



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

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February 28, 2006



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.

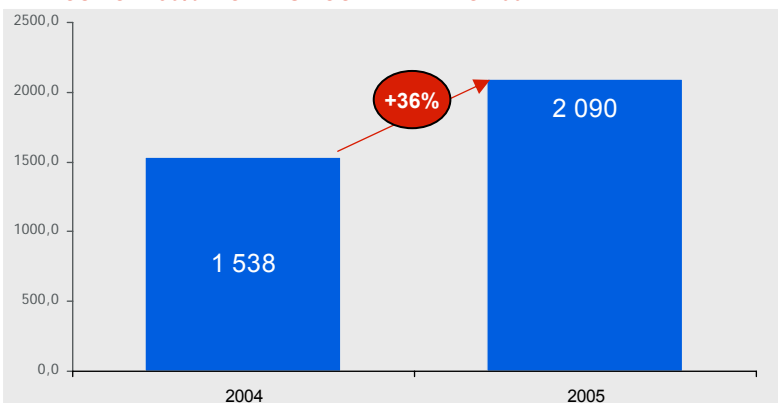
Financial assumptions for 2005

were significantly exceeded compared to the plan

CAPEX (PLN m) PKN ORLEN

TARGET FOR 2005: 2,3 PLN bln

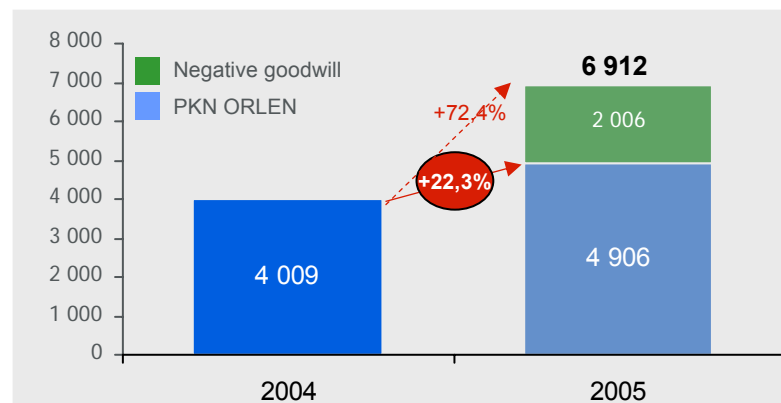
EXECUTION: 36% INCREASE COMPARED TO 2004



EBITDA (PLN m)¹ PKN ORLEN

TARGET FOR 2005: > 14%¹

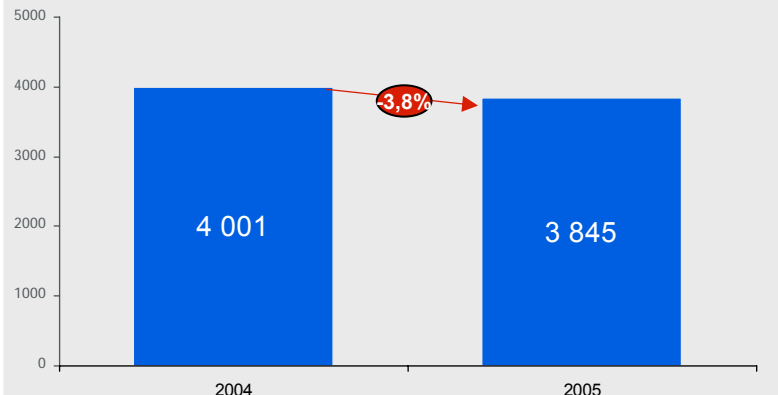
EXECUTION : SIGNIFICANTLY EXCEEDING THE PLAN



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

TARGET FOR 2005: below 2004

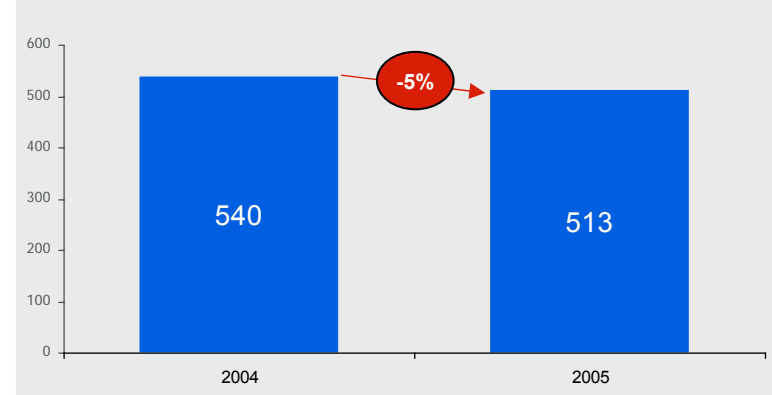
EXECUTION : BELOW 2004 LEVEL



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

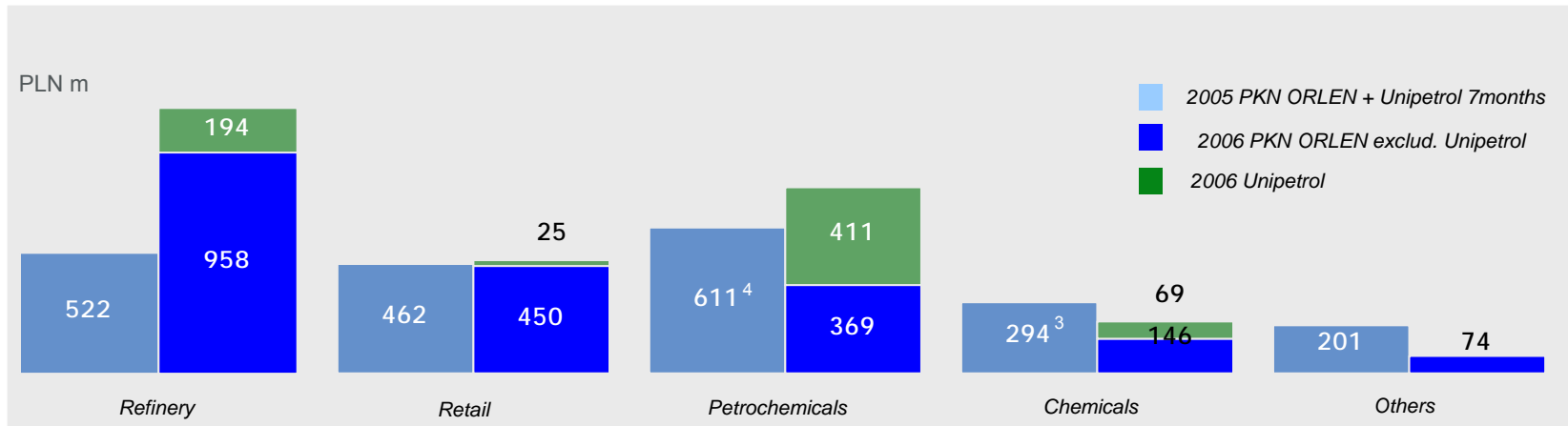
Financial assumptions for 2006

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

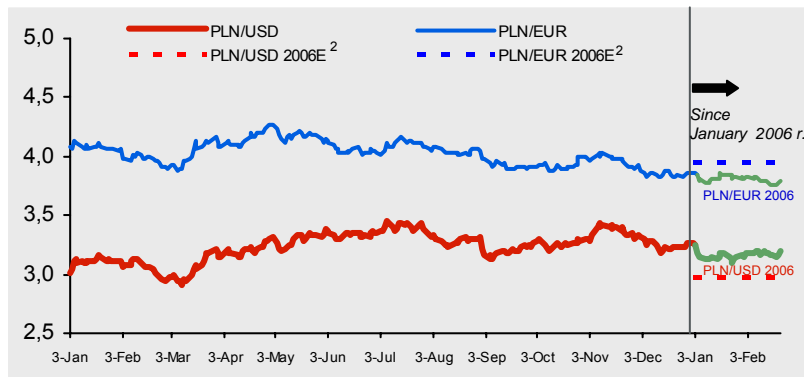
- Assumptions for 2006 financial plan
- **Summary of 2005 financial results**
- Supporting slides



