Polski Koncern Naftowy ORLEN
Spółka Akcyjna

Unconsolidated abbreviated financial statements for the half year period ended 30 June 2008 together with an independent auditor's review report

SELECTED FINANCIAL DATA	PLN thousand		EUR thousand	
	I half of 2008	I half of 2007	I half of 2008	I half of 2007
Data in respect of abbreviated financial statements				
I. Total sales revenues	29 539 733	19 161 560	8 494 287	5 509 995
II. Profit from operations	1 586 926	1 093 937	456 328	314 567
III. Profit before tax	2 796 533	1 660 817	804 156	477 576
IV. Net profit	2 374 123	1 450 797	682 690	417 183
V. Net cash provided by operating activities	708 992	665 988	203 874	191 508
VI. Net cash used in investing activities	(649 393)	(632 742)	(186 736)	(181 948)
VII. Net cash provided by financing activities	102 248	100 350	29 402	28 856
VIII. Net change in cash and cash equivalents	161 847	133 596	46 540	38 416
IX.Earnings and diluted earnings per ordinary share (in PLN/EUR)	5,55	3,39	1,60	0,98
	as of 30 June 2008	as of 31 December 2007	as of 30 June 2008	as of 31 December 2007
X. Non-current assets	20 143 111	19 958 199	6 005 340	5 950 211
XI. Current assets	15 570 133	12 011 508	4 641 981	3 581 035
XII. Total assets	35 713 244	31 969 707	10 647 321	9 531 246
XIII. Long-term liabilities	6 932 523	7 289 067	2 066 819	2 173 116
XIV. Short-term liabilities	9 367 469	6 847 058	2 792 758	2 041 339
XV. Equity	19 413 252	17 833 582	5 787 744	5 316 791
XVI. Share capital *	1 057 635	1 057 635	315 317	315 317
XVII. Number of issued ordinary shares	427 709 061	427 709 061	427 709 061	427 709 061
XVIII. Book value and diluted book value per share (in PLN/EUR)	45,39	41,70	13,53	12,43

* Share capital after revaluation in accordance with IAS 29.

The above data for the I half year periods of 2008 and 2007 were translated into EUR by the following exchange rates:

- specific items of assets, equity and liabilities - by the average exchange rate published by the National Bank of Poland as of 30 June 2008 – 3.3542 PLN / EUR;
- specific items of income statement and statement of cash flows – by the arithmetic average of average exchange rates published by the National Bank of Poland as of every last day of month during the period (1 January- 30 June 2008) – 3.4776 PLN / EUR.

Introduction to abbreviated financial statements

1. Applied accounting principles, including valuation of assets and liabilities, measuring the financial result and methods of preparation of financial statements

Applied accounting principles

In the current period the Company did not introduce substantial changes in the accounting principles compared to the ones applied in 2007. Accounting principles applied by the Company in the period covered by these financial statements were presented in the published unconsolidated financial statements for 2007.

Format and basis for preparation of abbreviated financial statements

The format, basis and scope of the abbreviated financial statements were specified by the Minister of Finance Regulation of 19 October 2005 on current and periodical information provided by issuers of securities in paragraph § 87.4-5 and by IAS 34 “Interim financial reporting”.

According to the above quoted regulation, the issuer, who is a parent company is not obliged to prepare a separate half year report, providing that the abbreviated financial statements are included in the consolidated half year report, together with the auditor’s review report concerning the abbreviated financial statements, comprising: balance sheet, income statement, statement of changes in equity, cash flow statement and abbreviated explanatory notes, covering information and data which are material to properly assess the financial position and financial result of the issuer and were not included in the consolidated financial statements.

POLSKI KONCERN NAFTOWY ORLEN S.A.
UNCONSOLIDATED ABBREVIATED BALANCE SHEET
(all amounts in PLN thousand)
(Translation of a document originally issued in Polish)

