



Financial results: FY 2005 (IFRS) and financial assumptions for the 2006 plan

Igor Chalupec, CEO

Paweł Szymański, CFO

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ORLEN

Financial results 2005

The highest ever results of PKN ORLEN following restructuring and corporate culture changes; supported by market conditions¹

The highest ever net profit of PKN ORLEN

| m PLN | Q4 '05 | 2005 |
|---|---------------------|------------------------|
| ROACE (%)² <i>without negative goodwill**</i> | 6% | 22,3% 13,5%* |
| EBITDA* <i>including one-off provisions</i> <i>without negative goodwill**</i> | 1 027 282 | 6 797 4 791 |
| Net profit <i>without negative goodwill**</i> | 340 | 4 724 2 718 |
| Operating cash flow | 885 | 3 634 |
| Gearing (%)³ | 15,7% | |
| Cost cutting | 882 | |

- 1) Refers to the PKN ORLEN Capital Group including Unipetrol, IFRS numbers unless otherwise stated
- 2) ROACE = operating profit after tax / average capital employed (equity + net debt)
- 3) Gearing = net debt / equity

Operating data

| | 2005 | PKN ORLEN | PKN ORLEN main company |
|--|------|--------------|------------------------|
| Wholesale sales volume⁴ <i>Assumption for 2005 r.</i> | | 21,4% | 4,9% 4,0% |
| Retail sales volume⁵ <i>Assumption for 2005</i> | | 3,9% | -3,0% 5% |
| Petrochemical sales volume⁶ <i>Assumptions for 2005</i> | | 27,7% | -8,2% 5% |
| Utilization ratio⁷ <i>Assumptions for 2005</i> | | | 93,0% 96% |

4) Refers to sales of gasoline, diesel, Jet, LHO.

5) Refers to sales of gasoline, diesel, LPG.

6) Drop of petrochemical sales volume at PKN ORLEN main company due to extended maintenance turnaround and start-up of Olefins II unit, as well as planned maintenance turnaround of HOG unit.

7) Based on deep processing capacity of PKN ORLEN main production plant in Plock 13.5 m tones/year

* Due to creation on-off provisions for business risk, restructuring, write-off receivables and company protection package – including PLN 149 m at ORLEN Deutschland - 4q'05 results were depressed by app. PLN 282 m.

** Unipetrol results consolidation is resulting in one-off effect of negative goodwill accounted to another operating costs in amount of PLN 2 006 m.

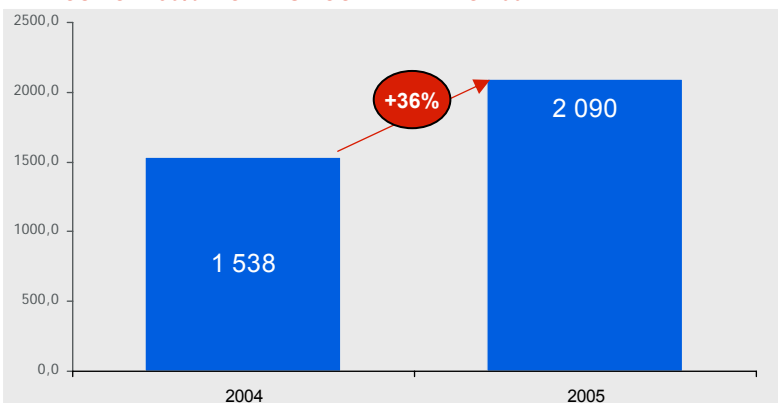
Financial assumptions for 2005

were significantly exceeded compared to the plan

CAPEX (PLN m) PKN ORLEN

TARGET FOR 2005: 2,3 PLN bln

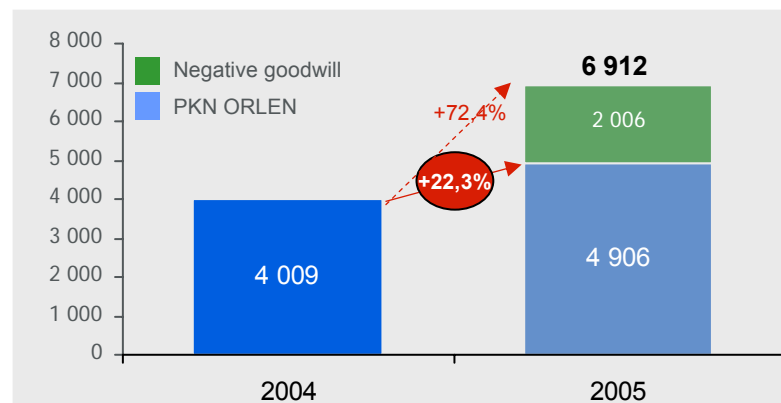
EXECUTION: 36% INCREASE COMPARED TO 2004



EBITDA (PLN m)¹ PKN ORLEN

TARGET FOR 2005: > 14%¹

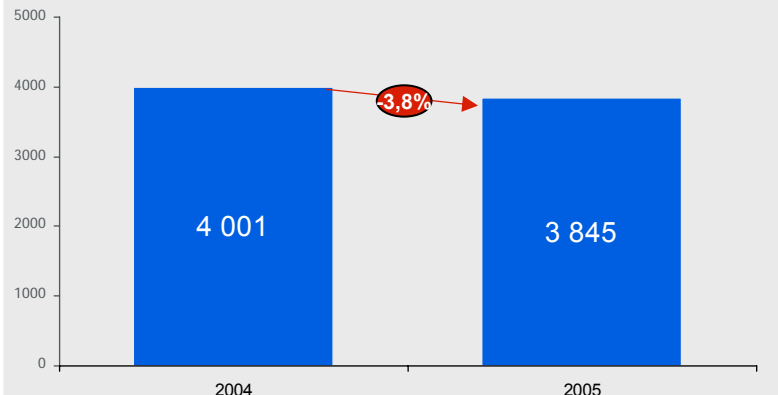
EXECUTION : SIGNIFICANTLY EXCEEDING THE PLAN



Fixed costs (PLN m) PKN ORLEN (excluding Unipetrol)

TARGET FOR 2005: below 2004

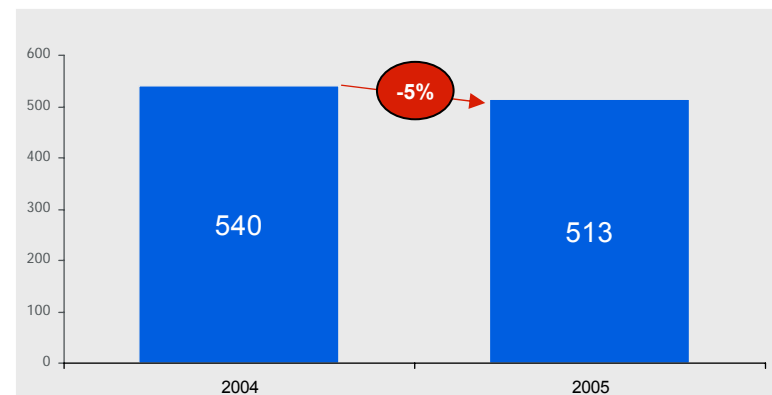
EXECUTION : BELOW 2004 LEVEL



Staff costs (PLN m) PKN ORLEN main company

TARGET FOR 2005: below 2004

EXECUTION : BELOW 2004 LEVEL



1) Based 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) Provision for business risk created in Q2'2005 at PKN ORLEN related to potential adverse financial effects of agreements related to disposal of some assets of Unipetrol Group.

Agenda

- **Financial plan assumptions for 2006**
- **Financial results FY 2005 – overview**
- **Supporting slides**



Targeted petrochemical expansion and strengthening retail market position

Main operational assumptions of PKN ORLEN main company

Target for 2006

- Wholesale sales volume increase¹ 3%
(gasoline, diesel, Jet, LHO)
- Retails sales volume increase² 5%
(gasoline, diesel, Jet, LHO)
- Petrochemical sales volume increase¹ 50%
- Utilization ratio³ 98%
- Main maintenance shutdowns, main production plant in Płock :

| | |
|---------------|-----------------|
| Olefins II | 34 days; 1H'06 |
| HON VI | 35 days; 1H'06 |
| Reforming VI | 40 days; 1H'06 |
| Hydrocracking | 35 days; 1H'06 |
| HOG | 34 days ; 1H'06 |

1) Sales volume increase at PKN ORLEN mother company

2) Retail sales volume increase in PKN ORLEN main company retail network in Poland.

2) Referring to deep processing capacity at PKN ORLEN at 13,8 m t/y

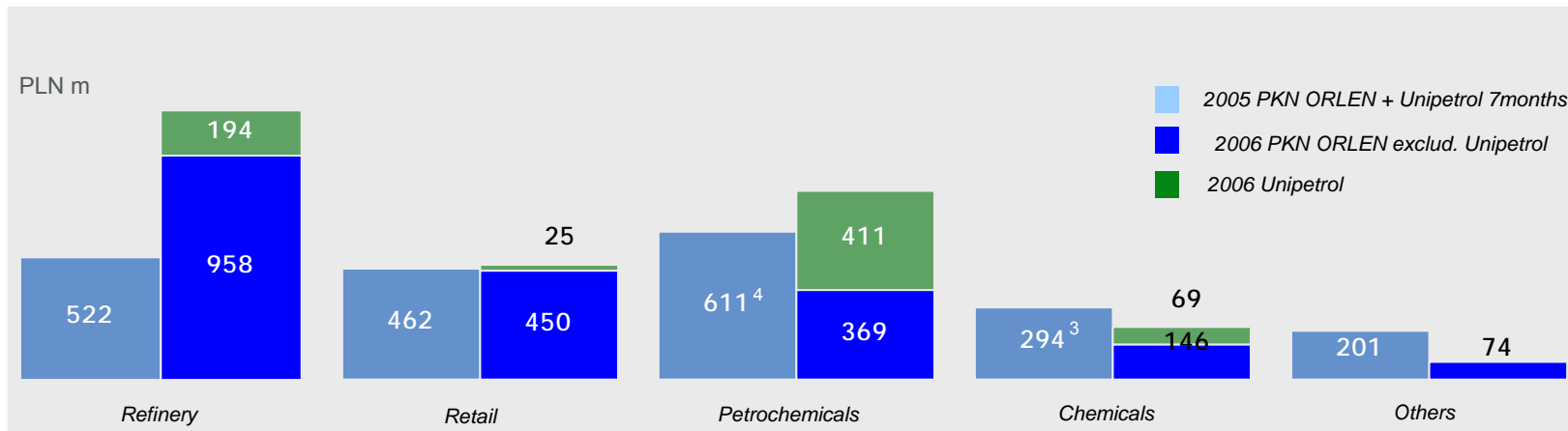
Financial assumptions for 2006

Continuing implementation of PKN ORLEN strategy in order to achieve ambitious financial targets for shareholders value creation.

PKN ORLEN financial assumptions

- EBITDA : > 15 % based on comparable macroeconomic conditions¹
- Fixed costs below 2005 level²
- CAPEX app. PLN 2.7 bn

Capital expenditures in 2006 planned at PLN 2.7 bn



1) Based 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. PLN/USD 3,65. Negative goodwill effect excluded from 2005 y, Unipetrol 2005 base year pro forma.

2) Excluding strategic projects. Unipetrol 2005 base year pro forma. 3) Includes Anwil and Spolana.

4) Does not include Anwil and Spolana.

