

UNIPETROL, a.s.

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

AS OF 31 DECEMBER 2012



UNIPETROL, a.s.
UNAUDITED CONDENSED INTERIM
CONSOLIDATED AND NON-CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS

TABLE OF CONTENTS

A. UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	4
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	5
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	6
CONSOLIDATED STATEMENT OF CASH FLOWS.....	7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	8

B. UNAUDITED CONDENSED INTERIM NON-CONSOLIDATED FINANCIAL STATEMENTS

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	20
NON-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	21
NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	22
NON-CONSOLIDATED STATEMENT OF CASH FLOWS.....	23



UNIPETROL, a.s.

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

AS OF 31 DECEMBER 2012



UNIPETROL, a.s.

Consolidated statement of financial position
prepared in accordance with International Financial Reporting Standards
As at 31 December 2012
(in thousands of Czech crowns)



	Note	31 December 2012 (unaudited)	31 December 2011 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	23,318,902	28,893,098
Intangible assets	10	1,985,667	2,508,468
Investment property		383,725	395,891
Other investments		522	522
Non-current receivables	11	55,073	80,165
Deferred tax asset		307,230	39,685
Total non-current assets		26,051,119	31,917,829
Current assets			
Inventories		9,893,415	11,609,463
Trade and other receivables		10,574,597	10,628,175
Other short-term financial assets	13	32,701	388,525
Prepayments and other current assets		130,537	125,059
Cash and cash equivalents		3,058,211	2,470,555
Current tax assets		34,188	36,208
Assets classified as held for sale	12	857,225	--
Total current assets		24,580,874	25,257,985
Total assets		50,631,993	57,175,814
EQUITY AND LIABILITIES			
Equity			
Share capital		18,133,476	18,133,476
Statutory reserves		2,577,771	2,554,809
Other reserves		41,869	(46,392)
Retained earnings	14	8,782,408	12,219,048
Total equity attributable to equity holders of the Company		29,535,524	32,860,941
Non-controlling interests		(7,031)	(6,823)
Total equity		29,528,493	32,854,118
Non-current liabilities			
Loans and borrowings	15	2,261	2,005,374
Deferred tax liability		387,982	1,575,527
Provisions	16	372,495	363,391
Other non-current liabilities		119,115	102,773
Total non-current liabilities		881,853	4,047,065
Current liabilities			
Trade and other payables and accruals		15,993,626	17,791,695
Loans and borrowings	15	2,659,099	902,905
Provisions	16	508,461	1,173,292
Other short-term financial liabilities	13	325,497	388,472
Current tax liabilities		55,739	18,267
Liabilities connected to assets held for sale		679,225	--
Total current liabilities		20,221,647	20,274,631
Total liabilities		21,103,500	24,321,696
Total equity and liabilities		50,631,993	57,175,814

The consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 8 to 18.

UNIPETROL, a.s.

Consolidated statement of comprehensive income
prepared in accordance with International Financial Reporting Standards
For the period ending 31 December 2012
(in thousands of Czech crowns)



	Note	31 December 2012 (unaudited)	31 December 2011 (audited)
Revenue	3	107,280,986	97,427,586
Cost of sales		(104,111,144)	(95,551,467)
Gross profit		3,169,842	1,876,119
Other income		859,920	1,059,517
Distribution expenses		(1,944,982)	(1,998,516)
Administrative expenses		(1,249,831)	(1,221,652)
Other expenses		(4,848,598)	(5,085,168)
Result from operating activities	5	(4,013,649)	(5,369,700)
Finance income		1,886,245	882,571
Finance costs		(2,560,367)	(1,456,881)
Net finance costs	7	(674,122)	(574,310)
Loss before income tax		(4,687,771)	(5,944,010)
Income tax credit	8	1,273,885	29,804
Loss for the period		(3,413,886)	(5,914,206)
Other comprehensive income:			
Foreign currency translation differences - foreign operations		(4,764)	(10,103)
Effective portion of changes in fair value of cash flow hedges		95,314	(115,697)
Change in fair value of investment property and other income		15,819	86,635
Income tax on other comprehensive income		(18,109)	14,604
Other comprehensive income for the period, net of tax		88,260	(24,561)
Total comprehensive income for the period		(3,325,626)	(5,938,767)
Loss attributable to:			
Owners of the Company		(3,413,678)	(5,914,206)
Non-controlling interests		(208)	--
Loss for the period		(3,413,886)	(5,914,206)
Total comprehensive income attributable to:			
Owners of the Company		(3,325,418)	(5,938,767)
Non-controlling interests		(208)	(6,823)
Total comprehensive income for the period		(3,325,626)	(5,945,590)
Basic and diluted earnings per share (in CZK)		(18.83)	(32.61)

The consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 8 to 18.

UNIPETROL, a.s.

