

UNIPETROL, a.s.

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

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013



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FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013





UNIPETROL, a.s.

Consolidated statement of financial position

prepared in accordance with International Financial Reporting Standards as adopted by the European Union

As at 31 March 2013

(in thousands of Czech crowns)

	Note	31 March 2013 (unaudited)	31 December 2012 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	22,881,113	23,326,243
Intangible assets	10	1,562,983	1,978,326
Investment property		383,725	383,725
Other non-current assets		45,643	55,595
Deferred tax asset		312,087	307,230
Total non-current assets		25,185,551	26,051,119
Current assets			
Inventories		10,004,452	9,893,415
Trade and other receivables		12,084,749	10,574,597
Other short-term financial assets	12	175,416	32,701
Prepayments and other current assets		193,620	130,537
Cash and cash equivalents		1,770,311	3,058,211
Current tax assets		44,477	34,188
Assets held for sale	11	773,053	857,225
Total current assets		25,046,078	24,580,874
Total assets		50,231,629	50,631,993
EQUITY AND LIABILITIES			
Equity			
Share capital		18,133,476	18,133,476
Statutory reserves		2,584,286	2,584,286
Other reserves		(21,663)	41,869
Retained earnings	13	8,658,450	8,775,893
Total equity attributable to equity holders of the Company		29,354,549	29,535,524
Non-controlling interests		(5,984)	(7,031)
Total equity		29,348,565	29,528,493
Non-current liabilities			
Loans and borrowings	14	1,994	2,261
Deferred tax liability		334,829	387,982
Provisions	15	374,543	372,495
Other non-current liabilities		189,964	184,115
Total non-current liabilities		901,330	946,853
Current liabilities			
Trade and other payables and accruals		11,846,193	15,928,626
Loans and borrowings	14	7,101,028	2,836,348
Provisions	15	287,955	508,461
Other short-term financial liabilities	12	89,786	148,248
Current tax liabilities		62,421	55,739
Liabilities connected to assets held for sale	11	594,351	679,225
Total current liabilities		19,981,734	20,156,647
Total liabilities		20,883,064	21,103,500
Total equity and liabilities		50,231,629	50,631,993

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 profit or loss and other comprehensive income
 prepared in accordance with International Financial Reporting Standards as adopted by the European Union
 For the three month period ended 31 March 2013
 (in thousands of Czech crowns)

	Note	31 March 2013 (unaudited)	31 March 2012 (unaudited)
Revenue	3	24,775,697	25,421,010
Cost of sales		(24,087,203)	(24,725,254)
Gross profit		688,494	695,756
Other income		33,050	143,992
Distribution expenses		(474,988)	(536,505)
Administrative expenses		(289,628)	(293,909)
Other expenses		(27,175)	(87,928)
Result from operating activities	5	(70,247)	(78,594)
Finance income		551,657	249,386
Finance costs		(644,584)	(445,200)
Net finance costs	7	(92,927)	(195,814)
Loss before income tax		(163,174)	(274,408)
Income tax credit (expense)	8	15,323	(88,683)
Loss for the period		(147,851)	(363,091)
Other comprehensive income:			
Items that will be reclassified to profit or loss:			
Foreign currency translation differences - foreign operations		4,373	(10,656)
Effective portion of changes in fair value of cash flow hedges		(45,000)	135,203
Income tax on other comprehensive income		8,550	(25,685)
Other comprehensive income for the period, net of tax		(32,077)	98,862
Total comprehensive income for the period		(179,928)	(264,229)
Loss attributable to:			
Owners of the Company		(148,898)	(360,559)
Non-controlling interests		1,047	(2,532)
Loss for the period		(147,851)	(363,091)
Total comprehensive income attributable to:			
Owners of the Company		(180,975)	(261,697)
Non-controlling interests		1,047	(2,532)
Total comprehensive income for the period		(179,928)	(264,229)
Basic and diluted earnings per share (in CZK)		(0.82)	(1.99)

