THE CAPITAL GROUP OF
POLSKI KONCERN NAFTOWY ORLEN SPOLKA AKCYJNA

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR 2000

PLOCK, April 2001

(in thousands PLN)

INTRODUCTORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A. Name, address, main operating segments of the Parent Company of the Capital Group, main operating segments of the Capital Group, the role of the Parent Company in the Group and periods for which the consolidated financial statements are presented

The parent company of the Capital Group of Polski Koncern Naftowy ORLEN S.A. (further referred to as the "PKN Group") is Polski Koncern Naftowy ORLEN Spolka Akcyjna, located in Plock, ul. Chemikow 7 (further referred to as the "Parent Company or the "Company", "PKN ORLEN").

The Parent company was formed through transformation of a State-owned enterprise into a joint stock company, on the basis of the Public Notarial Act of 29 June 1993 as Mazowieckie Zaklady Rafineryjne i Petrochemiczne "Petrochemia Plock" Spolka Akcyjna (joint stock company). It was registered in the District Court in Plock on 1 July 1993 under the registration number RHB VIII 780.

General Meeting of Shareholders of the Parent Company on 19 May 1999 adopted a resolution on merger of the Parent Company with Centrala Produktow Naftowych "CPN" S.A. ("CPN") by incorporation of CPN to the Parent Company. On 7 September 1999 CPN was deregistered and the merger became effective.

In accordance with the resolution of the General Meeting of Shareholders dated 19 May 1999, registered in the District Court in Plock on 20 May 1999, Parent Company changed its name to Polski Koncern Naftowy Spolka Akcyjna (joint stock company).

In accordance with the resolution of the Extraordinary General Meeting of Shareholders dated 3 April 2000, registered in the District Court in Plock on 12 April 2000, Parent Company changed its name to Polski Koncern Naftowy ORLEN Spolka Akcyjna (joint stock company).

Structure of share capital of the Company on 31 December 2000 is as follows:

Issue	Number of shares	Nominal value (zl)
Series A	336,000,000	420,000,000.00
Series B	6,971,496	8,714,370.00
Series C	77,205,641	96,507,051.25
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Total	420,177,137	525,221,421.25
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On 15 May 2000 Ordinary General Meeting of Shareholders of PKN ORLEN took a resolution concerning capital increase by issuance of 11,344,784 ordinary bearer series D shares. These shares are to be acquired by bearers of series A convertible bonds with exclusion of pre-emptive rights of the owners of the existing shares. The issuance of the shares was conducted within the Motivation Program presented in Note 12.

Until the date of preparation of this financial statements the bonds were not acquired. Therefore, the conversion of bonds to shares of series D did not take place.

In accordance with the resolution of the General Meeting of Shareholders of the Company dated 19 May 1999 as the result of merger of Parent Company with CPN, the scope of activities of Parent Company was changed. According to the statutory regulations resolved by the General Meeting of Shareholders of the Parent Company dated 19 May 1999, the Company's activities include production, trade and services, and in particular:

- processing of crude oil and the manufacturing of oil-derivative / refinery and petrochemical products and semi-finished products
- domestic and foreign trade on own account, on commission and as consignee, including in particular: the trade of crude oil, oil-derivative products and other fuel, the sale of motor vehicles, parts and accessories for them as well as sale of consumer and industrial goods.
- research and development activity, project work, construction and production activities on own account and as the consignee, in the areas of manufacturing, storage, packaging and trade in solid, liquid and gaseous oil products, secondary chemical products as well as transportation: by land, by trail, water and by pipeline,
- transportation activity including land transport, trail transport, water and pipeline transport,
- storage of oil and liquid gas, creation and management of oil stock according to the appropriate regulations,
- services connected to the principal activity, especially: land and sea reloading, refining of gas and oil including ethylisation, dyeing and blending of components,
- purchase, trade and manufacturing of used lubricant oil and other chemical wastes,
- manufacturing, transportation and trade in electrical and heating energy,
- reconditioning of the appliances used in core activities, especially refinery and petrochemical appliances, oil storage appliances, oil stations and means of transportation,
- metal production and manufacturing of plastic raw materials,
- operation of gas stations, bars, restaurants and hotels,
- capital investment activity, in particular: purchasing and trade of shares and stock in Polish and foreign trade,
- activities in the area of education, professional schooling and internal human capital services.

The activity is designated by Code EKD 2320 (European Activity Classification) – processing of crude oil. The Capital Group runs a business within one segment of production and distribution of crude oil products.

The Parent Company is the biggest refinery and producer of petrochemicals in Poland and after the incorporation of CPN, the leading distributor of motor fuels in Poland.

The PKN Group consists of among others:

- The capital group of Rafineria Trzebinia S.A. concentrating on processing of crude oil, lubricant and industrial oils, paraffin and asphalt,
- The capital group of Rafineria Nafty Jedlicze S.A. producing motor fuels, heating oil and re-processing used lubricant oil,
- Entities engaged in trading and distribution of refinery products,
- Inowroclawskie Kopalnie Soli S.A. producing industrial brine and processing of vacuum salt and in the future, storing of crude oil and fuels,
- The capital group of Anwil S.A., the major client for ethylene from the Parent Company, producing mainly fertilisers and PVC,
- Naftoport Sp. z o.o. reloading crude oil imported by sea.

The Parent Company controls the subsidiaries and has the substantial influence on associates.

The consolidated financial statements are prepared for the period from 1 January 2000 to 31 December 2000. The comparable consolidated financial data is prepared for the period from 1 January 1999 to 31 December 1999.

B. Format and general rules of the preparation of consolidated financial statements and consolidated pro forma financial data

The consolidated financial statements were prepared in compliance with the Accounting Act of 29 September 1994 (further referred to as "the Accounting Act") and the Decree of the Council of Ministers of 22 December 1998 on type, form and scope of current and periodic information and dates of its publication by issuers of securities allowed to be traded publicly ("Decree on Current and Periodic Information").

Comparable data for the year 1999 in all significant aspects is consistent with the financial statements for this year, except for the differences presented in Note 61. Except for the changes presented in Note 61 the data did not require adjustments.

The comparable data for the year 1999 consists of profit and loss account of the Parent Company till the moment of incorporation of CPN on 7 September 1999 and for the period from the date of merger till 31 December 1999 including activity of former CPN and the Parent Company. The Parent Company prepared pro forma consolidated balance sheets and pro forma consolidated profit and loss accounts for the year 1999 of the Enlarged Capital Group consisting of Capital Group PKN ORLEN before the merger and CPN, with the assumption that the incorporation of CPN took place before 1 January 1999. The Enlarged Group does not include shares in Naftobazy Sp. z o.o. disposed by CPN in 1999.

Consolidated pro forma balance sheets and consolidated pro forma profit and loss accounts for the year 1999 are presented in Note 58 to these financial statements.

The consolidated pro forma financial data for the year 1999 including consolidated balance sheets and consolidated profit and loss accounts was prepared on the basis of:

- consolidated financial statements of the PKN Group for the year 1999,
- financial statements of CPN for the year 1999, which was incorporated by the Parent Company as a result of reorganization of Nafta Polska capital group,

prepared in accordance with the Accounting Act, by using the pooling of interest method.

Methods used to prepare consolidated pro forma financial data for the year 1999 are presented in Note 59 to these financial statements.

(in thousands PLN)

C. Principal accounting policies

Below presented are accounting polices adopted by the Capital Group.

a) Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortization.

The amortization rates applied to intangible fixed assets are as follows:

Purchased licenses, patents and similar assets	7-50%
Purchased computer software	10-50%
Purchased rights for perpetual usage of land	10-20%
Formation costs	20%

b) Tangible fixed assets

Tangible fixed assets are shown at historical cost of purchase or manufacture less accumulated depreciation. In accordance with the Accounting Act, gross value of fixed assets and accumulated depreciation based on separate regulations, may be periodically subject to revaluation. The carrying amount of fixed asset modified to include revaluation should not be higher than its realizable value, whose depreciation over its useful life is economically justifiable, increased as at the date of revaluation by the net proceeds resulting from sale or liquidation of the asset. The last revaluation of fixed assets using rates stated by the Head of Chief Central Statistical Office was carried out on 1 January 1995.

Tangible fixed assets are depreciated in accordance with the Accounting Act using the straight-line method over their estimated useful economic lives.

The typical depreciation rates applied to tangible fixed assets in the Capital Group are as follows:

Buildings and constructions	1.5-10%
Plant and machinery	4-30%
Transportation vehicles	6-20%
Other tangible fixed assets	8.5-25%

For tax purposes, depreciation rates set by the Corporate Income Tax Act with further changes dated 15 February 1992 (“CIT Act”), stating the amount of depreciation being cost for tax purposes were used. In respect to fixed assets purchased and registered before 1 January 2000 rates stated in Decree of the Ministry of Finance dated 17 January 1997 on depreciation of tangible and intangible fixed assets are used. The amount of depreciation that is tax deductible is set there.

Low-value assets of estimated useful life below 1 year and cost less than 3.5 thousand zloty (2.5 thousand zloty in the year 1999) are fully expensed when brought into usage.

c) Construction in progress

Construction in progress is stated at purchase price or manufacturing cost. Construction in progress includes also materials purchased for construction in progress.

d) Financial fixed assets

Shares in consolidated associates are stated at balance sheet value of share capital of the associates taking into account the shares in share capital of the associates less dividends due from associates.

Shares and stakes in other entities (not consolidated) and long-term securities are stated at cost less deductions if a permanent diminution of their realizable value has occurred. If the shares /stakes were acquired for the contribution in kind, the difference between the book value of the contribution in kind and the value of shares/stakes, is stated as decrease of the financial fixed assets. The decreases in the value of shares and long-term securities are treated as financial costs.

Debt securities are stated at their realizable value. The differences between purchase price and the current selling price are classified as financial costs or income. Long-term loans are stated at amounts due.

e) Inventories

Inventories are stated at the lower of purchase or production cost and net realizable value. The following types of inventory are valued as follows:

Raw materials:	Purchase cost
Semi-finished products and Work in progress:	Cost of manufacture
Finished goods:	Cost of manufacture
Goods for resale:	Purchase cost

The net realizable value is the market sale price less any future sale – related costs.
The closing balances of inventories are recorded in average prices, which are set as weighted average price (cost) of the inventory.

f) Receivables

Receivables are stated at net realizable value. Provisions for doubtful debtors are created either based on the analysis of collectibility of receivables from individual debtors or when the contractor goes into bankruptcy or liquidation. Litigious claims provisions are recorded if claims for payment are submitted to court.

g) Cash and cash equivalents

Cash and cash equivalents are stated at nominal value.

h) Accruals, deferred costs and deferred income

The entities of the Capital Group apportion income and expenditure according to the periods to which each item relates. Deferred costs are expenses relating to a period later than that in which they were incurred. Such deferred costs mainly include the following: cost of excise duty (concerning inventory of goods), cost of catalyzing tools, costs of insurance, cost of insurance, leases, cost of advertisement of petrol stations, unamortized discount of commercial papers and loan commissions.

Accrued costs include mainly costs relating to current period but which will be incurred in the following period: the jubilee and retirement bonuses, the penalties for environmental pollution and holiday pay.

The employees of the Capital Group are entitled to holiday in accordance with the Labour Code. The Capital Group recognizes the costs of the employee holiday on an accrual basis, using liability method. The liability arising form unutilized holidays is calculated as a difference between the actual utilization of holidays and utilization proportionate to time.

In accordance with the internal regulations of remuneration in entities of the Group, the employees are entitled to the jubilee bonus after being employed for a certain period of time and to the retirement / pension bonuses upon retirement / pension. The amount paid depends on the number of the years of service and average monthly salary. The employees receive also the single payment at the moment when they retire. The compensation is also paid to the employees who became permanently disabled. The payment depends on number of years of service and average monthly salary. The costs of jubilee and retirement /pension bonuses are accrued in the Group on a basis of an independent actuarial valuation.

The deferred income includes mainly the following: the surplus of unrealized foreign exchange gains over losses, stipulated penalties and indemnification, advances received in relation to future deliveries, donations and subsidies received.

i) Financial instruments

In connection with foreign currency option contracts, which were entered in the year 2000, the Group adopted the rule of currency option valuation at the end of reporting period at fair value. The difference between the valuation at the end of the period and purchase value of an option or its valuation at the beginning of the period is treated as financial income or cost in profit and loss account.

j) Equity

Share capital is stated at nominal value, in compliance with the Statutory Regulations of the Parent Company and the relevant entry in the Companies Register.

The reserve capital is supplied from the share of net profit, the transfer of revaluation reserve and share premium.

The revaluation reserve was established as result of the fixed assets revaluation as of 1 January 1995. In case of disposal or liquidation of a fixed asset item, the corresponding part of revaluation reserve is transferred to reserve capital.

k) Goodwill on consolidation

Goodwill on consolidation of subsidiaries is calculated as a surplus of the cost of shares bought in the subsidiary over appropriate part of net assets of subsidiary according to their fair value on the date of establishing control. Goodwill on consolidation of associates is calculated as a surplus of the cost of shares bought in the associate over value of share in capital of the associate on the date of start of significant influence. Fair values of net assets of subsidiaries on the date of establishing control did not significantly differ from their book values, thus for the purpose of establishing goodwill on consolidation book values were taken into account.

