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BALANCE SHEET

ASSETS	Notes	31 December 2006	31 December 2005
I. Non-current assets		13 452 676	13 884 658
1. Intangible assets, including:	1	10 203	12 375
-goodwill		-	-
2. Tangible fixed assets	2	4 705 842	4 465 479
3. Long-term receivables	3; 8	3 273 591	4 106 269
3.1. From related parties		-	-
3.2. From other entities		3 273 591	4 106 269
4. Long-term investments	4	5 136 825	5 006 261
4.1. Real property		-	-
4.2. Intangible assets		-	-
4.3. Long-term financial assets		5 136 820	5 006 255
a) in related parties		5 135 175	5 004 609
b) in other entities		1 645	1 646
4.4. Other long-term investments		5	6
5. Long-term prepayments	5	326 215	294 274
5.1. Deferred tax assets		322 149	288 355
5.2. Other prepayments		4 066	5 919
II. Current assets		5 777 181	5 319 230
1. Inventory	6	1 239 780	722 118
2. Short-term receivables	7; 8	1 412 658	1 678 056
2.1. From related parties		514 138	569 140
2.2. From other entities		898 520	1 108 916
3. Short-term investments		3 120 148	2 916 468
3.1. Short-term financial assets	9	3 120 148	2 916 468
a) in related parties		142 231	49 811
b) in other entities		5 723	120 273
c) cash and cash equivalents		2 972 194	2 746 384
3.2. Other short-term investments		-	-
4. Short-term prepayments	10	4 595	2 588
Total assets		19 229 857	19 203 888

BALANCE SHEET

EQUITY AND LIABILITIES	Notes	31 December 2006	31 December 2005
I. Equity		12 021 456	11 367 043
1. Share capital	12	5 900 000	5 900 000
2. Called up share capital (negative value)		-	-
3. Own shares (negative value)	13	-	-
4. Supplementary capital	14	4 537 640	4 333 312
5. Revaluation capital	15	1 548	1 503
6. Other reserve capitals	16	-	-
7. Profit (loss) from previous years		-	-
8. Net profit (loss)		1 582 268	1 132 228
9. Write-offs on net profit during the financial year (negative value)	17	-	-
II. Liabilities and provisions for liabilities		7 208 401	7 836 845
1. Provisions for liabilities	18	995 393	1 045 221
1.1. Provision for deferred income tax		46 444	48 676
1.2. Provision for retirement and similar benefits		181 657	187 473
a) long-term		139 667	148 393
b) short-term		41 990	39 080
1.3. Other provisions		767 292	809 072
a) long-term		723 964	583 867
b) short-term		43 328	225 205
2. Long-term liabilities	19	2 299 108	2 317 096
2.1. To related parties		-	-
2.2. To other entities		2 299 108	2 317 096
3. Short-term liabilities	20	1 843 467	1 852 702
3.1. To related parties		253 194	228 654
3.2. To other entities		1 499 494	1 561 654
3.3. Special funds		90 779	62 394
4. Accruals	21	2 070 433	2 621 826
4.1. Negative goodwill		-	-
4.2. Other accruals		2 070 433	2 621 826
a) long-term		1 948 866	2 452 985
b) short-term		121 567	168 841
Total liabilities and equity		19 229 857	19 203 888
Book value		12 021 456	11 367 043
Number of shares (in pcs)		5 900 000 000	5 900 000 000
Book value per share (in PLN)	22	2.04	1.93
Diluted no. of shares (in pcs)		5 900 000 000	5 900 000 000
Diluted book value per share (in PLN)	22	2.04	1.93

OFF-BALANCE SHEET ITEMS	Note s	31 December 2006	31 December 2005
1. Contingent receivables	23	250 900	39 397
1.1. From related parties (due to)		193 083	8 012
- guarantees and sureties received		-	-
- bills of exchange received		193 083	8 012
1.2. From other entities (due to)		57 817	31 385
- guarantees and sureties received		40 180	21 826
- bills of exchange received		17 637	9 559
2. Contingent liabilities	23	1 592 721	979 924
2.1. To related parties (due to)		405 784	62 592
- guarantees and sureties granted		-	-
- bills of exchange issued		-	-
- agreements, investment contracts signed		405 784	62 592
- operating lease liabilities		-	-
2.2. To other entities (due to)		1 186 937	917 332
- guarantees and sureties granted		1 026 473	870 423
- bills of exchange issued		2 400	9 252
- agreements, investment contracts signed		158 064	37 657
- operating lease liabilities		-	-
3. Other		9 293	2 314
- off-balance sheet fixed assets		1 446	1 140
- fixed assets assigned for liquidation		7 847	1 174

PROFIT AND LOSS ACCOUNT (by function of costs)

	Notes	31 December 2006	31 December 2005
I. Net revenues from sales of products, goods and materials, including:		12 121 673	9 867 803
- from related parties		6 836 327	5 327 590
1. Net revenues from sales of products	24	12 119 767	9 862 130
2. Net revenues from sales of goods and materials	25	1 906	5 673
II. Cost of products, goods and materials sold, including:		11 038 735	8 342 389
- from related parties		395 216	437 382
1. Manufacturing cost of products sold	26	11 037 423	8 337 246
2. Value of goods and materials sold		1 312	5 143
III. Gross profit (loss) on sales (I-II)		1 082 938	1 525 414
IV. Selling costs	26	47 066	21 944
V. General and administrative costs	29	126 919	212 376
VI. Profit (loss) on sales (III-IV-V)		908 953	1 291 094
VII. Other operating revenues		755 248	633 330
1. Gain on disposal of non-financial fixed assets		-	-
2. Subsidies		928	-
3. Other operating revenues	27	754 320	633 330
VIII. Other operating expenses		256 028	332 444
1. Loss on disposal of non-financial fixed assets		12 168	24 943
2. Revaluation of non-financial assets		143 223	85 923
3. Other operating expenses	28	100 637	221 578
IX. Profit (loss) on operating activities		1 408 173	1 591 980
X. Financial revenues	29	890 510	889 901
1. Dividend and profit sharing, including:		59 298	100 962
- from related parties		59 260	100 786
2. Interest, including:		345 859	319 968
- from related parties		22 429	27 324
3. Gain on disposal of investments	31	107 999	-
4. Revaluation of investments		96 101	60 714
5. Other		281 253	408 257
XI. Financial expenses	30	465 500	929 313
1. Interest, including:		76 069	327 783
- to related parties		1	221 404
2. Loss on disposal of investments	31	-	30 960
3. Revaluation of investments		29 195	92 897
4. Other		360 236	477 673
XII. Profit (loss) on business activities		1 833 183	1 552 568
XIII. Result on extraordinary events		-	(795)
1. Extraordinary gains	32	-	8
2. Extraordinary losses	33	-	803
XIV. Gross profit (loss)		1 833 183	1 551 773
XV. Income tax	34	250 938	252 703
a) current portion		286 964	249 739
b) deferred portion		(36 026)	2 964
XVI. Other obligatory reductions in profit (increases in loss)	35	(23)	166 842
XVII. Share in net profits (losses) of controlled entities measured using the equity method	36	-	-
XVIII. Net profit (loss)		1 582 268	1 132 228

Net profit (loss) (annualized)		1 582 268	1 132 228
Weighted average number of ordinary shares (in pcs)		5 900 000 000	5 258 904 110
Profit (loss) per ordinary share (in PLN)	38	0.27	0.22
Weighted average number of diluted ordinary shares (in pcs)		5 900 000 000	5 258 904 110
Diluted profit (loss) per ordinary share (in PLN)	38	0.27	0.22

STATEMENT OF CHANGES IN EQUITY

	31 December 2006	31 December 2005
I. Opening balance of equity	11 367 043	8 122 230
a) changes in accounting principles (policy) applied	-	-
b) adjustments of fundamental errors	-	-
I.a. Opening balance of equity, after reconciliation with comparable data	11 367 043	8 122 230
1. Opening balance of share capital	5 900 000	5 000 000
1.1. Changes in share capital	-	900 000
a) increases (due to)	-	900 000
- <i>issuance of shares</i>	-	900 000
b) decreases (due to)	-	-
1.2. Closing balance of share capital	5 900 000	5 900 000
2. Opening balance of called up share capital	-	-
2.1. Changes in called up share capital	-	-
a) increases (due to)	-	-
b) decreases (due to)	-	-
2.2. Closing balance of called up share capital	-	-
3. Opening balance of own shares	-	-
3.1. Changes in own shares	-	-
a) increases (due to)	-	-
b) decreases (due to)	-	-
3.2. Closing balance of own shares	-	-
4. Opening balance of supplementary capital	4 333 312	2 373 761
4.1. Changes in supplementary capital	204 328	1 959 551
a) increases (due to)	204 328	1 959 551
- <i>distribution of previous years' profit</i>	-	-
- <i>profit distribution</i>	204 328	219 458
- <i>from sales of shares over face value</i>	-	1 740 093
b) decrease (due to)	-	-
- <i>loss coverage</i>	-	-
4.2. Closing balance of supplementary capital	4 537 640	4 333 312
5. Opening balance of revaluation capital	1 503	1 756
5.1. Changes in revaluation capital	45	(253)
a) increases (due to)	488	-
- <i>exchange differences on measurement of a foreign branch</i>	488	-
b) decreases (due to)	(443)	(253)
- <i>exchange differences on measurement of a foreign branch</i>	(443)	(253)
5.2. Closing balance of revaluation capital	1 548	1 503
6. Opening balance of other reserve capitals	-	-
6.1. Changes in other reserve capitals	-	-
a) increases (due to)	-	-
b) decreases (due to)	-	-
6.2. Closing balance of other reserve capitals	-	-

STATEMENT OF CHANGES IN EQUITY – CONT.

	31 December 2006	31 December 2005
7. Opening balance of previous years' profit (loss)	-	-
7.1. Opening balance of previous years' profit	-	-
a) changes in accounting principles (policy) applied	-	-
b) adjustments of fundamental errors	-	-
7.2. Opening balance of previous years' profit, after reconciliation with comparable data	-	-
a) increases (due to)	1 132 228	746 713
- <i>previous years' profit</i>	1 132 228	746 713
b) decreases (due to)	(1 132 228)	(746 713)
- <i>reclassification to supplementary capital</i>	(204 328)	(219 458)
- <i>write off to Bonus Fund</i>	(27 600)	(20 000)
- <i>write off to the Company Social Benefits Fund</i>	(7 300)	(7 255)
- <i>write off to the Central Restructuring Fund</i>	(8 000)	-
- <i>dividend for the owner</i>	(885 000)	(500 000)
7.3. Closing balance of previous years' profit	-	-
7.4. Opening balance of previous years' loss	-	-
a) changes in accounting principles (policy) applied	-	-
b) adjustments of fundamental errors	-	-
7.5. Opening balance of previous years' loss, after reconciliation with comparable data	-	-
a) increases (due to)	-	-
b) decreases (due to)	-	-
7.6. Closing balance of previous years' loss	-	-
7.7. Closing balance of previous years' profit (loss)	-	-
8. Net result	1 582 268	1 132 228
a) net profit	1 582 268	1 132 228
b) net loss	-	-
c) write-offs on profit	-	-
II. Closing balance of equity	12 021 456	11 367 043
III. Equity including proposed profit distribution (loss coverage)	12 021 456	11 367 043

CASH FLOW STATEMENT (indirect method)

	31 December 2006	31 December 2005
A. Cash flows from operating activities		
I. Net profit (loss)	1 582 268	1 132 228
II. Adjusted by:	(903 330)	397 349
1. Depreciation	265 367	486 570
2. Exchange gains (losses)	32 121	(279 364)
3. Interest and profit sharing (dividend)	(274 935)	(25 162)
4. Profit (loss) on investment activities	(22 766)	43 068
5. Change in provisions	(164 239)	(6 669)
6. Change in inventory	(517 606)	(177 304)
7. Change in receivables	165 954	(338 073)
8. Change in short-term liabilities excluding loans and credits	53 097	825 992
9. Change in prepayments and accruals	(42 411)	73 394
10. Other adjustments	(397 912)	(205 103)
III. Net cash flows from operating activities	678 938	1 529 577
B. Cash flows from investment activities		
I. Inflows	778 960	751 530
1. Disposal of intangible and tangible fixed assets	17 128	12 250
2. Disposal of investments in real property and intangible assets	-	-
3. From financial assets, including:	518 584	602 330
a) in related parties	141 930	215 665
- disposal of financial assets	-	600
- dividend and profit sharing	58 943	100 786
- repayment of granted long-term loans	63 058	91 036
- interest	19 929	23 243
- other inflows from financial assets	-	-
b) in other entities	376 654	386 665
- disposal of financial assets	107 999	240 536
- dividend and profit sharing	38	176
- repayment of granted long-term loans	-	-
- interest	268 617	145 953
- other inflows from financial assets	-	-
4. Other inflows from investment activities	243 248	136 950
II. Outflows	901 306	700 360
1. Purchase of intangible and tangible fixed assets	666 226	676 817
2. Investments in real property and intangible assets	-	-
3. For financial assets, including:	234 434	20 717
a) in related parties	234 434	20 717
- purchase of financial assets	-	1 698
- granted long-term loans	234 434	19 019
b) in other entities	-	-
- purchase of financial assets	-	-
- granted long-term loans	-	-
4. Other outflows from investment activities	646	2 826
III. Net cash flows from investment activities (I-II)	(122 346)	51 170

CASH FLOW STATEMENT (indirect method) CONT

	31 December 2006	31 December 2005
C. Cash flows from financial activities		
I. Inflows	249 433	5 216 808
1. Net inflows from issuance of shares and other capital instruments and from capital contributions	-	2 640 093
2. Loans and credits	-	2 299 860
3. Issuance of debt securities	-	-
4. Other inflows from financial activities	249 433	276 855
II. Outflows	560 398	4 571 042
1. Purchase of own shares	-	-
2. Dividend and other payments to shareholders	203 519	150 572
3. Profit distribution expenses other than payments to shareholders	27 443	20 000
4. Repayment of credits and loans	8 356	3 936 522
5. Redemption of debt securities	-	-
6. Payment of other financial liabilities	-	-
7. Payment of liabilities arising from financial lease agreements	231	37 946
8. Interest	69 986	96 280
9. Other outflows from financial activities	250 863	329 722
III. Net cash flows from financial activities (I-II)	(310 965)	645 766
D. Total net cash flows (A. III+/-B. III+/-C. III)	245 627	2 226 513
E. Balance sheet change in cash, including:	225 811	2 226 521
-change in cash due to exchange differences	(19 816)	8
F. Opening balance of cash	2 750 379	523 866
G. Closing balance of cash (F+/-D), including:	2 996 006	2 750 379
-of limited disposability	2 509	2 040

B. EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. INTANGIBLE ASSETS

	31 December 2006	31 December 2005
a) R&D expenses	-	-
b) goodwill	-	-
c) concessions, patents, licenses and similar items, including:	10 191	12 375
- computer software	7 606	10 800
d) other intangible assets	12	-
e) advances for intangible assets	-	-
Total intangible assets	10 203	12 375

NOTE 1.1. CHANGES IN INTANGIBLE ASSETS (BY TYPE)

	a	b	c		d	e	Total intangible assets
	R&D costs	goodwill	acquired concessions, patents, licenses and similar items	including: computer software	other intangible assets	advances for intangible assets	
a) opening balance of gross value of intangible assets	-	-	55 616	50 149	3 370	-	58 986
b) increases due to:	-	-	3 850	1 255	22	-	3 872
- purchases – low-value	-	-	5	5	-	-	5
- reclassification from fixed assets under construction	-	-	3 228	958	11	-	3 239
- reclassification from other groups	-	-	292	292	-	-	292
- other increases	-	-	325	-	11	-	336
- internal increases*	-	-	-	-	-	-	-
c) decreases, due to:	-	-	512	147	-	-	512
- sales	-	-	-	-	-	-	-
- liquidation	-	-	183	110	-	-	183
- reclassifications to other groups	-	-	292	-	-	-	292
- other decreases	-	-	37	37	-	-	37
- contribution in kind	-	-	-	-	-	-	-
- transferred under leasing	-	-	-	-	-	-	-
- internal decreases*	-	-	-	-	-	-	-
d) closing balance of gross value of intangible assets	-	-	58 954	51 257	3 392	-	62 346
e) opening balance of accumulated depreciation (amortization)	-	-	43 241	39 349	3 370	-	46 611
f) increases :	-	-	5 742	4 448	9	-	5 751
- depreciation for the period	-	-	5 735	4 441	9	-	5 744
- increases applicable to reclassifications from other groups	-	-	-	-	-	-	-
- other	-	-	7	7	-	-	7
- internal increases*	-	-	-	-	-	-	-
g) decreases:	-	-	219	146	-	-	219
- regarding sold intangible assets	-	-	-	-	-	-	-
- regarding liquidated intangible assets	-	-	183	110	-	-	183
- related to reclassifications to other groups	-	-	-	-	-	-	-
- other	-	-	36	36	-	-	36
- contribution in kind	-	-	-	-	-	-	-
- transferred under leasing	-	-	-	-	-	-	-
- internal decreases*	-	-	-	-	-	-	-
h) closing balance of accumulated depreciation (amortization)	-	-	48 764	43 651	3 379	-	52 143
i) opening balance of impairment write-downs	-	-	-	-	-	-	-
- increase	-	-	-	-	-	-	-
- decrease	-	-	-	-	-	-	-
- regarding contribution in kind	-	-	-	-	-	-	-
j) closing balance of impairment write-downs	-	-	-	-	-	-	-
k) closing balance of net value of intangible assets	-	-	10 190	7 606	13	-	10 203

*Internal increases and decreases refer to sales and purchases of fixed assets between branches of PGNiG S.A.