Strategic actions for 2006 for PKN ORLEN

Tire 1 of PKN ORLEN Strategy

Implement improvements and investments

- **Divisional management** – implementation of 6 business divisions: Refining, Lubricants, Wholesale, Retail, Petrochemical, Chemical in Capital Group
- **Unipetrol** – ongoing proefficiency activities of Partnership Program. Preparation to implement divisional management at Unipetrol
- **Cost reduction program OPTIMA** – as promised the introductory effects of the program shell be seen in Q1'06.
- **Orlen Deutschland** - intensified implementation of restructuring program
- **Expansion of the refinery complex** – paraxial (PX) and teraphthalic acid (PTA) installations program, Diesel Desulphurization unit VII program as well as Crack Gasoline Desulphurization
- **Retail sales development plan** – ongoing implantation of retail restructuring, construction of 42 new service sites. Introduction of 140 sites under the BLISKA brand.
- **Fuel supply densing program**

Tire 2 & 3 of PKN ORLEN Strategy

Strengthening existing core business activities in home markets and following expansion opportunities on new markets

- **M&A** – active participation in the M&A activity in the downstream sector in Central, Eastern and Southern Europe
 - Ongoing participation in the tender offer for Mažeikių Nafta
 - Actively undertaking other acquisition projects in the region
- **Upstream** – implementation of precise operation plan for upstream activity. Active search for upstream projects (Russia, Kazachstan, Iraq)
- **Bio fuels** – finalization of the strategy in Q1'06 (above others increase of bio diesel capacity in Trzebinia Refinery).
- **Capital Group restructuring** – ongoing divestment of non-core assets

Ongoing restructuring of Unipetrol Group and strengthen existing core businesses in home markets

Strategic actions for 2006 at Unipetrol

- Disposals of Kaucuk, and Spolana in a tender
- Operational optimization of the UNIPETROL Group and overall consolidated gross margin using the PIMS software
- Centralized Cash Pooling
- Implementation of the initiatives from the Partnership Program with the use of synergy effects between UNIPETROL and PKN ORLEN
- Restructuring of BENZINA´ network. Cultivation of the assets portfolio of petrol stations
- Combined crude purchases with PKN ORLEN - economies of scale
- Building of the polypropylene warehouse, commencement of the revamp of the ethylene unit, intensification of polypropylene and polyethylene (HDPE)
- Coordination of the logistic activity between PKN ORLEN and Unipetrol
- Analysis and implementation of synergies between Unipetrol and ORLEN companies in area of bitumens and lubricants
- Harmonization of common corporate policies with PKN ORLEN:
 - HR
 - Marketing, PR
 - Finance
 - Corporate governance
 - Cost management
 - Central procurement

Agenda

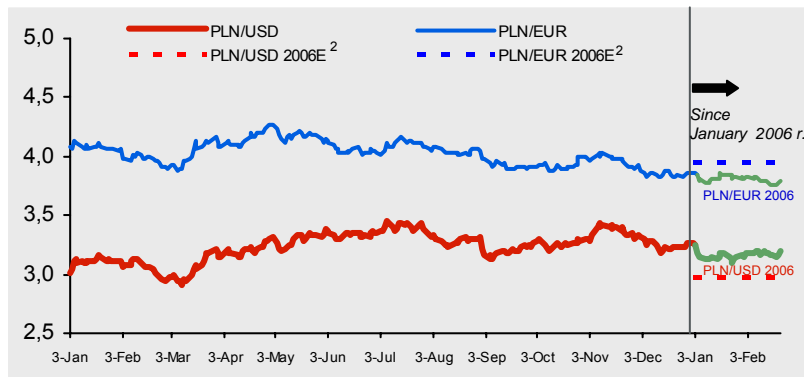
- Assumptions for 2006 financial plan
- **Summary of 2005 financial results**
- Supporting slides



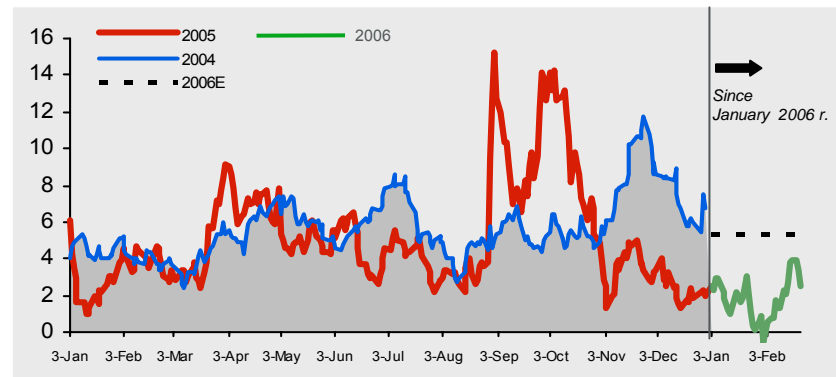
Macroeconomic environment in 2005

Variable and volatile refining and petrochemical sector

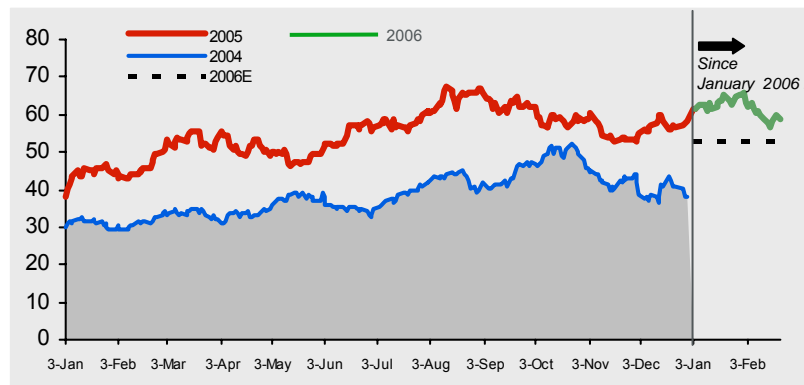
Exchange rates average¹



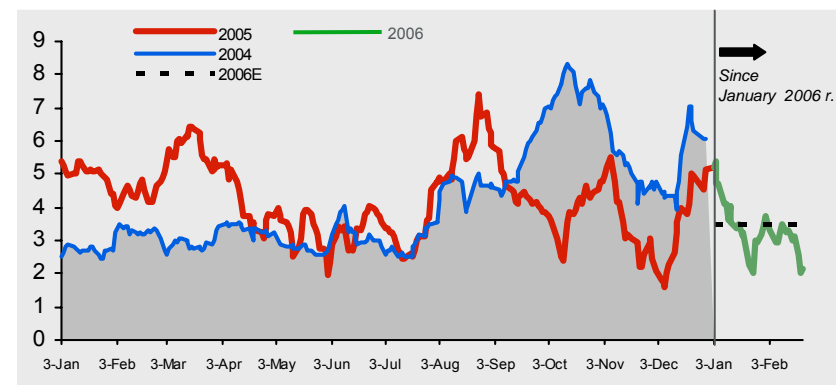
Refinery margin 5,12 \$/b average in 2005³ Decrease by 9% y/y



Brent 54,48 \$/b average in 2005 Increase by 42% y/y



Brent/Ural differential 4,20 \$/b average in 2005 Increase by 2% y/y



1) Source: NBP

2) Estimates published in PKN ORLEN Strategy Update 2006-2009

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

Macroeconomic assumptions for 2006

| Macro assumptions ¹ | 2005 (realised) | 2006 |
|---|-----------------|--------|
| • Refinery margin ² : | 5,12 | 5,33 |
| • Brent/Ural differential ² : | 4,38 | 3,50 |
| • Brent crude oil ² : | 54,4 | 53,0 |
| • Exchange rate PLN/USD ² | 3,23 | 2,98 |
| • Exchange rate PLN/EUR ² | 4,02 | 3,95 |
| • Fuel consumption in Poland ⁴ : | +1,3% | +1,1% |
| • Retail Fuel consumption ³ | +2,1% | +2,4% |
| of which: gasoline | - 5% | - 1,2% |
| diesel | + 6% | + 2,7% |

1) Annual average assumptions

2) Source: please go to slide no 10

3) Own estimates calculated as: 100% gasoline and LPG consumption, and 75% diesel consumption

4) Own estimates calculated as: 100% gasoline, diesel and LHO consumption

Profit and loss account

Increase of net profit by 6% excluding negative goodwill*

| IFRS, PLN m | 2004 | Unipetrol 7months'05 | 2005 | change 2005/2004 |
|--|---------|-------------------------|---------|---------------------|
| Revenues | 30 729 | 8 984 | 42 804 | 39,3% |
| Cost of sales | -24 602 | -8 558 | -35 869 | 45,8% |
| Distribution costs | -2 164 | -86 | -2 233 | 3,2% |
| Administrative expenses | -855 | -163 | -1 029 | 20,4% |
| Others | -419 | 52 | 1 387 | - |
| Operating profit | 2 689 | 229 | 5 060 | 88,2% |
| Financial income | 617 | 152 | 639 | 3,6% |
| Financial expenses | -327 | -199 | -442 | 35,2% |
| Profit before tax&minorities int. | 3 173 | 173 | 5 458 | 72,0% |
| Tax | -607 | -71 | -734 | 20,9% |
| Net profit | 2567 | 102 | 4 724 | 84,0% |

Comments

- Unipetrol consolidation visible across all items in profit and loss account

Operating profit affected by one off item excess of fair value of acquired net assets Of Unipetrol over their acquisition cost at a level of 2 006 mln PLN.

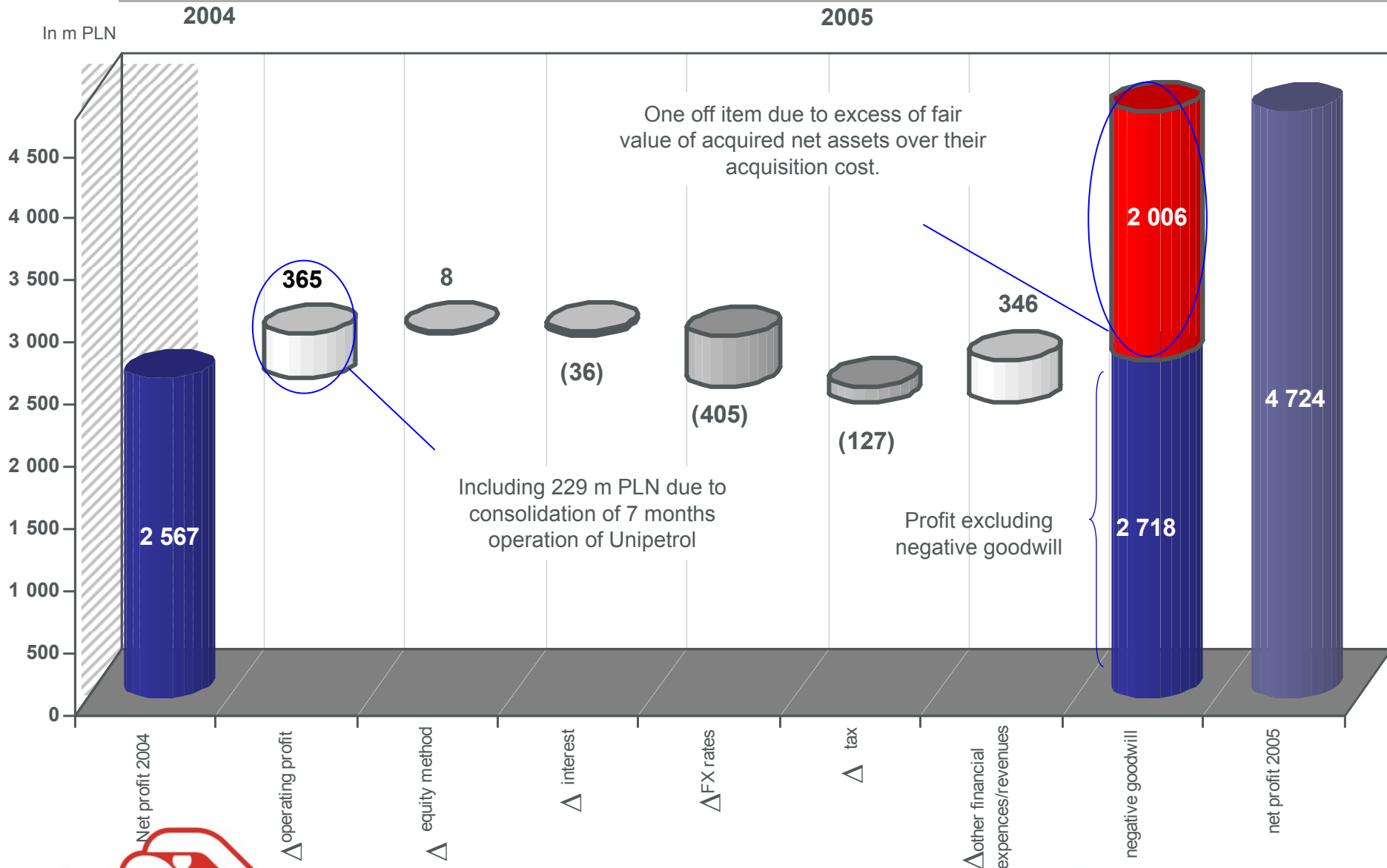
- Excluding Unipetrol distribution costs in PKN ORLEN decrease by 1%, and administrative expenses increase by 1%

