

UNIPETROL, a.s.

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

AS OF 31 DECEMBER 2008 AND 2007

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

TABLE OF CONTENTS

CONDENSED NON-CONSOLIDATED BALANCE SHEET

CONDENSED NON-CONSOLIDATED INCOME STATEMENT

CONDENSED NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONDENSED NON-CONSOLIDATED STATEMENT OF CASH FLOWS

**FOOTNOTES TO THE CONDENSED NON-CONSOLIDATED FINANCIAL
STATEMENTS**

UNIPETROL, a.s.

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

	Note	31 December 2008 unaudited	31 December 2007 audited
ASSETS			
Non-current assets			
Property, plant and equipment	6	384,248	376,253
Intangible assets	7	2,425	42,925
Investment property	8	160,057	162,955
Investments in subsidiaries and joint vent	9	14,165,271	14,117,868
Other investments	10	4,151	4,151
Loans to subsidiaries	12	3,006,223	3,070,718
Receivables from subsidiaries	13	84,556	95,716
Total non-current assets		17,806,931	17,870,586
Current assets			
Trade and other receivables	14	552,163	468,652
Loans to subsidiaries	15	9,691,662	4,013,567
Loans to other companies	16	300,031	--
Prepaid expenses		5,790	5,586
Cash and cash equivalents	17	19,658	2,272,023
Assets classified as held for sale	11	1,093	853,129
Total current assets		10,570,397	7,612,957
Total assets		28,377,328	25,483,543
EQUITY AND LIABILITIES			
Equity			
Share capital	18	18,133,476	18,133,476
Reserves		1,419,355	1,419,355
Retained earnings	19	4,432,501	3,208,145
Total equity		23,985,332	22,760,976
Non-current liabilities			
Loans and borrowings	20	2,000,000	2,000,000
Finance lease liability		86	207
Total non-current liabilities		2,000,086	2,000,207
Current liabilities			
Trade and other payables and accruals	21	194,726	226,594
Dividends	19	48,530	--
Loans and borrowings	22	2,148,654	495,766
Total current liabilities		2,391,910	722,360
Total liabilities		4,391,996	2,722,567
Total equity and liabilities		28,377,328	25,483,543

The non-consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 5 to 28.

UNIPETROL, a.s.

Non-consolidated income statement

prepared in accordance with International Financial Reporting Standards

For the period 12 months ended 31 December 2008 and 31 December 2007

(in thousands of Czech crowns)

	Note	31 December 2008 unaudited	31 December 2007 audited
Revenue	3	397,665	282,909
Cost of sales		<u>(200,769)</u>	<u>(183,494)</u>
Gross profit		196,896	99,415
Other income		1,666	17,493
Administrative expenses		(313,636)	(314,943)
Other expenses		<u>(28,636)</u>	<u>(27 917)</u>
Operating loss before finance income		(143,710)	(225,952)
Finance income		4,925,571	745,247
Finance expenses		<u>(330,565)</u>	<u>(516,505)</u>
Net finance income	5	4,595,006	228,742
Profit before tax		4,451,296	2,790
Income tax credit		(23,149)	(11,911)
Profit for the period		<u>4,428,147</u>	<u>(9,121)</u>

The non-consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 5 to 28.

UNIPETROL, a.s.

Non-consolidated statement of changes in equity
prepared in accordance with International Financial Reporting Standards
For the period of 12 months ended 31 December 2008
(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
Allocation of profit to reserves	--	121,609	(121,609)	--
Profit for the period	--	--	(9,121)	(9,121)
Other - fair value to investment property	--	20,561	--	20,561
Balance at 31 December 2007	18,133,476	1,419,355	3,208,145	22,760,976

	Share capital	Reserves	Retained earnings	Total
Balance at 1 January 2008	18,133,476	1,419,355	3,208,145	22,760,976
Dividends	--	--	(3,200,559)	(3,200,559)
Profit for the period	--	--	4,428,147	4,428,147
Other	--	--	(3,232)	(3,232)
Balance at 31 December 2008	18,133,476	1,419,355	4,432,501	23,985,332

The non-consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 5 to 28.

UNIPETROL, a.s.

Non-consolidated statement of cash flows

prepared in accordance with International Financial Reporting Standards

For the period of 12 months ended 31 December 2008 and 31 December 2007

(in thousands of Czech crowns)

	31 December 2008 unaudited	31 December 2007 audited
Cash flows from operating activities:		
Profit for the period	4,428,147	(9,121)
Adjustments for:		
Depreciation and amortisation of property, plant and equipment and intangible assets	49,743	7,298
Gain on disposals of property, plant and equipment and intangible assets	(214)	(2,892)
Profit on disposals of financial investments	(330,964)	(50,799)
Interest income, net	(311,341)	(176,610)
Dividend income	(3,951,209)	(69,077)
Impairment losses on assets classified as held for sale, property, plant and equipment and receivables	(68)	(151,381)
Foreign exchange losses / (gains)	(26,354)	33,254
Income tax expense	23,149	11,911
Operating profit before changes in working capital	(119,111)	(407,417)
Change in trade receivables and prepaid expenses	(47,714)	(301,327)
Change in trade and other payables and accruals	(56,204)	(201,395)
Interest paid	(144,565)	(932,316)
Income tax (paid) / reimbursed	--	3,064
Net cash from operating activities	(367,594)	(1,839,391)
Cash flows from investing activities:		
Increase of capital of subsidiary	--	(1,060,000)
Acquisition of property, plant and equipment and intangible assets	(15,575)	(51,598)
Acquisition of financial investments	(47,403)	(425,133)
Proceed from sales of property, plant and equipment and intangible assets	1 854	5,273
Proceed from sales of financial investments	1,183,000	5,513,625
Interest received	413,125	1,087,025
Repayment of / (providing) borrowings by / to subsidiaries	(5,914,293)	(562,307)
Dividends received	3,951,209	69,077
Net cash from investing activities	(428,083)	4,575,962
Cash flows from financing activities:		
Change in loans and borrowings	1,695,341	(1,480,734)
Dividends paid	(3,152,029)	--
Net cash used in financing activities	(1,456,688)	(1,480,734)
Net change in cash and cash equivalents	(2,252,365)	1,255,837
Cash and cash equivalents at 1 January	2,272,023	1,016,186
Cash and cash equivalents at 31 December	19,658	2,272,023

