

Financial Book

PGNiG 2009



Polish Oil & Gas Company

Contents

Key figures of the PGNiG Group	2
Key ratios & employment	4
Key share data	5
Share price fluctuations and shareholders structure	6
Consolidated income statement	7
Consolidated balance sheet	8
Consolidated cash flow	10
Operating expenses	11
Operating segments	12
Production of gas, crude oil and other products	16
Natural gas and crude oil sales volume	17
Revenue from sales of products, services, goods for resale and materials	18
Currency exchange rates	19
Average prices of crude oil and derivative products	19
Gas import	20
Underground gas storage facilities	22
Gaseous fuel wholesale tariff of PGNiG	24
Conversion rates	26
Financial calendar	27
Mailing list	27
Contact	28

Key figures of the PGNiG Group

(PLN m)	2009	2008	2007	2006	2005
Sales revenue	19,290	18,432	16,652	15,198	12,560
EBIT	1,334	801	861	1,470	1,398
EBIT margin	6.9%	4.3%	5.2%	9.7%	11.1%
EBITDA	2,830	2,226	2,291	2,766	2,800
EBITDA margin	14.7%	12.1%	13.8%	18.2%	22.3%
Net profit	1,204	866	916	1,328	881
Assets	31,082	29,745	28,402	30,677	30,364
Equity	21,402	20,716	21,022	21,153	20,768
Net debt	832	-509	-1,446	-1,082	-742
(PLN)	2009	2008	2007	2006	2005
EPS	0.20	0.15	0.16	0.22	0.17
DPS	0.08	0.09	0.19	0.15	0.10

(EUR m) ¹	2009	2008	2007	2006	2005
Sales revenue	4,444	5,218	4,409	3,898	3,121
EBIT	307	227	228	377	347
EBIT margin	6.9%	4.3%	5.2%	9.7%	11.1%
EBITDA	652	630	607	709	696
EBITDA margin	14.7%	12.1%	13.8%	18.2%	22.3%
Net profit	277	245	243	341	219

(EUR m) ²	2009	2008	2007	2006	2005
Assets	7,566	7,129	7,929	8,007	7,545
Equity	5,210	4,965	5,869	5,521	5,161
Net debt	202	-144	-383	-277	-184

(EUR) ¹	2009	2008	2007	2006	2005
EPS	0.05	0.04	0.04	0.06	0.04
DPS	0.02	0.02	0.04	0.04	0.02

¹average exchange rate EUR/PLN - 2005 (4.0241); 2006 (3.8991); 2007 (3.7768); 2008 (3.5321); 2009 (4.3406)

²EUR/PLN exchange rate as at the end of the period - 2005 (3.8598); 2006 (3.8312); 2007 (3.5820); 2008 (4.1724); 2009 (4.1082)

Key ratios & employment

Financial ratios

	2009	2008	2007	2006	2005
ROS	6.2%	4.7%	5.5%	8.7%	7.0%
ROE	5.6%	4.2%	4.4%	6.3%	4.2%
ROA	3.9%	2.9%	3.2%	4.3%	2.9%
Current ratio	1.1	1.4	1.8	2.7	2.3
Quick ratio	0.9	1.1	1.4	2.2	2.0
Debt to liabilities	31.1%	30.4%	26.0%	31.0%	31.6%
Debt to equity	45.2%	43.6%	35.1%	45.0%	46.2%

Employment at the end of period, by segments

(persons)	2009	2008	2007	2006	2005
PGNiG SA Head Office	833	837	604	811	n/a
Exploration and Production	10,800	10,725	10,151	9,919	n/a
Trade and Storage	4,128	4,088	4,104	467	n/a
Distribution	13,851	13,746	13,538	16,705	n/a
Other	2,073	2,044	1,928	1,895	n/a
Total employment	31,685	31,440	30,325	29,797	30,176