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 as adopted by the European Union
For the three month period ended 31 March 2013
(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 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	--	--	--	--	--	(360,559)	(360,559)	(2,532)	(363,091)
Other comprehensive income	--	--	(10,656)	--	109,514	4	98,862	--	98,862
Total comprehensive income for the period	--	--	(10,656)	--	109,514	(360,555)	(261,697)	(2,532)	(264,229)
Balance as at 31 March 2012	18,133,476	2,554,809	(15,536)	52,203	15,799	11,858,491	32,599,242	(9,355)	32,589,887
Balance as at 1 January 2013	18,133,476	2,584,286	(9,644)	68,023	(16,510)	8,775,893	29,535,524	(7,031)	29,528,493
Total comprehensive income for the period									
Profit or loss	--	--	--	--	--	(148,898)	(148,898)	1,047	(147,851)
Other comprehensive income	--	--	4,373	(31,455)	(36,450)	31,456	(32,077)	--	(32,077)
Total comprehensive income for the period	--	--	4,373	(31,455)	(36,450)	(117,443)	(180,975)	1,047	(179,928)
Balance as at 31 March 2013	18,133,476	2,584,286	(5,271)	36,568	(52,960)	8,658,450	29,354,549	(5,984)	29,348,565

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 cash flows
prepared in accordance with International Financial Reporting Standards as adopted by the European Union
For the three month period ended 31 March 2013
(in thousands of Czech crowns)



	31 March 2013 (unaudited)	31 March 2012 (unaudited)
Cash flows from operating activities:		
Loss for the period	(147,851)	(363,090)
Adjustments for:		
Depreciation of the property, plant and equipment and amortisation of intangible assets	610,368	770,560
Profit or loss from investing activities	(2,566)	(9,053)
Net foreign exchange losses (gains)	394	4,337
Interests and dividends, net	65,216	58,518
Net (gain) loss from financial derivatives	(271,684)	290,956
Impairment losses (gains) on financial investments, property, plant and equipment and intangible assets	(758)	60,373
CO2 allowances grant derecognition	--	(91,441)
Income tax (credit) expense	(15,323)	88,683
Changes in:		
- in trade receivables and other current assets	(1,079,162)	(1,277,802)
- in inventories	(97,958)	(497,255)
- in trade and other payables and accruals	(4,120,381)	(760,960)
- in deferred income related to CO2 allowances grant	(236,525)	(742,756)
- in provisions	176,986	122,850
Income tax paid	(37,799)	78,560
Net cash used in operating activities	(5,157,043)	(2,267,520)
Cash flows from investing activities:		
Proceed from disposals of property, plant and equipment and intangible assets	3,835	10,815
Interest and dividends received	341	661
Change in loans granted	563	40,518
Settlement of financial derivatives	33,917	17,299
Acquisition of property, plant and equipment and intangible assets	(365,366)	(516,517)
Acquisition of short-term financial assets	--	(102,442)
Net cash used in investing activities	(326,710)	(549,666)
Cash flows from financing activities:		
Change in loans and borrowings	1,255,269	1,549,356
Change in cash pool liabilities	2,958,622	19,832
Interest paid	(18,731)	(22,824)
Payment of finance lease liabilities	(1,514)	(2,768)
Dividends paid	--	(189)
Net cash from financing activities	4,193,646	1,543,407
Net change in cash and cash equivalents	(1,290,107)	(1,273,779)
Cash and cash equivalents at the beginning of the period	3,058,211	2,470,555
Effects of exchange rates changes on the balance of cash held in foreign currencies	2,207	(4,829)
Cash and cash equivalents at the end of the period	1,770,311	1,191,948

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.

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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 March 2013 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 2012. There were no changes in the structure of the Group in the period ended 31 March 2013.

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

	Position	Name
Board of Directors	Chairman	Piotr Chelmiński
	Vice-chairman	Piotr Wielowieyski
	Vice-chairman	Marek Świtajewski
	Member	Martin Durčák
	Member	Mirosław Kastelik
	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 Kozłowski
	Member	Bogdan Dzudzewicz

Changes in the board of directors in the three month period ended 31 March 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

Changes in the supervisory board in the three month period ended 31 March 2013 were as follows:

Position	Name	Change	Date of change
Member	Rafał Sekuła	Co-opted as a substitute member	6 February 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 31 March 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 financial statements were authorized for issue by the Board of Directors on 24 April 2013.

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 2012.

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 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 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 three month period ended 31 March 2013.

