

Results of the ORLEN Group for the I quarter of 2012
(Translation of a document originally issued in Polish)

Summary of the results

Table 1

Q1 2011	Q4 2011 ¹	Q1 2012	% change	Key financial data, PLNm	3 months 2011	3 months 2012	% change
1	2	3	4=(3-1)/1	5	6	7	8=(7-6)/6
22 674	29 976	29 248	29.0	Total sales revenue	22 674	29 248	29.0
1 893	-425	1 518	-19.8	Profit/(Loss) from operations plus depreciation and amortisation (EBITDA)	1 893	1 518	-19.8
1 339	-1 060	939	-29.9	Profit/(Loss) from operations, including:	1 339	939	-29.9
940	855	670	-28.7	PKN ORLEN S.A.	940	670	-28.7
87	-1 034	-8	-	Unipetrol Group	87	-8	-
100	-206	73	-27.0	ORLEN Lietuva	100	73	-27.0
212	-675	204	-3.8	Other	212	204	-3.8
				Operating segments, including:			
1 028	233	732	-28.8	Refining	1 028	732	-28.8
385	-1 260	346	-10.1	Petrochemical	385	346	-10.1
26	26	26	0.0	Retail	26	26	0.0
-100	-59	-165	-65.0	Corporate Functions ²	-100	-165	-65.0
554	635	579	4.5	Depreciation and Amortisation, including:	554	579	4.5
277	288	261	-5.8	Refining	277	261	-5.8
167	224	199	19.2	Petrochemical	167	199	19.2
82	92	89	8.5	Retail	82	89	8.5
28	31	30	7.1	Corporate Functions ²	28	30	7.1
1 148	198	1 244	8.4	Net profit	1 148	1 244	8.4
1 105	619	1 260	14.0	Profit attributable to equity holders of the Parent	1 105	1 260	14.0
54 313	58 731	58 898	8.4	Total assets	54 313	58 898	8.4
25 940	26 799	27 880	7.5	Equity	25 940	27 880	7.5
8 456	7 589	7 146	-15.5	Net debt	8 456	7 146	-15.5
-42	-684	148	-	Net cash provided by operating activities	-42	148	-
-607	2 913	-556	-8.4	Net cash provided by/(used in) investing activities	-607	-556	-8.4
326	689	238	-27.0	Investment expenditures (CAPEX)	326	238	-27.0
9.7	4.8	3.9	-5.9p.p.	Return on capital employed (ROACE) (%)³	9.7	3.9	-5.9p.p.
32.5	31.5	26.9	-5.6p.p.	Financial leverage (%)⁴	32.5	26.9	-5.6p.p.
1.30	1.62	1.65	26.9	Net debt/Profit from operations plus depreciation and amortisation for the last four quarters (EBITDA)⁵	1.30	1.65	26.9
1.82	3.23	3.37	85.2	Net debt/Profit from operations plus depreciation and amortisation based on the LIFO method for the last four quarters (EBITDA)⁶	1.82	3.37	85.2
2.58	1.45	2.95	14.3	Net profit attributable to equity holders of the Parent per share (EPS)	2.58	2.95	14.3
Q1 2011	Q4 2011 ¹	Q1 2012	% change	Financial data adjusted by the effect of inventory valuation based on the LIFO method, PLNm	3 months 2011	3 months 2012	% change
450	-1 719	201	-55.3	Profit/(Loss) from operations based on LIFO method, incl:	450	201	-55.3
363	206	217	-40.2	PKN ORLEN S.A.	363	217	-40.2
-8	-1 073	-119	-1387.5	Unipetrol Group	-8	-119	-1387.5
-104	-180	-80	23.1	ORLEN Lietuva	-104	-80	23.1
199	-672	183	-8.0	Other	199	183	-8.0
-889	-659	-738	17.0	Effect on inventory valuation⁷ based on LIFO method on profit from operations, including:	-889	-738	17.0
-577	-649	-453	21.5	PKN ORLEN S.A.	-577	-453	21.5
-95	-39	-111	-16.8	Unipetrol Group	-95	-111	-16.8
-204	26	-153	25.0	ORLEN Lietuva	-204	-153	25.0
-13	3	-21	-61.5	Other	-13	-21	-61.5
420	-335	640	52.4	Net profit/(loss) based on LIFO method⁸	420	640	52.4

1) Change compared to the data published for 4 quarter 2011, resulting mainly from impairment allowances of non-current assets of PLN 1,188 million.

2) Includes Corporate Functions of the ORLEN Group companies, as well as companies not included in any of the above segments.

3) ROACE = profit from operations for the last four quarters after tax/average capital employed (equity + net debt).

4) Financial leverage = net debt/equity - calculated using the average carrying values in the period.

5) Interest bearing debt net of cash and cash equivalents and short-term deposits (as at the end of the period) / (EBITDA + dividend received from Polkomtel) for the last four quarters.

6) Interest bearing debt net of cash and cash equivalents and short-term deposits (as at the end of the period) / (EBITDA + dividend received from Polkomtel) based on the LIFO method for the last four quarters.