Key share data

Share indicators

based on year end share price	2009	2008	2007	2006	2005
Price/Earnings	19.0	24.0	31.9	16.4	20.4
Price/Book Value	1.0	1.0	1.4	1.0	1.0
Price/Cash Flow	8.3	9.3	12.8	8.1	9.0
EV/EBITDA	7.9	9.5	13.1	7.7	7.5
No. of shares (million)	5,900	5,900	5,900	5,900	5,900
DPS	0.08	0.09	0.19	0.15	0.10
EPS	0.20	0.15	0.16	0.22	0.17
High ¹	4.57	5.57	6.10	4.08	3.68
Low ²	3.24	2.98	3.39	3.11	3.24
Year end share price	3.79	3.60	5.10	3.60	3.47
Yearly average share price	3.79	3.88	4.78	3.45	3.54
Dividend yield ³	2.11%	2.32%	3.97%	4.35%	2.82%

(PLN m)

Year end market cap	22,361	21,240	30,090	21,240	20,473
Kapitalizacja po cenie średniej	22,361	22,892	28,202	20,355	20,886
Year high market cap ¹	26,963	32,863	35,990	24,072	21,712
Year low market cap ²	19,116	17,582	20,001	18,349	19,116

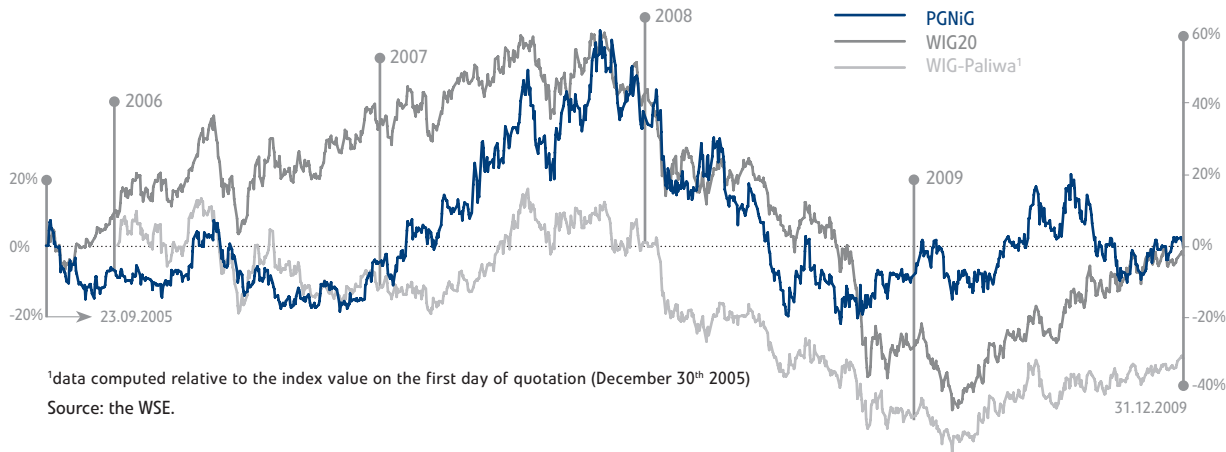
¹29.09.2005; 11.05.2006; 23.10.2007; 10.10.2008; 30.07.2009

²16.11.2005; 31.10.2006; 12.01.2007; 09.01.2008; 17.02.2009

³dividend yield = annual dividend per share/ yearly average share price

Share price fluctuations and shareholders structure

PGNiG share price fluctuations



¹data computed relative to the index value on the first day of quotation (December 30th 2005)

Source: the WSE.

Shareholders structure

	2009	2008	2007	2006	2005
State Treasury	72.94%	84.75%	84.75%	84.75%	84.75%
Others	27.06% ¹	15.25%	15.25%	15.25%	15.25%

¹including 11,80% share distributed to eligible employees of PGNiG free of charge, excluded from market trade till July 1st, 2010

Consolidated income statement

(PLN m)	2009	2008	2007	2006	2005
Sales revenue	19,290	18,432	16,652	15,198	12,560
Total operating expenses, including:	-17,957	-17,631	-15,791	-13,728	-11,162
Raw and other materials used	-11,419	-11,632	-8,332	-8,612	-6,439
Employee benefits	-2,454	-2,162	-2,014	-1,822	-1,646
External services	-3,067	-2,789	-2,693	-2,653	-1,779
Operating profit	1,334	801	861	1,470	1,340
Financial income	203	213	248	290	645
Financial expenses	-95	-79	-90	-265	-838
Share in profit/loss of undertakings valued with equity method	0	221	-16	77	50
Pre-tax profit	1,442	935	1,003	1,572	1,254
Corporate income tax	-238	-70	-87	-244	-207
Net profit	1,204	866	916	1,328	881
Attributable to equity holders of the parent company	1,202.0	865.3	915.0	1,323.1	879.7
Attributable to minority interests	1.6	0.4	1.0	0.5	0.9

