

Current Report dated 3rd March 2003

Impact of LIFO valuation of inventories

Polski Koncern Naftowy ORLEN Spolka Akcyjna ("PKN ORLEN"), Central Europe's largest downstream oil company, informs about **impact of LIFO valuation of inventories on unconsolidated financial results of PKN ORLEN and consolidated financial results of PKN ORLEN Capital Group for 4Q 2002 and after 4Q2002.**

Estimates of gross income and net income (after deferred taxation) assuming LIFO valuation of inventories of PKN ORLEN under Polish Accounting Standards (PAS) and of PKN ORLEN Capital Group under PAS and under International Financial Reporting Standards (IFRS) are as follows (PLN m):

	4Q 2002	After 4Q 2002	4Q 2001*	After 4Q 2001*
PKN ORLEN's unconsolidated gross profit under PAS	300	320	436	859
PKN ORLEN's unconsolidated net profit under PAS	167	180	309	624
Consolidated gross profit under PAS	294	461	477	1017
Consolidated net profit under PAS	165	273	347	741
Consolidated gross profit under IFRS	277	424	477	1065
Consolidated net profit under IFRS	126	222	343	751

* These figures are different from the previously released to make them comparable with these for 4Q 2002.

The assumptions used for the above LIFO estimates are the same as used for previously published LIFO estimates. These assumptions were published in current report no 29/2002 dated 21st May 2001.

About PKN ORLEN S.A.

PKN ORLEN S.A. is one of the largest companies in Central & Eastern Europe, with listings on the Warsaw and London Stock Exchanges, and trading on the OTC market in the U.S.A. It is Poland's largest refiner of crude oil and marketer of world-class petroleum and related products. It has a substantial wholesale and retail distribution system that includes the largest network of service stations in Poland. It also has significant financial investments in the telecommunications sector in Poland.