



# **Consolidated financial results of PKN ORLEN S.A. Effect of Unipetrol consolidation Q2'2005 (IFRS)<sup>1</sup>**

***Paweł Szymański, CFO***  
*September 29th 2005*

1) Consolidation of Unipetrol results for operating period as of June. Purchase of Unipetrol was closed as of 24th May

# Agenda

---

## **Transaction summary of Unipetrol**

**Summary of financial results and macroeconomic environment**

**Financial results Q2'05**

**Supporting slides**



## Unipetrol transaction<sup>1</sup> presented in the condensed consolidated financial statement of PKN ORLEN for Q2'05, September 29<sup>th</sup>, 2005.

### September 29, 2005 – consolidated financial statement of PKN ORLEN

- Unipetrol Group is fully consolidated starting from the acquisition closing<sup>1</sup>.
- Unipetrol results are consolidated in PKN ORLEN's financial statements Q2'05 and 1H'05, dated September 29<sup>th</sup>, 2005; for the period from June 2005.
- Due to the large number of acquired assets and liabilities PKN ORLEN is currently still engaged in the process of their valuation to determine fair value. PKN ORLEN has recognised the preliminary impact of the valuation of the acquired net property, plant and equipment (see slide 4)<sup>2</sup>.
- The net asset value of Unipetrol attributed to PKN ORLEN has a preliminary estimate of PLN 3 811 m.
- The price adjustment mechanism is in its final stage (see slide 4)<sup>3</sup>.

### August 16<sup>th</sup>, 2005 – condensed preliminary consolidated financial statement

- Results of the acquisition of 62.99% Unipetrol shares were reflected in preliminary condensed financial statement as of August 16<sup>th</sup>, 2005 financial assets line for the initial purchase price equal to PLN 1.6 bln.
- The financial statement covered the preliminary results for the PKN ORLEN group. The financial data presented in the report did not cover the effect of Unipetrol Group consolidation.

1) On May 24, 2005, PKN ORLEN acquired 62.99% of UNIPETROL for CZK 11.3 bn (PLN 1 562 m as of 23.05.2005), 9.76% shares in SPOLANA at CZK 1.0 m (PLN app. 0.13 m as of 23.05.2005) and debt of UNIPETROL Group entities (Aliachem, Benzina, Paramo, Spolana), at a nominal value of CZK 3 564.3 m for CZK 1 745.1 m as of April 01, 2004 (app. PLN 0.23 m as of 23.05.2005)

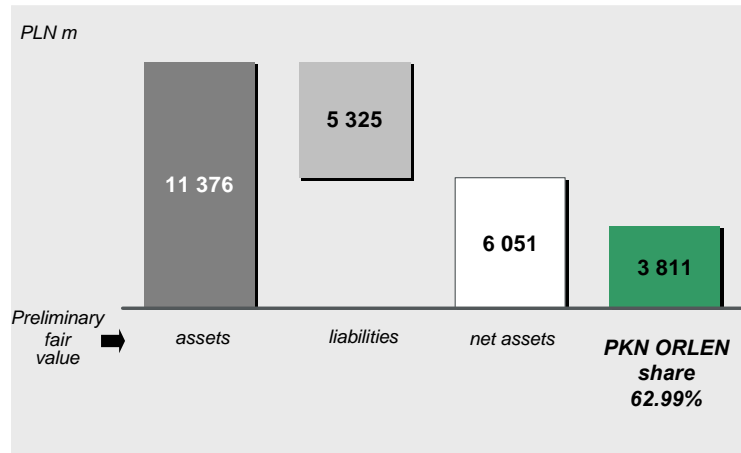
2) PKN ORLEN recognized a preliminary effect of the valuation of the acquired net property, plant and equipment except for the assets of Česka Rafinerska. The lack of Česka Rafinerska valuation resulted from the limitation of access to the relevant data since, according to the Česka Rafinerska's Company Act, financial data may only be made available to shareholders upon a resolution of General Shareholder's Meeting. PKN Orlen was granted limited access to the relevant data which prevented conducting the valuation process according to the schedule set afore.

3) Current estimates of the initial purchase prices presented in the presentation may be different from the final one (5-15% up vs. 5-25% down)

# Unipetrol transaction<sup>1</sup> presented in the condensed consolidated financial statement of PKN ORLEN for Q2'05, September 29<sup>th</sup>, 2005.

Preliminary results of the acquisition of 62.99% of Unipetrol, reflected in PKN ORLEN financials after Q2'05 <sup>2</sup>

**Preliminary estimate of fair value of the purchased assets and liabilities of Unipetrol and PKN ORLEN's share.**



Financial item	PLN m
Purchase price*	1,585
Price adjustment according the formula	221
PKN ORLEN share in net assets value of Unipetrol	3,811
Difference between PKN ORLEN share in consolidated net assets value and purchase price**	2,005

\*Increased by purchasing costs (among others consulting services) PLN 23 m

\*\*Preliminary value presented as other operational incomes in PKN ORLEN

- The preliminary value of the acquired assets and liabilities of Unipetrol, purchase price as well as difference between PKN ORLEN's share in consolidated net assets value and purchase price may differ from that given after their final determination.
- The final transaction closing is expected to be accomplished by the end of 2005.

1) On May 24, 2005, PKN ORLEN acquired 62.99% of UNIPETROL for CZK 11.3 bn (PLN 1 562 m as of 23.05.2005), 9.76% shares in SPOLANA at CZK 1.0 m (PLN app. 0.13 m as of 23.05.2005) and debt of UNIPETROL Group entities (Aliachem, Benzina, Paramo, Spolana), at the nominal value of CZK 3 564.3 m for CZK 1 745.1 m as of April 01, 2004 (PLN app. 0.23 m as of 23.05.2005).

2) PKN ORLEN recognized a preliminary effect of the valuation of the acquired net property, plant and equipment except for the assets of Česka Rafinerska. The lack of Česka Rafinerska valuation resulted from the limitation of access to the relevant data since, according to the Česka Rafinerska's Company Act, financial data may only be made available to shareholders upon a resolution of General Shareholder's Meeting. PKN Orlen was granted with a limited access to the relevant data which disabled conducting of valuation process according to the schedule set afore. Current estimates of the initial purchase prices presented in the presentation may be different from the final one (5-15% up vs. 5-25% down). After completion of all processes the final calculation of Difference between PKN ORLEN share in consolidated net assets value and purchase price may materially differ in comparison to the presented above. The costs of purchasing of Unipetrol covered also consulting services – PLN 23 m.

# Agenda

---

**Transaction summary of Unipetrol**

**Summary of financial results and macroeconomic environment**

**Financial results Q2'05**

**Supporting slides**



# Financial results Q2'2005

PKN ORLEN Group

## Key financial data Q2'2005

- **ROACE<sup>1,2</sup>** **50.7%**  
**ROACE<sup>2</sup>** *(excl. negative goodwill)* **13.2%**
- **EBITDA<sup>2</sup>** **3 038 mln PLN**  
**EBITDA<sup>2</sup>** *(excl. negative goodwill)* **1 033 mln PLN**
- **Net profit<sup>2</sup>** **2 718 mln PLN**  
**Net profit<sup>2</sup>** *(excl. negative goodwill)* **713 mln PLN**
- **Operating cash flow** **1 084 mln PLN**
- **Gearing<sup>3</sup>** **18%**

1) ROACE = operating profit after tax / average capital employed (equity + net debt)

2) 2Q'2005 results of PKN ORLEN Group, with the contribution of Unipetrol results as of June 2005 period. Consolidation of Unipetrol assets is affected by one-off result on negative goodwill at a level of PLN 2, 005 m.

