

UNIPETROL, a.s.

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

AS OF 30 JUNE 2009 AND 2008

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

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UNIPETROL, a.s.

Non-consolidated statement of financial position
prepared in accordance with International Financial Reporting Standards
As at 30 June 2009
(in thousands of Czech crowns)

	Note	30 June 2009 unaudited	31 December 2008 audited
ASSETS			
Non-current assets			
Property, plant and equipment	8	368,078	384,461
Intangible assets	9	6,220	2,425
Investment property	10	160,700	160,057
Investments in subsidiaries and joint ventures	11	14,272,894	14,165,271
Other investments	12	4,151	4,151
Loans to subsidiaries	14	3,046,205	3,006,223
Receivables from subsidiaries	15	84,741	84,556
Total non-current assets		17,942,989	17,807,144
Current assets			
Trade and other receivables	16	304,179	552,163
Loans to subsidiaries	17	11,332,262	9,691,662
Loans to related entity	18	100,000	300,031
Prepaid expenses		6,627	5,790
Cash and cash equivalents	20	45,248	19,658
Assets classified as held for sale	13	1,093	1,093
Total current assets		11,789,409	10,570,397
Total assets		29,732,398	28,377,541
EQUITY AND LIABILITIES			
Equity			
Share capital	21	18,133,476	18,133,476
Reserves		1,640,975	1,419,568
Retained earnings	22	4,458,978	4,432,501
Total equity		24,233,429	23,985,545
Non-current liabilities			
Loans and borrowings	23	2,026,563	2,000,000
Finance lease liability		23	86
Deferred tax	19	3,763	--
Total non-current liabilities		2,030,349	2,000,086
Current liabilities			
Trade and other payables and accruals	24	179,201	194,726
Dividends payable	22	33,966	48,530
Loans and borrowings	25	3,255,453	2,148,654
Total current liabilities		3,468,620	2,391,910
Total liabilities		5,498,969	4,391,996
Total equity and liabilities		29,732,398	28,377,541

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 5 to 27.

UNIPETROL, a.s.

Non-consolidated statement of comprehensive income
prepared in accordance with International Financial Reporting Standards
For the period ended 30 June 2009
(in thousands of Czech crowns)

	Note	30 June 2009 unaudited	30 June 2008 unaudited
Revenue	3	172,671	201,932
Cost of sales		<u>(61,545)</u>	<u>(58,033)</u>
Gross profit		111,126	143,899
Other income		30,768	1 033
Administrative expenses		(124,957)	(182,372)
Other expenses		<u>(3,657)</u>	<u>(15,042)</u>
Operating profit (loss) before finance income	5	13,280	(52,482)
Finance income		436,995	740,150
Finance expenses		<u>(165,782)</u>	<u>(155,577)</u>
Net finance income	6	271,213	584,573
Profit before tax		284,493	532,091
Income tax expense		(36,609)	--
Profit/(loss) for the period		247,884	532,091
Total comprehensive income for the period		247,884	532,091
Basic and diluted earnings per share (in CZK)		1,37	2,93

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 5 to 27.

UNIPETROL, a.s.

Non-consolidated statement of changes in equity
prepared in accordance with International Financial Reporting Standards
For the period ended 30 June 2009
(in thousands of Czech crowns)

	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)
Total comprehensive income for the period	--	--	532,091	532,091
Balance at 30 June 2008	18,133,476	1,419,355	539,677	20,092,508

	Share capital	Reserves	Retained earnings	Total
Balance at 1 January 2009	18,133,476	1,419,568	4,432,501	23,985,545
Allocation of profit to reserves	--	221,407	(221,407)	--
Total comprehensive income for the period	--	--	247,884	247,884
Balance at 30 June 2009	18,133,476	1,640,975	4,458,978	24,233,429

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 5 to 27.

UNIPETROL, a.s.

