



PGNiG

**Polskie Górnictwo Naftowe
i Gazownictwo SA**

INTERIM REPORT

**FOR THE QUARTERS ENDED
SEPTEMBER 30TH 2009 AND SEPTEMBER 30TH 2008**

POLISH FINANCIAL SUPERVISION AUTHORITY

Consolidated Quarterly Report QSr 3 / 2009

quarter / year

(pursuant to Par. 82.2 and Par. 83.1 of the Regulation of the Minister of Finance of February 19th 2009 – Dz. U. No. 33, item 259)

(for issuers of securities in the manufacturing, construction, trade, and services sectors)

for the third quarter of the 2009 financial year covering the period from **January 1st** to **September 30th 2009**, containing condensed consolidated financial statement prepared in accordance with the International Financial Reporting Standards (IFRSs) in the złoty (PLN), and condensed non-consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRSs) in the złoty (PLN).

November 12th 2009
(date of release)

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(name)	
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FINANCIAL HIGHLIGHTS

Consolidated Financial Data	3 quarters cumulatively 2009 (Jan 1–Sep 30 2009)	3 quarters cumulatively 2008 (Jan 1–Sep 30 2008)	3 quarters cumulatively 2009 (Jan 1–Sep 30 2009)	3 quarters cumulatively 2008 (Jan 1–Sep 30 2008)
	PLN '000	PLN '000	EUR '000	EUR '000
I. Net sales revenue	13,661,536	12,913,123	3,105,389	3,770,585
II. Operating profit/(loss)	(184,405)	1,488,367	(41,917)	434,598
III. Profit/(loss) before tax	(86,895)	1,597,994	(19,752)	466,608
IV. Net profit/(loss)	(84,974)	1,239,349	(19,315)	361,885
V. Comprehensive income	(43,895)	1,197,217	(9,978)	349,583
VI. Net cash provided by/(used in) operating activities	1,207,739	2,024,313	274,530	591,092
VII. Net cash provided by/(used in) investing activities	(2,608,478)	(1,543,023)	(592,930)	(450,557)
VIII. Net cash provided by/(used in) financing activities	930,129	(4,708)	211,427	(1,375)
IX. Total net cash flow	(470,610)	476,582	(106,974)	139,160
X. Earnings/(loss) per ordinary share (PLN/EUR)	(0.01)	0.21	(0.003)	0.06
XI. Diluted earnings/(loss) per ordinary share (PLN/ EUR)	(0.01)	0.21	(0.003)	0.06
	As at Sep 30 2009	As at Dec 31 2008	As at Sep 30 2009	As at Dec 31 2008
XII. Total assets	29,484,662	29,745,277	6,982,585	7,129,057
XIII. Liabilities and provisions for liabilities	9,343,836	9,029,352	2,212,816	2,164,067
XIV. Non-current liabilities	4,019,395	4,058,629	951,877	972,732
XV. Current liabilities	5,324,441	4,970,723	1,260,939	1,191,335
XVI. Equity	20,140,826	20,715,925	4,769,769	4,964,990
XVII. Share capital	5,900,000	5,900,000	1,397,243	1,414,054
XVIII. Weighted average number of shares ('000)	5,900,000	5,900,000	5,900,000	5,900,000
XIX. Book value per share (PLN / EUR)	3.41	3.51	0.81	0.84
XX. Diluted book value per share (PLN / EUR)	3.41	3.51	0.81	0.84
XXI. Dividend per share declared or paid (PLN / EUR)	0.09	0.19	0.02	0.05

Non-Consolidated Financial Data	3 quarters cumulatively 2009 (Jan 1–Sep 30 2009)	3 quarters cumulatively 2008 (Jan 1–Sep 30 2008)	3 quarters cumulatively 2009 (Jan 1–Sep 30 2009)	3 quarters cumulatively 2008 (Jan 1–Sep 30 2008)
	I. Net sales revenue	13,109,180	12,734,940	2,979,833
II. Operating profit/(loss)	(435,370)	1,183,246	(98,963)	345,504
III. Profit/(loss) before tax	(124,705)	1,416,842	(28,347)	413,713
IV. Net profit/(loss)	(61,080)	1,112,922	(13,884)	324,969
V. Comprehensive income	(36,498)	1,092,087	(8,296)	318,885
VI. Net cash provided by/(used in) operating activities	239,789	1,261,538	54,506	368,365
VII. Net cash provided by/(used in) investing activities	(1,727,949)	(924,253)	(392,778)	(269,879)
VIII. Net cash provided by/(used in) financing activities	950,444	(2,228)	216,044	(651)
IX. Total net cash flow	(537,716)	335,057	(122,228)	97,835
X. Earnings/(loss) per ordinary share (PLN/EUR)	(0.01)	0.19	(0.002)	0.06
XI. Diluted earnings/(loss) per ordinary share (PLN/ EUR)	(0.01)	0.19	(0.002)	0.06
	As at Sep 30 2009	As at Dec 31 2008	As at Sep 30 2009	As at Dec 31 2008
XII. Total assets	23,160,812	23,440,498	5,484,965	5,617,989
XIII. Liabilities and provisions for liabilities	6,546,938	6,259,126	1,550,452	1,500,126
XIV. Non-current liabilities	1,945,640	2,022,998	460,768	484,852
XV. Current liabilities	4,601,298	4,236,128	1,089,684	1,015,274
XVI. Equity	16,613,874	17,181,372	3,934,513	4,117,863
XVII. Share capital	5,900,000	5,900,000	1,397,243	1,414,054
XVIII. Weighted average number of shares ('000)	5,900,000	5,900,000	5,900,000	5,900,000
XIX. Book value per share (PLN / EUR)	2.82	2.91	0.67	0.70
XX. Diluted book value per share (PLN / EUR)	2.82	2.91	0.67	0.70
XXI. Dividend per share declared or paid (PLN / EUR)	0.09	0.19	0.02	0.05

Items of the income statement and cash-flow statement were translated using the EUR exchange rate computed as the arithmetic mean of mid exchange rates quoted by the National Bank of Poland (NBP) for the last day of each calendar month in the reporting period (from January 1st to September 30th 2009).

Items of the balance sheet were translated using the mid EUR exchange rate quoted by the NBP as at the end of the period (September 30th 2009).

AVERAGE EUR/PLN EXCHANGE RATES QUOTED BY THE NATIONAL BANK OF POLAND

	Sep 30 2009	Dec 31 2008	Sep 30 2008
Average exchange rate for the period	4.3993	3.5321	3.4247
Exchange rate at end of the period	4.2226	4.1724	3.4083

I. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

	Q3 2009 (Jul 1–Sep 30 2009)	3 quarters cumulatively 2009 (Jan 1–Sep 30 2009)	Q3 2008 (Jul 1–Sep 30 2008)	3 quarters cumulatively 2008 (Jan 1–Sep 30 2008)
	unaudited	unaudited	unaudited	unaudited
	(PLN '000)			
Sales revenue	3,407,948	13,661,536	3,653,520	12,913,123
Raw and other materials used	(1,284,111)	(8,894,309)	(2,127,957)	(7,021,744)
Employee benefits	(518,064)	(1,746,539)	(496,012)	(1,532,418)
Depreciation and amortisation	(346,901)	(1,109,390)	(336,281)	(1,057,704)
Contracted services	(839,830)	(2,187,978)	(651,930)	(1,990,828)
Cost of products and services for own needs	241,236	600,803	182,777	490,687
Other operating expenses, net	(165,445)	(508,528)	(28,296)	(312,749)
Total operating expenses	(2,913,115)	(13,845,941)	(3,457,699)	(11,424,756)
Operating profit/(loss)	494,833	(184,405)	195,821	1,488,367
Financial income	11,376	181,327	49,097	160,007
Financial expenses	(16,257)	(83,631)	(16,951)	(50,544)
Share in profit/(loss) of undertakings valued with equity method	10	(186)	103	164
Pre-tax profit/(loss)	489,962	(86,895)	228,070	1,597,994
Corporate income tax	(81,929)	1,921	(47,992)	(358,645)
Net profit/(loss)	408,033	(84,974)	180,078	1,239,349
Attributable to:				
equity holders of the parent	406,212	(87,236)	179,009	1,238,610
minority interests	1,821	2,262	1,069	739
Net profit/(loss) per share attributable to ordinary shareholders of the parent	0.07	(0.01)	0.03	0.21

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q3 2009 (Jul 1–Sep 30 2009)	3 quarters cumulatively 2009 (Jan 1–Sep 30 2009)	Q3 2008 (Jul 1–Sep 30 2008)	3 quarters cumulatively 2008 (Jan 1–Sep 30 2008)
	unaudited	unaudited	unaudited	unaudited
	(PLN '000)			
Net profit/(loss)	408,033	(84,974)	180,078	1,239,349
Currency translation differences on foreign operations	(16,700)	14,742	(553)	(20,201)
Valuation of hedging instruments	(9,406)	(9,406)	-	-
Valuation of financial instruments	5,800	41,920	(10,600)	(26,000)
Deferred tax related to other comprehensive income	686	(6,177)	2,014	4,940
Currency translation differences on deferred tax	-	-	-	-
Other	-	-	-	(871)
Other comprehensive net income/(loss)	(19,620)	41,079	(9,139)	(42,132)
Total comprehensive income/(loss)	388,413	(43,895)	170,939	1,197,217
Attributable to:				
Equity holders of the parent	386,592	(46,157)	169,870	1,196,478
Minority interests	1,821	2,262	1,069	739

CONSOLIDATED BALANCE SHEET

	As at Sep 30 2009 (end of Q3 2009)	As at Dec 31 2008 (end of previous year / 2008)
	unaudited	audited
	(PLN '000)	
ASSETS		
Non-current assets		
Property, plant and equipment	22,018,854	20,587,027
Investment property	6,643	8,181
Intangible assets	158,635	151,721
Investments in associated undertakings valued with equity method	556,697	556,882
Financial assets available for sale	99,296	42,935
Other financial assets	650,495	676,634
Deferred tax asset	608,200	514,867
Other non-current assets	46,261	35,343
Total non-current assets	24,145,081	22,573,590
Current assets		
Inventories	1,700,691	1,721,259
Trade and other receivables	2,274,489	3,716,923
Current income tax receivable	252,500	59,614
Prepayments and accrued income	135,372	70,262
Financial assets available for sale	8,244	6,495
Derivative financial instruments	16,634	174,186
Cash and cash equivalents	950,859	1,421,939
Non-current assets held for sale	792	1,009
Total current assets	5,339,581	7,171,687
Total assets	29,484,662	29,745,277
EQUITY AND LIABILITIES		
Equity		
Share capital	5,900,000	5,900,000
Currency translation differences on foreign operations	(24,318)	(39,060)
Share premium account	1,740,093	1,740,093
Other capital reserves	11,388,387	10,729,053
Retained earnings	1,125,572	2,376,809
Equity (attributable to equity holders of the parent)	20,129,734	20,706,895
Equity attributable to minority interests	11,092	9,030
Total equity	20,140,826	20,715,925
Non-current liabilities		
Loans, borrowings and debt securities	46,833	41,055
Provisions	1,559,835	1,501,939
Deferred income	1,127,638	1,139,332
Deferred tax liability	1,265,978	1,352,241
Other non-current liabilities	19,111	24,062
Total non-current liabilities	4,019,395	4,058,629
Current liabilities		
Trade and other payables	2,358,717	3,222,540
Loans, borrowings and debt securities	1,874,695	871,755
Liabilities under derivative financial instruments	276,060	16,723
Current tax liability	40,517	47,552
Provisions	171,908	173,382
Deferred income	602,544	638,771
Total current liabilities	5,324,441	4,970,723
Total liabilities	9,343,836	9,029,352
Total equity and liabilities	29,484,662	29,745,277

CONSOLIDATED CASH-FLOW STATEMENT

	3 quarters cumulatively 2009 (Jan 1–Sep 30 2009) unaudited	3 quarters cumulatively 2008 (Jan 1– Sep 30 2008) unaudited
	(PLN '000)	
Cash flows from operating activities		
Net profit/(loss)	(84,974)	1,239,349
Adjustments:		
Share in net profit/(loss) of undertakings valued with equity method	186	(164)
Depreciation and amortisation	1,109,390	1,057,704
Net foreign exchange gains/(losses)	(258,997)	112,219
Net interest and dividend	6,346	(118,246)
Profit/(loss) on investing activities	22,864	(48,002)
Current income tax	(1,921)	358,645
Income tax paid	(373,478)	(505,044)
Other items, net	667,671	(114,835)
Net cash provided by/(used in) operating activities before changes in working capital	1,087,087	1,981,626
Change in working capital:		
Change in receivables, net	1,522,590	757,369
Change in inventories	20,567	(561,727)
Change in provisions	19,851	22,506
Change in current liabilities	(1,318,415)	(144,672)
Change in prepayments	(76,027)	(107,398)
Change in deferred income	(47,914)	76,609
Net cash provided by/(used in) operating activities	1,207,739	2,024,313
Cash flows from investing activities		
Sale of property, plant and equipment and intangible assets	17,158	14,273
Sale of shares in non-consolidated undertakings	5	-
Sale of short-term securities	6,001	54,329
Acquisition of property, plant and equipment and intangible assets	(2,790,463)	(1,750,053)
Acquisition of shares in non-consolidated undertakings	(5,073)	(78,000)
Acquisition of short-term securities	-	-
Interest received	41,844	113,174
Dividend received	5,539	4,770
Proceeds from financed lease	34,801	78,879
Other items, net	81,710	19,605
Net cash provided by/(used in) investing activities	(2,608,478)	(1,543,023)
Cash flows from financing activities		
Net proceeds from issue of shares, other equity instruments and additional contributions to equity	-	-
Increase in loans and borrowings	1 449 831	50,143
Issue of debt securities	-	-
Decrease in loans and borrowings	(444,258)	(17,686)
Redemption of debt securities	-	-
Decrease in financed lease liabilities	(28,306)	(26,177)
Inflows from derivative financial instruments	-	-
Outflows on derivative financial instruments	-	-
Dividend paid	-	-
Interest paid	(46,767)	(8,728)
Other items, net	(371)	(2,260)
Net cash provided by/(used in) financing activities	930,129	(4,708)
Net change in cash	(470,610)	476,582
Net foreign exchange gains/(losses)	(410)	1,363
Cash and cash equivalents at beginning of period	1,420,863	1,584,868
Cash and cash equivalents at end of period	950,253	2,061,450

