

Results of the ORLEN Group for the II quarter of 2012
(Translation of a document originally issued in Polish)

Summary of the results

Table 1

Q2 2011	Q1 2012	Q2 2012	% change	Key financial data, PLNm	6 months 2011	6 months 2012	% change
1	2	3	4=(3-1)/1	5	6	7	8=(7-6)/6
25 641	29 248	27 955	9.0	Total sales revenue	48 315	57 202	18.4
1 586	1 518	918	-42.1	Profit from operations plus depreciation and amortisation (EBITDA)	3 479	2 436	-30.0
1 009	939	375	-62.8	Profit/(Loss) from operations, including:	2 348	1 314	-44.0
711	670	553	-22.2	PKN ORLEN S.A.	1 651	1 223	-25.9
30	-8	-67	-	Unipetrol Group	117	-75	-
4	73	-269	-	ORLEN Lietuva	104	-196	-
264	204	158	-40.2	Other	476	362	-23.9
				Operating segments, including:			
510	732	-66	-	Refining	1 538	666	-56.7
521	346	379	-27.3	Petrochemical	905	725	-19.9
192	26	252	31.3	Retail	219	278	26.9
-214	-165	-190	11.2	Corporate Functions ¹	-314	-355	-13.1
577	579	543	-5.9	Depreciation and Amortisation, including:	1 131	1 122	-0.8
271	261	247	-8.9	Refining	548	508	-7.3
205	199	178	-13.2	Petrochemical	372	376	1.1
77	89	89	15.6	Retail	159	179	12.6
24	30	29	20.8	Corporate Functions ¹	52	59	13.5
918	1 244	-40	-	Net profit	2 066	1 204	-41.7
899	1 260	-5	-	Profit attributable to equity holders of the Parent	2 003	1 255	-37.3
54 472	58 898	56 339	3.4	Total assets	54 472	56 339	3.4
26 550	27 880	27 526	3.7	Equity	26 550	27 526	3.7
7 884	7 146	8 215	4.2	Net debt	7 884	8 215	4.2
1 007	148	-92	-	Net cash provided by/ (used in) operating activities	965	56	-94.2
-402	-556	-335	-16.7	Net cash (used in) investing activities	-1 010	-891	-11.8
498	238	581	16.7	Investment expenditures (CAPEX)	824	819	-0.6
9.1	3.9	2.4	-6.8p.p.	Return on capital employed (ROACE) (%)²	9.5	2.4	-7.1p.p.
31.1	26.9	27.7	-3.4p.p.	Financial leverage (%)³	31.0	29.1	-1.9p.p.
1.24	1.65	2.25	81.5	Net debt/Profit from operations plus depreciation and amortisation for the last four quarters (EBITDA)⁴	1.24	2.25	81.5
1.69	3.37	3.22	90.5	Net debt/Profit from operations plus depreciation and amortisation based on the LIFO method for the last four quarters (EBITDA)⁵	1.69	3.22	90.5
2.10	2.95	-0.01	-	Net profit attributable to equity holders of the Parent per share (EPS)	4.68	2.93	-37.4
Q2 2011	Q1 2012	Q2 2012	% change	Financial data adjusted by the effect of inventory valuation based on the LIFO method, PLNm	6 months 2011	6 months 2012	% change
770	201	1 233	60.1	Profit/(Loss) from operations based on LIFO method, including:	1 220	1 434	17.5
432	217	933	116.0	PKN ORLEN S.A.	795	1 150	44.7
40	-119	134	235.0	Unipetrol Group	32	15	-53.1
42	-80	-7	-	ORLEN Lietuva	-62	-87	-40.3
256	183	173	-32.4	Other	455	356	-21.8
-239	-738	858	-	Effect on inventory valuation⁶ based on LIFO method on profit from operations, including:	-1 128	120	-
-279	-453	380	-	PKN ORLEN S.A.	-856	-73	91.5
10	-111	201	1910.0	Unipetrol Group	-85	90	-
38	-153	262	589.5	ORLEN Lietuva	-166	109	-
-8	-21	15	-	Other	-21	-6	71.4
726	640	666	-8.3	Net profit/(Loss) based on LIFO method⁷	1 146	3 216	180.6

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 / (EBITDA + dividend received from Polkomtel) for the last four quarters.

5) Interest bearing debt net of cash and cash equivalents / (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.