In Q2'05 was created also a provision covering, among other items, the business risk which includes a provision to cover possible negative financial effects associated with agreements concerning the sale of some Unipetrol assets

3) Gearing = net debt / equity

## Key operating data Q2'2005

- **Wholesale volume sales<sup>4</sup>** **+ 22.9%**  
Q2'05/Q2'04
- **Retail volume sales<sup>5</sup>** **+ 3.1%**  
Q2'05/Q2'04
- **Utilization ratio<sup>6</sup>** **87.5%**

4) Refers to PKN ORLEN Group sales (gasoline, diesel, Jet, LHO)

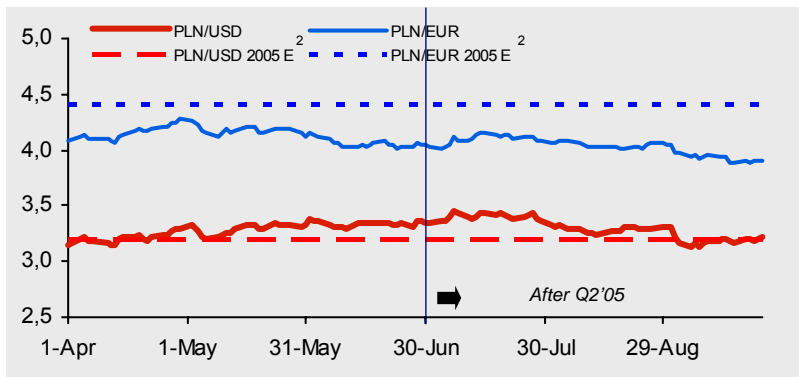
5) Refers to PKN ORLEN Group retail sales (gasoline, diesel, LPG)

6) Based on deep processing capacity of PKN ORLEN 13.5 m tonnes/year. The influence of planned turnaround for upgrading of Olefins II petrochemical unit as well as maintenance turnaround of HOG (Heavy vacuum residue desulphurisation) during Q2'05 at PKN ORLEN amounted to app. PLN -140 m (influence on the operating result of PKN ORLEN in Q2'05)

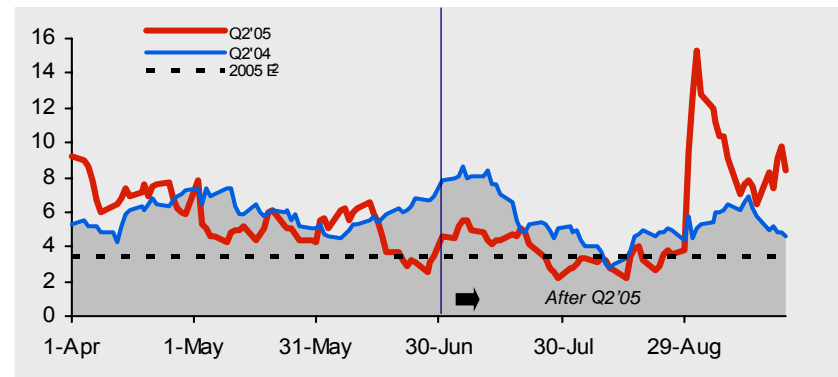
# Macroeconomic environment

## April 01, up to September 23, 2005

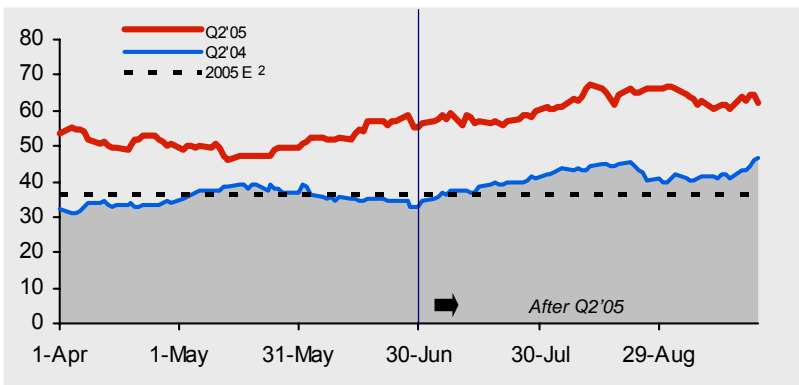
### Exchange rate average<sup>1</sup>



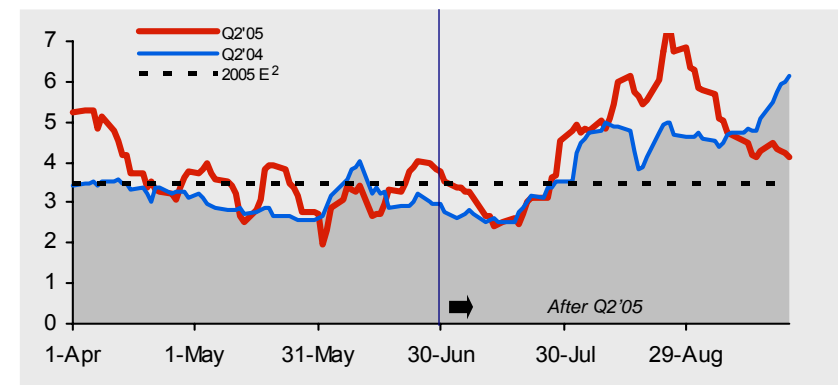
### Refinery margin \$5.6/b average 01.04.05 – 23.09.05 Decrease of 3% y-o-y



### Brent \$56.43/b average 01.04.05 – 23.09.05 Increase of 48% y-o-y



### Brent/Ural differential \$4.05/b average 01.04.05 – 23.09.05; Increase of 13% y-o-y



1) Source: NBP(Polish National Bank)

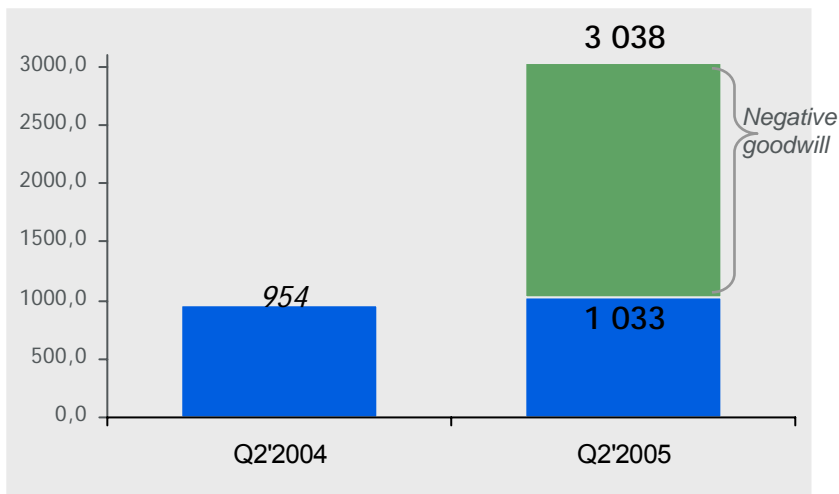
2) Assumption PKN ORLEN, Strategy

3) Calculated as: Products (88.36%) vs. Brent Dtd (100%). Products contain Premium Unl (25.21%), EN590 (23.20%), Naphtha (16.51%), LHO (15.31%), HSFO (5.44%) and Jet (2.69%) (source: CIF NWE quotations, except HSFO FOB ARA)

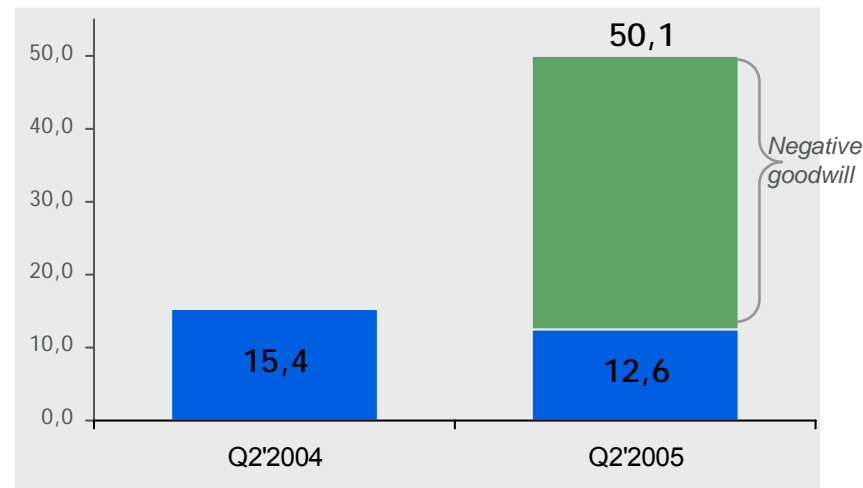
# EBITDA and ROACE Q2'05 vs. Q2'04<sup>1,2</sup>