NOTE 1.2. INTANGIBLE ASSETS (OWNERSHIP STRUCTURE)

	31 December 2006	31 December 2005
a) own	10 203	12 375
b) assets used based on lease, rental or similar agreement, including leasing	-	-
Total balance sheet intangible assets	10 203	12 375

NOTE 2. TANGIBLE FIXED ASSETS

	31 December 2006	31 December 2005
a) fixed assets, including:	3 334 254	3 252 014
- land (including right to perpetual usufruct)	10 296	15 370
- buildings, premises, civil and water engineering structures	2 783 432	2 657 421
- technical equipment and machinery	517 562	562 831
- vehicles	12 838	6 229
- other fixed assets	10 126	10 163
b) fixed assets under construction	1 370 962	1 210 753
c) advances for fixed assets under construction	626	2 712
Total tangible fixed assets	4 705 842	4 465 479

All expenditure incurred as regards exploration and appraisal of mineral resources from work commencement to recognition of wells in fixed assets or finding it negative, are capitalized in assets under construction. An exception to the above refers to expenses related to geological or surface geophysical research, which are not capitalized but charged to expenses at the moment of incurrence. The value of capitalized expenditure on exploration and appraisal work without a negative effect represents the actual historical cost. In case of each activated well, its net economic value is determined every 6 months, calculated as the sum of products of hydrocarbon quantities producible from a given well and their sales price decreased by planned expenditure on well adaptation, production and sales costs over subsequent years, discounted by a fixed interest rate reflecting the value of money over time and the risk rate related to the exploration activity – calculated as a weighted average of capital cost. The carrying value of individual wells is limited and cannot exceed the discounted cash streams. If actual historical costs exceed the net economic value of an individual well, revaluation write-downs of appropriate assets under construction are charged to other operating expenses. If there is insufficient information to determine the economic value of the well as at the date of the financial statements (wells under trails or production tests), expenditure on wells are disclosed in the balance sheet at historical costs.

When a well is commissioned, its book value is reclassified from assets under construction to tangible fixed assets.

At the balance sheet date, fixed assets related to production activities are tested for impairment. The tests are performed for each mine separately by comparing the mine's book and economic value defined as the sum of discounted future net cash flows attainable over the assets' useful life. Calculations are performed based on the average weighted cost of capital. If the carrying value exceeds the economic value, a revaluation write-down is created by reducing the asset's value to its economic value or to zero, when the economic value is negative. The above write-down is recognized in the accounting records in correspondence with other operating expenses. When an impairment event no longer exists, the value previously written-off is restored in correspondence with other operating revenues.

In previous years, installation of gas connection lines was usually financed by users. Upon commissioning, service lines were transferred to property of PGNiG S.A. and recognized at actual cost incurred by users or based on valuations performed by PGNiG S.A. The value of connection lines was added to fixed assets and deferred income.

Starting from 1 January 1999, expenditure on installation of connection lines was and is covered by PGNiG S.A. with own funds, in exchange for a connection fee charged to the connection line user. The value of connection lines is added to fixed assets, whereas the connection fee is recognized as deferred income.

While recording depreciation charges on connection lines (both received free of charge and installed with in-house resources), the Company simultaneously recognizes in the profit and loss account the amount of deferred income equivalent to depreciation.

PGNiG S.A. has seven underground natural gas storage facilities. At present, six underground gas storage facilities are used (PMG). The above number includes 5 facilities located in depleted natural gas deposits and a cavern storage (PMG Mogilno). At present, 10 caverns are used in PMG Mogilno.

In PMG Mogilno, due to cavern convergence (salt condensing), the volume of actively used caverns has decreased by 11.74 million cubic meters. Salt condensing will continue to reduce the actively used cavern volume (based on observations, an annual cavern capacity loss of 0-5.5% can be expected, depending on cavern location depth and cavern working pressure).

Gas in underground gas storage facilities is divided into buffer and working gas.

A portion of buffer gas comes from the native deposit (in quantities determined in the approved geological documentation), and its remaining portion has been pumped in order to obtain proper technical-geological parameters, required for the proper functioning of the storage facility. This applies to gas storage facilities located in depleted hydrocarbon deposits. In case of a storage facility located on a salt diapir (PMG Mogilno), buffer gas has been compressed and remains in the storage chamber during the first cycle of brine compression and ejection, upon completion of the leaching process.

Native buffer gas in all storage facilities and additional buffer gas pumped in PMG Husów, PMG Brzeźnica, PMG Strachocina, PMG Swarzów and PMG Jaśniny has not been recognized in the asset register (except for 27,969.2 thousand m³ recognized under fixed assets in PMG Husów). In PMG Wierzchowice, additionally pumped buffer gas in the amount of 1,019,852.7 thousand m³ is recognized as fixed asset, whereas 49,147.3 thousand m³ – as fixed assets under construction. In PMG Mogilno, additionally pumped buffer gas in the amount of 171,120.0 thousand m³ is recognized under fixed assets.

As of 31 December 2006, total active volume of all PMG's was 1,651,550.0 thousand cubic meters. As of 31 December 2006, the balance of gas in all storage facilities was as follows:

- working gas – 1,581,767.0 thousand cubic meters
including:
 - working gas owned by PGNiG S.A. – 1,542,574.0 thousand cubic meters with a value of PLN 1,030,485.4 thousand;
 - working gas owned by OGP GAZ-SYSTEM S.A. – 39,193.0 thousand cubic meters
- total buffer volume in storage facilities – 7,672,968.1 thousand cubic meters (including 4,588,120.0 thousand cubic meters of nitrated gas)
including:
 - native non-producible gas – 852,170.0 thousand cubic meters (including 500,000.0 thousand cubic meters of nitrated gas) with no defined value
 - native producible gas – 4,747,626.0 thousand cubic meters (including 4,088,120.0 thousand cubic meters of nitrated gas) with no defined value
 - pumped in buffer gas – 2,073,172.2 thousand cubic meters with a value of PLN 451,319.4 thousand (including 182,114.2 thousand cubic meters of gas with a value of PLN 115,378.4 was recognized under inventory in the balance sheet).
- total gas recognized under inventory at the closing date (1,724,688.2 thousand cubic meters) with the value of PLN 1,145,863.8 thousand.

The following quantities of gas are located in 4 so called "local" PMG's which cooperate with the transmission system (PMG: Swarzów, Strachocina, Brzeźnica, Jaśniny):

- working gas – 278,484.9 thousand cubic meters with a value of PLN 194,678.7 thousand;
- total buffer volume in storage facilities – 1,100,613.9 thousand cubic meters with no defined value
including:
 - pumped in buffer gas – 523,818.0 thousand cubic meters with no defined value.

The target volume of buffer gas required for all storage facilities to operate properly constitutes a fixed-volume buffer throughout the storage facility's operation period. In exceptional cases, it is possible to produce buffer gas during PMG exploitation in volumes not affecting the operations of the storage facility. In the case of cavern storage facilities, during exploitation the salt caverns are subject to condensing and therefore it necessary to reclassify a portion of buffer gas into working gas.

As storage facilities are developed, the volume of buffer gas will be increased.

Buffer gas in PMG can be utilized upon the completion of a storage facility's exploitation. Nevertheless, at this stage it is impossible to determine whether the mine liquidation plan will foresee the depletion of gas, the degree and moment of such depletion, after the concession expires. In the case of PMG Mogilno, the costs of filling the caverns with another filling agent will be significant.

At present, the Company does not plan to liquidate storage facilities and discontinue gas production. During the exploitation period of buffer gas in PMG Wierzchowice, after the storage facility will no longer be used, gas with variable methane content, i.e. 94-68%, will be produced. Due to the above, operating the deposit for the purpose of the high-methane gas system will be difficult - it will be necessary to build a denitration plant, whose parameters will significantly differ from those of KRIO-Odolanów.

In case of all PMG's, decreasing gas pressure, which will result in the necessity to build a deposit pumping station, will be the factor that will limit the exploitation of buffer gas.

NOTE 2.1. CHANGES IN FIXED ASSETS (BY TYPE)

	a	b	c	d	e	f	g	Total tangible fixed assets
	land (including right to perpetual usufruct)	buildings, premises, civil and water engineering structures	technical equipment and machinery	vehicles	other fixed assets	fixed assets under construction	advances for fixed assets under construction	
a) opening balance of gross value of tangible fixed assets	95 855	5 152 527	1 522 958	44 487	68 735	1 420 642	2 712	8 307 916
b) increases due to:	258 284	576 887	85 442	10 078	4 162	749 002	24 555	1 708 410
- purchase of fixed assets under construction (including low-value assets)	-	-	-	-	-	747 976	-	747 976
- reclassification from fixed assets under construction	1 553	280 653	72 434	10 078	4 120	-	-	368 838
- reclassification from other groups	-	166	143	-	-	-	-	309
- fixed assets received free of charge	-	-	-	-	-	-	-	-
- other increases	256 731	296 068	12 865	-	42	1 026	24 555	591 287
- internal increases*	-	-	-	-	-	-	-	-
including: free of charge	-	-	-	-	-	-	-	-
other	-	-	-	-	-	-	-	-
c) decreases, due to:	35 706	195 742	29 686	3 333	4 086	530 312	26 641	825 506
- sales	1 691	22 815	978	2 163	2 509	5 557	-	35 713
- liquidation	-	37 342	16 420	84	1 470	-	-	55 316
- reclassification to fixed assets	-	-	-	-	-	372 077	-	372 077
- reclassifications to other groups	-	58	166	-	85	-	-	309
- transferred free of charge	-	-	-	-	-	-	-	-
- other decreases	651	54 523	9 688	1 086	22	110 229	26 641	202 840
- contribution in kind	27 843	17 042	-	-	-	-	-	44 885
- transferred under leasing	-	-	-	-	-	-	-	-
- transferred by dividend	5 521	63 962	2 434	-	-	42 449	-	114 366
- internal decreases*	-	-	-	-	-	-	-	-
including: transferred free of charge	-	-	-	-	-	-	-	-
other	-	-	-	-	-	-	-	-
d) closing balance of gross value of tangible fixed assets	318 433	5 533 672	1 578 714	51 232	68 811	1 639 332	626	9 190 820

*Internal increases and decreases refer to sales and purchases of fixed assets between branches of PGNiG S.A.

NOTE 2.1. CHANGES IN FIXED ASSETS (BY TYPE) CONT.

CHANGES IN TANGIBLE FIXED ASSETS (BY TYPE)	a	b	c	d	e	f	g	Total tangible fixed assets
	land (including right to perpetual usufruct)	buildings, premises, civil and water engineering structures	technical equipment and machinery	vehicles	other fixed assets	fixed assets under construction	advances for fixed assets under construction	
a) opening balance of accumulated depreciation (amortization)	15 940	2 409 785	947 122	38 173	57 786	-	-	3 468 806
f) increases :	3 803	271 843	84 649	3 064	4 112	-	-	367 471
- depreciation for the period	3 524	166 916	82 050	3 054	4 079	-	-	259 623
- related to reclassifications from other groups	-	66	94	-	-	-	-	160
- other	279	104 861	2 505	10	33	-	-	107 688
- internal increases*	-	-	-	-	-	-	-	-
g) decreases:	6 951	66 824	16 509	3 071	3 910	-	-	97 265
- regarding sold fixed assets	364	10 001	937	2 144	2 424	-	-	15 870
- regarding liquidated fixed assets	-	29 518	14 456	16	1 380	-	-	45 370
- related to reclassifications to other groups	-	9	67	-	85	-	-	161
- other	294	12 339	833	911	21	-	-	14 398
- contribution in kind	6 265	12 601	-	-	-	-	-	18 866
- transferred under leasing	-	-	-	-	-	-	-	-
- transferred by dividend	28	2 356	216	-	-	-	-	2 600
- internal decreases*	-	-	-	-	-	-	-	-
h) closing balance of accumulated depreciation (amortization)	12 792	2 614 804	1 015 262	38 166	57 988	-	-	3 739 012
i) opening balance of impairment write- downs	64 545	85 321	13 005	85	786	209 889	-	373 631
- increase	259 124	160 719	51 680	237	958	72 752	-	545 470
- decrease	28 324	110 604	18 795	94	1 047	14 271	-	173 135
- contribution in kind	-	-	-	-	-	-	-	-
j) closing balance of impairment write- downs	295 345	135 436	45 890	228	697	268 370	-	745 966
k) closing balance of net value of tangible fixed assets	10 296	2 783 432	517 562	12 838	10 126	1 370 962	626	4 705 842

* Internal increases and decreases refer to sales of fixed assets between branches of PGNiG S.A.

In 2006 the Company verified the periods of economical usability of the fixed assets. The verification covered the assets which constituted ca. 53% of all fixed assets. The verification resulted in the establishment of longer periods of economical usability, which in turn resulted in a decrease of depreciation for the current reporting period by PLN 107,890.8 thousand which constitutes ca. 30% of depreciation before adjustment.

NOTE 2.2. BALANCE SHEET FIXED ASSETS (OWNERSHIP STRUCTURE)

	31 December 2006	31 December 2005
a) own	3 328 280	3 244 522
b) used based on lease, rental or similar agreement, including:	5 974	7 492
- leasing agreements	-	6 292
Total balance sheet fixed assets	3 334 254	3 252 014

NOTE 2.3. OFF-BALANCE SHEET FIXED ASSETS

	31 December 2006	31 December 2005
Value of items (contractual) used based on operating lease agreements	-	82
Assets used based on lease, rental or similar agreement	1 446	1 058
Total off-balance sheet fixed assets	1 446	1 140

NOTE 2.4. LAND IN PERPETUAL USUFRUCT

	31 December 2006	31 December 2005
surface (in square meters)	5 911 334	7 658 438
value*	307 040	81 804

*Gross value of perpetual usufruct right entered into records as of 01.01.2002 and perpetual usufruct right of land reclassified from intangible asset value.

NOTE 2.5. VALUE OF FIXED ASSETS NOT DEPRECIATED OR AMORTIZED BY THE ENTITY

	31 December 2006	31 December 2005
Used based on lease, rental and other similar agreements	1 446	1 058
a) land	-	23
b) buildings, premises, civil and water engineering structures	158	188
c) technical equipment and machines	13	13
d) vehicles	1 275	834
e) other fixed assets	-	-
Used based on operating lease agreements	-	82
a) land	-	-
b) buildings, premises, civil and water engineering structures	-	-
c) technical equipment and machines	-	82
d) vehicles	-	-
e) other fixed assets	-	-
Total value of fixed assets not depreciated or amortized by the entity	1 446	1 140

NOTE 3. LONG-TERM RECEIVABLES

	31 December 2006	31 December 2005
a) receivables from related parties, including:	-	-
- from subsidiaries (due to)	-	-
- sales of fixed assets (various items)	-	-
b) from other entities (due to)	3 273 591	4 106 269
- various titles	1 466	-
- finance lease	3 272 125	4 106 269
Net long-term receivables	3 273 591	4 106 269
c) revaluation write-downs on receivables	-	-
Gross long-term receivables	3 273 591	4 106 269

NOTE 3.1. CHANGES IN LONG-TERM RECEIVABLES (BY TITLE)

	31 December 2006	31 December 2005
a) Opening balance (gross)	4 106 269	106
- due to sale of fixed assets	-	-
- finance lease agreements	4 106 207	-
- various titles	62	106
b) increases (due to)	1 444	4 500 015
- increases in receivables due to sale of fixed assets	-	-
- finance lease	-	4 500 013
- other titles	1 444	2
c) decreases, (due to)	834 122	393 852
- reclassification to short-term receivables	834 122	267 967
- contribution in kind to gas companies	-	-
- repayment	-	125 886
d) Closing balance (gross)	3 273 591	4 106 269

NOTE 3.2. CHANGE IN REVALUATION WRITE-DOWNS ON LONG-TERM RECEIVABLES

	31 December 2006	31 December 2005
Opening balance	-	-
a) increases (due to)	-	-
b) decreases (due to)	-	-
- released revaluation write-downs	-	-
- contribution in kind to gas companies	-	-
Closing balance of revaluation write-downs on long-term receivables	-	-

NOTE 3.3. LONG-TERM RECEIVABLES (BY CURRENCY)

	31 December 2006	31 December 2005
a) in PLN	3 273 591	4 106 269
b) in foreign currencies (by currency and after translation into PLN)	-	-
- b1) currency - EUR	-	-
translated into PLN	-	-
- b2) currency - USD	-	-
translated into PLN	-	-
- b3) currency - CHF	-	-
translated into PLN	-	-
c) other currencies translated into PLN	-	-
Total gross long-term receivables	3 273 591	4 106 269
Revaluation write-downs	-	-
Total long-term net receivables	3 273 591	4 106 269

NOTE 4. CHANGE IN REAL PROPERTY (BY TYPE)

Did not occur.