	Note	30 June 2008 (unaudited)	31 December 2007
ASSETS			
Non-current assets			
Property, plant and equipment	1	8 628 323	8 472 139
Intangible assets	2	59 542	58 592
Long-term financial assets		32 258	32 796
Shares in related entities		11 273 078	11 252 587
Loans granted		49 014	47 000
Perpetual usufruct of land		84 635	78 659
Other non-current assets	3	16 261	16 426
Total non-current assets		**20 143 111**	**19 958 199**
Current assets			
Inventory	4	7 592 674	6 753 486
Trade and other receivables	5	7 287 439	4 746 410
Income tax receivable		992	76 575
Short-term financial assets	6	287 998	199 798
Loans granted		3 163	5 461
Short-term prepayments	7	54 855	57 486
Cash and cash equivalents	8	327 925	166 142
Non-current assets clasiffied as held for sale		15 087	6 150
Total current assets		**15 570 133**	**12 011 508**
Total assets		**35 713 244**	**31 969 707**
LIABILITIES AND SHAREHOLDER'S EQUITY			
Equity			
Share capital		534 636	534 636
Share capital revaluation adjustment		522 999	522 999
Share capital*		**1 057 635**	**1 057 635**
Nominal share premium		1 058 450	1 058 450
Share premium revaluation adjustment		168 803	168 803
Share premium		**1 227 253**	**1 227 253**
Hedging reserve		**(13 981)**	**87 584**
Retained earnings:		**17 142 345**	**15 461 110**
incl. net profit		2 374 123	2 759 859
Total equity		**19 413 252**	**17 833 582**
Long-term liabilities			
Interest-bearing loans and borrowings		6 070 692	6 500 200
Provisions	9	451 382	453 971
Deferred tax liabilities		367 631	295 350
Other long-term liabilities	10	42 818	39 546
Total long-term liabilities		**6 932 523**	**7 289 067**
Short-term liabilities			
Trade and other liabilities and accrued expenses	11	7 827 068	5 788 892
Provisions	9	584 847	596 254
Income tax liabilities		90 480	-
Interest-bearing loans and borrowings		738 230	440 262
Deferred income		950	985
Other short-term financial liabilities	12	125 894	20 665
Total short-term liabilities		**9 367 469**	**6 847 058**
Total liabilities and shareholders' equity		**35 713 244**	**31 969 707**

* share capital after revaluation in accordance with IAS 29

POLSKI KONCERN NAFTOWY ORLEN S.A.
UNCONSOLIDATED ABBREVIATED INCOME STATEMENT
(all amounts in PLN thousand)
(Translation of a document originally issued in Polish)

	Note	for 6 months ended 30 June 2008 (unaudited)	for 6 months ended 30 June 2007 (unaudited)
Operating activities			
Net sale revenues			
Sales of finished goods		21 844 153	16 525 616
Excise tax and other charges		(6 315 515)	(5 351 010)
Revenues from sale of finished goods, net		15 528 638	11 174 606
Sales of merchandise and raw materials		14 601 052	8 741 970
Excise tax and other charges		(589 957)	(755 016)
Revenues from sale of merchandise and raw materials, net		14 011 095	7 986 954
Total sales revenues		**29 539 733**	**19 161 560**
Cost of finished goods sold		(13 275 525)	(9 326 332)
Cost of merchandise and raw materials sold		(13 682 399)	(7 634 325)
Cost of finished goods, merchandise and raw materials sold	14	(26 957 924)	(16 960 657)
Gross profit on sales		**2 581 809**	**2 200 903**
Distribution expenses		(797 235)	(752 108)
General and administrative expenses		(249 263)	(297 586)
Other operating revenues		175 917	75 919
Other operating expenses		(124 302)	(133 191)
Profit from operations		**1 586 926**	**1 093 937**
Financial revenues *		1 464 399	768 183
Financial expenses		(254 792)	(201 303)
Net financial revenues and expenses	15	**1 209 607**	**566 880**
Profit before tax		**2 796 533**	**1 660 817**
Corporate income tax	16	(422 410)	(210 020)
Net profit		**2 374 123**	**1 450 797**
Basic and diluted earnings per share (per share in Polish Zloty) **		**5,55**	**3,39**

* Financial revenues contain dividends of PLN 637,618 thousand in the period of 6 months ended 30 June 2008 and dividends in the amount of PLN 594,134 thousand in the period of 6 months ended 30 June 2007, including dividend from Polkomtel S.A. in the amount of PLN 182,860 thousand and dividend from Unipetrol a.s. in the amount of PLN 281,246 thousand in the period of 6 months ended 30 June 2008 and dividend from Polkomtel S.A. in the amount of PLN 202,316 thousand in the period of 6 months ended 30 June 2007.
** in the period of 6 months ended 30 June 2008 and 30 June 2007 no additional issue of shares took place

POLSKI KONCERN NAFTOWY ORLEN S.A.
UNCONSOLIDATED ABBREVIATED STATEMENT OF CASH FLOWS
(all amounts in PLN thousand)
(Translation of a document originally issued in Polish)

