

Stable growth despite unfavourable market conditions

PKN ORLEN consolidated financial results for 4 quarter 2009

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ORLEN

Agenda



Achievements in 2009

Operating and financial results in 4q 2009

Efficiency programmes realisation

Outlook for 2010

Supporting slides



PKN ORLEN ends up the year 2009 with good results. Due to successful realization of ambitious targets we faced the challenge and went through the difficult macroeconomic environment



- **Good financial results:** PLN 1.3 bn net profit comparing to PLN 0.6 bn loss in 2008.
- **PLN 6 bn additional cash** generated due to successfully implemented optimization programs.
- **Debt reduction by PLN 2.3 bn** secured bank covenants back to the safe level.
- **Increase in retail sales volumes by 6%** and growth better than the market.
- **Increase security of crude oil supplies** as a result of signing long-term contracts valued at PLN 45 bn in total.
- Good financial results despite **difficult macroeconomic environment** – historically low level of margins and U/B differential.
- In 2010, focus on **further efficiency increase, development investments and new segments.**



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Agenda

Achievements in 2009



Operating and financial results in 4q 2009

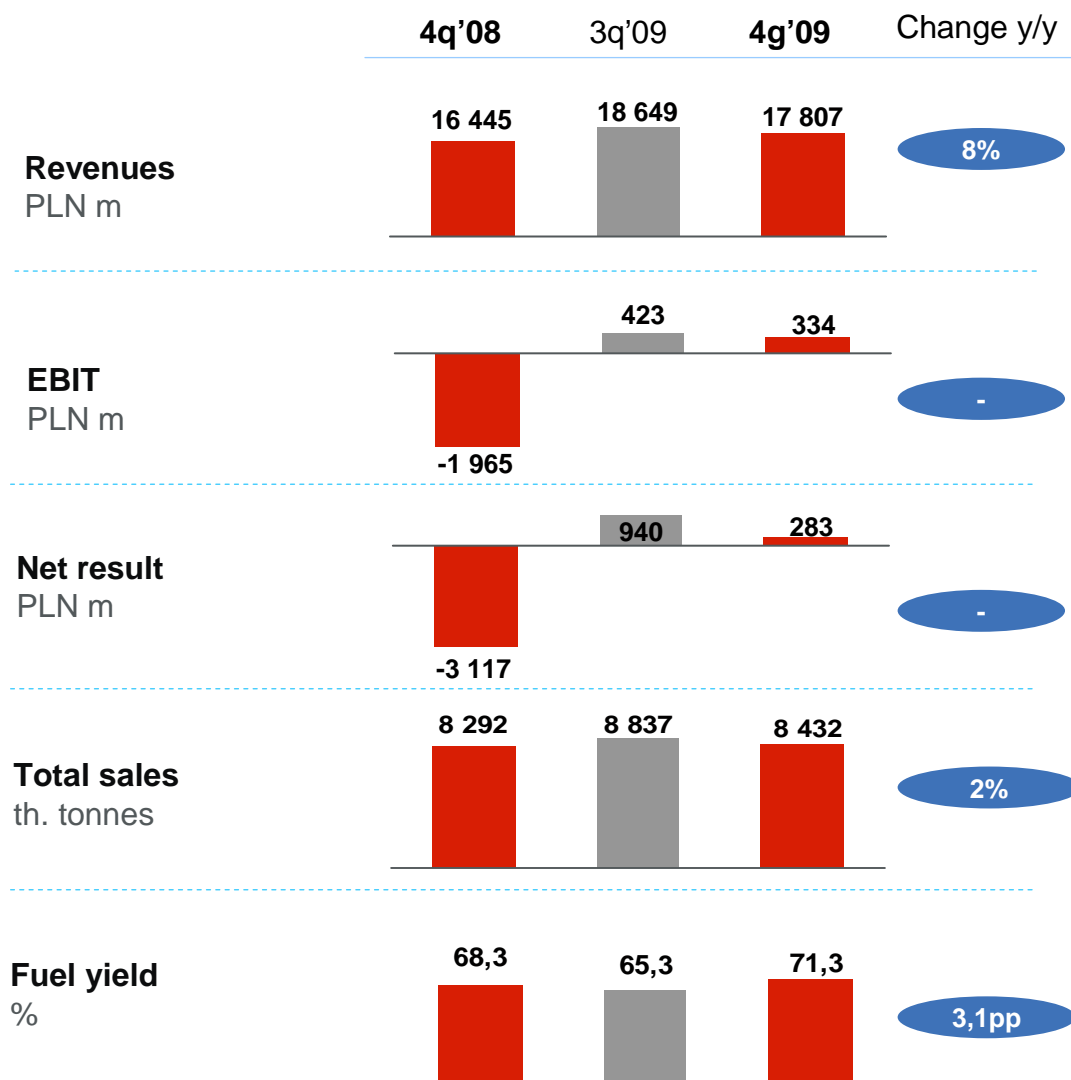
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Net profit of PLN 1.3 bn achieved in 2009...



→ Significant improvement of operating result and net result (y/y).

→ Despite difficult market environment increase of retail sales by 7% and petrochemical sales by 21% (y/y).

→ Retail market share increase by almost 1pp (y/y) achieved in all markets.

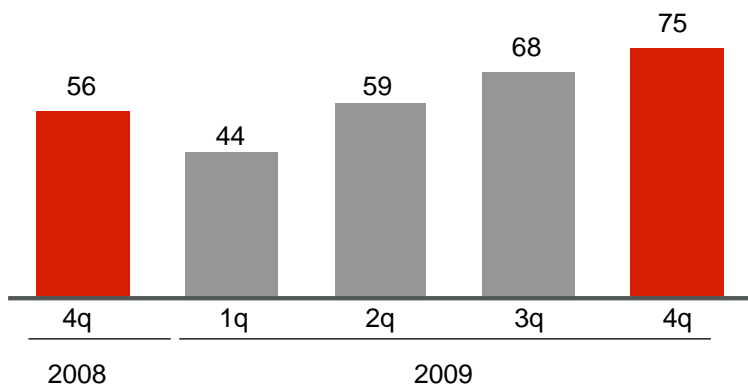
→ Increase of fuel yield by 3pp (y/y) and by 6pp (q/q) due to optimization of crude oil throughput and utilization of units.



... with depressed refining margins and low U/B differential

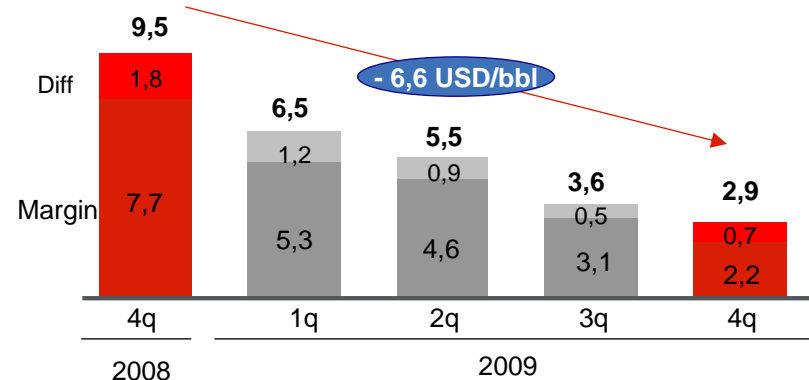
Growing crude oil prices

Average Brent Crude Oil price (USD/bbl)



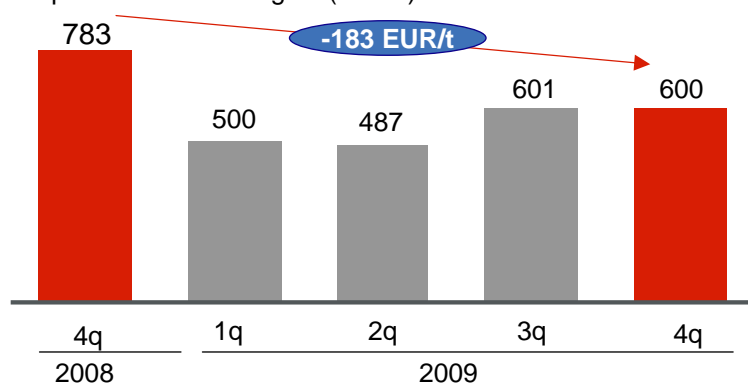
Dramatically low refining margin and slight increase of U/B differential

Model refining margin¹, Ural/ Brent differential² (USD/bbl)



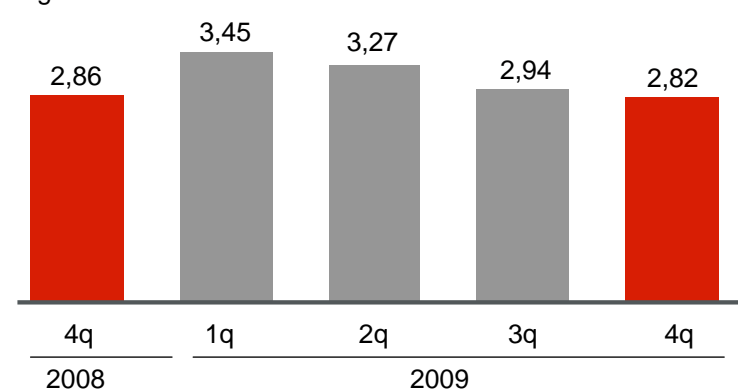
Improvement of petrochemical margin

Model petrochemical margin³ (EUR/t)



Gradual appreciation of PLN

Exchange rate USD/PLN



1) PKN ORLEN model refining margin = revenues (93,5% Products = 36% Gasoline + 43% Diesel + 14,5% HHO) - costs (100% input: Brent Crude and other raw materials). Total input calculated acc. to Brent Crude quotations. Spot market quotations.

