

UNIPETROL a.s.

**UNAUDITED CONDENSED INTERIM
CONSOLIDATED AND NON-CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

AS OF 31 MARCH 2012



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AS OF 31 MARCH 2012



UNIPETROL, a.s.

Consolidated statement of financial position
prepared in accordance with International Financial Reporting Standards
As at 31 March 2012
(in thousands of Czech crowns)



	Note	31 March 2012 (unaudited)	31 December 2011 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	28,396,159	28,893,098
Intangible assets	10	3,207,774	2,508,468
Investment property		395,891	395,891
Other investments	11	522	522
Non-current receivables	12	70,855	80,165
Deferred tax asset		29,488	39,685
Total non-current assets		32,100,689	31,917,829
Current assets			
Inventories		12,103,928	11,609,463
Trade and other receivables		12,451,767	10,628,175
Other short-term financial assets	13	228,246	388,525
Prepayments and other current assets		202,957	125,059
Cash and cash equivalents		1,191,948	2,470,555
Current tax assets		37,985	36,208
Total current assets		26,216,831	25,257,985
Total assets		58,317,520	57,175,814
EQUITY AND LIABILITIES			
Equity			
Share capital		18,133,476	18,133,476
Statutory reserves		2,554,809	2,554,809
Other reserves		52,467	(46,392)
Retained earnings	14	11,858,491	12,219,048
Total equity attributable to equity holders of the Company		32,599,243	32,860,941
Non-controlling interests		(9,355)	(6,823)
Total equity		32,589,888	32,854,118
Non-current liabilities			
Loans and borrowings	15	2,003,474	2,005,374
Deferred tax liability		1,637,640	1,575,527
Provisions	16	363,417	363,391
Other non-current liabilities		101,578	102,773
Total non-current liabilities		4,106,109	4,047,065
Current liabilities			
Trade and other payables and accruals		16,741,381	17,791,695
Deferred income		779,502	--
Loans and borrowings	15	2,505,377	902,905
Provisions	16	1,245,306	1,173,292
Other short-term financial liabilities	13	323,536	388,472
Current tax liabilities		26,421	18,267
Total current liabilities		21,621,523	20,274,631
Total liabilities		25,727,632	24,321,696
Total equity and liabilities		58,317,520	57,175,814

The consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 8 to 16.

UNIPETROL, a.s.

Consolidated statement of comprehensive income
prepared in accordance with International Financial Reporting Standards
For the 3 month period ended 31 March 2012
(in thousands of Czech crowns)



	Note	31 March 2012 (unaudited)	31 March 2011 (unaudited)
Revenue	3	25,448,557	23,087,827
Cost of sales	5	(24,725,254)	(21,800,471)
Gross profit		723,303	1,287,356
Other income		143,992	135,418
Distribution expenses		(536,505)	(506,460)
Administrative expenses		(293,909)	(285,608)
Other expenses		(87,928)	(60,029)
Result from operating activities	5	(51,047)	570,677
Finance income		177,160	320,224
Finance costs		(400,521)	(290,138)
Net finance income (costs)	7	(223,361)	30,086
Profit (loss) before income tax		(274,408)	600,763
Income tax expense	8	(88,683)	(137,099)
Profit (loss) for the period		(363,091)	463,664
Other comprehensive income:			
Foreign currency translation differences - foreign operations		(10,656)	(6,029)
Effective portion of changes in fair value of cash flow hedges		135,206	(78,680)
Other transactions		--	9,700
Tax on other comprehensive income		(25,689)	14,949
Other comprehensive income for the period, net of tax		98,861	(60,060)
Total comprehensive income for the period		(264,230)	403,604
Profit (loss) attributable to:			
Owners of the Company		(360,559)	463,664
Non-controlling interests		(2,532)	--
Profit (loss) for the period		(363,091)	463,664
Total comprehensive income attributable to:			
Owners of the Company		(261,698)	403,604
Non-controlling interests		(2,532)	--
Total comprehensive income for the period		(264,230)	403,604
Basic and diluted earnings per share (in CZK)		(1.99)	2.56

The consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 8 to 16.



UNIPETROL, a.s.

