POLSKI KONCERN NAFTOWY ORLEN SPÓŁKA AKCYJNA

STANDALONE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR PERIODS ENDED 30 JUNE 2005 AND 30 JUNE 2004 PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

AND INDEPENDENT AUDITOR'S REVIEW REPORT

POLSKI KONCERN NAFTOWY ORLEN S.A.
Condensed financial statement for the first half of 2005
(in thousand PLN)

Data in respect of MSSF condensed standalone financial statement				
SELECTED FINANCIAL DATA	**thousand PLN**		**thousand EUR**	
	2005 - I half	**2004 - I half**	**2005 - I half**	**2004 - I half**
I. Net revenues from sale of finished goods, merchandise and raw materials	9 748 797	8 108 485	2 389 118	1 987 130
II. Profit / (Loss) on operations	1 344 876	1 006 530	329 586	246 668
III. Gross profit	1 661 470	1 106 565	407 173	271 184
IV. Net profit	1 317 902	891 857	322 976	218 566
V. Net cash provided by operating activities	718 030	1 036 890	175 966	254 109
VI. Net cash used in investing activities	(944 093)	(381 696)	(231 367)	(93 541)
VII. Net cash provided by / (used in) financing activities	255 838	(403 013)	62 698	(98 766)
VIII. Net change in cash and cash equivalents	29 775	252 181	7 297	61 802
IX. Profit (loss) per ordinary share for 6 months (in PLN/EUR)	3.08	2.09	0.76	0.51
	as of 30.06.2005	**as of 30.06.2004**	**as of 30.06.2005**	**as of 30.06.2004**
X. Non-current assets	11 760 301	9 874 706	2 910 894	2 444 174
XI. Current assets	7 004 506	5 553 173	1 733 746	1 374 514
XII. Total assets	18 764 807	15 427 879	4 644 639	3 818 687
XIII. Long-term liabilities	2 264 488	2 416 418	560 503	598 108
XIV. Short-term liabilities	4 859 196	3 086 874	1 202 742	764 059
XV. Equity	11 641 123	9 924 587	2 881 395	2 456 520
XVI. Share capital *	1 057 635	1 057 635	261 784	261 784
XVII. Number of issued ordinary shares	427 709 061	427 709 061	427 709 061	427 709 061
XVIII. Book value per share (in PLN/EUR)	27.22	23.20	6.74	5.74

* share capital was revalued in accordance with IAS 29

The above data were translated into EUR by the following exchange rates:
- specific positions of assets, equity and liabilities - by the average exchange rate published by the National Bank of Poland as of 30 June 2005 - 4.0401 PLN/EUR
- specific items in profit and loss and cash flows – by the arithmetic average of average exchange rates published by the National Bank of Poland as of every last day of month during the period (1 January – 30 June 2005) – 4.0805 PLN/EUR

Introduction to condensed financial statement

1. Accounting principles, including valuation of assets and liabilities, measuring the financial result and methods of preparation of financial statement.

1.1 Format and the basis for preparation of condensed financial statemeny

The format, basis and scope of condensed financial statement were specified by the Regulation of the Council of Ministers of 21 March 2005 on current and periodical information presented by issuers of securities in paragraph § 94.4-5.
According to the above quoted regulation, the issuer, who is a parent company is not obliged to prepare a separate half year report, providing that the condensed financial statements are included in the consolidated half year report, together with the auditor's review report concerning the condensed financial statements, comprising: balance sheet statement, income statement, statements of changes in shareholders equity, cash flow statement and condensed description notes, covering information and data which are material to properly assess the financial position and financial result of the issuer and were not included in the consolidated financial statements.