2) Spread Ural Rdam vs fwd Brent Dtd = Med Strip - Ural Rdam (Ural CIF Rotterdam).

3) 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.



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PLN 1.1 bn of EBIT and PLN 1.3 bn of net profit achieved in 2009.

3q'09	4q'09	4q'08	change y/y	PLN, m	1-4q'09	1-4q'08	change y/y
18 649	17 807	16 445	8%	Revenues	67 928	79 533	-15%
1 050	967	-1 275	-	EBITDA ¹	3 665	3 249	13%
423	334	-1 965	-	EBIT	1 097	758	45%
-307	-163	2 713	-	LIFO effect	-1 152	1 843	-
116	171	748	-77%	EBIT acc. to LIFO	-55	2 601	-
726	-7	-1 486	100%	Net exchange rates differences	496	-1 101	-
940	283	-3 117	-	Net result	1 300	-632	-

- **PLN 171 m of EBIT acc. to LIFO** achieved in 4q2009 mainly due to optimization of fixed costs and employment.
- **Inventory revaluation** in 4q2009 in the amount of **PLN 163 m** increased reported EBIT to the level of PLN 334 m.
- **Positive exchange rates differences** from credits revaluation in EUR **covered negative differences** from trade settlements valuation connected mainly with strengthening of USD in December.



1) Operating result before depreciation and amortization.

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Over PLN 5 bn of cash from operations in 2009 thanks to operating achievements and optimization of working capital

3q'09	4q'09	4q'08	change y/y	PLN, m	1-4q'09	1-4q'08	change y/y
-827	2 916	1 111	1 805	Cash Flow from operations	5 162	3 609	1 553
-2 182	2 515	2 678	-163	<i>including: working capital change ¹</i>	1 815	1 357	458
-388	408	-1 618	2 026	Cash Flow from investments	-2 540	-4 385	1 845
-813	-964	-1 266	302	CAPEX	-3 776	-3 938	162
13,7	10,3	12,6	-2,3	Net debt (PLN bn)	10,3	12,6	-2,3
62,4%	54,9%	48,4%	6,5pp	Gearing (%) ²	54,0%	47,2%	6,8pp

- **Significant improvement of cash flow from operations** both (q/q) and (y/y). Operating inflows higher than capital expenditures.
- **Working capital change** in 4q2009 thanks to extending of payment terms for crude oil and accelerating of receivables inflow (factoring).
- **Lower level of CAPEX** in 2009 in comparison to last year.
- **Decrease of net debt by PLN 3.4 bn (q/q) and PLN 2.3 bn (y/y)** caused decrease of financial gearing by 6.5pp (q/q).

1) Working capital change in CF (from operations): changes in receivables + changes in inventories + changes in liabilities

2) Gearing = net debt / equity calculated acc. to average balance sheet amount in the period



Debt reduction by PLN 2.3 bn (y/y)

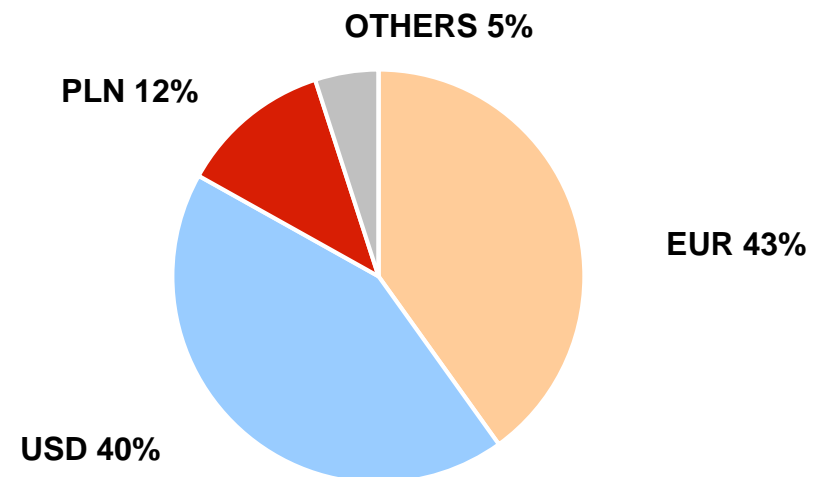
Debt

- **Debt revaluation** due to PLN appreciation **reduces debt** in 4q2009 by almost **PLN 300 m**.
- **Positive exchange rates differences due to revaluation of foreign units debts and USD denominated debt** at the amount of **PLN 115 m** for 4q2009 were booked in equity, including PLN 46 m due to connection with ORLEN Lietuva investment.
- **Positive exchange rates differences in other debts** (mainly in EUR) at the level of **PLN 169 m** for 4q2009 were entered in profit and loss account.

Debt as of 31.12.2009

- **Net debt** amounts to **PLN 10,3 bn**, of which over 80% were foreign currency debts denominated in USD and EUR.
- **Almost 70% of debt** will be **declared due and payable starting from 2012**.
- **Available credit facilities** in PKN ORLEN amount to **over EUR 1 bn**.
- **Debt reduction by PLN 2.3 bn (y/y) despite one-off expenditures** in 2009 in the amount of PLN 1.5 bn: PLN 1 bn realization of put option agreement of AB Mazeikiu Nafta shares and PLN 0.5 bn payment for arbitrage case with Agrofert.

Debt structure by currency as of 31.12.2009



Significant increase of retail and petrochemical sales (y/y)

3q'09	4q'09	4q'08	change y/y	th t	1-4q'09	1-4q'08	change y/y
8 837	8 432	8 292	2%	Sales volumes, including the following:	33 624	34 844	-4%
6 081	5 659	5 839	-3%	Refining	22 788	24 439	-7%
1 630	1 524	1 419	7%	Retail	6 017	5 690	6%
1 126	1 249	1 034	21%	Petrochemicals	4 819	4 715	2%

- In 4q 2009 we recorded **2% increase of sales volumes (y/y)**.
- **Refining sales decrease** by 3% (y/y) due to higher retail sales and unfavourable conditions on markets operated by ORLEN Lietuva.
- **High dynamics in retail sales by 7% (y/y)** translates into further increase of market share.
- **Total sales volumes of refining and retail segments** maintained at the level comparable to 4q 2008 and amounted to ca. 7.2 m tonnes.
- **Increase of petrochemical sales by 21% (y/y)** was achieved thanks to improving of sales of petrochemical products and fertilizers.
- **Economic slowdown** caused by financial crisis, **lower crude oil throughput** due to maintenance shutdowns and **higher demand of retail segment** caused **decrease of refining sales by 7% in the whole 2009**.



