

# PKN ORLEN

## consolidated financial results

1Q13

Jacek Krawiec, CEO  
Sławomir Jędrzejczyk, CFO

25 April 2013



# Agenda

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## ➤ 1Q13 highlights

**Macroeconomic environment**

**Financial and operating results in 1Q13**

**Liquidity**

**Efficiency and growth**

**Summary**



# 1Q13 highlights

## External environment

- Improvement in refining and petrochemical margins
- Tough market environment: economy slowdown and significant drop in fuel consumption

## Operational activity

- EBITDA LIFO higher by over PLN 150 m (y/y): increase in petchem results, higher utilization in ORLEN Lietuva
- Continuation of growth projects, in particular in Energy and Upstream
- Direct contract with Rosneft for crude oil purchase

## Financials

- Financial safety
- BoD recommendation for dividend payout from 2012 profit



# Agenda

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## 1Q13 highlights

- **Macroeconomic environment**

## Financial and operating results in 1Q13

## Liquidity

## Efficiency and growth

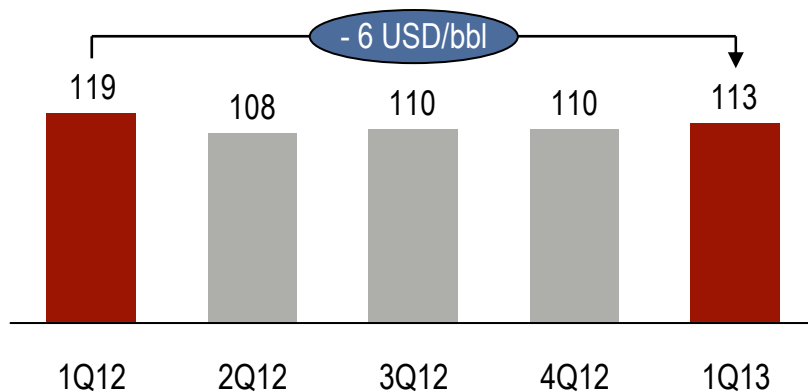
## Summary



# Macro environment in 1Q13 (y/y)

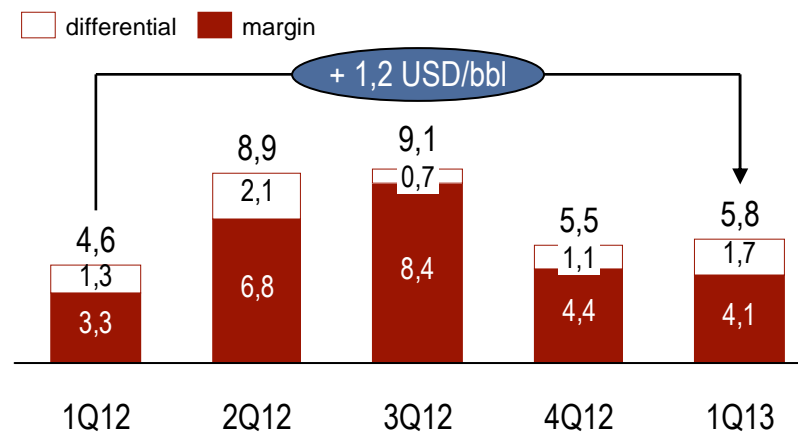
## Crude oil price decrease

Average Brent Crude Oil price, USD/bbl



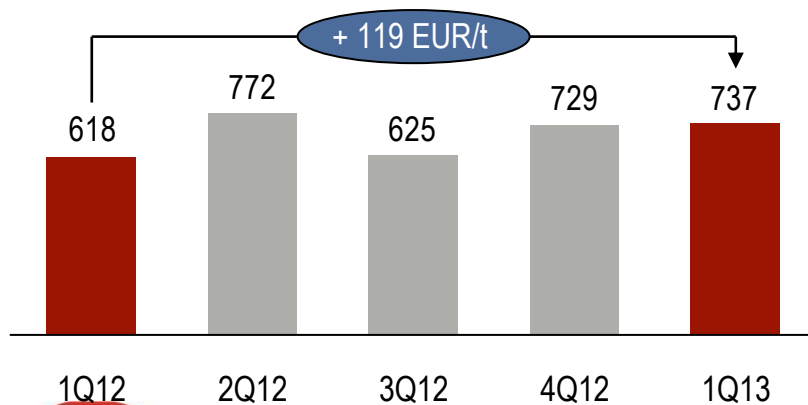
## Increase in refining margin and U/B differential

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



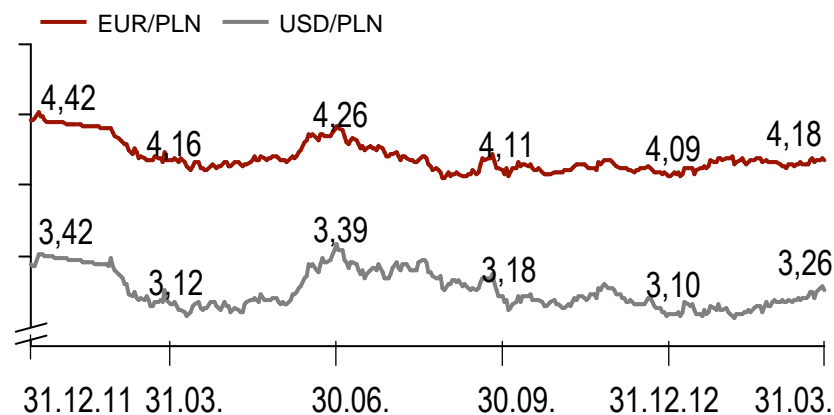
## Petrochemical margin increase

Model petrochemical margin, EUR/t



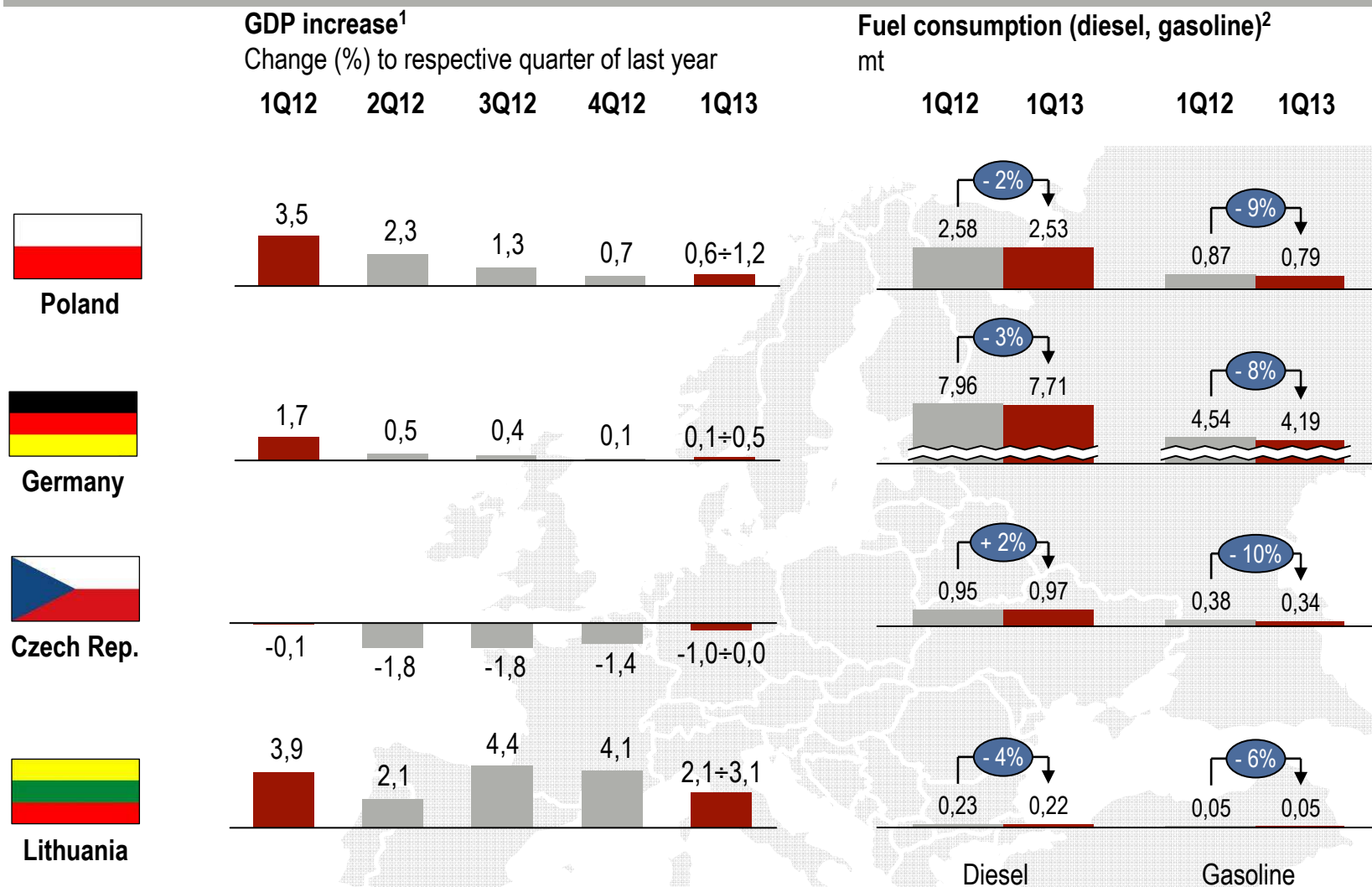
## Strengthening of average PLN against USD and EUR

USD/PLN and EUR/PLN exchange rate



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# Further drop in fuel consumption on Polish market



<sup>1</sup> Poland – Statistical Office (GUS) / not unseasonal data; (Germany, the Czech Rep., Lithuania) – Eurostat / not unseasonal data, 1Q13 – estimates.