Consolidated statement of changes in equity
prepared in accordance with International Financial Reporting Standards
For the 3 month period ended 31 March 2012
(in thousands of Czech crowns)



	Share capital	Statutory reserves	Translation reserve	Fair value reserve	Hedging reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2011	18,133,476	2,452,698	5,223	20,748	--	18,187,563	38,799,708	--	38,799,708
Total comprehensive income for the period									
Profit or loss	--	--	--	--	--	463,664	463,664	--	463,664
Other comprehensive income	--	9,700	(6,029)	--	(63,731)	--	(60,060)	--	(60,060)
Total comprehensive income for the period	--	9,700	(6,029)	--	(63,731)	463,664	403,604	--	403,604
Balance as at 31 March 2011	18,133,476	2,462,398	(806)	20,748	(63,730)	18,651,227	39,203,312	--	39,203,312
Balance as at 1 January 2012	18,133,476	2,554,809	(4,880)	52,203	(93,715)	12,219,048	32,860,941	(6,823)	32,854,118
Total comprehensive income for the period									
Profit or loss	--	--	--	--	--	(360,559)	(360,559)	(2,532)	(363,091)
Other comprehensive income	--	--	(10,656)	--	109,517	--	98,861	--	98,861
Total comprehensive income for the period	--	--	(10,656)	--	109,517	(360,559)	(261,698)	(2,532)	(264,230)
Balance as at 31 March 2012	18,133,476	2,554,809	(15,536)	52,203	15,802	11,858,489	32,599,243	(9,355)	32,589,888

The consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 8 to 16.

UNIPETROL, a.s.

Consolidated statements of cash flows
prepared in accordance with International Financial Reporting Standards
For the 3 month period ended 31 March 2012
(in thousands of Czech crowns)



	31 March 2012 (unaudited)	31 March 2011 (unaudited)
Cash flows from operating activities:		
Profit (loss) for the period	(363,091)	463,664
Adjustments for:		
Depreciation of the property, plant and equipment and amortisation of intangible assets	770,560	808,056
Loss (gain) on disposals of property, plant and equipment and intangible assets	(9,053)	115,858
Net foreign exchange gains	(161,436)	(172,003)
Interest and dividend, net	58,518	45,122
Net loss from financial derivatives	290,956	200,797
Impairment losses (gains) on financial investments, property, plant and equipment and intangible assets	60,373	(4,335)
CO2 allowances grant derecognition	(91,441)	(102,605)
Income tax expense	88,683	137,099
Changes in:		
- in trade receivables and other current assets	(1,876,117)	(2,071,789)
- in inventories	(497,255)	(582,613)
- in trade and other payables and accruals	(1,329,894)	(147,526)
- in deferred income related to CO2 allowances grant	742,756	(1,256,880)
- in provisions	122,850	143,440
Interest paid	(22,824)	(9,291)
Income tax paid	(23,715)	(46,159)
Net cash used in operating activities	(2,240,130)	(2,479,163)
Cash flows from investing activities:		
Proceed from disposals of property, plant and equipment and intangible assets	10,815	162,346
Interest received	4,806	11,846
Change in loans granted	11,181	7,218
Settlement of financial derivatives	17,299	--
Acquisition of property, plant and equipment and intangible assets	(516,517)	(1,492,297)
Acquisition of short-term financial assets	(102,442)	(280,537)
Acquisition of additional shareholding in subsidiary	--	(460)
Net cash used in investing activities	(574,858)	(1,591,884)
Cash flows from financing activities:		
Change in loans and borrowings	1,549,356	1,337,486
Payment of finance lease liabilities	(2,768)	(3,005)
Dividends paid	(189)	(1,088)
Net cash from financing activities	1,546,399	1,333,393
Net change in cash and cash equivalents	(1,268,589)	(2,737,655)
Cash and cash equivalents at the beginning of the period	2,470,555	4,741,831
Effects of exchange rates changes on the balance of cash held in foreign currencies	(10,018)	(9,435)
Cash and cash equivalents at the end of the period	1,191,948	1,994,742

The consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 8 to 16.

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1. DESCRIPTION OF THE PARENT COMPANY AND STRUCTURE OF THE CONSOLIDATED GROUP*Establishment of the parent company*

UNIPETROL, a.s. (the "Company") is a joint stock company established by the National Property Fund of the Czech Republic by a foundation agreement dated 27 December 1994. The Company was registered in the Register of Companies at the Regional Commercial Court in Prague on 17 February 1995. The Company is listed and registered on the Prague Stock Exchange.