Consolidated balance sheet

Assets

(PLN m)	2009	2008	2007	2006	2005
Non-current assets, including	31,082	22,574	22,131	23,235	23,530
Property, plant and equipment	22,889	20,587	18,716	18,762	17,524
Investments in associated undertakings valued with equity method	557	557	558	589	512
Current assets, including	6,417	7,172	6,271	7,442	6,833
Inventories	1,259	1,721	1,216	1,351	815
Trade and other receivables	3,680	3,717	3,331	2,473	2,618
Cash and cash equivalents	1,196	1,422	1,584	3,539	3,200
Total assets	31,082	29,745	28,402	30,677	30,364

Equity and liabilities

(PLN m)	2009	2008	2007	2006	2005
Total equity, including	21,402	20,716	21,022	21,153	20,768
Share capital	5,900	5,900	5,900	5,900	5,900
Retained earnings	2,347	2,377	9,939	10,631	10,509
Equity attributable to minority interests	10	9	9	8	7
Total liabilities	9,680	9,029	7,380	9,523	9,596
Total long-term liabilities, including	3,780	4,059	3,880	6,725	6,625
Loans, borrowings and debt securities	44	41	31	2,344	2369
Total short-term liabilities, including	5,900	4,971	3,501	2,798	2,971
Loans, borrowings and debt securities	1,984	872	107	114	89
Total equity and liabilities	31,082	29,745	28,402	30,677	30,364

Consolidated cash flow

(PLN m)	2009	2008	2007	2006	2005
Net cash from operating activities, including	2,555	1,493	3,029	1,535	2,399
Net profit	1,204	866	916	1,328	881
Depreciation and amortization	1,496	1,425	1,430	1,296	1,402
Profit (loss) on investing activities	-212	-84	1,407	-146	284
Income tax paid	-556	-610	-482	-243	-240
Change in receivables, net	62	-502	-924	-1	-537
Change in inventories	462	-505	137	-536	-217
Change in current liabilities	-571	861	180	-11	918
Net cash from investment activities	-3,638	-2,209	-2,456	-867	-732
Net cash from financial activities	858	552	-2,547	-295	627
Cash and cash equivalents at the end of the period	1,196	1,421	1,585	3,559	3,205

Operating expenses

(PLN m)	2009	2008	2007	2006	2005
Raw and other materials used	11,419	11,632	8,332	8,612	6,439
Employee benefits	2,454	2,162	2,014	1,822	1,646
Depreciation and amortization	1,496	1,425	1,430	1,296	1,402
Contracted services	3,067	2,789	2,693	2,653	1,779
Cost of products and services for internal purposes	-900	-739	-687	-565	-499
Other operating expenses, net	420	363	2,010	-90	395
Total operating expenses	17,957	17,631	15,791	13,728	11,162

Raw and other materials used

(PLN m)	2009	2008	2007	2006	2005
Cost of gas sold	10,758	10,983	7,727	8,068	5,917
Other raw and other materials used	661	649	604	543	522

Contracted services

(PLN m)	2009	2008	2007	2006	2005
Purchases of transmission services					
from OGP GAZ-SYSTEM SA	1,354	1,367	1,465	1,531	738
Costs of dry wells written off	265	152	87	106	55
Other contracted services	1,449	1,270	1,141	1,015	986

Operating segments

Exploration and Production

The segment supplies gas and oil, as well as provides geophysical and exploration services. The operations within this segment comprise the entire process of gas and crude oil production: from geophysical testing undertaken prior to exploration, to extraction and preparation of the product for sale.

Trade and Storage

This segment is responsible for gas purchase realised by the Company, tariff-based gas sales and storage activity.

