

## KEY FACTORS INFLUENCING THE RESULTS OF THE III QUARTER 2007 – COMPANY'S COMMENTARY

### Selected consolidated financial data

Item	in thousand PLN	
	2007	2006
Total sales revenues for the 3 <sup>rd</sup> quarter	17 264 536	14 879 076
Operating expense and other operating revenues for the 3 <sup>rd</sup> quarter	16 430 714	13 730 981
Profit from operations for the 3 <sup>rd</sup> quarter	833 822	1 148 095
EBITDA for the 3 <sup>rd</sup> quarter	1 437 663	1 680 862
Net profit attributable to equity holders of the Parent for the 3 <sup>rd</sup> quarter	562 491	965 858

#### 1. MAIN MACROECONOMIC FACTORS

- fall in differential from 3.70 USD/bbl in the 3<sup>rd</sup> quarter 2006 to 2.77 USD/bbl in the 3<sup>rd</sup> quarter 2007 decreased operating result by PLN 101 million;
- negative tendencies in refinery, petrochemical and chemical margins decreased profit from operations of the Group by PLN 60 million;
- strengthening of PLN against USD unfavorably influenced profit from operations in the amount of PLN 111 million (effect of refinery, petrochemical and chemical margins and differential);
- high demand for artificial fertilizers and high demand for granulated products accompanied by slightly lowered demand for PVC favorably influenced operating results of Capital Group of Anwil which remained on comparable level – PLN 57 million in the 3<sup>rd</sup> quarter 2007 as compared to PLN 59 million in parallel period of 2006.

#### 2. INTERNAL FACTORS

- increase in retail sales volume of engine fuels of 10% contributed to an increase in profit from operations by PLN 35 million, whereas increase in retail sales volume of non-fuel merchandise and services increased profit from operations by PLN 12 million,
- high volume of sales of heating oil III by 503 thousand tonnes accompanied by negative margin on that product negatively influenced the operating result of the Group by PLN 325 million;
- high volume of sales of polyolefins amounting to 209 thousand tones in the third quarter 2007 favorably influenced the financial results of Basell ORLEN Polyolefins Sp. z o.o. – PLN 47 million as compared to PLN 41 million in the third quarter 2006;
- the effect of fall in retail margins was partially offset by an increase of margins on gasoline and resulted in a decrease of profit from operations by PLN 1 million;
- considerable cost cutting results of OPTIMA program in the 3rd quarter 2007 in the amount of PLN 122 million – the highest savings noted in refining segment and retail segment.