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity (attributable to equity holders of the parent)					Total	Equity	Total equity
	Share capital	Currency translation differences on foreign operations	Share premium account	Other capital reserves	Retained earnings (losses)		attributable to	
	(PLN '000)							
As at Jan 1 2009	5,900,000	(39,060)	1,740,093	10,729,053	2,376,809	20,706,895	9,030	20,715,925
Transfers	-	-	-	632,997	(633,001)	(4)	4	-
Payment of dividend to shareholders	-	-	-	-	(531,000)	(531,000)	(204)	(531,204)
Comprehensive income for 3 quarters 2009	-	14,742	-	26,337	(87,236)	(46,157)	2,262	(43,895)
As at Sep 30 2009 (unaudited)	5,900,000	(24,318)	1,740,093	11,388,387	1,125,572	20,129,734	11,092	20,140,826
As at Jan 1 2008	5,900,000	(44,525)	1,740,093	3,478,081	9,939,427	21,013,076	8,689	21,021,765
Transfers	-	-	-	7,291,731	(7,291,731)	-	-	-
Payment of dividend to shareholders	-	-	-	-	(1,121,000)	(1,121,000)	(104)	(1,121,104)
Comprehensive income for 3 quarters 2008	-	(20,201)	-	(21,060)	1,237,739	1,196,478	739	1,197,217
As at Sep 30 2008 (unaudited)	5,900,000	(64,726)	1,740,093	10,748,752	2,764,435	21,088,554	9,324	21,097,878

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Deferred Tax

Deferred tax asset and liability	Deferred tax asset	Deferred tax liability
As at beginning of period: Jan 1 2009	514,867	1,352,241
a) increase	158,013	,3,737
b) decrease	(64,680)	(90,000)
Deferred tax as at end of period: Sep 30 2009	608,200	1,265,978
As at beginning of period: Jan 1 2008	419,814	1,530,359
a) increase	185,819	,51,981
b) decrease	(90,766)	(230,099)
Deferred tax as at end of period: Dec 31 2008	514,867	1,352,241

2. Valuation Allowances

Grupa Kapitałowa PGNiG S.A.
 Raport okresowy za III kwartał 2009 roku
 Dodatkowe noty objaśniające do skonsolidowanego sprawozdania finansowego
 (w tysiącach złotych)

Valuation allowances for assets	Property, plant and equipment and intangible assets	Investment property	Other financial assets	Investments in associated undertakings valued with equity method	Non-current financial assets available for sale	Inventories	Current receivables	Current portion of non-current loans and borrowings	Current financial assets available for sale	Total
As at beginning of period: Jan 1 2009	13,615,746	1,445	42	888,789	52,065	15,008	896,732	136,869	1,280	15,607,976
a) increase	165,935	-	14	210,123	1,300	549	202,045	39,743	711	620,420
b) transfer	(4)	4	(11)	-	-	-	11	-	-	-
c) decrease	(59,025)	(1,192)	(2)	-	(1,392)	(174)	(86,862)	(159,887)	(1,280)	(309,814)
Valuation allowances as at end of period: Sep 30 2009	13,722,652	257	43	1,098,912	51,973	15,383	1,011,926	16,725	711	15,918,582
As at beginning of period: Jan 1 2008	13,668,153	2,020	2,070	1,022,522	52,820	34,317	944,815	141,536	2,808	15,871,061
a) increase	97,030	-	78	-	18,552	3,736	99,102	50,827	1,325	270,650
b) transfer	-	-	(1,873)	-	2,538	-	24	1,849	(2,538)	-
c) decrease	(149,437)	(575)	(233)	(133,733)	(21,845)	(23,045)	(147,209)	(57,343)	(315)	(533,735)
Valuation allowances as at end of period: Dec 31 2008	13,615,746	1,445	42	888,789	52,065	15,008	896,732	136,869	1,280	15,607,976

3. Provisions

	Provision for length-of-service awards and retirement severance pays	Provision for gas allowances	Provision for termination benefits	Provision for well reclamation costs	Provision for penalty imposed by the Office for Competition and Consumer Protection	Provision for environmental protection liabilities	Provision for potential liability under transmission services	Provision for Central Restructuring Fund	Other	Total
As at beginning of period:										
Jan 1 2009	317,089	40,923	-	1,041,431	-	133,853	44,300	6,760	90,965	1,675,321
a) increase	33,126	-	-	58,599	179	2,095	-	5,000	82,975	181,974
b) transfer	-	-	-	-	-	-	-	-	-	-
c) decrease	(12,798)	(10,314)	-	(14,589)	-	(1,101)	(26,109)	(1,310)	(59,331)	(125,552)
Other provisions as at end of period: Sep 30 2009	337,417	30,609	-	1,085,441	179	134,847	18,191	10,450	114,609	1,731,743
As at beginning of period:										
Jan 1 2008	358,872	61,199	16,000	706,834	2,000	84,535	22,500	7,540	75,545	1,335,025
a) increase	47,491	1,073	57	413,993	-	55,339	21,800	-	104,505	644,258
b) transfer	-	-	-	-	-	-	-	-	-	-
c) decrease	(89,274)	(21,349)	(16,057)	(79,396)	(2,000)	(6,021)	-	(780)	(89,085)	(303,962)
Other provisions as at end of period: Dec 31 2008	317,089	40,923	-	1,041,431	-	133,853	44,300	6,760	90,965	1,675,321

4. Sales Revenue

	Jan 1- Sep 30 2009	Jan 1 - Sep 30 2008
Methane-rich gas	11,409,56	10,412,668
Nitrogen-rich gas	946,234	935,368
Crude oil	452,995	630,187
Helium	26,290	19,783
Propane-butane gas	25,024	30,656
Gasoline	1,499	2,439
LNG	14,542	13,837
Geophysical and geological services	174,824	287,050
Exploration services	301,742	298,359
Materials and goods for resale	21,362	15,671
Other sales of products and services	287,463	267,105
Total	13,661,536	12,913,123

5. Proceeds under Transmission System Lease Agreement

	Jan 1- Sep 30 2009	Jan 1 - Sep 30 2008
Interest	37,118	106,056
Principal	34,801	78,879
Total	71,919	184,935

6. Operating Expenses

Raw and other materials used	Jan 1- Sep 30 2009	Jan 1 - Sep 30 2008
Gas purchases	(8,426,280)	(6,574,423)
Other	(468,029)	(447,321)
Total	(8,894,309)	(7,021,744)
Contracted services	Jan 1- Sep 30 2009	Jan 1 - Sep 30 2008
Purchases of transmission services	(987,203)	(1,022,848)
Other contracted services	(1,200,775)	(967,980)
Total	(2,187,978)	(1,990,828)

7. Corporate Income Tax

	Jan 1- Sep 30 2009	Jan 1 - Sep 30 2008
Profit/(loss) before tax (consolidated)	(86,895)	1,597,994
Tax rate applicable during the period	19%	19%
Tax calculated at applicable tax rate	16,510	(303,619)
Tax on permanent differences between profit/(loss) before tax and tax base	(14,589)	(55,026)
Tax charge disclosed in the consolidated income statement	1,921	(358,645)
Current income tax	(168,870)	(459,312)
Deferred income tax	170,791	100,667
Effective tax rate	2%	22%

The effective tax rate after the three quarters in 2009 was low mainly due to the inability to offset the profits (the Group does not constitute a group for tax purposes) reported by some of the Group companies for the first three quarters of 2009 (mainly gas companies and geophysics and exploration companies) against the losses incurred by the other companies (mainly PGNiG S.A.) while calculating current tax. A slight excess of the effective tax rate over the applicable tax rate in the first three quarters of 2008 followed from higher taxable income related to contributions in kind.

8. Property, Plant and Equipment by Categories

	As at Sep 30 2009 (end of Q3 2009)	As at Dec 31 2008 (end of previous year)
Land	82,987	82,372
Buildings and structures	13,265,844	13,557,215
Plant and equipment	2,234,551	2,322,574
Vehicles and other	903,552	903,316
Total fixed assets	16,486,934	16,865,477
Tangible assets under construction	5,531,920	3,721,550
Total property, plant and equipment	22,018,854	20,587,027

9. Derivative Financial Instruments

The table below presents the banks with which the Company has signed ISDA or PMA agreements.

Bank	Agreement/ transaction type
ABN Amro	ISDA/all
BH	PMA/all
BNP Paribas Polska	PMA/all
CALYON	ISDA/all
Credit Suisse	ISDA/All
DB Polska S.A.	PMA/all
DB AG	ISDA/all
Dresdner Bank AG	ISDA/all
Fortis Bank N.V.	ISDA/all
Goldman Sachs	ISDA/All
HSBC Bank Polska S.A.	PMA/all
ING Bank Śląski S.A.	PMA/all
Mitsubishi UFJ Securities Int. plc	ISDA/all
Morgan Stanley	ISDA/all
Millennium Bank Polska S.A.	PMA/all
Pekao S.A.	PMA/all
PKO BP S.A.	PMA/all
SG Bank	ISDA/all
SMBC Capital Markets, Inc.	ISDA/all
WestLB Bank Polska S.A.	PMA/all

In the period from July 1st 2009 to September 30th 2009 the following derivative transactions were concluded:

1. purchase of call options,
2. zero-cost risk reversal strategy with a maturity term of 1 to 6 months.

All the derivative transactions executed by the Parent Undertaking are hedges against currency risk and interest rate risk. In none of the periods does the volume of hedging transactions exceed the value of hedged items. The transactions concluded from July 1st to September 30th 2009, not covered by hedge accounting, are purchases of NOK/PLN call options. The transactions were not covered by hedge accounting because the NOK/PLN option was an economic hedge, for which, pursuant to the principles of hedge accounting, no hedging relationship could be designated. Furthermore, in that period the Company was party to acquired in previous periods CCIRS transactions not covered by hedge accounting as the valuation of both the hedged item and the hedge (derivative transaction) is reflected in the income statement.

The table below presents the Company's open derivative transactions as at September 30th 2009.

Hedged item	Value of hedging instrument	Currency of hedging instrument	Hedge type	Settlement type	Date of hedging transaction	Exercise date of hedging instrument	Exercise price (exercise price range) of instrument	Hedged risk	Measurement of hedge's fair value (+) positive; (-) negative
Payments for gas	15,000	USD	Call	real	May 5 2009	Oct 9 2009	4,0000	currency risk	-
Payments for gas	15,000	USD	Put	real	May 5 2009	Oct 9 2009	2,9250	currency risk	(829)
Payments for gas	15,000	USD	Call	real	May 5 2009	Oct 9 2009	3,8000	currency risk	-
Payments for gas	15,000	USD	Put	real	May 12 2009	Oct 9 2009	2,9620	currency risk	(1,279)
Payments for gas	15,000	USD	Call	real	May 13 2009	Oct 11 2009	3,8000	currency risk	1
Payments for gas	15,000	USD	Put	real	May 13 2009	Oct 11 2009	2,9720	currency risk	(1,795)
Payments for gas	15,000	USD	Call	real	May 19 2009	Oct 9 2009	3,8200	currency risk	-
Payments for gas	15,000	USD	Put	real	May 19 2009	Oct 9 2009	2,9825	currency risk	(1,548)
Payments for gas	15,000	USD	Call	real	May 19 2009	Oct 11 2009	3,8500	currency risk	-
Payments for gas	15,000	USD	Put	real	May 19 2009	Oct 11 2009	2,9620	currency risk	(1,686)
Payments for gas	5,000	EUR	Call	real	May 20 2009	Oct 9 2009	4,6000	currency risk	-
Payments for gas	15,000	USD	Call	real	May 20 2009	Nov 20 2009	3,8000	currency risk	4
Payments for gas	15,000	USD	Put	real	May 20 2009	Nov 20 2009	2,9140	currency risk	(1,326)
Payments for gas	5,000	EUR	Call	real	May 22 2009	Oct 20 2009	4,6000	currency risk	5
Payments for gas	15,000	USD	Call	real	May 22 2009	Dec 10 2009	3,8000	currency risk	19
Payments for gas	15,000	USD	Put	real	May 22 2009	Dec 10 2009	2,8850	currency risk	(1,245)
Payments for gas	10,000	USD	Call	real	Jun 1 2009	Oct 20 2009	3,6000	currency risk	-
Payments for gas	5,000	EUR	Call	real	Jun 1 2009	Nov 10 2009	4,7500	currency risk	12
Payments for gas	15,000	USD	Call	real	Jun 3 2009	Nov 20 2009	3,7700	currency risk	5
Payments for gas	15,000	USD	Put	real	Jun 3 2009	Nov 20 2009	2,9155	currency risk	(1,339)
Payments for gas	10,000	USD	Call	real	Jun 9 2009	Oct 20 2009	3,6000	currency risk	-
Payments for gas	15,000	USD	Call	real	Jun 10 2009	Nov 10 2009	3,6000	currency risk	7
Payments for gas	15,000	USD	Call	real	Jun 10 2009	Nov 20 2009	3,6500	currency risk	14
Payments for gas	15,000	USD	Call	real	Jun 10 2009	Oct 20 2009	3,8800	currency risk	-
Payments for gas	15,000	USD	Put	real	Jun 10 2009	Oct 20 2009	2,9110	currency risk	(882)
Payments for gas	15,000	USD	Call	real	Jun 10 2009	Dec 18 2009	3,8800	currency risk	18
Payments for gas	15,000	USD	Put	real	Jun 10 2009	Dec 18 2009	2,9095	currency risk	(1,502)
Payments for gas	15,000	USD	Call	real	Jun 24 2009	Dec 10 2009	3,8500	currency risk	14
Payments for gas	15,000	USD	Put	real	Jun 24 2009	Dec 10 2009	2,9600	currency risk	(1,916)
Payments for gas	15,000	USD	Call	real	Jun 24 2009	Nov 10 2009	3,8500	currency risk	-
Payments for gas	15,000	USD	Put	real	Jun 24 2009	Nov 10 2009	2,9660	currency risk	(1,729)
Payments for gas	15,000	USD	Call	real	Jun 24 2009	Dec 18 2009	3,8500	currency risk	22
Payments for gas	15,000	USD	Put	real	Jun 24 2009	Dec 18 2009	2,9700	currency risk	(2,066)

