

UNIPETROL, a.s.

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

AS OF 31 MARCH 2008 AND 2007

UNIPETROL, a.s.
UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS
IN ACCORDANCE WITH IFRS

TABLE OF CONTENTS

CONSOLIDATED BALANCE SHEET

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CASH FLOWS

CONDENSED FOOTNOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS

UNIPETROL, a.s.

Consolidated balance sheet
prepared in accordance with International Financial Reporting Standards
As at 31 March 2008 and 31 December 2007
(in thousands of Czech crowns)

	Note	31 March 2008 unaudited	31 December 2007 audited
ASSETS			
Non-current assets			
Property, plant and equipment		35,740,185	35,856,892
Investment property		162,955	162,955
Intangible assets		1,654,669	1,690,412
Goodwill		51,595	51,595
Other investments		239,256	73,916
Non-current receivables		170,539	152,220
Derivative financial instruments		--	--
Deferred tax asset		26,752	23,924
Total non-current assets		38,045,951	38,011,914
Current assets			
Inventories		10,299,929	10,361,090
Trade receivables		12,867,258	13,057,937
Prepayments and other current assets		607,798	179,359
Derivative financial instruments		--	1,315
Income tax receivable		253,297	160,320
Cash and cash equivalents		1,536,480	3,106,496
Assets classified as held for sale	4	78,333	1,261,333
Total current assets		25,643,095	28,127,850
Total assets		63,689,046	66,139,764
EQUITY AND LIABILITIES			
Equity			
Share capital		18,133,476	18,133,476
Statutory reserves		2,041,215	2,042,971
Other reserves		15,302	16,875
Retained earnings		22,054,497	21,648,819
Total equity attributable to equity holders of the Company		42,244,490	41,842,141
Minority interests		279,814	295,928
Total equity		42,524,304	42,138,069
Non-current liabilities			
Loans and borrowings		2,160,907	2,156,000
Deferred tax liability		2,288,619	2,272,437
Provisions		386,954	422,044
Finance lease liability		101,875	121,531
Derivative financial instruments		1,426	--
Other non-current liabilities		343,367	219,317
Total non-current liabilities		5,283,148	5,191,329
Current liabilities			
Trade and other payables and accruals		14,851,178	16,155,298
Current portion of loans and borrowings		319,734	1,447,757
Short-term bank loans		144,797	804,531
Current portion of finance lease liabilities		110,296	116,808
Derivative financial instruments		167,566	13,712
Provisions		220,239	237,143
Income tax payable		67,784	35,117
Liabilities classified as held for sale		--	--
Total current liabilities		15,881,594	18,810,366
Total liabilities		21,164,742	24,001,695
Total equity and liabilities		63,689,046	66,139,764

The consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 7 to 11.

UNIPETROL, a.s.

Consolidated income statement
prepared in accordance with International Financial Reporting Standards
For the 3 month period ended 31 March 2008 and 31 March 2007
(in thousands of Czech crowns)

	31 March 2008 unaudited	31 March 2007 unaudited
Revenue	22,148,621	20,632,999
Cost of sales	(20,363,033)	(16,819,052)
Gross profit	1,785,589	3,813,947
Other income	237,926	229,154
Distribution expenses	(685,482)	(698,602)
Administrative expenses	(524,404)	(463,449)
Other expenses	(160,208)	(562,853)
Operating profit before finance costs	653,421	2,318,197
Finance income	175,226	109,645
Finance expenses	(317,670)	(264,484)
Net finance costs	(142,444)	(154,839)
Profit before tax	510,977	2,163,358
Income tax expense	(121,413)	(587,312)
Profit for the period	389,564	1,576,046
Attributable to:		
Equity holders of the Company	405,678	1,564,300
Minority interest	(16,114)	11,746
Profit for the period	389,564	1,576,046
Basic and diluted earnings per share (in CZK)	2,15	8,69

The consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 7 to 11.