Visible one-off effect due to negative goodwill

## EBITDA (m PLN) (in comparable market environment)<sup>1</sup>



## ROACE (%) (in comparable market environment)<sup>1</sup>



## Financial assumptions for 2005 - delivery on track

### Item

- EBITDA
- Personnel cost
- CAPEX

### Delivery after 2Q'2005

- Increase by 5.3% excluding negative goodwill
- Below the level of 2004<sup>3</sup>
- 520 m PLN

1) Q2'05 and Q2'04 calculated on the same market conditions – average 2004:

crude oil Brent \$38.3/b, Brent/Ural differential \$4.1/b, refinery margin \$5.6/b, PLN/EUR 4.52; PLN/USD 3.65;

2) 2Q'2005 results of PKN ORLEN Group, with contribution of Unipetrol results as of June 2005 period. Consolidation of Unipetrol assets is affected by one-off result on negative goodwill at a level of 2 005 m PLN. In Q2'05 was created also provision covering, among other items, the business risk which includes provision to cover possible negative financial effects associated to agreements concerning sale of some Unipetrol assets.

3) Refers to PKN ORLEN. ;



# Agenda

---

**Transaction summary of Unipetrol**

**Summary of financial results and macroeconomic environment**

**Financial results Q2'05**

**Supporting slides**



# Revenues by segment

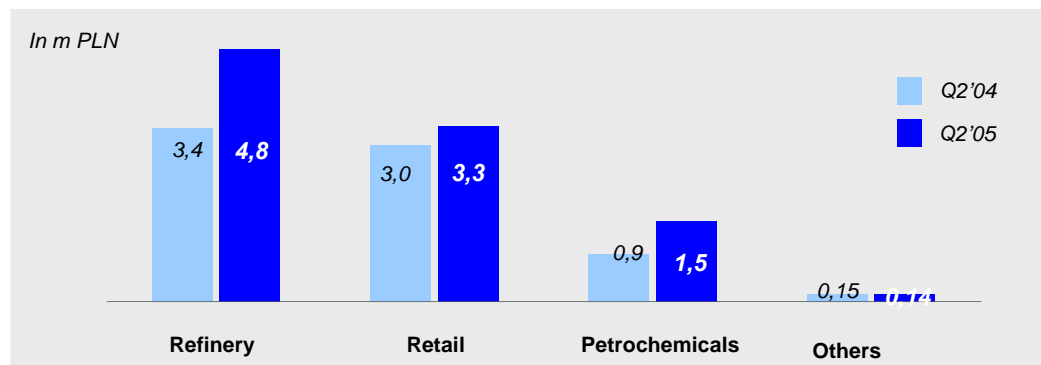
Doubling of petrochemical revenues due to Unipetrol consolidation

IFRS basis, PLN m	Q2' 04	Q2'05 excl. Unipetrol	VI.'05 Unipetrol <sup>1</sup>	Q2'05	y/y
<b>Revenue total</b> of which	7 473	8 400	1 607	9 955	33%
<b>Refining<sup>2)</sup></b>	3 362	4 244	692	4 884	45%
Poland	2 880	3 730		3 730	
Germany (without excise tax)	197	260		260	
<i>excise tax (Germany)</i>	285	254		254	
<b>Retail</b>	3 029	3 247	135	3 382	12%
Poland	1 271	1 515		1 515	
Germany (without excise tax)	710	772		772	
<i>excise tax (Germany)</i>	1 049	960		960	
<b>Petrochemicals</b>	936	771	774	1 545	65%
<b>Others</b>	145	137	7	144	5%

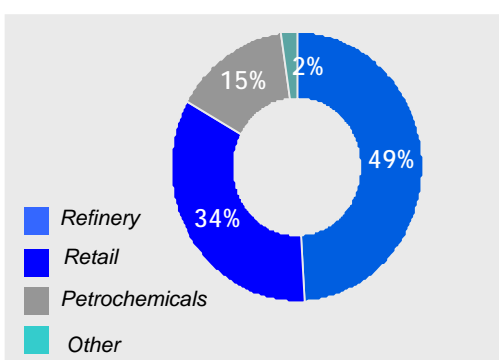
## Comment

- Excluding internal flows between Unipetrol and PKN ORLEN, we have recorded a revenue increase of over PKN 1.5 bn due to consolidation of Unipetrol
- Effect of revenue consolidation of Benzina and Paramo subsidiaries
- Effect of revenue consolidation of Chemopetrol, Kauczuk , Spolana, Unipetrol Trade subsidiaries

## Comparison of revenues by segment Q2'05 vs. Q2'04



## Segment revenue structure Q2' 05



1) Refers only to Unipetrol Group as for period June 2005  
2) Production, wholesale and logistic

# Expenses

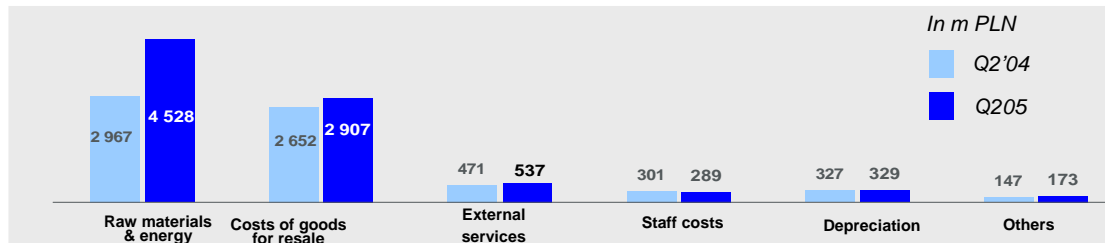
Operating costs grew by less than revenues

IFRS basis, PLN m	Q2'04	Q2'05 excl. Unipetrol	VI'05 Unipetrol	Q2'05	y/y
Raw materials and energy	2 967	3 600	980	4 528	52,6%
Costs of goods for resale	2 652	2 530	377	2 907	9,6%
External services	471	451	86	537	14,0%
Staff costs	301	249	40	289	-3,8%
Depreciation and amortisation	327	280	49	329	0,7%
Taxes and charges	41	67	2	69	68,2%
Others	106	98	6	104	-1,9%
<b>Total</b>	<b>6 864</b>	<b>7 275</b>	<b>1 540</b>	<b>8 763</b>	<b>27,7%</b>
Variable costs	5 742	6 319	1 338	7 611	32,6%
Fixed costs	1 122	956	202	1 152	2,6%
Other operating costs	260	487	16	503	93,5%
Change in inventories	-169	81	-3	78	-146,2%
<b>Total operating costs</b>	<b>6 955</b>	<b>7 843</b>	<b>1 553</b>	<b>9 344</b>	<b>34,4%</b>

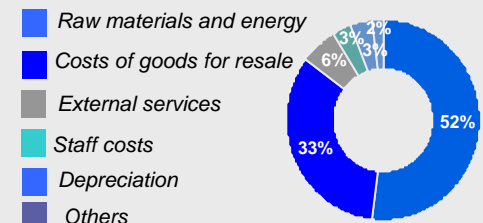
## Comment

- Increase of raw materials and energy by 52.6% as a result of crude oil price increase and increase in volume of crude oil processed by 1.7% in PKN ORLEN and additional volume processed at a level of 366 th. ton due to Unipetrol consolidation
- Higher increase in revenues at a level of 33% than increase of operating costs at a level of 27.7%
- High level of other operating costs as a result of provision to cover possible business risk