*Consolidation of Unipetrol assets is affected by one-off result on negative goodwill at a level of PLN 2, 006 m attributed to the 2Q'2005 results and affecting other operating costs



ORLEN

Increase of net profit mainly due to further operating improvement and Unipetrol consolidation as well as one off negative goodwill effect*



ORLEN

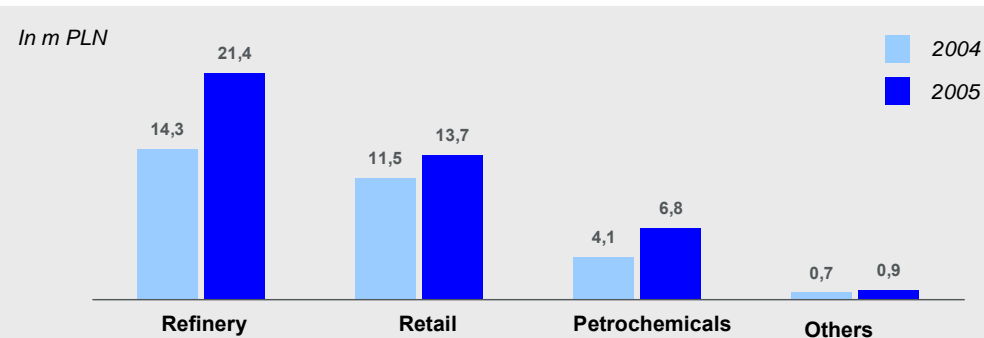
*Consolidation of Unipetrol assets is affected by one-off result on negative goodwill at a level of PLN 2,006 m attributed to the 2Q'2005 results and affecting other operating costs

Revenues by segment

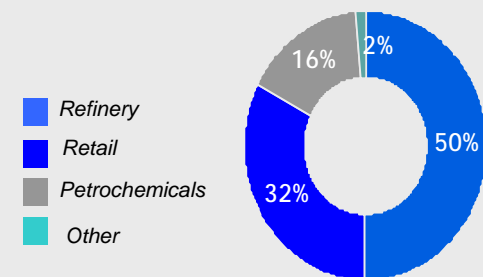
Higher petrochemical share in total revenues¹

| IFRS basis, PLN m | 2004 | 2005 | y/y | Comments |
|------------------------------|--------|--------|-----|--|
| Revenue total | 30 729 | 42 804 | 39% | <ul style="list-style-type: none"> • Visible impact of Unipetrol consolidation and increase of refinery and petrochemical prices • Higher retail revenues as a result of Unipetrol consolidation. Excluding this effect we have 15% increase • Increase of revenues share in total revenues up to 16%. Excluding Unipetrol revenues increase by 10% |
| of which | | | | |
| Refining²⁾ | 14 338 | 21 421 | 49% | |
| Unipetrol | 905 | 1 117 | | |
| Germany (ex. excise tax) | 1 090 | 913 | | |
| excise tax (Germany) | 1 090 | 913 | | |
| Retail | 11 548 | 13 709 | 19% | |
| Unipetrol | 0 | 1 014 | | |
| Germany (ex. excise tax) | 2 660 | 2 980 | | |
| excise tax (Germany) | 3 978 | 3 591 | | |
| Petrochemicals | 4 144 | 6 790 | 64% | |
| Unipetrol | 0 | 2 922 | | |
| Others | 699 | 884 | 26% | |

Comparison of revenues by segment 2005 vs. 2004



Segment revenue structure in 2005



¹⁾ Production, Wholesale, Logistics

²⁾ Revenues do not include inte-segmental revenues. On slides 17,19 and 21 revenues are corrected by inter-segmental revenues

Expenses

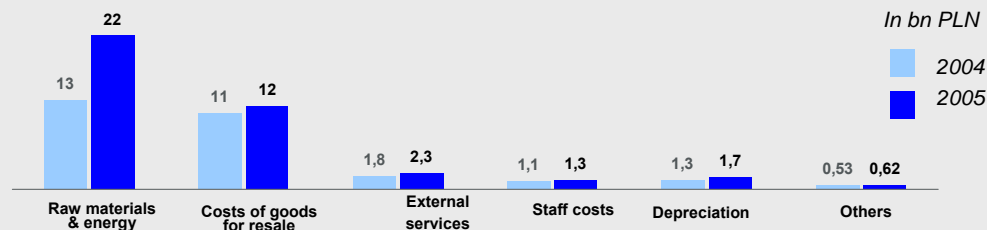
Operating costs grew by less than revenues excluding Unipetrol

| IFRS basis, PLN m | 2004 | Unipetrol 7 mnts "2005 | 2005 | y/y |
|-------------------------------|---------------|---------------------------|---------------|--------------|
| Raw materials and energy | 12 494 | 5 346 | 21 529 | 72,3% |
| Costs of goods for resale | 10 594 | 1 341 | 11 561 | 9,1% |
| External services | 1 752 | 618 | 2 342 | 33,7% |
| Staff costs | 1 090 | 259 | 1 267 | 16,2% |
| Depreciation and amortisation | 1 319 | 495 | 1 737 | 31,7% |
| Taxes and charges | 283 | 7 | 284 | 0,4% |
| Others | 270 | 42 | 341 | 26,3% |
| Total | 27 802 | 8 108 | 39 061 | 40,5% |
| Variable costs | 23 801 | 7 027 | 34 135 | 43,4% |
| Fixed costs | 4 001 | 1 081 | 4 926 | 23,1% |
| Other operating costs | 768 | 151 | 1 183 | 54,0% |
| Change in inventories | -180 | 699 | 69 | - |
| Total operating costs | 28 390 | 8 958 | 40 313 | 42,0% |

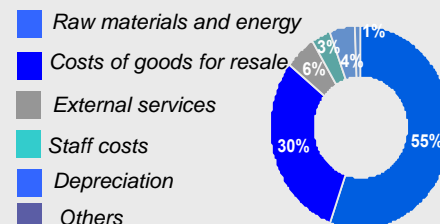
Comment

- Excluding Unipetrol consolidation decrease in external services costs by 1,6%
- Decrease of staff costs by 7,5% excluding Unipetrol
- Decrease of fixed cost by nearly 4% excluding Unipetrol consolidation
- Increase of variable costs due to increase of crude oil price by 42%

Comparison of operating cost structure 2005 vs. 2004



Structure of operating costs 2005



Operating profit PKN ORLEN by segment

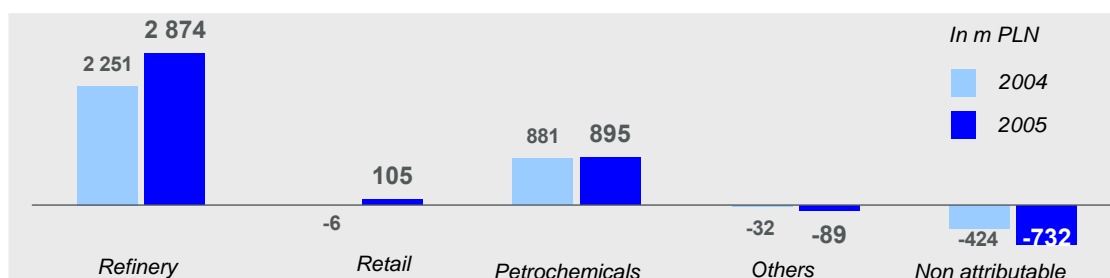
Visible improvement in results across all core business segments

| IFRS basis, PLN m | 2004 | Impact of Unipetrol consolidation | 2005 | y/y |
|--|-------|-----------------------------------|--------------|--------|
| Operating profit | 2 670 | 229 | 5 060 | 89,5% |
| of which: | | | | |
| negative goodwill | | | 2 006 | |
| operating profit (excl. negative goodwill) | | | 3 054 | |
| Refining¹ | 2 251 | 158 | 2 874 | 27,7% |
| Retail | -6 | 15 | 105 | - |
| Petrochemicals | 881 | 105 | 895 | 1,6% |
| Others² | -32 | -49 | -89 | 178,1% |
| Non attributable³ | -424 | 0 | -732 | 72,7% |

Comment

- Excluding Unipetrol and one-off effect of negative goodwill and operating profit increase by 5%.
- The highest dynamic increase in refinery segment as a result volume increase and high fuel cracks
- Significant improvement of the retail profit due to focus on the margin optimisation
- Lower dynamic increase in petrochemical segment due to modernisation of Olefin Unit in Płock

Comparison of operating cost structure 2005 excluding negative goodwill vs 2004



1) 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

Refinery segment

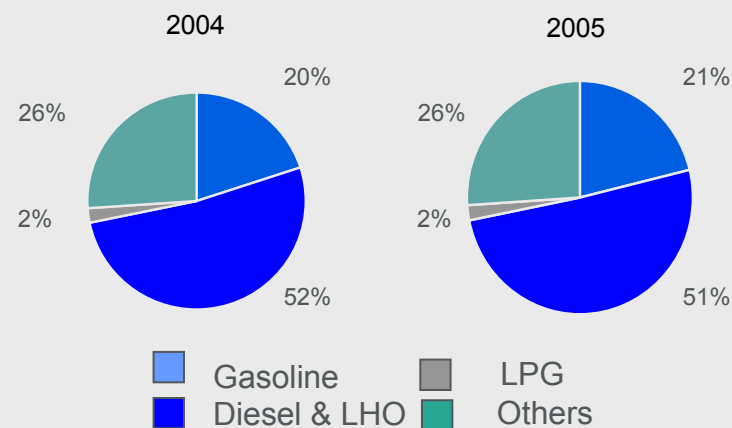
Impressive 21% increase in sales of refining products and execution of major plant investments to increase value of the company¹

| IFRS, PLN m | 2004 | 2005 | y/y | Q4'04 | Q4'05 | q/q |
|--------------------|--------|--------|-----|-------|--------|------|
| Revenues | 21 197 | 32 811 | 55% | 5 933 | 10 387 | 75% |
| Segment costs | 18 946 | 29 937 | 58% | 5 434 | 10 037 | 85% |
| Segment profit | 2 251 | 2 874 | 28% | 499 | 350 | -30% |
| Negative goodwill* | | 664 | | | 1 | |
| Sales (t.t) | 9 143 | 11 061 | 21% | 2 519 | 3 021 | 20% |

Activities and projects undertaken, CAPEX

- Major plan investments in Plock were undertaken within the refining segment:
 - Modernization of Aromatic Extraction** aim at extracting the potential of producing aromats such as: benzene, toluene or xylens.
 - Construction of new Cracks Gasoline Desulphurization** in order to produced disulphuric gasoline (sulphur content below 10 ppm)
- CAPEX in 2005: 522,5 m PLN** vs. 391,7 m PLN in 2004 (increase by 33%)