7) Calculated as a difference between profit from operations determined using the LIFO method of inventory valuation and profit from operations determined using the weighted average method of inventory valuation.

8) Effect of inventory valuation based on LIFO method, net of tax effect.

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Commentary

Financial results

The profit from operations of the ORLEN Capital Group ("ORLEN Group") for the I quarter of 2012 amounted to PLN 939 million, in comparison to PLN 1,339 million for the analogous period of the prior year.

Due to increasing crude oil prices the LIFO effect that increases result from operations in the I quarter of 2012 amounted to PLN 738 million and was lower by PLN (-) 151 million (y/y).

As a result, the profit from operations of the ORLEN Group based on the LIFO method of inventory valuation amounted to PLN 201 million, in comparison to PLN 450 million in the I quarter of 2011.

Positive impact of higher sales volume exceeded the negative impact of macroeconomic factors including mainly the decreased level of model petrochemical margin and resulted in increase of operating result of the ORLEN Group by PLN 153 million (y/y).

In the I quarter of 2012 PKN ORLEN S.A. acquired from Maury Sp. z o.o. mandatory reserves of crude oil, that has been sold in December 2010. The acquisition price of crude oil has been hedged with a forward contract, and was effectively close to sale price, and therefore lower than current market quotations. The positive impact of the above mentioned transaction on the operating result in the I quarter amounted to approximately PLN 240 million. In order to minimize the effects of shutdowns of conversion installations in the I quarter of 2011, PKN ORLEN S.A. increased the share of crude oil with low sulphur content in the total crude oil throughput as well as in the operating reserve. As a result, the operating reserve of REBCO crude oil acquired in previous years and accounted for using LIFO method at lower prices had a positive effect on the result from operations of the I quarter of 2011 of PLN 296 million.

Positive net effect of the above one-off events on the operating result of the I quarter of 2012 was lower by PLN (-) 56 million (y/y).

Other operating items amounted to PLN (-) 273 million (y/y) and were connected mainly with implementation of legislative changes in the respect of bio components in fuels taxation.

Change in other operating result amounted to PLN (-) 73 million (y/y) and included mainly the effects of lower balance of sale of non-financial non-current assets of PLN (-) 33 million PLN (y/y) and lack of revenues due to compensations received from ENERGA-OPERATOR S.A., which took place in the I quarter of 2011 of PLN 31 million.

Net financial revenues in the I quarter of 2012 amounted to PLN 594 million and comprised mainly positive foreign exchange differences on revaluation of loans and other positions denominated in foreign currencies of PLN 642 million and net interest of PLN (-) 45 million.

Foreign exchange gains on loans denominated in USD for which hedging relationship with net investment in ORLEN Lietuva was designated of PLN 395 million, according to IAS 39 (Financial instruments: recognition and measurement) and foreign exchange gains on revaluation of subsidiaries' loans and borrowings denominated in foreign currencies of PLN 115 million, according to IAS 21 (The effects of changes in foreign exchange rates), were recognized in equity in line foreign exchange differences on subsidiaries from consolidation.

After consideration of tax charges, net profit of ORLEN Group for the I quarter of 2012 amounted to PLN 1,244 million.

Results from operations of the core entities belonging to the ORLEN Group in the I quarter of 2012

- PKN ORLEN S.A. – result from operations was lower by PLN (-) 270 million (y/y) and amounted to PLN 670 million.
 - result of the refining segment, lower by PLN (-) 292 million (y/y) was mainly a result of lower impact of inventory valuation of PLN (-) 109 million (y/y) and negative impact of legislative changes in the respect of bio components in fuels taxation.
 - result of the retail segment, higher by PLN 14 million was mainly a result of increasing sales volume and higher non-fuel margins, accompanied by lower fuel margins due to high fuel prices.
 - improvement of results of the petrochemical segment by PLN 64 million (y/y) was a result of positive impact of higher sales volume, accompanied by negative impact of macroeconomic factors and higher depreciation and amortization costs due to launching PX/PTA Complex.
 - costs of corporate functions, higher by PLN (-) 56 million (y/y), were mainly the effect of lack of revenues due to compensations received from ENERGA-OPERATOR S.A., which occurred in I quarter of 2011.

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- ORLEN Lietuva Capital Group („ORLEN Lietuva”) – the result from operations was lower by PLN (-) 27 million (y/y) and amounted to PLN 73 million.
 - decrease of the operating result of the refining segment by PLN (-) 23 million (y/y)) was mainly a result of negative impact of inventory valuation of PLN (-) 51 million (y/y) and unfavorable impact of macroeconomic factors accompanied by higher sales volume.
 - result of the retail segment on comparable level to I quarter of 2011 accompanied by higher sales volume and stable level of margins.
 - costs of corporate functions, higher by PLN (-) 4 million (y/y).
- Unipetrol Capital Group („Unipetrol Group”) – the result from operations was lower by PLN (-) 95 million (y/y) and amounted to PLN (-) 8 million.
 - result of the refining segment, higher by PLN 15 million (y/y) was mainly the effect of improvement in sales volume structure and positive impact of macroeconomic factors, accompanied by negative impact of inventory valuation of PLN (-) 7 million.
 - result of the retail segment, lower by PLN (-) 3 million (y/y), was mainly the result of lower sales volume and realized non-fuel margins.
 - deterioration of petrochemical segment result by PLN (-) 101 million (y/y) due to the negative impact of petrochemical margins, accompanied by positive impact of inventory valuation of PLN 23 million.
 - costs of corporate functions, higher by PLN (-) 6 million (y/y).