## Comparison of operating cost structure Q2'05 vs. Q2'04



## Structure of operating costs Q2 '05



1) Refers only to Unipetrol Group as for period June 2005

# Operating profit by segment

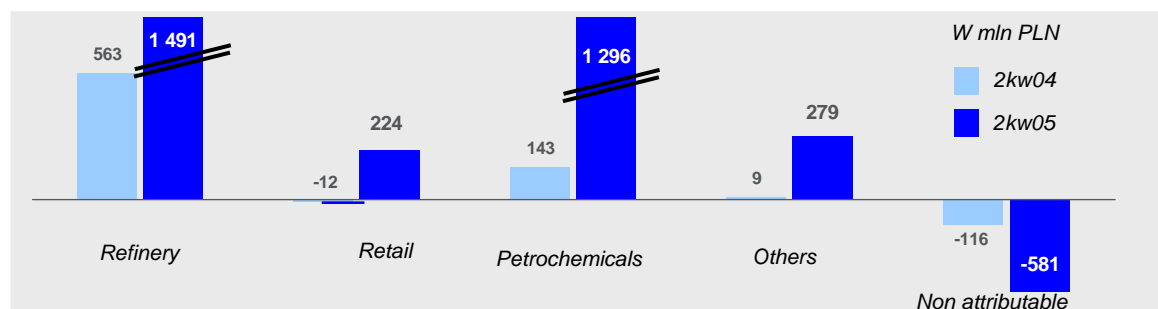
Visible improvement in results across all core business segments

IFRS basis, PLN m	Q2'04	Q2'05 excl. Unipetrol	VI'05 Unipetrol	Q2'05
<b>Operating profit</b>	587	640	64	2 709
<i>of which:</i>				
<b>Refining<sup>1</sup></b>	563	778	50	1 491
<b>Retail</b>	-12	62	1	224
<b>Petrochemicals</b>	143	205	14	1 296
<b>Others<sup>2</sup></b>	9	7	-2	279
<b>Non attributable<sup>3</sup></b>	-116	-412	0	-581

## Comment

- The operating profit was strongly affected by negative goodwill. Total effect was PLN 2 005 m
- Significant increase of operating profit also as a result of margin optimization, cost cutting activities and a favourable macro-environment for fuels and petrochemicals
- In Q2'05 was created also a provision covering, among other items, business risk which includes provision to cover possible negative financial effects associated with agreements concerning the sale of some Unipetrol assets

## Comparison of operating profit structure Q2'05 vs. Q2' 04



1) Refers to Unipetrol Group for the period June'05

2) Production, Wholesale and Logistics

2) Departments responsible for energy media and social activity and services subsidiaries of PKN ORLEN

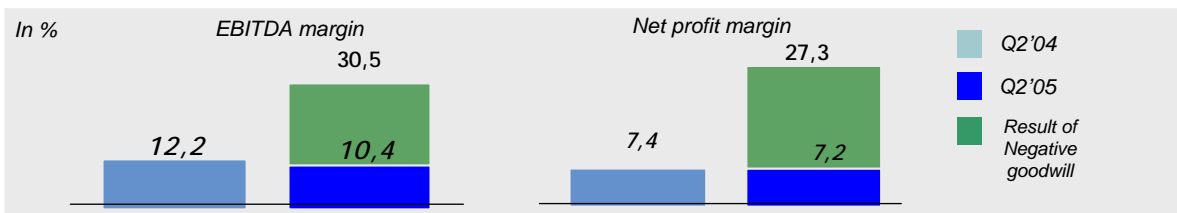
3) Includes corporate centre of PKN and subsidiaries not mentioned in previous segments

# Profit and loss account

Effect of Unipetrol consolidation as of VI'05

IFRS, PLN m	Q2'04	Q2'05 excl. Unipetrol	VI'05 Unipetrol <sup>1</sup>	Q2'05	y/y
<b>Revenues</b>	7 473	8 400	1 607	9 955	33,2%
Cost of sales	-5 940	-6 617	-1 505	-8 071	35,9%
Distribution costs	-519	-537	-10	-547	5,4%
Administrative expenses	-236	-202	-22	-224	-5,2%
Others <sup>2</sup>	-191	-404	-6	1 596	-935,6%
<b>Operating profit</b>	587	640	64	2 709	361,9%
<b>Financial income</b>	141	395	13	406	187,9%
<b>Financial expenses</b>	-40	-160	-20	-177	342,5%
<b>Profit before tax&amp;minor. int.</b>	693	913	56	2 974	329,1%
<b>Tax</b>	-136	-219	-33	-253	86,0%
<b>Net profit</b>	551	698	23	2 718	393,3%

## Comparison of EBITDA margin and net margin Q2'05 vs. Q2'04

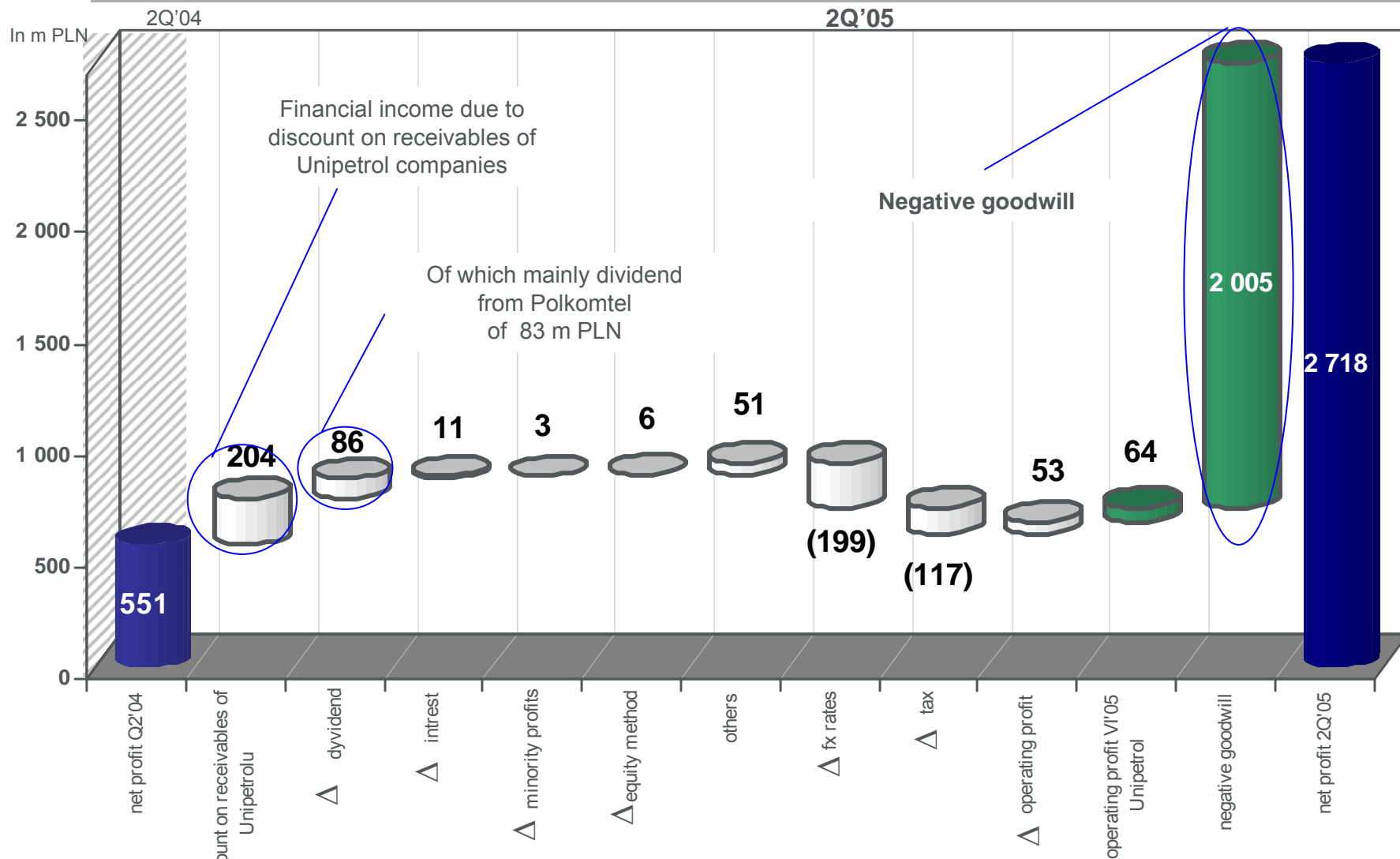


## Comment

- Contribution of June Unipetrol results visible in profit and loss account
- Operating profit strongly affected by one-off item: negative goodwill at a level of PLN 2 005 m attributed to other operating costs
- Relatively high financial cost as a result of long term liabilities

