

Results of the PKN ORLEN Group for the 2 quarter of 2011
(Translation of a document originally issued in Polish)

Summary of the results

Table 1

Q2 2010	Q1 2011	Q2 2011	change %	Key financial data, PLNm	6 months 2010	6 months 2011	change %
1	2	3	4=(3-1)/1	5	6	7	8=(7-6)/6
21 068	22 674	25 641	21.7	Sales revenues	38 510	48 315	25.5
1 735	1 893	1 586	-8.6	Profit/loss from operations plus depreciation and amortisation (EBITDA)	2 800	3 479	24.3
1 123	1 339	1 009	-10.2	Profit/loss from operations, including:	1 587	2 348	48.0
843	940	711	-15.7	PKN ORLEN S.A.	1 325	1 651	24.6
102	87	30	-70.6	Unipetrol Group	156	117	-25.0
-13	100	4	-	ORLEN Lietuva	-116	104	-
191	212	264	38.2	Other	222	476	114.4
				Operating segments, including:			
983	1 028	510	-48.1	Refining	1 409	1 538	9.2
122	385	521	327.0	Petrochemical	227	905	298.7
216	26	192	-11.1	Retail	291	219	-24.7
-198	-100	-214	-8.1	Corporate Functions ¹	-340	-314	7.6
612	554	577	-5.7	Depreciation and amortisation, including:	1 213	1 131	-6.8
313	277	271	-13.4	Refining	620	548	-11.6
192	167	205	6.8	Petrochemical	377	372	-1.3
79	82	77	-2.5	Retail	160	159	-0.6
28	28	24	-14.3	Corporate Functions ¹	56	52	-7.1
43	1 148	918	2034.9	Net profit/loss	653	2 066	216.4
-5	1 105	899	-	Profit/loss attributable to equity holders of the Parent	588	2 003	240.6
52 105	54 313	54 472	4.5	Assets	52 105	54 472	4.5
22 678	25 940	26 550	17.1	Equity	22 678	26 550	17.1
9 752	8 456	7 884	-19.2	Net debt	9 752	7 884	-19.2
2 468	-42	1 007	-59.2	Net cash provided by/(used in) operating activities	2 884	965	-66.5
-381	-607	-402	-5.5	Net cash (used in) investing activities	-956	-1 010	-5.6
600	326	498	-17.0	Capital expenditures (CAPEX)	1 376	824	-40.1
5.9	9.7	9.1	3.3p.p.	Return on capital employed (ROACE) (%)²	5.9	9.5	3.6p.p.
44.7	32.5	31.1	-13.6p.p.	Financial leverage (%)³	45.1	31.0	-14.1p.p.
1.97	1.30	1.24	-37.1	Net debt/Profit from operations plus depreciation and amortisation for the last four quarters (EBITDA)⁴	1.97	1.24	-37.1
2.69	1.82	1.69	-37.2	Net debt/Profit from operations plus depreciation and amortisation based on the LIFO method for the last four quarters (EBITDA)⁵	2.69	1.69	-37.2
-0.01	2.58	2.10	-	Net profit/loss attributable to equity holders of the Parent per share (EPS)	1.37	4.68	241.6
Q2 2010	Q1 2011	Q2 2011	change %	Financial data adjusted by the effect of inventory valuation based on the LIFO method, PLNm	6 months 2010	6 months 2011	change %
682	450	770	12.9	Profit/loss from operations based on LIFO method, including:	731	1 220	66.9
378	363	432	14.3	PKN ORLEN S.A.	541	795	47.0
81	-8	40	-50.6	Unipetrol Group	54	32	-40.7
34	-104	42	23.5	ORLEN Lietuva	-94	-62	34.0
189	199	256	35.4	Other	230	455	97.8
-441	-889	-239	45.8	Effect on inventory valuation⁶ based on LIFO method on profit from operations, including:	-856	-1 128	-31.8
-465	-577	-279	40.0	PKN ORLEN S.A.	-784	-856	-9.2
-21	-95	10	-	Unipetrol Group	-102	-85	16.7
47	-204	38	-19.1	ORLEN Lietuva	22	-166	-
-2	-13	-8	-300.0	Other	8	-21	-
-312	420	726	-	Net profit/loss based on LIFO method	-39	1 146	-

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 2 quarter of 2011 amounted to PLN 1,009 million as compared to PLN 1,123 million in the analogous period of the prior year. The cumulative result from operations of the ORLEN Group for the 1 half of 2011 reached the level of PLN 2,348 million, that is an increase of PLN 761 million (y/y).

Positive effect of LIFO method of inventory valuation increasing the result from operations was lower by PLN (-) 202 million (y/y) and amounted to PLN 239 million in the 2 quarter of 2011.