Net indebtedness and cash flows

As at 31 March 2012 net indebtedness of the ORLEN Group amounted to PLN 7,146 million and was lower by PLN (-) 443 million as compared to the level at the end of 2011.

In the I quarter of 2012 the decrease in net indebtedness due to foreign exchange differences on revaluation of loans denominated in foreign currencies amounted to PLN (-) 934 million and was accompanied by increase in the balance of cash and cash equivalents, net repayment of loans and debt securities valuation of PLN 491 million.

Net cash provided by operating activities amounted to PLN 148 million in the I quarter of 2012.

Main positions of operating cash flows included net profit increased by depreciation and amortization of PLN 1,823 million and change in net working capital of PLN (-) 1,528 million.

Net cash used in investing activities in the I quarter of 2012 amounted to PLN (-) 556 million and concerned mainly net expenditures for acquisition of property, plant and equipment and intangible assets of PLN (-) 537 million relating to carried investment programs.

Net cash used in financing activities amounted to PLN (-) 782 million in the I quarter of 2012 and concerned mainly repayment of loans and borrowings and debt securities issued of PLN (-) 680 million as well as debt costs of PLN (-) 93 million.

Consequently, the balance of cash and cash equivalents decreased in the I quarter of 2012 by PLN (-) 1,190 million (y/y) and amounted to PLN 4,216 million as at 31 March 2012.

Transactions regarding mandatory reserves of crude oil

On 31 January 2012 the agreement concluded in December 2010 by PKN ORLEN S.A. with Maury Sp. z o.o. regarding gathering and keeping of mandatory reserves of crude oil expired.

Therefore, and in accordance with applicable regulations regarding the maintenance of mandatory reserves in Poland, PKN ORLEN S.A. acquired crude oil owned by Maury Sp. z o.o. for PLN 1,213 million. The acquisition price of crude oil has been hedged with a forward contract. The settlement of the hedging transaction decreased the value of the acquired raw material by approximately PLN 203 million.

On 28 March 2012 within the process of changing the formula of maintenance of mandatory reserves of crude oil by PKN ORLEN S.A., the Company has signed the contract for sale of part of mandatory reserves and the contract for gathering and keeping of crude oil reserves with Ashby Sp. z o.o.

Based on the sale agreement PKN ORLEN S.A. has sold crude oil to Ashby sp. z o.o. of approximately PLN 1,250 million. The price of raw material was determined based on market quotations.

Based on the agreement regarding gathering and keeping of crude oil reserves Ashby Sp. z o.o. will render service of maintaining mandatory reserves of crude oil on behalf of PKN ORLEN S.A., while PKN ORLEN S.A. will guarantee storing of inventories at the current location. The agreement regarding gathering and keeping of crude oil reserves has been concluded for a period of 1 year, whereby the Company takes into account the possibility of its renewal for another period.

Detailed comments on revenues and operating results of particular segments were presented in follow – up paper.

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Macroeconomic commentary

Crude oil prices, BRENT/URAL differential and model margins

Table 2

Item	Quarter			change %
	Q4 2011	Q1 2012	Q1 2011	
1	2	3	4	5=(3-4)/4
Brent crude oil (USD/bbl)	109.4	118.6	105.4	12.5
Brent / URAL differential (USD/bbl)	0.3	1.3	2.9	-55.2
Model refining margin (USD/bbl)	2.8	3.3	1.5	120.0
Model petrochemical margin (EUR/t)	609	618	751	-17.7
Quotations of margins (crack margins)				
Refining products (USD/t)				
Gasoline	107	172	126	36.5
Diesel oil	146	115	118	-2.5
Light heating oil	118	94	89	5.6
Jet A-1 fuel	180	160	173	-7.5
Heavy heating oil	-207	-215	-243	11.5
Petrochemical products (EUR/t)				
Polyethylene	152	162	178	-9.0
Polypropylene	234	257	337	-23.7
Ethylene	483	546	567	-3.7
Propylene	412	436	542	-19.6
Toluene	151	190	180	5.6
Benzene	62	233	379	-38.5
Butadiene	1 235	1 298	883	47.0
Paraxylene	517	511	612	-16.5

Exchange rates

Table 3

Currency	Average exchange rates ¹⁾			change %	Period end exchange rates ¹⁾			change %
	Q4 2011	Q1 2012	Q1 2011		Q4 2011	Q1 2012	Q1 2011	
1	2	3	4	5=(3-4)/4	6	7	8	9=(7-8)/8
PLN/USD	3.28	3.23	2.88	12.2	3.42	3.12	2.82	10.6
PLN/EUR	4.42	4.23	3.94	7.4	4.42	4.16	4.01	3.7
PLN/CZK	0.18	0.17	0.16	6.3	0.17	0.17	0.16	6.3
LTL/USD	2.56	2.63	2.53	4.0	2.67	2.59	2.46	5.3
LTL/EUR	3.45	3.45	3.45	0.0	3.45	3.45	3.45	0.0
CZK/USD	18.8	19.1	17.8	7.3	19.9	18.5	17.3	6.9
CZK/EUR	25.3	25.1	24.4	2.9	25.8	24.7	24.5	0.8

1) Based on exchange rates of NBP, Czech Republic National Bank and Bank of Lithuania.

