

Estimations of selected financial and operating data for ORLEN Capital Group for the first quarter 2012
Regulatory announcement no 74/2012 dated 19 April 2012

Polski Koncern Naftowy ORLEN Spolka Akcyjna ("Company", "PKN ORLEN S.A.") hereby announces its estimates of selected financial and operating data for ORLEN Capital Group ("PKN ORLEN") for the first quarter 2012.

Table 1.

Macroeconomic data	unit	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12	change (Q1'12 / Q4'11)	change (Q1'12 / Q1'11)
Average Brent crude oil price	USD/b	105,4	117,0	113,4	109,4	118,6	8%	13%
URAL/Brent differential ¹	USD/b	2,9	2,9	0,7	0,3	1,3	333%	-55%
Model refining margin ²	USD/b	1,5	1,4	2,7	2,8	3,3	18%	120%
Model petrochemical margin ³	EUR/t	751	795	663	609	618	1%	-18%
Average PLN/USD ⁴	PLN	2,88	2,75	2,94	3,28	3,23	-2%	12%
Average PLN/EUR ⁴	PLN	3,94	3,96	4,15	4,42	4,23	-4%	7%
PLN/USD (at the end of period) ⁴	PLN	2,82	2,75	3,26	3,42	3,12	-9%	11%
PLN/EUR (at the end of period) ⁴	PLN	4,01	3,99	4,41	4,42	4,16	-6%	4%

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

2) PKN ORLEN model refining margin = revenues from products sold (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.

3) PKN ORLEN model petrochemical margin = revenues from products sold (98% Products = 44% HDPE + 7% LDPE + 35% PP Homo + 12% PP Copo) - costs (100% input = 75% Naphtha + 25% LS VGO). Contract market quotations.

4) According to the National Bank of Poland.

Table 2.

Operating data: Production	unit	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12	change (Q1'12 / Q4'11)	change (Q1'12 / Q1'11)
Total throughput in ORLEN Capital Group, including:	th t	6 423	6 765	7 418	7 179	6 655	-7%	4%
Throughput in Plock	th t	3 301	3 480	3 953	3 814	3 656	-4%	11%
Utilisation ratio ⁵	%	87%	85%	97%	94%	90%	-4 p.p.	3 p.p.
Fuel yield ⁶	%	79%	74%	75%	76%	78%	2 p.p.	-1 p.p.
Throughput in Unipetrol	th t	879	1 112	941	1 010	906	-10%	3%
Utilisation ratio ⁷	%	69%	87%	74%	79%	71%	-8 p.p.	2 p.p.
Fuel yield ⁶	%	78%	76%	81%	77%	81%	4 p.p.	3 p.p.
Throughput in ORLEN Lietuva	th t	2 166	2 123	2 435	2 283	2 023	-11%	-7%
Utilisation ratio ⁸	%	85%	83%	96%	90%	79%	-11 p.p.	-6 p.p.
Fuel yield ⁶	%	74%	76%	75%	75%	76%	1 p.p.	2 p.p.

5) Throughput capacity for Plock refinery was 15,1 mt/y in 1q'2011. Since 2q'2011 it is 16,3 mt/y as a result of PX/PTA complex start-up.

6) Fuel yield is a ratio of (gasoline, naphtha, LPG, diesel, LHO, JET) production excluding BIO and internal transfers to crude oil throughput.

7) Throughput capacity for Unipetrol is 5,1 mt/y. CKA [51% Litvinov (2,8 mt/y) and 51% Kralupy (1,7mt/y)] and 100% Paramo (0,6 mt/y).

8) Throughput capacity for ORLEN Lietuva is 10,2 mt/y.

Table 3.

Operating data: Sales	unit	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12	change (Q1'12 / Q4'11)	change (Q1'12 / Q1'11)
Total sales in ORLEN Capital Group including:	th t	8 070	8 597	9 626	9 153	8 224	-10%	2%
Refining sales	th t	5 217	5 545	6 279	5 992	5 111	-15%	-2%
Retail sales	th t	1 600	1 836	1 987	1 922	1 732	-10%	8%
Petrochemical sales	th t	1 253	1 216	1 360	1 239	1 381	11%	10%

MACRO ENVIRONMENT

Changes in macroeconomic factors in the first quarter 2012 comparing y/y:

- ▶ Model refining margin and URAL/Brent differential in total increased by 0,2 USD/bbl (y/y) to 4,6 USD/bbl.
- ▶ Model petrochemical margin decreased by (-) 133 EUR/t (y/y) to 618 EUR/t.
- ▶ On average, PLN depreciated against USD by PLN 0,35 (y/y) to the level of 3,23 PLN/USD.
- ▶ On average, PLN depreciated against EUR by PLN 0,29 (y/y) to the level of 4,23 PLN/EUR.

In comparison to the fourth quarter 2011:

- ▶ Model refining margin and URAL/Brent differential in total increased by 1,5 USD/bbl (q/q).
- ▶ Model petrochemical margin increased by 9 EUR/t (q/q).
- ▶ On average, PLN appreciated against USD by PLN 0,05 (q/q).
PLN/USD exchange rate at the end of the first quarter 2012 amounted to 3,12 and was lower by PLN 0,30 (q/q).
- ▶ On average, PLN appreciated against EUR by PLN 0,19 (q/q).
PLN/EUR exchange rate at the end of the first quarter 2012 amounted to 4,16 and was lower by PLN 0,26 (q/q).

