

Q3 2007 Results of the PKN ORLEN Group

Performance – General Overview

| Financial highlights, PLNm | Q3 2006 | Q2 2007 | Q3 2007 | y/y +/- % | q/q +/- % | 2006 | 2007 | y/y +/- % |
|---|---------|---------|---------|-----------|-----------|--------|--------|-----------|
| 1 | 2 | 3 | 4 | 5=(4-2)/2 | 6=(4-3)/3 | 7 | 8 | 9=(8-7)/7 |
| Revenue | 14,879 | 16,218 | 17,265 | 16.0 | 6.5 | 39,754 | 46,891 | 18.0 |
| EBITDA | 1,681 | 1,874 | 1,438 | -14.4 | -23.3 | 4,309 | 4,305 | -0.1 |
| EBIT, including: | 1,148 | 1,292 | 834 | -27.3 | -35.4 | 2,745 | 2,500 | -8.9 |
| Refining | 909 | 921 | 462 | -49.2 | -49.8 | 1,953 | 1,447 | -25.9 |
| Petrochemicals | 221 | 349 | 294 | 33.0 | -15.8 | 760 | 1,013 | 33.3 |
| Chemicals | 57 | 68 | 56 | -1.6 | -17.5 | 143 | 207 | 44.8 |
| Retail | 153 | 101 | 161 | 5.2 | 59.4 | 203 | 321 | 58.1 |
| Other ¹ | -15 | -1 | -9 | 40.0 | -800.0 | 42 | -74 | -276.2 |
| Unallocated ² | -177 | -146 | -130 | 26.6 | 11.0 | -356 | -414 | -16.3 |
| Clean EBIT, including: ³ | 1,211 | 1,292 | 846 | -30.1 | -34.5 | 2,808 | 2,587 | -7.9 |
| Non-recurring events ³ | -63 | 0 | -12 | 81.0 | - | -63 | -87 | -38.1 |
| Refining | 0 | 0 | 0 | - | - | 0 | -63 | - |
| Petrochemicals | 0 | 0 | -1 | - | - | 0 | -1 | - |
| Chemicals | 0 | 0 | 0 | - | - | 0 | 0 | - |
| Retail | -2 | 0 | 0 | - | - | -2 | 0 | - |
| Other ¹ | -3 | 0 | -2 | 33.3 | - | -3 | -3 | 0.0 |
| Unallocated ² | -58 | 0 | -9 | 84 | - | -58 | -20 | 65.5 |
| Net profit | 1,014 | 1,189 | 507 | -50.0 | -57.4 | 2,330 | 1,836 | -21.2 |
| Profit attributable to equity holders of the parent | 966 | 1,110 | 562 | -41.8 | -49.4 | 2,184 | 1,722 | -21.2 |
| Clean profit attributable to equity holders of the parent ³ | 1,017 | 1,110 | 574 | -43.6 | -48.3 | 2,235 | 1,795 | -19.7 |
| Assets | 36,559 | 45,867 | 45,320 | 24.0 | -1.2 | 36,559 | 45,320 | 24.0 |
| Equity | 22,030 | 22,239 | 22,674 | 2.9 | 2.0 | 22,030 | 22,674 | 2.9 |
| Net debt | 1,566 | 7,783 | 7,334 | 368.4 | -5.8 | 1,566 | 7,334 | 368.4 |
| Net cash provided by (used in) operating activities | 1,533 | 1,314 | 630 | -58.9 | -52.1 | 2,660 | 2,538 | -4.6 |
| CAPEX | 432 | 699 | 815 | 88.7 | 16.6 | 1,085 | 1,986 | 83.0 |
| ROACE (%) ⁴ | 15.6 | 13.8 | 9.0 | -42.2 | -34.8 | 12.8 | 9.0 | -29.5 |
| Net debt to equity ratio (%) ⁵ | 10.9 | 37.9 | 33.7 | 209.2 | -11.2 | 11.7 | 34.9 | 197.8 |
| Net debt/EBITDA ⁶ | 0.2 | 1.0 | 1.3 | 447.6 | 22.8 | 0.3 | 1.2 | 389.1 |
| EPS | 2.26 | 2.60 | 1.32 | -41.8 | -49.3 | 5.11 | 4.03 | -21.2 |
| Clean EPS | 2.38 | 2.60 | 1.34 | -43.5 | -48.2 | 5.23 | 4.20 | -19.7 |
| Dividend per share | 0.00 | 0.00 | 0.00 | - | - | 0.00 | 0.00 | - |

1) PKN ORLEN's companies responsible for utilities, employee-related services and maintenance.

2) Includes the PKN Corporate Centre and companies not included in the segments specified above.

3) Non-recurring events: provision for general economic risk and employment restructuring, revaluation of exchange rates relating to provision for Agrofert.

4) ROACE = operating profit after tax / average capital employed (equity + net debt).

5) Calculated based on the average values of the balance-sheet items.

6) (Interest bearing) debt reduced by cash and short-term debt securities/(EBITDA + dividend received from Polkomtel).

| Financial data, LIFO method (PLNm) | Q3 2006 | Q2 2007 | Q3 2007 | y/y +/- % | q/q +/- % | 2006 | 2007 | y/y +/- % |
|---|---------|---------|---------|-----------|-----------|-------|-------|-----------|
| EBIT with LIFO method ¹ | 1,178 | 696 | 583 | -50.5 | -16.2 | 2,230 | 1,888 | -15.3 |
| LIFO effect ² at EBIT level, including: | 30 | -596 | -251 | - | 57.9 | -515 | -612 | -18.8 |
| LIFO effect at parent undertaking PKN ORLEN at EBIT level | 17 | -458 | -250 | - | 45.4 | -486 | -525 | -8.0 |
| LIFO effect at Unipetrol at EBIT level | 16 | -83 | 5 | -68.8 | 106.0 | -25 | -52 | -108.0 |
| LIFO effect at Mazeikiu Nafta at EBIT level | - | -42 | -20 | - | 52.4 | - | -55 | - |
| Net profit with LIFO method | 1,038 | 710 | 303 | -71 | -57.3 | 1,914 | 1,342 | -29.9 |

1) In the estimation of LIFO results, the same assumptions were used which were applied to the earlier published LIFO estimates, as included in Current Report No. 29 of May 21st 2001.

2) LIFO effect computed as the difference between EBIT and EBIT calculated with the LIFO method.

Commentary

Factors with Positive Bearing on the PKN ORLEN Group's Performance:

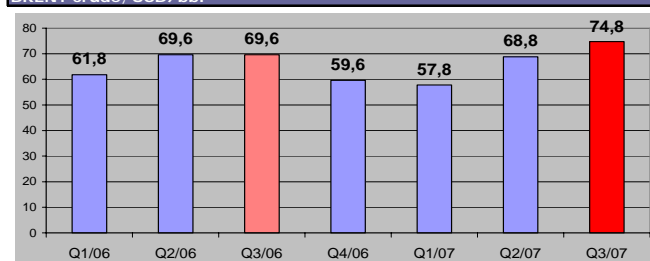
- The volume of polyolefin sales, reaching 209 thousand tonnes in Q3 2007, positively affected Basell ORLEN Polyolefins Sp. z o.o.'s EBIT – PLN 47m, compared with PLN 41m in Q3 2006;
- An over 10% increase, year on year, in the volume of the Group's retail sales of engine fuels in Q3 2007, improved EBIT by PLN 35m, while an increase in sales of non-fuel goods and services added PLN 12m to EBIT;
- The increase in the model chemical margin from EUR 519.9 per tonne in Q3 2006 to EUR 589.4 per tonne in Q3 2007 improved Chemicals EBIT by PLN 24m;
- Continuing demand for fertilisers and good situation on the granulates market, against a slight demand decrease on the PVC market, supported maintenance of Chemicals EBIT at a similar level: PLN 56m in Q3 2007 against PLN 57m in Q3 2006;
- The OPTIMA savings programme yielded measurable cost efficiencies in Q3 2007 (PLN 122m), with the largest savings seen in Refining and Retail.