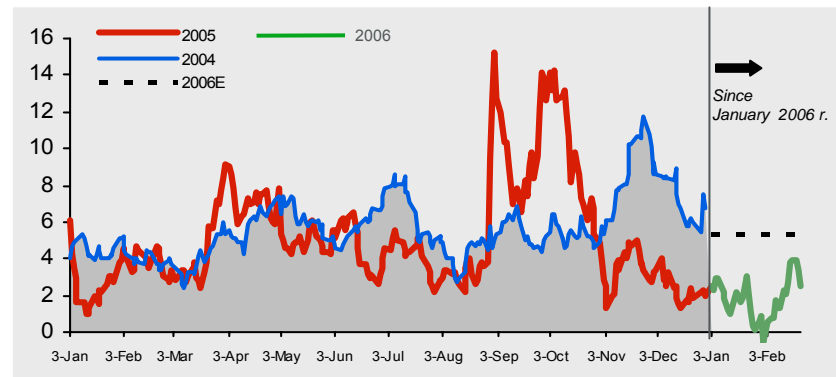
Macroeconomic environment in 2005

Variable and volatile refining and petrochemical sector

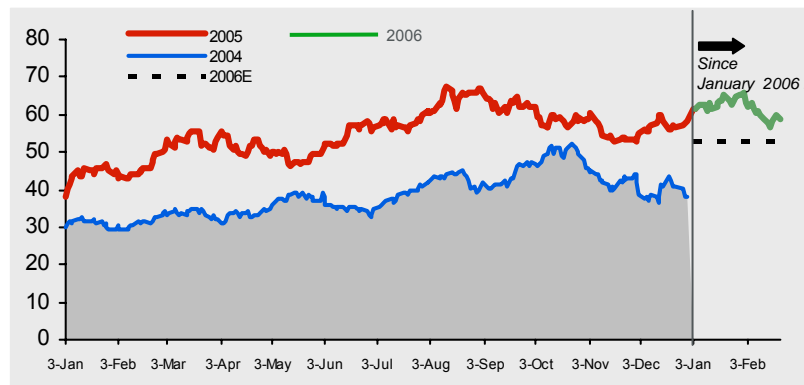
Exchange rates average¹



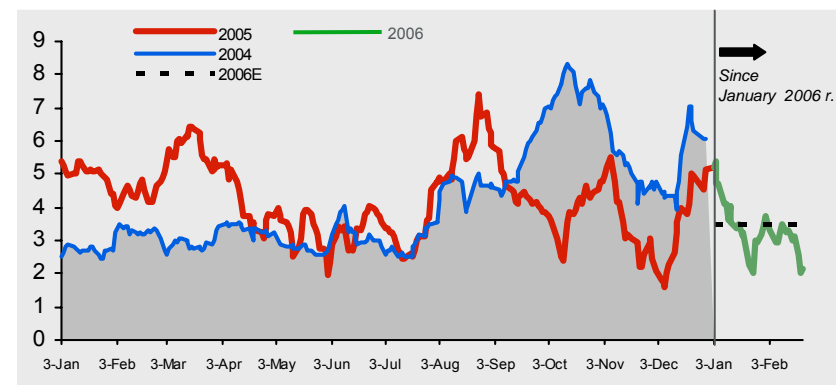
Refinery margin 5,12 \$/b average in 2005³ Decrease by 9% y/y



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.

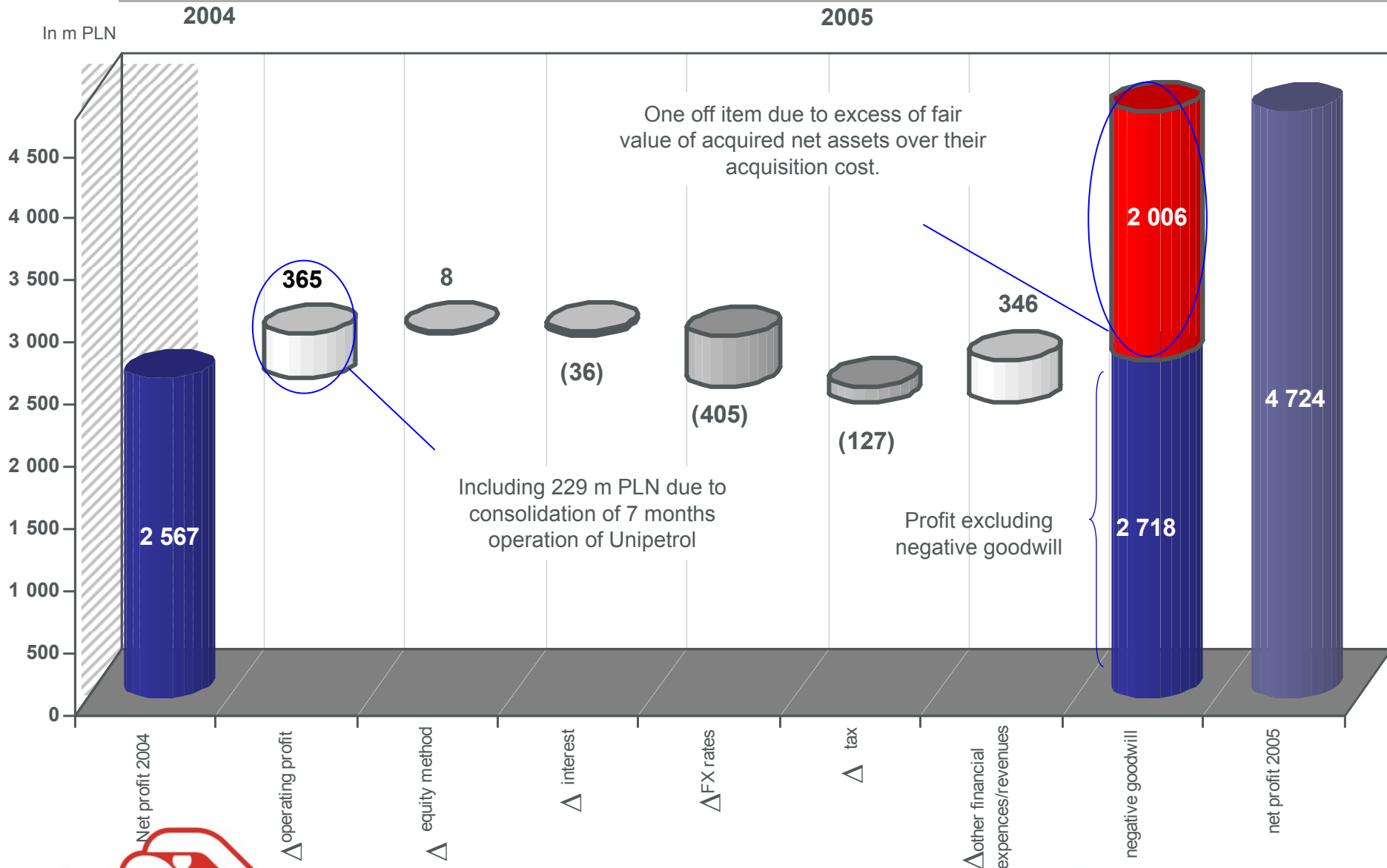
- Excluding Unipetrol distribution costs in PKN ORLEN decrease by 1%, and administrative expenses increase by 1%

*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

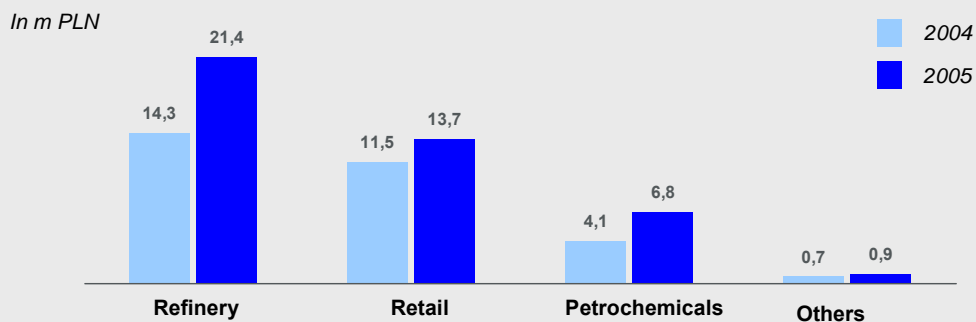
*Consolidation of Unipetrol assets is affected by one-off result on negative goodwill at a level of PLN 2,006 m attributed to the 2Q'2005 results and affecting other operating costs