7) Effect of inventory valuation based on LIFO method, net of tax effect

Commentary

Financial results

The profit from operations of the ORLEN Capital Group ("ORLEN Group") based on LIFO method of inventory valuation for the II quarter of 2012 amounted to PLN 1,233 million, that is an increase of PLN 463 million (y/y). The cumulative result from operations based on LIFO method amounted to PLN 1,434 million, in comparison to PLN 1,220 million for the I half of 2011.

The combined net effect of macroeconomic changes concerning mainly improvement of refining margins and lower sales volume due to cyclical maintenance shutdown carried out in the II quarter of 2012 in ORLEN Lietuva Capital Group ("ORLEN Lietuva") increased operating result of ORLEN Group by PLN 513 million (y/y).

Lack of positive effects of one-off events, that occurred in the II quarter of 2011 related to transaction of repurchase of first tranche of mandatory reserve amounted to PLN (-) 211 million (y/y).

Positive effect of other operating items, including increased operating efficiency and changes in result from other operating activities amounted to PLN 161 million (y/y).

Due to decreasing crude oil prices the LIFO effect that decreases result from operations in the II quarter of 2012 amounted to PLN (-) 858 million and cumulatively for the I half of 2012 amounted to PLN (-) 120 million.

As a result, the profit from operations of the ORLEN Group in the II quarter of 2012 amounted to PLN 375 million, in comparison to PLN 1,009 million for the analogous period of the prior year.

The cumulative result from operations of the ORLEN Group for the I half of 2012 reached the level of PLN 1,314 million.

Net financial expenses in the II quarter of 2012 amounted to PLN (-) 277 million and comprised mainly negative foreign exchange differences on revaluation of loans and other items denominated in foreign currencies of PLN (-) 299 million, net interest income and settlement and measurement of financial instruments amounted to PLN 28 million.

Foreign exchange expenses on loans denominated in USD for which hedging relationship with net investment in ORLEN Lietuva was designated in the amount of PLN (-) 371 million, according to IAS 39 (Financial instruments: recognition and measurement) and foreign exchange losses on revaluation of loans denominated in foreign currencies of subsidiaries in the amount of PLN (-) 67 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.

Increase of tax charges in relation to profit before tax mainly comprises of effect of revaluation of non-cash assets in ORLEN Lietuva due to changes in exchange rates of LTL/USD and tax losses for which the deferred tax assets were not recognized in Unipetrol Capital Group ("Unipetrol Group").

After consideration of tax charges, net loss of the ORLEN Group for the II quarter of 2012 amounted to PLN (-) 40 million.

Net profit of the ORLEN Group for the I half of 2012 amounted to PLN 1,204 million.

Results from operations of the core entities belonging to the ORLEN Group in the II quarter of 2012

- PKN ORLEN S.A. – result from operations was lower by PLN (-) 158 million (y/y) and amounted to PLN 553 million.
 - result of refining segment, lower by PLN (-) 272 million (y/y) was mainly a result of negative impact of decreasing crude oil prices on inventory valuation of PLN (-) 627 million (y/y) and transaction of repurchase of first tranche of mandatory reserves carried out in the II quarter of 2011 of PLN (-) 211 million (y/y), accompanied by positive impact of increasing refining margins,
 - result of the retail segment, higher by PLN 54 million (y/y) was mainly a result of improved fuel margins and increased sales volume,
 - result of the petrochemical segment, higher by PLN 36 million (y/y) includes mainly positive impact of higher sales volume, accompanied by neutral impact of macroeconomic factors,
 - costs of corporate functions, lower by PLN 24 million (y/y).

Results of the ORLEN Group for the II quarter of 2012

(Translation of a document originally issued in Polish)

- ORLEN Lietuva – the result from operations was lower by PLN (-) 273 million (y/y) and amounted to PLN (-) 269 million.
 - decrease of the operating result of the refining segment of PLN (-) 281 million (y/y) was mainly an effect of negative impact of inventory valuation of PLN (-) 224 million (y/y) and lower sales volume due to cyclical maintenance shutdown, with positive impact of macroeconomic factors,
 - result of the retail segment of PLN 1 million, remained on comparable level to the II quarter of 2011 due to stable level of fuel and non-fuel margins,
 - costs of corporate functions, lower by PLN 8 million (y/y).
- Unipetrol Group – the result from operations was lower by PLN (-) 97 million (y/y) and amounted to PLN (-) 67 million.
 - result of the refining segment, higher by PLN 1 million (y/y) was mainly the effect of negative impact of inventory valuation of PLN (-) 82 million (y/y) and lower sales volume, accompanied by positive impact of macroeconomic factors,
 - result of the retail segment, lower by PLN (-) 2 million (y/y) was mainly the result of lower fuel and non-fuel margins and decreased sales volume of fuels due to difficult market situation,
 - deterioration of petrochemical segment result by PLN (-) 89 million (y/y) due to negative impact of product prices changes on inventory valuation of PLN (-) 109 million (y/y) and lower sales volume,
 - costs of corporate functions, higher by PLN (-) 5 million (y/y).