As a result, the profit from operations of the ORLEN Group using the LIFO method of inventory valuation amounted to PLN 770 million in the 2 quarter of 2011 and was higher by PLN 88 million (y/y). The cumulative result from operations of the ORLEN Group using the LIFO method of inventory valuation reached the level of PLN 1,220 million as compared to PLN 731 million in the 1 half of 2010.

Total impact of changes in macroeconomic factors including: refining and petrochemical margins, the URAL/Brent differential and changes in PLN exchange rates against foreign currencies was negative in the 2 quarter of 2011 and amounted to PLN (-) 348 million (y/y).

Higher total sales volumes of the ORLEN Group increased the result from operations in the 2 quarter of 2011 by PLN 216 million (y/y).

In the 2 quarter of 2011 PKN ORLEN S.A repurchased part of mandatory reserves from LAMBOURN Sp. z o.o. sold in March 2010. The repurchase price of this transaction has been hedged by the forward contract and was effectively close to the last year's sale price, which was lower compared to the current market quotations. The above transaction had a positive effect on operating result of PLN 211 million (y/y).

The positive influence of change in balance of other operating activities amounted to PLN 33 million (y/y) and included mainly revaluation of provisions as well as compensation received for liquidation of damages resulting from fire in 2010 and grants received due to the reduction of nitrous oxide emissions on Nitric Acid Installation in Anwil S.A.

Net financial expenses in the 2 quarter of 2011 amounted to PLN (-) 13 million and comprised mainly net interest expense amounting to PLN (-) 104 million as well as positive net balance of foreign exchange differences of PLN 101 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 110 million, according to IAS 39 (Financial instruments: recognition and measurement) and foreign exchange gains on revaluation of subsidiaries in the amount of PLN 14 million, according to IAS 21 (The effects of changes in foreign exchange rates), were recognized in equity in line foreign exchange differences on subsidiaries from consolidation.

After consideration of share in profit from investments accounted for under equity method and tax charges, net profit of the ORLEN Group for the 2 quarter of 2011 amounted to PLN 918 million in comparison to PLN 43 million in the analogous quarter of 2010.

Net profit of the ORLEN Group for the 1 half of 2011 amounted to PLN 2,066 million and was higher by PLN 1,413 million (y/y).

In the 2 quarter of 2011 significant maintenance shutdowns regarded:

- PKN ORLEN S.A.: the Hydrocracking installation and Gudron Hydrodesulphurisation and Hydrogen Production Plant I and II.
- Unipetrol Group: Visbreaking Installation, Fluid Catalytic Cracking Installation, Diesel Oil Desulphurisation Installation and Hydrocracking installation.
- ORLEN Lietuva: 14-day periodic maintenance shutdown of the refinery including the DRW, Fluid Catalytic Cracking, Reforming, Visbreaking Installations, the Hydrogen Production Plant and the Diesel Oil Desulphurisation Installation.

Results from operations of the core entities belonging to the ORLEN Group in the 2 quarter of 2011

- PKN ORLEN S.A. – profit from operations was lower by PLN (-) 132 million (y/y) and amounted to PLN 711 million.
 - lower by PLN (-) 385 million result of the refining segment is mainly a result of the negative impact of macroeconomic factors and decreased sales volume resulting from maintenance shutdowns of

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- production installations and a difficult market environment. Additionally, the positive impact of increasing crude oil prices in inventory valuation in the 2 quarter of 2011 was lower by PLN (-) 225 million (y/y). The positive impact of the above mentioned transaction of repurchase of first tranche of mandatory reserves on profit from operations amounted to PLN 211 million (y/y),
- improvement of results of the petrochemical segment by PLN 287 million (y/y) is a result of higher sales volume, the increase of petrochemical margins and the positive impact of price changes of petrochemical products on inventory valuation of PLN 39 million (y/y),
 - decrease of results of the retail segment by PLN (-) 33 million is mainly a result of lack of positive effects on other operating income related to the sale of assets and update of impairment allowances of PLN (-) 29 million. Higher sales volume and the improvement of non-fuel margins allowed to compensate effects of lower fuel margins,
 - costs of corporate functions remained in the 2 quarter of 2011 on a similar level (y/y).
- ORLEN Lietuva Group („ORLEN Lietuva”) – the result from operations was higher by PLN 17 million (y/y) and amounted to PLN 4 million.
 - increase of the operating result of the refining segment by PLN 27 million (y/y) is a result of higher sales volume, improvement of sales effectiveness and the positive impact of crude oil prices on inventory valuation of PLN 9 million (y/y), accompanied by the negative impact of macroeconomic factors,
 - improvement of fuel margins accompanied by stable volumes allowed to increase the result of the retail segment by PLN 1 million (y/y),
 - higher by PLN (-) 11 million costs of corporate functions resulted from negative effects of other operations related to the sale of redundant assets.
 - Unipetrol Capital Group („Unipetrol Group”) – the result from operations was lower by PLN (-) 72 million (y/y) and amounted to PLN 30 million.
 - lower by PLN (-) 110 million (y/y) result of the refining segment reflects mainly the negative impact of crude oil price changes on inventory valuation by PLN (-) 35 million and macroeconomic factors,
 - improvement of petrochemical segment by PLN 43 million (y/y) is mainly the effect of lower operating costs,
 - lower by PLN (-) 6 million result of the retail segment is mainly the result of lower fuel and non-fuel margins,
 - similar level of costs of corporate functions (y/y).