Non-consolidated statement of cash flows

prepared in accordance with International Financial Reporting Standards

For the period ended 30 June 2009

(in thousands of Czech crowns)

	Note	30 June 2009 unaudited	30 June 2008 unaudited
Cash flows from operating activities:			
Profit/(loss) for the period		247,884	532,091
Adjustments for:			
Depreciation and amortisation of property, plant and equipment and intangible assets	8,9	3,811	8,914
Loss on disposals of property, plant and equipment and intangible assets		3,460	155
Profit on disposals of financial investments		--	(331,041)
Interest income, net		(123,808)	(95,683)
Dividend income		(150,082)	(100,301)
Reversal of impairment losses on assets classified as held for sale, property, plant and equipment and receivables		(35)	(38)
Foreign exchange losses / (gains)		(1,534)	1,736
Income tax expense		36,609	--
Operating profit before changes in working capital		16,305	15,833
Change in trade receivables and prepaid expenses		248,215	(140,277)
Change in trade and other payables and accruals		(48,060)	(67,868)
Interest paid		(50,641)	(29,838)
Net cash from operating activities		165,819	(222,150)
Cash flows from investing activities:			
Acquisition of property, plant and equipment and intangible assets		(5,282)	(15,517)
Acquisition of financial investments		(107,623)	--
Proceed from sales of property, plant and equipment and intangible assets		9,961	880
Proceed from sales of financial investments		--	1,183,000
Interest received		191,207	96,631
Loans granted to subsidiaries		(1,680,582)	(3,907,438)
Repayment of borrowings by related entity		200,031	--
Dividends received		150,082	100,301
Net cash used investing activities		(1,242,206)	(2,542,143)
Cash flows from financing activities:			
Change in loans and borrowings		1,116,541	525,641
Dividends paid		(14,564)	--
Net cash flow from financing activities		1,101,977	525,641
Net change in cash and cash equivalents		25,590	(2,238,652)
Cash and cash equivalents at beginning of the year		19,658	2,272,023
Cash and cash equivalents at the end of the period		45,248	33,371

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 5 to 27.

UNIPETROL, a.s.

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

Period ended 30 June 2009
(in thousands of CZK)

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Period ended 30 June 2009
(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 30 June 2009 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 2008 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 30 June 2009
(in thousands of CZK)

1. DESCRIPTION OF THE COMPANY (CONTINUED)

Members of the statutory and supervisory bodies as at 30 June 2009 were as follows:

	Position	Name
Board of directors	Chairman	Krzysztof Urbanowicz
	Vice-Chairman	Wojciech Ostrowski
	Vice-Chairman	Marek Serafin
	Member	Ivan Ottis
	Member	Martin Durčák
Supervisory board	Chairman	Jacek Krawiec
	Vice-Chairman	Sławomir Jędrzejczyk
	Vice-Chairman	Ivan Kočárník
	Member	Bogdan Dzudzewicz
	Member	Arkadiusz Kawecki
	Member	Wojciech Wróblewski
	Member	Piotr Kearney
	Member	Andrzej Jerzy Kozłowski
	Member	Krystian Pater
	Member	Zdeněk Černý

Changes in the board of directors during six month period ended 30 June 2009 were as follows:

Position	Name	Change	Date of change
Chairman	Francois Vleugels	Resigned as member	13 February 2009
Chairman	Krzysztof Urbanowicz	Elected as a member and Chairman	13 February 2009
Vice-Chairman	Marek Serafin	Elected as a member and Vice - Chairman	13 February 2009
Member	Arkadiusz Kotlicki	Resigned as member date 18 March 2009	30 April 2009

Changes in the supervisory board during six month period ended 30 June 2009 were as follows:

Position	Name	Change	Date of change
Member	Marek Serafin	Resigned as member	13 February 2009
Member	Arkadiusz Kawecki	Elected as a member replacement	13 February 2009
Member	Wojciech Wróblewski	Recalled as a member	24 June 2009
Member	Andrzej Jerzy Kozłowski	Elected as a member	24 June 2009
Member	Arkadiusz Kawecki	Re-elected as a member	24 June 2009
Member	Bogdan Dzudzewicz	Re-elected as a member	24 June 2009

UNIPETROL, a.s.

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

Period ended 30 June 2009
(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 2008.

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 2008 except for the change described below.

In the non-consolidated financial statements as at and for the period ended 30 June 2009 the Company has adopted changes resulting from revision of IAS 1 Presentation of Financial Statements.

