

## Q4 2006 Results of the PKN ORLEN Group in accordance with IFRS

### Performance - General Overview

#### Refining and Retail

- 2.5% higher oil throughput contributed to a growth in sales of gasoline and diesel oil by 9.0% and 13.1%, respectively.
- Decrease in the Ural-Brent differential from USD 3.63 per barrel to USD 3.56 per barrel caused a PLN 8m year-on-year drop in EBIT.
- Negative impact of lower refining margins combined with appreciation of the zloty against the U.S. dollar, which reduced EBIT by PLN 250m, was partly offset by higher sales volumes of gasoline, diesel oil, Ekoterm and Jet fuel (PLN 32m).
- Higher retail sales volumes at the Parent Company improved EBIT by PLN 60m, whereas the noticeable drop in retail margins on gasoline and LPG reduced EBIT by PLN 13m.
- Unipetrol reported high loss (PLN 137m) on its refining operations, attributable to repair shutdowns of the company's production units.

#### Petrochemicals and Chemicals

- The performance of Basell ORLEN Polyolefins Sp. z o.o. improved by PLN 17m due to 70% higher polyolefin sales volumes.
- High dynamics of sales of chemical products (nearly 23%) coupled with high selling prices increased the results of Anwil S.A.: PLN 94m in Q4 2006, compared with PLN 61m in Q4 2005.
- In connection with the proposed sale of Kauczuk a.s., the assets of this company were classified as held for sale and valued at fair value less liabilities and transaction costs, amounting to PLN 1,010m. The revaluation of the carrying value of these assets had a negative impact on the net result reported by the petrochemicals segment of the Unipetrol Group, which was a loss of PLN 79m.

#### General

- The EBITDA of PLN 713m vs. PLN 1,063m in Q4 2005 was due to deterioration of the macroeconomic conditions in the refining business.
- The Unipetrol Group reported a loss of PLN 258m, attributable to revaluation of Kauczuk a.s. to the fair value less liabilities and transaction costs: (-) PLN 230m.
- Implementation of the M&A strategy brought about an increase in the net debt to equity ratio from 16.7% in Q4 2005 to 21.4% in Q4 2006 (average values).
- Implementation of the OPTIMA savings programme yielded tangible cost efficiencies of PLN 84m, with the largest savings achieved in the refining and the chemicals segments.
- In Q4 2006, the Parent Company reduced its fixed costs by 5.2% year on year.

#### Financial Highlights

| Q4/06 | Q3/06 | q/q +/- (%) | Q4/05 | y/y +/- (%) | in PLNm, unless stated otherwise                                       | 2006  | 2005  |
|-------|-------|-------------|-------|-------------|--|-------|-------|
| -3    | 917   | -100.3      | 404   | -100.7      | Refining   | 1,762 | 3,538 |
| 82    | 211   | -61.1       | 151   | -45.7       | Petrochemicals   | 842   | 1,643 |
| 83    | 57    | 45.6        | 124   | -33.1       | Chemicals  | 226   | 286   |
| 182   | 187   | -2.7        | -25   | -828.0      | Retail   | 573   | 239   |
| -10   | -15   | -33.3       | -120  | -91.7       | Other <sup>1</sup>   | 32    | 153   |
| -161  | -178  | -9.6        | -90   | 78.9        | Unallocated <sup>2</sup>   | -517  | -911  |
| 173   | 1,179 | -85.3       | 444   | -61.0       | EBIT   | 2,918 | 4,948 |
| -244  | -63   | 287.1       | -258  | -5.3        | Non-recurring events <sup>3</sup>                                      | -311  | 1,271 |
| 0     | 0     | -           | -24   | -           | Refining   | 0     | 557   |
| -230  | 0     | -           | -17   | 1285.3      | Petrochemicals   | -230  | 915   |
| -10   | 0     | -           | 0     | -           | Chemicals  | -10   | 137   |
| -1    | -2    | -30.1       | -124  | -98.9       | Retail   | -5    | 10    |
| -11   | -3    | 255.5       | -71   | -85.1       | Other <sup>1</sup>   | -24   | 175   |
| 8     | -58   | -114.2      | -21   | -139.8      | Unallocated <sup>2</sup>   | -42   | -523  |
| 417   | 1,242 | -66.4       | 702   | -40.6       | Clean EBIT <sup>3</sup>  | 3,229 | 3,677 |
| 713   | 1,681 | -57.6       | 1,063 | -33.0       | EBITDA   | 5,021 | 6,728 |
| 957   | 1,744 | -45         | 1,321 | -27.6       | Clean EBITDA <sup>3</sup>  | 5,332 | 5,457 |
| 76    | 1,037 | -92.7       | 399   | -81.0       | Net profit   | 2,406 | 4,638 |
| 146   | 1,026 | -85.8       | 365   | -60.0       | Profit attributable to equity holders of the parent                    | 2,330 | 4,578 |
| 390   | 1,077 | -63.8       | 545   | -28.4       | Clean profit attributable to equity holders of the parent <sup>3</sup> | 2,628 | 3,219 |
| 1,046 | 1,533 | -31.8       | 918   | 13.9        | Net cash provided by (used in) operating activities                    | 3,706 | 3,664 |
| 2.1   | 16.0  | -86.9       | 6.5   | -67.7       | ROACE (%) <sup>4</sup>   | 9.0   | 21.8  |
| 21.9  | 10.9  | 100.9       | 16.7  | 31.1        | Net debt to equity ratio (%) <sup>5</sup>                              | 27.5  | 11.4  |
| 0.34  | 2.40  | -85.7       | 0.85  | -59.9       | EPS  | 5.45  | 10.70 |
| 0.91  | 2.52  | -63.7       | 1.28  | -28.4       | Clean EPS  | 6.14  | 7.53  |
| 0.00  | 0.00  | -           | 2.13  | -           | Dividend per share   | 0.00  | 2.13  |

- 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: excess of fair value of net assets acquired over the acquisition cost.  
4) ROACE = operating profit after tax / average capital employed (equity + net debt).  
5) Calculated based on the average values of the balance-sheet items.

#### Macroeconomic Factors

| Q4/06  | Q3/06  | q/q +/- (%) | Q4/05  | y/y +/- (%) |  | 2006   | 2005   |
|--------|--------|-------------|--------|-------------|--|--------|--------|
| 2.73   | 3.96   | -31.1       | 5.20   | -47.5       | Average refining margin <sup>1</sup> (USD/bbl) | 3.70   | 5.11   |
| 3.56   | 3.67   | -3.0        | 3.63   | -1.9        | Ural/Brent differential (USD/bbl)              | 3.91   | 4.15   |
| 59.60  | 69.61  | -14.4       | 56.89  | 4.8         | Average price of Brent crude (USD/bbl)         | 65.15  | 54.57  |
| 2.99   | 3.10   | -3.5        | 3.29   | -9.1        | Average PLN/USD exchange rate <sup>2</sup>     | 3.10   | 3.23   |
| 3.85   | 3.96   | -2.8        | 3.91   | -1.5        | Average PLN/EUR exchange rate <sup>2</sup>     | 3.90   | 4.02   |
| 699.18 | 623.16 | 12.2        | 545.92 | 28.1        | Average margin on ethylene (USD/t)             | 594.65 | 507.26 |
| 654.08 | 537.61 | 21.7        | 529.59 | 23.5        | Average margin on propylene (USD/t)            | 547.82 | 476.02 |

- 1) Calculated on the basis of the algorithm: Products (88.36%) vs. Brent Dtd (100%).  
Products include: gasoline (25.21%), Diesel fuel (23.20%), naphta (16.51%), light fuel oil (15.31%),  
(Source: CIF NWE quotations, except for HSFO FOB ARA).  
2) Source: National Bank of Poland.

## Segment Information

### *Market Overview*

In Q4 2006, the average price of Brent oil stood at USD 59.60 per barrel and was higher by USD 2.71 per barrel, or 4.8%, year on year. The rise in crude oil prices went hand in hand with a reduction of the URAL/Brent differential by 1.9%, from USD 3.63 per barrel in Q4 2005 to USD 3.56 per barrel in Q4 2006. In Q4 2006, the average commodity price of gasoline amounted to USD 542.01 per tonne and was lower by USD 2.26 per tonne, or 0.4%, on Q4 2005. Prices of diesel oil, Ekoterm and JET A-1 fuel were on the upward trend, having increased by USD 4.2 per tonne, USD 2.71 per tonne and USD 10.4 per tonne (i.e. 0.7%, 0.5% and 1.8%), respectively.

High product prices were accompanied by declining crack margins on gasoline (down by 19.7%), diesel oil (down by 11.4%), light fuel oil (by 15.3%) and the JET A-1 fuel (down by 6.1%). In Q4 2006, crack margins on benzene, ethylene, propylene, phenol, butadiene and acetone were high, having gone up by 109.1%, 28.1%, 23.5%, 37.3%, 30.0% and 10.4%, respectively. Negative margin of USD 76.72 per tonne was recorded in the case of glycol, compared with USD 23.48 per tonne in Q4 2005.

As far as the exchange rates are concerned, in Q4 2006 the euro fell by 1.5% (from 3.91 PLN/EUR in Q4 2005 to 3.85 PLN/EUR in Q4 2006) and the U.S. dollar weakened by 9.1% (from 3.29 PLN/USD in Q4 2005 to 2.99 PLN/USD in Q4 2006).

According to estimates by the Energy Market Agency (Agencja Rynku Energii S.A.), the domestic consumption of fuel (including gasoline, diesel oil and light fuel oil) increased in Q4 2006 by approximately 242 thousand tonnes (or 6.8%) compared with Q4 2005, and reached 3,826 thousand tonnes. In the period under review, the consumption of gasoline increased to 1,124 thousand tonnes (by 12.1%), and of diesel oil to 2,234 thousand tonnes (by 14.6%). According the Polish Central Statistics Office ("GUS"), Q4 2006 was a time of continued high growth in the main sectors of the Polish economy, with the dynamics of industrial production sold exceeding 10%. In the petroleum products segment, the production dynamics in Q4 2006 was 6.6%.

In Q4 2006, favourable economic conditions continued to prevail in Poland. According to estimates by the Gdańsk Institute for Market Economics ("IBnGR"), it was the seventh consecutive quarter when GDP grew year on year; in Q4 2006 it stood at 6.0%. IBnGR estimates that in 2006 as a whole the growth rate of the Polish economy reached 5.6%. In Q4 2006, the key driver of the growth was capital expenditure. Increasing consumption and capital expenditure further boosted the domestic demand, which IBnGR estimates at 6.7% in Q4 2006 and at 5.6% in 2006 as a whole.