Distribution

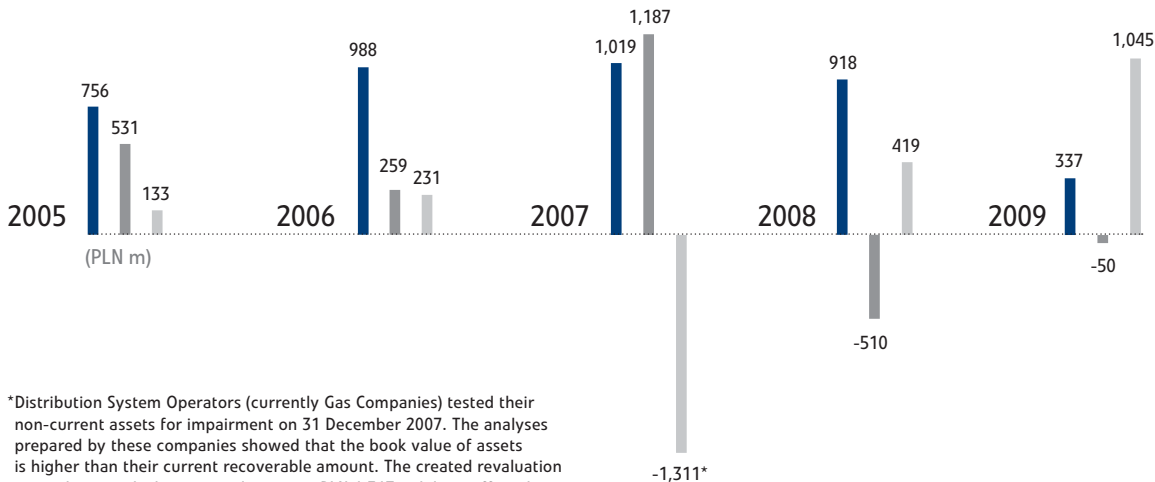
This segment deals with gas distribution to end customers, primarily individual ones, as well as the operation, maintenance and expansion of the distribution grid.

In Q3 2007, the trading operations (purchase and sale of gas) were handled by spun-off trading companies. On October 1st 2007, the trading companies merged with PGNiG SA, and thus in Q4 2007 the Trading Division of PGNiG SA took responsibility for gas trading. Consequently, the Q3 results of the trading companies were included in the data relating to the trading and storage segment.

Other operations

This segment provides engineering services and manufactures machinery for facilities and units used in oil mining and gas engineering.

■ Exploration and Production
■ Trade and Storage
■ Distribution



*Distribution System Operators (currently Gas Companies) tested their non-current assets for impairment on 31 December 2007. The analyses prepared by these companies showed that the book value of assets is higher than their current recoverable amount. The created revaluation write-downs, which amounted to minus PLN 1,317m did not affect the PGNiG Capital Group's cash flows and the separate financial statements of PGNiG SA.

Operating segments

Exploration and Production

(PLN m)	2009	2008	2007	2006	2005
Total segment revenue	3,201	3,245	3,529	2,968	2,583
Total segment costs	-2,865	2,327	-2,510	-1,981	-1,827
Operating result	337	918	1,019	988	756
Segment assets	11,063	10,007	9,059	7,786	7,584
Segment liabilities	1,608	2,967	2,184	1,304	1,308
Capital expenditure on property, plant and equipment and intangible assets	-1,913	-1,454	-1,941	-388	-220

Trade and Storage

(PLN m)	2009	2008	2007	2006	2005
Total segment revenue	17,371	16,720	13,885	10,966	8,722
Total segment costs	-17,421	-17,230	-12,698	-10,707	-8,190
Operating result	-50	-510	1,187	259	531
Segment assets	10,201	9,986	11,777	11,489	11,650
Segment liabilities	2,921	3,434	3,656	1,643	2,255
Capital expenditure on property, plant and equipment and intangible assets	-780	-225	-206	-434	-513

Distribution

(PLN m)	2009	2008	2007	2006	2005
Total segment revenue	3,040	3,059	6,657	9,119	7,455
Total segment costs	-1,995	-2,641	-7,968	-8,888	-7,322
Operating result	1,045	419	-1,311	231	133
Segment assets	11,039	10,188	9,183	11,558	11,241
Segment liabilities	1,872	2,194	2,378	2,650	2,454
Capital expenditure on property, plant and equipment and intangible assets	-1,127	-879	-822	-753	-580