	Note	for 6 months ended 30 June 2008 (unaudited)	for 6 months ended 30 June 2007 (unaudited)
Cash flows - operating activities			
Net profit		**2 374 123**	**1 450 797**
Adjustments for:			
Depreciation		458 428	438 830
(Profit) from exchange rate differences, net		(407 146)	(116 230)
Interest and dividend, net*		(466 491)	(425 580)
Loss on investing activities		8 084	39 178
(Increase) in receivables	17	(2 062 329)	(1 140 490)
(Increase) in inventories		(839 188)	(819 593)
Increase in liabilities and accrued expenses	17	1 513 845	1 129 978
(Decrease) in provisions	17	9 828	(28 384)
Income tax expense		422 410	210 020
Income tax paid		(184 065)	(96 199)
Other adjustments	17	(118 507)	23 661
Net cash provided by operating activities		**708 992**	**665 988**
Cash flows - investing activities			
Acquisition of property, plant and equipment and intangible assets		(763 554)	(498 323)
Proceeds from the sale of property, plant and equipment		16 913	7 477
Proceeds from the sale/liquidation of related parties**		11 848	-
Acquisition of shares ***		(65)	(485 509)
Interest and dividends received		148 424	369 133
Loans granted to subsidiaries		(2 064)	(47 000)
Proceeds from repayment of loans granted to subsidiaries		3 016	338
Proceeds from the acquisition of liabilities of the Unipetrol a.s. Group		-	36 951
Expenditures due to additional payments to subsidiaries' equity		(57 363)	-
Other		(6 548)	(15 809)
Net cash used in investing activities		**(649 393)**	**(632 742)**
Cash flow - financing activities			
Proceeds from long and short-term borrowings and loans		1 717 579	1 261 729
Debt securitities issued		1 103 756	750 000
Repayment of long and short-term borrowings and loans		(1 532 107)	(1 772 070)
Repurchase of debt securities		(1 016 205)	-
Interest paid		(170 111)	(139 309)
Payments due to finance lease liabilities		(664)	-
Net cash provided by financing activities		**102 248**	**100 350**
Net change in cash and cash equivalents		**161 847**	**133 596**
Effect of exchange rate changes		(64)	(557)
Cash and cash equivalents, beginning of the period		**166 142**	**307 315**
Cash and cash equivalents, end of the period	8	**327 925**	**440 354**

* Interest and dividend, net contain dividends in the amount of PLN 637,618 thousand in the period of 6 months ended 30 June 2008 and dividends in the amount of PLN 594,134 thousand in the period of 6 months ended 30 June 2007, including dividend from Polkomtel S.A. in the amount of PLN 182,860 thousand and dividend from Unipetrol a.s. in the amount of PLN 281,246 thousand in the period of 6 months ended 30 June 2008 and dividend from Polkomtel S.A. in the amount of PLN 202,316 thousand in the period of 6 months ended 30 June 2007.
** including proceeds from liquidation of Etylobenzen Płock Sp. z o.o. in the amount of PLN 11,648 thousand
*** including in the period of 6 months ended 30 June 2007 purchase of shares in Mazeikiu held by minority shareholders of PLN 472,310 thousand

POLSKI KONCERN NAFTOWY ORLEN S.A.
STATEMENT OF CHANGES IN UNCONSOLIDATED EQUITY
(all amounts in PLN thousand)
(Translation of a document originally issued in Polish)

	Share capital and share premium	Hedging reserve	Retained earnings	Total equity
1 January 2008	**2 284 888**	**87 584**	**15 461 110**	**17 833 582**
Profit (loss) due to valuation of hedging instruments (incl. deferred tax)	-	(31 891)	-	(31 891)
Net revenues/(expenses) recognized directly in equity	**-**	**(31 891)**	**-**	**(31 891)**
Transfer of valuation of hedging instruments from equity to current period profit (loss) due to settlement (incl. deferred tax)	-	(69 674)	-	(69 674)
Net profit		**-**	**2 374 123**	**2 374 123**
Total revenues/(expenses) for the period	**-**	**(101 565)**	**2 374 123**	**2 272 558**
Dividends	-	-	(692 888)	(692 888)
30 June 2008 (unaudited)	**2 284 888**	**(13 981)**	**17 142 345**	**19 413 252**

	Share capital and share premium	Hedging reserve	Retained earnings	Total equity
1 January 2007	**2 284 888**	**23 447**	**12 701 251**	**15 009 586**
Profit (loss) i due to valuation of hedging instruments (incl. deferred tax)	-	53 159	-	53 159
Net revenues/(expenses) recognized directly in equity	**-**	**53 159**	**-**	**53 159**
Transfer of valuation of hedging instruments from equity to current period profit (loss) due to settlement (incl. deferred tax)	-	(16 050)	-	(16 050)
Net profit	**-**	**-**	**1 450 797**	**1 450 797**
Total revenues/(expenses) for the period	**-**	**37 109**	**1 450 797**	**1 487 906**
30 June 2007 (unaudited)	**2 284 888**	**60 556**	**14 152 048**	**16 497 492**

1. Property, plant and equipment

	30 June 2008 (unaudited)	31 December 2007
Land	263 244	252 881
Buildings and constructions	4 860 194	4 841 989
Machinery and equipment	2 271 911	2 431 398
Vehicles and other	195 850	213 344
Construction in progress	1 037 124	732 527
Total	**8 628 323**	**8 472 139**