1.2 Accounting policies

As applicable for standalone financial statements, the accounting policies applied by PKN ORLEN are convergent with policies described in the consolidated financial statements of the Capital Group for the first half of 2005, in which the Company is the parent entity.
From 1 January 2005, PKN ORLEN, acting under Resolution No. 3 of the Extraordinary General Shareholders' Meeting of Polski Koncern Naftowy ORLEN S.A. of 30 December 2004 (adopted in compliance with Art. 45 par. 1c of the Accounting Act, wording effective from 1 January 2005), has prepared its statutory stand-alone financial statements in accordance with IFRSs approved by the European Commission for 2005.
The impact of changes was included in the financial statement by conversion of the comparative data.

	Net financial result from 01.01.2004 till 30.06.2004	**Net financial result from 01.01.2004 till 31.12.2004**
Data according to PAS	954 669	2 275 645
Derecognizing of capitalized financial expenses	3 544	7 098
Deferred tax	(673)	(1 349)
Valuation of fixed assets at fair value	(76 040)	(158 447)
Deferred tax on valuation of fixed assets at fair value	14 357	28 714
Valuation of shares in foreign currencies using historical exchange rate		14 094
Payments from net profit, other that dividends	(4 000)	(4 000)
Other		
Data according to IFRS	891 857	2 161 755

	Net assets at 30.06.2004	Net assets at 31.12.2004
Data according to PAS	9 078 472	10 416 439
Derecognizing of capitalized financial expenses	(33 448)	(29 894)
Deferred tax	6 355	5 680
Valuation of fixed assets at fair value	1 109 732	1 027 323
Deferred tax on valuation of fixed assets at fair value	(195 008)	(180 651)
	(41 516)	14 094
Data according to IFRS		
	9 924 587	11 252 991

POLSKI KONCERN NAFTOWY ORLEN S.A.
Condensed standalone balance sheets
as at 30 June 2005, 31 December 2004 and 30 June 2004
(in PLN thousand)

	Notes	30 June 2005 (unaudited)	31 December 2004 (unaudited)	30 June 2004 (unaudited)
			(in thousand PLN)	
ASSETS				
Non-current assets				
Property, plant and equipment	1	7 652 059	7 569 696	7 532 203
Intangible assets	2	31 110	29 404	34 978
Long-term financial investments		511 975	498 963	457 769
Investments in associates		3 448 749	1 685 878	1 784 160
Other non-current assets		79 196	32 302	36 544
Perpetual usufruct of land		37 212	24 931	29 052
Total non-current assets		**11 760 301**	**9 841 174**	**9 874 706**
Current assets				
Inventory	3	3 752 993	2 621 975	2 815 115
Trade and other receivables	4	2 538 957	1 908 263	2 044 589
Income tax receivable		-	10 206	-
Short-term investments		200 415	1 261 747	200 843
Short-term prepayments	5	59 930	68 329	90 376
Cash and cash equivalents	6	320 245	291 138	312 864
Other financial assets		131 966	154 018	89 386
Total current assets		**7 004 506**	**6 315 676**	**5 553 173**
Total assets		**18 764 807**	**16 156 850**	**15 427 879**
LIABILITIES AND SHAREHOLDER'S EQUITY				
Equity				
Share capital		534 636	534 636	534 636
Share capital revaluation adjustment		522 999	522 999	522 999
Share premium		1 058 450	1 058 450	1 058 450
Share premium revaluation adjustment		168 803	168 803	168 803
Hedging reserve		57 383	75 943	16 350
Retained earnings		9 298 852	8 892 160	7 623 349
Total equity		**11 641 123**	**11 252 991**	**9 924 587**
Non-current liabilities				
Interest-bearing loans and borrowings		1 423 613	1 407 707	1 596 506
Provisions	7	545 503	498 334	474 504
Deferred tax liabilities		292 179	296 878	345 408
Other non-current liabilities		3 193	-	-
Total non-current liabilities		**2 264 488**	**2 202 919**	**2 416 418**
Current liabilities				
Trade and other liabilities and accrued expenses	9	3 892 877	2 432 232	2 718 269
Provisions	8	553 961	235 447	79 699
Interest-bearing loans and borrowings		342 531	5 863	233 575
Deferred income	10	10 330	6 048	12 052
Income tax liability		56 028	-	25 407
Other current financial liabilities		3 469	21 350	17 872
Total current liabilities		**4 859 196**	**2 700 940**	**3 086 874**
Total equity and liabilities		**18 764 807**	**16 156 850**	**15 427 879**