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Fuel consumption

Table 4

Countries, (‘000 tonnes)	Q4 2011	Q1 2012	Q1 2011	change %
1	2	3	4	5=(3-4)/4
Poland ¹⁾	4 259	3 507	3 640	-3.7
Gasoline	975	881	891	-1.1
Diesel Oil	3 284	2 626	2 749	-4.5
Lithuania ²⁾	321	291	259	12.4
Gasoline	63	51	56	-8.9
Diesel Oil	258	240	203	18.2
Czech Republic ³⁾	1 467	1 253	1 262	-0.7
Gasoline	432	360	379	-5.0
Diesel Oil	1 035	893	883	1.1
Germany ⁴⁾	13 307	11 965	12 086	-1.0
Gasoline	4 961	4 351	4 565	-4.7
Diesel Oil	8 346	7 614	7 521	1.2

1) Based on estimates of Agencja Rynku Energii S.A.

2) Based on data of the Lithuanian Statistical Office.

3) Based on data of the Czech Statistical Office.

4) Based on the data of Association of the German Petroleum Industry.

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Segment commentary – Refining Segment

Table 5

Q4 2011	Q1 2012	Q1 2011	change %	Item, PLNm	3 months 2012	3 months 2011	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
23 738	23 088	17 614	31.1	Segment revenues, including:	23 088	17 614	31.1
16 764	16 063	12 303	30.6	Sales to external customers	16 063	12 303	30.6
6 974	7 025	5 311	32.3	Transactions with other segments	7 025	5 311	32.3
-23 205	-22 334	-16 595	34.6	Segment expenses	-22 334	-16 595	34.6
-300	-22	9	-	Other operating revenues/expenses, net	-22	9	-
233	732	1 028	-28.8	Profit from operations	732	1 028	-28.8
-408	48	185	-74.1	Profit/(Loss) from operations under LIFO	48	185	-74.1
521	993	1 305	-23.9	Profit/(Loss) from operations plus depreciation and amortisation (EBITDA)	993	1 305	-23.9
212	143	146	-2.1	CAPEX	143	146	-2.1
5 992	5 111	5 217	-2.0	Sales of products (thousand tonnes)	5 111	5 217	-2.0

The profit from operations of refining segment of the ORLEN Group for the I quarter of 2012 amounted to PLN 732 million and was lower by PLN (-) 296 million (y/y).

Positive impact of changes in crude oil prices on inventory valuation in the I quarter of 2012 was lower by PLN (-) 159 million (y/y).

Total impact of changes in macroeconomic factors including URAL/Brent differential, refining margin and foreign exchange rates against PLN and sales volume amounted to PLN 116 million (y/y).

In the I quarter of 2012 PKN ORLEN S.A. acquired from Maury Sp. z o.o. mandatory reserves of crude oil, that has been sold in December 2010. The acquisition price of crude oil has been hedged with a forward contract, and effectively was close to sale price, and therefore lower than current market quotations. The positive impact of the above mentioned transaction on operating result in the I quarter of 2012 amounted to approximately PLN 240 million.

In order to minimize the effects of shutdowns of conversion installations in the I quarter of 2011, PKN ORLEN S.A. increased the share of crude oil with low sulfur content in the total crude oil throughput as well as in the operating reserve. As a result, the operating reserve of REBCO crude oil acquired in previous years and accounted for using LIFO method at lower prices had a positive effect on the result from operations of the I quarter of 2011 of PLN 296 million.

Positive net effect of above one-off events on the operating result of the I quarter of 2012 was lower by PLN (-) 56 million (y/y).

Impact of other operating items comprising mainly implementation of legislative changes in the respect of bio components in fuels taxation and negative effects on other operating activities amounted to PLN (-) 197 million (y/y).

In the I quarter of 2012 the segment's investment expenditure ("CAPEX") amounted to PLN 143 million and sustained on comparable level as compared to the analogous period of the previous year.

The most significant investments held in the I quarter of 2012 comprised: construction of K8 boiler in Heat and Power station, modernization and intensification of Alkylation HF installation and legalization of product tanks in PKN ORLEN S.A; replacement of the part of reactor of Fluid Catalytic Cracking installation and construction works on Granulation and Desulphurization Installation in ORLEN Lietuva; expenses related to the adjustment of electrical equipment to comply with legal requirements in Unipetrol Group.