NOTE 4.1. CHANGE IN INTANGIBLE ASSETS (BY TYPE)

Did not occur.

NOTE 4.2. LONG-TERM FINANCIAL ASSETS

	31 December 2006	31 December 2005
a) in subsidiaries	5 090 484	4 952 134
- shares	4 970 952	4 952 134
- debt securities	-	-
- other securities (by type)	-	-
- granted loans	119 531	-
- other long-term financial assets (by type)	-	-
		-
b) in co-subsidiaries	38 400	38 400
- shares	38 400	38 400
- debt securities	-	-
- other securities (by type)	-	-
- granted loans	-	-
- other long-term financial assets (by type)	-	-
		-
c) in associated entities	6 291	14 076
- shares	6 291	14 076
- debt securities	-	-
- other securities (by type)	-	-
- granted loans	-	-
- other long-term financial assets (by type)	-	-
		-
d) in a major investor	-	-
- shares	-	-
- debt securities	-	-
- other securities (by type)	-	-
- granted loans	-	-
- other long-term financial assets (by type)	-	-
		-
e) in the holding company	-	-
- shares	-	-
- debt securities	-	-
- other securities (by type)	-	-
- granted loans	-	-
- other long-term financial assets (by type)	-	-
		-
f) in other entities	1 645	1 646
- shares	1 645	1 646
- debt securities	-	-
- other securities (by type)	-	-
- granted loans	-	-
- other long-term financial assets (by type)	-	-
		-
Total long-term financial assets	5 136 820	5 006 255

As at 31 December 2006, agreement no. DF/33/95 of 25 September 1995, and five of its subsequent annexes, between PGNiG and EuRoPol Gaz S.A. was still in force. This agreement concerned a loan and guarantee regarding the funding of the construction of the transit gas pipeline system through Poland. As of 31 December 2006 the loan principal amounted to PLN 170,357.1 thousand (USD 58,531.9 thousand, of which USD 58,531.9 thousand was overdue), and interest to PLN 22,004.4 thousand (USD 7,560.3 thousand). As of the balance sheet date the value of the created revaluation write-down amounted to PLN 192,361.5 thousand. In the financial statements, the Company presented the loan under 'Short-term investments' at the net value of PLN 0.0 thousand.

In 2006 SGT EuRoPol Gaz S.A., pursuant to Annex no. 5 (described below) made a repayment of twelve principal installments in the amount of USD 835.0 thousand each and of twelve interest installments in the amount of USD 580.0 thousand each. These repayments are recognized under the aforementioned balances.

The Annex no. 5 to the Loan agreement no. DF/33/95 on the restructuring of the debt of SGT EuRoPol Gaz S.A. was signed on 16 March 2004. Pursuant to the above Annex, the debt was restructured in the amount not exceeding USD 80 million. The final amount of debt will be determined after the court decides about the method of charging penalty interest and interest on the principal, and the loan will

be split into 96 equal monthly installments due on the last working day of each month starting from 31 January 2005. Additionally, until the issuance of the court's verdict, interest on the principal will be paid in advance at the end of the month in an amount corresponding to the PLN equivalent of USD 580 thousand.

Until the preparation of these financial statements the Company's claim to rule out a legal relation (rule out resolution no. 1 of 23 April 2004 on share redemption issued by the Shareholders Meeting of PI Gazotech Sp. z o.o.) was not yet examined. Therefore the financial statements for 2006 recognize both a liability to and receivables from PI Gazotech Sp. z o.o. in the amount of PLN 82,472.0 thousand and the Company created a write-off for this receivable in the amount of PLN 82,472.0 thousand as well as a provision for potential expenses in the amount of PLN 924.0 thousand.

NOTE 4.3. CHANGE IN GOODWILL – SUBSIDIARIES

Does not apply to individual financial statements.

NOTE 4.4. CHANGE IN GOODWILL –CO-SUBSIDIARIES

Does not apply to individual financial statements.

NOTE 4.5. CHANGE IN GOODWILL – ASSOCIATED ENTITIES

Does not apply to individual financial statements.

NOTE 4.6. CHANGE IN NEGATIVE GOODWILL – SUBSIDIARIES

Does not apply to individual financial statements.

NOTE 4.7. CHANGE IN NEGATIVE GOODWILL – CO-SUBSIDIARIES

Does not apply to individual financial statements.

NOTE 4.8. CHANGE IN NEGATIVE GOODWILL – ASSOCIATED ENTITIES

Does not apply to individual financial statements.

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NOTE 4.9. CHANGE IN LONG-TERM FINANCIAL ASSETS (BY TYPE)

	31 December 2006	31 December 2005
Opening balance of long-term investments (I+II+III+IV)	5 006 261	5 002 791
I. Shares in related parties		
a) opening balance	5 004 609	5 000 639
b) increases (due to)	41 700	51 910
- purchase of shares	33 096	37 190
- decrease in revaluation write-down	8 347	14 003
- reclassification from other entities to related parties	-	-
- reclassification of shares from short-term to long-term portion	-	-
- revaluation of shares	-	717
- revaluation	257	-
c) decreases, (due to)	30 665	47 940
- disposal of shares	-	38 980
- increase in revaluation write-down	29 932	6 915
- reclassification from related parties to other companies	-	1 360
- reclassification of shares from long-term to short-term portion	-	-
- revaluation of shares	-	685
- revaluation	733	-
d) closing balance	5 015 644	5 004 609
II. Shares in other entities		
a) opening balance	1 646	2 147
b) increases (due to)	-	1 360
- purchase of shares	-	-
- decrease in revaluation write-down	-	-
- reclassification from related parties to other companies	-	1 360
- reclassification of shares from short-term to long-term portion	-	-
- revaluation of shares	-	-
- revaluation	-	-
c) decreases, (due to)	1	1 861
- disposal of shares	1	-
- increase in revaluation write-down	-	1 861
- reclassification from other entities to related parties	-	-
- reclassification of shares from long-term to short-term portion	-	-
- revaluation of shares	-	-
- revaluation	-	-
d) closing balance	1 645	1 646
III. Loans granted to related parties		
a) opening balance	-	-
b) increases (due to)	128 638	30 751
- granting a loan	126 459	17 542
- decrease in revaluation write-down	1 341	-
- reclassification from short-term to long-term portion	-	12 990
- revaluation	-	220
- revaluation of loan	838	-
c) decreases, (due to)	9 107	30 751
- revaluation	932	220
- increase in revaluation write-down	-	30 531
- revaluation of loan	-	-
- reclassification of due portion of the loan to short-term investments	7 683	-
- repayment	492	-
d) closing balance	119 531	-
IV. Other long-term investments	5	6
Closing balance of long-term investments (I+II+III+IV)	5 136 825	5 006 261

NOTE 4.10. SHARES IN CONTROLLED ENTITIES

a	b	c	d	e	f	g	h	i	j	k	l
Name and legal form of the entity	Registered office	core business	type of relationship	applied consolidation method	date of taking over control/joint control/obtaining significant influence	value of shares at acquisition price	revaluation adjustments (total)	carrying value of shares	percentage of the share capital held	share in the total number of votes at the general meeting	indication of other basis of control/joint control/significant influence
Karpacka Spółka Gazownictwa Sp. z o.o.	Tarnów	Operation of low and medium pressure gas networks and transmission networks, non-container storage of gas under the ground, domestic and foreign trade within the Company's core business, design, manufacture, building and repairs of machines, devices and installations for production, transmission and distribution of gas, import and export of gases, crude oil, their processing, as well as other products and services, production of electric energy and gas-powered heat, as well as trade and, transmission and distribution of these utilities, provision of services to natural persons and economic entities in terms of gas industry, carrying out research and studies within the Company's core business, providing services in the area of building industry, handling geodetic works within the Company's core business.	subsidiary	consolidated	2000-12-22	1 570 832	297 829	1 273 003	100,00%	100,00%	-
Górnioślaska Spółka Gazownictwa Sp. z o.o.	Zabrze	as above	subsidiary	consolidated	2000-12-22	1 292 551	180 308	1 112 243	100,00%	100,00%	-
Mazowiecka Spółka Gazownictwa Sp. z o.o.	Warsaw	as above	subsidiary	consolidated	2000-12-22	999 634	311 226	688 408	100,00%	100,00%	-
Wielkopolska Spółka Gazownictwa Sp. z o.o.	Poznań	as above	subsidiary	consolidated	2000-12-22	893 019	313 563	579 456	100,00%	100,00%	-
Pomorska Spółka Gazownictwa Sp. z o.o.	Gdańsk	as above	subsidiary	consolidated	2002-12-11	563 031	150 512	412 519	100,00%	100,00%	-
Dolnoślaska Spółka Gazownictwa Sp. z o.o.	Wrocław	as above	subsidiary	consolidated	2002-12-11	552 762	100 256	452 506	100,00%	100,00%	-
PNiG Jasło Sp. z o.o.	Jasło	Drilling for minerals, including mostly crude oil and natural gas, bore-holes: for exploitation, research, appraisal, exploration as well as geological, hydro geological, geothermal, freezing, bore-holes for the purpose of underground hydrocarbon and polluting waste storage, reconstruction and liquidation of bore-holes, services related to environmental protection and land reclamation after excavation and drilling works	subsidiary	consolidated	1998-04-06	100 000	4 683	95 317	100,00%	100,00%	-
PNiG Kraków Sp. z o.o.	Krakow	Geological drillings, for exploration and exploitation purposes aimed at confirmation of natural gas, crude oil and other natural derivative deposits as well as other useful minerals, as well as reconstruction of bore-holes, services related to drillings, their sampling and exploitation, hydrological, geothermal drilling, as well as specialized drilling for underground mining industry, rescue and other.	subsidiary	consolidated	1998-04-06	98 850	9 664	89 186	100,00%	100,00%	-
PN Diament Sp. z o.o.	Zielona Góra	Handling drilling works, exploring and managing of minerals, management, land reclamation and exploitation of excavation areas, work related to drilling of wells, building and installation services.	subsidiary	consolidated	1998-04-06	62 000	6 393	55 607	100,00%	100,00%	-

PNiG Piła Sp. z o.o.	Piła	Exploration for crude oil and natural gas deposits, particularly programming, designing, making and documenting drillings for research, recognition, exploration and exploitation upon request of domestic and foreign investors, drillings for exploration and exploitation of other minerals, providing specialized services in terms of drillings, programming, designing, making and documenting hydrological, geothermal and well drillings.	subsidiary	consolidated	1998-04-06	60 000	-	60 000	100,00%	100,00%	-
BUG Gazobudowa Sp. z o.o.	Zabrze	Designing, building and repairs of pipelines, oil mining and gas devices and facilities, installation and commissioning of oil mining and gas devices and facilities, installation and commissioning of installations for measuring and tests as well as telemetry.	subsidiary	consolidated	1998-03-16	39 220	26 438	12 782	100,00%	100,00%	-
Geofizyka Kraków Sp. z o.o.	Krakow	Programming, design, conducting and documenting research related to geophysics, preparation and interpretation of data from geophysical measurements, execution blast and drilling work, technical design and treatment as well as specialized work in bore-holes, export of the above services, import of technologies, equipment, machinery and materials necessary to perform the above services.	subsidiary	consolidated	1998-04-06	34 400	4 151	30 249	100,00%	100,00%	-
Geofizyka Toruń Sp. z o.o.	Toruń	Design and execution of field work, processing and interpretation of surface and drilling geophysics for deposit and water exploration, public gas and mining services, design, execution and interpretation of shallow geophysical research for hydro geological, geophysical, engineering, geotechnical, environmental, archaeological and other purposes, execution of cathodic protection with design and assembly, geological-drilling work.	subsidiary	consolidated	1998-04-06	33 000	7 008	25 992	100,00%	100,00%	-
BN NAFTOMONTAŻ Sp. z o.o.	Krosno	General construction and civil engineering, specialized construction work, rental of building and branch equipment and operator service.	subsidiary	consolidated	1998-03-16	39 751	39 751	-	88,83%	88,83%	-
ZUN Naftomet Sp. z o.o.	Krosno	Manufacture of mining and building machines, production of taps and valves, bearings and gear wheels, gear transmission and driving elements and mechanical tools	subsidiary	consolidated	1998-03-16	23 500	10 812	12 689	100,00%	100,00%	-
ZRUG Pogórska Wola Sp. z o.o.	Pogórska Wola	Repair, renovation and construction of gas infrastructure, construction of new gas infrastructure facilities, engineering work for gas sector.	subsidiary	unconsolidated	1998-08-14	4 300	799	3 501	100,00%	100,00%	-
PGNiG Finance B.V.	Amsterdam (Netherlands)	Financial activity (brokerage).	subsidiary	consolidated	2001-09-14	77	-	77	100,00%	100,00%	-
Górnictwo Naftowe Sp. z o.o.	Warsaw	Searching, managing and exploitation of crude oil and natural gas deposits, geology, surface and drilling geophysics, searching for minerals and water and handling their exploitation, intensification, exploration, deposit tests as well as liquidation of bore-holes, storage of waste, environmental protection, designing, manufacturing, building and repairs of machines, devices and installations for production, transmission and distribution, export of gases, crude oil, their processing, as well as other products and services, production of electric energy and gas heating, as well as trade, transfer and distribution of those utilities, mining rescuing, tests and studies related the Company's core business, bore-holes: for research, exploration, recognition and exploitation, as well as for geological, hydrological, geothermal, freezing purposes, bore-holes for the purpose of underground storage of hydrocarbons and storage of environment pollutant waste.	subsidiary	unconsolidated	2000-12-22	50	-	50	100,00%	100,00%	-
Geovita Sp. z o.o.	Warsaw	Hotels, restaurants, sale of alcohol products, pharmaceuticals, tobacco products, travel offices, advertising, primary education, hospitals, paramedical activity	subsidiary	consolidated	2003-04-09	86 139	19 001	67 138	100,00%	100,00%	-
BUD - GAZ Sp. z o.o.	Warsaw	Construction and exploitation of gas networks and installations, construction of plastic pipelines, chemical analyses, including analysis of gas, liquid and solid fuels and their products	subsidiary	unconsolidated	1989-03-21	28	-	28	100,00%	100,00%	-

