PKN ORLEN consolidated financial results 3Q16

20 October 2016

#ORLEN3Q16@PKN_ORLEN

Agenda

- Key highlights 3Q16
- Macroeconomic environment
- Financial and operating results
- Liquidity and investments
- Market outlook for 2016

Key highlights 3Q16

Value creation

- EBITDA LIFO: PLN 2,2 bn
- Results under the pressure of weaker macro and shutdowns
- Record-high retail result
- Building of Metathesis Installation in Plock started

Financial strength

- Financial gearing: 18,3%
- Cash flow from operations: PLN 2,1 bn
- Dividend for 2015: PLN 0,9 bn payment / PLN 2,00 per share

People

- Verva Street Racing 2016
- Integrated Report 2015 of ORLEN Group awarded by Warsaw Stock Exchange: http://raportzintegrowany2015.orlen.pl/en/

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Agenda

Key highlights 3Q16

Macroeconomic environment

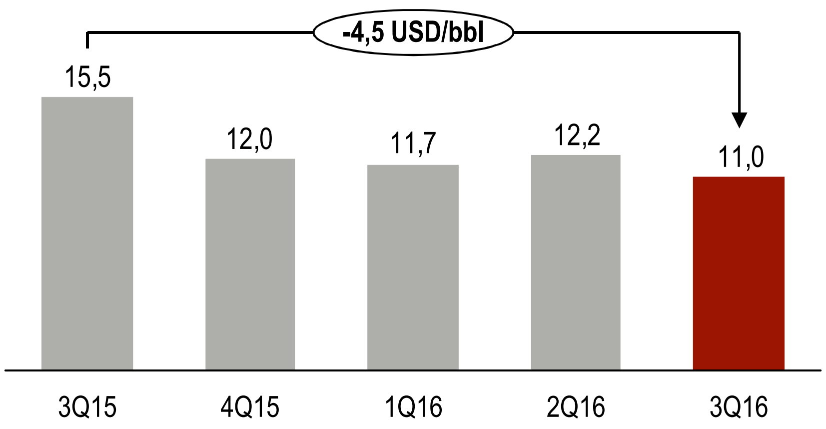
Financial and operating results

Liquidity and investments

Market outlook for 2016

Macro environment in 3Q16 (Y/Y)

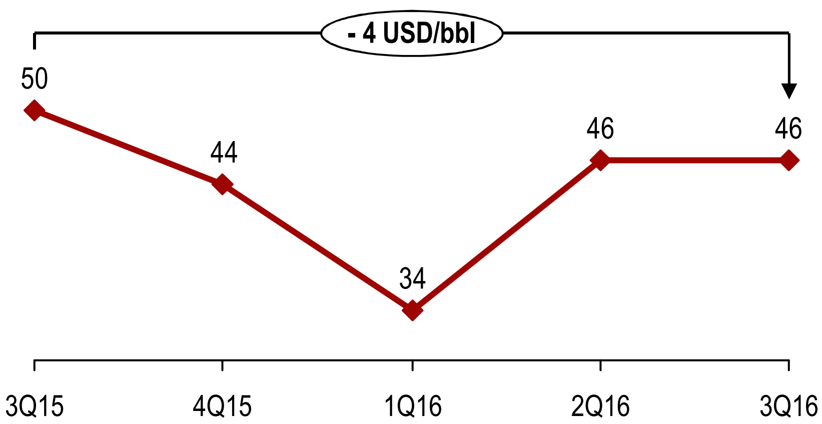
Downstream margin decrease
Model downstream margin, USD/bbl



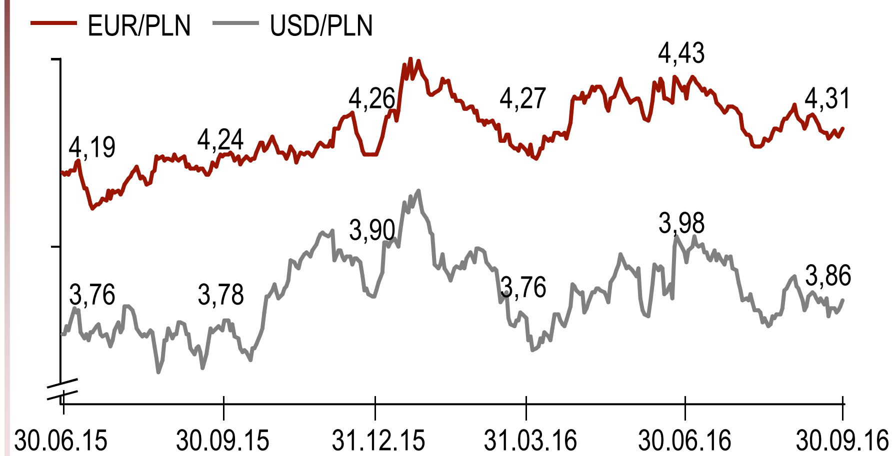
Product slate of downstream margin
Crack margins

Refining products (USD/t)	3Q15	2Q16	3Q16	Δ Y/Y
Diesel	108	71	66	-39%
Gasoline	212	170	125	-41%
HHO	-140	-147	-119	15%
SN 150	145	108	106	-27%
Petchem products (EUR/t)				
Ethylene	671	605	619	-8%
Propylene	564	334	368	-35%
Benzene	355	293	304	-14%
PX	481	438	431	-10%

Crude oil price decrease
Average Brent crude oil price, USD/bbl



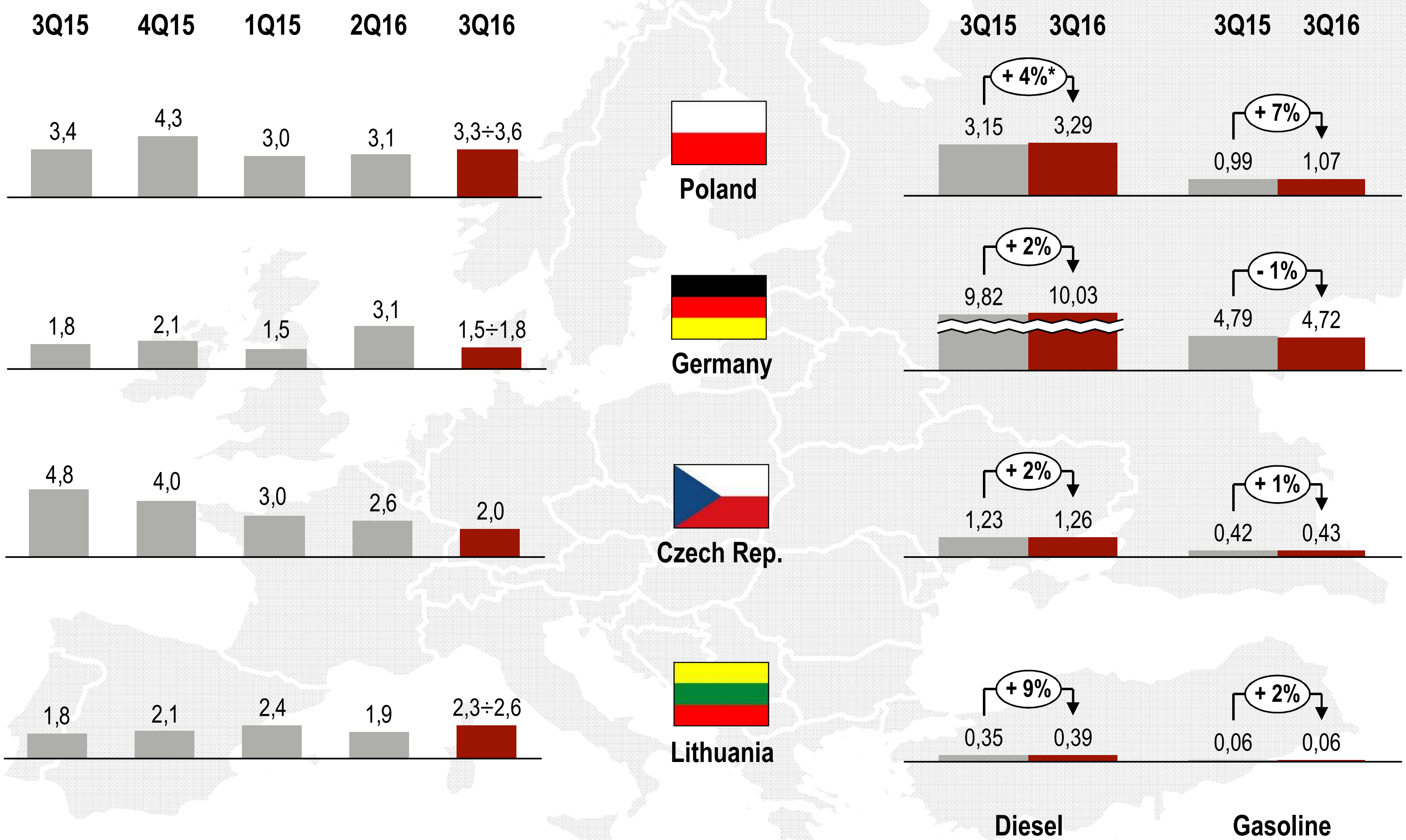
Weakening of average PLN against USD and EUR
USD/PLN and EUR/PLN exchange rate



Diesel consumption increase (Y/Y)

GDP increase[1]
Change (%) to respective quarter of the last year

Fuel consumption (diesel, gasoline)[2]
mt



1 Poland – Statistical Office / not unseasonal data; (Germany, Lithuania) – Eurostat / not unseasonal data, the Czech Rep. – Statistical Office / unseasonal data, 3Q16 – estimates
2 3Q16 – PKN ORLEN estimates based on available data from ARE, Lithuanian Statistical Office, Czech Statistical Office and German Association of Petroleum Industry
* Based on data from 17.10.2016r., which do most likely not include impact of regulations limiting grey zone

