ARTHUR ANDERSEN

Auditors' report on a review of the financial data included in the financial report for the third quarter of the year 2001

To the Supervisory Board of Polski Koncern Naftowy ORLEN S.A.

We have reviewed the attached unconsolidated financial data for the third quarter of 2001 (the "financial data") of Polski Koncern Naftowy ORLEN S.A. located in Plock, Chemikow 7 (the "Company"), prepared in accordance with 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 (Journal of Law No 163, pos. 1160, the "Decree on Current and Periodic Information") comprising:
balance sheet as of 30 September 2001 with total assets amounting to 12,469,676,134.04 zloty,
profit and loss account for the period from 1 January to 30 September 2001 with a net profit amounting to 251,261,183.39 zloty,
cash flow statement for the period from 1 January to 30 September 2001 with net inflow amounting to 8,045,208.87 zloty.

The truth and fairness of the financial information presented in this unconsolidated financial data is the responsibility of the Company's Management Board. Our responsibility was to review this financial data. We conducted our review in accordance with the provisions of law and auditing standards issued by the National Chamber of Auditors in Poland. The review was mainly based on applying analytical procedures to the financial data, review of accounting records and discussions with Members of Management Board of the Company as well as employees responsible for accounting matters in the Company. The scope of work and methodology of a review is significantly less in scope than an audit of financial statements, the objective of which is to express an opinion on truth and fairness of the financial statements. Accordingly, we do not express such an opinion on the attached unconsolidated financial data.

Based on our review, nothing came to our attention that causes us to believe that the attached unconsolidated financial data has not been prepared in accordance with the accounting principles set out in the Accounting Act of 29 September 1994 (Journal of Law No 121, pos. 591 with later amendments) and the related regulations as well as with the requirements set out by the Decree on Current and Periodic Information.

According to the regulations of the Decree on Current and Periodic Information, the Company has disclosed in the attached financial data, shares and stakes in associates and subsidiaries at purchase price adjusted for any possible permanent diminution in value of these shares and stakes. In accordance with the above mentioned decree the capital group of Polski Koncern Naftowy ORLEN S.A. (the "Capital Group"), of which the Company is the dominant company, will present consolidated financial data for the third quarter of the year 2001. The Capital Group's financial results and its net assets may differ significantly from the Company's financial results and net assets for the third quarter of the year 2001.

Certified Auditor
Arthur Andersen Sp. z o.o.
ul. Emilii Plater 53, 00-113 Warszawa
Ident. No. 66

Lukasz Zalicki
Ident. No. 9542/7118
Duleep Aluwihare

Warsaw, 2 November 2001

INFORMATION ON PRINCIPLES OF PREPARATION OF THE QUARTERLY REPORT FOR THE THIRD QUARTER OF YEAR 2001

Form and general rules of the preparation of the balance sheet, the profit and loss account and the cash flow statement

The balance sheet, the profit and loss account and the cash flow statement were prepared in compliance with the Polish Accounting Standards defined by the Accounting Act of 29 September 1994 (Journal of Law No 121, pos. 591 with further changes, 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 (Journal of Law No 163, pos. 1160, the "Decree on Current and Periodic Information") and cover the period from 1 January to 30 September 2001.

Accounting policies

In the third quarter of the year 2001 Polski Koncern Naftowy S.A. ("the Company") did not introduce any significant changes in the accounting policies in comparison with those according to which the financial statements for the year 2000 and first and second quarter of 2001 were prepared. The accounting policies were presented in the annual report for the year 2000.

Method of preparation of the financial statements

Balance sheet, income statement and cash flow statement were prepared in a manner consistent with the method of preparation of the financial statements for the year 2000 and for the particular quarters of the year 2000 and 2001.

Principles of calculation of the selected financial data expressed in EURO

Selected financial data has been calculated in EURO according to the following principles:

balance sheet items – on the basis of the average rate published as of 30 September 2001 – 3.8810 zloty/ EURO,
profit and loss account and cash flow items for three cumulative quarters of year 2001 – on the basis of the rate, which is the simple average of average rates, stated by National Bank of Poland for the last day of each month of the period from 1 January to 30 September 2001 – 3.6622 zloty/ EURO,
profit and loss account and cash flow items for third quarter of year 2001 – on the basis of the rate, which is the simple average of average rates, stated by National Bank of Poland for the last day of each month of the period from 1 July 2001 to 30 September 2001 – 3.8254 zloty/ EURO,