Goodwill on consolidation is charged to profit and loss account using straight-line method over two years period.

l) Negative goodwill on consolidation

Negative goodwill on consolidation of subsidiaries is calculated as a surplus of appropriate part of net assets of subsidiary according to their fair value on the day of establishing control over the cost of shares bought in this subsidiary. Negative goodwill on consolidation of associates is calculated as a surplus of value of share in capital of associates as at the date of start of significant influence over the cost of shares bought in associate. Fair values of net assets of subsidiaries on the date of establishing control did not significantly differ from their book values, thus for the purpose of establishing goodwill on consolidation book values were taken into account.

Negative goodwill is charged to profit and loss account using straight-line method over two years period. In justified cases this period is extended to five years.

m) Environmental protection costs

Provisions for certain or probable costs or losses resulted from environment protection law are recorded in case of existence of law requirements or the Capital Group's policy regarding elimination of pollution of environment or harmful items, simultaneously the amount of future expenses or losses is possible to be estimated.

n) Loans, borrowings and other liabilities

The loans and borrowings are stated at the amount payable as of the balance sheet date. Liabilities are stated at the amount due. The part of loans, borrowings and liabilities of which the installments fall due beyond the period of one year are presented as long-term. The remaining part of loans, borrowings and liabilities is classified as short-term.

o) Foreign currency transactions valuation

Transactions denominated in foreign currencies are recorded after being converted into Polish currency at the exchange rate prevailing at the date of transaction.

Shares in other companies and long-term securities denominated in foreign currency are shown at the balance sheet date converted into Polish currency at the exchange rate of the day of their purchase, which cannot exceed the average exchange rate at the end of the year set by the President of the National Bank of Poland ("NBP").

All other assets and liabilities denominated in foreign currency are valued at the average exchange rate set by the President of the National Bank of Poland (NBP) at the balance sheet date.

Exchange rate differences resulting from revaluation of construction in progress settlements since the beginning of the construction until the balance sheet date or the day when the completed fixed asset is brought into usage, are capitalized in the value of the investment.

Other realized gains or losses, due to changes in exchange rates, are recorded as the financial income or charges in the profit and loss account.

Other foreign exchange differences arising on the revaluation as of the balance sheet date are settled for same foreign currency as follows:
- the excess of the foreign exchange losses over foreign exchange gains is charged to financial expense;
- the excess of the foreign exchange gains over foreign exchange losses is classified as deferred income.

p) Income, expenses and net profit measurement

The profit is calculated on matching basis. Income and expenditures are recognized on an accrual basis, i.e. in the period to which they relate, regardless of the date of payment.

The value of sales has been calculated on the basis of sales invoiced and apportioned to the relevant periods, excluding tax and discounts. The value of sales is based upon sale prices including excise tax on the sale of products and goods for resale of the Capital Group.

The Group prepares the profit and loss account in the functional and by nature formats. Costs of finished products, goods for resale and raw materials include direct costs and justified portion of indirect costs.

General and administration expenses include costs of the PKN Group's general operations and its management. Selling and distribution costs are the costs incurred in relation with sales of products and goods for resale and include the excise tax on the sale of products related to sale of products of the Capital Group.

Other operating income and expenditure include the income and expenditure not directly related to the core business operations of the PKN Group. Financial income and expenditure include the interest on loans and borrowings used up or granted the foreign exchange differences, commission received or paid and income or expenditure related to the trading of securities and similar items. Extraordinary gains and losses reflect the financial effects of the unusual events not related to the ordinary operations of the PKN Group, mainly effects of the damages to the fixed assets and received indemnities.

The PKN Group's net profit for the year prepared according to the Accounting Act includes all revenue and respective costs calculated in accordance with the aforementioned rules, other operating income and expenditure, effects of prudent valuation of assets and liabilities of the PKN Group, financial income and expenditure, extraordinary gains or losses and taxation.

The PKN Group prepares the profit and loss account in the functional format.

q) Taxation

Current liabilities resulting from corporate income tax are calculated in accordance with Polish taxation law. Provisions for taxable temporary differences caused by the differences between the moment of recognition of the income or costs according to accounting principles and taxation rules are set using the liability method. The PKN Group recognizes deductible temporary differences, as reduction of taxable differences only, when there is the certainty about their future realisability.

r) Investment allowance

In accordance with Decree of Ministry of Finance dated 25 January 1994 on investment allowance and reductions of income tax and with article 18a of the Corporate Income Tax Act, the Parent Company, IKS Solino S.A., Zaklad Budowy Aparatury S.A., Anwil S.A. and Naftoport Sp. z o.o. benefited from investment allowance in period 1994-2000. The fixed assets affected by the tax allowance are depreciated for accounting purposes according to normal depreciation rates applied for particular types of fixed assets. The effects of the investment allowance are recorded off-balance sheet and considered only in relation to taxable profits and deferred tax provision purposes.

s) Company's Management Board estimates

The preparation of consolidated financial statements requires management of the Parent Company to make estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Actual results may differ from results of those estimates. These estimates concern, among others, provisions, deferred costs and depreciation rates applied.

(in thousands PLN)

D. The entities of the PKN Capital Group

a) Consolidated subsidiaries and associates in the year 2000

No.	Name and location	Activity	Value of shares bought	Balance sheet value of shares	Percentage of share capital owned	Share capital relationship (including direct and indirect relationship)	Method of consolidation	Date of gaining control or significant influence	Year of including to consolidation
1.	ORLEN KolTrans Sp. z o.o.- Plock	transport services	38,544	-	100%	Subsidiary	Full method	13.12.2000	2000
2.	PetroCentrum Sp. z o.o.- Plock	liquid fuels trading	21,000	-	100%	Subsidiary	Full method	24.09.1996	1997
3.	Petrogaz Plock Sp. z o.o.- Plock [5)]	trading and production	10,337	-	100%	Subsidiary	Full method	31.10.1995	1998
4.	ORLEN Medica Sp. z o.o. – Plock	medical activity	11,027	-	100%	Subsidiary	Full method	24.11.1997	2000
5.	ORLEN Budonaft Sp. z o.o. – Krakow	building and repairs of services	3,795	-	100%	Subsidiary	Full method	02.01.1997	2000
6.	Petrogaz Inowroclaw Sp. z o.o.- Inowroclaw	liquid fuels trading	3,750	-	100% [1)]	Subsidiary	Full method	29.04.1997	2000
7.	Petrogaz Jaworzno Sp. z o.o.- Jaworzno	liquid fuels trading	3,554	-	100%	Subsidiary	Full method	26.04.1995	1996
8.	ORLEN Powiernik Sp. z o.o. – Plock	trustee services	4	-	100%	Subsidiary	Full method	19.07.2000	2000
9.	PKN Transport Szczecin Sp. z o.o.- Szczecin	transport services	3,418	-	99.56%	Subsidiary	Full method	15.06.2000	2000
10.	ORLEN Transport Krakow Sp. z o.o. – Krakow	transport services	11,172	-	98.31%	Subsidiary	Full method	05.06.2000	2000
11.	ORLEN Transport Plock Sp. z o.o. – Plock	transport services	25,861	-	97.86%	Subsidiary	Full method	23.12.1998	1999
12.	ORLEN Transport Lublin Sp. z o.o. – Lublin	transport services	9,914	-	97.61%	Subsidiary	Full method	09.06.2000	2000
13.	PKN Transport Nowa Sol Sp. z o.o. – Nowa Sol	transport services	9,847	-	97.38%	Subsidiary	Full method	09.06.2000	2000
14.	Zaklad Budowy Aparatury S.A. – Plock	industry machinery manufacturing	17,381	-	96.56%	Subsidiary	Full method	27.10.1998	1999
15.	ORLEN Transport Poznan Sp. z o.o. - Poznan	transport services	10,883	-	96.39%	Subsidiary	Full method	01.06.2000	2000
16.	PKN Transport Slupsk Sp. z o.o.- Slupsk	Transport services	6,529	-	96.18%	Subsidiary	Full method	23.06.2000	2000
17.	ORLEN Transport Warszawa Sp. z o.o. – Warszawa	transport services	6,011	-	95.28%	Subsidiary	Full method	07.06.2000	2000
18.	Petrotel Sp. z o.o.– Plock	telecommunication services	2,978	-	93.08%	Subsidiary	Full method	14.08.1997	2000
19.	ORLEN Transport Olsztyn Sp. z o.o. – Olsztyn	transport services	5,725	-	93.05%	Subsidiary	Full method	29.05.2000	2000
20.	Petrogaz Lapy Sp. z o.o. – Lapy	liquid fuels trading	3,200	-	90.40% [2)]	Subsidiary	Full method	19.06.1998	2000
21	ORLEN Transport Kedzierzyn-Kozle Sp. z o.o- Kedzierzyn-Kozle	transport services	4,640	-	87.88%	Subsidiary	Full method	29.05.2000	2000
22	ORLEN PetroProfit Sp. z o.o.- Niemce (consolidated financial statements) [4)]	trading and production	13,536	-	85%	Subsidiary	Full method	14.09.1995	1996
23	Rafineria Trzebinia S.A.- Trzebinia (consolidated financial statements) [4)]	paraffin processing, production	74,503	-	77.07%	Subsidiary	Full method	27.11.1997	1997
24	Petro - Oil Sp. z o.o.- Krakow	chemicals, petrochemicals and crude oil products trading	10,640	-	76% [3)]	Subsidiary	Full method	27.08.1998	1999
25	Rafineria Nafty Jedlicze S.A.- Jedlicze (consolidated financial statements) [4)]	paraffin processing, production	64,000	-	75%	Subsidiary	Full method	01.01.1999	1999
26	Inowroclawskie Kopalnie Soli "SOLINO" S.A.- Inowroclaw	industrial brine production processing of vacuum salt, trading services	17,560	-	70.54%	Subsidiary	Full method	28.09.1996	1997

(in thousands PLN)

No.	Name and location	Activity	Value of shares bought	Balance sheet value of shares	Percentage of share capital owned	Share capital relationship	Method of consolidation	Date of gaining control or significant influence	Year of including to consolidation
27.	ORLEN Petro-Tank Sp. z o.o. – Widelka	Trading, services, liquid, gas and solid fuels	-	7,050	60%	Subsidiary	Full method	09.04.1996	1996
28.	Petrogaz Nowa Brzeznica Sp. z o.o. – Nowa Brzeznica	Trading and services	-	2,288	52%	Subsidiary	Full method	17.02.1997	1997
29.	Petrozachod Sp. z o .o. – Poznan	liquid fuels trading	-	9,200	51.83%	Subsidiary	Full method	19.01.1998	1999
30.	ORLEN Petrogaz Wroclaw Sp. z o.o. – Wroclaw	liquid fuels sales	-	1,600	51.61%	Subsidiary	Full method	09.01.1997	2000
31.	Petrolot Sp. z o.o. – Warszawa	Production, trading and services	-	10,220	51%	Subsidiary	Full method	07.01.1997	1997
32.	Petroprojekt S.A. – Plock	technological projecting services	-	765	51%	Subsidiary	Full method	28.05.1998	2000
33.	Naftoport Sp. z o.o. – Gdansk	construction and utilizing of liquid fuels, reloading terminals	44,412	23,259	43.59%	Associate	Equity method	17.07.1991	1996
34.	Flexpol Sp. z o.o. – Plock	foil production	5,886	4,800	40.00%	Associate	Equity method	03.01.2000	2000
35.	Anwil S.A. – Wloclawek (consolidated finanacial statements)	producing of PCV and fertilizers	295,477	58,521	38.35%	Associate	Equity method	05.09.1995	1996
36.	Chemiepetrol GmbH – Hamburg	trade and intermediary activities regarding chemical and similar goods	882	397	20%	Associate	Equity method	27.04.1993	1996

1) The Parent Company – 51%, Inowroclawskie Kopalnie Soli S.A. – 49%.
2) The Parent Company – 39.55%, Petrogaz Plock Sp. z o.o. – 50.85%.
3) The Parent Company – 28%, Rafineria Trzebinia S.A. – 24%, Rafineria Nafty Jedlicze S.A. – 24%.
4) The entities included in consolidated financial statements of Petroprofit Sp. z o.o., Rafineria Trzebinia S.A. i Rafineria Nafty Jedlicze S.A. are listed in Note 4.
5) At the end of 2000 the increase of share capital in company took place by contribution in kind of assets of consolidated Petrogaz Redaki Sp. z o.o. and Petrogaz Hrubieszow Sp. z o.o.

