

## Information regarding financial results expected in PKN ORLEN quarterly report for 4 quarter 2016

### Regulatory announcement no 12/2017 dated 23 January 2017

PKN ORLEN S.A. („Company”) within the works over the PKN ORLEN quarterly report for the fourth quarter 2016, informs that selected financial data may differ from the estimations published by the Company in the regulatory announcement no 275/2016 dated 15 December 2016 regarding PKN ORLEN development strategy for the years 2017-2021. Details are presented below in Table 1.

Table 1. Financial data

Financial data	Current estimates of 2016 realization	Estimates of 2016 (on the base of the regulatory announcement no 275/2016 dated 15 December 2016)
EBITDA LIFO*) (PLN bn)	9,4	8,3
CAPEX (PLN bn), including:	4,7	5,1
for growth	2,7	3,0
Financial gearing	11,5%	18%

\*) operating income before amortization based on LIFO inventory valuation method excluding net changes of the impairments of assets of ORLEN Capital Group

Abovementioned changes refers mainly to the downstream segment and include recorded in EBITDA LIFO in fourth quarter 2016, compensation from the insurers regarding the ethylene production unit breakdown in August 2015 in Unipetrol Group in the amount of PLN 0,3 bn, which was not included in the estimations of 2016 realization published on 15 December 2016.

Moreover PKN ORLEN informs that within the works over the PKN ORLEN quarterly report for the fourth quarter 2016, in accordance with IAS 36 (Impairment of Assets) there have been identified indicators and performed tests for impairment of assets coming from the approval of the new development strategy of PKN ORLEN for the years 2017-2021. According to the current estimates the positive impact of net reversal of impairments on tangible assets reflected in ORLEN Capital Group consolidated financial statement will amount to ca. PLN 0,2 bn.

Net positive impact of update of the impairments on financial assets in PKN ORLEN S.A. unconsolidated financial statements is estimated in the amount of ca. PLN 0,6 bn. That amount will be recognized within financial activity and eliminated under consolidation procedures, i.e. it will not influence the consolidated results of ORLEN Capital Group.

The abovementioned estimates are subject to examination within the process of audit of PKN ORLEN S.A. and ORLEN Capital Group financial statement for 2016 and due to that reason may be changed.

*See also: regulatory announcement no 234/2014 dated 23 July 2014 and regulatory announcement no 275/2016 dated 15 December 2016.*

*This announcement has been prepared pursuant to Art. 17 item 1 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.*

**PKN ORLEN Management Board**