In Q4 2006, consumer prices were 0.3% higher than in Q3 2006 and 1.4% higher than at the end of 2005. In the last quarter of the previous year, consumer prices increased by 0.4% from Q3 of 2005. Compared with Q4 2005, in Q4 2006 they went up by 1.3%. The strong economic growth over the last few quarters contributed to a further improvement of the situation on the labour market. At the end of the year, unemployment rate stood at 14.9%, and was 0.3 pp and 2.7 pp lower relative to the end of Q3 2006 and the end of 2005, respectively.

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### Refining (Production and Wholesale)

| Refining<br>(Production and<br>Wholesale)                               | 12 months ended<br>Dec 31 2006 |                    | 3 months ended<br>Dec 31 2006 |                   | 12 months ended<br>Dec 31 2005 |                   | 3 months ended<br>Dec 31 2005 |                   | % change<br>12 months |               | % change<br>3 months |                |
|---|--------------------------------|--------------------|-------------------------------|-------------------|--------------------------------|-------------------|-------------------------------|-------------------|-----------------------|---------------|----------------------|----------------|
|   | PLN '000                       | USD '000           | PLN '000                      | USD '000          | PLN '000                       | USD '000          | PLN '000                      | USD '000          | PLN '000              | USD '000      | PLN '000             | USD '000       |
| <b>Results according to IFRS</b>  |                                |                    |                               |                   |                                |                   |                               |                   |                       |               |                      |                |
| <b>Revenue, including:</b>  | <b>42,063,881</b>              | <b>13,548,453</b>  | <b>9,943,487</b>              | <b>3,329,144</b>  | <b>31,674,956</b>              | <b>9,792,239</b>  | <b>9,251,051</b>              | <b>2,811,784</b>  | <b>32.8%</b>          | <b>38.4%</b>  | <b>7.5%</b>          | <b>18.4%</b>   |
| Sales to third parties  | 25,147,164                     | 8,099,708          | 6,053,422                     | 2,026,725         | 20,285,018                     | 6,271,066         | 5,327,967                     | 1,619,394         | 24.0%                 | 29.2%         | 13.6%                | 25.2%          |
| Intra-company sales   | 16,916,717                     | 5,448,744          | 3,890,065                     | 1,302,419         | 11,389,938                     | 3,521,173         | 3,923,084                     | 1,192,391         | 48.5%                 | 54.7%         | -0.8%                | 9.2%           |
| <b>Segment's costs</b>  | <b>-40,223,331</b>             | <b>-12,955,626</b> | <b>-9,863,389</b>             | <b>-3,302,327</b> | <b>-28,640,333</b>             | <b>-8,854,092</b> | <b>-8,796,670</b>             | <b>-2,673,679</b> | <b>40.4%</b>          | <b>46.3%</b>  | <b>12.1%</b>         | <b>23.5%</b>   |
| Other operating income  | 134,071                        | 43,183             | 34,604                        | 11,586            | 141,897                        | 43,867            | 56,125                        | 17,059            | -5.5%                 | -1.6%         | -38.3%               | -32.1%         |
| Other operating expenses  | -212,972                       | -68,597            | -117,892                      | -39,471           | -230,806                       | -71,353           | -72,937                       | -22,169           | -7.7%                 | -3.9%         | 61.6%                | 78.0%          |
| Excess of fair value of net assets acquired over their acquisition cost |                                |                    |                               |                   | 592,166                        | 183,067           | -33,582                       | -10,207           |                       |               |                      |                |
| <b>Segment's profit/loss*</b>   | <b>1,761,649</b>               | <b>567,414</b>     | <b>-3,190</b>                 | <b>-1,068</b>     | <b>3,537,880</b>               | <b>1,093,727</b>  | <b>403,987</b>                | <b>122,789</b>    | <b>-50.2%</b>         | <b>-48.1%</b> | <b>-100.8%</b>       | <b>-100.9%</b> |
| Sales to third parties (thousand tonnes)                                | 12,629                         |                    | 3,081                         |                   | 11,125                         |                   | 3,085                         |                   | 13.5%                 |               | -0.1%                |                |

\*) The segment's operating profit/loss, net of the costs not allocated to any of the segments, incurred at the Group's level.

The major companies comprising the Refining segment are: PKN ORLEN S.A., Rafineria Trzebinia S.A., Rafineria Nafty Jedlicze S.A., ORLEN PetroProfit Sp. z o.o., ORLEN Petrogaz Płock Sp. z o.o., ORLEN PetroTank Sp. z o.o., ORLEN PetroZachód Sp. z o.o., ORLEN Asphalt Sp. z o.o., ORLEN Oil Sp. z o.o., and the companies belonging to the Unipetrol Group of the Czech Republic: Paramo a.s., Unipetrol Rafinerie a.s., and Ceska Rafinerska a.s.

In Q4 2006, the segment's revenue grew by 7.5% relative to the corresponding period of 2005. The increase cannot be attributed directly to higher fuel prices on the global markets, as in Q4 2006 fuel prices remained close to the previous year's level. The main drivers behind the segment's revenue growth were larger sales of diesel oil, which went up by 138.5 thousand tonnes (12.4%) in volume terms and PLN 526,191 thousand in value terms, and an increase in sales of bitumens, which grew by 69.0 thousand tonnes (34.1%) in volume terms and PLN 113,146 thousand in value terms. However, in Q4 2006 the downward trend in the sales volume of gasoline, prevailing for many months, continued, and the sales of this product declined by 11.9 thousand tonnes (1.8%). The drop is a result of market trends reflected in the dynamic growth in the number of LPG-fuelled cars. The lower sales of light fuel oil, which shrank by 105.4 thousand tonnes (20.0%), are due to high temperatures in Q4 2006, limiting the demand for the product, and a large number of customers switching to alternative energy sources. In Q4 2006, the segment's costs increased by 12.1%, which was due mainly to high crude oil prices (up by 4.8%) and higher costs of ethanol and natural gas (up by almost PLN 75m at the Parent Company).

The segment's operating result (a loss of PLN (-)3.2m, versus an operating profit of PLN 404.0m in Q4 2005) was significantly affected by the decrease in refining product margins, which brought about a more than PLN 144m decline in EBIT at the Parent Company alone. Another external factor with a significant bearing on the operating result was the strong appreciation of the zloty against the U.S. dollar. The cumulative negative effect of the stronger zloty (on the differential and the margins) was PLN 106m. The Group's operating result was additionally reduced by PLN 8m due to the year-on-year decrease in the Ural/Brent differential in Q4 2006. The PLN 156m loss recorded by the companies of the Unipetrol Group also contributed significantly to the drop

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in the operating result of the segment, as in Q4 2005 these companies reported an operating profit of PLN 41 m. Yet another adverse factor was the shutdowns of the production units at Ceska Rafinerska and Unipetrol Rafinerie a.s in November 2006.

In Q4 2006, the implementation of the OPTIMA Programme generated savings of PLN 30,509 thousand for the segment, i.e. 31% of total savings planned for 2006.

In Q4 2006, the expenditure on property, plant and equipment and intangible assets grew by PLN 113,842 thousand relative to Q4 2005.

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### Refining (Retail)

| Refining (Retail)  | 12 months ended<br>Dec 31 2006 |                   | 3 months ended<br>Dec 31 2006 |                   | 12 months ended<br>Dec 31 2005 |                   | 3 months ended<br>Dec 31 2005 |                   | % change<br>12 months |               | % change<br>3 months |                |
|--|--------------------------------|-------------------|-------------------------------|-------------------|--------------------------------|-------------------|-------------------------------|-------------------|-----------------------|---------------|----------------------|----------------|
|  | PLN '000                       | USD '000          | PLN '000                      | USD '000          | PLN '000                       | USD '000          | PLN '000                      | USD '000          | PLN '000              | USD '000      | PLN '000             | USD '000       |
| <b>Results according to IFRS</b>                               |                                |                   |                               |                   |                                |                   |                               |                   |                       |               |                      |                |
| <b>Revenue, including:</b>                                     | <b>14,977,571</b>              | <b>4,824,160</b>  | <b>3,794,408</b>              | <b>1,270,392</b>  | <b>13,753,434</b>              | <b>4,251,842</b>  | <b>3,761,655</b>              | <b>1,143,325</b>  | <b>8.9%</b>           | <b>13.5%</b>  | <b>0.9%</b>          | <b>11.1%</b>   |
| Sales to third parties   | 14,942,282                     | 4,812,794         | 3,787,163                     | 1,267,967         | 13,235,909                     | 4,091,851         | 3,276,161                     | 995,763           | 12.9%                 | 17.6%         | 15.6%                | 27.3%          |
| Intra-company sales  | 35,289                         | 11,366            | 7,245                         | 2,426             | 517,525                        | 159,992           | 485,494                       | 147,562           | -93.2%                | -92.9%        | -98.5%               | -98.4%         |
| <b>Segment's costs</b>   | <b>-14,493,886</b>             | <b>-4,668,369</b> | <b>-3,619,148</b>             | <b>-1,211,714</b> | <b>-13,541,918</b>             | <b>-4,186,453</b> | <b>-3,672,387</b>             | <b>-1,116,193</b> | <b>7.0%</b>           | <b>11.5%</b>  | <b>-1.4%</b>         | <b>8.6%</b>    |
| Other operating income   | 169,318                        | 54,536            | 48,075                        | 16,096            | 140,247                        | 43,357            | 60,445                        | 18,372            | 20.7%                 | 25.8%         | -20.5%               | -12.4%         |
| Other operating expenses                                       | -80,255                        | -25,850           | -41,592                       | -13,925           | -273,583                       | -84,578           | -183,715                      | -55,839           | -70.7%                | -69.4%        | -77.4%               | -75.1%         |
| Excess of fair value of net assets over their acquisition cost |                                |                   |                               |                   | 160,975                        | 49,765            | 8,555                         | 2,600             |                       |               |                      |                |
| <b>Segment's profit/loss*</b>                                  | <b>572,748</b>                 | <b>184,478</b>    | <b>181,743</b>                | <b>60,849</b>     | <b>239,155</b>                 | <b>73,934</b>     | <b>-25,447</b>                | <b>-7,734</b>     | <b>139.5%</b>         | <b>149.5%</b> | <b>-814.2%</b>       | <b>-886.8%</b> |
| Sales to third parties (thousand tonnes)                       | 4,100                          |                   | 1,081                         |                   | 3,499                          |                   | 913                           |                   | 17.2%                 |               | 18.4%                |                |

\*) The segment's operating profit/loss, net of the costs not allocated to any of the segments, incurred at the Group's level

The business operations of the following companies were classified as belonging to the retail segment: PKN ORLEN S.A., ORLEN Deutschland GmbH, ORLEN PetroProfit Sp. z o.o., ORLEN PetroCentrum Sp. z o.o., ORLEN PetroZachód Sp. z o.o. and Benzina a.s. of the Czech Unipetrol Group.