Q3 2007 Results of the PKN ORLEN Group

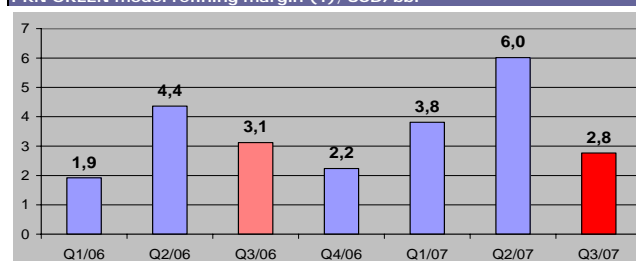
Factors Adversely Affecting the PKN ORLEN Group's Performance:

- Impairment loss on Unipetrol a.s.'s holding in Agrobiochemie a.s. and Synthesia a.s. reduced net financial income/expenses by PLN 339m, with the adjustment's effect on consolidated net profit attributable to shareholders of the Parent Undertaking amounting to PLN 213m;
- The reported increase in the volume of sales of heavy fuel oil, by 503 thousand tonnes in the Group (at PKN ORLEN S.A. and the Mazeikiu Group), combined with a negative margin on that product, reduced EBIT by PLN 325m in Q3 2007;
- The decrease in price differential from USD 3.70 per barrel in Q3 2006 to USD 2.77 per barrel in Q3 2007 decreased operating profit by PLN 101m;
- The decrease in the model refining margin from USD 3.1 per barrel in Q3 2006 to USD 2.8 per barrel in Q3 2007 reduced EBIT by PLN 40m;
- Increase in the Group's debt added PLN 38m to interest expenses.

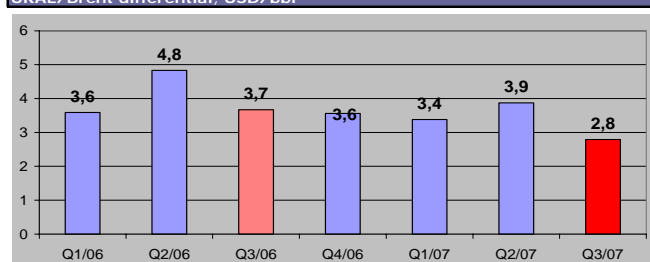
BRENT crude: USD/bbl



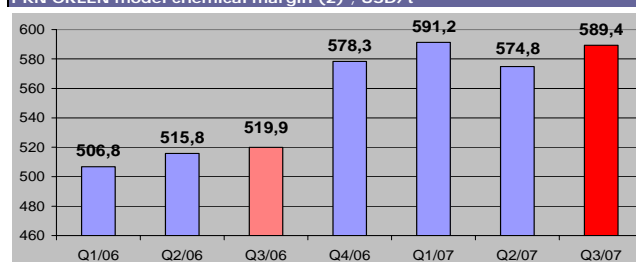
PKN ORLEN model refining margin (1): USD/bbl



URAL/Brent differential: USD/bbl



PKN ORLEN model chemical margin (2) : USD/t



1) PKN ORLEN model refining margin = revenue on sales of products (88% products = 22% gasoline + 11% naphta + 38% diesel oil + 3% light fuel oil + 4% JET + 10% heavy fuel oil) less costs (100% of feedstock = 88% Brent crude + 12% own use); product prices as per quotations.
2) PKN ORLEN model petrochemical margin = revenue on sales of products (100% products = 50% ethylene + 30% propylene + 15% benzene + 5% toluene) less costs (100% of feedstock = 70% naphta + 30% LS VGO); product prices as per quotations.

| Item | Unit | Q1 2006 | Q2 2006 | Q3 2006 | Q4 2006 | FY 2006 | Q1 2007 | Q2 2007 | Q3 2007 | y/y +/- % |
|--|-------|---------|---------|---------|---------|---------|---------|---------|---------|-------------|
| 1 | 2 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12=(11-6)/6 |
| Macroeconomic factors | | | | | | | | | | |
| ORLEN model refining margin | USD/b | 1,92 | 4,36 | 3,12 | 2,23 | 2,91 | 3,81 | 6,01 | 2,76 | -11,5% |
| URAL/Brent differential | USD/b | 3,64 | 4,85 | 3,70 | 3,54 | 3,93 | 3,41 | 3,73 | 2,77 | -25,2% |
| Refining margin + differential | USD/b | 5,56 | 9,21 | 6,82 | 5,77 | 6,84 | 7,22 | 9,74 | 5,53 | -18,9% |
| Refining margin + differential | PLN/b | 17,71 | 28,91 | 21,16 | 17,24 | 21,24 | 21,41 | 27,49 | 15,25 | -27,9% |
| Price of Brent crude | USD/b | 61,79 | 69,60 | 69,61 | 59,60 | 65,15 | 57,79 | 68,76 | 74,84 | 7,5% |
| Price of URAL crude | USD/b | 58,15 | 64,75 | 65,91 | 56,06 | 61,22 | 54,38 | 65,03 | 72,08 | 9,4% |
| Mid PLN/USD exchange rate for quarter | PLN | 3,19 | 3,14 | 3,10 | 2,99 | 3,10 | 2,97 | 2,82 | 2,76 | -11,1% |
| PLN/USD exchange rate at end of period | PLN | 3,25 | 3,18 | 3,14 | 2,91 | 2,91 | 2,91 | 2,80 | 2,66 | -15,2% |
| Mid PLN/EUR exchange rate for quarter | PLN | 3,83 | 3,95 | 3,96 | 3,85 | 3,90 | 3,89 | 3,80 | 3,79 | -4,2% |
| PLN/EUR exchange rate at end of period | PLN | 3,94 | 4,04 | 3,98 | 3,83 | 3,83 | 3,87 | 3,77 | 3,78 | -5,2% |
| Refining cracks | | | | | | | | | | |
| Gasoline | USD/t | 109,01 | 198,51 | 165,26 | 92,06 | 141,21 | 130,89 | 235,72 | 156,07 | -5,6% |
| Naphta | USD/t | 70,41 | 76,41 | 69,56 | 70,83 | 71,80 | 117,91 | 149,55 | 109,87 | 58,0% |
| JET | USD/t | 148,10 | 167,16 | 170,62 | 153,02 | 159,73 | 156,54 | 154,47 | 152,66 | -10,5% |
| Diesel fuel | USD/t | 110,17 | 130,29 | 127,33 | 125,88 | 123,42 | 112,73 | 113,00 | 122,91 | -3,5% |
| Light fuel oil | USD/t | 89,81 | 103,53 | 99,86 | 97,39 | 97,65 | 88,24 | 84,85 | 92,75 | -7,1% |
| Heavy fuel oil | USD/t | -178,53 | -215,04 | -229,61 | -193,73 | -204,23 | -188,26 | -204,50 | -207,90 | -9,5% |
| Petrochemical cracks | | | | | | | | | | |
| Ethylene | USD/t | 490,53 | 566,03 | 622,87 | 699,18 | 594,65 | 692,15 | 684,57 | 711,98 | 14,3% |
| Propylene | USD/t | 484,09 | 513,55 | 539,56 | 654,08 | 547,82 | 645,01 | 629,98 | 646,01 | 19,7% |
| PVC | EUR/t | 506,82 | 515,76 | 519,92 | 578,25 | 530,19 | 591,23 | 574,78 | 589,42 | 13,4% |

Commentary on Macroeconomic Factors

Crude Oil Prices and Price Differential

In Q3 2007, the average price of crude oil reached USD 74.8 per barrel and was USD 5.2 per barrel (or 7.5%) up on Q3 2006. At the beginning of third quarter, as a consequence of the weakening US dollar and concerns over the Iranian nuclear programme, the quoted prices of Brent Dtd crude increased from about USD 72 per barrel to about USD 77 per barrel. August 2007 saw a deep correction of quotations (from about USD 77 per barrel to about USD 67 per barrel), most probably driven by forecast deceleration of the global economy, caused by the uncertain situation on financial markets, including the American sub-prime mortgage crisis. Then, September 2007 brought significant increases in prices of Brent Dtd crude (from about USD 67 per barrel to about USD 81 per barrel) caused by the continuing depletion of crude oil and petrochemical products reserves in the United States, concerns over hurricanes threatening the oil infrastructure in the Gulf of Mexico, further depreciation of the US currency and kidnappings of the oil sector employees in Nigeria.