The non-consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 5 to 28.

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

Index

1.	Description of the company.....	6
2.	Significant accounting policies.....	8
3.	Revenue.....	9
4.	Business segments.....	9
5.	Finance income and finance expenses.....	10
6.	Property, plant and equipment.....	11
7.	Intangible assets.....	12
8.	Investment property.....	13
9.	Investments in subsidiaries and joint- ventures.....	13
10.	Other investments.....	15
11.	Assets classified as held for sale.....	16
12.	Non-current loans to subsidiaries.....	17
13.	Non-current receivables from subsidiaries.....	17
14.	Trade and other receivables.....	18
15.	Current loans to subsidiaries.....	19
16.	Current loans to other companies.....	19
17.	Cash and cash equivalents.....	20
18.	Share capital.....	20
19.	Retained earnings and dividends.....	20
20.	Non-current loans and borrowings.....	21
21.	Trade and other payables and accruals.....	22
22.	Current loans and borrowings.....	22
23.	Commitments and other contingencies.....	24
24.	Related parties.....	26
25.	Risk management.....	27
26.	Significant post balance sheet events.....	28

UNIPETROL, a.s.

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

Period ended 31 December 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.
Na Pankraci 127
140 00 Praha 4
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 December 2008 are as follows:

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

The non-consolidated financial statements of the Company 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 December 2008
(in thousands of CZK)

1. DESCRIPTION OF THE COMPANY (CONTINUED)

Members of the statutory and supervisory bodies as at 31 December 2008 were as follows:

	Position	Name
Board of directors	Chairman	François Vleugels
	Vice-Chairman	Wojciech Ostrowski
	member	Ivan Ottis
	member	Martin Durčák
	member	Arkadiusz Kotlicki
Supervisory board	Chairman	Jacek Krawiec
	Vice-Chairman	Sławomir Jędrzejczyk
	Vice-Chairman	Ivan Kočárník
	Member (replacement)	Bogdan Dzudzewicz
	member	Marek Serafin
	member	Wojciech Wróblewski
	member	Piotr Kearney
	member	Krystian Pater
	member	Zdeněk Černý

Changes in the board of directors during twelve month period ended 31 December 2008 were as follows:

Position	Name	Change	Date of change
member	Miroslav Krejčí	Resigned as member	June 26, 2008

Changes in the supervisory board during twelve month period ended 31 December 2008 were as follows:

Position	Name	Change	Date of change
Chairman	Piotr Kownacki	Resigned as Chairman	March 28, 2008
member	Wojciech Heydel	Elected as member (replacement)	March 28, 2008
Chairman	Wojciech Heydel	Elected as Chairman	March 28, 2008
member	Rafał Kapler	Resigned as member	March 28, 2008
member	Piotr Kownacki	Recalled as member	June 26, 2008
member	Czesław Bugaj	Recalled as member	June 26, 2008
member	Robert Bednarski	Term of office expiration date of member (replacement)	June 26, 2008
(replacement)			
member	Waldemar Maj	Term of office expiration date of member (replacement)	June 26, 2008
(replacement)			
member	Miroslaw Jasiński	Recalled as member	June 26, 2008
member	Miloslav Suchánek	Recalled as member	June 26, 2008
Vice-Chairman	Dariusz Formela	Term of office expiration date of member /Vice-Chairman	June 26, 2008
member	Piotr Kearney	Reelected as member	June 26, 2008
member	Wojciech Heydel	Elected as member	June 26, 2008
Chairman	Wojciech Heydel	Elected as Chairman	June 26, 2008
member	Jacek Krawiec	Elected as member	June 26, 2008
Vice-Chairman	Jacek Krawiec	Elected as Vice-Chairman	June 26, 2008
member	Sławomir Jędrzejczyk	Elected as member	June 26, 2008
member	Marek Serafin	Elected as member	June 26, 2008
member	Wojciech Wróblewski	Elected as member	June 26, 2008
Chairman	Wojciech Heydel	Resigned as a Chairman	December 11, 2008
Chairman	Jacek Krawiec	Elected as a Chairman	December 11, 2008
Vice-Chairman	Sławomir Jędrzejczyk	Elected as a Vice- Chairman	December 11, 2008
member	Bogdan Dzudzewicz	Elected as a member replacement	December 11, 2008

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

2. SIGNIFICANT ACCOUNTING POLICIES

A Statement of compliance and accounting policies

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

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.