DESCRIPTION OF COMPANY OPERATIONS IN THE THIRD QUARTER OF 2001 AND DETAILS OF FACTORS AND EVENTS HAVING A MATERIAL INFLUENCE ON THE PROFIT EARNED

In the course of nine months of 2001 the Company processed 8,925.1 thousand tonnes of crude oil, that is 3.0% more than in the corresponding period of the previous year. During the third quarter of 2001, 3,085.3 thousand tonnes of oil were processed, 3.0% more than in the second quarter of the current year.
The yield of white products in the third quarter of 2001 amounted to 79.89% and was higher than the yield in the third quarter of 2000 and by 1.3% in second quarter of the current year.
In the third quarter of 2001 sales of fuels and light heating oil amounted to 2,281,350 tonnes and was higher than in comparable period of the last year by 1.8% and by 14.4% in the second quarter of 2001.
In the third quarter 2001 retail sales of fuels (gasolines, oils, LPG) amounted to 728,834 thousand litres and was by 3.2% higher than sales in comparable period of the prior year, which is presented in the table below:

Quantitative retail and wholesale of fuels	3Q 2000	2Q 2001	3Q 2001	Dynamics (%)	
				3Q 2001/ 3Q 2000	3Q 2001/ 2Q 2001
Wholesale sales of main light products, including:	1,536,039	1,362,480	1,563,545	101.8%	114.8%
- gasolines (tonnes)	493,523	475,149	498,136	100.9%	104.8%
- Diesel (tonnes)	642,128	535,589	545,757	85.0%	101.9%
- Ekoterm (heating oil) (tonnes)	400,388	351,742	519,652	129.8%	147.7%
Retail sales of gasoline, including:	706,562	650,440	728,834	103.2%	112.1%
- gasolines (tonnes)	451,732	418,980	471,825	104.4%	112.6%
- Diesel (tonnes)	238,516	215,314	236,935	99.3%	110.0%
- Ekoterm (heating oil) (tonnes)	16,314	16,146	20,074	123.0%	124.3%

The comparison of the financial results of the Company of 2000 and 2001, and their respective dynamics, are presented in the table below:

Items	3Q 2000	2Q 2001	3Q 2001	Dynamics (%)	
				3Q 2001/ 3Q 2000	3Q 2001/ 2Q 2001
Sales revenue	6,782,938	5,886,525	6,274,917	92.5%	106.6%
Gross income (profit on sales)	581,160	269,533	128,033	22.0%	47.5%
Operating profit	565,411	269,252	169,813	30.0%	63.1%
Profit before taxation	476,281	230,820	108,856	22.9%	47.2%
Net profit	337,469	182,790	84,182	24.9%	46.1%

Profit on sales generated by the Company in the third quarter of 2001 amounted to PLN 128,033 thousand, operating profit amounted to PLN 169,813 thousand, profit before taxation amounted to PLN 108,856 thousand and net profit totalled PLN 84,182 thousand.

The key factors causing these results of the third quarter 2001 include:
due to the fact that the Company is influenced by market trends, the tendency of changes in refinery margins in the third quarter of 2001 was similar to these notified in Western Europe where threefold decrease occurred in relation to the third quarter of 2000 (from 4.73 USD/bbl to 1.55 USD/bbl), and also twofold decrease to the second quarter of 2001 (2.73 USD/bbl) (computed on basis of Ural crude oil according to quotations in the Western Europe (Merril Lynch's report)). These decreases mainly resulted from the decrease in price spreads of Brent and Ural crude oil in the related periods;
approx. 20% decrease in fuel prices in the third quarter 2001 in comparison to the third quarter of 2000;
lack of custom protection (in the third quarter of 2000 due to the custom protection the profit on sales was higher by about PLN 105 million);
release of provision of PLN 20 million due to reduction of the risk of final payment of fine imposed by Office for the Protection of Competition and Consumers ("OPCC") the due to favourable court verdict;
release of environmental provision amounting to PLN 21 million, as the result of sale of 19 warehouse depots according to the implemented program of property management;
decrease in average exchange rate of USD by 3.9% in comparison to third quarter of prior year, which caused a decrease of margin in total denominated in PLN.

As a result of the September events there was a decrease in crude oil prices by 28% in the middle of September. These changes caused several drop of fuel prices: seven for gasoline, five for Diesel, and inventories valuation method applied by the Company (delays in transferring of oil price changes against finished products prices) unfavourably influenced September results.

