



UNIPETROL, a.s.
CONSOLIDATED REPORT

FOR THE IV QUARTER

2013



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**UNAUDITED CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

**FOR THE 12 AND 3 MONTH PERIOD
ENDED 31 DECEMBER**

2013 

**PREPARED IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION**

A. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

Consolidated statement of financial position

	NOTE	31/12/2013 (unaudited)	31/12/2012 (unaudited, restated*)
ASSETS			
Non-current assets			
Property, plant and equipment		23 176 694	23 359 648
Investment property		427 482	423 349
Intangible assets		1 747 567	2 022 781
Financial assets available for sale		522	522
Deferred tax assets		258 655	308 748
Other non-current assets		53 226	55 566
		25 664 146	26 170 614
Current assets			
Inventories		10 705 258	10 568 822
Trade and other receivables		12 393 157	11 067 030
Other financial assets	4.1.	48 725	32 701
Current tax receivables		70 095	34 188
Cash and cash equivalents		1 116 748	3 074 486
		24 333 983	24 777 227
Total assets		49 998 129	50 947 841
EQUITY AND LIABILITIES			
EQUITY			
Share capital		18 133 476	18 133 476
Statutory reserves		2 643 849	2 584 286
Hedging reserve		(190 291)	(16 510)
Revaluation reserve		9 897	68 023
Foreign exchange differences on subsidiaries from consolidation		17 139	(9 644)
Retained earnings		7 694 071	9 091 741
Total equity attributable to equity owners of the parent		28 308 141	29 851 372
Non-controlling interest		(8 913)	(7 031)
Total equity		28 299 228	29 844 341
LIABILITIES			
Non-current liabilities			
Loans, borrowings and debt securities	4.2.	2 000 000	-
Provisions	4.3.	433 127	373 404
Deferred tax liabilities		226 309	388 100
Other non-current liabilities		202 335	196 396
		2 861 771	957 900
Current liabilities			
Trade and other liabilities		17 312 597	16 457 708
Loans, borrowings and debt securities	4.2.	506 631	2 831 531
Current tax liabilities		18 545	55 739
Provisions	4.3.	541 454	525 221
Deferred income		108 695	97 030
Other financial liabilities		349 208	178 371
		18 837 130	20 145 600
Total liabilities		21 698 901	21 103 500
Total equity and liabilities		49 998 129	50 947 841

The consolidated financial statements are to be read in conjunction with the notes forming integral part of the consolidated financial statements set out on pages 8-20.

* Changes in disclosure of comparative period are described in Note 4.19.

Consolidated statement of profit or loss and other comprehensive income

	NOTE	FOR 12 MONTHS ENDED 31/12/2013 (unaudited)	FOR 3 MONTHS ENDED 31/12/2013 (unaudited)	FOR 12 MONTHS ENDED 31/12/2012 (unaudited, restated*)	FOR 3 MONTHS ENDED 31/12/2012 (unaudited, restated*)
Statement of profit or loss					
Revenues	4.4.	99 414 790	25 070 075	107 159 785	26 259 678
Cost of sales	4.5.	(97 111 428)	(24 688 577)	(104 043 753)	(25 542 354)
Gross profit on sales		2 303 362	381 498	3 116 032	717 324
Distribution expenses		(1 963 457)	(500 620)	(1 944 982)	(517 756)
Administrative expenses		(1 192 297)	(325 793)	(1 249 831)	(351 225)
Other operating income	4.8.	187 812	88 965	792 529	309 088
Other operating expenses	4.8.	(228 750)	(39 812)	(4 532 750)	(4 342 113)
Loss from operations		(893 330)	(395 762)	(3 819 002)	(4 184 682)
Finance income	4.9.	1 075 815	229 944	1 886 245	355 644
Finance costs	4.9.	(1 526 040)	(372 554)	(2 439 166)	(444 960)
Net finance costs		(450 225)	(142 610)	(552 921)	(89 316)
Loss before tax		(1 343 555)	(538 372)	(4 371 923)	(4 273 998)
Tax expense	4.10.	(52 918)	(151 998)	1 273 885	1 493 509
Net loss		(1 396 473)	(690 370)	(3 098 038)	(2 780 489)
Other comprehensive income					
items which will not be reclassified into profit or loss		(1 642)	385	15 821	(684)
<i>Fair value measurement of investment property as at the date of reclassification</i>		-	-	19 532	(844)
<i>Actuarial gains and losses</i>		(2 027)	(2 027)		
<i>Deferred tax</i>		385	385	(3 711)	160
items which will be reclassified into profit or loss under certain conditions		(146 999)	(160 849)	72 439	(31 077)
<i>Hedging instruments</i>		(206 799)	(206 414)	95 314	(39 179)
<i>Foreign exchange differences on subsidiaries from consolidation</i>		26 783	12 608	(4 764)	4 531
<i>Deferred tax</i>		33 017	32 957	(18 111)	3 571
		(148 641)	(162 491)	88 260	(31 761)
Total net comprehensive income		(1 545 114)	(852 861)	(3 009 778)	(2 812 250)
Net profit/(loss) attributable to		(1 396 473)	(690 370)	(3 098 038)	(2 780 489)
<i>equity owners of the parent</i>		(1 394 590)	(690 615)	(3 097 830)	(2 784 464)
<i>non-controlling interest</i>		(1 883)	245	(208)	3 975
Total comprehensive income attributable to		(1 545 114)	(852 861)	(3 009 778)	(2 812 250)
<i>equity owners of the parent</i>		(1 543 231)	(853 106)	(3 009 570)	(2 811 669)
<i>non-controlling interest</i>		(1 883)	245	(208)	(581)
Net profit/(loss) and diluted net profit/(loss) per share attributable to equity owners of the parent (in CZK per share)		(7,69)	(3,81)	(17,08)	(15,36)

The consolidated financial statements are to be read in conjunction with the notes forming integral part of the consolidated financial statements set out on pages 8-20.

* Changes in disclosure of comparative period are described in Note 4.19.