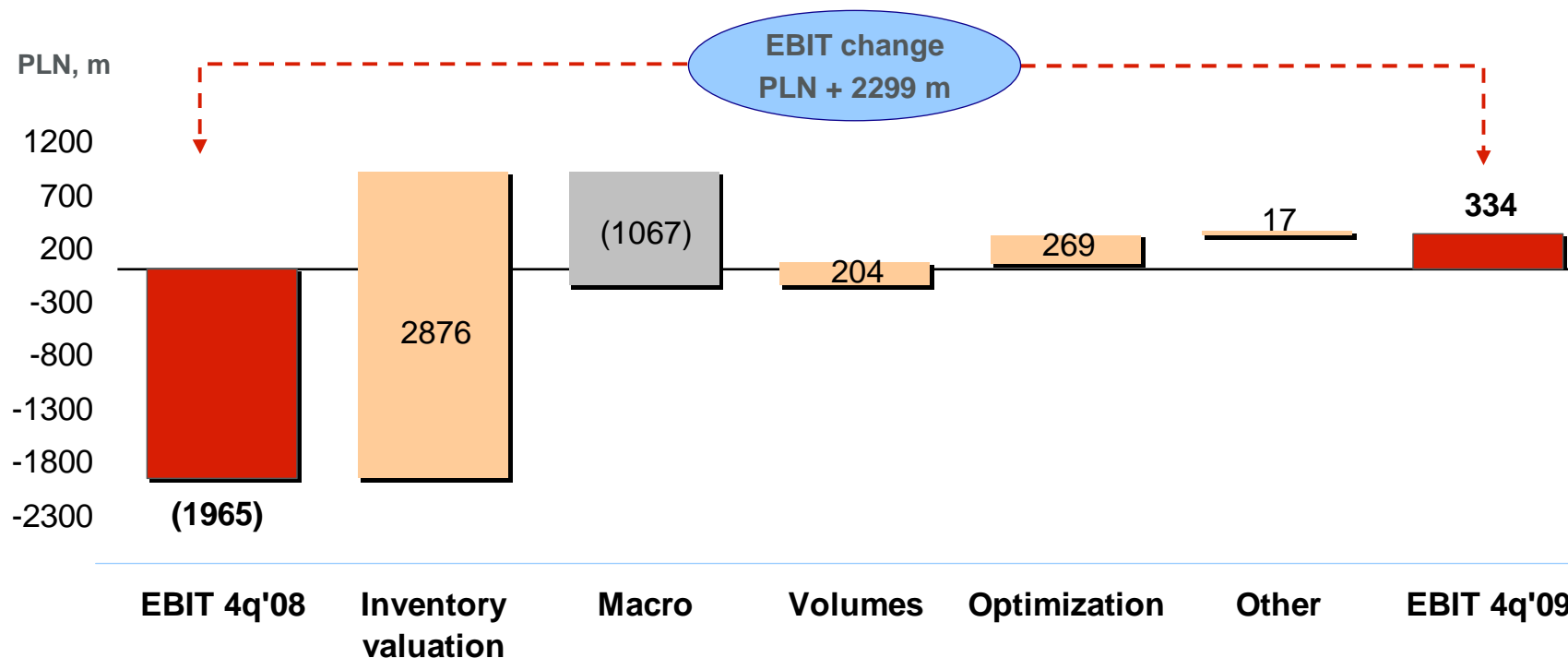
Operating result improvement thanks to higher retail sales, increasing crude oil prices and costs optimization

3q'09	4q'09	4q'08	change y/y	PLN, m	1-4q'09	1-4q'08	change y/y
423	334	-1 965	-	EBIT , including the following segments:	1 097	758	45%
116	171	748	-77%	<i>EBIT acc. to LIFO</i>	-55	2 601	-
137	333	-1 863	-	Refining	1 124	203	454%
-134	173	738	-77%	<i>Refining acc. to LIFO</i>	94	1 927	-95%
363	207	209	-1%	Retail	880	641	37%
65	-17	-48	65%	Petrochemicals	-196	562	-
29	-20	64	-	<i>Petrochemicals acc. to LIFO</i>	-319	682	-
-142	-189	-263	28%	Corporate functions	-711	-648	-10%

- Lack of maintenance shutdowns in 4q2009 and production optimization allowed to achieve **positive EBIT result acc. to LIFO in refining segment (q/q)**.
- **Very good results of retail segment**. Over 37% increase of operating profit.
- **Slightly negative result of petrochemical segment** in 4q2009 due to worsening of real margins achieving on petrochemical products and fertilizers.
- Taking into account one-off positive effects in 2008, **cost of corporate functions decreased**.



Good operating result due to operational activity despite difficult macroeconomic situation



- **Positive inventories valuation effect** due to growing crude oil prices at the level of ca. **PLN 2.9 bn** was reduced by continuing **negative impact of macroeconomic factors** i.e. low refining and petrochemical margins and decrease of differential in foreign exchange rates at the level of ca. **PLN 1.1 bn**.
- Positive impact of **sales volumes increase mainly due to higher petrochemical segment sales**.
- Effective realisation of **savings programmes** and positive impact of one-offs.

Inventories valuation effect: PKN ORLEN PLN 1787 m, OL PLN 761 m, Unipetrol PLN 276 m, other PLN 52 m.
 Macroeconomic effect: exchange rate PLN 84 m (including hedging PLN 87 m), margins PLN (-) 1005 m, differential PLN (-) 146 m.
 Optimization: fixed costs and wages PLN 157 m, CO2 sales PLN 112 m.



Agenda

Achievements in 2009

Operating and financial results in 4q 2009



Efficiency programmes realisation

Outlook for 2010

Supporting slides



Recognising scope and strength of economic turmoil, integrated package of optimization programmes has been developed and implemented



Optimization of CAPEX	Optimization of fixed costs	Optimization of operating and investment flows	Optimization of structure and level of employment	Other efficiency initiatives
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PLN 0.5 bn

PLN 0.6 bn

PLN 4.3 bn

PLN 0.3 bn

PLN 0.2 bn

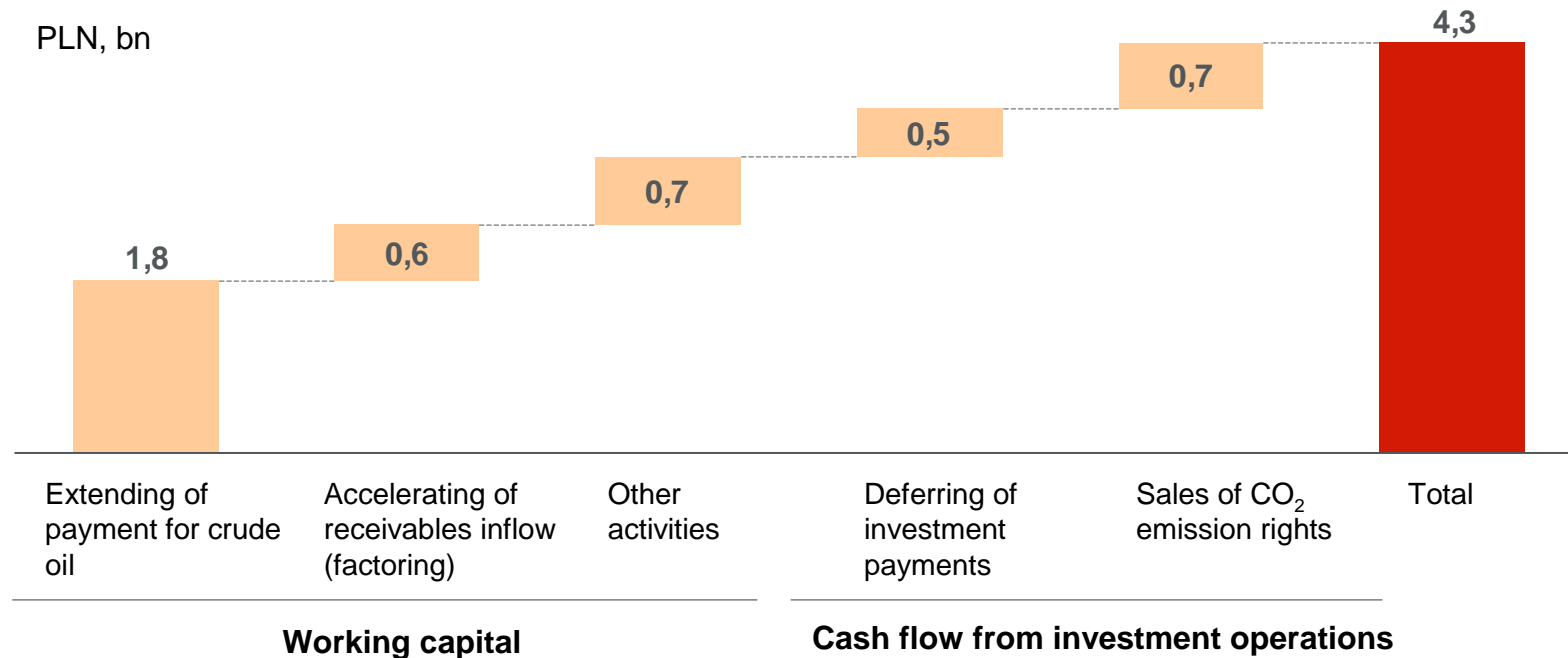
PLN 5.9 bn

Realized optimization activities allowed to meet credit agreements conditions and generate additional cash exceeding negative impact of macroeconomic environment



Additional cash flow generating potential

Key activities in the field of optimization of cash flow and working capital



- Positive impact of optimization operations allowed for **reduction of net debt by PLN 3.4 bn** in 4q 2009 to the level of **PLN 10.3 bn**.
- **Cost of optimization operations** below the cost of financing by bank loan.
- Covenant **net debt/EBITDA+dividend from Polkomtel)** on the safe level **below 3.0**.