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Hedged item	Value of hedging instrument	Currency of hedging instrument	Hedge type	Settlement type	Date of hedging transaction	Exercise date of hedging instrument	Exercise price (exercise price range) of instrument	Hedged risk	Measurement of hedge's fair value (+) positive; (-) negative
Payments for gas	5,000	EUR	Call	real	Jun 30 2009	Dec 10 2009	4,9000	currency risk	28
Payments for gas	5,000	EUR	Put	real	Jun 30 2009	Dec 10 2009	4,2940	currency risk	(617)
Payments for gas	10,000	USD	Call	real	Jul 7 2009	Oct 20 2009	3,4500	currency risk	-
Payments for gas	10,000	USD	Call	real	Jul 9 2009	Dec 10 2009	3,7000	currency risk	23
Payments for gas	10,000	USD	Put	real	Jul 9 2009	Dec 10 2009	2,9000	currency risk	(911)
Payments for gas	10,000	USD	Call	real	Jul 9 2009	Dec 18 2009	3,7000	currency risk	33
Payments for gas	10,000	USD	Put	real	Jul 9 2009	Dec 18 2009	2,8800	currency risk	(842)
Payments for gas	6,000	EUR	Call	real	Jul 15 2009	Nov 20 2009	4,6000	currency risk	79
Payments for gas	10,000	USD	Call	real	Jul 16 2009	Jan 8 2010	3,6000	currency risk	100
Payments for gas	10,000	USD	Put	real	Jul 16 2009	Jan 8 2010	2,8030	currency risk	(596)
Payments for gas	10,000	USD	Call	real	Jul 16 2009	Jan 8 2010	3,6000	currency risk	100
Payments for gas	10,000	USD	Put	real	Jul 16 2009	Jan 8 2010	2,8100	currency risk	(622)
Payments for gas	5,000	EUR	Call	real	Jul 20 2009	Jan 8 2010	4,6000	currency risk	180
Payments for gas	10,000	USD	Call	real	Jul 20 2009	Jan 8 2010	3,6000	currency risk	100
Payments for gas	10,000	USD	Put	real	Jul 20 2009	Jan 8 2010	2,7980	currency risk	(578)
Payments for gas	10,000	USD	Call	real	Jul 20 2009	Dec 10 2009	3,6000	currency risk	40
Payments for gas	10,000	USD	Put	real	Jul 20 2009	Dec 10 2009	2,7800	currency risk	(400)
Payments for gas	5,000	EUR	Call	real	Jul 20 2009	Dec 18 2009	4,6000	currency risk	132
Payments for gas	10,000	USD	Call	real	Jul 24 2009	Jan 19 2010	3,5500	currency risk	145
Payments for gas	10,000	USD	Put	real	Jul 24 2009	Jan 19 2010	2,7285	currency risk	(398)
Payments for gas	10,000	USD	Call	real	Jul 28 2009	Jan 19 2010	3,5000	currency risk	172
Payments for gas	10,000	USD	Put	real	Jul 28 2009	Jan 19 2010	2,6900	currency risk	(310)
Payments for gas	10,000	USD	Call	real	Jul 31 2009	Jan 19 2010	3,3000	currency risk	324
Payments for gas	10,000	USD	Call	real	Aug 3 2009	Oct 2 2010	3,3000	currency risk	416
Payments for gas	10,000	USD	Call	real	Aug 3 2009	Jan 8 2010	3,2000	currency risk	398
Payments for gas	5,000	EUR	Call	real	Aug 4 2009	Feb 10 2010	4,4000	currency risk	417
Payments for gas	10,000	USD	Call	real	Aug 13 2009	Feb 10 2010	3,3000	currency risk	416
Payments for gas	10,000	USD	Call	real	Aug 20 2009	Jan 19 2010	3,4000	currency risk	238
Payments for gas	10,000	USD	Put	real	Aug 20 2009	Jan 19 2010	2,7425	currency risk	(435)
Payments for gas	10,000	USD	Call	real	Aug 21 2009	Feb 19 2010	3,4000	currency risk	348
Payments for gas	10,000	USD	Put	real	Aug 21 2009	Feb 19 2010	2,7070	currency risk	(438)
Payments for gas	10,000	USD	Call	real	Aug 21 2009	Feb 10 2010	3,4000	currency risk	319
Payments for gas	10,000	USD	Put	real	Aug 21 2009	Feb 10 2010	2,6720	currency risk	(336)
Payments for gas	10,000	USD	Call	real	Aug 25 2009	Nov 20 2009	3,2500	currency risk	131
Payments for gas	10,000	USD	Put	real	Aug 25 2009	Nov 20 2009	2,6700	currency risk	(107)
Payments for gas	10,000	USD	Call	real	Aug 25 2009	Jan 8 2010	3,3000	currency risk	289

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Hedged item	Value of hedging instrument	Currency of hedging instrument	Hedge type	Settlement type	Date of hedging transaction	Exercise date of hedging instrument	Exercise price (exercise price range) of instrument	Hedged risk	Measurement of hedge's fair value (+) positive; (-) negative
Payments for gas	10,000	USD	Put	real	Aug 25 2009	Jan 8 2010	2,6350	currency risk	(190)
Payments for gas	10,000	USD	Call	real	Sep 7 2009	Dec 10 2009	3,1000	currency risk	389
Payments for gas	10,000	USD	Call	real	Sep 7 2009	Dec 18 2009	3,1500	currency risk	360
Payments for gas	10,000	USD	Call	real	Sep 7 2009	Mar 10 2010	3,3000	currency risk	519
Payments for gas	10,000	USD	Put	real	Sep 7 2009	Mar 10 2010	2,7025	currency risk	(474)
Investment plan	50,000	NOK	Call	real	Sep 7 2009	Oct 14 2009	0,4900	currency risk	504
Payments for gas	10,000	USD	Call	real	Sep 8 2009	Dec 18 2009	3,2500	currency risk	248
Payments for gas	10,000	USD	Put	real	Sep 8 2009	Dec 18 2009	2,6630	currency risk	(178)
Payments for gas	10,000	USD	Call	real	Sep 8 2009	Feb 10 2010	3,3000	currency risk	416
Payments for gas	10,000	USD	Put	real	Sep 8 2009	Feb 10 2010	2,6570	currency risk	(306)
Payments for gas	10,000	USD	Call	real	Sep 8 2009	Mar 10 2010	3,3300	currency risk	483
Payments for gas	10,000	USD	Put	real	Sep 8 2009	Mar 10 2010	2,6595	currency risk	(375)
Investment plan	50,000	NOK	Call	real	Sep 8 2009	Oct 14 2009	0,4900	currency risk	504
Payments for gas	10,000	USD	Call	real	Sep 8 2009	Dec 18 2009	3,1000	currency risk	435
Payments for gas	10,000	USD	Call	real	Sep 9 2009	Feb 10 2010	3,2000	currency risk	545
Investment plan	50,000	NOK	Call	real	Sep 10 2009	Oct 14 2009	0,4900	currency risk	504
Payments for gas	10,000	USD	Call	real	Sep 10 2009	Feb 19 2010	3,3300	currency risk	417
Payments for gas	10,000	USD	Put	real	Sep 10 2009	Feb 19 2010	2,6575	currency risk	(328)
Investment plan	50,000	NOK	Call	real	Sep 14 2009	Oct 14 2009	0,4900	currency risk	504
Payments for gas	10,000	USD	Call	real	Sep 14 2009	Feb 19 2010	3,4000	currency risk	348
Payments for gas	10,000	USD	Put	real	Sep 14 2009	Feb 19 2010	2,6800	currency risk	(375)
Payments for gas	10,000	USD	Call	real	Sep 14 2009	Feb 19 2010	3,3000	currency risk	450
Payments for gas	10,000	USD	Call	real	Sep 15 2009	Feb 19 2010	3,3000	currency risk	450
Investment plan	50,000	NOK	Call	real	Sep 15 2009	Oct 14 2009	0,4900	currency risk	504
Payments for gas	10,000	USD	Call	real	Sep 15 2009	Mar 10 2010	3,3000	currency risk	519
Payments for gas	10,000	USD	Call	real	Sep 16 2009	Mar 19 2010	3,3000	currency risk	551
Payments for gas	10,000	USD	Put	real	Sep 16 2009	Mar 19 2010	2,6445	currency risk	(363)
Payments for gas	10,000	USD	Call	real	Sep 17 2009	Mar 19 2010	3,2800	currency risk	577
Payments for gas	10,000	USD	Put	real	Sep 17 2009	Mar 19 2010	2,6070	currency risk	(294)
Payments for gas	10,000	USD	Call	real	Sep 21 2009	Mar 19 2010	3,2500	currency risk	619
Payments for gas	10,000	USD	Call	real	Sep 21 2009	Mar 10 2010	3,2500	currency risk	585
PGNiG Norway loan Oct 31 2007-Dec 20 2022 (NOK)	300,000	NOK	CCIRS	real	Nov 8 2007	Jan 17 2011	0,4686	currency risk, interest rate risk	(12,315)
PGNiG Norway loan Oct 31 2007-Dec 20 2022 (NOK)	300,000	NOK	CCIRS	real	Nov 12 2007	Jan 17 2011	0,4627	currency risk, interest rate risk;	(14,180)
PGNiG Norway loan Oct 31 2007-Dec 20 2022 (NOK)	300,000	NOK	CCIRS	real	Nov 15 2007	Jan 17 2011	0,4596	currency risk, interest rate risk	(15,145)

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Hedged item	Value of hedging instrument	Currency of hedging instrument	Hedge type	Settlement type	Date of hedging transaction	Exercise date of hedging instrument	Exercise price (exercise price range) of instrument	Hedged risk	Measurement of hedge's fair value (+) positive; (-) negative
PGNiG Norway loan Oct 31 2007-Dec 20 2022 (NOK)	300,000	NOK	CCIRS	real	Nov 19 2007	Jan 17 2011	0,4534	currency risk, interest rate risk	(17,075)
PGNiG Norway loan Oct 31 2007-Dec 20 2022 (NOK)	300,000	NOK	CCIRS	real	Nov 22 2007	Jan 17 2011	0,4588	currency risk, interest rate risk	(15,394)
PGNiG Norway loan Oct 31 2007-Dec 20 2022 (NOK)	300,000	NOK	CCIRS	real	Nov 30 2007	Jan 17 2011	0,4461	currency risk, interest rate risk	(19,323)
PGNiG Norway loan Oct 31 2007-Dec 20 2022 (NOK)	344,000	NOK	CCIRS	real	Jan 18 2008	Jan 17 2011	0,4530	currency risk, interest rate risk	(19,643)
PGNiG Norway loan Oct 31 2007-Dec 20 2022 (NOK)	344,000	NOK	CCIRS	real	Jan 18 2008	Jan 17 2011	0,4530	currency risk, interest rate risk	(19,624)
PGNiG Norway loan Oct 31 2007-Dec 20 2022 (NOK)	330,000	NOK	CCIRS	real	Jan 12 2009	Jan 16 2012	0,4300	currency risk, interest rate risk	(30,074)
PGNiG Norway loan Oct 31 2007-Dec 20 2022 (NOK)	330,000	NOK	CCIRS	real	Jan 12 2009	Jan 16 2012	0,4300	currency risk, interest rate risk	(30,277)
PGNiG Norway loan Oct 31 2007-Dec 20 2022 (NOK)	322,000	NOK	CCIRS	real	Jan 13 2009	Jan 16 2012	0,4400	currency risk, interest rate risk	(27,032)
PGNiG Norway loan Oct 31 2007-Dec 20 2022 (NOK)	330,000	NOK	CCIRS	real	Jan 13 2009	Jan 16 2012	0,4380	currency risk, interest rate risk	(25,709)
Total									(259,426)

The effect on the result on derivative instruments is presented in the table below.