Changes of property, plant and equipment by categories:

	Land	Buildings and constructions	Machinery and equipment	Vehicles and other	Construction in progress	Total
Gross value						
1 January 2008	252 881	6 991 515	6 098 997	456 850	771 817	14 572 060
Increase	-	2 460	216	601	635 542	638 819
Reclassification *	10 383	204 509	85 572	11 081	(329 473)	(17 928)
Decrease	(20)	(18 120)	(33 145)	(2 665)	(1 700)	(55 650)
30 June 2008	**263 244**	**7 180 364**	**6 151 640**	**465 867**	**1 076 186**	**15 137 301**
1 January 2007	239 516	6 453 240	5 808 588	447 538	423 078	13 371 960
Increase	-	725	66	332	393 550	394 673
Reclassification **	9 134	114 666	52 510	7 970	(191 169)	(6 889)
Decrease	(942)	(17 309)	(18 694)	(17 094)	(6 882)	(60 921)
30 June 2007	**247 708**	**6 551 322**	**5 842 470**	**438 746**	**618 577**	**13 698 823**
Accumulated depreciation and impairment allowances						
1 January 2008	-	2 149 526	3 667 599	243 506	39 290	6 099 921
Depreciation	-	176 010	243 826	28 199	-	448 035
Other increases	-	47	181	12	-	240
Impairment allowances	-	6 826	358	505	(228)	7 461
Depreciation decrease due to liquidation and sale of property, plant and equipment and other decreases	-	(12 239)	(32 235)	(2 205)	-	(46 679)
30 June 2008	**-**	**2 320 170**	**3 879 729**	**270 017**	**39 062**	**6 508 978**
1 January 2007	-	1 858 762	3 243 983	229 882	38 217	5 370 844
Depreciation	-	169 689	234 426	27 275	-	431 390
Other increases	-	469	17	-	-	486
Impairment allowances	-	4 473	1 200	(49)	830	6 454
Depreciation decrease due to liquidation and sale of property, plant and equipment and other decreases	-	(10 903)	(16 403)	(9 235)	-	(36 541)
30 June 2007	**-**	**2 022 490**	**3 463 223**	**247 873**	**39 047**	**5 772 633**
Net book value						
1 January 2008	**252 881**	**4 841 989**	**2 431 398**	**213 344**	**732 527**	**8 472 139**
30 June 2008	**263 244**	**4 860 194**	**2 271 911**	**195 850**	**1 037 124**	**8 628 323**
1 January 2007	**239 516**	**4 594 478**	**2 564 605**	**217 656**	**384 861**	**8 001 116**
30 June 2007	**247 708**	**4 528 832**	**2 379 247**	**190 873**	**579 530**	**7 926 190**

* transfers from construction in progress to specific groups of property, plant and equipment of PLN 311,545 thousand, intangible assets of PLN 11,706 thousand and perpetual usufruct of land of PLN 6,222 thousand
** transfers from construction in progress to specific groups of property, plant and equipment of PLN 184,280 thousand, intangible assets of PLN 4,427 thousand and perpetual usufruct of land of PLN 2,462 thousand

2. Intangible assets

	30 June 2008 (unaudited)	31 December 2007
Acquired licenses, patents and similar intangible assets	57 718	55 757
Other	1 824	2 835
Total	**59 542**	**58 592**

The changes of intangible assets were as follows:

	Acquired licenses, patents and similar intangible assets	Other	Total
Gross value			
1 January 2008	232 482	12 018	244 500
Acquisition	131	-	131
Other increases	4	-	4
Reclassification *	11 706	-	11 706
Decrease	(427)	(6 164)	(6 591)
30 June 2008	**243 896**	**5 854**	**249 750**
1 January 2007	201 466	8 983	210 449
Acquisition	26	1	27
Reclassification *	4 427	-	4 427
Decrease	(180)	(5 246)	(5 426)
30 June 2007	**205 739**	**3 738**	**209 477**
Accumulated depreciation and impairment allowances			
1 January 2008	176 725	9 183	185 908
Depreciation	9 876	-	9 876
Other increases	4	1 011	1 015
Impairment allowances	(1)	-	(1)
Depreciation decrease due to liquidation and sale of intangible assets and other decreases	(426)	(6 164)	(6 590)
30 June 2008	**186 178**	**4 030**	**190 208**
1 January 2007	159 255	8 388	167 643
Depreciation	6 967	-	6 967
Other increases	-	596	596
Depreciation decrease due to liquidation and sale of intangible assets and other decreases	(179)	(5 246)	(5 425)
30 June 2007	**166 043**	**3 738**	**169 781**
Net book value			
1 January 2008	**55 757**	**2 835**	**58 592**
30 June 2008	**57 718**	**1 824**	**59 542**
1 January 2007	**42 211**	**595**	**42 806**
30 June 2007	**39 696**	**-**	**39 696**

