

Results of the PKN ORLEN Group for the I quarter of 2011
(Translation of a document originally issued in Polish)

Summary of the results

Table 1

Q1 2010	Q4 2010	Q1 2011	change %	Key financial data, PLNm	3 months 2010	3 months 2011	change %
1	2	3	4=(3-1)/1	5	6	7	8=(7-6)/6
17 442	22 931	22 674	30.0	Sales revenue	17 442	22 674	30.0
1 065	1 343	1 893	77.7	Profit/loss from operations plus depreciation and amortisation (EBITDA)	1 065	1 893	77.7
464	747	1 339	188.6	Profit/loss from operations, including:	464	1 339	188.6
482	770	940	95.0	PKN ORLEN S.A.	482	940	95.0
54	32	87	61.1	Unipetrol Group	54	87	61.1
-103	-88	100	-	ORLEN Lietuva	-103	100	-
31	33	212	583.9	Other	31	212	583.9
				Operating segments, including:			
426	610	1 028	141.3	Refining	426	1 028	141.3
105	117	385	266.7	Petrochemical	105	385	266.7
75	224	26	-65.3	Retail	75	26	-65.3
-142	-204	-100	29.6	Corporate Functions ¹	-142	-100	29.6
601	596	554	-7.8	Depreciation and amortisation, including:	601	554	-7.8
307	317	277	-9.8	Refining	307	277	-9.8
185	168	167	-9.7	Petrochemical	185	167	-9.7
81	82	82	1.2	Retail	81	82	1.2
28	29	28	0.0	Corporate Functions	28	28	0.0
610	544	1 148	88.2	Net profit/loss	610	1 148	88.2
593	541	1 105	86.3	Profit/loss attributable to equity holders of the Parent	593	1 105	86.3
49 212	51 150	54 313	10.4	Assets	49 212	54 313	10.4
22 131	24 240	25 940	17.2	Equity	22 131	25 940	17.2
10 291	7 847	8 456	-17.8	Net debt	10 291	8 456	-17.8
416	2 826	-42	-	Net cash provided by/(used in) operating activities	416	-42	-
-575	-625	-607	5.6	Net cash (used in) investing activities	-575	-607	5.6
776	955	326	-58.0	Capital expenditures (CAPEX)	776	326	-58.0
4.7	7.7	9.7	5.0p.p.	Return on capital employed (ROACE) (%)²	4.7	9.7	5.0p.p.
46.9	36.9	32.5	-14.4p.p.	Financial leverage (%)³	46.9	32.5	-14.4p.p.
2.14	1.38	1.30	-39.3	Net debt/Profit from operations plus depreciation and amortisation for the last four quarters (EBITDA)⁴	2.14	1.30	-39.3
3.43	1.83	1.82	-46.9	Net debt/Profit from operations plus depreciation and amortisation for the last four quarters based on the LIFO method (EBITDA)⁵	3.43	1.82	-46.9
1.39	1.26	2.58	85.6	Net profit/loss attributable to equity holders of the Parent per share (EPS)	1.39	2.58	85.6
Q1 2010	Q4 2010	Q1 2011	change %	Financial data adjusted by the effect of inventory valuation based on the LIFO method, PLNm	3 months 2010	3 months 2011	change %
49	248	450	818.4	Profit/loss from operations based on LIFO method, including:	49	450	818.4
163	525	363	122.7	PKN ORLEN S.A.	163	363	122.7
-27	-68	-8	70.4	Unipetrol Group	-27	-8	70.4
-128	-218	-104	18.8	ORLEN Lietuva	-128	-104	18.8
41	9	199	385.4	Other	41	199	385.4
-415	-499	-889	-114.2	Effect of inventory valuation⁶ based on LIFO method on profit from operations, including:	-415	-889	-114.2
-319	-245	-577	-80.9	PKN ORLEN S.A.	-319	-577	-80.9
-81	-100	-95	-17.3	Unipetrol Group	-81	-95	-17.3
-25	-130	-204	-716.0	ORLEN Lietuva	-25	-204	-716.0
10	-24	-13	-	Other	10	-13	-
273	134	420	53.8	Net profit/loss based on LIFO method	273	420	53.8

1) Includes corporate functions of the ORLEN Group companies, as well as companies not included in any of the above segments.

2) ROACE = profit from operations for the last four quarters after tax/average capital employed (equity + net debt).

3) Financial leverage = net debt/equity - calculated using the average carrying values in the period.

4) Interest bearing debt net of cash and cash equivalents as at the end of the period / (EBITDA + dividend received from Polkomtel) for the last four quarters.

5) Interest bearing debt net of cash and cash equivalents as at the end of the period (EBITDA + dividend received from Polkomtel) based on the LIFO method for the last four quarters.

6) Calculated as a difference between profit from operations determined using the LIFO method of inventory valuation and profit from operations determined using the weighted average method of inventory valuation.

Commentary

Results from operations and financial activities

The profit from operations of the ORLEN Capital Group („ORLEN Group”) for the I quarter of 2011 amounted to PLN 1,339 million as compared to PLN 464 million in the analogous period of the prior year.

