

Estimations of selected financial and operating data for ORLEN Capital Group for 2Q12
Regulatory announcement no 137/2012 dated 19 July 2012

Polski Koncern Naftowy ORLEN Spolka Akcyjna ("Company", "PKN ORLEN S.A.") hereby announces estimates of selected financial and operating data for ORLEN Capital Group ("PKN ORLEN") for 2Q12.

Table 1.

Macro environment	unit	2Q11	3Q11	4Q11	1Q12	2Q12	change q/q	change y/y	6M11	6M12	change 6M12 / 6M11
Average Brent crude oil price	USD/b	117,0	113,4	109,4	118,6	108,3	-9%	-7%	111,2	113,4	2%
URAL/Brent differential ¹	USD/b	2,9	0,7	0,3	1,3	2,1	62%	-28%	2,9	1,7	-41%
Model refining margin ²	USD/b	1,4	2,7	2,8	3,3	6,8	106%	386%	1,5	5,1	240%
Model petrochemical margin ³	EUR/t	795	663	609	618	772	25%	-3%	773	695	-10%
Average PLN/USD ⁴	PLN	2,75	2,94	3,28	3,23	3,32	3%	21%	2,82	3,28	16%
Average PLN/EUR ⁴	PLN	3,96	4,15	4,42	4,23	4,26	1%	8%	3,95	4,25	8%
PLN/USD (at the end of period) ⁴	PLN	2,75	3,26	3,42	3,12	3,39	9%	23%	2,75	3,39	23%
PLN/EUR (at the end of period) ⁴	PLN	3,99	4,41	4,42	4,16	4,26	2%	7%	3,99	4,26	7%

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 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.

Production	unit	2Q11	3Q11	4Q11	1Q12	2Q12	change q/q	change y/y	6M11	6M12	change 6M12 / 6M11
Total crude oil throughput in PKN ORLEN, including:	th t	6 765	7 418	7 179	6 655	6 362	-4%	-6%	13 188	13 017	-1%
Throughput in Plock	th t	3 480	3 953	3 814	3 656	3 836	5%	10%	6 781	7 492	10%
Utilisation ratio ⁵	%	85%	97%	94%	90%	94%	4 p.p.	9 p.p.	86%	92%	6 p.p.
Fuel yield ⁶	%	74%	75%	76%	78%	76%	-2 p.p.	2 p.p.	77%	77%	0 p.p.
Throughput in Unipetrol	th t	1 112	941	1 010	906	1 013	12%	-9%	1 991	1 919	-4%
Utilisation ratio ⁷	%	87%	74%	79%	71%	79%	8 p.p.	-8 p.p.	78%	75%	-3 p.p.
Fuel yield ⁶	%	76%	81%	77%	81%	79%	-2 p.p.	3 p.p.	77%	80%	3 p.p.
Throughput in ORLEN Lietuva	th t	2 123	2 435	2 283	2 023	1 454	-28%	-32%	4 289	3 477	-19%
Utilisation ratio ⁸	%	83%	96%	90%	79%	57%	-22 p.p.	-26 p.p.	84%	68%	-16 p.p.
Total crude oil throughput in PKN ORLEN, including:	th t	76%	75%	75%	76%	73%	-3 p.p.	-3 p.p.	75%	75%	0 p.p.

5) Throughput capacity for Plock refinery since 2Q11 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.

Sales	unit	2Q11	3Q11	4Q11	1Q12	2Q12	change q/q	change y/y	6M11	6M12	change 6M12 / 6M11
Total sales in PKN ORLEN including:	th t	8 597	9 626	9 153	8 224	8 149	-1%	-5%	16 667	16 373	-2%
Refining sales	th t	5 545	6 279	5 992	5 111	5 095	0%	-8%	10 762	10 206	-5%
Retail sales	th t	1 836	1 987	1 922	1 732	1 873	8%	2%	3 436	3 605	5%
Petrochemical sales	th t	1 216	1 360	1 239	1 381	1 181	-14%	-3%	2 469	2 562	4%

Macro environment

Changes in macroeconomic factors in 2Q12 (y/y):

- ▶ Model refining margin and URAL/Brent differential in total increased by 4,6 USD/bbl to 8,9 USD/bbl.
- ▶ Model petrochemical margin decreased by (-) 23 EUR/t to 772 EUR/t.
- ▶ Average PLN/USD appreciated by PLN 0,57 to the level of 3,32 PLN/USD.
- ▶ Average PLN/EUR appreciated by PLN 0,30 to the level of 4,26 PLN/EUR.