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 2009 or later periods but which the Company has not early adopted. Relevant items are as follows:

- IFRIC 15 Agreements for the Construction of Real Estate– effective for annual periods beginning on or after 1 January 2009
- 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 IFRIC 17 and IFRIC 18 by the European Union is pending.

According to a preliminary assessment, the application of IFRIC 15, 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 30 June 2009
(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 2008.

3. REVENUE

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

	30/06/2009	30/06/2008
Fees for use of land	48,145	47,523
Revenues from services	114,565	154,409
Revenues from sale of PPE	9,961	--
Total revenues	172,671	201,932

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 30 June 2009
(in thousands of CZK)

5. ANALYSIS OF EXPENSES ACCORDING TO THEIR NATURE

The following analysis shows the most significant types of operating expenses analysed by nature.

30/06/2009	Cost of sales	Administrative expenses	Other operating income / (expenses)	Total
Materials consumed and energy	(340)	(816)	--	(1,156)
Repairs and maintenance	(305)	(734)	--	(1,039)
Services related to administration of investments in subsidiaries	(2,803)	(6,741)	--	(9,544)
Advertising expense	(16,648)	(12,461)	--	(29,109)
Legal services	(2,159)	(5,193)	--	(7,352)
Advisory services	(671)	(1,615)	--	(2,286)
Operating leases	(676)	(1,626)	--	(2,302)
Travel expense	(534)	(1,283)	--	(1,817)
Telecommunication fees	(184)	(441)	--	(625)
Representation cost	(253)	(607)	--	(860)
Accounting, HR and other administrative services	(9,170)	(22,051)	--	(31,221)
IT services	(4,164)	(10,015)	--	(14,179)
Other services	(4,069)	(9,784)	--	(13,853)
Staff cost including remuneration of board members	(15,550)	(37,394)	--	(52,944)
Social and health insurance	(2,901)	(6,976)	--	(9,877)
Depreciation	(967)	(2,326)	--	(3,293)
Amortization	(152)	(366)	--	(518)
Impairment of PPE and intangibles (recognised) / released	--	--	5	5
Impairment to trade receivables (recognised) / released	--	--	30	30
Profit / (loss) on disposal of PPE	--	--	(3,460)	(3,460)
Insurance	--	(775)	--	(775)
Other expense	--	(3,752)	(197)	(3,949)
Income from ceased receivable	--	--	25,235	25,235
Other income	--	--	5,498	5,498
Total operating expense	(61,545)	(124,957)	27,111	(159,391)
Revenue				172,671
Operating profit before finance income				13,280

UNIPETROL, a.s.

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

Period ended 30 June 2009
(in thousands of CZK)

5. ANALYSES OF EXPENSES ACCORDING TO THEIR NATURE (CONTINUED)

30/06/2008	Cost of sales	Administrative expenses	Other operating income / (expenses)	Total
Materials consumed and energy	(1,443)	(5,555)	--	(6,998)
Repairs and maintenance	(185)	(713)	--	(898)
Services related to administration of investments in subsidiaries	--	(5,619)	--	(5,619)
Advertising expense	(37,134)	--	--	(37,134)
Legal services	--	(7,878)	--	(7,878)
Advisory services	--	(9,947)	--	(9,947)
Operating leases	--	(7,477)	--	(7,477)
Travel expense	--	(2,202)	--	(2,202)
Telecommunication fees	--	(958)	--	(958)
Representation cost	--	(1,104)	--	(1,104)
Accounting, HR and other administrative services	--	(47,272)	--	(47,272)
IT services	(731)	(10,320)	--	(11,051)
Other services	(902)	(15,045)	--	(15,947)
Staff cost including remuneration of board members	(13,188)	(52,092)	--	(65,280)
Social and health insurance	(2,638)	(8,873)	--	(11,511)
Depreciation	(720)	(2,773)	--	(3,493)
Amortization	(1,087)	(4,349)	--	(5,436)
Impairment of PPE and intangibles (recognised) / released	--	--	38	38
Impairment to trade receivables (recognised) / released	--	--	30	30
Profit / (loss) on disposal of PPE	--	--	167	167
Insurance	--	--	--	--
Other expense	(4)	(196)	(15,042)	(15,242)
Other income	--	--	798	798
Total operating expense	(58,033)	(182,372)	(14,009)	(254,414)
Revenue				201,932
Operating loss before finance income				(52,482)

UNIPETROL, a.s.