POLSKI KONCERN NAFTOWY ORLEN S.A.
Condensed standalone profit and loss statements
for 6 month periods ended 30 June 2005 and 30 June 2004
(in PLN thousand)

	Notes	for 6 months ended 30 June 2005 (unaudited)	for 6 months ended 30 June 2004 (unaudited)
		(in thousand PLN)	
Operating activities			
Net sale revenues			
Revenues from sale of finished goods		13 903 293	12 210 769
Excise tax and other charges		(4 967 511)	(4 848 496)
Net revenues from sale of finished goods		8 935 782	7 362 273
Net revenues from sale of merchandise and raw materials		813 015	746 212
Total net sale revenues		**9 748 797**	**8 108 485**
Cost of finished goods sold	11	(6 450 645)	(5 453 043)
Cost of merchandise and raw materials sold	11	(620 161)	(591 312)
Gross profit on sales		**2 677 991**	**2 064 130**
Other operating income		69 260	48 694
Distribution expenses	11	(702 616)	(705 447)
General and administrative expenses	11	(245 267)	(260 896)
Other operating expenses		(454 492)	(139 951)
Profit from operations		**1 344 876**	**1 006 530**
Financial income	12	493 687	156 206
Financial expenses	12	(177 093)	(56 171)
Net financial revenues and expenses		**316 594**	**100 035**
Profit before tax		**1 661 470**	**1 106 565**
Income tax expense	13	(343 568)	(214 708)
Net profit		**1 317 902**	**891 857**
Basic and diluted earnings per share in Polish Zloty		**3.08**	**2.09**

POLSKI KONCERN NAFTOWY ORLEN S.A.
Standalone cash flow statements
for 6 months ended 30 June 2005 and 30 June 2004
(in PLN thousand)

	for the period of 6 months ended 30 June 2005 (unaudited)	for the period of 6 months ended 30 June 2004 (unaudited)
	(in thousand PLN)	
Cash flows - operating activities		
Net profit	**1 317 902**	**891 857**
Adjustments for:		
Depreciation	393 224	487 139
Interest and dividend income, net	(129 400)	(60 502)
Income tax expense	343 568	214 708
(Profit) / loss on investing activities	(48 331)	43 738
(Increase) in receivables	(247 953)	(147 174)
(Increase) in inventories	(1 131 018)	(302 612)
Increase in liabilities and accruals	310 816	39 908
Increase in provisions	370 081	43 033
Other	(178 824)	(32 731)
Income tax paid	(282 035)	(140 474)
Net cash provided by operating activities	**718 030**	**1 036 890**
Cash flows - investing activities		
Acquisition of property, plant and equipment and intangible assets	(469 518)	(511 706)
Proceeds from the sale of property, plant and equipment	6 505	5 335
Proceeds from the sale of shares in Naftoport	67 692	-
Proceeds from the sale of subsidiaries	8 141	6 111
Acquisition of shares *	(1 562 335)	(12 654)
Proceeds from the sale of short-term securities	810 977	-
Acquisition of short-term securities	-	(200 843)
Interest and dividends received	128 603	93 039
Proceeds from repayment of loan granted to subsidiary	240 248	-
Proceeds from return of additional payments to subsidiaries' equity	-	230 299
Other	(174 406)	8 723
Net cash used in investing activities	**(944 093)**	**(381 696)**
Cash flow - financing activities		
Proceeds from long and short-term borrowings and loans	371 706	713 279
Repayment of long and short-term borrowings and loans	(91 532)	(1 085 502)
Interest paid	(24 336)	(30 666)
Other	-	(124)
Net cash provided by / (used in) financing activities	**255 838**	**(403 013)**
Net change in cash and cash equivalents	**29 775**	**252 181**
Effect of exchange rate changes	(668)	(2 086)
Cash and cash equivalents, beginning of the period	**291 138**	**62 769**
Cash and cash equivalents, end of period, incl.	**320 245**	**312 864**
Cash and cash equivalents not available for use	7 089	7 327