Other operations

(PLN m)	2009	2008	2007	2006	2005
Total segment revenue	461	365	334	297	265
Total segment costs	-439	-352	-325	-296	-270
Operating result	21	13	8	1	-5
Segment assets	366	281	279	278	248
Segment liabilities	136	110	106	93	97
Capital expenditure on property, plant and equipment and intangible assets	-20	-21	-11	-7	-7

Production of gas, crude oil and other products

Natural gas (million m ³)	2009	2008	2007	2006	2005
High-methane gas	1,634	1,695	1,808	1,838	1,858
Low-methane gas ¹	2,471	2,379	2,469	2,439	2,460
Total	4,105	4,083	4,276	4,277	4,318

Crude oil and condensate (ths. tonnes)	2009	2008	2007	2006	2005
Crude oil	490.5	484.5	512.4	517.6	602.3
Condensate	12.7	11.2	9.6	12.1	16.3
Total	504.3	495.7	522.0	529.7	618.7

Other products (ths. tonnes)	2009	2008	2007	2006	2005
Propane-butane gas	20.1	17.4	18.2	17.1	16.0
Sulphur	24.7	21.3	23.3	20.7	21.2

Other products (million m ³)	2009	2008	2007	2006	2005
Helium	2.5	2.2	2.3	2.4	2.7
LNG ¹	20.0	20.1	21.7	19.9	17.6

¹high-methane gas equivalent in normal conditions

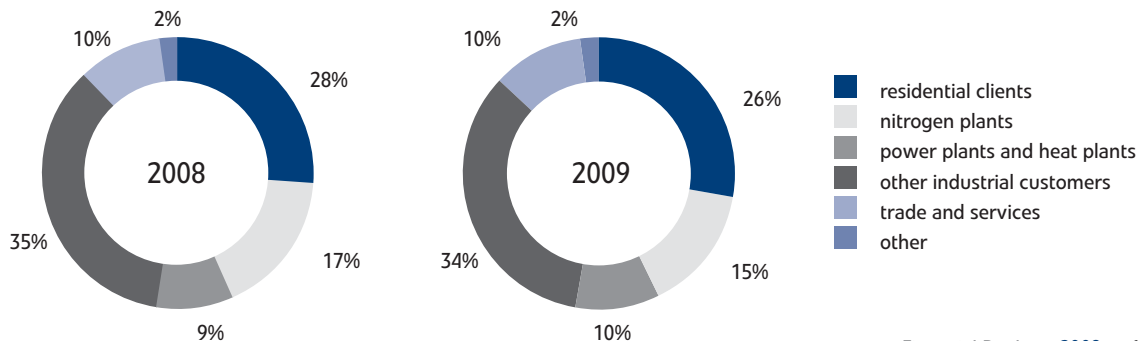
Natural gas and crude oil sales volume

(million m ³)	2009	2008	2007	2006	2005
Natural gas	13,284	13,862	13,676	13,658	13,555

(ths. tonnes)	2009	2008	2007	2006	2005
Crude oil ¹	506	498	542	514	616

¹for crude and condensate

Customers' percentage share in gas sales volume in 2008-2009



Revenue from sales of products, services, goods for resale and materials

Revenue from sales of products ¹ (PLN m)	2009	2008	2007	2006	2005
High-methane gas	16,208	15,036	13,372	12,188	9,934
Low-methane gas	1,281	1,344	1,255	1,109	921
Crude oil	662	776	778	739	784
Helium	37	28	30	33	34
Propane-butane gas	37	43	44	47	37
Gasoline	3	3	2	6	14
LNG	21	20	19	14	10
Total revenue from sales of products	18,249	17,249	15,499	14,136	11,734

¹data includes both domestic and export sales

Revenue from sales of services, goods for resale and materials¹ (PLN m)