Net indebtedness and cash flows

As at 30 June 2011 net indebtedness of the ORLEN Group amounted to PLN 7,884 million and remained on comparable level to the end of 2010. In the 1 half of 2011 the increase in net indebtedness due to net repayment of loans and borrowings and changes in the balance of cash and cash equivalents as well as valuation of indebtedness of PLN 331 million was noted, accompanied by decreases of PLN (-) 294 million due to foreign exchange differences on revaluation.

In the 2 quarter of 2011 net indebtedness decreased by PLN (-) 572 million due to repayment of loans, change in the balance of cash and cash equivalents and valuation of indebtedness of PLN (-) 447 million as well as due to foreign exchange differences on revaluation of PLN (-) 125 million.

Net cash provided by operating activities amounted to PLN 1,007 million in the 2 quarter of 2011. Operating cash flows included mainly net profit increased by depreciation and amortisation for the 2 quarter of 2011 of PLN 1,495 million in total and the change in balance of net working capital of PLN (-) 582 million.

Net cash used in investing activities in the 2 quarter of 2011 amounted to PLN (-) 402 million and concerned mainly net expenditures for acquisition of non-current assets and intangible assets of PLN (-) 401 million relating to carried investment programs.

Cash flows from financing activities amounted to PLN (-) 1,285 million in the 2 quarter of 2011 and concerned mainly net expenditures of repayments of loans and borrowings of PLN (-) 1,124 million as well as debt costs of PLN (-) 155 million.

Consequently, the balance of cash and cash equivalents decreased in the 2 quarter of 2011 by PLN 680 million and amounted to PLN 1,959 million as at 30 June 2011.

Mandatory reserves of crude oil held by third parties

PKN ORLEN S.A. is a party of the agreement regarding gathering and keeping of mandatory reserves of crude oil 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 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 %
	Q1 2011	Q2 2011	Q2 2010	
1	2	3	4	5=(3-4)/4
Brent crude oil (USD/bbl)	105.4	117.0	78.3	49.4
Brent / URAL differential (USD/bbl)	2.9	2.9	1.8	61.1
Model refining margin (USD/bbl)	1.5	1.4	4.7	-70.2
Model petrochemical margin (EUR/t)	751	795	721	10.3
Quotations of margins (crack margins)				
Refining products (USD/t)				
Gasoline	126	172	154	11.7
Diesel oil	118	100	103	-2.9
Light heating oil	89	73	84	-13.1
Jet A-1 fuel	173	168	131	28.2
Heavy heating oil	-243	-265	-156	-69.9
Petrochemical products (EUR/t)				
Polyethylene	178	213	210	1.4
Polypropylene	337	310	338	-8.3
Ethylene	567	583	497	17.3
Propylene	542	597	528	13.1
Toluene	180	149	223	-33.2
Benzene	379	241	362	-33.4
Butadiene	883	1 435	809	77.4
Paraksylene	612	546	367	48.8

Exchange rates

Table 3

Currency	Average exchange rate ¹⁾			change %	Period end exchange rate ¹⁾			change %
	Q1 2011	Q2 2011	Q2 2010		Q1 2011	Q2 2011	Q2 2010	
1	2	3	4	5=(3-4)/4	6	7	8	9=(7-8)/8
PLN/USD	2.88	2.75	3.16	-13.0	2.82	2.75	3.39	-18.9
PLN/EUR	3.94	3.96	4.01	-1.2	4.01	3.99	4.15	-3.9
PLN/CZK	0.1619	0.1629	0.1569	3.8	0.1634	0.1641	0.1609	2.0
LTL/USD	2.53	2.40	2.71	-11.4	2.46	2.40	2.82	-14.9
LTL/EUR	3.45	3.45	3.45	0.0	3.45	3.45	3.45	-2.9
CZK/USD	17.8	16.9	20.2	-16.3	17.3	16.8	20.9	-19.6
CZK/EUR	24.4	24.3	25.6	-5.1	24.5	24.3	25.7	-5.4