Revenues by segment

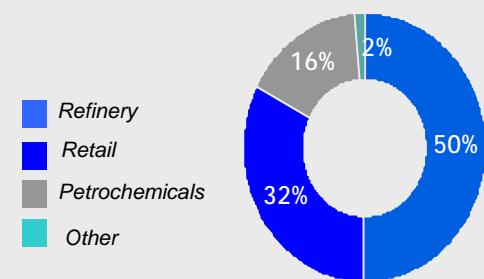
Higher petrochemical share in total revenues¹

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

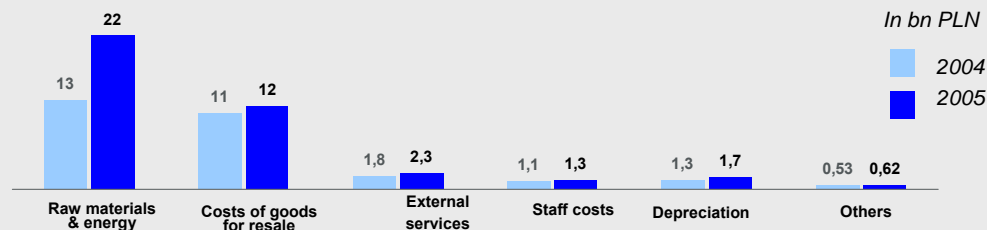
Operating costs grew by less than revenues excluding Unipetrol

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%

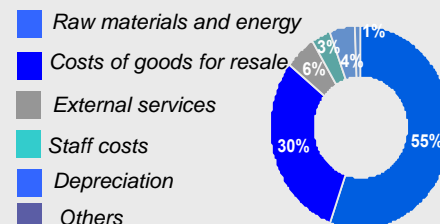
Comment

- 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

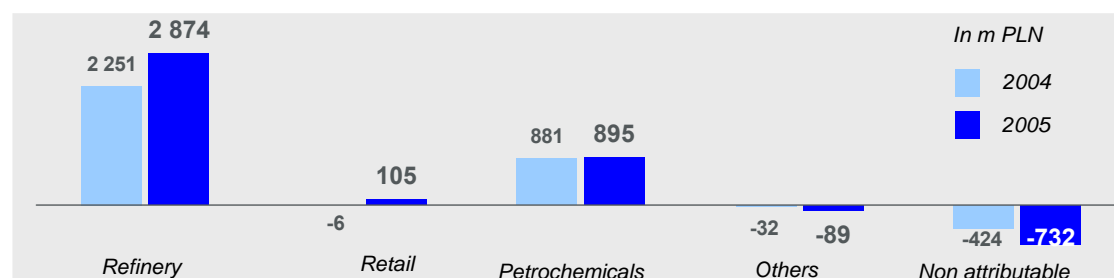
Visible improvement in results across all core business segments

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

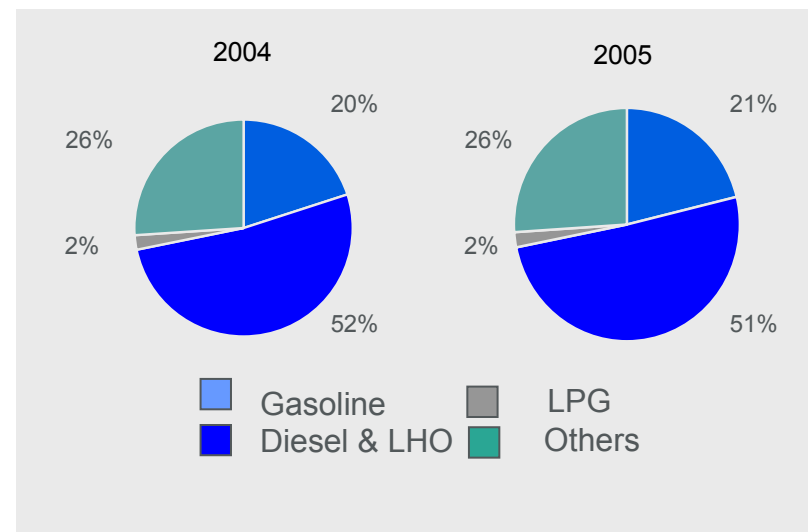
Impressive 21% increase in sales of refining products and execution of major plant investments to increase value of the company¹

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



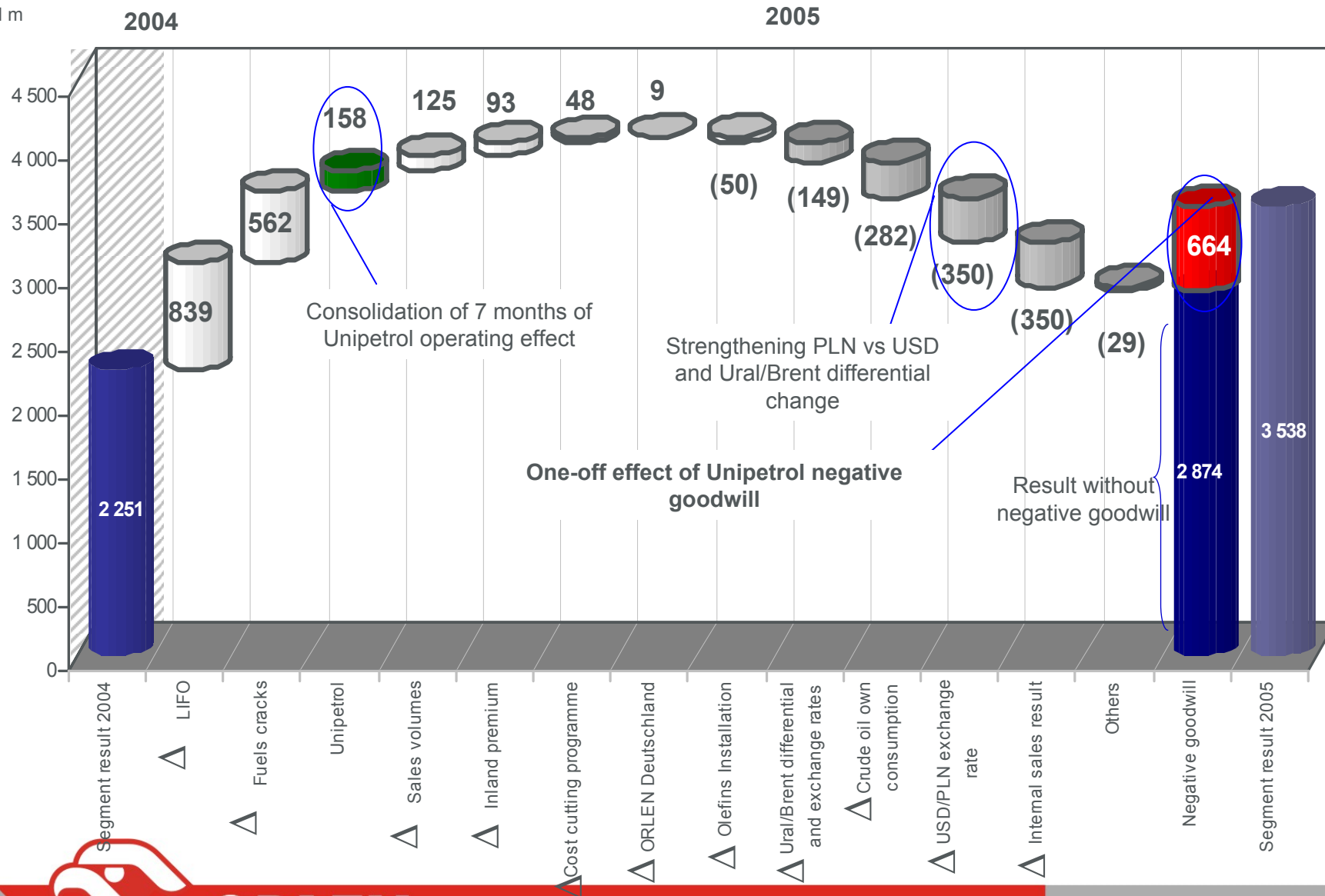
* Consolidation of Unipetrol assets is affected by one-off result on negative goodwill at a level of PLN 2, 006 m attributed to Q2'05 results and affecting other operating costs