Consolidated statement of changes in equity
 prepared in accordance with International Financial Reporting Standards
 For the period ending 31 December 2012
 (in thousands of Czech crowns)



	Share capital	Statutory reserves	Translation reserve	Fair value reserve	Hedging reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2011	18,133,102	2,452,679	5,223	20,748	(2)	18,187,958	38,799,708	--	38,799,708
Total comprehensive income for the period									
Profit or loss	--	92,430	--	--		(6,006,636)	(5,914,206)	--	(5,914,206)
Other comprehensive income	374	9,700	(10,103)	31,455	(93,713)	37,726	(24,561)	(6,823)	(31,384)
Total comprehensive income for the period	374	102,130	(10,103)	31,455	(93,713)	(5,968,910)	(5,938,767)	(6,823)	(5,945,590)
Balance as at 31 December 2011	18,133,476	2,554,809	(4,880)	52,203	(93,715)	12,219,048	32,860,941	(6,823)	32,854,118
Balance as at 1 January 2012	18,133,476	2,554,809	(4,880)	52,203	(93,715)	12,219,048	32,860,941	(6,823)	32,854,118
Total comprehensive income for the period									
Profit or loss	--	23,141	--	--	--	(3,436,819)	(3,413,678)	(208)	(3,413,886)
Other comprehensive income	--	(179)	(4,764)	15,820	77,205	178	88,260	--	88,260
Total comprehensive income for the period	--	22,962	(4,764)	15,820	77,205	(3,436,641)	(3,325,418)	(208)	(3,325,626)
Balance as at 31 December 2012	18,133,476	2,577,771	(9,644)	68,023	(16,510)	8,782,408	29,535,524	(7,031)	29,528,493

The consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 8 to 18.

UNIPETROL, a.s.

Statements of cash flows
prepared in accordance with International Financial Reporting Standards
For the period ending 31 December 2012
(in thousands of Czech crowns)



	31 December 2012 (unaudited)	31 December 2011 (audited)
Cash flows from operating activities:		
Loss for the period	(3,413,886)	(5,914,206)
Adjustments for:		
Depreciation of the property, plant and equipment and amortisation of intangible assets	2,807,100	3,107,046
Profit or loss from investing activities	(4,443)	14,029
Net foreign exchange losses (gains)	(6,617)	330,023
Interests and dividends, net	264,929	192,433
Net (gain) loss from financial derivatives	32,535	(54,061)
Impairment losses (gains) on financial investments, property, plant and equipment and intangible assets	4,615,866	4,758,807
CO2 allowances grant derecognition	(338,521)	(388,063)
Income tax credit	(1,273,885)	(29,804)
Income tax paid	169,194	(154,424)
Changes in:		
- in trade receivables and other current assets	(640,528)	936,887
- in inventories	1,038,627	(1,375,034)
- in trade and other payables and accruals	(896,413)	(675,735)
- in deferred income related to CO2 allowances grant	(742,756)	(1,201,232)
- in provisions	341,367	866,826
Net cash from operating activities	1,952,569	413,491
Cash flows from investing activities:		
Proceed from disposals of property, plant and equipment and intangible assets	64,754	222,304
Proceed from disposals of short-term financial assets	102,442	280,537
Proceed from disposals of PARAMO ASFALT s.r.o.	116,100	--
Interest and dividends received	2,141	34,454
Change in loans granted	111,534	505,633
Settlement of financial derivatives	252,033	(194,005)
Acquisition of property, plant and equipment and intangible assets	(1,346,201)	(3,591,821)
Acquisition of short-term financial assets	(102,442)	(280,537)
Cash and cash equivalents in subsidiaries sold	(115,426)	--
Acquisition of additional shareholding in subsidiary	--	(460)
Net cash used in investing activities	(915,065)	(3,023,895)
Cash flows from financing activities:		
Change in loans and borrowings	(201,426)	638,784
Change in cash pool liabilities	87,525	71,448
Interest paid	(325,070)	(298,949)
Payment of finance lease liabilities	(7,555)	(11,211)
Dividends paid	(340)	(2,025)
Net cash from (used in) financing activities	(446,866)	398,047
Net change in cash and cash equivalents	590,638	(2,283,805)
Cash and cash equivalents at the beginning of the period	2,470,555	4,741,831
Effects of exchange rates changes on the balance of cash held in foreign currencies	(2,983)	12,529
Cash and cash equivalents at the end of the period	3,058,211	2,470,555

The consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 8 to 18.

Index

1. The parent company and structure of the consolidated group	9
2. Basis of preparation and significant accounting policies	10
3. Revenue	11
4. Operating segments.....	11
5. Operating expenses and incomes	12
6. Assets allowances	13
7. Finance income and finance costs.....	13
8. Income tax	13
9. Property, plant and equipment.....	14
10. Intangible assets.....	14
11. Non-current receivables.....	14
12. Disposal group held for sale	14
13. Other short-term financial assets and financial liabilities.....	15
14. Retained earnings and dividends.....	15
15. Loans and borrowings.....	15
16. Provisions	16
17. Commitments and contingencies.....	17
18. Related parties.....	18

1. THE PARENT COMPANY AND STRUCTURE OF THE CONSOLIDATED GROUP

Establishment of the parent company

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

Registered office of the Company

UNIPETROL, a.s.
 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 businesses of the Group include oil and petroleum products processing, production of commodity chemicals, semi-finished industrial fertilizers and polymer materials, mineral lubricants, plastic lubricants, paraffin, oils and petroleum jellies. Furthermore, the Group is engaged in the distribution of fuels and operation of gas stations.