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)	Q1 2011	Q2 2011	Q2 2010	change %
1	2	3	4	5=(3-4)/4
Poland	3 640	4 028	3 899	3.3%
Gasoline	891	1 040	1 056	-1.5%
Diesel Oil	2 749	2 988	2 843	5.1%
Lithuania	259	361	339	6.5%
Gasoline	56	65	75	-13.3%
Diesel Oil	203	296	264	12.1%
Czech Republic	1 262	1 507	1 517	-0.7%
Gasoline	379	488	500	-2.4%
Diesel Oil	883	1 019	1 017	0.2%
Germany	12 086	12 645	13 255	-4.6%
Gasoline	4 565	5 007	5 177	-3.3%
Diesel Oil	7 521	7 638	8 078	-5.4%

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Segment commentary – Refining Segment

Table 5

Q1 2011	Q2 2011	Q2 2010	change %	Item, PLNm	6 months 2011	6 months 2010	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
17 614	19 854	15 844	25.3	Segment revenues, including:	37 467	29 227	28.2
12 303	13 682	11 389	20.1	Sales to external customers	25 984	20 654	25.8
5 311	6 172	4 455	38.5	Transactions with other segments	11 483	8 573	33.9
-16 595	-19 372	-14 851	30.4	Segment expenses	-35 967	-27 823	29.3
9	28	-10	-	Other operating revenues/expenses, net	38	5	660.0
1 028	510	983	-48.1	Profit/Loss from operations	1 538	1 409	9.2
185	303	530	-42.8	Profit/Loss from operations under LIFO	488	581	-16.0
1 305	781	1 296	-39.7	Profit/Loss from operations plus depreciation and amortisation (EBITDA)	2 086	2 029	2.8
146	256	191	34.0	CAPEX	402	323	24.5
5 217	5 545	5 683	-2.4	Sales of products (thousand tonnes)	10 762	10 420	3.3

The profit from operations of refining segment of the ORLEN Group for the 2 quarter of 2011 amounted to PLN 510 million and was lower by PLN 473 million (y/y).

Positive impact of changes in crude oil prices on inventory valuation in the 2 quarter of 2011 was lower by PLN (-) 246 million(y/y).

Negative impact of macroeconomic factors including URAL/Brent differential, refining margin and foreign exchange rates against PLN was lower by PLN (-) 456 million (y/y).

Impact of lower sales volume related to maintenance shutdowns of key installations amounted to PLN (-) 35 million (y/y).

In the 2 quarter of 2011 PKN ORLEN S.A repurchased part of mandatory reserves from LAMBOURN Sp. z o.o. sold in March 2010. The repurchase price of this transaction has been hedged by the forward contract and was effectively close to the last year's sale price, which was lower from the current market quotations. The above transaction had a positive effect on operating result of PLN 211 million (y/y).

Positive impact of other factors amounted to PLN 53 million (y/y)

In the 2 quarter of 2011 as compared to the analogous period of the previous year, the segment's CAPEX increased by PLN 65 million (y/y) to the level of PLN 256 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, modernization of Hydrogen Plant I, development of warehouse in Wrocław, 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

Q1 2011	Q2 2011	Q2 2010	change %	Item, PLNm	6 months 2011	6 months 2010	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
6 965	8 437	7 041	19.8	Segment revenues, including:	15 403	12 627	22.0
6 938	8 407	7 011	19.9	Sales to external customers	15 346	12 571	22.1
27	30	30	0.0	Transactions with other segments	57	56	1.8
-6 933	-8 239	-6 846	20.3	Segment expenses	-15 172	-12 352	22.8
-6	-6	21	-	Other operating revenues/expenses, net	-12	16	-
26	192	216	-11.1	Profit/Loss from operations	219	291	-24.7
108	269	295	-8.8	Profit/Loss from operations plus depreciation and amortisation (EBITDA)	378	451	-16.2
22	90	56	60.7	CAPEX	112	77	45.5
1 600	1 836	1 785	2.9	Sales of products (thousand tonnes)	3 436	3 325	3.3

In the 2 quarter of 2011 profit from operations of the retail segment of the ORLEN Group amounted to PLN 192 million and decreased by PLN (-) 24 million (y/y).

The increase in sales volume of the retail segment by 3% (y/y), achieved on Polish and German markets, with stable volume on Czech and Lithuanian markets, improved segment's operating profit by PLN 20 million (y/y).

Impact of lower fuel margins on Polish and Czech market was partly compensated by increases in Germany and Lithuania and amounted to PLN (-) 10 million.

Other items and negative result on other operating activities were mainly related to lack of sale transactions of fuel stations occurred in the 2 quarter of 2010 amounted to PLN (-) 34 million (y/y).

At the end of June 2011 the number of catering points such as Stop Café and Stop Café Bistro amounted to 635 and was higher by 23 (y/y).

In comparison to 2 quarter of 2010 CAPEX increased by PLN 34 million to the level of PLN 90 million. In the 2 quarter of 2011 in the ORLEN Group 33 new fuel stations were launched in CoDo system: 2 new fuel stations in Poland and 31 in Germany, of which 30 had been bought from OMV in November 2010. Additionally 6 new fuel stations in Poland were launched in franchise system, 8 was modernized and 1 fuel station in Czech Republic was shut down.