	Jan 1–Sep 30 2009	Jan 1– Sep 30 2008
Profit/ (loss) on derivative instruments – unrealised*	(283,966)	171,240
Profit/ (loss) on derivative instruments – realised	19,825	(40,194)
Total profit/ (loss) on derivative instruments recognised in the income statement	(264,141)	131,046
including:		
recognised under other operating expenses, net	(251,890)	131,046
recognised under raw and other materials used	(12,252)	-

*Including valuation of a CCIRS transaction whose negative value amounting to PLN (276,102) thousand was matched by the amount of PLN 265,649 thousand in foreign-exchange gains. After the first three quarters of 2008, a positive valuation of CCIRS transactions of PLN 120,529 thousand was matched by foreign-exchange losses of PLN 98,594 thousand. Both valuation and the corresponding foreign exchange gains (losses) are disclosed under the same item of the income statement (i.e. "Other operating expenses, net")

The table does not include a negative valuation of derivative instruments of PLN (9,406) thousand, representing effective hedging against changes in the fair value of financial derivatives designated as cash flow hedges, which, as at September 30th 2009, was disclosed directly under equity.

10. Specification and Explanation of Differences between the Data Disclosed in the Financial Statements and Comparable Financial Data, and the Data Disclosed in the Previously Published Financial Statements

Presentation Changes in the Income Statement

The Parent Undertaking made a change in the Q3 2008 income statement in order to ensure comparability of the data for the previous reporting period and the data for the current period.

In Q4 2008, the Parent Undertaking changed the presentation of the discount related to the provision for liquidation of property, plant and equipment. Until Q3 2008, changes to the provision in the part related to the discount used to be presented under financial activity in the income statement. Now the provision is presented under operating activity together with other changes related to it. Consequently, the Parent Undertaking made a relevant reclassification in the income statement for Q3 2008. The result before tax and the net result did not change.

The table below presents the changes in the operating result resulting from the aforementioned adjustment.

	3 quarters cumulatively / 2008 (Jan 1–Sep 30 2008)
Operating result – before changes	1,494,432
Reclassification of the discount related to the provision for liquidation of property, plant and equipment*	(6,065)
Operating result – after changes	1,488,367

* The changes affect the Exploration and Production segment.

Presentation Changes in the Cash-Flow Statement

In connection with earlier changes in the presentation, in the income statement, of the results on derivative transactions used to hedge the exchange rate in transactions involving purchase of imported gas, the Parent Undertaking made appropriate changes to the cash-flow statement as well. Currently, amounts realised on derivative transactions used to hedge the exchange rate in transactions involving purchase of imported gas and on executed transactions used to hedge the value of loans advanced to foreign-based companies are presented under operating activity. Therefore, an amount of PLN 62,922 thousand (PLN 69,665 thousand in income and PLN 6,743 thousand in expense) was moved from cash flows from financing activity in the cash-flow statement for Q3 to the “Other items, net” item of cash flows from operating activity. This change resulted in a PLN 62,922 thousand decline in cash flows from financing activities and an equivalent increase in cash flows from operating activities.

The reclassification described above did not have an effect on net change in cash or on the other items.

Presentation Changes in Business Segment Reporting

In the income statement by business segments, the Parent Undertaking moved revenue from geophysical and geological services which is invoiced to a partner in a joint venture. In the course of a review of the segment report, made in connection with the implementation of IFRS 8, it was established that the costs related to such services are disclosed in the Exploration and Production segment. Thus it was necessary to transfer the revenue amount to the Exploration and Production segment in order to ensure a correct view of the financial standing of the segments. At the same time, expenses related to rewards paid from profits and contribution to the Company’s Social Benefits Fund were removed, in the portion attributable to the Exploration and Production segment and to the Other Activities segment, from the costs of the Trade and Storage segment. As a result of the reclassification, the net result of the Exploration and Production segment rose by PLN 1,488 thousand, the net result of the Other Activities segment declined by PLN 554 thousand, whereas the net result of the Trade and Storage segment fell by PLN 934 thousand.

Furthermore, revenue of PLN 253,166 thousand disclosed in the Exploration and Production segment was reclassified and transferred from “Sales to other segments” to “Other costs”, with the “Eliminations” column being adjusted accordingly. The change did not affect the profit/(loss) recorded by the segment or any other figures disclosed in the report, but it ensured a clearer view of the revenue and cost structure of the Exploration and Production segment. The reclassified amount represents revenue of the exploration companies in the Exploration segment, but for the production companies it becomes an expense, therefore it should be (and currently it is so indeed) disclosed under “Cost of products and services for own needs” (thus reducing costs) and not as revenue.

II. CONDENSED NON-CONSOLIDATED FINANCIAL STATEMENTS

NON-CONSOLIDATED INCOME STATEMENT

	Q3 2009 (Jul 1–Sep 30 2009)	3 quarters cumulatively 2009 (Jan 1–Sep 30 2009)	Q3 2008 (Jul 1–Sep 30 2008)	3 quarters cumulatively 2008 (Jan 1–Sep 30 2008)
	unaudited	unaudited	unaudited	unaudited
	(PLN '000)			
Sales revenue	3,198,949	13,109,180	3,444,363	12,734,940
Raw and other materials used	(1,152,839)	(8,532,785)	(2,003,500)	(6,662,420)
Employee benefits	(162,175)	(559,525)	(151,169)	(485,405)
Depreciation and amortisation	(126,019)	(443,082)	(130,114)	(435,639)
Contracted services	(1,236,148)	(3,865,497)	(1,025,843)	(3,895,364)
Cost of products and services for own needs	2,621	8,562	988	3,828
Other operating expenses, net	(15,817)	(152,223)	31,869	(76,694)
Total operating expenses	(2,690,377)	(13,544,550)	(3,277,769)	(11,551,694)
Operating profit/(loss)	508,572	(435,370)	166,594	1,183,246
Financial income	31,186	662,443	103,779	382,300
Financial expenses	(12,524)	(351,778)	(26,915)	(148,704)
Pre-tax profit/(loss)	527,234	(124,705)	243,458	1,416,842
Corporate income tax	(98,996)	63,625	(49,659)	(303,920)
Net profit/(loss)	428,238	(61,080)	193,799	1,112,922
Net profit/(loss) per share attributable to ordinary shareholders of the parent	0.07	(0.01)	0.03	0.19

NON-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q3 2009 (Jul 1–Sep 30 2009)	3 quarters cumulatively 2009 (Jan 1–Sep 30 2009)	Q3 2008 (Jul 1–Sep 30 2008)	3 quarters cumulatively 2008 (Jan 1–Sep 30 2008)
	unaudited	unaudited	unaudited	unaudited
	(PLN '000)			
Net profit/(loss)	428,238	(61,080)	193,799	1,112,922
Currency translation differences on foreign operations	(2,358)	(1,755)	2,542	225
Valuation of hedging instruments	(9,406)	(9,406)	-	-
Valuation of financial instruments	5,800	41,921	(5,660)	(21,060)
Deferred tax related to other comprehensive income	685	(6,178)	(2,926)	-
Currency translation differences on deferred tax	-	-	-	-
Other	-	-	-	-
Other comprehensive net income/(loss)	(5,279)	24,582	(6,044)	(20,835)
Total comprehensive income/(loss)	422,959	(36,498)	187,755	1,092,087

NON-CONSOLIDATED BALANCE SHEET

	As at Sep 30 2009 (end of Q3 2009)	As at Dec 31 2008 (end of previous year)
	unaudited	audited
	(PLN '000)	
ASSETS		
Non-current assets		
Property, plant and equipment	9,695,940	9,038,674
Investment property	3,940	5,395
Intangible assets	60,735	60,079
Financial assets available for sale	5,988,293	5,690,924
Other financial assets	2,746,441	2,065,541
Deferred tax asset	318,884	301,222
Other non-current assets	33,927	32,735
Total non-current assets	18,848,160	17,194,570
Current assets		
Inventories	1,538,539	1,579,726
Trade and other receivables	2,233,229	3,638,083
Current income tax receivable	220,114	39,574
Prepayments and accrued income	33,676	6,342
Financial assets available for sale	-	-
Derivative financial instruments	16,634	174,186
Cash and cash equivalents	270,457	807,861
Non-current assets held for sale	3	156
Total current assets	4,312,652	6,245,928
Total assets	23,160,812	23,440,498
EQUITY AND LIABILITIES		
Equity		
Share capital	5,900,000	5,900,000
Currency translation differences on foreign operations	(2,337)	(582)
Share premium account	1,740,093	1,740,093
Other capital reserves	8,983,629	8,953,301
Retained earnings/(deficit)	(7,511)	588,560
Total equity	16,613,874	17,181,372
Non-current liabilities		
Loans, borrowings and debt securities	3,363	3,783
Provisions	1,286,939	1,248,785
Deferred income	5,124	6,063
Deferred tax liability	632,895	742,045
Other non-current liabilities	17,319	22,322
Total non-current liabilities	1,945,640	2,022,998
Current liabilities		
Trade and other payables	1,950,359	2,790,711
Loans, borrowings and debt securities	1,762,075	763,191
Derivative financial instruments	276,060	16,723
Current tax liability	-	-
Provisions	115,925	123,942
Deferred income	496,879	541,561
Total current liabilities	4,601,298	4,236,128
Total liabilities	6,546,938	6,259,126
Total equity and liabilities	23,160,812	23,440,498

NON-CONSOLIDATED CASH-FLOW STATEMENT

	3 quarters cumulatively 2009 (Jan 1–Sep 30 2009)	3 quarters cumulatively 2008 (Jan 1–Sep 30 2008)
	unaudited	unaudited
(PLN '000)		
Cash flows from operating activities		
Net profit/(loss)	(61,080)	1,112,922
Adjustments:		
Depreciation and amortisation	443,082	435,639
Net foreign exchange gains/losses	(274,159)	123,114
Net interest and dividend	(202,934)	(248,050)
Profit/(loss) on investing activities	18,366	(64,655)
Current income tax	(63,625)	303,920
Income tax paid	(249,905)	(371,232)
Other items, net	657,727	(157,312)
Net cash provided by/(used in) operating activities before changes in working capital	267,472	1,134,346
Change in working capital:		
Change in receivables, net	1,473,918	1,031,281
Change in inventories	41,188	(546,928)
Change in provisions	(6,422)	7,671
Change in current liabilities	(1,462,225)	(389,745)
Change in prepayments	(28,526)	(37,179)
Change in deferred income	(45,616)	62,092
Net cash provided by/(used in) operating activities	239,789	1,261,538
Cash flows from investing activities		
Sale of property, plant and equipment and intangible assets	30,297	3,176
Sale of shares in related undertakings	5	-
Sale of short-term securities	6,001	53,600
Acquisition of property, plant and equipment and intangible assets	(1,475,049)	(885,111)
Acquisition of shares in related undertakings	(104,364)	(30,000)
Acquisition of short-term securities	-	-
Decrease in loans advanced	250,396	161,511
Increase in loans advanced	(657,926)	(460,569)
Inflows from forward contracts	80,258	55,478
Outflows on forward contracts	(109,224)	-
Interest received	59,934	127,801
Dividend received	161,703	49,838
Proceeds from financed lease	34,801	78,879
Other items, net	(4,781)	(78,856)
Net cash provided by/(used in) investing activities	(1,727,949)	(924,253)
Cash flows from financing activities		
Net proceeds from issue of shares, other equity instruments and additional contributions to equity	-	-
Increase in loans and borrowings	1,400,000	-
Repayment of loans and borrowings	(400,000)	-
Issue of debt securities	-	-
Redemption of debt securities	-	-
Decrease in financed lease liabilities	(2,228)	(834)
Inflows from forward contracts	-	-
Outflows on forward contracts	-	-
Dividend paid	-	-
Interest paid	(40,116)	(49)
Other items, net	(7,212)	(1,345)
Net cash provided by/(used in) financing activities	950,444	(2,228)
Net change in cash	(537,716)	335,057
Net foreign exchange gains/(losses)	313	(15)
Cash and cash equivalents at beginning of period	808,173	1,055,252
Cash and cash equivalents at end of period	270,457	1,390,309

NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity (attributable to equity holders of the parent)					Total
	Share capital	Currency translation differences on foreign operations	Share premium account	Other capital reserves	Retained earnings/ (deficit)	
	(PLN '000)					
As at Jan 1 2009	5,900,000	(582)	1,740,093	8,953,301	588,560	17,181,372
Transfers	-	-	-	3,991	(3,991)	-
Payment of dividend to shareholder	-	-	-	-	(531,000)	(531,000)
Comprehensive income for 3 quarters 2009	-	(1,755)	-	26,337	(61,080)	(36,498)
As at Sep 30 2009 (unaudited)	5,900,000	(2,337)	1,740,093	8,983,629	(7,511)	16,613,874
As at Jan 1 2008	5,900,000	(1,510)	1,740,093	3,344,146	6,813,239	17,795,968
Transfers	-	-	-	5,649,914	(5,649,914)	-
Payment of dividend to shareholder	-	-	-	-	(1,121,000)	(1,121,000)
Comprehensive income for 3 quarters 2009	-	225	-	(21,060)	1,112,922	1,092,087
As at Sep 30 2008 (unaudited)	5,900,000	(1,285)	1,740,093	8,973,000	1,155,246	17,767,054