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

Period ended 30 June 2009
(in thousands of CZK)

6. FINANCE INCOME AND FINANCE EXPENSES

	30/06/2009	30/06/2008
Finance income		
Interest income:		
- loans to subsidiaries and related entities	272,398	237,397
- bank deposits	10,974	64,464
Dividend income	150,082	100,301
Net gains from sale of investments in subsidiaries	--	330,965
Other finance income	3,541	7,023
Total finance income	436,995	740,150
Finance expenses		
Interest expense:		
- bank overdrafts, loans and borrowings	(159,559)	(141,734)
- finance leases	(5)	--
Borrowing costs recognized in the income statement	(159,564)	(141,734)
Net foreign exchange losses	(2,082)	(10,556)
Other finance expenses	(4,136)	(3,287)
Total finance expenses	(165,782)	(155,577)
Net finance income	271,213	584,573

7. INCOME TAX EXPENSE

	30/06/2009	30/06/2008
Current tax – Czech Republic	(32,846)	--
Current tax – other countries	--	--
Deferred tax	(3,763)	--
Income tax expense	(36,609)	--

Domestic income tax is calculated in accordance with Czech tax regulations at the rate of 20 % in 2009 (2008: 21 %) of the estimated taxable income for the year. The deferred tax has been calculated using tax rates approved for year 2010 and onwards -19 %.

UNIPETROL, a.s.

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

Period ended 30 June 2009
(in thousands of CZK)

8. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Machinery and equipment	Other	Assets under development	Total
Cost					
Balance as at 01/01/2008	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	(369)	--	--	--	(369)
Reclassifications	--	1,707	--	(2,007)	(300)
Other	--	359	--	--	359
Balance as at 31/12/2008	359,943	37,068	3,988	759	401,758
Additions	--	--	--	974	974
Disposals	--	(11,643)	(3,837)	--	(15,480)
Transfer to investment property	(643)	--	--	--	(643)
Balance as at 30/06/2009	359,300	25,425	151	1,733	386,609
Depreciation					
Balance as at 01/01/2008	--	11,885	--	--	11,885
Charge for the year	--	6,934	5	--	6,939
Disposals	--	(2,338)	--	--	(2,338)
Other	--	345	--	--	345
Balance as at 31/12/2008	--	16,826	5	--	16,831
Charge for the year	--	3,280	13	--	3,293
Disposals	--	(2,041)	(18)	--	(2,059)
Balance as at 30/06/2009	--	18,065	--	--	18,065
Impairment losses					
Balance as at 01/01/2008	--	--	--	466	466
Balance as at 31/12/2008	--	--	--	466	466
Balance as at 30/06/2009	--	--	--	466	466
Carrying amount as at 01/01/2008	354,949	18,865	151	2,288	376,253
Carrying amount as at 31/12/2008	359,943	20,242	3,983	293	384,461
Carrying amount as at 30/06/2009	359,300	7,360	151	1,267	368,078

UNIPETROL, a.s.

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

Period ended 30 June 2009
(in thousands of CZK)

9. INTANGIBLE ASSETS

	Software	Other intangible assets	Total
Cost			
Balance as at 01/01/2008	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
Additions	--	4,308	4,308
Balance as at 30/06/2009	13,610	13,190	26,800
Amortization			
Balance as at 01/01/2008	11,176	8,183	19,359
Charge for the period	452	8,145	8,597
Disposals	--	(7,894)	(7,894)
Balance as at 31/12/2008	11,628	8,434	20,062
Charge for the period	314	204	518
Balance as at 30/06/2009	11,942	8,638	20,580
Impairment losses			
Balance as at 01/01/2008	--	73	73
Reversal of impairment losses	--	68	68
Balance as at 31/12/2008	--	5	5
Reversal of impairment losses	--	(5)	(5)
Carrying amount as at 01/01/2008	199	42,726	42,925
Carrying amount as at 31/12/2008	1,982	443	2,425
Carrying amount as at 30/06/2009	1,668	4,552	6,220