<sup>2</sup> 1Q13 – estimates based on January and February 2013.



# Agenda

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**1Q13 highlights**

**Macroeconomic environment**

➤ **Financial and operating results in 1Q13**

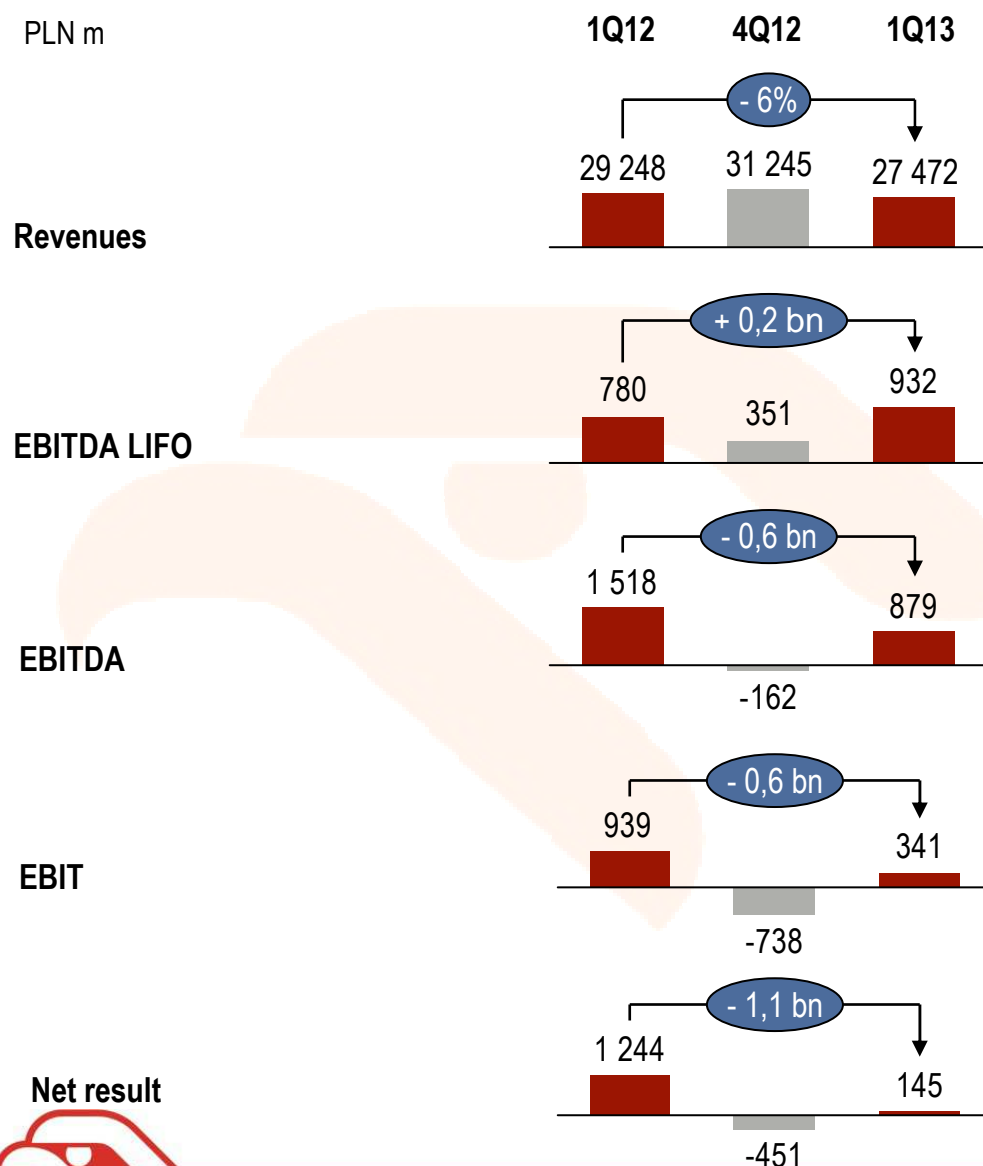
**Liquidity**

**Efficiency and growth**

**Summary**



## EBITDA LIFO improvement by over PLN 150 m (y/y)



➤ Revenues lower by (-) 6% (y/y) mainly due to sale of obligatory reserves in 1Q12 that increased revenues from sales of merchandise.

➤ EBITDA LIFO increase by PLN 0,2 bn (y/y) due to increase in refining and petrochemical margins and higher sales volumes.

➤ Insignificant negative LIFO effect in 1Q13 as a result of decreasing crude oil prices in PLN terms in March 2013.

➤ PLN (-) 0,2 bn of negative FX from credit revaluation in EUR and operational due to PLN weakening in 1Q13 comparing to 31Dec2012.

➤ High net result in 1Q12 due to positive impact from inventory revaluation and positive exchange differences.





## EBITDA improvement due to petrochemicals in 1Q2013 (y/y)

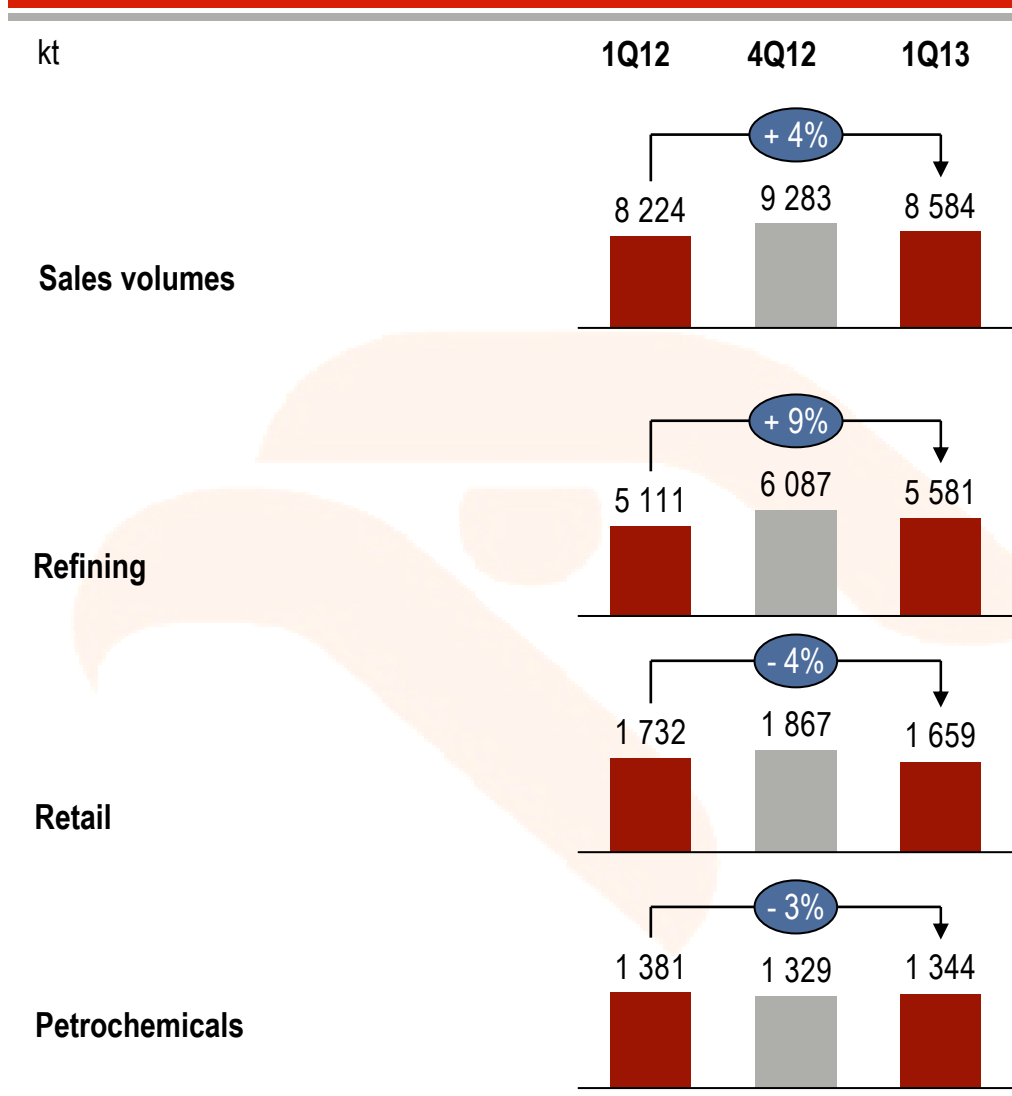
1Q12	4Q12*	1Q13	change y/y	PLN m	3M12	3M13	change
<b>780</b>	<b>351</b>	<b>932</b>	<b>19%</b>	<b>EBITDA LIFO</b>	<b>780</b>	<b>932</b>	<b>19%</b>
1 518	-162	879	-42%	EBITDA	1 518	879	-42%
<b>309</b>	<b>-113</b>	<b>276</b>	<b>-11%</b>	<b>Refining LIFO</b>	<b>309</b>	<b>276</b>	<b>-11%</b>
993	-600	207	-79%	Refining	993	207	-79%
<b>115</b>	<b>190</b>	<b>123</b>	<b>7%</b>	<b>Retail</b>	<b>115</b>	<b>123</b>	<b>7%</b>
<b>491</b>	<b>470</b>	<b>678</b>	<b>38%</b>	<b>Petrochemicals LIFO</b>	<b>491</b>	<b>678</b>	<b>38%</b>
545	444	694	27%	Petrochemicals	545	694	27%
<b>-4</b>	<b>-9</b>	<b>-5</b>	<b>-25%</b>	<b>Upstream</b>	<b>-4</b>	<b>-5</b>	<b>-25%</b>
<b>-131</b>	<b>-187</b>	<b>-140</b>	<b>-7%</b>	<b>Corporate functions</b>	<b>-131</b>	<b>-140</b>	<b>-7%</b>