Changes in macroeconomic factors in 2Q12 (q/q):

- ▶ Model refining margin and URAL/Brent differential in total increased by 4,3 USD/bbl.
- ▶ Model petrochemical margin increased by 154 EUR/t.
- ▶ Average PLN/USD appreciated by PLN 0,09.
PLN/USD at the end of 2Q12 increased by PLN 0,27 and amounted to 3,39 PLN/USD.
- ▶ Average PLN/EUR appreciated by PLN 0,03.
PLN/EUR at the end of 2Q12 increased by PLN 0,10 and amounted to 4,26 PLN/EUR.

Operational parameters

Crude oil throughput in PKN ORLEN in 2Q12 decreased by (-) 6% (y/y) to the level of 6,4 mt due to cyclical maintenance shutdown of ORLEN Lietuva refinery.

- ▶ Plock refinery: increase of utilisation ratio by 9 pp (y/y) and increase of fuel yield by 2 pp (y/y) mainly due to lack of maintenance shutdown of H-Oil and Hydrogen Unit I and II that took place in 2Q11.
- ▶ Unipetrol: decrease of utilisation ratio by (-) 8 pp (y/y) and increase of fuel yield by 3 pp (y/y) mainly due to Paramo refinery shutdown since mid of May 2012 as a result of decreasing fuel consumption on Czech market and low throughput efficiency of this refinery.
- ▶ ORLEN Lietuva: decrease of utilisation ratio by (-) 26 pp (y/y) and decrease of fuel yield by (-) 3 pp (y/y) due to 5-week cyclical maintenance shutdown of refinery finished in the beginning of June 2012.

Further increase of retail sales while limited refining volumes due to curried maintenance shutdowns.

- ▶ Decrease of refining sales by (-) 8 % (y/y) due to cyclical maintenance shutdown in 2Q12 in ORLEN Lietuva.
- ▶ Increase of retail sales by 2% (y/y) as a result of growing volumes on Polish, German and Lithuanian markets.
- ▶ Decrease of petrochemical sales by (-) 3% (y/y) due to lower sales volumes of petrochemical products resulted mainly from market expectations regarding lower prices followed by slide in crude oil price, at higher sales of purified terephthalic acid PTA.

Financial parameters

- ▶ Positive total impact of changes in macroeconomic factors and sales volumes amounted to ca. PLN 0,5 bn (y/y).
- ▶ Lack of positive effects from one-off's that occurred in 2Q11 due to repurchase of I tranche of crude oil obligatory reserves and received by Anwil Group compensations and subsidies amounted to ca. PLN (-) 0,2 bn (y/y).
- ▶ Positive impact of other operating elements amounted to ca. PLN 0,1 bn (y/y).

As a result, estimated operating result acc. LIFO will be higher by ca. PLN 0,4 bn (y/y).

Due to falling crude oil prices, estimated LIFO effect decreasing operating result will amount to ca. PLN (-) 0,9 bn in 2Q12.

As a result, estimated operating profit in 2Q12 will amount to ca. PLN 0,4 bn.

Negative net effect from debt revaluation in 2Q12 amounted to ca. PLN (-) 0,5 bn, of which ca. PLN (-) 0,4 bn refers to USD denominated debt connected with ORLEN Lietuva investment and foreign units debts that will be booked in equity. Remaining part in the amount of ca. PLN (-) 0,1 bn was booked in profit and loss account.

Net financial expenses from revaluation of other positions in foreign currencies, settlement of hedging instruments and net interests costs amounted to ca. PLN (-) 0,2 bn.

Tax value revaluation of non-cash ORLEN Lietuva assets due to LTL/USD exchange rate changes and tax losses for which no tax assets were recognized in Unipetrol Group will cause an increase in tax liabilities in 2Q12 to the amount of over (-) 0,1 bn PLN.

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

Additionally, in accordance with IAS 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 26 July 2012 in PKN ORLEN consolidated financial statements for the second quarter and the first half of 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.