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

Ownership structure

The shareholders as at 31 December 2012 are 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 2011. There were no changes in the structure of the Group in the period ended 31 December 2012 except the issues mentioned below.

Paramo Asphalt s.r.o. disposal

On October 22, 2012, PARAMO, a.s. subsidiary of Unipetrol a.s. ("PARAMO") and ORLEN Asphalt Sp. z o. o. ("ORLEN Asphalt") executed a quota purchase agreement, pursuant to which ORLEN Asphalt, as purchaser, acquired from PARAMO, as seller, 100% quota holding in Paramo Asphalt s.r.o.. The purchase price for 100% quota holding amounted to CZK 116.1 million. The purchase price was agreed on the basis of a valuation report prepared for PARAMO by court appointed valuation expert.

Paramo a.s. and Mogul Slovakia s.r.o

As at 31 December 2012 Paramo a.s. and Mogul Slovakia s.r.o are presented as disposal group held for sale. Details are included in the note 12.

On 1 June 2010 CHEMAPOL (SCHWEIZ) AG was put under liquidation due to the restructuring process of UNIPETROL TRADE Group.

Members of the statutory and supervisory bodies as at 31 December 2012 were as follows:

	Position	Name
Board of Directors	Chairman	Piotr Chelmiński
	Vice-chairman	Marek Świtajewski
	Vice-chairman	Piotr Wielowieyski
	Member	Mariusz Kędra
	Member	Martin Durčák
	Member	Artur Paździor
Supervisory Board	Chairman	Dariusz Jacek Krawiec
	Vice-chairman	Ivan Kočárník
	Vice-chairman	Sławomir Robert Jędrzejczyk
	Member	Piotr Robert Kearney
	Member	Zdeněk Černý
	Member	Krystian Pater
	Member	Rafał Sekuła
	Member	Andrzej Jerzy Kozłowski
	Member	Bogdan Dzudzewicz

1. THE PARENT COMPANY AND STRUCTURE OF THE CONSOLIDATED GROUP (CONTINUED)

Changes in the board of directors till 31 December 2012 were as follows:

Position	Name	Change	Date of change
Member	Piotr Wielowieyski	Elected as member	28 March 2012
Vice-chairman	Piotr Wielowieyski	Elected into Vice-chairman position	28 March 2012
Member	Ivan Ottis	Expiry of term of office	24 June 2012
Member	Marek Świtajewski	Elected as member	25 June 2012
Vice-chairman	Marek Świtajewski	Elected into Vice-chairman position	12 September 2012

Changes in the supervisory board till 31 December 2012 were as follows:

Position	Name	Change	Date of change
Member	Ivan Kočárník	Elected for new term of office as member	25 June 2012
Vice-Chairman	Ivan Kočárník	Elected as into Vice-chairman position	25 June 2012
Member	Bogdan Dzudzewicz	Elected for new term of office as member	25 June 2012
Member	Andrzej Kozłowski	Elected for new term of office as member	25 June 2012

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 31 December 2012 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 2011.

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.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2011.

B Significant accounting policies

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 2011.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) as adopted for use in the European Union.

Amendments to IFRS that came into force on or after 1 January 2012 have no effect on current and previously presented financial results and equity.

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 2012 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 statements is being analyzed.

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 year ended 31 December 2012.

3. REVENUE

	2012	2011
Gross sales of finished goods and revenue from services	125,175,712	113,846,077
Less: Excise tax	(23,520,866)	(24,415,258)
Net revenues from sales of finished goods and services	101,654,846	89,430,819
Gross sales of merchandise and materials	5,925,281	9,290,096
Less: Excise tax	(299,141)	(1,293,329)
Net revenues from sales merchandise and materials	5,626,140	7,996,767
Total revenues	107,280,986	97,427,586

4. OPERATING SEGMENTS

Revenues and operating result by operating segments

Period ended 31/12/2012	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Total external revenues	59,523,797	10,269,864	37,412,983	74,342	--	107,280,986
Inter segment revenues	23,256,233	222,436	1,553,036	538,227	(25,569,932)	--
Total segment revenue	82,780,030	10,492,300	38,966,019	612,569	(25,569,932)	107,280,986
Result from operating activities	(4,513,067)	206,696	411,797	(119,075)	--	(4,013,649)
Net finance costs						(674,122)
Loss before income tax						(4,687,771)
Income tax credit						1,273,885
Loss for the period						(3,413,886)
Depreciation and amortization	(873 541)	(335 065)	(1 511 674)	(86 820)	--	(2,807,100)