Consolidated statement of cash flows

	FOR 12 MONTHS ENDED 31/12/2013 (unaudited)	FOR 3 MONTHS ENDED 31/12/2013 (unaudited)	FOR 12 MONTHS ENDED 31/12/2012 (unaudited, restated*)	FOR 3 MONTHS ENDED 31/12/2012 (unaudited, restated*)
Cash flows - operating activities				
Net loss	(1 396 473)	(690 370)	(3 098 038)	(2 780 489)
Adjustments for:				
Depreciation and amortisation	2 415 318	641 850	2 807 100	685 036
Foreign exchange (gain)/loss	5 950	6 714	(6 617)	(2 081)
Interest and dividends, net	245 569	56 878	262 543	54 853
(Profit)/Loss on investing activities	(88 745)	(64 616)	4 370 250	4 267 413
Change in provisions	749 965	138 438	341 367	143 293
Tax expense	52 918	151 998	(1 273 885)	(1 493 509)
Income tax (paid)	(188 652)	(18 671)	(146 654)	(35 705)
Other adjustments	(272 832)	(89 046)	(887 570)	(410 946)
Change in working capital	(1 223 398)	1 777 722	(393 607)	2 045 307
<i>inventories</i>	(435 660)	586 719	1 038 627	(177 913)
<i>receivables</i>	(941 672)	247 372	(633 551)	1 891 812
<i>liabilities</i>	153 934	943 631	(798 683)	331 408
Net cash provided by operating activities	299 620	1 910 897	1 974 889	2 473 172
Cash flows - investing activities				
Acquisition of property, plant and equipment and intangible assets	(1 727 733)	(683 283)	(1 352 245)	(169 292)
Disposal of property, plant and equipment and intangible assets	34 071	6 964	64 754	40 755
Settlement of financial derivatives	6 632	60 838	242 025	108 232
Proceeds/(Outflows) from loans granted	(504)	(22 362)	3 632	(1 527)
Other	(154)	18 796	120 726	95 756
Net cash provided by/(used in) investing activities	(1 687 688)	(619 047)	(921 108)	73 924
Cash flows - financing activities				
Change in loans and borrowings	1 882 861	661 745	(201 426)	(640 231)
Repayment of bonds granted	(2 000 000)	(2 000 000)	-	-
Interest paid	(283 611)	(262 821)	(325 070)	(270 434)
Payments of liabilities under finance lease agreements	(3 143)	(261)	(7 555)	(1 236)
Dividends paid to non-controlling shareholders	-	-	(340)	-
Other	(179 675)	(2 473)	87 526	(205 372)
Net cash used in financing activities	(583 568)	(1 603 810)	(446 865)	(1 117 273)
Net increase/(decrease) in cash and cash equivalents	(1 971 636)	(311 960)	606 916	1 429 823
Effect of exchange rate changes	13 898	11 738	(2 985)	914
Cash and cash equivalents, beginning of the period	3 074 486	1 416 970	2 470 555	1 643 749
Cash and cash equivalents, end of the period	1 116 748	1 116 748	3 074 486	3 074 486

The consolidated financial statements are to be read in conjunction with the notes forming integral part of the consolidated financial statements set out on pages 8-20.

* Changes in disclosure of comparative period are described in Note 4.19.

Statement of changes in consolidated equity

	Equity attributable to equity owners of the parent							Non-controlling interest	Total equity
	Share capital and share premium	Statutory reserves	Hedging reserve	Foreign exchange differences on subsidiaries from consolidation	Revaluation reserve	Retained earnings	Total		
(unaudited)									
1 January 2013	18 133 476	2 584 286	(16 510)	(9 644)	68 023	9 091 741	29 851 372	(7 031)	29 844 341
Net loss	-	-	-	-	-	(1 394 590)	(1 394 590)	(1 883)	(1 396 473)
Items of other comprehensive income	-	59 563	(173 781)	26 783	(58 126)	(3 080)	(148 641)	-	(148 641)
Total net comprehensive income	-	59 563	(173 781)	26 783	(58 126)	(1 397 670)	(1 543 231)	(1 883)	(1 545 114)
31 December 2013	18 133 476	2 643 849	(190 291)	17 139	9 897	7 694 071	28 308 141	(8 913)	28 299 228
(unaudited, restated*)									
1 January 2012	18 133 476	2 554 809	(93 715)	(4 880)	52 203	12 219 049	32 860 942	(6 823)	32 854 119
Net loss	-	-	-	-	-	(3 097 830)	(3 097 830)	(208)	(3 098 038)
Items of other comprehensive income	-	29 477	77 205	(4 764)	15 820	(29 478)	88 260	-	88 260
Total net comprehensive income	-	29 477	77 205	(4 764)	15 820	(3 127 308)	(3 009 570)	(208)	(3 009 778)
31 December 2012	18 133 476	2 584 286	(16 510)	(9 644)	68 023	9 091 741	29 851 372	(7 031)	29 844 341

The consolidated financial statements are to be read in conjunction with the notes forming integral part of the consolidated financial statements set out on pages 8-20.

* The statement of change of consolidated equity as at 31 December 2012 was restated in line with restated consolidated statement of financial position and restated consolidated statement of profit or loss and other comprehensive income for 2012 as presented in the Note 4.19.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. THE PARENT COMPANY AND STRUCTURE OF THE CONSOLIDATED GROUP

Establishment of the parent company

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

Registered office of the Company

UNIPETROL, a.s.
 Na Pankráci 127
 140 00 Praha 4
 Czech Republic

Principal activities

The Company operates as a holding company covering and administering a group of companies (hereinafter the "Group"). The principal business activities of the Group include oil and petroleum products processing, production of commodity chemicals, polymer materials, mineral lubricants, plastic lubricants, road and insulation bitumen, special refinery and petrochemical products. Furthermore, the Group is engaged in the distribution of fuels and operation of gas stations.

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

Ownership structure

The shareholders as at 31 December 2013 were as follows:

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

Consolidated group structure

The subsidiaries and joint-ventures forming the consolidated group of UNIPETROL, a.s., and the Group's interest in the capital of subsidiaries and joint-ventures held either directly by the parent company or indirectly by the consolidated subsidiaries and allocation of subsidiaries into the operating segments is presented in the consolidated financial statements of the Group as at and for the year ended 31 December 2012.

There were no changes in the structure of the Group in the period ended at 31 December 2013 except the issue mentioned below.

CHEMAPOL (SCHWEIZ) AG was put under liquidation on 1 June 2010 due to the restructuring process of UNIPETROL TRADE Group. The liquidation of CHEMAPOL (SCHWEIZ) AG was completed on 12 June 2013.

Acquisition of 16.335% stake in ČESKÁ RAFINÉRSKÁ, a.s. from Shell

On 7 November 2013 the Company signed a share purchase agreement with Shell Overseas Investments B.V. ("Shell") based on which it will acquire from Shell 152,701 shares of ČESKÁ RAFINÉRSKÁ, a.s. ("Česká rafinérská") amounting to 16.335% of the Česká rafinérská's share capital for the acquisition price in the amount of USD 27.2 million.

The Company owns 51.22% of the Česká rafinérská's share capital. After completion of the transaction expected in the first quarter 2014, Unipetrol, a.s.'s shareholding interest will increase to 67.555% of the share capital. The impact of the transaction on the consolidated financial statements of the Company is currently being estimated.

Members of the statutory and supervisory bodies as at 31 December 2013 were as follows:

	Position	Name
Board of Directors	Chairman	Marek Świtajewski
	Vice-chairman	Piotr Wielowieyski
	Member	Martin Durčák
	Member	Mirosław Kastelik
	Member	Andrzej Kozłowski
	Member	Artur Paździor
Supervisory Board	Chairman	Dariusz Krawiec
	Vice-chairman	Ivan Kočárník
	Vice-chairman	Sławomir Jędrzejczyk
	Member	Piotr Kearney
	Member	Zdeněk Černý
	Member	Krystian Pater
	Member	Rafał Sekuła
	Member	Piotr Chelminski
Member	Bogdan Dzdzewicz	

1. THE PARENT COMPANY AND STRUCTURE OF THE CONSOLIDATED GROUP

Changes in the board of directors in the twelve month period ended at 31 December 2013 were as follows:

Position	Name	Change	Date of change
Member	Mariusz Kędra	Recalled from the office	6 February 2013
Member	Mirosław Kastelik	Elected into the office	6 February 2013
Chairman	Piotr Chelmiński	Recalled from the office	8 April 2013
Chairman	Marek Świtajewski	Elected into the office	8 April 2013
Member	Andrzej Kozłowski	Elected into the office	9 April 2013

Changes in the supervisory board in the twelve month period ended 31 December 2013 were as follows:

Position	Name	Change	Date of change
Member	Rafał Sekuła	Co-opted as a substitute member	6 February 2013
Member	Andrzej Kozłowski	Recalled from the office	8 April 2013
Member	Rafał Sekuła	Elected into the office	24 June 2013
Member	Piotr Chelmiński	Elected into the office	24 June 2013
Member	Zdeněk Černý	Elected into the office	30 June 2013
Member	Krystian Pater	Elected into the office	30 June 2013

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

A Statement of compliance and general principles of preparation

The consolidated financial statements of the Company for the year ended at 31 December 2013 comprise the Company and its subsidiaries (together referred as the "Group") and the Group's interest in jointly controlled entities.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2012.