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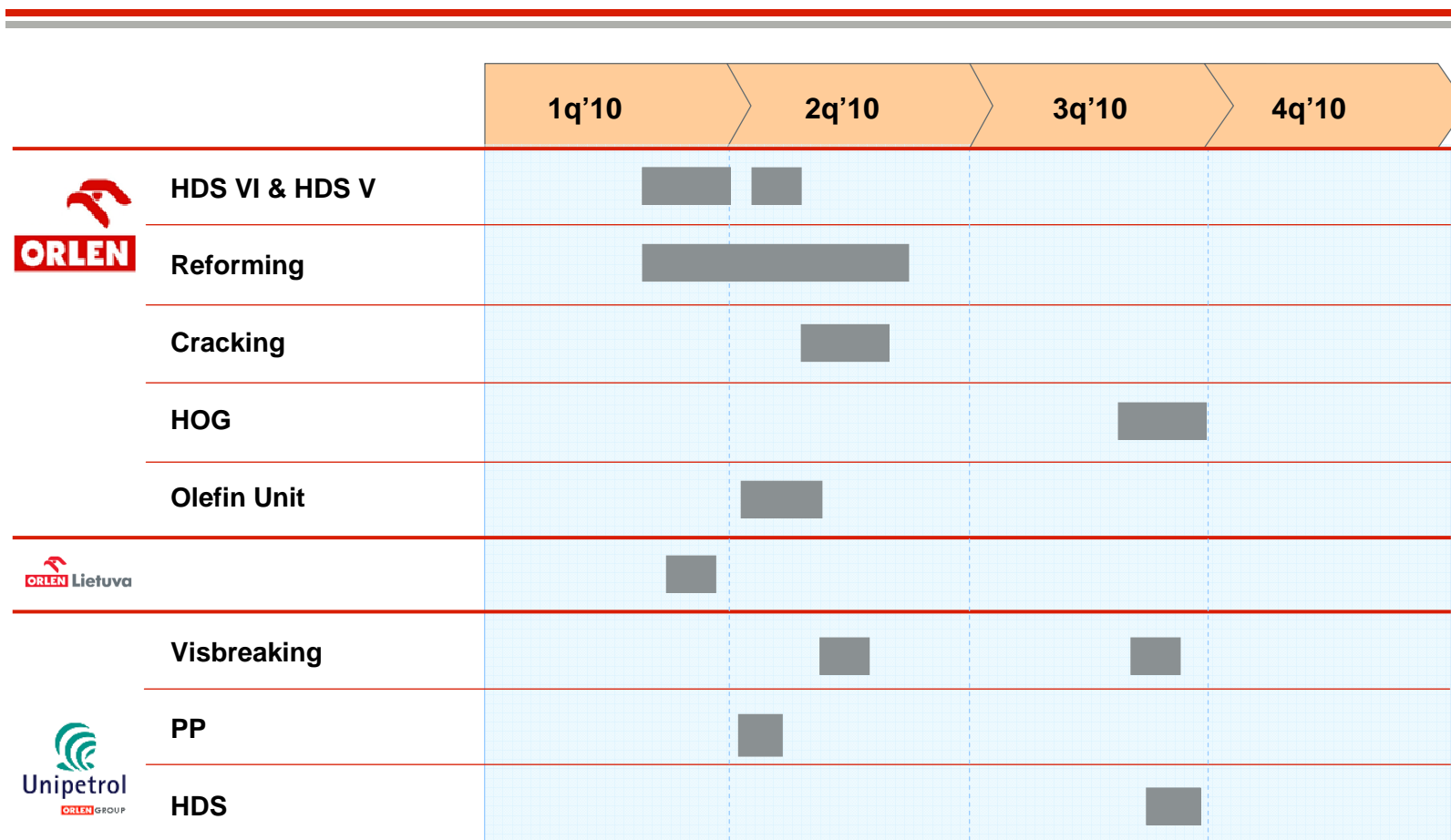


Outlook for 2010

Supporting slides



Planned shutdowns in 2010



- ➔ Shutdowns of Cracking, HDS VI, HOG and Olefins Unit in Plock are key in 2010.
- ➔ 2-week shutdown in Lithuania refinery. Main maintenance shutdown postponed for 2011.
- ➔ Negative impact on EBIT of planned shutdowns in 2010 will not exceed impact of shutdowns realized in 2009.



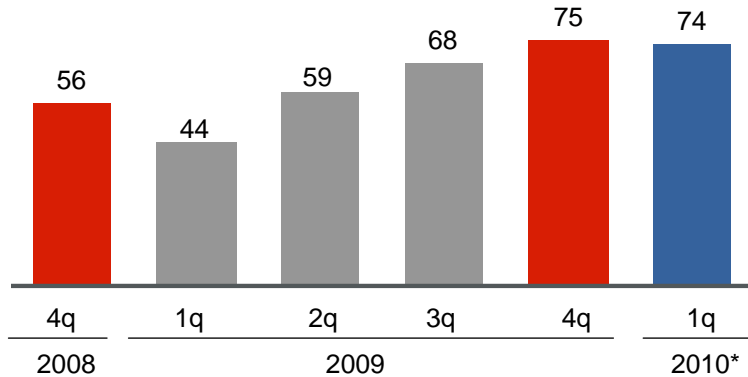
HDS – Diesel Hydrodesulphurization Unit
HOG – Residue Hydrodesulphurization Unit

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Difficult macroeconomic situation continues in 1q 2010

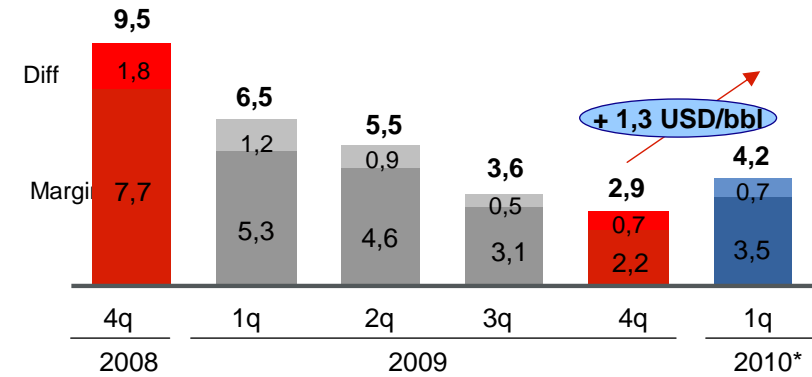
Crude oil price stabilization

Average Brent Crude Oil price (USD/bbl)



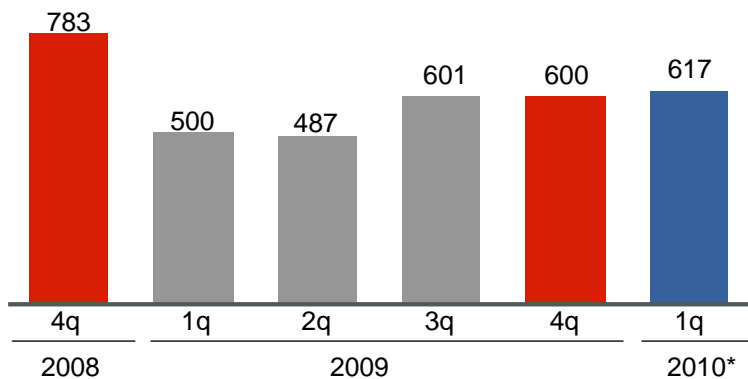
Refining margin rebound at low U/B differential

Model refining margin¹, Ural/Brent differential² (USD/bbl)



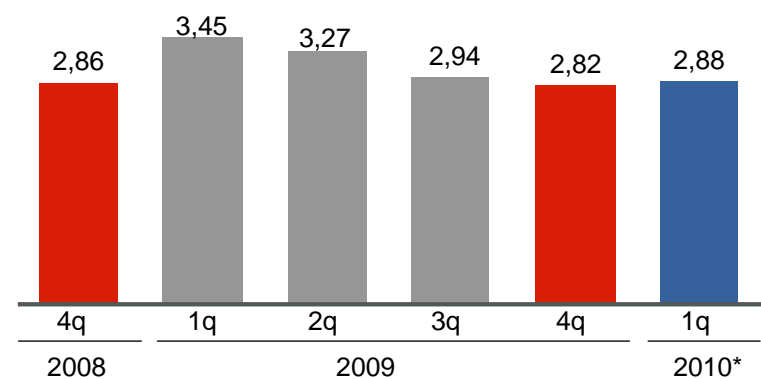
Petrochemical margin improvement

Model petrochemical margin³ (EUR/t)



Gradual appreciation of PLN

USD/PLN exchange rate



1) 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.