Based on the Resolution no 2 of Extraordinary General Meeting of Shareholders of 6 July 2001 the Company obtained approval for repeated issue of bonds (3-months zero-coupon bonds with rolling option) limited to PLN 700 million at all times.
Under Bonds Issue Program in the third quarter of 2001 the Company has completed 5 tranches of total value amounting to PLN 240 million:
tranche 1. PLN 50 million (Bank Handlowy S.A.)
tranche 2. PLN 50 million (Bank Handlowy S.A.)
tranche 3. PLN 20 million (Bank Pekao S.A.)
tranche 4. PLN 50 million (BRE Bank S.A.)
tranche 5. PLN 70 million (Bank Handlowy S.A.)

In the third quarter none of the tranches were rolled.
As a result of restructuring process there was decrease in number of employees from 7,542 at the end of the second quarter to 7,509 at the end of the third quarter.

MOST IMPORTANT EVENTS IN THE THIRD QUARTER OF 2001 ABOUT WHICH THERE WAS INFORMATION IN CURRENT REPORTS.

Pursuing the policy of diversification of purchases of crude oil on 16 July 2001 PKN ORLEN S.A. has prolonged the agreement with BMP Trading GmbH&Co KG on delivery of the Russian crude oil REBCO for period 2002-2005. The agreement assumes delivery of 2,000,000 tonnes of crude oil yearly. The collateral of this transaction is 5-year-guarantee issued by Russian Oil Corporation "YUKOS"; from resources of which most of the deliveries will originate. Estimated value of this transaction according to current crude oil prices will account for 300 million USD a year. This transaction is a crucial item in the long-term raw material policy basing on a stable source.
On 17 July 2001 PKN ORLEN S.A. received information from Franklin Resources, Inc., that Franklin Resources, Inc. and its subsidiaries: Franklin Mutual Advisers, LLC and Templeton Worldwide, Inc. and others are the owner of 20,715,200 PKN ORLEN S.A.'s shares, which constitutes 4.93% of votes at the General Meeting of Shareholders. In relation to this the amount of shares of PKN ORLEN S.A. possessed by Franklin Resources decreased to the level below 5%.
On 23 July 2001 ORLEN POWIERNIK Sp. z o.o. offered to purchase to the Members of Management Board – as part of motivation program – A series bonds convertible into D series shares of PKN ORLEN S.A. Members of the Management Board – according to the resolution of General Shareholders Meeting dated 15 May 2000 - in year 2001 gained the right to acquire 2,200,000 of convertible bonds at the purchasing price of 20.30 zloty.
In the third quarter of 2001 the Company issued 5 series of zero-coupon bonds of total value amounting to PLN 240 million with redemption between 25 October and 23 November 2001. The profitability of issued bonds is between 3M WIBID and 3M WIBOR.
On 1 August 2001 financial advisor of the Company's shareholder Nafta Polska S.A. - BNP Paribas and financial advisors of the Company - CAIB Investment Bank and Lehman Brothers sent invitation to selected enterprises operating in crude oil sector to offer submission. With reference to the invitation, offers should among others concern purchase of 17.58% of the Company's shares by these enterprises being a property of Nafta Polska S.A., purchase of significant package of shares by the Company in share capital of these enterprises and proposed structure of integration with the Company. Moreover on August 13, 2001 the Company made an agreement with Nafta Polska S.A. S.A. (a shareholder owning 17.63% of shares in share capital of the Company) regarding co-operation between parties in realisation of the third stage of the privatisation of the Company and in a process of integration with a selected entity operating in the region in the crude oil industry, which is considered by the Company.
On 6 August 2001 Supervisory Board of PKN ORLEN S.A. elected Mr Krzysztof Cetnar former member of the Management Board - Planning and Ownership Supervision Director to be the Vice-President of the Management Board and CEO of PKN ORLEN S.A. at the same time accepted the resignation and dismissed from these functions Mr Marek Mroczkowski. On 6 August 2001 the Supervisory Board of PKN ORLEN S.A. dismissed from the Management Board of the Company Mr Tadeusz Szczerba – Integration Director due to the completion of work on the integration of Petrochemia Plock S.A. and CPN S.A. On 6 August 2001 the Supervisory Board of PKN ORLEN S.A. adopted the long-term plan: "The strategy of PKN ORLEN S.A. for the years 2001-2005 with perspectives until the year 2010", comprising "The development program of PKN ORLEN S.A. for the years 2001-2010".
Anti-Trust Court on the hearing on 13 August 2001 annulled the decision no. RWA – 17/2000 of the OPCC dated 19 July 2000 charging PKN ORLEN S.A. of applying monopoly practices in shaping the prices of glycol monoethylene and liquid for radiators Petrygo and setting cash penalty of PLN 40 million.
On 10 September ORLEN Morena Sp. z o.o., located in Gdansk, was registered in the District Court in Gdansk, XII Economic Department of Domestic Companies Register. PKN ORLEN S.A. acquired 50.48% of its shares. The share capital of the company amounts to PLN 10,500,000. The company deals with retail and wholesale trade of gasolines produced by PKN ORLEN S.A.. The company will play the role of Regional Market Operator in northern Poland.
On 19 September, according to article 8, paragraph 1 of Statue of the Company, State Treasury appointed to the Supervisory Board of PKN ORLEN S.A. Mr Andrzej Tuszynski and dismissed Mr