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

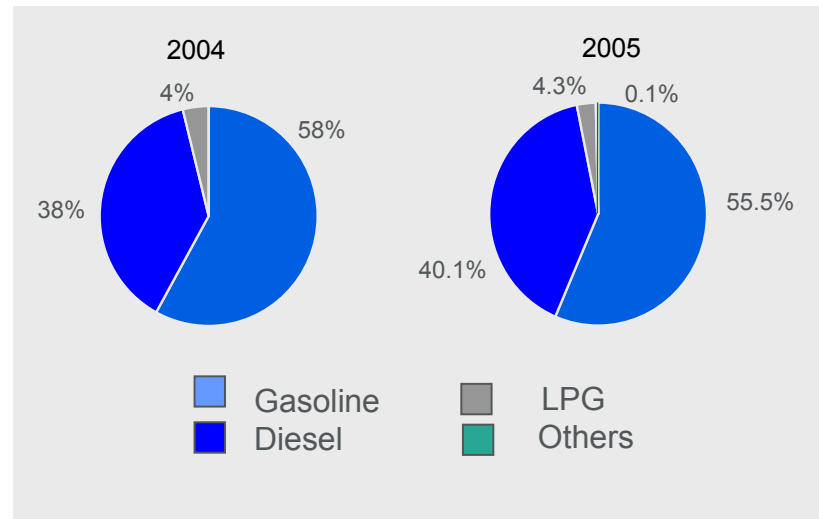
Implementation of Retail Sales Development Plan for Poland provides the first effects – segment profit amounts to PLN 105 m excluding negative goodwill¹

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

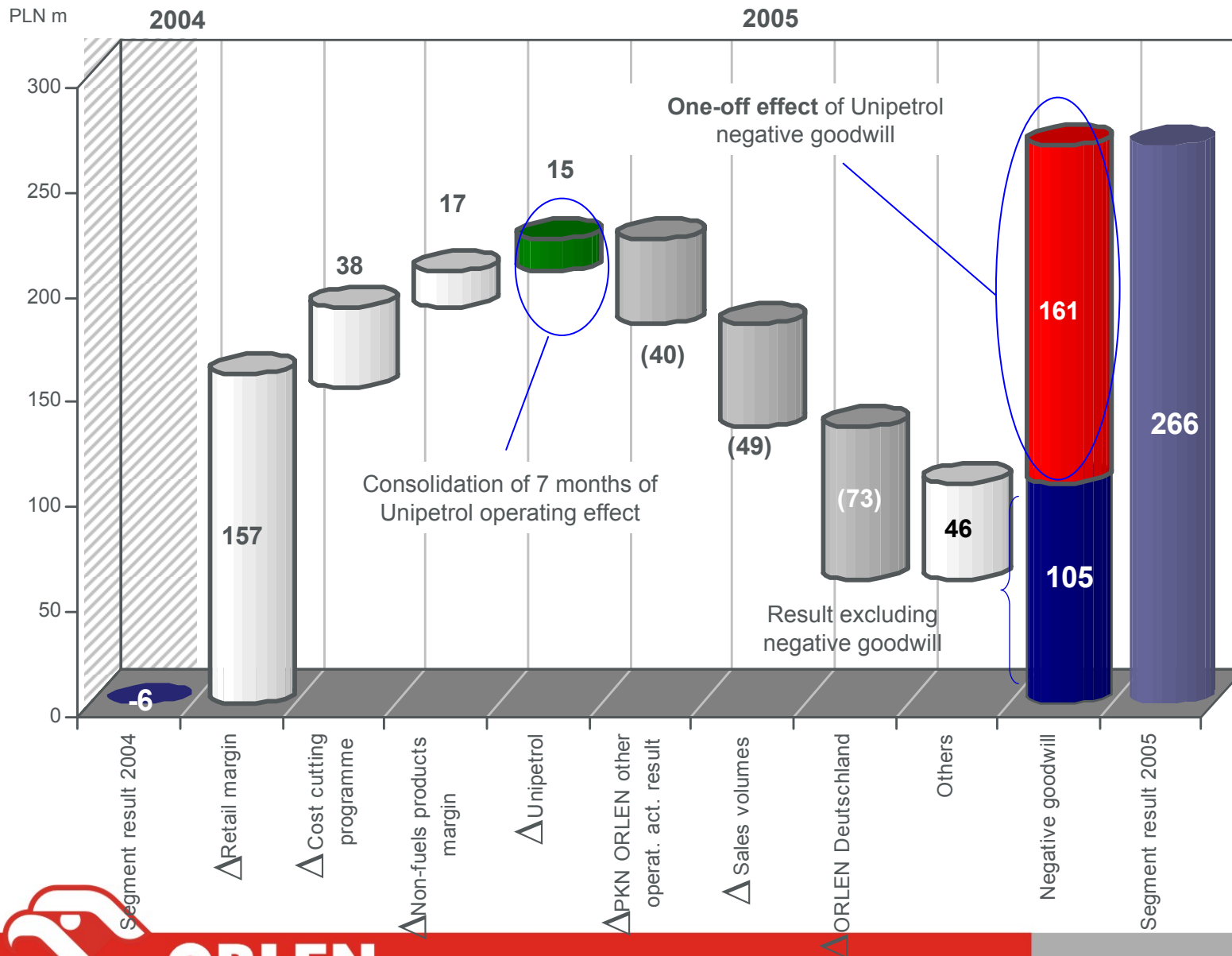


*Unipetrol results consolidation is connected with one-off effect of including the initially estimated negative goodwill in the amount of PLN 2 006 m - in Q 2' 2005 – to the other operating costs

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



Petrochemical

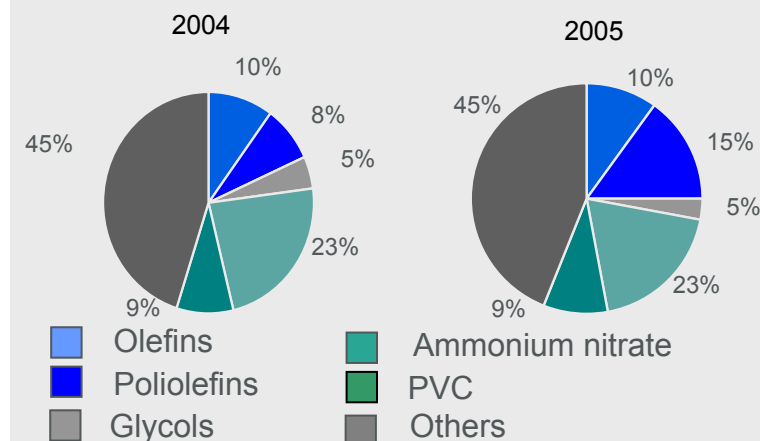
Dynamic increase in sales and building strong position on the petrochemical market in the region (BOP, Chemopetrol)¹

