

UNIPETROL, a.s.

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

AS OF 31 MARCH 2008 AND 2007

UNIPETROL, a.s.
AUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS
IN ACCORDANCE WITH IFRS

TABLE OF CONTENTS

NON-CONSOLIDATED BALANCE SHEET

NON-CONSOLIDATED INCOME STATEMENT

NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NON-CONSOLIDATED STATEMENT OF CASH FLOWS

FOOTNOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

UNIPETROL, a.s.

Non-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)

	31 March 2008 (unaudited)	31 December 2007 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	384,487	376,253
Intangible assets	40,222	42,925
Investment property	162,955	162,955
Investments in subsidiaries and joint ventures	14,117,868	14,117,868
Other investments	4,151	4,151
Loans to subsidiaries	3,024,029	3,070,718
Receivables from subsidiaries	95,716	95,716
Total non-current assets	17,829,428	17,870,586
Current assets		
Trade and other receivables	133,532	468,652
Loans to subsidiaries	7,301,041	4,013,567
Prepaid expenses	1,984	5,586
Cash and cash equivalents	307,142	2,272,023
Assets classified as held for sale	1,093	853,129
Total current assets	7,744,792	7,612,957
Total assets	25,574,220	25,483,543
EQUITY AND LIABILITIES		
Equity		
Share capital	18,133,476	18,133,476
Reserves	1,419,355	1,419,355
Retained earnings	3,590,687	3,208,145
Total equity	23,143,518	22,760,976
Non-current liabilities		
Loans and borrowings	2,012,108	2,000,000
Finance lease liability	62	207
Total non-current liabilities	2,012,170	2,000,207
Current liabilities		
Trade and other payables and accruals	105,903	226,594
Loans and borrowings	312,629	495,766
Total current liabilities	418,532	722,360
Total liabilities	2,430,702	2,722,567
Total equity and liabilities	25,574,220	25,483,543

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

UNIPETROL, a.s.

Non-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	98,938	44,111
Cost of sales	<u>(45,874)</u>	<u>(16,454)</u>
Gross profit	53,065	27,657
Other income	373	2,891
Administrative expenses	(70,190)	(63,387)
Other expenses	<u>(4,106)</u>	<u>(756)</u>
Operating loss before finance income	(20,858)	(33,595)
Finance income	480,848	226,259
Finance expenses	<u>(77,448)</u>	<u>(107,811)</u>
Net finance income	403,400	118,448
Profit before tax	382,542	84,853
Income tax credit	--	--
Profit for the period	<u>382,542</u>	<u>84,853</u>

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

UNIPETROL, a.s.

Non-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	Reserves	Retained earnings	Total
Balance at 1 January 2007	18,133,476	1,277,185	3,338,875	22,749,536
Profit for the period	--	--	84,853	84,853
Balance at 31 March 2007	18,133,476	1,277,185	3,423,728	22,834,389

	Share capital	Reserves	Retained earnings	Total
Balance at 1 January 2008	18,133,476	1,419,355	3,208,145	22,760,976
Profit for the period	--	--	382,542	382,542
Balance at 31 March 2008	18,133,476	1,419,355	3,590,687	23,143,518

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

UNIPETROL, a.s.

Non-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	382,542	84,853
Adjustments for:		
Depreciation and amortisation of property, plant and equipment and intangible assets	4,407	1,816
Gain on disposals of property, plant and equipment and intangible assets	174	(10)
Profit on disposals of financial investments	(330,964)	--
Interest income, net	(73,983)	(36,192)
Dividend income	--	108
Impairment losses on assets classified as held for sale, property, plant and equipment and receivables	(35)	(98,475)
Foreign exchange losses / (gains)	--	(55,999)
Operating profit before changes in working capital	(17,859)	(103,899)
Change in trade receivables and prepaid expenses	414,855	442,157
Change in trade and other payables and accruals	(119,862)	(284,614)
Interest paid	(15,445)	(48,049)
Net cash from operating activities	261,689	5,595
Cash flows from investing activities:		
Acquisition of property, plant and equipment and intangible assets	(10,630)	(2,476)
Proceed from sales of property, plant and equipment and intangible assets	860	--
Proceed from sales of financial investments	1,183,000	--
Interest received	67,665	66,256
Repayment of / (providing) borrowings by / to subsidiaries	(3,474,385)	1,334,072
Dividends received	--	108
Net cash from investing activities	(2,233,490)	1,397,960
Cash flows from financing activities:		
Change in loans and borrowings	6,920	(1,105,843)
Net cash used in financing activities	6,920	(1,105,843)
Net change in cash and cash equivalents	(1,964,881)	297,712
Cash and cash equivalents at 1 January	2,272,023	1,016,186
Cash and cash equivalents at 31 March	307,142	1,313,898

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

UNIPETROL, a.s.