3. REVENUE

	for 3 month period ended 31/3/2013	for 3 month period ended 31/3/2013
Gross sales of finished goods and revenue from services	28,390,993	29,434,475
Less: Excise tax	(4,854,437)	(5,442,025)
Net revenues from sales of finished goods and services	23,536,556	23,992,450
Gross sales of merchandise and materials	1,342,119	1,450,198
Less: Excise tax	(102,978)	(21,638)
Net revenues from sales merchandise and materials	1,239,141	1,428,560
Total revenues	24,775,697	25,421,010

4. OPERATING SEGMENTS

Revenues and operating result by operating segments

for 3 month period ended 31/3/2013	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Total external revenues	13,034,158	2,274,846	9,446,050	20,643	--	24,775,697
Inter segment revenues	5,722,115	48,341	490,461	144,769	(6,405,686)	--
Total segment revenue	18,756,273	2,323,187	9,936,511	165,412	(6,405,686)	24,775,697
Result from operating activities	(455,249)	(34,077)	426,652	(7,573)	--	(70,247)
Net finance costs						(92,927)
Loss before income tax						(163,174)
Income tax credit						15,323
Loss for the period						(147,851)
Depreciation and amortization	(135,162)	(82,906)	(373,408)	(18,892)	--	(610,368)

for 3 month period ended 31/3/2012	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Total external revenues	13,876,114	2,372,224	9,154,757	17,915	--	25,421,010
Inter segment revenues	5,828,818	55,412	428,136	141,069	(6,453,435)	--
Total segment revenue	19,704,932	2,427,636	9,582,893	158,984	(6,453,435)	25,421,010
Result from operating activities	149,512	50,471	(263,944)	(14,633)	--	(78,594)
Net finance cost						(195,814)
Loss before income tax						(274,408)
Income tax expense						(88,683)
Loss for the period						(363,091)
Depreciation and amortization	(218,320)	(84,720)	(445,340)	(22,180)	--	(770,560)

Assets by operating segments

31/3/2013	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Segment assets	18,604,294	6,394,193	23,136,377	1,944,915	(1,263,426)	48,816,353
Assets classified as held for sale	773,053					773,053
Unallocated corporate assets						642,223
Total assets						50,231,629

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 classified as held for sale	857,225					857,225
Unallocated corporate assets						544,119
Total assets						50,631,993

5. OPERATING EXPENSES AND INCOMES

Cost of sales

	for 3 month period ended 31/3/2013	for 3 month period ended 31/3/2012
Cost of finished goods and services sold	(22,914,971)	(23,422,178)
Cost of merchandise and raw materials sold	(1,172,232)	(1,303,076)
Cost of sales - total	(24,087,203)	(24,725,254)

Cost by nature

	for 3 month period ended 31/3/2013	for 3 month period ended 31/3/2012
Materials and energy	(20,489,603)	(21,153,609)
Cost of merchandise and raw materials sold	(1,172,232)	(1,303,076)
External services	(1,565,569)	(1,551,666)
Depreciation and amortization	(610,368)	(770,560)
Personnel expenses	(631,578)	(629,130)
Repairs and maintenance	(227,860)	(242,218)
Insurance	(53,175)	(50,800)
Taxes and charges	(11,622)	(11,910)
Non-cancellable operating leasing	(14,967)	(15,718)
Research expenditures	(2,064)	(676)
Other	(143,078)	(105,578)
Change in inventories	43,120	191,340
Cost of products and services for own use	2	5
Total expenses	(24,878,994)	(25,643,596)
Operating expenses		
Distribution expenses	474,988	536,505
Administrative expenses	289,628	293,909
Other operating expenses	27,175	87,928
Cost of sales	(24,087,203)	(24,725,254)

Other operating income

	for 3 month period ended 31/3/2013	for 3 month period ended 31/3/2012
Gain on sale of non-current non-financial assets	2,566	10,589
Grants	--	3,586
Reversal of provisions	165	25
Reversal of receivables impairment allowances	5,250	11,132
Reversal of impairment allowances of property, plant and equipment and intangible assets	2,225	2,355
Penalties and compensations earned	13,370	7,308
CO2 allowances grant derecognition	--	91,441
Other	9,474	17,556
Total	33,050	143,992