Registered office of the Company

UNIPETROL, a.s.

Na Pankráci 127

140 00 Praha 4

Czech Republic

Principal activities

The Company operates as a holding company covering and administering a group of companies (hereinafter the "Group"). The principal businesses of the Group include oil and petroleum products processing, production of commodity chemicals, semi-finished industrial fertilizers and polymer materials, mineral lubricants, plastic lubricants, paraffin, oils and petroleum jellies. Furthermore, the Group is engaged in the distribution of fuels and operation of gas stations.

In addition to these principal activities, the Group is engaged in other activities that are necessary to support the principal activities, such as production, distribution and sale of heat and electricity, operation of railway tracks and railway transportation, leasing services, advisory services relating to research and development, environmental protection, software and hardware advisory services, databank and network administration services, apartment rental services and other services.

Ownership structure

The shareholders as at 31 March 2012 are as follows:

POLSKI KONCERN NAFTOWY ORLEN S.A.	63 %
Investment funds and other minority shareholders	37 %

Consolidated group structure

The subsidiaries and joint-ventures forming the consolidated group of UNIPETROL, a.s., and the Group's interest in the capital of subsidiaries and joint-ventures held either directly by the parent company or indirectly by the consolidated subsidiaries and allocation of subsidiaries into the Operating segments is presented in the consolidated financial statements of the Group as at and for the year ended 31 December 2011. There were no changes in the structure of the Group in the period ended 31 March 2012 except the issues mentioned below.

On 1 June 2010 CHEMAPOL (SCHWEIZ) AG was put under liquidation due to the restructuring process of UNIPETROL TRADE Group. It is expected that liquidation of CHEMAPOL (SCHWEIZ) AG will be completed in 2012.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

A Statement of compliance and general principles of preparation

The consolidated financial statements of the Company for the period ended 31 March 2012 comprise the Company and its subsidiaries (together referred as the "Group") and the Group's interest in jointly controlled entities.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

These condensed consolidated interim financial statements have been prepared on a going concern basis. As at the date of approval of the statements there is no indication that the Group will not be able to continue as a going concern in the foreseeable future.

The financial statements, except for statement of cash flows, are prepared on the accrual basis of accounting.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2011.

B Significant accounting policies

The Group used the same accounting policies and methods of computation during preparation of these interim financial statements as those applied in its consolidated financial statements as at and for the year ended 31 December 2011.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) as adopted for use in the European Union.

Amendments to IFRS that came into force on or after 1 January 2012 have no effect on current and previously presented financial results and equity.

Certain new standards and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2012 or later periods.

The Group will adopt the changes after their acceptance by the European Commission in accordance with their effective date. The possible impact of the changes on the Group's future consolidated financial statements is being analyzed.

C Functional and presentation currency

These consolidated financial statements are presented in Czech crown (CZK), which is the Group's functional currency. All financial information presented in CZK has been rounded to the nearest thousand.

D Information on seasonality and cyclicity of Group's operations

The Group does not report any material seasonal or cyclical character of its operation in the period ended 31 March 2012.

3. REVENUE

	31/03/2012	31/03/2011
Gross sales of finished goods and revenue from services	29,462,022	26,679,286
Less: Excise tax	(5,442,025)	(5,714,164)
Net revenues from sales of finished goods and services	24,019,997	20,965,122
Gross sales of merchandise and materials	1,450,198	2,144,095
Less: Excise tax	(21,638)	(21,390)
Net revenues from sales merchandise and materials	1,428,560	2,122,705
Total revenues	25,448,557	23,087,827

4. OPERATING SEGMENTS**Revenues and operating result by operating segments**

Period ended 31/03/2012	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Total external revenues	13,876,114	2,372,224	9,182,304	17,915	--	25,448,557
Inter segment revenues	5,828,818	55,412	428,136	141,069	(6,453,435)	--
Total segment revenue	19,704,932	2,427,636	9,610,440	158,984	(6,453,435)	25,448,557
Result from operating activities	149,512	50,471	(236,397)	(14,633)	--	(51,047)
Net finance costs						(223,361)
Loss before income tax						(274,408)
Income tax expense						(88,683)
Loss for the period						(363,091)
Depreciation and amortization	(218,320)	(84,720)	(445,340)	(22,180)	--	(770,560)