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

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

B Applied accounting principles and IFRS amendments

The Group used the same accounting policies and methods of computation during preparation of these interim financial statements as those applied in its consolidated financial statements as at and for the year ended 31 December 2012.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2012.

Certain new standards and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2013 or later periods.

The Group will adopt the changes after their acceptance by the European Commission in accordance with their effective date. The possible impact of the changes on the Group's future consolidated financial was presented in its consolidated financial statements as at and for the year ended 31 December 2012.

C Functional and presentation currency

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

D Information on seasonality and cyclicity of Group's operations

The Group does not report any material seasonal or cyclical character of its operation in the twelve month period ended 31 December 2013.

3. SEGMENT REPORTING

The operations of the Group are carried out in:

- the refining segment which includes crude oil processing and wholesale, oil production and sales as well as primary logistics,
- the retail segment which comprises trade in refinery products and secondary logistics,
- the petrochemical segment which includes production and sales of petrochemicals as well as supporting production,

and corporate functions which are reconciling items and include activities related to management, administration and other support functions as well as remaining activities not allocated to separate operating segments.

Revenues and operating result by operating segments

for the 12 months period ended 31 December 2013

	Refining segment	Retail segment	Petrochemical segment	Corporate Functions	Adjustments	Total
Total external revenues	52 847 999	10 452 743	36 032 736	81 312		99 414 790
Transactions with other segments	22 487 308	212 782	1 893 657	549 530	(25 143 277)	-
Total segment revenue	75 335 307	10 665 525	37 926 393	630 842	(25 143 277)	99 414 790
Operating expenses	(77 125 993)	(10 484 242)	(37 013 663)	(786 561)	25 143 277	(100 267 182)
Other operating income	77 655	30 826	59 773	19 672	(114)	187 812
Other operating expenses	(28 292)	(26 740)	(165 338)	(8 494)	114	(228 750)
Segment operating profit/(loss)	(1 741 323)	185 369	807 165	(144 541)	-	(893 330)
Net finance costs						(450 225)
Loss before tax						(1 343 555)
Tax expense						(52 918)
Net loss						(1 396 473)

for the 3 months period ended 31 December 2013

	Refining segment	Retail segment	Petrochemical segment	Corporate Functions	Adjustments	Total
Total external revenues	12 796 463	2 603 480	9 636 511	33 621	-	25 070 075
Transactions with other segments	6 160 414	54 845	529 075	144 389	(6 888 723)	-
Total segment revenue	18 956 877	2 658 325	10 165 586	178 010	(6 888 723)	25 070 075
Operating expenses	(19 570 727)	(2 575 007)	(10 007 038)	(250 941)	6 888 723	(25 514 990)
Other operating income	47 061	14 232	18 727	8 946	(1)	88 965
Other operating expenses	(4 834)	(6 231)	(24 440)	(4 308)	1	(39 812)
Segment operating profit/(loss)	(571 623)	91 319	152 835	(68 293)	-	(395 762)
Net finance costs						(142 610)
Loss before tax						(538 372)
Tax expense						(151 998)
Net loss						(690 370)

for the 12 months period ended 31 December 2012

	Refining segment	Retail segment	Petrochemical segment	Corporate Functions	Adjustments	Total
Total external revenues	59 523 797	10 269 864	37 291 782	74 342	-	107 159 785
Transactions with other segments	23 256 233	222 436	1 553 036	538 227	(25 569 932)	-
Total segment revenue	82 780 030	10 492 300	38 844 818	612 569	(25 569 932)	107 159 785
Operating expenses	(82 998 198)	(10 366 669)	(38 726 755)	(716 876)	25 569 932	(107 238 566)
Other operating income	182 019	207 176	373 011	30 704	(381)	792 529
Other operating expenses	(4 161 070)	(126 110)	(200 479)	(45 472)	381	(4 532 750)
Segment operating profit/(loss)	(4 197 219)	206 697	290 595	(119 075)	-	(3 819 002)
Net finance costs						(552 921)
Loss before tax						(4 371 923)
Tax expense						1 273 885
Net loss						(3 098 038)

3. SEGMENT REPORTING (CONTINUED)

for the 3 months period ended 31 December 2012

	Refining segment	Retail segment	Petrochemical segment	Corporate Functions	Adjustments	Total
Total external revenues	13 653 625	2 556 630	10 023 001	26 422	-	26 259 678
Transactions with other segments	6 351 072	53 199	418 643	125 937	(6 948 851)	-
Total segment revenue	20 004 697	2 609 829	10 441 644	152 359	(6 948 851)	26 259 678
Operating expenses	(20 508 830)	(2 587 308)	(10 053 235)	(210 813)	6 948 851	(26 411 335)
Other operating income	129 209	45 239	129 315	5 688	(363)	309 088
Other operating expenses	(4 115 572)	(93 122)	(117 753)	(16 029)	363	(4 342 113)
Segment operating profit/(loss)	(4 490 496)	(25 362)	399 971	(68 795)	-	(4 184 682)
Net finance costs						(89 316)
Loss before tax						(4 273 998)
Tax expense						1 493 509
Net loss						(2 780 489)

Assets by operating segments

	31/12/2013	31/12/2012
Refining segment	20 074 320	18 927 970
Retail segment	6 021 201	6 313 143
Petrochemical segment	22 547 053	23 022 035
Segment assets	48 642 594	48 263 148
Corporate Functions	1 355 535	2 684 693
	49 998 129	50 947 841

4. OTHER NOTES

4.1. Other financial assets

	31/12/2013	31/12/2012
Cash flow hedge instruments	10 892	18 739
<i>currency forwards</i>	10 892	18 739
Derivatives not designated as hedge accounting	18 419	5 626
<i>currency forwards</i>	36	5 626
<i>commodity swaps</i>	18 383	-
Loans granted	7 196	7 488
Cash pool	12 218	848
	48 725	32 701

4.2. Loans, borrowings and debt securities

	Non-current		Current		Total	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Loans	2 000 000	-	504 781	796 949	2 504 781	796 949
Borrowings	-	-	1 850	-	1 850	-
Debt securities	-	-	-	2 034 582	-	2 034 582
	2 000 000	-	506 631	2 831 531	2 506 631	2 831 531

4.3. Provisions

	Non-current		Current		Total	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Environmental	339 854	332 968	-	-	339 854	332 968
Jubilee bonuses and post-employment benefits	57 344	25 074	-	-	57 344	25 074
Shield programs	-	-	-	3 431	-	3 431
CO2 emission	-	-	513 568	495 934	513 568	495 934
Other	35 929	15 362	27 886	25 856	63 815	41 218
	433 127	373 404	541 454	525 221	974 581	898 625

Provision on CO2 allowances was created for estimated CO2 emissions in the period ended 31 December 2013 and 31 December 2012.