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Key highlights 3Q16

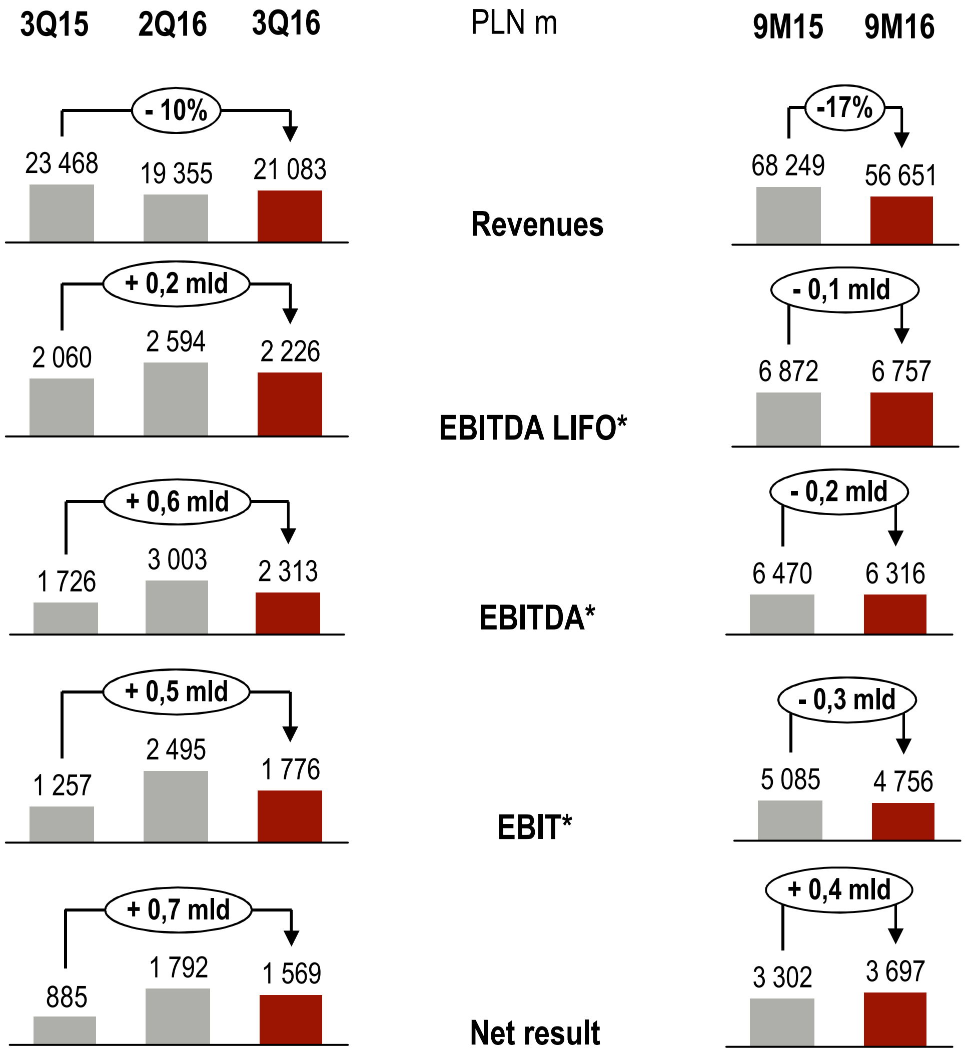
Macroeconomic environment

Financial and operating results

Liquidity and investments

Market outlook for 2016

Financial results in 3Q16



Revenues: decrease by (-) 10% (Y/Y) to lower crude oil price

EBITDA LIFO: increase by PLN 0,2 bn (Y/Y) due to retail margins increase, positive impact of next insurance payment related to Steam Cracker in Litvinov, lack of negative effects related to obligatory reserves repurchase and inventory revaluation (NRV) from 3Q15 at negative impact of macro and volumes

LIFO effect: PLN 0,1 bn in 3Q16 mainly due to rising crude oil prices in PLN

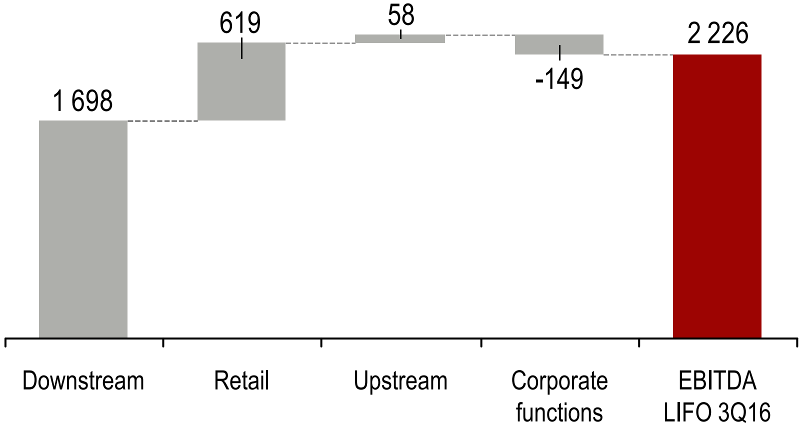
Financials' result: PLN 0,2 bn mainly due to positive FX and interest costs

Net result: PLN 3,7 bn of profit after three quarters of 2016

* Data before impairments of assets:
3Q15: PLN (-) 0,1 bn regarding mainly petchem assets in Unipetrol
9M15: PLN (-) 0,5 bn regarding mainly upstream assets of ORLEN Upstream in Poland and petchem assets in Unipetrol

EBITDA LIFO

Segments' results in 3Q16
PLN m



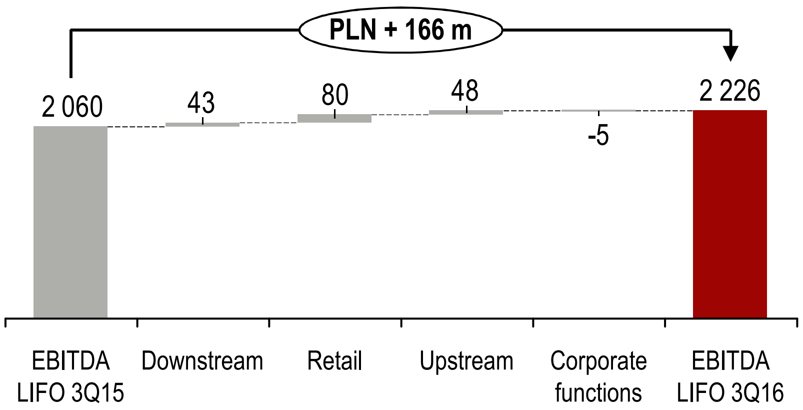
Positive impact (Y/Y) of:

- weakening of PLN against foreign currencies
- higher fuel and non-fuel margins in retail
- next insurance payment related to Steam Cracker in Litvinov
- lack of negative effects related to obligatory reserves repurchase and inventory revaluation (NRV) from 3Q15

offset by negative impact (Y/Y) of:

- decrease of downstream margin mainly due to lower margins on light and middle distillates and petrochemical products
- volumes effect, despite sales increase by 1%, mainly due to lower sales of high-margin petrochemical and refining products due to shutdowns in Unipetrol

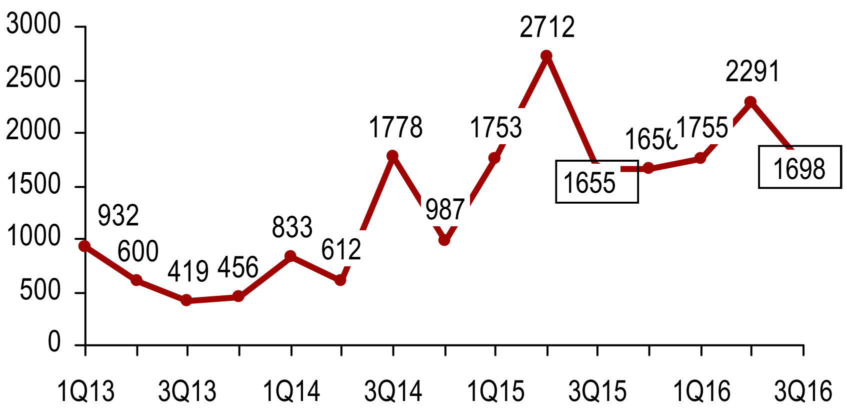
Change in segments' results (Y/Y)
PLN m



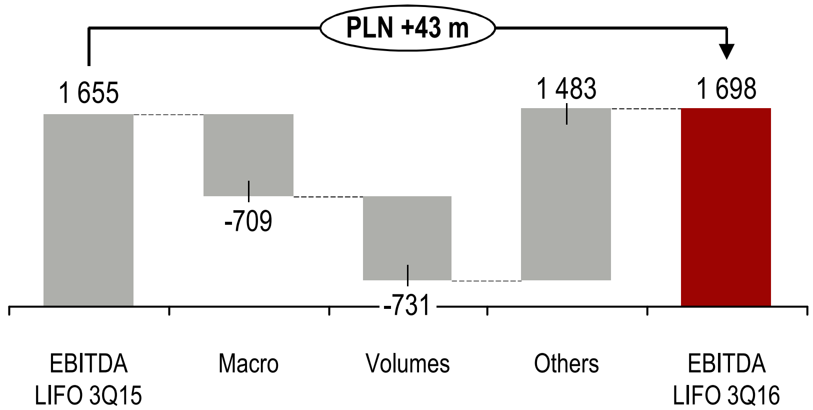
- **Downstream:** positive impact of next insurance payment related to Steam Cracker in Litvinov, lack of negative effects related to obligatory reserves repurchase and inventory revaluation (NRV) from 3Q15 at negative impact of macro and volumes effect
- **Retail:** positive impact of sales volumes increase and higher fuel and non-fuel margins
- **Upstream:** positive impact of sales volumes increase due to assets purchase in Poland and Canada in 4Q15