In Q4 2006, the segment's revenue increased by PLN 32,753 thousand, i.e. 0.9%, year on year. The growth was attributable to a 168.0 thousand tonnes rise (18.4%) in the sales volume, including growth of sales volume of diesel oil by 58.1 thousand tonnes (15.4%) and of gasoline by 115.6 thousand (23.6%). The higher sales volume of diesel oil was accompanied by higher sales revenue (up by PLN 143,780 thousand). Conversely, in the case of gasoline, there was a drop in sales value by PLN 111,832 thousand, due to lower prices of gasoline at service stations in Q4 2006. In the last quarter of 2006, sales of LPG declined by 3.6 thousand tonnes (8.1%).

The segment's operating profit for Q4 2006 reached PLN 181,743 thousand, while in the corresponding period of the previous year the segment reported a loss of PLN (-) 25,447 thousand. In Q4 2006, the Parent Company's profit in this segment amounted to PLN 169m, whereas in Q4 2005 the profit was PLN 142m. In Q4 2006, the retail business\* of ORLEN Deutschland in Germany sustained a loss of PLN 9m. To compare, in the corresponding period of the previous year, its loss amounted to PLN 162m, and was attributable to created provisions. The 24% increase in the Parent Company's retail sales of fuels (gasoline, diesel oil and LPG) contributed PLN 60m to the growth of the segment's operating result. In Q4 2006 the retail margins on gasoline and LPG dropped considerably year on year, by 18.8% and 22.2%, respectively. However, the margins on diesel oil went up by 25.6% year on year in Q4 2006. The trends in retail margins led to a PLN 13m decline in the Parent Company's EBIT. However, Q4 2006 saw a PLN 14.1m increase in margins on non-fuel goods and services, to PLN 86.2m.

The savings achieved by the segment thanks to the OPTIMA Programme in Q4 2006 amounted to PLN 11,561 thousand, which represents 15% of total savings planned for 2006.

In Q4 2006 expenditure on property, plant and equipment and intangible assets increased by PLN 57,574 thousand year on year.

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\*) ORLEN Deutschland is also engaged in wholesale business, classified as Production and Wholesale

**Petrochemicals**

| Petrochemicals  | 12 months ended<br>Dec 31 2006 |                   | 3 months ended<br>Dec 31 2006 |                   | 12 months ended<br>Dec 31 2005 |                   | 3 months ended<br>Dec 31 2005 |                 | % change<br>12 months |               | % change<br>3 months |               |
|---|--------------------------------|-------------------|-------------------------------|-------------------|--------------------------------|-------------------|-------------------------------|-----------------|-----------------------|---------------|----------------------|---------------|
|   | PLN '000                       | USD '000          | PLN '000                      | USD '000          | PLN '000                       | USD '000          | PLN '000                      | USD '000        | PLN '000              | USD '000      | PLN '000             | USD '000      |
| <b>Results according to IFRS</b>  |                                |                   |                               |                   |                                |                   |                               |                 |                       |               |                      |               |
| <b>Revenue, including:</b>  | <b>13,765,606</b>              | <b>4,433,796</b>  | <b>3,638,057</b>              | <b>1,218,045</b>  | <b>7,191,366</b>               | <b>2,223,194</b>  | <b>2,514,390</b>              | <b>764,229</b>  | <b>91.4%</b>          | <b>99.4%</b>  | <b>44.7%</b>         | <b>59.4%</b>  |
| Sales to third parties  | 9,439,689                      | 3,040,451         | 2,530,445                     | 847,209           | 5,106,799                      | 1,578,755         | 1,939,622                     | 589,533         | 84.8%                 | 92.6%         | 30.5%                | 43.7%         |
| Intra-company sales   | 4,325,917                      | 1,393,345         | 1,107,612                     | 370,836           | 2,084,567                      | 644,439           | 574,768                       | 174,696         | 107.5%                | 116.2%        | 92.7%                | 112.3%        |
| <b>Segment's costs</b>  | <b>-12,666,633</b>             | <b>-4,079,825</b> | <b>-3,340,120</b>             | <b>-1,118,294</b> | <b>-6,460,484</b>              | <b>-1,997,244</b> | <b>-2,399,843</b>             | <b>-729,413</b> | <b>96.1%</b>          | <b>104.3%</b> | <b>39.2%</b>         | <b>53.3%</b>  |
| Other operating income  | 148,079                        | 47,695            | 69,512                        | 23,273            | 70,475                         | 21,787            | 22,370                        | 6,799           | 110.1%                | 118.9%        | 210.7%               | 242.3%        |
| Other operating expenses  | -405,258                       | -130,530          | -285,185                      | -95,482           | -92,039                        | -28,454           | -26,719                       | -8,121          | 340.3%                | 358.7%        | 967.3%               | 1075.7%       |
| Excess of fair value of net assets acquired over their acquisition cost |                                |                   |                               |                   | 934,112                        | 288,779           | 41,191                        | 12,520          |                       |               |                      |               |
| <b>Segment's profit/loss*</b>   | <b>841,794</b>                 | <b>271,135</b>    | <b>82,264</b>                 | <b>27,543</b>     | <b>1,643,430</b>               | <b>508,063</b>    | <b>151,389</b>                | <b>46,013</b>   | <b>-48.8%</b>         | <b>-46.6%</b> | <b>-45.7%</b>        | <b>-40.1%</b> |
| Sales to third parties (thousand tonnes)                                | 3,044                          |                   | 765                           |                   | 1,923                          |                   | 873                           |                 | 58.3%                 |               | -12.4%               |               |

\*) The segment's operating profit/loss, net of the costs not allocated to any of the segments, incurred at the Group's level.

Starting from 2006, the Petrochemicals segment has been divided into two areas of operations: Petrochemicals and Chemicals. The new Petrochemicals segment comprises petrochemical operations of the following companies: PKN ORLEN S.A., Etylobenzen Sp. z o.o., Chemopetrol a.s., Kaucuk a.s. and Unipetrol Trade a.s. (subsidiaries of Unipetrol a.s.), the petrochemicals business of ORLEN PetroZachód Sp. z o.o., and Basell Orlen Polyolefins Sp. z o.o.

In Q4 2006, the segment's revenue was higher by PLN 1,123,667 thousand (44.7%) in comparison with the corresponding period of 2005. In Q4 2006, an increase was recorded in the sales volumes of most of the segment's key products, such as polyolefins (a total increase of 70.1%) and olefins (17.3%). Significant increases were also recorded in the sales of butadiene (20.3%), benzene (12.6%), ethylene oxide (20.4%) and ortoxtylene (27.3%).

In Q4 2006, the segment's profit was PLN 82,264 thousand, versus PLN 151,389 thousand in Q4 2005. The Q4 2005 operating profit was increased as a result of an adjustment reflecting the excess of the fair value of the acquired net assets of the Unipetrol Group over their acquisition cost, amounting to PLN 41m. After eliminating that amount, the segment's EBIT fell by 25.3%, mainly because of the weak performance of the Czech companies of the Unipetrol Group in the petrochemicals segment (the companies reported a loss of PLN 79m, compared with a loss of PLN 45m in Q4 2005). On the other hand, in Q4 2006 the operating profit of the Parent Company reached PLN 146m versus PLN 158m in the corresponding period of the previous year. Strong operating performance in the Petrochemicals segment was recorded by Basell Orlen Polyolefins Sp. z o.o., which generated a profit of PLN 17m, versus a loss of PLN 23m in Q4 2005.

In Q4 2006, the implementation of the OPTIMA Programme generated savings of PLN 0.3 thousand for the segment, i.e. 29% of total savings planned for 2006.

In Q4 2006, the expenditure on property, plant and equipment and intangible assets grew by PLN 9,121 thousand compared with Q4 2005.

## Q4 2006 Results of the PKN ORLEN Group in accordance with IFRS

### Chemicals

| Chemicals  | 12 months ended<br>Dec 31 2006 |                 | 3 months ended<br>Dec 31 2006 |                 | 12 months ended<br>Dec 31 2005 |                 | 3 months ended<br>Dec 31 2005 |                 | % change<br>12 months |               | % change<br>3 months |               |
|--|--------------------------------|-----------------|-------------------------------|-----------------|--------------------------------|-----------------|-------------------------------|-----------------|-----------------------|---------------|----------------------|---------------|
|  | PLN '000                       | USD '000        | PLN '000                      | USD '000        | PLN '000                       | USD '000        | PLN '000                      | USD '000        | PLN '000              | USD '000      | PLN '000             | USD '000      |
| <b>Revenue, including:</b>                                     | <b>2,408,099</b>               | <b>775,630</b>  | <b>527,335</b>                | <b>176,555</b>  | <b>1,885,437</b>               | <b>582,878</b>  | <b>579,298</b>                | <b>176,073</b>  | <b>27.7%</b>          | <b>33.1%</b>  | <b>-9.0%</b>         | <b>0.3%</b>   |
| Sales to third parties   | 2,402,145                      | 773,712         | 526,464                       | 176,264         | 1,747,013                      | 540,085         | 514,017                       | 156,231         | 37.5%                 | 43.3%         | 2.4%                 | 12.8%         |
| Intra-company sales  | 5,954                          | 1,918           | 871                           | 292             | 138,424                        | 42,793          | 65,281                        | 19,842          | -                     | -             | -                    | -             |
| <b>Costs and expenses</b>                                      | <b>-2,206,072</b>              | <b>-710,559</b> | <b>-454,099</b>               | <b>-152,035</b> | <b>-1,758,857</b>              | <b>-543,747</b> | <b>-478,981</b>               | <b>-145,583</b> | <b>25.4%</b>          | <b>30.7%</b>  | <b>-5.2%</b>         | <b>4.4%</b>   |
| Other operating income   | 36,738                         | 11,833          | 16,338                        | 5,470           | 26,609                         | 8,226           | 13,246                        | 4,026           | 38.1%                 | 43.8%         | 23.3%                | 35.9%         |
| Other operating expenses                                       | -12,705                        | -4,092          | -6,147                        | -2,058          | -4,311                         | -1,333          | -2,212                        | -672            | 194.7%                | 207.0%        | 177.9%               | 206.3%        |
| Excess of fair value of net assets over their acquisition cost |                                |                 |                               |                 | 136,755                        | 42,277          | 12,819                        | 3,896           |                       |               |                      |               |
| <b>Segment's profit/loss*</b>                                  | <b>226,060</b>                 | <b>72,812</b>   | <b>83,427</b>                 | <b>27,932</b>   | <b>285,633</b>                 | <b>88,303</b>   | <b>124,170</b>                | <b>37,740</b>   | <b>-20.9%</b>         | <b>-17.5%</b> | <b>-32.8%</b>        | <b>-26.0%</b> |
| Sales to third parties (thousand tonnes)                       | 1,820                          |                 | 404                           |                 | 1,326                          |                 | 324                           |                 | 37.3%                 |               | 24.7%                |               |

\*The segment's operating profit/loss, net of the costs not allocated to any of the segments, incurred at the Group's level.