4.4. Revenues

	FOR 12 MONTHS ENDED 31/12/2013	FOR 3 MONTHS ENDED 31/12/2013	FOR 12 MONTHS ENDED 31/12/2012	FOR 3 MONTHS ENDED 31/12/2012
Revenues from sales of finished goods and services, net	91 713 103	22 866 088	101 533 645	25 147 756
Revenues from sales of merchandise and raw materials, net	7 701 687	2 203 987	5 626 140	1 111 922
	99 414 790	25 070 075	107 159 785	26 259 678

4.5. Operating expenses

Cost of sales

	FOR 12 MONTHS ENDED 31/12/2013	FOR 3 MONTHS ENDED 31/12/2013	FOR 12 MONTHS ENDED 31/12/2012	FOR 3 MONTHS ENDED 31/12/2012
Cost of finished goods and services sold	(89 760 643)	(22 658 600)	(98 699 517)	(24 454 549)
Cost of merchandise and raw materials sold	(7 350 785)	(2 029 977)	(5 344 236)	(1 087 805)
	(97 111 428)	(24 688 577)	(104 043 753)	(25 542 354)

Cost by nature

	FOR 12 MONTHS ENDED 31/12/2013	FOR 3 MONTHS ENDED 31/12/2013	FOR 12 MONTHS ENDED 31/12/2012	FOR 3 MONTHS ENDED 31/12/2012
Materials and energy	(80 501 774)	(20 882 669)	(88 078 521)	(21 484 254)
Cost of merchandise and raw materials sold	(7 350 785)	(2 029 977)	(5 344 236)	(1 087 805)
External services	(7 373 901)	(1 819 721)	(7 439 484)	(1 995 518)
Employee benefits	(2 432 593)	(626 855)	(2 480 006)	(646 453)
Depreciation and amortisation	(2 415 318)	(641 850)	(2 807 100)	(685 036)
Taxes and charges	(351 165)	(89 698)	(92 130)	(31 812)
Other	(537 360)	(127 666)	(5 178 987)	(4 761 110)
	(100 962 896)	(26 218 436)	(111 420 464)	(30 691 988)
Change in inventories	466 957	663 630	(666 917)	(377 284)
Cost of products and services for own use	7	4	217	37
Operating expenses	(100 495 932)	(25 554 802)	(112 087 164)	(31 069 235)
Distribution expenses	1 963 457	500 620	1 944 982	517 756
Administrative expenses	1 192 297	325 793	1 249 831	351 226
Other operating expenses	228 750	39 812	4 848 598	4 657 899
Cost of sales	(97 111 428)	(24 688 577)	(104 043 753)	(25 542 354)

4.6. Write down of inventories to net realisable value

	FOR 12 MONTHS ENDED 31/12/2013	FOR 3 MONTHS ENDED 31/12/2013	FOR 12 MONTHS ENDED 31/12/2012	FOR 3 MONTHS ENDED 31/12/2012
Increase	(356 026)	(74 925)	(659 364)	(234 820)
Decrease	475 721	224 340	726 958	124 933

4.7. Assets allowances

	FOR 12 MONTHS ENDED 31/12/2013	FOR 3 MONTHS ENDED 31/12/2013	FOR 12 MONTHS ENDED 31/12/2012	FOR 3 MONTHS ENDED 31/12/2012
Property, plant and equipment				
Recognition	(102 627)	(4 500)	(4 080 479)	(3 982 438)
Reversal	25 514	19 674	22 311	16 471
Intangible assets				
Recognition	-	-	(250 618)	(250 532)
Reversal	-	-	8 768	8 768
Receivables				
Recognition	(12 133)	(10 466)	(49 592)	(26 597)
Reversal	4 720	463	24 164	7 084

In the 12 and 3 month period ended 31 December 2013 and 31 December 2012 recognition and reversal of impairment allowances were recorded in relation to CO₂ allowances, occurrence and extension of indicators in respect of overdue receivables, uncollectible receivables or receivables in court as well as property, plant and equipment and intangible assets.

The impairment for power plant T200 in amount of CZK 80 064 thousand was created during the 12 month period ended 31 December 2013.

In the 12 and 3 month period ended 31 December 2012 impairment allowances to Property, plant and equipment in amount of CZK 3 975 622 thousand and to Intangible assets in amount of CZK 48 017 thousand were recognized in relation to assets of refinery segment.

4.8. Other operating income and expenses

Other operating income

	FOR 12 MONTHS ENDED 31/12/2013	FOR 3 MONTHS ENDED 31/12/2013	FOR 12 MONTHS ENDED 31/12/2012	FOR 3 MONTHS ENDED 31/12/2012
Profit on sale of non-current non-financial assets	18 506	6 038	32 197	11 469
Reversal of provisions	25 920	18 640	147 709	25
Reversal of receivables impairment allowances	4 720	463	24 164	7 084
Reversal of impairment allowances of property, plant and equipment and intangible assets	25 514	19 674	31 079	11 534
Penalties and compensations earned	46 267	14 391	77 932	42 453
Other	66 885	29 759	393 717	150 792
Income from disposal of PARAMO ASFALT s.r.o.	-	-	85 731	85 731
	187 812	88 965	792 529	309 088

Other operating expenses

	FOR 12 MONTHS ENDED 31/12/2013	FOR 3 MONTHS ENDED 31/12/2013	FOR 12 MONTHS ENDED 31/12/2012	FOR 3 MONTHS ENDED 31/12/2012
Loss on sale of non-current non-financial assets	(24 619)	(2 684)	(27 754)	(25 237)
Recognition of provisions	(57 586)	(6 656)	(22 560)	(7 880)
Recognition of receivables impairment allowances	(12 133)	(10 466)	(49 592)	(26 597)
Recognition of impairment allowances of property, plant and equipment and intangible assets	(102 627)	(4 500)	(4 331 097)	(4 235 400)
Other	(31 785)	(15 506)	(101 747)	(46 999)
	(228 750)	(39 812)	(4 532 750)	(4 342 113)

4.9. Finance income and finance costs

Finance income

	FOR 12 MONTHS ENDED 31/12/2013	FOR 3 MONTHS ENDED 31/12/2013	FOR 12 MONTHS ENDED 31/12/2012	FOR 3 MONTHS ENDED 31/12/2012
Interest	41 399	10 960	51 433	10 991
Foreign exchange gain surplus	-	-	-	43 752
Settlement and valuation of financial instruments	1 032 588	219 464	1 833 504	300 627
Other	1 828	(480)	1 308	274
	1 075 815	229 944	1 886 245	355 644

Finance costs

	FOR 12 MONTHS ENDED 31/12/2013	FOR 3 MONTHS ENDED 31/12/2013	FOR 12 MONTHS ENDED 31/12/2012	FOR 3 MONTHS ENDED 31/12/2012
Interest	(247 166)	(60 073)	(316 362)	(87 435)
Foreign exchange loss surplus	(266 872)	(140 563)	(220 091)	-
Settlement and valuation of financial instruments	(974 483)	(162 051)	(1 866 039)	(341 346)
Other	(37 519)	(9 867)	(36 674)	(16 179)
	(1 526 040)	(372 554)	(2 439 166)	(444 960)

Borrowing cost capitalized in the 12 and 3 month period ended 31 December 2013 and 2012 amounted to CZK 1 644 thousand and CZK 665 thousand, as well as CZK 609 thousand and CZK 44 thousand, respectively.