Other operating expenses

	for 3 month period ended 31/3/2013	for 3 month period ended 31/3/2012
Loss on sale of non-current non-financial assets	--	(1,536)
Recognition of provisions	(11,898)	(320)
Recognition of receivables impairment allowances	(4,430)	(18,583)
Write down of overdue accounts receivable	(4,473)	(158)
Recognition of impairment allowances of property, plant and equipment and intangible assets	(1,467)	(62,728)
Donations	(286)	(403)
Other	(4,621)	(4,200)
Total	(27,175)	(87,928)

6. ASSETS ALLOWANCES**Impairment allowances on assets**

	for 3 month period ended 31/3/2013	for 3 month period ended 31/3/2012
Property, plant, equipment		
Recognized	(1,292)	(422)
Released	2,225	1,929
Intangible assets		
Recognized	(175)	(62,306)
Released	--	426
Receivables		
Recognized	(4,430)	(18,583)
Released	5,250	11,132

Impairment allowances recognitions and reversals were recorded in relation to CO2 allowances and inventory, overdue receivables, uncollectible receivables or receivables in court.

Write down of inventory

During the three month period ended 31 March 2013 the Group recognized the write-down of inventories to net realisable value in amount of CZK 58,788 thousand and reversed CZK 25,593 thousand (three month period ended 31 March 2012: CZK 175,177 thousand and CZK 156,851 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

	for 3 month period ended 31/3/2013	for 3 month period ended 31/3/2012
Presented in Profit or loss		
Finance income		
Interest income from held to maturity assets	2,248	1,244
Interest income from loans and receivables	7,839	13,853
Gain arising on derivatives designated at fair value through Profit or loss	541,386	72,226
Net foreign exchange gains	--	161,436
Other finance income	184	627
Total finance income	551,657	249,386
Finance costs		
Interest expense on financial liabilities measured at amortized costs	(75,318)	(73,688)
Less: amounts capitalised on qualifying assets	14	74
Net foreign exchange loss	(289,918)	--
Loss arising on derivatives designated at fair value through Profit or loss	(269,702)	(363,182)
Other finance expenses	(9,660)	(8,404)
Total finance costs	(644,584)	(445,200)
Net finance costs recognized in Profit or loss	(92,927)	(195,814)
Presented in Other comprehensive income		
Effective portion of charges in fair value of cash flow hedges	(45,000)	135,203
Net finance cost presented in the Statement of comprehensive income	(137,927)	(60,611)

8. INCOME TAX

	for 3 month period ended 31/3/2013	for 3 month period ended 31/3/2012
Current tax	(34,120)	(41,209)
Deferred tax	49,443	(47,474)
Income tax recognized in Profit or loss	15,323	(88,683)
Tax recognized in Other comprehensive income	8,550	(25,685)
Income tax – total	23,873	(114,368)

9. PROPERTY, PLANT AND EQUIPMENT**Acquisitions and disposals**

During the three month period ended 31 March 2013 the Group acquired assets with a cost of CZK 147,244 thousand (three month period ended 31 March 2012: CZK 203,534 thousand).

Assets with a carrying amount of CZK 1,269 thousand were disposed during three month period ended 31 March 2013 (three month period ended 31 March 2012: CZK 1,661 thousand), resulting in a net gain on disposal of CZK 2,566 thousand (three month period ended 31 March 2012: net gain of CZK 9,053 thousand), which is included in other operating income in the Statement of comprehensive income.

10. INTANGIBLE ASSETS**Acquisitions and disposals**

During the three month period ended 31 March 2013 the Group acquired intangible assets with a cost of CZK 4,196 thousand (three months period ended 31 March 2012: CZK 18,910).

During the three months period ended 31 March 2013 the Group hasn't obtained any CO2 allowances (in the year 2012: CZK 844,704 thousand). The receivable for estimated amount of CO2 allowances grant in amount of CZK 224,799 is included in Trade and other receivables.

During the three month period ended 31 March 2013 the Group acquired CO2 allowances with the cost of CZK 4,447 thousand and did not dispose any CO2 allowances. During the three month period ended 31 March 2012 the Group did not acquire and dispose any CO2 allowances.