10. INVESTMENT PROPERTY

Investment property as at 30 June 2009 comprised lands owned by the Company and leased to third parties. The changes recorded during 2009 are presented in following table:

	Balance as at 31/12/2008	Additions	Transfer to Property, plant and equipment	Transfer from Property, plant and equipment	Balance as at 30/06/2009
Land	160,057	--	--	643	160,700

Rental income amounted to CZK 9,660 thousand in six month period ended 30 June 2009 (six month period ended 30 June 2008 – CZK 8,277 thousand). Operating costs relating to investment property amounted to CZK 631 thousand in six month period ended 30 June 2008 and 30 June 2009.

Future rental income is as follows:

	Less than one year	Between one and five years
Total future rental income	19,320	77,280

UNIPETROL, a.s.

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

Period ended 30 June 2009
(in thousands of CZK)

11. INVESTEMENTS IN SUBSIDIARIES AND JOINT- VENTURES

Investments in subsidiaries and joint – ventures as at 30 June 2009 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	--
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 4	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	543,566	100,00	--	543,566	--
Joint - ventures						
ČESKÁ RAFINÉRSKÁ, a.s. *)	Litvínov	3,872,299	51.225	--	3,872,299	150,082
Butadien Kralupy, a. s.	Kralupy	85,694	51.00	--	85,694	--
Total		16,552,824	--	2,279,930	14,272,894	150,082

*) 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.

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 4	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.

Purchase of PARAMO, a.s. shares

As described in the non-consolidated financial statements of the Group as at 31 December 2008 Unipetrol intended to squeeze out the other shares of Paramo within the meaning of Sections 183i et seq. of the Commercial Code and performed all required by law steps to become sole shareholder of Paramo.

UNIPETROL, a.s.

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11. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (CONTINUED)

On 6 January 2009 the Extraordinary General Meeting of PARAMO, a.s. decided on the transfer of all other shares to the Company, provided that upon fulfilment of all conditions prescribed by applicable law the Company will provide to the other shareholders of PARAMO, a.s. and/or pledges, the monetary consideration in the amount of CZK 977 per one share of PARAMO, a.s. On 4 February 2009 the registration of the above resolution of the Extraordinary General Meeting was registered in the Czech Commercial Registry. Pursuant to the Czech Commercial Code, the ownership title to shares of the other shareholders passed to the Company on 4 March 2009 upon expiration of one month from the above publication and Unipetrol become the sole shareholder of Paramo.

In connection with the squeeze-out, some of the minority shareholders of PARAMO, a.s. filed a petition with the Regional Court in Hradec Králové for review of reasonableness of consideration within the meaning of the Czech Commercial Code. Furthermore some of former minority shareholders of Paramo requested the Regional Court in Hradec Králové to declare the invalidity of Paramo general meeting resolution dated 6 January 2009 and that the District Court in Prague 4 reviews the decision of 28 November 2008 by which the Czech National Bank granted in accordance with Section 183n(1) of the Czech Commercial Code its previous approval with the evidence of the monetary consideration amount provided under the above squeeze-out.

12. OTHER INVESTMENTS

Other investments as at 30 June 2009 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	--	1,799
UNIRAF SLOVENSKO s.r.o.	Bratislava	95	13.04	--	95
PETROTRANS, s.r.o.	Praha 8	780.8	0.625	--	780.8
POLYMER INSTITUTE BRNO, spol. s r.o.	Brno	954	1	--	954
Total		4,151		--	4,151

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 8	780.8	0.63	228	780.8
POLYMER INSTITUTE BRNO, spol. s r.o.	Brno	954	1	74	954
Total		4,151		11,965	4,151

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13. ASSETS CLASSIFIED AS HELD FOR SALE

As at 30 June 2009 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 Company approved a plan to sell its investment in CELIO a.s. The carrying amount of the investment totals CZK 1,093 thousand CZK (2008: CZK 1,093 thousand).