Starting from 2006, the Petrochemicals segment has been divided into two areas of operations: Petrochemicals and Chemicals. The new Chemicals segment comprises operations of the following companies: Zakłady Azotowe Anwil S.A., Spolana a.s. and ORLEN PetroProfit Sp. z o.o. In Q4 2006, Zakłady Azotowe Anwil S.A. concluded a purchase agreement with Unipetrol a.s. whereby it acquired Unipetrol's stake in Spolana a.s., representing 81.8% of that company's share capital. The aggregate price for the acquired shares amounted to ca. PLN 88m and was paid by ANWIL with internally generated cash.

The segment's revenue posted in Q4 2006 was down by PLN 51,963 thousand (9%) on the previous year's figure. The revenue dynamics was to a large extent driven by an increase in the average selling prices of polyvinyl chloride (up by 5.7%), ammonium nitrate (up by 11.6%), PVC granulate (up by 7.0%) and CANWIL (up by 7.3%). Additionally, the discussed period witnessed a surge in the sales volumes of the segment's key products, including ammonium nitrate, PVC granulate and caustic soda, whose sales grew by 30.0 thousand tonnes, 9.8 thousand tonnes and 39.9 thousand tonnes, respectively. The sales of CANWIL reached the level of 89.8 thousand tonnes and so were virtually on a par with those reported in Q4 2005. Only the sales of polyvinyl chloride showed a 2.9% decline relative to Q4 2005.

The good situation on the nitrogen fertilisers market was attributable to the transfer of drought loan proceeds to farmers, the sale of stored grain, and payments for sugar beet deliveries. Another factor with a considerable bearing on the sales of fertilisers was the anticipated rise in the price of natural gas (key raw material in fertiliser production) as of January 2007, which will influence the prices of nitrogen products (stocking up). A relatively strong demand for polyvinyl chloride and granulates followed from the upswing in the market of investment and construction goods, which lasted into Q4 2006, and the mild weather which made it possible to carry out construction work (extended construction season). Additionally, increased granulate exports to Ukraine, Russia and Belarus resulted from a growing demand from those markets and the persisting shortage of PVC experienced by the Russian market. These favourable sale trends buoyed up the results of

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Anwil S.A. In Q4 2006, the company reported an operating profit of PLN 94m, up by PLN 32m relative to Q4 2005. In the same market segment Unipetrol a.s. incurred a loss of PLN 10m vs. a loss of PLN 11m in Q4 of the previous year.

Owing to the combined effect of the above factors, the segment's profit totalled PLN 83,427 thousand, whereas in Q4 2005 it stood at PLN 124,170 thousand. The 2005 operating profit includes the amount of PLN 12,819 thousand, representing the excess of the fair value of Unipetrol a.s.'s net assets over their acquisition cost.

In Q4 2006, the expenditure on property, plant and equipment and intangible assets was reduced by PLN 21,262 thousand. In Q4 2006, the implementation of the OPTIMA programme generated savings of PLN 21,535 thousand for the segment, i.e. 42% of total savings planned for 2006.

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### Other Activities

| Other activities   | 12 months ended<br>Dec 31 2006 |                 | 3 months ended<br>Dec 31 2006 |                 | 12 months ended<br>Dec 31 2005 |                 | 3 months ended<br>Dec 31 2005 |                 | % change<br>12 months |               | % change<br>3 months |               |
|--|--------------------------------|-----------------|-------------------------------|-----------------|--------------------------------|-----------------|-------------------------------|-----------------|-----------------------|---------------|----------------------|---------------|
|  | PLN '000                       | USD '000        | PLN '000                      | USD '000        | PLN '000                       | USD '000        | PLN '000                      | USD '000        | PLN '000              | USD '000      | PLN '000             | USD '000      |
| <b>Results according to IFRS</b>                               |                                |                 |                               |                 |                                |                 |                               |                 |                       |               |                      |               |
| <b>Revenue, including:</b>                                     | <b>1,998,151</b>               | <b>643,589</b>  | <b>515,223</b>                | <b>172,500</b>  | <b>1,690,097</b>               | <b>522,490</b>  | <b>525,244</b>                | <b>159,644</b>  | <b>18.2%</b>          | <b>23.2%</b>  | <b>-1.9%</b>         | <b>8.1%</b>   |
| Sales to third parties   | 938,215                        | 302,192         | 217,738                       | 72,900          | 813,528                        | 251,500         | 295,116                       | 89,698          | 15.3%                 | 20.2%         | -26.2%               | -18.7%        |
| Intra-company sales  | 1,059,936                      | 341,397         | 297,485                       | 99,600          | 876,569                        | 270,989         | 230,128                       | 69,946          | 20.9%                 | 26.0%         | 29.3%                | 42.4%         |
| <b>Costs and expenses</b>                                      | <b>-1,959,045</b>              | <b>-630,993</b> | <b>-528,685</b>               | <b>-177,007</b> | <b>-1,710,174</b>              | <b>-528,696</b> | <b>-563,176</b>               | <b>-171,173</b> | <b>14.6%</b>          | <b>19.3%</b>  | <b>-6.1%</b>         | <b>3.4%</b>   |
| Other operating income   | 86,091                         | 27,729          | 64,220                        | 21,501          | 42,006                         | 12,986          | 13,990                        | 4,252           | 104.9%                | 113.5%        | 359.0%               | 405.7%        |
| Other operating expenses                                       | -93,440                        | -30,096         | -60,580                       | -20,283         | -119,066                       | -36,809         | -86,899                       | -26,412         | -21.5%                | -18.2%        | -30.3%               | -23.2%        |
| Excess of fair value of net assets over their acquisition cost | 0                              |                 | 0                             |                 | 249,713                        | 77,198          | -9,583                        | -2,913          |                       |               |                      |               |
| <b>Segment's profit/loss*</b>                                  | <b>31,757</b>                  | <b>10,229</b>   | <b>-9,822</b>                 | <b>-3,288</b>   | <b>152,576</b>                 | <b>47,169</b>   | <b>-120,424</b>               | <b>-36,602</b>  | <b>-79.2%</b>         | <b>-78.3%</b> | <b>-91.8%</b>        | <b>-91.0%</b> |
| Sales to third parties (thousand tonnes)                       | 166                            |                 | 96                            |                 | 204                            |                 | 59                            |                 | -18.6%                |               | 62.7%                |               |

\*)The segment's operating profit/loss, net of the costs not allocated to any of the segments, incurred at the Group's level.

Apart from the companies engaged in the production of energy and provision of services to PKN ORLEN S.A., the Other Activities segment includes a number of undertakings which were spun off, mainly as a result of the Group restructuring.

In Q4 2006, the segment sustained a loss of PLN 9,822 thousand. By way of comparison, the loss incurred in Q4 2005 amounted to PLN 120,424 thousand. The major driver of the negative result on Other Activities was the performance of the Unipetrol Group's operations included in the discussed segment, which in Q4 2006 posted a loss of PLN 30,897 thousand.

In Q4 2006, the implementation of the OPTIMA programme generated savings of PLN 20,505 thousand for the segment, i.e. 33% of total savings planned for 2006.

In Q4 2006, the expenditure on property, plant and equipment and intangible assets grew by PLN 26,174 thousand compared with Q4 2005.

## Financial Overview

### *Income Statement*

In Q4 2006, the Group's total sales revenue increased by PLN 1,762,349 thousand (or 15.5%) compared with Q4 2005, on the back of higher sales to third parties in most areas of the Group's operations. In Refining (Production + Wholesale) the sales revenue rose by PLN 725,455 thousand (or 13.6%), in Refining (Retail) by 511,002 thousand (or 15.6%), in Petrochemicals by PLN 580,460 thousand (or 30.3%), and in Chemicals by PLN 12,447 thousand (or 2.4%). Other Activities were the only segment where sales value decreased, by PLN 77,378 thousand (or 26.2%). The growth in the sales value followed from an increase of 165.1 thousand tonnes in the Group's total sales volume. A particularly material growth was recorded in the volume of wholesale and retail sales of engine fuels (gasolines, diesel oil, liquefied petroleum gas, Jet A-1 fuel) and light fuel oil (Ekoterm), which expanded by 191.8 thousand tonnes (or 5.7%) relative to Q4 2005.

In the last quarter of 2006, the operating expenses went up by PLN 1,986,993 thousand (or 18.6%). The greater dynamics of this item is attributable to the increased scale of the Group's business. A noteworthy development is the reduction of the share of fixed costs (depreciation and amortisation, contracted services, salaries and wages, taxes and charges, as well as other operating expenses) in the total operating expenses.

In Q4 2006, the cost of products sold grew by PLN 1,279,555 thousand (or 19.9%), driven mainly by the higher cost of processed crude oil. The gross profit on sales amounted to PLN 1,570,648 thousand and was lower by PLN 272,128 thousand (or 14.8%) than in Q4 2005.

In Q4 2006, the Group recorded lower selling costs of PLN 750,975 thousand: they decreased by PLN 61,118 thousand (or 7.5%) year on year. Over the same period the general and administrative expenses slightly rose, to PLN 371,285 thousand. The reduction of selling costs was attributable mainly to the lower selling costs of Unipetrol a.s., Petroprofit Sp. z o.o. and Petrozachód Sp. z o.o. The aggregate selling costs of these companies fell by PLN 89m in Q4 2006 relative to the corresponding period of the previous year.

In Q4 2006, the Group's other operating income and other operating expenses increased by PLN 64,290 thousand and PLN 110,443 thousand, respectively. One of the drivers of the increase in other operating income was the release by the Parent Company of a provision for reclamation expenses in the amount of PLN 92m, while the increase in other operating expenses followed from an increase in other operating expenses at the Unipetrol Group.