(in thousands PLN)

b) Unconsolidated subsidiaries and associates in the year 2000

No.	Name and location	Activity	Percentage of share capital owned	Share in total votes on General Meeting of Shareholders	Revenue (net sales and financial income) *	% revenue of PKN	Total assets as at 31 December 2000 *	% Total assets of PKN
1.	Zaklad Urządzen Dystrybucyjnych Sp. z o.o. – Opole	Production and services	100.00%	100.00%	**		**	
2.	ORLEN Polimer Sp. z o.o. – Plock	polymers trading	100.00%	100.00%	77,112	0.31%	10,120	0.08%
3.	ORLEN Sportowa S.A - Plock	sport activity	100.00%	100.00%	35,742	0.14%	8,099	0.06%
4.	Petroochrona Sp. z o.o. – Plock	guard services	100.00%	100.00%	14,551	0.06%	4,200	0.03%
5.	CPN Serwis Kielce Sp. z o.o. – Kielce	maintenance services	100.00%	100.00%	2,022	0.00%	522	0.00%
6.	ZW Mazowsze Leba Sp. z o.o. – Leba	resting and recreation activity	100.00%	100.00%	2,971	0.01%	303	0.00%
7.	CPN Serwis Gdansk Sp. z o.o. – Gdansk	maintenance services	100.00%	100.00%	2,183	0.01%	508	0.00%
8.	CPN Serwis Slupsk Sp. z o.o. – Slupsk	maintenance services	99.76%	99.76%	5,007	0.02%	2,162	0.02%
9.	CPN Serwis Nowa Wies Wielka Sp. z o.o. – Nowa Wies Wielka	maintenance services	99.32%	99.32%	3,645	0.01%	1,846	0.01%
10.	Petromot Sp. z o.o. – Kedzierzyn-Kozle	maintenance and trade of cars	97.56%	97.56%	10,002	0.04%	4,449	0.04%
11.	CPN Serwis Lodz Sp. z o.o. – Lodz	maintenance services	97.25%	97.25%	2,720	0.01%	1,228	0.01%
12.	CPN Serwis Rzeszow Sp. z o.o. – Rzeszow	maintenance services	96.21%	96.21%	2,673	0.01%	860	0.00%
13.	CPN Serwis Mazowsze Sp. z o.o. – Warszawa	maintenance services	89.91%	89.91%	8,516	0.03%	3,170	0.03%
14.	CPN Serwis Podlasie Sp. z o.o. – Bialystok	maintenance services	89.67%	89.67%	2,994	0.01%	1,522	0.01%
15.	D.W. Mazowsze Jaszowiec Sp. z o.o. – Ustron Jaszowiec	resting and recreation activity	86.90%	86.90%	1,197	0.00%	247	0.00%
16.	CPN Serwis Krakow Sp. z o.o. – Krakow	maintenance services	83.35%	83.35%	4,254	0.02%	999	0.00%
17.	CPN Serwis Wroclaw Sp. z o.o. – Wroclaw	maintenance services	83.31%	83.31%	4,389	0.02%	1,644	0.01%
18.	PetroKan Sp. z o.o. – Plock	Repair services	82.28%	82.28%	11,754	0.05%	4,912	0.04%
19.	BHT Dromech S.A. – Warszawa	production	81.14%	81.14%	22,343	0.09%	18,639	0.15%
20.	CPN Serwis Kedzierzyn-Kozle Sp. z o.o. – Kedzierzyn–Kozle	maintenance services	80.00%	80.00%	1,761	0.01%	611	0.00%
21.	CPN Serwis Szczecin Sp. z o.o. – Szczecin	maintenance services	78.09%	78.09%	2,151	0.01%	858	0.00%
22.	CPN Serwis Zachod Sp. z o.o. – Nowa Sol	maintenance services	74.31%	74.31%	4,685	0.02%	1,967	0.02%
23.	CPN Marine Service Gdansk Sp. z o.o. – Gdansk	duty store; production, trade	70.00%	70.00%	2,994	0.01%	268	0.00%
24.	Centrum Edukacji Przemyslu Naftowego Sp. z o.o. – Plock	education and training services	69.43%	69.43%	5,711	0.02%	1,868	0.01%
25.	PetroMechanika Sp. z o.o. – Plock	repair services	68.17%	68.17%	28,216	0.11%	11,366	0.09%
26.	CPN Serwis Katowice Sp. z o.o. – Katowice	maintenance services	55.00%	55.00%	7,546	0.03%	844	0.00%
27.	ORLEN Automatyka Sp. z o.o. – Plock	repair services	52.63%	52.63%	23,897	0.10%	11,565	0.09%
28.	Petromor Sp. z o.o. – Gdansk	storing of goods for resale	51.31%	51.31%	387	0.00%	2,783	0.02%
29.	ORLEN Remont Sp. z o.o. – Plock	repair services	51.28%	51.28%	27,009	0.11%	12,603	0.10%
30.	ORLEN Eltech Sp. z o.o. – Plock	repair services	51.00%	51.00%	25,471	0.10%	9,225	0.07%
31.	ORLEN EnergoRem Sp. z o.o. – Plock	repair services	51.00%	51.00%	17,644	0.07%	6,005	0.05%

(in thousands PLN)

No.	Name and location	Activity	Percentage of share capital owned	Share in total votes on General Meeting of Shareholders	Revenue (net sales and financial income) *	% revenue of PKN	Total assets as at 31 December 2000 *	% Total assets of PKN
32.	Zaklad Remontow Sprezarek i Turbin “PetroWir” Sp. z o.o. – Plock	repair services	51.00%	51.00%	12,577	0.05%	5,383	0.04%
33.	CPN Serwis Poznan Sp. z o.o. – Poznan	maintenance and repair services	51.00%	51.00%	5,016	0.02%	1,208	0.01%
34.	Centrum Uzdrowiskowe “Krystynka” Sp. z o.o. – Ciechocinek	preventing and curing, resting and recreation activity	51.00%	51.00%	1,630	0.01%	433	0.00%
35.	Petro-Oil Lubelskie Centrum Sprzedazy Sp.z o.o. – Lublin	trade of petrochemical products and services	100.00%	100.00%	9,725	0.04%	5,595	0.04%
36.	Zakladowa Straz Pozarna Sp. z o.o. – Trzebinia	fire fighting services	100.00%	100.00%	2,890	0.01%	1,909	0.02%
37.	EkoNaft Sp. z o.o. – Trzebinia	environmental protection and laboratory services	100.00%	100.00%	1,111	0.00%	1,423	0.01%
38.	Raf-Sluzba Ratownicza Sp. z o.o. – Jedlicze	fire fighting and rescue services	88.19%	88.19%	3,103	0.01%	488	0.00%
39.	Petromont Sp. z o.o. – Niemce	trade and building services	85.00%	85.00%	1,609	0.01%	655	0.00%
40.	Medikor Sp. z o.o. – Jedlicze	services and trade activities, medical supervising of work environment and sanitation	73.33%	73.33%	560	0.00%	155	0.00%
41.	Raf- Ochrona Sp. z o.o. – Jedlicze	guard services	67.13%	67.13%	1,028	0.00%	243	0.00%
42.	VARIA S.A. – Warszawa	transport and spedition services, wholesale and retail trade	62.50%	62.50%	8,666	0.03%	5,470	0.04%
43.	Wspolne Ukrainsko-Polskie – Lvov	trade	62.00%	62.00%	**		**	
44.	Dom Handlowy Arian Petrooil – Kijov	production and trade of petrochemical products	61.00%	61.00%	-	0.00%	362	0.00%
45.	Ran-Flex Sp. z o.o. – Kielce	used oil collection	52.00%	52.00%	5,748	0.02%	548	0.00%
46.	Ran-Starol Sp. z o.o. – Katowice	used oil collection	51.00%	51.00%	6,393	0.03%	924	0.01%
47.	NTVK – Vilnus	trade	51.00%	51.00%	264	0.00%	539	0.00%
48.	Ran-Sigma Sp. z o.o. – Walbrzych	used oil collection	51.00%	51.00%	4,857	0.02%	403	0.00%
49.	Ran-Ole-Par Sp. z o.o. – Lodz	used oil collection	51.00%	51.00%	3,142	0.01%	314	0.00%
50.	Montonaft Sp. z o.o. – Trzebinia	building and construction services	51.00%	51.00%	18,104	0.07%	4,132	0.03%
51.	Ran-Oil Sp. z o.o. – Tarnow	used oil collection	51.00%	51.00%	3,974	0.02%	460	0.00%
52.	Ran-Akant Sp. z o.o. – Lublin	used oil collection	51.00%	51.00%	6,112	0.02%	238	0.00%
53.	Ran-Petromex Sp. z o.o. – Opole	used oil collection	51.00%	51.00%	5,395	0.02%	319	0.00%
54.	Ran-Kiczmer Sp. z o.o. – Pisarzowice	used oil collection	51.00%	51.00%	3,426	0.01%	357	0.00%
55.	Ran-Dickmar Sp. z o.o. – Tarnobrzeg	used oil collection	51.00%	51.00%	4,389	0.02%	855	0.01%
56.	Ran- GGC Sp. z o.o. – Gdansk	used oil collection	51.00%	51.00%	2,499	0.01%	146	0.00%
57.	Ran-Akses Sp. z o.o. – Szczecin	used oil collection	51.00%	51.00%	2,241	0.01%	328	0.00%
58.	Ran-Watt Sp. z o.o. – Torun	used oil collection	51.00%	51.00%	384	0.00%	192	0.00%
59.	Ran-Mega Sp. z o.o. – Gliwice	used oil collection	51.00%	51.00%	11,116	0.04%	1,728	0.01%
60.	Malnaft Sp. z o.o. – Malbork	gasoline wholesale and forwarding	45.07%	45.07%	31,579	0.13%	4,699	0.04%
61.	Motell Sp. z o.o. – Krakow	catering and hotel services	35.00%	35.00%	4,322	0.02%	1,037	0.01%
62.	Niezalezny Operator Miedzystrefowy Sp. z o.o.	telecommunication services	35.00%	35.00%	-	-	142,351	1.13%
63.	P.U. Zielen Sp. z o.o. – Plock	cleaning services	22.07%	22.07%	5,494	0.02%	846	0.01%
64.	Ran-Bialy Sp. z o.o. – Bialystok	used oil collection	46.70%	46.70%	**			

(in thousands PLN)

No.	Name and location	Activity	Percentage of share capital owned	Share in total votes on General Meeting of Shareholders	Revenue (net sales and financial income)*	% revenue of PKN	Total assets as at 31 December 2000*	% Total assets of PKN
65.	Piast Sp. z o.o. – Krakoow	fuels trading	40.00%	40.00%	80,323	0.32%	11,583	0.09%
66.	Petro-Oil Seewax Sp. z o.o. – Sulejowek	trade and services in oil industry	25.00%	25.00%	18,857	0.08%	5,418	0.04%
67.	Petro-Oil Malopolskie Centrum Sprzedazy Sp. z o.o. - Szczucin	production and trade of petrochemical products	24.00%	24.00%	5,726	0.02%	16,765	0.13%
68.	Petro-Oil Podlaskie Centrum Sprzedazy Sp. z o.o. – Bialystok	trade of petrochemical products and services	24.00%	24.00%	1,241	0.00%	2,336	0.02%
69.	Petro-Oil Buwar Sp. z o.o. – Legnica	production and sales of petrochemical products	24.00%	24.00%	10,117	0.04%	2,990	0.02%
70.	Pomorskie Centrum Sprzedazy Sp. z o.o. – Gdansk	trade of petrochemical products and services	24.00%	24.00%	424	0.00%	2,099	0.02%
71.	Petro-Oil Wielkopolskie Centrum Sprzedazy Sp. z o.o. – Suchy Las	production and trade of petrochemical products	22.00%	22.00%	28,857	0.11%	8,236	0.07%
72.	RAF-Uniwersal Sp. z o.o. – Jedlicze	trade and services activity	20.00%	20.00%	1,907	0.01%	163	0.00%
73.	Petro-Pak S.A. – Mielec	production, sales and services	20.00%	20.00%	**			
	Total					**2.64%**		**1.72%**

* The financial statements for the year 2000 of mentioned above entities have not been audited by Arthur Andersen Sp. z o.o.

** Entity did not start its activity in year 2000

On the basis of Article 56 point 2 of the Accounting Act, due to insignificance of amounts presented in the above entities' financial statements, these entities were not consolidated. In compliance with 3 clause point 2 of Ministry of Finance Decree dated 19 of November 1999 on stricter criteria than those stated in the Accounting Act with reference to issuers of publicly listed shares, the abridged financial statements of unconsolidated entities are presented in note 64.

(in thousands PLN)

E. Adjustments resulting from qualifications in auditors' report on financial statements for the years for which the financial statements were presented

Auditors' report on financial statements of the Group for the year 2000 and year 1999 contained no qualifications.

F. Internal divisions

From the date of incorporation of CPN (7 September 1999) the Parent Company was a multi-branched enterprise, consisting of self-balancing Branches, which possessed partial commercial and financial autonomy. The financial statements of Branches, after excluding internal balances and sales and unrealized gains/losses, constituted aggregated financial statements of the Parent Company. As a result of change in internal structure of Parent Company, the Branches ceased their operational activity.