Downstream – EBITDA LIFO
Results impacted by macro and maintenance shutdowns

EBITDA LIFO quarterly (without impairments*)
PLN m



EBITDA LIFO – impact of factors
PLN m



Macro: margins and differential PLN (-) 731 m, exchange rate PLN 22 m
* Impairments: 2Q14 = PLN (-) 5,0 bn; 3Q15 = PLN (-) 0,1 bn

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- Weakening of PLN against USD by 3% and EUR by 4% (Y/Y)
- Sales increase (Y/Y): diesel 3%, PTA 2%

Others include mainly:

- PLN 0,9 bn (Y/Y) – lack of negative effect related to obligatory reserves repurchase from 3Q15
- PLN 0,35 bn (Y/Y) – next insurance payment related to Steam Cracker fire in Litvinov
- PLN 0,3 bn (Y/Y) – mainly lack of negative effect due to inventory revaluation (NRV) from 3Q15 and lower trade margins on refining products (Y/Y)

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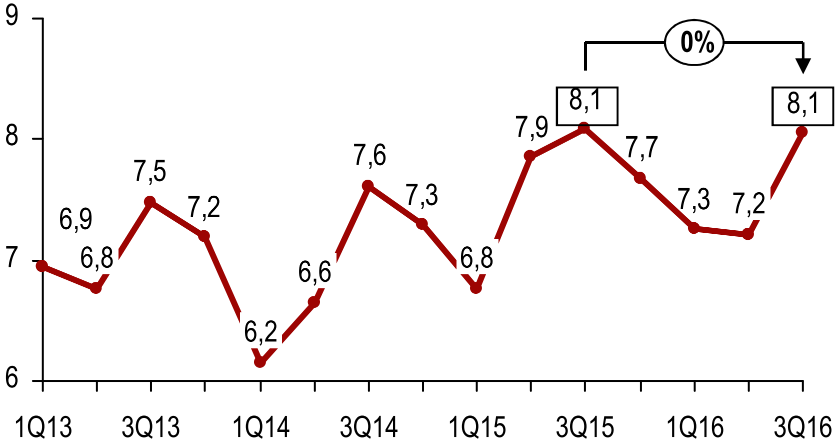
- Decrease of downstream margin by (-) 4,5 USD/bbl, i.e. (-) 29% (Y/Y), mainly due to lower margins on light and middle distillates and petrochemical products
- Negative volumes effect, mainly due to lower sales of high-margin petrochemical and refining products resulting from shutdowns in Unipetrol
- Lower throughput by (-) 10% (Y/Y) due to maintenance shutdowns
- Comparable sales volumes (Y/Y), of which: Poland (-) 1%, The Czech Republic (-) 13%, ORLEN Lietuva 11%
- Lower sales (Y/Y): gasoline (-) 2%, olefins (-) 24%, polyolefins (-) 57%, fertilisers (-) 14%, PVC (-) 40%

Downstream – operational data
Lower crude oil throughput (Y/Y) due to maintenance shutdowns

ORLEN

Sales volumes

mt



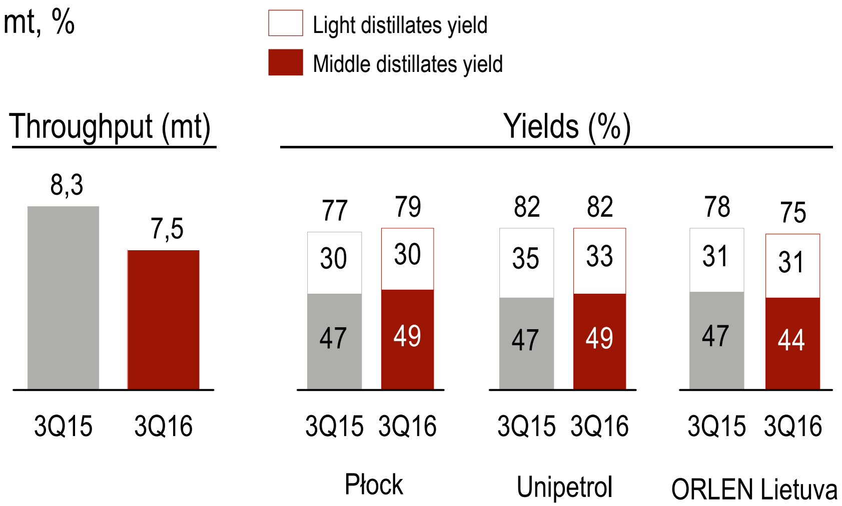
Utilization ratio

%

Refineries	**3Q15**	**2Q16**	**3Q16**	**∆ (y/y)**
Płock	104%	94%	98%	-6 pp
Unipetrol	85%	46%	48%	-37 pp
ORLEN Lietuva	86%	79%	96%	10 pp
Petrochemical installations				
Olefins (Płock)	86%	88%	71%	-15 pp
Olefins (Unipetrol)	37%	0%	0%	-37 pp
BOP	76%	86%	68%	-8 pp

Crude oil throughput and fuel yield

mt, %



- Lower throughput by (-) 10% and utilisation ratio by (-) 9pp (Y/Y), of which: (-) 6pp in Plock due to shutdown of CDU, H-Oil, Olefin unit, PE/PP and PVC in Anwil, (-) 37pp in Unipetrol mainly due to shutdown of Steam cracker and FCC and 10pp in ORLEN Lietuva due to lack of shutdowns
- Poland – higher refining sales of fuels and HHO. Higher PTA volumes at lower PVC and fertilizers sales as a result of unfavourable market situation and maintenance shutdowns
- The Czech Republic – lower refining and petrochemical sales due shutdowns of FCC in Kralupy and Steam Cracker in Litvinov
- ORLEN Lietuva – higher sea-borne sales and increase of inland sales

Downstream
Energy projects realization of industry cogeneration

Strategic assumptions

- Industry cogeneration projects – with the highest profitability / the lowest risk, thanks to guarantee of permanent steam take off, which enables to achieve very high efficiency
- Good locations and synergies of gas energy with other segments
- Adaptation of projects to local conditions
- Natural gas as a strategic fuel for PKN ORLEN

Building a CCGT plant in Wloclawek (463 MWe)

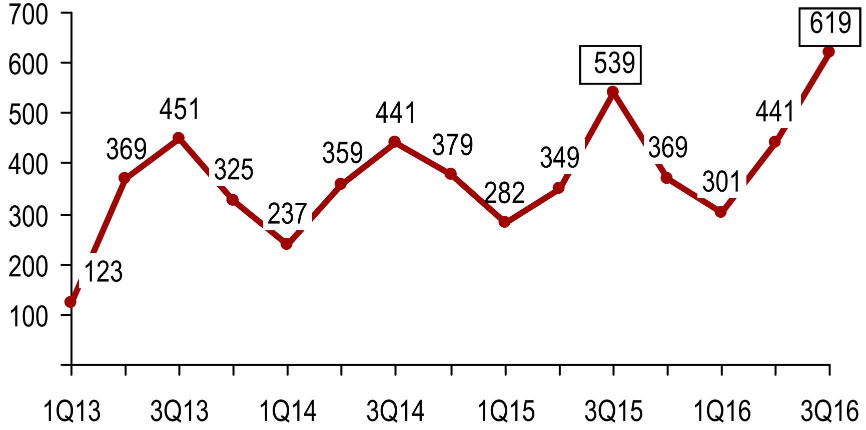
- In 3Q16 two-months hot commissioning conducted
- The produced energy was used for PKN ORLEN needs and the surplus was sold to the grid
- Simultaneously CCGT contractors were completing spare parts and organising necessary resources for the block repairs
- After hot commissioning, shutdown of the block has been started to conduct the repairs
- In 1Q17 guarantee measurements are planned again as well as trial run and commercial operation

Building a CCGT in Plock (596 MWe)

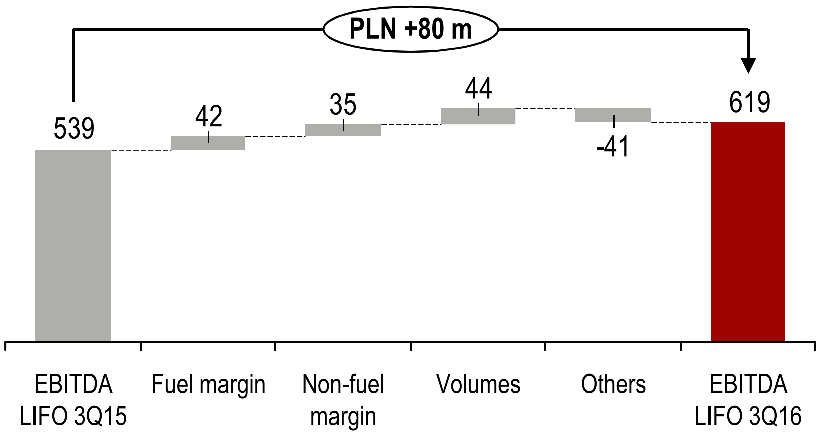
- In 3Q16 intensive installation works started including: power train, boiler, steam extraction pipelines, cooling water towers, gas station and water treatment station
- Majority of technological modules were delivered
- Decision on building permission for 400 kV line obtained and works started
- CAPEX PLN 1,65 bn
- Planned start-up at the end of 4Q17