In Q4 2006, the Group earned an operating profit of PLN 173m, compared with PLN 444m in Q4 2005. This large difference was caused by a significant decrease in the operating results recorded by the Group companies. The Q4 2006 operating profit was to the largest extent affected by the operating loss of PLN 258m recorded by the Unipetrol Group and caused by revaluation of Kauczuk a.s. assets to the fair value less liabilities and transaction costs (the revaluation was made in connection with the intended sale of shares in the company); the effect of the revaluation in the amount of (-) PLN 230m was charged against other operating expenses.

In Q4 2006, financial income amounted to PLN 180,074 thousand and was higher by PLN 10,574 thousand than in Q4 2005. Over the same period, the Group's financial expenses grew by PLN 96,261 thousand, owing to the increase in the Parent Company's debt related to the financing of the Mazeikiu Refinery

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acquisition. Consequently, in Q4 2006 the Group recorded a net loss on financing activities in the amount of PLN 68,210 thousand vs. a net profit on financing activities of PLN 17,477 thousand in Q4 2005.

In Q4 2006, the share in the net profit of the Group undertakings valued with the equity method stood at PLN 55,695 thousand, compared with PLN 21,974 thousand in Q4 2005.

In Q4 2006, corporate income tax amounted to PLN 84,445 thousand, up by PLN 536 thousand on Q4 2005.

In Q4 2006, the Group earned a net profit of PLN 76,145 thousand, which means a decrease of PLN 323,210 on the respective figure for Q4 2005.

### ***Balance Sheet***

As at the end of Q4 2006, the Group had total assets of PLN 45,790,472 thousand, up by 37.1% relative to December 31st 2005. Over the same period, non-current assets increased by PLN 7,097,724 thousand (or 34.0%), to PLN 27,983,256 thousand, mainly due to the purchase of the Mazeikiu Refinery. Current assets grew from PLN 12,518,779 thousand as at December 31st 2005 to PLN 17,807,216 thousand as at December 31st 2006. The increase in current assets was driven mainly by the increases in inventories and trade and other receivables, as well as cash, by PLN 1,297,465 thousand, PLN 1,531,891 thousand and PLN 1,237,395 thousand, respectively. When compared with the value as at the end of 2005, working capital (current assets - current liabilities) went down from PLN 3,981,310 thousand to PLN 2,906,944 thousand, as a result of the increased debt.

As at the end of Q4 2006, the Group's total equity stood at PLN 21,935,724 thousand, and was higher by PLN 2,622,736 thousand (or 13.6%) than as at the end of 2005, primarily thanks to an increase in retained profit of PLN 2,386,036 thousand and currency translation differences of PLN 178,051 thousand. Non-current liabilities amounted to PLN 8,954,475 thousand, that is PLN 3,400,622 more than as at the end of 2005, mainly owing to the increase in loans and borrowings of PLN 2,805,215 thousand. This increase was principally driven by the increase of PLN 2,121,465 in long-term loans and borrowings of the Parent Company. Current liabilities were also on the rise, going up from PLN 8,537,469 thousand as at December 31st 2005 to PLN 14,900,272 thousand as at December 31st 2006. Under current liabilities, significant increases were recorded in loans and borrowings (PLN 3,122,761 thousand), as well as in trade and other payables and accruals (PLN 1,585,364 thousand). The 5,927,976 thousand increase in the Group's total debt (under loans, borrowings and securities in issue), to PLN 10,444,773 thousand as at the end of 2006, was attributable to the purchase of the Mazeikiu Refinery.

### ***Cash-Flow Statement***

In Q4 2006, net cash provided by operating activities stood at PLN 1,045,838, up by PLN 128,033 thousand relative to Q4 2005. This increase was principally driven by favourable trends seen in Q4 2006, when compared with Q4 2005, in inventories (a decrease of PLN 85,807 thousand in Q4 2006, compared with an increase of PLN 434,034 thousand in Q4 2005) and receivables (a drop by PLN 644,221 thousand in Q4 2006, compared with an increase of PLN 83,646 thousand in Q4 2005). On the other hand, operating cash flows were adversely affected by the changes in liabilities and accruals (in Q4 2006, the decrease in liabilities caused a

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reduction of cash by PLN 5,637 thousand, while in Q4 2005, an increase in liabilities translated into an increase in cash of PLN 536,892 thousand).

In Q4 2006, net cash used in investing activities stood at (-) PLN 5,287,094 thousand, compared with (-) PLN 792,084 thousand in Q4 2005. The larger amount of cash used in investing activities resulted from the Parent Company's acquisition of financial assets in AB Mazeikiu Nafta for PLN 6,759.7m in Q4 2006. In Q4 2006, financing activities provided net cash of PLN 4,960,971 thousand, while in Q4 2005 the net cash flow on financing activities was negative: (-) PLN 256,625 thousand. The positive net balance on financing activities in Q4 2006 is connected with the increase in long- and short-term loans and borrowings contracted by the Parent Company in the amount of PLN 5,120,127 thousand (vs. repayment of loans and borrowings of PLN 134,813 thousand in Q4 2005).

These cash flows caused an increase in cash to PLN 2,364,198 thousand as at December 31st 2006, which is PLN 1,237,395 more than as at the end of December 2005.

**APPENDIX I**  
**POLSKI KONCERN NAFTOWY ORLEN S.A.**  
**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**for the periods of 12 and 3 months ended**  
**December 31st 2006 and December 31st 2005**  
**(PLN '000)**

| ITEM   | 12 months ended<br>Dec 31 2006<br>(unaudited) | 3 months ended<br>Dec 31 2006<br>(unaudited) | 12 months ended<br>Dec 31 2005<br>(unaudited) | 3 months ended<br>Dec 31 2005<br>(unaudited) | % change<br>12 months | % change<br>3 months |
|--|---|--|---|--|-----------------------|----------------------|
| Revenue from sales of products   | 50,092,092                                    | 11,908,457                                   | 41,015,030                                    | 11,797,822                                   | 22.1%                 | 0.9%                 |
| Excise tax and other charges   | -12,405,621                                   | -3,079,173                                   | -12,193,390                                   | -3,778,495                                   | 1.7%                  | -18.5%               |
| <b>Net revenue from sales of products</b>                              | <b>37,686,471</b>                             | <b>8,829,284</b>                             | <b>28,821,640</b>                             | <b>8,019,327</b>                             | <b>30.8%</b>          | <b>10.1%</b>         |
| Revenue from sales of goods for resale and materials                   | 16,255,925                                    | 4,768,581                                    | 12,676,620                                    | 3,449,074                                    | 28.2%                 | 38.3%                |
| Excise tax and other charges   | -1,072,901                                    | -482,633                                     | -309,993                                      | -115,518                                     | 246.1%                | 317.8%               |
| <b>Net revenue from sales of goods for resale and materials</b>        | <b>15,183,024</b>                             | <b>4,285,948</b>                             | <b>12,366,627</b>                             | <b>3,333,556</b>                             | <b>22.8%</b>          | <b>28.6%</b>         |
| <b>Total sales revenue</b>   | <b>52,869,495</b>                             | <b>13,115,232</b>                            | <b>41,188,267</b>                             | <b>11,352,883</b>                            | <b>28.4%</b>          | <b>15.5%</b>         |
| Cost of products sold  | -32,156,223                                   | -7,713,704                                   | -22,510,985                                   | -6,434,149                                   | 42.8%                 | 19.9%                |
| Cost of goods for resale and materials sold                            | -13,711,215                                   | -3,830,880                                   | -11,567,863                                   | -3,075,958                                   | 18.5%                 | 24.5%                |
| <b>Cost of products and materials sold</b>                             | <b>-45,867,438</b>                            | <b>-11,544,584</b>                           | <b>-34,078,848</b>                            | <b>-9,510,107</b>                            | <b>34.6%</b>          | <b>21.4%</b>         |
| <b>Gross profit on sales</b>   | <b>7,002,057</b>                              | <b>1,570,648</b>                             | <b>7,109,419</b>                              | <b>1,842,776</b>                             | <b>-1.5%</b>          | <b>-14.8%</b>        |
| Selling costs  | -2,640,797                                    | -750,975                                     | -2,391,290                                    | -812,093                                     | 10.4%                 | -7.5%                |
| General and administrative expenses                                    | -1,171,411                                    | -371,285                                     | -1,039,333                                    | -357,651                                     | 12.7%                 | 3.8%                 |
| Other operating income*  | 612,975                                       | 238,529                                      | 2,330,291                                     | 174,239                                      | -73.7%                | 36.9%                |
| Other operating expenses   | -886,921                                      | -513,902                                     | -1,090,863                                    | -403,459                                     | -18.7%                | 27.4%                |
| Gain on disposal of all or part of shares in subordinated undertakings | 1,835   | 90   | 29,396  | 1  | -93.8%                | 8900.0%              |
| <b>Operating profit</b>  | <b>2,917,738</b>                              | <b>173,105</b>                               | <b>4,947,620</b>                              | <b>443,813</b>                               | <b>-41.0%</b>         | <b>-61.0%</b>        |
| Financial income   | 603,119                                       | 180,074                                      | 669,028                                       | 169,500                                      | -9.9%                 | 6.2%                 |
| Financial expenses **  | -670,368                                      | -248,284                                     | -480,195                                      | -152,023                                     | 39.6%                 | 63.3%                |
| <b>Net financial income/expenses</b>                                   | <b>-67,249</b>                                | <b>-68,210</b>                               | <b>188,833</b>                                | <b>17,477</b>                                | <b>-135.6%</b>        | <b>-490.3%</b>       |
| Share in net profit/loss of undertakings valued with equity method     | 220,701                                       | 55,695                                       | 202,768                                       | 21,974                                       | 8.8%                  | 153.5%               |
| <b>Profit before tax</b>   | <b>3,071,190</b>                              | <b>160,590</b>                               | <b>5,339,221</b>                              | <b>483,264</b>                               | <b>-42.5%</b>         | <b>-66.8%</b>        |
| Corporate income tax   | -665,407                                      | -84,445                                      | -701,445                                      | -83,909                                      | -5.1%                 | 0.6%                 |
| <b>Net profit</b>  | <b>2,405,783</b>                              | <b>76,145</b>                                | <b>4,637,776</b>                              | <b>399,355</b>                               | <b>-48.1%</b>         | <b>-80.9%</b>        |
| including:   |   |  |   |  |                       |                      |
| Profit (loss) attributable to minority interests                       | 75,531  | -70,309                                      | 59,320  | 33,876                                       | 27.3%                 | -307.5%              |
| <b>Profit attributable to equity holders of the Parent Company</b>     | <b>2,330,252</b>                              | <b>146,454</b>                               | <b>4,578,456</b>                              | <b>365,479</b>                               | <b>-49.1%</b>         | <b>-59.9%</b>        |

\* Including, in 2005, PLN 1,893,688 attributable to the excess of the fair value over the acquisition cost of the shares of Unipetrol a.s..