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Segment commentary - Petrochemical Segment

Table 7

Q1 2011	Q2 2011	Q2 2010	change %	Item, PLNm	6 months 2011	6 months 2010	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
4 184	4 368	3 201	36.5	Segment revenues, including:	8 551	6 475	32.1
3 413	3 527	2 637	33.8	Sales to external customers	6 939	5 235	32.6
771	841	564	49.1	Transactions with other segments	1 612	1 240	30.0
-3 815	-3 931	-3 165	24.2	Segment expenses	-7 746	-6 355	21.9
16	84	86	-2.3	Other operating revenues/expenses, net	100	107	-6.5
385	521	122	327.0	Profit/Loss from operations	905	227	298.7
339	489	134	264.9	Profit/Loss from operations under LIFO	827	199	315.6
552	726	314	131.2	Profit/Loss from operations plus depreciation and amortisation (EBITDA)	1 277	604	111.4
135	101	339	-70.2	CAPEX	237	958	-75.3
1 253	1 216	1 077	12.9	Sales of products (thousand tonnes)	2 469	2 316	6.6

In the 2 quarter of 2011 segment's profit from operations of the ORLEN Group amounted to PLN 521 million and was higher by PLN 399 million (y/y).

Positive effect of changes in prices of petrochemical products on valuation of inventories in the 2 quarter of 2011 was higher by PLN 44 million (y/y) 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 108 million (y/y).

Increase of segment's sales volume arising mainly from the commencement of sales of terephthalic acid (PTA) as well as higher sales volume of fertilizers resulted in an increase of segment's profit from operations by PLN 231 million (y/y).

The effect of other factors of PLN 16 million (y/y) included mainly the effect of lower operating expense.

During the 2 quarter of 2011 the segment's CAPEX amounted to PLN 101 million.

The most significant investments realized in the 2 quarter of 2011 comprised: completion works connected with PX/PTA complex in PKN ORLEN S.A, construction of synthesis gas drying installation in Anwil S.A., as well as pyrolytic furnace reconstruction and power transformers replacement at Olefins Installation in Unipetrol Group.

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Segment commentary – Corporate Functions

Table 8

Q1 2011	Q2 2011	Q2 2010	change %	Item, PLNm	6 months 2011	6 months 2010	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
74	80	82	-2.4	Segment revenues, including:	154	148	4.1
21	25	31	-19.4	Sales to external customers	46	50	-8.0
53	55	51	7.8	Transactions with other segments	108	98	10.2
-203	-265	-227	16.7	Segment expenses	-468	-438	6.8
29	-29	-53	-45.3	Other operating revenues/expenses, net	0	-50	-
-100	-214	-198	8.1	Profit/Loss from operations	-314	-340	-7.6
-72	-190	-170	11.8	Profit/Loss from operations plus depreciation and amortisation (EBITDA)	-262	-284	-7.7
23	50	13	284.6	CAPEX	74	19	289.5

Corporate functions expenses during 1 half of 2011 were lower by PLN 26 million (y/y).

Capital expenditure ("CAPEX") of PLN 50 million in the 2 quarter of 2011 related mainly to the IT area and upstream.

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Interim condensed consolidated financial statements

POLSKI KONCERN NAFTOWY ORLEN S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for 3 and 6 months ended
30 June 2011 and 30 June 2010

Table 9

Q1 2011	Q2 2011	Q2 2010	change %	Item, PLNm	6 months 2011	6 months 2010	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
22 674	25 641	21 068	21,7	Sales revenues	48 315	38 510	25.5
-20 177	-23 440	-18 775	24,8	Cost of sales	-43 617	-34 670	25.8
2 497	2 201	2 293	-4,0	Gross profit on sales	4 698	3 840	22.3
-878	-907	-865	4,9	Distribution expenses	-1 785	-1 662	7.4
-329	-362	-349	3,7	General and administrative expenses	-691	-669	3.3
165	199	188	5,9	Other operating revenues	364	291	25.1
-116	-122	-144	-15,3	Other operating expenses	-238	-213	11.7
1 339	1 009	1 123	-10,2	Profit from operations	2 348	1 587	48.0
247	159	80	98,8	Financial revenues	406	309	31.4
-275	-172	-1 171	-85,3	Financial expenses	-447	-1 112	-59.8
-28	-13	-1 091	-98,8	Financial revenues and expenses	-41	-803	-94.9
64	123	86	43,0	Share in profit from investment accounted for under equity method	187	125	49.6
1 375	1 119	118	848,3	Profit before tax	2 494	909	174.4
-227	-201	-75	168,0	Income tax expense	-428	-256	67.2
1 148	918	43	2 034,9	Net profit	2 066	653	216.4
				Items of other comprehensive income:			
474	-423	-193	119,2	Hedging instruments valuation	51	-242	-
-2	71	2	3 450,0	Hedging instruments settlement	68	31	119.4
170	10	668	-98,5	Foreign exchange differences on consolidation	180	498	-63.9
-90	67	36	86,1	Deferred tax on other comprehensive income	-22	40	-
552	-275	513	-	Total items of other comprehensive income	277	327	-15.3
1 700	643	557	15,4	Total net comprehensive income	2 343	980	139.1
1 148	918	43	2 034,9	Net profit attributable to:	2 066	653	216.4
1 105	899	-5	-	equity holders of the parent	2 003	588	240.6
43	19	48	-60,4	non-controlling interest	63	65	-3.1
1 700	643	557	15,4	Total comprehensive income attributable to:	2 343	980	139.1
1 584	612	378	61,9	equity holders of the parent	2 195	837	162.2
116	31	179	-82,7	non-controlling interest	148	143	3.5
2.58	2.10	-0.01	-	Net profit/(loss) and diluted net Profit/(loss) per share attributable to equity holders of the parent (in PLN per share)	4.68	1.37	241.6