* Incl. in 2005 the entire amount relates to acquisition of the Unipetrol Group

POLSKI KONCERN NAFTOWY ORLEN S.A.
Standalone statement of changes in equity
as at 30 June 2005, 31 December 2004 and 30 June 2004
(in PLN thousand)

	Share capital	Share premium	Hedging reserve	Retained earnings	Total equity
1 January 2004	**1 057 635**	**1 227 253**	**-**	**7 009 503**	**9 294 391**
(unaudited)					
Foreign exchange differences on consolidation	-	-	-	-	-
Dividend	-	-	-	(278 011)	(278 011)
Net profit	-	-	-	891 857	891 857
Impairment of non-current assets	-	-	-	-	-
Hedge accounting - cash flow hedges	-	-	16 350	-	16 350
Shares issued	-	-	-	-	-
Share premium	-	-	-	-	-
Minority interest	-	-	-	-	-
30 June 2004	**1 057 635**	**1 227 253**	**16 350**	**7 623 349**	**9 924 587**
(unaudited)					

	Share capital	Share premium	Hedging reserve	Retained earnings	Total equity
1 January 2005	**1 057 635**	**1 227 253**	**75 943**	**8 892 160**	**11 252 991**
(unaudited)					
Foreign exchange differences on consolidation	-	-	-	-	-
Dividend	-	-	-	(911 020)	(911 020)
Net profit	-	-	-	1 317 902	1 317 902
Impairment of non-current assets	-	-	-	(190)	(190)
Hedge accounting - cash flow hedges	-	-	(18 560)	-	(18 560)
Shares issued	-	-	-	-	-
Share premium	-	-	-	-	-
Minority interest	-	-	-	-	-
Other	-	-	-	-	-
30 June 2005	**1 057 635**	**1 227 253**	**57 383**	**9 298 852**	**11 641 123**
(unaudited)					

	Share capital	Share premium	Hedging reserve	Retained earnings	Total equity
1 January 2004	**1 057 635**	**1 227 253**	**-**	**7 009 503**	**9 294 391**
(unaudited)					
Foreign exchange differences on consolidation	-	-	-	-	-
Dividend	-	-	-	(278 011)	(278 011)
Net profit	-	-	-	2 161 754	2 161 754
Impairment of non-current assets	-	-	-	(1 086)	(1 086)
Hedge accounting - cash flow hedges	-	-	75 943	-	75 943
Shares issued	-	-	-	-	-
Share premium	-	-	-	-	-
Minority interest	-	-	-	-	-
31 December 2004	**1 057 635**	**1 227 253**	**75 943**	**8 892 160**	**11 252 991**
(unaudited)					

1. Property, plant and equipment

	30 June 2005	31 December 2004	30 June 2004
	(unaudited)	(unaudited)	(unaudited)
Land	171 191	161 830	149 786
Buildings and constructions	3 913 541	3 865 306	3 922 106
Machinery and equipment	2 218 280	2 122 755	2 327 813
Vehicles and other	181 884	180 838	189 919
Construction in progress	1 167 163	1 238 967	942 579
Total property, plant and equipment	**7 652 059**	**7 569 696**	**7 532 203**