4.10. Tax expense

	FOR 12 MONTHS ENDED 31/12/2013	FOR 3 MONTHS ENDED 31/12/2013	FOR 12 MONTHS ENDED 31/12/2012	FOR 3 MONTHS ENDED 31/12/2012
Current income tax	(123 447)	(21 957)	(203 337)	(45 045)
Deferred income tax	70 529	(130 041)	1 477 222	1 538 554
	(52 918)	(151 998)	1 273 885	1 493 509

In the 12 and 3 month period ended 31 December 2013 the Group released deferred tax assets from tax losses carried forward in amount of CZK 292 986 thousand recognized in previous periods due to unpredictability of future taxable income.

4.11. Methods applied in determining fair values of financial instruments recognized in the consolidated statement of financial position at fair value (fair value hierarchy)

The Group measures derivative instruments at fair value using valuation models for financial instruments based on generally available exchange rates, interest rates, forward and volatility curves for currencies and commodities quoted on active markets. As compared to the previous reporting period the Group has not changed valuation methods concerning derivative instruments.

Fair value of derivatives is based on discounted future flows related to contracted transactions as a difference between term price and transaction price. Forward rates of exchange are not modelled as a separate risk factor, but they are a result of spot rate and forward interest rate for foreign currency in relation to CZK.

The derivative financial and hedge instruments held by the Group are carried at fair value under other short-term financial assets and other short-term financial liabilities respectively. Derivative instruments are presented as assets, when their valuation is positive and as liabilities, when their valuation is negative. Gains and losses resulting from changes in fair value of derivative instruments, for which hedge accounting is not applicable, are recognized in a reporting year profit or loss.

The fair value of these financial instruments was determined based on observable data, excluding quoted prices. Financial instruments carried at fair value by the Group belong to the Level 2 defined by IFRS.

Fair value hierarchy

LEVEL 2	31/12/2013	31/12/2012
Financial assets		
Derivatives and hedging instruments	48 725	32 701
Financial liabilities		
Derivatives and hedging instruments	349 208	178 371

4.12. Finance lease payments

	31/12/2013	31/12/2012
Future minimum lease payments	2 598	5 817
Present value of minimum lease payments	2 507	5 424

4.13. Future liabilities resulting from signed investment contract

As at 31 December 2013 and as at 31 December 2012 the value of future liabilities resulting from signed investment contracts Group amounted to CZK 807 216 thousand and CZK 336 501 thousand respectively.

4.14. Retained earnings and dividends

Dividends

In accordance with appropriate Czech law, dividends can be paid from unconsolidated profit of the parent company. The Annual General Meeting of UNIPETROL, a.s. held on 24 June 2013 decided, pursuant to Article 12 (2) (v) of the Articles of Association of UNIPETROL, a.s., on distribution of the Company's profit generated on non-consolidated basis in 2012 in amount of CZK 403 972 thousand. Based on the decision the amount of CZK 20 199 thousand was allocated to the Company's Reserve Fund and CZK 383 774 thousand was transferred to retained earnings.

4.15. Commitments and contingencies

Contingent liabilities and commitments related to Purchase of shares of PARAMO, a.s. , the sale of shares in KAUČUK, a.s. (currently SYNTHOS Kralupy a.s.) and the sale of shares in SPOLANA a.s. are described in the consolidated financial statements of the Group as at and for the year ended 31 December 2012. During the last twelve month period ended 31 December 2013 there were no changes in relation to the issue.

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

4.16. Court proceedings and claims

Claims on compensation of damages filed by I.P. – 95, s.r.o. against UNIPETROL RPA, s.r.o. are described in the consolidated financial statements of the Group as at and for the year ended 31 December 2012. During the twelve month period ended 31 December 2013 there were no changes in relation to the issue.

Claims for compensation of damages filed by SDP Logistics sklady a.s against UNIPETROL RPA, s.r.o. are described in the consolidated financial statements of the Group as at and for the year ended 31 December 2012. During the twelve month period ended 31 December 2013 there were no material changes in relation to the issue. The court is waiting for the result of a related court proceedings regarding claim for return of goods filed by UNIPETROL RPA, s.r.o against SDP Logistics sklady a.s. in 2011; within this related proceedings hearings took place on 17 July 2013 and 11 December 2013 with the next hearing scheduled for 20 February 2014.

Tax proceeding - UNIPETROL RPA s.r.o., acting as a legal successor of CHEMOPETROL a.s., is a party in a tax proceeding related to validity of investment tax relief for 2005. UNIPETROL RPA s.r.o. claims the return of income tax paid in 2006 for the fiscal year 2005 by CHEMOPETROL a.s. The claim concerns unused investment relief attributable to CHEMOPETROL a.s. The total value of claim amounts to approximately CZK 325,000 thousand.

4.17. Guarantees

Based on the Group's request the bank guarantees relating to the security of customs debt and excise tax at customs offices were issued. Total balance of guarantees at 31 December 2013 and as at 31 December 2012 related to excise tax amounted to CZK 1 581 864 thousand and CZK 1 695 301 thousand.

4.18. Related parties

Parent and ultimate controlling party

During 2013 and 2012 a majority (62.99%) of the Company's shares were in possession of POLSKI KONCERN NAFTOWY ORLEN S.A. (PKN Orlen).

Material transactions concluded by the Group Companies with related parties

In the 12 and 3 months period ended 31 December 2013 and 31 December 2012 there were no transactions concluded by the Group with related parties on other than market terms.

Transactions with key management personnel

In the 12 and 3 months period ended 31 December 2013 and 31 December 2012 the Group companies did not grant to key management personnel and their relatives any advances, loans, guarantees and commitments, or other agreements obliging, to render services to the Company and related parties.

As at 31 December 2013 and as at 31 December 2012 there were no significant transactions concluded with members of the Board of Directors, Supervisory Board, their spouses, siblings, descendants, ascendants or their other relatives.

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

In the 12 and 3 months period ended 31 December 2013 and 31 December 2012 members of the key management personnel of the Parent Company and the Group companies submitted statements that they have not concluded any transactions with related parties.

Transactions and balances with related parties:

for 12 month period ended	PKN Orlen		Jointly-controlled entities		Entities under control or significant influence of PKN	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Sales	467 939	252 540	2 416 363	2 385 297	5 176 424	2 399 323
Purchases	57 010 298	60 942 489	3 257 955	3 472 628	2 754 123	2 546 193
Finance income	-	-	2 424	3 404	-	116 095
Finance costs	2 689	19 489	30	307	22 742	12 449

for 3 month period ended	PKN Orlen		Jointly-controlled entities		Entities under control or significant influence of PKN	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Sales	49 182	10	634 248	621 375	3 238 651	807 845
Purchases	13 715 849	15 526 512	834 296	940 973	862 123	682 965
Finance income	-	-	593	34	-	116 095
Finance costs	1 850	1 957	13	-	5 265	11 772

	PKN Orlen		Jointly-controlled entities		Entities under control or significant influence of PKN	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Trade and other receivables	24 355	69	389 276	310 801	594 010	309 149
Trade and other liabilities, loans	6 923 050	5 853 280	356 638	545 010	372 043	230 215
Other non-current assets	-	-	24 201	39 486	-	-

4.19. Changes in disclosure of comparative period

The Group has changed disclosure in respect of selected data in comparative period in Consolidated statement of financial position, Consolidated statement of profit or loss and other comprehensive income and Consolidated statement of cash flows to ensure consistent approach with data presentation in 2013. The changes were incorporated in presentation of certain positions in financial statements to provide users of financial statements with better information concerning operations of Unipetrol group.