G. Consolidated financial statements according to International Accounting Standards (IAS)

As at 30 April 2001, the Parent Company prepared consolidated financial statements of the PKN Group for the year 2000 in accordance with International Accounting Standards (IAS).
Hyperinflation effects were not included in those financial statements as required by IAS 29 "Financial Reporting in Hyperinflationary Economies". Polish enterprises are obliged to revalue their fixed assets (using the rates set by Head Statistical Office for the particular groups of fixed assets or based on market values) in accordance with relevant ordinances issued by the Minister of Finance. The last revaluation was ordered to reflect the consequences of inflation. The results of revaluation are shown as "Revaluation reserve", which is not distributed. According to IAS 29 "Financial Reporting in Hyperinflationary Economies" value of assets and liabilities are to be stated at revalued cost as at the end of hyperinflationary reporting period and are basis for the valuation of assets and liabilities in financial statements of subsequent periods. Polish economy till the end of 1996 performed hyperinflationary economy, but beginning 1997 the criteria for hyperinflationary economy were not met. Financial statements prepared under IAS were reviewed by auditors, who issued a qualified opinion with respect to non-including hyperinflation effects in accordance with IAS 29.
The consolidated financial statements were prepared in accordance with Polish Accounting Standards (PAS) and accounting principles and practices employed by enterprises in Poland as is required by the Accounting Act. Apart from issue described above, these consolidated financial statements differ from consolidated financial statements prepared in accordance with IAS in the following areas:

	Net profit for year 2000	**Net profit for year 1999**
	million zloty	
PAS basis consolidated	805	815*
Distributions from profit	(3)	-
Unrealized foreign exchange gains, net	79	1
IAS adjustments to Anwil S.A. financial statements	7	(2)
Borrowing costs capitalization net	44	136
Consolidation of additional entities	6	14
Minority interest of CPN	-	(21)
Amortization of CPN goodwill	(11)	(2)
IAS treatment of negative goodwill from consolidation	12	12
Fair value adjustment	(1)	(2)
Deferred tax on the above	(27)	(7)
Others	(9)	-
	------	------
IAS consolidated	902	944
	====	====

*PAS basis pro forma consolidated data (reconciliation of PAS data to PAS pro forma data is presented in note 59)

(in thousands PLN)

	Equity as at 31 December 2000	Equity as at 31 December 1999
	million zloty	
PAS basis consolidated	7,086	6,328*
Distributions from profit	-	-
Unrealized foreign exchange gains, net	81	2
IAS adjustments to Anwil S.A. financial statements	(2)	(9)
Borrowing costs capitalization, net	489	445
Consolidation of additional entities	16	23
Minority interest of CPN	-	-
Goodwill on CPN employee shares acquisition	94	105
IAS adjustment for negative goodwill from consolidation	(62)	(74)
Fair value adjustment	-	1
Deferred tax on the above	(133)	(106)
Others	27	-
	------	------
IAS consolidated	7,596	6,715
	=====	=====

* PAS basis pro forma consolidated data (reconciliation of PAS data to PAS pro forma data is presented in note 59)

a) Distribution from profit

According to Polish business practice shareholders of the Company have the right to distribute the profit for the employees benefits, i.e. for bonus payment or transfer to social fund. Such distributions are enclosed in statutory financial statements, similarly to dividend payments, through the change in capital. In the financial statements prepared in accordance with IAS such payments are charged to operating costs of the year, that the distribution concerns.

b) Foreign exchange gains

In accordance with PAS unrealized foreign exchange gains are deferred until realized in the statutory financial statements. In accordance with IAS these gains are accounted for as income.

c) IAS adjustment to financial statements of associated company Anwil S.A.

The purpose of this adjustment is to present, in accordance with IAS, the share in consolidated net assets equities of capital group of Anwil S.A.

d) Capitalization of borrowing costs

According to PAS, borrowing costs concerning general indebtedness are expensed wholly when incurred. Borrowing costs related directly to investment projects are capitalized until the fixed assets are brought into usage.
According to IAS, the borrowing costs are capitalized pursuant to the alternative treatment allowed by IAS 23 “Borrowing costs”. The borrowing costs resulting from liabilities specifically referring to a project are subject to capitalization, furthermore, borrowing costs resulting from the remaining liabilities of the general character are capitalized to remaining projects, on a basis of calculation of average effective borrowing rate. The borrowing costs are capitalized until the fixed assets are brought into usage. Additionally, an adjustment to the depreciation of fixed assets is made as the result of higher borrowing costs being capitalized under IAS then in PAS.

e) Consolidation of additional entities

According to PAS associates and subsidiaries may be excluded from consolidation, if their total assets and total revenues do not exceed 10% of assets and revenues of parent company and total assets and revenues of entities excluded from consolidation do not exceed 20% of total assets and revenues of consolidated financial statements. For the purpose of IAS financial statements, entities excluded from consolidation under PAS, were consolidated.

f) Participation of minority shareholders of CPN

Pursuant to the adopted practice of presenting the effect of reorganization for the purpose of consolidated financial statements prepared according with IAS, aiming at inclusion to CPN property by incorporation, shares owned by employees as of 7 September 1999 were presented as minority interest. These shares are presented as the Parent Company's capital beginning 7 September 1999. Goodwill relating to CPN employees' share in net assets of former CPN is also presented.

For PSR purposes, in these financial statements the incorporation of CPN was presented using the pooling of interests method.

g) Goodwill on the purchase of CPN employee shares

The value of the Parent Company's shares held by its employees was accounted for on the basis of the results of the first public offer of sale of shares of Parent Company and amounted to 295 million zloty. The difference between this value and the share of CPN's employees in CPN's net assets as of 7 September 1999 accounted for according to IAS (188 million zloty) amounted to 107 million zloty as the goodwill balance in financial statements prepared according to IAS. According to PAS the merger was conducted under pooling interest method, therefore there were no goodwill on purchase of shares.

h) IAS treatment of negative goodwill from consolidation

Pursuant to PAS negative goodwill from consolidation is amortized in two years period. In financial statements prepared under IAS, in accordance with revised IAS 22, the negative goodwill from consolidation in the amount not exceeding fair value of purchased identifiable non-monetary assets is written off to incomes over weighted average depreciation period of depreciable assets.

i) Discounting of liabilities for purchase of Rafineria Nafty Jedlicze S.A.

In the financial statements prepared under IAS, Parent Company's long-term liability toward Nafta Polska S.A. in connection with purchase of Rafineria Nafty Jedlicze S.A. is presented in amount discounted to fair value. Surplus of sums paid over liability presented under fair value is shown as an expense. The surplus according to PAS is stated at nominal value.

j) Deferred tax effects resulting from above differences

As the result of the above differences deferred tax positions are different in financial statements prepared under PAS and IAS.

k) Sales revenues

According to PAS sales revenues and selling costs include excise tax, charged by the Group entities on the products subject to excise tax. For the purpose of IAS financial statements, the amount of excise tax calculated by the entities of the Group was eliminated from sales revenues and selling costs in the amount of 8,258 million zloty in the year 2000 (7,198 million zloty in the year 1999 respectively). The elimination has no impact on above-mentioned differences in net profit and equity.

l) Scope of Disclosures

The captions of consolidated financial statements prepared according to PAS and IAS may differ significantly. The scope of disclosures to consolidated financial statements to according to PAS differs from the scope of disclosures under IAS. The method for calculation of diluted profit per share according to PAS is different from the method of calculation according to IAS.

(in thousands PLN)

Note 38. Method of calculation of profit and diluted profit per ordinary share for the twelve months period

Net profit (for 12 months) in zloty	(A)	804,849,971.03
Weighted average number of ordinary shares	(B)	420,177,137
Profit per ordinary share (in zloty)	(A/B)	1.92
Weighted average expected number of ordinary shares	(C)	431,521,921
Diluted earnings per ordinary share (in zloty)	(A/C)	1.87

Following assumptions were taken to calculate profit and diluted profit per ordinary share:

- weighted average number of issuer's ordinary shares is set as a number of ordinary shares, which remain in shareholders possession in period, the weight is the period set as a whole or part of the company's year,
- weighted average expected number of shares is calculated as a sum of weighted average number of issuer's shares as at the balance sheet date and new-issued 11,344,784 bonds convertible to Parent Company's shares series D,
- diluted profit per ordinary share is calculated on the basis of weighted average expected number of shares.

Note 39. Distribution of profit for the year 2000 and distribution of profit of consolidated associates and subsidiaries for the year 1999

a) Distribution of profit for the year 2000

Distribution of profit of the Parent Company	
Dividend (0.05 zloty per 1 share)	21,008,856.85
Reserve capital	679.821.481.54

Total	700.830.338.39
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(in thousands PLN)

b) Distribution of profit of consolidated associates and subsidiaries for the year 1999

	Petrocentrum Sp. z o.o.	Petrogaz Inowroclaw Sp. z o.o.	Petrogaz Jaworzno Sp. z o.o.	Petrogaz Plock Sp. z o.o.	ORLEN Transport Plock Sp. z o.o.	Zaklad Budowy Aparatury Sp. z o.o.	Petrotel Sp. z o.o.	Petrogaz Lapy Sp. z o.o.	ORLEN Petroprofit Sp. z o.o.	Rafineria Trzebinia S.A.	Rafineria Nafty Jedlicze S.A.	Petro-Oil Sp. z o.o.
<u>Distribution of profit</u>												
Rewards for employees	-	-	-	-	-	-	-	-	-	-	-	-
Social Security Office (ZUS) and Pension Fund	-	-	-	-	-	-	-	-	-	-	-	-
Capital reserve (absorption of losses)	4,110	134	341	4,812	2,537	8,225	3,525	-	5,279	36,921	46	234
Dividends	-	-	-	-	-	2,740	-	-	-	-	-	-
Company's Social Fund (ZFSS)	-	-	-	-	-	-	-	-	-	1,000	-	-
Adjustment of capital reserve write-off	-	-	-	-	-	-	-	-	-	-		-
Dividends	-	-	-	-	-	-	-	-	-	-		-
Previous year loss cover	-	-	-	237	-	-	-	-	-	-	-	-
Undistributed profit	-	-	-	-	-	-	-	(387)	-	1,374	-	-
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Total profit (loss) for the year 1999	4,110	134	341	5,049	2,537	10,965	3,525	(387)	5,279	39,295	46	234
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

(in thousands PLN)

b) Distribution of profit of consolidated associates and subsidiaries for the year 1999 (continued)

	Inowroclawskie Kopalnie Soli "Solino" S.A.	ORLEN Petro-Tank Sp. z o.o.	Petrogaz Nowa Brzeznica Sp. z o.o.	Petrozachod Sp. z o.o.	ORLEN Petrogaz Wroclaw Sp, z o.o.	Petrolot Sp. z o.o.	Petroprojekt Sp. z o.o.	ORLEN Medica Sp. z o.o.	ORLEN Budonaft Sp. z o.o.	Naftoport Sp. z o.o.	Anwil S.A.	Chemiepetrol GmbH
<u>Distribution of profit/loss cover</u>												
Rewards for employees	1,091	-	-	-	-	-	-	-	-	-	-	-
Social Security Office (ZUS) and Pension Fund	223	-	-	-	-	-	-	-	-	-	-	-
Capital reserve	4,738	8,170	156	3,437	524	5,076	7,115	(153)	1,445	-	26,785	309
Dividends	-	-	-	-	-	-	750	-	-	19,142	-	-
Transfer to Social Fund (ZFSS)	450	-	-	-	-	-	-	-	-	-	-	-
Adjustment of capital reserve write-off	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Previous year loss cover	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed profit	-	-	-	-	-	-	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total profit (loss) for the year 1999	6,502	8,170	156	3,437	524	5,076	7,865	(153)	1,445	19,142	26,785	309
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

Other consolidated entities came into being in year 2000.

(in thousands PLN)

Note 40. Method of calculation of net book value and diluted net book value per share as at 31 December 2000

Net book value	(A)	7,086,147,419.82
Number of shares	(B)	420,177,137
Net book value per share (in zloty)	(A/B)	16.86
Expected number of shares	(C)	431,521,921
Diluted book value per share (in zloty)	(A/C)	16.42

Following assumptions were taken to calculate net book value and diluted net book value per ordinary share:

- number of issuer’s ordinary shares is set as a number of shares as at 31 December 2000,
- diluted net book value per share is calculated on the basis of an expected number of shares,
- expected number of shares is calculated as a sum of number of issuer’s shares at 31 December 2000 and new-issued 11,344,784 bonds convertible to Parent Company’s shares series D.

(in thousands PLN)

NOTES TO CASH FLOW STATEMENT

Information about cash and cash equivalents is presented in Note 10.