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Segment commentary – Retail Segment

Table 6

Q4 2011	Q1 2012	Q1 2011	change %	Item, PLNm	3 months 2012	3 months 2011	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
9 620	8 947	6 965	28.5	Segment revenues, including:	8 947	6 965	28.5
9 589	8 916	6 938	28.5	Sales to external customers	8 916	6 938	28.5
31	31	27	14.8	Transactions with other segments	31	27	14.8
-9 527	-8 909	-6 933	28.5	Segment expenses	-8 909	-6 933	28.5
-67	-12	-6	-100.0	Other operating revenues/expenses, net	-12	-6	-100.0
26	26	26	0.0	Profit from operations	26	26	0.0
118	115	108	6.5	Profit from operations plus depreciation and amortisation (EBITDA)	115	108	6.5
213	22	22	0.0	CAPEX	22	22	0.0
1 922	1 732	1 600	8.3	Sales of products (thousand tonnes)	1 732	1 600	8.3

In the I quarter of 2012 profit from operations of the retail segment of the ORLEN Group amounted to PLN 26 million, and remained on the same level as in analogous period of the prior year.

The increase in sales volume of the retail segment by 8% (y/y), achieved on Polish, German and Lithuanian markets improved segment's operating profit by PLN 28 million (y/y).

Increase in non-fuel sales margin by PLN 21 million (y/y) compensated the effects of lower fuel sales margin by PLN (-) 6 million (y/y) and negative impact of other factors including mainly higher depreciation and amortisation costs and negative effects of changes in other operating activities of PLN (-) 15 million (y/y). Increased pressure on retail margins related to increase in crude oil quotations and as a consequence fuel prices was particularly noticeable on Polish, German and Lithuanian market.

Increase in fuel station costs due to higher sales volume decreased segment's operating result by PLN (-) 28 million.

At the end of March 2012 the number of catering points such as Stop Café and Stop Café Bistro amounted to 666 and was higher by 34 (y/y).

In the I quarter of 2012 the segment's investment expenditure ("CAPEX") amounted to PLN 22 million, and remained on the same level as in the I quarter of 2011. CAPEX concerned launching of 3 new fuel stations and modernization of 9 CoDo stations.

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Segment commentary - Petrochemical Segment

Table 7

Q4 2011	Q1 2012	Q1 2011	change %	Item, PLNm	3 months 2012	3 months 2011	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
4 426	5 211	4 184	24.5	Segment revenues, including:	5 211	4 184	24.5
3 554	4 246	3 413	24.4	Sales to external customers	4 246	3 413	24.4
872	965	771	25.2	Transactions with other segments	965	771	25.2
-4 329	-4 871	-3 815	27.7	Segment expenses	-4 871	-3 815	27.7
-1 357	6	16	-62.5	Other operating revenues/expenses, net	6	16	-62.5
-1 260	346	385	-10.1	Profit/(Loss) from operations	346	385	-10.1
-1 278	292	339	-13.9	Profit/(Loss) from operations under LIFO	292	339	-13.9
-1 036	545	552	-1.3	Profit/(Loss) from operations plus depreciation and amortisation (EBITDA)	545	552	-1.3
185	48	135	-64.4	CAPEX	48	135	-64.4
1 239	1 381	1 253	10.2	Sales of products (thousand tonnes)	1 381	1 253	10.2

In the I quarter of 2012 profit from operations of ORLEN Group's petrochemical segment amounted to PLN 346 million and was lower by PLN (-) 39 million (y/y).

Positive effect of changes in prices of petrochemical products on valuation of inventories in the I quarter of 2012 was higher by PLN 8 million (y/y).

Impact of lower petrochemical margins decreased the segment's result from operations by PLN (-) 277 million (y/y).

Increase of segment's sales volume, mainly due to launching terephthalic acid (PTA) sale in the II quarter of 2011 and higher sales of olefins, polyolefins and fertilizers increased segment's profit from operations by PLN 286 million (y/y).

Impact of other factors amounted to PLN (-) 56 million and included mainly higher depreciation and amortisation related to the commencement of operations of PX/PTA complex.

In the I quarter of 2012 the segment's CAPEX was lower by PLN (-) 87 million (y/y) and amounted to PLN 48 million.

The most significant investments realized in this period comprised: modernization of pneumatics and automation of Phenol division and expansion of the compressor on Olefins expedition division in PKN ORLEN S.A.; works associated with reduction of energy consumption and increase of production on fertilizers complex in Anwil S.A.; reconstruction of pyrolytic furnace at Olefin's Installation in Unipetrol Group.

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Segment commentary – Corporate Functions

Table 8

Q4 2011	Q1 2012	Q1 2011	change %	Item, PLNm	3 months 2012	3 months 2011	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
124	76	74	2.7	Segment revenues, including:	76	74	2.7
67	22	21	4.8	Sales to external customers	22	21	4.8
57	54	53	1.9	Transactions with other segments	54	53	1.9
-325	-245	-203	20.7	Segment expenses	-245	-203	20.7
142	4	29	-86.2	Other operating revenues/expenses, net	4	29	-86.2
-59	-165	-100	-65.0	(Loss) from operations	-165	-100	-65.0
-28	-135	-72	-87.5	(Loss) from operations plus depreciation and amortisation (EBITDA)	-135	-72	-87.5
79	24	23	4.3	CAPEX	24	23	4.3

Higher by PLN (-) 65 million (y/y) corporate function costs are a result of lack of inflows due to return of fine paid to ENERGA-OPERATOR S.A. from the I quarter of 2011 of PLN 31 million.