- Refining: increase of sales volumes and refining margins (y/y).  
EBITDA LIFO in 1Q12 includes positive effect of repurchase of obligatory crude oil reserves at PLN 0,2 bn.  
Excluding one-offs, EBITDA LIFO increased by PLN 0,2 bn (y/y).
- Retail: fuel sales volumes decrease in all markets (y/y) due to weakening consumption, partially offset by recovering fuel margins on Polish market.
- Petrochemicals: significant increase of petrochemical margin limited by volumes decrease (y/y).
- Corporate functions: stable cost level (y/y).

\* Impairments in 4Q12 amounted to PLN (-) 0,8 bn and concerned mainly refining segment in Unipetrol Group.



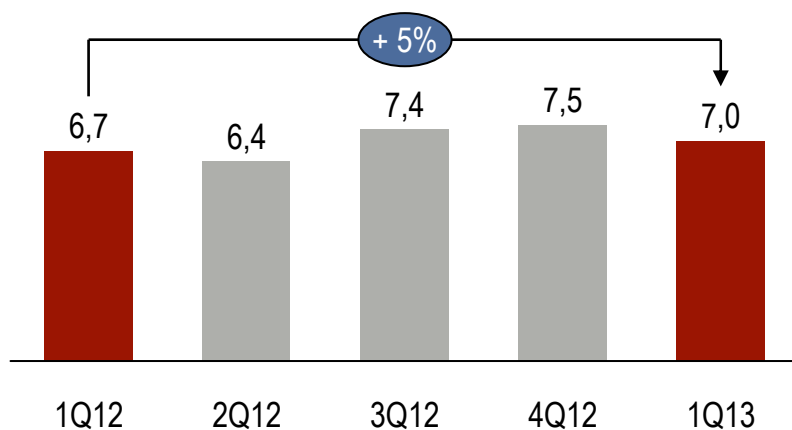
# Sales volumes increase by 4%



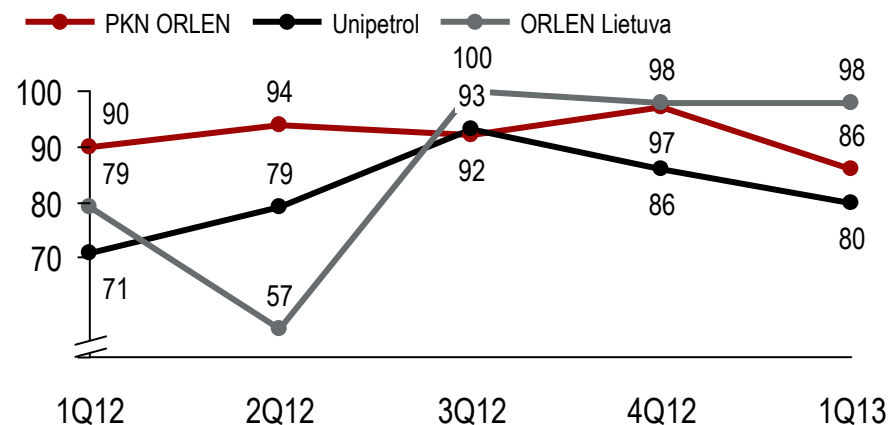
- Refining sales volumes increase by 9% (y/y) due to higher utilisation ratio in Lithuania.
- Retail sales volumes decrease by (-) 4% (y/y) in all markets due to weakening consumption. Main decline on Polish market by over (-) 5%. Decrease also on German and Czech markets by ca. (-) 2%.
- Petrochemical sales volumes decline by (-) 3% (y/y) due to polyolefins stock optimization by customers and lower sales of fertilizers due to unfavourable weather conditions.

# Crude oil throughput increase by 5% (y/y)

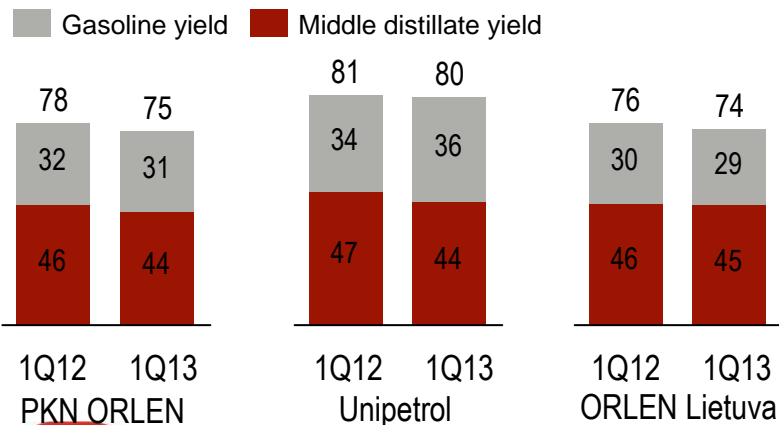
**Crude oil throughput**  
mt



**Utilisation ratio**  
%



**Fuel yield**  
%



## Comments

- Plock refinery: decrease of crude oil throughput by (-) 4% (y/y) due to unfavourable market situation and fuel yield by (-) 3 pp (y/y) mainly due to temporary increase of semiproducts stock accumulated to minimize effect of Hydrocracking maintenance shutdown in 2Q13.
- Unipetrol: decrease of crude oil throughput by (-) 1% (y/y) and fuel yield by (-) 1pp (y/y) as a result of maintenance shutdown of Hydrocracking and Visbreaking. Utilisation ratio increase by 9 pp (y/y) due to change of maximum installation capacities from 5.1 mt to 4.5 mt (Paramo closure).
- ORLEN Lietuva: increase of crude oil throughput by 24% (y/y) and utilisation ratio by 19 pp (y/y) due to lack of FCC maintenance shutdown from 1Q12 and full utilisation at increasing export sales.



# Agenda

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**1Q13 highlights**

**Macroeconomic environment**

**Financial and operating results in 1Q13**

➤ **Liquidity**

**Efficiency and growth**

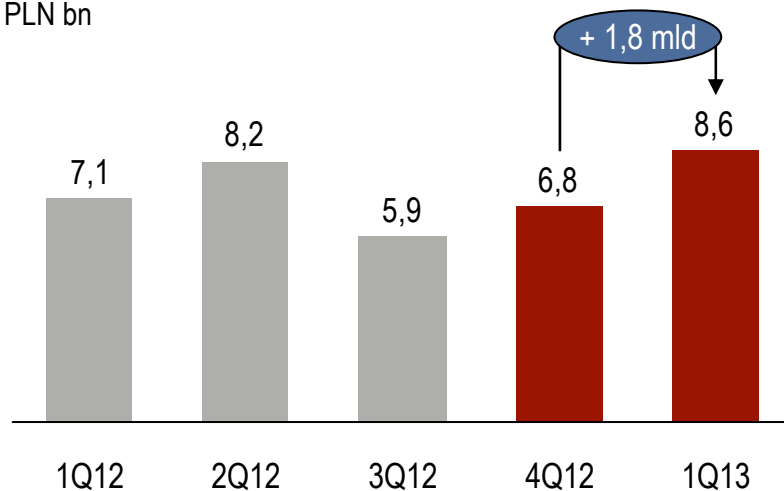
**Summary**



# Financial safety

## Net debt

PLN bn



## Financial ratios

	Optimal range	1Q13
➤ Financial gearing	20% - 40%	26,9%
➤ Net debt / EBITDA*	1,0 - 2,0	1,94
➤ Net debt / EBITDA LIFO*	1,0 - 2,0	1,59

- Net debt increase by PLN 1,8 bn (q/q) mainly due to repurchase of the tranche of obligatory reserves for PLN 1,6 bn (including PLN 0,3 bn VAT) and PLN 0,3 bn negative FX from revaluation of debt in foreign currencies
- Obligatory reserves at the end of 1Q13 amounted to PLN 8,2 bn, including PLN 7,5 bn in PKN ORLEN S.A.
- Gross debt structure:  
USD 41%, EUR 38%, PLN 13%, CZK 8%.