ZRG Krosno Sp. z o.o.	Krosno	Services related to exploitation of crude oil and natural gas fields; founding, drilling, reconstruction of wells, construction work, rental of construction equipment, storage, R&D	subsidiary	consolidated	2005-06-30	26 802	3 727	23 075	100,00%	100,00%	-
BSiPG Gazoprojekt S.A.	Wroclaw	Architectural, engineering design, technical consultations, design of installations for production, storage, transmission and distribution of gas and distribution stations, design of gasification of new areas	subsidiary	consolidated	1995-06-16	3 649	-	3 649	75,00%	75,00%	-
PP-Uih TURGAZ Sp. z o.o.	Krosno	Installation of liquid gas car engine power units, trade of propane-butane gas and other crude oil products.	subsidiary	unconsolidated	1995-09-08	90	-	90	51,14%	51,14%	-
Nysagaz Sp. z o.o.	Zgorzelec	Modernization and exploitation of Zgorzelec, Boleslawiec and Wroclaw thermal-electric power plants, power supply and production services and trade of power products, in particular electric energy, heat energy, gas and liquid gas.	subsidiary	unconsolidated	2000-10-25	1 887	412	1 475	51,00%	51,00%	-
InterTransGas GmbH	Potsdam	Design, build, operation and sale of gas transmission infrastructure capacity to third parties. Purchase of gas transmission infrastructure for internal purposes. Provision of services related to gas transmission in third-party networks.	subsidiary	unconsolidated	2005-07-01	383	-	383	50,00%	50,00%	-
ZRUG Warszawa S.A.	Warsaw	Gas infrastructure renovation, refurbishment and construction projects, inspection programs for gas infrastructure, construction of new gas infrastructure facilities.	associated entity	unconsolidated	1999-04-20	2 940	2 940	-	49,00%	49,00%	-
Sahara Petroleum Technology Llc	Muscat (Oman)	Exploratory bore holes and crude oil and gas production services, bore hole maintenance, spare parts, import-export, commercial and agency services.	associated entity	unconsolidated	2000-10-01	557	557	-	49,00%	49,00%	-
INVESTGAS S.A.	Warsaw	Organization and execution of investment work in relation to underground gas storage facilities	subsidiary	consolidated	1993-09-03	502	-	502	100,00%	100,00%	-
SGT EUROPOL GAZ S.A.	Warsaw	Construction and operation of gas pipeline systems, in particular: gas transport via pipelines, investment process organization, design and construction of gas pipeline systems, building of infrastructure necessary for gas pipeline system construction and exploitation, supply of plant, equipment and materials, including import, required for construction and exploitation of gas pipelines and related technological and infrastructure facilities, management and exploitation of gas pipeline systems, related to technological and infrastructure facilities, technical services, including consultations, marketing, advertising and other services related to design, construction and exploitation of gas pipelines, technical facilities and infrastructure.	associated entity	equity method	1993-09-23	38 400	-	38 400	48,00%	48,00%	-
Polskie Elektrownie Gazowe Sp. z o.o.	Warsaw	Production of electric energy and heat energy, mostly of high-methane and nitrated gas; identification, design and execution of investments related to gas usage in gas electric power plants.	associated entity	unconsolidated	2000-11-14	1 212	-	1 212	48,48%	48,48%	-
PI GAZOTECH Sp. z o.o.	Warsaw	Production, trade and services, including: consulting, organizational, design, construction and installation services related to gas distribution and heating equipment	associated entity	unconsolidated	2004-04-23	68	68	-	69,44%	46,30%	-
PFK "Gaskon" S.A.	Warsaw	Organization and execution of capital investments, financing or brokerage in the purchase of machines, equipment, raw materials and services.	associated entity	unconsolidated	1992-11-10	8 000	8 000	-	45,94%	45,94%	-
Gazomontaż S.A.	Wołomin	Construction and repair of pipelines in respect to diameters and pressure, steelwork.	associated entity	unconsolidated	1995-08-24	468	-	468	45,18%	45,18%	-
Gas Trading S.A.	Warsaw	Consumer goods trade, import-export transactions brokerage, construction, renovation and modernization of power stations and thermal-electric power stations, in particular powered by natural gas, participation in inter-stock exchange transactions, investment processes, design of industrial objects, construction and exploitation of other power objects, including gas pipelines	associated entity	equity method	1992-12-04	1 291	-	1 291	43,41%	43,41%	-
ZRUG Poznań Sp. z o.o.	Poznań	Manufacturing, services and trade, repair and construction works in the gas industry.	associated entity	unconsolidated	1993-12-21	1 515	-	1 515	40,06%	41,71%	-
ZWUG Intergaz Sp. z o.o.	Tarnowski	Production of gas meters, gas equipment and instrumentation	associated entity	unconsolidated	1990-12-19	1 800	-	1 800	38,30%	38,30%	-

	e Góry											
Dewon S.A.	Kiev (Ukraine)	Implementation of projects and other types of activity in which shareholders jointly participate; production of crude oil, natural gas and condensate in the Ukraine; participation in other types of activities related to the oil-gas industry, including transport, reprocessing, preparation and supply of crude oil and natural gas, as well as reprocessed products, participation in all types of commercial operations related to the above activities, export and import of goods and services, their delivery to the territory of other countries, including sales for convertible currencies.	associated entity	unconsolidated	1999-11-17	2 336	2 336	-	36,38%	36,38%	-	
HS Szczakowa S.A.	Jaworzno	Manufacture and glass panel forming and working, production of blown glass and glass fiber, production and processing of other glass types (including technical glass), trade and commercial activity related to the above.	associated entity	unconsolidated	1994-06-30	14 137	14 137	-	33,30%	33,30%	-	
ZRUG Toruń S.A.	Toruń	Construction, modernization and repair of gas infrastructure and engineering facilities as well as trade and tangible and intangible services.	associated entity	unconsolidated	1998-04-22	1 300	1 300	-	31,33%	31,33%	-	
MED-FROZ S.A.	Wroclaw	Multibranch services, production, trade and construction as well as design services, in particular: medical services, wholesale and retail sale of pharmaceutical products and health care and protection raw materials and products, production, cooperation and trade as well as technical services in respect of medical apparatus, equipment, instruments and environmental protection.	associated entity	unconsolidated	1993-07-14	35	35	-	23,07%	23,07%	-	
ZRUG Zabrze Sp. z o.o.	Zabrze	Realization of repair programs, renovation and construction of gas infrastructure, gas infrastructure inspection programs, construction of new gas infrastructure facilities and auxiliary production of necessary elements of gas equipment.	associated entity	unconsolidated	1991-06-19	600	231	369	21,82%	21,82%	-	
WOC "TE-MA" Sp. z o.o.	Terespol	Sales, service and repair of motor vehicles, retail sale of engine fuels.	associated entity	unconsolidated	1998-08-14	55	55	-	20,97%	20,97%	-	
TENET 7 Sp. z o.o. (formerly Grespol 7 Sp. z o.o.)	Warsaw	Fixed telephony, mobile telephony, data transmission and IT, other telecommunication services, general construction works of line facilities: pipelines, power lines and local-telecommunication lines, production of insulated wire and cables, technical research and analyses	related party	unconsolidated	1994-11-04	5	-	5	10,00%	10,00%	half of members of the supervisory board	
Total						6 561 176	1 516 192	5 044 985				

NOTE 4.11. SHARES IN OTHER ENTITIES

a	b	c	d	e		f	g	h	i
				Equity of the entity					
Name and legal form of the entity	Registered office	core business	carrying value of shares	total*	including share capital**	percentage of the share capital held	share in the total number of votes at the general meeting	Value of shares in the entity not covered by the issuer	Dividends received or due from the entity for the last financial year (for 2004 paid in 2005)
Zakład Remontowy Urządzeń Gaz. Wrocław sp. z o.o.*	Wrocław	N/A	0	-2 448	1 700	15,88%	15,88%	0	0
Polski Serwis Płynów Wiertniczych sp z o.o.****	Krosno	N/A	35	5 366	250	14,00%	14,00%	0	34
Polskie Konsorcjum Energetyczne sp. z o.o.**	Gdańsk	N/A	0	124	100	9,50%	9,50%	0	0
Agencja Rynku Energii S.A.****	Warsaw	N/A	28	4 655	1 376	7,27%	11,60%	0	4
Izostal S.A.****	Zawadzkie	N/A	0	12 573	22 488	6,05%	6,05%	0	0
Zakłady Metalowe DEZAMET S.A.***	Nowa Dęba	N/A	0	34 695	N/A	2,67%	2,67%	0	0
Agencja Rozwoju Regionalnego "Karpaty" S.A.***	Tarnów	N/A	0	556	512	1,96%	1,96%	0	0
Huta Stalowa Wola S.A.*****	Stalowa Wola	N/A	1 010	282 870	243 344	1,63%	1,63%	0	0
HSW - Zakład Kuźnia Matrycowa Sp. z o.o.****	Stalowa Wola	N/A	570	35 856	38 198	1,49%	1,49%	0	0
Agencja Rozwoju Pomorza S.A.*****	Gdańsk	N/A	0	23 197	13 060	0,77%	0,80%	0	0
AUTOSAN S.A.****	Sanok	N/A	0	38 705	38 842	0,06%	0,06%	0	0
Jarlan S.A. in bankruptcy		N/A	0	N/A	N/A	4,24%	4,24%	0	0
Walcownia Rur Huty Jedność Sp. z o.o.****	Siemianowice Śląskie	N/A	0	-57 860	220 590	8,30%	8,30%	0	0
Spółdzielnia Mieszkaniowa TWÓJ DOM		N/A	0	N/A	N/A	-	-	0	0
Spółdzielnia "Naftowa"		N/A	0	N/A	N/A	-	-	0	0
Spółdzielnia Mieszkaniowa ENERGETYKA		N/A	0	N/A	N/A	-	-	0	0
Housing cooperatives	Zielona Góra	N/A	2	N/A	N/A	-	-	0	0
Total			1 645						38

* Equity as of 30 June 2005

** Equity as of 31 March 2006

*** Equity F-01 fourth quarter 2005

**** Equity as of 31 December 2005

***** Equity as of 31 December 2006

**NOTE 4.12. SECURITIES, SHARES AND OTHER LONG-TERM FINANCIAL ASSETS
(BY CURRENCY)**

	31 December 2006	31 December 2005
a) in PLN	6 475 480	6 442 127
b) in foreign currencies (by currency and after translation into PLN)	3 353	4 086
- b1) currency - EUR	120	220
translated into PLN	460	849
- b2) currency – UAH*	4 055	4 055
translated into PLN	2 336	2 622
- b3) currency – OMR*	74	74
translated into PLN	557	615
c) other currencies translated into PLN	-	-
Total gross in PLN	6 478 833	6 446 213
Revaluation write-down	1 461 544	1 439 958
Total net in PLN	5 017 289	5 006 255

*UAH - hryvnya (Ukraine), OMR - riyal (Oman)

**NOTE 4.13. SECURITIES, SHARES AND OTHER LONG-TERM FINANCIAL ASSETS
(BY MARKETABILITY)**

	31 December 2006	31 December 2005
A. With unlimited marketability, listed (carrying value)	-	-
a) shares (carrying value):	-	-
- revaluation adjustments (for the period)	-	(536)
- opening balance	-	536
- value at acquisition price	-	-
b) bonds (carrying value):	-	-
c) other - by type (carrying value):	-	-
B. With unlimited marketability, listed on OTC market (carrying value)	-	-
C. With unlimited marketability, not listed on a regulated market (carrying value)	5 017 287	5 006 252
a) shares (carrying value):	5 017 287	5 006 252
- revaluation adjustments (for the period)	21 587	(4 006)
- opening balance	5 006 252	5 002 246
- value at acquisition price	6 478 830	6 446 206
b) bonds (carrying value):	-	-
c) other - by type (carrying value):	-	-
D. With limited marketability (carrying value)	2	3
Total value at acquisition price	6 478 832	6 446 210
Total opening balance	5 006 255	5 002 786
Total revaluation adjustments (for the period)	21 587	(4 542)
Total carrying value	5 017 289	5 006 255

NOTE 4.14. GRANTED LONG-TERM LOANS (BY CURRENCY)

	31 December 2006	31 December 2005
a) in PLN	141 301	17 542
b) in foreign currencies (by currency and after translation into PLN)	7 421	12 989
- b1) currency - EUR	-	-
- translated into PLN	-	-
- b2) currency - USD	2 550	3 983
- translated into PLN	7 420	12 989
- b3) currency - CHF	-	-
- translated into PLN	-	-
c) other currencies translated into PLN	-	-
Total gross long-term loans granted	148 722	30 531
Revaluation write-down	29 191	30 531
Total net long-term loans granted	119 531	-

NOTE 4.15. OTHER LONG-TERM INVESTMENTS (BY TYPE)

	31 December 2006	31 December 2005
- With limited marketability	5	6
Other long-term investments in total	5	6

NOTE 4.16. CHANGE IN OTHER LONG-TERM INVESTMENTS (BY TYPE)

	31 December 2006	31 December 2005
a) opening balance	6	5
b) increases (due to)	-	1
- revaluation	-	1
- reclassification from inventory	-	-
c) decreases, (due to)	1	-
- revaluation	1	-
d) closing balance	5	6

NOTE 4.17. OTHER LONG-TERM INVESTMENTS (BY CURRENCY)

	31 December 2006	31 December 2005
a) in PLN	-	-
b) in foreign currencies (by currency and after translation into PLN)	5	6
- b1) currency - EUR	-	-
- translated into PLN	-	-
- b2) currency - USD	2	2
- translated into PLN	5	6
- b3) currency - CHF	-	-
- translated into PLN	-	-
c) other currencies translated into PLN	-	-
Total other gross long-term investments	5	6
Revaluation write-down	-	-
Total other long-term net investments	5	6

NOTE 5. CHANGE IN THE BALANCE OF DEFERRED TAX ASSETS

	31 December 2006	31 December 2005
1. Opening balance of deferred tax assets, including:	288 355	394 279
<i>a) charged to the financial result</i>	288 355	394 279
Provisions due to payment of pension allowances	19 509	21 360
Provisions due to payment of retirement severance and jubilee bonuses	11 588	17 327
Provision for the valuation of forward transactions	32 903	45 257
Provision for payment of termination benefits	1 088	-
Provision for reclamation of wells	105 177	102 340
Provision for gas pitch	722	-
Revaluation write-downs on fixed assets	57 239	56 024
Revaluation write-down on shares	27 161	26 354
Revaluation write-downs on interest on loans	-	7 193
Exchange losses from valuation of credits from previous years	3 570	57 333
Provision for unused vacation	484	950
Accrued interest on credits and liabilities	1 587	1 315
Expenses related to transactions hedging against FX and interest rate risk	3 923	10 781
Revaluation write-downs on interest on receivables	-	26 924
Exchange losses from revaluation of cash in foreign currencies	1	476
Other	23 403	20 645
2. Increases	96 532	14 409
<i>a) charged to the financial result of the period due to increase in negative temporary differences (due to)</i>	96 532	14 409
Provisions due to payment of pension allowances	-	-
Provisions due to payment of retirement severance and jubilee bonuses	2 764	-
Provision for the valuation of forward transactions	-	-
Provision for payment of termination benefits	625	1 088
Provision for reclamation of wells	-	2 837
Provision for gas pitch	7 708	722
Revaluation write-downs on fixed assets	26 959	1 215
Revaluation write-down on shares	-	807
Revaluation write-downs on interest on loans	-	-
Exchange losses from valuation of credits from previous years	-	-
Provision for unused vacation	23	-
Accrued interest on credits and liabilities	-	272
Expenses related to transactions hedging against FX and interest rate risk	19 217	-
Revaluation write-downs on interest on receivables	121	-
Exchange losses from revaluation of cash in foreign currencies	3	-
Selling costs (tax-deductible costs in the following month)	23 512	-
Other provisions	-	-
Other	15 600	7 468
<i>b) charged to financial result of the current period due to a change in the rate (due to)</i>	-	-
<i>c) charged to the financial result of the period – deferred tax not recognized in the previous period (due to)</i>	-	-
3. Decreases	62 738	118 994
<i>a) charged to the financial result of the period due to decrease in negative temporary differences (due to)</i>	62 738	118 994
Provisions due to payment of pension allowances	3 892	1 851
Provisions due to payment of retirement severance and jubilee bonuses	-	4 628
Provision for the valuation of forward transactions	22 441	12 354
Provision for payment of termination benefits	-	-
Provision for reclamation of wells	16 244	-
Provision for gas pitch	-	-
Revaluation write-downs on fixed assets	-	-
Revaluation write-down on shares	1 847	-
Revaluation write-downs on interest on loans	-	7 193
Exchange losses from valuation of credits from previous years	2 841	53 763
Provision for unused vacation	-	461
Accrued interest on credits and liabilities	653	-
Expenses related to transactions hedging against FX and interest rate risk	3 924	6 858
Revaluation write-downs on interest on receivables	-	26 924
Exchange losses from revaluation of cash in foreign currencies	-	472
Revaluation write-downs on doubtful receivables	-	-
Other	10 896	4 490

NOTE 5. CHANGE IN THE BALANCE OF DEFERRED TAX ASSETS CONT.