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

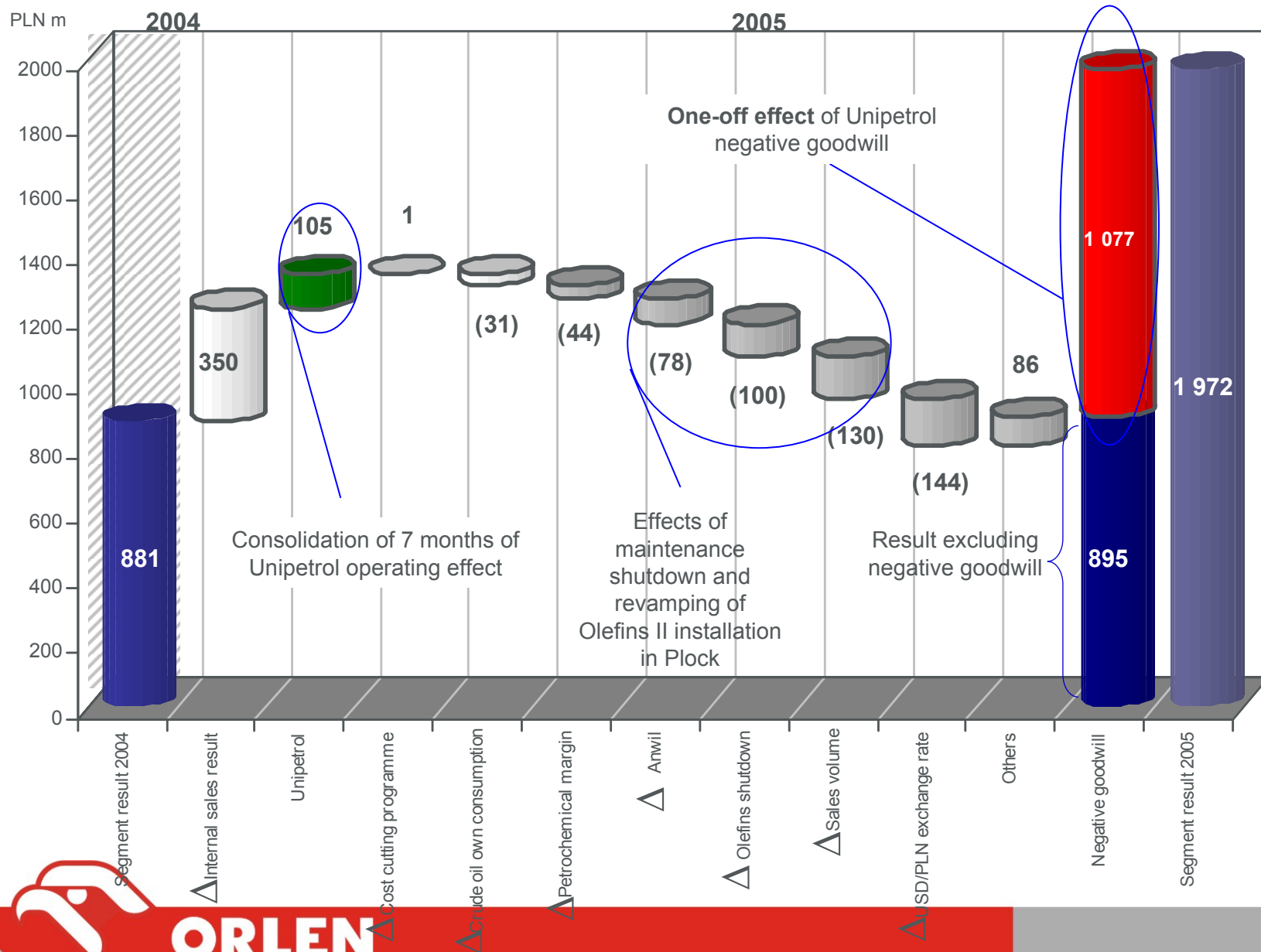


*Unipetrol results consolidation is connected with one-off effect of including the initially estimated negative goodwill in the amount of PLN 2 006 m - in Q 2' 2005 - to the other operating costs

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.

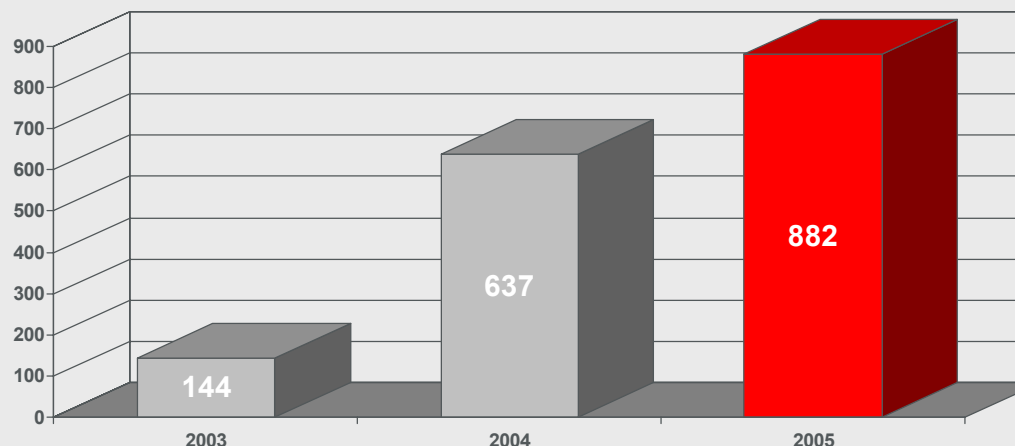
Efficiency
improvement
initiatives realised

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

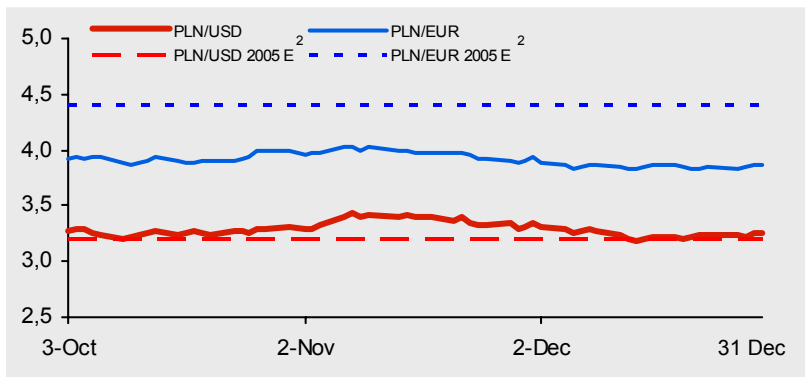
- **Characteristics of macroeconomic environment**
- **Financial and operating results Q4'2005**
- **CAPEX**
- **ORLEN Deutschland**
- **Unipetrol**
- **Petrochemicals market – environment summary**