\* EBITDA and EBITDA LIFO before impairments in the amount of PLN (-) 0,8 bn in 4Q12

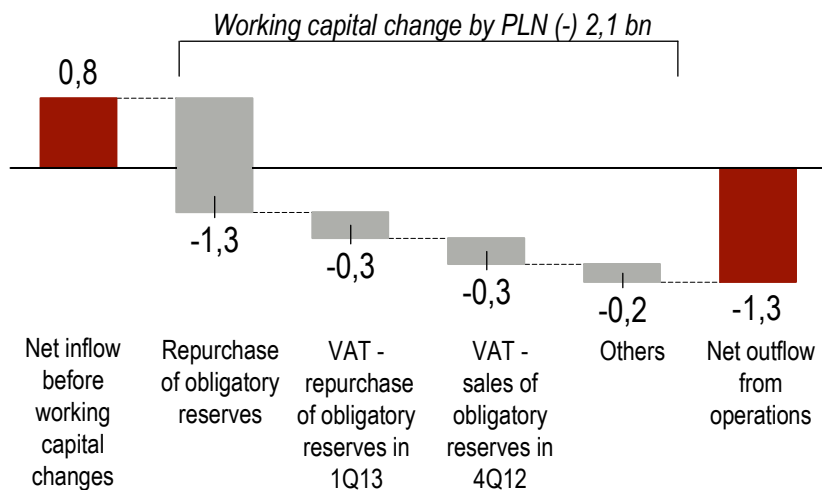


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# Cash flow in 1Q13

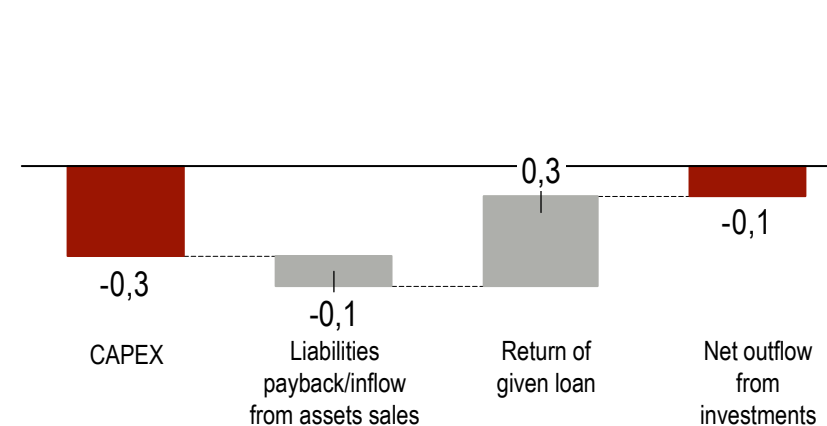
## Cash flow from operations

PLN bn



## Cash flow from investments

PLN bn



➤ Working capital increase by PLN 2,1 bn in 1Q13 results from:

- PLN 1,3 bn – repurchase of obligatory reserves in March 2013
- PLN 0,3 bn – VAT paid from above transaction that will be returned in 2Q13
- PLN 0,3 bn – VAT paid in January 2013 from sales of obligatory reserves in December 2012

➤ Currently 1 tranche of obligatory reserves is sold in the amount of PLN 1,2 bn

➤ Sales of next tranche is planned in 2Q13



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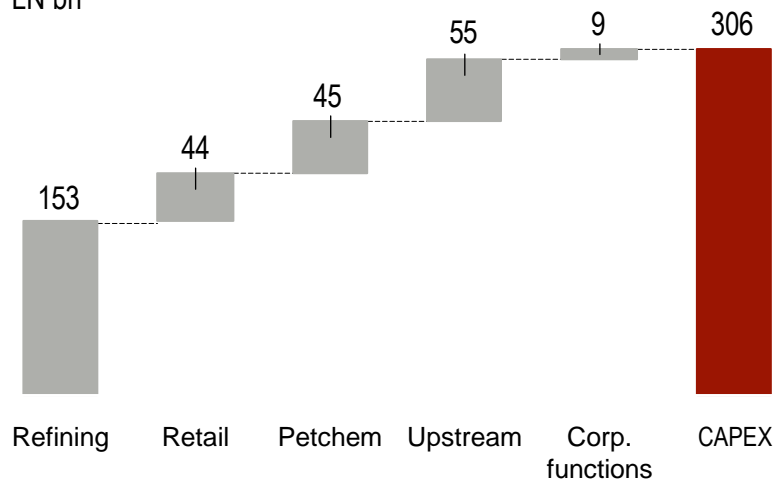
**Summary**



# Investment projects realization in 1Q13

## CAPEX

PLN bn



## Main segments

- **Refining** – building of Flue Gas Desulphurization Unit started. Total cost will amount to over PLN 400 m. Giving into operations at the end of 2015. The result of using of new technological solutions will be reduction of SO<sub>2</sub> emission by 97%
- **Retail** - 4 fuel stations opened in Poland, 10 fuel stations modernized (9 in Poland and 1 in Germany), 6 fuel stations closed and 19 Stop Cafe and Stop Cafe Bistro opened.
- **Petrochemical** – offer campaign for purchase of Phenol and Metathesis units license started

## Energy

- **Building a 463 MWe CCGT plant in Wloclawek** - contractor entered the building site and started works at the end of 1Q13
- **Concept of building a gas power plant in Plock** - detailed analysis of final technical plan in progress



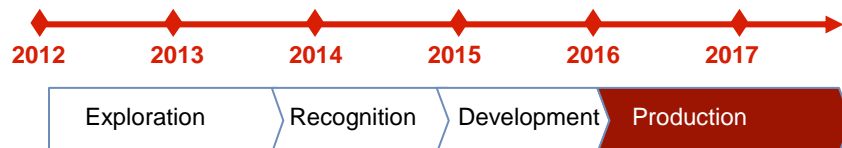
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# Upstream

## Current portfolio and strategic assumptions

- Unconventional projects - 10 exploration concessions / ca. 9 th km<sup>2</sup>
- Conventional projects - 9 concessions/ licenses in 3 projects (2 in Poland and 1 on the Latvian shelf)
- Potential strategic partnerships
- Optional purchase of production assets



## Conventional projects

- In 1Q13 next appraisal well was started (Polish Lowland)
- Currently 1 appraisal well is finished (Polish Lowland)
- In 2Q13 start of first well on the Latvian shelf is planned
- In 2013, we plan to drill 3 wells in total and conduct additional analysis, including acquisition and processing of seismic data

## Unconventional projects

- In 1Q13 vertical well was started and was finished at the beginning of 2Q13. Moreover 2 new exploration concessions acquired (Wolomin and Wodynie-Lukow), where schedule of works is in progress.
- Currently 6 wells finished (4 vertical and 2 horizontal)
- In 2Q13 next 2 vertical wells (Wierzbica and Lubartow) are planned
- In 2Q13 and 3Q13 first 2 fracturing on horizontal sections of wells (Wierzbica and Lubartow) are planned



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# 1Q13 summary

## Shareholders

(Systematic dividend yield increase up to 5%)



- PLN 1,5 per share – BoD recommendation for dividend payout from 2012 profit
- 3,8% dividend yield from average PKN ORLEN share price in 2012

## Value creation

(EBITDA LIFO increase)



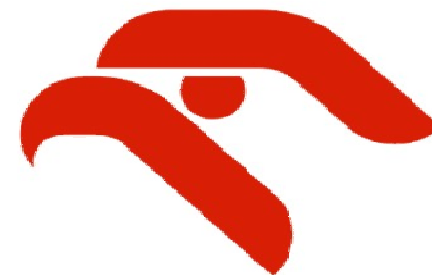
- EBITDA LIFO: PLN 0,9 bn; increase by 20% (y/y)
- Direct contract with Rosneft for crude oil purchase
- 6 shale gas wells completed

## Financial standing

(Maintaining gearing below 30%)



- Financial gearing: 26,9%
- Diversification of financing: consideration of retail bond issue value at PLN 1 bn