	Land	Buildings and constructions	Machinery and equipment	Vehicles and other	Construction in progress	Total
Cost						
1 January 2004	136 571	5 334 706	4 668 234	310 546	697 822	11 147 879
Increase	13 215	108 778	45 090	7 475	420 545	595 103
Reclassification	-	(323)	(17)	340	-	-
Decrease	-	(42 743)	(48 981)	(4 145)	(175 788)	(271 657)
30 June 2004	**149 786**	**5 400 418**	**4 664 326**	**314 216**	**942 579**	**11 471 325**
1 January 2005	161 830	5 391 529	4 559 273	293 348	1 238 967	11 644 947
Increase	9 644	219 965	284 701	27 148	453 159	994 617
Reclassification	-	40	(30)	(10)	-	-
Decrease	(283)	(34 770)	(25 175)	(16 871)	(524 963)	(602 062)
30 June 2005	**171 191**	**5 576 764**	**4 818 769**	**303 615**	**1 167 163**	**12 037 502**
Accumulated depreciation						
1 January 2004	-	1 299 066	2 119 035	106 175	-	3 524 276
Depreciation	-	188 099	263 258	20 759	-	472 116
Other increases	-	-	236	-	-	236
Impairment allowances	-	28 051	2 016	962	-	31 029
Reclassification	-	(86)	(12)	98	-	-
Decrease	-	(36 818)	(48 020)	(3 697)	-	(88 535)
30 June 2004	**-**	**1 478 312**	**2 336 513**	**124 297**	**-**	**3 939 122**
1 January 2005	-	1 526 223	2 436 518	112 510	-	4 075 251
Depreciation	-	171 676	187 901	22 016	-	381 593
Other increases	-	-	399	-	-	399
Impairment allowances	-	(6 795)	(1 424)	(103)	-	(8 322)
Reclassification	-	(1)	1	-	-	-
Decrease	-	(27 880)	(22 906)	(12 692)	-	(63 478)
30 June 2005	**-**	**1 663 223**	**2 600 489**	**121 731**	**-**	**4 385 443**
Net book value						
1 January 2004	**136 571**	**4 035 640**	**2 549 199**	**204 371**	**697 822**	**7 623 603**
30 June 2004	**149 786**	**3 922 106**	**2 327 813**	**189 919**	**942 579**	**7 532 203**
1 January 2005	**161 830**	**3 865 306**	**2 122 755**	**180 838**	**1 238 967**	**7 569 696**
30 June 2005	**171 191**	**3 913 541**	**2 218 280**	**181 884**	**1 167 163**	**7 652 059**

2. Intangible assets

	30 June 2005	31 December 2004	30 June 2004
	(unaudited)	(unaudited)	(unaudited)
Acquired licenses, patents and similar intangible assets	31 106	29 392	34 938
Acquired computer software	4	8	13
Other	-	4	27
Total intangible assets	**31 110**	**29 404**	**34 978**

	Acquired computer software	Acquired licenses, patents and similar intangible assets	Other	Total
Cost				
1 January 2004	3 517	149 425	189	153 131
Increase	-	2 789	-	2 789
Decrease	(44)	(6)	-	(50)
30 June 2004	**3 473**	**152 208**	**189**	**155 870**
1 January 2005	3 470	158 287	189	161 946
Increase	-	11 951	-	11 951
Decrease	(134)	(602)	-	(736)
30 June 2005	**3 336**	**169 636**	**189**	**173 161**
1 January 2004	3 498	103 723	139	107 360
Depreciation	7	13 548	24	13 579
Impairment allowances	-	5	-	5
Decrease	(45)	(6)	(1)	(52)
30 June 2004	**3 460**	**117 270**	**162**	**120 892**
1 January 2005	3 462	128 895	185	132 542
Depreciation	3	10 225	4	10 232
Impairment allowances	(1)	(26)	-	(27)
Decrease	(132)	(564)	-	(696)
30 June 2005	**3 332**	**138 530**	**189**	**142 051**
Net book value				
1 January 2004	**19**	**45 702**	**50**	**45 771**
30 June 2004	**13**	**34 938**	**27**	**34 978**
1 January 2005	**8**	**29 392**	**4**	**29 404**
30 June 2005	**4**	**31 106**	**-**	**31 110**