14. 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 3,046,205 thousand as at 30 June 2009 (31 December 2008: CZK 3,006,223 thousand). 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 2,780,449 thousand as at 30 June 2009. Carrying amount of this loans amounts to CZK 2,284,139 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 17).

	30/06/2009	31/12/2008
Balance at beginning of the period	3,006,223	3,070,718
Loans provided	179,763	215,069
Reclassification to current loans to subsidiaries	(139,781)	(279,564)
Balance at end of the period	3,046,205	3,006,223

15. NON-CURRENT RECEIVABLES FROM SUBSIDIARIES

Non-current receivables from subsidiaries include advance payment for Benzina's cards in amount CZK 185 thousand and 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 30 June 2009 is CZK 84,556 thousand (31 December 2008: CZK 84,556 thousand). The nominal value of the non-current receivable is CZK 303,000 thousand as of 30 June 2009 (31 December 2008: CZK 303,000 thousand) and the current part is CZK 40,000 thousand as of 30 June 2009 (31 December 2008: CZK 75,000 thousand).

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16. TRADE AND OTHER RECEIVABLES

	300/6/2009	31/12/2008
Trade accounts receivable	237,379	503,633
Other receivables	198,355	180,115
Allowances for other receivables	(131,555)	(131,585)
Total accounts receivable	304,179	552,163

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	300/6/2009	31/12/2008
CZK	294,516	534,033
EUR	1,162	15,726
USD	6,957	679
Other currencies	1,544	1,725
Total accounts receivable	304,179	552,163

Ageing of past due but not impaired trade receivables:

Not impaired trade receivables	30/06/2009	31/12/2008
60-90 days	--	15
90-180 days	--	178
180+ days	40	40
Total	40	233

Movement in the allowance for doubtful debts

Allowance for doubtful debts	30/06/2009	31/12/2008
Balance at beginning of the period	131,585	131,645
Release of impairment losses	(30)	(60)
Balance at end of the period	131,555	131,585

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17. CURRENT LOANS TO SUBSIDIARIES

The Company provided loans to its subsidiaries UNIPETROL RPA, s.r.o., BENZINA s.r.o., PARAMO a.s., UNIPETROL TRADE a.s. and BUTADIEN KRALUPY a.s. The following table presents loans granted as at 30 June 2009 and 31 December 2008.

	30/06/2009	31/12/2008
Cash pooling	3,457,463	2,794,553
Operating loans	7,874,799	6,897,109
Total	11,332,262	9,691,662

The movements on operating loans were as follows:

	Balance as at 1 January 2009
Loans granted	8,813,674
Repayment	(7,975,765)
Reclassification from non-current loans to subsidiaries	139,781
Total	7,874,799

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 14). The current loans provided to subsidiaries are not collateralised. The current loans to subsidiaries as at 30 June 2009 include the portion of non-current loans due within one year amounted to CZK 543,742 (31 December 2008 – CZK 467,364 thousand).

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

Denominated in	30/06/2009	31/12/2008
CZK	11,303,411	9,592,949
EUR	28,851	94,221
USD	--	4,492
Total	11,332,262	9,691,662

18. CURRENT LOANS TO RELATED ENTITY

In 2009 the Company provided a short-term loan to related entity. The carrying amount of the loan amounted CZK 100,000 thousand as at 30 June 2009 (31 December 2008 – CZK 300,031 thousand). The interest rates were based on appropriate inter-bank rates and the fair value of the loan approximated its carrying amount as at 30 June 2009.

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19. DEFERRED TAX

Deferred income taxes result from future tax benefits and expenses related to the differences between the tax basis of assets and liabilities and the amounts reported in the financial statements. The deferred income taxes have been calculated using the tax rate expected to apply to periods when the respective asset is realized or liability is settled (i.e. 20% in 2009 and 19% in 2010 and onwards).