1) Refers to Unipetrol Group for the period June'05  
 2) Other operating income and costs. Q2'05 results are also affected by provision covering, among other items, the business risk which includes provision to cover possible negative financial effects associated to agreements concerning sale of some Unipetrol assets

# Operating profit increase<sup>1)</sup> strongly affected by one-off items



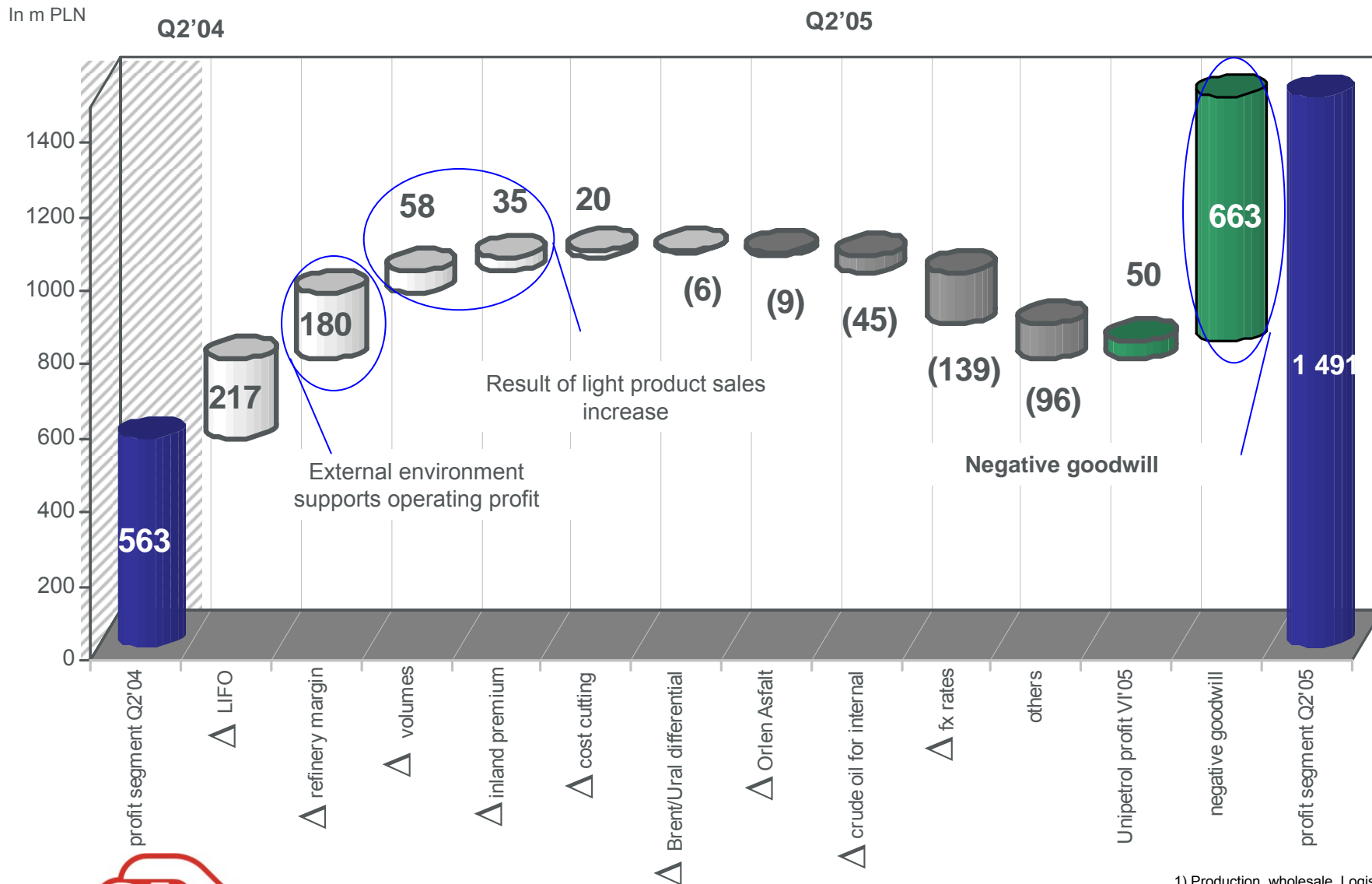
1) 2Q'2005 results of PKN ORLEN Group, with contribution of Unipetrol results as of June 2005 period. Consolidation of Unipetrol assets is affected by one-off result on negative goodwill at a level of PLN 2 005 m. In Q2'05 was created also provision covering, among other items, the business risk which includes provision to cover possible negative financial effects associated to agreements concerning sale of some Unipetrol assets



**ORLEN**

# Refining segment<sup>1)</sup>

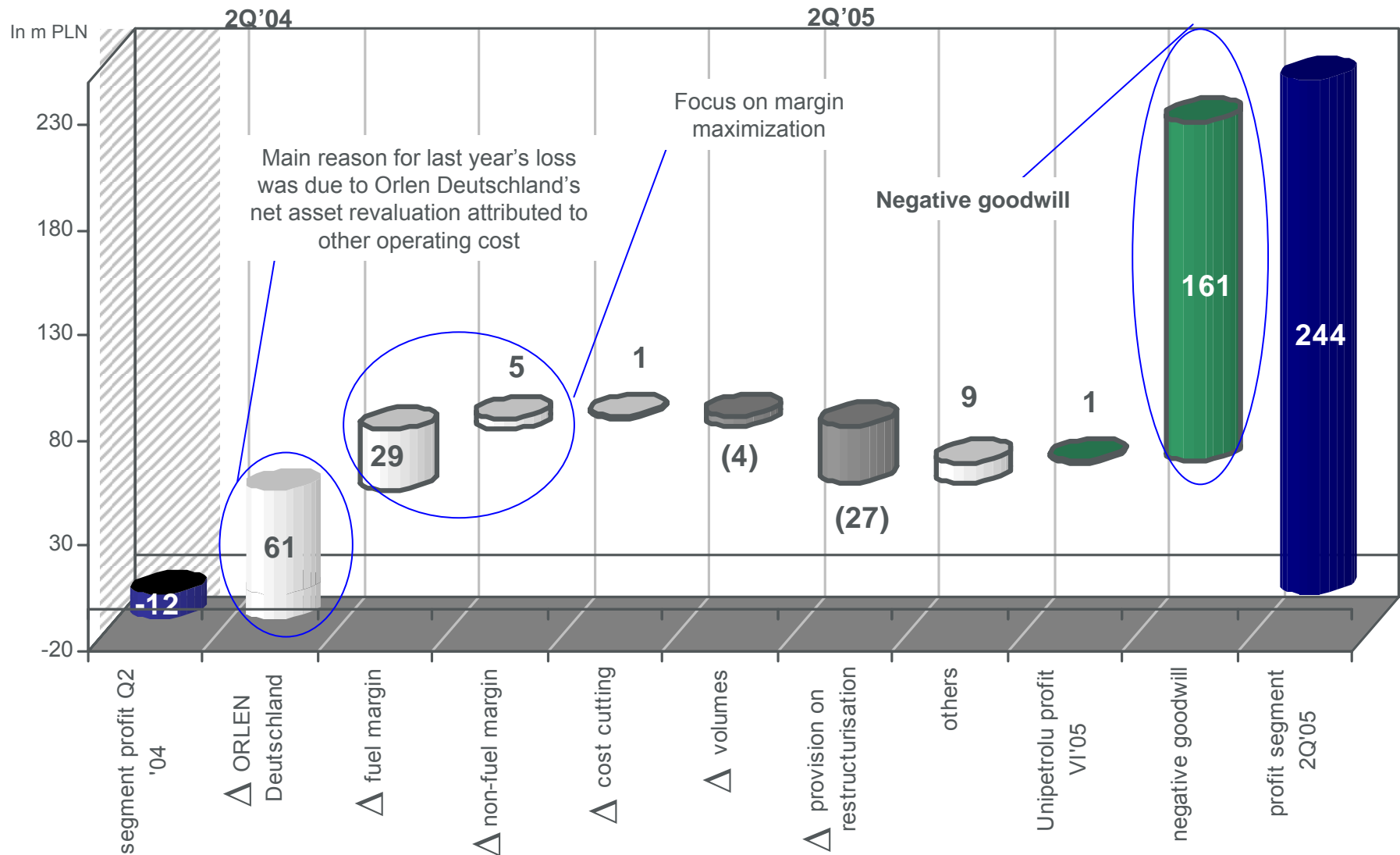
Increase in operating efficiency and exploitation of favourable macroeconomic conditions