Results of the PKN ORLEN Group for the 2 quarter of 2011
(Translation of a document originally issued in Polish)

POLSKI KONCERN NAFTOWY ORLEN S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2011 and 31 December 2010

Table 10

31.03.2011	30.06.2011	change %	Item, PLNm	31.12.2010	change %
1	2	3=(2-1)/1	4	5	6=(2-5)/5
ASSETS					
27 136	26 814	-1.2	Property, plant and equipment	27 403	-2.1
74	74	0.0	Investment property	72	2.8
1 815	1 264	-30.4	Intangible assets	1 103	14.6
96	96	0.0	Perpetual usufruct of land	96	0.0
1 549	34	-97.8	Investments accounted for under equity method	1 501	-97.7
44	78	77.3	Financial assets available for sale	43	81.4
54	35	-35.2	Deferred tax assets	164	-78.7
124	115	-7.3	Other non-current assets	49	134.7
30 892	28 510	-7.7	Total non-current assets	30 431	-6.3
12 840	14 461	12.6	Inventories	11 295	28.0
7 225	7 823	8.3	Trade and other receivables	6 289	24.4
654	264	-59.6	Other short-term financial assets	225	17.3
30	26	-13.3	Income tax receivable	48	-45.8
2 638	1 959	-25.7	Cash and cash equivalents	2 821	-30.6
34	1 429	4102.9	Non-current assets held for sale	41	3385.4
23 421	25 962	10.8	Total current assets	20 719	25.3
54 313	54 472	0.3	Total assets	51 150	6.5
LIABILITIES AND SHAREHOLDERS' EQUITY					
1 058	1 058	0.0	Share capital	1 058	0.0
1 227	1 227	0.0	Share premium	1 227	0.0
450	162	-64.0	Hedging reserve	64	153.1
-56	-56	0.0	Foreign exchange differences on subsidiaries from consolidation	-149	-62.4
20 533	21 435	4.4	Retained earnings	19 428	10.3
23 212	23 826	2.6	Total equity attributable to equity holders of the parent	21 628	10.2
2 728	2 724	-0.1	Non-controlling interest	2 612	4.3
25 940	26 550	2.4	Total equity	24 240	9.5
6 713	8 509	26.8	Interest-bearing loans and borrowings	9 124	-6.7
635	627	-1.3	Provisions	636	-1.4
818	819	0.1	Deferred tax liabilities	819	0.0
17	17	0.0	Deferred income	17	0.0
131	152	16.0	Other long-term liabilities	89	70.8
8 314	10 124	21.8	Total long-term liabilities	10 685	-5.3
13 426	14 927	11.2	Trade and other liabilities	13 436	11.1
4 381	1 334	-69.6	Interest-bearing loans and borrowings	1 544	-13.6
194	246	26.8	Income tax liability	23	969.6
1 209	659	-45.5	Provisions	1 002	-34.2
687	518	-24.6	Deferred income	75	590.7
162	100	-38.3	Other financial liabilities	145	-31.0
-	14	-	Liabilities directly associated with non-current assets classified as held for sale	-	-
20 059	17 798	-11.3	Total short-term liabilities	16 225	9.7
28 373	27 922	-1.6	Total liabilities	26 910	3.8
54 313	54 472	0.3	Total liabilities and shareholders' equity	51 150	6.5

Results of the PKN ORLEN Group for the 2 quarter of 2011
(Translation of a document originally issued in Polish)

POLSKI KONCERN NAFTOWY ORLEN S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
for 3 and 6 months ended
30 June 2011 and 30 June 2010