The movement for the year 2009 in the Company's net deferred tax position was follows:

	30/06/2009
At 1 January	--
Income statement charge	(3,763)
Tax charged to equity	--
At 30 June	(3,763)

The movement in deferred tax assets and liabilities recognised during the period is as follows:

Deferred tax liabilities	01/01/2009	(Charged) / credited to profit / (loss) for the period	(Charged) / credited to equity	30/06/2009
Property, plant and equipment	(1,155)	(3,357)	--	(4,512)
Finance lease	(5)	(5)	--	(10)
Total deferred tax liabilities	(1,160)	(3,362)	--	(4,522)

Deferred tax assets	01/01/2009	(Charged) / credited to profit / (loss) for the period	(Charged) / credited to equity	30/06/2009
Property, plant and equipment	--	89	--	89
Receivables	--	71	--	71
Personal expenses	1,160	(561)	--	599
Total deferred tax assets	1,160	(401)	--	759

Deferred income tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	30/06/2009	31/12/2008
Deferred tax asset	759	1,160
Deferred tax liability	(4,522)	(1,160)
Net	(3,763)	--

Deferred income tax assets are recognised for tax loss and deductible temporary differences carried forward to the extent that realisation of the related tax benefit through the future taxable profit is probable.

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20. CASH AND CASH EQUIVALENTS

	30/06/2009	31/12/2008
Cash in hand	58	66
Cash at bank	45,190	19,592
Total	45,248	19,658

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	30/06/2009	31/12/2008
CZK	2,845	7,178
EUR	38,309	10,085
USD	4,094	2,395
Total cash and cash equivalents	45,248	19,658

21. SHARE CAPITAL

The issued capital of the Company as at 30 June 2009 was CZK 18,133,476 thousand (31 December 2008: CZK 18,133,476 thousand). This represents 181,334,764 (31 December 2008: 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.

22. RETAINED EARNINGS AND DIVIDENDS

The Ordinary General Meeting of UNIPETROL, a.s. held on 24 June 2009 decided on distribution of the profit for 2008 amounting to CZK 4,428,147,324.84. In accordance with Article 26 (1) of the Company's Articles of Association CZK 221,407,366.24 was allocated to the contingency fund and CZK 4,206,739,958.60. to account of unallocated profit from previous years.

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23. NON-CURRENT LOANS AND BORROWINGS

Non-current interest-bearing borrowings as at 30 June 2009 were as follows:

Creditor	Currency	Balance at 30/06/2009	Fair value at 30/06/2009	Effective interest rate	Form of collateral
Long-term bonds	CZK	2,026,563	2,540,000	9.82%	Unsecured
Total		2,026,563			

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	CZK	2,000,000	2,776,760	9.82%	Unsecured
Total		2,000,000			

In 1998 the Company issued 2,000 bonds at a total nominal value of CZK 2,000,000 thousand. The 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 the bonds is CZK 2,280,644 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 2,790,143 thousand. Accrued interest, which will be repaid before 31 December 2009, is presented within current loans and borrowings in note 25 amounts to CZK 254,081 thousand.

24. TRADE AND OTHER PAYABLES AND ACCRUALS

	30/06/2009	31/12/2008
Trade payables	70,538	76,437
Other payables	48,271	52,396
Social security and other taxes	60,392	65,893
Total accounts payable	179,201	194,726

The average credit period for trade purchases is 30 days.

Denominated in	30/06/2009	31/12/2008
CZK	175,262	191,610
EUR	1,795	1,189
USD	137	194
Other currencies	2,007	1,733
Total accounts payable	179,201	194,726

As of 30 June 2009 and 31 December 2008, 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.

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25. CURRENT LOANS AND BORROWINGS

Current loans and borrowings as at 30 June 2009 were as follows:

	30/06/2009	31/12/2008
Bank loans	2,676,016	1,725,404
Current loans from subsidiaries	325,356	252,657
Current portion of non-current loans and borrowings	254,081	170,593
Total current loans and borrowings	3,255,453	2,148,654

As at 30 June 2009 the Company had loans in banks amounting to CZK 2,676,016 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	1,721,399	2,090	1,915	1,725,404
Loans taken	2,655,753	11,521	2,326	2,669,600
Accrued interest	6,414	--	2	6,416
Repayments	(1,708,329)	(12,834)	(4,241)	(1,725,404)
Balance at end of the period	2,675,237	777	2	2,676,016

The current loans from subsidiaries are connected with a cash-pool structure. During the year 2009 the Company had cash-pooling agreements with following banks and subsidiaries:

Banks: CITIBANK a.s., ING Bank N.V. branch office and Česká spořitelna, a.s.