As a result of increasing crude oil prices, the effect of inventory valuation increasing the result from operations was higher by PLN 474 million (y/y) and amounted to PLN 889 million in the I quarter of 2011.

As a result, the profit from operations of the ORLEN Group using the LIFO method of inventory valuation amounted to PLN 450 million in the I quarter of 2011 and was higher by PLN 401 million (y/y).

Total impact of macroeconomic factors including refining and petrochemical margins, the URAL/Brent differential and changes of PLN exchange rates against foreign currencies was neutral in the I quarter of 2011 as compared to the analogous period of the prior year.

In order to minimize the effects of shutdowns of conversion installations in the I quarter of 2011, PKN ORLEN increased the share of crude oil with low sulfur content in the total crude oil throughput as well as in the operating reserve. As a result, the operating reserve of REBCO crude oil acquired in previous years and accounted for under the LIFO valuation method at lower prices decreased, which had a positive impact on the result from operations of the I quarter of 2011.

Total, positive impact of the inventory turnover described above and the effect of increasing sales volume amounted to PLN 327 million (y/y).

In the I quarter of 2011 significant shutdowns of production installations regarded:

- PKN ORLEN S.A.: lower burden and 24-day shutdown of the Hydrocracking installation and a 42-day shutdown of Hydrogen Production Plant II,
- Unipetrol Group: 18-day shutdown of the Hydrocracking installation, 13-day shutdown of the Diesel Oil Desulphurisation Installation, 12-day shutdown of the Fluid Catalytic Cracking installation and 70-day shutdown of the Paramo refinery,
- ORLEN Lietuva – 14-day periodic shutdown of the refinery including the DRW, Fluid Catalytic Cracking, Reforming Installations and the Hydrogen Production Plant started on 24 March 2011.

The positive balance of other operating activities was in the I quarter of 2011 higher by PLN 15 million (y/y) and included mainly profits from the sale of non-current non-financial assets and grants received due to the reduction of nitrous oxide emissions in Anwil S.A.

Net financial expenses in the I quarter 2011 amounted to PLN (-) 28 million and comprised mainly net interest expenses amounting to PLN (-) 69 million as well as net revenues due to positive foreign exchange differences and financial instruments valuation of PLN 46 million.

Foreign exchange gains on loans denominated in USD for which hedging relationship with net investment in ORLEN Lietuva was designated in the amount of PLN 192 million, according to IAS 39 (Financial instruments: recognition and measurement) and foreign exchange gains on revaluation of subsidiaries in the amount of PLN 24 million were recognized in equity in line foreign exchange differences on subsidiaries from consolidation, according to IAS 21 (The effects of changes in foreign exchange rates).

After consideration of share in profit from investments accounted for under equity method and tax charges, net profit of the PKN ORLEN Group for the I quarter of 2011 amounted to PLN 1,148 million in comparison to PLN 610 million in the analogous quarter of 2010.

Results from operations of the main entities belonging to the ORLEN Group in the I quarter of 2011

- PKN ORLEN S.A. – profit from operations was higher by PLN 458 million (y/y) and amounted to PLN 940 million.
 - higher by PLN 395 million (y/y) result of the refining segment is a result of the positive impact of increasing crude oil prices on inventory valuation in the I quarter of 2011 of PLN 249 million (y/y), accompanied by the negative impact of macroeconomic factors including the refining margin, URAL/Brent differential and exchange rates,
 - improvement of results of the petrochemical segment by PLN 79 million (y/y) is a result of higher petrochemical margins and the positive impact of price changes of petrochemical products on inventory valuation of PLN 9 million (y/y),

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- decrease of results of the retail segment by PLN (-) 51 million is a result of lower fuel and non-fuel margins and of the increase of fuel stations operating costs caused by higher volume partially compensated by higher fuel sales volume,
- lower by PLN 35 million (y/y) costs of corporate functions are mainly the result of strict control of expenditures and positive effects of other operating activities comprising the partial repayment by ENERGA-OPERATOR S.A. following the repeal of an unfavorable for PKN ORLEN sentence by the Supreme Court.
- ORLEN Lietuva Group („ORLEN Lietuva”) – the result from operations was higher by PLN 203 million (y/y) and amounted to PLN 100 million. An improvement of result has been achieved in every operating segment.
 - increase of the operating result of the refining segment by PLN 200 million (y/y) is a result of higher by PLN 179 million (y/y) positive impact of increase of crude oil prices on inventory valuation accompanied by the negative impact of change of macroeconomic factors,
 - improvement of fuel margins accompanied by stable volume allowed to increase the result of the retail segment by PLN 0,4 million (y/y),
 - lower by PLN 2 million (y/y) costs of corporate functions resulted, mainly from activities carried out within optimization of operating costs.
- Unipetrol Capital Group („Unipetrol Group”) – the result from operations was higher by PLN 33 million (y/y) and amounted to PLN 87 million
 - lower by PLN (-) 26 million (y/y) result of the refining segment is a result of negative impact of macroeconomic factors, partially compensated by the positive valuation of inventories caused by increasing crude oil prices of PLN 17 million (y/y),
 - increase of sales volume and the improvement of petrochemical margins influenced the increase of the result of the petrochemical segment by PLN 61 million (y/y),
 - negative impact of the decrease of fuel margins, partially compensated by higher sales volume affected the decrease of the result of the retail segment by PLN (-) 5 million (y/y),
 - lower by PLN 3 million (y/y) costs of corporate functions result mainly from further optimization of costs.