1) Production, wholesale, Logistics

# Retail segment

Improvement due to efficiency programme and lower provisions

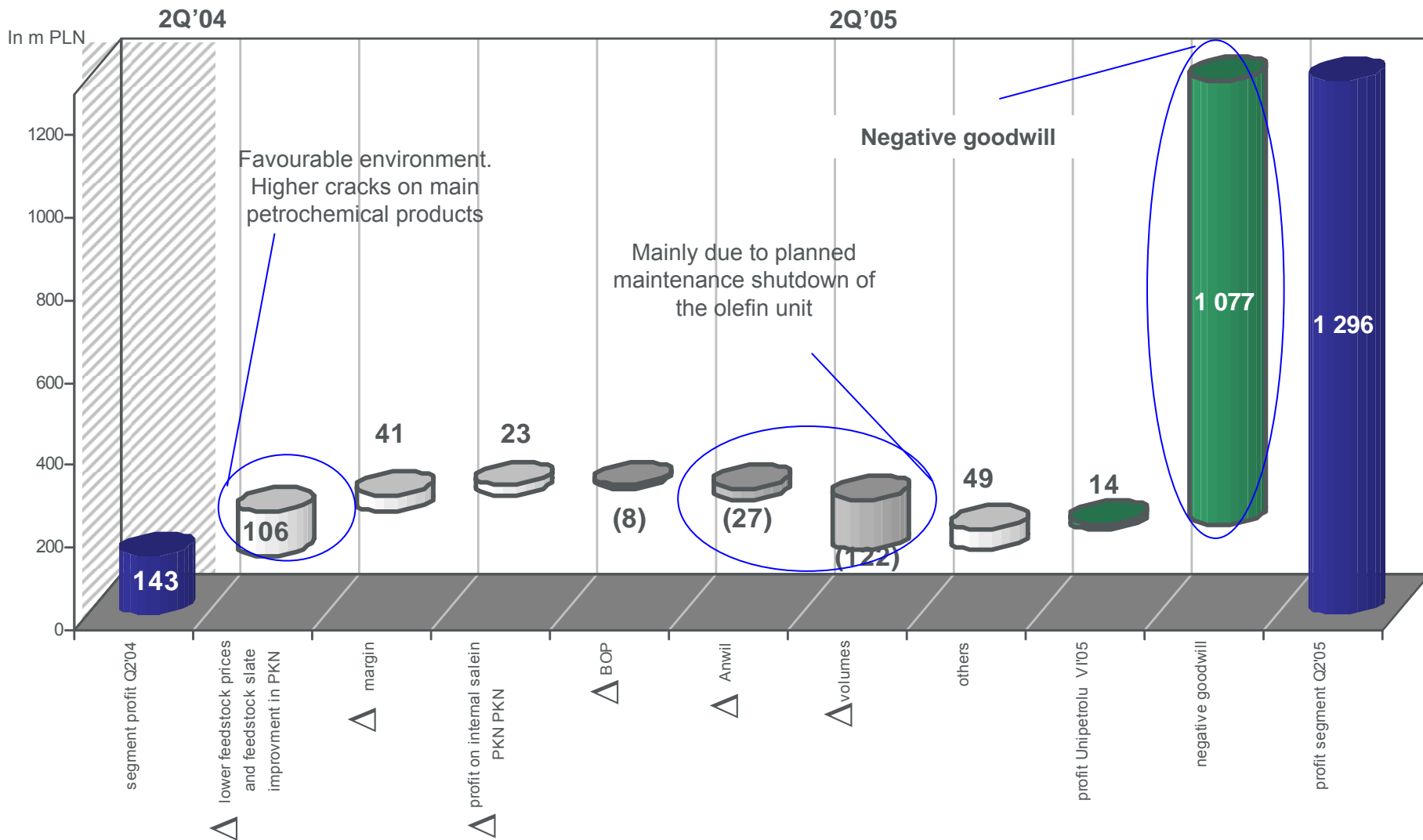


**ORLEN**



# Petrochemical segment

Profit increase despite planned stoppage of olefin unit (modernization)



# Legal disclaimer

This presentation of the consolidated financial and operating results ("Presentation") has been prepared by PKN ORLEN ("the Company"). Neither the Presentation nor any copy hereof may be copied, distributed or delivered directly or indirectly to any person for any purpose without the Company's knowledge and consent. The copying, distribution or delivery of this Presentation to any person in other jurisdictions may be subject to legal restrictions, and the persons who may receive this Presentation should familiarise themselves with any such restrictions and abide by them. Failure to observe such restrictions may be deemed infringement of applicable laws.

This Presentation contains neither a complete nor a comprehensive financial or commercial analysis of the Company. Nor does it present the Company's position or prospects in a complete or comprehensive manner. The Company's and its Group's operations and financial standing are described in current and interim reports. This Presentation, as well as the attached slides and descriptions thereof may contain forward-looking statements. However, such statements must not be understood as the Company's assurances or projections concerning future expected results of the Company or companies of the ORLEN Group. The Company is delivering financial description of the Group prepared based on the information available and the best of the Management Board's knowledge, with the proviso that it was not feasible to deliver complete information on the consolidated financial statements with the elements of non-consolidated financial statements for the second quarter of 2005 on initially required date, that is by August 16th, 2005, because the process of valuation of the acquired assets of Unipetrol Holding a.s. ("Unipetrol") is time-consuming and complex. For this reason we moved the publication of PKN ORLEN's consolidated financial statement for Q2 2005 from 16th August 2005 to 29th September 2005. PKN ORLEN has received appropriate approval for the change of date from Polish Securities Exchange Commission. The Group recognised a preliminary effect of the valuation of the acquired net property, plant and equipment except for the assets of Česka Rafinerska. The lack of Česka Rafinerska valuation resulted from the limitation of access to the relevant data since, according to the Česka Rafinerska's Company Act, financial data may only be made available to shareholders upon a resolution of General Shareholder's Meeting. PKN Orlen was granted with a limited access to the relevant data which disabled conducting of valuation process according to the schedule set aforesaid.

It should be also noted that forward-looking statements, including statements relating to expectations regarding the financial results which the Company presents in this and other presentations, give no guarantee or assurance that such results will be achieved. The Management Board's expectations are based on present knowledge or views of the Company's Management Board and are dependent on a number of factors, which may cause that the actual results may differ materially from those discussed in the document. Many such factors are beyond the present knowledge or control of the Company, or cannot be predicted by it.

No warranties or representations can be made as to the comprehensiveness or reliability of the information contained in this Presentation. Neither the Company, nor its Shareholders, subsidiary undertakings, advisers or representatives of such persons shall have no liability that might arise in connection with any use of this Presentation. Furthermore, no information contained herein constitutes an obligation or representation of the Company, its Shareholders, subsidiary undertakings, advisers or representatives of such persons.

This Presentation was prepared for information purposes only and is neither a purchase or sale offer, nor a solicitation of an offer to purchase or sell any securities or financial instruments or an invitation to participate in any commercial venture. This Presentation is neither an offer nor an invitation to purchase or subscribe for any securities in any jurisdiction and no statements contained herein may serve as a basis for any agreement, commitment or investment decision, or may be relied upon in connection with any agreement, commitment or investment decision.