Period ended 31/12/2011	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Total external revenues	55,377,071	9,845,311	32,027,656	177,548	--	97,427,586
Inter segment revenues	20,414,032	230,761	1,449,313	598,141	(22,692,247)	--
Total segment revenue	75,791,103	10,076,072	33,476,969	775,689	(22,692,247)	97,427,586
Result from operating activities	(2,922,932)	364,567	(3,049,829)	238,494	--	(5,369,700)
Net finance cost						(574,310)
Loss before income tax						(5,944,010)
Income tax credit						29,804
Loss for the period						(5,914,206)
Depreciation and amortization	(945,839)	(354,875)	(1,718,077)	(88,255)	--	(3,107,046)

Assets by operating segments

31/12/2012	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Segment assets	17,754,897	6,313,143	23,022,035	3,280,103	(1,139,529)	49,230,649
Assets held for sale	857,225					857,225
Unallocated corporate assets						544,119
Total assets						50,631,993

31/12/2011	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Segment assets	24,542,413	6,554,371	23,239,544	3,568,372	(1,287,591)	56,617,109
Unallocated corporate assets						558,705
Total assets						57,175,814

5. OPERATING EXPENSES AND INCOMES

Cost of sales

	2012	2011
Cost of finished goods and services sold	(98,766,908)	(87,613,495)
Cost of merchandise and raw materials sold	(5,344,236)	(7,937,972)
Cost of sales - total	(104,111,144)	(95,551,467)

Cost by nature

	2012	2011
Materials and energy	(88,078,521)	(77,678,437)
Cost of merchandise and raw materials sold	(5,344,236)	(7,937,972)
External services	(6,419,706)	(6,243,064)
Depreciation and amortization	(2,807,100)	(3,107,046)
Personnel expenses	(2,480,006)	(2,629,829)
Repairs and maintenance	(1,012,887)	(1,099,079)
Insurance	(219,231)	(209,163)
Taxes and charges	(78,734)	(58,949)
Non-cancellable operating leasing	(63,767)	(61,659)
Research expenditures	(10,514)	(11,042)
Impairment of long term assets and receivables	(4,380,689)	(4,885,949)
Other	(592,464)	(370,210)
Change in inventories	(666,917)	434,463
Cost of products and services for own use	217	1,133
Total expenses	112,154,055	103,856,803
Operating expenses		
Distribution expenses	1,944,982	1,998,516
Administrative expenses	1,249,831	1,221,652
Other operating expenses	4,848,598	5,085,168
Cost of sales	(104,111,144)	(95,551,467)

Other operating income

	2012	2011
Gain on sale of non-current non-financial assets	32,197	15,124
Grants	67,391	14,357
Reversal of provisions	147,775	179,703
Reversal of receivables impairment allowances	24,164	39,998
Reversal of impairment allowances of property, plant and equipment and intangible assets	31,079	91,187
Penalties and compensations earned	77,768	270,064
CO2 allowances grant derecognition	338,521	388,063
Income from disposals of PARAMO ASFALT s.r.o.	85,731	--
Other	55,294	61,021
Total	859,920	1,059,517

Other operating expenses

	2012	2011
Loss on sale of non-current non-financial assets	(27,754)	(29,152)
Recognition of provisions	(22,560)	(83,678)
Recognition of receivables impairment allowances	(49,592)	(27,758)
Write down of overdue accounts receivable	(44,991)	(21,839)
Recognition of impairment allowances of property, plant and equipment and intangible assets	(4,331,097)	(4,858,191)
Recognition of impairment allowances of assets held for sale	(315,848)	--
Addition to provisions for consumption of CO2 allowances	--	(14,757)
Donations	(8,608)	(6,791)
Other	(48,148)	(43,002)
Total	(4,848,598)	(5,085,168)

6. ASSETS ALLOWANCES

Impairment allowances on assets

	2012	2011
Property, plant, equipment		
Recognized	(4,080,479)	(4,468,353)
Released	22,311	91,187
Intangible assets		
Recognized	(250,618)	(389,838)
Released	8,768	--
Assets held for sale		
Recognized	(315,848)	--
Receivables		
Recognized	(49,592)	(27,758)
Released	24,164	39,998

Impairment of non-current assets

Bases on results of impairment analysis as at 31 December 2012 the Group recognized impairment allowance in amount of CZK 4,075,234 thousand was in relation to non-current assets of ČESKÁ RAFINÉRSKÁ, a.s. included in the refinery segment.

Impairment charges were allocated to goodwill assigned to refinery segment in amount of CZK 51,595 thousand CZK 3,982,963 thousand to plant, property and equipment, and CZK 40,676 thousand to intangible assets and were recorded in other operating costs.

Other impairment allowances recognitions and reversals were recorded in relation to assets held for sale, CO2 allowances and petrol stations.

Write down of inventory

During the year ended 31 December 2012 the Group recognized the write-down of inventories to net realisable value in amount of CZK 659,364 thousand and reversed CZK 514,195 thousand (year ended 31 December 2011: CZK 366,702 thousand and CZK 111,870 thousand respectively). Changes in the write-down of inventories are included in cost of sales in statement of comprehensive income.