Retail – EBITDA LIFO
Sales volumes, fuel and non-fuel margins increase (Y/Y)

EBITDA LIFO quarterly (without impairments)
PLN m



EBITDA LIFO – impact of factors
PLN m



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- Sales increase by 2% (Y/Y)
- Market share increase in the Czech Republic and in Poland (Y/Y)
- Fuel margin increase in Polish, German market at stable margins in Czech and Lithuanian markets (Y/Y)
- Non-fuel margins increase in all markets (Y/Y)
- 1652 Stop Cafe and Stop Cafe Bistro locations; increase by 183 (Y/Y)

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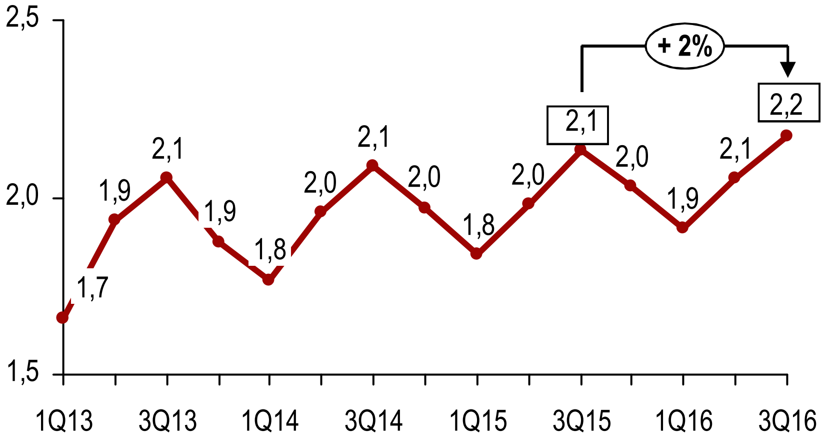
- Others include mainly higher costs of running fuel stations connected with the higher sales volumes

Detal – operational data
Sales increase by 2% (Y/Y) and further growth of non-fuel offer

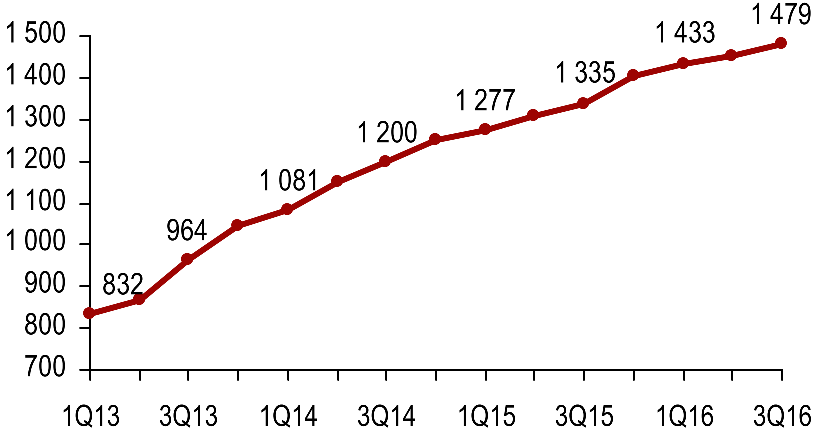
Sales volumes
mt



Number of petrol stations and market shares (by volume)
#, %

	# stations	Δ y/y	% market	Δ y/y
PL	1 759	-7	36,3%	0,3 pp
DE	573	14	6,0%	0,0 pp
CZ	353	15	17,2%	1,6 pp
LT	25	-1	3,6%	0,0 pp

Number of Stop Cafe and Stop Cafe Bistro in Poland
#



- Sales increase by 2% (Y/Y), of which: increase in Poland by 6%, the Czech Republic by 11%, Lithuania by 1% and Germany by 1%*
- Market share increase (Y/Y) in the Czech Republic by 1,6 pp and Poland by 0,3 pp
- 2710 stations at the end of 3Q16, i.e. increase of stations in total by 21 (Y/Y), of which: increase in Germany by 14 and the Czech Republic by 15 and decrease in Poland by (-) 7 and in Lithuania by (-) 1
- Further growth of non-fuel offer by launching 25 Stop Cafe and Stop Cafe Bistro locations in 3Q16. In total, at the end of 3Q16 there were 1652 locations, including: 1479 in Poland, 150 in the Czech Rep. and 23 in Lithuania

* Sales volumes growth realized on ORLEN Deutschland fuel stations (Y/Y). Sales volumes of ORLEN Deutschland recognized on consolidation level after elimination of intercompany transactions within ORLEN Group decreased by (-) 9% (Y/Y).

Upstream
Exploration and production projects in Poland

Poland

3Q16

- Acquisition of 3D seismic data has been started together with a partner and production tests on exploration well on the Bieszczady project
- Drilling works on Edge project have been started
- Building and installation works for the start-up of production on Płotki project have been finished
- 3D seismic data processing have been continued on Mazowsze and Lubelszczyzna as well as the preparatory works for the next wells
- New concession for exploration and recognition of hydrocarbons in Karpaty (Poręba-Tarnawa concession) was acquired

Total reserves of crude oil and gas (2P)

Ca. 8 m boe*

3Q16

Average production: 1,2 th boe/d (89% gas)

EBITDA: PLN 3 m

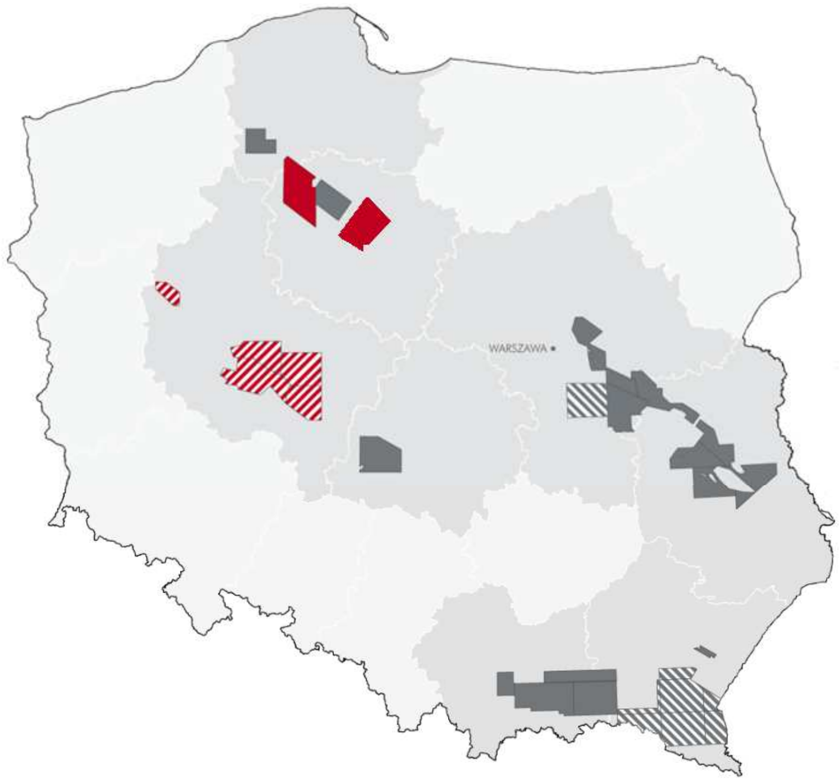
CAPEX: PLN 26 m

9M16

Average production: 1,3 th boe/d (89% gas)

EBITDA: PLN 7 m

CAPEX: PLN 106 m



Exploration assets

- with cooperation: Warsaw South (51% of shares), Bieszczady (49% of shares)
- ORLEN Upstream 100% of shares: Karbon, Lublin Shale, Mid-Poland Unconventionals, Karpaty, Miocen, Edge

Exploration and production assets

- with cooperation: Sieraków (49% of shares), Płotki** (49% of shares)
- ORLEN Upstream 100% of shares: Edge

* Data as of 31.12.2015

** Commercial production

Upstream
Production projects in Canada

Canada

Assets in Canadian Alberta province are located in 5 areas: Lochend, Kaybob, Pouce Coupe, Ferrier/Strachan and Kakwa

3Q16

- 1 fracking (1,0 net*) was done and 3 wells (2,4 net*) have been included into production
- Continuation of building and construction works in Gas Plant (Ferrier)

Total reserves of crude oil and gas (2P)

Ca. 89 m boe** (46% liquid hydrocarbons, 54% gas)

3Q16

Average production: 13,0 th. boe/d (45% liquid hydrocarbons)