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# Thank You for Your attention

[www.orklen.pl](http://www.orklen.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@orklen.pl](mailto:ir@orklen.pl)



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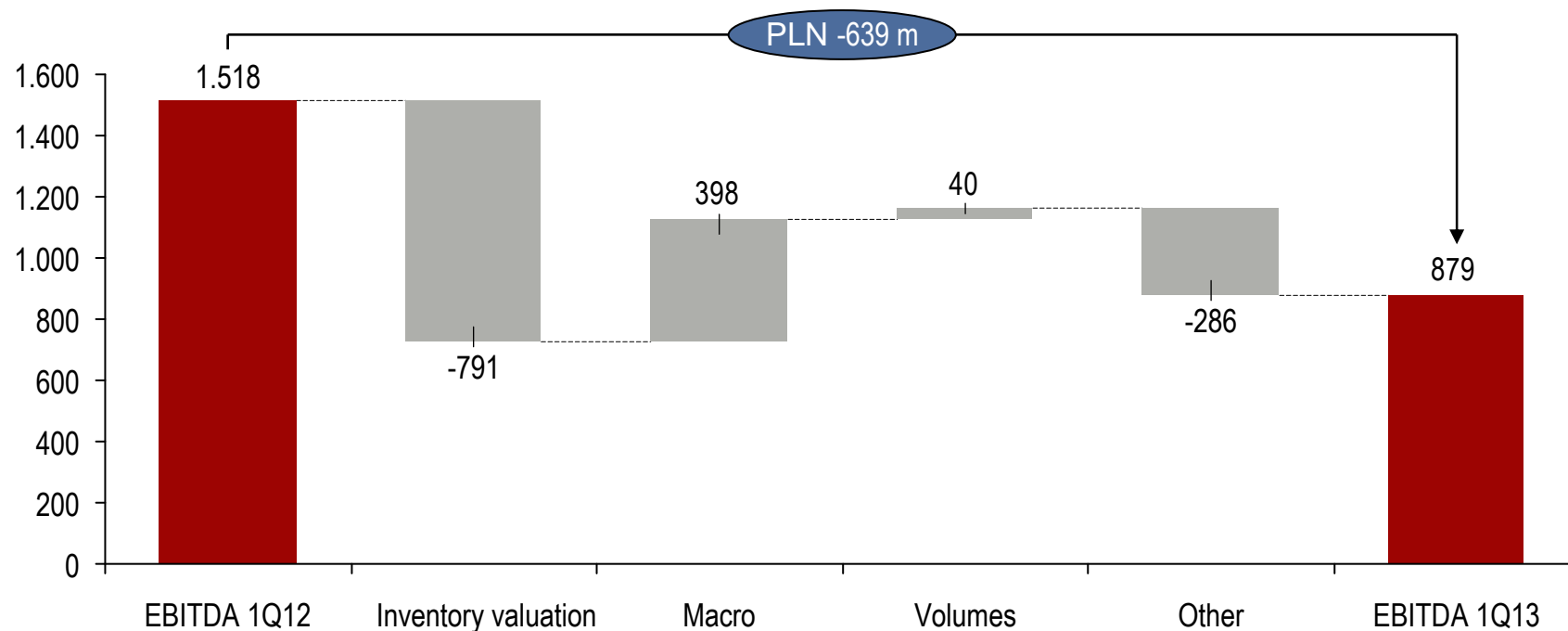
- **Supporting slides**



# PKN ORLEN

## Operational results under strong impact of inventories valuation

PLN, m



- Negative impact of crude oil price changes on inventory valuation (y/y) mainly due to lack of positive effects of growing crude oil prices from 1Q12.
- Positive impact of macroeconomic environment and higher sales volumes in refining segment.
- Others result mainly from positive effect connected with settlement of repurchase transaction of II tranche of obligatory inventories from Maury Sp. z o.o. from 1Q12.

Depreciation: PLN 538 m in 1Q13, PLN 579 m in 1Q12

Inventories valuation effect: PKN ORLEN PLN (-) 510m, ORLEN Lietuva PLN (-) 171 m, Unipetrol PLN (-) 94m, other PLN (-) 16 m.

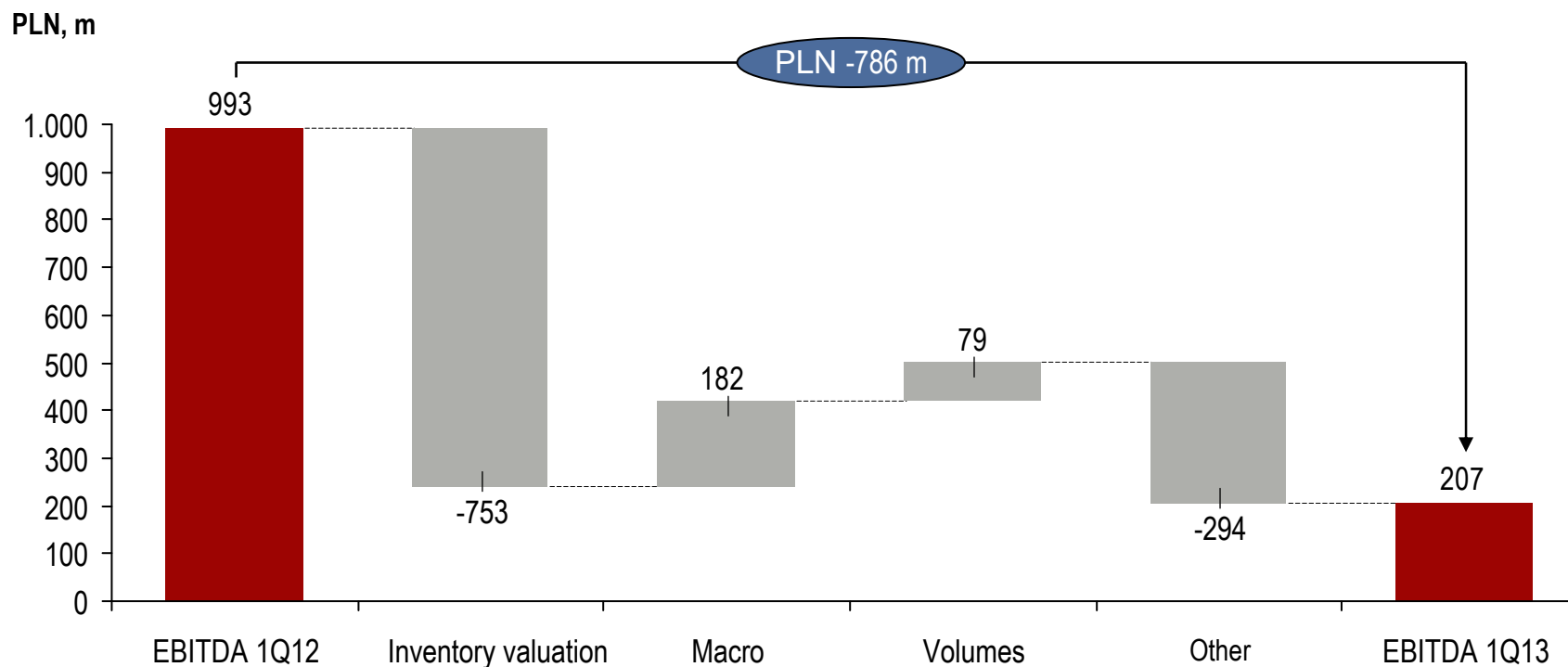
Macroeconomic effect: exchange rate PLN 25 m, margins PLN 292 m, differential PLN 15 m.



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## Refining segment

### Better macro and higher volumes offset by inventories valuation impact



- Negative impact of crude oil price changes on inventory valuation (y/y) due to lack of positive effects of growing crude oil prices in 1Q12.
- Positive impact of macro environment and higher volumes in Poland and on markets, where ORLEN Lietuva operates.
- Others result mainly from positive effect connected with settlement of repurchase transaction of II tranche of obligatory inventories from Maury Sp. z o.o. from 1Q12.

Depreciation: PLN 241 m in 1Q13, PLN 261 m in 1Q12

Inventories valuation effect: PKN ORLEN PLN (-) 509 m, ORLEN Lietuva PLN (-) 171 m, Unipetrol PLN (-) 57 m, other PLN (-) 16m.