Product sales structure, volumes



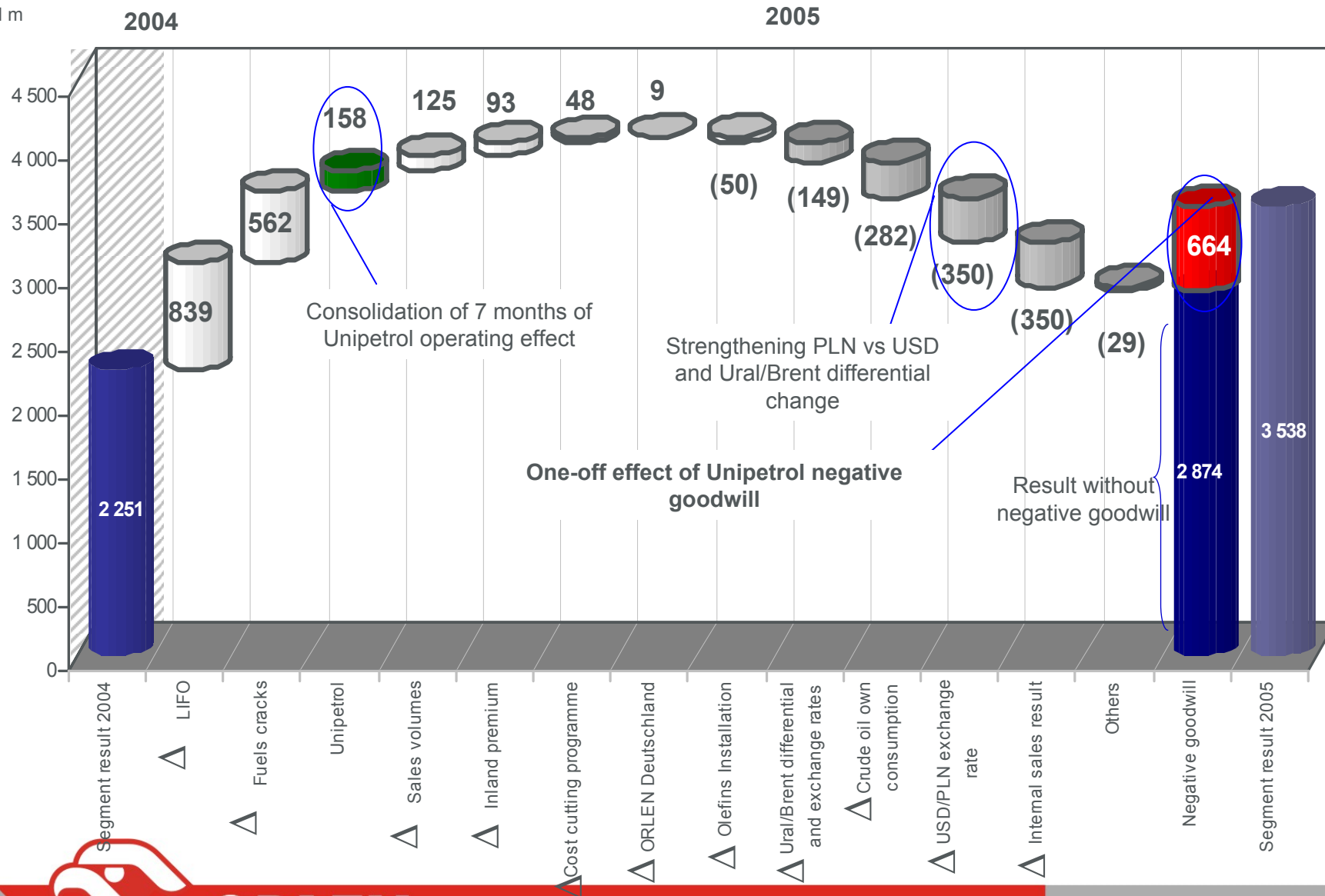
* Consolidation of Unipetrol assets is affected by one-off result on negative goodwill at a level of PLN 2, 006 m attributed to Q2'05 results and affecting other operating costs

¹⁾ Segment revenues is adjusted to the transactions between the divisions. Segment profit - including negative goodwill effect - amounts to 3 538 m PLN

Refining segment

Increase in efficiency operating due to Unipetrol consolidation using at the same time advantageous fuels cracks

PLN m



Retail

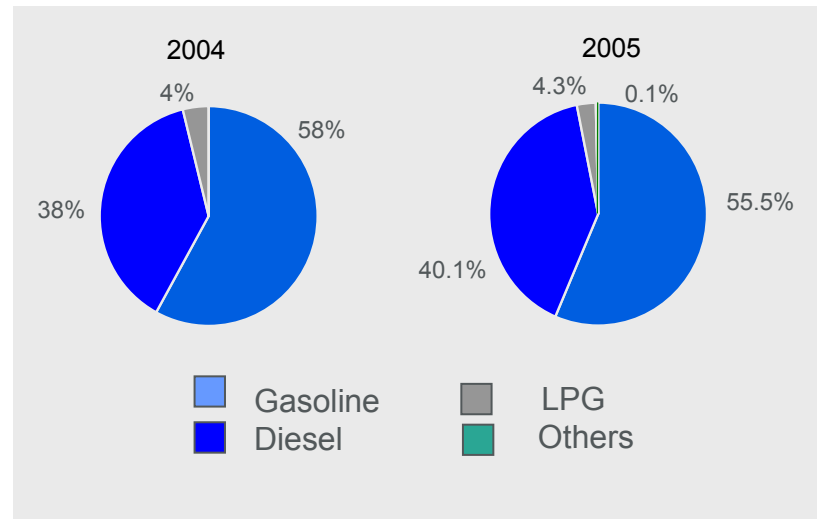
Implementation of Retail Sales Development Plan for Poland provides the first effects – segment profit amounts to PLN 105 m excluding negative goodwill¹

| IFRS, PLN m | 2004 | 2005 | y/y change | Q4 '04 | Q4 '05 | q/q change |
|--------------------|--------|--------|------------|--------|--------|------------|
| Revenue | 11 584 | 13 753 | 19% | 2 937 | 3 762 | 28% |
| Segment costs | 11 590 | 13 649 | 18% | 2 991 | 3 777 | 26% |
| Segment profit | -6 | 105 | - | -54 | -16 | - |
| Negative goodwill* | | 161 | | | 1 | |
| Sales (th tonnes) | 3 346 | 3 487 | 4% | 852 | 901 | 6% |

Actions undertaken, projects and CAPEX

- **Retail sales network restructuring started**
 - Sales channels management program implemented
 - Supporting functions centralized and improved (*financials, administration, investments*)
- **Investment programme realised in accordance with the plan**
 - 64 fuel stations were modernized and 40 new objects were built in new locations
 - **New brand BLISKA as an economic offer and new fuels - VERVA of higher quality were implemented**
- **CAPEX in 2005: PLN 461.6 m vs. PLN 319.4 m in 2004 (increase by 44%)**

Products sales structure, volumes

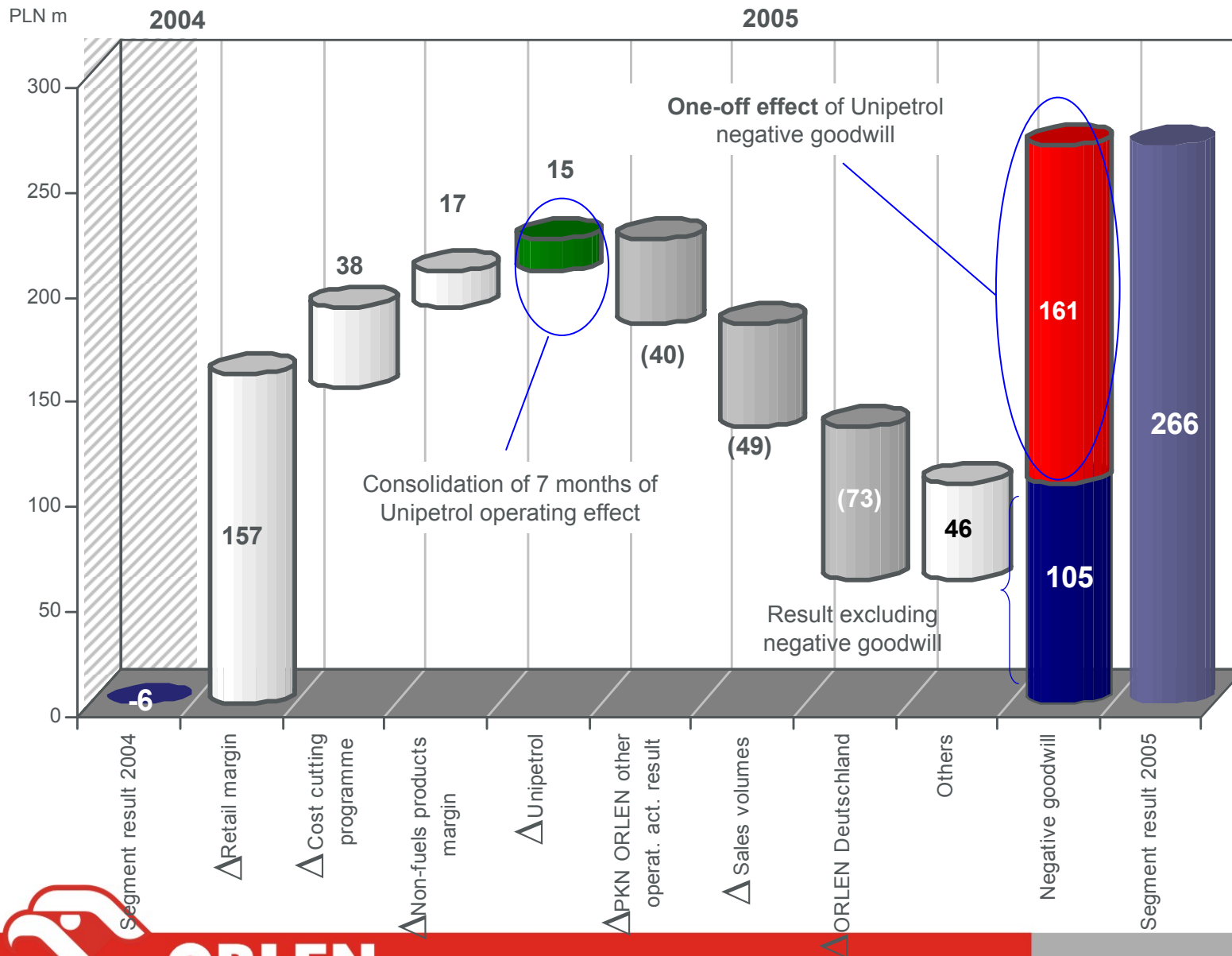


*Unipetrol results consolidation is connected with one-off effect of including the initially estimated negative goodwill in the amount of PLN 2 006 m - in Q 2' 2005 – to the other operating costs

1) Segment revenue is corrected by shifts between segments. Operating result including negative goodwill effect amounts to PLN 266 m.

Retail segment

Result increase due to pro-efficiency actions and Unipetrol consolidation



ORLEN

Petrochemical

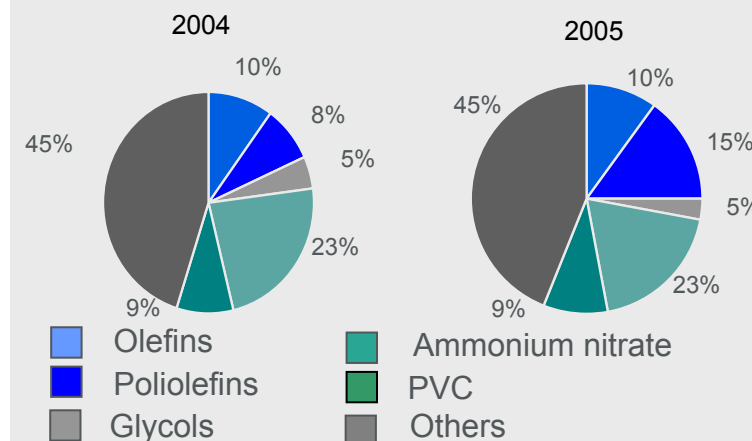
Dynamic increase in sales and building strong position on the petrochemical market in the region (BOP, Chemopetrol)¹

| IFRS, PLN m | 2004 | 2005 | y/y change | Q4 '04 | Q4 '05 | q/q change |
|--------------------|-------|-------|------------|--------|--------|------------|
| Revenue | 5 624 | 9 085 | 62% | 1 544 | 3 225 | 109% |
| Segment costs | 4 743 | 8 190 | 73% | 1 266 | 2 978 | 135% |
| Segment profit | 881 | 895 | 2% | 278 | 246 | -12% |
| Negative goodwill* | | 1 077 | | | 1 | |
| Sales (th t) | 2 191 | 2 800 | 28% | 564 | 748 | 33% |

