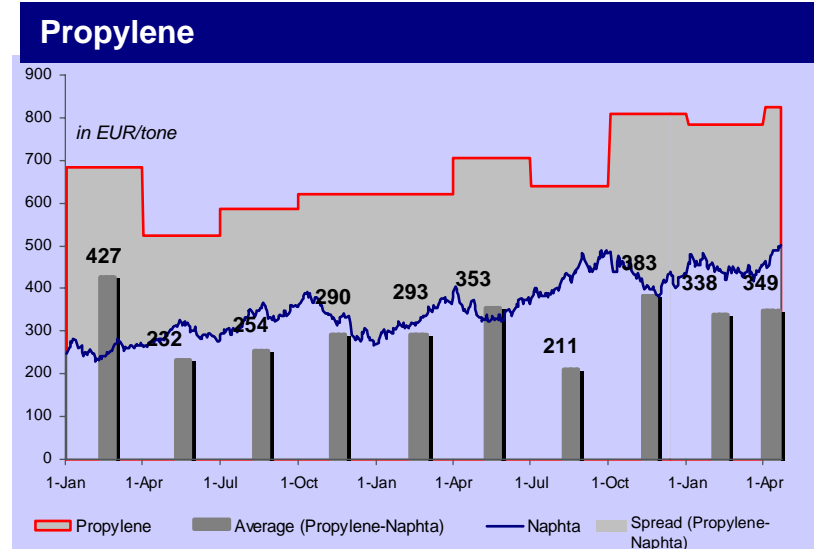
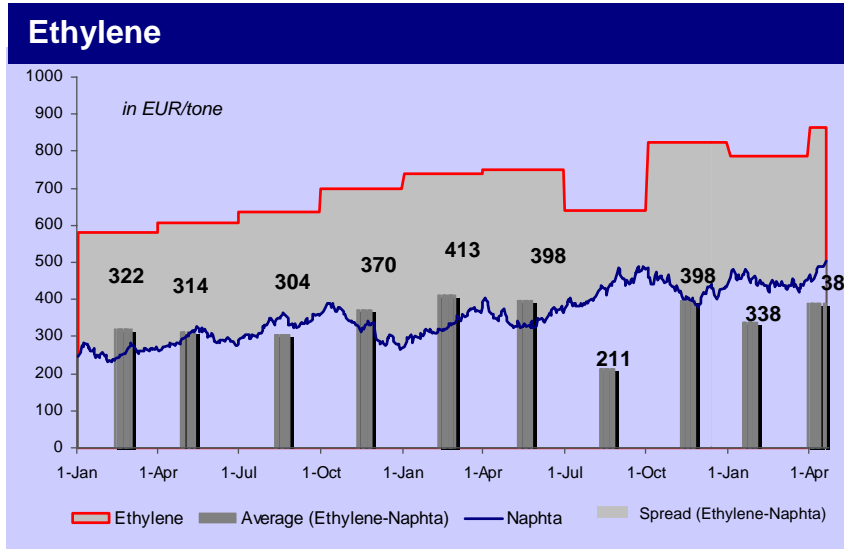