Net indebtedness and cash flows

As at 30 June 2012 net indebtedness of the ORLEN Group amounted to PLN 8,215 million and was higher by PLN 626 million as compared to the level at the end of 2011. Increase in net indebtedness in the I half of 2012, due to net repayment of loans, indebtedness valuation and decrease in the balance of cash amounted to PLN 1,057 million and was accompanied by decrease of foreign exchange differences on revaluation of loans denominated in foreign currencies of PLN (-) 431 million.

In the II quarter of 2012 net indebtedness increased by PLN 1,069 million due to net repayment of loans, revaluation of liabilities and change in the balance of cash of PLN 566 million and foreign exchange differences on revaluation of loans denominated in foreign currencies amounted to PLN 503 million.

Net cash used in operating activities amounted to PLN (-) 92 million in the II quarter of 2012.

Main items of operating cash flows included net profit increased by depreciation and amortization of PLN 503 million and change in income tax liabilities of PLN (-) 575 million related to tax settlement for 2011 including profit on sale of Polkomtel shares.

Net cash used in investing activities in the II quarter of 2012 amounted to PLN (-) 335 million and concerned mainly net expenditures for acquisition of property, plant and equipment and intangible assets of PLN (-) 437 million relating to carried investment programs, outflows from loans granted of PLN (-) 51 million and proceeds from measurement of financial instruments for which hedge accounting is not applied of PLN 140 million.

Net cash used in financing activities amounted to PLN (-) 142 million in the II quarter of 2012 and concerned mainly net repayment of loans and borrowings of PLN (-) 53 million as well as interest paid of PLN (-) 80 million.

Consequently, the balance of cash decreased in the II quarter of 2012 by PLN (-) 569 million and amounted to PLN 3,647 million as at 30 June 2012.

Detailed comments on revenues and operating results of particular segments were presented in follow – up paper.

Results of the ORLEN Group for the II quarter of 2012
(Translation of a document originally issued in Polish)

Macroeconomic commentary

Crude oil prices, BRENT / URAL differential and model margins

Table 2

Item	Quarter			change %
	Q1 2012	Q2 2012	Q2 2011	
1	2	3	4	5=(3-4)/4
Brent crude oil (USD/bbl)	119	108	117	-7.7
Brent / URAL differential (USD/bbl)	1.3	2.1	2.9	-27.6
Model refining margin (USD/bbl)	3.3	6.8	1.4	385.7
Model petrochemical margin (EUR/t)	618	772	795	-2.9
Quotations of margins (crack margins)				
Refining products (USD/t)				
Gasoline	172	214	172	24.4
Diesel oil	115	127	100	27.0
Light heating oil	94	104	73	42.5
Jet A-1 fuel	160	172	168	2.4
Heavy heating oil	-215	-197	-265	-25.7
Petrochemical products (EUR/t)				
Polyethylene	162	194	213	-8.9
Polypropylene	257	293	310	-5.5
Ethylene	546	619	583	6.2
Propylene	436	521	597	-12.7
Toluene	190	306	149	105.4
Benzene	233	311	241	29.0
Butadiene	1 298	1 402	1 435	-2.3
Paraxylene	511	550	546	0.7

Exchange rates

Table 3

Currency	Average exchange rates ¹⁾			change %	Period end exchange rates ¹⁾			change %
	Q1 2012	Q2 2012	Q2 2011		Q1 2012	Q2 2012	Q2 2011	
1	2	3	4	5=(3-4)/4	6	7	8	9=(7-8)/8
PLN/USD	3.23	3.32	2.75	20.7	3.12	3.39	2.75	23.3
PLN/EUR	4.23	4.26	3.96	7.6	4.16	4.26	3.99	6.8
PLN/CZK	0.17	0.17	0.16	6.3	0.17	0.17	0.16	6.3
LTL/USD	2.63	2.69	2.40	12.1	2.59	2.76	2.40	15.0
LTL/EUR	3.45	3.45	3.45	0.0	3.45	3.45	3.45	0.0
CZK/USD	19.1	19.7	16.9	16.6	18.5	20.4	16.8	21.4
CZK/EUR	25.1	25.3	24.3	4.1	24.7	25.6	24.3	5.3

1) Based on exchange rates published by NBP, Czech Republic National Bank and Bank of Lithuania.