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 2008 and 31 March 2007
(in thousands of Czech crowns)

	Share capital	Statutory reserves	Other reserves	Retained earnings	Equity attributable to equity holders of the Company	Minority interest	Total equity
Balance as at 1 January 2007	18,133,476	1,759,163	(11,848)	20,695,309	40,576,100	584,094	41,160,194
Profit for the period				786,289	786,289	27,907	814,196
Other		1,248	9,852	4,212	15,312	(828)	14,484
Balance as at 31 March 2007	18,133,476	1,759,163	(11,848)	20,695,309	40,576,100	584,094	41,160,194
Balance as at 1 January 2008	18,133,476	2,042,971	16,875	21,648,819	41,842,141	295,928	42,138,069
Profit for the period				405,678	405,678	(16,114)	389,564
Foreign exchange gain on inclusion of subordinated entities			(1,565)		(1,565)		(1,565)
Other		(1,756)	(8)		(1,764)		(1,764)
Balance as at 31 March 2008	18,133,476	2,041,215	15,302	22,054,497	42,244,490	279,814	42,524,304

The consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 7 to 11.

UNIPETROL, a.s.

Consolidated statements of cash flows
prepared in accordance with International Financial Reporting Standards
For the 3 months period ended 31 March 2008 and 31 March 2007
(in thousands of Czech crowns)

	31 March 2008 unaudited	31 March 2007 unaudited
Cash flows from operating activities:		
Profit for the period	389,564	1,576,046
Adjustments for:		
Depreciation and amortisation of the property, plant and equipment and intangible assets	837,946	791,685
Gain on disposals of property, plant and equipment and intangible assets	(1,208)	(25,507)
Interest expense	44,465	98,258
(Reversal of) impairment losses on financial investments, property, inventory, receivables	156,594	(78,829)
Income tax expense	121,413	587,312
Foreign exchange gains	(22,468)	--
Impairment losses on assets classified as held for sale	--	449,169
Operating profit before working capital changes	1,526,306	3,398,134
Change in trade and other receivables, prepayments and other current assets	(126,620)	532,518
Change in trade and other accounts payable and accruals	(1,063,540)	(2,234,015)
Change in provisions	(51,994)	(27,709)
Interest paid	(45,899)	(28,257)
Income tax paid	(163,942)	(154,826)
Net cash provided by operating activities	74,311	1,485,845
Cash flows from investing activities:		
Acquisition of property, plant and equipment and intangible assets	(1,054,827)	(686,157)
Proceed from disposals of property, plant and equipment and intangible assets	14,050	60,090
Proceed from disposals of Synthesia, a.s. and AGROBOHEMIE, a.s.	1,183,000	--
Net cash provided by investing activities	142,223	(626,067)
Cash flows from financing activities:		
Change in short-term bank loans	(1,794,269)	(1,240,578)
Change in loans and borrowings	7,719	(467,191)
Net cash provided by financing activities	(1,786,550)	(1,707,769)
Net change in cash	(1,570,016)	(847,991)
Cash at beginning of year	3,106,496	4,970,650
Cash and cash equivalents related to assets classified as held for sale	--	640,798
Cash at beginning of year in balance sheet	3,106,496	4,329,852
Cash at end of year	1,536,480	4,122,659
Cash and cash equivalents related to Assets held for sale at end of year	--	863,982
Cash at end of year in balance sheet	1,536,480	3,258,677

The consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 7 to 11.

UNIPETROL, a.s.

**Notes to the condensed consolidated interim financial statements
prepared in accordance with International Financial Reporting Standards**

**Periods from 1 January to 31 March 2008 and 2007
(in thousands of CZK)**

Index

1.	Description of the parent company and structure of the consolidated group	8
2.	Significant accounting policies.....	9
3.	Business segments.....	10
4.	Non-current assets held for sale	11

UNIPETROL, a.s.

Notes to the condensed consolidated interim financial statements
prepared in accordance with International Financial Reporting Standards

Periods from 1 January to 31 March 2008 and 2007
(in thousands of CZK)

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.
Klimentská 10
110 05 Praha 1
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, including synthetic rubber, mineral lubricants, plastic lubricants, paraffins, 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 2008 are as follows:

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

The condensed consolidated interim financial statements comprise the same subsidiaries and joint ventures as those comprised by the Group in its consolidated financial statements at and for the year ended 31 December 2007.