	2009	2008	2007	2006	2005
Geophysical and geological services	226	361	372	325	223
Exploration services	377	443	378	290	213
Materials and goods for resale	28	22	26	20	21
Other sales of products and services	411	357	378	428	370
Total revenue from sales of services, goods for resale and materials	1,042	1,183	1,153	1,062	826
Total sales revenue	19,290	18,432	16,652	15,198	12,560

¹data includes both domestic and export sales

Currency exchange rates

Yearly average exchange rate	2009	2008	2007	2006	2005
USD/PLN	3.1162	2.4092	2.7667	3.1025	3.2348
EUR/PLN	4.3273	3.5166	3.7829	3.8951	4.0254
Exchange rate at the end of the period	2009	2008	2007	2006	2005
USD/PLN	2.8503	2.9618	2.4350	2.9105	3.2613
EUR/PLN	4.1082	4.1724	3.5820	3.8312	3.8598

Source: National Bank of Poland

Average prices of crude oil and derivative products

(USD/bbl)

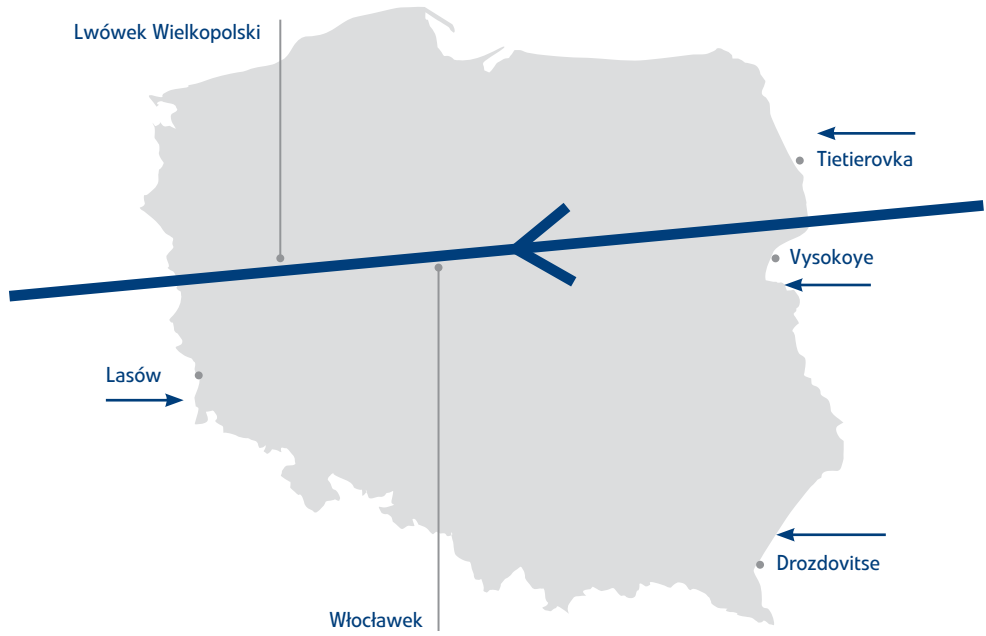
	IQ	IIQ	IIIQ	IVQ	I-IVQ
2005	47.79	51.62	61.61	56.92	54.52
2006	61.97	70.06	70.24	59.62	65.51
2007	58.36	69.05	75.31	88.99	73.08
2008	97.17	121.91	116.03	56.42	97.69
2009	45.04	59.28	68.25	74.93	62.04

Source: Bloomberg, European Dated Brent Forties Oseberg (BFO)