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

1. Deferred Tax

Deferred tax asset and liability	Deferred tax asset	Deferred tax liability
As at beginning of period: Jan 1 2009	301,222	742,045
a) increases	65,007	5,694
b) decreases	(47,345)	(114,844)
Deferred tax as at end of period: Sep 30 2009	318,884	632,895
As at beginning of period: Jan 1 2008	261,208	929,093
a) other increases	52,441	39,311
b) decreases	(12,427)	(226,359)
Deferred tax as at end of period: Dec 31 2008	301,222	742,045

2. Valuation Allowances

Valuation allowances for assets	Property, plant and equipment and intangible assets	Investment property	Other financial assets	Investments in associated undertakings valued with equity method	Non-current financial assets available for sale	Inventories	Current receivables	Current portion of non-current loans and borrowings	Current financial assets available for sale
As at beginning of period: Jan 1 2009	2,758,746	1,445	10,450	1,668,305	3,247	849,231	138,520	-	5,429,945
a) increase	159,046	-	-	7,758	230	157,403	39,742	-	364,179
b) transfer	(4)	4	(1,100)	-	-	-	1,100	-	-
c) decrease	(28,967)	(1,192)	-	(3,930)	-	(67,048)	(160,437)	-	(261,573)
Valuation allowances for assets as at end of period: Sep 30 2009	2,888,821	257	9,350	1,672,134	3,477	939,586	18,924	-	5,532,550
As at beginning of period: Jan 1 2008	3,176,211	2,020	14,720	1,467,520	23,191	902,503	143,186	79,808	5,809,159
a) increase	89,514	-	7	152,877	-	73,070	50,827	-	366,297
b) transfer	-	-	(4,049)	79,538	-	-	4,049	(79,538)	-
c) decrease	(506,980)	(575)	(229)	(31,630)	(19,944)	(126,342)	(59,543)	(270)	(745,512)
Valuation allowances for assets as at end of period: Dec 31 2008	2,758,746	1,445	10,450	1,668,305	3,247	849,231	138,520	-	5,429,945

3. Provisions

	Provision for length-of-service awards and retirement severance pays	Provision for gas allowances	Provision for termination benefits	Provision for well reclamation costs	Provision for penalty imposed by the Office for Competition and Consumer Protection	Provision for environmental protection liabilities (gas pitch)	Provision for potential liability under transmission services	Provision for Central Restructuring Fund	Other	Total
As at beginning of period: Jan 1 2009	109,209	40,923	-	1,041,431	-	86,632	44,300	6,760	43,472	1,372,727
a) increase	7,583	-	-	58,599	-	-	-	5,000	56,528	127,710
b) decrease	(1,129)	(10,314)	-	(14,589)	-	(217)	(26,109)	(1,310)	(43,905)	(97,573)
Other provisions as at end of period: Sep 30 2009	115,663	30,609	0	1,085,441	0	86,415	18,191	10,450	56,095	1,402,864
As at beginning of period: Jan 1 2008	118,138	61,199	11,555	706,834	2,000	44,707	22,500	7,540	38,477	1,012,950
a) increase	10,792	1,073	57	413,992	-	42,323	21,800	-	68,849	558,886
b) decrease	(19,721)	(21,349)	(11,612)	(79,395)	(2,000)	(398)	-	(780)	(63,854)	(199,109)
Other provisions as at end of period: Dec 31 2008	109,209	40,923	0	1,041,431	0	86,632	44,300	6,760	43,472	1,372,727

4. Sales Revenue

	Jan 1–Sep 30 2009	Jan 1–Sep 30 2008
Natural gas	12,467,304	11,880,403
Crude oil	452,995	630,187
Helium	26,292	19,785
Propane-butane gas	25,277	30,656
Gasoline	1,499	2,439
Decompressed LNG	14,593	13,837
Geophysical and geological services	15,396	45,575
Materials and goods for resale	6,926	7,566
Other sales of products and services	98,898	104,492
Total	13,109,180	12,734,940

5. Proceeds under Transmission System Lease Agreement

	Jan 1–Sep 30 2009	Jan 1–Sep 30 2008
Interest	37,118	106,056
Principal	34,801	78,879
Total	71,919	184,935

6. Operating Expenses

Raw and other materials used	Jan 1–Sep 30 2009	Jan 1–Sep 30 2008
Gas purchases	(8,426,246)	(6,571,716)
Other	(106,539)	(90,704)
Total	(8,532,785)	(6,662,420)

Contracted services	Jan 1–Sep 30 2009	Jan 1–Sep 30 2008
Purchases of transmission services	(3,056,969)	(3,280,907)
Other contracted services	(808,528)	(614,457)
Total	(3,865,497)	(3,895,364)

7. Corporate Income Tax

	Jan 1–Sep 30 2009	Jan 1–Sep 30 2008
Profit/(loss) before tax	(124,705)	1,416,842
Tax rate applicable during the period	19%	19%
Tax calculated at applicable tax rate	23,694	(269,200)
Tax on permanent differences between profit/(loss) before tax and tax base	39,931	(34,720)
Tax charge disclosed in the income statement	63,624	(303,920)
Current income tax	(69,365)	(394,770)
Deferred income tax	132,990	90,850
Effective tax rate	51%	21%

The high effective tax rate after the three quarters 2009 is due chiefly to the accounting loss after the three quarters 2009 and to the fact that accounting revenue (mainly dividends) prevailed in permanent differences and no deferred tax is calculated on such revenue. Thus a high deferred tax caused a significant decrease in the tax charge disclosed in the income statement. A slight excess of the effective tax rate over the applicable tax rate after the three quarters 2008 followed from higher taxable income related to contributions in kind (causing an increase in current income tax).

8. Property, Plant and Equipment by Categories

	As at Sep 30 2009 (end of Q3 2009)	As at Dec 31 2008 (end of previous year)
Land	37,790	36,495
Buildings and structures	5,407,148	5,588,763
Plant and equipment	1,268,835	1,338,078
Vehicles and other	93,407	91,754
Total fixed assets	6,807,180	7,055,090
Tangible assets under construction	2,888,760	1,983,584
Total property, plant and equipment	9,695,940	9,038,674

9. Specification and Explanation of Differences between the Data Disclosed in the Financial Statements and Comparable Financial Data, and the Data Disclosed in the Previously Published Financial Statements

Presentation Changes in the Income Statement

The Company changed the Q3 2008 income statement to ensure comparability of the data for the previous reporting period with the current period.

In Q4 2008, the Parent Undertaking changed the presentation of the discount related to the provision for liquidation of property, plant and equipment. Until Q3 2008, changes to the provision in the part related to the discount used to be presented under financial activity in the income statement. Now the provision is presented under operating activity together with other changes related to it. Consequently, the Parent Undertaking made a relevant reclassification in the income statement for Q3 2008. The result before tax and the net result did not change.

The table below presents the changes in the operating result which followed from the abovementioned adjustment.

	3 quarters cumulatively 2008 (Jan 1–Sep 30 2008)
Operating result – before changes	1,189,311
Reclassification of the discount related to the provision for liquidation of property, plant and equipment	(6,065)
Operating result – after changes	1,183,246

Presentation Changes in the Cash-Flow Statement

In connection with earlier changes in the presentation, in the income statement, of the results on derivative transactions used to hedge the exchange rate in transactions involving purchase of imported gas, the Company made appropriate changes to the cash-flow statement as well. Currently, amounts realised on derivative transactions used to hedge the exchange rate in transactions involving purchase of imported gas are presented under operating activities, and executed transactions used to hedge the value of loans are presented under investing activities. As a result, in the cash-flow statement for Q3 2008, an amount of PLN 55,479 thousand was transferred from financing activities to inflows on forward contracts and outflows on forward contracts under investing activities. The remaining inflows of PLN 14,186 thousand and outflows of PLN 6,743 thousand were transferred from financing activities to operating activities under "Other items, net". This change resulted in a decrease in cash flows from financing activities by PLN 62,922 thousand and a simultaneous increase in cash flows from investing activities by PLN 55,479 thousand and in cash flows from operating activities by PLN 7,443 thousand. The reclassifications described above did not have an effect on net change in cash or on the other items.

III. ADDITIONAL INFORMATION CONCERNING FINANCIAL STATEMENTS FOR Q3 2009

1. Basis of Preparation and Format of the Financial Statements Contained in this Report

These condensed consolidated financial statements and condensed non-consolidated financial statements as at September 30th 2009 were prepared in accordance with IAS 34 *Interim Financial Reporting* and the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009 (Dz.U. No. 33, item 259, "the Regulation"). The financial statements present data as at September 30th 2009 and for the period January 1st–September 30th 2009, along with comparable financial data for the relevant periods of 2008.

The data disclosed in these financial statements are expressed in the zloty, while all values, unless indicated otherwise, are expressed in thousands of zloty. Differences, if any, between the total amounts and the sum of particular items are due to roundings.

The financial statements of the PGNiG Group ("the PGNiG Group", "the Group") were prepared based on the assumption that PGNiG S.A. ("PGNiG S.A.", "the Company" or "the Parent Undertaking") and its subsidiary undertakings would continue as going concerns for at least 12 months after the balance-sheet date.

As at the date of signing these financial statements, the Management Board of the Parent Undertaking is not aware of any facts or circumstances which would imply a threat that the Parent Undertaking will not continue as a going concern for 12 months after the balance-sheet date due to an intended or forced discontinuance or material limitation of its activity.

These quarterly financial statements have been approved by the Management Board of the Parent Undertaking for publication on November 12th 2009.

2. Adopted Accounting Policies

The policies applied to prepare the consolidated and non-consolidated balance sheet, income statement, statement of changes in equity, and cash flow statement are consistent with the general policies applied to draw up the semi-annual consolidated financial statements for the period ended June 30th 2009, published on August 31st 2009.

In the current year, the Group has adopted all the new and revised standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee presented below, which have been endorsed by the EU, apply to the Group's business and are effective for annual reporting periods beginning on or after January 1st 2009.

- IFRS 8 *Operating Segments* – endorsed by the EU on November 21st 2007 (effective for annual periods beginning on or after January 1st 2009)
- Amendments to IFRS 1 *First-Time Adoption of International Financial Reporting Standards* and IAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* – endorsed by the EU on January 23rd 2009 (effective for annual periods beginning on or after January 1st 2009)
- IFRS (2008) *Amendments to International Financial Reporting Standards* – amendments made as part of the process of making annual improvements to the Standards, published on May 22nd 2008 (IAS 1, IFRS 5, IAS 8, IAS 10, IAS 16, IAS 19, IAS 20, IAS 23, IAS 27, IAS 28, IAS 29, IAS 31, IAS 34, IAS 36, IAS 38, IAS 39, IAS 40, IAS 41), aimed chiefly at eliminating any inconsistencies and clarification of wording – endorsed by the EU on January 23rd 2009 (most of the amendments are effective for annual periods beginning on or after January 1st 2009)
- Amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation* – endorsed by the EU on January 21st 2009 (effective for annual periods beginning on or after January 1st 2009)
- Amendments to IAS 39 *Reclassification of Financial Assets* and IFRS 7 *Financial Instruments: Disclosures – Reclassification of Financial Assets – Effective Date and Transition* (effective as of July 1st 2008)
- IAS 1 (revised) *Presentation of Financial Statements – A Revised Presentation* – endorsed by the EU on December 17th 2008 (effective for annual periods beginning on or after January 1st 2009)
- IAS 23 (revised) *Borrowing Costs* – endorsed by the EU on December 10th 2008 (effective for annual periods beginning on or after January 1st 2009)
- Amendments to IFRS 2 *Share-Based Payment – Vesting Conditions and Cancellations* – endorsed by the EU on December 16th 2008 (effective for annual periods beginning on or after January 1st 2009)
- IFRIC 11 *IFRS 2 – Group and Treasury Share Transactions* – endorsed by the EU on June 1st 2007 (effective for annual periods beginning on or after March 1st 2008)

- IFRIC 13 *Customer Loyalty Programmes* – endorsed by the EU on December 16th 2008 (effective for annual periods beginning on or after January 1st 2009)
- IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* – endorsed by the EU on December 16th 2008 (effective for annual periods beginning on or after January 1st 2009)

With the exception of revised IAS 1 and revised IAS 23, the application of the above standards and interpretations has not caused any material changes in the Group's accounting policy and in the presentation of its financial statements.

Application of the Revised IAS 1

In connection with the application of IAS 1 *Presentation of the Financial Statements*, the consolidated statement of changes in equity in these consolidated financial statements discloses only transactions with owners. Other items are included separately in the consolidated statement of comprehensive income.

Application of the Revised IAS 23

Beginning from January 1st 2009, the borrowing costs directly attributable to the acquisition, production or construction of a qualifying asset should be capitalised as a part of acquisition or production cost of the asset. Until the end of 2008, in line with the model recommended in IAS 23 the Group recognised borrowing costs as expense in the period in which they were incurred. As of January 1st 2009, the Group capitalises borrowing costs. Until the end of Q3 2009, the capitalised borrowing costs amounted to PLN 11.4m.