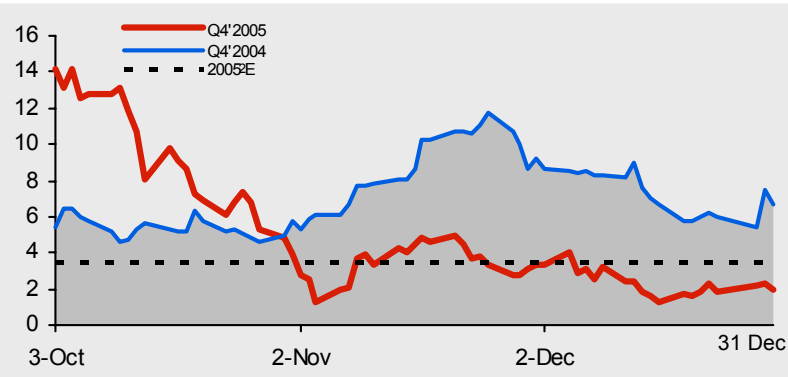
Macroeconomic environment

4Q'2005

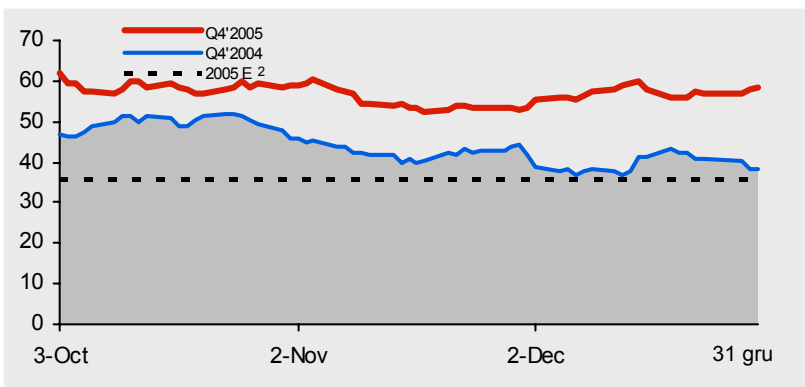
Exchange rates average¹



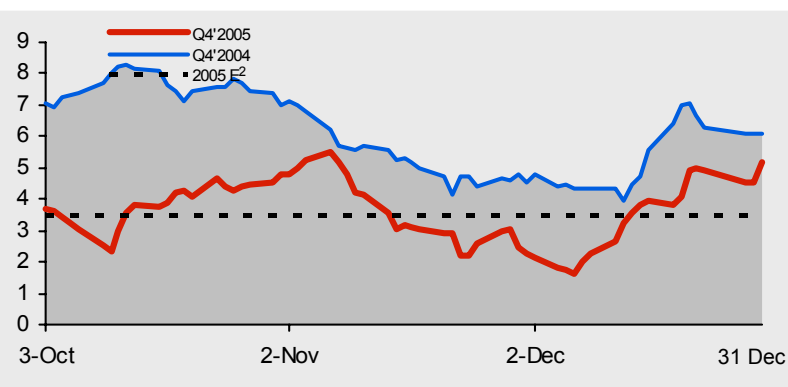
Refinery margin average \$5.17/b in Q4' 2005³ Decrease of 27% y/y



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



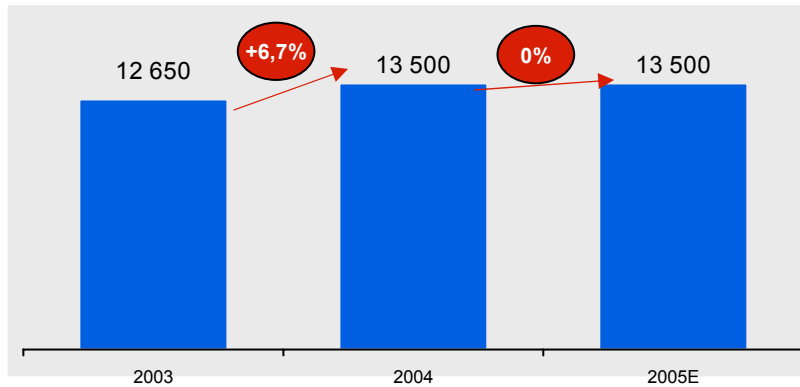
1)Source: NBP(Polish National Bank)

2) Estimates published in PKN ORLEN Strategy

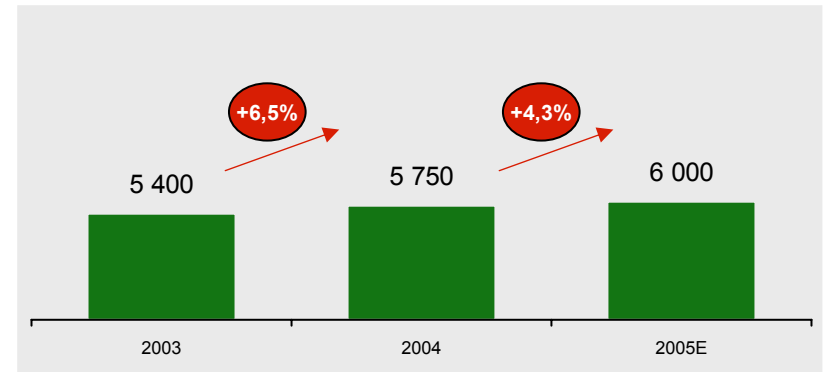
3) Calculated as: Products (88.36%) vs. Brent Dtd (100%). Products contain Premium Unl (25.21%), EN590 (23.20%), Naphtha (16.51%), LOO (15.31%), HSFO (5.44%) i Jet (2.69%) (source: CIF NWE quotations, except HSFO FOB ARA)

Macroeconomic environment in Poland and in Czech Republic

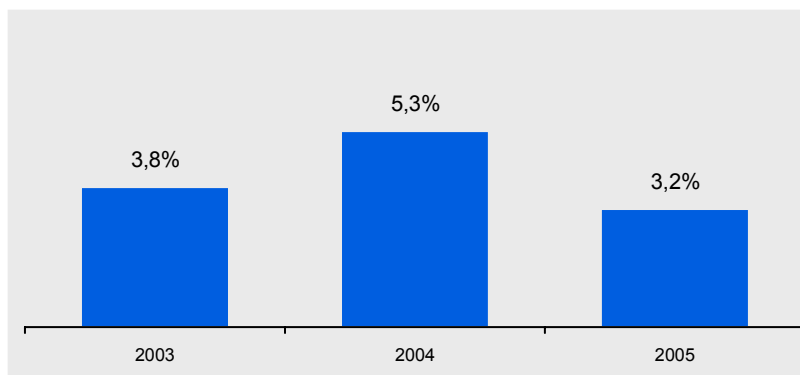
**Fuel consumption – Poland
(gasoline, diesel, LHO); (in thousand tonnes)**



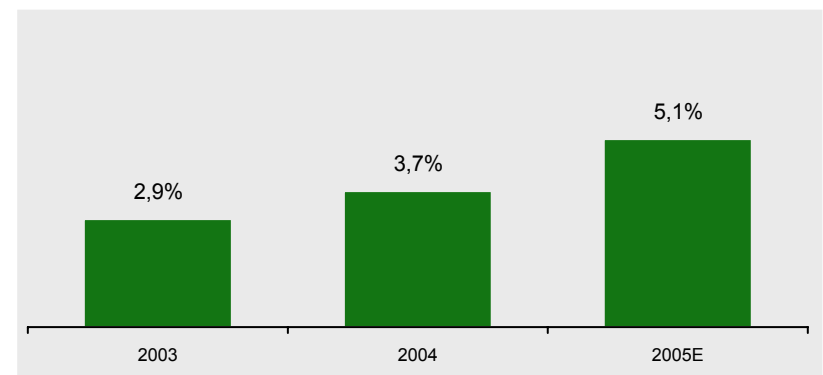
**Fuel consumption – Poland
(gasoline, diesel); (in thousand tonnes)**



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

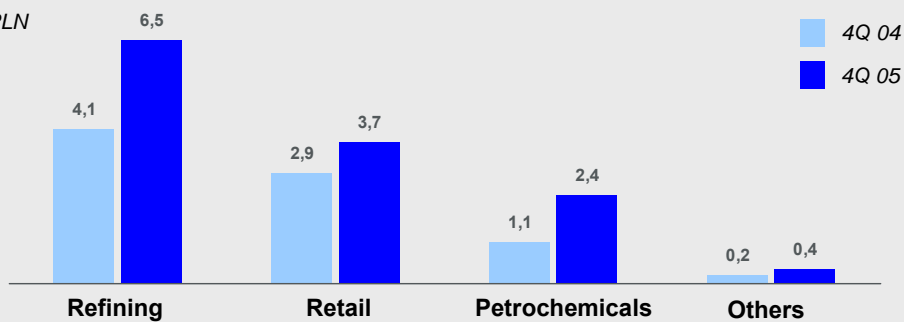
IFRS basis, PLN m	Q4'2004	Q4'2005	y/y
Revenue total	8 376	12 940	54%
of which			
Refining¹⁾	4 127	6 464	57%
Unipetrol	265	289	9%
Germany (without excise tax)	265	289	9%
excise tax (Germany)	251	203	-19%
Retail	2 925	3 749	28%
Unipetrol	0	415	-
Germany (without excise tax)	652	791	21%
excise tax (Germany)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

Comments

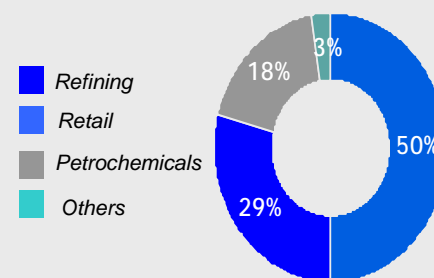
- Revenue increase due to Unipetrol consolidation
- Over 22% increase of light fuel sales in wholesale
- Increasing petrochemicals revenues share in total revenue to about 20% (excluding excise tax)