Net indebtedness and cash flows

As at 31 March 2011 net indebtedness of the ORLEN Group amounted to PLN 8,456 million and was higher by PLN 609 million as compared to the end of 2010. The increase is the result of the drawings of loans and change in the balance of cash and cash equivalents as well as valuation of indebtedness of PLN 779 million accompanied by decreases of PLN (-) 170 million, mainly due to foreign exchange differences on revaluation.

Net cash used in operating activities amounted to PLN (-) 42 million in the I quarter of 2011. Operating cash flows included mainly net profit increased by depreciation and amortisation for the I quarter of 2011 of PLN 1,702 million and the increase of balance of net working capital of PLN (-) 1,970 million, from which approximately PLN (-) 889 million relates to the reduction of the scale of efforts optimizing working capital in comparison to the end of 2010.

Net cash used in investing activities in the I quarter of 2011 amounted to PLN (-) 607 million and concerned mainly net expenditures for acquisition of non-current assets and intangible assets of PLN (-) 576 million relating to carried investment programs.

Cash flows from financing activities amounted to PLN 473 million in the I quarter of 2011 and comprised mainly net proceeds from loans and borrowings of PLN 581 million as well as debt costs of PLN (-) 98 million.

Consequently, the balance of cash and cash equivalents decreased in the I quarter of 2011 by PLN 183 million and amounted to PLN 2,638 million as at 31 March 2011.

Sale of part of mandatory reserves of crude oil held by third parties

On 31 March 2011 the agreement regarding gathering and keeping of mandatory reserves of crude oil signed by PKN ORLEN S.A. with LAMBOURN Sp. z o.o. as a part of changing the formula of maintaining mandatory reserves of crude oil has expired. Therefore, and in accordance with applicable regulations regarding the maintenance of mandatory reserves in Poland, PKN ORLEN S.A. acquired crude oil owned by LAMBOURN Sp. z o.o. for around USD 421 million. The acquisition price of crude oil has been hedged with a futures contract. The settlement of the hedging transaction will decrease the value of the acquired raw material by approximately USD 121 million. The transfer of ownership of the raw material to PKN ORLEN S.A. has been made on 1 April 2011, after settlement of full amount of the transaction.

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PKN ORLEN S.A. is a party of the above described type of an agreement signed on 23 December 2010 with Maury Sp. z o.o. upon which a part of mandatory reserves of crude oil for approximately USD 300 million has been sold. The agreement regarding gathering and keeping of inventories was concluded for one year, whereas the Company considers the possibility of prolongation of the agreement for further periods.

Detailed comments regarding revenues and operating results of particular segments were presented further in this document.

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Macroeconomic commentary

Crude oil prices, differential and margins

Table 2

Item	Quarter			change %
	Q4 2010	Q1 2011	Q1 2010	
1	2	3	4	5=(3-4)/4
Brent crude oil (USD/bbl)	86.5	105.4	76.4	38.0
Brent / URAL differential (USD/bbl)	1.5	2.9	1.4	107.1
Model refining margin (USD/bbl)	3.3	1.5	4.0	-62.5
Model petrochemical margin (EUR/t)	667	751	629	19.4
Quotations of margins (crack margins)				
Refining products (USD/t)				
Gasoline	133	126	158	-20.3
Diesel oil	107	118	77	53.2
Light heating oil	78	89	63	41.3
A-1 jet fuel	131	173	110	57.3
Heavy heating oil	-190	-243	-133	-82.7
Petrochemical products (EUR/t)				
Polyethylene	142	178	199	-10.6
Polypropylene	355	337	258	30.6
Ethylene	509	567	504	12.5
Propylene	469	542	454	19.4
Toluene	155	180	200	-10.0
Benzene	218	379	322	17.7
Butadiene	846	883	557	58.5

Exchange rates

Table 3

Currency	Average exchange rates ¹⁾			change %	Period end exchange rates ¹⁾			change %
	Q4 2010	Q1 2011	Q1 2010		Q4 2010	Q1 2011	Q1 2010	
1	2	3	4	5=(3-4)/4	6	7	8	9=(7-8)/8
PLN/USD	2.92	2.88	2.88	0.0	2.96	2.82	2.87	-1.7
PLN/EUR	3.97	3.94	3.99	-1.3	3.96	4.01	3.86	3.9
PLN/CZK	0.1601	0.1619	0.1542	5.0	0.1580	0.1634	0.1517	7.7
LTL/USD	2.54	2.53	2.49	1.6	2.61	2.46	2.55	-3.5
LTL/EUR	3.45	3.45	3.45	0.0	3.45	3.45	3.45	0.0
CZK/USD	18.3	17.8	18.7	-4.8	18.8	17.3	18.9	-8.5
CZK/EUR	24.8	24.4	25.9	-5.8	25.1	24.5	25.4	-3.5