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after 1 January 2008 or later periods but which the Company has not early adopted. Relevant items are as follows:

- IFRIC 12 Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008). The Interpretation provides guidance to private sector entities on certain recognition and measurement issues that arise in accounting for public-to-private service concession arrangements. IFRIC 12 is not relevant to the Company's operations as the Company has not entered into any service concession arrangements.
- IFRIC 13 Customer Loyalty Programmes – effective for annual periods beginning on or after 1 July 2008
- IFRIC 14 Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – effective for annual periods beginning on or after 1 January 2008
- IFRIC 15 Agreements for the Construction of Real Estate– effective for annual periods beginning on or after 1 January 2009
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation is effective for annual periods beginning on or after 1 October 2008
- IFRIC 17 Distributions of Non-cash Assets to Owners - effective for annual periods beginning on or after 1 July 2009
- IFRIC 18 Transfers of Assets from Customers- for annual periods beginning on or after 1 July 2009

Acceptance of listed above interpretations IFRIC 12, IFRIC 14, IFRIC 15, IFRIC 16, IFRIC 17 and IFRIC 18 by the European Union is pending.

According to a preliminary assessment, the application of IFRIC 12, IFRIC 13, IFRIC 14, IFRIC 15, IFRIC 16, IFRIC 17 and IFRIC 18 after their acceptance by European Commission will not have a significant impact on the Company's financial statements.

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B Basis of preparation

The financial statements are presented in thousands of Czech crowns, rounded to the nearest thousand. They are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments held for trading, financial instruments classified as available-for-sale, financial instruments at fair value through profit or loss and investment property.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with IFRSs requires management to make judgments, 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In the matters of considerable weight, the Company's management bases its estimates on opinions of independent experts.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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.

3. REVENUE

An analysis of the Company's revenue is as follows:

	31/12/2008	31/12/2007
Fees for use of land	103,010	90,296
Revenues from services	294,655	192,613
Total revenues	397,665	282,909

4. BUSINESS SEGMENTS

The Company operates within one segment. It recognises fees for use of land and revenue from providing services to subsidiaries and jointly controlled entity located in the Czech Republic.

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

5. FINANCE INCOME AND FINANCE EXPENSES

	31/12/2008	31/12/2007
Finance income		
Interest income:		
- other loans and receivables	567,463	371,788
- bank deposits	66,581	73,934
Dividend income*	3,951,209	69,077
Net gains from sale of investments in subsidiaries	330,965	50,799
Reversal of impairment on assets classified as held for sale	--	151,742
Other finance income	9,353	27,907
Total finance income	4,925,571	745,247
Finance expenses		
Interest expense:		
- bank overdrafts, loans and borrowings	(322,689)	(269,100)
- finance leases	(14)	(12)
Borrowing costs recognized in the income statement	(322,703)	(269,112)
Net foreign exchange losses	(923)	(231,299)
Other finance expenses	(6,938)	(16,094)
Total finance expenses	(330,565)	(516,505)
Net finance income	4,595,006	228,742

* The information about dividends received is included in Note 10

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

6. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Machinery and equipment	Other	Assets under development	Total
Cost					
Balance as at 01/01/2007	497,311	30,501	161	669	528,642
Additions	163	6,407	--	51,959	58,529
Disposals	--	(6,158)	(10)	(49,874)	(56,042)
Transfer to investment property	(142,525)	--	--	--	(142,525)
Balance as at 31/12/2007	354,949	30,750	151	2,754	388,604
Additions	20	8,223	3,837	12	12,092
Disposals	(6)	(3,971)	--	--	(3,977)
Additions from investment property	5,349	--	--	--	5,349
Transfer to investment property	(582)	--	--	--	(582)
Reclassifications	--	1,707	--	(2,007)	(300)
Other	--	359	--	--	359
Balance as at 31/12/2008	359,730	37,068	3,988	759	401,545
Depreciation					
Balance as at 01/01/2007	--	8,674	--	--	8,674
Charge for the year	--	7,061	--	--	7,061
Additions	--	68	--	--	68
Disposals	--	(3,918)	--	--	(3,918)
Balance as at 31/12/2007	--	11,885	--	--	11,885
Charge for the year	--	6,934	5	--	6,939
Additions	--	322	--	--	322
Disposals	--	(2,338)	--	--	(2,338)
Other	--	23	--	--	23
Balance as at 31/12/2008	--	16,826	5	--	16,831
Impairment losses					
Balance as at 01/01/2007	--	--	--	466	466
Balance as at 31/12/2007	--	--	--	466	466
Balance as at 31/12/2008	--	--	--	466	466
Carrying amount as at 01/01/2007	497,311	21,827	161	203	519,502
Carrying amount as at 31/12/2007	354,949	18,865	151	2,288	376,253
Carrying amount as at 31/12/2008	359,730	20,242	3,983	293	384,248

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

7. INTANGIBLE ASSETS

	Software	Other intangible assets	Total
Cost			
Balance as at 01/01/2007	11,449	8,220	19,669
Additions	392	50,682	51,074
Disposals	(466)	(7,920)	(8,386)
Balance as at 31/12/2007	11,375	50,982	62,357
Additions	1,935	--	1,935
Disposals	--	(42,100)	(42,100)
Reclassification	300	--	300
Balance as at 31/12/2008	13,610	8,882	22,492
Amortization			
Balance as at 01/01/2007	11,311	8,067	19,378
Charge for the period	121	116	237
Additions	--	7,892	7,892
Disposals	(256)	(7,892)	(8,148)
Balance as at 31/12/2007	11,176	8,183	19,359
Charge for the period	452	42,352	42,804
Additions	--	--	--
Disposals	--	--	--
Liquidations	--	(42,100)	(42,100)
Balance as at 31/12/2008	11,628	8,435	20,063
Impairment losses			
Balance as at 01/01/2007	--	153	153
Reversal of impairment losses	--	80	80
Balance as at 31/12/2007	--	73	73
Reversal of impairment losses	--	68	68
Balance as at 31/12/2008	--	5	5
Carrying amount as at 01/01/2007	138	--	138
Carrying amount as at 31/12/2007	199	42,726	42,925
Carrying amount as at 31/12/2008	1,982	443	2,425

In 2008 Company liquidated unused SAP licences in amount CZK 42,100 thousand.