Retail segment



Petrochemical market

from 1 January 2004 to mid April 2006



Source: Market quotations

Unipetrol Group

Selected audited financial data for FY2004 vs. FY2005

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

| in 000 CZK | | 2004 IFRS* | 2005 IFRS |
|---------------------------------|---------------------|------------|------------|
| Chemopetrol a.s. | Revenues | 28,899,450 | 31,181,618 |
| | EBIT | 2,743,604 | 3,157,240 |
| | Net result | 1,952,507 | 2,616,366 |
| | <i>Equity</i> | 13,033,302 | 14,174,200 |
| | <i>Total assets</i> | 28,533,029 | 28,381,695 |
| Benzina a.s. | Revenues | 20,700,329 | 11,426,602 |
| | EBIT | 487,891 | -9,361 |
| | Net result | -1,053 | -499,103 |
| | <i>Equity</i> | 323,532 | 1,123,429 |
| | <i>Total assets</i> | 8,323,622 | 7,657,185 |
| Ceska Rafinerska a.s. | Revenues | 9,103,977 | 9,292,780 |
| | EBIT | 489,963 | 468,191 |
| | Net result | 321,396 | 325,834 |
| | <i>Equity</i> | 17,805,918 | 18,131,752 |
| | <i>Total assets</i> | 28,332,362 | 24,906,135 |
| Kaucuk a.s. | Revenues | 10,202,929 | 10,395,443 |
| | EBIT | 561,906 | 535,593 |
| | Net result | 277,711 | 439,068 |
| | <i>Equity</i> | 6,340,241 | 6,795,322 |
| | <i>Total assets</i> | 9,211,038 | 8,909,922 |
| Paramo a.s. | Revenues | 9,136,966 | 11,073,141 |
| | EBIT | 285,72 | -103,499 |
| | Net result | 157,137 | -207,411 |
| | <i>Equity</i> | 1,596,225 | 1,897,487 |
| | <i>Total assets</i> | 3,419,894 | 4,351,747 |
| Spolana a.s. | Revenues | 5,070,504 | 5,757,796 |
| | EBIT | 250,250 | 291,884 |
| | Net result | 118,527 | 183,071 |
| | <i>Equity</i> | 884,528 | 1,067,599 |
| | <i>Total assets</i> | 3,782,827 | 3,870,302 |
| Unipetrol Rafinerie a.s. | Revenues | 59,252,192 | 76,321,599 |
| | EBIT | 1,365,415 | 978,333 |
| | Net result | 1,061,731 | 578,353 |
| | <i>Equity</i> | 827,805 | 1,406,159 |
| | <i>Total assets</i> | 9,531,005 | 13,263,227 |

*restated data

Unipetrol Group

Audited financial and operational results for 2005

Audited consolidated financial highlights of Unipetrol a.s. 2004-2005

| in '000 CZK | | 2004 IFRS* | 2005 IFRS |
|----------------|--------------|--------------|---------------|
| UNIPETROL a.s. | Equity | 32 825 771 | 38 988 043 |
| | Total assets | 72 143 595 | 76 441 640 |
| | Revenues | 71 097 589** | 80 946 337*** |
| | EBIT | 5 846 248 | 5 279 069 |
| | Net result | 3 709 728 | 3 407 111 |

* restated results

*** revenues without excise tax

** revenues without excise tax

The excise tax in 2004 amounts to 15,159,302 ths CZK

The excise tax in 2005 amounts to 19,508,980 ths CZK



Unipetrol Group

Selected financial data for FY2003 vs. FY2005

Operational highlights for years 2003-2005

| Operating data* | Q1'03 | Q2'03 | Q3'03 | Q4'03 | 2003 | Q1'04 | Q2'04 | Q3'04 | Q4'04 | 2004 | Q1'05 | Q2'05 | Q3'05 | Q4'05 | 2005 |
|---|-------|-------|-------|-------|--------------|-------|-------|-------|-------|--------------|-------|-------|-------|-------|--------------|
| Total sales (tt) , of which | 110 | 177 | 720 | 1 135 | 2 142 | 1 024 | 1 195 | 1 204 | 1 269 | 4 692 | 1 118 | 1 326 | 1 400 | 1 320 | 5 164 |
| - light product sales (tt) ¹ | 45 | 69 | 429 | 728 | 1 269 | 654 | 770 | 784 | 830 | 3 039 | 746 | 848 | 919 | 854 | 3 367 |
| - other refinery products sales (tt) | 52 | 83 | 156 | 128 | 420 | 100 | 132 | 190 | 130 | 552 | 123 | 192 | 197 | 166 | 678 |
| - pet-chem sales (tt) | 14 | 25 | 114 | 231 | 383 | 221 | 243 | 189 | 253 | 905 | 209 | 236 | 235 | 249 | 928 |
| - other product sales (tt) | 0 | 0 | 21 | 48 | 69 | 49 | 50 | 41 | 56 | 196 | 41 | 51 | 50 | 51 | 192 |
| Retail sales of motor fuels (tL)² | 110 | 130 | 137 | 129 | 507 | 107 | 130 | 133 | 120 | 491 | 104 | 126 | 136 | 120 | 486 |
| Processed crude (tt) | 131 | 143 | 671 | 978 | 1 922 | 834 | 898 | 952 | 1 034 | 3 718 | 874 | 1 022 | 1 134 | 1 122 | 4 151 |
| Utilisation³ | 69% | 69% | 67% | 71% | 70% | 62% | 65% | 68% | 75% | 67% | 64% | 74% | 81% | 81% | 75% |
| White product yield⁴ | 45% | 65% | 68% | 71% | 68% | 72% | 67% | 74% | 70% | 71% | 72% | 69% | 72% | 71% | 71% |
| Fuel yield⁵ | 34% | 48% | 59% | 60% | 57% | 46% | 56% | 57% | 55% | 54% | 56% | 60% | 61% | 56% | 58% |