\*\* Including, in Q4 2006, an amount of PLN (162,323) thousand resulting from rollover and settlement of financial instruments hedging future payments for the shares of the Mazeikiu Group; because these instruments are non-standard, hedging accounting was not applied to these transactions.

## APPENDIX II

### POLSKI KONCERN NAFTOWY ORLEN S.A. CONDENSED CONSOLIDATED BALANCE SHEETS as at December 31st 2006 and December 31st 2005 (PLN '000))

| ITEM   | Dec 31 2006<br>(unaudited) | Dec 31 2005       | % change       |
|--|----------------------------|-------------------|----------------|
| <b>ASSETS</b>  |                            |                   |                |
| <b>Non-current assets</b>                                    |                            |                   |                |
| Property, plant and equipment                                | 25,134,597                 | 18,510,754        | 35.8%          |
| Intangible assets  | 619,636                    | 513,167           | 20.7%          |
| Goodwill   | 568,569                    | 115,447           | 392.5%         |
| Financial assets   | 558,452                    | 550,984           | 1.4%           |
| Shares in undertakings valued with equity method             | 728,783                    | 1,025,077         | -28.9%         |
| Loans granted  | 5,272                      | 7,145             | -26.2%         |
| Deferred tax asset   | 159,347                    | 62,131            | 156.5%         |
| Investment property  | 34,925                     | 11,557            | 202.2%         |
| Perpetual usufruct right to land                             | 87,722                     | 76,172            | 15.2%          |
| Other non-current assets                                     | 85,953                     | 13,098            | 556.2%         |
| <b>Total non-current assets</b>                              | <b>27,983,256</b>          | <b>20,885,532</b> | <b>34.0%</b>   |
| <b>Current assets</b>  |                            |                   |                |
| Inventories  | 7,410,702                  | 6,113,237         | 21.2%          |
| Trade and other receivables                                  | 6,309,529                  | 4,777,638         | 32.1%          |
| Income taxes receivable                                      | 250,185                    | 49,567            | 404.7%         |
| Short-term securities  | 7,424                      | 104,925           | -92.9%         |
| Loans granted  | 0                          | 13                | -100.0%        |
| Prepayments and accrued income                               | 132,563                    | 145,853           | -9.1%          |
| Cash   | 2,364,198                  | 1,126,803         | 109.8%         |
| Other financial assets                                       | 302,007                    | 111,899           | 169.9%         |
| <b>Assets held for sale</b>                                  | <b>1,030,608</b>           | <b>88,844</b>     | <b>1060.0%</b> |
| <b>Total current assets</b>                                  | <b>17,807,216</b>          | <b>12,518,779</b> | <b>42.2%</b>   |
| <b>Total assets*</b>   | <b>45,790,472</b>          | <b>33,404,311</b> | <b>37.1%</b>   |
| <b>LIABILITIES</b>   |                            |                   |                |
| <b>Equity</b>  |                            |                   |                |
| Share capital  | 534,636                    | 534,636           | 0.0%           |
| Share capital revaluation adjustment                         | 522,999                    | 522,999           | 0.0%           |
| <b>Share capital **</b>                                      | <b>1,057,635</b>           | <b>1,057,635</b>  | <b>0.0%</b>    |
| Share premium account  | 1,058,450                  | 1,058,450         | 0.0%           |
| Share premium revaluation adjustment                         | 168,803                    | 168,803           | 0.0%           |
| <b>Share premium account</b>                                 | <b>1,227,253</b>           | <b>1,227,253</b>  | <b>0.0%</b>    |
| Hedging capital  | 8,506                      | 57,334            | -85.2%         |
| Currency-translation differences                             | 22,037                     | -156,014          | -114.1%        |
| Retained profit, including:                                  | 16,871,665                 | 14,485,629        | 16.5%          |
| Net profit attributable to equity holders of the parent ***  | 2,330,252                  | 4,578,456         | -49.1%         |
| <b>Equity (attributable to equity holders of the parent)</b> | <b>19,187,096</b>          | <b>16,671,837</b> | <b>15.1%</b>   |
| Equity attributable to minority interests                    | 2,748,629                  | 2,641,152         | 4.1%           |
| <b>Total equity</b>  | <b>21,935,725</b>          | <b>19,312,989</b> | <b>13.6%</b>   |
| <b>Non-current liabilities</b>                               |                            |                   |                |
| Loans and borrowings   | 6,211,193                  | 3,405,978         | 82.4%          |
| Provisions   | 807,240                    | 956,991           | -15.6%         |
| Deferred tax liability                                       | 1,754,607                  | 1,020,159         | 72.0%          |
| Other non-current liabilities                                | 181,435                    | 170,725           | 6.3%           |
| <b>Total non-current liabilities</b>                         | <b>8,954,475</b>           | <b>5,553,853</b>  | <b>61.2%</b>   |

Q4 2006 Results of the PKN ORLEN Group in accordance with IFRS

|  |                   |                   |              |
|--|-------------------|-------------------|--------------|
| <b>Current liabilities</b>   |                   |                   |              |
| Trade and other payables and accruals  | 8,269,414         | 6,684,050         | 23.7%        |
| Provisions   | 752,464           | 683,273           | 10.1%        |
| Income tax expense   | 106,261           | 35,711            | 197.6%       |
| Loans and borrowings   | 4,233,580         | 1,110,819         | 281.1%       |
| Deferred income  | 35,130            | 19,265            | 82.4%        |
| Other financial liabilities  | 1,307,467         | 4,351             | 29949.8%     |
| Liabilities directly related to non-current assets classified as held for sale | 195,956           |                   |              |
| <b>Total current liabilities</b>   | <b>14,900,272</b> | <b>8,537,469</b>  | <b>74.5%</b> |
| <b>Total equity and liabilities*</b>   | <b>45,790,472</b> | <b>33,404,311</b> | <b>37.1%</b> |

\* Increase in assets in connection with the acquisition of the Mazeikiu Group.

\*\* Share capital was restated in accordance with IAS 29.

\*\*\* Including, in 2005, PLN 1,893,688 thousand attributable to the excess of the fair value over the acquisition cost of the shares of Unipetrol a.s.

**APPENDIX III**

**POLSKI KONCERN NAFTOWY ORLEN S.A.**  
**CONDENSED CONSOLIDATED CASH-FLOW STATEMENTS**  
**for the periods of 12 and 3 months**  
**ended December 31st 2006 and December 31st 2005**  
**(PLN '000)**

| ITEM   | 12 months ended<br>Dec 31 2006<br>(unaudited) | 3 months ended<br>Dec 31 2006<br>(unaudited) | 12 months ended<br>Dec 31 2005<br>(unaudited) | 3 months ended<br>Dec 31 2005<br>(unaudited) | Change<br>12 months | Change<br>3 months |
|--|---|--|---|--|---------------------|--------------------|
| <b>Cash flows from operating activities</b>                          |   |  |   |  |                     |                    |
| Net profit   | 2,405,783                                     | 76,145                                       | 4,637,776                                     | 399,355                                      | -2,231,993          | -323,210           |
| Adjustments:   |   |  |   |  |                     |                    |
| Share in net profit/(loss) of undertakings valued with equity method | -220,701                                      | -55,695                                      | -202,768                                      | -21,974                                      | -17,933             | -33,721            |
| Depreciation and amortisation  | 2,103,383                                     | 539,787                                      | 1,779,944                                     | 619,094                                      | 323,439             | -79,307            |
| Net interest and dividends   | 190,442                                       | 68,853                                       | 103,365                                       | 38,286                                       | 87,077              | 30,567             |
| Income tax expense   | 665,407                                       | 84,445                                       | 701,445                                       | 83,909                                       | -36,038             | 536                |
| (Profit)/loss on investing activities                                | -125,716                                      | -95,579                                      | -126,145                                      | -194,966                                     | 429                 | 99,387             |
| Decrease/(increase) in receivables                                   | -1,124,034                                    | 644,221                                      | -357,935                                      | -83,646                                      | -766,099            | 727,867            |
| Decrease/(increase) in inventories                                   | -312,738                                      | 85,800                                       | -1,805,325                                    | -434,034                                     | 1,492,587           | 519,841            |
| Decrease/(increase) in liabilities and accruals                      | 896,733                                       | -5,637                                       | 1,335,831                                     | 536,892                                      | -439,098            | -542,529           |
| Decrease/(increase) in provisions                                    | 20,937  | -10,999                                      | 586,996                                       | 164,400                                      | -566,059            | -175,399           |
| Other adjustments*   | -11,518                                       | -52,744                                      | -2,196,107                                    | 36,484                                       | 2,184,589           | -89,228            |
| Income tax paid  | -781,969                                      | -232,766                                     | -793,188                                      | -225,995                                     | 11,219              | -6,771             |
| <b>Net cash provided by operating activities</b>                     | <b>3,706,009</b>                              | <b>1,045,838</b>                             | <b>3,663,889</b>                              | <b>917,805</b>                               | <b>42,120</b>       | <b>128,033</b>     |
| <b>Cash flows from investing activities</b>                          |   |  |   |  |                     |                    |
| Acquisition of property, plant and equipment and intangible assets   | -1,924,642                                    | -601,185                                     | -2,026,495                                    | -530,154                                     | 101,853             | -71,031            |
| Disposal of property, plant and equipment                            | 269,546                                       | 136,776                                      | 144,906                                       | 98,217                                       | 124,640             | 38,559             |
| Disposal of shares   | 144,934                                       | 3,524  | 83,001  | 6,183  | 61,933              | -2,659             |
| Acquisition of shares **   | -5,846,343                                    | -5,787,469                                   | -1,607,203                                    | -265,793                                     | -4,239,140          | -5,521,676         |
| Acquisition of short-term securities                                 | -338,922                                      | 580,411                                      | -159,250                                      | -34,136                                      | -179,672            | 614,547            |
| Disposal of short-term securities                                    | 436,882                                       | 350,750                                      | 1,172,897                                     | 17,864                                       | -736,015            | 332,886            |
| Dividends and interest received                                      | 539,138                                       | 54,486                                       | 145,806                                       | 7,694  | 393,332             | 46,792             |
| Loans (granted)/repaid   | 4,172   | -167   | -5,648  | -8,583                                       | 9,820               | 8,416              |
| Acquisition of claims of the Unipetrol Group                         |   |  | -241,174                                      | -241,174                                     |                     |                    |
| Other  | -40,078                                       | -24,220                                      | -10,016                                       | 157,798                                      | -30,062             | -182,018           |
| <b>Net cash used in investing activities</b>                         | <b>-6,755,313</b>                             | <b>-5,287,094</b>                            | <b>-2,503,176</b>                             | <b>-792,084</b>                              | <b>-4,252,137</b>   | <b>-4,495,010</b>  |
| <b>Cash flows from financing activities</b>                          |   |  |   |  |                     |                    |
| Increase in long- and short-term loans and borrowings ***            | 9,610,402                                     | 5,333,368                                    | 2,628,670                                     | 971,114                                      | 6,981,732           | 4,362,254          |
| Decrease in long- and short-term loans and borrowings ***            | -5,095,903                                    | -293,433                                     | -2,270,894                                    | -687,141                                     | -2,825,009          | 393,708            |
| Interest paid  | -204,369                                      | -81,767                                      | -168,222                                      | -68,482                                      | -36,147             | -13,285            |
| Dividend paid  | 0   | 0  | -911,020                                      | -453,371                                     | 911,020             | 453,371            |
| Other adjustments  | -23,389                                       | 2,803  | -42,967                                       | -18,745                                      | 19,578              | 21,548             |
| <b>Net cash provided by/(used in) financing activities</b>           | <b>4,286,741</b>                              | <b>4,960,971</b>                             | <b>-764,433</b>                               | <b>-256,625</b>                              | <b>5,051,174</b>    | <b>5,217,596</b>   |
| <b>Net change in cash</b>  | <b>1,237,437</b>                              | <b>719,715</b>                               | <b>396,280</b>                                | <b>-130,904</b>                              | <b>841,157</b>      | <b>850,619</b>     |
| Foreign-exchange gains/(losses)                                      | -42   | -1,420                                       | 1,025   | 855  | -1,067              | -2,275             |
| <b>Cash at beginning of period</b>                                   | <b>1,126,803</b>                              | <b>1,645,903</b>                             | <b>729,498</b>                                | <b>1,256,852</b>                             | <b>397,305</b>      | <b>389,051</b>     |
| <b>Cash at end of period, including:</b>                             | <b>2,364,198</b>                              | <b>2,364,198</b>                             | <b>1,126,803</b>                              | <b>1,126,803</b>                             | <b>1,237,395</b>    | <b>1,237,395</b>   |
| restricted cash  | 81,697  | 81,697                                       | 100,535                                       | 100,535                                      | -18,838             | -18,838            |