# Contact

---



For more information please contact our

**IR Office:**

phone: + 48 24 365 33 90  
fax: + 48 24 365 56 88  
e-mail: [ir@ORLEN.pl](mailto:ir@ORLEN.pl)

**Press Office:**

phone: + 48 24 365 41 50  
+ 48 22 695 34 57  
fax: + 48 22 695 35 27  
e-mail: [media@ORLEN.pl](mailto:media@ORLEN.pl)

[www.orklen.pl](http://www.orklen.pl)

# Agenda

---

**Transaction summary of Unipetrol**

**Summary of financial results and macroeconomic environment**

**Financial results Q2'05**

## **Supporting slides**

- **Capex in Q2'2005**
- **Selected financial data of Unipetrol Group**
- **Polyolefin production development in BOP**
- **Petrochemical market – summary of the environment**

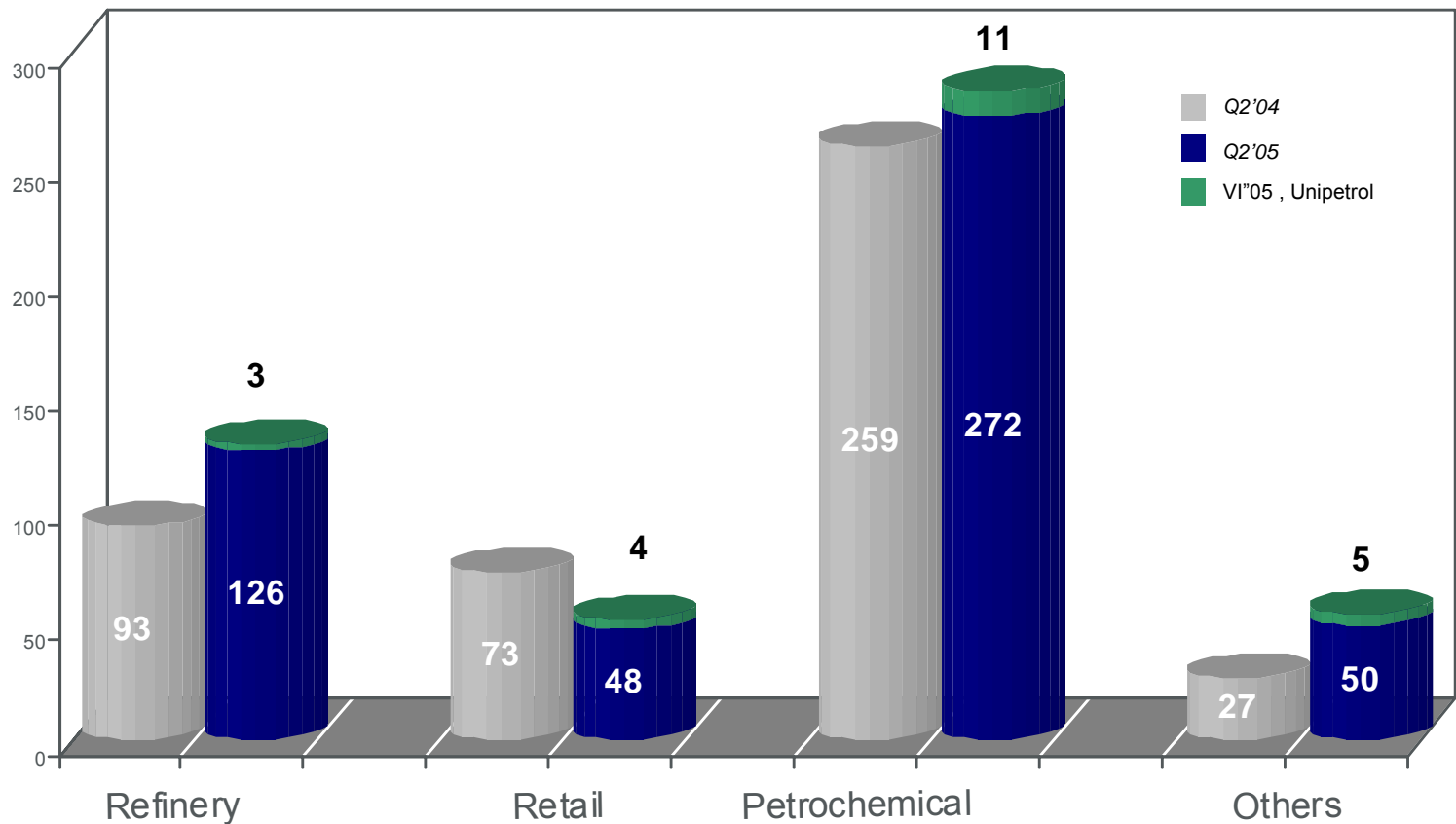


# Investments in 2Q'05

Focus on petrochemical activity

## Capex in 2Q'2005 and Unipetrol investment as of June 2005

In m PLN



# Selected financial data of Unipetrol Group

## Consolidated financial results 2003-2005 (IFRS)<sup>1</sup>

Selected financial data; in th. CZK	I-VI'03	VI-XII'03	2003	I-VI'04	VI-XII'2004	2004	I-VI'05
<b>Total assets</b>	69 025 339	70 518 835	<b>70 518 835</b>	71 534 101	71 894 387	<b>71 894 387</b>	78 318 284
<b>Equity</b>	28 490 687	27 709 210	<b>27 709 210</b>	28 915 035	32 670 542	<b>32 670 542</b>	37 289 760
<b>in th. CZK</b>							
<b>Revenues</b>	32 033 547	37 083 763	<b>69 117 310</b>	34 100 460	52 150 549	<b>86 251 009</b>	49 291 380
<b>Costs of sales</b>	28 687 406	35 714 715	<b>64 402 121</b>	29 554 655	46 917 653	<b>76 472 308</b>	44 376 640
<b>Distribution and GA costs</b>	2 210 417	1 976 274	<b>4 186 691</b>	2 415 833	1 164 047	<b>3 579 880</b>	2 016 921
<b>Profit/loss on sales*</b>	1 135 724	-607 226	<b>528 498</b>	2 129 972	4 068 849	<b>6 198 821</b>	2 897 819
<b>Other revenue and costs**</b>	-210 077	-600 428	<b>-579 351</b>	-34 637	-502 851	<b>-537 488</b>	-54 665
<b>Operating profit/loss</b>	1 057 538	-910 631	<b>146 907</b>	2 193 042	3 685 269	<b>5 878 311</b>	2 823 903
<b>Net profit/loss</b>	495 468	-574 113	<b>-78 645</b>	1 202 570	2 492 854	<b>3 695 424</b>	1 759 607

\* Without considering amortization (goodwill) / negative goodwill

\*\* Net value (other operating income – other operating expenses)

1) H2'2003 and H2'2004 in presented table are the result of FY result less H1 result.