Results of the ORLEN Group for the II quarter of 2012

(Translation of a document originally issued in Polish)

Fuel consumption

Table 4

Countries, (‘000 tonnes)	Q1 2012	Q2 2012	Q2 2011	change %
1	2	3	4	5=(3-4)/4
Poland	3 444	3 866	4 157	-7.0%
Gasoline	867	982	1 038	-5.4%
Diesel Oil	2 577	2 884	3 119	-7.5%
Lithuania	279	362	366	-1.1%
Gasoline	54	62	67	-7.5%
Diesel Oil	225	300	299	0.3%
Czech Republic	1 321	1 422	1 467	-3.1%
Gasoline	376	467	491	-4.9%
Diesel Oil	945	955	976	-2.2%
Germany	12 260	13 148	13 131	0.1%
Gasoline	4 533	4 900	5 027	-2.5%
Diesel Oil	7 727	8 248	8 104	1.8%

Based on data of Agencja Rynku Energii S.A., Lithuanian Statistical Office, Czech Statistical Office, Association of the German Petroleum Industry and own estimates.

Results of the ORLEN Group for the II quarter of 2012
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Segment commentary – Refining Segment

Table 5

Q1 2012	Q2 2012	Q2 2011	change %	Item, PLNm	6 months 2012	6 months 2011	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
23 088	21 350	19 854	7.5	Segment revenues, including:	44 438	37 467	18.6
16 063	14 289	13 682	4.4	Sale to external customers	30 352	25 984	16.8
7 025	7 061	6 172	14.4	Transactions with other segments	14 086	11 483	22.7
-22 334	-21 408	-19 372	10.5	Segment expenses	-43 742	-35 967	21.6
-22	-8	28	-	Other operating revenues/expenses, net	-30	38	-
732	-66	510	-	Profit/(Loss) from operations	666	1 538	-56.7
48	683	303	125.4	Profit from operations under LIFO	730	488	49.6
993	181	781	-76.8	Profit/ (Loss) from operations plus depreciation and amortisation (EBITDA)	1 174	2 086	-43.7
143	330	256	28.9	CAPEX	473	402	17.7
5 111	5 095	5 545	-8.1	Sales of products (thousand tonnes)	10 206	10 762	-5.2

The profit from operations of refining segment of the ORLEN Group in the II quarter of 2012 amounted to PLN (-) 66 million and was lower by PLN (-) 576 million (y/y).

Negative impact of changes in crude oil prices on inventory valuation in the II quarter of 2012 was higher by PLN (-) 955 million (y/y).

Total net impact of increase in refining margins and lower sales volume due to cyclical maintenance shutdown in ORLEN Lietuva in the II quarter of 2012 increased profit from operations of refining segment by PLN 491 million (y/y).

Lack of positive effects recognized in the II quarter of 2011 connected with repurchase of mandatory reserves from Lambourn Sp. z o.o. decreased segment's operating result by PLN (-) 211 million (y/y).

Positive impact of other operating items, including the efficiency activities amounted to PLN 99 million (y/y).

In the II quarter of 2012 the segment's investment expenditures ("CAPEX") increased by PLN 74 million (y/y) as compared to the analogous period of the previous year and amounted to PLN 330 million.

The most significant investments held in the II quarter of 2012 comprised: construction of K8 boiler in Heat and Power station, modernization and intensification of Alkylation HF installation in PKN ORLEN S.A.; construction works on Granulation and Desulphurization Installation and cyclical maintenance shutdown in ORLEN Lietuva; expenses related to the adjustment of electrical equipment to comply with legal requirements in the Unipetrol Group.