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

In bn PLN



Segment revenue structure Q4'05w



Profit and loss account 4Q 2005

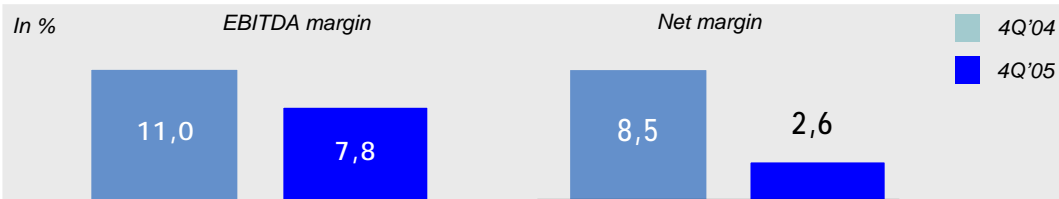
Results affected by provision on economic risk and restructurization

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

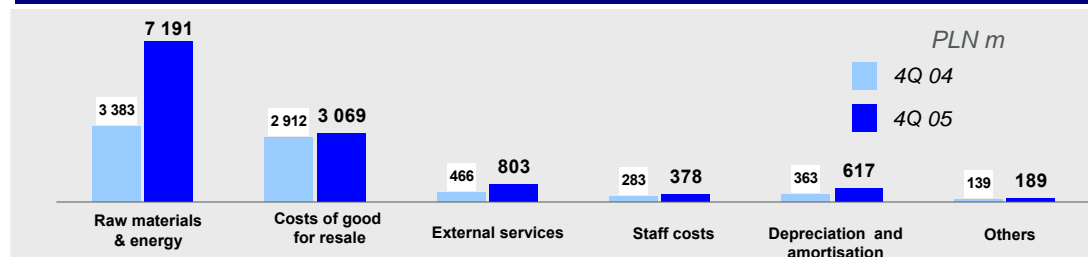
Cost cutting initiative visible in fixed cost decrease

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

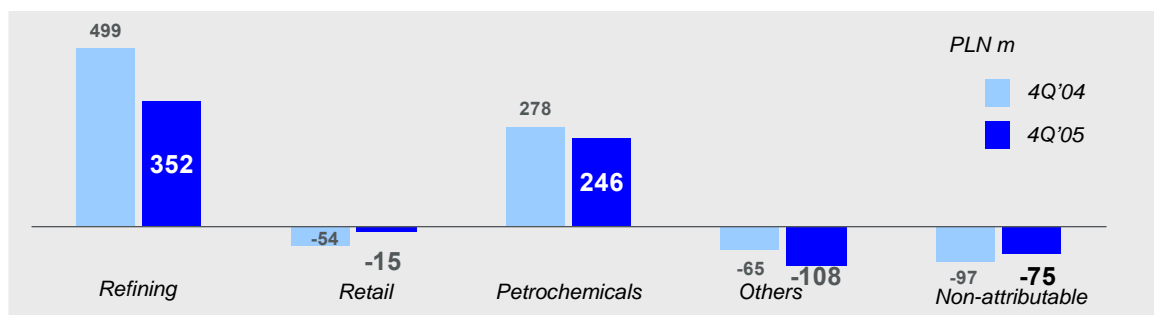
Over 40% operating profit recorded in petrochemicals

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

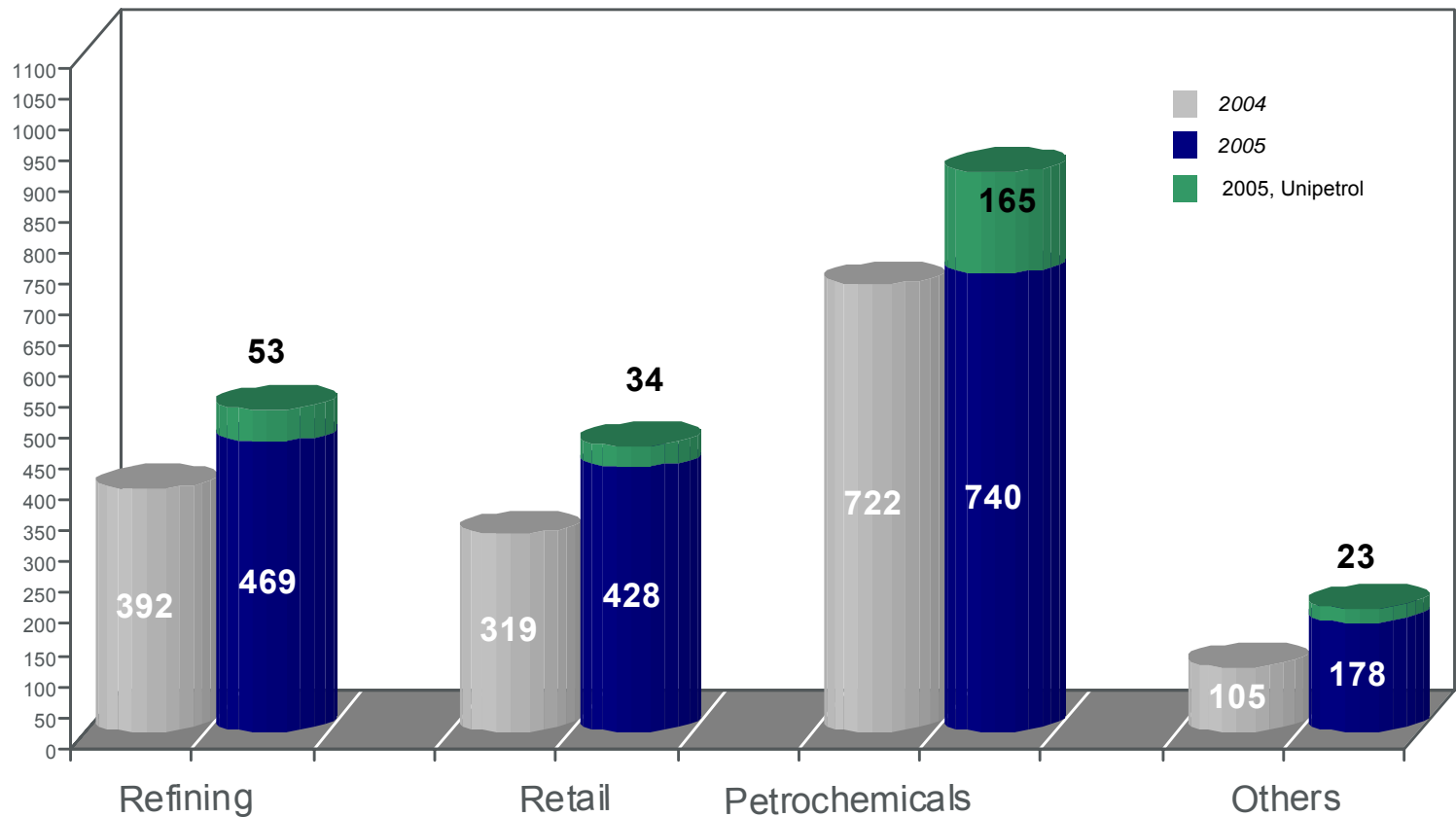
Production data refers to Plock Refinery, based on nameplate capacity on the level 13,5 mt