EBITDA: PLN 55 m

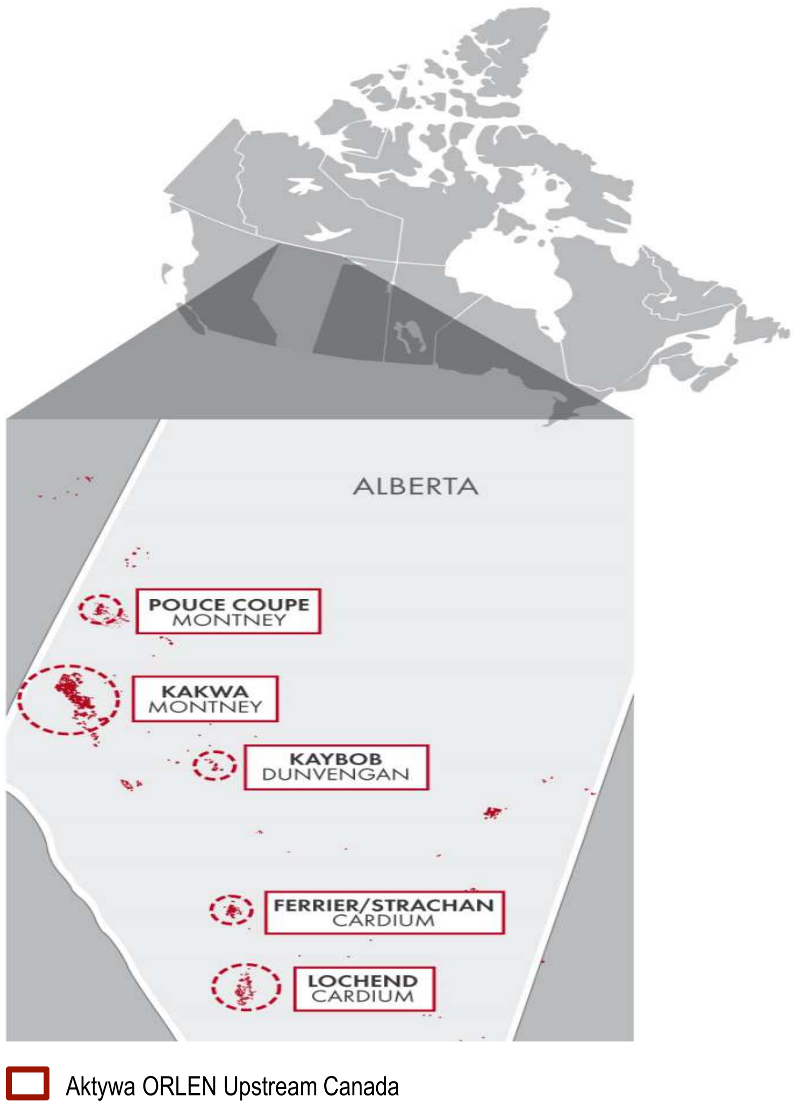
CAPEX: PLN 68 m

9M16

Average production: 12,1 th. boe/d (46% liquid hydrocarbons)

EBITDA: PLN 120 m

CAPEX: PLN 294 m



* Number of wells multiplied by percent of share in particular asset

** Data as of 31.12.2015

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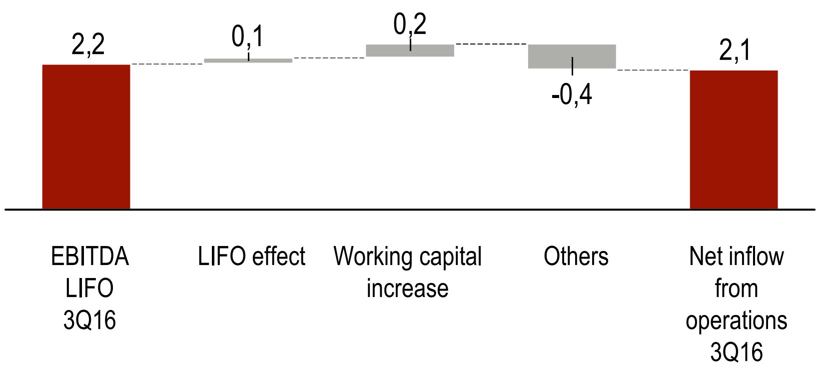
Cash flow

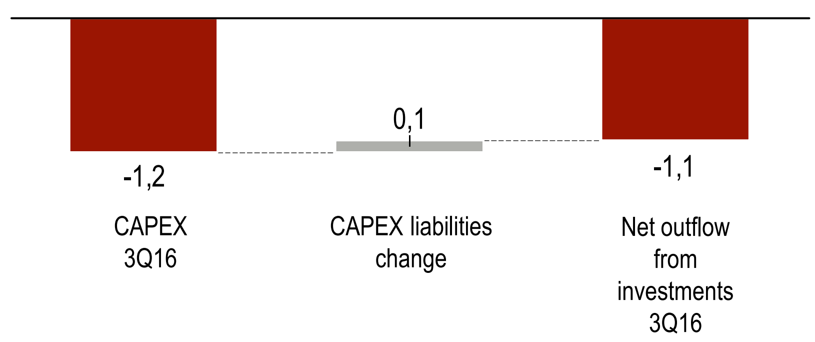
Cash flow from operations

PLN bn



Cash flow from investments

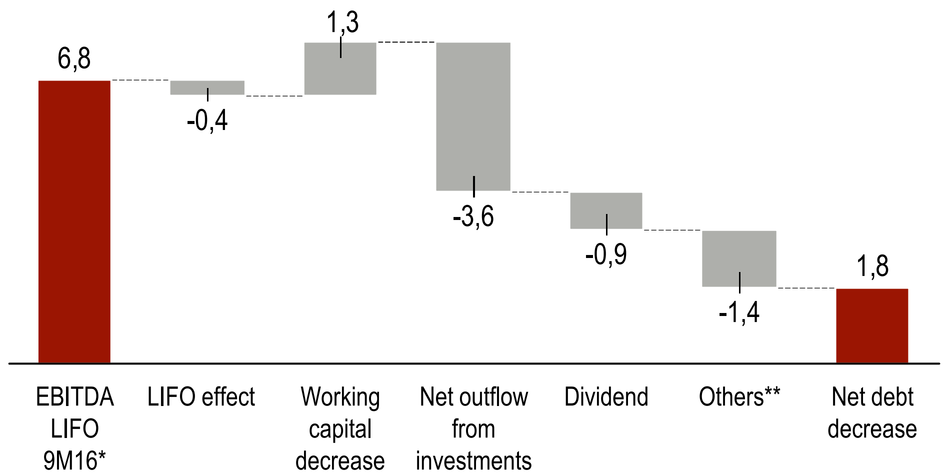
PLN bn



- Working capital decrease in 3Q16 by PLN 0,2 bn mainly as a result of inventories value decrease due to drop in crude oil price
- Others of PLN (-) 0,4 bn include mainly booking in the results the next insurance payment related to Steam Cracker fire in Litvinov, which is to be received in 4Q16
- Obligatory reserves in the balance sheet at the end of 3Q16 amounted to PLN 3,9 bn, out of which PLN 3,6 bn in Poland

Free cash flow in 9M16

PLN bn

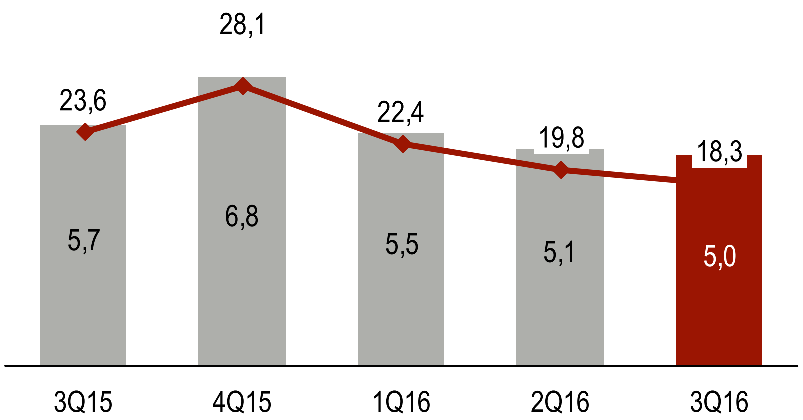


* including PLN 1,0 bn of partial compensation related to Steam Cracker fire in Litvinov

** mainly: income tax, interests, results of companies consolidated under equity method and FX differences from revaluation of foreign-currency denominated items and PLN 0,35 bn next insurance payment related to Steam Cracker fire in Litvinov, which is to be received in 4Q16

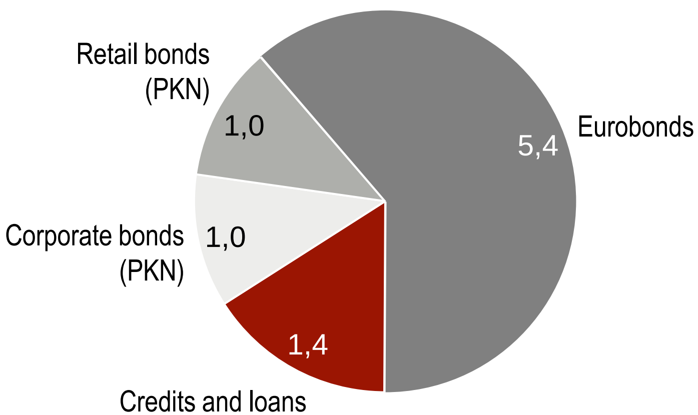
Debt

Net debt and gearing
PLN bn, %



- Gross debt structure:
  EUR 62%, PLN 32%, CAD 6%
- Diversified financing: PLN 7,4 bn in retail bonds, corporate bonds and Eurobonds
- Average maturity in 4Q20
- Investment grade: BBB - with a stable outlook
- Net debt decrease by PLN (-) 0,1 bn (Q/Q) due to cash flow from operations in the amount of PLN 2,1 bn, reduced by cash outflow from investments of PLN (-) 1,1 bn and dividend paid in the amount of PLN (-) 0,9 bn