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

8. INVESTMENT PROPERTY

Investment property as at 31 December 2008 comprised the land owned by the Group and leased to third parties. The changes recorded during year ended 31 December 2008 are presented in following table:

	Balance as at 31/12/2007	Additions	Transfer to Property, plant and equipment	Transfer from Property, plant and equipment	Balance as at 31/12/2008
Lands	162,955	1,869	(5,349)	582	160,057

Rental income amounted to CZK 23,185 thousand on 31 December 2008 (31 December 2007: 16,685 thousand CZK). Operating costs relating to investment property amounted to CZK 1,224 thousand (31 December 2007: 1,190 thousand CZK).

Future rental income is as follows:

	Less than one year	Between one and five years
Total future rental income	23,185	92,740

9. INVESTEMENTS IN SUBSIDIARIES AND JOINT- VENTURES

Investments in subsidiaries and joint – ventures as at 31 December 2008 were as follows:

Name of the entity	Registered office	Cost of investment	Ownership percentage	Impairment	Carrying amount	Dividend income for the period
Subsidiaries						
UNIPETROL RPA, s.r.o.	Litvínov	7,360,335	100.00	--	7,360,335	3,750,000
Výzkumný ústav anorganické chemie, a.s.	Ústí nad Labem	59,172	100.00	7,860	51,312	--
UNIPETROL TRADE a.s.	Praha 1	350,000	100.00	350,000	--	--
BENZINA s. r.o.	Praha 7	4,181,070	100.00	1,922,070	2,259,000	--
UNIPETROL SERVICES, s.r.o.	Litvínov	100,280	100.00	--	100,280	--
UNIPETROL RAFINÉRIE, s.r.o.	Praha	408	100.00	--	408	--
PARAMO, a.s.	Pardubice	435,943	91.76	--	435,943	--
Joint - ventures						
ČESKÁ RAFINÉRSKÁ, a.s. *)	Litvínov	3,872,299	51.225	--	3,872,299	188,244
Butadien Kralupy, a. s.	Kralupy	85,694	51.00	--	85,694	--
Total		16,445,201	--	2,279,930	14,165,271	3,938,244

*) In line with Articles of Association, adoption of decisions on all important matters in ČESKÁ RAFINÉRSKÁ, a.s. requires 67.5 % or greater majority of all votes.

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

9. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (CONTINUED)

Dividend income for the twelve month period of 2008 included dividend received from UNIPETROL RPA s.r.o in amount of CZK 3,750,000 thousand, PETROTRANS s.r.o CZK 228 thousand, ČESKÁ RAFINÉRSKÁ, a.s. CZK 188,244 thousand, Celio, a.s. CZK 1,000 thousand, Polymer Institute Brno s.r.o. CZK 74 thousand, UNIPETROL DOPRAVA, s.r.o. CZK 149 thousand, Uniraf Slovensko, s.r.o. CZK 11,514 thousand.

Investments in subsidiaries and joint – ventures as at 31 December 2007 were as follows:

Name of the entity	Registered office	Cost of investment	Ownership percentage	Impairment	Carrying amount	Dividend income for the period
Subsidiaries						
UNIPETROL RPA, s.r.o.	Litvínov	7,360,335	100.00	--	7,360,335	108
Výzkumný ústav anorganické chemie, a.s.	Ústí nad Labem	59,172	100.00	7,860	51,312	--
UNIPETROL TRADE a.s.	Praha 1	350,000	100.00	350,000	--	--
BENZINA s. r.o.	Praha 7	4,181,070	100.00	1,922,070	2,259,000	--
UNIPETROL SERVICES, s.r.o.	Litvínov	100,280	100.00	--	100,280	--
UNIPETROL RAFINÉRIE, s.r.o.	Praha	408	100.00	--	408	--
PARAMO, a.s.	Pardubice	388,540	88.03	--	388,540	--
Joint - ventures						
ČESKÁ RAFINÉRSKÁ, a.s. *)	Litvínov	3,872,299	51.225	--	3,872,299	68,161
Butadien Kralupy, a. s.	Kralupy	85,694	51.00	--	85,694	--
Total		16,397,798	--	2,279,930	14,117,868	68,269

*) In line with Articles of Association, adoption of decisions on all important matters in ČESKÁ RAFINÉRSKÁ, a.s. requires 67.5 % or greater majority of all votes.

Purchase of shares of PARAMO, a.s.

On 29 August 2008 UNIPETROL, a.s. (hereafter Unipetrol) and Polski Koncern Naftowy ORLEN Spółka Akcyjna executed the Share Purchase Agreement, pursuant to which Unipetrol, as purchaser, acquired from PKN ORLEN, as seller, 49,660 pieces of shares of PARAMO, a.s. (hereafter Paramo), which represent in aggregate 3.73 per cent of the registered share capital and voting rights in Paramo. The aggregate purchase price amounted to CZK 47,400,470. The transfer of the shares from PKN ORLEN was effected on 5 September 2008.