Actions taken, projects and CAPEX

- Completion of the investment and successfully starting up the most technologically complex project of the last years in PKN ORLEN - Olefins.
 - Ethylene production capacity was doubled to 700 th tonnes/y and propylene production capacity was tripled to 380 th tonnes/y.
 - The capacities will be fully used in 2006.
- **CAPEX in 2005: PLN 904,6 m** vs. PLN 722 m in 2004 (increase by 25%)

Products sales structure, volumes

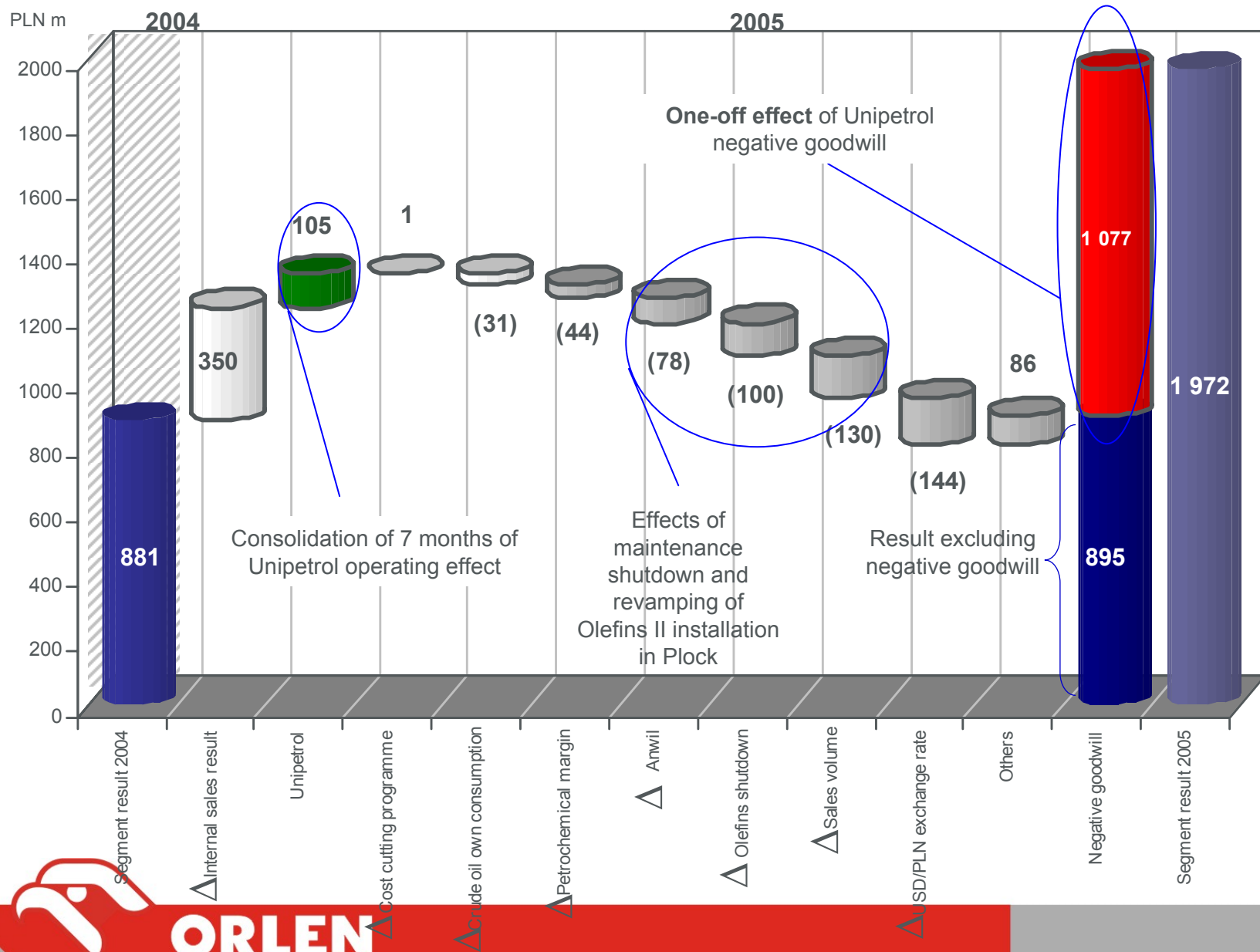


*Unipetrol results consolidation is connected with one-off effect of including the initially estimated negative goodwill in the amount of PLN 2 006 m - in Q 2' 2005 - to the other operating costs

1) Segment revenue is corrected by shifts between segments. Operating result including negative goodwill effect amounts to PLN 1 972 m.

Petrochemical segment

Chemopetrol assets consolidation and Olefins II installation revamping in Plock are the main factors influencing segment result



Successful realisation of Cost cutting programme

Target exceeded by over 10%

Cost cutting programme effects summary in 2003 - 2005

- Implementation of initiatives and management determination allowed to increase the level of cost reduction by 5% to the level of PLN 882 m.
- PKN ORLEN continues the pro-efficiency actions through the new cost cutting programme **OPTIMA** (*including improvement of costs efficiency in Capital Group subsidiaries and optimisation of deliveries chain*)
- Initiatives realisation effects in Q4 '2005 at the level of PLN 227 m.

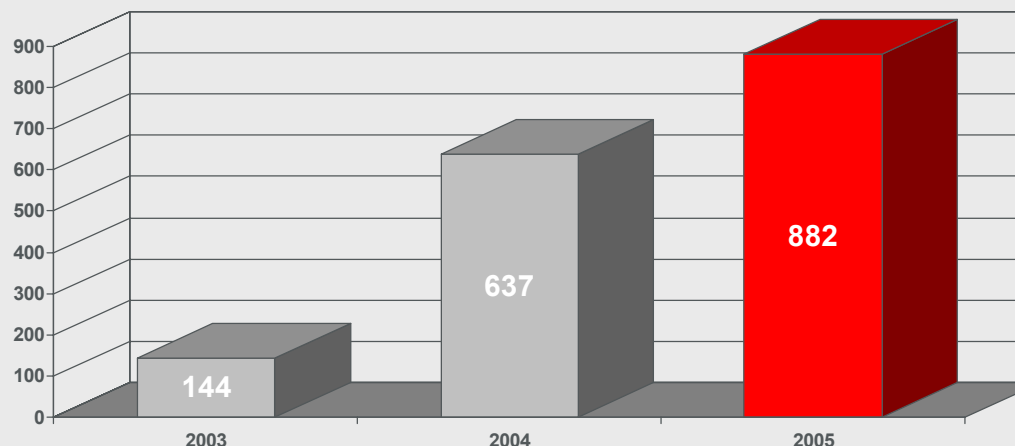
Efficiency
improvement
initiatives realised

PLN 882m

Target
2003-2005

Min
PLN 800m

Realisation of cost cutting programme in 2003 - 2005



The potential realised at the end of 2005 amounts to PLN 882 m and equals to 110% of target realisation assumed in plan of cost cutting programme for 2003 - 2005 in relation to costs base from 2002.

Supporting slides

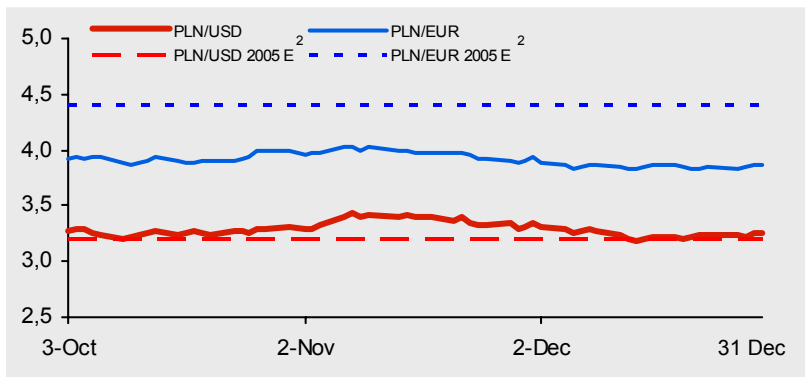
- **Characteristics of macroeconomic environment**
- **Financial and operating results Q4'2005**
- **CAPEX**
- **ORLEN Deutschland**
- **Unipetrol**
- **Petrochemicals market – environment summary**



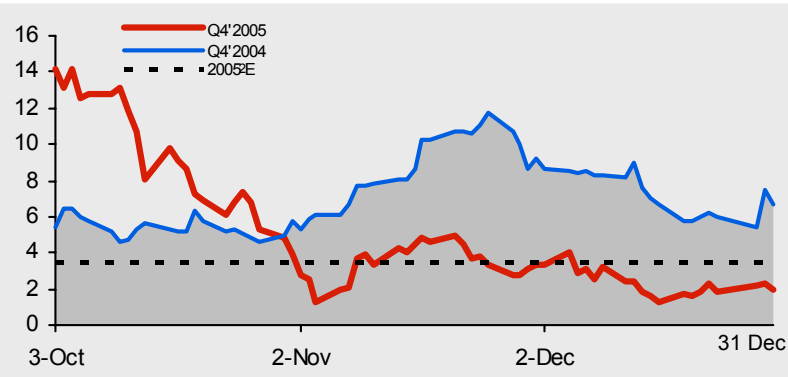
Macroeconomic environment

4Q'2005

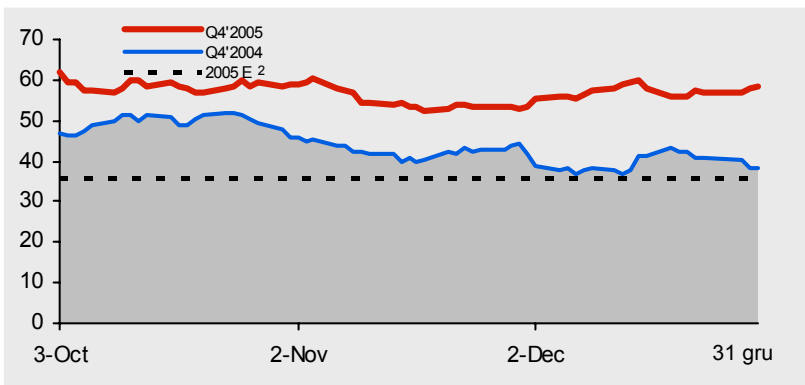
Exchange rates average¹



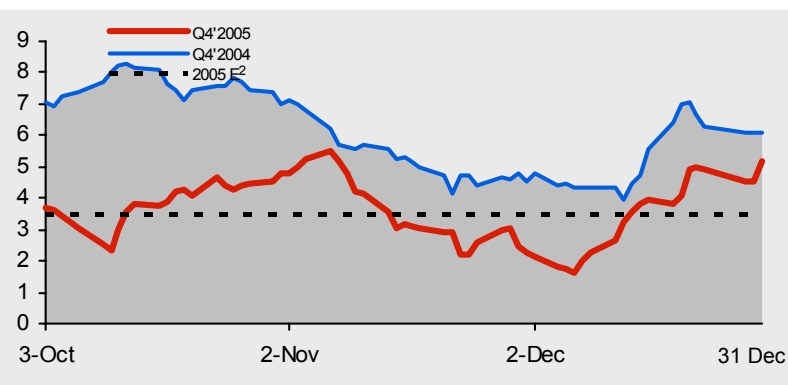
Refinery margin average \$5.17/b in Q4' 2005³ Decrease of 27% y/y



Brent 56,89 /b average in Q4'2005 Increase of 30% y/y



Brent/Ural differential \$3.62/b average in Q4'2005 Decrease of 40% y/y



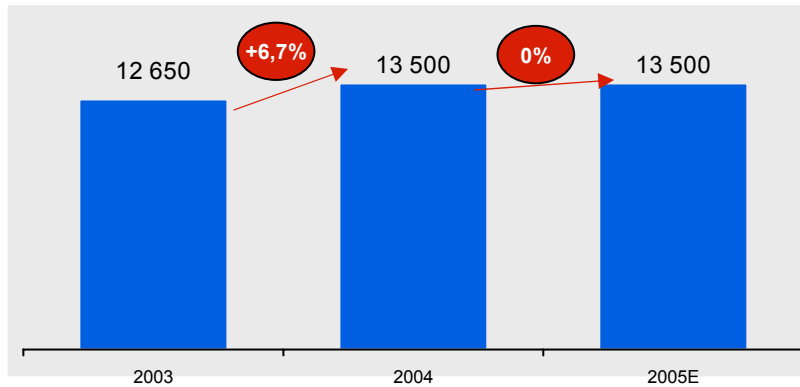
1)Source: NBP(Polish National Bank)