*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

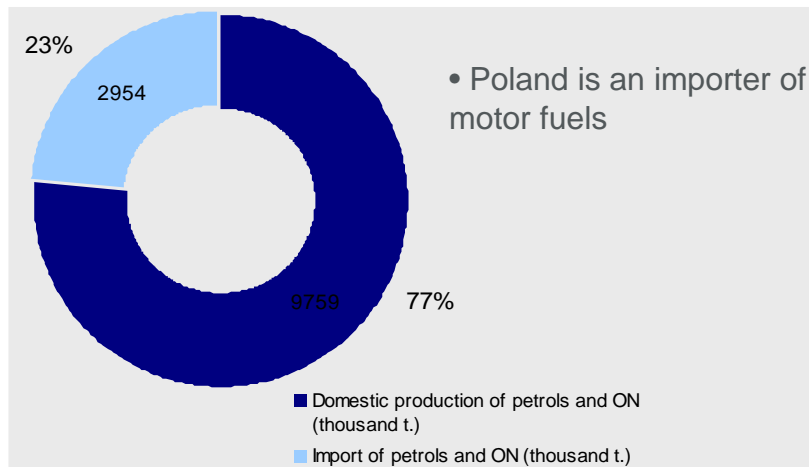
Retail fuels market in Poland

Retail consumption of fuels in Poland in 2005 (in thousand tonnes)

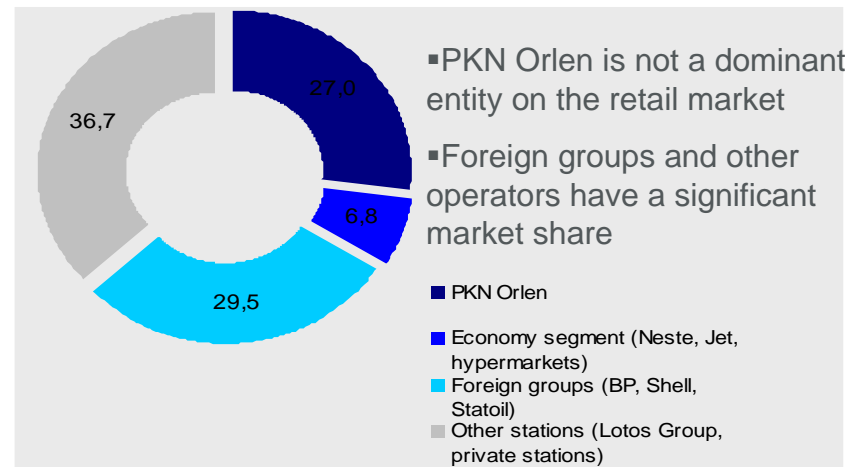
Estimated dynamics 2005-2004

| Petrol | Diesel oil | LPG | Total of fuels |
|--------|------------|---------|----------------|
| 4 029 | 5 127 | 1 775 | 10 931 |
| - 5.3% | + 5.7% | + 23.3% | + 3.6 % |