Unipetrol as the owner of shares in Paramo. representing 91.77 % share in the registered capital and voting rights of Paramo, intends to squeeze out the other shares of Paramo within the meaning of Sections 183i et seq. of the Commercial Code and become the sole shareholder of Paramo, under condition that Unipetrol will provide to the other shareholders of Paramo, upon fulfillment of all conditions prescribed by applicable law, the monetary consideration in the amount of CZK 977 per one (1) share of Paramo, being equal in aggregate for all squeezed out shares to CZK 106,965,868.

The amount of the consideration was determined on the basis of an appraisal report prepared by American Appraisal s.r.o. The intention to implement the squeeze-out under the above specified conditions has been approved by the Supervisory Board and the Board of Directors of Unipetrol. The implementation was subject, in particular, to granting a prior approval by the Czech National Bank with evidence of consideration amount and adoption of a resolution by the General Meeting of Paramo on transmission of all other shares of Paramo to Unipetrol.

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

9. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (CONTINUED)

On 28 November 2008 a decision of the Czech National Bank granting approval with the evidence of the monetary consideration became effective.

On 6 January 2009 the Extraordinary General Meeting of Paramo, convoked on request of Unipetrol, decided on the transfer of all other shares of Paramo to Unipetrol, provided that upon fulfillment of all conditions prescribed by applicable law Unipetrol will provide to the other shareholders of Paramo and/or pledges, the monetary consideration in the amount of CZK 977 per one share of Paramo.

Following the resolution of the Extraordinary General Meeting of Paramo, a.s. of 6 January 2009 regarding the transfer of all other shares of Paramo to Unipetrol on 4 February 2009 the registration of the above resolution of the Extraordinary General Meeting of Paramo in the Czech Commercial Registry was published.

Pursuant to the Czech Commercial Code, the ownership title to shares of the other shareholders of Paramo will pass to Unipetrol upon expiration of one month from the above publication.

In connection with the above squeeze-out of shares in Paramo, some of the shareholders of Paramo filed a petition with the Regional Court in Hradec Králové for review of reasonableness of consideration within the meaning of the Czech Commercial Code.

With respect to the above described facts regarding determination of consideration value, Czech National Bank decision and approval of the Extraordinary General Meeting of Paramo, Unipetrol considers the petition for review of reasonableness of consideration unfounded.

10. OTHER INVESTMENTS

Other investments as at 31 December 2008 were as follows:

Company	Registered office	Cost of investment	Ownership percentage	Dividend income for the period	Carrying amount
ORLEN MALTA HOLDING	La Valetta	522	--	--	522
Spolek pro chemickou a hutní výrobu, akciová společnost	Ústí nad Labem	0.2	--	--	0.2
UNIPETROL DOPRAVA s.r.o.	Litvínov	1,799	0.12	149	1,799
UNIRAF Slovensko s.r.o.	Bratislava	95	13.04	11,514	95
PETROTRANS, s.r.o.	Praha 12	780.8	0.625	228	780.8
POLYMER INSTITUTE BRNO, spol. s r.o.	Brno	954	1	74	954
Total		4,151		11,965	4,151

Other investments as at 31 December 2007 were as follows:

Company	Registered office	Cost of investment	Ownership percentage	Dividend income for the period	Carrying amount
ORLEN MALTA HOLDING	La Valetta	522	--	--	522
Spolek pro chemickou a hutní výrobu, akciová společnost	Ústí nad Labem	0.2	--	--	0.2
UNIPETROL DOPRAVA s.r.o.	Litvínov	1,799	0.12	28	1,799
UNIRAF Slovensko s.r.o.	Bratislava	95	13.04	--	95
PETROTRANS, s.r.o.	Praha 12	780.8	0.625	--	780.8
POLYMER INSTITUTE BRNO, spol. s r.o.	Brno	954	1	80	954
Total		4,151		108	4,151

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

11. ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets held for sale as at 31 December 2008 were as follows:

	31/12/2008	31/12/2007
50 % shares in AGROBOHEMIE a.s.	--	507,600
38,79 % shares in Synthesia, a.s.	--	344,436
10.5 % of shares in CELIO a.s.	1,093	1,093
Total	1,093	853,129

As at 31 December 2008 Company held 20 shares in CELIO a.s. in nominal value of 1,000 thousand CZK. The Company's share in CELIO a.s. was classified as a current asset held for sale since its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The management agreed a plan to sell the asset. The Company approved a plan to sell its investment in CELIO a.s. The carrying amount of the investment totals CZK 1,093 thousand CZK (2007: 1,093 thousand).

Based on circumstances described in the 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 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.

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

12. NON-CURRENT LOANS TO SUBSIDIARIES

The Company provided to its subsidiaries UNIPETROL RPA s.r.o., BENZINA s.r.o. and BUTADIEN KRALUPY a.s. non-current loans amounting to CZK 3,145,441 thousand as at 31 December 2008. The interest rates were based on 3M and 6M PRIBOR and fair value of loans approximates their carrying amount except for the loan provided to BENZINA s.r.o. in 1998. This loan bears effective interest rate 9.97 % p.a. and fair value amounted to CZK 2,765,730 thousand as at 31 December 2008. Carrying amount of this loans amounts to CZK 2,173,067 thousand. The current loans provided to subsidiaries are not collateralised. The portion of non-current loans due within one year is reported as current loans to subsidiaries (note 15).