The increase in oil prices was accompanied by a fall of the URAL/Brent differential by 25.3%, from USD 3.70 per barrel in Q3 2006 to USD 2.77 per barrel in Q3 2007. In the first months of the quarter, the differential of Ural CIF Rotterdam against Brent Dtd remained stable (within the range of approximately USD -2.70 per barrel to USD -2.00 per barrel). The differential somewhat strengthened (to approximately USD -1.80 per barrel) during overhaul in the Primorsk port. In August, the differential widened (to approximately USD -3.50 per barrel), which was connected with overhauls in several refineries in the region; the overhauls significantly limited the demand for seaborne supplies of Russian oil (thus increasing availability of crude in the region).

Refining Products

In Q3 2007, average market prices on refining products increased year on year. The average prices of gasoline, diesel oil, Ekoterm oil and JET A-1 stabilised at USD 721.2 per tonne, USD 688.0 per tonne, USD 657.9 per tonne and USD 717.8 per tonne, respectively, that is 4.4%, 5.4%, 5.2% and 3.1% up on Q3 2006 averages, respectively. In Q3 2007, margins (cracks) on refining products decreased year on year. Crack margins decreased on gasoline (by 5.6% to USD 156.1 per tonne), diesel oil (by 3.5% to USD 122.9 per tonne), Ekoterm oil (by 7.1% to USD 92.8 per tonne) and Jet A-1 fuel (by 10.5% to USD 152.7 per tonne).

Petrochemical Products

Q3 2007 saw higher crack margins on ethylene (up by 14.3%), propylene (up by 19.7%), phenol (up by 0.4%), butadiene (up by 20.0%) and acetone (up by 25.3%). On the other hand, decreases were seen in crack margins of benzene (down by 9.2%), paraxylene (down by 27.6%) and ortoxylyene (down by 3.1%). A negative margin of USD -82.3 per tonne was recorded on glycol (against USD -57.4 per tonne in Q3 2006).

Commentary on Macroeconomic Factors Concerning Poland

Exchange Rates

The euro and US dollar exchange rates fell by 4.2%, from 3.96 PLN/EUR in Q3 2006 to 3.79 PLN/EUR in Q3 2007, and by 11.1%, 3.10 PLN/USD in Q3 2006 to 2.76 PLN/USD in Q3 2007, respectively.

Fuel Consumption

According to estimates by Nafta Polska S.A., Agencja Rynku Energii S.A. and TWC, domestic gasoline consumption stood at 1,090 thousand tonnes in Q3 2007, that is 6.5% up on Q3 2006. The gasoline consumption is forecast to amount to 1,070 thousand tonnes in Q4 2007, that is 4.8% less than in Q4 2006. The negative change in Q4 2007 results from the high base in December 2006 (following increase in the excise tax rate on gasoline announced to take effect on January 1st 2007). The 2007 total gasoline consumption is estimated to grow by 1.9% on 2006. Diesel oil consumption increased by 9.0% in Q3 2007 year on year, and amounted to 2,594 thousand tonnes. The diesel oil consumption is forecast to grow by about 10.8% in Q4 2007 year on year, to 2,350 thousand tonnes. Over the period under analysis, the consumption of light fuel oil was 305 thousand tonnes, or 32.7% below the Q3 2006 figure. The light fuel oil consumption is estimated at 439 thousand tonnes in Q4 2007, while the 2007 total light fuel oil consumption is forecast fall by 26.7% on the 2006 figure.

Economic Growth

According to the Gdańsk Institute for Market Economics (IBnGR), in Q3 2007, Poland's economic growth rate, while lower than in Q2 2007, continued strong. IBnGR estimates the GDP growth rate in Q3 2007 at 5.6%, year on year. Taking into account factors of seasonal nature, the GDP grew by 1.3% relative to the previous quarter. The key driver of the economic growth in Q3 2007 was invariably domestic demand (growth rate of 7.4% as estimated by IBnGR), stimulated by the improving situation on the labour market, growing salaries and inflow of funds from the European Union. The strong economic growth over the last few quarters contributed to further improvement in the situation on the labour market. At the end of Q3 2007, the unemployment rate stood at 11.6%, and was 0.7 pps and 3.6 pps lower relative to the end of Q2 2007 and Q3 2006, respectively.

Inflation

In Q3 2007, consumer prices grew by 1.9% over the end of 2006 and 2.0% over Q3 2006. According to the Polish Central Statistics Office, in Q3 2007, consumer prices dropped by 0.1% below Q2 2007.

Q3 2007 Results of the PKN ORLEN Group

Refining (Production and Wholesale)

| Refining (Production and Wholesale), PLNm | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | y/y +/- % | q/q +/- % |
|---|----------------|---------------|---------------|----------------|----------------|---------------|---------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7=(6-2)/2 | 8=(6-5)/5 |
| Revenue, including: | 11,103 | 9,059 | 9,509 | 11,942 | 13,579 | 22.3% | 13.7% |
| Sales to third parties | 7,279 | 6,054 | 6,662 | 8,631 | 9,749 | 33.9% | 13.0% |
| Intra-company sales | 3,824 | 3,005 | 2,847 | 3,311 | 3,830 | 0.2% | 15.7% |
| Segment's costs | -10,198 | -8,921 | -9,408 | -11,003 | -13,114 | 28.6% | 19.2% |
| Other operating income | 34 | 35 | 55 | 44 | 38 | 11.8% | -13.6% |
| Other operating expenses | -30 | -118 | -91 | -62 | -41 | 36.7% | -33.9% |
| EBIT* | 909 | 55 | 65 | 921 | 462 | -49.2% | -49.8% |
| Depreciation and amortisation | 177 | 156 | 271 | 244 | 258 | 45.8% | 5.7% |
| CAPEX | 123 | 274 | 349 | 420 | 355 | 188.6% | -15.5% |
| Sales to third parties (thousand tonnes) | 3,223 | 3,081 | 4,108 | 4,831 | 5,518 | 71.2% | 14.2% |

*) EBIT, net of costs not allocated to any of the segments, incurred at the Group level.

Commentary

The segment's revenue grew by 22.3%, mainly driven by sales volumes in key product groups higher by 2,196 thousand tonnes, including a 562 thousand tonnes (or 90.6%) increase for gasoline and a 1,053 thousand tonnes (or 80.9%) increase for diesel oil.

In Q3 2007, the segment's costs increased by 28.6% (yoy), which followed mainly from higher sales by the Group companies and the first-time consolidation of the Mazeikiu Group companies. The latter increased the segment's costs by PLN 4,060m in Q3 2007.

The segment's result of PLN 462m versus PLN 909m in Q3 2006 was mainly affected by a 37.6% decrease of PKN ORLEN S.A.'s EBIT, to PLN 342m. The following factors had a negative impact on the EBIT:

- A quarter-on-quarter fall of the refining margin in Q3 2007, which reduced the segment's EBIT by PLN 40m.
- Decrease in the crude differential, which reduced the PKN ORLEN Group refineries' EBIT by PLN 101m.
- An over 11% strengthening of the Polish złoty against the US dollar, which reduced the PKN ORLEN Group's EBIT by PLN 76m (effect on the refining margin and differential).
- A scheduled shutdown at Unipetrol, with an estimated contribution of around PLN 89m to the Group's costs.
- A scheduled shutdown at the Mazeikiu Refinery, with an estimated contribution of around PLN 24m to the Group's costs.

On the other hand, the Mazeikiu Refinery recorded good performance in Q3 2007. The company's EBIT in the segment was PLN 35m and resulted from the implementation of a number of technical improvements in the substitute Vacuum Distillation Unit and the Visbreaking Unit, as well as from increased crude throughput volumes.

The segment's savings yielded by the OPTIMA Programme in Q3 2007 amounted to PLN 61m.