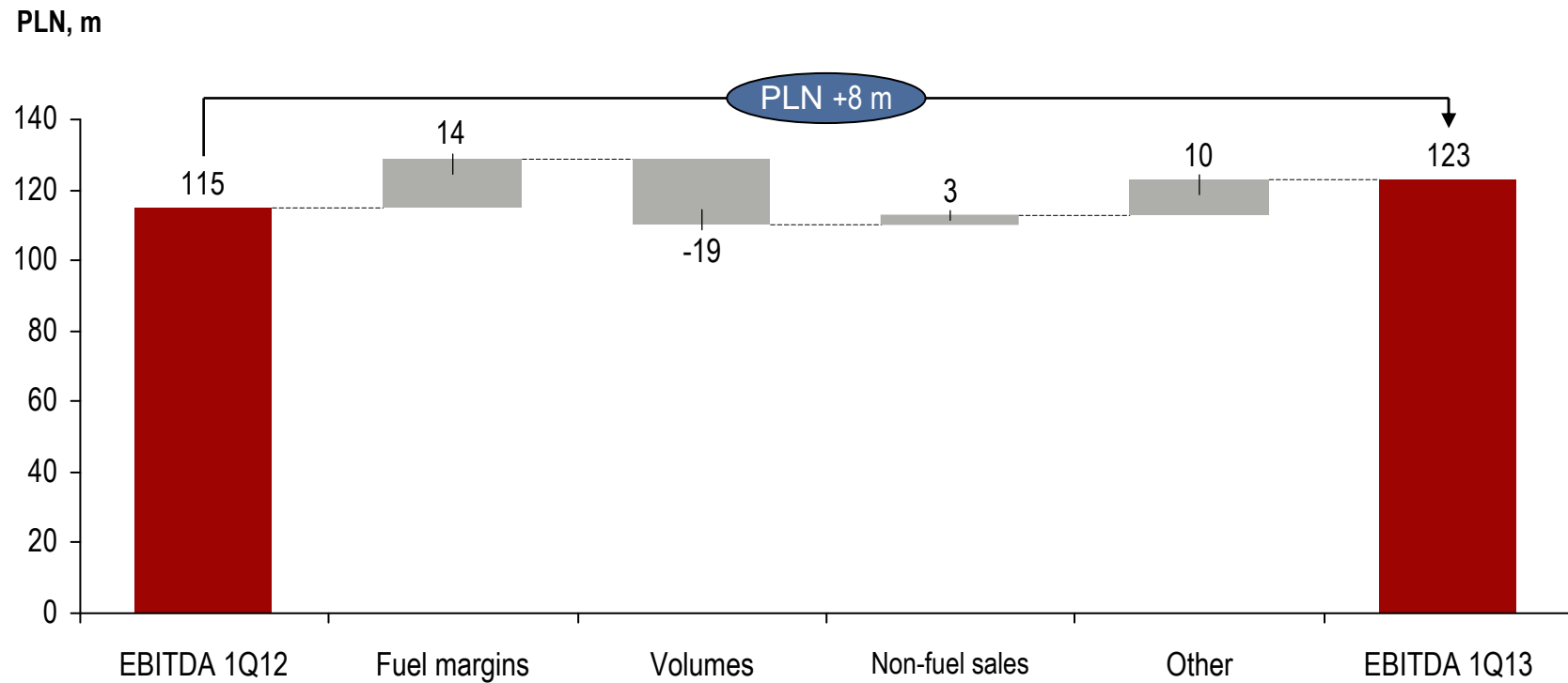
Macroeconomic effect: exchange rate PLN 2 m, margins PLN 165 m, differential PLN 15 m.



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# Retail segment

## Sales under decreasing consumption



- Gradual retail margins improvement on Polish market at maintaining pressure on retail margins on German and Czech markets.
- Negative volume effect resulted from decreasing of fuel consumption on all markets. Retail sales volumes decreased mainly on Polish market by over (-) 5%. Decrease also on German and Czech market by ca. (-) 2%.
- Others mainly include positive effects on other operating activity connected with lower impairments of fuel stations assets.



Depreciation: PLN 86 m in 1Q13, PLN 89 m in 1Q12

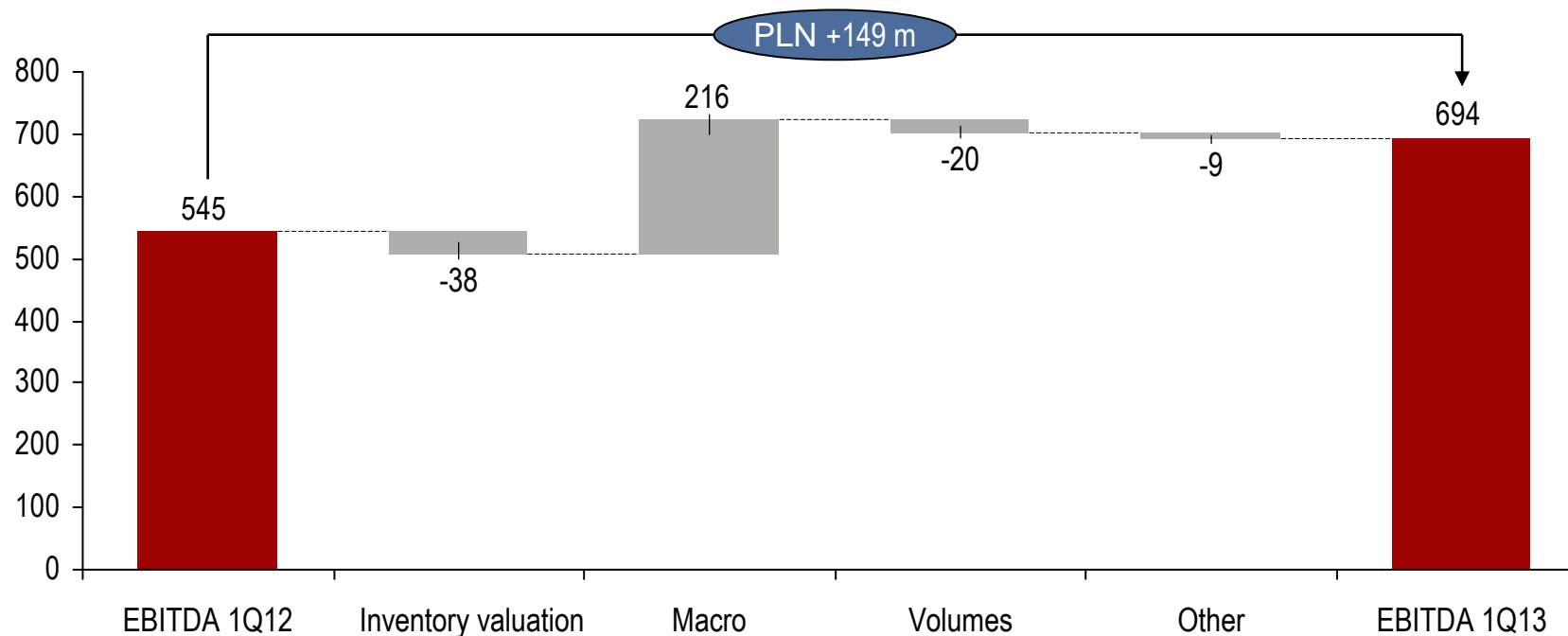
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# Petrochemical segment

## Favourable macro environment limited by volumes decrease

PLN, m



- Improvement of margins mainly in polymers and monomers.
- Lower volumes of olefins and polyolefins as a result of optimization of the level of inventories by customers and fertilizers due to unfavourable weather conditions partially compensated by increasing PVC sales.

Depreciation: PLN 182 m in 1Q13, PLN 199 m 1Q12

Inventories valuation effect: PKN ORLEN PLN (-) 1 m, Unipetrol PLN (-) 37 m.

Macroeconomic effect: exchange rate PLN 23 m, margins PLN 127 m.



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## Main P&L elements split by key companies in 1Q13

IFRS, PLN m	PKN ORLEN S.A.	Unipetrol <sup>3)</sup>	ORLEN Lietuva <sup>3)</sup>	Others and consolidation corrections	PKN ORLEN 1Q13	PKN ORLEN 1Q12	Change y/y
<b>Revenues</b>	<b>20 205</b>	<b>4 029</b>	<b>7 101</b>	<b>-3 863</b>	<b>27 472</b>	<b>29 248</b>	<b>-6%</b>
<b>EBITDA LIFO</b>	<b>547</b>	<b>71</b>	<b>124</b>	<b>190</b>	<b>932</b>	<b>780</b>	<b>19%</b>
<b>EBITDA</b>	<b>490</b>	<b>88</b>	<b>106</b>	<b>195</b>	<b>879</b>	<b>1 518</b>	<b>-42%</b>
<b>Depreciation</b>	<b>251</b>	<b>97</b>	<b>93</b>	<b>97</b>	<b>538</b>	<b>579</b>	<b>-7%</b>
<b>EBIT</b>	<b>239</b>	<b>-9</b>	<b>13</b>	<b>98</b>	<b>341</b>	<b>939</b>	<b>-64%</b>
Financial income	41	91	0	-6	126	827	-85%
Financial costs <sup>1)</sup>	-355	-100	-32	136	-351	-233	-51%
<b>Net result</b>	<b>16</b>	<b>-19</b>	<b>-32</b>	<b>180</b>	<b>145</b>	<b>1 244</b>	<b>-88%</b>
LIFO effect <sup>2)</sup>	57	-17	18	-5	53	-738	-

1) Consolidation correction results mainly from transferring of PLN 132 m of negative FX differences from debts in USD to equity as a result of net investment hedge in ORLEN Lietuva.