Balance sheet of motor oils in Poland in 2005



Estimated share in the retail market (%)



Fuel pricing

International conditions of crude oil price growth

Limited relationship between quotation rise and actual crude oil demand and supply
Significant premium for political (international) risk
Mainly political – and not economic – factors of price rise

Domestic market conditions

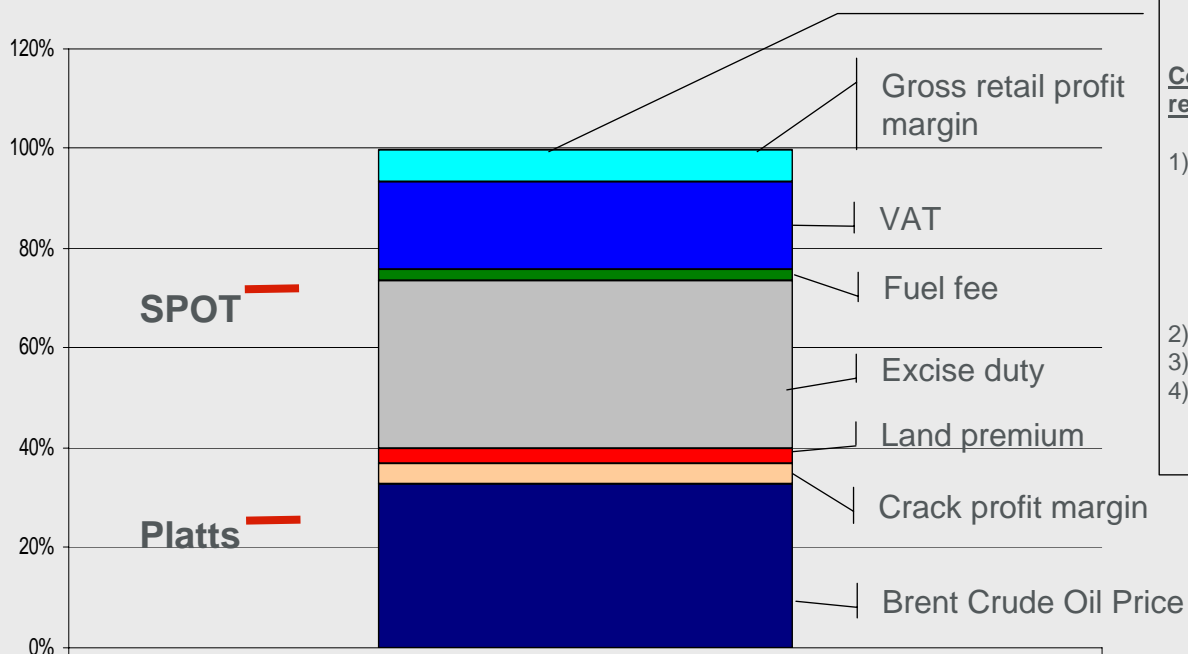
Average gross retail profit margin on the market lower by over a dozen percent than a year ago
Increasing market competitiveness (hypermarket stations etc.)
Growing interest among customers in Bliska economy brand (sales growth year-on-year exceeds 30%).
Lowering profit margin threatens existence of many private stations.



Retail pricing structure for Pb95

in the period January – April 2006.