2) Spread Ural Rdam vs fwd Brent Dtd = Med Strip - Ural Rdam (Ural CIF Rotterdam).

3) 1) 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.

* Data QTD 19.02.2010.



Catalysts of PKN ORLEN further value increase



Subsidiaries

Orlen Lietuva – maximising the possessed potential

- Logistics improvement,
- Increase of sales volumes and market share,
- Costs optimization – among others, main turnaround moved to 2011.

Unipetrol – continuation of operating efficiency improvement

- Further optimization of employment,
- Increase of retail sales efficiency and market share,
- Optimization of polymers pricing policy and volumes growth.



Further debt reduction

- **Obligatory inventories** – expected decision of the Government regarding the draft of the act mid 2010.
- **Anwil** – 3 binding offers were received. After analyzing the offers, we will enter into final negotiations.
- **Polkomtel** – completion of information package for investors. Preparation the Company both to IPO and to trade sale.



Development investments

- **Start-up** at the end of 2010 **PX/PTA unit** producing 600 th tonnes of PTA.
- **Start-up HON** unit mid 2010 allowing increase of target crude oil throughput by 2mt/y at full utilization of PX/PTA capacities.
- Further preparation of investment in new segments: **upstream and energy**.





Thank You for Your attention

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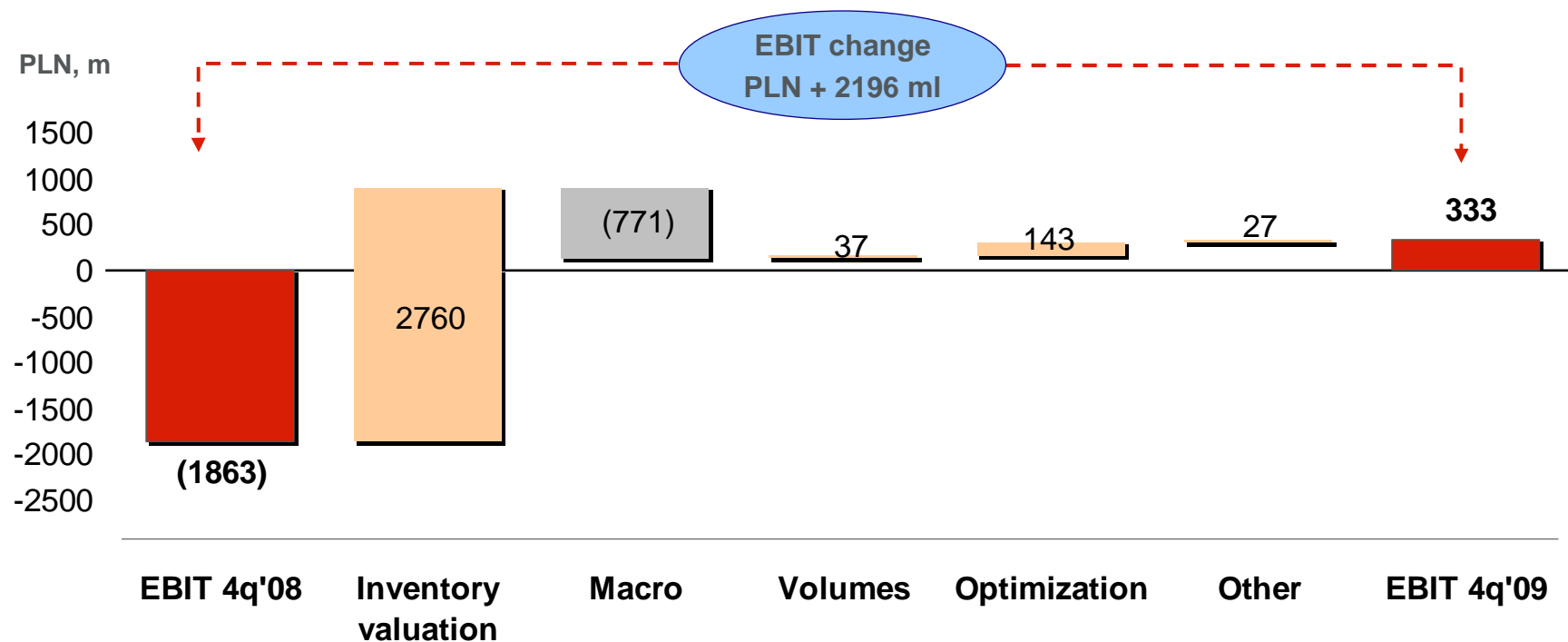
Outlook for 2010



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Refining segment. Segment results under strong pressure of macro environment

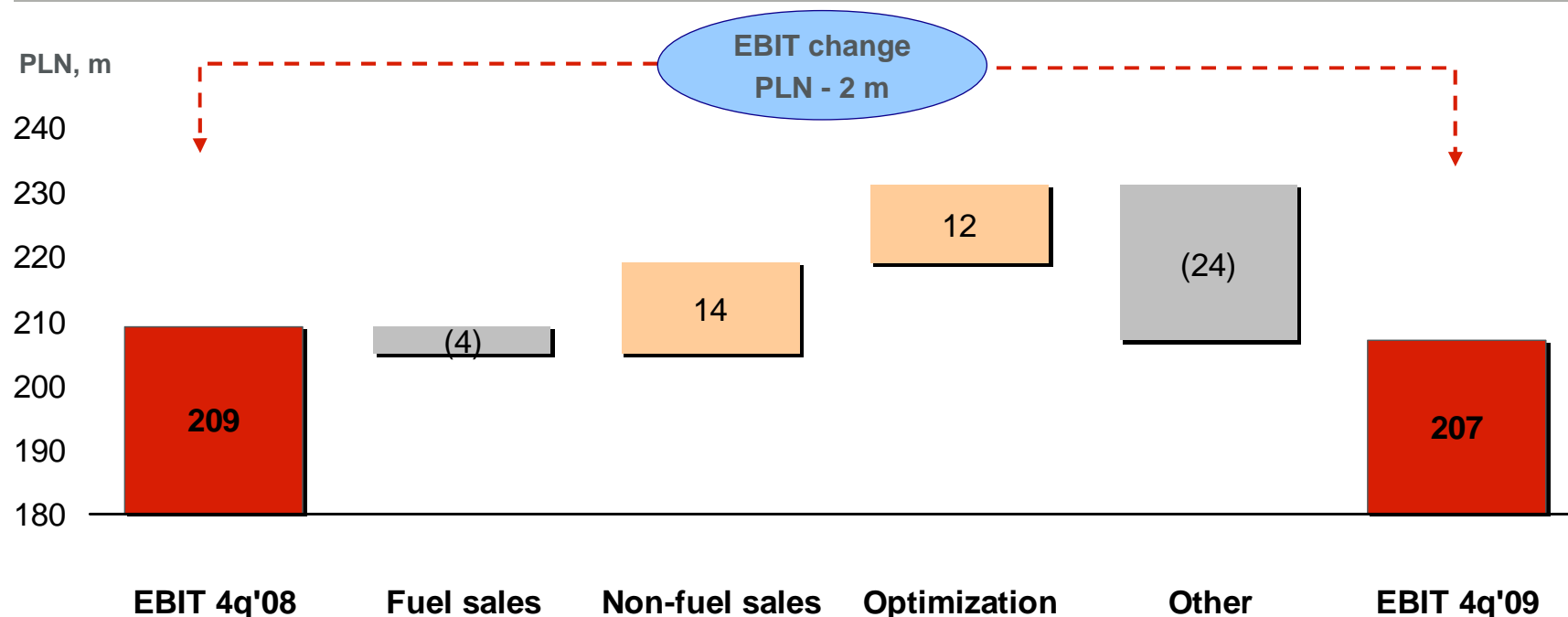


- **Positive inventories valuation effect** due to growing crude oil prices at the level of PLN 2.8 bn was reduced by continuing **negative impact of market conditions** i.e. refining margins and differential at the level of PLN 771 m.
- Positive effects of **savings programmes** in fixed costs and wages as well as disposal of CO2 emission rights increased operating result by more than PLN 140 m (y/y).