Capital expenditures („CAPEX”) of PLN 24 million in the I quarter of 2012 related mainly to the IT area, upstream and analytical work on the geological data obtained from ongoing boreholes.

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Interim condensed consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for 3 months ended
31 March 2012 and 31 March 2011

Table 9

Q4 2011	Q1 2012	Q1 2011	change %	Item, PLNm	3 months 2012	3 months 2011	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
29 976	29 248	22 674	29.0	Sales revenues	29 248	22 674	29.0
-28 092	-26 981	-20 177	33.7	Cost of sales	-26 981	-20 177	33.7
1 884	2 267	2 497	-9.2	Gross profit on sales	2 267	2 497	-9.2
-936	-937	-878	6.7	Distribution expenses	-937	-878	6.7
-427	-367	-329	11.6	General and administrative expenses	-367	-329	11.6
431	132	165	-20.0	Other operating revenues	132	165	-20.0
-2 012	-156	-116	34.5	Other operating expenses	-156	-116	34.5
-1 060	939	1 339	-29.9	Profit/(Loss) from operations	939	1 339	-29.9
2 422	827	247	234.8	Financial revenues	827	247	234.8
-776	-233	-275	-15.3	Financial expenses	-233	-275	-15.3
1 646	594	-28	-	Financial revenues and expenses	594	-28	-
0	-1	64	-	Share in profit from investments accounted for under equity method	-1	64	-
586	1 532	1 375	11.4	Profit before tax	1 532	1 375	11.4
-388	-288	-227	26.9	Income tax expense	-288	-227	26.9
198	1 244	1 148	8.4	Net profit	1 244	1 148	8.4
			-	Items of other comprehensive income:			-
168	201	474	-57.6	Hedging instruments valuation	201	474	-57.6
-2	-89	-2	4 350.0	Hedging instruments settlement	-89	-2	4 350.0
10	0	0	-	Fair value measurement of investment property as at the date of reclassification	0	0	-
-223	-235	170	-	Foreign exchange differences on subsidiaries from consolidation	-235	170	-
-33	-21	-90	-76.7	Deferred tax on other comprehensive income items	-21	-90	-76.7
-80	-144	552	-	Total items of other comprehensive income	-144	552	-
118	1 100	1 700	-35.3	Total net comprehensive income	1 100	1 700	-35.3
198	1 244	1 148	8.4	Net profit attributable to:	1 244	1 148	8.4
619	1 260	1 105	14.0	equity holders of the parent	1 260	1 105	14.0
-421	-16	43	-	non-controlling interest	-16	43	-
118	1 100	1 700	-35.3	Total comprehensive income attributable to:	1 100	1 700	-35.3
647	1 149	1 584	-27.5	equity holders of the parent	1 149	1 584	-27.5
-529	-49	116	-	non-controlling interest	-49	116	-
1,45	2,95	2,58	14.3	Net profit/(loss) and diluted net profit/(loss) per share attributable to equity holders of the parent (in PLN per share)	2,95	2,58	14.3

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2012 and 31 December 2011**

Table 10

31.03.2012	Item, PLNm	31.12.2011	change %
1	2	3	4=(1-3)/3
	ASSETS		
25 608	Property, plant and equipment	26 579	-3.7
116	Investment property	118	-1.7
1 760	Intangible assets	1 323	33.0
95	Perpetual usufruct of land	96	-1.0
12	Investments accounted for under equity method	13	-7.7
41	Financial assets available for sale	40	2.5
350	Deferred tax assets	399	-12.3
45	Other non-current assets	31	45.2
28 027	Total non-current assets	28 599	-2.0
17 849	Inventories	16 297	9.5
8 525	Trade and other receivables	8 071	5.6
224	Other short-term financial assets	293	-23.5
30	Income tax receivable	34	-11.8
4 216	Cash and cash equivalents	5 409	-22.1
27	Non-current assets classified as held for sale	28	-3.6
30 871	Total current assets	30 132	2.5
58 898	Total assets	58 731	0.3
	LIABILITIES AND SHAREHOLDERS' EQUITY		
1 058	Share capital	1 058	0.0
1 227	Share premium	1 227	0.0
60	Hedging reserve	-24	-
5	Revaluation reserve	5	0.0
221	Foreign exchange differences on subsidiaries from consolidation	416	-46.9
23 119	Retained earnings	21 852	5.8
25 690	Total equity attributable to equity holders of the parent	24 534	4.7
2 190	Non-controlling interest	2 265	-3.3
27 880	Total equity	26 799	4.0
9 905	Interest-bearing loans and borrowings	10 538	-6.0
605	Provisions	621	-2.6
840	Deferred tax liabilities	741	13.4
16	Deferred income	16	0.0
170	Other long-term liabilities	203	-16.3
11 536	Total long-term liabilities	12 119	-4.8
15 361	Trade and other liabilities	15 093	1.8
1 481	Interest-bearing loans and borrowings	2 460	-39.8
709	Income tax liability	674	5.2
1 101	Provisions	1 008	9.2
538	Deferred income	136	295.6
292	Other financial liabilities	442	-33.9
19 482	Total short-term liabilities	19 813	-1.7
31 018	Total liabilities	31 932	-2.9
58 898	Total liabilities and shareholders' equity	58 731	0.3