Retail price structure

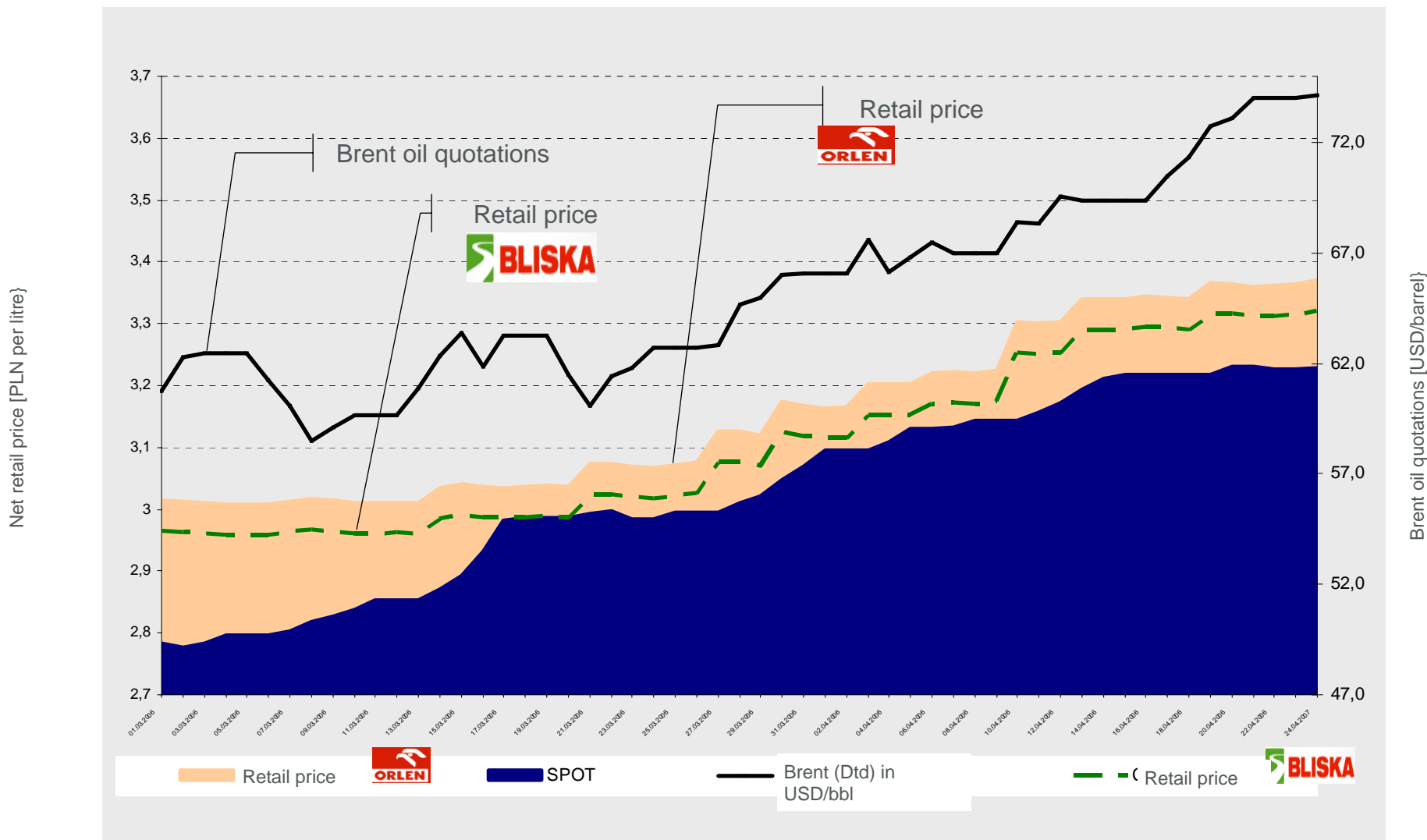


Costs to be covered with the gross retail profit margin:

- 1) Operating costs of a petrol station including - transport costs
- staffing costs
- materials and energy
- taxes and charges
- refurbishing services
- 2) Marketing costs
- 3) Sales support costs
- 4) Appreciation of the petrol station



Starting from mid March PKN Orlen S.A. has been relieving the adverse outcomes of the growth in crude oil price by decreasing the unit fuel gross margin in Retail



Pb95 gasoline prices on ORLEN sites in 2006 are lower or equal to prices in the competing Premium stations across Poland