Note 41. Classification of the Capital Group activities in cash flow statement

The classification of activities into operating, investing and financing activities is as follows:

- Operating activity includes transactions and events connected with the Capital Group's core activity, not enumerated in financing and investing activities (i.e. repayment of liabilities, cash inflow from sales of finished products or goods for resale, income tax payments, collection of receivables from sales);

- Investing activity includes mainly inflows and outflows connected with purchase or sale of fixed assets and with purchase or sale of securities;

- Financing activity includes mainly the securing of equity capital and loan capitals, as well as their repayment and maintenance.

a) The reasons for occurrence of differences between balance sheet changes of selected balance sheet items and changes presented in cash flow statement

Receivables:	year 2000
Balance sheet change in net value of long- and short-term receivables	(344,471)
Change in corporate income tax receivables	27,061
Change in investing receivables	14,368
Result of inclusion of new entities into consolidation	25,999
Others	508
Change in receivables within cash flow statement	(276,535)

Liabilities:	year 2000
Balance sheet change in long- and short-term liabilities	1,062,493
Change in short-term loans and borrowings	(708,287)
Change in corporate income tax liabilities	2,285
Change in investing liabilities	(84,545)
Result of inclusion of new entities into consolidation	(25,571)
Others	1,745
Change in liabilities within cash flow statement	244,630

(in thousands PLN)

Stock:	year 2000
Balance sheet change in stock	(667,268)
Contributions in kind	292
Result of inclusion of new entities into consolidation	4,303
Change in balance of stock within cash flow statement	(622,673)

Accruals:	year 2000
Balance sheet change in accruals	(355,080)
Change in commercial bonds interest	(776)
Result of inclusion of new entities into consolidation	1,639
Change in accruals within cash flow statement	(355,943)

Deferred income:	year 2000
Balance sheet change in deferred income	74,287
Changes resulting from unrealized foreign currency gains on loans	(73,417)
Changes in financial fixed assets	983
Result of inclusion of new entities into consolidation	(1,379)
Change in deferred income within cash flow statement	476

b) Other captions in consolidated cash flow statement

The amount of 20,366 presented in caption A.II.15 in operating activities of the consolidated cash flow statement for the year 2000 includes:

Permanent diminution in value of financial fixed assets	4,068
Usage of materials in operational activity classified as construction in progress	5,667
Donations	4,702
Others	5,929

	20,366
	======

In cash flow statement for the year 2000 in an item B.I.9 in investing activities an amount of 19,233 thousand zloty is presented. This amount includes:

Change in prepayments for fixed assets	8,299
Cash acquired from newly consolidated companies	10,217
Others	717

	19,233
	======

In cash flow statement for the year 2000 in an item B.II.8 in investing activities an amount of 14,326 is presented. This amount includes:

Prepayments for financial fixed assets	6,507
Others	7,819

	14,326
	======

(in thousands PLN)

ADDITIONAL EXPLANATION NOTES

Note 42. Financial instruments

In year 2000, the Parent Company has entered a number of transactions for purchase and sale of financial instruments: options and currency forwards.

The purpose of entering options and forwards contracts was hedging of short-term liabilities concerning purchase of crude oil and hedging of foreign currency loan.

The option period for all unrealized options as of the 31 December 2000, ended January 2001. Hedged short-term payments, which are not realized as of 31 December 2000, amount to 55 million USD.

Realization prices for short-term options are presented below:

- purchase of call option 4.5000 USD/PLN,
- sale of call option 4.5500 : 4.7000 USD/PLN,
- sale of put option 4.3640: 4.5220 USD/PLN.

Risks resulting from the above instruments result from foreign exchange risk USD/PLN and risk of change of interest rates.

Note 43. Contingent liabilities and risks

a) Guarantees and other contingent liabilities

Type of liability as at 31 December 2000

Guarantees granted, including:	56,535
- consolidated subsidiaries (consolidated)	45,514
- consolidated associates	-
- other companies	11,021
Other contingent liabilities, including:	60,879
- complaint of Enerco S.A. (i)	5,321
- complaint of Enerco – Industrie (ii)	21,260
- complaint of Ten Hoeve Bros Inc. (iii)	11,258
- complaint of individuals (iv)	23,040

Total	117,414
	=====

(i) Contingent liability concerning complaint of Enerco S.A. of 5,321 thousand zloty includes the value of PKN's share in increase in share capital that PKN did not contribute (1,929 thousand zloty) and interests (3,392 thousand zloty),

(ii) Contingent liability concerning complaint of Enerco – Industrie of 21,260 thousand zloty includes amounts due to a complaint not contributed value of share (5,000 thousand zloty) and interest (16,260 thousand zloty).

(iii) Court case concerning complaint of Ten Hoeve Bros. Inc. (USA). A subject of this complaint is PKN ORLEN failure to pay 2,840 thousand zloty and default interest (8,418 thousand zloty). This amount relates to payments of invoices for realization of investment project.

(in thousands PLN)

(iv) Contingent liabilities concerning: complaint of individuals of 22,140 thousand zloty. The amount of 22,140 relates to the fee for an inventive project and complaint of an individual of 900 thousand zloty due to an accident of a family member with involvement of three parties.

b) Tax allowance

Tax allowances are regulated by Decree of Ministry of Finance concerning deductions of taxable income with investment expenses and decreases of tax on profits as well as by Art. 18a of the Corporate Income Tax Act. Pursuant to these regulations, corporate taxpayers were allowed to offset their taxable basis for a specified tax year with investment expenditure incurred in that year, and then offset its taxable basis for next tax year with a "tax bonus", i.e. half of the investment expenditure incurred in previous tax year. The Parent Company, Inowroclawskie Kopalnie Soli Solino S.A., Zaklad Budowy Aparatur S.A., Anwil S.A. and Naftoport Sp. z o.o. benefited from the investment incentives in the following amounts for the 1995 – 2000 and the year 2000 financial years (deductions from taxable income):

PKN	Tax allowance	Tax bonus
Year 1995	346,145	92,983
Year 1996	251,669	129,315
Year 1997	442,234	125,834
Year 1998	307,514	175,363
Year 1999	280,045	136,575
Year 2000	206,963	127,986
	- - - - - - -	- - - - - -
Total	1,834,570	788,056
	=======	=======

These allowances and bonuses are conditional. The Corporate Income Tax regulations provide for the loss and reversal of entitlement for all investment allowances if within 3 years beginning end of the taxable year in which the allowance was used, any of the following circumstances arise:

1) the taxpayer has outstanding tax liabilities exceeding 3% of particular taxes due for specific tax years, in relation to taxes constituting the state budget's income and insurance pension premiums, in case of VAT, any outstanding payments may not exceed 3% of output VAT;

2) the taxpayer transfers, in any form, the ownership of items that were subject to investment deductions; this does not concern the transfer of ownership resulting from the change of an entity's legal form or the merger or diversion of companies, performed on the basis of the Commercial Code;

3) the legal basis for the treatment of leased fixed assets as a component of the lessee's property ceases to exist;

4) the taxpayer is put into liquidation or is declared bankrupt;

5) the taxpayer is reimbursed for investment expenses in any form.

Tax authorities may also deny a claim to tax allowances if the taxpayer had been charged with outstanding tax liabilities at the moment in which the tax incentives deductions were commenced.

The Act on the amendment of the Corporate Income Tax Act dated 20 November 1998 (Journal of Law no 144, position 931) stipulates that taxpayers do not lose such right to investment allowance (according to the article 18 a of Corporate Income Tax Act) if they adjust their tax returns and settle the outstanding payments with penalty interest due within 14 days. In this case, the above implications, described in point (1) are not applicable.

c) Rafineria Nafty Jedlicze shares purchase - contingent liability to Nafta Polska S.A.

In accordance with the agreement dated 19 November 1998, the Parent Company purchased 75% of share capital of Rafineria Nafty Jedlicze S.A. from Nafta Polska S.A. for the price of 64.0 million zloty. In case Rafineria Nafty Jedlicze S.A. would generate a profit adjusted by the costs of setting up provisions not allowed for tax purposes of at least 30.0 million zloty in both 1999 and 2000, the Parent Company is bound to pay additional 16.8 million zloty because of Rafineria Nafty Jedlicze S.A. shares purchase. The agreement to purchase shares became effective on 1 January 1999. Rafineria Nafty Jedlicze S.A. generated in 1999 more than 30.0 million zloty calculated according to the above formula but it did not generate above specified profit for the year 2000.

d) Excise tax – contingent liability of Rafineria Nafty Jedlicze S.A.

Rafineria Nafty Jedlicze S.A. was subject to a tax audit for the period from January to September 1998 performed by tax authorities with respect to excise tax allowances in relation to diesel fuels. The tax audit was led by Fiscal Control Office, which issued a decision to increase excise tax liability of Rafineria Nafty Jedlicze S.A. up to 100 million zloty. Rafineria Nafty Jedlicze S.A. appealed to Fiscal Chamber questioning substantial basis of the decision. Fiscal Chamber suspended execution of the decision until appeal process finishes.

On 22 December 1999 Fiscal Chamber in Rzeszow after revision of Rafineria Nafty Jedlicze's appeal turned down the tax decisions in full and returned the matter for the renewed appraisal by the tax authorities of lower level. On 12 July 2000 Fiscal Control Office issued a decision setting tax liability relating to excise tax for February 1998 amounting to 5 million zloty and liability resulting from interests of 4.7 million zloty (the above amounts were paid).

On 22 February 2001 Rafineria Nafty Jedlicze received the decision of the Fiscal Control Office in Rzeszow, which set tax liabilities amounting: for March 1998 to 724 thousand zloty and liability resulting from interests as of 28 February 2001 to 862 thousand zloty, for April 1998 to 559 thousand zloty and liability resulting from interests as of 28 February 2001 to 575 thousand zloty. The Fiscal Control Office fully repealed the decision of the Fiscal Control Office Inspector regarding June, July and September 1998 and the lawsuit was discontinued. The Management Board of Rafineria Nafty Jedlicze does not agree with the decision of the Fiscal Control Office concerning tax liabilities for March and April 1998 and therefore on 22 March 2001 appealed to the Administrative Head Court.

e) Anti-trust proceedings

The Parent Company is subject to four anti-trust proceedings.

I. In two proceedings Office for Protection of Competition and Consumer ("OPCC") issued a decision setting cash penalty. These proceedings concern:

1. Prices of fuels – the Parent Company appealed to Anti-Trust Court against the negative decision of OPCC setting a penalty of 5 million zloty. Anti-Trust Court repealed the decision of OPCC concerning monopolistic practice of PKN ORLEN and therefore the cash penalty was repealed. The provision of 5 million zloty, set in year 1999, was released.
2. Methods of setting prices of antifreeze liquid to radiators „Petrygo" and prices of monoethylene glycols – the Parent Company appealed to Anti-Trust Court against the negative decision of OPCC setting penalty of 40 million zloty. The amount was provided for provision.

II. Until the date of preparation of these financial statements two remaining proceedings have still been pending.

1. Average prices of liquid fuels – OPCC and Polish Chamber of Liquid Fuels appealed against positive for the Company verdict in this case.
2. Refusal to sale fuels – the Company appealed to the Supreme Court against the negative verdict of the Anti-trust Court, concerning cessation of monopolistic management practice.

Until the date of preparation of the presented financial statements, the results of the proceedings described in point II were not yet known. These financial statements do not include provisions relating to the above proceedings, due to the fact that no penalty was set.

f) Lawsuits against CPN concerning declaring as invalid the resolutions of the general meeting of shareholders of CPN and deregistering of CPN from Companies Register

The Parent Company is subject to three court proceedings pursuant to which the claimants are seeking to have declared as invalid the resolutions of the general meeting of shareholders of CPN.

One of them concerns the resolution taken on 29 October 1998 and relating to the decrease in capital of CPN by redemption part of shares being in possession of Nafta Polska S.A. The proceeding is on its way. The Court did not set a date for the trial.

Two proceedings concern declaring as invalid the resolution of 19 May 1999 relating to the merger of CPN with the Company. In both cases the claimants withdrew their claims. It is believed that lawsuits run will be discontinued in the near future.

g) Employees compensation plans

On 19 August 1999 an agreement between the Parent Company and a trade union “Solidarnosc” operating in former CPN was signed. The goal of this agreement was regulating legal status of former CPN employees in the Company structure after the merger. The agreement was accepted by the other trade unions operating within the Company and expanded to the remaining employees of the Company. The Company guarantees all the employees not to be made redundant within 24 months from 1 January 1999.

As in the period described above dismissal of the employees protected by the above agreement occurs, each dismissed employee will additionally receive:

- 7 monthly salaries if dismissed within first 12 months;
- 4 monthly salaries if dismissed between 12 and 24 months;
- employees who at the moment of dismissal are less than 3 years before statutory retirement (male – 65 years old, female – 60 years old) will receive additionally one monthly salary.

The Act on particular principles of dismissal the employees due to employer related issues and on changes in certain codes (Journal of Law no 4 position 19 from year 1990) dated 28 December 1989 obliges employer to pay 1 up to 3 monthly salaries to employees dismissed as a result of reasons stated above.

h) Polish taxation

Poland currently has a number of laws related to excise tax, value added tax, corporate income tax and payroll (social) taxes. Regulations regarding these taxes were implemented not long ago, and may be often unclear or inconsistent. Often, differing opinions regarding legal interpretations exist both among and within government ministers and organizations, creating uncertainties and areas of conflict. Tax settlements, together with other legal compliance areas (for example: customs and currency control matters) are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts create tax risks in Poland that are substantially higher than those typically found in countries with more developed systems.