Application of IFRS 8

On January 1st 2009, IFRS 8 *Operating Segments* replaced IAS 14 *Segment Reporting*. IFRS 8 requires the disclosure of information on the Group's operating segments based on internal reports reviewed by Chief Operating Decision Makers and used for making decisions on the allocation of resources and assessment of the segments' performance. Published amounts should correspond to the amounts included in the internal reports for the Chief Operating Decision Makers and they need not follow the IFRS. IAS 14 required the disclosure of information on business and geographical segments.

The structure of the PGNiG Group's operations is divided into four segments:

- Exploration and Production Segment
- Trade and Storage Segment
- Distribution Segment
- Other Activities Segment

For a detailed description of the business segments, allocation of subsidiaries to the segments and key financial data of the individual segments see the Directors' Report on the Group's Operations in H1 2009 published August 31st 2009 together with the consolidated financial statements for H1 2009.

There have been no changes in the identification of reporting segments since the publication of the latest semi-annual financial statements.

The Group performs an assessment of the segments' performance based on revenue, capital expenditure, EBIT, and EBITDA. Revenue and capital expenditure are measured as in the consolidated financial statements. In accordance with the IFRS, EBIT and EBITDA are not a formal measure of financial performance. EBIT is the operating profit and EBITDA is the operating profit before depreciation and amortisation and reversal/recognition of impairment charges on goodwill and other non-current assets. The Group's finances and income tax (though the Group formally is not a group for tax purposes) are managed centrally for the entire Group and are not allocated to the operating segments. For the financial information on the operating segments which is used by the Chief Operating Decision Makers to assess the segments see Part III, Section 11 of this Report.

3. Effect of New Standards and Interpretations on the Group's Financial Statements

While approving these financial statements, the Group did not apply the following standards, amendments and interpretations which have been published and approved for use in the EU but have not yet become effective:

- IFRS 3 (revised) *Business Combinations* – endorsed by the EU on June 3rd 2009 (effective for annual periods beginning on or after July 1st 2009)
- Amendments to IAS 27 *Consolidated and Separate Financial Statements* – endorsed by the EU on June 3rd 2009 (effective for annual periods beginning on or after July 1st 2009)
- Amendments to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* (effective for annual periods beginning on or after July 1st 2009)

- IFRIC 12 *Service Concession Arrangements* – endorsed by the EU on March 25th 2009 (effective for annual periods beginning on or after March 30th 2009)
- IFRIC 15 *Agreements for the Construction of Real Estate* – endorsed by the EU on July 22nd 2009 (effective for annual periods beginning on or after January 1st 2010)
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation* – endorsed by the EU on June 4th 2009 (effective for annual periods beginning on or after June 30th 2009)

The IFRSs endorsed by the EU do not significantly differ from the regulations adopted by the International Accounting Standards Board, with the exception of the following standards, amendments and interpretations, which as at September 30th 2009 had not been endorsed for application:

- IFRS 1 (revised) *First-Time Adoption of International Financial Reporting Standards* (effective for annual periods beginning on or after July 1st 2009)
- IFRS (2009) *Amendments to International Financial Reporting Standards* – amendments made as part of the process of annual improvements to the Standards, published on April 16th 2009 (IFRS 2, IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 18, IAS 36, IAS 38, IAS 39, IFRIC 9, IFRIC 16), aimed chiefly at eliminating inconsistencies and clarification of wording (most of the amendments are effective for annual periods beginning on or after January 1st 2010)
- Amendments to IFRS 1 *First-Time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters* (effective for annual periods beginning on or after January 1st 2010)
- Amendments to IFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions* (effective for annual periods beginning on or after January 1st 2010)
- Amendments to IFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments* (effective for annual periods beginning on or after January 1st 2009)
- Amendment to IAS 32 *Financial Instruments: Presentation* – effective for annual periods beginning on or after February 1st 2010; not adopted by the European Union
- Amendments to IFRIC 9 *Reassessment of Embedded Derivatives* and IAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives* (effective for annual periods ending on or after June 30th 2009)
- IFRIC 17 *Distributions of Non-Cash Assets to Owners* (effective for annual periods beginning on or after July 1st 2009)
- IFRIC 18 *Transfers of Assets from Customers* (effective for transactions executed after June 30th 2009)

The Group estimates that the above standards, interpretations and amendments to those standards would not have a material bearing on the financial statements if they were applied by the company as at the balance-sheet date.

4. Brief Description of Significant Achievements or Failures of the Company in the Reporting Period, Including a Specification of Key Related Events

1. On July 28th 2009, PGNiG and VNG – Verbundnetz Gas Aktiengesellschaft of Leipzig, Germany, concluded a Framework Agreement for Sale and Purchase of Natural Gas, which defines the general terms of cooperation in the area of sale and purchase of natural gas. The detailed terms of individual supplies, such as quantity and price, will be defined on a case-by-case basis in Individual Agreements to be concluded in the future. The Framework Agreement does not create any financial obligations on the part of PGNiG, nor does it require the Company to enter into any individual transactions. The Framework Agreement was concluded for unspecified time.
2. On September 24th 2009, international ratings agency Standard&Poor's downgraded the outlook for PGNiG from "stable" to "negative", upholding its long-term rating of "BBB+".
3. On November 3rd 2009, the Management Board of PGNiG adopted the set of arrangements laid down in the Joint Statement by OAO Gazprom and PGNiG S.A. Concerning Cooperation in the Area of Natural Gas. The approved set of arrangements provides a basis for the execution of an annex, under which:
 - a. the Contract's effective term will be extended by 15 years – i.e. until December 31st 2037;
 - b. the volume of the Russian gas supplies to Poland in the period from January 1st 2010 to December 31st 2037 will be increased to 10.27 billion cubic meters of natural gas in accordance with the Polish standard PN.
4. At the same time, execution of the annex requires relevant amendments to be made to the Agreement between the governments of the Republic of Poland and the Russian Federation concerning construction of a gas pipeline system for transmission of the Russian gas across the territory of Poland, dated August 25th 1993, as amended.

5. Factors and Events, in Particular of Non-Recurring Nature, with Material Effect on Financial Performance

In Q3 2009, the PGNiG Group recorded a net profit of PLN 408.0m, which means a y-o-y increase of PLN 228.0m (127%). The strengthening of the Group's financial position followed primarily from improved profitability of high-methane gas sales, which drove the EBIT up by PLN 299.0m (153%).

The higher profitability of high-methane gas sales was attributable primarily to a 29% drop in unit cost of imported gas as a consequence of the situation on the global oil and petroleum product markets. 2009 saw stabilisation on the oil market and a significant fall in crude oil prices, which resulted in relatively low prices of imported gas in Q3 2009. The high prices of imported gas in Q3 2008 were in turn an outcome of the crisis on the fuel market and record high prices of crude oil.

The improved situation with respect to gas imports benefited the operating result of the Trade and Storage segment, which amounted to PLN 339.9m (increase of PLN 376.2m on Q3 2008). On May 7th 2009, the President of URE approved a new tariff for gaseous fuels, which has been effective for settlements with customers since June 1st 2009. The average gas price was reduced by approximately 9% relative to the previous tariff. In Q3 2009, the prices of imported gas dropped below the rates and charges specified in the existing tariffs, which allowed the PGNiG Group to generate profit on sales of imported gas. The improvement in the segment's operating performance was limited by lower sales volume of high-methane gas (drop by 13%).

In Q3 2009, the Exploration and Production segment posted an operating profit of PLN 162.8m, lower by PLN 81.6m (33%) than in Q3 2008. This drop can be attributed primarily to the erosion of margins on the sale of crude oil. As a result of low crude oil prices on the global markets, the PGNiG Group sold the product at prices which were by 23% lower than in Q3 2008. The segment's decreased profitability also resulted from the new, lower tariff for gaseous fuels approved by the President of URE. On the other hand, the segment's operating result was positively influenced by a 25%.

Relative to the corresponding period of 2008, the operating loss recorded by the Distribution segment grew by PLN 11.2m. This is attributable primarily to higher maintenance costs of gas infrastructure and a drop in the volume of transmitted gas. The Distribution segment's operating result deteriorated despite the approval by the President of URE of new, higher tariffs for the Gas Companies, which have been effective for settlements with customers since June 1st 2009. Given that the volume of transmitted gas fell by 13%, the higher rates and charges for providing network services did not offset the increased operating expenses.

6. Seasonality or Cyclicity in the Company's Operations during the Reporting Period

Sale, distribution and storage of gaseous fuels, which constitute, together with exploration and production, the core business of the Group, are subject to significant seasonal fluctuations.

The revenue from sale of natural gas in the winter season (Q1 and Q4) is substantially higher than in the summer (Q2 and Q3). This results from the seasonal changes in weather conditions in Poland and the extent of the fluctuations is determined by low temperatures in the winter and higher temperatures in the summer. Gas sales are to a much greater extent subject to seasonal changes in the case of customers from the municipal sector, where gas is used for heating, than in the case of industrial customers.

The seasonality in sales creates the need to increase storage and transmission capacities, including the capacity of distribution networks, in order to meet the demand of end consumers in peak consumption periods and ensure secure gas supplies in Poland.

7. Issue, Redemption and Repayment of Debt and Equity Securities

In Q3 2009, no such transactions occurred at the Group.

8. Total and Per Share Dividend Declared or Paid on Ordinary and Preference Shares

On June 23rd 2009 the Annual General Shareholders Meeting of PGNiG S.A. adopted Resolution No. 30 on payment of PLN 531,000 thousand (PLN 0.09 per share) as dividend, including:

- PLN 382,500 thousand as non-cash dividend for the State Treasury; the assets to be distributed as dividend and the valuation method will be defined in a separate resolution of the Annual General Shareholders Meeting, to be adopted on the basis of Par. 63.7 of the Company's Articles of Association, subject to additional cash payment if the value of the assets does not reach PLN 382,500 thousand;
- PLN 148,500 thousand as cash dividend for the other shareholders.

The dividend record date and the dividend payment date determined by the Annual General Shareholders Meeting of PGNiG S.A. were August 26th 2009 and October 2nd 2009, respectively.

9. Events Subsequent to the Condensed Quarterly Financial Statements Date, Not Disclosed in the Financial Statements but Potentially Significant for Future Financial Performance

By the date of this Report, no events had occurred which could have a significant bearing on the future financial performance and which would not be disclosed in this Report.

10. Changes in Contingent Liabilities and Assets Subsequent to the End of the Previous Financial Year

	Sep 30 2009 (end of Q3 2009)	Dec 31 2008 (end of previous year)
1. Contingent receivables	807,672	365,764
1.1. <i>from related undertakings</i>	32,333	3,297
- guarantees and sureties received	512	244
- promissory notes received	31,821	3,053
1.2. <i>from other undertakings</i>	718,324	329,055
- guarantees and sureties received	665,398	285,332
- promissory notes received	52,926	43,723
1.3. <i>Other contingent receivables</i>	57,015	33,412
2. Contingent liabilities	11,036,684	11,112,418
2.1. <i>to related undertakings</i>	47,044	31,757
- guarantees and sureties granted	-	-
- promissory notes issued	-	-
- agreements, investment contracts signed	47,044	31,757
2.2. <i>to other undertakings</i>	10,989,006	11,076,996
- guarantees and sureties granted	8,372,496	8,276,643
- promissory notes issued	63,306	63,920
- agreements, investment contracts signed	2,553,204	2,736,433
2.3. <i>Other contingent liabilities</i>	634	3,665

The value of guarantees and sureties under contingent receivables rose significantly. The change results chiefly from two large guarantees received by the Company. The first guarantee (declaration of voluntary submission to enforcement under Art. 777.1.5 of the Polish Civil Code), for the amount of PLN 215,000 thousand, was submitted by Zakłady Chemiczne Police S.A. The other guarantee (performance bond related to an investment agreement concluded between PGNiG S.A. and a consortium of companies (PBG S.A., together with Tecnimont S.P.A., Societe Francaise d'Etudes de Realisations d'Equipements Gaziers SOFREGAZ Plynoslav PARDUBICE HOLDING A.S. and Plynoslav REGULACE PLYNU A.S.)), for the amount of PLN 108,900 thousand, was issued by ING Bank Śląski S.A. The vast majority of the remaining part of the rise is related to guarantees securing payments for gas supplied by the gas trading companies.

Changes in liabilities under guarantees and sureties granted in Q3 2009 result chiefly from changes in the value of three material guarantees due to the depreciation of the zloty against the euro (end of Q3 vs. end of 2008) and its strengthening against the US dollar. The value of a guarantee granted jointly by the Gas Companies to a bank syndicate (syndication agent: Bank Handlowy S.A. of Warsaw – EUR 1,250,000 thousand) rose by PLN 62,750 thousand, while the value of a guarantee issued to the state of Norway (EUR 627,556 thousand) went up by PLN 31,503 thousand, and the value of a guarantee issued to National Oil Corporation of Libya (USD 108,000 thousand) decreased by PLN 8,273 thousand.

The table above does not show bank guarantees which were issued at the request of the Parent Undertaking to beneficiaries to whom the Parent Undertaking has material liabilities under agreements on provision of goods and services. As at September 30th 2009, the value of the bank guarantees was PLN 1,117,917 thousand, relative to PLN 754,714 thousand as at December 31st 2008. The change is chiefly attributable to the fact that the guarantees were rolled over in Q1 and Q3 2009 and that an additional bank guarantee was issued at the Parent Undertaking's request to Gazprom-Export Ltd., which caused an increase in the value of the guarantees by USD 108,150 thousand (equivalent of PLN 312,034 thousand, translated at the USD/PLN mid-exchange rate quoted by the National Bank of Poland for September 30th 2009). Furthermore, in Q2 2009 Egyptian General Petroleum Corporation was issued a guarantee of USD 25,000 thousand (PLN 72,130 thousand). The remaining part of the change in the value of the guarantees was due to the strengthening of the zloty against the US dollar.