Capex in 2005

Focus on petrochemicals development

Investment in Q4'05 including Unipetrol

In PLN m

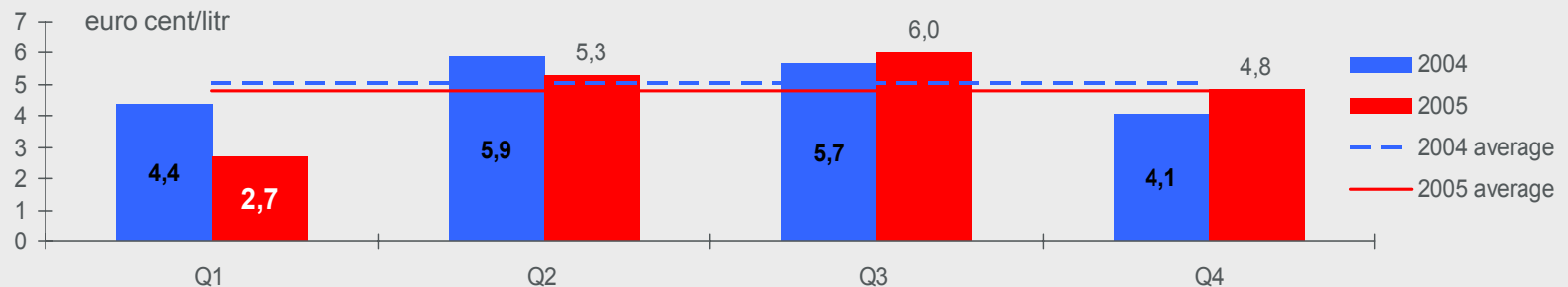


ORLEN Deutschland

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

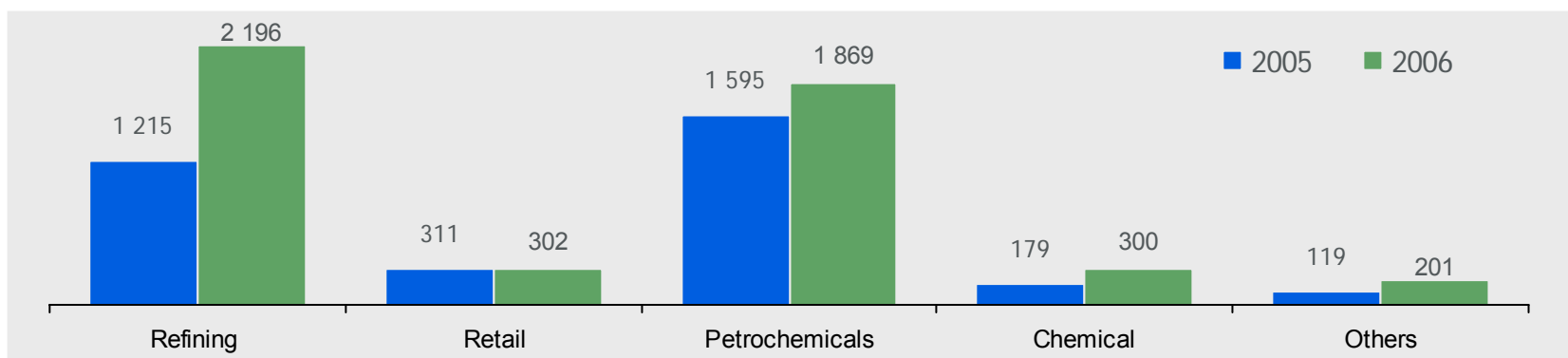
5) Gasoline, Diesel, LPG, LHO

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

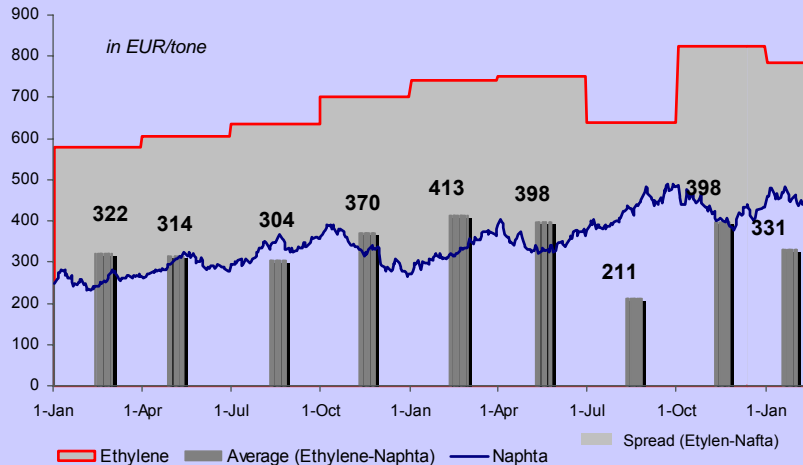
Key steps undertaken in 2005

- 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

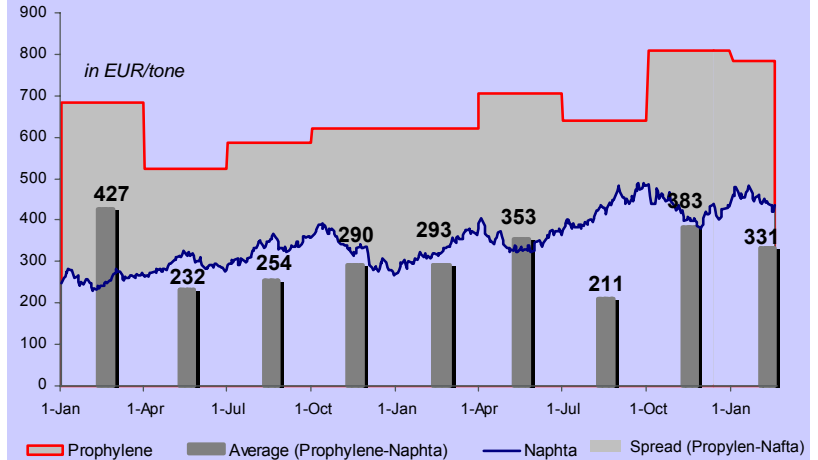
Petrochemical market

from 1 January 2004 to mid February 2006

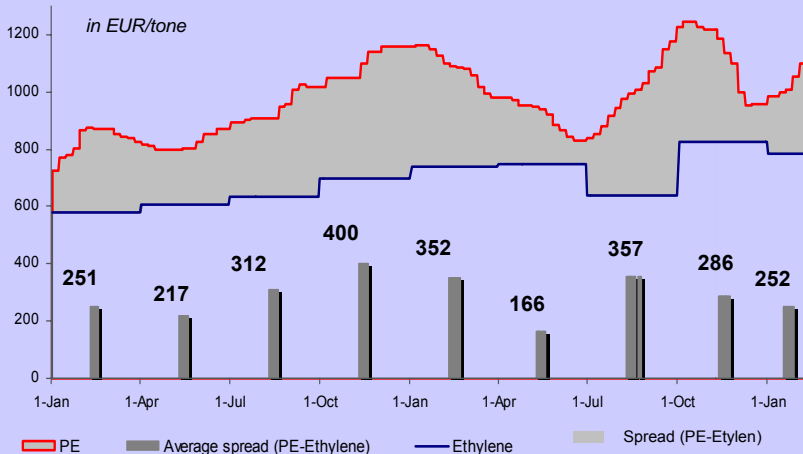
Ethylene



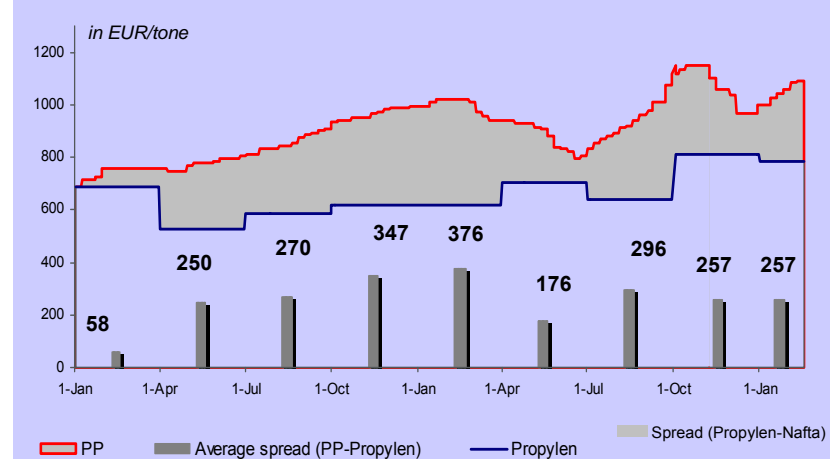
Propylene



Poliethylene (LDPE)



Polipropylene



Source: Market rating