2) Estimates published in PKN ORLEN Strategy

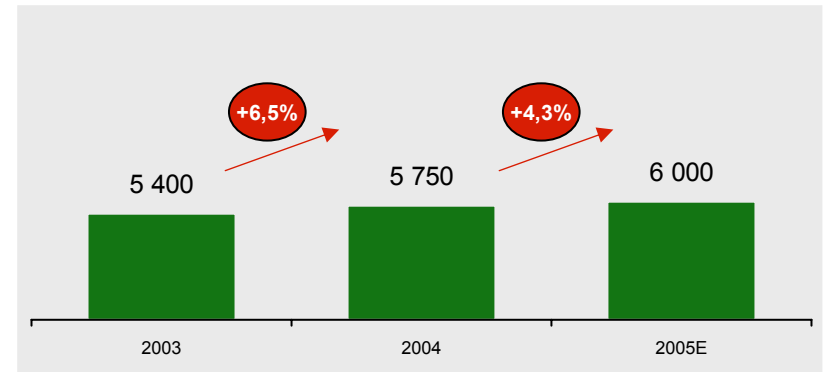
3) Calculated as: Products (88.36%) vs. Brent Dtd (100%). Products contain Premium Unl (25.21%), EN590 (23.20%), Naphtha (16.51%), LOO (15.31%), HSFO (5.44%) i Jet (2.69%)
(source: CIF NWE quotations, except HSFO FOB ARA)

Macroeconomic environment in Poland and in Czech Republic

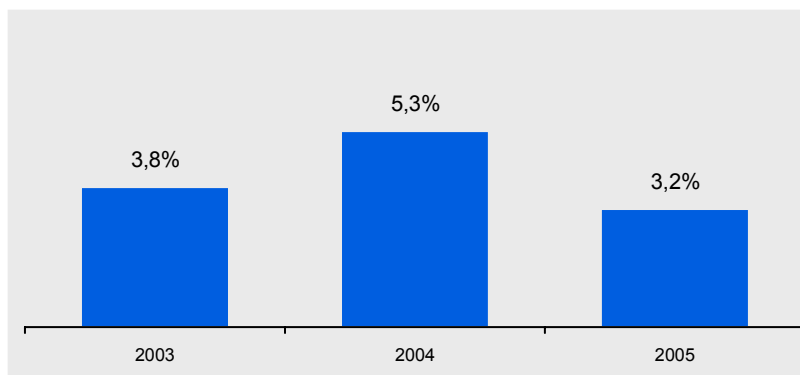
**Fuel consumption – Poland
(gasoline, diesel, LHO); (in thousand tonnes)**



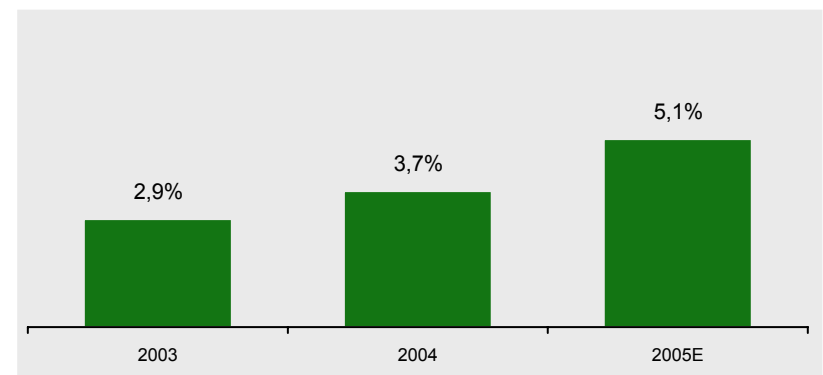
**Fuel consumption – Poland
(gasoline, diesel); (in thousand tonnes)**



Real GDP growth - Poland



Real GDP growth– Czech Republic



Source: PKN ORLEN estimates, CEPRO, Nafta Polska. NBP

Operating profit by segment

Increasing share of petrochemicals

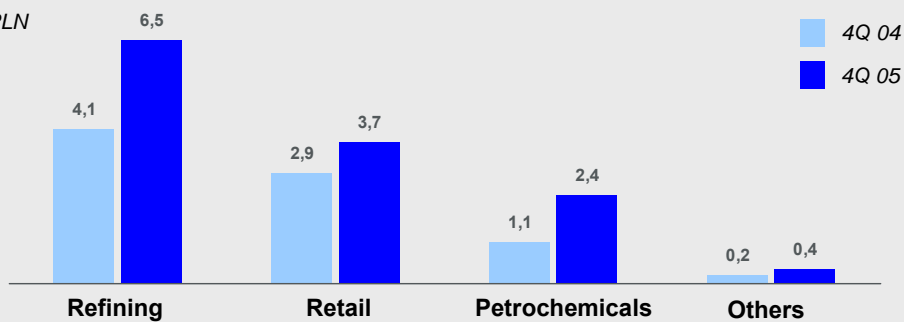
| IFRS basis, PLN m | Q4'2004 | Q4'2005 | y/y |
|------------------------------|--------------|---------------|-------------|
| Revenue total | 8 376 | 12 940 | 54% |
| of which | | | |
| Refining¹⁾ | 4 127 | 6 464 | 57% |
| Unipetrol | 265 | 289 | 9% |
| Germany (without excise tax) | 265 | 289 | 9% |
| excise tax (Germany) | 251 | 203 | -19% |
| Retail | 2 925 | 3 749 | 28% |
| Unipetrol | 0 | 415 | - |
| Germany (without excise tax) | 652 | 791 | 21% |
| excise tax (Germany) | 935 | 899 | -4% |
| Petrochemicals | 1 115 | 2 361 | 112% |
| Unipetrol | 0 | 1 208 | - |
| Others | 210 | 366 | 74% |

Comments

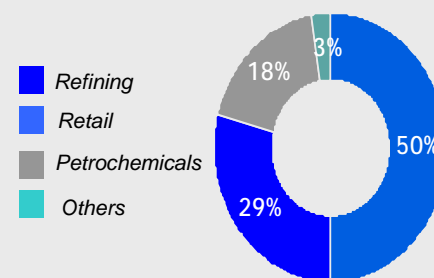
- Revenue increase due to Unipetrol consolidation
- Over 22% increase of light fuel sales in wholesale
- Increasing petrochemicals revenues share in total revenue to about 20% (excluding excise tax)

Comparison of revenues by segment Q4'05 vs. Q4'04

In bn PLN



Segment revenue structure Q4'05w



Profit and loss account 4Q 2005

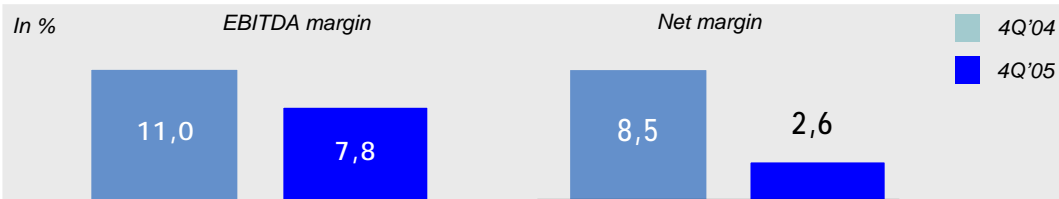
Results affected by provision on economic risk and restructurization

| IFRS, PLN m | Q4'2004 | Unipetrol Q4'2005 | Q4'2005 | Change |
|--|---------|----------------------|----------------|--------|
| Revenues | 8 399 | 3 721 | 12 969 | 54,4% |
| Cost of sales | -6 840 | -3 618 | -11 371 | 66,2% |
| Distribution costs | -517 | -50 | -625 | 20,9% |
| Administrative expenses | -229 | -79 | -348 | 52,0% |
| Others ¹ | -252 | 60 | -225 | 10,7% |
| Operating profit | 561 | 34 | 400 | -28,7% |
| Financial income | 438 | 59 | 140 | -68,0% |
| Financial expenses | -198 | -73 | -134 | 32,3% |
| Profit before tax&minorities int. | 853 | 20 | 445 | -47,8% |
| Tax | -139 | -2 | -105 | 24,5% |
| Net profit | 714 | 18 | 340 | -52,4% |

Comment

- Decrease in operating profit caused by 27% drop in refining margin and lower 40% Ural/Brent differential.
- Q4'2005 affected by one-off provision on economic risk, restructurization and write-off receivables of which Orlen Deutschland 149 mln PLN and provision on company Protection Package. All above item lowered profit by 282 m PLN
- Net profit in 4Q'05 under LIFO methodology at the level of 377 million PLN

Comparison of EBITDA and net margin Q4'05 vs. Q4'04



Expenses

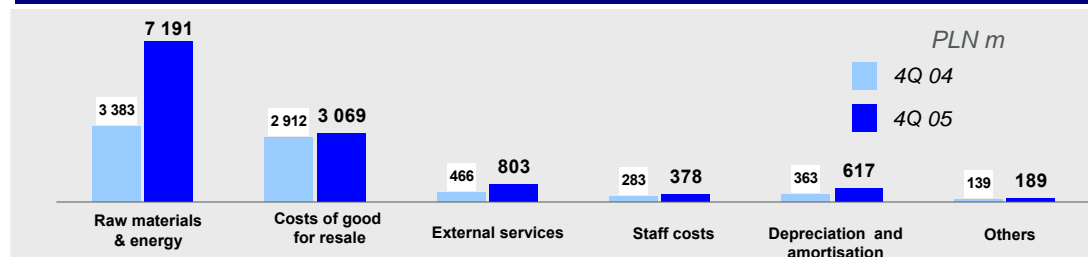
Cost cutting initiative visible in fixed cost decrease

| IFRS basis, PLN m | Q4'2004 | Q4'05 Unipetrol | Q4'2005 | y/y |
|-------------------------------|--------------|-----------------|---------------|--------------|
| Raw materials and energy | 3 383 | 2 341 | 7 191 | 112,6% |
| Costs of goods for resale | 2 912 | 442 | 3 069 | 5,4% |
| External services | 466 | 310 | 803 | 72,3% |
| Staff costs | 283 | 121 | 378 | 33,6% |
| Depreciation and amortisation | 363 | 311 | 617 | 70,0% |
| Taxes and charges | 58 | 3 | 61 | 5,2% |
| Others | 81 | 21 | 128 | 58,0% |
| Total | 7 546 | 3 549 | 12 247 | 62,3% |
| Variable costs | 6 460 | 3 076 | 10 703 | 65,7% |
| Fixed costs | 1 086 | 473 | 1 544 | 42,2% |
| Other operating costs | 407 | 86 | 500 | 22,9% |
| Change in inventories | 40 | 249 | 96 | 140,0% |
| Total operating costs | 7 993 | 3 884 | 12 843 | 60,7% |

Comment

- Unipetrol consolidation effect visible in increase in all cost types
- Drop staff costs by 9% excluding Unipetrol consolidation
- Fixed costs decrease by 1,3% excluding Unipetrol