Results of the ORLEN Group for the I quarter of 2012
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CONSOLIDATED STATEMENT OF CASH FLOWS
for 3 months ended
31 March 2012 and 31 March 2011

Table 11

Q4 2011	Q1 2012	Q1 2011	change %	Item, PLNm	3 months 2012	3 months 2011	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
Cash flows- operating activities							
198	1 244	1 148	8.4	Net profit	1 244	1 148	8.4
				Adjustments for:			
0	1	-64	-	Share in profit from investments accounted for under equity method	1	-64	-
635	579	554	4.5	Depreciation and amortisation	579	554	4.5
180	-388	70	-	Foreign exchange loss/(gain)	-388	70	-
100	87	75	16.0	Interest net	87	75	16.0
-113	36	-23	-	Loss / (Profit) on investing activities	36	-23	-
-48	-662	-817	-19.0	Change in receivables	-662	-817	-19.0
-525	-1 778	-1 541	15.4	Change in inventories	-1 778	-1 541	15.4
-1 424	912	388	135.1	Change in liabilities	912	388	135.1
188	152	156	-2.6	Change in provisions	152	156	-2.6
388	288	227	26.9	Income tax expense	288	227	26.9
-117	-181	-60	201.7	Income tax (paid)	-181	-60	201.7
-146	-142	-155	-8.4	Other adjustments	-142	-155	-8.4
-684	148	-42	-	Net cash provided by/(used in) operating activities	148	-42	-
Cash flows - investing activities							
-675	-548	-871	-37.1	Acquisition of property, plant and equipment and intangible assets	-548	-871	-37.1
47	11	295	-96.3	Disposal of property, plant and equipment and intangible assets	11	295	-96.3
3 672	0	0	-	Disposal of shares	0	0	-
-14	-10	0	-	Acquisition of shares	-10	0	-
4	8	11	-27.3	Disposal of other securities	8	11	-27.3
-2	-17	-54	-68.5	Acquisition of other securities	-17	-54	-68.5
1	3	4	-25.0	Interest received	3	4	-25.0
-119	-3	8	-	Other	-3	8	-
2 913	-556	-607	-8.4	Net cash provided by/(used in) investing activities	-556	-607	-8.4
Cash flows - financing activities							
3 010	3 783	3 040	24.4	Proceeds from loans and borrowings	3 783	3 040	24.4
0	1 000	0	-	Debt securities issued	1 000	0	-
-2 185	-4 713	-2 459	91.7	Repayment of loans and borrowings	-4 713	-2 459	91.7
0	-750	0	-	Redemption of debt securities	-750	0	-
-151	-93	-98	-5.1	Interest paid	-93	-98	-5.1
-7	-7	-7	0.0	Payment of liabilities under finance lease agreements	-7	-7	0.0
-3	0	0	-	Dividends paid to non-controlling interest	0	0	-
-15	-2	-3	-33.3	Other	-2	-3	-33.3
649	-782	473	-	Net cash provided by/(used in) financing activities	-782	473	-
2 878	-1 190	-176	576.1	Net (decrease)/increase in cash and cash equivalents	-1 190	-176	576.1
2	-3	-7	-57.1	Effect of exchange rate changes on cash and cash equivalents	-3	-7	-57.1
2 529	5 409	2 821	91.7	Cash and cash equivalents, beginning of the period	5 409	2 821	91.7
5 409	4 216	2 638	59.8	Cash and cash equivalents, end of the period	4 216	2 638	59.8

Results of the ORLEN Group for the I quarter of 2012
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Operating data