<i>b) charged to financial result of the current period due to a change in the rate (due to)</i>	-	-
Provisions due to payment of pension allowances	-	-
Provisions due to payment of retirement severance and jubilee bonuses	-	-
Provision for the valuation of forward transactions	-	-
Provision for payment of termination benefits	-	-
Provision for reclamation of wells	-	-
Provision for gas pitch	-	-
Revaluation write-downs on fixed assets	-	-
Revaluation write-down on shares	-	-
Revaluation write-downs on interest on loans	-	-
Exchange losses from valuation of credits from previous years	-	-
Provision for unused vacation	-	-
Accrued interest on credits and liabilities	-	-
Expenses related to transactions hedging against FX and interest rate risk	-	-
Revaluation write-downs on interest on receivables	-	-
Exchange losses from revaluation of cash in foreign currencies	-	-
Other	-	-
4. Decreases, due to contribution in kind	-	1 339
Provisions due to payment of pension allowances	-	-
Provisions due to payment of retirement severance and jubilee bonuses	-	1 111
Provision for the valuation of forward transactions	-	-
Provision for payment of termination benefits	-	-
Provision for reclamation of wells	-	-
Provision for gas pitch	-	-
Revaluation write-downs on fixed assets	-	-
Revaluation write-down on shares	-	-
Revaluation write-downs on interest on loans	-	-
Exchange losses from valuation of credits from previous years	-	-
Provision for unused vacation	-	5
Accrued interest on credits and liabilities	-	-
Expenses related to transactions hedging against FX and interest rate risk	-	-
Revaluation write-downs on interest on receivables	-	-
Exchange losses from revaluation of cash in foreign currencies	-	3
Other	-	220
5. Decreases due to release of an asset arising from its unrealizability	-	-
Provisions due to payment of retirement severance and jubilee bonuses	-	-
6. Closing balance of total deferred tax assets, including:	322 149	288 355
<i>a) charged to the financial result</i>	<i>322 149</i>	<i>288 354</i>
Provisions due to payment of pension allowances	15 617	19 509
Provisions due to payment of retirement severance and jubilee bonuses	14 352	11 588
Provision for the valuation of forward transactions	10 462	32 903
Provision for payment of termination benefits	1 713	1 088
Provision for reclamation of wells	88 933	105 177
Provision for gas pitch	8 430	722
Revaluation write-downs on fixed assets	84 198	57 239
Revaluation write-down on shares	25 314	27 161
Revaluation write-downs on interest on loans	-	-
Exchange losses from valuation of credits from previous years	729	3 570
Provision for unused vacation	507	484
Accrued interest on credits and liabilities	934	1 587
Expenses related to transactions hedging against FX and interest rate risk	19 216	3 923
Revaluation write-downs on interest on receivables	121	-
Exchange losses from revaluation of cash in foreign currencies	4	1
Selling costs (tax-deductible costs in the following month)	23 512	-
Other provisions	-	-
Other	28 107	23 403

NOTE 5.1. NEGATIVE TEMPORARY DIFFERENCES IN DEFERRED TAX

	31 December 2006	31 December 2005
1. Realizable temporary negative differences	1 695 519	1 517 656
Provisions due to payment of pension allowances	82 197	102 683
Provisions due to payment of retirement severance and jubilee bonuses	75 538	60 990
Provision for the valuation of forward transactions	55 067	173 177
Provision for payment of termination benefits	9 017	5 727
Provision for reclamation of wells	468 067	553 561
Revaluation write-downs on fixed assets	443 143	301 252
Revaluation write-down on shares	133 226	142 950
Revaluation write-downs on interest on loans	-	-
Exchange losses from valuation of credits from previous years	3 837	18 789
Provision for unused vacation	2 668	2 546
Accrued interest on credits and liabilities	4 917	8 356
Expenses related to transactions hedging against FX and interest rate risk	101 142	20 651
Revaluation write-downs on interest on receivables	-	-
Exchange losses from revaluation of cash in foreign currencies	20	4
Selling costs (tax-deductible costs in the following month)	123 749	-
Other provisions	-	-
Other	192 931	126 970
2. Negative temporary differences unlikely to be realized	690 992	725 408
Provision for unused vacation	-	-
Provision for real estate tax	-	821
Revaluation write-downs on doubtful receivables	689 918	720 140
Revaluation write-downs on fixed assets	1 074	122
Other	-	4 325
Total temporary differences	2 386 511	2 243 064

NOTE 5.2. OTHER PREPAYMENTS

	31 December 2006	31 December 2005
a) prepayments, including:	4 066	5 919
- fees for establishing mining usufruct	21	1 191
- financial costs settled over time	3 732	4 728
- other	313	-
Other accruals in total	4 066	5 919

NOTE 6. INVENTORY

	31 December 2006	31 December 2005
a) materials, including	1 222 142	717 259
- natural gas	1 145 864	650 710
b) semi-finished products and work in progress	-	-
c) finished products	17 249	4 676
d) goods	87	82
e) advances for deliveries	302	101
Total inventories	1 239 780	722 118

NOTE 6.1. CHANGE IN REVALUATION WRITE-DOWNS ON INVENTORY

	31 December 2006	31 December 2005
Opening balance	21 557	4 057
a) increases (due to)	1 282	20 253
- write-downs created	1 282	20 253
b) decreases (due to)	-	2 753
- write-downs released	-	2 110
- contribution in kind	-	643
Closing balance of revaluation write-downs on inventory	22 839	21 557

NOTE 7. SHORT-TERM RECEIVABLES

	31 December 2006	31 December 2005
a) from related parties	514 138	569 140
- trade receivables, with maturity of:	513 957	566 315
- up to 12 months	513 957	566 315
- above 12 months	-	-
- other	181	2 825
b) from other entities	898 520	1 108 916
- trade receivables, with maturity of:	491 168	549 289
- up to 12 months	491 168	549 289
- above 12 months	-	-
- receivables from tax, subsidy, customs, social security, health and other benefits	165 221	271 221
- other	241 098	288 375
- claimed at court	1 033	31
Total net short-term receivables	1 412 658	1 678 056
c) revaluation write-downs on short-term receivables	691 556	721 563
Total gross short-term receivables	2 104 214	2 399 619

NOTE 7.1. SHORT-TERM RECEIVABLES FROM RELATED PARTIES

	31 December 2006	31 December 2005
a) trade receivables, including:	513 957	566 315
- from subsidiaries	510 202	562 919
- from associated companies	3 755	3 396
b) other, including:	181	2 825
- from subsidiaries	181	2 799
- from associated companies	-	26
c) claimed at court, including:	-	-
- from subsidiaries	-	-
- from associated companies	-	-
Total net short-term receivables from related parties	514 138	569 140
d) revaluation write-downs on receivables from related parties	130 368	130 475
Total gross short-term receivables from related parties	644 506	699 615

NOTE 7.2. CHANGE IN REVALUATION WRITE-DOWNS OF SHORT-TERM RECEIVABLES

	31 December 2006	31 December 2005
Opening balance	721 563	866 116
a) increases (due to)*	9 990	42 708
- created write-downs on unpaid receivables	6 648	42 504
- creation of write-downs on interest and costs related to receivables in composition and bankruptcy proceedings	3 342	204
b) decreases (due to)*	39 997	187 261
- release of write-downs on repaid receivables	107	100 331
- write-downs applied	39 890	86 506
- contribution in kind	-	424
Closing balance of revaluation write-downs on short-term receivables	691 556	721 563

* change in presentation of increases and decreases of revaluation write-downs on receivables in 2005.

NOTE 7.3. GROSS SHORT-TERM RECEIVABLES (BY CURRENCY)

	31 December 2006	31 December 2005
a) in PLN	2 063 929	2 365 053
b) in foreign currencies (by currency and after translation into PLN)	40 285	34 566
- b1) currency - EUR	1 100	796
- translated into PLN	4 216	3 073
- b2) currency - USD	12 392	9 657
- translated into PLN	36 069	31 493
- b3) currency - CHF	-	-
- translated into PLN	-	-
c) other currencies translated into PLN	-	-
Total gross short-term receivables	2 104 214	2 399 619
Revaluation write-downs on short-term receivables	691 556	721 563
Total net short-term receivables	1 412 658	1 678 056

NOTE 7.4. GROSS TRADE RECEIVABLES - BY MATURITY AS OF THE BALANCE SHEET DATE:

	31 December 2006	31 December 2005
a) up to 1 month	997 877	1 110 869
b) over 1 month and up to 3 months	6 770	7 192
c) over 3 months and up to 6 months	27	242
d) over 6 months and up to 1 year	11	115
e) over 1 year	1 438	1 515
f) overdue receivables	545 021	584 825
Total (gross) trade receivables	1 551 144	1 704 758
Revaluation write-downs on trade receivables	546 019	589 154
Total net trade receivables	1 005 125	1 115 604

NOTE 7.5. OVERDUE TRADE RECEIVABLES (GROSS) - BY PERIOD OVERDUE:

	31 December 2006	31 December 2005
a) up to 1 month	716	1 675
b) over 1 month and up to 3 months	1 012	16 806
c) over 3 months and up to 6 months	11 110	8 488
d) over 6 months and up to 1 year	25 481	18 775
e) over 1 year	506 702	539 081
Total gross overdue trade receivables	545 021	584 825
f) revaluation write-downs on overdue trade receivables	544 337	580 328
Total net overdue trade receivables	684	4 497

NOTE 8. DISPUTABLE AND OVERDUE RECEIVABLES

	31 December 2006	31 December 2005
1. Overdue	690 437	716 382
a) long-term (due to)	-	-
b) short-term (due to)	690 437	716 382
- trade receivables	545 021	584 824
- other receivables	145 416	131 558
2. Disputable receivables	1 058	48
a) long-term (due to)	-	-
b) short-term (due to)	1 058	48
- trade receivables not disclosed under receivables claimed at court	-	-
- other receivables not disclosed under receivables claimed at court	-	-
- receivables claimed at court	1 058	48
Total gross overdue and disputable receivables	691 495	716 430
including:		
a) overdue receivables not covered by write-downs	705	4 583
a) disputable receivables not covered by write-downs	-	-

NOTE 9. SHORT-TERM FINANCIAL ASSETS

	31 December 2006	31 December 2005
a) in subsidiaries	141 862	49 442
- shares	28 972	26 642
- receivables from dividend and other profit sharing	-	-
- debt securities	-	-
- other securities (by type)	-	-
- granted loans	112 890	22 800
- other short-term financial assets (by type)	-	-
b) in co-subsidiaries	-	-
- shares	-	-
- receivables from dividend and other profit sharing	-	-
- debt securities	-	-
- other securities (by type)	-	-
- granted loans	-	-
- other short-term financial assets (by type)	-	-
c) in associated entities	369	369
- shares	369	369
- receivables from dividend and other profit sharing	-	-
- debt securities	-	-
- other securities (by type)	-	-
- granted loans	-	-
- other short-term financial assets (by type)	-	-
d) in a major investor	-	-
- shares	-	-
- receivables from dividend and other profit sharing	-	-
- debt securities	-	-
- other securities (by type)	-	-
- granted loans	-	-
- other short-term financial assets (by type)	-	-
e) in the holding company	-	-
- shares	-	-
- receivables from dividend and other profit sharing	-	-
- debt securities	-	-
- other securities (by type)	-	-
- granted loans	-	-
- other short-term financial assets (by type)	-	-
f) in other entities	5 723	120 273
- shares	-	-
- receivables from dividend and other profit sharing	-	-
- debt securities	-	-
- other securities (by type)	-	-
- granted loans	-	-
- other short-term financial assets (by type)	5 723	120 273
- positive valuation of derivatives	5 723	120 273
g) cash and cash equivalents	2 972 194	2 746 384
- cash in hand and at bank	18 438	93 539
- other cash	2 953 756	2 652 845
- cash equivalents	-	-
Total short-term financial assets	3 120 148	2 916 468

NOTE 9.1. SECURITIES, SHARES AND OTHER SHORT-TERM FINANCIAL ASSETS (BY CURRENCY)

	31 December 2006	31 December 2005
a) in PLN	114 872	233 896
b) in foreign currencies (by currency and after translation into PLN)	-	-
- b1) currency - EUR	-	-
- translated into PLN	-	-
- b2) currency - USD	-	-
- translated into PLN	-	-
- b3) currency - CHF	-	-
- translated into PLN	-	-
c) other currencies translated into PLN	-	-
Total (gross) securities, shares and other short-term financial assets	114 872	233 896
Revaluation write-down	79 808	86 612
Total (net) securities, shares and other short-term financial assets	35 064	147 284

NOTE 9.2. SECURITIES, SHARES AND OTHER SHORT-TERM FINANCIAL ASSETS (BY MARKETABILITY)

	31 December 2006	31 December 2005
A. With unlimited marketability, listed (carrying value)	-	-
B. With unlimited marketability, listed on OTC market (carrying value)	-	-
a) other securities (carrying value)	-	-
a1) treasury bills (carrying value):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	51 328
- value at acquisition price	-	51 328
a2) term deposits (carrying value):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	11 064
- value at acquisition price	-	9 000
C. With unlimited marketability, not listed on a regulated market (carrying value)	29 341	27 011
a) shares (carrying value):	29 341	27 011
- revaluation adjustments (for the period)	(4 473)	3 474
- opening balance	27 011	29 961
- value at acquisition price	109 149	-
b) bonds (carrying value):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	182 123
- value at acquisition price	-	-
c) other - by type (carrying value):	-	-
c1) treasury bills (carrying value):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- value at acquisition price	-	-
c2) other (carrying value):	-	-
- revaluation adjustments (for the period)	-	-
- opening balance	-	-
- value at acquisition price	-	-
D. With limited marketability (carrying value)	5 723	120 273
a) shares (carrying value):	-	-
b) bonds (carrying value):	-	-
c) other - by type (carrying value):	5 723	120 273
c1) forward transactions (carrying value):	5 723	120 273
- revaluation adjustments (for the period)	(114 550)	(112 347)
- opening balance	120 273	232 620
- value at acquisition price	-	-
Total value at acquisition price	109 149	60 328
Total opening balance	147 284	507 097
Total revaluation adjustments (for the period)	(119 024)	(108 873)
Total carrying value	35 064	147 284

NOTE 9.3. SHORT-TERM LOANS GRANTED (BY CURRENCY)

	31 December 2006	31 December 2005
a) in PLN	123 091	38 080
b) in foreign currencies (by currency and after translation into PLN)	198 820	254 056
- b1) currency - EUR	-	-
- translated into PLN	-	-
- b2) currency - USD	68 311	77 900
- translated into PLN	198 820	254 056
- b3) currency - CHF	-	-
- translated into PLN	-	-
c) other currencies translated into PLN	-	-
Total (gross) short-term loans granted	321 911	292 136
Revaluation write-down	209 021	269 336
Total (net) short-term loans granted	112 890	22 800

NOTE 9.4. CHANGE IN REVALUATION WRITE-DOWNS ON SHORT-TERM LOANS

	31 December 2006	31 December 2005
Opening balance	269 336	285 746
a) increases (due to)	21 460	57 066
- write-downs created	14 604	57 066
- reclassification of long-term portion	6 857	-
b) decreases (due to)	81 775	60 266
- write-downs released	81 775	60 266
c) reclassification	-	13 209
- to long-term portion	-	13 209
Closing balance of revaluation write-downs on short-term receivables	209 021	269 336

NOTE 9.5. CASH AND CASH EQUIVALENTS (BY CURRENCY)

	31 December 2006	31 December 2005
a) in PLN	1 191 458	2 706 313
b) in foreign currencies (by currency and after translation into PLN)	1 780 736	40 071
- b1) currency - EUR	459 225	4 101
- translated into PLN	1 759 384	15 829
- b2) currency - USD	7 302	7 433
- translated into PLN	21 252	24 241
- b3) currency - CHF	-	-
- translated into PLN	-	-
c) other currencies translated into PLN	100	-
Total cash and cash equivalents	2 972 194	2 746 384

NOTE 9.6. OTHER SHORT-TERM INVESTMENTS (BY TYPE)

Did not occur.

NOTE 9.7. OTHER SHORT-TERM INVESTMENTS (BY CURRENCY)

Did not occur.

NOTE 10. OTHER SHORT-TERM PREPAYMENTS

	31 December 2006	31 December 2005
a) prepayments, including:	2 551	2 200
- property insurance	24	21
- deferred advertising and marketing expenses	2	2
- fees for perpetual usufruct right to land	-	-
- write-off to the Company's Social Benefits Fund	-	-
- real estate tax	-	-
- financial costs settled over time	1 385	2 177
- other	1 140	-
b) other prepayments	2 044	388
- fees for establishing mining usufruct	21	143
- other	2 023	245
Total short-term prepayments	4 595	2 588

NOTE 11. REVALUATION WRITE-DOWNS

As described in item 11.3, of the introduction to the additional information, as of 1 January 2002, the Company recorded perpetual usufruct of land acquired free of charge. The equivalent of recorded usufruct rights in the amount of PLN 224,126.2 thousand was recorded in correspondence with deferred income. For presentation purposes, deferred income is treated as a revaluation write-down on perpetual usufruct of land. During the period from 1 January to 31 December 2006, the revaluation write-down on perpetual usufruct was increased by PLN 229,531.5 thousand and amounts to - PLN 293,430.0 thousand. The increase resulted from the registration based on decision of the President of the Capital City of Warsaw which stating the legal acquisition, as of 5 December 1990, by the state-owned Polskie Górnictwo Naftowe i Gazownictwo company seated in Warsaw, whose legal successor is Polskie Górnictwo Naftowe i Gazownictwo S.A., of the perpetual usufruct, for the period of 99 years, to a developed land, which constitutes the property of the capital city of Warsaw, located in Warsaw, at ul. Kasprzaka 25 marked as registered plots no. 7 with the surface of 1.3883 ha and no. 8 with the surface of 13.6934 ha from area 6-04-07, with the total surface of 15.0817 ha, entered in the real estate register KW No. WA4M/00227834/7 together with the property right to buildings, structures and other equipment which are located on this land. The value of the right of perpetual usufruct to land was established in the amount of PLN 253,485.7 thousand and the deferred income was recognized at the same value (for presentation purposes they are treated as a revaluation write-down).