1) Based on daily exchange rates of NBP, Czech Republic National Bank and Bank of Lithuania

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Fuel consumption

Fuel consumption was presented on the basis of estimates of Agencja Rynku Energii S.A. ("ARE") (Energy Market Agency) and Polska Organizacja Gazu Płynnego (The Polish LPG Association) with respect to Polish market, on the basis of the Czech Statistical Office with respect to Czech market, on the basis of data of Europe Oil Telegram with respect to German market and on the basis of data of the Lithuanian Statistical Office with respect to Lithuanian market.

Table 4

Countries, (^{'000 tonnes})	Q4 2010	Q1 2011	Q1 2010	change %
1	2	3	4	5=(3-4)/4
Poland	4 092	3 638	3 397	7.1%
Gasoline	1 012	906	944	-4.0%
Diesel Oil	3 080	2 732	2 453	11.4%
Lithuania	368	271	263	3.0%
Gasoline	72	54	67	-19.4%
Diesel Oil	296	217	196	10.7%
Czech Republic	1 456	1 205	1 190	1.3%
Gasoline	451	386	390	-1.0%
Diesel Oil	1 005	819	800	2.4%
Germany	13 271	12 161	11 596	4.9%
Gasoline	4 897	4 591	4 450	3.2%
Diesel Oil	8 374	7 570	7 146	5.9%

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Segment commentary – Refining Segment

Table 5

Q4 2010	Q1 2011	Q1 2010	change %	Item, PLNm	3 months 2011	3 months 2010	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
17 973	17 614	13 383	31.6	Segment revenues, including:	17 614	13 383	31.6
13 022	12 303	9 266	32.8	Sale to external customers	12 303	9 266	32.8
4 951	5 311	4 117	29.0	Transactions with other segments	5 311	4 117	29.0
-17 183	-16 595	-12 972	27.9	Segment expenses	-16 595	-12 972	27.9
-180	9	15	-40.0	Other operating revenues/expenses, net	9	15	-40.0
610	1 028	426	141.3	Profit/Loss from operations	1 028	426	141.3
141	185	51	262.7	Profit/Loss from operations under LIFO	185	51	262.7
927	1 305	733	78.0	Profit/Loss from operations plus depreciation and amortisation (EBITDA)	1 305	733	78.0
260	146	132	10.6	CAPEX	146	132	10.6
5 925	5 217	4 737	10.1	Sales of products (thousand tonnes)	5 217	4 737	10.1

In the I quarter of 2011 profit from operations of the refining segment of the ORLEN Group amounted to PLN 1,028 million and increased by PLN 602 million (y/y) as compared to the analogous period of the previous year.

Positive impact of changes in crude oil prices on inventory valuation in the I quarter of 2011 was higher by PLN 468 million in comparison to the comparable data.

Cumulative, negative impact of macroeconomic factors including URAL/Brent differential, refining margin and foreign exchange rates was lower by PLN (-) 208 million (y/y).

In order to minimize the effects of shutdowns of conversion installations in the I quarter of 2011, PKN ORLEN increased the share of crude oil with low sulfur content in the total crude oil throughput as well as in the operating reserve. As a result, the operating reserve of REBCO crude oil acquired in previous years and accounted for under the LIFO valuation method at lower prices decreased, which had a positive impact on the result from operations of the I quarter of 2011 of PLN 296 million.

The influence of other factors, including mainly lower depreciation and amortisation costs by PLN 30 million (y/y), amounted to PLN 46 million (y/y).

In the I quarter of 2011 as compared to the analogous period of the previous year, the segment's CAPEX increased by PLN 14 million (y/y) to the level of PLN 146 million.

The most significant investments comprised: construction of K8 boiler in Heat and Power station, construction of Claus II Installation together with infrastructure, modernization and intensification of Alkylation HF installation, completion of the start-up of Diesel Oil Desulphurisation Installation VII together with infrastructure, replacement of high pressure elements on Hydrocracking Installation in PKN ORLEN S.A., as well as replacement of the part of reactor of Fluid Catalytic Cracking installation in ORLEN Lietuva.

