

## Unit financial statement of ANWIL SA

According to the Annual General Meeting Resolution, ANWIL SA drew up the financial statements for the year 2005 in agreement with International Financial Reporting Standards.

An independent actuary made a valuation of Company's tangible assets in order to calculate their fair value according to IFRS. The valuation was made as of 1st January 2004. Other changes concerning applied standards were of little importance for the results which have presented.

In 2005 the Company's efficiency enhancement process was continued, which was connected with its internal development. Since then, the Company has made a big step towards improving the product quality and the overall costs optimization, both in technological and market dimension.

Thanks to successive investment implementation in the process of polyvinyl chloride production, especially in chlorine production area in last year, ANWIL SA joined the group of enterprises with the most modern and environmentally friendly installations for polyvinyl chloride and sodium hydroxide production.

The volume of production and sales of ANWIL SA products has been on the constant increase. In 2005 ANWIL SA again achieved the record level of production and sales in the nitrogenous fertilizer area. Through his activities the Company's position on the market was significantly enhanced.

Intensive investment scheme in pro-ecological facilities was continued in drive to minimize a potentially negative impact the Company might have affected on the environment.

As a member of PKN ORLEN S.A. Capital Group, with regard to segmental management programme, ANWIL SA constitutes the chemical segment within the Group. Implemented ventures made a good starting point to take investment actions in the years to come, what will result in the Company's further value growth for Shareholders.

The Company presents measurable results of implemented both efficiency and investment programmes in the past years. Despite objective production limitations in 2005, ANWIL SA reported a high level of products and services sales, amounting to PLN 1 454 million.

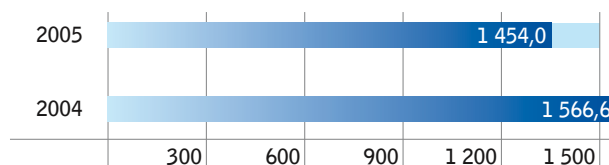
The level of sales of products and services were determined by the sales of the three basic groups of products, which in 2005 constituted 83,6% of total revenue. The share of polyvinyl chloride was the highest with the value of 36,8% in the structure of finished products and services sales. Nitrogenous fertilizers were the next group of products with the share of 34,3%, (ammonium nitrate with its varieties and calcium ammonium nitrate of the trade name CANWIL) and next PVC compounds (12,5%).

Profit on sales amounted to PLN 146 million. Both within other operating and financial activities the Company recorded positive results relative to all other levels of profits.

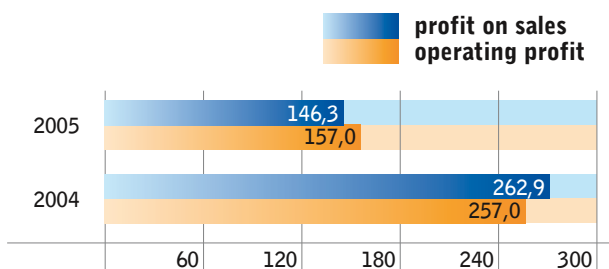
As a result, in 2005 ANWIL SA recorded gross profit of PLN 161 million. Having corrected the figure by income tax and postponed tax, net profit amounted to PLN 130 million.

In the year 2005, the Company recorded lower performance than in 2004, resulting from planned PVC installation stoppage which lead to significantly higher unit production costs of Polanvil and sodium hydroxide.

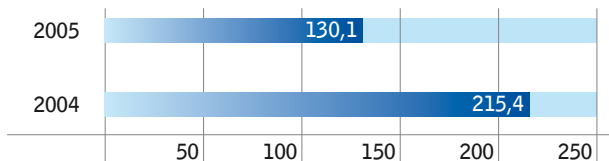
Sales of products and services [millions PLN]