Movement table of non-current loans to subsidiaries:

	31/12/2008	31/12/2007
Balance at beginning of the period	3,070,718	3,349,365
Loans taken	215,069	--
Reclassification to current loans to subsidiaries	279,564	278,647
Balance at end of the period	3,006,223	3,070,718

13. NON-CURRENT RECEIVABLES FROM SUBSIDIARIES

Non-current receivables from subsidiaries include a receivable from UNIPETROL TRADE a.s., acquired by the Company in 2001 from Credit Lyonnais bank Praha, a.s. and Credit Lyonnais bank Slovakia, a.s. The receivable is payable in instalments out of which the last one is due on 31 December 2017. It is denominated in CZK. The carrying amount of the receivable as of 31 December 2008 is CZK 84,556 thousand (2007: CZK 95,716 thousand). The nominal value of the receivable is CZK 303,000 thousand as of 31 December 2008 (2007: CZK 378,000 thousand).

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

14. TRADE AND OTHER RECEIVABLES

	31/12/2008	31/12/2007
Trade accounts receivable	503,633	468,652
Other receivables	180,115	131,645
Allowances for other receivables	(131,585)	(131,645)
Total accounts receivable	552,163	468,652

The management considers that the carrying amount of trade receivables approximates their fair value.

The analysis of trade receivables by currency of denomination is as follows (in CZK thousands):

Denominated in	31/12/2008	31/12/2007
CZK	534,033	349,594
EUR	15,726	23,255
USD	679	94,687
Other currencies	1,725	1,116
Total accounts receivable	552,163	468,652

Ageing of past due but not impaired trade receivables:

Not impaired trade receivables	31/12/2008	31/12/2007
60-90 days	15	--
90-180 days	178	1,981
180+ days	40	190
Total	233	2,171

Movement in the allowance for doubtful debts

Allowance for doubtful debts	31/12/2008	31/12/2007
Balance at beginning of the period	131,645	131,204
Impairment losses recognized on receivables	--	523
Reversal of impairment losses	(60)	(82)
Balance at end of the period	131,585	131,645

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

15. CURRENT LOANS TO SUBSIDIARIES

The Company provided to its subsidiaries UNIPETROL RPA s.r.o., BENZINA s.r.o., PARAMO a.s., UNIPETROL TRADE a.s. and BUTADIEN KRALUPY a.s. current loans in amount of CZK 9,691,662 thousand as at 31 December 2008 (31 December 2007 – CZK 4,013,567 thousand). The interest rates were based on appropriate inter-bank rates and fair value of loans approximates their carrying amount except for the loan provided to BENZINA s.r.o. in 1998 (see note 12). The current loans provided to subsidiaries are not collateralised. The current loans to subsidiaries as at 31 December 2008 include the portion of non-current loans due within one year amounted to CZK 467,364 (31 December 2007 – CZK 513,068 thousand).

The analysis of current loans by currency of denomination is as follows (in CZK thousands):

Denominated in	31/12/2008	31/12/2007
CZK	9,592,949	3,894,959
EUR	94,221	118,608
USD	4,492	--
Total cash and cash equivalents	9,691,662	4,013,567

16. CURRENT LOANS TO OTHER COMPANIES

In 2008 the Company provided current loan to external entity. The carrying amount of the loan amounted CZK 300,031 thousand as at 31 December 2008. The interest rates were based on appropriate inter-bank rates and the fair value of the loan approximated its carrying amount as at 31 December 2008.

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

17. CASH AND CASH EQUIVALENTS

	31/12/2008	31/12/2007
Cash in hand	66	49
Cash at bank	19,592	1,507,362
Short-term bank deposits	--	764,612
Total	19,658	2,272,023

Short-term bank deposits comprised deposits with maturity of three months or less.

The carrying amount of these assets approximates their fair value.

The analysis of cash and cash equivalents by currency of denomination is as follows (in CZK thousands):

Denominated in	31/12/2008	31/12/2007
CZK	7,178	2,187,350
EUR	10,085	51,732
USD	2,395	32,941
Total cash and cash equivalents	19,658	2,272,023

18. SHARE CAPITAL

The issued capital of the Company as at 31 December 2008 was CZK 18,133,476 thousand (2007: CZK 18,133,476 thousand). This represents 181,334,764 (2007: 181,334,764) bearer ordinary shares, each with a nominal value of CZK 100. All issued shares have been fully paid and bear equal voting rights. The Company's shares are listed on the Prague stock exchange.

19. RETAINED EARNINGS AND DIVIDENDS

The Ordinary General Meeting of UNIPETROL, a.s. held on 26 June 2008 decided on settlement of the Company's loss. The loss of the Company stated in the Company's ordinary non-consolidated financial statements as of 31 December 2007 amounting to 9,120,840.63 CZK was covered in accordance with Article 26 (4) of the Company's Articles of Association from unallocated profit from previous years.

The Ordinary General Meeting of UNIPETROL, a.s. held on 26 June 2008 decided on dividend payout from undistributed profit of preceding years in amount of CZK 3,200,558,584.60 (dividend per one share CZK 17.65, before tax). The right to the dividend was granted to a shareholder owning the Company's shares as of the record date, i.e., as of 26 June 2008. The dividend became due and payable on 29 August 2008.

As at 31 December 2008 dividends in amount of CZK 48,530 thousand are unpaid.

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

20. NON-CURRENT LOANS AND BORROWINGS

Non-current interest-bearing borrowings as at 31 December 2008 were as follows:

Creditor	Currency	Balance at 31/12/2008	Fair value at 31/12/2008	Effective interest rate	Form of collateral
Long-term bonds – Issue I.	CZK	2,000,000	2,776,760	9.82%	Unsecured
Total		2,000,000			

*) Interest rate is increased by the agreed-upon mark up.

Non-current interest-bearing borrowings as at 31 December 2007 were as follows:

Creditor	Currency	Balance at 31/12/2007	Fair value at 31/12/2007	Effective interest rate	Form of collateral
Long-term bonds – Issue I.	CZK	2,000,000	2,560,665	9.82%	Unsecured
Total		2,000,000			

*) Interest rate is increased by the agreed-upon mark up.