There were no other intangible assets disposed by the Group in the three months periods ended 31 March 2013 and 31 March 2012.

11. 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 March 2013 and 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 in 2012 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 was included in "other expenses" in the statement of 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 March 2013 and 31 December 2012, the disposal group comprised the following assets and liabilities.

Assets of disposal group held for sale	31/3/2013	31/12/2012
Property, plant and equipment	33,885	33,405
Investment property	39,624	39,624
Intangible assets	27,695	44,455
Other investments	230	230
Non-current receivables	490	490
Deferred tax assets	1,572	1,518
Inventories	665,148	675,407
Trade receivables	305,870	360,403
Prepayments and other current assets	611	1,266
Cash and cash equivalents	13,776	16,275
Impairment of assets held for sale	(315,848)	(315,848)
Assets of disposal group held for sale	773,053	857,225

Liabilities of disposal group held for sale	31/3/2013	31/12/2012
Provisions	3,313	17,668
Deferred tax liability	147	118
Trade payables and accruals	579,866	661,097
Deferred income	11,025	342
Liabilities of disposal group held for sale	594,351	679,225

12. OTHER SHORT-TERM FINANCIAL ASSETS AND FINANCIAL LIABILITIES**Other short-term financial assets**

	31/3/2013	31/12/2012
Loans granted	7,577	7,489
Cash pool	9,170	848
Derivatives not designed as hedge accounting		
commodity swaps	143,255	--
currency forwards	--	5,626
Cash flow hedge instruments		
currency forwards	15,414	18,738
Total	175,416	32,701

12. OTHER SHORT TERM FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)**Other short-term financial liabilities**

	31/3/2013	31/12/2012
Cash flow hedge instruments		
currency forwards	80,795	39,119
Derivatives not designed for hedge accounting		
commodity swaps	--	45,000
currency forwards	8,991	64,129
Total	89,786	148,248

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.

13. RETAINED EARNINGS AND DIVIDENDS**Dividends**

In accordance with appropriate Czech law, dividends can be paid from unconsolidated profit of the parent company. The decision regarding appropriation of the 2012 profit will be made on the annual general meeting of shareholders, which will be held in May/June 2013.

14. LOANS AND BORROWINGS

	31/3/2013	31/12/2012
Non-current loans and borrowings		
Finance lease liability	1,994	2,261
Total non-current loans and borrowings	1,994	2,261
Current loans and borrowings		
Current portion of unsecured bonds issued	2,089,457	2,034,582
Unsecured bank loans	1,876,671	621,354
Liabilities from cash pool	3,132,984	177,249
Current portion of finance lease	1,916	3,163
Total current loans and borrowings	7,101,028	2,836,348

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 2,171,773 thousand (CZK 2,171,539 thousand at 31 December 2012).

Analyses of bank loans

	Total
Balance as at 1 January 2013	621,354
Loans taken	1,772,796
Repayment	(517,527)
Changes in accrued interests	(829)
Foreign exchange differences	877
Balance as at 31 March 2013	1,876,671

Finance lease liabilities

	31/3/2013	31/12/2012
Future minimum lease payments	4,406	5,817
Present value of future minimum lease payments	3,910	5,424

15. PROVISIONS

	Long – term provision		Short – term provision	
	31/3/2013	31/12/2012	31/3/2013	31/12/2012
Provisions for environmental damages and land restoration	334,876	332,968	--	--
Provisions for legal disputes	8,334	8,334	17,954	6,163
Provision on CO2 allowances	--	--	250,740	479,174
Employee benefits provision	24,306	24,166	--	--
Other provisions	7,027	7,027	19,261	23,124
Total	374,543	372,495	287,955	508,461

Provision on CO2 allowances was created for estimated CO2 emissions in the period ended 31 March 2013 and 31 December 2012. The provision for legal disputes was increased by CZK 11,548 thousand in connection with legal dispute in Unipetrol Deutschland, details are described in Note 16.

16. COMMITMENTS AND CONTINGENCIES**Capital Commitments**

As at 31 March 2013 the Group had capital commitments for the acquisition of property, plant and equipment in the amount of CZK 228,435 thousand (as at 31 December 2012: CZK 336,501 thousand).