The changes in consolidated statement of financial position as at 31 December 2012 are presented in following table:

	previously stated	presentation of as assets and liabilities held for sale (1)	changes in detail of presentation of assets / liabilities (2)	presentation of cash pool (3)	presentation of finance lease (4)	31/12/2012 as restated
ASSETS						
Non-current assets						
Property, plant and equipment	23 326 243	33 405				23 359 648
Investment property	383 725	39 624				423 349
Intangible assets	1 978 326	44 455				2 022 781
Financial assets available for sale	-	-	522			522
Deferred tax assets	307 230	1 518	-			308 748
Other non-current assets	55 595	493	(522)			55 566
	26 051 119	119 495	-	-	-	26 170 614
Current assets						
Inventories	9 893 415	675 407				10 568 822
Trade and other receivables	10 574 597	361 896	130 537			11 067 030
Other financial assets	32 701	-	-			32 701
Prepayments and other current assets	130 537	-	(130 537)			-
Current tax receivables	34 188					34 188
Cash and cash equivalents	3 058 211	16 276				3 074 486
Assets classified as held for sale	857 225	(857 226)				-
	24 580 874	196 353	-	-	-	24 777 227
Total assets	50 631 993	315 848	-	-	-	50 947 841
EQUITY AND LIABILITIES						
EQUITY						
Share capital	18 133 476					18 133 476
Statutory reserves	2 584 286					2 584 286
Other funds	41 869		(41 869)			-
Hedging reserve	-		(16 510)			(16 510)
Revaluation reserve	-		68 023			68 023
Foreign exchange differences on subsidiaries from consolidation	-		(9 644)			(9 644)
Retained earnings	8 775 893	315 848				9 091 741
Total equity attributable to equity owners of the parent	29 535 524	315 848	-	-	-	29 851 372
Non-controlling interest	(7 031)	-	-	-	-	(7 031)
Total equity	29 528 493	315 848	-	-	-	29 844 341
LIABILITIES						
Non-current liabilities						
Loans, borrowings and debt securities	2 261	-			(2 261)	-
Provisions	372 495	909				373 404
Deferred tax liabilities	387 982	118				388 100
Other non-current liabilities	184 115	10 020			2 261	196 396
	946 853	11 047	-	-	-	957 900
Current liabilities						
Trade and other liabilities	15 928 626	622 605	(96 687)		3 164	16 457 708
Loans, borrowings and debt securities	2 836 348	-		(1 653)	(3 164)	2 831 531
Current tax liabilities	55 739	-				55 739
Provisions	508 461	16 760				525 221
Deferred income	-	343	96 687			97 030
Other financial liabilities	148 248	28 470		1 653		178 371
Liabilities classified as held for sale	679 225	(679 225)				-
	20 156 647	(11 047)	-	-	-	20 145 600
Total liabilities	21 103 500	-	-	-	-	21 103 500
Total equity and liabilities	50 631 993	315 848	-	-	-	50 947 841

4.19 Changes in disclosure of comparative period (continued)

The changes in consolidated profit and loss statement for 12 and 3 month periods ended 31 December 2012 are presented in following table:

	previously stated	presentation of as assets and liabilities held for sale (1)	presentation of discounts (4)	net presentation of grants (5)	FOR 12 MONTHS ENDED 31/12/2012 (unaudited, restated)
Statement of profit or loss					
Revenues	107 280 986		(121 201)		107 159 785
Cost of sales	(104 111 144)			32 455	(104 043 753)
Gross profit on sales	3 169 842		(121 201)	32 455	3 116 032
Distribution expenses	(1 944 982)				(1 944 982)
Administrative expenses	(1 249 831)				(1 249 831)
Other operating income	859 920			(32 455)	792 529
Other operating expenses	(4 848 598)	315 848			(4 532 750)
Profit/(loss) from operations	(4 013 619)	315 848	(121 201)	-	(3 819 002)
Finance income	1 886 245				1 886 245
Finance costs	(2 560 367)		121 201		(2 439 166)
Net finance income (costs)	(674 122)	-	121 201	-	(552 921)
Loss before tax	(4 687 771)	315 848	-	-	(4 371 923)
Tax expense	1 273 885				1 273 885
Net loss	(3 413 886)	315 848	-	-	(3 098 038)

	previously stated	presentation of as assets and liabilities held for sale (1)	presentation of discounts (4)	net presentation of grants (5)	FOR 3 MONTHS ENDED 31/12/2012 (unaudited, restated)
Statement of profit or loss					
Revenues	26 292 133		(32 455)		26 259 678
Cost of sales	(25 569 597)			27 243	(25 542 354)
Gross profit on sales	722 536		(32 455)	27 243	717 324
Distribution expenses	(517 755)				(517 756)
Administrative expenses	(351 225)				(351 225)
Other operating income	336 332			(27 243)	309 088
Other operating expenses	(4 657 961)	315 848			(4 342 113)
Profit/(loss) from operations	(4 468 073)	315 848	(32 455)	-	(4 184 682)
Finance income	355 644				355 644
Finance costs	(477 415)		32 455		(444 960)
Net finance income (costs)	(121 771)	-	32 455	-	(89 316)
Loss before tax	(4 589 844)	315 848	-	-	(4 273 998)
Tax expense	1 493 509				1 493 509
Net loss	(3 096 335)	315 848	-	-	(2 780 489)

4.19. Changes in disclosure of comparative period (CONTINUED)

The changes in consolidated statement of cash flows for 12 and 3 month period ended 31 December 2012 are presented in the following tables:

	previously stated	presentation of as assets and liabilities held for sale (1)	changes in detail of presentation of assets / liabilities (2)	presentation of cash pool (3)	presentation of impairment losses (6)	presentation of prepayments (7)	FOR 12 MONTHS ENDED 31/12/2012 (unaudited, restated)
Cash flows - operating activities							
Net profit/(loss)	(3 413 886)	315 848					(3 098 038)
Adjustments for:							
Depreciation and amortisation	2 807 100						2 807 100
Foreign exchange (gain)/loss	(6 617)						(6 617)
Interest and dividends, net	264 929			(2 386)			262 543
(Profit)/Loss on investing activities	(4 443)		58 400		4 316 293		4 370 250
Change in provisions	341 367						341 367
Tax expense	(1 273 885)						(1 273 885)
Income tax (paid)	(146 654)						(146 654)
Other adjustments	-		(887 570)				(887 570)
Impairment losses on financial investments, property plant and equipment and intangible assets	4 615 866	(299 573)			(4 316 293)		-
CO2 allowances grant derecognition	(338 521)		338 521				-
Change in deferred income related to CO2 allowances grant	(742 756)		742 756				-
Net (gain)/Loss from financial derivatives	32 535		(32 535)				-
Change in working capital	(182 466)	-	(219 572)	2 386	-	6 045	(393 607)
<i>inventories</i>	1 038 627						1 038 627
<i>receivables</i>	(640 528)		6 977				(633 551)
<i>liabilities</i>	(580 565)		(226 549)	2 386		6 045	(798 683)
Net cash provided by/operating activities	1 952 569	16 275	-	-	-	6 045	1 974 889
Cash flows - investing activities							
Acquisition of property, plant and equipment and intangible assets	(1 346 201)					(6 045)	(1 352 245)
Disposal of property, plant and equipment and intangible assets	64 754						64 754
Acquisition of securities and deposits	(102 442)		102 442				-
Disposal of securities and deposits	102 442		(102 442)				-
Proceeds/(Outflows) from loans granted	2 141			1 491			3 632
Other	-		10 682	110 043			120 726
Settlement of financial derivatives	252 033		(10 008)				242 025
Proceed from disposal of PARAMO ASFALT s.r.o.	116 100		(116 100)				-
Change in loans granted	111 534			(111 534)			-
Cash and cash equivalents in subsidiaries sold	(115 426)		115 426				-
Net cash used in investing activities	(915 065)	-	-	-	-	(6 045)	(921 108)
Cash flows - financing activities							
Change in loans and borrowings	(201 426)						(201 426)
Change in cash pool liabilities	87 525			(87 525)			-
Interest paid	(325 070)						(325 070)
Payments of liabilities under finance lease agreements	(7 555)						(7 555)
Dividends paid to non-controlling shareholders	(340)						(340)
Other	-			87 525			87 526
Net cash used in financing activities	(446 866)	-	-	-	-	-	(446 865)
Net increase/(decrease) in cash and cash equivalents	590 640	16 275	-	-	-	-	606 916
Effect of exchange rate changes	(2 985)						(2 985)
Cash and cash equivalents, beginning of the period	2 470 555						2 470 555
Cash and cash equivalents, end of the period	3 058 211	16 275	-	-	-	-	3 074 486