There are no formal procedures in Poland to agree the final level of tax charge for a period. Tax settlements may be subject of review during the subsequent 5 years. There is a risk that the authorities may have a different opinion from that presented by the entities of the Capital Group as to the interpretation of the law which could have significant effect on the entities of Capital Group stated tax liabilities.

i) Fixed assets located on the land with unsettled ownership issues

Net value of fixed assets on land with unsettled ownership issues as at 31 December 2000 accounts for 30,262 thousands zloty. Those assets are located mainly on fuel stations of former CPN. The necessity to leave or return these assets can have an adverse influence on the financial position or activity of the Capital Group.

Note 44. Amounts due to the State or local government budgets as a result of obtaining the right of ownership to buildings

As at 31 December 2000 there were no significant amounts due to the State or local government budgets as a result of obtaining the right of ownership to buildings.

Note 45. Discontinued operations

During the year 2000 the entities of the Capital Group did not discontinue any core activity and do not plan to discontinue any area of core activity in the following 12 months.
In the year 2000, the Parent Company created a number of companies performing supporting services, transportation services, maintenance services and other.

Note 46. Information on cost of construction in progress, fixed assets and development for own needs

Cost of construction in progress and fixed assets constructed for own use during the year 2000 amounted to 6,819 thousand zloty.

Note 47. Capital expenditures planned and incurred after 31 December 2000

Capital expenditures planned by the Capital Group in 2001 amount to 1,740,246 thousand zloty, including planned expenditures related to protection of environment amounting 520,710 thousand zloty. Capital expenditures incurred till the end of February 2001 amounted to 163,771 thousand zloty, including expenditures related to protection of environment amounting to 67,248 thousand zloty.

Note 48. Transactions with related entities

a) Transactions with major shareholders

- **Signing a contract for privatization advisory in the second stage of privatization**

On 13 March 2000 following the Board of Ministers acceptance of public offer plans for second tranche of the existing 20-30% of shares of Parent Company belonging to Nafta Polska S.A., the Parent Company and Nafta Polska S.A have signed on a contract with consortium CAIB Securities S.A., Lehman Brothers International (Europe), Wielkopolski Bank Kredytowy S.A. According to the contract the consortium will be a privatisation consultant during second stage of privatization process of Parent Company.

In July 2000 Nafta Polska S.A. sold 109,250,000 shares constituting to 26% of the share capital of the Parent Company. As a result of the second offer, the share of Nafta Polska S.A. in share capital of PKN ORLEN decreased from 44,06% to 18,06%.

b) Transaction with consolidated entities

- **Signing a contract with Inowroclawskie Kopalnie Soli "Solino" S.A. concerning leasing of an** Underground Store of Crude Oil and Fuels in Gora near Inowroclaw

As at 31 December 2000 the Parent Company owned 70.54% share in Inowroclawskie Kopalnie Soli "Solino" S.A. ("IKS").

On the basis of the Parent Company's Management Board resolution dated 16 May 2000, a General Contract concerning Leasing of an Underground Store of Crude Oil and Fuels in Gora near Inowroclaw was signed. The contract was signed for indefinite period. According to the contract IKS obliged itself irrevocably to lease to the Company gradually built underground stores of crude oil and fuels. The contract can not be dissolved before the period in which IKS uses and repays investment loan for financing the above project granted to IKS by Bank Handlowy w Warszawie S.A. The repayment date of this loan is 31 December 2013.

IKS will charge the Parent Company for the offered store capabilities and operating activities relating to running the Underground Store of Crude Oil and Fuels. The yearly charge will supply funds to repay part of loan falling due in the given year and cover cost of interest and costs of store capabilities.

After launching the first stage of an investment project (after bringing storing facilities to use) cession of receivables resulting from General Contract concerning Leasing of an Underground Store of Crude Oil and Fuels in Gora near Inowroclaw is to be a collateral for the investment loan.

- **Capital from additional payments to ORLEN Powiernik Sp. z o.o.**

On the basis of the Company's Management Board resolution dated 11 July 2000, the capital injection of the total amount of 230,299 thousand zloty to ORLEN Powiernik Sp. z o.o. was introduced. The purpose of the capital injection was to finance the purchase of PKN ORLEN's bonds by ORLEN Powiernik Sp. z o.o. The capital injection was conducted within the Motivation Program, which was the subject of a resolution dated 15 May 2000 taken by the Ordinary General Meeting of Shareholders of PKN ORLEN for the amount of 230,299 thousand zloty. The capital is to be returned after the cashflow from the sell of bonds are realized.

c) Transactions with members of the Management Board, Supervisory Board of Parent Company, their spouses, siblings, descendants and their other relatives

Transactions with members of the Management Board and Supervisory Board are described in Note 51.

As at 31 December 2000 the amount of borrowings granted by the Parent Company to managing and supervising persons and their relatives amounts to 206 thousand zloty.

In year 2000 members of Management Board, Supervisory Board of the Parent Company, their spouses, siblings, descendants and their other relatives have not entered any significant transactions with the Parent Company.

(in thousands PLN)

d) Transactions of Parent Company with related entities in the period between 1 January and 31 December 2000 and account balances as at 31 December 2000 as at 31 December 2000

	Capital Group PKN ORLEN					entities consolidated by Nafta Polska S.A.					
	Consolidated subsidiaries 1)	Consolidated associates 3)	Unconsolidated subsidiaries 1)	Unconsolidated associates 3)	Total of related entities in year 2000	Rafineria Czechowice S.A. 2)	Rafineria Jasło S.A 2).	Rafineria Glimar S.A. 2)	Rafineria Gdańska S.A. 2)	Other related companies 2)	Total consolidated entities by Nafta Polska S.A. (I half of year 2000)
Sales	3,446,077	381,548	77,773	67,027	3,972,425	268,500[4]	177,088[4]	45,315[4]	12,896[4]	2,538[4]	506,337
Purchases	291,435	12,250	211,236	4,740	519,661	2,093[4]	47[4]	196[4]	164,443[4]	74,512[4]	241,291
Interest receivable	4,459	-	62	-	4,521	1[4]	-	-	-	-	1
Interest payable	8	-	-	-	8	-	-	-	-	-	-
Receivables	381,436	43,821	9,032	6,461	440,750	58,070[5]	34,712[5]	18,052[5]	1[5]	112[5]	110,947[5]
Liabilities	61,521	497	25,403	578	87,999	-	-	28[5]	5,710[5]	6,214[5]	11,952[5]
Loans granted	-	-	-	-	-	-	-	-	-	-	-
Loans received	-	-	-	-	-	-	-	-	-	-	-
Long-term receivables	255,076	-	5	-	255,081	-	-	-	-	-	-

1) The Parent Company uses its vote rights (above 50% of votes) to appoint members of the Supervisory Board and in some cases also members of the Management Board.

2) Entities are controlled by major shareholder - Nafta Polska S.A., which till July 2000 was a major shareholder of the Parent Company.

3) The Parent Company has substantial influence through representatives of supervisory bodies.

4) Data for the first half of the year 2000

5) Data as at 30 June 2000

Data on percentage of share capital owned and share in total votes in subsidiaries and associates are presented Note 4d.

(thousand zloty)

Note 49. Information on joint undertakings and significant items of financial fixed assets, which are not the subject to full method and equity method consolidation

a) Polkomtel S.A.

As at 31 December 2000 the Company owned 2,941,230 shares of Polkomtel S.A. and had 19.61% share in Polkomtel share capital.

Polkomtel S.A. activities mainly include:
- designing, installation, exploitation and managing of GSM system on Polish territory in accordance with conditions of license given to the company,
- services connected with GSM cellular telecommunication on Polish territory,
- sales of products and services related to GSM system.

On December 29, 2000 having exercised the subscription right, PKN ORLEN applied for 1,078,550 registered shares of “J” series issued by Polkomtel S.A. due to the development of UMTS technology, what is proportional to PKN ORLEN’s 19.61% share in this company. PKN ORLEN also paid first installment amounting to PLN 26,963,750 representing 25% of the total amount for these shares. Till the moment of registration, the payment for the capital increase is stated as other receivables.
On 7 February, 2001 the Supervisory Board of Polkomtel S.A. adopted a resolution concerning the acceptance of the Management of the company for the call on the remaining part of payment for registered shares of “J” series. According to the resolution, on 20 March 2001 PKN ORLEN made a payment of 80,891 thousand zloty for the remaining part of the receivable, that is 75% of the value of purchased shares.

b) Niezalezny Operator Miedzystrefowy Sp. z o.o.

As at 31 December 2000 the Company owned 490,000 shares and 35% of votes on Meeting of Partners of the company Niezalezny Operator Miedzystrefowy Sp. z o.o. The common stock of the company amounts to 140 million zloty. The other shareholders are Polskie Sieci Elektroenergetyczne S.A. in Warsaw (50%) and Telekomunikacja Energetyczna Tel-Energo S.A. in Warsaw (15%). In the second half of the year the increase of the capital by 139 million zloty took place. PKN ORLEN acquired additional 486,500 shares.

The company’s activities include: interregional telecommunication services, installation, exploitation, modernisation and usage of telecommunication systems.

In short-term perspective, new capital increases up to 160,000 thousand zloty are planned. Total common stock of Niezalezny Operator Miedzystrefowy Sp. z o.o. will amount to 300,000 thousand zloty. PKN ORLEN is to acquire new shares for the amount of 56,000 thousand zloty in total.

In short-term perspective, new capital increases up to 160,000 thousand zloty are planned. Total common stock of Niezalezny Operator Miedzystrefowy Sp. z o.o. will amount to 300,000 thousand zloty. PKN ORLEN is to acquire new shares for the amount of 56,000 thousand zloty in total.

Note 50. Average employment information

Average employment by category in Parent Company and consolidated subsidiary entities between 1 January and 31 December 2000 was as follows:

Category of employment	Year 2000
Blue collar workers	8,201
White collar workers	6,486

	14,687
	=====

(in thousands PLN)

Note 51. Remuneration of the Company's Management and Supervisory Boards, including distribution of profits of the Parent Company paid out in the period between 1 January 2000 and 31 December 2000

Remuneration of the Company's Management encompasses contract remuneration, bonuses, yearly prize and cash equivalents for the unused vacations decided by the Supervisory Board in management contracts. Additionally, the Parent Company pays for the members of Management Board life insurance.

Remuneration	Year 2000
Management Board of Parent Company	6,768
Supervisory Board	262
	7,030

Remuneration in subsidiaries	Year 2000
Management Board of Parent Company	238
Supervisory Board	24
	262

Remuneration in associates	Year 2000
Management Board of Parent Company	126
Supervisory Board	75
	201

Note 52. Information about loans, borrowings and guarantees granted to the Management and Supervisory Board members and other information concerning Management and Supervisory Board members of Parent Company

Loans	Year 2000
Management Board	192
Supervisory Board	14
Total	206

Subsidiaries and associates did not grant loans to the Management and Supervisory Board members of the Parent Company. The Parent Company, subsidiaries and associates did not grant loans and guarantees to the Management and Supervisory Board members of the Parent Company.

Note 53. Significant events from previous years included in the financial statements for the year 2000

No significant prior periods items were included in the financial statements for the year 2000.

Note 54. Events occurring after the end of the financial year

a) Changes in the composition of the Supervisory Board of PKN ORLEN

On 11 January 2001,the Extraordinary General Meeting of Shareholders of PKN ORLEN accepted the resignation from the Supervisory Board of PKN ORLEN of the members listed below:

1. Andrzej Bankowski
2. Janusz Wojcik
3. Grzegorz Zarebski
4. Michal Frackowiak

At the same time, the following members were elected to the Supervisory Board of PKN ORLEN:

1. Marek Latacz – Chairman of the Supervisory Board
2. Marcin Gizewski
3. Aleksander Olas
4. Jerzy Idzik

The actual composition of the Supervisory Board Members of PKN ORLEN is as follows:

1. Marek Latacz – Chairman of the Supervisory Board
2. Ludomir Handzel – Vice-chairman of the Supervisory Board
3. Marcin Gizewski – Member of the Supervisory Board
4. Andrzej Herman – Member of the Supervisory Board
5. Kalina Grzeskowiak – Gracz - Member of the Supervisory Board
6. Szczepan Targowski – Member of the Supervisory Board
7. Aleksander Olas – Member of the Supervisory Board
8. Jerzy Idzik – Member of the Supervisory Board
9. Marek Wasowicz – Member of the Supervisory Board

b) Changes in the shareholding structure of PKN ORLEN

On 17 January 2001 Franklin Resources, Inc informed PKN ORLEN, that Franklin Resources, Inc and its associates: Franklin Mutual Advisers, LCC and Templeton Wordwide, Inc. and other posses 22,063,580 shares of PKN ORLEN. The shares account for 5,25% of share capital and votes on the General Meeting of the Shareholders.

c) Purchase of shares of Anwil S.A. ("ANWIL")

On 19 February 2001 PKN ORLEN signed following contracts with:

1. Towarzystwo Finansowe Silesia Sp. z o.o. for the purchase of 2.100.000registered shares in share capital of Z.A. Anwil. The purchased shares account for 14% of share capital of Anwil S.A. and entitle to 14% votes on the General Meeting of the Shareholders,
2. Polskie Górnictwo Naftowe i Gazowe S.A. located in Warsaw, concerning the purchase of 1,869,879 registered shares in share capital of Anwil S.A.. The purchased shares account for 12.47% of share capital of Anwil S.A. and entitle to 12.47% votes on the General Meeting of the Shareholders.