OPERATIONAL PARAMETERS

Crude oil throughput in PKN ORLEN in the first quarter 2012 increased by 4% (y/y) and achieved the level of 6,7 mt.

- ▶ Plock refinery: increase of utilisation ratio by 3 pp (y/y) mainly due to start up of PX/PTA petrochemical complex and lack of Hydrocracking shutdown, which took place in the first quarter 2011. Fuel yield remained at the similar level (y/y) despite lack of low-sulphur crude oils, which were used in the first quarter 2011 to minimize negative impact of maintenance shutdowns of conversion units.
Decrease of utilisation ratio by (-) 4 pp (q/q) as a result of HDS and PTA units shutdowns.
- ▶ Unipetrol: increase of utilisation ratio by 2 pp (y/y) and fuel yield by 3 pp (y/y) mainly due to lack of maintenance shutdowns of Hydrocracking and Fluid Catalytic Cracking units, which took place in the first quarter 2011.
Decrease of utilisation ratio by (-) 8 pp (q/q) as a result of maintenance shutdown of HDS unit in Kralupy and shutdown of Paramo refinery due to economic aspects.
- ▶ ORLEN Lietuva: decrease of utilisation ratio by (-) 6 pp (y/y) and (-) 11 pp (q/q) as a result of maintenance shutdown of Fluid Catalytic Cracking unit and unfavorable macro situation. Increase of fuel yield by 2 pp (y/y) results mainly from processing of semi-products gathered to reduce negative impact of shutdown of Fluid Catalytic Cracking unit.

Sales volumes increase in the first quarter 2012 by 2% (y/y) as a result of retail sales growth and record-high sales in petrochemical segment.

- ▶ Decrease in refining sales by (-) 2% (y/y) mainly due to maintained high crude oil prices influencing fuels prices and higher volumes transferred to retail network.
- ▶ Increase in retail sales by 8% (y/y) thanks to higher volumes on Polish, German and Lithuanian market.
- ▶ Increase in petrochemical sales by 10% (y/y) achieved mainly due to start-up of PTA sales in the second quarter 2011 as well as higher sales of olefins, polyolefins and fertilizers.

FINANCIAL PARAMETERS

Positive impact of higher sales volumes exceeded negative impact of macroeconomic environment.

- ▶ Total impact of changes in macroeconomic factors and sales volumes growth amounted to ca. PLN 0,1 bn (y/y).
- ▶ Positive impact of crude oil obligatory reserves repurchase in January 2012 will amount to ca. PLN 0,2 bn (y/y). Positive impact of low-sulphur crude oil throughput observed in the first quarter 2011 amounted to ca. PLN 0,3 bn (y/y). As a result, total net impact of the above-mentioned one-offs in the first quarter 2012 will amount to PLN (-) 0,1 bn (y/y).
- ▶ Negative impact of other elements, mainly legislation changes in taxation of biocomponents in fuels amounted to PLN (-) 0,2 bn (y/y).
- ▶ Change in the net balance of other operating activities will lower operating result by ca. PLN (-) 0,1 bn (y/y), mainly due to received in the first quarter of 2011 a partial compensation of penalty paid to ENERGA-OPERATOR S.A.

As a result, estimated operating result acc. LIFO will be lower by ca. PLN (-) 0,3 bn (y/y).

Due to growing crude oil prices estimated LIFO effect increasing operating result will amount to ca. PLN 0,7 bn in the first quarter 2012.

As a result, estimated operating profit in the first quarter 2012 will amount to ca. PLN 0,9 bn.

Net positive foreign exchange differences from debt revaluation in the first quarter 2012 amounted to ca. PLN 0,9 bn, of which ca. PLN 0,5 bn refers to USD denominated debt connected with ORLEN Lietuva investment and foreign units debts were booked in equity.

Remaining part in the amount of ca. PLN 0,4 bn was booked in profit and loss account.

Net financial revenues from revaluation of other positions in foreign currencies and interests amounted to ca. PLN 0,2 bn.

Moreover, we inform that due to standard quarterly procedures concerning IFRS 36 (Impairment of Assets) there are currently carried out analysis of potential reasons to conduct tests for impairment of assets.

Additionally, in accordance with IFRS 10 (Events After the Balance Sheet Date), significant events taking place after the balance sheet date till the date of financial statements approval, in particular risks evaluation, can impact the reported results.

All information published in this report is an estimate and may differ from results which will be published on 25 April 2012 in PKN ORLEN consolidated financial statements for the first quarter 2012.

This announcement has been prepared pursuant to §5 item 1 p 25 and §31 of the Regulation of the Minister of Finance, dated 19 February 2009, on current and periodic information to be published by issuers of securities and on the conditions under which such information may be recognized as being equivalent to information required by the regulations of law of a state which is not a member state (Journal of Laws No. 33, item 259) and Article 56 section 1 p 1 of the Act on Public Offerings, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies dated 29 July 2005 (Journal of Laws No. 184, item 1539).

Management Board of PKN ORLEN S.A.