Results of the ORLEN Group for the II quarter of 2012
(Translation of a document originally issued in Polish)

Segment commentary – Retail Segment

Table 6

Q1 2012	Q2 2012	Q2 2011	change %	Item, PLNm	6 months 2012	6 months 2011	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
8 947	9 804	8 437	16.2	Segment revenues, including:	18 752	15 403	21.7
8 916	9 772	8 407	16.2	Sale to external customers	18 689	15 346	21.8
31	32	30	6.7	Transactions with other segments	63	57	10.5
-8 909	-9 562	-8 239	16.1	Segments expenses	-18 472	-15 172	21.8
-12	10	-6	-	Other operating revenues/expenses, net	-2	-12	83.3
26	252	192	31.3	Profit from operations	278	219	26.9
115	341	269	26.8	Profit from operations plus depreciation and amortisation (EBITDA)	457	378	20.9
22	104	90	15.6	CAPEX	126	112	12.5
1 732	1 873	1 836	2.0	Sales of products (thousand tonnes)	3 605	3 436	4.9

In the II quarter of 2012 profit from operations of the retail segment of the ORLEN Group amounted to PLN 252 million and was higher by PLN 60 million (y/y).

The increase in sales volume by 2% (y/y), achieved on German, Polish and Lithuanian markets improved segment's operating result by PLN 9 million (y/y).

Increase in fuel sales margins on Polish and German market in connection with higher non-fuel sales margin contributed to improvement of segment's operating result by PLN 77 million (y/y).

Other items connected mainly with higher fuel stations costs due to greater sales volume and higher segment's amortization and depreciation amounted to PLN (-) 26 million (y/y).

At the end of June 2012 the number of catering points such as Stop Café and Stop Café Bistro amounted to 708 and was higher by 73 (y/y).

In the II quarter of 2012 in ORLEN Group one new fuel station was launched in CoDo system in Germany. Additionally, 3 new fuel stations were launched in franchising system in Poland, 21 fuel stations were modernized (18 in Poland, 2 in Czech Republic and 1 in Germany) and 3 fuel stations were closed (2 in Poland and 1 in Czech Republic).

Results of the ORLEN Group for the II quarter of 2012
(Translation of a document originally issued in Polish)

Segment commentary – Petrochemical Segment

Table 7

Q1 2012	Q2 2012	Q2 2011	change %	Item, PLNm	6 months 2012	6 months 2011	chnage %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
5 211	4 829	4 368	10.6	Segment revenues, including:	10 039	8 551	17.4
4 246	3 861	3 527	9.5	Sales to external customers	8 107	6 939	16.8
965	968	841	15.1	Transactions with other segments	1 932	1 612	19.9
-4 871	-4 472	-3 931	13.8	Segments expenses	-9 343	-7 746	20.6
6	22	84	-73.8	Other operating revenues/expenses, net	29	100	-71.0
346	379	521	-27.3	Profit from operations	725	905	-19.9
292	489	489	0.0	Profit from operations under LIFO	781	827	-5.6
545	557	726	-23.3	Profit from operations plus depreciation and amortisation (EBITDA)	1 101	1 277	-13.8
48	111	102	8.8	CAPEX	159	236	-32.6
1 381	1 181	1 216	-2.9	Sales of products (thousand tonnes)	2 562	2 469	3.8

In the II quarter of 2012 petrochemical segment's profit from operations of the ORLEN Group amounted to PLN 379 million and was lower by PLN (-) 142 million (y/y).

Negative effect of changes in prices of petrochemical products on valuation of inventories in the II quarter of 2012 decreased the operating result by PLN (-) 142 million (y/y).

Negative impact of lower model margins was compensated by positive result of changes in exchange rates, which in connection with positive sales volume effect, mainly due to PTA sales, has a positive influence on operating segment result by PLN 13 million (y/y).

Lower by PLN (-) 62 million positive balance on other operating activity reflects mainly lack of revenues from compensation related to fire and grants in Anwil S.A., which occurred in the II quarter of 2011.

Impact of other factors amounted to PLN 49 million (y/y) and included mainly lower depreciation and amortization due to fixed assets impairment allowances in Anwil and Unipetrol Group recognized in 2011.

In the II quarter of 2012 the segment's capital expenditures ("CAPEX") were higher by PLN 9 million (y/y) and amounted to PLN 111 million.

The most significant investments realized in this period comprised: modernization of pneumatics and automation of Phenol division, works associated with increase of operations security of Ethylene Oxide II installation and condensers exchange in Pirolytic Gases Switching Installation in PKN ORLEN S.A.; works associated with reduction of energy consumption and increase of production on fertilizers complex in Anwil S.A.; reconstruction of pirolytic furnace at Olefin's Installation in Unipetrol Group.