3. Inventory

	30 June 2005	31 December 2004	30 June 2004
	(unaudited)	(unaudited)	(unaudited)
Raw materials	2 218 105	1 404 775	1 489 749
Work in progress	307 121	229 105	275 640
Finished goods	1 135 916	878 372	938 924
Merchandise	91 851	109 723	110 802
Total inventory, net	**3 752 993**	**2 621 975**	**2 815 115**

4. Trade and other receivables

	30 June 2005	31 December 2004	30 June 2004
	(unaudited)	(unaudited)	(unaudited)
Trade receivables	2 019 665	1 850 924	1 610 336
Taxation, duty and social security receivables	57 997	29 721	123 861
Receivables from sale of property, plant and equipment	37 346	37 629	19 312
Prepayments for property, plant and equipment	6 355	20 169	139 902
Other receivables	769 637	305 857	363 442
Total trade and other receivables, gross	2 891 000	2 244 300	2 256 853
Receivables allowances	(352 043)	(336 037)	(212 264)
Total trade and other receivables, net	**2 538 957**	**1 908 263**	**2 044 589**

Receivables allowances

	30 June 2005	31 December 2004	30 June 2004
	(unaudited)	(unaudited)	(unaudited)
Beginning of period	336 037	216 987	216 987
Allowance made during the period	55 028	204 134	20 756
Allowance reversed during the period	(39 022)	(85 084)	(25 479)
Allowance used during the period	-	-	-
End of period	**352 043**	**336 037**	**212 264**

5. Short-term prepayments

	30 June 2005	31 December 2004	30 June 2004
	(unaudited)	(unaudited)	(unaudited)
Leases	15 641	15 493	16 430
Insurances	30 662	16 789	43 937
Other	13 627	36 047	30 009
Total	**59 930**	**68 329**	**90 376**

6. Cash and cash equivalents

	30 June 2005	31 December 2004	30 June 2004
	(unaudited)	(unaudited)	(unaudited)
Cash on hand and in bank	295 301	269 250	286 806
Other cash	24 944	21 888	26 058
Total	**320 245**	**291 138**	**312 864**

7. Long-term liabilities - provisions

	30 June 2005 (unaudited)	31 December 2004 (unaudited)	30 June 2004 (unaudited)
Land reclamation provision	347 331	347 531	354 261
Retirement benefits and jubilee bonuses	104 614	104 614	87 712
Penalty fees, compensations and other	17 344	17 757	28 670
Shield programmes provision	73 169	25 464	-
Other provisions	3 045	2 968	3 861
Total	**545 503**	**498 334**	**474 504**

8. Short-term liabilities - provisions

	30 June 2005 (unaudited)	31 December 2004 (unaudited)	30 June 2004 (unaudited)
Land reclamation provision	102 476	106 143	36 095
Retirement benefits and jubilee bonuses	9 013	9 013	12 168
Penalty fees, compensations and other	361 247	46 384	25 436
Shield programmes provision	51 018	44 536	-
Other provisions	30 207	29 371	6 000
Total	**553 961**	**235 447**	**79 699**

Changes in long-term provisions

	Land reclamation provision	Retirement benefits and jubilee bonuses	Penalty fees, compensations and other	Shield programmes provision	Other provisions	Total
1 January 2004	354 261	76 394	3 800	-	3 785	**438 240**
Provision made during the period	-	11 318	24 870	-	76	**36 264**
Provision used during the period	-	-	-	-	-	**-**
Provision reversed during the period	-	-	-	-	-	**-**
30 June 2004	**354 261**	**87 712**	**28 670**	**-**	**3 861**	**474 504**
1 January 2005	347 531	104 614	17 757	25 464	2 968	**498 334**
Provision made during the period	-	-	-	47 705	77	**47 782**
Provision used during the period	-	-	-	-	-	**-**
Provision reversed during the period	(200)	-	(413)	-	-	**(613)**
30 June 2005	**347 331**	**104 614**	**17 344**	**73 169**	**3 045**	**545 503**