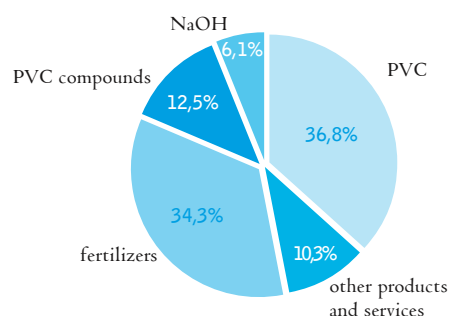
Profit on sales and operating profit [millions PLN]



Net profit [millions PLN]



The value structure of sales of products and services in 2005



## Balance sheet

as of 31<sup>st</sup> December 2005

	notes	thousands PLN	thousands €*
<b>ASSETS</b>			
<b>Capital assets</b>		<b>1 345 199</b>	<b>348 515</b>
1. Intangible assets	1	7 698	1 994
2. Tangible assets	2	1 305 796	338 307
3. Other capital assets	3	2 673	692
4. Financial assets	4	28 928	7 495
5. Investment in properties		104	27
<b>Current assets</b>		<b>420 567</b>	<b>108 961</b>
1. Inventories		138 781	35 956
2. Trade and other receivables	5	175 216	45 395
3. Short-term securities		89 178	23 104
4. Cash		15 780	4 088
5. Short-term prepayments and deferred costs		1 612	418
<b>Non-current assets classified as held for sale</b>		<b>4 006</b>	<b>1 038</b>
<b>TOTAL ASSETS</b>		<b>1 769 772</b>	<b>458 514</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>		<b>1 366 694</b>	<b>354 084</b>
1. Share capital	6	314 170	81 395
2. Retained earnings, including:		1 052 524	272 689
- Net profit from the current year		130 117	32 324
- Exchange rates from conversion net profit			1 387
<b>Long-term liabilities</b>		<b>180 072</b>	<b>46 653</b>
1. Provisions for deferred tax		83 555	21 647
2. Long-term provisions	7	16 297	4 222
3. Interest bearing borrowings		35 474	9 191
4. Other long-term liabilities	8	44 746	11 593
<b>Short-term liabilities</b>		<b>223 006</b>	<b>57 777</b>
1. Income tax liabilities		11 566	2 996
2. Short-term provisions	9	2 017	523
3. Interest bearing borrowings		13 253	3 434
4. Trade and other liabilities, accrued expenses	10	195 200	50 573
5. Deferred income		970	251
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1 769 772</b>	<b>458 514</b>

\* 1 € = 3.8598 PLN (NBP rate of change of 31<sup>st</sup> December 2005)

## Notes to the Balance Sheet

	thousands PLN	thousands €
<b>1. Intangible assets</b>	<b>7 698</b>	<b>1 994</b>
covers:		
- licenses, patents and similar assets	7 698	1 994
<b>2. Tangible assets</b>	<b>1 305 796</b>	<b>338 307</b>
covers:		
- fixed assets	1 058 771	274 307
- construction in progress	247 025	64 000
<b>3. Other capital assets</b>	<b>2 673</b>	<b>692</b>
covers:		
- long-term receivables	2 673	692
<b>4. Financial assets</b>	<b>28 928</b>	<b>7 495</b>
covers:		
- shares in other entities	28 928	7 495
<b>5. Trade receivables and other receivables</b>	<b>175 216</b>	<b>45 395</b>
covers:		
- trade receivables	123 060	31 882
- other	52 156	13 513
<b>6. Share capital</b>	<b>314 170</b>	<b>81 395</b>
covers:		
- share capital registered in National Court Register	135 415	35 083
- share capital revaluated (in accordance with IAS29)	178 755	46 312
<b>7. Long-term provisions</b>	<b>16 297</b>	<b>4 222</b>
covers:		
- provisions for jubilee and retirement bonuses	14 797	3 833
- other provisions	1 500	389
<b>8. Other long-term liabilities</b>	<b>44 746</b>	<b>11 593</b>
covers:		
- grant received from ERDF	40 000	10 363
<b>9. Short-term provisions</b>	<b>2 017</b>	<b>523</b>
covers:		
- provisions for jubilee and retirement bonuses	2 017	523
<b>10. Trade liabilities, other liabilities and accruals</b>	<b>195 200</b>	<b>50 573</b>
covers:		
- trade liabilities, including prepayment received from customers	133 648	34 626
- other short-term liabilities	61 552	15 947