Results of the ORLEN Group for the II quarter of 2012
(Translation of a document originally issued in Polish)

Segment commentary – Corporate Functions

Table 8

Q1 2012	Q2 2012	Q2 2011	change %	Item, PLNm	6 months 2012	6 months 2011	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
76	87	80	8.7	Segment revenues, including:	163	154	5.8
22	33	25	32.0	Sales to external customers	55	46	19.6
54	54	55	-1.8	Transactions with other segments	108	108	0.0
-245	-269	-265	1.5	Segments expenses	-514	-468	9.8
4	-8	-29	72.4	Other operating revenues/expenses, net	-4	0	-
-165	-190	-214	11.2	Loss from operations	-355	-314	-13.1
-135	-161	-190	15.3	Loss from operations plus depreciation and amortisation (EBITDA)	-296	-262	-13.0
24	36	50	-28.0	CAPEX	61	74	-17.6

Lower by PLN 24 million (y/y) corporate function costs are mainly the result of restrictive cost policy due to current needs and market situation, and lack of negative effects on other operations that occurred in the II quarter of 2011, related mainly to disposal of redundant property items.

Capital expenditures ("CAPEX") of PLN 36 million in the II quarter of 2012 related mainly to the implementation of projects in the IT area, analytical work on the geological data obtained as well as preparation works for further upstream boreholes.

Results of the ORLEN Group for the II quarter of 2012
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Half-year condensed consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for 3 and 6 months ended
30 June 2012 and 30 June 2011

Table 9

Q1 2012	Q2 2012	Q2 2011	change %	Item, PLNm	6 months 2012	6 months 2011	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
29 248	27 955	25 641	9.0	Sales revenues	57 202	48 315	18.4
-26 981	-26 321	-23 440	12.3	Cost of sales	-53 301	-43 617	22.2
2 267	1 634	2 201	-25.8	Gross profit on sales	3 901	4 698	-17.0
-937	-902	-907	-0.6	Distribution expenses	-1 840	-1 785	3.1
-367	-373	-362	3.0	General and administrative expenses	-740	-691	7.1
132	138	199	-30.7	Other operating revenues	250	364	-31.3
-156	-122	-122	0.0	Other operating expenses	-257	-238	8.0
939	375	1 009	-62.8	Profit from operations	1 314	2 348	-44.0
827	597	159	275.5	Financial revenues	782	406	92.6
-233	-874	-172	408.1	Financial expenses	-465	-447	4.0
594	-277	-13	2 030.8	Financial revenues and expenses	317	-41	-
-1	0	123	-	Share in profit from investment accounted for under equity method	-1	187	-
1 532	98	1 119	-91.2	Profit before tax	1 630	2 494	-34.6
-288	-138	-201	-31.3	Income tax expense	-426	-428	-0.5
1 244	-40	918	-	Net profit/(loss)	1 204	2 066	-41.7
				Items of other comprehensive income:			
201	-478	-423	13.0	Hedging instruments valuation	-276	51	-
-89	17	71	-76.1	Hedging instruments settlement	-72	68	-
0	3	0	-	Fair value measurement of investment property as at the date of reclassification	3	0	-
-235	58	10	480.0	Foreign exchange differences on subsidiaries from consolidation	-176	180	-
-21	87	67	29.9	Deferred tax on other comprehensive income items	66	-22	-
-144	-312	-275	13.5	Total items of other comprehensive income	-456	277	-
1 100	-352	643	-	Total net comprehensive income	748	2 343	-68.1
1 244	-40	918	-	Net profit/(loss) attributable to:	1 204	2 066	-41.7
1 260	-5	899	-	equity holders of the parent	1 255	2 003	-37.3
-16	-35	19	-	non-controlling interest	-51	63	-
1 100	-352	643	-	Total comprehensive income attributable to:	748	2 343	-68.1
1 149	-298	612	-	equity holders of the parent	851	2 195	-61.2
-49	-54	31	-	non-controlling interest	-103	148	-
2.95	-0.01	2.10	-	Net profit/(loss) and diluted net profit/(loss) per share attributable to equity holders of the parent (in PLN per share)	2.93	4.68	-37.4

Results of the ORLEN Group for the II quarter of 2012
(Translation of a document originally issued in Polish)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2012 and 31 December 2011