	Land reclamation provision	Retirement benefits and jubilee bonuses	Penalty fees, compensations and other	Shield programmes provision	Other provisions	Total
1 January 2004	354 261	76 394	3 800	-	3 785	**438 240**
Provision made during the period	76 506	35 943	13 957	25 464	153	**152 023**
Provision used during the period	(1 011)	(7 458)	-	-	(145)	**(8 614)**
Provision reversed during the period	(82 225)	(265)	-	-	(825)	**(83 315)**
31 December 2004	**347 531**	**104 614**	**17 757**	**25 464**	**2 968**	**498 334**

Changes in short term provisions

	Land reclamation provision	Retirement benefits and jubilee bonuses	Penalty fees, compensations and other	Shield programmes provision	Other provisions	Total
1 January 2004	39 873	11 348	17 860	-	15	**69 096**
Provision made during the period	-	12 439	7 576	-	6 000	**26 015**
Provision used during the period	(3 778)	(11 619)	-	-	-	**(15 397)**
Provision reversed during the period	-	-	-	-	(15)	**(15)**
30 June 2004	**36 095**	**12 168**	**25 436**	**-**	**6 000**	**79 699**
1 January 2005	106 143	9 013	46 384	44 536	29 371	**235 447**
Provision made during the period	-	5 084	314 863	6 482	13 834	**340 263**
Provision used during the period	(1 817)	(5 084)	-	-	(7 000)	**(13 901)**
Provision reversed during the period	(1 850)	-	-	-	(5 998)	**(7 848)**
30 June 2005	**102 476**	**9 013**	**361 247**	**51 018**	**30 207**	**553 961**

	Land reclamation provision	Retirement benefits and jubilee bonuses	Penalty fees, compensations and other	Shield programmes provision	Other provisions	Total
1 January 2004	39 873	11 348	17 860	-	15	**69 096**
Provision made during the period	82 141	9 037	36 602	44 536	29 372	**201 688**
Provision used during the period	(13 373)	(11 348)	(8 078)	-	-	**(32 799)**
Provision reversed during the period	(2 498)	(24)	-	-	(16)	**(2 538)**
31 December 2004	**106 143**	**9 013**	**46 384**	**44 536**	**29 371**	**235 447**

9. Trade and other liabilities and accrued expenses

	30 June 2005 (unaudited)	31 December 2004 (unaudited)	30 June 2004 (unaudited)
Trade liabilities	1 618 562	1 307 742	1 395 364
Social Funds	29 320	23 260	29 936
Holiday pay accrual	21 113	17 374	16 276
Payroll liabilities	28	2 855	4 090
Loyalty programme VITAY	60 169	54 157	51 024
Dividends liabilities	911 021	-	278 011
Excise tax and fuel charge liabilities	736 973	703 756	664 195
Other taxation, duty and social security liabilities	264 954	262 902	250 877
Other liabilities and accrued expenses	250 737	60 186	28 496
Total	**3 892 877**	**2 432 232**	**2 718 269**

10. Deferred income

	30 June 2005 (unaudited)	31 December 2004 (unaudited)	30 June 2004 (unaudited)
Subventions	1 205	1 258	1 314
Other	9 125	4 790	10 738
Total	**10 330**	**6 048**	**12 052**

11. Cost by kind

	30 June 2005 (unaudited)	30 June 2004 (unaudited)
Materials and energy	6 263 848	4 981 088
Cost of merchandise and materials sold	620 161	591 312
External services	673 062	660 539
Payroll, social security and other employee benefits	236 188	297 237
Depreciation	393 224	487 139
Taxes and charges	119 824	110 985
Other	549 073	245 474
Total	**8 855 380**	**7 373 774**
Adjustments:		
Change in inventory and prepayments	(326 800)	(195 937)
Cost of products and services for own use	(55 399)	(27 188)
Operating cost	**8 473 181**	**7 150 649**