## The Profit and Loss Account

	thousands PLN	thousands €*
<b>Total revenues, including:</b>	<b>1 497 048</b>	<b>371 901</b>
- net sales of finished products and services	1 454 041	361 217
- net sales of goods for resale and materials	22 463	5 580
- other operating income	11 900	2 956
- financial income	8 644	2 148

## The Profit and Loss Account

for the period: 1<sup>st</sup> January, 2005 - 31<sup>st</sup> December, 2005

	notes	thousands PLN	thousands €*
1. Net sales:	1	1 476 504	366 797
Sales of finished products and services		1 454 041	361 217
2. Operating costs	2	1 330 176	330 446
<b>3. Profit on sales</b>		<b>146 328</b>	<b>36 351</b>
4. Other operating income	3	11 900	2 956
5. Other operating costs	4	1 266	314
<b>6. Operating profit</b>		<b>156 962</b>	<b>38 993</b>
7. Financial income	5	8 644	2 148
8. Financial expenses	6	4 793	1 191
<b>9. Gross profit</b>		<b>160 813</b>	<b>39 950</b>
10. Extraordinary gains		0	0
11. Extraordinary losses		0	0
<b>12. Profit before taxation</b>		<b>160 813</b>	<b>39 950</b>
13. Income tax		30 696	7 626
<b>14. Net profit</b>		<b>130 117</b>	<b>32 324</b>

\* 1 € = 4.0254 PLN (NBP average rate in 2005)

## Notes to the Profit and Loss Account

	thousands PLN	thousands €
<b>1. Net sales</b>	<b>1 476 504</b>	<b>366 797</b>
covers:		
- income from net sales of finished products	1 426 289	354 323
- income from net sales of goods for resale and materials	22 463	5 580
- income from services and also power deliveries for external customers	27 752	6 894
The value of sales has been determined on the basis of invoices issued to customers		
<b>2. Operating costs</b>	<b>1 330 176</b>	<b>330 446</b>
covers:		
cost of sales of finished products, selling and distribution costs, general and administration expenses, costs of sales of services, costs of goods for resale and materials		
<b>3. Other operating income</b>	<b>11 900</b>	<b>2 956</b>
covers:		
- profit from sales of unfinancial tangible assets	161	40
- other	11 739	2 916
<b>4. Other operating costs</b>	<b>1 266</b>	<b>314</b>
covers:		
- loss from sales of unfinancial tangible assets	0	0
- other	1 266	314
<b>5. Financial income</b>	<b>8 644</b>	<b>2 148</b>
covers:		
- dividends received	104	26
- interest received	1 073	267
- profit from sale of shares	4 548	1 130
- other	2 919	725
<b>6. Financial expenses</b>	<b>4 793</b>	<b>1 191</b>
covers:		
- interest paid	2 499	621
- other	2 294	570

## Cash flow statements

for the period: 1<sup>st</sup> January, 2005 - 31<sup>st</sup> December, 2005

	thousands PLN	thousands €*
<b>Net cash flow from operating activities</b>	<b>262 268</b>	<b>65 153</b>
Net profit	130 117	32 324
Total adjustments	132 151	32 829
<b>Net cash flow from investing activities</b>	<b>-248 240</b>	<b>-61 668</b>
Cash inflow from investing activities	9 218	2 290
Cash outflow from investing activities	257 458	63 958
<b>Net cash flow from financing activities</b>	<b>-16 930</b>	<b>-4 206</b>
Cash inflow from financing activities	48 660	12 088
Cash outflow from financing activities	65 590	16 294
<b>Net cash inflow/outflow during the year</b>	<b>-2 902</b>	<b>-721</b>
<b>Cash at the beginning of year</b>	<b>18 682</b>	<b>4 641</b>
<b>Cash at the end of year</b>	<b>15 780</b>	<b>3 920</b>

\* 1 € = 4.0254 PLN (NBP average rate in 2005)