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Segment commentary – Retail Segment

Table 6

Q4 2010	Q1 2011	Q1 2010	change %	Item, PLNm	3 months 2011	3 months 2010	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
7 028	6 965	5 586	24.7	Segment revenues, including:	6 965	5 586	24.7
7 001	6 938	5 559	24.8	Sales to external customers	6 938	5 559	24.8
27	27	27	0.0	Transactions with other segments	27	27	0.0
-6 806	-6 933	-5 506	25.9	Segment expenses	-6 933	-5 506	25.9
2	-6	-5	- 20.0	Other operating revenues/expenses, net	-6	-5	- 20.0
224	26	75	-65.3	Profit/Loss from operations	26	75	-65.3
306	108	156	-30.8	Profit/Loss from operations plus depreciation and amortisation (EBITDA)	108	156	-30.8
219	22	21	4.8	CAPEX	22	21	4.8
1 759	1 600	1 541	3.8	Sales of products (thousand tonnes)	1 600	1 541	3.8

In the I quarter of 2011 profit from operations of the retail segment of the ORLEN Group amounted to PLN 26 million and decreased by PLN (-) 49 million in comparison to the analogous period of the previous year.

The increase in sales volume of the retail segment by 4% (y/y), achieved on Polish, German, Czech markets improved segment's operating profit by PLN 20 million (y/y).

Lower fuel margins and on sale of non-fuel merchandise and services decreased segment's operating profit by PLN (-) 32 million (y/y).

The increase in other costs of operating fuel stations connected mainly with increase in sales volume as well as taxes and costs of running fuel stations amounted to PLN (-) 37 million (y/y).

At the end of March 2011 the number of catering points such as Stop Café and Stop Café Bistro amounted to 621 and remained at the same level as at the end of 2010.

In comparison to I quarter of 2010 CAPEX increased by PLN 1 million to the level of PLN 22 million.

In the ORLEN Group 1 new fuel station was launched in Czech Republic and 11 in Germany, of which 8 had been bought from OMV in November 2010. In the I quarter of 2011 7 fuel stations in Poland were modernized and 2 fuel stations in Germany were shut down.

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Segment commentary - Petrochemical Segment

Table 7

Q4 2010	Q1 2011	Q1 2010	change %	Item, PLNm	3 months 2011	3 months 2010	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
3 594	4 184	3 274	27.8	Segment revenues, including:	4 184	3 274	27.8
2 902	3 413	2 598	31.4	Sales to external customers	3 413	2 598	31.4
692	771	676	14.1	Transactions with other segments	771	676	14.1
-3 477	-3 815	-3 190	19.6	Segment expenses	-3 815	-3 190	19.6
0	16	21	-23.8	Other operating revenues/expenses, net	16	21	-23.8
117	385	105	266.7	Profit/Loss from operations	385	105	266.7
87	339	65	421.5	Profit/Loss from operations under LIFO	339	65	421.5
285	552	290	90.3	Profit / Loss from operations plus depreciation and amortisation (EBITDA)	552	290	90.3
405	135	619	-78.2	CAPEX	135	619	-78.2
1 204	1 253	1 239	1.1	Sales of products (thousand tonnes)	1 253	1 239	1.1

In the I quarter of 2011 segment's profit from operations of the ORLEN Group amounted to PLN 385 million and was higher by 280 million as compared to the analogous period of the previous year.

Positive effect of changes in prices of petrochemical products on valuation of inventories in the I quarter of 2011 was higher by PLN 6 million in comparison to the comparable data.

Impact of macroeconomic factors connected with the increase of petrochemical margins together with changes in foreign exchange rates increased the segment's result from operations by PLN 185 million (y/y).

Increase of sales volume of olefins, polyolefins and PVC accompanied by stable sales of fertilizers resulted in an increase of segment's profit from operations by PLN 27 million (y/y).

Other factors, including depreciation and amortisation lower by PLN 18 million (y/y) and higher efficiency of sale of fertilizers positively influenced segment's profit from operations by PLN 62 million (y/y).

During the I quarter of 2011 the segment's CAPEX amounted to PLN 135 million.

The most significant investments realized in the I quarter of 2011 comprised: completion works connected with PX/PTA complex in PKN ORLEN S.A and construction of oxygen generating plant and media supply installation for PTA plant in the Anwil Group.

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Segment commentary – Corporate Functions

Table 8

Q4 2010	Q1 2011	Q1 2010	change %	Item, PLNm	3 months 2011	3 months 2010	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
59	74	65	13.8	Segment revenues, including:	74	65	13.8
8	21	19	10.5	Sales to external customers	21	19	10.5
51	53	46	15.2	Transactions with other segments	53	46	15.2
-247	-203	-211	-3.8	Segment expenses	-203	-211	-3.8
-16	29	4	625.0	Other operating revenues/expenses, net	29	4	625.0
-204	-100	-142	29.6	Profit/Loss from operations	-100	-142	29.6
-175	-72	-114	36.8	Profit/Loss from operations plus depreciation and amortisation (EBITDA)	-72	-114	36.8
71	23	5	360.0	CAPEX	23	5	360.0

Lower corporate functions costs in the I quarter of 2011 by PLN 42 million (y/y) resulted from of cost-restrictive policy and positive effect on other operating activities including return of part of amount by ENERGA-OPERATOR S.A. in consequence of derogation of unfavourable sentence of Supreme Court.

Investment expenditure („CAPEX”) of PLN 23 million in the I quarter of 2011 related mainly to project implementation within the IT area.