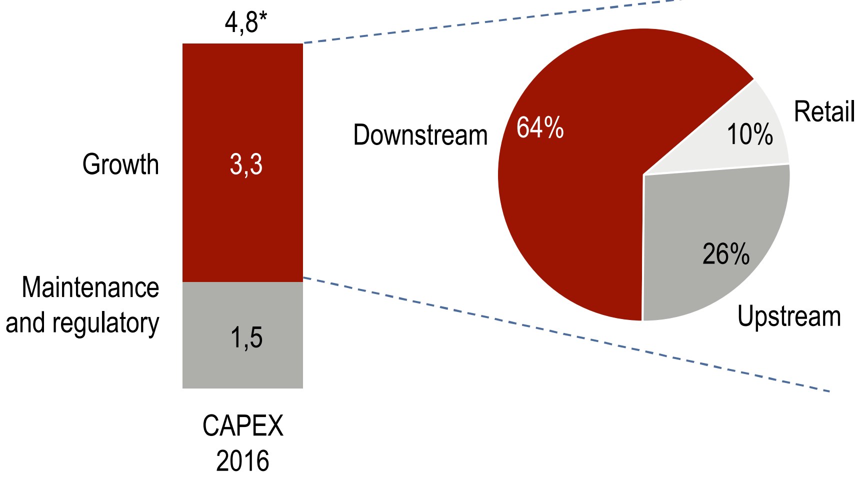
Diversified sources of financing (gross debt)
PLN bn



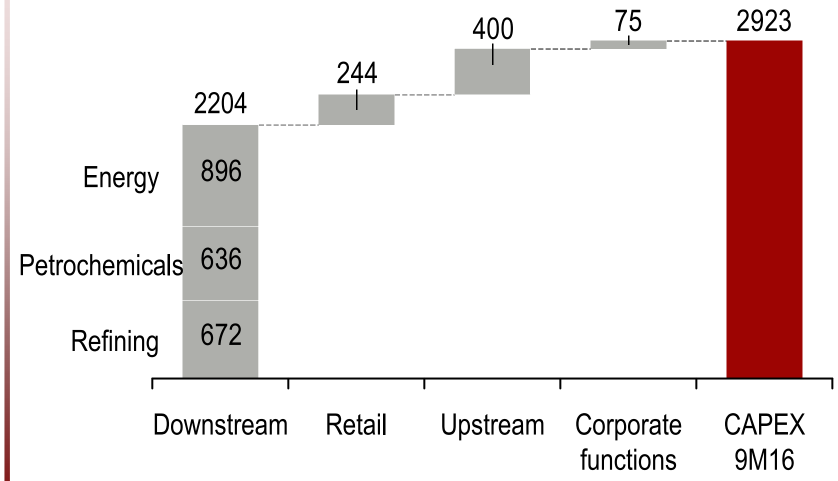
Safe level of debt and financial leverage

CAPEX

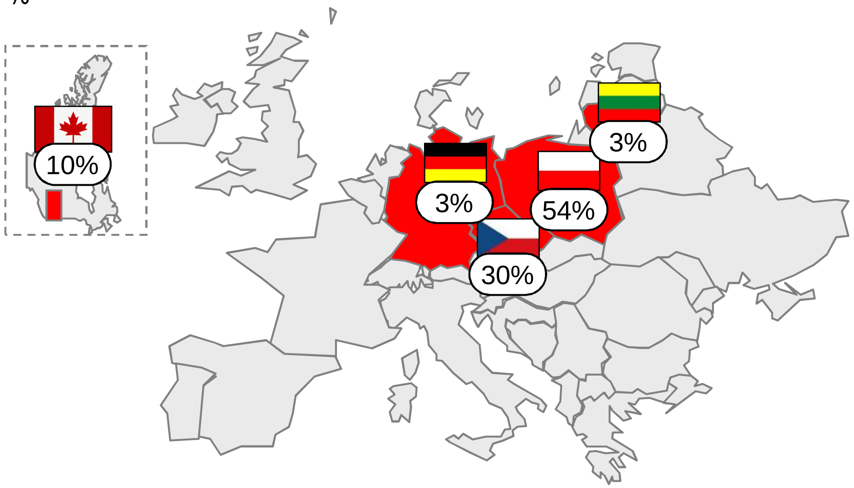
Planned CAPEX in 2016 (base case scenario*)
PLN bn, %



Realized CAPEX in 9M16* – split by segment
PLN m



Realized CAPEX in 9M16* – split by country
%



Major growth projects in 3Q16

Downstream
- Building CCGT in Wloclawek and Plock with infrastructure
- Building polyethylene installation in Litvinov

Retail
- Start-up of 21 fuel stations (including 12 own stations in which 9 OMV stations were added to Benzina in the Czech Rep.), 4 closed, 14 modernized (including 8 own stations in which 4 stations were rebranded from Sun to Star in Germany).
- 30 Stop Cafe and Stop Cafe Bistro locations opened (including 25 in Poland)

Upstream
- Canada – PLN 68 m / Poland– PLN 26 m

Rebuilt of Steam Cracker in Litvinov– as of the end of September 2016:
- Estimated total cost of the rebuilt and lost margin is PLN 2,2 bn***
- PLN 0,6 bn compensation received in 2Q16 and PLN 0.35 bn was booked in 3Q16 on account of the payment in 4Q16

* Does not include PLN 0,6 bn estimated expenses for the rebuilt of the Seam Cracker in Litvinov. CAPEX spent on the rebuilt of the Seam Cracker was PLN 534 m.
** CAPEX 3Q16 amounted to PLN 1122 m: PLN 168 m refining, PLN 195 m petchem, PLN 549 m energy, PLN 96 m retail, PLN 94 m upstream, PLN 20 m corporate functions
*** Final amount of the compensation will depend on the final agreement with insurers

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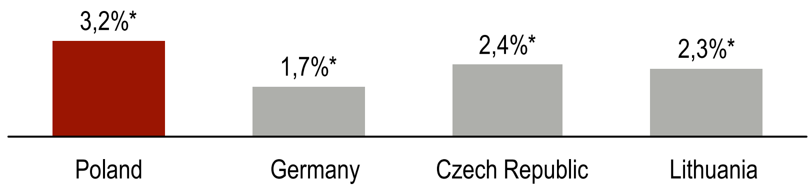
Market outlook in 2016

Macroeconomic environment

- **Brent crude oil price** – decrease of yearly average comparing to 2015, mainly due to high crude oil supply.
- **Downstream margin** – decrease of yearly average comparing to 2015, mainly due to lower cracks on diesel and gasoline (Y/Y). Despite the drop, downstream margin should still be pretty high due to favourable macro environment, i.e. lower crude oil price and increase in fuels and petrochemical products consumption.

Economy

- **GDP outlook** – for Poland: 3,2% in 2016, 3,5% in 2017 and 3,3% in 2018 - NBP (July 2016)



- **Fuel consumption** – expected fuel demand increase in Poland, the Czech Rep. and Lithuania along with flat demand in Germany. Significant official demand increase in Poland due to implementation of new regulations against grey zone

Regulatory environment

- **Grey zone** – from 1 August 2016 package became effective. The purpose is to reduce grey zone in fuel sector, better VAT and excise tax collection and to eliminate loopholes concerning concessions.
- **Obligatory crude oil reserves** – reduction of keeping reserves from 68 to 60 days in 2016 (ca. 0,3 mt). From 1 October 2016 there's been a reduction from 63 to 60 days.
- **Retail tax** – Retail Tax that was supposed to become effective from 1 September 2016 has been officially suspended till 1 January 2018.

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* PKN projection for 2016: Poland (NBP, July 2016); Germany (RGE, October 2016); Czech Republic (CNB, August 2016); Lithuani (Lietuvos Bankas, September 2016)

Thank You for Your attention

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Agenda

Supporting slides

Results – split by quarters

PLN m	3Q15	2Q16	3Q16	Δ (Y/Y)	9M15	9M16	Δ
Revenues	23 468	19 355	21 083	-10%	68 249	56 651	-17%
EBITDA LIFO*	2 060	2 594	2 226	8%	6 872	6 757	-2%
Effect LIFO	-334	409	87	-	-402	-441	-10%
EBITDA*	1 726	3 003	2 313	34%	6 470	6 316	-2%
Depreciation	-469	-508	-537	-14%	-1 385	-1 560	-13%
EBIT LIFO*	1 591	2 086	1 689	6%	5 487	5 197	-5%
EBIT*	1 257	2 495	1 776	41%	5 085	4 756	-6%
Net result	885	1 792	1 569	77%	3 302	3 697	12%

* Data before impairments of assets:
3Q15: PLN (-) 0,1 bn regarding mainly petchem assets in Unipetrol
9M15: PLN (-) 0,5 bn regarding mainly upstream assets of ORLEN Upstream in Poland and petchem assets in Unipetrol

Results – split by segments

3Q16 PLN m	Downstream	Retail	Upstream	Corporate Functions	Total
EBITDA LIFO	1 698	619	58	-149	2 226
Effect LIFO	87	-	-	-	87
EBITDA	1 785	619	58	-149	2 313
Depretiation	-328	-99	-85	-25	-537
EBIT	1 457	520	-27	-174	1 776
EBIT LIFO	1 370	520	-27	-174	1 689

3Q15 PLN m	Downstream	Retail	Upstream	Corporate Functions	Total
EBITDA LIFO*	1 655	539	10	-144	2 060
Effect LIFO	-334	-	-	-	-334
EBITDA*	1 321	539	10	-144	1 726
Depretiation	-318	-92	-36	-23	-469
EBIT*	1 003	447	-26	-167	1 257
EBIT LIFO*	1 337	447	-26	-167	1 591

* Data before impairments of assets:
3Q15: PLN (-) 0,1 bn regarding mainly petchem assets in Unipetrol

EBITDA LIFO – split by segments

PLN m	3Q15	2Q16	3Q16	Δ (Y/Y)	9M15	9M16	Δ
Downstream	1 655	2 291	1 698	3%	6 120	5 744	-6%
Retail	539	441	619	15%	1 170	1 361	16%
Upstream	10	42	58	480%	37	127	243%
Corporate functions	-144	-180	-149	-3%	-455	-475	-4%
EBITDA LIFO*	**2 060**	**2 594**	**2 226**	**8%**	**6 872**	**6 757**	**-2%**