PRODUCTION for 3 months ended 31 March 2012 and 31 March 2011

Table 12

Production ('000 tonnes)	Q1 2012	Q1 2011	change %	Q1 2012	share %	Q1 2012	share %	Q1 2012	share %		
1	2	3	4=(2-3)/3	5	6=5/total segment	7	8=7/total segment	9	10=9/total segment		
Refining Segment	ORLEN Group	ORLEN Group		PKN ORLEN S.A.		Unipetrol Group		ORLEN Lietuva			
Crude oil throughput	6 656	6 423	3.6	3 656	-	906	-	2 023	-		
Gasoline	1 345	1 423	-5.5	557	19.2	163	16.7	624	31.2		
Diesel oil	2 684	2 468	8.8	1 384	47.8	420	43.0	880	44.0		
Light heating oil	249	160	55.6	225	7.8	14	1.4	2	0.1		
A-1 jet fuel	137	121	13.2	76	2.6	12	1.2	49	2.4		
Heavy heating oil	804	786	2.3	368	12.7	25	2.6	383	19.1		
LPG	109	119	-8.4	48	1.7	33	3.4	46	2.3		
Bitumens	80	50	60.0	0	0.0	44	4.5	0	0.0		
Engine oils	71	60	18.3	0	0.0	25	2.6	0	0.0		
Other	205	256	-19.9	239	8.2	240	24.6	17	0.9		
Total products	5 684	5 443	4.4	2 897	-	976	-	2 001	-		
Petrochemical Segment	ORLEN Group	ORLEN Group		PKN ORLEN S.A.		Unipetrol Group		BOP		Anwil Group	
Polyethylene	121	123	-1.6	0	0.0	73	8.1	48	51.6	0	0.0
Polypropylene	104	106	-1.9	0	0.0	59	6.6	45	48.4	0	0.0
Ethylene	80	79	1.3	130	27.8	114	12.7	0	0.0	0	0.0
Propylene	60	51	17.6	90	19.3	70	7.8	0	0.0	0	0.0
Toluene	2	18	-88.9	3	0.6	0	0.0	0	0.0	0	0.0
Benzene	88	78	12.8	37	7.9	52	5.8	0	0.0	0	0.0
Acetone	7	7	0.0	7	1.5	0	0.0	0	0.0	0	0.0
Butadiene	33	31	6.5	16	3.4	17	1.9	0	0.0	0	0.0
Glycol	18	19	-5.3	18	3.9	0	0.0	0	0.0	0	0.0
Ethylene oxide	8	7	14.3	8	1.7	0	0.0	0	0.0	0	0.0
Phenol	12	10	20.0	12	2.6	0	0.0	0	0.0	0	0.0
PVC	88	93	-5.4	0	0.0	0	0.0	0	0.0	91	18.1
PVC granulate	13	14	-7.1	0	0.0	0	0.0	0	0.0	13	2.6
CANWIL	99	99	0.0	0	0.0	0	0.0	0	0.0	99	19.8
Ammonium nitrate	156	139	12.2	0	0.0	0	0.0	0	0.0	156	31.1
Ammonium sulphate	57	53	7.5	0	0.0	0	0.0	0	0.0	57	11.4
PTA	133	6	2117	133	28.5	0	0.0	0	0.0	0	0.0
Other	571	708	-19.4	13	2.8	512	57.1	0	0.0	85	17.0
Total products	1 650	1 641	0.5	467	-	897	-	93	-	501	-
Total output	7 334	7 084	3.5	3 364	-	1 873	-	93	-	501	-

Results of the ORLEN Group for the I quarter of 2012
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SALES
for 3 months ended
31 March 2012 and 31 March 2011

Table 13

Q4 2011	Q1 2012	Q1 2011	change %	Sales (‘000 tonnes)	3 months 2012	3 months 2011	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
Refining Segment							
1 181	1 027	1 115	-7.9	Gasoline	1 027	1 115	-7.9
2 287	2 025	1 988	1.9	Diesel oil	2 025	1 988	1.9
219	198	230	-13.9	Light heating oil	198	230	-13.9
204	158	125	26.4	Jet A-1 fuel	158	125	26.4
810	765	845	-9.5	Heavy heating oil	765	845	-9.5
145	139	110	26.4	LPG	139	110	26.4
321	56	55	1.8	Bitumens	56	55	1.8
49	42	31	35.5	Engine oils	42	31	35.5
776	701	718	-2.4	Other	701	718	-2.4
5 992	5 111	5 217	-2.0	Total products	5 111	5 217	-2.0
Retail Segment							
657	595	557	6.8	Gasoline	595	557	6.8
1 101	993	909	9.2	Diesel oil	993	909	9.2
86	77	70	10.0	LPG	77	70	10.0
78	67	64	4.7	Other	67	64	4.7
1 922	1 732	1 600	8.3	Total products	1 732	1 600	8.3
7 914	6 843	6 817	0.4	(Refining + Retail) Segment	6 843	6 817	0.4
Petrochemical Segment							
104	116	114	1.8	Polyethylene	116	114	1.8
86	102	100	2.0	Polypropylene	102	100	2.0
76	79	81	-2.5	Ethylene	79	81	-2.5
51	56	54	3.7	Propylene	56	54	3.7
2	2	16	-87.5	Toluene	2	16	-87.5
97	87	82	6.1	Benzene	87	82	6.1
5	1	0	-	Ortoxylyene	1	0	-
6	7	7	0.0	Acetone	7	7	0.0
33	34	31	9.7	Butadiene	34	31	9.7
19	18	20	-10.0	Glycol	18	20	-10.0
7	8	7	14.3	Ethylene oxide	8	7	14.3
10	12	10	20.0	Phenol	12	10	20.0
78	86	88	-2.3	PVC	86	88	-2.3
9	13	15	-13.3	PVC granulate	13	15	-13.3
63	97	116	-16.4	CANWIL	97	116	-16.4
128	158	145	9.0	Ammonium nitrate	158	145	9.0
58	64	42	52.4	Ammonium sulphate	64	42	52.4
113	141	1	14 000.0	PTA	141	1	14 000.0
294	300	324	-7.4	Other	300	324	-7.4
1 239	1 381	1 253	10.2	Total products	1 381	1 253	10.2
9 153	8 224	8 070	1.9	ORLEN Group - total	8 224	8 070	1.9