Inventories valuation effect: PKN ORLEN PLN 1757 m, OL PLN 761 m, Unipetrol PLN 190 m, other PLN 52 m.
 Macroeconomic effect: exchange rate PLN 54 m (including hedging PLN 43 m), margin PLN (-) 679 m, differential PLN (-) 146 m.
 Optimization: fixed costs and wages PLN 77 m, disposal of CO₂ PLN 64 m
 Others: amortization PLN 35 ml



Retail segment. Significant increase of sales efficiency and market share



- **Increase of sales volumes by 7% (y/y) and market share in all companies of the segment** with simultaneous reduction of number of fuel stations by over 40, achieved thanks to higher efficiency of sales per station.
- Positive impact of sales volumes growth **off-set by decrease of fuel margins (y/y)**.
- **Further increase of non-fuel margin** especially visible on the Polish market, achieved due to extending of food and beverages offer and effective management of shop sales. Non-fuel margin in Group increased by almost 7% (y/y).
- **Over 5% reduction in operating costs** thanks to optimization programmes.

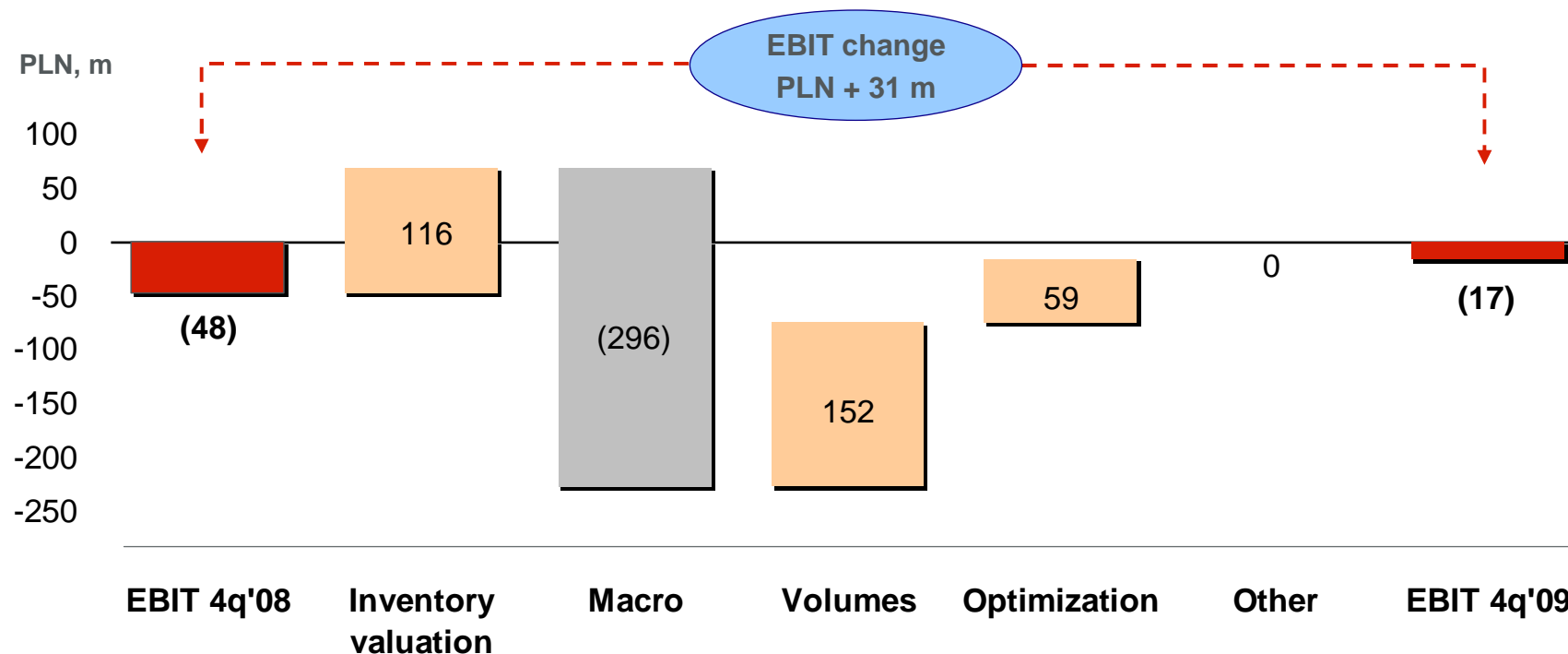
Fuels sales: volume effect PLN 15 m, fuel margins PLN (-) 19 m
 Optimization: fixed costs and wages PLN 12 m

Other: lack of positive effects from impairment of assets that occurred in 2008 for PLN (-) 39 m and lower depreciation for PLN (-) 15 m.



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Petrochemical segment. Increase of petrochemical segment sales by 21% (y/y)



- **Increase of total sales volumes in segment** is mainly as an result of higher sales of fertilizers by 126 th tonnes, olefins and polyolefin by 48 th tonnes (y/y).
- **Petrochemical margin decrease** limited by PLN depreciation vs EUR caused decrease in operating result by ca. PLN 300 m (y/y).
- Positive effects of **savings programmes** in fixed costs and wages as well as **disposal of CO₂ emission rights** increased operating result by nearly PLN 60 m (y/y).

Inventory valuation effect: PKN ORLEN PLN 29 m, Unipetrol PLN 86 m.
 Macroeconomic effect: exchange rate PLN 30 m (including hedging PLN 44 m), margins PLN (-) 326 m.
 Optimization : fixed costs and wages PLN 11 m, disposal of CO₂ PLN 48 m.



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PKN ORLEN Group results breakdown by key companies in 4q 2009

IFRS, PLN m	PKN ORLEN (unconsolidated)	Unipetrol	ORLEN Lietuva	Others & consolidation excludings ³⁾	PKN ORLEN Group 4q'09	PKN ORLEN Group 4q'08
Revenues ¹⁾	12 826	2 901	3 411	-1 331	17 807	16 445
EBITDA	692	96	30	149	967	-1 275
Depreciation & amortisation	260	154	94	125	633	690
EBIT	432	-58	-64	24	334	-1 965
Financial revenues ²⁾	270	-1	52	-225	96	281
Financial costs	-112	-24	-60	-9	-204	-1 956
Net profit	519	-51	-10	-175	283	-3 117
LIFO adjustment ⁴⁾	-38	-49	-78	2	-163	2 713

1) Financial revenues in 4q2009 includes PLN 50 m positive FX.

2) Financial costs in 4q2009 includes PLN (-) 58 m negative FX.

3) Consolidation corrections PLN (-) 8 390 m includes ca. PLN (-) 4 353 m due to crude oil sales to ORLEN Lietuva and Unipetrol.

4) Calculated as a difference between operational profit based on LIFO and operational profit based on weighted average.



PKN ORLEN Group EBIT by segments in 4q 2009

IFRS, PLN m	PKN ORLEN (unconsolidated)	Unipetrol	ORLEN Lietuva	Others & consolidation excludings	PKN ORLEN Group 4q'09	PKN ORLEN Group 4q'08
Reported EBIT	432	-58	-64	24	334	-1 965
<i>EBIT acc. to LIFO</i>	<i>394</i>	<i>-107</i>	<i>-142</i>	<i>26</i>	<i>171</i>	<i>748</i>
Refining¹	363	-59	-13	42	333	-1 863
<i>Refining acc. to LIFO</i>	<i>322</i>	<i>-102</i>	<i>-91</i>	<i>44</i>	<i>173</i>	<i>738</i>
Retail	151	32	-2	26	207	209
Petrochemicals²	38	-8	0	-47	-17	-48
<i>Petrochemicals acc. to LIFO</i>	<i>41</i>	<i>-14</i>	<i>0</i>	<i>-47</i>	<i>-20</i>	<i>64</i>
Corporate Functions³	-120	-23	-49	3	-189	-263

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: except current supporting functions also a part of non-attributed operations, which weren't allocated to separate basic segments.



PKN ORLEN Group results breakdown by key companies in 2009

IFRS, PLN m	PKN ORLEN (unconsolidated)	Unipetrol	ORLEN Lietuva	Others & consolidation excludings ³⁾	PKN ORLEN Group 2009	PKN ORLEN Group 2008
Revenues ¹⁾	47 481	11 025	13 229	-3 806	67 928	79 533
EBITDA	1 761	445	259	1 199	3 665	3 249
Depreciation & amortisation	970	627	493	477	2 568	2 491
EBIT	790	-182	-233	722	1 097	758
Financial revenues ²⁾	1 756	21	160	-844	1 094	703
Financial costs	-639	-95	-215	-74	-1 023	-2 282
Net profit	1 636	-182	-165	12	1 300	-632
LIFO adjustment ⁴⁾	-554	-236	-345	-17	-1 152	1 843

1) Financial revenues in 2009 includes PLN 679 m positive FX.

2) Financial costs in 2009 includes PLN (-) 183 m negative FX.

3) Consolidation corrections PLN (-) 38.849 m includes ca. PLN (-) 16 651 m due to crude oil sales to ORLEN Lietuva and Unipetrol.

4) Calculated as a difference between operational profit based on LIFO and operational profit based on weighted average.