Contingent liabilities and commitments related to Purchase of shares of PARAMO, a.s. , the sale of shares in KAČUK, 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 three month period ended 31 March 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 expense / payment related to the issues.

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 2012. During the three month period ended 31 March 2013 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. are described in the consolidated financial statements of the Group as at and for the year ended 31 December 2012. During the three month period ended 31 March 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 three month period ended 31 March 2013 there were no changes in relation to the issue.

Transportation contracts

The transportation of crude oil supplies through pipelines for the UNIPETROL Group companies is provided by MERO ČR, a.s. and Transpetrol, a.s. As at 31 December 2012 ČESKÁ RAFINÉRSKÁ, a.s. had concluded a contract for transportation with MERO ČR, a.s. covering the first half of 2013. Since PARAMO, a.s. does not intend to process crude oil in 2013 forward, PARAMO, a.s. did not agree any extension of the contract with MERO ČR, a.s. for 2013 onwards. Negotiations of contract conditions for 2012 and 2013 with Transpetrol, a.s. were ongoing. Transportation of crude oil was provided by Transpetrol, a.s. in 2012 and 2013 on a regular basis with no disruptions; transportation was based on provisional conditions of the 2011 contract and a provisional invoicing tariff.

The Group management does not expect any impact on the business activities caused by non-existence of long-term contracts with MERO ČR, a.s. and Transpetrol, a.s. The effect on consolidated financial statements is currently not measurable.

Claim on compensation of damages filed by Generali Deutschland Versicherung AG against UNIPETROL Deutschland GmbH

On 14 January 2013 UNIPETROL Deutschland GmbH received the petition from the Darmstad District Court filed by Generali Deutschland Versicherung AG.

UNIPETROL Deutschland GmbH in 2010 sold calcium chloride to Anti-Germ Deutschland GmbH. The latter sold the calcium chloride to various cheese producers. After the contamination was detected the already produced food had to be destroyed. Anti-Germ Deutschland GmbH claimed damage with its insurance company Generali Deutschland Versicherung AG, which consequently brought an action against UNIPETROL Deutschland GmbH with the Darmstadt District Court claiming EUR 1.354 million for the loss including interest and solicitor's cost. The court hearing was scheduled for 27 June 2013.

UNIPETROL Deutschland GmbH created the provision for the amount EUR 450 thousand. However, UNIPETROL Deutschland GmbH is able to prove that transportation company SOKOTRANS used polluted tank hoses to transport the calcium chloride supply and Anti-Germ did not fulfill all obligations connected with the handling food grade quality products. UNIPETROL Deutschland GmbH has filed a claim against the transportation company SOKOTRANS and intends to reclaim the potential damage incurred in relation with the Generali Deutschland Versicherung AG claim.

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 1,471,620 thousand as at 31 March 2013 (31 December 2012: CZK 1,845,301 thousand).

17. 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).

Transactions and balances with related parties:

for 3 month period ended	PKN Orlen		Jointly-controlled entities		Entities under control or significant influence of PKN Orlen	
	31/3/2013	31/3/2012	31/3/2013	31/3/2012	31/3/2013	31/3/2012
Purchases	14,130,985	14,502,663	860,973	826,248	631,654	549,916
Revenues	180,616	26,174	640,256	598,978	688,297	403,270
Purchases of property, plant and equipment	--	--	--	--	33	--
Financial income and expense	(840)	(3,533)	632	1,211	(7,837)	--
Dividends received	--	--	--	--	--	--

	PKN Orlen		Jointly-controlled entities		Entities under control or significant influence of PKN Orlen	
	31/3/2013	31/12/2012	31/3/2013	31/12/2012	31/3/2013	31/12/2012
Long term receivables	--	--	35,664	39,486	--	--
Trade and other receivables	86,685	69	360,505	310,801	403,683	273,717
Short term financial assets	--	--	--	--	9,170	848
Trade and other payables including loans	2,246,322	5,853,280	392,522	369,414	274,940	222,951

Material transactions concluded by the Group Companies with related parties

In the three month period ended 31 March 2013 and in 2012 there were no transactions concluded by the Group with related parties on other than market terms.