11. Revenue, Costs and Financial Results of Business Segments

The Company's operations are divided into business segments. The Group operates in the following four segments:

a) *Exploration and production.* The segment encompasses extracting hydrocarbons from reserves and preparing products for sale. The segment covers the entire process of exploring and extracting natural gas and crude oil from reserves, including geological surveys, geophysical research and drilling work, and development of and production from the reserves. The exploration and production activities are conducted by PGNiG S.A., POGC Libya BV, PGNiG Norway AS and other Group members providing services within this segment.

b) *Trading and storage.* The segment encompasses the sale of natural gas, either from imports or domestic sources, and operation of underground gas storage facilities for trading purposes. Since the completion of the trading business integration process, the sale of natural gas has been conducted by PGNiG S.A. For the segment's purposes, three underground gas storage facilities are used: in Mogilno, Wierzchowice and Husów. Work related to the operation and expansion of the said facilities is performed by PGNiG S.A. and INVESTGAS S.A. (a Group member). The segment's activities comprise the sale of methane-rich and nitrogen-rich gas fed into the transmission and distribution system. Gas trading business is governed by the Energy Law, with prices established on the basis of tariffs approved by the President of URE.

c) *Distribution.* The segment encompasses transmitting natural gas through the distribution network. Natural gas distribution services are rendered by six Gas Companies, which supply gas to individual, industrial and wholesale customers. In addition, they are responsible for operating, repairing and expanding the distribution network.

d) *Other operations.* The segment encompasses designing and building structures, plant and equipment for the mining sector and the fuel and energy sector, as well as offering services associated with the catering and hospitality industry. The said activities are conducted mainly by the Group members.

A segment's assets include all operating assets used by the segment: chiefly cash, receivables, inventories and property, plant and equipment, in each case net of depreciation and valuation allowances. While the majority of assets can be directly allocated to the particular segments, the value of assets used by two or more segments is allocated to the individual segments based on the extent to which a given segment actually uses such assets.

A segment's liabilities comprise all operating liabilities, including primarily trade payables, salaries and wages, and tax liabilities, both due and accrued, as well as any provisions for liabilities which can be assigned to a particular segment.

A segment's assets or liabilities do not include deferred tax.

Internal transactions within a segment have been eliminated.

All transactions between the segments are effected based on prices agreed internally.

11.1. Business Segments

The tables below set forth data on the revenues, costs and financial results, as well as the assets, equity and liabilities of the Group's business segments for the periods ended September 30th 2009 and September 30th 2008.

Grupa Kapitałowa PGNiG S.A.
Raport okresowy za III kwartał 2009 roku
Informacje dodatkowe do sprawozdania finansowego
(w tysiącach złotych)

Period ended Sep 30 2009	Exploration and production	Trading and storage	Distribution	Other	Eliminations	Total
Sales to external customers	1,358,418	12,125,131	39,959	138,028	-	13,661,536
Sales to other segments	915,104	139,437	2,042,957	147,471	(3,244,969)	-
Total segment revenue	2,273,522	12,264,568	2,082,916	285,499	(3,244,969)	13,661,536
Depreciation and amortisation	(457,152)	(101,724)	(542,759)	(7,755)	-	(1,109,390)
Other costs	(1,602,974)	(12,843,724)	(1,254,731)	(268,371)	3,233,249	(12,736,551)
Total segment costs	(2,060,126)	(12,945,448)	(1,797,490)	(276,126)	3,233,249	(13,845,941)
Operating profit/(loss)	213,396	(680,880)	285,426	9,373	(11,720)	(184,405)
Net financial expenses						97,696
Share in net profit/(loss) of undertakings valued with equity method		(186)				(186)
Pre-tax profit/(loss)						(86,895)
Income tax						1,921
Net profit/(loss)	-	-	-	-	-	(84,974)
Segment assets	10,943,737	9,368,938	10,173,907	314,961	(2,597,708)	28,203,835
Investments in undertakings valued with equity method		556,697				556,697
Unallocated assets						115,930
Deferred tax asset						608,200
Total assets	-	-	-	-	-	29,484,662
Total equity						20,140,826
Segment liabilities	1,613,763	2,581,914	1,771,182	100,783	(2,597,708)	3,469,934
Unallocated liabilities						4,607,924
Deferred tax liability						1,265,978
Total equity and liabilities	-	-	-	-	-	29,484,662
Other information						
Capital expenditure on property, plant and equipment and intangible assets	(1,430,650)	(641,343)	(699,331)	(19,139)	-	(2,790,463)
Valuation allowances for assets	(2,634,231)	(2,359,928)	(10,866,443)	(5,296)	-	(15,865,898)
Valuation allowances for unallocated assets						(52,684)

Grupa Kapitałowa PGNiG S.A.
 Raport okresowy za III kwartał 2009 roku
 Informacje dodatkowe do sprawozdania finansowego
 (w tysiącach złotych)

Period ended Sep 30 2008	Exploration and production	Trading and storage	Distribution	Other	Eliminations	Total
Income Statement						
Sales to external customers	1,621,734	11,159,131	18,489	113,769	-	12,913,123
Sales to other segments	830,754	562,772	2,237,436	137,961	(3,768,923)	-
Total segment revenue	2,452,488	11,721,903	2,255,925	251,730	(3,768,923)	12,913,123
Depreciation and amortisation	(438,631)	(103,597)	(507,779)	(7,697)	-	(1,057,704)
Other costs	(1,139,972)	(11,220,908)	(1,499,358)	(236,676)	3,729,862	(10,367,052)
Total segment costs	(1,578,603)	(11,324,505)	(2,007,137)	(244,373)	3,729,862	(11,424,756)
Operating profit/(loss)	873,885	397,398	248,788	7,357	(39,061)	1,488,367
Net financial expenses						109,463,
Share in net profit/(loss) of undertakings valued with equity method		164				164
Pre-tax profit/(loss)						1,597,994
Income tax						,(358,645)
Net profit/(loss)	-	-	-	-	-	1,239,349
Segment assets	9,647,530	10,177,764	9,797,554	268,803	(1,804,615)	28,087,036
Investments in undertakings valued with equity method		556,825				556,825
Unallocated assets						233,529
Deferred tax asset						431,808
Total assets						29,309,198
Total equity						21,097,878
Segment liabilities	2,567,603	3,539,036	1,981,040	78,503	(1,804,615)	6,361,567
Unallocated liabilities						411,040
Deferred tax liability						1,438,713
Total equity and liabilities						29,309,198
Other information						
Capital expenditure on property, plant and equipment and intangible assets	(906,494)	(247,132)	(582,622)	(13,805)	-	(1,750,053)
Valuation allowances for assets	(2,636,377)	(2,235,764)	(10,895,496)	(3,515)	-	(15,771,152)
Valuation allowances for unallocated assets						(34,708)

IV. SUPPLEMENTARY INFORMATION TO THE Q3 2009 REPORT

1. General Information on The Company and Its Group

Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG S.A.", "the Company", "the Parent Undertaking"), registered office at ul. Marcina Kasprzaka 25, 01-224 Warsaw, is the Parent Undertaking of the PGNiG Group ("the PGNiG Group", "the Group"). On September 23rd 2005, when new issue shares of PGNiG S.A. were first listed on the Warsaw Stock Exchange (the "WSE"), PGNiG S.A. ceased to be a state-owned stock company and became a public company.

The Parent Undertaking was established as a result of transformation of the state-owned enterprise under the name of Polskie Górnictwo Naftowe i Gazownictwo into a state-owned stock company. The Deed of Transformation, together with the Company's Articles of Association, were executed in the form of a notarial deed on October 21st 1996.

The Minister of the State Treasury executed the Deed of Transformation pursuant to the Regulation of the President of the Polish Council of Ministers on transformation of the state-owned enterprise Polskie Górnictwo Naftowe i Gazownictwo of Warsaw into a state-owned stock company, dated September 30th 1996 (Dz.U. No. 116 of 1996, item 553).

On October 30th 1996, the Company was entered in the commercial register maintained by the District Court for the Capital City of Warsaw, XVI Commercial Division, under No. RHB 48382. Currently, the Company is entered into the Register of Entrepreneurs maintained by the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register, under No. KRS 0000059492.

The Company's Industry Identification Number REGON is 012216736.

The joint-stock company is the legal successor of the former state-owned enterprise. The assets, equity and liabilities of the state-owned enterprise were contributed to the joint-stock company and disclosed in its accounting books at their respective values in the closing balance of the state-owned enterprise.

The Company's core business includes the exploration for and production of crude oil and natural gas, as well as import, storage and sale of gaseous fuels.

The PGNiG Group remains the only vertically integrated company in the Polish gas sector, holding the leading position in all segments of the domestic gas sector. Polskie Górnictwo Naftowe i Gazownictwo S.A. is the parent company of the Group.

The scope of the PGNiG Group's business comprises oil and gas exploration, oil and gas extraction from fields in Poland, as well as import, storage and distribution of and trade in gaseous fuels. The PGNiG Group is both the main importer of gaseous fuel from Russia, Central Asia, Norway and Germany, and the main producer of natural gas from Polish fields. Natural gas and crude oil production are among the key factors ensuring the Company a competitive position on the liberalised gas market.

The trade in and distribution of natural gas, which together with natural gas and crude oil production constitute the core business of the PGNiG Group, are governed by the Polish Energy Law. For this reason, the Group's operations require a licence and its revenue depends on the tariff rates for gaseous fuels approved by the Polish Energy Regulatory Authority. Exploration and production activities are conducted on a licence basis, subject to the provisions of the Polish Geological and Mining Law.

2. Organisation of the PGNiG Group and Its Consolidated Undertakings

As at September 30th 2009, the Group comprised PGNiG S.A., as the parent undertaking, and 34 production and service companies, including:

- 26 subsidiaries of PGNiG S.A.
- 8 indirect subsidiaries of PGNiG S.A.

The following table presents a list of the PGNiG Group members as at September 30th 2009:

Grupa Kapitałowa PGNiG S.A.
Raport okresowy za III kwartał 2009 roku
Informacje uzupełniające do raportu okresowego
(w tysiącach złotych)

Companies of the PGNiG Group:

	Name	Share capital (PLN)	Value of shares held by PGNiG S.A. (PLN)	% of share capital held by PGNiG S.A.	% of votes held by PGNiG S.A.
	PGNiG S.A.'s subsidiaries				
1	Poszukiwania Nafty i Gazu Jasło Sp. z o.o.	100,000,000.00	100,000,000.00	100.00%	100.00%
2	Poszukiwania Nafty i Gazu Kraków Sp. z o.o.	105,231,000.00	105,231,000.00	100.00%	100.00%
3	Poszukiwania Nafty i Gazu NAFTA Sp. z o.o.	60,000,000.00	60,000,000.00	100.00%	100.00%
4	GEOFIZYKA Kraków Sp. z o.o.	64,400,000.00	64,400,000.00	100.00%	100.00%
5	GEOFIZYKA Toruń Sp. z o.o.	66,000,000.00	66,000,000.00	100.00%	100.00%
6	Poszukiwania Naftowe Diament Sp. z o.o.	62,000,000.00	62,000,000.00	100.00%	100.00%
7	Zakład Robót Górniczych Krosno Sp. z o.o.	26,903,000.00	26,903,000.00	100.00%	100.00%
8	PGNiG Norway AS (NOK) ¹⁾	497,327,000.00	497,327,000.00	100.00%	100.00%
9	Polish Oil and Gas Company - Libya B.V. (EUR) ¹⁾	20,000.00	20,000.00	100.00%	100.00%
10	INVESTGAS S.A.	502,250.00	502,250.00	100.00%	100.00%
11	Dolnośląska Spółka Gazownictwa Sp. z o.o.	658,384,000.00	658,384,000.00	100.00%	100.00%
12	Górnośląska Spółka Gazownictwa Sp. z o.o.	1,300,338,000.00	1,300,338,000.00	100.00%	100.00%
13	Karpacka Spółka Gazownictwa Sp. z o.o.	1,484,953,000.00	1,484,953,000.00	100.00%	100.00%
14	Mazowiecka Spółka Gazownictwa Sp. z o.o.	1,255,800,000.00	1,255,800,000.00	100.00%	100.00%
15	Pomorska Spółka Gazownictwa Sp. z o.o.	614,696,000.00	614,696,000.00	100.00%	100.00%
16	Wielkopolska Spółka Gazownictwa Sp. z o.o.	1,033,186,000.00	1,033,186,000.00	100.00%	100.00%
17	B.S. i P.G. Gazoprojekt S.A.	4,000,000.00	3,000,000.00	75.00%	75.00%
18	BUG Gazobudowa Sp. z o.o.	39,220,000.00	39,220,000.00	100.00%	100.00%
19	Zakład Urządzeń Naftowych Naftomet Sp. z o.o.	23,500,000.00	23,500,000.00	100.00%	100.00%
20	Geovita Sp. z o.o.	86,139,000.00	86,139,000.00	100.00%	100.00%
21	Budownictwo Naftowe Naftomontaż Sp. z o.o.	44,751,000.00	39,751,000.00	88.83%	88.83%
22	Górnictwo Naftowe Sp. z o.o.	50,000.00	50,000.00	100.00%	100.00%
23	NYSAGAZ Sp. z o.o.	6,800,000.00	3,468,000.00	51.00%	51.00%
24	ZRUG Sp. z o.o. (Pogórska Wola)	4,300,000.00	4,300,000.00	100.00%	100.00%
25	BUD-GAZ PPUH Sp. z o.o.	51,760.00	51,760.00	100.00%	100.00%
26	PPUiH TURGAZ Sp. z o.o.	176,000.00	90,000.00	51.14%	51.14%
	Subsidiaries of PGNiG S.A.'s subsidiaries				
27	GEOFIZYKA Kraków Libya JSC (LYD) ¹⁾	1,000,000.00 ²⁾	600,000.00	60.00%	60.00%
28	Geofizyka Torun Kish Ltd (Rial) ¹⁾	10,000,000.00	10,000,000.00 ³⁾	100.00%	100.00%
29	Oil Tech International F.Z.E. (USD) ¹⁾	20,000.00	20,000.00	100.00%	100.00%
30	Zakład Gospodarki Mieszkaniowej Sp. z o.o. (Piła)	1,806,500.00	1,806,500.00	100.00%	100.00%
31	GAZ Sp. z o.o. (Błonie)	300,000.00	153,000.00	51.00%	51.00%
32	GAZ MEDIA Sp. z o.o. (Wołomin)	300,000.00	153,000.00	51.00%	51.00%
33	NAFT-STAL Sp. z o.o.	667,500.00	450,000.00	67.40%	67.40%
34	Powisłe Park Sp. z o.o. (Warsaw)	78,131,000.00	78,131,000.00	100.00%	100.00%

¹⁾ Figures shown in foreign currencies

²⁾ Paid-in share capital of LYD 300,000.00, of which LYD 180,000.00 was paid in by GEOFIZYKA Kraków Sp. z o.o.