PKN ORLEN Group EBIT by segments in 2009

IFRS, PLN m	PKN ORLEN (unconsolidated)	Unipetrol	ORLEN Lietuva	Others & consolidation excludings	PKN ORLEN Group 2009	PKN ORLEN Group 2008
Reported EBIT	790	-182	-233	722	1 097	758
<i>EBIT acc. to LIFO</i>	236	-419	-578	706	-55	2 601
Refining¹	939	-246	-46	477	1 124	203
<i>Refining acc. to LIFO</i>	399	-373	-391	460	94	1 927
Retail	657	123	-3	103	880	641
Petrochemicals²	-268	-54	0	125	-196	562
<i>Petrochemicals acc. to LIFO</i>	-282	-163	0	126	-319	682
Corporate Functions³	-538	-6	-184	17	-711	-648

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: except current supporting functions also a part of non-attributed operations, which weren't allocated to separate basic segments.



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ORLEN Lietuva Group. Key elements of the profit and loss account¹

3q'09	4q'09	4q'08	change y/y	IFRS, USD m	1-4q'09	1-4q'08	change y/y
1 232	1 209	1 094	11%	Revenues	4 293	7 440	-42%
-13	11	-172	-	EBITDA	79	18	339%
-54	-23	-220	90%	EBIT	-77	-178	57%
-53	-52	11	-	<i>EBIT acc. to LIFO</i>	-188	41	-
-38	-4	-263	98%	Net result	-49	-259	81%

Operating activity

- Fuel yield increase by 6,7pp (q/q) in 4q2009 achieved on optimized utilization ratio.
- Increase of retail segment share by 0,5pp (y/y) in downturn market conditions.
- Employment restructuring programme resulted in reduction of employment by 127 persons in 4q 2009 and 474 persons since the beginning of 2009 (ca. 14%. reduction).
- Capital expenditures optimized to the level of USD 82 m in 2009.
- Cash Flow from operations in amount of USD 168 m was twice higher than CAPEX in 2009.



1) The above given numbers are subject to PKN ORLEN Group consolidation.

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UNIPETROL Group. Key elements of the profit and loss account¹

3q'09	4q'09	4q'08	change y/y	IFRS, CZK m	1-4q'09	1-4q'08	change y/y
18 732	18 347	19 015	-4%	Revenues	67 387	98 144	-31%
866	620	-351	-	EBITDA	2 778	4 481	-38%
5	-260	-1 261	79%	EBIT	-654	1 003	-
-103	-568	1 057	-	<i>EBIT acc. to LIFO</i>	-2 082	3 239	-
-35	-257	-1 200	79%	Net result	-835	65	-

Operating activity

- Completion of operating efficiency improvement programme ahead of the plan. Reduction of fixed costs by over CZK 200 m in 4q 2009, for the whole year over CZK 800 m.
- Reduction of employment by additional 138 persons in 4q2009. For the whole year employment amounted to below 4.000 persons (reduction during the year by 8%).
- Free cash flow in 2009 increased to the level of CZK 554 m (in comparison to CZK 43 m for 2008).
- Low financial leverage and net debt / EBITDA ratio, which amounted to 0.44 for 2009.
- Benzina maintained stable level of market share on the level of 13.8% (y/y).



¹⁾ The above numbers are not subject to PKN ORLEN Group consolidation. They present Unipetrol Group results according to IFRS and historical cost.

Key production data

Key production data		Key production data			Change	
		3q'09	4q'09	4q'08	y/y	q/q
Refineries in Poland¹	Processed crude (tt)	3 870	3 498	3 594	-2,7%	-9,6%
	Utilization	108,3%	97,8%	102,0%	-4,1 pp	-10,4 pp
	Fuel yield ⁴	58,4%	69,4%	66,0%	3,4 pp	11,0 pp
	Middle distillates yield ⁵	38,3%	48,7%	46,0%	2,7 pp	10,4 pp
	Gasoline yield ⁶	20,1%	20,7%	20,0%	0,7 pp	0,6 pp
Refineries in Czech Republic²	Processed crude (tt)	1 156	1 087	1 111	-2,2%	-6,0%
	Utilization	84,1%	79,1%	79,0%	0,1 pp	-5,0 pp
	Fuel yield ⁴	63,2%	65,2%	62,0%	3,2 pp	2,0 pp
	Middle distillates yield ⁵	44,1%	45,1%	43,0%	2,1 pp	1,0 pp
	Gasoline yield ⁶	19,1%	20,1%	19,0%	1,1 pp	1,0 pp
Refinery in Lithuania ³	Processed crude (tt)	2 250	1 944	2 279	-14,7%	-13,6%
	Utilization	90,0%	77,8%	88,5%	-10,7 pp	-12,2 pp
	Fuel yield ⁴	73,0%	74,6%	67,9%	6,7 pp	1,7 pp
	Middle distillates yield ⁵	40,3%	42,2%	38,2%	4,0 pp	1,9 pp
	Gasoline yield ⁶	32,7%	32,4%	29,7%	2,7 pp	-0,3 pp

1) Production data refers to refinery in Plock with refinery capacity assumptions of 14,3 m t/y in 2009 and 14,1 m t/y in 2008.

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

3) Production data refers to ORLEN Lietuva refinery: 10 m t/y.

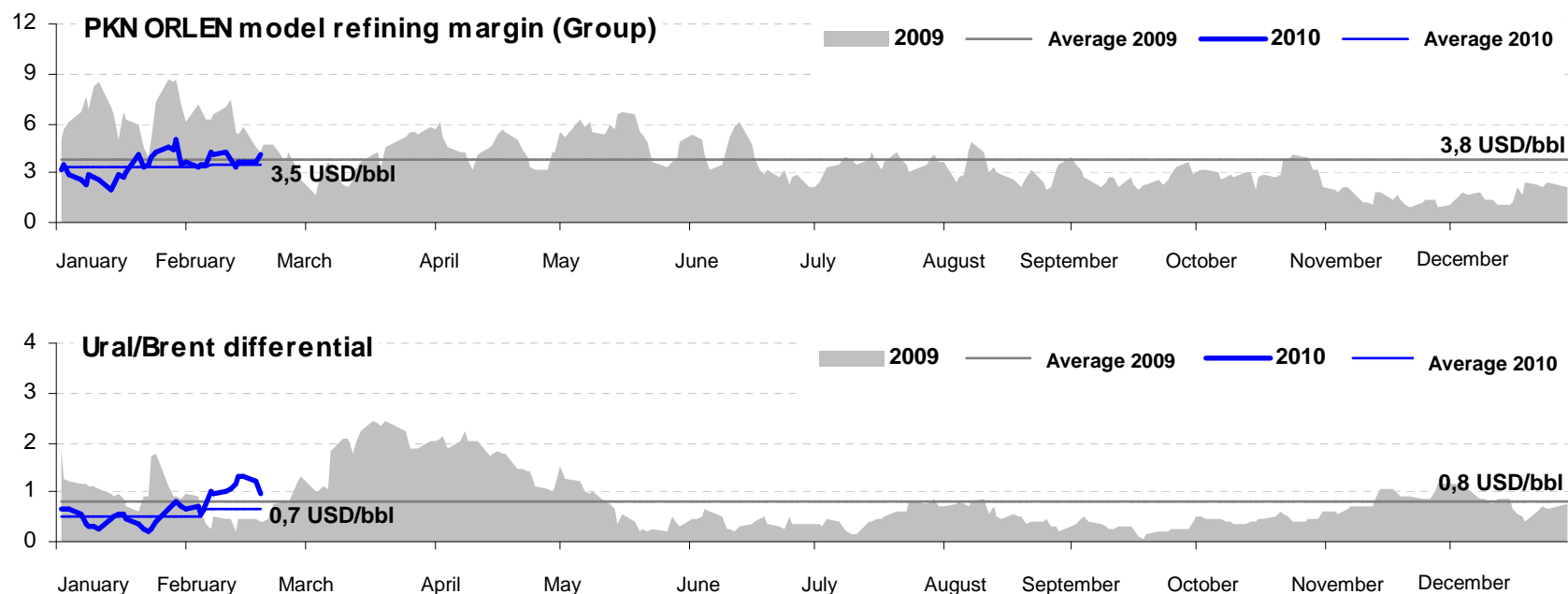
4) Fuel yield equals middle distillates yield plus gasoline yield.

5) Middle distillates yield is a ratio of diesel, light heating oil (LHO) and JET production to crude oil throughput.

6) Gasoline yield is a ratio of gasoline production to crude oil throughput.



Difficult macroeconomic situation continues in 1q 2010.