# Summary subsidiary results of Unipetrol Group

Financial data from the period of 2003-2005\*

In th. CZK		I-VI'03	VI-XII'03	2003	I-VI'04	VI-XII'2004	2004	I-VI'05
Chemopetrol a.s.	Revenues	10 257 465	8 113 334	<b>18 370 799</b>	12 537 040	14 934 326	<b>27 471 366</b>	14 638 723
	EBITDA	1 248 554	487 001	<b>1 735 555</b>	1 930 750	2 416 984	<b>4 347 734</b>	2 744 905
	Profit/loss net	193 759	- 68 911	<b>124 848</b>	398 690	1 299 141	<b>1 697 831</b>	1 573 213
Benzina a.s.	Revenues	7 002 380	10 646 987	<b>17 649 367</b>	9 137 777	11 379 000	<b>20 516 777</b>	5 184 204
	EBITDA	315 656	289 165	<b>604 821</b>	164 585	815 363	<b>979 948</b>	99 748
	Profit/loss net	-120 446	-152 991	<b>-273 437</b>	- 261 704	264 067	<b>2 363</b>	-277 731
Česká Rafinerská a.s.	Revenues	20 933 206	7 584 286	<b>28 517 492</b>	3 878 608	4 288 525	<b>8 167 133</b>	4 211 352
	EBITDA	777 468	856 164	<b>1 633 632</b>	844 672	424 284	<b>1 268 956</b>	814 089
	Profit/loss net	358 449	-26 595	<b>331 854</b>	151 059	-132 818	<b>18 241</b>	143 806
Kaucuk a.s.	Revenues	4 168 557	3 458 750	<b>7 627 307</b>	4 857 219	5 345 710	<b>10 202 929</b>	5 551 108
	EBITDA	518 752	320 458	<b>839 210</b>	471 801	700 229	<b>1 172 030</b>	448 944
	Profit/loss net	125 326	3 424	<b>128 750</b>	117 583	151 878	<b>269 461</b>	142 872
Paramo a.s. *H1'03 sum of results of PARAMO i KORAMO	Revenues	2 503 447	3 661 052	<b>6 264 499</b>	3 570 157	5 061 184	<b>8 631 341</b>	4 426 171
	EBITDA	105 038	36 489	<b>141 527</b>	269 595	437 412	<b>707 007</b>	100 570
	Profit/loss net	-22 488	-120 101	<b>-142 349</b>	100 358	43 718	<b>144 076</b>	-62 352
Spolana a.s.	Revenues	2 659 147	2 038 959	<b>4 698 106</b>	2 465 147	2 605 357	<b>5 070 504</b>	2 995 525
	EBITDA	79 250	-2 011 607	<b>-1 932 357</b>	383 500	1 557 327	<b>1 940 827</b>	381 062
	Profit/loss net	-313 670	-2 295 318	<b>-2 608 988</b>	50 574	31 921	<b>82 495</b>	158 226
Unipetrol Rafinerie a.s.	Revenues	0	20 820 194	<b>20 820 194</b>	26 079 875	33 172 317	<b>59 252 192</b>	35 693 689
	EBITDA	0	-411 479	<b>-411 479</b>	76 774	1 294 608	<b>1 371 382</b>	189 830
	Profit/loss net	0	-235 029	<b>-235 029</b>	119 799	941 932	<b>1 061 731</b>	80 036

\*CAS

# Polyolefin production development in BOP

Utilization of growing market demand by PKN ORLEN Group

## New installation start-up process

- In September technological start-up process is conducted for BOP new installation.
- In October, 2005 new Polyethylene HDPE and Polypropylene installations will be effectively launched
- Starting October, 2005 Basell Orlen Polyolefins will be responsible for off-take to be sold in Poland
- Basell - Joint Venture partner at BOP – will be responsible for excess/unrealized sales to be off-taken
- Assumed utilization ratio of the new installation is 80% by the end of the year
- Full capacity utilization will be in 2006

Activity		Capacity (tonnes per year)	
		To date	after launch of new installations
PKN ORLEN	Expansion of existing Ethylene Cracker II	360,000	700,000 (ethylene)
		240,000	485,000 (propylene)*
Basell Orlen Polyolefins	PolyethyleneLDPE <sup>1</sup>	150,000	105,000
	Polyethylene HDPE <sup>2</sup>	0	320,000**
	Polypropylene	140,000	400,000***

\* Including FCC - Fluid Catalytic Cracker  
 \*\* New installation - Hostalen  
 \*\*\*New installation - Spheripol  
 1)LDPE – Low density Polyethylene  
 2)HDPE – High density Polyethylene

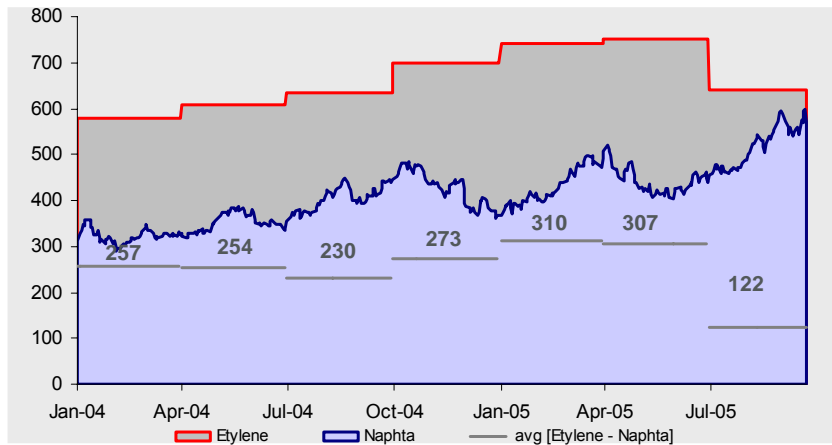




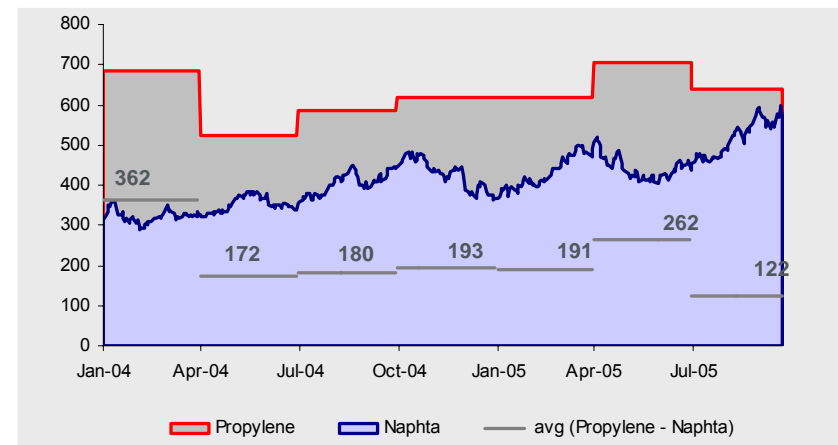
# Petrochemical market

## From April 1st 2004 to September 23rd 2005

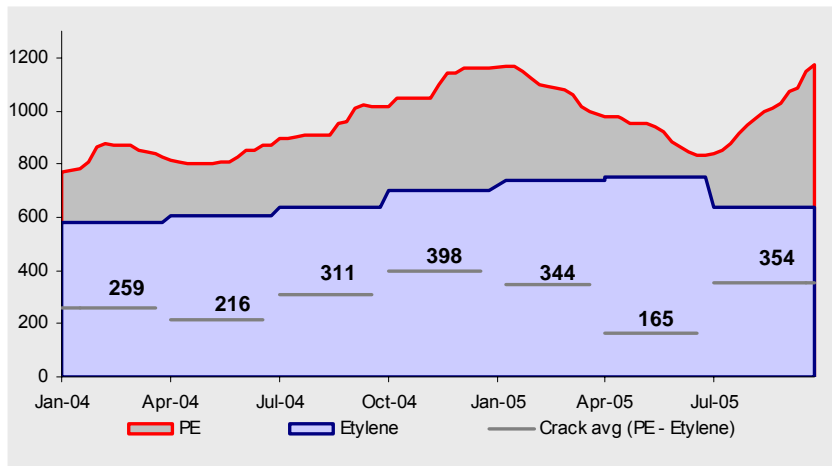
Ethylene; in EUR/ton



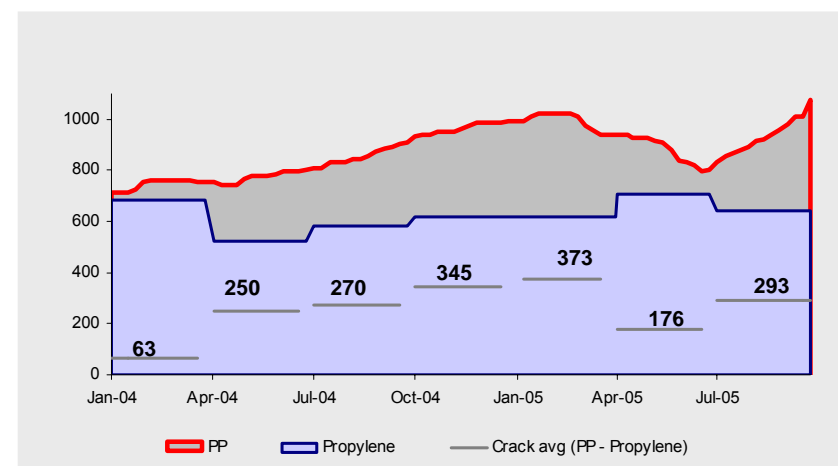
Propylene ; in EUR/ton



Polyethylene (LDPE) ; EUR/ton



Polypropylene ; EUR/ton



Source: Market quotation