Q3 2007 Results of the PKN ORLEN Group

Refining (Retail)

| Refining (Retail), PLN '000 | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | % change yoy | % change qoq |
|---|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7=(6-2)/2 | 8=(6-5)/5 |
| Revenue, including: | 4,144 | 3,794 | 3,424 | 4,206 | 4,476 | 8.0% | 6.4% |
| Sales to third parties | 4,136 | 3,787 | 3,417 | 4,199 | 4,469 | 8.1% | 6.4% |
| Intra-company sales | 8 | 7 | 7 | 7 | 7 | -12.5% | 0.0% |
| Segment's costs | -4,014 | -3,677 | -3,367 | -4,098 | -4,310 | 7.4% | 5.2% |
| Other operating income | 39 | 48 | 38 | 7 | 17 | -56.4% | 142.9% |
| Other operating expenses | -16 | -41 | -37 | -14 | -22 | 37.5% | 57.1% |
| EBIT* | 153 | 124 | 58 | 101 | 161 | 5.2% | 59.4% |
| Depreciation/amortisation | 64 | 71 | 73 | 73 | 78 | 21.9% | 6.8% |
| CAPEX | 125 | 279 | 52 | 91 | 166 | 32.8% | 82.4% |
| Sales to third parties (thousand tonnes) | 1,088 | 1,081 | 1,053 | 1,114 | 1,201 | 10.4% | 7.8% |

*) EBIT, net of costs not allocated to any of the segments, incurred at the Group level.

Commentary

In Q3 2007, the segment's revenue increased by 8.0% (year on year), to PLN 4,476m. The growth was driven by higher sales volumes, which went up by 10.4% or 113 thousand tonnes, primarily owing to a 19.2% (year on year) increase in sales of diesel fuel. The higher sales volume of diesel fuel was accompanied by higher revenue (up by PLN 93m). Favourable trends were also seen in LPG sales: they rose by 17.5% to 67 thousand tonnes in volume terms, and by PLN 38m in value terms.

The segment's EBIT for Q3 2007 reached PLN 161m, against PLN 153m in Q3 2006. This was driven by such factors as:

- Higher volume of the PKN ORLEN Group's retail sales of engine fuels in Q3 2007, which increased by over 10% year on year and contributed PLN 35m to the segment's EBIT;
- Increase in sales of non-fuel goods and services by the PKN ORLEN Group in Q3 2007, which added PLN 12m to the segment's EBIT;
- Lower retail margins on diesel fuel, partially offset by growth of margins on gasoline; this reduced EBIT by PLN 1m in Q3 2007.

The segment's savings yielded by the OPTIMA Programme in Q3 2007 amounted to PLN 45m.

In Q3 2007, expenditure on property, plant and equipment and intangible assets increased year on year by PLN 41m, to PLN 166m.

Q3 2007 Results of the PKN ORLEN Group

Petrochemicals

| Petrochemicals, PLNm | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | % change yoy | % change qoq |
|---|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7=(6-2)/2 | 8=(6-5)/5 |
| Revenue, including: | 3,942 | 3,638 | 3,314 | 3,560 | 3,402 | -13.7% | -4.4% |
| Sales to third parties | 2,561 | 2,530 | 2,352 | 2,526 | 2,222 | -13.2% | -12.0% |
| Intra-company sales | 1,381 | 1,108 | 962 | 1,034 | 1,180 | -14.6% | 14.1% |
| Segment's costs | -3,678 | -3,340 | -2,878 | -3,153 | -3,099 | -15.7% | -1.7% |
| Other operating income | 33 | 70 | 14 | 15 | 25 | -24.2% | 66.7% |
| Other operating expenses | -76 | -286 | -80 | -73 | -34 | -55.3% | -53.4% |
| EBIT* | 221 | 82 | 370 | 349 | 294 | 33.0% | -15.8% |
| Depreciation/amortisation | 100 | 203 | 156 | 152 | 154 | 54.0% | 1.3% |
| CAPEX | 46 | 140 | 51 | 61 | 169 | 267.4% | 177.0% |
| Sales to third parties (thousand tonnes) | 853 | 765 | 765 | 790 | 737 | -13.6% | -6.7% |

*) EBIT, net of costs not allocated to any of the segments, incurred at the Group level.

Commentary

In Q3 2007, the segment's revenue dropped by PLN 540m year on year, primarily as a result of lower sales volumes, which went down by 116 thousand tonnes, including a 22 thousand tonnes (29.3%) decline in sales of polypropylene and a 10 thousand tonnes (40%) fall in sales of butadiene; in value terms, these changes reduced the revenue by PLN 96m and PLN 32m, respectively.

In Q3 2007, the segment generated a profit of PLN 294m, relative to PLN 221m posted in Q3 2006. The segment's EBIT was driven by:

- High volume of polyolefin sales, reaching 209 thousand tonnes in Q3 2007, with a favourable contribution to Basell ORLEN Polyolefins Sp. z o.o.'s EBIT: PLN 47m relative to PLN 41m in Q3 2006;
- Making Czech companies of the Unipertol Group focus on margin optimisation (through sales of high-margin types of polymers), which increased EBIT by 12.2% year on year;
- Preparation of Chemopetrol a.s. for a 39-day production shutdown in September and October. Phased shutdowns of particular units commenced on August 29th 2007. The company replenished reserves so as to ensure uninterrupted sales.

The segment's savings yielded by the OPTIMA Programme in Q3 2007 amounted to PLN 2m.

In Q3 2007, expenditure on property, plant and equipment and intangible assets increased year on year by PLN 123m, to PLN 169m.

Q3 2007 Results of the PKN ORLEN Group

Chemicals

| Chemicals, PLNm | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | % change yoy | % change qoq |
|---|-------------|-------------|-------------|-------------|-------------|-----------------|-----------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7=(6-2)/2 | 8=(6-5)/5 |
| Revenue, including: | 664 | 527 | 737 | 720 | 714 | 7.5% | -0.8% |
| Sales to third parties | 662 | 526 | 732 | 640 | 644 | -2.7% | 0.6% |
| Intra-company sales | 2 | 1 | 5 | 80 | 70 | 3400.0% | -12.5% |
| Segment's costs | -608 | -454 | -656 | -652 | -660 | 8.6% | 1.2% |
| Other operating income | 3 | 16 | 4 | 3 | 3 | 0.0% | 0.0% |
| Other operating expenses | -2 | -6 | -2 | -3 | -1 | -50.0% | -66.7% |
| EBIT* | 57 | 83 | 83 | 68 | 56 | -1.8% | -17.6% |
| Depreciation/amortisation | 131 | 46 | 46 | 42 | 42 | -67.9% | 0.0% |
| CAPEX | 68 | 40 | 8 | 22 | 31 | -54.4% | 40.9% |
| Sales to third parties (thousand tonnes) | 463 | 404 | 523 | 444 | 481 | 3.9% | 8.3% |

*) EBIT, net of costs not allocated to any of the segments, incurred at the Group level.

Commentary

In Q3 2007, the segment recorded a 7.5% increase in revenue, which went up by PLN 50m year on year. The growth was driven mainly by sales of PVC granulate and artificial fertilisers.

In Q3 2007, the segment's EBIT stayed flat on Q3 2006 and was affected by:

- Higher model margin on chemicals (589.4 EUR/tonne) relative to Q3 2006, which contributed PLN 24m to EBIT.
- Continued strong demand for artificial fertilisers and PVC granulate on the Polish market, which added PLN 20m to sales of these products.
- Favourable market trends and continued high sales of caprolactam, despite two overhaul shutdowns at the ammonium sulphate unit in September.

In Q3 2007, expenditure on property, plant and equipment and intangible assets declined year on year by PLN 37m.

The segment's savings yielded by the OPTIMA Programme in Q3 2007 amounted to PLN 8m.

Q3 2007 Results of the PKN ORLEN Group

Other Activities

| Other Activities, PLNm | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | % change yoy | % change qoq |
|---|-------------|-------------|-------------|-------------|-------------|-----------------|-----------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7=(6-2)/2 | 8=(6-5)/5 |
| Revenue, including: | 479 | 515 | 501 | 504 | 622 | 29.9% | 23.4% |
| Sales to third parties | 242 | 218 | 245 | 222 | 181 | -25.2% | -18.5% |
| Intra-company sales | 237 | 297 | 256 | 282 | 441 | 86.1% | 56.4% |
| Segment's costs | -486 | -529 | -553 | -493 | -624 | 28.4% | 26.6% |
| Other operating income | 7 | 64 | 14 | 1 | 7 | 0.0% | 600.0% |
| Other operating expenses | -15 | -60 | -26 | -13 | -14 | -6.7% | 7.7% |
| EBIT* | -15 | -10 | -64 | -1 | -9 | 40.0% | -800.0% |
| Depreciation/amortisation | 51 | 55 | 66 | 61 | 63 | 23.5% | 3.3% |
| CAPEX | 50 | 94 | 33 | 81 | 72 | 44.0% | -11.1% |
| Sales to third parties (thousand tonnes) | 24 | 95 | 42 | 36 | 27 | 12.5% | -25.0% |

*) EBIT, net of costs not allocated to any of the segments, incurred at the Group level.