Macroeconomic environment in 1q 2010 QTD vs 4q 2009

- Crude oil price – **stabilization** on the level of ca. 75 USD/bbl.
- PLN rate exchange – **weakening of PLN against USD** to the level of 2.88 PLN/USD and **strengthening against EUR** to the level of 4,05 PLN/EUR.
- Ural/Brent differential – **remains on low level** 0.7 USD/bbl.
- Model refining margin – **rebound** to the level of 3.5 USD/bbl.
- Model petrochemical margin – **increase** to the level of 617 EUR/t.



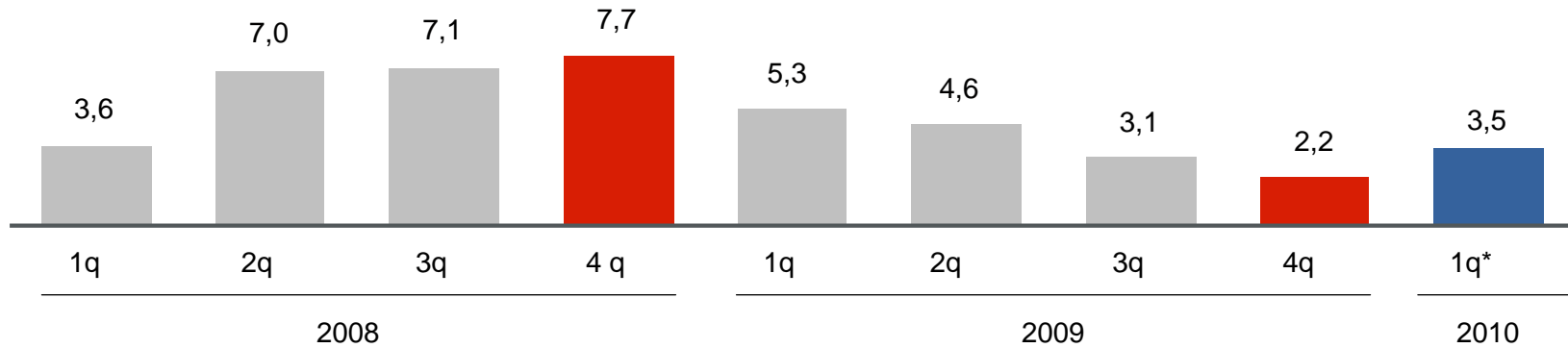
* Data QTD for 19.02.2010.

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Macroeconomic environment in refinery

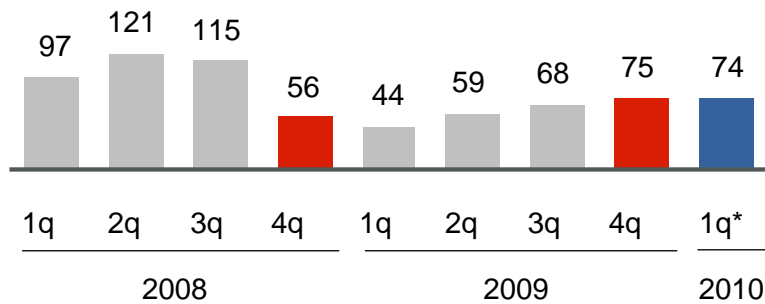
PKN ORLEN model refining margin (Group) ¹⁾

Decrease by 71% to the level of 2,2 USD/b in 4q'09 (y/y)



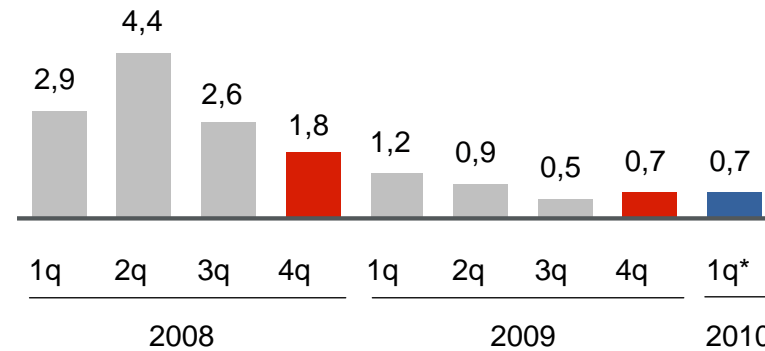
Brent Crude Oil price

Increase by 34% to the level of 75 USD/b in 4q'09 (y/y)



Ural/Brent differential ²⁾

Decrease by 61% to the level of 0,7 USD/b in 4q09 (y/y)



1) 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.

2) Spread Ural Rdam vs fwd Brent Dtd = Med Strip - Ural Rdam (Ural CIF Rotterdam).

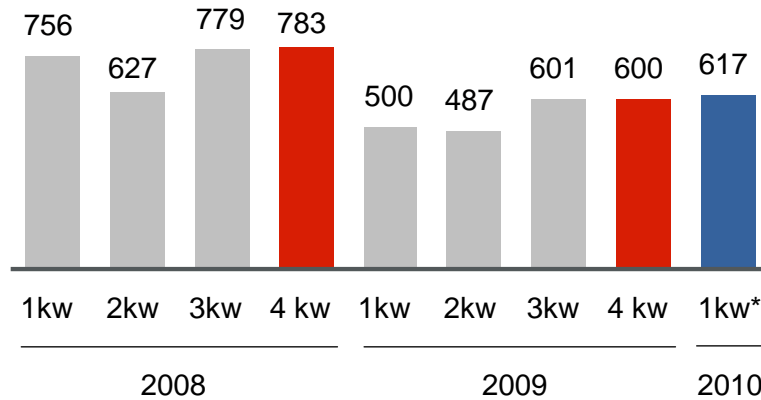
* Data QTD for 19.02.2010.



Macroeconomic environment in petrochemicals and financial sector

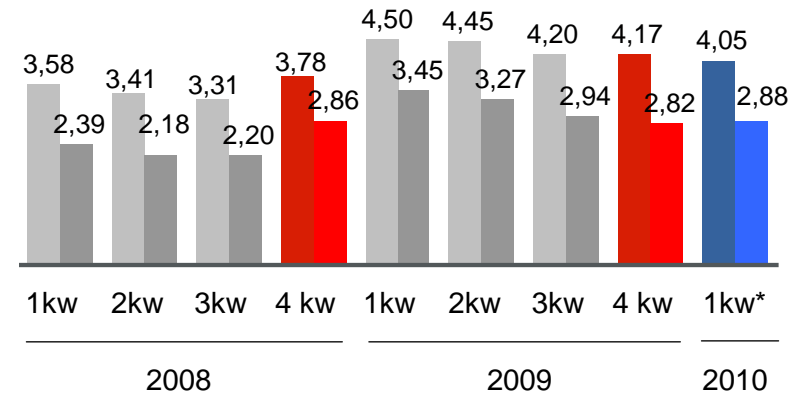
PKN ORLEN model petrochemical margin (Group) ¹⁾

Decrease by 23 % do poziomu 600 EUR/t w 4kw'09 (r/r)

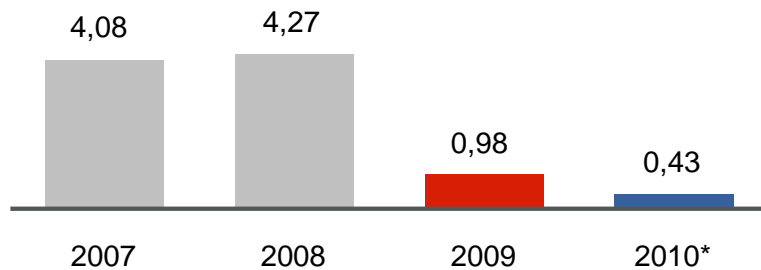


Exchange rate PLN/USD and PLN/EUR ²⁾

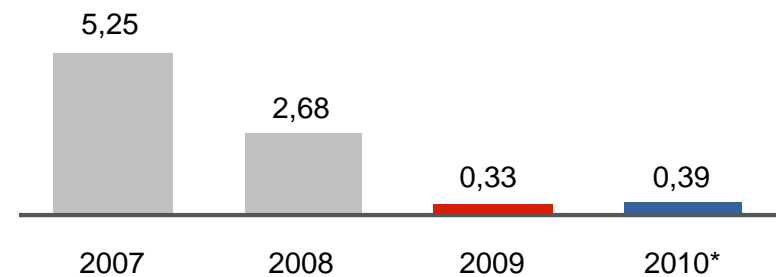
Decrease of PLN/USD by 1% and increase of PLN/EUR by 11% (r/r)



EURIBOR 1M (%) ³⁾



LIBOR 1M (%) ³⁾



1) 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.

2) Source: Polish National Bank

3) Source: www.bankier.pl

*Data QTD for 19.02.2010.



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