Period ended 31/03/2011	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Total external revenues	12,133,295	2,130,652	8,812,120	11,760	--	23,087,827
Inter segment revenues	5,083,726	54,678	324,720	158,730	(5,621,854)	--
Total segment revenue	17,217,021	2,185,330	9,136,840	170,490	(5,621,854)	23,087,827
Result from operating activities	88,813	71,654	384,704	25,506	--	570,677
Net finance income						30,086
Profit before income tax						600,763
Income tax expense						(137,099)
Profit for the period						463,664
Depreciation and amortization	(257,933)	(93,872)	(434,494)	(21,757)	--	(808,056)

Assets by operating segments

31/03/2012	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Segment assets	25,851,202	6,598,733	24,887,254	1,921,057	(1,375,966)	57,882,280
Unallocated corporate assets						435,240
Total assets						58,317,520

31/12/2011	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Segment assets	24,542,413	6,554,371	23,239,544	3,568,372	(1,287,591)	56,617,109
Unallocated corporate assets						558,705
Total assets						57,175,814

5. OPERATING EXPENSES AND INCOMES**Cost of sales**

	31/03/2012	31/03/2011
Cost of finished goods and services sold	(23,302,772)	(19,808,536)
Cost of merchandise and raw materials sold	(1,422,482)	(1,991,935)
Cost of sales - total	(24,725,254)	(21,800,471)

Cost by nature

	31/03/2012	31/03/2011
Materials and energy	(21,058,656)	(17,048,021)
Cost of merchandise and raw materials sold	(1,422,482)	(1,991,935)
External services	(1,555,386)	(1,612,282)
Depreciation and amortization	(770,560)	(808,056)
Personal expenses	(629,130)	(620,883)
Repairs and maintenance	(242,218)	(253,301)
Insurance	(50,800)	(52,278)
Taxes and charges	(5,894)	(8,340)
Non-cancellable operating leasing	(11,998)	(12,288)
Research expenditures	(676)	(1,932)
Other	(111,594)	(146,607)
Change in inventories	215,793	(96,645)
Cost of products and services for own use	5	--
Total expenses	(25,643,596)	(22,652,568)
Operating expenses		
Distribution expenses	536,505	506,460
Administrative expenses	293,909	285,608
Other operating expenses	87,928	60,029
Cost of sales	(24,725,254)	(21,800,471)

Other operating income

	31/03/2012	31/03/2011
Gain on sale of non-current non-financial assets	10,589	2,565
Reversal of provisions	25	1,283
Reversal of receivables impairment allowances	11,132	8,953
Reversal of impairment allowances of property, plant and equipment and intangible assets	2,355	4,600
Penalties and compensations earned	5,269	2,358
CO2 allowances grant derecognition	91,441	102,605
Other	23,181	13,054
Total	143,992	135,418

Other operating expenses

	31/03/2012	31/03/2011
Loss on sale of non-current non-financial assets	(1,536)	(2,384)
Recognition of provisions	(320)	(35,451)
Recognition of receivables impairment allowances	(18,583)	(5,017)
Recognition of impairment allowances of property, plant and equipment and intangible assets	(62,728)	(266)
Addition to provisions for consumption of CO2 allowances	--	(13,025)
Donations	(403)	(214)
Other	(4,358)	(3,672)
Total	(87,928)	(60,029)

6. ASSETS ALLOWANCES**Impairment allowances on assets**

	31/03/2012	31/03/2011
Property, plant, equipment		
Recognized	(422)	(266)
Released	1,929	4,600
Intangible assets		
Recognized	(62,306)	--
Released	426	--
Receivables		
Recognized	(18,583)	(5,017)
Released	11,132	8,953

Write down of inventory

During the three months ended 31 March 2012 the Group recognized the write-down of inventories to net realisable value in amount of CZK 175,177 thousand and reversed CZK 156,851 thousand (three months ended 31 March 2011: CZK 16,815 thousand and CZK 9,943 thousand respectively). Changes in the write-down of inventories are included in cost of sales in statement of comprehensive income.