Comparison of operating cost structure Q4'05 vs. Q4'04



Structure of operating costs Q4'05



Operating profit by segment

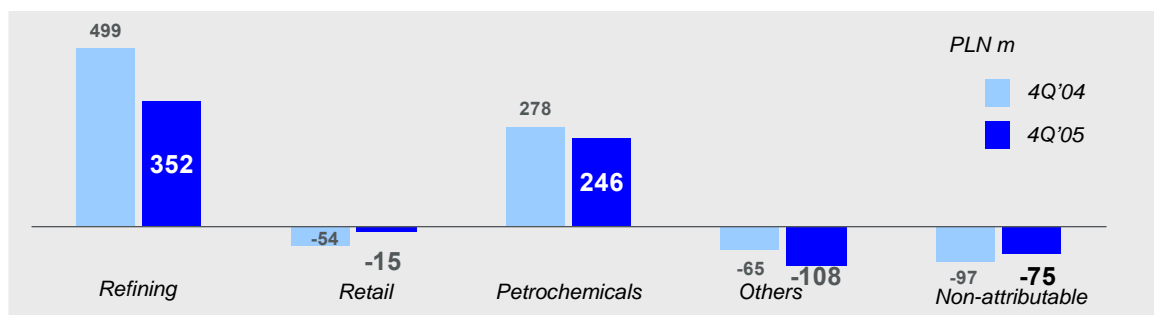
Over 40% operating profit recorded in petrochemicals

| IFRS basis, PLN m | Q4'04 | Q4'05 Unipetrol | Q4'05 | y/y |
|---|-------|--------------------|-------|--------|
| Operating profit <i>of which:</i> | 561 | 34 | 400 | -28,7% |
| Refining¹ | 499 | 34 | 352 | -29,5% |
| Retail | -54 | 12 | -15 | 72,2% |
| Petrochemicals | 278 | 3 | 246 | -11,5% |
| Others² | -65 | -15 | -108 | 66,2% |
| Non attributable³ | -97 | 0 | -75 | 22,7% |

Comment

- Decrease in refinery result caused by lower refining margin and URAL/Brent differential
- Retail results affected by one-off provision on economic risk , Orlen Deutschland 137 mln PLN . Excluding operating loss from Orlen Deutschland of 162 mln PLN retail segment at a level 147 mln PLN
- Significant increase in petrochemical segment after start-up modernised Olefin Units

Operating profits comparison, 4Q'05 vs. 4Q'04



1) Production, Wholesale and Logistics

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

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

Operating data

4Q 2005 vs 4Q 2004

| Operating data ¹ | 4Q'04 | 4Q' 05 Unipetrol | 4Q'05 | y/y |
|--|--------|---------------------|--------|--------|
| Total sales (tt) , of which | 4 041 | 947 | 4 719 | 16,8% |
| - light products sales (tt) ² | 2 754 | 597 | 3 233 | 17,4% |
| - other refinery products sales (tt) | 618 | 159 | 677 | 9,5% |
| - pet-chem sales (tt) | 564 | 191 | 748 | 32,6% |
| - other products sales (tt) | 105 | 0 | 61 | -41,9% |
| Retail sales of motor fuels³ | 852 | 96 | 899 | 5,5% |
| PKN ORLEN refinery | | | | |
| Processed crude⁴ (tt) | 3 240 | 1 122 | 3 373 | 4,1% |
| Utilisation⁴ | 96,0% | 81,0% | 99,9% | +3,9pp |
| White products yield⁴ | 80,0% | 71,0% | 80,5% | +0,5pp |
| Fuel yield⁴ | 68,1% | 56,0% | 66,7% | -2,1pp |
| PKN ORLEN Group | | | | |
| Headcount | 14 686 | 6 534 | 20 783 | 41,5% |

1) PKN ORLEN 2) Gasoline, diesel, LHO, Jet

3) Gasoline, diesel, LPG ; 4) PKN ORLEN Group

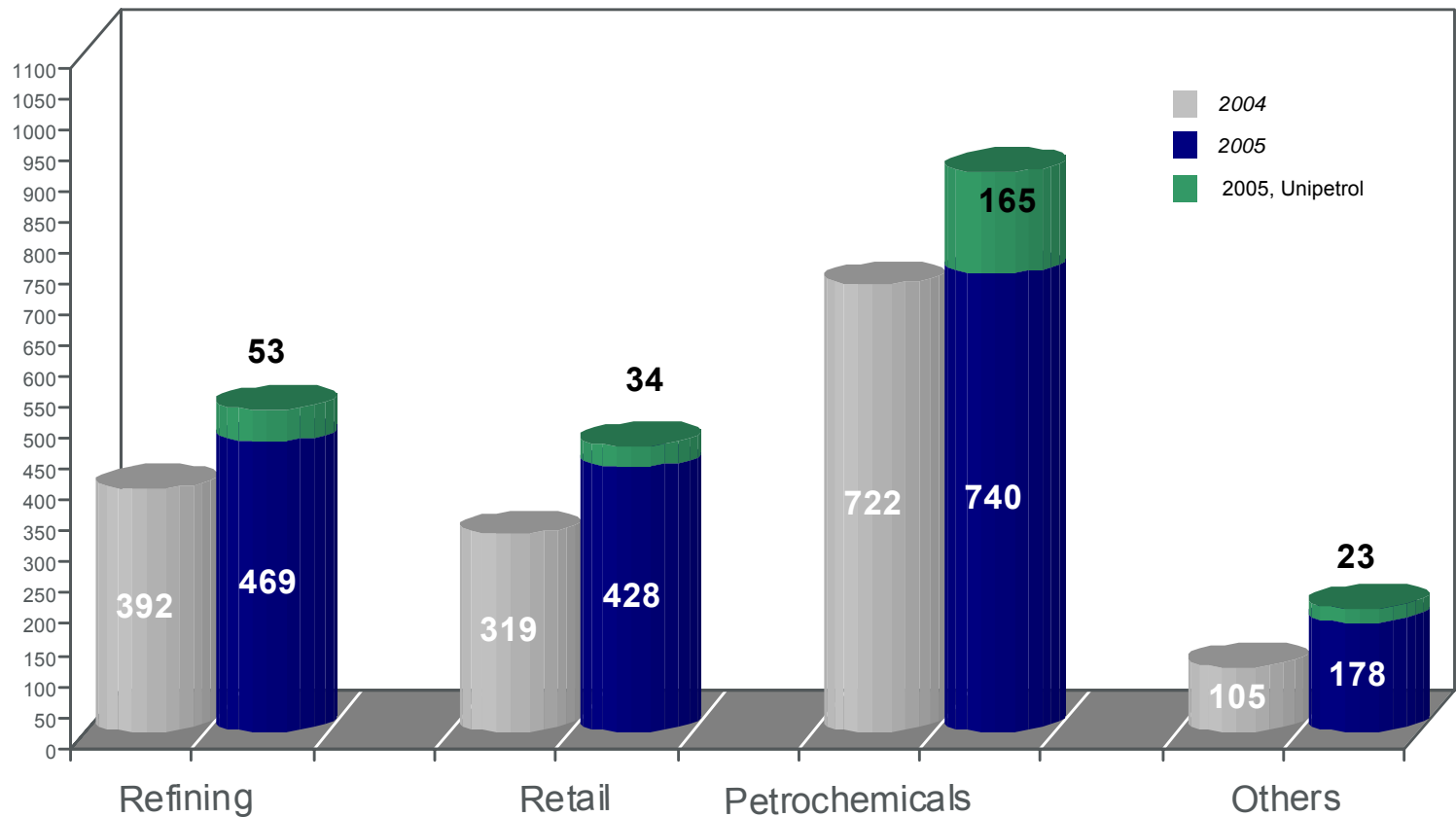
Production data refers to Plock Refinery, based on nameplate capacity on the level 13,5 mt

Capex in 2005

Focus on petrochemicals development

Investment in Q4'05 including Unipetrol

In PLN m

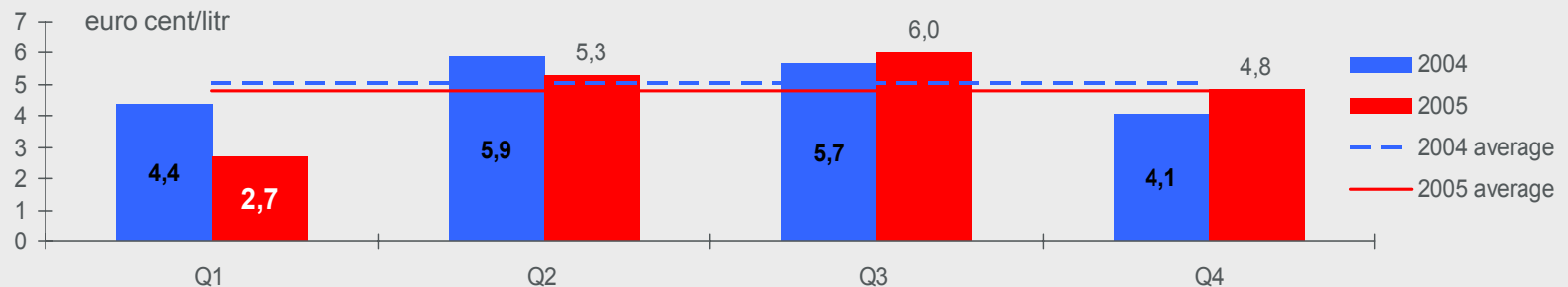


ORLEN Deutschland

Start-up of the retail restructuring

Operational activities and trends in 2005

- In 2005 was made a decision to restructure and develop retail network in Germany. In 2005, 11 sites were closed and finally 60 unprofitable petrol station will be disposed from the network.
- Accepted strategy does not exclude selling business in Germany.
- Decrease in retail margin at 4% in 2005 vs. 2004.
- Total fuel sales in ORLEN Deutschland increased 2% in 2005 comparing to 2004 while in analogical period of time fuel consumption on German market fell down 5%*.



Szacunek konsumpcja paliw w Niemczech za 2kw 2005*

- Gasoline decrease* ↓ 6,1%
- Diesel decrease* ↓ 0,6%

*) For 11 months 2005 and structure: 2/3 gasoline i 1/3 Diesel (based on EID on 6 February 2006).

ORLEN Deutschland

Financial data 2005 vs 2004

| IFRS in m PLN | Q4'04 | Q4'05 | change | 2004 | 2005 | change |
|--------------------------------------|--------|---------------|--------|--------|---------------|--------|
| Assets | 1 387 | 1 309 | -5,6% | 1 387 | 1 309 | -5,6% |
| Equity | 419 | 325 | -22,4% | 419 | 325 | -22,4% |
| IFRS in m PLN | Q4'04 | Q4'05 | change | 2004 | 2005 | change |
| Revenues | 2 362 | 2 182 | -7,6% | 8 634 | 8 601 | -0,4% |
| Cost of sale | -2 286 | -2 105 | -7,9% | -8 315 | -8 303 | -0,1% |
| Administrativ and GA costs | -121 | -103 | -14,9% | -433 | -378 | -12,7% |
| Profit/loss on sale | -46 | -25 | -45,7% | -114 | -81 | -28,9% |
| Other operating revenues/cost | -29 | -136 | 369,0% | 7 | -91 | - |
| Operating profit/loss | -75 | -162 | 116,0% | -107 | -171 | 59,8% |
| Profit/loss net | 9 | -132 | - | -83 | -138 | 66,3% |

1) PLN/EUR: 4.07 in 2004 i 3,86 in 2005

2) PLN/EUR: 4.52 in 2004 i 4,02 in 2005

Unipetrol Group

Selected financial data for FY2004 vs. FY2005

Preliminary financial results of main subsidiaries of Unipetrol a.s.