* Data before impairments of assets:
3Q15: PLN (-) 0,1 bn regarding mainly petchem assets in Unipetrol
9M15: PLN (-) 0,5 bn regarding mainly upstream assets of ORLEN Upstream in Poland and petchem assets in Unipetrol

Results - split by companies

3Q16 PLN m	PKN ORLEN S.A.	Unipetrol [2]	ORLEN Lietuva [2]	Others and consolidation corrections	Total
Revenues	13 905	3 710	3 695	-227	21 083
EBITDA LIFO	1 310	307	182	427	2 226
Effect LIFO[1]	239	-85	-62	-5	87
EBITDA	1 549	222	120	422	2 313
Depreciation	-288	-77	-14	-158	-537
EBIT	1 261	145	106	264	1 776
EBIT LIFO	1 022	230	168	269	1 689
Financial income	33	15	4	142	194
Financial costs	-129	14	15	59	-41
Net result	1 161	117	52	239	1 569

1) Calculated as a difference between operating profit acc. to LIFO and operating profit based on weighted average
2) Presented data shows Unipetrol Group and ORLEN Lietuva results acc. to IFRS after taking into account adjustments made for ORLEN Group consolidation

ORLEN Lietuva Group

USD m	3Q15	2Q16	3Q16	Δ Y/Y	9M15	9M16	Δ
Revenues	1 057	882	949	-10%	3 185	2 494	-22%
EBITDA LIFO	29	72	48	66%	269	202	-25%
EBITDA	54	85	31	-43%	271	175	-35%
EBIT	51	82	28	-45%	263	165	-37%
Net result	50	77	14	-72%	195	142	-27%

- Sales increase in 3Q by 11% (Y/Y) due to seaborne sales and inland sales increase. Lower revenues reflecting lower crude oil price and lower quotations of refining products.
- Higher utilization by 10 pp (Y/Y) mainly due to no impact of maintenance shutdown of the refinery from 3Q15 and sales increase. Lower fuel yield (Y/Y) resulting mainly from high fuel yield in 3Q15 as a consequence of throughput of a feedstock other than crude oil which we prepared before the maintenance shutdown in 3Q15.
- EBITDA LIFO higher by USD 19 m (Y/Y) due to the positive impact (Y/Y) of inventories revaluation to net realisable value at the negative macro environment and lower trading margins.
- CAPEX 3Q16: USD 5,0 m / 9M16: USD 24,0 m

UNIPETROL Group

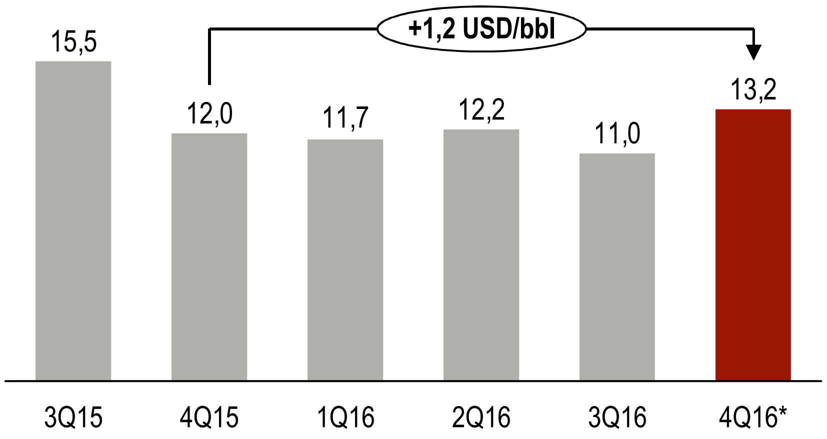
CZK m	3Q15	2Q16	3Q16	Δ Y/Y	9M15	9M16	Δ
Revenues	29 452	20 551	23 110	-22%	85 950	61 347	-29%
EBITDA LIFO	3 597	4 588	1 936	-46%	10 780	6 875	-36%
EBITDA	3 066	4 266	1 398	-54%	10 643	6 224	-42%
EBIT	2 589	3 798	918	-65%	9 236	4 839	-48%
Net result	1 595	3 124	739	-54%	6 903	3 852	-44%

- Lower sales in 3Q16 by (-) 8% (Y/Y) in refining and petrochemical products mainly due to FCC shutdown in Kralupy and Steam Cracker shutdown in Litvinov. Lower revenues from the sales of products reflect drop in crude oil price and lower quotations of refining and petchem products.
- Lower throughput and decrease in utilization by (-) 37 pp (Y/Y) down to 48% in 3Q16 due to above mentioned shutdowns of production units.
- EBITDA LIFO lower by CZK (-) 1 661 m (Y/Y) mainly due to negative impact of macro including lower refining margins and lower sales volumes partially offset by positive impact of the next insurance payment related to Steam Cracker fire in Litvinov in the amount of CZK 2,2 bn and positive (Y/Y) valuation of reserves with the current prices.
- CAPEX 3Q16: CZK 1 769m / 9M16: CZK 8 724m.

* Data before impairments of assets:
2Q16 : CZK (-) 6 m
3Q15: CZK (-) 597m /3Q16: (-): CZK 6 m
9M15: CZK (-) 710 m / 9M16: CZK (-) 13 m

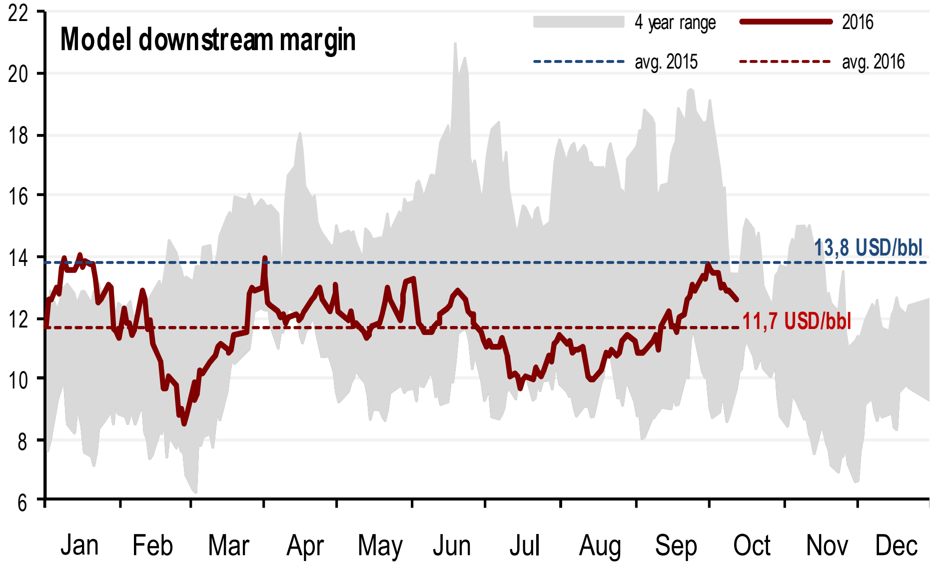
Macro environment in 4Q16 (Y/Y)

Downstream margin increase
Model downstream margin, USD/bbl

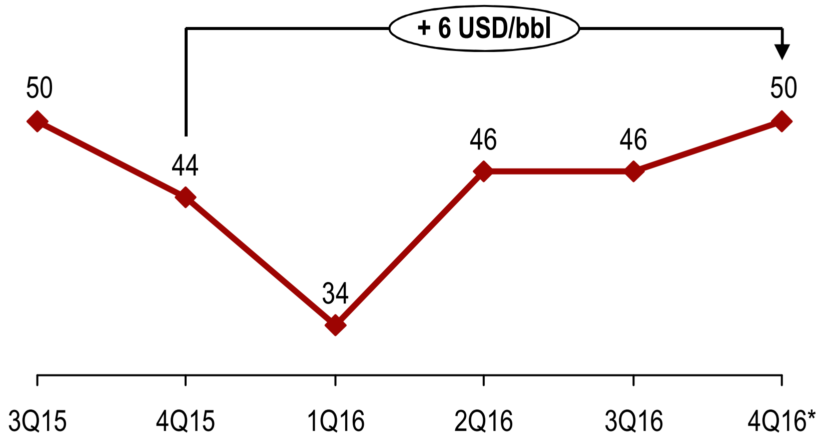


Product slate of downstream margin
Crack margins

Refining products (USD/t)	4Q15	3Q16	4Q16*	∆ Q/Q	∆ Y/Y
Diesel	85	66	90	36%	6%
Gasoline	140	125	145	16%	4%
HHO	-147	-119	-121	-2%	18%
SN 150	197	106	76	-28%	-61%
Petchem products (EUR/t)					
Ethylene	604	619	599	-3%	-1%
Propylene	373	368	384	4%	3%
Benzene	264	304	256	-16%	-3%
PX	427	431	384	-11%	-10%



Crude oil price increase
Average Brent crude oil price, USD/bbl

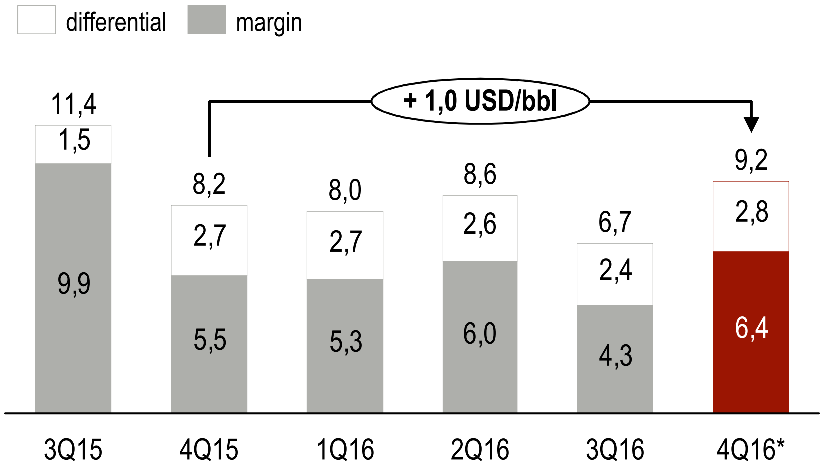


* Data as of 14.10.2016

Macro environment in 4Q16 (Y/Y)