2) Calculated as a difference between operational profit acc. to LIFO and operational profit based on weighted average.

3) Presented data shows Unipetrol Group and ORLEN Lietuva results acc. to IFRS after taking into account adjustments made for ORLEN Group consolidation.



## EBITDA split by segment and key companies in 1Q2013

IFRS, PLN m	PKN ORLEN S.A.	Unipetrol <sup>4)</sup>	ORLEN Lietuva <sup>4)</sup>	Others and consolidation corrections	PKN ORLEN 1Q13	PKN ORLEN 1Q12	Change y/y
<i>EBITDA LIFO</i>	547	71	124	190	932	780	19%
<b>EBITDA</b>	<b>490</b>	<b>88</b>	<b>106</b>	<b>195</b>	<b>879</b>	<b>1 518</b>	<b>-42%</b>
<i>Refining LIFO</i>	176	-57	149	8	276	309	-11%
<b>Refining<sup>1)</sup></b>	<b>115</b>	<b>-52</b>	<b>131</b>	<b>13</b>	<b>207</b>	<b>993</b>	<b>-79%</b>
<b>Retail</b>	<b>104</b>	<b>8</b>	<b>1</b>	<b>10</b>	<b>123</b>	<b>115</b>	<b>7%</b>
<i>Petrochemicals LIFO</i>	398	118	0	162	678	491	38%
<b>Petrochemicals<sup>2)</sup></b>	<b>402</b>	<b>130</b>	<b>0</b>	<b>162</b>	<b>694</b>	<b>545</b>	<b>27%</b>
<b>Upstream</b>	<b>-6</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>-5</b>	<b>-4</b>	<b>-25%</b>
<b>Corporate functions<sup>3)</sup></b>	<b>-125</b>	<b>2</b>	<b>-26</b>	<b>9</b>	<b>-140</b>	<b>-131</b>	<b>-7%</b>

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.



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## EBIT split by segment and key companies in 1Q2013

wg MSSF, mIn PLN	PKN ORLEN S.A.	Unipetrol <sup>4)</sup>	ORLEN Lietuva <sup>4)</sup>	Pozostałe i korekty konsolidacyjne	PKN ORLEN 1Q13	PKN ORLEN 1Q12	Zmiana r/r
<i>EBIT LIFO</i>	296	-26	31	93	394	201	96%
<b>EBIT</b>	<b>239</b>	<b>-9</b>	<b>13</b>	<b>98</b>	<b>341</b>	<b>939</b>	<b>-64%</b>
<i>Refining LIFO</i>	75	-79	61	-22	35	48	-27%
<b>Refining<sup>1)</sup></b>	<b>14</b>	<b>-74</b>	<b>43</b>	<b>-17</b>	<b>-34</b>	<b>732</b>	<b>-</b>
<b>Retail</b>	<b>52</b>	<b>-3</b>	<b>0</b>	<b>-12</b>	<b>37</b>	<b>26</b>	<b>42%</b>
<i>Petrochemicals LIFO</i>	319	57	0	120	496	292	70%
<b>Petrochemicals<sup>2)</sup></b>	<b>323</b>	<b>69</b>	<b>0</b>	<b>120</b>	<b>512</b>	<b>346</b>	<b>48%</b>
<b>Upstream</b>	<b>-6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-6</b>	<b>-5</b>	<b>-20%</b>
<b>Corporate functions<sup>3)</sup></b>	<b>-144</b>	<b>-1</b>	<b>-30</b>	<b>7</b>	<b>-168</b>	<b>-160</b>	<b>-5%</b>

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.



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# ORLEN Lietuva Group

## Key elements of the profit and loss account <sup>1</sup>

1Q12	4Q12	1Q13	change y/y	IFRS, USD m	3M12	3M13	change
1930	2360	2257	17%	Revenues	1 930	2 257	17%
5	52	39	680%	EBITDA LIFO	5	39	680%
52	39	33	-37%	EBITDA	52	33	-37%
35	21	16	-54%	EBIT	35	16	-54%
36	37	-1	-	Net result	36	-1	-

➤ EBITDA LIFO improvement by USD 34 m (y/y) due to:

- positive impact of macroeconomic environment changes
- higher by 24% (y/y) sales volumes as a result of improvement macro situation
- increase of crude oil throughput and utilisation ratio up to 98% as a result of lack FCC maintenance from 1Q12
- efficiency improvement: lower general and headcount costs, lower amortization and positive change of other operational activity (y/y)

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 and fixed assets impairment for 3 months 2013 made for the ORLEN Group consolidation amounted to ca. USD 11 m.



# UNIPETROL Group

## Key elements of the profit and loss account <sup>1</sup>

1Q12	4Q12	1Q13	change y/y	IFRS, CZK m	3M12	3M13	change
25 421	26 292	24 776	-3%	Revenues	25 421	24 776	-3%
40	-3 453	438	995%	EBITDA LIFO	40	438	995%
692	-3 783	540	-22%	EBITDA	692	540	-22%
-79	-4 468	-70	11%	EBIT	-79	-70	11%
-363	-3 100	-148	59%	Net result	-363	-148	59%

- EBITDA LIFO improvement by nearly CZK 400 m (y/y) due to:
  - positive impact of macro environment change,
  - lower by (-) 8% (y/y) sales volumes as a result of unfavourable demand situation,
  - efficiency improvement: lower general and headcount costs, lower amortization (y/y).
- CAPEX: CZK 365 m
- Financial gearing 18.2%
- Shutdown of urea installation in Litvinov in the beginning of 2013.

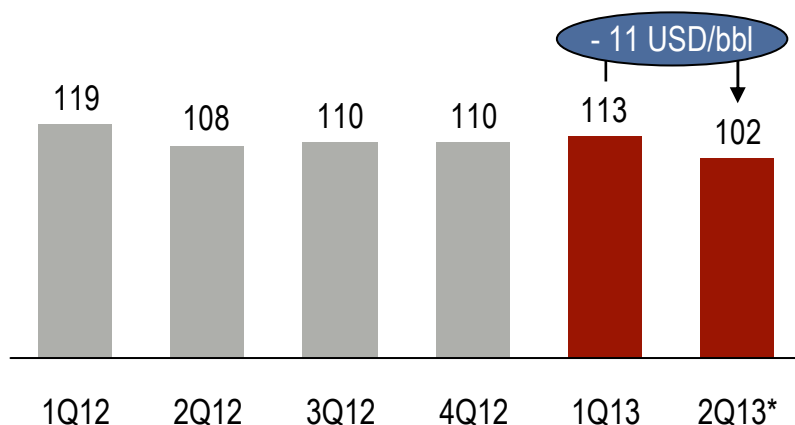
1) Presented data show Unipetrol Group results acc. to IFRS in accordance with values published on Czech market and does not include correction connected with fixed assets of Unipetrol Group on the date of acquisition by PKN ORLEN. Correction of depreciation and amortization costs and fixed assets impairment for 3 months 2013 made for the ORLEN Group consolidation increased the result of Unipetrol Group by ca. CZK 12 m.



# Macro environment in 2Q13 (q/q)

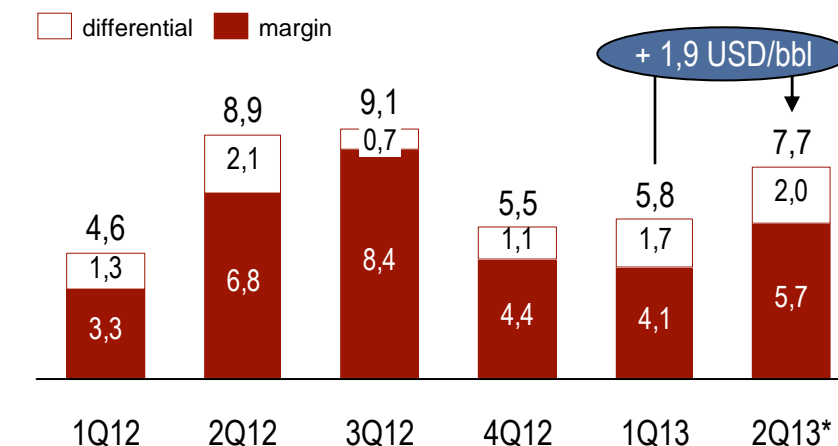
## Crude oil price decrease

Average Brent Crude Oil price, USD/bbl



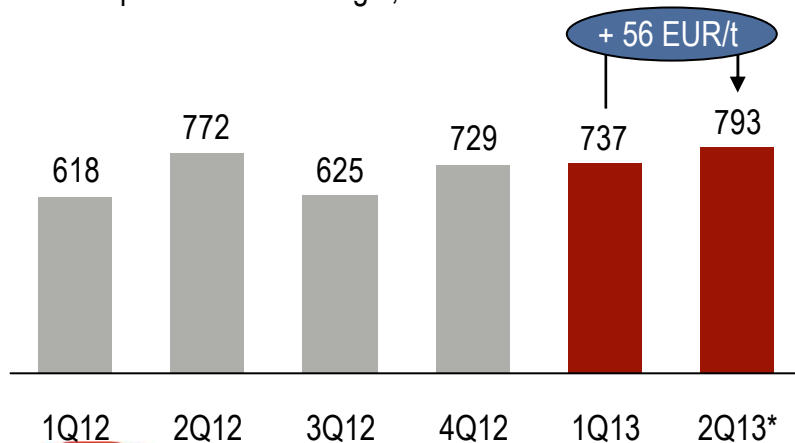
## Increase in refining margin and U/B differential