Jaroslaw Cholodecki. The amount of members in the Supervisory Board of PKN ORLEN S.A. remains unchanged and equals 9.
On 25 September 2001 the Supervisory Board adopted a resolution on the development of petrochemical part of PKN ORLEN S.A.. The investments accepted for the realisation concern intensification of production of ethylene and propylene. The modernisation of petrochemical parts will commence in fourth quarter 2001, and its completion is projected for third quarter 2004. Total investment expenses will amount to PLN 750 million.
On 29 August 2001 the increase in share capital of Niezalezny Operator Miedzymiastowy Sp. z o.o. by PLN 100 million was registered in the District Court of Warsaw, XX Department of Domestic Companies Register. The share capital of the company is PLN 240 million. PKN ORLEN S.A. owns 35% of its shares.
On 24 September 2001 the increase in capital of POLKOMTEL S.A. by PLN 550 million by issuing 5.500.000 registered ordinary shares of J series, was registered in the District Court of Warsaw, XIX Department of Domestic Companies Register. Share capital of the company amounts to PLN 2.050 million. PKN ORLEN S.A. owns 19.61% of shares the company.

INFORMATION ON CHANGES IN PROVISIONS AND FIXED ASSETS IMPAIRMENT LOSSES

I. Provision for deferred tax

Data for third quarter 2001	
Balance at 30.06.2001	174,279
Increases during the period 1.07.2001 – 30.09.2001	30,939
Decreases during the period 1.07.2001 – 30.09.2001	(32,997)
Balance at 30.09.2001	172,221

Cumulative data for third quarter 2001	
Balance at 31.12.2000	152,641
Increases during the period 1.01.2001 – 30.09.2001	108,457
Decreases during the period 1.01.2001 – 30.09.2001	(88,877)
Balance at 30.09.2001	172,221

II. Other provisions presented as liabilities

	Environmental provision	Provision for business risks	Provision for potential losses resulting from OPCC decisions*	Other provisions
Data for third quarter 2001				
Balance at 30.006.2001	497,020	4,700	20,000	8,844
Increases during the period 1.07.2001 – 30.09.2001	-	-	-	38
Decreases during the period 1.07.2001 – 30.09.2001	(23,765)	-	(20,000)	(1,327)
Balance at 30.09.2001	473,255	4,700	-	7,555

	Environmental provision	Provision for business risks	Provision for potential losses resulting from OPCC decisions*	Other provisions
Cumulative data for third quarter 2001				
Balance at 31.12.2000	502,389	4,700	40,000	13,229
Increases over the period 1.01.2001 – 30.09.2001	-	-	-	147
Decreases over the period 1.01.2001 – 30.09.2001	(29,134)	-	(40,000)	(5,821)
Balance at 30.09.2001	473,255	4,700	-	7,555

* The Anti-trust court by its decision from 13 August 2001 fully annulled the decision of OPCC dated 19 July 2000, which was the basis for establishing the provision in 2000.