7. FINANCE INCOME AND FINANCE COSTS

	31/03/2012	31/03/2011
Presented in Profit or loss		
Finance income		
Interest income from held to maturity assets	1,244	3,714
Interest income from loans and receivables	13,853	15,410
Net foreign exchange gain	161,436	300,055
Other finance income	627	1,045
Total finance income	177,160	320,224
Finance costs		
Interest expense on financial liabilities measured at amortized costs	(73,688)	(64,391)
Less: amounts capitalised on qualifying assets	74	144
Net loss arising on derivatives designated at fair value through Profit or loss	(290,056)	(200,797)
Other finance expenses	(36,851)	(25,094)
Total finance costs	(400,521)	(290,138)
Net finance costs recognized in Profit or loss	(223,361)	30,086
Presented in Other comprehensive income		
Effective portion of charges in fair value of cash flow hedges	135,201	(78,680)
Net finance cost presented in Other comprehensive income	(88,160)	(48,594)

8. INCOME TAX

	31/03/2012	31/03/2011
Current tax	(41,209)	(30,699)
Deferred tax	(47,474)	(106,400)
Income tax recognized in Profit and loss – total	(88,683)	(137,099)
Tax recognized in Other comprehensive income - total	(25,689)	14,949
Income tax – total	(114,372)	(122,150)

9. PROPERTY, PLANT AND EQUIPMENT**Acquisitions and disposals**

During the three months ended 31 March 2012 the Group acquired assets with a cost of CZK 203,534 thousand (three months ended 31 March 2011: CZK 267,058 thousand).

Assets with a carrying amount of CZK 1,661 thousand were disposed during three months ended 31 March 2012 (three months ended 31 March 2011: CZK 7,717 thousand), resulting in a net gain on disposal of CZK 9,053 thousand (three months ended 31 March 2011: net gain of CZK 2,390 thousand), which is included in other operating income in the Statement of comprehensive income.

10. INTANGIBLE ASSETS**Acquisitions and disposals**

During the three months ended 31 March 2012 the Group acquired intangible assets with a cost of CZK 18,910 thousand (three months ended 31 March 2011: CZK 911,856 thousand).

During the year 2012 the Group was granted CO2 allowances in amount of CZK 844,704 thousand (in the year 2011: CZK 1,366,108 thousand).

During the three months ended 31 March 2012 the Group didn't acquire and dispose any CO2 allowances. During the three months ended 31 March 2011 CO2 allowances with a cost CZK 897,365 thousand were acquired and CO2 allowances with a carrying amount of CZK 144,736 thousand were disposed, resulting in a net loss on disposal of CZK 2,209 thousand, included in other operating expenses in the Statement of comprehensive income. There were no other intangible assets disposed by the Group in the three months ended 31 March 2012 and 31 March 2011.

11. OTHER INVESTMENTS

The Group had equity investments in amount of CZK 522 thousand as at 31 March 2012 (31 December 2011: CZK 522 thousand) which represent ownership interests in companies that do not have quoted market price and whose fair value cannot be reliably measured and therefore are carried at acquisition cost less any impairment losses.

12. NON-CURRENT RECEIVABLES

The Group has provided a loan to ČESKÁ RAFINÉRSKÁ, a.s. for reconstruction of production unit. Part of this loan was eliminated as an intergroup transaction. The loan is due in 2016 and bears interest of 1M PRIBOR increased by mark up. The loan as at 31 March 2012 amounted to CZK 50,942 thousand (31 December 2011: CZK 54,763 thousand). Short term part of the loan in amount of CZK 15,279 thousand is presented under current receivables. The Group also presents non-current receivables from cash deposits to operators of fuel stations in amount of CZK 12,088 thousand and prepayments for investments in amount of CZK 7,825 thousand. The management considers that carrying amount of receivables approximates their fair value.