Gas import

Sources of gas

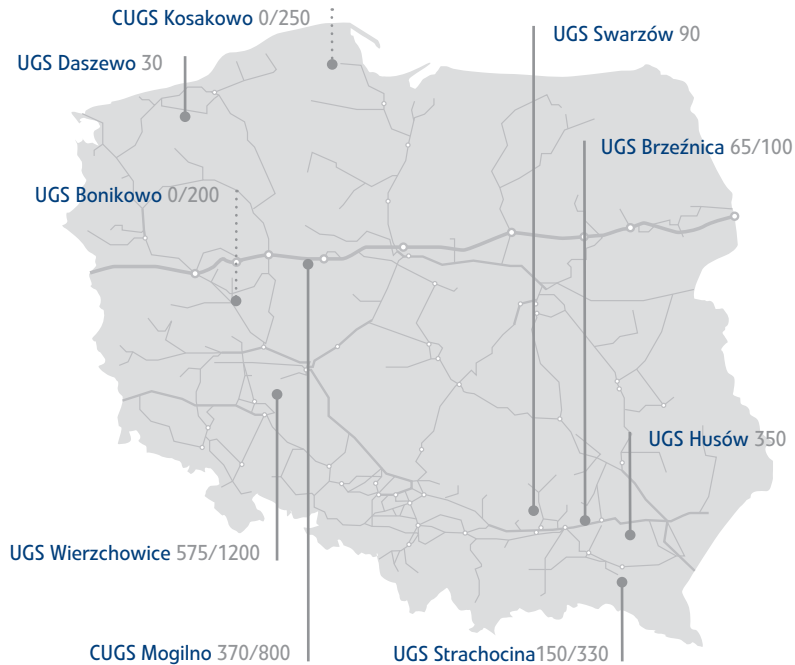
(million m ³)	2009	2008	2007	2006	2005
Domenstic production	4,105.2	4,083.4	4,276.1	4,277.1	4,318.1
Imports	9,135.9	10,264.2	9,286.0	10,028.4	9,690.6
Russia	8,137.2	7,056.7	6,219.2	6,839.7	6,340.3
Germany	993.4	825.4	783.1	477.5	330.6
Ukraine	5.0	4.8	4.1	3.9	1.2
Czech Republic	0.3	0.3	0.3	0.3	0.3
Mid-Asia countires	0.0	2,377.2	2,279.3	2,346.9	2,533.1
Norway	0.0	0.0	0.0	360.1	485.1
Total	13,241.0	14,347.6	13,562.1	14,305.5	14,008.7



Underground gas storage facilities

Current and target capacity of underground gas storage facilities

Storage name	Type of investment	Working capacity	Target capacity	Planned completion date
(billion m ³)				
Wierzchowice	expansion	0.58	1.20	2012
Husów	expansion	0.35	0.35	
Mogilno	expansion	0.37	0.80	2018
Strachocina	expansion	0.15	0.33	2011
Swarzów		0.09	0.09	–
Brzeźnica		0.07	0.10	–
Daszewo		0.03	0.03	–
Bonikowo	construction		0.20	2010
Kosakowo	construction		0.25	2020
Total		1.63	3.35	



Gaseous fuel wholesale tariff of PGNiG

(PLN/ths. m³)

Gaseous fuel

wholesale tariff of PGNiG in the following periods	01/01/2005- -30/06/2005	01/07/2005- -30/09/2005	01/10/2005- -31/12/2005	01/01/2006- -31/03/2006	01/04/2006- -31/12/2006	01/01/2007- -24/04/2008	25/04/2008- -31/10/2008	01/11/2008- -31/05/2009	01/06/2009- -31/05/2010
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High-methane gas