On the balance sheet date, i.e. 31 December 2006, the Company tested its non-current assets (mine property and wells classified as fixed assets under construction) for possible impairment. The tests involved a comparison of their carrying and economic (useful) value calculated using the discounted cash flow method. In 2006, the tests indicated that retention and creation of revaluation write-downs on assets were necessary in case of 25 mines. The total revaluation write-downs on mines amount to PLN 92,098.8 thousand, which translates into an increase by the amount of PLN 9,837.2 thousand, as compared with 2005.

Additionally, as at 31 December 2006, a revaluation write-down was created for 29 activated wells and expenditure on the test operation of 9 wells - classified as fixed assets under construction. During the period from 1 January to 31 December 2006, the revaluation write-down for activated wells increased by PLN 57,168.3 and amounts to PLN 247,904.1 thousand.

The change and breakdown of revaluation write-downs on receivables are presented in note 7.2 'Write-downs on receivables'.

As at the balance sheet date, the Company analyses all revaluation write-downs to verify their value and justifiability. Changes in revaluation write-downs are classified to other operating expenses and revenues, respectively, or to financial expenses and revenues.

The balance of individual write-down groups as at the end of individual periods is presented below.

	31 December 2006	31 December 2005
Intangible assets	-	-
Fixed assets	745 966	373 631
- tangible fixed assets	477 596	163 742
- fixed assets under construction	268 370	209 889
Receivables	691 556	721 563
- long-term receivables	-	-
- short-term receivables	691 556	721 563
Investments	1 779 564	1 826 437
- long-term investments	1 490 735	1 470 489
- short-term investments	288 829	355 948
Inventory	22 839	21 557
Total impairment write-downs	3 239 925	2 943 188

NOTE 12. SHARE CAPITAL (STRUCTURE)

Series / issue	Type of share	Type of preference	Type of limitations on rights to shares	Number of shares (pcs)	Face value of series/issue (in PLN '000)	Capital coverage method	Date of registration	Cum dividend (as of)
A	bearer shares	-	-	4 250 000 000	4 250 000	reclassification from start-up fund and company's fund	29.10.1996	date of the Annual Meeting
A1	bearer shares	-	-	750 000 000	750 000	reclassification from start-up fund and company's fund	29.10.1996	date of the Annual Meeting
B	bearer shares	-	-	900 000 000	900 000	sales of shares	06.10.2005	date of the Annual Meeting
Total number of shares				5 900 000 000				
Total share capital					5 900 000			
Face value per share (PLN)		PLN 1						

NOTE 12.1. SHARES OFFERED BY THE ISSUER

Did not occur.

NOTE 12.2. SHARE CAPITAL (OWNERSHIP STRUCTURE)

Shareholder	Number of votes (%) at the Shareholders Meeting as at submission of annual report for previous year	Number of shares as at submission of annual report for previous year	Percentage change in the period 01.01.2006 - 31.12.2006	Number of votes (%) at the Shareholders Meeting as at report submission	Number of shares as at report submission
State Treasury	84,75%	5 000 000 000	0	84,75%	5 000 000 000
Other*	15,25%	900 000 000	0	15,25%	900 000 000
Total:	100,00%	5 900 000 000		100,00%	5 900 000 000

* The Company has not received any information that another shareholder holds at least a 5% stake in share capital.

NOTE 13. OWN SHARES

Did not occur.

NOTE 13.1. ISSUER'S SHARES HELD BY CONTROLLED ENTITIES

Did not occur.

NOTE 14. SUPPLEMENTARY CAPITAL

	31 December 2006	31 December 2005
a) from sales of shares above face value	1 740 093	1 740 094
b) statutory	1 966 667	1 966 667
c) created in accordance with Statute / Articles of Association above the statutory (minimum) value	830 880	626 551
d) from shareholders' contributions	-	-
e) other (by type)	-	-
- result on transfer of fixed assets as dividend to the Owner	-	-
Total supplementary capital	4 537 640	4 333 312

NOTE 15. REVALUATION CAPITAL

	31 December 2006	31 December 2005
a) due to revaluation of fixed assets	1 086	1 086
b) due to gains/losses on valuation of financial instruments, including:	-	-
- from the valuation of hedging instruments	-	-
c) due to deferred tax	-	-
d) exchange differences from translation of foreign branches	462	416
e) other (by type)	-	-
Total revaluation capital	1 548	1 503

NOTE 16. OTHER RESERVE CAPITALS (BY PURPOSE)

Did not occur.

NOTE 17. WRITE-OFF ON NET PROFIT DURING THE FINANCIAL YEAR (BY TITLE)

Did not occur.

NOTE 18. CHANGE IN THE BALANCE OF PROVISION FOR DEFERRED INCOME TAX

	31 December 2006	31 December 2005
1. Opening balance of provisions for deferred income tax, including:	48 676	150 308
<i>a) charged to financial result</i>	48 676	150 308
Exchange gains on credits	8 152	39 693
Exchange gains on deposits	51	-
Interest accrued on loans	-	7 227
Accrued interest on receivables	-	26 925
Valuation of financial instruments	22 852	44 198
Finance lease	8 275	-
Revenues from tax obligation in the following month	7 549	22 170
Provision for interest on BV Finance loan	-	8 937
Paid expenses due to commission on credit	1 312	-
Depreciation (difference between the tax and book value)	-	-
Other	485	1 158
2. Increases	33 667	9 831
<i>a) charged to financial result of the period due to increase in positive temporary differences (due to)</i>	33 667	9 831
Exchange gains on credits	-	-
Exchange gains on deposits	14	51
Interest accrued on loans	548	-
Accrued interest on receivables	6	-
Valuation of financial instruments	-	-
Finance lease	12 423	8 275
Revenues from tax obligation in the following month	-	-
Provision for interest on BV Finance loan	-	-
Paid expenses due to commission on credit	-	1 312
Depreciation (difference between the tax and book value)	20 616	-
Other	60	193
<i>b) charged to financial result of the current period due to a change in the rate (due to)</i>	-	-
Exchange gains on credits	-	-
Exchange gains on deposits	-	-
Interest accrued on loans	-	-
Accrued interest on receivables	-	-
Valuation of financial instruments	-	-
Finance lease	-	-
Revenues from tax obligation in the following month	-	-
Paid expenses due to commission on credit	-	-
Other	-	-

NOTE 18. CHANGE IN THE BALANCE OF PROVISION FOR DEFERRED INCOME TAX CONT.

3. Decreases	35 899	111 453
<i>a) charged to financial result of the period due to reduction of positive temporary differences (due to)</i>	35 899	111 453
Exchange gains on credits	6 038	31 541
Exchange gains on deposits	-	-
Interest accrued on loans	-	7 227
Accrued interest on receivables	-	26 924
Valuation of financial instruments	21 764	21 346
Finance lease	-	-
Revenues from tax obligation in the following month	7 549	14 621
Provision for interest on BV Finance loan	-	8 937
Paid expenses due to commission on credit	339	-
Depreciation (difference between the tax and book value)	-	-
Other	209	857
<i>b) charged to financial result of the current period due to a change in the rate (due to)</i>	-	-
Exchange gains on credits	-	-
Exchange gains on deposits	-	-
Interest accrued on loans	-	-
Accrued interest on receivables	-	-
Valuation of financial instruments	-	-
Finance lease	-	-
Revenues from tax obligation in the following month	-	-
Paid expenses due to commission on credit	-	-
Depreciation (difference between the tax and book value)	-	-
Other	-	-
4. Total contribution in kind	-	10
Other	-	10
5. Closing balance of total provisions for deferred income tax	46 444	48 676
<i>a) charged to financial result</i>	46 444	48 676
Exchange gains on credits	2 114	8 152
Exchange gains on deposits	65	51
Interest accrued on loans	548	-
Accrued interest on receivables	6	1
Valuation of financial instruments	1 088	22 852
Finance lease	20 698	8 275
Revenues from tax obligation in the following month	-	7 549
Provision for interest on BV Finance loan	-	-
Paid expenses due to commission on credit	973	1 312
Depreciation (difference between the tax and book value)	20 616	-
Other	336	484

Note 18.1. POSITIVE TEMPORARY DIFFERENCES IN DEFERRED TAX

	31 December 2006	31 December 2005
1. Realizable temporary positive differences	244 442	256 189
Exchange gains on credits	11 129	42 905
Exchange gains on deposits	343	269
Interest accrued on loans	2 885	-
Accrued interest on receivables	31	-
Valuation of financial instruments	5 723	120 273
Finance lease	108 937	43 553
Revenues from tax obligation in the following month	-	39 778
Paid expenses due to commission on credit	5 118	6 904
Depreciation (difference between the tax and book value)	108 503	-
Other	1 773	2 507
2. Positive temporary differences unlikely to be realized	-	-
Deferred income due to valuation of property of branches transformed into gas companies	-	-
Other	-	-
Total temporary differences	244 442	256 189

**NOTE 18.2. CHANGE IN LONG-TERM PROVISION FOR RETIREMENT AND SIMILAR BENEFITS
(BY TITLE)**

	31 December 2006	31 December 2005
a) opening balance	148 392	167 448
- provision for jubilee bonuses	38 804	55 440
- provision for retirement severance	17 348	23 641
- provision for termination benefits	9 017	-
- provision for pension allowances	78 354	88 367
- provision for restructuring	4 869	-
b) increases (due to)	11 415	56 322
- provision for jubilee bonuses	4 765	18 233
- provision for retirement severance	6 650	8 947
- provision for termination benefits	-	9 017
- provision for pension allowances	-	15 256
- provision for restructuring	-	4 869
c) released, due to:	-	75 670
- provision for jubilee bonuses	-	34 998
- provision for retirement severance	-	15 404
- provision for termination benefits	-	-
- provision for pension allowances	-	25 268
- provision for restructuring	-	-
d) applied	-	-
- provision for jubilee bonuses	-	-
- provision for retirement severance	-	-
- provision for termination benefits	-	-
- provision for pension allowances	-	-
- provision for restructuring	-	-
e) reclassification to short-term portion	20 140	-
- provision for jubilee bonuses	612	-
- provision for retirement severance	-	-
- provision for termination benefits	-	-
- provision for pension allowances	19 528	-
- provision for restructuring	-	-
f) contribution in kind	-	-
- provision for jubilee bonuses	-	-
- provision for retirement severance	-	-
- provision for termination benefits	-	-
- provision for pension allowances	-	-
- provision for restructuring	-	-
g) reclassification from short-term portion	-	293
- provision for jubilee bonuses	-	129
- provision for retirement severance	-	164
h) closing balance	139 667	148 393
- provision for jubilee bonuses	42 957	38 804
- provision for retirement severance*	23 998	17 348
- provision for termination benefits	9 017	9 017
- provision for pension allowances	58 826	78 355
- provision for restructuring	4 869	4 869

* The closing balance of provisions for retirement severance of the current period was increased by actuarial profits/losses and costs of past employment - benefits to which entitlements were not acquired in the amount of PLN 4,513.5 thousand. The above value decreased the result of the current reporting period.

**NOTE 18.3. CHANGE IN SHORT-TERM PROVISION FOR RETIREMENT AND SIMILAR BENEFITS
(BY TITLE)**

	31 December 2006	31 December 2005
a) opening balance	39 081	41 170
- provision for jubilee bonuses	7 941	8 053
- provision for retirement severance	4 265	4 059
- provision for termination benefits	-	-
- provision for pension allowances	24 329	24 058
- provision for unused vacation	2 546	5 000
b) increases (due to)	5 682	34 067
- provision for jubilee bonuses	1 830	3 632
- provision for retirement severance	1 302	2 429
- provision for termination benefits	-	-
- provision for pension allowances	2 428	25 561
- provision for unused vacation	122	2 445
c) reclassification from long-term portion	20 140	-
- provision for jubilee bonuses	612	-
- provision for retirement severance	-	-
- provision for termination benefits	-	-
- provision for pension allowances	19 528	-
- provision for unused vacation	-	-
d) applied (due to)	22 913	2 712
- provision for jubilee bonuses	-	-
- provision for retirement severance	-	-
- provision for termination benefits	-	-
- provision for pension allowances	22 913	2 712
- provision for unused vacation	-	-
e) released (due to)	-	33 152
- provision for jubilee bonuses	-	3 616
- provision for retirement severance	-	2 059
- provision for termination benefits	-	-
- provision for pension allowances	-	22 578
- provision for unused vacation	-	4 899
f) contribution in kind	-	-
- provision for jubilee bonuses	-	-
- provision for retirement severance	-	-
- provision for termination benefits	-	-
- provision for pension allowances	-	-
- provision for unused vacation	-	-
g) reclassification to long-term portion	-	293
- provision for retirement severance	-	164
- provision for jubilee bonuses	-	129
h) closing balance	41 990	39 080
- provision for jubilee bonuses	10 383	7 940
- provision for retirement severance	5 567	4 265
- provision for termination benefits	-	-
- provision for pension allowances	23 372	24 329
- provision for unused vacation	2 668	2 546

NOTE 18.4. CHANGE IN OTHER LONG-TERM PROVISIONS (BY TITLE)

	31 December 2006	31 December 2005
a) opening balance	583 868	560 199
- provision for reclamation of wells	537 530	493 037
- provision for liquidation of gas infrastructure	10 027	13 057
- provision for joint and several liabilities to subcontractors of the subsidiary	-	28 900
- provision for gas pitch	15 202	11 402
- provision for EuroPolGaz interest liabilities	7 656	-
- other provisions	13 453	13 803
b) increases (due to)	71 171	118 656
- provision for reclamation of wells	35 556	113 858
- provision for liquidation of gas infrastructure	-	109
- provision for joint and several liabilities to subcontractors of the subsidiary	-	-
- provision for gas pitch	29 166	3 800
- provision for EuroPolGaz interest liabilities	-	-
- other provisions	6 449	889
c) reclassification from short-term portion (due to)	111 184	28 879
- provision for reclamation of wells	111 184	21 223
- provision for liquidation of gas infrastructure	-	-
- provision for joint and several liabilities to subcontractors of the subsidiary	-	-
- provision for gas pitch	-	-
- provision for EuroPolGaz interest liabilities	-	7 656
- other provisions	-	-
d) applied (due to)	-	5 601
- provision for reclamation of wells	-	5 601
- provision for liquidation of gas infrastructure	-	-
- provision for joint and several liabilities to subcontractors of the subsidiary	-	-
- provision for gas pitch	-	-
- provision for EuroPolGaz interest liabilities	-	-
- other provisions	-	-
e) reclassification to short-term portion (due to)	20 200	9 427
- provision for reclamation of wells	18 551	9 427
- provision for liquidation of gas infrastructure	-	-
- provision for joint and several liabilities to subcontractors of the subsidiary	-	-
- provision for gas pitch	-	-
- provision for EuroPolGaz interest liabilities	-	-
- other provisions	1 649	-
f) released (due to)	22 059	108 839
- provision for reclamation of wells	6 294	75 560
- provision for liquidation of gas infrastructure	7 005	3 140
- provision for joint and several liabilities to subcontractors of the subsidiary	-	28 900
- provision for gas pitch	-	-
- provision for EuroPolGaz interest liabilities	7 656	-
- other provisions	1 104	1 239
g) contribution in kind (due to)	-	-
- provision for reclamation of wells	-	-
- provision for liquidation of gas infrastructure	-	-
- provision for joint and several liabilities to subcontractors of the subsidiary	-	-
- provision for gas pitch	-	-
- provision for EuroPolGaz interest liabilities	-	-
- other provisions	-	-
h) closing balance	723 964	583 867
- provision for reclamation of wells	659 425	537 530
- provision for liquidation of gas infrastructure	3 022	10 026
- provision for joint and several liabilities to subcontractors of the subsidiary	-	-
- provision for gas pitch	44 368	15 202
- provision for EuroPolGaz interest liabilities	-	7 656
- other provisions	17 149	13 453

NOTE 18.5. CHANGE IN OTHER SHORT-TERM PROVISIONS (BY TITLE)