Transactions with key management personnel

In the three month period ended 31 March 2013 and in 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. In the three month period ended 31 March 2013 and in 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 three month period ended 31 March 2013 and in 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.

18. SIGNIFICANT POST BALANCE SHEET EVENTS**Change in composition of Board of Directors and Supervisory Board of UNIPETROL, a.s.**

On 8 April 2013, Mr. Piotr Chelmiński resigned from his office of a member of the Board of Directors of UNIPETROL, a.s. Supervisory Board of UNIPETROL, a.s. has discussed the resignation at its meeting held on 8 April 2013. Mr. Piotr Chelmiński's office of a member of the Board of Directors of UNIPETROL, a.s. terminated on 8 April 2013.

On 8 April 2013, Mr. Andrzej Kozłowski resigned from his office of a member of the Supervisory Board of UNIPETROL, a.s. Supervisory Board of UNIPETROL, a.s. has discussed the resignation at its meeting held on 8 April 2013. Mr. Andrzej Kozłowski's office of a member of the Supervisory Board of UNIPETROL, a.s. terminated on 8 April 2013.

On 8 April 2013, the Supervisory Board of UNIPETROL, a.s. elected Mr. Andrzej Kozłowski to office of member of the Board of Directors of UNIPETROL, a.s. with effect as of 9 April 2013.

On 8 April 2013, Mr. Piotr Chelmiński was co-opted by the Supervisory Board of UNIPETROL, a.s. to office of a member of the Supervisory Board of UNIPETROL, a.s. with effect as of 9 April 2013.

On 8 April 2013, Mr. Marek Świtajewski was elected by the Board of Directors of UNIPETROL, a.s. to the office of Chairman the Board of Directors. On 8 April 2013, Mr. Marek Świtajewski was appointed to the position of Chief Executive Officer (CEO) of UNIPETROL, a.s. with effect as of 9 April 2013.

As of 9 April 2013 the composition of the Board of Directors was as follows:

Position	Name
Chairman	Marek Świtajewski
Vice-chairman	Piotr Wielowieyski
Member	Mirosław Kastelik
Member	Andrzej Kozłowski
Member	Martin Durčák
Member	Artur Paździor

As of 9 April 2013 the composition of the Supervisory Board was as follows:

Position	Name
Chairman	Dariusz Jacek Krawiec
Vice-chairman	Ivan Kočárník
Vice-chairman	Sławomir Robert Jędrzejczyk
Member	Piotr Chelmiński
Member	Piotr Robert Kearney
Member	Zdeněk Černý
Member	Krystian Pater
Member	Bogdan Dzudzewicz
Member	Rafał Sekuła

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

UNIPETROL, a.s.

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

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013



UNIPETROL, a.s.

Non-consolidated statement of financial position
prepared in accordance with International Financial Reporting Standards as adopted by the European Union
As at 31 March 2013
(in thousands of Czech crowns)



	31 March 2013 (unaudited)	31 December 2012 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	12,216	12,822
Intangible assets	442	456
Investment property	1,149,081	1,149,081
Investments in subsidiaries, joint ventures and other financial investments	13,812,981	13,812,981
Loans granted	310,748	334,651
Other non-current assets	228	186
Total non-current assets	15,285,696	15,310,177
Current assets		
Trade and other receivables	100,825	188,039
Loans granted	15,331,071	11,973,200
Prepaid expenses	2,932	3,655
Cash and cash equivalents	62,390	1,294,067
Current tax assets	24,951	17,525
Assets held for sale	178,000	178,000
Total current assets	15,700,169	13,654,486
Total assets	30,985,865	28,964,663
EQUITY AND LIABILITIES		
Equity		
Share capital	18,133,476	18,133,476
Statutory reserves	1,651,472	1,651,472
Other reserves	510,080	510,080
Retained earnings	5,138,033	5,124,936
Total equity	25,433,061	25,419,964
Non-current liabilities		
Deferred tax liability	113,217	113,326
Provisions	400	400
Total non-current liabilities	113,617	113,726
Current liabilities		
Trade and other payables and accruals	115,348	163,073
Loans and borrowings	5,323,839	3,267,900
Total current liabilities	5,439,187	3,430,973
Total liabilities	5,552,804	3,544,699
Total equity and liabilities	30,985,865	28,964,663



UNIPETROL, a.s.