\* Including, in 2005, PLN (1,893,688) thousand attributable to the excess of the fair value over the acquisition cost of the shares of Unipetrol a.s.

\*\* Including, in 2006, PLN (5,729,186) thousand attributable to the acquisition of the Mazeikiu Group (net of cash acquired) and in 2005, PLN (1,582,169) thousand attributable to the acquisition of the Unipetrol Group (net of cash acquired).

\*\*\* Including a change in long-term financing in the amount of PLN 1,359,091 thousand, in connection with more favourable lending terms obtained by the Group.

**APPENDIX IV**

**POLSKI KONCERN NAFTOWY ORLEN S.A.**  
**KEY CONSOLIDATED FINANCIAL DATA BY BUSINESS SEGMENTS**  
**for the periods of 12 and 3 months**  
**ended December 31st 2006 and December 31st 2005**  
**(PLN '000)**

| ITEM   | 12 months ended<br>Dec 31 2006<br>(unaudited) | 3 months ended<br>Dec 31 2006<br>(unaudited) | 12 months ended<br>Dec 31 2005<br>(unaudited) | 3 months ended<br>Dec 31 2005<br>(unaudited) | % change<br>12 months | % change<br>3 months |
|--|---|--|---|--|-----------------------|----------------------|
| <b>REVENUE ON SALES TO THIRD PARTIES<sup>1</sup></b> |   |  |   |  |                       |                      |
| Refining (Production and Wholesale)                  | 25,147,164                                    | 6,053,422                                    | 20,285,018                                    | 5,327,967                                    | 24.0%                 | 13.6%                |
| Refining (Retail)                                    | 14,942,282                                    | 3,787,163                                    | 13,235,909                                    | 3,276,161                                    | 12.9%                 | 15.6%                |
| Petrochemicals                                       | 9,349,689                                     | 2,530,445                                    | 5,106,799                                     | 1,939,622                                    | 85.8%                 | 30.3%                |
| Chemicals  | 2,402,145                                     | 526,464                                      | 1,747,013                                     | 514,017                                      | 37.5%                 | 2.4%                 |
| Other Activities                                     | 938,215                                       | 217,738                                      | 813,528                                       | 295,116                                      | 15.3%                 | -26.2%               |
| <b>TOTAL</b>   | <b>52,869,495</b>                             | <b>13,115,232</b>                            | <b>41,188,267</b>                             | <b>11,352,883</b>                            | <b>28.4%</b>          | <b>15.5%</b>         |
| <b>SEGMENT'S PROFIT/LOSS<sup>2</sup></b>             |   |  |   |  |                       |                      |
| Refining (Production and Wholesale)                  | 1,761,649                                     | -3,190                                       | 3,537,880                                     | 403,987                                      | -50.2%                | -100.8%              |
| Refining (Retail)                                    | 572,748                                       | 181,743                                      | 239,155                                       | -25,447                                      | -                     | -                    |
| Petrochemicals                                       | 841,794                                       | 82,264                                       | 1,643,430                                     | 151,389                                      | -48.8%                | -45.7%               |
| Chemicals  | 226,060                                       | 83,427                                       | 285,633                                       | 124,170                                      | -20.9%                | -32.8%               |
| Other Activities                                     | 31,757  | -9,822                                       | 152,576                                       | -120,424                                     | -79.2%                | -91.8%               |
| Exclusions   | -2,880  | 509  | -281,384                                      | -33,078                                      | -                     | -                    |
| Total of unallocated items                           | -513,390                                      | -161,826                                     | -629,670                                      | -56,784                                      | -18.5%                | 185.0%               |
| <b>TOTAL</b>   | <b>2,917,738</b>                              | <b>173,105</b>                               | <b>4,947,620</b>                              | <b>443,813</b>                               | <b>-41.0%</b>         | <b>-61.0%</b>        |
| <b>EXPENDITURE ON PROPERTY, PLANT AND EQUIPMENT</b>  |   |  |   |  |                       |                      |
| Refining (Production and Wholesale)                  | 624,264                                       | 273,585                                      | 532,763                                       | 159,743                                      | 17.2%                 | 71.3%                |
| Refining (Retail)                                    | 540,892                                       | 279,375                                      | 462,680                                       | 221,801                                      | 16.9%                 | 26.0%                |
| Petrochemicals                                       | 320,223                                       | 139,605                                      | 386,544                                       | 130,484                                      | -17.2%                | 7.0%                 |
| Chemicals  | 174,338                                       | 39,664                                       | 294,766                                       | 60,926                                       | -40.9%                | -34.9%               |
| Other Activities                                     | 218,363                                       | 93,653                                       | 158,726                                       | 67,479                                       | 37.6%                 | 38.8%                |
| Total of unallocated items                           | 63,556  | 31,146                                       | 42,444  | 12,070                                       | 49.7%                 | 7000.5%              |
| <b>TOTAL</b>   | <b>1,941,636</b>                              | <b>857,028</b>                               | <b>1,877,923</b>                              | <b>652,503</b>                               | <b>3.4%</b>           | <b>157.9%</b>        |
| <b>DEPRECIATION AND AMORTISATION</b>                 |   |  |   |  |                       |                      |
| Refining (Production and Wholesale)                  | 649,098                                       | 156,342                                      | 574,397                                       | 136,176                                      | 13.0%                 | 14.8%                |
| Refining (Retail)                                    | 271,986                                       | 70,668                                       | 272,131                                       | 56,618                                       | -0.1%                 | 24.8%                |
| Petrochemicals                                       | 757,547                                       | 202,786                                      | 486,860                                       | 288,032                                      | 55.6%                 | -29.6%               |
| Chemicals  | 183,135                                       | 46,409                                       | 196,275                                       | 50,007                                       | -6.7%                 | -7.2%                |
| Other Activities                                     | 212,519                                       | 55,314                                       | 216,636                                       | 78,930                                       | -1.9%                 | -29.9%               |
| Total of unallocated items                           | 29,098  | 8,268  | 33,645  | 9,331  | -13.5%                | -11.4%               |
| <b>TOTAL</b>   | <b>2,103,383</b>                              | <b>539,787</b>                               | <b>1,779,944</b>                              | <b>619,094</b>                               | <b>18.2%</b>          | <b>-12.8%</b>        |