7. FINANCE INCOME AND FINANCE COSTS

	2012	2011
Presented in Profit or loss		
Finance income		
Interest income from held to maturity assets	16,909	17,044
Interest income from loans and receivables	34,524	56,593
Gain arising on derivatives designated at fair value through Profit or loss	1,833,503	807,887
Other finance income	1,309	1,047
Total finance income	1,886,245	882,571
Finance costs		
Interest expense on financial liabilities measured at amortized costs	(317,027)	(266,694)
Less: amounts capitalised on qualifying assets	665	624
Net foreign exchange loss	(220,091)	(330,023)
Loss arising on derivatives designated at fair value through Profit or loss	(1,866,039)	(753,825)
Other finance expenses	(157,875)	(106,963)
Total finance costs	(2,560,367)	(1,456,881)
Net finance costs recognized in Profit or loss	(674,122)	(574,310)
Presented in Other comprehensive income		
Effective portion of charges in fair value of cash flow hedges	95,314	(115,695)
Net finance cost presented in the Statement of comprehensive income	(578,808)	(690,007)

8. INCOME TAX

	2012	2011
Current tax	(203,337)	(131,843)
Deferred tax	1,477,222	161,647
Income tax recognized in Profit or loss	1,273,885	29,804
Tax recognized in Other comprehensive income	(18,109)	14,604
Income tax – total	(1,255,776)	44,408

The Group has recognized previously unrecognized deferred tax assets from tax losses carried forward in the amount of CZK 838,242 thousand. The deferred tax related to impairment to long term assets amounts to CZK 756,411 thousand.

9. PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the period ended 31 December 2012 the Group acquired assets with a cost of CZK 1,271,739 thousand (period ended 31 December 2011: CZK 2,592,386 thousand).

Assets with a carrying amount of CZK 51,235 thousand were disposed during period ended 31 December 2012 (period ended 31 December 2011: CZK 50,983 thousand), resulting in a net gain on disposal of CZK 5,911 thousand (period ended 31 December 2011: net loss of CZK 10,890 thousand), which is included in other operating income in the Statement of comprehensive income.

10. INTANGIBLE ASSETS

Acquisitions and disposals

During the period ended 31 December 2012 the Group acquired intangible assets with a cost of CZK 76,206 thousand (period ended 31 December 2011: CZK 1,031,690).

During the year 2012 the Group obtained CO2 allowances in amount of CZK 844,704 thousand (in the year 2011: CZK 1,366,108 thousand).

During the period ended 31 December 2012 the Group did not acquire any CO2 allowances and disposed CO2 allowances with a carrying amount of CZK 17,716 thousand, resulting in a net loss on disposal of CZK 1,468 thousand. During period ended 31 December 2011 CO2 allowances with a cost CZK 948,423 thousand were acquired and CO2 allowances with a carrying amount of CZK 174,069 thousand were disposed, resulting in a net loss on disposal of CZK 3,138 thousand. The net loss on disposal is included in operating expenses in the Statement of comprehensive income. There were no other intangible assets disposed by the Group in year ended 31 December 2012 and 31 December 2011.

11. NON-CURRENT RECEIVABLES

The Group has provided a loan to ČESKÁ RAFINÉRSKÁ, a.s. for reconstruction of production unit. Part of this loan was eliminated as an intergroup transaction. The loan is due in 2016 and bears interest of 1M PRIBOR increased by mark up. The loan as at 31 December 2012 amounted to CZK 39,478 thousand (31 December 2011: CZK 54,763 thousand). Short term part of the loan in amount of CZK 15,279 thousand is presented under current receivables. The Group also presents non-current receivables from cash deposits to operators of fuel stations in amount of CZK 12,316 thousand and prepayments for investments in amount of CZK 3,279 thousand. The management considers that carrying amount of receivables approximates their fair value.

12. DISPOSAL GROUP HELD FOR SALE

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 as at 31 December 2012 disposal group held for sale comprising assets and liabilities of Paramo a.s and its subsidiary Mogul Slovakia s.r.o

Efforts to sell the disposal group have commenced and completion of the sale is expected in 2013. Impairment charge of CZK 315,848 thousand was established to assets held for sale and the carrying amount of disposal group was decreased to its best estimated fair value available to UNIPETROL a.s. management and estimated expenses to be incurred to complete the sale.

Impairment charge is included in "other expenses" in the statement of comprehensive income.

Cumulative income or expense included in other comprehensive income

There are no cumulative expenses or income included in other comprehensive income related to the disposal group.

Disposal group held for sale is presented in the refinery segment.

As at 31 December 2012, the disposal group comprised the following assets and liabilities.