* transfers from construction in progress

3. Other non-current assets

	30 June 2008 (unaudited)	31 December 2007
Receivables from additional payments to subsidiaries' equity	15 858	15 858
Other	403	568
Total	**16 261**	**16 426**

4. Inventory

	30 June 2008 (unaudited)	31 December 2007
Raw materials	4 718 109	4 102 712
Work in progress	459 896	498 529
Finished goods	2 179 736	1 906 997
Merchandise	234 933	245 248
Total	**7 592 674**	**6 753 486**

5. Trade and other receivables

	30 June 2008 (unaudited)	31 December 2007
Trade receivables	6 282 053	4 265 822
Dividend receivables	492 516	-
Prepayments for property, plant and equipment	385 195	398 910
Excise tax and fuel charge receivables	186 425	185 353
Taxation, duty and social security receivables	89 371	98 231
Prepayments for delieveries	33 662	4 791
Receivables from sale of property, plant and equipment	83	197
Other receivables	91 717	66 096
Total trade and other receivables, gross	**7 561 022**	**5 019 400**
Receivables allowances	(273 583)	(272 990)
Total trade and other receivables, net	**7 287 439**	**4 746 410**

Trade and other receivables allowances

	for 6 months ended 30 June 2008 (unaudited)	for 6 months ended 30 June 2007 (unaudited)
Receivables allowances, beginning of the period	272 990	255 573
Allowance made during the period	56 553	45 804
Allowance reversed during the period	(50 902)	(32 542)
Allowance used during the period	(5 058)	(7 246)
Receivables allowances, end of the period	**273 583**	**261 589**

6. Short-term financial assets

	30 June 2008 (unaudited)	31 December 2007
Financial instruments at fair value through profit and loss	153 972	80 833
Derivatives recognized in financial assets designated as hegding instruments - hedge accounting	109 021	82 335
Receivables due to purchased bonds	25 005	25 004
Available for sale	-	11 626
Total	**287 998**	**199 798**

7. Short-term prepayments

	30 June 2008 (unaudited)	31 December 2007
Leases	16 264	15 608
Insurances	11 986	27 299
Payments due to perpetual usufruct of land	11 050	-
Commissions and financial charges	6 709	7 826
Other	8 846	6 753
Total	**54 855**	**57 486**

8. Cash and cash equivalents

	30 June 2008 (unaudited)	31 December 2007
Cash on hand and in bank	253 970	142 151
Cash in transit	73 955	23 991
Total	**327 925**	**166 142**

9. Provisions

Long-term provisions

	30 June 2008 (unaudited)	31 December 2007
Environmental provision	274 504	275 000
Jubilee and retirement benefits provision	104 932	104 932
Business risk provision	3 800	3 800
Shield programmes provision	55 743	58 022
Other provisions	12 403	12 217
Total	**451 382**	**453 971**

Short-term provisions

	30 June 2008 (unaudited)	31 December 2007
Environmental provision	36 793	46 388
Jubilee and retirement benefits provision	13 783	13 783
Business risk provision	437 294	421 449
Shield programmes provision	40 171	52 348
Other provisions	56 806	62 286
Total	**584 847**	**596 254**

The changes in provisions in particular periods were as follows:

Change in long-term provisions

	Environmental provision	Jubilee and retirement benefits provision	Business risk provision	Shield programmes provision	Other provisions	Total
1 January 2008	275 000	104 932	3 800	58 022	12 217	453 971
Provision made during the period	-	-	-	-	200	200
Provision used during the period	(225)	-	-	-	-	(225)
Provision reversed during the period	(271)	-	-	(2 279)*	(14)	(2 564)
30 June 2008	**274 504**	**104 932**	**3 800**	**55 743**	**12 403**	**451 382**

* incl. PLN 1,247 thousand of shield programmes provision reclassified from long to short-term portion

	Environmental provision	Jubilee and retirement benefits provision	Business risk provision	Shield programmes provision	Other provisions	Total
1 January 2007	252 177	101 992	3 800	99 428	18 340	475 737
Provision made during the period	-	-	-	-	-	-
Provision used during the period	-	-	-	-	-	-
Provision reversed during the period	(586)	-	-	-	(6 351)	(6 937)
30 June 2007	**251 591**	**101 992**	**3 800**	**99 428**	**11 989**	**468 800**

Change in short-term provisions

	Environmental provision	Jubilee and retirement benefits provision	Business risk provision	Shield programmes provision	Other provisions	Total
1 January 2008	46 388	13 783	421 449	52 348	62 286	596 254
Provision made during the period	-	2 461	16 548	1 247 *	10 340	30 596
Provision used during the period	(9 595)	(2 461)	(500)	(13 424)	(10 383)	(36 363)
Provision reversed during the period	-	-	(203)	-	(5 437)	(5 640)
30 June 2008	**36 793**	**13 783**	**437 294**	**40 171**	**56 806**	**584 847**