1. Revenue on sales to third parties comprises exclusively sales to undertakings outside of the PKN ORLEN Group.

2. Segment's profit/loss comprises profit on sales to third parties and transfer to other segments.

Q4 2006 Results of the PKN ORLEN Group in accordance with IFRS

**APPENDIX V**

**POLSKI KONCERN NAFTOWY ORLEN S.A.**  
**KEY CONSOLIDATED OPERATING DATA**  
**for the periods of 12 and 3 months**  
**ended December 31st 2006 and December 31st 2005**  
**(tonnes)**

| ITEM   | 12 months ended<br>Dec 31 2006<br>(unaudited) | 3 months ended<br>Dec 31 2006<br>(unaudited) | 12 months ended<br>Dec 31 2005<br>(unaudited) | 3 months ended<br>Dec 31 2005<br>(unaudited) | % change<br>12 months | % change<br>3 months |
|--|---|--|---|--|-----------------------|----------------------|
| <b>CRUDE OIL THROUGHPUT</b><br>(*000 tonnes) | <b>18,023</b>                                 | <b>4,633</b>                                 | <b>15,383</b>                                 | <b>4,519</b>                                 | <b>17.2%</b>          | <b>2.5%</b>          |
| <b>REFINERY OUTPUT</b>                       |   |  |   |  |                       |                      |
| Gasoline                                     | 3,511,087                                     | 904,698                                      | 3,348,454                                     | 857,788                                      | 4.9%                  | 5.5%                 |
| Diesel oil                                   | 5,689,159                                     | 1,478,233                                    | 4,419,945                                     | 1,234,068                                    | 28.7%                 | 19.8%                |
| Fuel oil (III)                               | 785,870                                       | 201,289                                      | 640,290                                       | 154,992                                      | 22.7%                 | 29.9%                |
| Ekoterm                                      | 1,327,471                                     | 369,787                                      | 1,600,329                                     | 464,063                                      | -17.1%                | -20.3%               |
| Jet A-1                                      | 473,126                                       | 104,187                                      | 404,847                                       | 91,670                                       | 16.9%                 | 13.7%                |
| LPG  | 260,053                                       | 48,122                                       | 258,589                                       | 68,136                                       | 0.6%                  | -29.4%               |
| Other refining products                      | 2,267,150                                     | 617,057                                      | 1,855,621                                     | 517,040                                      | 22.2%                 | 19.3%                |
| <b>TOTAL</b>                                 | <b>14,313,916</b>                             | <b>3,723,373</b>                             | <b>12,528,075</b>                             | <b>3,387,757</b>                             | <b>14.3%</b>          | <b>9.9%</b>          |
| <b>SALES OF REFINING PRODUCTS</b>            |   |  |   |  |                       |                      |
| Gasoline                                     | 4,653,180                                     | 1,256,945                                    | 4,275,538                                     | 1,153,189                                    | 8.8%                  | 9.0%                 |
| Diesel oil                                   | 6,864,666                                     | 1,692,816                                    | 5,223,015                                     | 1,496,146                                    | 31.4%                 | 13.1%                |
| Fuel oil (III)                               | 667,404                                       | 154,283                                      | 516,095                                       | 140,974                                      | 29.3%                 | 9.4%                 |
| Ekoterm                                      | 1,586,842                                     | 421,866                                      | 1,851,752                                     | 527,277                                      | -14.3%                | -20.0%               |
| Jet A-1                                      | 498,743                                       | 113,499                                      | 464,815                                       | 111,066                                      | 7.3%                  | 2.2%                 |
| LPG  | 426,516                                       | 94,710                                       | 367,315                                       | 100,358                                      | 16.1%                 | -5.6%                |
| Other refining products                      | 1,980,239                                     | 407,120                                      | 1,910,313                                     | 456,285                                      | 3.7%                  | -10.8%               |
| <b>TOTAL</b>                                 | <b>16,677,590</b>                             | <b>4,141,239</b>                             | <b>14,608,843</b>                             | <b>3,985,295</b>                             | <b>14.2%</b>          | <b>3.9%</b>          |
| <b>CHEMICALS OUTPUT</b>                      |   |  |   |  |                       |                      |
| Polyethylene                                 | 475,438                                       | 114,868                                      | 219,051                                       | 78,343                                       | 117.0%                | 46.6%                |
| Polypropylene                                | 365,945                                       | 92,303                                       | 176,381                                       | 61,822                                       | 107.5%                | 49.3%                |
| Ethylene                                     | 355,350                                       | 78,143                                       | 282,024                                       | 106,044                                      | 26.0%                 | -26.3%               |
| Propylene                                    | 283,178                                       | 55,320                                       | 251,881                                       | 88,405                                       | 12.4%                 | -37.4%               |
| Glycol                                       | 111,014                                       | 28,705                                       | 88,611  | 30,076                                       | 25.3%                 | -4.6%                |
| Ammonium nitrate                             | 619,276                                       | 179,452                                      | 558,804                                       | 134,190                                      | 10.8%                 | 33.7%                |
| CANWIL                                       | 390,458                                       | 93,970                                       | 367,131                                       | 103,494                                      | 6.4%                  | -9.2%                |
| Polyvinyl chloride (PVC)                     | 335,352                                       | 63,006                                       | 238,036                                       | 75,590                                       | 40.9%                 | -16.6%               |
| Other products                               | 2,051,804                                     | 355,202                                      | 1,439,187                                     | 504,093                                      | 42.6%                 | -29.5%               |
| <b>TOTAL</b>                                 | <b>4,987,815</b>                              | <b>1,060,969</b>                             | <b>3,621,106</b>                              | <b>1,182,057</b>                             | <b>37.7%</b>          | <b>-10.2%</b>        |
| <b>SALES OF CHEMICALS</b>                    |   |  |   |  |                       |                      |
| Polyethylene                                 | 468,292                                       | 112,930                                      | 229,868                                       | 61,765                                       | 103.7%                | 82.8%                |
| Polypropylene                                | 363,583                                       | 88,381                                       | 184,026                                       | 56,594                                       | 97.6%                 | 56.2%                |
| Ethylene                                     | 250,933                                       | 65,370                                       | 128,687                                       | 56,458                                       | 95.0%                 | 15.8%                |
| Propylene                                    | 253,282                                       | 66,557                                       | 164,222                                       | 56,009                                       | 54.2%                 | 18.8%                |
| Glycol                                       | 113,566                                       | 29,471                                       | 89,116  | 27,533                                       | 27.4%                 | 7.0%                 |
| Ammonium nitrate                             | 560,210                                       | 149,944                                      | 529,675                                       | 119,920                                      | 5.8%                  | 25.0%                |
| CANWIL                                       | 394,846                                       | 89,781                                       | 357,837                                       | 89,879                                       | 10.3%                 | -0.1%                |
| Polyvinyl chloride (PVC)                     | 331,815                                       | 64,715                                       | 249,290                                       | 66,634                                       | 33.1%                 | -2.9%                |
| Other products                               | 2,120,431                                     | 501,254                                      | 1,314,510                                     | 661,652                                      | 61.3%                 | -24.2%               |
| <b>TOTAL</b>                                 | <b>4,856,958</b>                              | <b>1,168,403</b>                             | <b>3,247,231</b>                              | <b>1,196,444</b>                             | <b>49.6%</b>          | <b>-2.3%</b>         |

**APPENDIX VI**

**POLSKI KONCERN NAFTOWY ORLEN S.A.**  
**SALES OF KEY PRODUCTS**  
**for the periods of 12 and 3 months**  
**ended December 31st 2006 and December 31st 2005**  
**(tonnes)**

| Sales volumes of light products at PKN ORLEN Group | 12 months ended Dec 31 2006 (unaudited) | 3 months ended Dec 31 2006 (unaudited) | 12 months ended Dec 31 2005 (unaudited) | 3 months ended Dec 31 2005 (unaudited) | % change 12 months | % change 3 months |
|--|---|--|---|--|--------------------|-------------------|
| <b>Wholesale of key light products, including:</b> | <b>9,933,452</b>                        | <b>2,499,174</b>                       | <b>8,695,087</b>                        | <b>2,477,553</b>                       | <b>14.2%</b>       | <b>0.9%</b>       |
| - gasoline   | 2,497,460                               | 652,059                                | 2,345,192                               | 663,965                                | 6.5%               | -1.8%             |
| - Diesel oil                                       | 5,119,926                               | 1,258,133                              | 3,829,062                               | 1,119,601                              | 33.7%              | 12.4%             |
| - Jet A-1  | 498,743                                 | 113,499                                | 464,815                                 | 111,066                                | 7.3%               | 2.2%              |
| - Ekoterm  | 1,586,840                               | 421,866                                | 1,851,590                               | 527,264                                | -14.3%             | -20.0%            |
| - LPG  | 230,483                                 | 53,617                                 | 204,428                                 | 55,657                                 | 12.7%              | -3.7%             |
| <b>Retail sales of engine fuels, including:</b>    | <b>4,096,495</b>                        | <b>1,080,662</b>                       | <b>3,487,348</b>                        | <b>910,483</b>                         | <b>17.5%</b>       | <b>18.7%</b>      |
| - gasoline   | 2,155,720                               | 604,886                                | 1,930,346                               | 489,224                                | 11.7%              | 23.6%             |
| - Diesel oil                                       | 1,744,740                               | 434,683                                | 1,393,953                               | 376,545                                | 25.2%              | 15.4%             |
| - Ekoterm  | 2                                       | 0                                      | 162                                     | 13                                     | -98.8%             | -100.0%           |
| - LPG  | 196,033                                 | 41,093                                 | 162,887                                 | 44,701                                 | 20.3%              | -8.1%             |
| <b>Total sales of fuels, including:</b>            | <b>14,029,947</b>                       | <b>3,579,836</b>                       | <b>12,182,435</b>                       | <b>3,388,036</b>                       | <b>15.2%</b>       | <b>5.7%</b>       |
| - engine fuels                                     | 12,443,105                              | 3,157,970                              | 10,330,683                              | 2,860,759                              | 20.4%              | 10.4%             |

## APPENDIX VII

The Management Board of Polski Koncern Naftowy ORLEN Spółka Akcyjna (PKN ORLEN) hereby reports on the impact of the LIFO inventory valuation method on the non-consolidated profit of PKN ORLEN and the consolidated profit of the PKN ORLEN Group for Q4 2006 and Q1-Q4 2006.

The profit before tax and the net profit (i.e. including the effect of deferred tax), as estimated by the Company for PKN ORLEN and the PKN ORLEN Group in accordance with the International Accounting Standards (IAS), using the LIFO inventory valuation method, are as follows (data in PLN '000):

| IFRS                               | 12 months ended<br>Dec 31 2006   |                          | 3 months ended<br>Dec 31 2006  |                          | 12 months ended<br>Dec 31 2005   |                          | 3 months ended<br>Dec 31 2005  |                          |
|------------------------------------|--|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|
|                                    | 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 | 2,629,932  | 2,567,693                | 199,800  | 623,282                  | 3,158,663  | 2,084,216                | 561,270  | 620,631                  |
| Non-consolidated net profit        | 2,232,590  | 2,182,176                | 164,582  | 507,602                  | 2,527,214  | 1,656,912                | 445,670  | 493,753                  |
| Consolidated profit before tax     | 3,071,190  | 3,039,327                | 160,590  | 643,898                  | 5,339,221  | 4,258,128                | 483,264  | 528,851                  |
| Consolidated net profit            | 2,405,783  | 2,378,133                | 76,145   | 464,544                  | 4,637,776  | 3,762,091                | 399,355  | 436,280                  |

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. Due to a considerable decline in the price of crude oil in Q4 2006, at the end of 2006 the price was again at the level recorded early in the year. Therefore, a negative adjustment to the profit reflecting the application of the LIFO inventory valuation in 2006 is considerably smaller than in 2005.

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.

Legal basis\*:

*Art. 56.1.1 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, dated July 29th 2005 (Dz. U. No. 184, item 1539).*