Assets of disposal group held for sale	31/12/2012
Property, plant and equipment	33,405
Investment property	39,624
Intangible assets	44,455
Other investments	230
Non-current receivables	490
Deferred tax assets	1,518
Inventories	675,407
Trade receivables	360,403
Prepayments and other current assets	1,266
Cash and cash equivalents	16,275
Impairment of assets held for sale	(315,848)
Assets of disposal group held for sale	857,225

12. DISPOSAL GROUP HELD FOR SALE (CONTINUED)

Liabilities of disposal group held for sale	31/12/2012
Provisions	17,668
Deferred tax liability	118
Trade payables and accruals	661,096
Deferred income	342
Liabilities of disposal group held for sale	679,225

13. OTHER SHORT-TERM FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Other short-term financial assets

	31/12/2012	31/12/2011
Loans granted	8,337	33,289
Derivatives not designed as hedge accounting		
commodity swaps	--	57,906
currency swaps	--	19,929
currency forwards	5,626	156,403
Cash flow hedge instruments		
currency forwards	18,738	120,998
Total	32,701	388,525

Other short-term financial liabilities

	31/12/2012	31/12/2011
Liabilities from cash pool	177,248	88,599
Cash flow hedge instruments		
currency forwards	39,119	236,693
Derivatives not designed for hedge accounting		
commodity swaps	45,000	--
currency forwards	64,129	63,180
Total	325,497	388,472

Fair value hierarchy

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. 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.

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 5 June 2012 decided, pursuant to Article 12 (2) (v) of the Articles of Association of UNIPETROL, a.s to settle the loss for 2011 in amount of CZK 229,926 thousand to retained earnings.

15. LOANS AND BORROWINGS

	31/12/2012	31/12/2011
Non – current loans and borrowings		
Unsecured bonds issued	--	2,000,000
Finance lease liability	2,261	5,374
Total non – current loans and borrowings	2,261	2,005,374
Current loans and borrowings		
Current portion of unsecured bonds issued	2,034,583	68,655
Unsecured bank loans	621,353	825,455
Current portion of finance lease liability	3,163	8,795
Total current loans and borrowings	2,659,099	902,905

Unsecured bonds issued

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 2,171,539 thousand (CZK 2,358,684 thousand at 31 December 2011).

15. LOANS AND BORROWINGS (CONTINUED)

Analyses of bank loans

	Total
Balance as at 1 January 2012	825,455
Loans taken	627,775
Repayment	(829,203)
Interests	(364)
Foreign exchange differences	(2,310)
Balance as at 31 December 2012	621,353

Finance lease liabilities

	31/12/2012	31/12/2011
Future minimum lease payments	5,817	15,244
Present value of future minimum lease payments	5,424	14,169

16. PROVISIONS

	Long – term provision		Short – term provision	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Provisions for environmental damages and land restoration	332,968	319,050	--	--
Provisions for legal disputes	8,334	8,883	6,163	136,173
Provision on CO2 allowances	--	--	479,174	977,965
Employee benefits provision	24,166	28,432	--	--
Other provisions	7,027	7,026	23,124	59,154
Total	372,495	363,391	508,461	1,173,292

Provision on CO2 allowances was created for estimated CO2 emissions in year ended 31 December 2012 and 31 December 2011.

The Group released provision for penalty imposed by the Antimonopoly Office included under legal disputes in amount of CZK 131,021 thousand. Out of Other provisions, the provision for shutdown of heating plant T200 in amount of CZK 9,000 thousand and shield programs provision in amount of CZK 22,977 thousand were utilized.

17. COMMITMENTS AND CONTINGENCIES

Capital Commitments

As at 31 December 2012 the Group had capital commitments for the acquisition of property, plant and equipment in the amount of CZK 336,501 thousand (as at 31 December 2011: CZK 228,435 thousand).

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 2011. During the year ended 31 December 2012 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 expense / payment related to the issues.

Claims related to fines imposed by the European Commission are described in the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

In 2011 General Court of the European Union cancelled a decision of the European Commission. The Court concluded the Commission had failed to prove cartel conduct on the part of UNIPETROL a.s. and SYNTHOS Kralupy a.s. Both companies became entitled to reimbursement for a previously jointly paid fine. UNIPETROL a.s. received EUR 9.8 million, which corresponds to the penalty paid and part of the accrued interest. The proceedings are closed.

Claim regarding reward for employees' intellectual work is described in the consolidated financial statements of the Group as at and for the year ended 31 December 2011. During the period ended 31 December 2012 there were no changes in relation to the issue.

Claims on compensation of damages filed by I.P. – 95, s.r.o. against UNIPETROL RPA, s.r.o.

On 23 May 2012 UNIPETROL RPA, s.r.o., having its registered office at Záluží 1, 436 70, Litvínov, Business ID no.: 27597075,, the subsidiary of UNIPETROL, a.s., received a petition from the District Court Ostrava, file no. 30 C 66/2010.