13. OTHER SHORT-TERM FINANCIAL ASSETS AND FINANCIAL LIABILITIES**Other short-term financial assets**

	31/03/2012	31/12/2011
Loans granted	5,826	33,289
Financial assets held to maturity	102,442	--
Derivatives not designed as hedge accounting		
commodity swaps	42,973	57,906
currency swaps	2,628	19,929
currency forwards	1,096	156,403
Cash flow hedge instruments		
currency forwards	73,281	120,998
Total	228,246	388,525

Other short-term financial liabilities

	31/03/2012	31/12/2011
Liabilities from cash pool	104,613	88,599
Cash flow hedge instruments		
currency forwards	165,150	236,693
Derivatives not designed for hedge accounting		
currency forwards	53,773	63,180
Total	323,536	388,472

Fair value hierarchy

The derivative financial and hedge instruments held by the Group are carried at fair value under other short-term financial assets and other short-term financial liabilities respectively. The fair value of these financial instruments was determined based on market observable data, excluding quoted prices. Financial instruments carried at fair value by the Group belong to the Level 2 defined by IFRS.

14. RETAINED EARNINGS AND DIVIDENDS**Dividends**

In accordance with appropriate Czech law, dividends can be paid from unconsolidated profit of the parent company. The Ordinary General Meeting of UNIPETROL, a.s. held on 30 June 2011 decided on appropriation of the profit for 2010 amounting to CZK 512,121 thousand. In accordance with Article 26 (1) of the Company's Articles of Association CZK 25,606 thousand was allocated to the reserve fund and CZK 486,515 thousand to retained earnings. The decision regarding settlement of 2011 loss will be made on the annual general meeting of shareholders, which will be held in May / June 2012.

15. LOANS AND BORROWINGS

	31/03/2012	31/12/2011
Non – current loans and borrowings		
Unsecured bonds issued	2,000,000	2,000,000
Finance lease liability	3,474	5,374
Total non – current loans and borrowings	2,003,474	2,005,374
Current loans and borrowings		
Current portion of unsecured bonds issued	123,831	68,655
Unsecured bank loans	2,373,620	825,455
Current portion of finance lease liability	7,926	8,795
Total current loans and borrowings	2,505,377	902,905

Unsecured bonds issued

Using the actual market interest rate, based on the analysis of the current market conditions, the fair value of the aggregate liability arising from the bonds is currently estimated at CZK 2,358,594 thousand (CZK 2,358,684 thousand at 31 December 2011).

Analyses of bank loans

	Total
Balance as at 1 January 2012	825,455
Loans taken	6,496,978
Repayment	(4,947,622)
Interests	(1,191)
Balance as at 31 March 2012	2,373,620

Finance lease liabilities

	31/03/2012	31/12/2011
Future minimum lease payments	12,140	15,244
Present value of future minimum lease payments	11,400	14,169

16. PROVISIONS

	Long – term provision		Short – term provision	
	31/03/2012	31/12/2011	31/03/2012	31/12/2011
Provisions for environmental damages and land restoration	321,842	319,050	--	--
Provisions for legal disputes	8,883	8,883	136,469	136,173
Provision on CO2 allowances	--	--	1,056,598	977,965
Employee benefits provision	25,666	28,432	--	--
Other provisions	7,026	7,026	52,239	59,154
Total	363,417	363,391	1,245,306	1,173,292

Provision on CO2 allowances was created for estimated CO2 emissions in the period ended 31 March 2012 and 31 December 2011.

17. COMMITMENTS AND CONTINGENCIES**Capital Commitments**

As at 31 March 2012 the Group had capital commitments for the acquisition of property, plant and equipment in the amount of CZK 277,086 thousand (as at 31 December 2011: CZK 228,435 thousand).

Contingent liabilities and commitments related to Purchase of shares of PARAMO, a.s. , the sale of shares in KAUCUK, a.s. (currently SYNTHOS Kralupy a.s.) and the sale of shares in SPOLANA a.s. are described in the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

The Company's management, based on the available information and current knowledge of the situation, does not expect any additional expense / payment related to the issues.

17. COMMITMENTS AND CONTINGENCES (CONTINUED)**Claims related to fines imposed by the European Commission**

In 2006, the European Commission imposed fines, among others, upon Shell, Dow, Eni, UNIPETROL, a.s. and SYNTHOS Kralupy a.s. for an alleged cartel in the area of Emulsion Styrene Butadiene Rubber ("ESBR"). UNIPETROL, a.s. and SYNTHOS Kralupy a.s., its subsidiary at that time, were jointly imposed a fine of EUR 17.5 million, which they reimbursed to the Commission. At the same time, both companies appealed to the Court of First Instance in Luxembourg.