The consolidated interim financial statements of the Group as at and for the year ended 31 December 2007 are available upon request from the Company’s registered office or at website address.

UNIPETROL, a.s.

Notes to the condensed consolidated interim financial statements prepared in accordance with International Financial Reporting Standards

**Periods from 1 January to 31 March 2008 and 2007
(in thousands of CZK)**

2. SIGNIFICANT ACCOUNTING POLICIES

A Statement of compliance

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 2007.

B Basis of preparation

The Group used the same accounting policies and methods of computation during preparation of these interim financial statements as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2007.

C Estimates

The preparation of interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 applied to the consolidated financial statements as at and for the year ended 31 December 2007.

UNIPETROL, a.s.

Notes to the condensed consolidated interim financial statements
prepared in accordance with International Financial Reporting Standards

Periods from 1 January to 31 March 2008 and 2007
(in thousands of CZK)

3. BUSINESS SEGMENTS

31 March 2008	Refinery production	Retail	Chemical production	Other	Eliminations	Total
Revenues						
Total external revenues	11,626,152	2,191,110	8,060,106	271,253		22,148,621
Intersegment revenues	4,259,336	71,264	2,110,902	377,576	(6,819,078)	
Total segment revenue	15,885,488	2,262,374	10,171,008	648,830	(6,819,078)	22,148,622
Result from operating activities	53,801	160,529	390,870	48,221		653,421
Net finance costs						(142,444)
Profit before tax						510,977
Income tax expense						(121,413)
Profit for the period						389,564

31 March 2007	Refinery production	Retail	Chemical production	Other	Eliminations	Total
Revenues						
Total external revenues	9,338,635	1,643,230	9,394,563	256,571	--	20,632,999
Intersegment revenues	8,092,746	29,091	2,520,692	218,225	(10,860,754)	--
Total segment revenue	17,431,381	1,672,321	11,915,255	474,796	(10,860,754)	20,632,999
Result from operating activities	487,643	97,984	1,776,821	(82,080)	37,829	2,318,197
Net finance costs						(154,839)
Profit before tax						2,163,358
Income tax expense						(587,312)
Profit for the period						1,576,046

31 March 2008	Refinery	Retail	Chemical	Other	Eliminations	Total
Depreciation and amortization	(247,176)	(77,646)	(470,665)	(42,459)	--	(837,946)

31 March 2007	Refinery	Retail	Chemical	Other	Eliminations	Total
Depreciation and amortization	(224,131)	(77,438)	(453,500)	(36,616)	--	(791,685)

UNIPETROL, a.s.

Notes to the condensed consolidated interim financial statements
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Periods from 1 January to 31 March 2008 and 2007
(in thousands of CZK)

4. NON-CURRENT ASSETS HELD FOR SALE

Based on circumstances described in the consolidated financial statements of the Group as at 31 December 2007 the shares in AGROBOHEMIE a.s. and Synthesia, a.s. were presented as assets held for sale as at 31 December 2007.

On 18 January 2008, the transfer of 50 % of shares in AGROBOHEMIE a.s and 38.79 % of shares in Synthesia, a.s. was closed. The purchase price for the AGROBOHEMIE a.s shares amounted in total to CZK 503 million and for the Synthesia, a.s. shares – to CZK 680 million and was equal to carrying amount of the shares.

Following the closing of the transfer of the shares of AGROBOHEMIE a.s and Synthesia, a.s. by UNIPETROL, a.s. to DEZA, a.s., the settlement agreement became final. As a result all outstanding disputed claims between UNIPETROL, a.s. and DEZA, a.s., were settled, *i.e.*, the risk on a part of UNIPETROL, a.s. relating to a payment to DEZA, a.s. of a high contractual penalty and to potential legal defects of the sale of shares of AGROBOHEMIE a.s. and Synthesia, a.s. was eliminated. On 22 January 2008 DEZA, a.s. withdrew the two legal actions from the Prague court. The respective court resolutions by which the court proceeding has been terminated, become effective as of April 14, 2008.

Signature of statutory representatives

15 May 2008

François Vleugels

Wojciech Ostrowski

Chairman of the Board of Directors

Vice-chairman of the Board of Directors