4.19. Changes in disclosure of comparative period (CONTINUED)

	previously stated	presentation of as assets and liabilities held for sale (1)	changes in detail of presentation of assets / liabilities (2)	presentation of cash pool (3)	presentation of impairment losses (6)	presentation of prepayments (7)	FOR 3 MONTHS ENDED 31/12/2012 (unaudited, restated)
Cash flows - operating activities							
Net profit/(loss)	(3 096 335)	315 848					(2 780 489)
Adjustments for:							
Depreciation and amortisation	685 036						685 036
Foreign exchange (gain)/loss	(2 081)						(2 081)
Interest and dividends, net	76 443			(21 590)			54 853
(Profit)/Loss on investing activities	13 768		13 505		4 240 140		4 267 413
Change in provisions	143 293						143 293
Tax expense	(1 493 509)						(1 493 509)
Income tax (paid)	(35 705)						(35 705)
Other adjustments	-		(410 946)				(410 946)
Impairment losses on financial investments, property plant and equipment and intangible assets	4 539 713	(299 573)			(4 240 140)		-
CO2 allowances grant derecognition	(128 196)		128 196				-
Change in deferred income related to CO2 allowances grant	101 948		(101 948)				-
Net (gain)/Loss from financial derivatives	40 719		(40 719)				-
Change in working capital	1 605 756	-	411 912	21 590	-	6 045	2 045 307
<i>inventories</i>	(177 912)						(177 912)
<i>receivables</i>	1 494 434		397 378				1 891 812
<i>liabilities</i>	289 234		14 534	21 590		6 045	331 408
Net cash provided by/(used in) operating activities	2 450 851	16 275	-	-	-	6 045	2 473 172
Cash flows - investing activities							
Acquisition of property, plant and equipment and intangible assets	(163 247)					(6 045)	(169 292)
Disposal of property, plant and equipment and intangible assets	40 755						40 755
Proceeds/(Outflows) from loans granted	(45)			(1 481)			(1 527)
Other	-		674	95 082			95 756
Settlement of financial derivatives	108 232						108 232
Proceed from disposal of PARAMO ASFALT s.r.o.	116 100		(116 100)				-
Change in loans granted	93 601			(93 601)			-
Cash and cash equivalents in subsidiaries sold	(115 426)		115 426				-
Net cash provided by/(used in) investing activities	79 970	-	-	-	-	(6 045)	73 924
Cash flows - financing activities							
Change in loans and borrowings	(640 231)						(640 231)
Change in cash pool liabilities	(205 372)			205 372			-
Interest paid	(270 434)						(270 434)
Payments of liabilities under finance lease agreements	(1 236)						(1 236)
Other	-			(205 372)			(205 372)
Net cash provided by/(used in) financing activities	(1 117 273)	-	-	-	-	-	(1 117 273)
Net increase/(decrease) in cash and cash equivalents	1 413 548	16 275	-	-	-	-	1 429 823
Effect of exchange rate changes	914						914
Cash and cash equivalents, beginning of the period	1 643 749						1 643 749
Cash and cash equivalents, end of the period	3 058 211	16 275	-	-	-	-	3 074 486

4.19. Changes in disclosure of comparative period (CONTINUED)

Description of the changes implemented:

1) presentation of assets and liabilities held for sale

As at 31 December 2012 following the intention of UNIPETROL, a.s.'s management to sell 100% shares in PARAMO, a.s. and PARAMO, a.s.'s 100% shareholding in MOGUL SLOVAKIA s.r.o and 100% shareholding in Paramo Oil s.r.o. the Group presented assets and liabilities of these subsidiaries as disposal group held for sale. Additionally in 2012 an impairment charge of CZK 315,848 thousand was recorded to the carrying amount of the disposal group. In 2013 financial statements, following the Group's management decision to change the status of the assets to no longer held for sale, the Group ceased to present assets and liabilities of PARAMO, a.s and its subsidiaries as disposal group and restated the comparative financial statements in accordance with requirements of IFRS 5 *Non-current assets held for sale and discontinued operations*.

2) changes in detail of presentation of assets / liabilities

Particular items from the Statement of financial position and the Statement of cash flows are presented either in bigger detail or were grouped into condensed categories. The Management believes that current detail of disclosures provides readers of financial statements with better presentation.

3) presentation of cash pool

Cash pool liabilities from entities of PKN Orlen group were reclassified from position Loans, borrowings and debt securities to Other financial liabilities in the Statement of financial position with corresponding presentation in the Statement of cash flows as it provides better information to users of financial statements on external sources of financing.

4) presentation of finance lease

Finance lease liabilities were reclassified from position Loans, borrowings and debt securities to Other financial liabilities in the Statement of financial position.

5) presentation of discounts

Discounts agreed in advance are presented as decrease of revenues not financial costs, which provides better information on revenues achieved by the Group and is in line with IAS18.

6) net presentation of grants

In 2013 the Group gained reasonable assurance in relation to the receipt of the government grants for research projects in chemical area and decided to follow the allowed alternative under IAS 20 and net the income from grant with the related costs which the grant is intended to compensate as they wouldn't be incurred if the grant was not given. To ensure consistency 2012 presentation was adjusted.

7) presentation of impairment losses

Impairment losses on financial investments, property plant and equipment and intangible assets were reclassified under operating activities adjustments from separate position of adjustments to position Profit/ Loss on investing activities

8) presentation of prepayments

Prepayments connected with investing activities were reclassified from operating to investing activities which corresponds with the prepayments purpose.

4.20. Significant post balance sheet events

The Group's management is not aware of any events that have occurred since the balance sheet date that would have any material impact on the financial statements as at 31 December 2013.