* incl. PLN 1,247 thousand of shield programmes provision reclassified from long to short-term portion

	Environmental provision	Jubilee and retirement benefits provision	Business risk provision	Shield programmes provision	Other provisions	Total
1 January 2007	91 400	14 241	415 380	24 492	59 299	604 812
Provision made during the period	-	3 183	12 902	-	6 621	22 706
Provision used during the period	(8 633)	(3 183)	-	(2 629)	(11 479)	(25 924)
Provision reversed during the period	-	-	(3 325)	(6 200)	-	(9 525)
30 June 2007	**82 767**	**14 241**	**424 957**	**15 663**	**54 441**	**592 069**

Long-term and short-term provisions, total

30 June 2008	Environmental provision	Jubilee and retirement benefits provision	Business risk provision	Shield programmes provision	Other provisions	Total
Long-term provisions	274 504	104 932	3 800	55 743	12 403	451 382
Short-term provisions	36 793	13 783	437 294	40 171	56 806	584 847
Total provisions	**311 297**	**118 715**	**441 094**	**95 914**	**69 209**	**1 036 229**

30 June 2007	Environmental provision	Jubilee and retirement benefits provision	Business risk provision	Shield programmes provision	Other provisions	Total
Long-term provisions	251 591	101 992	3 800	99 428	11 989	468 800
Short-term provisions	82 767	14 241	424 957	15 663	54 441	592 069
Total provisions	**334 358**	**116 233**	**428 757**	**115 091**	**66 430**	**1 060 869**

10. Other long-term liabilities

	30 June 2008 (unaudited)	31 December 2007
Long-term lease liabilities	41 980	39 546
Other	838	-
Total	**42 818**	**39 546**

11. Trade and other liabilities and accrued expenses

	30 June 2008 (unaudited)	31 December 2007
Trade liabilities	5 372 709	4 105 822
Excise tax and fuel charge liabilities	877 316	754 409
Dividend liabilities	692 888	-
Other taxation, duty and social security liabilities	453 800	238 203
Liabilities due to acquisition of property, plant and equipment	342 716	483 645
Loyalty programme VITAY	31 218	35 000
Holiday pay accrual	17 617	14 286
Accrued expenses and other liabilities	38 804	157 527
Total	**7 827 068**	**5 788 892**

12. Other short – term financial liabilities

	30 June 2008 (unaudited)	31 December 2007
Financial liabilities at fair value through profit and loss	-	17 850
Liabilities due to derivatives recognized as hegding instruments - hedge accounting	125 894	2 815
Total	**125 894**	**20 665**

13. Segment data

Revenues, expenses and financial result by business segments

	Refining Segment		Petrochemical Segment		Other operations		Adjustments		Total	
	for 6 months ended		for 6 months ended		for 6 months ended		for 6 months ended		for 6 months ended	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007	30 June 2008	30 June 2007	30 June 2008	30 June 2007	30 June 2008	30 June 2007
Sales to external customers	26 985 447	16 669 672	2 273 688	2 200 183	184 467	263 361			29 443 602	19 133 216
Transactions with other segments	3 525 119	2 921 007	1 693 825	1 378 552	526 001	414 307	(5 744 945)	(4 713 866)	-	-
Settlement of hedging transactions	22 773	11 607	73 358	16 737					96 131	28 344
Total sales revenues	30 533 339	19 602 286	4 040 871	3 595 472	710 468	677 668	(5 744 945)	(4 713 866)	29 539 733	19 161 560
Total operating expenses	(29 124 690)	(18 492 808)	(3 815 819)	(3 330 195)	(590 536)	(630 260)	5 744 945	4 713 866	(27 786 100)	(17 739 397)
Other operating revenues	61 918	52 401	1 750	961	25 308	8 014			88 976	61 376
Other operating expenses	(85 265)	(86 838)	(3 798)	(4 342)	(14 291)	(16 576)			(103 354)	(107 756)
Segment result	1 385 302	1 075 041	223 004	261 896	130 949	38 846	-	-	1 739 255	1 375 783
Unallocated revenues of the Company									86 941	14 543
Unallocated costs of the Company									(239 270)	(296 389)
Profit from operations									1 586 926	1 093 937
Financial revenues									1 464 399	768 183
Financial expenses									(254 792)	(201 303)
Profit before tax									2 796 533	1 660 817
Income tax expense									(422 410)	(210 020)
Net profit									2 374 123	1 450 797