Table 11

Q1 2011	Q2 2011	Q2 2010	change %	Item. PLNm	6 months 2011	6 months 2010	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
Cash flows – operating activities							
1 148	918	43	2 034.9	Net profit	2 066	653	216.4
				Adjustments for:			
-64	-123	-86	43.0	Share in profit from investments accounted for under equity method	-187	-125	49.6
554	577	612	-5.7	Depreciation and amortisation	1 131	1 213	-6.8
70	-3	525	-	Foreign exchange losses/(gains)	67	188	-64.4
75	116	89	30.3	Interest and dividends	192	211	-9.0
-23	32	-90	-	Loss / (Profit) on investing activities	9	-76	-
-817	-407	-1 047	-61.1	Change in receivables	-1 225	-1 490	-17.8
-1 541	-1 653	-409	304.2	Change in inventories	-3 194	-155	1 960.6
388	1 478	2 730	-45.9	Change in liabilities	1 866	2 309	-19.2
156	133	122	9.0	Change in provisions	289	231	25.1
227	201	74	171.6	Income tax expense	428	256	67.2
-60	-74	-128	-42.2	Income tax (paid)	-134	-163	-17.8
-155	-188	33	-	Other adjustments	-343	-168	104.2
-42	1 007	2 468	-59.2	Net cash provided by / (used in) operating activities	965	2 884	-66.5
Cash flows - investing activities							
-849	-401	-600	-33.2	Acquisition of property, plant and equipment and intangible assets	-1 251	-1 198	4.4
273	0	145	-	Disposal of property, plant and equipment and intangible assets	273	198	37.9
3	0	13	-	Disposal of shares	3	13	-76.9
11	61	37	64.9	Disposal of other securities	72	37	94.6
0	-12	0	-	Acquisition of shares	-12	0	-
-54	-38	-8	375.0	Acquisition of short-term securities and deposits	-92	-38	142.1
4	2	30	-93.3	Interest received	6	31	-80.6
5	-14	2	-	Other	-9	1	-
-607	-402	-381	-5.5	Net cash (used in) investing activities	-1 010	-956	-5.6
Cash flows - financing activities							
3 040	9 642	3 416	182.3	Proceeds from loans and borrowings	12 683	8 205	54.6
-2 459	-10 766	-5 667	90.0	Repayment of loans and borrowings	-13 226	-10 653	24.2
-98	-155	-113	37.2	Interest paid	-253	-260	-2.7
-7	-7	-6	16.7	Payment of liabilities under finance lease agreements	-13	-13	0.0
-3	1	0	-	Other	-2	-3	-33.3
473	-1 285	-2 370	45.8	Net cash provided by / (used in) financing activities	-811	-2 724	70.2
-176	-680	-283	140.3	Net (decrease) in cash and cash equivalents	-856	-796	7.5
-7	1	1	0.0	Effect of exchange rate changes on cash and cash equivalents	-6	0	-
2 821	2 638	2 427	8.7	Cash and cash equivalents, beginning of the period	2 821	2 941	-4.1
2 638	1 959	2 145	-8.7	Cash and cash equivalents, end of the period	1 959	2 145	-8.7
70	69	112	-38.4	incl. restricted cash	69	112	-38.4

Results of the PKN ORLEN Group for the 2 quarter of 2011
(Translation of a document originally issued in Polish)

Operating data

POLSKI KONCERN NAFTOWY ORLEN S.A. PRODUCTION for 3 and 6 months ended 30 June 2011 and 30 June 2010