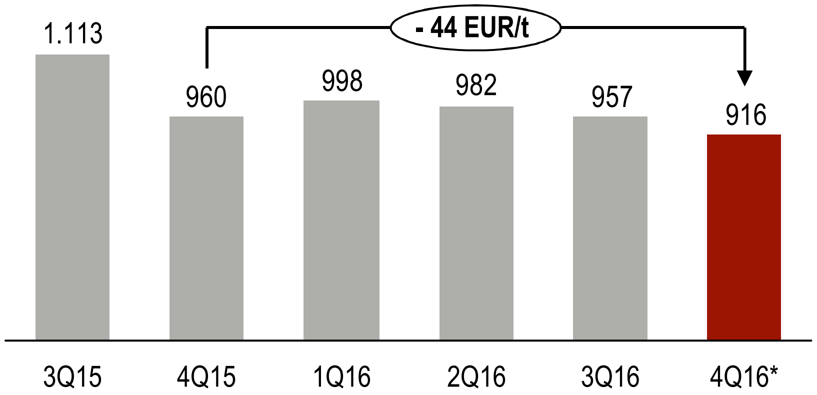
Refining margin and B/U differential increase

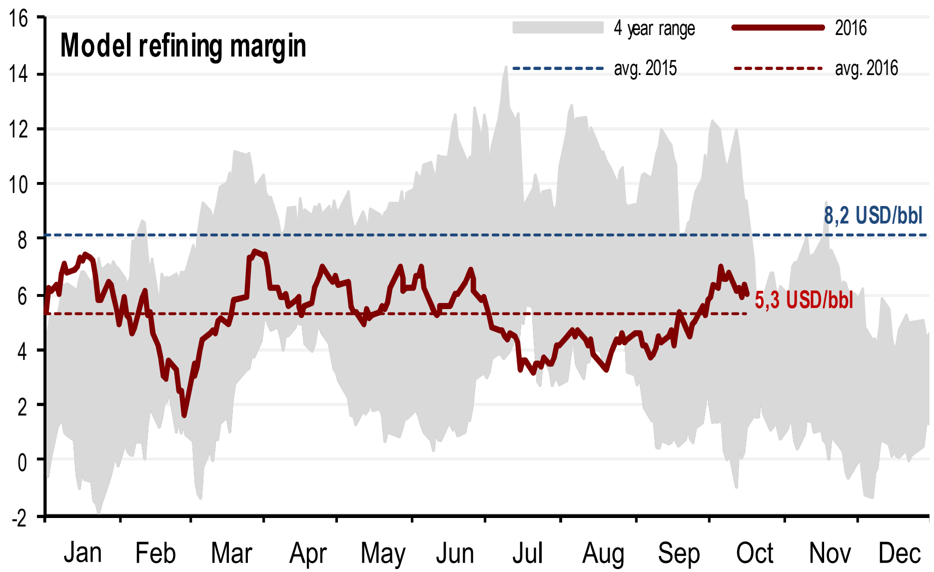
Model refining margin and Brent/Ural differential, USD/bbl

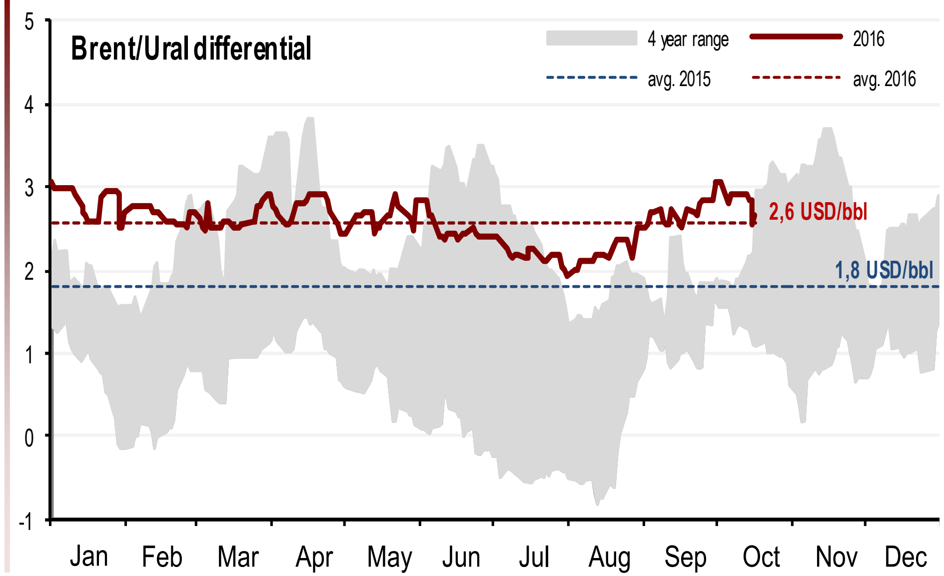


Petrochemical margin decrease

Model petrochemical margin, EUR/t







* Data as of 14.10.2016

Production data

	3Q15	2Q16	3Q16	Δ Y/Y	Δ Q/Q	9M15	9M16	Δ
Total crude oil throughput in PKN ORLEN (kt)	8 332	6 938	7 532	-10%	9%	23 133	21 839	-6%
Utilization in PKN ORLEN	95%	79%	86%	-9 pp	7 pp	91%	83%	-8 pp
Refinery in Poland [1]								
Processed crude (kt)	4 240	3 842	4 003	-6%	4%	11 831	11 330	-4%
Utilization	104%	94%	98%	-6 pp	4 pp	97%	93%	-4 pp
Fuel yield [4]	77%	76%	79%	2 pp	3 pp	78%	78%	0 pp
Middle distillates yield [5]	47%	46%	49%	2 pp	3 pp	47%	47%	0 pp
Light distillates yield [6]	30%	30%	30%	0 pp	0 pp	31%	31%	0 pp
Refineries in the Czech Rep. [2]								
Processed crude (kt)	1 840	998	1 039	-44%	4%	4 928	3 466	-30%
Utilization	85%	46%	48%	-37 pp	2 pp	88%	53%	-35 pp
Fuel yield [4]	82%	83%	82%	0 pp	-1 pp	81%	83%	2 pp
Middle distillates yield [5]	47%	50%	49%	2 pp	-1 pp	46%	48%	2 pp
Light distillates yield [6]	35%	33%	33%	-2 pp	0 pp	35%	35%	0 pp
Refinery in Lithuania [3]								
Processed crude (kt)	2 195	2 020	2 435	11%	21%	6 185	6 841	11%
Utilization	86%	79%	96%	10 pp	17 pp	81%	89%	8 pp
Fuel yield [4]	78%	82%	75%	-3 pp	-7 pp	77%	76%	-1 pp
Middle distillates yield [5]	47%	48%	44%	-3 pp	-4 pp	46%	45%	-1 pp
Light distillates yield [6]	31%	34%	31%	0 pp	-3 pp	30%	31%	1 pp

1) Throughput capacity for Plock refinery is 16,3 mt/y
2) Throughput capacity for Unipetrol increased since May 2015 from 5,9 mt/y to 8,7 mt/y as a result of stake increase in CKA. CKA [Litvinov (5,4 mt/y) and Kralupy (3,3 mt/y)]
3) Throughput capacity for ORLEN Lietuva is 10,2 mt/y
4) Fuel yield equals middle distillates yield plus light distillates yield. Differences can occur due to rounding
5) Middle distillates yield is a ratio of diesel, light heating oil (LHO) and JET production excluding BIO and internal transfers to crude oil throughput
6) Light distillates yield is a ratio of gasoline, naphtha, LPG production excluding BIO and internal transfers to crude oil throughput

Dictionary

Model downstream margin = revenues (90,7% Products = 22,8% Gasoline + 44,2% Diesel + 15,3% HHO + 1,0% SN 150 + 2,9% Ethylene + 2,1% Propylene + 1,2% Benzene + 1,2% PX) – costs (input 100% = 6,5% Brent crude oil + 91,1% URAL crude oil + 2,4% natural gas)

Model refining margin = revenues (93,5% Products = 36% Gasoline + 43% Diesel + 14,5% HHO) - costs (100% input: crude oil and other raw materials). Total input calculated acc. to Brent Crude quotations. Spot market quotations.

Spread Ural Rdam vs fwd Brent Dtd = Med Strip - Ural Rdam (Ural CIF Rotterdam).

Model petrochemical margin = revenues (98% Products = 44% HDPE + 7% LDPE + 35% PP Homo + 12% PP Copo) - costs (100% input = 75% Naphtha + 25% LS VGO). Contract market quotations.

Fuel yield = middle distillates yield + gasoline yield (yields calculated in relation to crude oil)

Working capital (in balance sheet) = inventories + trading receivables and other receivables – trading liabilities and other liabilities

Working capital change (in cash flow) = changes in receivables + changes in inventories + changes in liabilities

Gearing = net debt / equity calculated acc. to average balance sheet amount in the period

Net debt = (short-term + long-term Interest-bearing loans and borrowings)– cash

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