Commentary

In Q3 2007, the segment's EBIT sustained loss of (-)PLN 9m, as opposed to (-)PLN 15m posted in Q3 2006. The major factors contributing to the loss include:

- Operations of the Mazeikiu Refinery Group included in this segment, which in Q3 2007 posted losses of (-)PLN 71m;
- PKN ORLEN S.A.'s improved performance in Q3 2007, up by PLN 67m year on year.

The segment's savings yielded by the OPTIMA Programme in Q3 2007 amounted to PLN 6m.

In Q3 2007, expenditure on property, plant and equipment and intangible assets increased year on year by PLN 22m.

POLSKI KONCERN NAFTOWY ORLEN S.A.
CONDENSED CONSOLIDATED INCOME STATEMENTS
for the periods of 9 and 3 months ended
September 30th 2007 and September 30th 2006

| Item, PLNm | 9 months of 2006 | Q3 2006 | 9 months of 2007 | Q3 2007 | % Change | % Change |
|--|---------------------|---------------|---------------------|---------------|------------------|----------------|
| 1 | 2 | 3 | 4 | 5 | 6=(4-2)/2 | 7=(5-3)/3 |
| Revenue on sales of products | 38,300 | 14,264 | 45,947 | 16,527 | 20.0% | 15.9% |
| Excise tax and other charges | -9,443 | -3,595 | -11,200 | -3,976 | 18.6% | 10.6% |
| Net revenue on sales of products | 28,857 | 10,669 | 34,747 | 12,551 | 20.4% | 17.6% |
| Revenue on sales of goods for resale and materials | 11,885 | 4,569 | 14,091 | 5,440 | 18.6% | 19.1% |
| Excise tax and other charges | -988 | -359 | -1,947 | -727 | 97.1% | 102.5% |
| Net revenue on sales of goods for resale and materials | 10,897 | 4,210 | 12,144 | 4,713 | 11.4% | 11.9% |
| Total sales revenue | 39,754 | 14,879 | 46,891 | 17,264 | 18.0% | 16.0% |
| Cost of products sold | -24,443 | -8,945 | -29,732 | -11,051 | 21.6% | 23.5% |
| Cost of goods for resale and materials sold | -9,880 | -3,834 | -10,996 | -4,227 | 11.3% | 10.3% |
| Cost of products, goods for resale and materials sold | -34,323 | -12,779 | -40,728 | -15,278 | 18.7% | 19.6% |
| Gross profit on sales | 5,431 | 2,100 | 6,163 | 1,986 | 13.5% | -5.4% |
| Selling costs | -1,890 | -615 | -2,307 | -781 | 22.1% | 27.0% |
| General and administrative expenses | -800 | -262 | -1,108 | -341 | 38.5% | 30.2% |
| Other operating income | 375 | 129 | 300 | 91 | -20.0% | -29.5% |
| Other operating expenses | -373 | -204 | -548 | -121 | 46.9% | -40.7% |
| Gain on disposal of all or part of shares in subordinated undertakings | 2 | 0 | 0 | 0 | - | - |
| EBIT | 2,745 | 1,148 | 2,500 | 834 | -8.9% | -27.4% |
| Financial income | 423 | 198 | 474 | 205 | 12.1% | 3.5% |
| Financial expenses | -422 | -95 | -908 | -542 | 115.2% | 470.5% |
| Net financial income/expenses | 1 | 103 | -434 | -337 | -43500.0% | -427.2% |
| Share in net profit/loss of undertakings valued with equity method | 165 | 66 | 200 | 76 | 21.2% | 15.2% |
| Profit before tax | 2,911 | 1,317 | 2,266 | 573 | -22.2% | -56.5% |
| Corporate income tax | -581 | -303 | -430 | -66 | -26.0% | -78.2% |
| Net profit | 2,330 | 1,014 | 1,836 | 507 | -21.2% | -50.0% |
| including: | | | | | | |
| Net profit (loss) attributable to minority interests | 146 | 48 | 114 | -55 | -21.9% | -214.6% |
| Net profit attributable to equity holders of the Parent Company | 2,184 | 966 | 1,722 | 562 | -21.2% | -41.8% |

POLSKI KONCERN NAFTOWY ORLEN S.A.
CONDENSED CONSOLIDATED BALANCE SHEETS
as at September 30th 2007 and December 31st 2006

| Item, PLNm | Dec 31 2006 | Sep 30 2007 | % Change |
|--|---------------|---------------|---------------|
| 1 | 2 | 3 | 4=(3-2)/2 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 25,200 | 24,713 | -1.9% |
| Intangible assets | 620 | 513 | -17.3% |
| Goodwill | 144 | 141 | -2.1% |
| Financial assets | 571 | 66 | -88.4% |
| Shares in undertakings consolidated with equity method | 716 | 696 | -2.8% |
| Loans granted | 5 | 20 | 300.0% |
| Deferred tax asset | 166 | 185 | 11.4% |
| Investment property | 35 | 33 | -5.7% |
| Perpetual usufruct right to land | 88 | 91 | 3.4% |
| Other non-current assets | 116 | 223 | 92.2% |
| Total non-current assets | 27,661 | 26,681 | -3.5% |
| Current assets | | | |
| Inventories | 7,399 | 8,755 | 18.3% |
| Trade and other receivables | 6,294 | 6,930 | 10.1% |
| Income taxes receivable | 253 | 15 | -94.1% |
| Current financial assets | 7 | 7 | 0.0% |
| Loans granted | 0 | 0 | - |
| Prepayments and accrued income | 121 | 151 | 24.8% |
| Cash | 2,351 | 2,532 | 7.7% |
| Other financial assets | 302 | 64 | -78.8% |
| Assets held for sale | 1,031 | 185 | -82.1% |
| Total current assets | 17,758 | 18,639 | 5.0% |
| Total assets | 45,419 | 45,320 | -0.2% |
| LIABILITIES | | | |
| Equity | | | |
| Share capital | 535 | 535 | 0.0% |
| Share capital revaluation adjustment | 523 | 523 | 0.0% |
| Share capital | 1,058 | 1,058 | 0.0% |
| Share premium account | 1,058 | 1,058 | 0.0% |
| Share premium revaluation adjustment | 169 | 169 | 0.0% |
| Share premium account | 1,227 | 1,227 | 0.0% |
| Hedging capital | 9 | 52 | 477.8% |
| Currency-translation differences | 22 | -679 | -3186.4% |
| Retained profit, including: | 16,535 | 18,258 | 10.4% |
| net profit attributable to equity holders of the Parent | 1,722 | 1,986 | -10.9% |
| Equity (attributable to equity holders of the parent) | 18,851 | 19,916 | 5.6% |
| Equity attributable to minority interests | 2,732 | 2,758 | 1.0% |

Q3 2007 Results of the PKN ORLEN Group

| | | | |
|--|---------------|---------------|--------------|
| Total equity | 21,583 | 22,674 | 5.1% |
| Non-current liabilities | | | |
| Loans and borrowings | 6,211 | 5,773 | -7.1% |
| Provisions | 814 | 811 | -0.4% |
| Deferred tax liability | 1,766 | 1,583 | -10.4% |
| Other non-current liabilities | 167 | 135 | -19.2% |
| Total non-current liabilities | 8,958 | 8,302 | -7.3% |
| Current liabilities | | | |
| Trade and other payables and accruals | 8,221 | 8,496 | 3.3% |
| Provisions | 734 | 700 | -4.6% |
| Income tax expense | 106 | 145 | 36.8% |
| Loans and borrowings | 4,278 | 4,100 | -4.2% |
| Deferred income | 27 | 46 | 70.4% |
| Other financial liabilities | 1,316 | 857 | -34.9% |
| Liabilities directly related to assets classified as held for sale | 196 | 0 | - |
| Total current liabilities | 14,878 | 14,344 | -3.6% |
| Total equity and liabilities | 45,419 | 45,320 | -0.2% |