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

Cash on bank accounts with the above mentioned banks is pooled between the Company and subsidiaries listed above. The agreements enable the Company and the subsidiaries to take bank overdrafts at the maximum amount of CZK 1,000,000 thousand at each bank. Interest income / expense is calculated from pooled balances and subsequently divided between the participants. The liabilities from cash-pooling bank loans amounted CZK 2,676,016 thousand and cash-pooling liabilities to subsidiaries in amount of CZK 325,356 thousand as at 30 June 2009 (as at 31 December 2008 CZK 1,725,404 and CZK 252,657 thousand).

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26. OPERATING LEASES

The Company as a lessee

Operating lease arrangements

At the balance sheet date, the Company had future minimum lease payments under non-cancelable operating leases for the following periods:

	Minimum lease payments	
	30/06/2009	31/12/2008
Not later than one year	4,712	17,237
Later than one year and not later than five years inclusive	18,848	73,924
Later than five years	21,204	92,334
Total	44,764	183,495

The Company leases offices under operating leases. Payments recognised as an expense amounted to CZK 2,302 thousand in six month period ended 30 June 2009 and to CZK 16,724 thousand in 2008. During first 6 months of 2009 part of operating lease contracts were ceased to Unipetrol Services.

27. COMMITMENTS AND OTHER CONTINGENCIES

Contingent liabilities and commitments related to the sale of shares in KAUCUK, a.s.

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

The environmental audit of plots of land owned by the Company and used by KAUCUK, a.s. was performed for the purpose of determining the liability of contractual parties arising from existing or future impacts of KAUCUK, a.s. operation on the environment. 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 KAUCUK, a.s. for Its Operations

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

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27. COMMITMENTS AND OTHER CONTINGENCIES (CONTINUED)

Apart from the foregoing, the sale of shares of KAUCUK, 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 KAUCUK, 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.

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, a.s. and KAUCUK, a.s. for an alleged cartel in the area of Emulsion Syrene Butadiene Rubber ("ESBR"). UNIPETROL, a.s. and KAUCUK, a.s., its subsidiary at that time, were jointly imposed a fine of EUR 17.5 million, which they paid 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, a.s. 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 in the United Kingdom. The claimants ask for damages, together with interest, to compensate for their loss suffered as a result of an alleged cartel.

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27. COMMITMENTS AND OTHER CONTINGENCIES (CONTINUED)

The amount claimed is to be assessed. The Company challenged the jurisdiction of the UK courts to deal with the claim. The Company'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, a.s., which decided to take part in the proceeding.

28. RELATED PARTIES

Parent and ultimate controlling party

During period ended 31 March 2009 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 30 June 2009:

	30/06/2009				31/12/2008			
	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	--	11,040,865	100,075	--	182	10,094,601	300,047	--
Non-current assets	--	3,130,948	--	--	--	3,090,779	--	--
Current liabilities	2,357	334,812	10	--	1,228	262,530	7	--
Non-current liabilities	--	--	--	--	--	--	--	--
Revenues	--	146,700	75	--	383	371,177	160	--
Expenses	8,314	60,800	17	--	3,660	121,821	65	--
Purchases of financial assets	--	--	--	--	47,403	--	--	--
Purchases of property, plant and equipment and intangible assets	4,308	--	--	--	--	1,276	--	--
Dividend income	--	150,082	--	--	--	3,950,209	--	1,000
Interests income	--	265,807	4,721	--	--	549,728	11,354	--
Other financial income	--	3,541	--	--	--	3,029	--	--
Dividends paid	--	--	--	--	2,016,098	--	--	--

29. RISK MANAGEMENT

UNIPETROL, a.s.

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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 14 and 17).

Currency risk is mostly covered by natural hedging with bank loans and borrowings (see notes 23 and 25) 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 23 and 25). 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 14 and 17) 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 14 and 17. 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 2008.

Signature of statutory representatives	20 August 2009
Krzysztof Urbanowicz	Wojciech Ostrowski
Chairman of the Board of Directors	Vice-chairman of the Board of Directors