In 1998 the Company issued 2,000 bonds at a total nominal value of CZK 2,000,000 thousand. The nominal value of bonds mature in 15 years from the issue date at their nominal value of CZK 2,000,000 thousand. The interest rate is 0 % p.a. for the first two years and 12.53 % p.a. in subsequent years. The effective interest rate is 9.82 %. Interest is payable on an annual basis. Interest expense is accrued using the effective interest rate method.

The aggregate carrying amount of bonds issued is CZK 2,170,593 thousand. Part of the liability due within 12 months is presented in current liabilities. 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 2,776,760 thousand. Accrued interest, which will be repaid before 31 December 2009, is presented within current loans and borrowings in the section 28 amounts to CZK 170,593 thousand.

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

21. TRADE AND OTHER PAYABLES AND ACCRUALS

	31/12/2008	31/12/2007
Trade payables	76,437	122,133
Other payables	52,396	55,860
Social security and other taxes	65,893	48,601
Total accounts payable	194,726	226,594

The average credit period for trade purchases is 30 days.

Denominated in	31/12/2008	31/12/2007
CZK	191,610	223,360
EUR	1,189	2,328
USD	194	181
Other currencies	1,733	725
Total accounts payable	194,726	226,594

As of 31 December 2008 and 31 December 2007, the Company did not have any trade payables after their due dates. Management of the Company is of that opinion that the carrying amount of trade payables approximates their fair values.

22. CURRENT LOANS AND BORROWINGS

Current loans and borrowings as at 31 December 2008 were as follows:

	31/12/2008	31/12/2007
Bank loans	1,725,404	--
Current loans from subsidiaries	252,657	291,100
Current portion of non-current loans and borrowings	170,593	204,666
Total cash and cash equivalents	2,148,654	495,766

As at 31 December 2008 the company had loans in banks amounting to CZK 1,725,404 thousand. The interest rates were based on appropriate inter-bank rates and fair value of loans approximates their carrying amount.

Currency analyses of bank loans (in CZK thousands)

	CZK	EUR	USD	Total
Balance at beginning of the period	--	--	--	--
Loans taken	1,713,903	2,171	1,915	1,717,989
Accrued interest	7,412	3	--	7,415
Repayments	--	--	--	--
Balance at end of the period	1,721,315	2,174	1,915	1,725,404

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

24. CURRENT LOANS AND BORROWINGS (CONTINUED)

The Current loans from subsidiaries are connected with Cash-pool. During year 2008 the Company had Cash-pooling agreements with following banks and subsidiaries:

Banks: CITIBANK a.s., ING, a.s. and Česká spořitelna, a.s.

Subsidiaries: UNIPETROL RPA s.r.o., BENZINA s.r.o., PARAMO s.r.o., UNIPETROL DOPRAVA s.r.o., UNIPETROL TRADE s.r.o., PETROTRANS s.r.o. and Unipetrol SERVICES s.r.o.

Cash on bank accounts with above mentioned banks is pooled between the Company and subsidiaries listed above. The agreements enable to take bank overdrafts at the maximum amount of CZK 1,000,000 thousand at each bank. Interest income / expense is calculated from pooled balance and subsequently divided between the participants. The liabilities from Cash-pooling bank loans amounted CZK1,725,404 thousand and cash-pooling liabilities from subsidiaries in amount of CZK 252,657 thousand as at 31 December 2008 (as at 31 December 2007 CZK 0 and CZK 291,100 thousand).

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

23. COMMITMENTS AND OTHER CONTINGENCIES

Contingent liabilities related to the sale of shares in KAUČUK, a.s.

Determination of Liability for Impacts of Operation of KAUČUK, a.s. on Environment

The environmental audit of plots of land owned by the Company and used by KAUČUK, a.s. was performed for purposes of determination of liability of contractual parties arising from existing or future impacts of KAUČUK, a.s. operation on the environment. Simplifying somewhat, the share purchase agreement provides that liability for the environmental conditions originating prior to the closing of the transaction lies with the Company and liability for the environmental conditions originating after the closing of the transaction lies with Dwory. Liability of the contractual parties for the environmental conditions is limited up to 10 % of the purchase price for the shares (and by 5 years).

Execution of Agreement on Pre-emptive Right to Plots of Land Owned by UNIPETROL and Used by KAUČUK, a.s. for Its Operations

On 10 July 2007 the Company and KAUČUK, a.s. executed the agreement pursuant to which UNIPETROL undertook to create in favor of KAUČUK, a.s. the pre-emptive right in rem and other rights to certain plots of land owned by the Company in industrial area in

Kralupy nad Vltavou which are used by KAUČUK, a.s. for its operations. The share purchase agreement anticipates that the sale of the subject plots of land will be realized after satisfaction of all administrative, operational and legal conditions necessary for a split of parts of industrial area in Kralupy nad Vltavou.

Apart from the foregoing, the sale of shares of KAUČUK, a.s. owned by the Company to Dwory was based on the following major principles, among others:

- uninterrupted operation of the present butadiene unit;
- contractual satisfaction of supplies of energies, steam, water and other services within the industrial area in Kralupy nad Vltavou which are at present provided by KAUČUK, a.s. to ČESKÁ RAFINÉRSKÁ, a.s.; and
- continuation of all important agreements with the companies of Unipetrol Group and further operation of the energy unit.

Contingent liabilities related to the sale of shares in SPOLANA a.s.