POLSKI KONCERN NAFTOWY ORLEN S.A.
CONDENSED CONSOLIDATED CASH-FLOW STATEMENTS
for the periods of 9 and 3 months ended
September 30th 2007 and September 30th 2006

| Item, PLNm | 9 months of 2006 | Q3 2006 | 9 months of 2007 | Q3 2007 | % Change | % Change |
|--|---------------------|--------------|---------------------|-------------|---------------|---------------|
| 1 | 2 | 3 | 4 | 5 | 6=(4-2)/2 | 7=(5-3)/3 |
| Cash flows from operating activities | | | | | | |
| Net profit | 2,330 | 1,014 | 1,836 | 507 | -21.2% | -50.0% |
| Adjustments: | | | | | | |
| Share in net profit/(loss) of undertakings valued with equity method | -165 | -66 | -199 | -76 | -20.6% | -15.2% |
| Depreciation and amortisation | 1,564 | 533 | 1,805 | 604 | 15.4% | 13.3% |
| Net interest and dividends | 122 | 39 | 334 | 92 | 173.8% | 135.9% |
| Income tax expense | 581 | 303 | 430 | 66 | -26.0% | -78.2% |
| (Profit)/loss on investing activities | -30 | 23 | 512 | 437 | 1806.7% | 1800.0% |
| Decrease/(Increase) in receivables | -1,768 | -645 | -729 | -66 | 58.8% | 89.8% |
| Decrease/(Increase) in inventories | -399 | 202 | -1,489 | -203 | -273.2% | -200.5% |
| (Decrease)/Increase in liabilities and accruals | 902 | 309 | 588 | -536 | -34.8% | -273.5% |
| (Decrease)/Increase in provisions | 32 | 93 | -55 | 5 | -271.9% | -94.6% |
| Other adjustments | 40 | -36 | -100 | 54 | -350.0% | 250.0% |
| Income tax paid | -549 | -236 | -395 | -254 | 28.1% | -7.6% |
| Net cash provided by/(used in) operating activities | 2,660 | 1,533 | 2,538 | 630 | -4.6% | -58.9% |
| Cash flows from investing activities | | | | | | |
| Acquisition of property, plant and equipment and intangible assets | -1,323 | -532 | -2,397 | -969 | -81.2% | -82.1% |
| Disposal of property, plant and equipment and intangible assets | 133 | 49 | 58 | -2 | -56.4% | -104.1% |
| Disposal of shares | 141 | 61 | 779 | 772 | 452.5% | 1165.6% |
| Acquisition of shares | -59 | -25 | -488 | 1 | -727.1% | 104.0% |
| Acquisition of short-term securities | -919 | -824 | -1 | 10 | 99.9% | 101.2% |
| Disposal of short-term securities | 86 | 30 | 245 | -6 | 184.9% | -120.0% |
| Dividends and interest received | 485 | 472 | 239 | 39 | -50.7% | -91.7% |
| Loans (granted)/repaid | 4 | 1 | 5 | 21 | 25.0% | 2000.0% |
| Other | -16 | -11 | -24 | -30 | -50.0% | -172.7% |
| Net cash provided by/(used in) investing activities | -1,468 | -779 | -1,584 | -164 | -7.9% | 78.9% |
| Cash flows from financing activities | | | | | | |
| Increase in long- and short-term loans and borrowings | 4,277 | 189 | 4,022 | 1,048 | -6.0% | 454.5% |
| Issue of debt securities | - | - | 750 | - | - | - |
| Repayment of long- and short-term loans and borrowings | -4,802 | -442 | -5,024 | -1,132 | -4.6% | -156.1% |
| Redemption of debt securities | - | - | -89 | 0 | - | - |
| Interest paid | -123 | -34 | -412 | -97 | -235.0% | -185.3% |
| Other | -26 | -14 | -20 | -9 | 23.1% | 35.7% |
| Net cash provided by/(used in) financing activities | -674 | -301 | -773 | -190 | -14.7% | 36.9% |
| Net change in cash | 518 | 453 | 181 | 276 | -65.1% | -39.1% |

Q3 2007 Results of the PKN ORLEN Group

| | 1 | 2 | - | 1 | - | -50.0% |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Foreign-exchange gains/(losses) | | | | | | |
| Cash at beginning of period | 1,127 | 1,191 | 2,351 | 2,255 | 108.6% | 89.3% |
| Cash at end of period, including: | 1,646 | 1,646 | 2,532 | 2,532 | 53.8% | 53.8% |
| restricted cash | 97 | 97 | 58 | 58 | -40.2% | -40.2% |

Financial Overview

Income Statement

Operating Income and Expenses

In Q3 2007, total sales revenue increased by PLN 2,385m (or 16.0%) year on year, to PLN 17,264m. The increase is a combined effect of changes in sales values and volumes in the Company's core business segments. The highest sales increases were recorded in the Wholesale, where sales to third parties increased by PLN 2,470m (or 33.9%) year on year, and in the Retail, where sales to third parties increased by PLN 333m (or 8.1%) year on year. The Q3 2007 sales by other segments – Chemicals, Petrochemicals and Other Activities – were down on the Q3 2006 figures by 2.7%, 13.2% and 25.2%, respectively. Following the increase in total sales revenue, operating expenses attributable to the core business went up by PLN 2,499m (or 19.6%). The growth of operating expenses, slower than that of the top line, contributed to a decrease in gross profit on sales, which stood at PLN 1,986m in Q3 2007, that is 5.4% down year on year.

Selling Costs and General and Administrative Expenses

In Q3 2007, selling costs grew by PLN 166m, or 27.0%, year on year, while general and administrative expenses went up by PLN 79m, or 30.2%. The increases in both items were driven mainly by the consolidation of the Mazeikiu Refinery. The Mazeikiu Refinery's selling costs and general and administrative expenses amounted to PLN 89m and PLN 54m, respectively, in Q3 2007.

Other Income and Operating Expenses

In Q3 2007, compared with Q3 2006, the Group's other operating income decreased by PLN 38m, (or 29.5%), while its other operating expenses went down by PLN 83m (or 40.7%). In Q3 2007, revaluation of tangible assets was effected at Unipetrol (PLN 8m). These changes brought about a loss of PLN 30m on other operating activities, while in Q3 2006 the corresponding figure stood at PLN 75m. In Q3 2007, EBITDA stood at PLN 1,438m, that is PLN 243m less than in Q3 2006. EBIT was PLN 834m in Q3 2007, that is PLN 314m less year on year.

Financial Income and Expenses

In Q3 2007, financial income was PLN 205m, which represents an increase of PLN 7m year on year. The Group's financial expenses were also higher – up by PLN 447m on the Q3 2006 figure. The increase in financial expenses was caused by a valuation allowance for shares held by Unipetrol a.s. in Agrobhema a.s. and Synthesia a.s. The value of the allowance, as determined by the Management Board of Unipetrol a.s. as at September 30th 2007, amounted to PLN 339m. Higher financial expenses recorded by the Group are also attributable to its higher indebtedness, which in turn translated into increased interest expense – the Q3 2007 figure was higher by PLN 38m compared with the corresponding period in 2006. Consequently, in Q3 2007 the Group recorded a loss on financing activities of PLN 337m vs. a gain of PLN 103m in Q3 2006.

Q3 2007 Results of the PKN ORLEN Group

Net Profit

In Q3 2007, the share in net profit of the Group undertakings valued with the equity method stood at PLN 76m, compared with PLN 66m in Q3 2006. Corporate income tax amounted to PLN 66m in Q3 2007, down by PLN 237m year on year. As a result, in Q3 2007 the Group generated net profit of PLN 507m, 50% down on the Q3 2006 figure. The decrease in net profit is also attributable to impairment loss at Agrobohema a.s. and Synthesia a.s., which reduced consolidated net profit/loss attributable to shareholders of the Parent Undertaking by PLN 213m.