Table 10

31.03.2012	30.06.2012	change %	Item, PLNm	31.12.2011	change %
1	2	3=(2-1)/1	4	5	6=(2-5)/5
ASSETS					
25 608	26 058	1.8	Property, plant and equipment	26 579	-2.0
116	118	1.7	Investment property	118	0.0
1 760	1 254	-28.8	Intangible assets	1 323	-5.2
95	95	0.0	Perpetual usufruct of land	96	-1.0
12	12	0.0	Investment accounted for under equity method	13	-7.7
41	41	0.0	Financial assets available for sale	40	2.5
350	349	-0.3	Deferred tax assets	399	-12.5
45	33	-26.7	Other non-current assets	31	6.5
28 027	27 960	-0.2	Total non-current assets	28 599	-2.2
17 849	16 171	-9.4	Inventories	16 297	-0.8
8 525	8 347	-2.1	Trade and other receivables	8 071	3.4
224	151	-32.6	Other short-term financial assets	293	-48.5
30	44	46.7	Income tax receivable	34	29.4
4 216	3 647	-13.5	Cash and cash equivalents	5 409	-32.6
27	19	-29.6	Non-current assets classified as held for sale	28	-32.1
30 871	28 379	-8.1	Total current assets	30 132	-5.8
58 898	56 339	-4.3	Total assets	58 731	-4.1
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
60	-309	-	Hedging reserve	-24	1187.5
5	7	40.0	Revaluation reserve	5	40.0
221	295	33.5	Foreign exchange differences on subsidiaries from consolidation	416	-29.1
23 119	23 115	0.0	Retained earnings	21 852	5.8
25 690	25 393	-1.2	Total equity attributable to equity holders of the parent	24 534	3.5
2 190	2 133	-2.6	Non-controlling interest	2 265	-5.8
27 880	27 526	-1.3	Total equity	26 799	2.7
9 905	10 125	2.2	Interest-bearing loans and borrowing	10 538	-3.9
605	605	0.0	Provisions	621	-2.6
840	784	-6.7	Deferred tax liabilities	741	5.8
16	18	12.5	Deferred income	16	12.5
170	177	4.1	Other long-term liabilities	203	-12.8
11 536	11 709	1.5	Total long-term liabilities	12 119	-3.4
15 361	13 564	-11.7	Trade and other liabilities	15 093	-10.1
1 481	1 737	17.3	Interest-bearing loans and borrowings	2 460	-29.4
709	52	-92.7	Income tax liability	674	-92.3
1 101	665	-39.6	Provisions	1 008	-34.0
538	424	-21.2	Deferred income	136	211.8
292	662	126.7	Other financial liabilities	442	49.8
19 482	17 104	-12.2	Total short-term liabilities	19 813	-13.7
31 018	28 813	-7.1	Total liabilities	31 932	-9.8
58 898	56 339	-4.3	Total liabilities and shareholders' equity	58 731	-4.1

Results of the ORLEN Group for the II quarter of 2012
(Translation of a document originally issued in Polish)

CONSOLIDATED STATEMENT OF CASH FLOWS
for 3 and 6 months ended
30 June 2012 and 30 June 2011