The transfer of the ownership of the shares according to the contract caused that the share of PKN ORLEN in Anwil S.A. exceeded 50% share in capital. The amount of the transactions described above totals 94,328 thousand zloty. On 2 March 2001 General Meeting of the Shareholders of Anwil S.A. adopted a resolution concerning the acceptance for the purchase of shares by PKN ORLEN. On 29 March 2001 the "OPCC" informed the Company that no reservation will be made regarding the transaction of purchase of shares of Anwil S.A..

d) Capital increase in Niezalezny Operator Miedzystrefowy Sp. z o.o. (NOM Sp. z o.o.)

On 19 March 2001 the declaration regarding the acquisition of shares by PKN ORLEN S.A. in increased share capital of NOM Sp. z o.o. located in Warsaw was placed. As a result of shares capital increase in NOM Sp. z o.o., PKN ORLEN acquired 70,000 new shares of a total value of 35,000 thousand zloty.
The above acquisition of shares is following the contract signed between shareholders, described in Note 49 in point b.
Share of PKN ORLEN S.A. in share capital of NOM Sp. z o.o. resulting from the transaction remains on the same level of 35%.

e) Sale of shares of Bank Ochrony Srodowiska S.A. (BOS S.A.)

On 28 March 2001 the Company sold all possessed shares of BOS S.A., constituting t 4.99% of share capital of BOS S.A. Balance sheet value amounted to 19,347 thousand zloty, the proceeds from the sale of shares totaled 65,930 thousand zloty. The profit from the sale was 46,583 thousand zloty.

Note 55. Information on relations between legal antecedent and the Company concerning overtaking of assets and liabilities

On 29 June 1993 the Minister for Privatization representing State Treasury transformed the State-owned enterprise under the firm of Mazowieckie Zaklady Rafineryjne i Petrochemiczne "Petrochemia" located in Plock into State-owned Joint Stock Company. The Company's share capital resulted from transformation of the former state enterprise funds: enterprise fund and start-up fund. The share capital of the Company at the day of transformation amounted to 420 million zloty, with the remaining part of the funds of state-owned enterprise presented as the capital reserve of the Company. The State Treasury took up all of the Company's shares. The special funds of the state-owned enterprise, in the amounts presented in the closing balance sheet, became special funds of the Company in accordance with their previous use.

Note 56. Hyperinflationary accounting and reporting

The yearly average inflation rate did not exceed 20%, therefore financial statements adjusted for inflation are not required. According to International Accounting Standards that sets up different than Decree on Current and Periodic Information accounting and reporting standards Polish economy was not hyperinflationary after 1996.

Note 57. Changes in the accounting policies

During year 2000 the Capital Group did not introduce any significant changes in accounting policies in comparison to policies used to prepare financial statements for previous year.

(in thousands PLN)

Note 58. Pro forma consolidated financial data

Pro forma financial data for the year 1999 presented in following tables were prepared in accordance with provisions presented in Section B of introductory notes to the financial statements.

Pro forma consolidated balance sheet of the Enlarged Capital Group

ASSETS	Actual for the year 2000	Pro forma for the year 1999
I. Fixed assets	8,382,280	7,749,276
1. Intangible fixed assets	79,918	59,812
2. Goodwill	767	2,328
3. Tangible fixed assets	7,448,043	6,945,982
4. Financial fixed assets	851,293	735,842
- shares in entities included in consolidation using equity method	346.657	292,733
5. Long term debtors	2,259	5,312
II. Current assets	4,562,889	3,536,826
1. Inventories	2,706,299	2,039,031
2. Debtors	1,666,035	1,318,511
3. Own shares for sale	-	-
4. Short term investments	14,297	2,219
5. Cash and cash equivalents	176,258	177,065
III. Prepayments and deferred costs	659,280	291,833
1. Deferred tax asset	22,514	21,786
2. Other prepayments and deferred costs	636,766	270,047
Total assets	13,604,449	11,577,935

LIABILITIES

I. Capital	7,086,147	6,327,807
1. Share capital	525,221	525,221
2. Unpaid share capital	-	-
3. Capital reserve	4,728,181	3,954,153
4. Revaluation reserve	747,910	771,211
5. Other capital reserves	53,542	53,542
6. Foreign exchange gain/losses on inclusion of foreign branches	-	-
7. Foreign exchange gain/losses from consolidation	4	4
8. Undistributed gains/losses from previous years	226.439	209,358
9. Net profit for the financial year	804,850	814,318
II. Negative goodwill	48,986	245
III. Capital of minority shareholders	169.769	147,245
IV. Provisions	756,065	707,577
1. Provisions for deferred tax	153,677	102,887
2. Other provisions	602,388	604,690
V. Creditors	5,298,541	4,236,048
1. Amounts falling due after one year	1,246,248	924,947
2. Amounts falling due within one year	4,052,293	3,311,101
VI. Accruals and deferred income	244,941	159,013
Total liabilities	13,604,449	11,577,935

(in thousands PLN)

Consolidated pro forma profit and loss accounts of The Enlarged Group

	Actual for the year 2000	Pro forma for the year 1999
I. Net sales	26,859,907	20,476,405
1. Net sales of finished products	24,875,408	16,822,657
2. Net sales of goods for resale and materials	1,984,499	3,653,748
II. Cost of goods sold	(15,004,078)	(10,349,710)
1. Cost of sales of finished products	(13,258,575)	(7,187,783)
2. Cost of goods for resale and materials sold	(1,745,503)	(3,161,927)
III. Gross profit on sales (I-II)	11,855,829	10,126,695
IV. Selling and distribution costs	(9,716,522)	(8,216,326)
V. General and administration expenses	(616,682)	(594,675)
VI. Profit on sales (III-IV-V)	1,522,625	1,315,694
VII. Other operating income	147,341	115,260
VIII. Other operating costs	(243,376)	(224,200)
IX. Operating profit (VI+VII-VIII)	1,426,590	1,206,754
X. Income from investments in shares	228	3,502
XI. Income from other financial fixed assets	-	-
XII. Other financial income	196,974	123,246
XIII. Financial charges	(542,044)	(299,382)
XIV. Gross profit (IX+X+XI+XII-XIII)	1,081,748	1,034,120
XV. Extraordinary items (XV.1. – XV.2.)	34,902	35,987
1. Extraordinary profits	67,285	66,554
2. Extraordinary losses	(32,383)	(30,567)
XVI. Goodwill write-off from consolidation	(1,624)	(1,217)
XVII. Capital reserve write-off	12,256	236
XVIII. Profit before taxation	1,127,282	1,069,126
XIX. Income tax	(333,921)	(256,440)
XX. Other obligatory charges on profit	-	-
XXI. Share in profits of entities consolidated with property rights	34,666	20,118
XXII. Profit of minority shareholders	(23,177)	(18,486)
XXIII. Net profit	804,850	814,318

(in thousands PLN)

Note 59. Detailed rules of preparing consolidated financial statements for the year 1999 of the Enlarged Group

Consolidated financial data presented in the specification below includes data of the Company and CPN from the financial statements prepared in accordance with accounting rules.

Pro forma balance sheet of the Enlarged Group as at 31 December 1999

ASSETS	Group	CPN	Adjustments	Remark	The Enlarged Group
I. Fixed assets	7,749,276	-	-		7,749,276
1. Intangible fixed assets	59,812				59,812
2. Goodwill	2,328	-	-		2,328
3. Tangible fixed assets	6,945,982	-	-		6,945,982
4. Financial fixed assets	735,842	-	-		735,842
shares in entities included in consolidation using equity method	292,733				292,733
5. Long term debtors	5,312	-	-		5,312
II. Current assets	3,536,826	-	-		3,536,826
1. Inventories	2,039,031	-	-		2,039,031
2. Debtors	1,318,511	-	-		1,318,511
3. Own shares for sale	-	-	-		-
4. Short term investments	2,219	-	-		2,219
5. Cash and cash equivalents	177,065	-	-		177,065
III. Prepayments and deferred costs	291,833	-	-		291,833
1. Deferred tax asset	21,786	-	-		21,786
2. Other prepayments and deferred costs	270,047	-	-		270,047
Total assets	11,577,935	-	-		11,577,935

LIABILITIES					
I. Capital	6,292,105	-	35,702		6,327,807
1. Share capital	525,221	-	-		525,221
2. Unpaid share capital	-	-	-	-	-
3. Capital reserve	4,006,088	-	(51,935)	A	3,954,153
4. Revaluation reserve	771,211	-	-		771,211
5. Other capital reserves	53,542	-	-		53,542
6. Foreign exchange gain/losses on inclusion of foreign branches	-	-	-		-
7. Foreign exchange gain/losses from consolidation	4				4
8. Undistributed gains/losses from previous years	214,132	-	(4,774)	B	209,358
9. Net profit for the financial year	721,907		92,411	C	814,318
II. Negative goodwill	35,947		(35,702)	D	245
III. Capital of minority shareholders	147,245				147,245
IV. Provisions	707,577	-	-		707,577
1. Provisions for deferred tax	102,887	-	-		102,887
2. Other provisions	604,690		-		604,690
V. Creditors	4,236,048	-	-		4,236,048
1. Amounts falling due after one year	924,947	-	-		924,947
2. Amounts falling due within one year	3,311,101	-	-		3,311,101
VI. Accruals and deferred income	159,013	-	-		159,013
Total liabilities	11,577,935	-	-		11,577,935

(in thousands PLN)

Pro forma profit and loss account of the Enlarged Group for the period from 1 January to 31 December 1999

	Group	CPN	Adjustments	Remark	The Enlarged Group
I. Net sales	18,350,012	4,530,194	(2,403,801)		20,476,405
1. Net sales of finished products	16,367,164	71,671	383,822	E	16,822,657
2. Net sales of goods for resale and materials	1,982,848	4,458,523	(2,787,623)	F	3,653,748
II. Cost of goods sold	(8,927,115)	(3,823,987)	2,401,392		(10,349,710)
1. Cost of sales of finished products	(7,187,670)	(37,654)	37,541	G	(7,187,783)
2. Cost of goods for resale and materials sold	(1,739,445)	(3,786,333)	2,363,851	H	(3,161,927)
III. Gross profit on sales (I-II)	9,422,897	706,207	(2,409)		10,126,695
IV. Selling and distribution costs	(7,806,766)	(416,743)	7,183	I	(8,216,326)
V. General and administration expenses	(448,361)	(146,314)	-		(594,675)
VI. Profit on sales (III-IV-V)	1,167,770	143,150	4,774		1,315,694
VII. Other operating income	96,866	18,394	-		115,260
VIII. Other operating costs	(198,707)	(25,493)	-		(224,200)
IX. Operating profit (VI+VII-VIII)	1,065,929	136,051	4,774		1,206,754
X. Income from investments in shares	1,281	2,221	-		3,502
XI. Income from other financial fixed assets	-	-	-		-
XII. Other financial income	100,446	22,800	-		123,246
XIII. Financial charges	(285,602)	(13,780)	-		(299,382)
XIV. Gross profit (IX+X+XI+XII-XIII)	882,054	147,292	4,774		1,034,120
XV. Extraordinary items (XV.1. – XV.2.)	35,537	450	-		35,987
1. Extraordinary profits	65,367	1,187	-		66,554
2. Extraordinary losses	(29,830)	(737)	-		(30,567)
XVI. Goodwill write-off from consolidation	(1,217)	-	-		(1,217)
XVII. Capital reserve write-off	11,303	-	(11,067)	J	236
XVIII. Profit before taxation	927,677	147,742	(6,293)		1,069,126
XIX. Income tax	(207,402)	(49,038)	-		(256,440)
XX. Other obligatory charges on profit	-	-	-		-
XXI. Share in profits of entities consolidated with property rights	20,118	-	-		20,118
XXII. Profit of minority shareholders	(18,486)				(18,486)
XXIII. Net profit	721,907	98,704	(6,293)		814,318

(in thousands PLN)

Explanation for the year 1999

A	(98,704)	Net profit of CPN for the period 1.01.-7.09.1999
	46,769	Inclusion of Rafinerii Trzebinia S.A.and Rafinerii Nafty Jedlicze S.A. to consolidation under uniting interest method
	(51,935)	
B	**(4,774)**	Reversal of unrealized margin on sales between the Company and CPN as at 1 January 1999
C	98,704	Net profit of CPN for the period 1.01.-7.09.1999
	4,774	Reversal of unrealized margin on sales between the Company and CPN as at 1 January 1999
	(11,067)	Elimination of amortization of negative goodwill on consolidation relating to Rafineria Trzebinia S.A. and Rafineria Nafty Jedlicze S.A.
	92,411	
D	(35,702)	Inclusion of Rafinerii Trzebinia S.A.and Rafinerii Nafty Jedlicze S.A. to consolidation under uniting interest method
E	391,005	Reclassification of CPN revenues from sales of goods for resale to sales of finished products of the Enlarged Group
	(7,183)	Elimination of sale of services from CPN to the Group
	383,822	
F	(2,360,752)	Elimination of sale of goods for resale to CPN
	(391,005)	Reclassification of CPN revenues from sales of goods for resale to sales of finished products of the Enlarged Group
	(35,886)	Elimination of sale of goods for resale of CPN to the Company
	(2,787,623)	
G	4,774	Reversal of unrealized margin on sales between the Company and CPN as at 1 January 1999
	32,767	Reclassification of costs of CPN due to reclassification of sales of CPN described in points E and F
	37,541	
H	2,360,752	Elimination of sale of goods for resale of the Company to CPN
	35,866	Elimination of sales of goods for resale of CPN to the entities of the Group
	(32,767)	Reclassification of costs of CPN due to reclassification of sales of CPN described in points E and F
	2,363,851	
I	**7,183**	Elimination of sale of services from CPN to the Company
J	**(11,067)**	Elimination of amortization of negative goodwill on consolidation according to explanations in point C

(in thousands PLN)

Note 60. Change in the methods of preparing consolidated financial statements

These consolidated financial statements were prepared in format consistent with the Decree on Current and Periodic Information, except for the changes in principals presented in Note 61. During preparation of these consolidated financial statements the Group followed policies used in 1999.