12. Net financial revenues and expenses

	30 June 2005 (unaudited)	30 June 2004 (unaudited)
Interest paid	(25 761)	(33 761)
Negative foreign exchange surplus	(125 717)	(14 934)
Interest received	53 262	6 422
Positive foreign exchange surplus	-	43 377
Gains on trade in shares and other securities	46 054	4 911
Dividends received	125 356	92 778
Unrealised discount on the acquisition of liabilities of Unipetrol Group	204 532	-
Other	38 868	1 242
Total	**316 594**	**100 035**

13. Corporate income tax

	30 June 2005 (unaudited)	30 June 2004 (unaudited)
Current tax	(343 871)	(223 309)
Deferred tax	303	8 601
Total	**(343 568)**	**(214 708)**

14. Basis of differences between changes of selected balance sheet items and changes resulting from cash flows statements

Receivables:	I half of 2005	I half of 2004
Balance sheet change in other non-current assets and trade and other receivables	(677 588)	7 496
Change in receivables related to acquired Unipetrol Group companies' receivables	412 348	-
Change in prepayments for construction in progress	(13 813)	78 367
Change in receivables from dividends	32 519	859
Change in receivables related to additional payments to ORLEN Powiernik share capital		(230 299)
Other	(1 419)	(3 597)
Change in receivables within cash flow statement	(247 953)	(147 174)

Liabilities:	I half of 2005	I half of 2004
Balance sheet change in other long-term liabilities, trade liabilities, other liabilities and accruals	1 463 838	323 060
Change in liabilities related to dividends	(911 020)	(278 011)
Liabilities related to purchase of Unipetrol Group assets	(221 295)	-
Other	(20 707)	(5 141)
Change in other long-term liabilities, trade liabilities, other liabilities and accruals within cash flow statement	310 816	39 908

Accruals:	I half of 2005	I half of 2004
Balance sheet change in accruals	365 683	39 200
Change in deferred tax liability related to valuation of non-current assets to fair value	4 398	3 833
Change in accruals within cash flow statement	370 081	43 033

Other captions in cash flow statement

In cash flow statement for the first half of 2005:

- in position 'Other' in operating activity the amount of PLN (178,824) thousand is presented which consists of the following items:

Change in receivables purchased from Unipetrol Group companies	(412 348)
Inflows/Outflows relating to receivables purchased from Unipetrol Group companies	176 707
Interest rate losses	77 138
Change in accruals and deferred income	(12 681)
Other	(7 640)
Total	(178 824)

- in position 'Other' in investing activity the amount of PLN (174,406) thousand is presented chich consists of the following items:

Inflows/Outflows relating to receivables purchased from Unipetrol Group companies	(176 707)
Other	2 301
Total	(174 406)

15. Changes introduced in condensed financial statement for the first half of 2005 compared to financial data published in current report dated 16th August 2005:

Changes of data published in current report dated 16th August 2005, affecting total assets, equity and liabilities:

	Total assets/Total equity and liabilities		
	30.06.2005	**31.12.2004**	**30.06.2004**
Data published in condensed report for 2 quarters of 2005, included in current report dated 16th August 2005	19 130 926	16 579 629	15 867 476
Adjustment of acquisition cost of UNIPETROL a.s. shares	221 295	-	-
Adjustment of excise tax suspension procedure settlements	(587 414)	(422 779)	(439 597)
Data published in consolidated financial statement for the first half of 2005	18 764 807	16 156 850	15 427 879

16. Other

This standalone financial statement was authenticated by the Management Board in the Company's seat on 26 September 2005.

SIGNATURES OF THE MEMBERS OF THE MANAGEMENT BOARD

President
Igor Chalupec

Vice President
Wojciech Heydel

Vice President
Jan Maciejewicz

Vice President
Cezary Smorszczewski

Member
Paweł Szymański

Member
Dariusz Witkowski

Płock, 26th September 2005