General Court of the European Union cancelled in 2011 a decision of the European Commission. The Court concluded the Commission had failed to prove cartel conduct on the part of UNIPETROL a.s. and SYNTHOS Kralupy a.s. Both companies became entitled to reimbursement for a previously jointly paid fine. UNIPETROL a.s. received EUR 9.8 million, which corresponds to the penalty paid and part of the accrued interest. The proceedings are closed.

Claim regarding reward for employees' intellectual work is described in the consolidated financial statements of the Group as at and for the year ended 31 December 2011. During the period ended 31 March 2012 there were no changes in relation to the issue.

Guarantees

Based on the Group's request the bank guarantees relating to the security of customs debt and excise tax at customs offices were issued. Total balance of guarantees related to excise tax amounted to CZK 909,778 thousand as at 31 March 2012 (31 December 2011: CZK 1,413,838 thousand).

18. RELATED PARTIES**Parent and ultimate controlling party**

During 2012 and 2011 a majority (62.99%) of the Company's shares were in possession of PKN Orlen.

Transactions with related parties:

31/03/2012	PKN Orlen	Parties under control or significant influence of the Group	Entities under control or significant influence of PKN Orlen	Other related parties
Current receivables	1,182	--	283,228	--
Current payables including loans	6,672,263	--	222,177	--
Non-current payables including loans	--	--	--	--
Expenses	11,427,583	--	544,136	--
Revenues	26,174	--	403,264	--
Interests income and expense	(3,533)	--	--	--

31/12/2011	PKN Orlen	Parties under control or significant influence of the Group	Entities under control or significant influence of PKN Orlen	Other related parties
Current receivables	315	--	133,848	--
Current payables including loans	7,411,054	--	158,740	--
Non-current payables including loans	--	--	--	--
Expenses	54,878,810	--	1,889,797	--
Revenues	156,248	--	1,872,233	--
Interests income and expense	(3,940)	--	11,564	--

Material transactions concluded by the Group Companies with related parties

In the three month period ended 31 March 2012 and in 2011 there were no transactions concluded by the Group with related parties on other than market terms.

Transactions with key management personnel

In the three month period ended 31 March 2012 and in 2011 the Group companies did not grant to key management personnel and their relatives any advances, loans, guarantees and commitments, or other agreements obliging, to render services to the Company and related parties. In the three month period ended 31 March 2012 and in 2011 there were no significant transactions concluded with members of the Board of Directors, Supervisory Board, their spouses, siblings, descendants, ascendants or their other relatives.

Transactions with related parties concluded by key management personnel of the Capital Group companies

In the three month period ended 31 March 2012 and in 2011 members of the key management personnel of the Parent Company and the Group companies submitted statements that they have not concluded any transactions with related parties.

UNIPETROL, a.s.

**UNAUDITED INTERIM CONDENSED
NON-CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

AS OF 31 MARCH 2012



UNIPETROL, a.s.

Non-consolidated statement of financial position
prepared in accordance with International Financial Reporting Standards
As at 31 March 2012
(in thousands of Czech crowns)



	31 March 2012 (unaudited)	31 December 2011 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	15,392	15,994
Intangible assets	379	522
Investment property	1,141,966	1,141,966
Investments in subsidiaries and joint ventures	13,808,688	13,808,812
Other investments	4,250	4,254
Loans to subsidiaries	2,358,556	2,382,459
Receivables from subsidiaries	96	102
Total non-current assets	17,329,327	17,354,109
Current assets		
Trade and other receivables	74,951	153,684
Loans to subsidiaries	12,630,889	9,507,592
Prepaid expenses	7,214	8,241
Current tax assets	22,109	17,857
Cash and cash equivalents	53,755	1,358,652
Total current assets	12,788,918	11,046,026
Total assets	30,118,245	28,400,135
EQUITY AND LIABILITIES		
Equity		
Share capital	18,133,476	18,133,476
Reserves	2,166,019	2,166,147
Retained earnings	4,746,379	4,716,455
Total equity	25,045,874	25,016,078
Non-current liabilities		
Loans and borrowings	2,000,000	2,000,000
Provisions	400	400
Deferred tax liability	110,341	109,904
Total non-current liabilities	2,110,741	2,110,304
Current liabilities		
Trade and other payables and accruals	81,562	112,649
Loans and borrowings	2,852,361	1,133,208
Dividends payable	27,707	27,896
Total current liabilities	2,961,630	1,273,753
Total liabilities	5,072,371	3,384,057
Total equity and liabilities	30,118,245	28,400,135

UNIPETROL, a.s.