Table 12

Production (‘000 tonnes)	Q2 2011	Q2 2010	change %	Q2 2011	share %	Q2 2011	share %	Q2 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	6 765	6 901	-2.0	3 480	-	1 112	-	2 123	-		
Gasoline	1 491	1 568	-4.9	608	21.3	207	17.5	675	32.3		
Diesel oil	2 691	2 778	-3.1	1 356	47.5	476	40.3	857	41.0		
Light heating oil	38	139	-72.7	22	0.8	8	0.7	1	0.0		
Jet A-1 fuel	205	223	-8.1	94	3.3	27	2.3	84	4.0		
Heavy heating oil	695	717	-3.1	309	10.8	18	1.5	350	16.8		
LPG	118	170	-30.6	34	1.2	45	3.8	64	3.1		
Bitumens	361	357	1.1	0	0.0	85	7.2	39	1.9		
Engine oils	37	81	-54.3	0	0.0	24	2.0	0	0.0		
Other	229	221	3.6	433	15.2	291	24.6	18	0.9		
Total products	5 865	6 254	-6.2	2 856	-	1 181	-	2 088	-		
Petrochemical Segment	ORLEN Group	ORLEN Group		PKN ORLEN S.A.		Unipetrol Group		BOP		Anwil Group	
Polyethylene	115	109	5.5	0	0.0	73	7.8	42	50.0	0	0.0
Polypropylene	103	84	22.6	0	0.0	61	6.5	42	50.0	0	0.0
Ethylene	76	65	16.9	116	28.4	120	12.8	0	0.0	0	0.0
Propylene	52	35	48.6	82	20.0	75	8.0	0	0.0	0	0.0
Toluene	0	5	-100.0	6	1.5	0	0.0	0	0.0	0	0.0
Benzene	93	62	50.0	35	8.6	58	6.2	0	0.0	0	0.0
Ortoxylyene	3	0	-	3	0.7	0	0.0	0	0.0	0	0.0
Acetone	6	3	100.0	6	1.5	0	0.0	0	0.0	0	0.0
Butadiene	30	11	172.7	15	3.7	15	1.6	0	0.0	0	0.0
Glycol	20	12	66.7	20	4.9	0	0.0	0	0.0	0	0.0
Ethylene oxide	7	4	75.0	7	1.7	0	0.0	0	0.0	0	0.0
Phenol	11	5	120.0	11	2.7	0	0.0	0	0.0	0	0.0
PVC	87	71	22.5	0	0.0	0	0.0	0	0.0	92	15.4
PVC granulate	11	12	-8.3	0	0.0	0	0.0	0	0.0	11	1.8
CANWIL	100	63	58.7	0	0.0	0	0.0	0	0.0	100	16.7
Ammonium nitrate	151	116	30.2	0	0.0	0	0.0	0	0.0	151	25.2
Ammonium sulphate	51	40	27.5	0	0.0	0	0.0	0	0.0	51	8.5
PTA	95	0	-	95	23.2	0	0.0	0	0.0	0	0.0
Other	683	724	-5.7	13	3.2	536	57.1	0	0.0	194	32.4
Total products	1 694	1 421	19.2	409	-	938	-	84	-	599	-
Total output	7 559	7 675	-1.5	3 265	-	2 119	-	84	-	599	-

Results of the PKN ORLEN Group for the 2 quarter of 2011
(Translation of a document originally issued in Polish)

POLSKI KONCERN NAFTOWY ORLEN S.A.
SALES
for 3 and 6 months ended
30 June 2011 and 30 June 2010

Table 13

Q1 2011	Q2 2011	Q2 2010	change %	Sales ('000 tonnes)	6 months 2011	6 months 2010	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
Refining Segment							
1 115	1 204	1 275	-5.6	Gasoline	2 318	2 313	0.2
1 988	2 129	2 192	-2.9	Diesel oil	4 117	3 953	4.1
230	106	125	-15.2	Light heating oil	336	409	-17.8
125	221	222	-0.5	Jet A-1 fuel	346	363	-4.7
845	681	695	-2.0	Heavy heating oil	1 526	1 363	12.0
110	126	129	-2.3	LPG	237	225	5.3
55	336	331	1.5	Bitumens	391	373	4.8
31	40	28	42.9	Engine oils	71	63	12.7
718	702	686	2.3	Other	1 420	1 358	4.6
5 217	5 545	5 683	-2.4	Total products	10 762	10 420	3.3
Retail Segment							
557	654	652	0.3	Gasoline	1 211	1 208	0.2
909	1 055	973	8.4	Diesel oil	1 964	1 785	10.0
70	85	105	-19.0	LPG	155	191	-18.8
64	42	55	-23.6	Other	106	141	-24.8
1 600	1 836	1 785	2.9	Total products	3 436	3 325	3.3
6 817	7 381	7 468	-1.2	(Refining + Retail) Segment	14 198	13 745	3.3
Petrochemical Segment							
114	112	125	-10.4	Polyethylene	226	231	-2.2
100	99	95	4.2	Polypropylene	199	201	-1.0
81	67	75	-10.7	Ethylene	147	149	-1.3
54	50	47	6.4	Propylene	104	101	3.0
16	3	3	0.0	Toluene	19	20	-5.0
82	87	62	40.3	Benzene	168	137	22.6
0	3	1	200.0	Ortoxylen	3	6	-50.0
7	6	3	100.0	Acetone	13	9	44.4
31	31	12	158.3	Butadiene	62	29	113.8
20	20	13	53.8	Glycol	40	30	33.3
7	7	4	75.0	Ethylene oxide	14	9	55.6
10	10	6	66.7	Phenol	21	14	50.0
88	85	81	4.9	PVC	173	146	18.5
15	12	14	-14.3	PVC granulate	26	26	0.0
116	65	69	-5.8	CANWIL	181	181	0.0
145	106	107	-0.9	Ammonium nitrate	250	247	1.2
42	69	35	97.1	Ammonium sulphate	111	93	19.4
1	83	0	-	PTA	83	0	-
324	301	325	-7.4	Other	629	687	-8.4
1 253	1 216	1 077	12.9	Total products	2 469	2 316	6.6
8 070	8 597	8 545	0.6	ORLEN Group - total	16 667	16 061	3.8