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

Period ended 31 March 2008
(in thousands of CZK)

Index

1.	Description of the company.....	8
2.	Significant accounting policies.....	9
3.	Current loans to subsidiaries	10
4.	Non-current assets held for sale	11

UNIPETROL, a.s.

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

Period ended 31 March 2008
(in thousands of CZK)

1. DESCRIPTION OF THE COMPANY

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

UNIPETROL, a.s. operates as a holding company that controls a group of companies engaged in the oil refinery, production of petrochemical commodities, semi-finished products for industrial fertilizers, polymer materials including synthetic rubber, generation of heat and electricity, distribution and gas stations operation.

The Company is involved in providing economic and organizational advisory services, financing, intermediation of services, advisory services relating to chemical industry, internal and external communication advisory services and human resources consultancy.

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 non-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 non-consolidated interim financial statements prepared in accordance with International Financial Reporting Standards

Period ended 31 March 2008
(in thousands of CZK)

2. SIGNIFICANT ACCOUNTING POLICIES

A Statement of compliance

These condensed unconsolidated 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 non-consolidated financial statements of the Company as at and for the year ended 31 December 2007.

B Basis of preparation

The Company used the same accounting policies and methods of computation during preparation of these interim financial statements as those applied by the Company in its non-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 non-consolidated interim financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that applied to the non-consolidated financial statements as at and for the year ended 31 December 2007.

UNIPETROL, a.s.

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

Period ended 31 March 2008
(in thousands of CZK)

3. CURRENT LOANS TO SUBSIDIARIES

Current loans provided to subsidiaries as at 31 March 2008 and 31 December 2007 were as follows:

Company's name	Effective interest rate	Currency	Carrying amount 31.3.2008	Fair value 2008	Carrying amount 31.12.2007	Fair value 2007
Current portion of non-current loans						
UNIPETROL RPA, s.r.o.	6M PRIBOR*	CZK	100,470	100,470	95,300	95,300
UNIPETROL RPA, s.r.o.	6M PRIBOR*	CZK	117,602	117,602	122,633	122,633
UNIPETROL RPA, s.r.o.	6M PRIBOR*	CZK	73,602	73,602	76,993	76,993
BENZINA s.r.o.	9.97 %	CZK	259,958	259,958	208,427	242,870
BENZINA s.r.o.	6M PRIBOR*	CZK	--	--	9,715	9,715
Current loans						
UNIPETROL RPA, s.r.o.	1M PRIBOR*	CZK	3,506,333	3,506,333	--	--
UNIPETROL RPA, s.r.o.	PRIBOR*	CZK	823,975	823,975	1,545,165	1,545,165
UNIPETROL RPA, s.r.o.	PRIBOR*	CZK	383,190	383,190	565,861	565,861
UNIPETROL RPA, s.r.o.	EURIBOR*	EUR	8,964	8,964	--	--
BENZINA s.r.o.	PRIBOR*	CZK	848	848	4,215	4,215
BENZINA s.r.o.	PRIBOR*	CZK	239,170	239,170	30,458	30,458
BENZINA s.r.o.	PRIBOR*	CZK	600	600	61,400	61,400
PARAMO a.s.	PRIBOR*	CZK	187,341	187,341	156,568	156,568
PARAMO a.s.	PRIBOR*	CZK	450,605	450,605	--	--
BENZINA s.r.o.	PRIBOR*	CZK	700,565	700,565	990,105	990,105
UNIPETROL TRADE a.s.	PRIBOR*	CZK	35,499	35,499	--	--
UNIPETROL TRADE a.s.	PRIBOR*	CZK	--	--	18,354	18,354
UNIPETROL TRADE a.s.	PRIBOR*	CZK	9,765	9,765	9,765	9,765
UNIPETROL TRADE a.s.	EURIBOR*	EUR	101,463	101,463	118,608	118,608
UNIPETROL TRADE a.s.	3M EURIBOR*	EUR	--	--	--	--
Total			6,999,950		4,013,567	

*) Interest rate is increased by the agreed margin.

UNIPETROL, a.s.

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

Period ended 31 March 2008
(in thousands of CZK)

4. NON-CURRENT ASSETS HELD FOR SALE

Based on circumstances described in the non-consolidated financial statements of the Company 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. The profit from sale in amount of CZK 331 million was recognized in finance income.

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

Francois Vleugels

Wojciech Ostrowski

Chairman of the Board of Directors

Vice-chairmen of the Board of Directors