	31 December 2006	31 December 2005
a) opening balance	225 205	109 906
- provision for liquidation of wells, diggings and excavation pits	34 748	45 595
- provision for penalties imposed by the Office for Competition and Consumer Protection*	48 812	41 362
- provision for EuroPolGaz interest liabilities	-	11 371
- provision for return of leased asset	81 285	-
- provision for renegotiation of import prices	50 224	-
- other provisions	10 136	11 578
b) increases (due to)	113 328	145 336
- provision for liquidation of wells, diggings and excavation pits	104 820	949
- provision for penalties imposed by the Office for Competition and Consumer Protection*	-	7 450
- provision for EuroPolGaz interest liabilities	-	-
- provision for return of leased asset	-	81 285
- provision for renegotiation of import prices	-	50 224
- other provisions	8 508	5 428
c) reclassification from long-term portion (due to)	20 200	-
- provision for liquidation of wells, diggings and excavation pits	18 551	-
- provision for penalties imposed by the Office for Competition and Consumer Protection*	-	-
- provision for EuroPolGaz interest liabilities	-	-
- provision for return of leased asset	-	-
- provision for renegotiation of import prices	-	-
- other provisions	1 649	-
d) applied (due to)	2 491	4 909
- provision for liquidation of wells, diggings and excavation pits	-	-
- provision for penalties imposed by the Office for Competition and Consumer Protection*	-	-
- provision for EuroPolGaz interest liabilities	-	-
- provision for return of leased asset	-	-
- provision for renegotiation of import prices	-	-
- other provisions	2 491	4 909
e) released (due to)	201 730	5 676
- provision for liquidation of wells, diggings and excavation pits	19 671	-
- provision for penalties imposed by the Office for Competition and Consumer Protection*	44 744	-
- provision for EuroPolGaz interest liabilities	-	3 715
- provision for return of leased asset	81 285	-
- provision for renegotiation of import prices	50 224	-
- other provisions	5 806	1 961
f) reclassification to long-term portion (due to)	111 184	19 452
- provision for liquidation of wells, diggings and excavation pits	111 184	11 796
- provision for penalties imposed by the Office for Competition and Consumer Protection*	-	-
- provision for EuroPolGaz interest liabilities	-	7 656
- provision for return of leased asset	-	-
- provision for renegotiation of import prices	-	-
- other provisions	-	-
g) contribution in kind (due to)	-	-
- provision for liquidation of wells, diggings and excavation pits	-	-
- provision for penalties imposed by the Office for Competition and Consumer Protection*	-	-
- provision for EuroPolGaz interest liabilities	-	-
- provision for return of leased asset	-	-
- provision for renegotiation of import prices	-	-
- other provisions	-	-
h) closing balance	43 328	225 205
- provision for liquidation of wells, diggings and excavation pits	27 264	34 748
- provision for penalties imposed by the Office for Competition and Consumer Protection*	4 068	48 812
- provision for EuroPolGaz interest liabilities	-	-
- provision for return of leased asset	-	81 285
- provision for renegotiation of import prices	-	50 224
- other provisions	11 996	10 136

NOTE 19. LONG-TERM LIABILITIES

	31 December 2006	31 December 2005
a) to subsidiaries	-	-
- credits and loans	-	-
- due to issuance of debt securities	-	-
- other financial liabilities, including:	-	-
b) to other entities	2 299 108	2 317 096
- credits and loans	2 298 720	2 315 880
- due to issuance of debt securities	-	-
- other financial liabilities, including:	-	-
- finance lease agreements	-	-
- other (by type)	388	1 216
- liabilities due to take over of gas network	-	-
- other	388	1 216
Total long-term liabilities	2 299 108	2 317 096

NOTE 19.1. LONG-TERM LIABILITIES BY MATURITY AS OF THE BALANCE SHEET DATE

	31 December 2006	31 December 2005
a) over 1 year and up to 3 years	388	1 216
b) over 3 years and up to 5 years	2 298 720	2 315 880
c) over 5 years	-	-
Total long-term liabilities	2 299 108	2 317 096

NOTE 19.2. LONG-TERM LIABILITIES (BY CURRENCY)

	31 December 2006	31 December 2005
a) in PLN	388	1 176
b) in foreign currencies (by currency and after translation into PLN)	2 298 740	2 315 920
- b1) currency - EUR	600 005	600 010
- translated into PLN	2 298 740	2 315 920
- b2) currency - USD	-	-
- translated into PLN	-	-
- b3) currency - CHF	-	-
- translated into PLN	-	-
c) other currencies translated into PLN	-	-
Total long-term liabilities	2 299 108	2 317 096

NOTE 19.3. LONG-TERM LIABILITIES DUE TO CREDITS AND LOANS

Name and legal form of the entity	Registered office	Amount of the credit / loan arising from the agreement (applied)			Outstanding amount of the credit / loan*			Interest rate	Repayment date	Collateral
		in PLN	in currency	currency	in PLN**	in currency	currency			
Bank Handlowy - Agent	Warsaw	2 299 860	600 000	EUR	2 303 637	601 283	EUR	Eurlibor 3M + 0.25	27.07.2010	guarantees of distribution companies
Liabilities in PLN					2 303 637					

* Including short-term portion and accrued interest due

**Translated at the NBP exchange rate as of 29 December 2006 (EUR/PLN 3.8312; USD/PLN 2.9105)

NOTE 19.4. LONG-TERM LIABILITIES DUE TO ISSUED FINANCIAL DEBT INSTRUMENTS

Did not occur.

NOTE 19.5. STATEMENT OF LONG-TERM LIABILITIES SECURED ON ASSETS

Did not occur.

NOTE 20. SHORT-TERM LIABILITIES

	31 December 2006	31 December 2005
a) to subsidiaries	240 317	169 658
- credits and loans, including:	1 965	1 979
- short-term portion of long-term items	-	-
- due to issuance of debt securities	-	-
- due to dividends	-	-
- other financial liabilities	-	-
- trade liabilities with maturity of:	46 567	36 037
- up to 12 months	46 567	36 037
- above 12 months	-	-
- received advances for deliveries	-	-
- bill of exchange liabilities	-	-
- other (by type)	191 785	131 642
b) to associated companies	12 877	58 996
- credits and loans, including:	-	-
- short-term portion of long-term items	-	-
- due to issuance of debt securities	-	-
- due to dividends	-	-
- other financial liabilities	-	-
- trade liabilities with maturity of:	11 244	55 152
- up to 12 months	11 244	55 152
- above 12 months	-	-
- received advances for deliveries	-	-
- bill of exchange liabilities	-	-
- other (by type)	1 633	3 844
c) to other entities	1 499 494	1 561 654
- credits and loans, including:	4 917	8 356
- short-term portion of long-term items	4 917	8 356
- due to issuance of debt securities	-	-
- other financial liabilities, including:	55 067	173 362
- finance lease agreements	-	185
- valuation of forward transactions	55 067	173 177
- trade liabilities with maturity of:	734 853	634 509
- up to 12 months	734 843	634 509
- above 12 months	10	-
- received advances for deliveries	-	-
- bill of exchange liabilities	-	-
- tax, customs duties, insurance and other liabilities	644 266	695 083
- payroll liabilities	708	426
- other (by type)	59 683	49 918
- due to purchase of non-financial fixed assets	55 280	35 136
- tender bonds, deposits and guarantees	3 057	1 665
- other	1 346	13 117
d) special funds (due to)	90 779	62 394
- Company's Social Benefits Fund	26 883	24 588
- mine liquidation fund	53 956	25 764
- Company's bonus fund	200	43
- other funds	9 740	12 000
Total short-term liabilities	1 843 467	1 852 702

NOTE 20.1. SHORT-TERM LIABILITIES – EXCLUDING SPECIAL FUNDS (BY CURRENCY)

	31 December 2006	31 December 2005
a) in PLN	1 140 837	1 465 182
b) in foreign currencies (by currency and after translation into PLN)	611 815	325 126
- b1) currency - EUR	24 074	21 772
- translated into PLN	92 233	84 035
- b2) currency - USD	178 457	73 861
- translated into PLN	519 399	240 883
- b3) currency - GBP	32	37
- translated into PLN	183	208
- b4) currency - CHF	-	-
- translated into PLN	-	-
c) other currencies translated into PLN	36	-
Total short-term liabilities	1 752 688	1 790 308

Note 20.2. SHORT-TERM LIABILITIES DUE TO CREDITS AND LOANS*

Name and legal form of the entity	Registered office	Amount of the credit / loan arising from the agreement (applied)			Outstanding amount of the credit / loan*			Interest rate	Repayment date	Collateral	Other
		in PLN	in currency	currency	in PLN**	in currency	currency				
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Liabilities in PLN											

* The Company has no short-term credits and loans. Short-term liabilities due to credits and loans presented in note 20 represent the due amount of long-term credits and loans, referred to in note 19.3.

NOTE 20.3. SHORT-TERM LIABILITIES DUE TO ISSUED FINANCIAL DEBT INSTRUMENTS

Did not occur.

NOTE 21. CHANGE IN NEGATIVE GOODWILL

Did not occur.

NOTE 21.1. OTHER ACCRUALS

	31 December 2006	31 December 2005
a) accruals	1 932	2 395
- long-term (due to)	-	-
- short-term (due to)	1 932	2 395
- operating fee	-	-
- other	1 932	2 395
b) deferred income	2 068 501	2 619 431
- long-term (due to)	1 948 866	2 452 985
- net value of gas connections taken over free of charge	304	23
- connection fee	2 135	1 433
- deferred revenues due to uncollected gas	279	1 857
- contractual fines	219	28
- deferred income relating to fixed assets under leasing	1 945 882	2 449 593
- other	47	51
- short-term (due to)	119 635	166 446
- net value of gas connections taken over free of charge	-	-
- connection fee	11	-
- accrued fines	1 000	1 213
- deferred income relating to fixed assets under leasing	118 617	158 038
- other	7	7 195
Other accruals in total	2 070 433	2 621 826

NOTE 22. BOOK VALUE PER SHARE

All information on the calculation of book value per share has been presented in the table directly under the balance sheet.

NOTE 23. CONTINGENT RECEIVABLES FROM RELATED PARTIES (BY TITLE)

	31 December 2006	31 December 2005
a) guarantees and sureties received, including:	-	-
- from subsidiaries	-	-
- from associated companies	-	-
b) received bills of exchange, including:	193 083	8 012
- from subsidiaries	193 083	8 012
- from associated companies	-	-
Total contingent receivables from related parties	193 083	8 012

NOTE 23.1. CONTINGENT LIABILITIES TO RELATED PARTIES (BY TITLE)

	31 December 2006	31 December 2005
a) guarantees and sureties granted, including:	-	-
- to subsidiaries	-	-
- to associated companies	-	-
b) bills of exchange issued, including:	-	-
- to subsidiaries	-	-
- to associated companies	-	-
c) agreements, investment contracts signed, including:	405 784	62 592
- to subsidiaries	405 784	59 703
- to associated companies	-	2 889
d) liabilities due to operating leasing, including:	-	-
- to subsidiaries	-	-
- to associated companies	-	-
Total contingent liabilities to related parties	405 784	62 592

NOTE 24. NET REVENUES FROM SALES OF PRODUCTS (BY TYPE)

	31 December 2006	31 December 2005
High-methane gas	10 059 390	7 945 580
Nitrated gas	953 779	800 513
Crude oil	739 143	783 622
Helium	32 732	34 443
Propane-butane gas (LPG)	37 597	29 522
Gasoline	6 286	13 881
Decompressed gas (LNG)	14 084	8 450
Other sales	276 755	246 119
Total net revenues from sales of products	12 119 766	9 862 130
including: from related parties	6 836 000	5 326 679

NOTE 24.1. NET REVENUES FROM SALES OF PRODUCTS (BY TERRITORY)

	31 December 2006	31 December 2005
a) Sales revenues – domestic	11 665 554	9 549 295
including: from related parties	6 836 000	5 326 679
- High-methane gas	10 035 367	7 933 166
- Nitrated gas	953 779	800 513
- Crude oil	325 633	510 954
- Helium	16 729	8 328
- Propane-butane gas	37 597	29 522
- Gasoline	6 286	13 881
- Decompressed gas (LNG)	13 551	8 450
- Other sales	276 612	244 481
b) Sales revenues – export	454 212	312 835
including: from related parties	-	-
- Crude oil	413 510	272 668
Great Britain	413 510	272 668
- Helium	16 003	26 115
Great Britain	15 529	25 970
Germany	97	17
Ukraine	54	28
Lithuania	115	100
Turkey	41	
USA	167	-
Belgium	4 770	-
- High-methane gas	24 023	12 414
Germany	24 023	12 414
- Services	143	1 187
Germany	2	68
Oman	-	342
Netherlands	-	627
Czech Republic	-	144
Great Britain	109	
Belgium	26	
Ukraine	6	6
- Liquefied natural gas (LNG)	533	
Sweden	533	
- Other	-	451
Sweden	-	426
Latvia	-	25
Total net revenues from sales of products	12 119 766	9 862 130
including: from related parties	6 836 000	5 326 679

NOTE 25. REVENUES FROM SALES OF GOODS AND MATERIALS (BY TYPE)

	31 December 2006	31 December 2005
Sales due to:	1 906	5 673
- different goods and materials	1 906	5 673
Total net revenues from sales of goods and materials	1 906	5 673
including: from related parties	327	911

NOTE 25.1. REVENUES FROM SALES OF GOODS AND MATERIALS (TERRITORIAL STRUCTURE)

	31 December 2006	31 December 2005
a) Sales revenues – domestic	1 906	5 672
including: from related parties	327	911
b) Sales revenues – export	-	1
including: from related parties	-	-
- miscellaneous materials	-	1
Czech Republic	-	1
Total net revenues from sales of goods and materials	1 906	5 673
including: from related parties	327	911

NOTE 26. EXPENSES BY TYPE

	31 December 2006	31 December 2005
a) depreciation	265 367	486 570
b) consumption of materials and energy	8 162 329	6 044 774
c) external services	2 237 610	1 467 124
d) taxes and charges	227 903	212 144
e) payroll	230 462	259 515
f) social security and other benefits	87 158	95 580
g) other expenses by type	23 181	22 007
Total expenses by type	11 234 010	8 587 714
Change in the balance of inventory, products and prepayments/accruals	(14 442)	(4 011)
Manufacturing cost of products for internal purposes of the entity (negative value)	(8 160)	(12 137)
Selling costs (negative value)	(47 066)	(21 944)
General and administrative costs (negative value)	(126 919)	(212 376)
Manufacturing cost of products sold	11 037 423	8 337 246

NOTE 27. OTHER OPERATING REVENUES

	31 December 2006	31 December 2005
a) provisions released	210 124	92 994
- for reclamation of wells	25 966	36 638
- for jubilee bonuses and retirement severance	-	17 008
- for liquidation of unused infrastructure	7 005	3 031
- provision for renegotiation of import prices	50 224	-
- provision for return of leased asset	81 285	-
- for paid vacations	-	2 408
- for tax liabilities	-	952
- for fines imposed by the Office for Competition and Consumer Protection	39 294	-
- provision for future liabilities	1 536	71
- provision for liabilities to Europolgaz released	-	3 714
- provision for joint and several liabilities to subcontractors of the subsidiary	-	28 900
- for Mentor remuneration	-	-
- other	4 814	272
b) other	544 196	540 336
- revaluation write-down on receivables	-	97 658
- revaluation write-down on tangible fixed assets	-	102 597
- revaluation write-down on inventory	-	-
- expired, amortized liabilities written-off	33 202	-
- received compensation, penalties and fines	1 399	1 732
- inflows related to operating revenues accrued previously as deferred income	137 219	104 059
- revenues from activated wells	2 739	12 025
- connection fee	229	11
- revenues from sales of social activities	306	1 106
- release of employment termination benefit fund	-	5 727
- surplus of material dividend value over net property value	366 496	192 002
- other (various)	2 606	23 419
Other operating revenues in total	754 320	633 330

NOTE 28. OTHER OPERATING EXPENSES

	31 December 2006	31 December 2005
a) provisions created	63 123	173 083
- for unused vacations	122	-
- for pension allowances	2 428	14 135
- for retirement severance	14 548	-
- for termination benefits	-	9 017
- for restructuring	-	4 869
- for reclamation of wells	7 692	-
- for real estate tax	-	-
- for fines imposed by the Office for Competition and Consumer Protection	-	-
- for Mentor remuneration	8 562	394
- provision for liabilities of branch in Pakistan	-	824
- for gas pitch	29 166	3 800
- provision for joint and several liabilities to subcontractors of the subsidiary	-	-
- provision for renegotiation of import prices	-	50 224
- provision for return of leased asset	-	81 285
- other	605	8 535
b) other	37 514	48 495
- expired, amortized and irrecoverable receivables written-off	5	21
- write offs due to excessive, obsolete, damaged, slow-moving inventory and changes in inventory market prices	-	47
- penalties, damages and fines paid	1 802	839
- current assets and cash donated	571	1 443
- written-off costs of fixed assets under construction without economic impact	37	2 933
- cost of maintenance of social facilities	4 689	2 959
- depreciation of social facilities	-	340
- write off to the mine liquidation fund	27 290	8 179
- write off to Restructuring Fund	-	12 000
- flat-rate tax on PGNIG Finance interest	-	12 992
- other (membership premiums, fees, other various)	3 120	6 742
Other operating expenses in total	100 637	221 578

NOTE 29. FINANCIAL REVENUES – DIVIDEND AND PROFIT SHARING

	31 December 2006	31 December 2005
a) from related parties, including:	59 260	100 786
- from subsidiaries	58 002	99 520
- from associated companies	1 258	1 266
b) from other entities	38	176
Total financial revenues due to dividend and profit sharing	59 298	100 962