Balance Sheet

Assets

As at the end of Q3 2007, the Group had total assets of PLN 45,320m, down by 0.2% relative to December 31st 2006. Over the same period, non-current assets fell by PLN 980m (3.5%), to PLN 26,681m, primarily due to a PLN 487m decrease in the value of property, plant and equipment (1.9%), a PLN 505m (88.4%) decrease in financial assets, and a drop in shares in the undertakings consolidated with the equity method (down by PLN 20m or 2.8%). The decrease was offset by a PLN 107m (92.2%) rise in other non-current assets relative to December 31st 2006. Current assets grew from PLN 17,758m as at December 31st 2006 to PLN 18,639m as at the end of Q3 2007. The increase in current assets was driven mainly by higher inventories and trade and other receivables (PLN 1,356m or 18.3%, and PLN 636m or 10.1%, respectively). The Group also recorded a significant drop in corporate income tax liability – by PLN 238m (94.1%), and other financial assets – by PLN 238m (78.8%). Compared with the figure as at the end of 2006, working capital (current assets less current liabilities) grew from PLN 2,880m to PLN 4,295m.

Equity and Liabilities

As at the end of Q3 2007, the Group's total equity stood at PLN 22,674m, and was higher by PLN 1,091m (or 5.1%) over the end of 2006, primarily thanks to an increase in retained profit of PLN 1,723m. A factor with a negative bearing on the equity was currency-translation differences on subordinated undertakings of PLN 701m. Non-current liabilities amounted to PLN 8,302m, that is PLN 656m less than as at the end of 2006, mainly owing to decreases in loans and borrowings and deferred tax liability (by PLN 438m and PLN 183m, respectively). Current liabilities were down from PLN 14,878m as at December 31st 2006 to PLN 14,344m as at September 30th 2007. Under current liabilities, significant increases were recorded in trade and other payables and accruals (PLN 275m or 3.3%) while other financial liabilities and liabilities under assets classified as held for sale went down by PLN 459m (34.9%) and PLN 196m (100.0%), respectively. The Group's external debt (loans and borrowings) amounted to PLN 9,873m as at September 30th 2007, down by PLN 616m relative to the end of 2006.

Cash Flow

Cash from Operating Activities

In Q3 2007, net cash provided by operating activities stood at PLN 630m, down by PLN 903m relative to Q3 2006. The decrease was primarily due to negative trends in the balances of liabilities and accruals (a decrease of PLN 536m recorded in Q3 2007) as well as the freezing of financial resources in inventories (inventories increased by PLN 203m, whereas in Q3 2006 they went down by PLN 202m). Additions to net cash provided by operating activities included by positive trends in the balance of receivables (in Q3 2007, the increase in receivables reduced net cash by

Q3 2007 Results of the PKN ORLEN Group

PLN 66m, and in Q3 2006 – by PLN 645m) and a PLN 437m adjustment of net profit to account for loss on investment activities (in the corresponding period in 2006, the adjustment stood at PLN 23m).

Cash from Investing Activities

In Q3 2007, net cash used in investing activities stood at (-)PLN 164m, while in the corresponding period in 2006 it amounted to (-)PLN 779m. Net cash used in investing activities in Q3 2007 was affected by expenditure on property, plant and equipment, which amounted to (-)PLN 969m (against (-)PLN 532m in Q3 2006), disposal of equity interests worth PLN 772m (PLN 61m in Q3 2006) and lower interest and dividends received, which totalled PLN 39m (down by PLN 433m on Q3 2006).

Cash from Financing Activities

In Q3 2007, net cash used in financing activities amounted to (-)PLN 190m, compared with (-)PLN 301m in the same period of the previous year. The decrease is connected with higher amount of contracted loans and borrowings (PLN 1,048m in Q3 2007 vs. PLN 189m in Q3 2006) and repayment of long- and short-term loans and borrowings, totalling (-)PLN 1,132m (compared with (-)PLN 442m in Q3 2006).

The joint effect of all the cash flows discussed above was a PLN 276m increase in net cash in Q3 2007. As at September 30th 2007, net cash amounted to PLN 2,532m, up by PLN 886m compared with September 30th 2006.

POLSKI KONCERN NAFTOWY ORLEN S.A.
PRODUCTION VOLUMES
for the periods of 9 and 3 months ended
September 30th 2007 and September 30th 2006

| Output (*000 tonnes) | Q3 2006 | Q3 2007 | y-o-y change | Q3 2007 | % share | Q3 2007 | % share | Q3 2007 | % share |
|-----------------------------|--------------|----------------------------|-----------------|------------------|------------------|-----------------------------------|----------------------|-----------------------|--------------------|
| 1 | 2 | 3 | 4=(3-2)/2 | 5 | 6=5/throughput | 7 | 8=7/ throughput | 9 | 10=9/ throughput |
| Refinery | | PKN ORLEN Group | | PKN ORLEN | | Unipetrol | | Mazeikiu Group | |
| Crude oil throughput | 4,750 | 6,093 | 28.3% | 3,513 | 100.0% | 992 | 100.0% | 1 500 | 100.0% |
| Gasoline | 941 | 1,370 | 45.6% | 674 | 19.2% | 201 | 20.3% | 494 | 32.9% |
| Diesel fuel | 1,551 | 2,322 | 49.7% | 1,272 | 36.2% | 391 | 39.4% | 659 | 43.9% |
| Light fuel oil | 282 | 217 | -23.0% | 187 | 5.3% | 7 | 0.7% | 0 | 0.0% |
| Jet fuel | 145 | 185 | 27.6% | 109 | 3.1% | 21 | 2.1% | 55 | 3.7% |
| Heavy fuel oil | 83 | 589 | 609.6% | 257 | 7.3% | 38 | 3.8% | 305 | 20.3% |
| LPG | 55 | 144 | 161.8% | 61 | 1.7% | 23 | 2.3% | 85 | 5.7% |
| Bitumens | 389 | 429 | 10.3% | 0 | 0.0% | 76 | 7.7% | 51 | 3.4% |
| Engine oils and lubricants | 81 | 79 | -2.5% | 0 | 0.0% | 18 | 1.8% | 0 | 0.0% |
| Other | 270 | 149 | -44.8% | 454 | 12.9% | 236 | 23.8% | 51 | 3.4% |
| Total products | 3,797 | 5,485 | 44.5% | 3,014 | | 1,011 | | 1,700 | |
| 1 | 2 | 3 | 4=(3-2)/2 | 5 | 6=5/all segments | 7 | 8=7/ all segments | 9 | 10=9/ all segments |
| Petrochemicals | | PKN ORLEN Group | | PKN ORLEN | | Unipetrol/ Chemopetrol | | BOP | |
| Polyethylene | 117 | 107 | -8.5% | 0 | 0.0% | 60 | 14.0% | 48 | 49.5% |
| Polypropylene | 94 | 95 | 1.1% | 0 | 0.0% | 46 | 10.7% | 49 | 50.5% |
| Ethylene | 77 | 149 | 93.5% | 133 | 33.9% | 97 | 22.6% | 0 | 0.0% |
| Propylene | 68 | 94 | 38.2% | 95 | 24.2% | 50 | 11.6% | 0 | 0.0% |
| Toluene | 31 | 29 | -6.5% | 29 | 7.4% | 0 | 0.0% | 0 | 0.0% |
| Benzene | 55 | 65 | 18.2% | 26 | 6.6% | 39 | 9.1% | 0 | 0.0% |
| Paraxylene | 9 | 9 | 0.0% | 9 | 2.3% | 0 | 0.0% | 0 | 0.0% |
| Ortoxylene | 6 | 7 | 16.7% | 7 | 1.8% | 0 | 0.0% | 0 | 0.0% |
| Acetone | 5 | 7 | 40.0% | 7 | 1.8% | 0 | 0.0% | 0 | 0.0% |
| Butadiene | 25 | 14 | -44.0% | 14 | 3.6% | 0 | 0.0% | 0 | 0.0% |
| Glycol | 28 | 25 | -10.7% | 25 | 6.4% | 0 | 0.0% | 0 | 0.0% |
| Ethylene oxide | 4 | 4 | 0.0% | 4 | 1.0% | 0 | 0.0% | 0 | 0.0% |
| Phenol | 8 | 12 | 50.0% | 12 | 3.1% | 0 | 0.0% | 0 | 0.0% |
| Other | 272 | 161 | -40.8% | 31 | 7.9% | 138 | 32.1% | 0 | 0.0% |
| Total Petrochemicals | 799 | 778 | -2.6% | 392 | | 430 | | 97 | |
| | | PKN ORLEN Group | | PKN ORLEN | | Spolana | | Anwil | |
| PVC | 100 | 105 | 5.0% | - | - | 32 | 53,3% | 75 | 20,6% |
| PVC granulate | 18 | 19 | 5.6% | - | - | 2 | 3,3% | 17 | 4,7% |
| CANWIL | 101 | 82 | -18.8% | - | - | 0 | 0,0% | 82 | 22,5% |
| Ammonium nitrate | 164 | 184 | 12.2% | - | - | 0 | 0,0% | 136 | 37,4% |
| Other | 78 | 79 | 1.3% | - | - | 26 | 43,3% | 54 | 14,8% |
| Total Chemicals | 461 | 469 | 1.7% | 0 | | 60 | | 364 | |
| Total output | 5,057 | 6,732 | 33.1% | 3,406 | | - | | - | |