Non-consolidated statement of comprehensive income
 prepared in accordance with International Financial Reporting Standard
 For the period ended 31 March 2012
 (in thousands of Czech crowns)



	31 March 2012 (unaudited)	31 March 2011 (unaudited)
Revenue	36,573	36,668
Cost of sales	(14,914)	(13,965)
Gross profit	21,659	22,703
Other income	13,658	1,124
Administrative expenses	(35,866)	(34,267)
Other expenses	(42)	(71)
Results from operating activities	(591)	(10,511)
Finance income	107,639	100,975
Finance costs	(69,125)	(64,715)
Net finance income	38,514	36,260
Profit before income tax	37,923	25,749
Income tax expense	(7,999)	(6,393)
Profit (loss) for the period	29,924	19,356
Other comprehensive income:		
Revaluation of financial investments	(128)	--
Other comprehensive income for the period, net of tax	(128)	--
Total comprehensive income for the period	29,796	19,356
Basic and diluted earnings per share (in CZK)	1.65	1.07

UNIPETROL, a.s.

Non-consolidated statement of changes in equity
prepared in accordance with International Financial Reporting Standards
For the period ended 31 March 2012
(in thousands of Czech crowns)



	Share capital	Statutory reserves	Fair value changes relating to investment property	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2011	18,133,476	1,625,865	20,748	7,452	4,971,986	24,759,527
Profit for the period	--	--	--	--	19,356	19,356
Total comprehensive income for the period	--	--	--	--	19,356	19,356
Balance as at 31 March 2011	18,133,476	1,625,865	20,748	7,452	4,991,342	24,778,883
Balance as at 1 January 2012	18,133,476	1,651,471	507,135	7,541	4,716,455	25,016,078
Profit for the period	--	--	--	--	29,924	29,924
Other comprehensive income	--	--	--	(128)	--	(128)
Total comprehensive income for the period	--	--	--	(128)	29,924	29,796
Balance as at 31 March 2012	18,133,476	1,651,471	507,135	7,413	4,746,379	25,045,874

UNIPETROL, a.s.

Non-consolidated statement of cash flows
prepared in accordance with International Financial Reporting Standards
For the period ended 31 March 2012
(in thousands of Czech crowns)



	31 March 2012 (unaudited)	31 March 2011 (unaudited)
Cash flows from operating activities:		
Profit for the period	29,924	19,356
Adjustments for:		
Depreciation of property, plant and equipment and amortisation of intangible assets	756	759
Gain on disposals of property, plant and equipment	--	(863)
Interest and dividends, net	(38,908)	(36,854)
Foreign exchange loss	4,683	2,396
Income tax expense	7,999	6,393
Changes in:		
- trade and other receivables and other current assets	75,646	61,495
- in trade and other payables and accruals	(38,649)	(22,814)
Interest paid	(12,535)	(7,614)
Net cash from operating activities	28,916	22,254
Cash flows from investing activities:		
Interest received	56,819	50,280
Proceed from sale of property, plant and equipment and intangible assets	--	862
Acquisition of property, plant and equipment and intangible assets	(11)	(579)
Change in loans to subsidiaries	(3,050,136)	(3,888,198)
Net cash used in investing activities	(2,993,328)	(3,837,635)
Cash flows from financing activities:		
Change in loans and borrowings	1,664,519	1,090,200
Dividends paid	(189)	(1,089)
Net cash from financing activities	1,664,330	1,089,111
Net change in cash and cash equivalents	(1,300,082)	(2,726,270)
Cash and cash equivalents at beginning of the period	1,358,652	2,863,092
Effects of exchange rates changes on the balance of cash held in foreign currencies	(4,815)	(2,211)
Cash and cash equivalents at the end of the period	53,755	134,611

UNIPETROL, a.s.

**Unaudited condensed interim consolidated and non-consolidated financial statements
prepared in accordance with International Financial Reporting Standards**

Period ended 31 March 2012

Signature of statutory representatives

23 April 2012

Piotr Chelminski

Mariusz Kedra

Chairman of the Board of Directors

Member of the Board of Directors