| in 000 CZK | | 2004 IFRS* | 2005 IFRS |
|---------------------------------|---------------------|-------------------|-------------------|
| Chemopetrol a.s. | Revenues | 28,899,450 | 31,237,276 |
| | EBIT | 2,743,604 | 3,163,848 |
| | Net result | 1,952,507 | 2,642,690 |
| | <i>Equity</i> | <i>13,033,302</i> | <i>14,200,524</i> |
| | <i>Total assets</i> | <i>28,533,029</i> | <i>28,385,412</i> |
| Benzina a.s. | Revenues | 20,700,329 | 11,426,602 |
| | EBIT | 487,891 | -9,378 |
| | Net result | -1,053 | -499,120 |
| | <i>Equity</i> | <i>323,532</i> | <i>1,123,412</i> |
| | <i>Total assets</i> | <i>8,323,622</i> | <i>7,657,185</i> |
| Ceska Rafinerska a.s. | Revenues | 9,103,977 | 9,292,780 |
| | EBIT | 489,963 | 468,191 |
| | Net result | 321,396 | 325,834 |
| | <i>Equity</i> | <i>17,805,918</i> | <i>18,131,752</i> |
| | <i>Total assets</i> | <i>28,332,362</i> | <i>24,973,731</i> |
| Kaucuk a.s. | Revenues | 10,202,929 | 10,395,442 |
| | EBIT | 561,906 | 553,27 |
| | Net result | 277,711 | 455,081 |
| | <i>Equity</i> | <i>6,340,241</i> | <i>6,795,322</i> |
| | <i>Total assets</i> | <i>9,211,038</i> | <i>8,909,922</i> |
| Paramo a.s. | Revenues | 9,136,966 | 11,073,141 |
| | EBIT | 285,72 | -156,744 |
| | Net result | 157,137 | -267,072 |
| | <i>Equity</i> | <i>1,596,225</i> | <i>1,837,825</i> |
| | <i>Total assets</i> | <i>3,419,894</i> | <i>4,353,063</i> |
| Spolana a.s. | Revenues | 5,070,504 | 5,757,796 |
| | EBIT | 250,250 | 291,884 |
| | Net result | 118,527 | 183,071 |
| | <i>Equity</i> | <i>884,528</i> | <i>1,067,599</i> |
| | <i>Total assets</i> | <i>3,782,827</i> | <i>3,870,302</i> |
| Unipetrol Rafinerie a.s. | Revenues | 59,252,192 | 81,384,840 |
| | EBIT | 1,365,415 | 958,694 |
| | Net result | 1,061,731 | 563,657 |
| | <i>Equity</i> | <i>827,805</i> | <i>1,391,463</i> |
| | <i>Total assets</i> | <i>9,531,005</i> | <i>13,390,578</i> |

*restated data

Unipetrol Group

Financial and Operational Results for 2005

Preliminary consolidated financial highlights of Unipetrol a.s. 2004-2005

| in '000 CZK | | 2004 IFRS* | 4Q 2005 IFRS | 2005 IFRS |
|----------------|--------------|------------|--------------|-------------|
| UNIPETROL a.s. | Equity | 32 670 542 | 39 010 634 | 39 010 634 |
| | Total assets | 71 894 387 | 76 511 611 | 76 511 611 |
| | Revenues | 86 251 009 | 26 549 902 | 105 842 218 |
| | EBIT | 5 878 311 | 1 420 635 | 5 271 369 |
| | Net result | 3 695 424 | 1 143 278 | 3 455 840 |

*restated results



Unipetrol Group

Selected financial data for FY2004 vs. FY2005

Operational highlights for years 2003-2005

| Operating data* | Q1'03 | Q2'03 | Q3'03 | Q4'03 | 2003 | Q1'04 | Q2'04 | Q3'04 | Q4'04 | 2004 | Q1'05 | Q2'05 | Q3'05 | Q4'05 | 2005 |
|---|-------|-------|-------|-------|--------------|-------|-------|-------|-------|--------------|-------|-------|-------|-------|--------------|
| Total sales (tt) , of which | 110 | 177 | 720 | 1 135 | 2 142 | 1 024 | 1 195 | 1 204 | 1 269 | 4 692 | 1 118 | 1 326 | 1 400 | 1 320 | 5 164 |
| - light product sales (tt) ¹ | 45 | 69 | 429 | 728 | 1 269 | 654 | 770 | 784 | 830 | 3 039 | 746 | 848 | 919 | 854 | 3 367 |
| - other refinery products sales | 52 | 83 | 156 | 128 | 420 | 100 | 132 | 190 | 130 | 552 | 123 | 192 | 197 | 166 | 678 |
| - pet-chem sales (tt) | 14 | 25 | 114 | 231 | 383 | 221 | 243 | 189 | 253 | 905 | 209 | 236 | 235 | 249 | 928 |
| - other product sales (tt) | 0 | 0 | 21 | 48 | 69 | 49 | 50 | 41 | 56 | 196 | 41 | 51 | 50 | 51 | 192 |
| Retail sales of motor fuels (tL)² | 110 | 130 | 137 | 129 | 507 | 107 | 130 | 133 | 120 | 491 | 104 | 126 | 136 | 120 | 486 |
| Processed crude (tt) | 131 | 143 | 671 | 978 | 1 922 | 834 | 898 | 952 | 1 034 | 3 718 | 874 | 1 022 | 1 134 | 1 122 | 4 151 |
| Utilisation³ | 69% | 69% | 67% | 71% | 70% | 62% | 65% | 68% | 75% | 67% | 64% | 74% | 81% | 81% | 75% |
| White product yield⁴ | 45% | 65% | 68% | 71% | 68% | 72% | 67% | 74% | 70% | 71% | 72% | 69% | 72% | 71% | 71% |
| Fuel yield⁵ | 34% | 48% | 59% | 60% | 57% | 46% | 56% | 57% | 55% | 54% | 56% | 60% | 61% | 56% | 58% |

*Refers to Unipetrol Group

1) Gasoline, Diesel, LHO, Jet

2) Gasoline, Diesel, LPG

3) 51% of Ceska Rafinerska, 100% of Paramo

4) Gasoline, Diesel, LHO, Jet

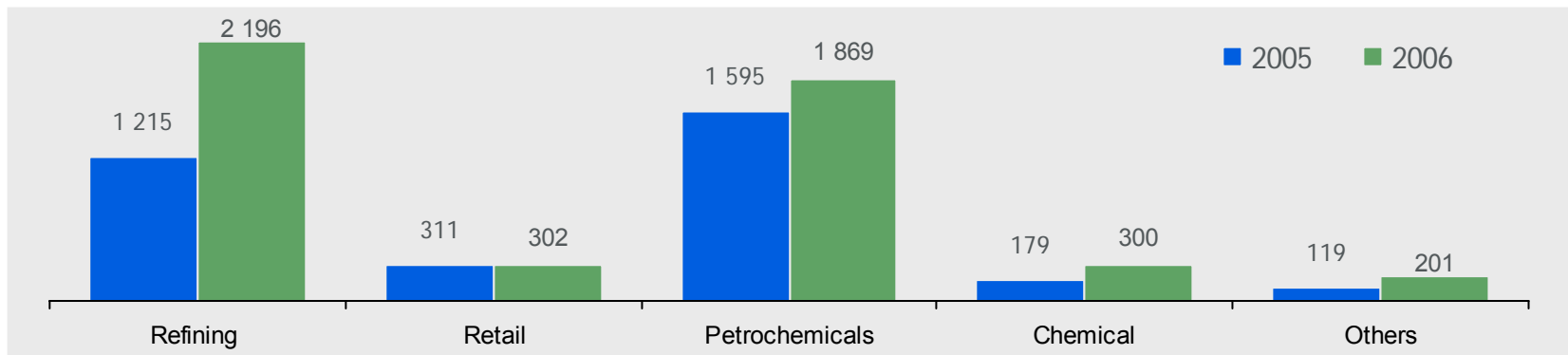
5) Gasoline, Diesel, LPG, LHO

Financial assumptions for 2006 at Unipetrol

Financial assumptions

- EBITDA : + 11 % referring to macro environment ¹
- CAPEX CZK 4.9 bn²

Total increase in CAPEX of ca. CZK 1 448 m 2006 vs. 2005



1) Macroeconomic environment conditions as in 2004 : Brent crude \$38.2/b, Brent/Ural differential \$4.1/b, refinery margin \$3.5/b, CZK/EUR 31.90.

Assumptions vs. 2005

2) Refers to Unipetrol Group

Strategic actions at Unipetrol in 2005

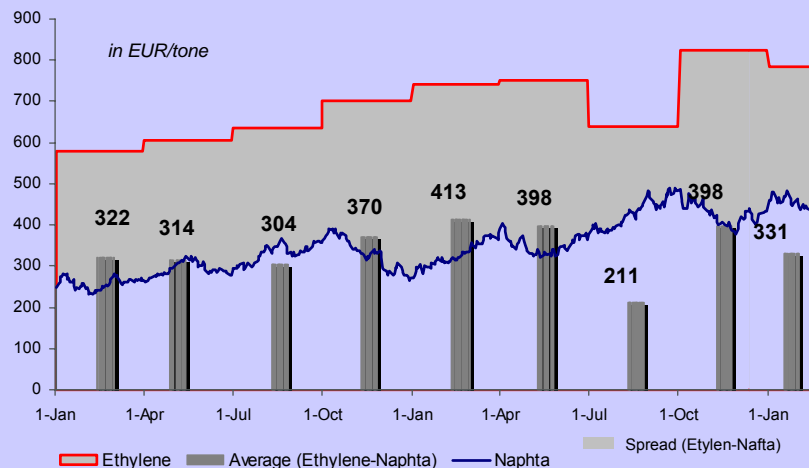
Key steps undertaken in 2005

- Acquisition of Unipetrol by PKN ORLEN
- Mandatory Tender Offer for shares of Unipetrol a.s., Spolana and Paramo
- Introduction of modern corporate governance structures. Integration of Unipetrol companies under a single management with common objectives and shared P&L responsibility
- Unipetrol developed a strategy for its key assets to maximize the value of the company
- Investor road show – presentation of Partnership Program and asset divestment strategy
- HR: harmonization of organizational structure and policy, implementation of MBO targets oriented system
- Partnership Program launched by Unipetrol with support from PKN ORLEN
 - Implementation of PKN ORLEN's Best Practices, expert support from PKN ORLEN
 - Capturing 'quick wins' (insurance, cash-pooling savings)
- Starting of optimization of the UNIPETROL Group overall consolidated gross margin using the PIMS software
- Capital strengthening of retail business – capital increase in Benzina
- Operational reorganization of retail business – non-fuel business managed directly by Benzina and preparation for liquidation of Benzina Trade

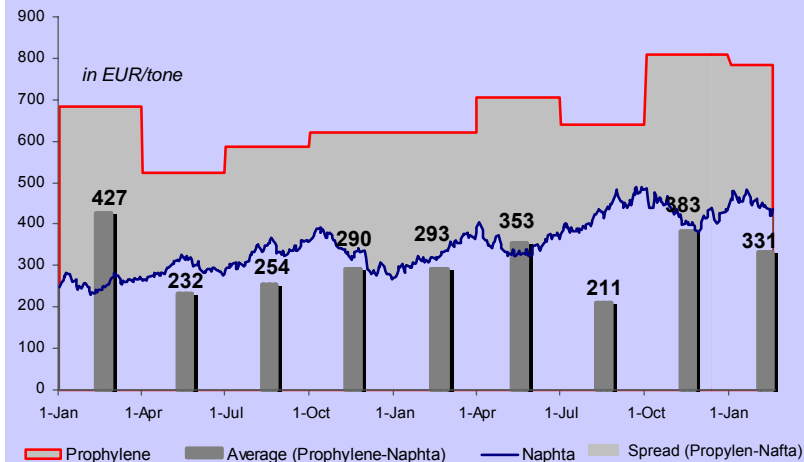
Petrochemical market

from 1 January 2004 to mid February 2006

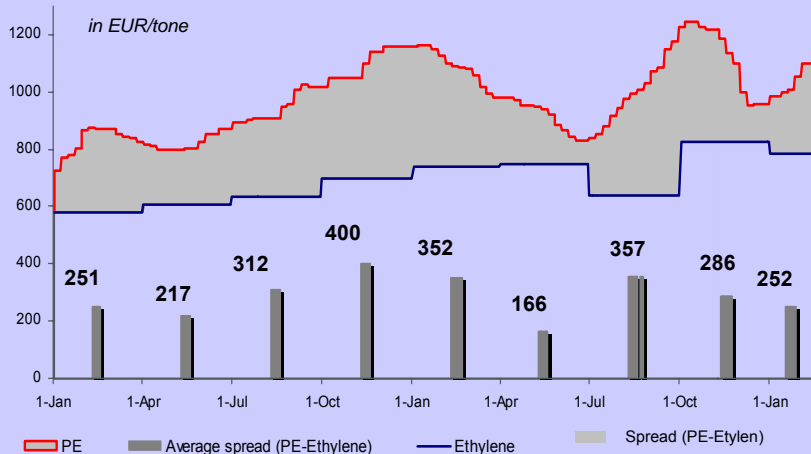
Ethylene



Propylene



Poliethylene (LDPE)



Polipropylene