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



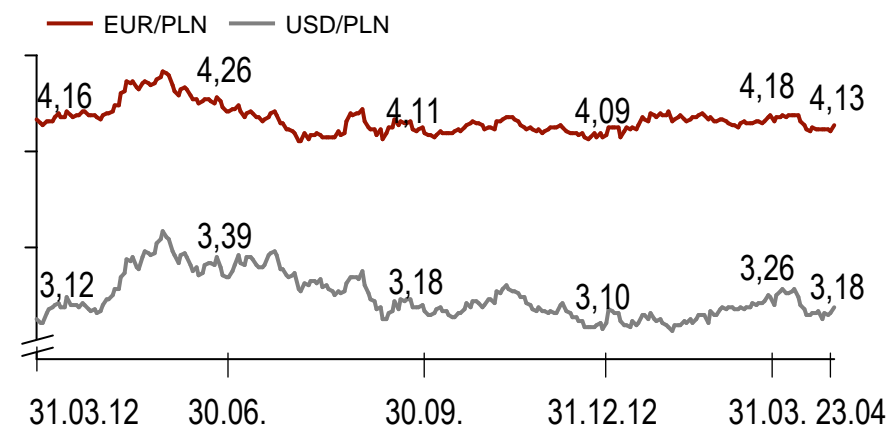
## Petrochemical margin increase

Model petrochemical margin, EUR/t



## Weakening of PLN against USD and strengthening against EUR

USD/PLN and EUR/PLN exchange rate

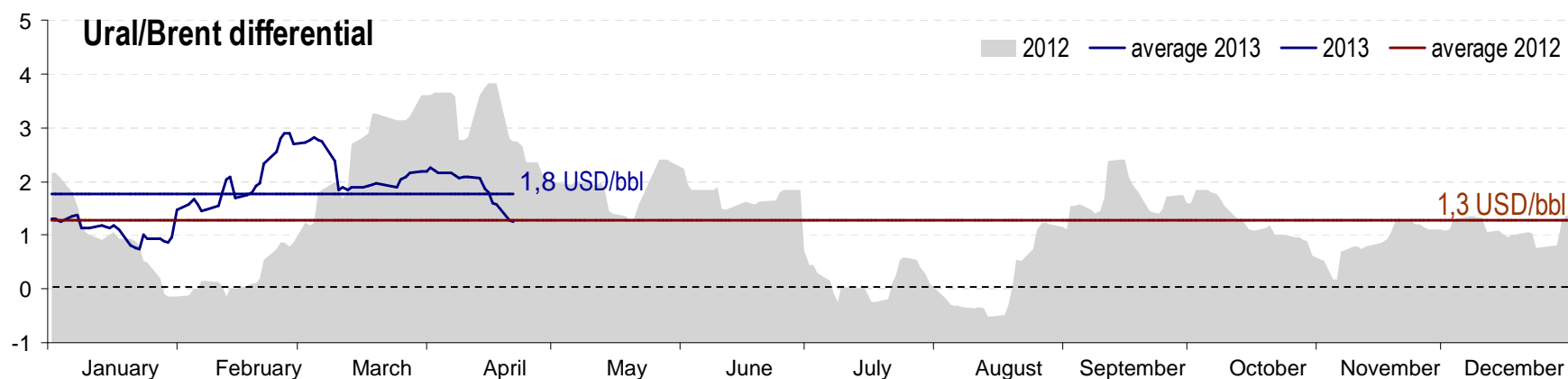
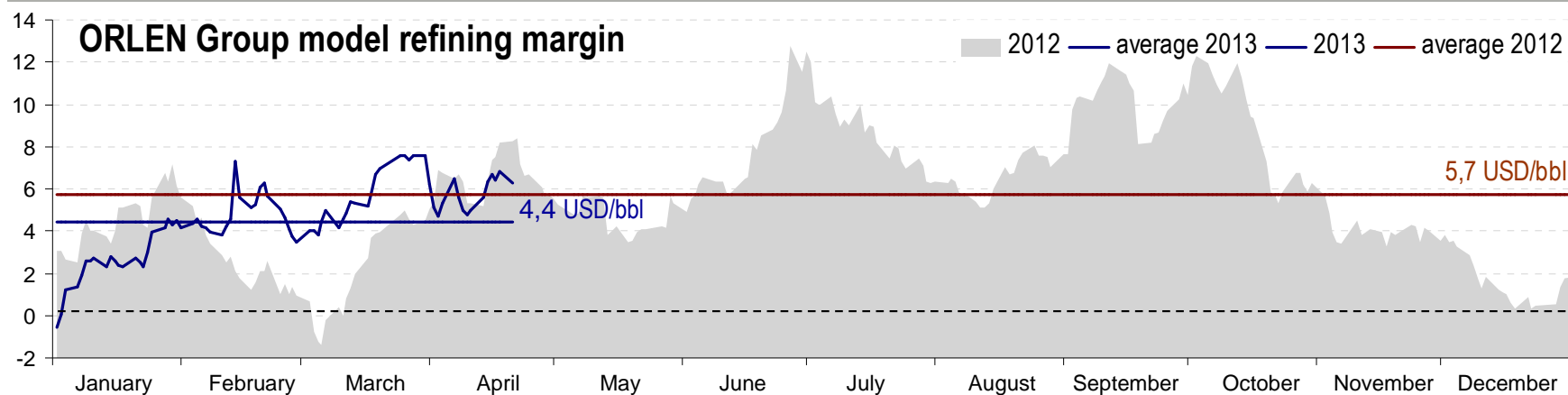


\* Data as of 19.04.2013



**ORLEN**

# Macro environment in 2013



- **Crude oil price** – in the range 97-119 USD/bbl. Average 111 USD/bbl in 2013. Currently ca. 99 USD/bbl.
- **Model refining margin** – in the range 0-7,6 USD/bbl. Average 4,4 USD/bbl in 2013. Currently ca. 6,2 USD/bbl.
- **Brent/Ural differential** – in the range 0,7-2,9 USD/bbl. Average 1,8 USD/bbl in 2013. Currently ca. 1,3 USD/bbl.

\* Data as of 19.04.2013



**ORLEN**



## Production data

Production	1Q12	4Q12	1Q13	change (y/y)	change (q/q)
<b>Total crude oil throughput in PKN ORLEN (tt)</b>	<b>6 655</b>	<b>7 491</b>	<b>7 003</b>	<b>5%</b>	<b>-7%</b>
<b>Refinery in Poland <sup>1</sup></b>					
Processed crude (tt)	3 656	3 940	3 504	-4%	-11%
Utilisation	90%	97%	86%	-4 pp	-11 pp
Fuel yield <sup>4</sup>	78%	77%	75%	-3 pp	-2 pp
Middle distillates yield <sup>5</sup>	46%	46%	44%	-2 pp	-2 pp
Light distillates yield <sup>6</sup>	32%	31%	31%	-1 pp	0 pp
<b>Refineries in the Czech Rep. <sup>2</sup></b>					
Processed crude (tt)	906	965	896	-1%	-7%
Utilisation	71%	86%	80%	9 pp	-6 pp
Fuel yield <sup>4</sup>	81%	78%	80%	-1 pp	2 pp
Middle distillates yield <sup>5</sup>	47%	43%	44%	-3 pp	1 pp
Light distillates yield <sup>6</sup>	34%	35%	36%	2 pp	1 pp
<b>Refinery in Lithuania <sup>3</sup></b>					
Processed crude (tt)	2 023	2 505	2 501	24%	0%
Utilisation	79%	98%	98%	19 pp	0 pp
Fuel yield <sup>4</sup>	76%	75%	74%	-2 pp	-1 pp
Middle distillates yield <sup>5</sup>	46%	45%	45%	-1 pp	0 pp
Light distillates yield <sup>6</sup>	30%	30%	29%	-1 pp	-1 pp

1) Throughput capacity for Plock refinery is 16,3 mt/y.

2) Throughput capacity for Unipetrol was 5,1 mt/y. Since 3Q12 is 4,5 mt/y due to discontinuation of crude oil processing in Paramo. CKA [51% Litvinov (2,81 mt/y) and 51% Kralupy (1,64 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

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**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



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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@orklen.pl](mailto:ir@orklen.pl)