POLSKI KONCERN NAFTOWY ORLEN S.A.
SALES OF KEY PRODUCTS
for the periods of 9 and 3 months ended
September 30th 2007 and September 30th 2006

| Sales at the PKN ORLEN Group | Q3 2006 | | Q3 2007 | | y-o-y change | y-o-y change |
|------------------------------|--------------|--------------|--------------|--------------|---------------|---------------|
| 1 | 2 | 3 | 4 | 5 | 6=(4-2)/2 | 7=(5-3)/3 |
| | '000 tonnes | PLNm | '000 tonnes | PLNm | % | % |
| Refinery, wholesale | | | | | | |
| Gasoline | 620 | 1,554 | 1,182 | 2,367 | 90.6% | 52.3% |
| Diesel fuel | 1,301 | 3,381 | 2,354 | 4,356 | 80.9% | 28.8% |
| Light fuel oil | 365 | 774 | 270 | 548 | -26.0% | -29.2% |
| Jet fuel | 160 | 388 | 182 | 435 | 13.8% | 12.1% |
| Heavy fuel oil | 84 | 86 | 588 | 547 | 600.0% | 536.0% |
| LPG | 60 | 100 | 139 | 234 | 131.7% | 134.0% |
| Bitumens | 370 | 379 | 425 | 381 | 14.9% | 0.5% |
| Engine oils and lubricants | 67 | 174 | 70 | 174 | 4.5% | 0.0% |
| Other | 183 | 197 | 196 | 386 | 7.1% | 95.9% |
| Total products | 3,210 | 7,033 | 5,406 | 9,428 | 68.4% | 34.1% |
| Retail | | | | | | |
| Gasoline | 551 | 2,247 | 562 | 2,176 | 2.0% | -3.2% |
| Diesel fuel | 480 | 1,528 | 572 | 1,621 | 19.2% | 6.1% |
| LPG | 57 | 171 | 67 | 209 | 17.5% | 22.2% |
| Other | 0 | 4 | 0 | 3 | - | -25.0% |
| Total products | 1,088 | 3,950 | 1,201 | 4,009 | 10.4% | 1.5% |
| Total Petrochemicals | | | | | | |
| Polyethylene | 120 | 496 | 117 | 516 | -2.5% | 4.0% |
| Polypropylene | 91 | 351 | 92 | 380 | 1.1% | 8.3% |
| Ethylene | 64 | 188 | 70 | 214 | 9.4% | 13.8% |
| Propylene | 75 | 230 | 53 | 134 | -29.3% | -41.7% |
| Toluene | 29 | 77 | 31 | 64 | 6.9% | -16.9% |
| Benzene | 52 | 165 | 70 | 189 | 34.6% | 14.5% |
| Paraxylene | 8 | 28 | 8 | 22 | 0.0% | -21.4% |
| Ortoxylylene | 5 | 17 | 7 | 22 | 40.0% | 29.4% |
| Acetone | 4 | 12 | 7 | 19 | 75.0% | 58.3% |
| Butadiene | 25 | 72 | 15 | 40 | -40.0% | -44.4% |
| Glycol | 28 | 77 | 28 | 76 | 0.0% | -1.3% |
| Ethylene oxide | 4 | 15 | 4 | 16 | 0.0% | 6.7% |
| Phenol | 7 | 26 | 11 | 44 | 57.1% | 69.2% |
| Other | 340 | 745 | 223 | 471 | -34.4% | -36.8% |
| Total Petrochemicals | 852 | 2,499 | 736 | 2,207 | -13.6% | -11.7% |
| Chemicals | | | | | | |
| PVC | 89 | 281 | 88 | 282 | -1.1% | 0.4% |
| PVC granulate | 17 | 57 | 19 | 67 | 11.8% | 17.5% |

Q3 2007 Results of the PKN ORLEN Group

| | | | | | | |
|--|--------------|---------------|--------------|---------------|--------------|---------------|
| CANWIL | 114 | 62 | 96 | 51 | -15.8% | -17.7% |
| Ammonium nitrate | 144 | 88 | 163 | 109 | 13.2% | 23.9% |
| Other | 99 | 151 | 115 | 120 | 16.2% | -20.5% |
| Total Chemicals | 463 | 639 | 481 | 629 | 3.9% | -1.6% |
| | | | | | | |
| Refinery (Wholesale + Retail) | 4,298 | 10,983 | 6,607 | 13,437 | 53.7% | 22.3% |
| | | | | | | |
| Petrochemicals (Petrochemicals+Chemicals) | 1,315 | 3,138 | 1,217 | 2,836 | -7.5% | -9.6% |
| | | | | | | |
| Other activities | 24 | 184 | 27 | 41 | 12.5% | -77.7% |
| | | | | | | |
| PKN ORLEN Group – TOTAL | 5,637 | 14,305 | 7,851 | 16,314 | 39.3% | 14.0% |

Q3 2007 Results of the PKN ORLEN Group

LIFO

The Management Board of Polski Koncern Naftowy ORLEN Spółka Akcyjna (PKN ORLEN) hereby reports on the impact of the LIFO inventory valuation method on non-consolidated profit of PKN ORLEN and consolidated profit of the PKN ORLEN Group for Q3 2007 and 2007YTD.

Profit before tax and net profit (i.e. including the effect of deferred tax), as estimated by the Company for PKN ORLEN and the PKN ORLEN Group using the LIFO method, are as follows (PLNm):

| In accordance with the IFRS | 9 months 2007 | | Q3 2007 | | 9 months 2006 | | Q3 2006 | |
|------------------------------------|--|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|
| | Method of inventory valuation at the weighted average production or acquisition cost | LIFO inventory valuation | Method of inventory valuation at the weighted average production or acquisition cost | LIFO inventory valuation | Method of inventory valuation at the weighted average production or acquisition cost | LIFO inventory valuation | Method of inventory valuation at the weighted average production or acquisition cost | LIFO inventory valuation |
| Non-consolidated profit before tax | 2,262 | 1,737 | 601 | 351 | 2,430 | 1,944 | 841 | 858 |
| Non-consolidated net profit | 1,939 | 1,514 | 488 | 286 | 2,068 | 1,675 | 667 | 681 |
| Consolidated profit before tax | 2,266 | 1,654 | 573 | 322 | 2,911 | 2,396 | 1,317 | 1,347 |
| Consolidated net profit | 1,836 | 1,342 | 507 | 303 | 2,330 | 1,914 | 1,014 | 1,038 |

PKN ORLEN and the PKN ORLEN Group apply the inventory valuation method based on the weighted average production or acquisition cost. This method defers the impact of oil price increases or decreases on the prices of final products. Therefore, the results generated by PKN ORLEN and the PKN ORLEN Group are positively affected when crude oil prices increase, while the situation is the opposite when the prices decline. The application of the LIFO inventory valuation method results in the current production being valued based on the current price of crude oil purchased by the Group. Accordingly, an upward trend in oil prices decreases, and a falling trend in oil prices increases the Group's results relative to the results obtained when the weighted average method is applied. These trends are most apparent when crude oil prices are subject to significant changes. As a result of a significant increase in both the stocks of crude oil and the price of processed crude in Q3 2007, the negative adjustment to the profit reflecting the application of the LIFO inventory valuation was considerably greater in Q3 2007 than in Q3 2006.

The assumptions used for the calculation of estimated profits using the LIFO method are the same as those used for previous LIFO estimates; these assumptions were published in Current Report No. 29 of May 21st 2001.