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Interim Condensed Consolidated Financial Statements

POLSKI KONCERN NAFTOWY ORLEN S.A. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for 3 months ended 31 March 2011 and 31 March 2010

Table 9

Q4 2010	Q1 2011	Q1 2010	change %	Item, PLNm	3 months 2011	3 months 2010	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
22 931	22 674	17 442	30.0	Sales revenues	22 674	17 442	30.0
-20 753	-20 177	-15 895	26.9	Cost of sales	-20 177	-15 895	26.9
2 178	2 497	1 547	61.4	Gross profit on sales	2 497	1 547	61.4
-846	-878	-797	10.2	Distribution expenses	-878	-797	10.2
-391	-329	-320	2.8	General and administrative expenses	-329	-320	2.8
338	165	102	61.8	Other operating revenues	165	102	61.8
-532	-116	-68	70.6	Other operating expenses	-116	-68	70.6
747	1 339	464	188.6	Profit from operations	1 339	464	188.6
114	247	518	-52.3	Financial revenues	247	518	-52.3
-200	-275	-230	19.6	Financial expenses	-275	-230	19.6
-86	-28	288	-	Financial revenues and expenses	-28	288	-
37	64	39	64.1	Share in profit from investments accounted for under equity method	64	39	64.1
698	1 375	791	73.8	Profit before tax	1 375	791	73.8
-154	-227	-181	25.4	Income tax expense	-227	-181	25.4
544	1 148	610	88.2	Net profit	1 148	610	88.2
				Items of other comprehensive income:			
170	474	-49	-	Hedging instruments valuation	474	-49	-
0	-2	29	-	Hedging instruments settlement	-2	29	-
-152	170	-170	-	Foreign exchange differences on consolidation	170	-170	-
-32	-90	4	-	Deferred tax on other comprehensive income	-90	4	-
-14	552	-186	-	Total items of other comprehensive income	552	-186	-
530	1 700	423	301.9	Total comprehensive income	1 700	423	301.9
544	1 148	610	88.2	Net profit attributable to:	1 148	610	88.2
541	1 105	593	86.3	equity holders of the parent	1 105	593	86.3
3	43	17	152.9	non-controlling interest	43	17	152.9
530	1 700	423	301.9	Total comprehensive income attributable to:	1 700	423	301.9
585	1 584	459	245.1	equity holders of the parent	1 584	459	245.1
-55	116	-36	-	non-controlling interest	116	-36	-
1.26	2.58	1.39	85.6	Net profit and diluted net profit per share attributable to equity holders of the Parent (in PLN per share)	2.58	1.39	85.6

Results of the PKN ORLEN Group for the I quarter of 2011
(Translation of a document originally issued in Polish)

POLSKI KONCERN NAFTOWY ORLEN S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2011 and 31 December 2010

Table 10

31.03.2011	Item, PLNm	31.12.2010	change %
1	2	3	4=(1-3)/3
	ASSETS		
27 136	Property, plant and equipment	27 403	-1.0
74	Investment property	72	2.8
1 815	Intangible assets	1 103	64.6
96	Perpetual usufruct of land	96	0.0
1 549	Investments accounted for under equity method	1 501	3.2
44	Financial assets available for sale	43	2.3
54	Deferred tax assets	164	-67.1
124	Other non-current assets	49	153.1
30 892	Total non-current assets	30 431	1.5
12 840	Inventory	11 295	13.7
7 225	Trade and other receivables	6 289	14.9
654	Other short-term financial assets	225	190.7
30	Income tax receivable	48	-37.5
2 638	Cash and cash equivalents	2 821	-6.5
34	Non-current assets held for sale	41	-17.1
23 421	Total current assets	20 719	13.0
54 313	Total assets	51 150	6.2
	LIABILITIES AND SHAREHOLDERS' EQUITY		
1 058	Share capital	1 058	0.0
1 227	Share premium	1 227	0.0
450	Hedging reserve	64	603.1
-56	Foreign exchange differences on subsidiaries from consolidation	-149	-62.4
20 533	Retained earnings	19 428	5.7
23 212	Total equity attributable to equity holders of the parent	21 628	7.3
2 728	Non-controlling interest	2 612	4.4
25 940	Total equity	24 240	7.0
6 713	Interest-bearing loans and borrowings	9 124	-26.4
635	Provisions	636	-0.2
818	Deferred tax liabilities	819	-0.1
17	Deferred income	17	0.0
131	Other long-term liabilities	89	47.2
8 314	Total long-term liabilities	10 685	-22.2
13 426	Trade and other liabilities	13 436	-0.1
4 381	Interest-bearing loans and borrowings	1 544	183.7
194	Income tax liability	23	743.5
1 209	Provisions	1 002	20.7
687	Deferred income	75	816.0
162	Other financial liabilities	145	11.7
20 059	Total short-term liabilities	16 225	23.6
28 373	Total liabilities	26 910	5.4
54 313	Total liabilities and shareholders' equity	51 150	6.2

Results of the PKN ORLEN Group for the I quarter of 2011
(Translation of a document originally issued in Polish)