Claimant – I.P. – 95, s.r.o., having its registered office at Těšínská 202/225, 716 00 Ostrava-Radvanice, Business ID no.: 64085694 is claiming compensation of damages in total of CZK 1,789 million. I.P. – 95, s.r.o. claims that it incurred damages as a result of unjustified insolvency filing against I.P. – 95, s.r.o. made by UNIPETROL RPA, s.r.o. on 24 November 2009. I.P. – 95, s.r.o. assigned part of the respective receivable of CZK 1,742 million, to NESTARMO TRADING LIMITED, having its registered office at Diagorou 4, Fermia Building, 6th floor, office no. 601, 1097 Nicosia, Cyprus, Company ID no.: HE 246733; following the assignment, I.P. – 95, s.r.o. filed a motion regarding NESTARMO TRADING LIMITED joining the proceedings as a claimant. UNIPETROL RPA, s.r.o. is one of eight respondents the petition was filed against.

UNIPETROL RPA, s.r.o. does not recognize the alleged claim and considers the claim as unjustified and unfounded. UNIPETROL RPA, s.r.o. is taking all legal actions to defend itself against this claim. The case is pending at the Regional Court in Ostrava.

Claims on compensation of damages filed by SDP Logistics sklady a.s against UNIPETROL RPA, s.r.o.

On 9 July 2012 UNIPETROL RPA, s.r.o. received the petition filed by SDP Logistics sklady a.s. for compensation of damages.

UNIPETROL RPA, s.r.o. concluded on 21.3.2010 with SDP Logistics sklady a.s. ("SDP") a contract on storage ("Contract") for definite period of time - until 31.7.2011. SDP claims that UNIPETROL RPA, s.r.o. failed to remove all stored products before the contract termination date.

SDP claims CZK 25 million as a contractual penalty payable by SDP as a result of not making the storage space available to a new client. SDP also claims as and additionally claims CZK 120 million as loss of profit caused by not being able to provide the contracted storage capacity to an SDP new client after 1 August 2011. Furthermore SDP blocked the goods of UNIPETROL RPA, s.r.o. (stored in the warehouse) until the said damages are covered by UNIPETROL RPA, s.r.o.

UNIPETROL RPA, s.r.o. does not recognize the alleged claim and considers the claim as unjustified and unfounded.

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 related to excise tax amounted to CZK 609,754 thousand as at 31 December 2012 (31 December 2011: CZK 1,413,838 thousand).

18. RELATED PARTIES

Parent and ultimate controlling party

During 2012 and 2011 a majority (62.99%) of the Company's shares were in possession of POLSKI KONCERN NAFTOWY ORLEN S.A. (PKN Orlen).

Transactions and balances with related parties:

2012	PKN Orlen	Jointly-controlled entities	Entities under control or significant influence of PKN Orlen
Long term receivables	--	39,486	--
Trade and other receivables	69	310,801	273,717
Short term financial assets	--	--	848
Trade and other payables including loans	5,853,280	369,414	222,951
Purchases	60,942,489	3,472,628	2,546,193
Revenues	252,540	2,385,297	2,399,323
Sales of financial assets	--	--	116,100
Purchases of property, plant and equipment	3,807	--	1,037
Financial income and expense	(19,489)	3,711	103,647
Dividends received	--	68,680	--

2011	PKN Orlen	Jointly-controlled entities	Entities under control or significant influence of PKN Orlen
Long term receivables	--	54,770	--
Trade and other receivables	315	286,736	133,848
Short term financial assets	--	--	--
Trade and other payables including loans	7,411,054	234,648	158,740
Purchases	54,878,810	3,069,470	1,889,797
Revenues	156,248	2,110,921	1,872,233
Purchases of property, plant and equipment	--	--	3,980
Financial income and expense	(3,940)	5,149	11,564
Dividends received	--	349,791	--

Material transactions concluded by the Group Companies with related parties

In the year ended 31 December 2012 and in 2011 there were no transactions concluded by the Group with related parties on other than market terms.

Transactions with key management personnel

In the year ended 31 December 2012 and in 2011 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. In the year ended 31 December 2012 and in 2011 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 year ended 31 December 2012 and in 2011 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.

UNIPETROL, a.s.

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

AS OF 31 DECEMBER 2012



UNIPETROL, a.s.

Statement of financial position
prepared in accordance with International Financial Reporting Standards
As at 31 December 2012
(in thousands of Czech crowns)



	31 December 2012 (unaudited)	31 December 2011 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	12,822	15,994
Intangible assets	456	522
Investment property	1,149,081	1,141,966
Investments in subsidiaries, joint ventures and other financial investments	13,812,981	13,813,066
Loans granted	334,651	2,382,459
Other long-term financial assets	186	102
Total non-current assets	15,310,177	17,354,109
Current assets		
Trade and other receivables	188,039	153,684
Loans granted	12,151,200	9,507,592
Prepaid expenses	3,655	8,241
Cash and cash equivalents	1,294,067	1,358,652
Current tax assets	17,525	17,857
Total current assets	13,654,486	11,046,026
Total assets	28,964,663	28,400,135
EQUITY AND LIABILITIES		
Equity		
Share capital	18,133,476	18,133,476
Statutory reserves	1,651,472	1,651,471
Other reserves	510,080	514,676
Retained earnings	5,124,936	4,716,455
Total equity	25,419,964	25,016,078
Non-current liabilities		
Loans and borrowings	--	2,000,000
Deferred tax liability	113,326	109,904
Provisions	400	400
Total non-current liabilities	113,726	2,110,304
Current liabilities		
Trade and other payables and accruals	163,073	140,545
Loans and borrowings	2,052,020	70,608
Liabilities from cash pool	1,215,880	1,062,600
Total current liabilities	3,430,973	1,273,753
Total liabilities	3,544,699	3,384,057
Total equity and liabilities	28,964,663	28,400,135

UNIPETROL, a.s.