Table 11

Q1 2012	Q2 2012	Q2 2011	change %	Item, PLNm	6 months 2012	6 months 2011	change %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
Cash flows – operating activities							
1 244	-40	918	-	Net profit/(loss)	1 204	2 066	-41.7
				Adjustments for:			
1	0	-123	-	Share in profit from investments accounted for under equity method	1	-187	-
579	543	577	-5.9	Depreciation and amortisation	1 122	1 131	-0.8
-388	25	-3	-	Foreign exchange loss/(gain)	-364	67	-
87	96	117	-17.9	Interest net	183	193	-5.2
0	-2	-1	100.0	Dividends	-2	-1	100.0
36	-91	32	-	Profit/(Loss) on investing activities	-55	9	-
-662	287	-407	-	Change in receivables	-375	-1 280	-70.7
-1 778	1 831	-1 653	-	Change in inventories	53	-3 194	-
912	-2 089	1 478	-	Change in liabilities	-1 177	1 866	-
152	46	133	-65.4	Change in provisions	198	289	-31.5
288	138	201	-31.3	Income tax expense	426	428	-0.5
-181	-713	-74	863.5	Income tax (paid)	-894	-134	567.2
-142	-123	-188	-34.6	Other adjustments	-264	-288	-8.3
148	-92	1 007	-	Net cash provided by/(used in) operating activities	56	965	-94.2
Cash flows – investing activities							
-548	-442	-401	10.2	Acquisition of property, plant and equipment and intangible assets	-991	-1 251	20.8
11	5	0	-	Disposal of property, plant and equipment and intangible assets	16	273	-94.1
-10	-1	-12	-91.7	Acquisition of shares	-11	-12	-8.3
0	0	0	-	Disposal of shares	0	3	-
-17	0	-38	-	Acquisition of securities and deposits	-17	-92	-81.5
8	13	61	-78.7	Disposal of securities and deposits	20	72	-72.2
3	1	1	0.0	Interest received	4	5	-20.0
0	2	1	100.0	Dividends received	2	2	0.0
2	-51	0	-	(Outflows)/Proceeds from loans granted	-49	3	-
-5	138	-14	-	Other	135	-13	-
-556	-335	-402	-16.7	Net cash used in investing activities	-891	-1 010	-11.8
Cash flows – financing activities							
3 783	1 850	9 642	-80.8	Proceeds from loans and borrowings received	5 634	12 683	-55.6
1 000	0	1	-	Debt securities issued	1 000	0	-
-4 713	-1 903	-10 767	-82.3	Repayment of loans and borrowings	-6 616	-13 226	-50.0
-750	0	0	-	Redemption of debt securities	-750	0	-
-93	-80	-155	-48.4	Interest paid	-173	-253	-31.6
-7	-7	-7	0.0	Payment of liabilities under finance lease agreements	-15	-13	15.4
-2	-2	1	-	Other	-4	-2	100.0
-782	-142	-1 285	-88.9	Net cash used in financing activities	-924	-811	13.9
-1 190	-569	-680	-16.3	Net decrease in cash and cash equivalents	-1 759	-856	105.5
-3	0	1	-	Effect of exchange rate changes on cash and cash equivalents	-3	-6	-50.0
5 409	4 216	2 638	59.8	Cash and cash equivalents, beginning of the period	5 409	2 821	91.7
4 216	3 647	1 959	86.2	Cash and cash equivalents, end of the period	3 647	1 959	86.2

Results of the ORLEN Group for the II quarter of 2012
(Translation of a document originally issued in Polish)

SALE
for 3 and 6 months ended
30 June 2012 and 30 June 2011

Table 12

Q1 2012	Q2 2012	Q2 2011	changes %	Sales ('000 tonnes)	6 months 2012	6 months 2011	changes %
1	2	3	4=(2-3)/3	5	6	7	8=(6-7)/7
5 111	5 095	5 545	-8.1	Refining Segment	10 206	10 762	-5.2
1 166	1 089	1 330	-18.1	Light distillates [gasoline, LPG]	2 256	2 555	-11.7
2 381	2 221	2 456	-9.6	Medium distillates [diesel oil, light heating oil, JET A-1 fuel]	4 602	4 799	-4.1
863	1 083	1 057	2.5	Heavy fractions [heavy heating oil, asphalt, oils]	1 947	1 988	-2.1
701	702	702	0.0	Other	1 401	1 420	-1.3
1 732	1 873	1 836	2.0	Retail Segment	3 605	3 436	4.9
672	742	739	0.4	Light distillates [gasoline, LPG]	1 414	1 366	3.5
1 060	1 131	1 097	3.1	Medium distillates [diesel oil, light heating oil]	2 191	2 070	5.8
6 843	6 968	7 381	-5.6	Refining + Retail Segment	13 811	14 198	-2.7
1 381	1 181	1 216	-2.9	Petrochemical Segment	2 562	2 469	3.8
135	116	117	-0.9	Monomers [ethylene, propylene]	251	251	0.0
218	194	211	-8.1	Polimers [polyethylene, polypropylene]	412	425	-3.1
92	88	93	-5.4	Aromas [benzene, toluene, paraxylene, ortoxylene]	180	190	-5.3
367	225	281	-19.9	Fertilizers [CANWIL, ammonium nitrate, ammonium sulphate, other]	592	637	-7.1
99	84	97	-13.4	Plastics [PVC, PVC granulates]	183	199	-8.0
141	119	83	43.4	PTA	259	83	212.0
329	355	334	6.3	Other	685	684	0.1
8 224	8 149	8 597	-5.2	ORLEN Capital Group – Total	16 373	16 667	-1.8