E (GZ 50)	492.50	541.00	581.50	651.30	708.60	778.80	898.30 ¹	998.30	910.00
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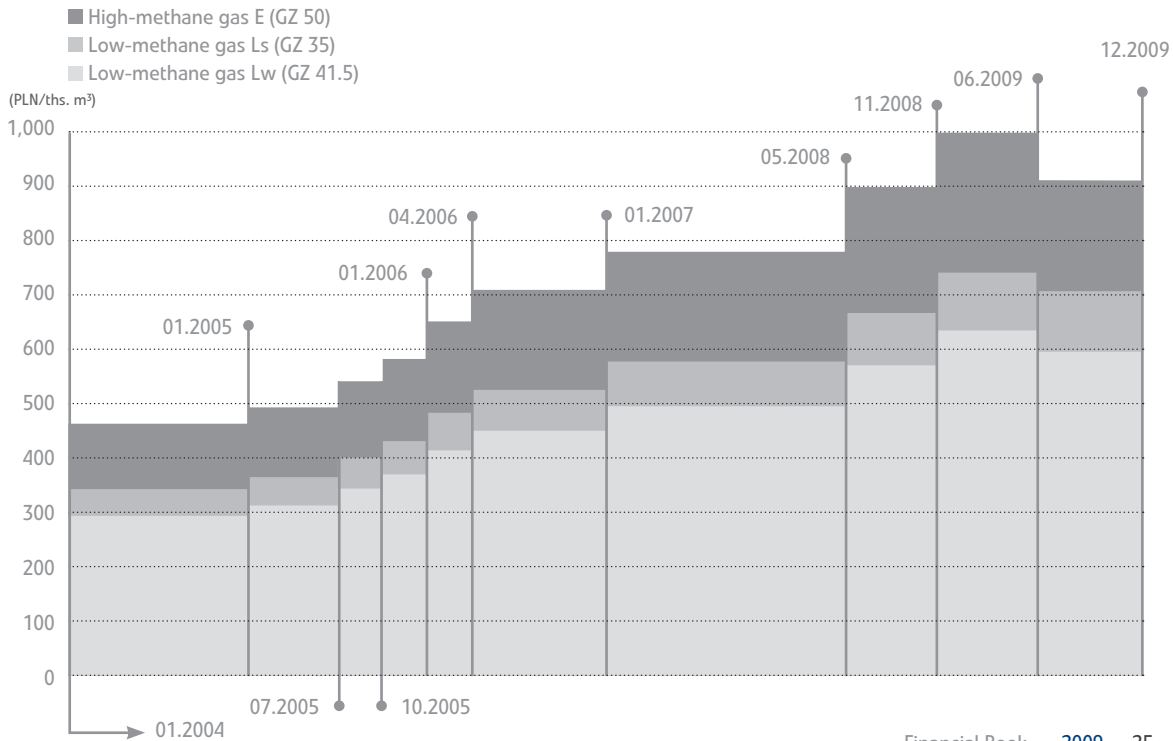
Low-methane gas

Ls (GZ 35)	312.00	343.00	368.50	412.70	449.00	493.60	569.30	632.70	594.20
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Low-methane gas

Lw (GZ 41.5)	364.00	400.00	430.00	481.50	524.00	576.10	664.50	738.50	704.50
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¹change of tariff calculation – the tariff includes transit fee paid to EuRoPol Gaz SA



Conversion rates

	1 bcm of natural gas	1 bcm of natural gas	1 mln ton of crude oil	1 mn ton of LNG	1 mn ton of hard coal	1 bn Btu	1 PJ	1 mn boe
1 bn cbm of natural gas	1	35.3	0.9	0.73	1.35	36	38	6.29
1 bn cf of natural gas	0.028	1	0.026	0.021	0.038	1.03	1.08	0.18
1 mn ton of crude oil	1.11	39.2	1	0.81	1.52	40.4	42.7	7.33
1 mn ton of LNG	1.38	48.7	1.23	1	1.86	52	55	8.68
1 mn ton of hard coal	0.74	26.1	0.66	0.54	1	26.7	28.1	4.66
1 bn Btu	0.028	0.98	0.825	0.02	0.038	1	1.06	0.17
1 PJ	0.026	0.93	0.23	0.019	0.036	0.95	1	0.17
1 mn boe	0.16	5.61	0.14	0.12	0.21	5.8	6.04	1

Definitions

- boe** barrel of oil equivalent (1 barrel equals approx. 0.136 ton)
- toe** ton of oil equivalent
- tce** ton of coal equivalent
- Btu** British thermal units; amount of heat required to raise the temperature of one pound of liquid water by one degree Fahrenheit
- cf** standard cubic feet

Financial calendar

	date
Annual statement - 2009	March 22, 2010
Quarterly consolidated report - Q1 2010	May 12, 2010
Half-yearly consolidated report - H1 2010	August 31, 2010
Quarterly consolidated report - Q3 2010	November 10, 2010

PGNiG provides webcast of press conferences concerning results on www.pgnig.pl in Polish and English.

Mailing list

PGNiG Investor Mailing List is a mailing service for shareholders, analysts and everybody else who is interested in PGNiG Capital Group. This service provides PGNiG recent news, financial reports and other information via e-mail. If you want to be added to our list please send a request to ri@pgnig.pl

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Tickers

GPW: PGN

Bloomberg: PGN.PW

Reuters: PGNI.WA

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