Statement of comprehensive income
prepared in accordance with International Financial Reporting Standards
For the period ended 31 December 2012
(in thousands of Czech crowns)



	2012 (unaudited)	2011 (audited)
Revenue	147,815	140,030
Cost of sales	(67,710)	(69,874)
Gross profit	80,105	70,156
Other income	18,787	241,762
Administrative expenses	(174,890)	(168,037)
Other expenses	(3,011)	(149)
Result from operating activities	(79,009)	143,732
Finance income	772,578	1,165,560
Finance costs	(257,695)	(1,515,253)
Net finance income (costs)	514,883	(349,693)
Profit (loss) before income tax	435,874	(205,961)
Income tax expense	(27,393)	(23,964)
Profit (loss) for the period	408,481	(229,925)
Other comprehensive income:		
Change in fair value of investment property and other income	(86)	600,566
Income tax on other comprehensive income	(4,509)	(114,090)
Other comprehensive income for the period, net of tax	(4,595)	486,476
Total comprehensive income for the period	403,886	256,551
Basic and diluted earnings per share (in CZK)	2.25	(1.27)



UNIPETROL, a.s.

Statement of changes in equity
prepared in accordance with International Financial Reporting Standards
For the period ended 31 December 2012
(in thousands of Czech crowns)



	Share capital	Statutory reserves	Fair value reserve	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2011	18,133,476	1,625,865	20,745	7,455	4,971,986	24,759,527
Total comprehensive income for the period						
Profit or loss	--	--	--	--	(229,925)	(229,925)
Other comprehensive income	--	--	486,476	--	--	486,476
Total comprehensive income for the period	--	--	486,476	--	(229,925)	256,551
Allocation of profit to reserves	--	25,606	--	--	(25,606)	--
Balance as at 31 December 2011	18,133,476	1,651,471	507,221	7,455	4,716,455	25,016,078
Balance as at 1 January 2012	18,133,476	1,651,471	507,221	7,455	4,716,455	25,016,078
Total comprehensive income for the period						
Profit or loss	--	--	--	--	408,481	408,481
Other items	--	1	--	(1)	--	--
Other comprehensive income	--	--	(4,595)	--	--	(4,595)
Total comprehensive income for the period	--	1	(4,595)	(1)	408,481	403,886
Balance as at 31 December 2012	18,133,476	1,651,472	502,626	7,454	5,124,936	25,419,964

UNIPETROL, a.s.

Statements of cash flows
prepared in accordance with International Financial Reporting Standards
For the period ended 31 December 2012
(in thousands of Czech crowns)

	2012 (unaudited)	2011 (audited)
Cash flows from operating activities:		
Profit (loss) for the period	408,481	(229,925)
Adjustments for:		
Depreciation of the property, plant and equipment and amortisation of intangible assets	2,497	3,166
Profit or loss from investing activities	(178)	(1,068)
Net foreign exchange losses (gains)	2,975	(2,522)
Interests and dividends, net	(354,956)	(903,302)
Impairment losses (gains) on financial investments, property, plant and equipment and intangible assets	--	1,248,244
Income tax expense	27,393	23,964
Changes in:		
- in trade receivables and other current assets	(29,853)	8,702
- in trade and other payables and accruals	23,096	(34,693)
Interest paid	(377,150)	(290,284)
Income tax paid	(28,148)	--
Net cash used in operating activities	(325,843)	(177,718)
Cash flows from investing activities:		
Proceed from disposals of property, plant and equipment and intangible assets	223	1,068
Interest received	366,621	472,037
Dividends received	195,554	725,543
Change in loans granted	(556,863)	(2,957,040)
Acquisition of property, plant and equipment and intangible assets	(6,418)	(579)
Net cash used in investing activities	(883)	(1,758,971)
Cash flows from financing activities:		
Change in loans and borrowings	265,686	431,846
Dividends paid	(570)	(2,116)
Net cash from financing activities	265,116	429,730
Net change in cash and cash equivalents	(61,610)	(1,506,959)
Cash and cash equivalents at the beginning of the period	1,358,652	2,863,092
Effects of exchange rates changes on the balance of cash held in foreign currencies	(2,975)	2,519
Cash and cash equivalents at the end of the period	1,294,067	1,358,652

Signature of statutory representatives	21 January 2013
Piotr Chelminski Chairman of the Board of Directors	Mariusz Kedra Member of the Board of Directors