Other information by business segments

	Refining Segment		Petrochemical Segment		Other operations		Total	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007
Segment assets	18 344 029	15 401 095	2 271 561	2 229 262	2 333 971	2 246 465	22 949 561	19 876 822
Unallocated assets, incl.:							12 763 683	12 092 885
clasiffied as held for sale							15 087	6 150
Total assets							35 713 244	31 969 707
Segment liabilities	6 253 639	5 225 978	326 117	410 328	357 277	329 697	6 937 033	5 966 003
Unallocated liabilities							9 362 959	8 170 122
Total liabilities							16 299 992	14 136 125

Other information by business segments – continued

	Refining Segment		Petrochemical Segment		Other operations		Total	
	for 6 months ended		for 6 months ended		for 6 months ended		for 6 months ended	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007	30 June 2008	30 June 2007	30 June 2008	30 June 2007
Cost incurred to acquire property, plant and equipment and intangible assets	321 192	265 015	210 726	32 535	76 477	53 939	608 395	351 489
Unallocated cost incurred to acquire property, plant and equipment and intangible assets							27 873	42 393
Total cost incurred to acquire property, plant and equipment and intangible assets							636 268	393 882
Segment depreciation	264 601	245 407	107 193	112 040	66 529	66 806	438 323	424 253
Depreciation of unallocated assets							20 105	14 577
Total depreciation							458 428	438 830
Non-cash expenses other than depreciation	68 129	51 866	1 503	2 519	12 826	10 182	82 458	64 567

Other information by business segments – continued

	Refining Segment		Petrochemical Segment		Other operations		Total	
	for 6 months ended		for 6 months ended		for 6 months ended		for 6 months ended	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007	30 June 2008	30 June 2007	30 June 2008	30 June 2007
Additions of impairment allowances	(63 226)	(43 042)	(1 391)	(2 518)	(9 388)	(7 544)	(74 005)	(53 104)
Unallocated allowances							(431)	(2 874)
Total additions of impairment allowances							(74 436)	(55 978)
Reversal of impairment allowances of assets	48 666	33 511	1 189	655	9 481	5 859	59 336	40 025
Unallocated value of reversal of impairment allowances							75	1 550
Total reversal of impairment allowances of assets							59 411	41 575

Impairment allowances by business segments include items recognized in the profit and loss, i.e.:

- receivables allowances;
- inventories allowances;
- property, plant and equipment allowances.

Allowances and reversals were performed in conjunction with occurrence or extinction of indications in respect of overdue receivables, uncollectible receivables or receivables in court as well as potential impairment of property, plant and equipment.

Allowances made in the refining segment concerned primarily impairment of petrol stations due to potential risk of unachieved expected economic benefits. Allowances for idle assets and obsolete raw materials were recognized in other operations segment.

Cash flow statement by business segments

	Refining Segment	Petrochemical Segment	Other operations	Unallocated	Total
	for 6 months ended	for 6 months ended	for 6 months ended	for 6 months ended	for 6 months ended
	30 June 2008	30 June 2008	30 June 2008	30 June 2008	30 June 2008
Segment result	1 385 302	223 004	130 949	634 868	2 374 123
Adjustments	(1 505 849)	16 298	82 728	(258 308)	(1 665 131)
Net cash provided by/(used in) operating activities	(120 547)	239 302	213 677	376 560	708 992
Cash flows - investing activities					
Proceeds	931	571	18 167	161 883	181 552
Expenditures	(456 026)	(255 657)	(119 250)	(12)	(830 945)
Net cash (used in) investing activities	(455 095)	(255 086)	(101 083)	161 871	(649 393)
Net cash provided by / (used in) financing activities				102 248	102 248
Net change in cash and cash equivalents	(575 642)	(15 784)	112 594	640 679	161 847
Effect of exchange rate changes				(64)	(64)
Cash and cash equivalents, beginning of the period				166 142	166 142
Cash and cash equivalents, end of the period				327 925	327 925

Geographical segments

The below table presents the Company's sales revenues by geographical area for the first half of 2008 and for the first half of 2007.

	Sales revenues by geographical area	
	for 6 months ended	
	30 June 2008	30 June 2007
Poland	17 567 994	12 679 346
- revenues from operating actvities	17 479 018	12 617 970
- other operating revenues	88 976	61 376
Germany	298 475	277 253
- revenues from operating actvities	298 475	277 253
- other operating revenues	-	-
Czech Republic	3 583 434	2 934 288
- revenues from operating actvities	3 583 434	2 934 288
- other operating revenues	-	-
Baltic states (Lithuania, Latvia and Estonia)	7 664 435	2 877 468
- revenues from operating actvities	7 664 435	2 877 468
- other operating revenues	-	-
Other countries	514 371	454 581
Unallocated revenues of the Company	86 941	14 543
Total sales revenues by geographical area	29 715 650	19 237 479