NOTE 29.1. FINANCIAL REVENUES DUE TO INTEREST

	31 December 2006	31 December 2005
a) on loans granted	21 924	27 168
- from related parties, including:	21 924	26 943
- from subsidiaries	4 666	4 616
- from associated companies	17 258	22 327
- from other entities	-	225
b) on commercial transactions	23 650	75 795
- from related parties, including:	505	382
- from subsidiaries	505	382
- from associated companies	-	-
- from other entities	23 145	75 413
c) on funds on bank accounts and deposits up to 3 months	31 668	71 278
d) on bank deposits and securities above 3 months	-	645
e) State Budget	-	-
f) on leases	268 617	145 082
Total financial revenues due to interest	345 859	319 968

NOTE 29.2. OTHER FINANCIAL REVENUES

	31 December 2006	31 December 2005
c) profit on exchange differences	42 772	123 391
- exchange gains	259 994	512 856
- <i>realized</i>	237 258	489 770
- <i>unrealized</i>	22 736	23 086
- exchange losses	217 222	389 465
- <i>realized</i>	160 710	308 367
- <i>unrealized</i>	56 512	81 098
b) other, including:	238 481	284 866
- revenues from the valuation of forwards and swaps	230 343	276 855
- <i>realized</i>	230 343	276 855
- <i>unrealized</i>	-	-
- revenues from discount of external bills of exchange	-	-
- released revaluation write-down on accrued interest	107	2 672
- finance lease	5	1 306
- released provision for interest on liabilities	7 716	-
- other	310	4 033
Total other financial revenues	281 253	408 257

NOTE 30. FINANCIAL EXPENSES DUE TO INTEREST

	31 December 2006	31 December 2005
a) on credits and loans	74 662	322 707
- to related parties, including:	-	221 383
- to subsidiaries	-	221 383
- to associated companies	-	-
- to other entities	74 662	101 324
b) on commercial transactions	520	238
- to related parties, including:	1	21
- to subsidiaries	1	7
- to associated companies	-	13
- to other entities	518	217
c) to State Budget	646	1 526
d) interest on finance lease	241	3 312
e) other interest	-	-
Total financial expenses due to interest	76 069	327 783

NOTE 30.1. OTHER FINANCIAL EXPENSES

	31 December 2006	31 December 2005
a) loss on exchange differences:	-	-
- exchange gains	-	-
- <i>realized</i>	-	-
- <i>unrealized</i>	-	-
- exchange losses	-	-
- <i>realized</i>	-	-
- <i>unrealized</i>	-	-
b) other, including:	360 236	477 673
- costs of forwards and swaps	339 958	395 086
- <i>realized</i>	242 375	280 137
- <i>unrealized</i>	97 583	114 949
- revaluation write-down on accrued interest	5 144	42 503
- commission on credits and other	2 616	9 488
- fee paid for guarantees received	6 511	17 844
- provision for interest on liabilities	179	317
- premium on Eurobonds	-	11 651
- costs of well reclamation	5 362	-
- other	466	784
Total other financial expenses	360 236	477 673

NOTE 31. GAIN (LOSS) ON SALE OF ALL OR A PART OF SHARES IN CONTROLLED ENTITIES

Not applicable, since the Company prepares consolidated financial statements.

NOTE 32. EXTRAORDINARY GAINS

	31 December 2006	31 December 2005
Casualty compensations	-	8
Other	-	-
Total extraordinary gains	-	8

NOTE 33. EXTRAORDINARY LOSSES

	31 December 2006	31 December 2005
Casualty costs	-	8
Other	-	795
Total extraordinary losses	-	803

NOTE 34. CURRENT INCOME TAX

	31 December 2006	31 December 2005
1. Gross profit (loss)	1 833 183	1 551 773
2. Differences between the gross profit (loss) and income tax base	(322 853)	(238 145)
Revenues not included in the taxable income	2 437 526	2 057 614
- Write-downs on receivables released	34 103	198 538
- Release of other write-downs	242 154	163 433
- Release of provision for real estate tax	-	-
- Release of provisions for liabilities to employees	14 474	56 052
- Release of provisions for reclamation of wells	34 847	66 184
- Release of provision for inventory	-	-
- Release of provision for liabilities	-	-
- Release of provision for gas pitch	11 353	-
- Release of other provisions	279 603	47 952
- Exchange gains due to revaluation	22 737	19 003
- Accrued interest on receivables	5 321	41 653
- Accrued revenues regarding depreciation of connection fee	211	10 842
- Accrued revenues in the amount equal to depreciation of fixed assets under leasing	482 373	71 619
- Accrued revenues regarding depreciation due to perpetual usufruct of land	-	738
- Accrued revenues regarding depreciation of fixed assets obtained free of charge	3 313	4 583
- Dividends received	59 298	100 962
- Export not confirmed by border Customs Office	-	-
- Revenues from hedging transactions	563 236	376 065
- Write-off on amortized and expired liabilities	1 211	-
- Revaluation write-down on fixed assets transferred by dividend	20 636	-
- Difference on market value measurement of assets transferred by dividend	-	192 002
- Revenues due to rental, lease, sales of gas, utilities with tax liability in the following month	660 146	700 429
- Liabilities written-off based on a court verdict	-	-
- Other	2 510	7 559
Costs not classified as tax-deductible expenses	2 160 569	1 953 784
- Revaluation write-downs on receivables	51 364	154 271
- Write-downs on shares and loans	29 195	-
- Write-down on inventory	4 051	-
- Other revaluation write-downs	286 314	179 424
- Provision for employee liabilities	31 572	50 771
- Provision for reclamation of wells	7 692	29 546
- Other provisions	154 031	160 813
- Accrued payable interest	6 806	10 449
- Expenses due to acquisition of shares and securities	-	37 920
- Transaction hedging costs	660 819	491 014
- Depreciation of received infrastructure	-	-
- Depreciation of perpetual usufruct right to land	4 025	5 190
- Other depreciation	23 823	29 210
- Exchange losses	56 514	81 130
- Additional write off to social fund	-	-
- PFRON	2 716	3 251
- VAT	49	22
- Own cost of exported crude oil	-	-
- Donations	571	1 443
- Costs of discontinued investments	57	2 933
- Fixed asset losses	-	-
- Interest, compensation, penalties, fines, fees	3 780	766
- Adjustment of gas sales costs	783 895	660 323
- Other	53 295	55 308
Taxable revenues not classified to accounting revenues	962 984	740 979
- Realized exchange gains	5 225	132 236
- Connection fee	925	749
- Received interest	2 088	5 060
- Revenues from forward transactions	-	-
- Revenues due to rental, lease, sales of gas, utilities with tax liability in the following month	700 427	482 160
- Finance lease – principal installment	225 327	118 843
- Revenues due to contribution in kind	24 507	-
- Other	4 485	1 931

NOTE 34. CURRENT INCOME TAX, CONT.

Tax-deductible expenses, not classified to accounting expenses	1 007 399	873 851
- Realized exchange losses	6	300 142
- Interest paid	8 356	6 923
- Additional write off to social fund	-	235
- Mine liquidation fund	-	-
- Change in tax qualification of revaluation write-down on receivables	-	-
- Depreciation - difference between accounting and tax rates	108 831	-
- Provision for the valuation of hedging transactions	20 651	105 308
- Revaluation of shares	-	-
- Securities at sales value	-	-
- Finance lease	168 718	77 600
- Expenses due to rental, lease, sales of gas, utilities payable in the following month	660 323	365 428
- Other	40 514	18 215
Deductions from income	1 481	1 443
- Donations	553	1 443
- Subsidies	928	-
3. Income tax base	1 510 330	1 313 628
Tax rate for the given period	19%	19%
4. Income tax	286 962	249 589
5. Increases, releases, exemptions, deductions and reductions of taxes	2	(150)
6. Current income tax disclosed in tax return for the period, including:	286 964	249 739
- disclosed in the profit and loss account	286 964	249 739

NOTE 34.1. DEFERRED INCOME TAX DISCLOSED IN THE PROFIT AND LOSS ACCOUNT

	31 December 2006	31 December 2005
- decrease (increase) due to occurrence and reversal of temporary differences	36 026	(2 964)
- decrease (increase) due to change of tax rates	-	-
- decrease (increase) due to previously not recognized tax loss, tax relief or temporary difference of the previous period	-	-
- decrease (increase) due to write-off of deferred tax assets or lack of possibility to use the provisions for deferred income tax	-	-
- other deferred tax components (by titles)	-	-
- unrecognized temporary differences from previous period	-	-
Total deferred income tax	36 026	(2 964)

NOTE 34.2. TOTAL AMOUNT OF DEFERRED INCOME TAX RECOGNIZED UNDER GOODWILL OR NEGATIVE GOODWILL

The item "Total amount of deferred income tax recognized in goodwill or negative goodwill" applies to individual financial statements in case of merger. No business combinations of PGNiG S.A. and other entities took place in the financial period.

NOTE 34.3. DEFERRED INCOME TAX DISCLOSED IN THE PROFIT AND LOSS ACCOUNT RELATING TO:

	31 December 2006	31 December 2005
- discontinued operations	-	-
- result on extraordinary events	-	-

NOTE 35.1. OTHER OBLIGATORY REDUCTIONS IN PROFIT (INCREASES IN LOSS) DUE TO:

	31 December 2006	31 December 2005
15% dividend to the owner (State Treasury)	(23)	166 842
Total other statutory reductions in profit (increases in loss)	(23)	166 842

NOTE 36. SHARE IN NET PROFITS (LOSSES) OF CONTROLLED ENTITIES MEASURED USING THE EQUITY METHOD

Not applicable.

The Company prepares consolidated financial statements and applies the equity method to controlled entities.

NOTE 37. PROFIT DISTRIBUTION

The financial statements prepared as at 31 December 2005 were approved by the General Shareholders Meeting on 27 June 2006. The General Shareholders Meeting decided that the Company's profit in 2005 in the amount of PLN 1,132,227.9 thousand should be distributed as follows:

- PLN 885,000.0 thousand should be allocated to the payment of a dividend (which translates into the payment of PLN 0.15 per share), of which:
 - PLN 750,000.0 thousand as a cash and non-cash dividend to the State Treasury;
 - PLN 135,000.0 thousand as a cash dividend to other shareholders;
- PLN 7,300.0 thousand should be allocated as a write-off to the Company's Social Benefits Fund;
- PLN 27,600.0 thousand be allocated for bonuses to employees;
- PLN 8,000.0 thousand should be allocated to the employment restructuring fund;
- PLN 204,327.9 thousand should be allocated as an increase in the Company's supplementary capital.

The dividend date was set as 27 July 2006, and the dividend was paid on 2 October 2006.

Until the date of preparation of the financial statements no decision on 2006 profit allocation has been made.

NOTE 38. EARNINGS PER SHARE

The weighted average number of shares was calculated as follows:

Start date	End date	Number of ordinary shares on the market	Number of days	Weighted average number of shares
31 December 2006				
2005.12.31	2006.12.31	5 900 000	365	5 900 000
Total			365	5 900 000
31 December 2005				
2004-12-31	2005-09-17	5 000 000	260	3 561 644
2005-09-17	2005-12-31	5 900 000	105	1 697 260
Total			365	5 258 904

The annualized profit was calculated as follows:

	31 December 2006		31 December 2005	
	Period	Value	Period	Value
Profit at period end	From 1 January to 31 December 2006	1 582 268	From 1 January to 31 December 2005	1 132 228
Annualized profit	From 1 January to 31 December 2006	1 582 268	From 1 January to 31 December 2005	1 132 228

In 2006 and in 2005 there were no instruments that would result in the adjustment of the number of shares or net profit, which are the basis for calculating diluted earnings per share. Due to the above, diluted earnings per share and earnings per share are equal.

In 2006 and in 2005 all shares entitled to an equal share in the net profit for a given period.

NOTE 39. STRUCTURE OF CASH AND CASH EQUIVALENTS

	31 December 2006	31 December 2005
Cash in hand	156	173
Cash at bank	18 282	93 365
a) current accounts	18 282	93 365
b) letters of credit	-	-
Other cash	2 953 756	2 652 846
a) cheques and external bills of exchange under 3 months	-	-
b) cash in transit	21	3
c) bank deposits including related interest	2 450 113	701 598
d) bills (commercial, treasury, NBP, etc.), deposit certificates	503 622	1 951 245
e) other	-	-
Other cash equivalents	-	-
a) cheques and external bills of exchange over 3 months	-	-
b) dividend due	-	-
c) other	-	-
Total cash and cash equivalents	2 972 194	2 746 384

NOTE 39.1. REASONS FOR DIFFERENCES BETWEEN BALANCE SHEET CHANGES IN CERTAIN ITEMS AND CHANGES ARISING FROM THE CASH FLOW STATEMENT

	31 December 2006
Cash	
Balance sheet change in cash	225 811
Change in cash due to exchange differences	19 816
Change in cash disclosed in the cash flow statement	245 627
Provisions	
Balance-sheet change in provisions	(49 827)
Change in the provision for reclamation of wells adjusting tangible fixed assets – adjustment of investment activities	(114 412)
Change in provisions disclosed in the cash flow statement	(164 239)
Inventory	
Balance-sheet change in inventory	(517 662)
Fixed assets under construction reclassified as inventory – adjustment of investment activity	56
Change in inventory disclosed in the cash flow statement	(517 606)
Receivables	
Balance-sheet change in net receivables	1 098 076
Change in receivables due to leasing – adjustment of investment activity	(877 357)
Change in receivables due to sale of non-financial fixed assets – adjustment of investment activities	(2 728)
Exchange of receivables for shares in a subsidiary – adjustment of investment activity	(4 148)
Reclassification of shares in a cooperative from investments in receivables - adjustment of investment activity	1
Balance of receivables and liabilities due to profit sharing (15%) with the State Treasury – adjustment of presentation in operating activity	(47 890)
Change in receivables disclosed in the cash flow statement	165 954
Liabilities	
Balance-sheet change in short-term liabilities excluding loans and credits	111 671
Change in liabilities due to purchase of non-financial fixed assets – adjustment of investment activities	(72 439)
Tax on capital increase in a subsidiary - adjustment of investment activity	60
Change in balance of liabilities due to shares acquired in a related company - adjustment of investment activity	403
Change in liabilities due to finance lease – adjustment of financial activity	59
Balance of liabilities and receivables due to profit sharing (15%) with the State Treasury – adjustment of presentation in operating activity	28 800
Elimination from special funds of profit write-off to the Company's Social Benefits Fund – adjustment of financial activities	(15 457)
Change in liabilities in cash flow statements	53 097
Prepayments and accruals	
Balance-sheet change in prepayments and accruals	(585 341)
Deferred income from leased fixed assets – reclassification within operating activity	542 941
Deferred income from non-financial fixed assets – adjustment of investment activity	(11)
Change in prepayments and accruals disclosed in the cash flow statement	(42 411)

**NOTE 39.2. STATEMENT OF MATERIAL ADJUSTMENTS, INFLOWS AND OUTFLOWS
CONCERNING THE ITEM 'OTHER'**

	31 December 2006
I. Other adjustments, due to:	(397 912)
Change in exchange differences from translation of a foreign branch	45
Adjustment regarding change in intangible assets – investment activities	3
Net value of tangible fixed assets transferred by dividend	111 766
Expenditure on non-financial fixed assets charged to costs – investment activity	105 695
Adjustments on fixed assets in finance lease - adjustment of investment activity	(29 184)
Change in tangible fixed assets related to change in provision for liquidation - adjustment of investment activity	(12 912)
Other adjustment of change in tangible fixed assets – adjustment of investment activity	4 034
Exchange differences from restatement of other investments in foreign branch - adjustment of investment activity	1
Non-cash change in receivables from finance lease related to dividend payment, return and transfer of tangible fixed assets - reclassification within operating activity	634 109
Deferred income from leased fixed assets – reclassification within operating activity	(542 941)
Payment of dividend in a material form - adjustment of financial activity	(681 481)
Cost of discount from the valuation of finance lease – adjustment of financial activity	(14)
Hedging transactions – adjustment of financial activity	8 474
Commission on credit paid – adjustment of financial activity	2 616
Expenses due to credit repayment guarantees received from distribution companies – adjustment of financial activity	5 872
Opening balance of exchange differences on cash	(3 995)
II. Other inflows from investment activities due to:	243 248
Lease receivables repayment – adjustment of investment activity	243 248
III. Other outflows from investment activities due to:	646
Advances for fixed assets under construction	-
Expenses incurred due to sale and liquidation of non-financial fixed assets	646
IV. Other inflows from financial activities due to:	249 433
Revenues from realized hedging transactions	230 343
Return of receivables due to contribution from profit (15%) to State Treasury	19 090
V. Other outflows from financial activities due to:	250 863
Commissions paid on credits	2 616
Expenses due to credit repayment guarantees received from distribution companies	5 872
Expenses due to realized hedging transactions	242 375