The purchase price in accordance with the share purchase agreement entered into in 2006 between the Company and Zakłady Azotowe ANWIL Spółka Akcyjna, may be subject to price adjustments which would result mainly on the occurrence of any of the following events:

- (i) Environmental guarantees provided by the National Property Fund of the Czech Republic will not be sufficient for compensation of costs for the environmental damage remediation of the Old Amalgam Electrolysis project.

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

25. COMMITMENTS AND OTHER CONTINGENCIES (CONTINUED)

In this case the Company will be obligated to financially indemnify Anwil up to 40 % of the purchase price provided that all necessary steps will have been taken by Anwil and SPOLANA a.s. without success for obtaining additional funds for this purpose.

- (ii) Other potential obstacles in future operation of SPOLANA a.s.

In this case, the Company will be obligated to financially indemnify Anwil up to 1-3 % of the purchase price.

Claims related to fines imposed by the European Commission

In November 2006, the European Commission imposed fines, among others, upon Shell, Dow, Eni, Unipetrol and Kaucuk for an alleged cartel in the area of Emulsion Syrene

Butadiene Rubber ("ESBR"). Unipetrol and Kaucuk, 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 and this action is pending.

Following the above decision of the European Commission, Unipetrol has been served with a claim for damages, which tire producers brought against the members of the ESBR cartel.

The claim for damages was filed with the High Court of Justice, Queen's Bench Division, Commercial Court. The claimants ask for damages, together with interest, to compensate for their loss suffered as a result of an alleged cartel. The amount claimed is to be assessed. Unipetrol challenged the jurisdiction of the UK courts to deal with the claim. Unipetrol's challenge is pending.

Furthermore, the Italian group Eni, one of the entities fined by the European Commission, initiated a proceeding before a court in Milan in which it seeks a judgment that the ESBR cartel did not exist and no damage occurred as a result thereof. Eni's action has also been served upon Unipetrol, which decided to take part in the proceeding.

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

24. RELATED PARTIES

Parent and ultimate controlling party

During twelve months ended 31 December 2008 a majority of the Company's shares were in possession of POLSKI KONCERN NAFTOWY ORLEN S.A.

Transaction with non-consolidated subsidiaries, associates and other related parties during period ended 31 December 2008:

	31/12/2008				31/12/2007			
	PKN Orlen	Entities under control or significant influence of the Company	Entities under control or significant influence of PKN Orlen	Other related parties	PKN Orlen	Entities under control or significant influence of the Company	Entities under control or significant influence of PKN Orlen	Other related parties
Current assets	182	9,945,894	300,047	--	--	4,288,217	270	--
Non-current assets	--	3,239,762	--	--	--	3,166,434	--	--
Current liabilities	1,228	262,530	7	--	335	306,771	370	--
Non-current liabilities	--	--	--	--	--	--	--	--
Revenues	383	371,177	160	--	8,194	271,387	230	--
Expenses	3,795	121,821	65	--	3,766	27,307	359	--
Purchases of financial assets	47,403	--	--	--	--	--	--	--
Purchases of property, plant and equipment	--	1,276	--	--	--	--	--	--
Dividend income	--	3,950,209	--	1,000	--	69,077	--	--
Interests income	--	549,728	11,354	--	--	369,977	1,860	--
Other financial income	--	3,029	--	--	--	1,475	--	--
Dividends paid	2,016,098	--	--	--	--	--	--	--

UNIPETROL, a.s.

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

Period ended 31 December 2008
(in thousands of CZK)

25. RISK MANAGEMENT

The Company manages below described categories of risks.

Currency risk management

The currency risk arises most significantly from the exposure of loans to subsidiaries denominated in foreign currencies (see notes 12 and 15).

Currency risk is mostly covered by natural hedging with bank loans and borrowings (see notes 20 and 22) denominated in the same currencies.

Interest rate risk management

The Company has adopted a Debt Policy, which fully covers interest rate risk as well as transferring of external financial sources to subsidiaries. These external financial sources are transferred with similar conditions and interest rates including a mark up (see notes 20 and 22). There are no loans and borrowings used for Company's own purposes.

Credit risk management

The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Loans to subsidiaries (notes 12 and 15) principally consist of amounts due from Group companies. The Company does not require collateral in respect of these financial assets. At the balance sheet date there was a significant concentrations of credit risk that is shown in notes 12 and 15. The Company's management monitors the most significant debtors and assesses their creditworthiness. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate liquid funds, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's risk management objectives and policies are consistent with those disclosed in 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 December 2008
(in thousands of CZK)

26. SIGNIFICANT POST BALANCE SHEET EVENTS

Changes in the statutory bodies of UNIPETROL, a.s.

On 13 February 2009 Mr. François Vleugels resigned from the position of Chairman of the Board and CEO of UNIPETROL a.s.. The Supervisory Board of UNIPETROL, a.s. during the meeting held on 13 February 2009 subsequently elected Mr. Krzysztof Urbanowicz as a new Chairman of the Board of Directors and CEO of UNIPETROL, a.s.

During the Supervisory Board of UNIPETROL, a.s. meeting Mr. Marek Serafin resigned from the position of the Supervisory Board member and was afterwards elected a new member and vice-chairman of the Board of Directors of UNIPETROL, a.s.

Mr. Arkadiusz Kawecki was appointed a new member of the Supervisory Board of UNIPETROL, a.s.

Signature of statutory representatives	February 23, 2009
Krzysztof Urbanowicz	Wojciech Ostrowski
Chairman of the Board of Directors	Vice-chairman of the Board of Directors