14. Cost by kind

	for 6 months ended 30 June 2008 (unaudited)	for 6 months ended 30 June 2007 (unaudited)
Materials and energy	(12 898 420)	(8 876 111)
Cost of merchandise and materials sold	(13 682 399)	(7 634 325)
External services *	(831 639)	(825 390)
Payroll, social security and other employee benefits	(329 629)	(316 636)
Depreciation	(458 428)	(438 830)
Taxes and charges	(146 133)	(123 697)
Other **	(166 565)	(162 758)
Total	**(28 513 213)**	**(18 377 747)**
Change in inventory position	(322 450)	(208 305)
Cost of products and services for own use	(62 039)	(25 900)
Operating cost	**(28 128 724)**	**(18 143 542)**
Distribution expenses	(797 235)	(752 108)
General and administrative expenses	(249 263)	(297 586)
Other operating expenses	(124 302)	(133 191)
Cost of finished goods, merchandise and raw materials sold	**(26 957 924)**	**(16 960 657)**

* including PLN (6,201) thousand in the first half of 2008 and PLN (5,429) thousand in the first half of 2007 of research and development cost
** including other operating expenses

15. Financial revenues and expenses

Financial revenues

	for 6 months ended 30 June 2008 (unaudited)	for 6 months ended 30 June 2007 (unaudited)
Dividends received	637 618	594 134
Positive foreign exchange surplus	620 573	129 430
Settlement and valuation of financial instruments	151 895	14 626
Interest income	49 692	18 968
Other	4 621	11 025
Total	**1 464 399**	**768 183**

Financial expenses

	for 6 months ended 30 June 2008 (unaudited)	for 6 months ended 30 June 2007 (unaudited)
Interest expense	(173 646)	(170 134)
Settlement and valuation of financial instruments	(71 452)	(22 754)
Other	(9 694)	(8 415)
Total	**(254 792)**	**(201 303)**

16. Income tax expense

	for 6 months ended 30 June 2008 (unaudited)	for 6 months ended 30 June 2007 (unaudited)
Current tax	(326 305)	(185 308)
Deferred tax	(96 105)	(24 712)
Total	**(422 410)**	**(210 020)**

17. Explanation of differences between changes in the selected balance sheet captions and changes presented in the statement of cash flows

	for 6 months ended 30 June 2008 (unaudited)	for 6 months ended 30 June 2007 (unaudited)
Balance sheet change in other non-current assets and trade and other receivables	(2 540 865)	(1 326 721)
Change in dividend receivables	492 516	226 219
Change in acquired receivables from Unipetrol a.s. Group entities	-	(37 536)
Other	(13 980)	(2 452)
Change in receivables in the statement of cash flows	**(2 062 329)**	**(1 140 490)**

	for 6 months ended 30 June 2008 (unaudited)	for 6 months ended 30 June 2007 (unaudited)
Balance sheet change in other long-term liabilities and trade and other liabilities and accrued expenses	2 041 447	1 027 004
Change in dividend liabilities	(692 888)	-
Change in investment liabilities	140 929	105 809
Change in additional payments to subsidiaries' equity	28 000	-
Other	(3 643)	(2 835)
Change in liabilities and accrued expenses in the statement of cash flows	**1 513 845**	**1 129 978**

	for 6 months ended 30 June 2008 (unaudited)	for 6 months ended 30 June 2007 (unaudited)
Balance sheet change in provisions	(13 996)	(19 680)
Change in deferred tax liabilitites charged to equity	23 824	(8 704)
Change in provisions in the statement of cash flows	**9 828**	**(28 384)**

"Other adjustments" in the unconsolidated statement of cash flows

"Other adjustments" presented in the statement of cash flows in operating activities for the I half of 2008 amounted to PLN (118,507) thousand and consisted of the following:

Change in receivables/liabilities related to financial instruments	(119 985)
Other	1 478
Total	(118 507)

18. Differences between data disclosed in the financial statements and preciously prepared and issued financial statements

1. Adjustment measurement of hedging instruments

	Data disclosed in unconsolidated financial statements for 2 quarters 2008	Adjustment of measurements of hedging instruments	Data disclosed In unconsolidated financial statements for the I half of 2008
Financial revenues	1 437 748	26 651	1 464 399
Financial expenses	(317 755)	62 963	(254 792)
Income tax	(405 383)	(17 027)	(422 410)
Hedging reserve	58 606	72 587	(13 981)

19. Signatures of the Management Board Members

These unconsolidated abbreviated financial statements were authorized by the Management Board of the Company in its seats on 23 September 2008.

……
Dariusz Krawiec
President of the Board

……
Sławomir Jędrzejczyk
Vice-President of the Board

……
Wojciech Kotlarek
Member of the Board

……
Krystian Pater
Member of the Board

……
Marek Serafin
Member of the Board

Płock, 23 September 2008