POLSKI KONCERN NAFTOWY ORLEN S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
for 3 months ended
31 March 2011 and 31 March 2010

Table 11

Q4 2010	Q1 2011	Q1 2010	change %	Item, PLNm	3 months 2011	3 months 2010	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
Cash flows – operating activities							
544	1 148	610	88.2	Net profit	1 148	610	88.2
				Adjustments for:			
-37	-64	-39	64.1	Share in profit from investments accounted for under equity method	-64	-39	64.1
596	554	601	-7.8	Depreciation and amortisation	554	601	-7.8
-19	70	-337	-	Foreign exchange losses/(gains)	70	-337	-
95	75	122	-38.5	Interest and dividends	75	122	-38.5
260	-23	14	-	Loss / (Profit) on investing activities	-23	14	-
592	-817	-428	90.9	Change in receivables	-817	-428	90.9
17	-1 541	254	-	Change in inventories	-1 541	254	-
832	388	-421	-	Change in liabilities	388	-421	-
215	156	110	41.8	Change in provisions	156	110	41.8
154	227	181	25.4	Income tax expense	227	181	25.4
-210	-60	-35	71.4	Income tax (paid)	-60	-35	71.4
-213	-155	-216	-28.2	Other adjustments	-155	-216	-28.2
2 826	-42	416	-	Net cash provided by / (used in) operating activities	-42	416	-
Cash flows - investing activities							
-1 207	-871	-597	45.9	Acquisition of property, plant and equipment and intangible assets	-871	-597	45.9
480	295	53	456.6	Disposal of property, plant and equipment and intangible assets	295	53	456.6
40	0	0	-	Sale of shares	0	0	-
-116	0	0	-	Acquisition of shares	0	0	-
-24	-54	-30	80.0	Acquisition of short-term securities and deposits	-54	-30	80.0
69	11	0	-	Sale of other short – term securities	11	0	-
123	4	1	300.0	Interest and dividend received	4	1	300.0
10	8	-2	-	Other	8	-2	-
-625	-607	-575	5.6	Net cash (used in) investing activities	-607	-575	5.6
Cash flows - financing activities							
2 460	3 040	4 790	-36.5	Proceeds from loans and borrowings	3 040	4 790	-36.5
-2 974	-2 459	-4 986	-50.7	Repayment of loans and borrowings	-2 459	-4 986	-50.7
-139	-98	-147	-33.3	Interest paid	-98	-147	-33.3
-4	-7	-7	0.0	Payment of liabilities under finance lease agreements	-7	-7	0.0
-6	-3	-4	-25.0	Other	-3	-4	-25.0
-663	473	-354	-	Net cash provided by / (used in) financing activities	473	-354	-
1 538	-176	-513	-65.7	(Decrease)/ Increase in cash and cash equivalents	-176	-513	-65.7
-12	-7	-1	600.0	Effect of exchange rate changes on cash and cash equivalents	-7	-1	600.0
1 295	2 821	2 941	-4.1	Cash and cash equivalents, beginning of the period	2 821	2 941	-4.1
2 821	2 638	2 427	8.7	Cash and cash equivalents, end of the period	2 638	2 427	8.7
68	70	107	-34.6	incl. cash and cash equivalents not available for use	70	107	-34.6

Results of the PKN ORLEN Group for the I quarter of 2011
(Translation of a document originally issued in Polish)

Operating data

POLSKI KONCERN NAFTOWY ORLEN S.A. PRODUCTION for 3 months ended 31 March 2011 and 31 March 2010