Note 61. Differences between data disclosed in consolidated financial statements and previously prepared and published consolidated financial statements

a) In order to properly present cost of sales and general and administration expenses resulting from integration with branches of former CPN, the following reclassification was included:

	Financial Statements for the year 1999	Comparable financial data for the year 1999	Changes
Cost of Sales	7,776,390	7,806,766	30,376
General and Administration Expenses	478,737	448,361	(30,376)

The above presented reclassification does not influence either the net profit, or the capital of the Company.

b) In order to uniformly present capital reserve the following reclassification was included in Note13:

	Financial Statements for the year 1999	Comparable financial data for the year 1999	Changes
Capital reserve			
Created by law	3,011,172	175,074	(2,836,098)
Created according to statutory regulations	121,375	2,885,869	2,764,494
Other	-	71,604	71,604

The above presented adjustment does not influence either the net profit, or the reserve capital or the capital of the Company.

(in thousands PLN)

Note 62. Liabilities secured on the consolidated entities' assets

As at 31 December 2000 the Group had the following types of liabilities secured on their assets:

Type of collateral at 31 December 2000	Liabilities secured on assets	Amount of collateral
Collateral	72,133	129,002
Pledge on goods	24,109	35,724
Cession of receivables	598,836	175,059
Others	609,682	394,369
	------------	------------
Total	1,304,760	734,154

Note 63. Mandatory reserves of liquid fuels

Pursuant to the Act on State Reserves and Mandatory Fuel Reserves (Journal of Law no 90, position 404, with further amendments) dated 30 May 1996, the Parent Company and some of its subsidiaries are subject to an obligation to create and maintain mandatory reserves of liquid fuels. As at 31 December 1998 the reserves should amount to 2 per cent by volume of the production and imports realized by entity in the previous year. In 1999 and each of the following years the level of reserves required increases by further 2 per cent until Poland adopts EU regulation on the reserve requirements, which are expected to be increased and reach the level of 90 days of production and imports of entity.

Note 64. Information concerning subsidiaries and associates not included in consolidated financial statement

In connection with § 3 point 2 of the Decree of Ministry of Finance dated 19 November 1999 regarding more strict criterions than those stated in the Accounting Act clauses with reference to issuers of publicly listed shares or those soliciting allowance on public offering, this note includes information concerning entities not consolidated or not included in comparable financial data under art 56 point 2 of the Accounting Act, due to immateriality of values presented in financial statements of the entity.

Abridged financial statements of entities listed below are presented in the appendix to this report.

Note: The financial statements of entities listed below were not audited by Arthur Andersen Sp. z o.o.

No.	Name and location	Result on audit of financial statements for the year 2000
1.	Zaklad Urzadzen Dystrybucyjnych Sp. z o.o.- Opole	The entity did not start the activity as at 31 December 2000
2.	ORLEN Polimer Sp. z o.o. - Plock	Unqualified auditor's report
3.	ORLEN Sportowa Spolka Akcyjna. - Plock	Unqualified auditor's report
4.	Petroochrona Sp. z o.o.- Plock	Unqualified auditor's report
5.	CPN Serwis Kielce Sp. z o.o.- Kielce	No requirement to audit financial statements
6.	Zespol Wypoczynkowy Mazowsze Leba Sp. z o.o.- Leba	No requirement to audit financial statements
7.	CPN Serwis Gdansk Sp. z o.o.- Gdansk	Unqualified auditor's report
8.	CPN Serwis Slupsk Sp. z o.o.- Slupsk	No requirement to audit financial statements

(in thousands PLN)

No.	Name and location	Result on audit of financial statements for the year 2000
9.	CPN Serwis Nowa Wies Wielka Sp. z o.o.- Nowa Wies Wielka	Audit in progress
10.	Petromot Sp. z o.o.- Kedzierzyn-Kozle	No requirement to audit financial statements
11.	CPN Serwis Lodz Sp. Z o.o.- Lodz	No requirement to audit financial statements
12.	CPN Serwis Rzeszow Sp. z o.o.- Rzeszow	No requirement to audit financial statements
13.	CPN Serwis Mazowsze Sp. z o.o.- Warszawa	No requirement to audit financial statements
14.	CPN Serwis Podlasie Sp. z o.o.- Bialystok	No requirement to audit financial statements
15.	Dom Wczasowy Mazowsze Jaszowiec Sp. z o.o.- Ustron Jaszowiec	Unqualified auditor's report
16.	CPN Serwis Krakow Sp. z o.o.- Krakow	No requirement to audit financial statements
17.	CPN Serwis Wroclaw Sp. z o.o.- Wroclaw	No requirement to audit financial statements
18.	PetroKan Sp. z o.o. - Plock	Unqualified auditor's report
19.	B.H.T. Dromech S.A.- Warszawa	Audit in progress
20.	CPN Serwis Kedzierzyn- Kozle Sp. z o.o. – Kedzierzyn- Kozle	No requirement to audit financial statements
21.	CPN Serwis Szczecin Sp. z o.o.- Szczecin	No requirement to audit financial statements
22.	CPN Serwis Zachod Sp. z o.o.- Nowa Sol	No requirement to audit financial statements
23.	CPN Marine Service Gdansk Sp. z o.o.- Gdansk	No requirement to audit financial statements
24.	Centrum Edukacji Przemyslu Naftowego Sp. z o.o.- Plock	Unqualified auditor's report
25.	PetroMechanika Sp. z o.o.- Plock	Unqualified auditor's report
26.	CPN Serwis Katowice Sp. z o.o.- Katowice	No requirement to audit financial statements
28.	Centrum Serwisowe Automatyki PetroAutomatyka Sp. z o.o. – Plock	Unqualified auditor's report
	Petromor Sp. z o.o.- Gdansk	Unqualified auditor's report
29.	ORLEN Remont Sp. z o.o.– Plock	Unqualified auditor's report
30.	ORLEN Eltech Sp. z o.o. - Plock	Unqualified auditor's report
31.	ORLEN EnergoRem Sp. z o.o. - Plock	Unqualified auditor's report
32.	PetroWir Sp. z o.o.- Plock	Unqualified auditor's report
33.	CPN Serwis Poznan Sp. z o.o.- Poznan	Unqualified auditor's report
34.	Centrum Uzdrowiskowe "Krystynka" Sp. z o.o. – Ciechocinek	No requirement to audit financial statements
35.	Petro-Oil Lubelskie Centrum Sprzedazy Sp. z o.o.- Lublin	No requirement to audit financial statements
36.	Zakladowa Straz Pozarna Sp. z o.o.- Trzebinia*	Unqualified auditor's report
37.	EkoNaft Sp. z o.o.- Trzebinia*	No requirement to audit financial statements
38.	Raf-Sluzba Ratownicza Sp. z o.o.- Jedlicze*	Unqualified auditor's report
39.	Petromont Sp. z o.o.- Niemce n.Lublin*	No requirement to audit financial statements
40.	Medikor Sp. z o.o.- Jedlicze*	Unqualified auditor's report
41.	Raf- Ochrona Sp. z o.o.- Jedlicze*	Unqualified auditor's report
42.	VARIA S.A.- Warszawa*	Audit in progress
43.	Petro-Ukraina- Lvov (Ukraine)*	The entity did not start the activity as at 31 December 2000
44.	Dom Handlowy Arian Petrooil- Kijov (Ukraine)*	No requirement to audit financial statements
45.	Ran-Flex Sp. z o.o.- Kielce*	Qualified opinion with emphasis of matter
46.	Ran-Starol Sp. z o.o.- Katowice*	Unqualified auditor's report
47.	NTVK S.A.– Vilnus (Lithuania)*	No requirement to audit financial statements
48.	Ran-Sigma Sp. z o.o.- Walbrzych*	Unqualified auditor's report
49.	Ran-Ole-Par Sp. z o.o.- Lodz*	Unqualified auditor's report
50	Montonaft Sp. z o.o.- Trzebinia*	Unqualified auditor's report
51	Ran-Oil Sp. z o.o.- Tarnow*	No requirement to audit financial statements
52.	Ran-Akant Sp. z o.o.- Lublin*	Audit in progress
53.	Ran-Petromex Sp. z o.o.- Opole*	Unqualified auditor's report
54.	Ran-Kiczmer Sp. z o.o.- Pisarzowice*	Unqualified auditor's report
55.	Ran-Dickmar Sp. z o.o.- Tarnobrzeg*	Unqualified auditor's report
56.	Ran-GGC Sp. z o.o.- Gdansk*	Unqualified auditor's report
57.	Ran-Akses Sp. z o.o.- Szczecin*	Audit in progress
58.	Ran-Watt Sp. z o.o.- Torun*	Unqualified auditor's report
59.	Ran-Mega Sp. z o.o.- Gliwice*	Audit in progress
60	Malnaft Sp. z o.o.- Malbork	No requirement to audit financial statements

(in thousands PLN)

No.	Name and location	Result on audit of financial statements for the year 2000
61.	Motell Sp. z o.o.- Krakow	Unqualified auditor's report
62.	Niezalezny Operator Miedzystrefowy Sp. z o.o. – Warszawa	Qualified auditor's report
63.	Przedsiebiorstwo Uslugowe Zielen Sp. z o.o.- Plock	No requirement to audit financial statements
64.	Ran-Bialy Sp. z o.o.- Bialystok*	The entity did not start the activity as at 31 December 2000
65.	Piast Sp. z o.o.- Krakow*	Unqualified auditor's report
66.	Petro-Oil Seewax Sp. z o.o.- Sulejowek*	Unqualified auditor's report
67.	Petro-Oil Malopolskie Centrum Sprzedazy Sp. z o.o. – Szczucin*	No requirement to audit financial statements
68.	Petro-Oil Podlaskie Centrum Sprzedazy Sp. z o.o. – Bialystok*	No requirement to audit financial statements
69.	Petro-Oil Buwar Sp. z o.o.- Legnica*	Unqualified auditor's report
70.	Petro-Oil Pomorskie Centrum Sprzedazy Sp. z o.o.- Gdansk*	No requirement to audit financial statements
71.	Petro-Oil Wielkopolskie Centrum Sprzedazy Sp. z o.o.- Suchy Las n. Poznan*	Unqualified auditor's report
72.	RAF-Uniwersal Sp. z o.o.- Jedlicze*	No requirement to audit financial statements
73.	Petro-Pak S.A.- Mielec*	The entity did not start the activity as at 31 December 2000

* associates and subsidiaries of consolidated entities (Rafineria Trzebinia S.A., Rafineria Nafty Jedlicze S.A., ORLEN PetroProfit Sp. zo.o., Petro-Oil Sp. z o.o.)

SIGNATURES OF THE MEMBERS OF THE MANAGEMENT BOARD

....
President - Andrzej Modrzejewski

....
Vice President - Marek Mroczkowski

....
Vice President - Jaroslaw Tyc

....
Member of the Board - Czeslaw Bugaj

....
Member of the Board - Krzysztof Cetnar

....
Member of the Board - Andrzej Dretkiewicz

....
Member of the Board - Tadeusz Szczerba

....
Member of the Board - Wladyslaw Wawak

....
Member of the Board - Wojciech Weiss

Plock, 30 April 2001