III. Provisions decreasing assets

Provisions for receivables

Data for third quarter 2001	
Balance at 30.06.2001	118,054
Increases during the period 1.07.2001 – 30.09.2001	26,657
Decreases during the period 1.07.2001 – 30.09.2001	(15,158)
Balance at 30.09.2001	129,553

Cumulative data for third quarter 2001	
Balance at 31.12.2000	84,721
Increases during the period 1.01.2001 – 30.09.2001	79,898
Decreases during the period 1.01.2001 – 30.09.2001	(35,066)
Balance at 30.09.2001	129,553

Adjustments in the valuation of financial fixed assets and differences in the valuation of contributions

Provision for financial fixed assets

Data for third quarter 2001	
Balance at 30.06.2001	12,824
Increases during the period 1.07.2001 – 30.09.2001	2,928
Decreases during the period 1.07.2001 – 30.09.2001	(122)
Balance at 30.09.2001	15,630

Cumulative data for third quarter 2001	
Balance at 31.12.2000	11,055
Increases during the period 1.01.2001 – 30.09.2001	5,183
Decreases during the period 1.01.2001 – 30.09.2001	(608)
Balance at 30.09.2001	15,630

Differences in the valuation of contributions relating to financial fixed assets

Data for third quarter 2001	
Balance at 30.06.2001	53,484
Increases during the period 1.07.2001 – 30.09.2001	1
Decreases during the period 1.07.2001 – 30.09.2001	-
Balance at 30.09.2001	53,485

Cumulative data for third quarter 2001	
Balance at 31.12.2000	53,593
Increases during the period 1.01.2001 – 30.09.2001	1
Decreases during the period 1.01.2001 – 30.09.2001	(109)
Balance at 30.09.2001	53,485

Provision for tangible fixed assets

Data for third quarter 2001	
Balance at 30.06.2001	35,930
Increases during the period 1.07.2001 – 30.09.2001	-
Decreases during the period 1.07.2001 – 30.09.2001	(5,079)
Balance at 30.09.2001	30,851

Cumulative data for third quarter 2001	
Balance at 31.12.2000	48,000
Increases during the period 1.01.2001 – 30.09.2001	3,544
Decreases during the period 1.01.2001 – 30.09.2001	(20,693)
Balance at 30.09.2001	30,851

Unplanned depreciation charges in the third quarter of 2001 amounted to PLN 879 thousand and for the third quarter 2001 cumulatively amounted to PLN 6,991 thousand.
The Company did not make stock valuation adjustments in the third quarter of the year 2001.

SHAREHOLDERS POSSESSING DIRECTLY OR INDIRECTLY THROUGH DEPENDENT ENTITIES AT LEAST 5% OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS AS AT SEPTEMBER 30, 2001

Shareholder	Share in number of votes at the GM as at 31.12.2000	Change during the period 1.01.2001-30.09.2001	Share in number of votes at the GM as at 30.09.2001	Number of shares as at 30.09.2001
Nafta Polska S.A.	18.06%	(0.43%)	17.63%	74,068,741
State Treasury	10.38 %	-	10.38 %	43,633,897
Bank of New York (GDR holders)	27.07 %	(0.31%)	26.76%	112,420,784
Others	44.49 %	0.74%	45.23 %	190,053,715
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Total	100.00 %	-	100.00 %	420,177,137
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On 12 July 2001 the Company was informed, that Emerging Markets Growth Fund. Inc. („EMGF") from Los Angeles, USA, possessed 21,230,400 shares of PKN ORLEN S.A., constituting to 5.05% of total number of votes on the General Meeting of Shareholders.

CHANGES IN THE COMPANY SHARES POSSESSED BY THE MANAGEMENT BOARD AND BY THE SUPERVISORY BOARD, ACCORDING TO INFORMATION POSSESSED BY THE COMPANY

	Number of shares as at 31.12.2000	Acquired	Disposed	Increases due to changes in composition	Decreases due to changes in composition	Number of shares as at 30.09.2001
Management Board	17,906	-	-	-	1,954	15,952
Supervisory Board	5,760	1,800	300	-	4,840	2,420

INFORMATION ON LEGAL ACTIONS CONCERNING THE COMPANY'S OR ITS DEPENDENT ENTITIES' LIABILITIES OR RECEIVABLES ACCOUNTING FOR 10% OR MORE OF THE COMPANY'S EQUITY

In the period from January 1 to September 30, 2001 the Company was not involved in any legal actions concerning the Company's or its dependent entities' liabilities or receivables accounting for 10% or more of the Company's equity.

.....
President - Andrzej Modrzejewski

…… .....
Vice-President - Krzysztof Cetnar **Vice-President** – Jaroslaw Tyc

....
Member of the Board – Czeslaw Bugaj **Member of the Board** – Andrzej Dretkiewicz

.....…… .....
Member of the Board - Wladyslaw Wawak **Member of the Board** - Wojciech Weiss

Plock, November 2, 2001