**QUARTERLY FINANCIAL INFORMATION
UNIPETROL, a.s.**

FOR THE IV QUARTER

2013



**PREPARED IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION**

B. INTERIM CONDENSED NON-CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

Non-consolidated statement of financial position

	31/12/2013 (unaudited)	31/12/2012 (unaudited, restated*)
ASSETS		
Non-current assets		
Property, plant and equipment	10 315	12 822
Investment property	1 156 442	1 149 081
Intangible assets	400	456
Shares in related parties	13 990 981	13 990 981
Other non-current assets	1 519 519	334 837
	16 677 657	15 488 177
Current assets		
Trade and other receivables	150 892	191 695
Other financial assets	12 689 305	12 151 200
Current tax receivables	24 423	17 524
Cash and cash equivalents	157 802	1 294 067
	13 022 422	13 654 486
Total assets	29 700 079	29 142 663
EQUITY AND LIABILITIES		
EQUITY		
Share capital	18 133 476	18 133 476
Statutory reserves	1 671 671	1 651 472
Revaluation reserve	502 626	502 626
Retained earnings	6 049 883	5 132 389
Total equity	26 357 655	25 419 963
LIABILITIES		
Non-current liabilities		
Loans, borrowings and debt securities	2 000 000	-
Provisions	-	400
Deferred tax liabilities	112 039	113 326
	2 112 039	113 726
Current liabilities		
Trade and other liabilities	136 862	163 073
Loans, borrowings and debt securities	268 048	2 052 020
Other financial liabilities	825 475	1 215 881
	1 230 385	3 430 974
Total liabilities	3 342 424	3 544 700
Total equity and liabilities	29 700 079	28 964 663

* In 2012 non-consolidated statements of financial position shares in Paramo in value of CZK 178 000 thousand were presented as Assets held for sale, in restated 2012 non-consolidated statements of financial position shares in Paramo were reclassified to Shares in related parties.

Non-consolidated statement of profit or loss and other comprehensive income

	FOR 12 MONTHS ENDED 31/12/2013 (unaudited)	FOR 3 MONTHS ENDED 31/12/2013 (unaudited)	FOR 12 MONTHS ENDED 31/12/2012 (audited)	FOR 3 MONTHS ENDED 31/12/2012 (unaudited)
Statement of profit or loss				
Revenues	141 010	38 590	147 815	37 534
Cost of sales	(84 842)	(32 902)	(67 710)	(18 731)
Gross profit on sales	56 168	5 688	80 105	18 803
Distribution expenses	-	-	-	-
Administrative expenses	(204 030)	(47 155)	(174 890)	(57 102)
Other operating income	3 258	207	18 787	191
Other operating expenses	(1 766)	(342)	(3 011)	(140)
Profit/(loss) from operations	(146 370)	(41 602)	(79 009)	(38 248)
Finance income	1 319 776	80 166	772 578	267 741
Finance costs	(233 427)	(60 048)	(257 695)	(64 511)
Net finance income (costs)	1 086 349	20 118	514 883	203 230
Profit before tax	939 979	(21 484)	435 874	164 982
Tax expense	(2 287)	2 542	(31 902)	(5 857)
Net profit/(loss)	937 692	(18 942)	403 972	159 125
Other comprehensive income				
items which will not be reclassified into profit or loss	-	-	-	4 621
<i>Fair value measurement of investment property as at the date of reclassification</i>	-	-	-	5 499
<i>Deferred tax</i>	-	-	-	(878)
items which will be reclassified into profit or loss under certain conditions	-	-	(86)	(86)
<i>Foreign exchange differences on subsidiaries</i>	-	-	(86)	(86)
	-	-	(86)	4 535
Total net comprehensive income	937 692	(18 942)	403 886	163 660
Net profit/(loss) and diluted net profit/(loss) per share attributable to equity owners of the parent (in CZK per share)	5,17	(0,10)	2,23	0,88

Non-consolidated statement of cash flows

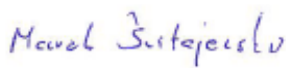
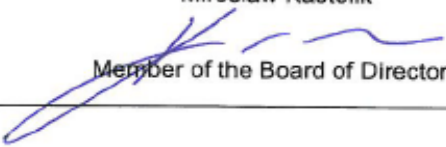
	FOR 12 MONTHS ENDED 31/12/2013 (unaudited)	FOR 3 MONTHS ENDED 31/12/2013 (unaudited)	FOR 12 MONTHS ENDED 31/12/2012 (audited)	FOR 3 MONTHS ENDED 31/12/2012 (unaudited)
Cash flows - operating activities				
Net profit / (loss)	937 692	(18 942)	403 972	159 125
Adjustments for:				
Depreciation and amortisation	2 291	506	2 497	612
Foreign exchange (gain)/loss	(6 746)	(5 111)	2 975	(911)
Interest and dividends, net	(1 072 607)	(21 316)	(354 956)	(45 889)
(Profit)/Loss on investing activities	(17 227)	(99)	(162 058)	-
Change in provisions	(400)	-	-	-
Tax expense	2 287	(2 542)	31 902	1 347
Income tax (paid)	(10 474)	12 023	(28 148)	(4 390)
Change in working capital	14 968	4 446	(6 757)	(17 326)
<i>receivables</i>	40 989	6 523	(29 853)	(23 812)
<i>liabilities</i>	(26 021)	(2 077)	23 096	6 486
Net cash provided by/(used in) operating activities	(150 216)	(31 035)	(110 573)	92 568
Cash flows - investing activities				
Acquisition of property, plant and equipment and intangible assets	(7 397)	(71)	(6 418)	(1 087)
Disposal of property, plant and equipment and intangible assets	1 581	99	223	-
Dividends received	967 909	-	195 554	41 085
Proceeds/(Outflows) from loans granted	(194 636)	939 872	(394 983)	900 000
Other	(1 354 706)	1 610 143	366 621	2 171 296
Net cash provided by/(used in) investing activities	(587 249)	2 550 043	160 997	3 111 294
Cash flows - financing activities				
Change in loans and borrowings	2 248 713	814 575	15 736	(662 328)
Repayment of bonds granted	(2 000 000)	(2 000 000)	-	-
Interest paid	(259 484)	(255 290)	(377 150)	(353 382)
Dividends paid to non-controlling shareholders	(235)	(235)	(570)	(1)
Other	(394 540)	(969 619)	249 950	(250 054)
Net cash used in financing activities	(405 546)	(2 410 569)	(112 034)	(1 265 765)
Net increase/(decrease) in cash and cash equivalents	(1 143 011)	108 439	(61 610)	1 938 097
Effect of exchange rate changes	6 746	5 111	(2 975)	911
Cash and cash equivalents, beginning of the period	1 294 067	44 252	1 358 652	(644 941)
Cash and cash equivalents, end of the period	157 802	157 802	1 294 067	1 294 067

Non-consolidated statement of changes in consolidated equity

	Equity attributable to equity owners of the parent				Total equity
	Share capital and share premium	Statutory reserves	Revaluation reserve	Retained earnings	
(unaudited)					
1 January 2013	18 133 476	1 651 472	502 626	5 132 389	25 419 963
Net profit	-	-	-	937 692	937 692
Items of other comprehensive income	-	20 199	-	(20 199)	-
Total net comprehensive income	-	20 199	-	917 494	937 692
31 December 2013	18 133 476	1 671 671	502 626	6 049 883	26 357 655
(audited)					
1 January 2012	18 133 476	1 651 472	502 712	4 728 417	25 016 077
Net profit	-	-	-	403 972	403 972
Items of other comprehensive income	-	-	(86)	-	(86)
Total net comprehensive income	-	-	(86)	403 972	403 886
31 December 2012	18 133 476	1 651 472	502 626	5 132 389	25 419 963



The foregoing financial report for the period ended 31 December 2013 was authorized for issue by the Board of Directors on 22 January 2014.

Signature of statutory representative	22 January 2014
	
Marek Świtajewski	Mirosław Kastelik
Chairman of the Board of Directors	 Member of the Board of Directors