³⁾ Share capital not paid in.

Consolidated Undertakings of the Group as at the End of Q3 2009

Company	Country	% of share capital held	
		Sep 30 2009	Sep 30 2008
Subsidiaries			
GK GEOFIZYKA Kraków Group ²⁾	Poland	100.00%	100.00%
GEOFIZYKA Toruń Sp. z o. o.	Poland	100.00%	100.00%
Poszukiwania Nafty i Gazu Jasło Sp. z o.o.	Poland	100.00%	100.00%
Poszukiwania Nafty i Gazu Kraków Group ³⁾	Poland	100.00%	100.00%
Poszukiwania Nafty i Gazu NAFTA Sp. z o.o.	Poland	100.00%	100.00%
Zakład Robót Górniczych Krosno Sp. z o.o.	Poland	100.00%	100.00%
Poszukiwania Naftowe Diament Sp. z o.o.	Poland	100.00%	100.00%
PGNiG Norway AS	Norway	100.00%	100.00%
Polish Oil And Gas Company – Libya B.V.	Netherlands	100.00%	100.00%
Dolnośląska Spółka Gazownictwa Sp. z o.o.	Poland	100.00%	100.00%
Górnośląska Spółka Gazownictwa Sp. z o.o.	Poland	100.00%	100.00%
Karpacka Spółka Gazownictwa Sp. z o.o.	Poland	100.00%	100.00%
Mazowiecka Spółka Gazownictwa Group ⁵⁾	Poland	100.00%	100.00%
Pomorska Spółka Gazownictwa Sp. z o.o.	Poland	100.00%	100.00%
Wielkopolska Spółka Gazownictwa Sp. z o.o.	Poland	100.00%	100.00%
BUG Gazobudowa Sp. z o. o. Zabrze	Poland	100.00%	100.00%
Budownictwo Naftowe Naftomontaż Sp. z o.o.	Poland	88.83%	88.83%
Zakład Urządzeń Naftowych Naftomet Sp. z o.o.	Poland	100.00%	100.00%
B.S. i P.G. Gazoprojekt S.A.	Poland	75.00%	75.00%
Geovita Sp. z o.o.	Poland	100.00%	100.00%
INVESTGAS S.A	Poland	100.00%	100.00%
Polskie LNG Sp. z o.o. ⁴⁾	Poland	-	100.00%
Subsidiaries of subsidiary BN Naftomontaż Krosno Sp. z o. o.			
NAFT-STAL Sp. z o.o.	Poland	59.88%	59.88%
Jointly-controlled and associated undertakings valued with equity method			
SGT EUROPOL GAZ S.A. ¹⁾	Poland	49.74%	49.74%
GAS - TRADING S.A.	Poland	43.41%	43.41%

¹⁾ Including a 48% direct interest and 1.74% held indirectly through GAS-TRADING S.A..

²⁾ The GEOFIZYKA Kraków Group comprises Geofizyka Kraków Sp. z o.o. and its subsidiary – GEOFIZYKA Kraków Libya JSC.

³⁾ The Poszukiwania Nafty i Gazu Kraków Group comprises Poszukiwania Nafty i Gazu Kraków Sp. z o. o. and its subsidiary – Oil Tech International - F.Z.E.

⁴⁾ A consolidated company until December 8th 2008, i.e. until the date of its purchase by GAZ-SYSTEM S.A.

⁵⁾ The Mazowiecka Spółka Gazownictwa Group comprises Mazowiecka Spółka Gazownictwa Sp. z o.o. and its subsidiary, Powiśle Park Sp. z o.o., which has been consolidated since Q1 2009.

3. Changes in the Company's Structure, Including Changes Resulting from Mergers, Acquisitions or Disposals of the Group Undertakings, as well as Long-Term Investments, Demergers, Restructuring or Discontinued Operations

In Q3 2009 the major changes in the Group's structure included:

- Share capital increase at Górnośląska Spółka Gazownictwa Sp. z o.o. by PLN 850,000 thousand, to PLN 1,300,338 thousand. As at September 30th 2009, the increase had not been entered in the National Court Register.
- Share capital increase at NYSAGAZ Sp. z o.o. by PLN 3,100 thousand (the Group's contribution was PLN 1,581 thousand), to PLN 6,800 thousand; the increase was entered in the National Court Register on September 16th 2009;
- On September 31st 2009, the court issued a decision on the deletion of TeNET 7 Sp. z o.o. (in liquidation) from the Register of Entrepreneurs of the National Court Register.
- On September 24th 2009, the Extraordinary General Shareholders Meeting of Agencja Rozwoju Regionalnego Karpaty S.A. passed a resolution on dissolution and liquidation of the company.

4. Management Board's Position on the Feasibility of Meeting Forecasts Published Earlier for a Given Year in the Light of the Results Presented in the Quarterly Report as Compared with the Forecast

PGNiG S.A. did not publish a performance forecast for 2009.

5. Shareholders Holding, Directly or Indirectly through Subsidiaries, 5% or More of the Total Vote at the General Shareholders Meeting of the Company as at the Date of Publication of the Quarterly Report, Including Information on the Number of Shares Held by these Shareholders, their Interests in the Company's Share Capital, the Resulting Number of Votes at the General Shareholders Meeting and their Share in the Total Vote at the General Shareholders Meeting, and Any Changes in the Ownership Structure of Major Holdings of the Company Shares after the Publication of the Previous Quarterly Report

Shareholder	% of total vote at the General Shareholders Meeting as at publication date of previous quarterly report	Number of shares held as at publication date of previous quarterly report	% change from Jun 30–Sep 30 2009	% of total vote at the General Shareholders Meeting as at this report's publication date	Number of shares held as at this report's publication date
State Treasury	81.10%	4,401,169,951	-1.46%	73.14%	4,315,111,560
Other	18.90%	1,498,830,049	1.46%	26.86%	1,584,888,440
Total:	100%	5,900,000,000	-	100%	5,900,000,000

6. Number of Company Shares and Options for Company Shares Held by the Management and Supervisory Staff as at this Report Date and Changes in the Number of Company Shares and Options for Company Shares Held by the Management and Supervisory Staff after Publication of the Previous Quarterly Report

	Number of shares and options held as at publication date of previous quarterly report*	Acquisition	Disposal	Increase due to change of composition	Decrease due to change of composition	Number of shares and options held as at this report's publication date*
Management staff	126,167	-	-	-	-	126,167
Michał Szubski	6,825	-	-	-	-	6,825
Mirosław Dobrut	19,500	-	-	-	-	19,500
Mirosław Szkałuba	9,425	-	-	-	-	9,425
Waldemar Wójcik	19,500	-	-	-	-	19,500
Stanisław Radecki	19,500	-	-	-	-	19,500
Mieczysław Jakiel	30,101	-	-	-	-	30,101
Tadeusz Kulczyk	21,316	-	-	-	-	21,316
Supervisory staff	38,822	-	-	-	-	38,822
Stanisław Rychlicki	9,897	-	-	-	-	9,897
Mieczysław Kawecki	19,500	-	-	-	-	19,500
Jolanta Siergiej	9,425	-	-	-	-	9,425

* According to confirmations received as at August 19th 2009 and October 31st 2009.

7. Court, Arbitration or Administrative Proceedings Concerning Liabilities or Receivables of the Company or its Subsidiaries

In the reporting period, no proceedings were instituted or pending before any court, arbitration authority, or public administration authority, concerning any liabilities or debts of PGNiG S.A. or its subsidiary undertakings, whose aggregate value would equal or exceed 10% of the Company's equity.

The aggregate value of all pending proceedings in respect of liabilities or debts is significantly lower than 10% of the Company's equity.

8. Conclusion by PGNiG S.A. or Its Subsidiary Undertakings of a Transaction or a Series of Transactions with Related Undertakings, where the Transaction Value (Total Value of All Transactions Concluded from the Beginning of the Financial Year) Exceeds the PLN Equivalent of EUR 500 Thousand, and the Transactions are Not Typical or Routine Transactions Concluded at Arms' Length between Related Undertakings, and their Nature, as well as their Terms and Conditions Do Not Follow from Ordinary Business Activities of the Company or its Subsidiary

From January 1st to September 30th 2009, neither PGNiG S.A. nor any of its subsidiary undertakings concluded any transactions with related undertakings which would be worth more than EUR 500 thousand and would not follow from ordinary business activities.

9. Loan Sureties or Guarantees Issued by PGNiG S.A. or Its Subsidiary Undertakings to One Entity or Its Subsidiary if the Total Amount of Outstanding Sureties or Guarantees Issued to such an Entity or its Subsidiary Represents 10% or More of the Company's Equity

In Q3 2009, neither PGNiG S.A. nor any of its subsidiary undertakings issued any guarantees whose value, if added to the amount of outstanding sureties or guarantees issued to one entity or its subsidiary, would represent the equivalent of 10% or more of the Company's equity.

10. Other Information which in the Opinion of PGNiG S.A. is Material for Assessing its Staffing Levels, Assets, Financial Standing and Results, or Changes in Any of the Foregoing, and Information which is Material for Assessing the Company's Ability to Fulfil its Obligations

Apart from the information disclosed in this report, the Company is not aware of any information which could be material for assessing its staffing levels, assets, financial standing and results, or changes in any of the foregoing, or of information which could be material for assessing the Company's ability to fulfil its obligations.

11. Factors which in the Opinion of PGNiG S.A will Affect its Performance in the Next Quarter or Later

The PGNiG Group's performance will be driven largely by the prices of crude oil and petroleum products, and therefore also by the prices of imported gas. The global market for these raw materials and products is unstable and changeable. Over the first three quarters of 2009, the prices of crude oil fell and stabilised. If such situation continues in the fourth quarter, the prices of imported gas will stabilise.

Also the situation on the currency market has strong implications for the PGNiG Group's financial performance. March 2009 saw a slowdown in the rapid growth of the USD and EUR exchange rates, which started in August 2008. The exchange rates of those currencies dropped gradually in the following months of 2009. Should this trend on the currency market continue in the fourth quarter of 2009, the unit purchase costs of imported gas will be lower when translated into the złoty.

In the fourth quarter of 2009, the PGNiG Group will apply Gaseous Fuel Tariff No. 1/2009, approved by the President of URE on May 7th 2009. In the third quarter of 2009, the rates and charges under this tariff were sufficient to ensure the PGNiG Group a positive margin on sales of imported gas. Such a situation was very rare in the previous years. The tariff prices usually made the sale of imported gas unprofitable and the loss incurred due to such unprofitability was offset by profits from the sale of domestically produced gas. If the prices of imported gas increase, but not to the extent that would exceed the tariff rates and charges, the financial performance of the PGNiG Group is expected to improve materially. Such improvement will follow from the expected higher demand for gas fuels in the heating season, which will result in higher sales volume in the fourth quarter of 2009.

In the following quarter of 2009, the PGNiG Group expects to maintain the high profitability of its production activities. The situation on the fuel market will be decisive for the performance of the Exploration and Production segment. The crude oil prices applied by PGNiG will be determined by the level of crude oil prices on international markets.

In the distribution segment, the performance is expected to improve markedly due to higher volume of gas transmitted in the heating season and in result of increase of distributional tariffs in 2009 year.

In line with its plans, the PGNiG Group will maintain a high level of capital expenditure on investment projects, including projects aimed to expand its production capacity, diversify sources of supply and expand the capacity of its underground storage facilities, as well as exploration projects. The Group's extensive investment activity will be financed from operating cash flows and funds made available under credit facilities contracted by the Group.