Table 12

Production (‘000 tonnes)	Q1 2011	Q1 2010	change %	Q1 2011	share %	Q1 2011	share %	Q1 2011	share %		
1	2	3	4=(2-3)/3	5	6=5/total segment	7	8=7/total segment	9	10=9/total segment		
Refining Segment	ORLEN Group	ORLEN Group	PKN ORLEN S.A.			Unipetrol Group		ORLEN Lietuva			
Crude oil throughput	6 423	6 233	3.0	3 301	-	879	-	2 166	-		
Gasoline	1 423	1 326	7.3	604	23.3	138	14.3	681	32.7		
Diesel oil	2 468	2 178	13.3	1 201	46.3	402	41.6	868	41.7		
Light heating oil	160	258	-38.0	133	5.1	19	2.0	2	0.1		
A-1 jet fuel	121	115	5.2	71	2.7	9	0.9	40	1.9		
Heavy heating oil	786	682	15.2	295	11.4	46	4.8	420	20.2		
LPG	119	95	25.3	50	1.9	33	3.4	54	2.6		
Bitumens	50	50	0.0	0	0.0	27	2.8	0	0.0		
Engine oils	60	73	-17.8	0	0.0	30	3.1	0	0.0		
Other	256	259	-1.2	238	9.2	262	27.1	18	0.9		
Total products	5 443	5 036	8.1	2 592	-	966	-	2 083	-		
Petrochemical Segment	ORLEN Group	ORLEN Group	PKN ORLEN S.A.			Unipetrol Group		BOP		Anwil Group	
Polyethylene	123	119	3.4	0	0.0	74	8.1	49	52.1	0	0.0
Polypropylene	106	108	-1.9	0	0.0	61	6.7	45	47.9	0	0.0
Ethylene	79	74	6.8	125	36.2	117	12.8	0	0.0	0	0.0
Propylene	51	51	0.0	87	25.2	71	7.8	0	0.0	0	0.0
Toluene	18	17	5.9	30	8.7	0	0.0	0	0.0	0	0.0
Benzene	78	76	2.6	22	6.4	56	6.1	0	0.0	0	0.0
Ortoxylyene	0	5	-	0	0.0	0	0.0	0	0.0	0	0.0
Acetone	7	6	16.7	7	2.0	0	0.0	0	0.0	0	0.0
Butadiene	31	17	82.4	17	4.9	14	1.5	0	0.0	0	0.0
Glycol	19	18	5.6	19	5.5	0	0.0	0	0.0	0	0.0
Ethylene oxide	7	5	40.0	7	2.0	0	0.0	0	0.0	0	0.0
Phenol	10	9	11.1	10	2.9	0	0.0	0	0.0	0	0.0
PVC	93	91	2.2	0	0.0	0	0.0	0	0.0	93	15.6
PVC granulate	14	12	16.7	0	0.0	0	0.0	0	0.0	14	2.4
CANWIL	99	104	-4.8	0	0.0	0	0.0	0	0.0	99	16.6
Ammonium nitrate	139	147	-5.4	0	0.0	0	0.0	0	0.0	139	23.4
Ammonium sulphate	53	51	3.9	0	0.0	0	0.0	0	0.0	53	8.9
PTA	6	0	-	6	1.7	0	0.0	0	0.0	0	0.0
Other	708	775	-8.6	15	4.3	521	57.0	0	0.0	197	33.1
Total products	1 641	1 685	-2.6	345	-	914	-	94	-	595	-
Total output	7 084	6 721	5.4	2 937	-	1 880	-	94	-	595	-

Results of the PKN ORLEN Group for the I quarter of 2011
(Translation of a document originally issued in Polish)

POLSKI KONCERN NAFTOWY ORLEN S.A.
SALES
for 3 months ended
31 March 2011 and 31 March 2010

Table 13

Q4 2010	Q1 2011	Q1 2010	change %	Sales ('000 tonnes)	3 months 2011	3 months 2010	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
Refining Segment							
1 338	1 115	1 038	7.4	Gasoline	1 115	1 038	7.4
2 192	1 988	1 760	13.0	Diesel oil	1 988	1 760	13.0
263	230	285	-19.3	Light heating oil	230	285	-19.3
164	125	140	-10.7	A-1 jet fuel	125	140	-10.7
780	845	668	26.5	Heavy heating oil	845	668	26.5
134	110	97	13.4	LPG	110	97	13.4
292	55	42	31.0	Bitumens	55	42	31.0
34	31	34	-8.8	Engine oils	31	34	-8.8
728	718	673	6.7	Other	718	673	6.7
5 925	5 217	4 737	10.1	Total products	5 217	4 737	10.1
Retail Segment							
607	557	556	0.2	Gasoline	557	556	0.2
975	909	812	11.9	Diesel oil	909	812	11.9
99	70	86	-18.6	LPG	70	86	-18.6
78	64	87	-26.4	Other	64	87	-26.4
1 759	1 600	1 541	3.8	Total products	1 600	1 541	3.8
7 684	6 817	6 278	8.6	(Refining + Retail) Segment	6 817	6 278	8.6
Petrochemical Segment							
118	114	106	7.5	Polyethylene	114	106	7.5
106	100	106	-5.7	Polypropylene	100	106	-5.7
76	81	74	9.5	Ethylene	81	74	9.5
56	54	55	-1.8	Propylene	54	55	-1.8
7	16	17	-5.9	Toluene	16	17	-5.9
78	82	75	9.3	Benzene	82	75	9.3
0	0	5	-	Ortoxylyene	0	5	-
7	7	6	16.7	Acetone	7	6	16.7
31	31	17	82.4	Butadiene	31	17	82.4
23	20	17	17.6	Glycol	20	17	17.6
6	7	4	75.0	Ethylene oxide	7	4	75.0
11	10	9	11.1	Phenol	10	9	11.1
63	88	65	35.4	PVC	88	65	35.4
13	15	13	15.4	PVC granulate	15	13	15.4
98	116	111	4.5	CANWIL	116	111	4.5
149	145	141	2.8	Ammonium nitrate	145	141	2.8
55	42	59	-28.8	Ammonium sulphate	42	59	-28.8
0	1	0	-	PTA	1	0	-
307	324	359	-9.7	Other	324	359	-9.7
1 204	1 253	1 239	1.1	Total products	1 253	1 239	1.1
8 888	8 070	7 517	7.4	ORLEN Group – total	8 070	7 517	7.4