Non-consolidated statement of profit or loss and other comprehensive income
 prepared in accordance with International Financial Reporting Standards as adopted by the European Union
 For the three month period ended 31 March 2013
 (in thousands of Czech crowns)



	31 March 2013 (unaudited)	31 March 2012 (unaudited)
Revenue	38,315	36,573
Cost of sales	(19,418)	(14,914)
Gross profit	18,897	21,659
Other income	1,443	13,658
Administrative expenses	(46,697)	(35,866)
Other expenses	(126)	(42)
Result from operating activities	(26,483)	(591)
Finance income	99,250	107,639
Finance costs	(58,799)	(69,125)
Net finance income	40,451	38,514
Profit (loss) before income tax	13,968	37,923
Income tax expense	(871)	(7,999)
Profit for the period	13,097	29,924
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Change in fair value of investment property and other income	--	(128)
Other comprehensive income for the period, net of tax	--	(128)
Total comprehensive income for the period	13,097	29,796
Basic and diluted earnings per share (in CZK)	0.72	1.65



UNIPETROL, a.s.

Non-consolidated statement of changes in equity
prepared in accordance with International Financial Reporting Standards as adopted by the European Union
For the three month period ended 31 March 2013
(in thousands of Czech crowns)

	Share capital	Statutory reserves	Fair value reserve	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2012	18,133,476	1,651,471	507,135	7,541	4,716,455	25,016,078
Total comprehensive income for the period						
Profit or loss	--	--	--	--	29,924	29,924
Other comprehensive income	--	--	--	(128)	--	(128)
Total comprehensive income for the period	--	--	--	(128)	29,924	29,796
Balance as at 31 March 2012	18,133,476	1,651,471	507,135	7,413	4,746,379	25,045,874
Balance as at 1 January 2013	18,133,476	1,651,472	502,626	7,454	5,124,936	25,419,964
Total comprehensive income for the period						
Profit or loss	--	--	--	--	13,097	13,097
Total comprehensive income for the period	--	--	--	--	13,097	13,097
Balance as at 31 March 2013	18,133,476	1,651,472	502,626	7,454	5,138,033	25,433,061

UNIPETROL, a.s.

Non-consolidated statement of cash flows
prepared in accordance with International Financial Reporting Standards as adopted by the European Union
For the three month period ended 31 March 2013
(in thousands of Czech crowns)



	31 March 2013 (unaudited)	31 March 2012 (unaudited)
Cash flows from operating activities:		
Profit for the period	13,097	29,924
Adjustments for:		
Depreciation of the property, plant and equipment and amortisation of intangible assets	629	756
Net foreign exchange losses (gains)	(2,197)	4,683
Interests and dividends, net	(23,879)	(38,908)
Impairment losses (gains) on financial investments, property, plant and equipment and intangible assets	(16,000)	(10,630)
Income tax expense	871	7,999
Changes in:		
- in trade receivables and other current assets	87,896	86,276
- in trade and other payables and accruals	(47,734)	(38,649)
Income tax paid	(8,407)	--
Net cash from operating activities	4,276	41,451
Cash flows from investing activities:		
Interest received	25,524	56,819
Dividends received	332	--
Change in loans granted	(3,262,738)	(3,050,136)
Acquisition of property, plant and equipment and intangible assets	--	(11)
Net cash used in investing activities	(3,236,882)	(2,993,328)
Cash flows from financing activities:		
Change in loans and borrowings	2,001,117	1,664,519
Dividends paid	--	(189)
Interest paid	(2 385)	(12 535)
Net cash from financing activities	1,998,732	1,651,795
Net change in cash and cash equivalents	(1,233,874)	(1,300,082)
Cash and cash equivalents at the beginning of the period	1,294,067	1,358,652
Effects of exchange rates changes on the balance of cash held in foreign currencies	2,197	(4,815)
Cash and cash equivalents at the end of the period	62,390	53,755

UNIPETROL, a.s.

Unaudited condensed interim consolidated and non-consolidated financial statements
prepared in accordance with International Financial Reporting Standards
For the three month period ended 31 March 2013

Signature of statutory representatives

24 April 2013


Marek Świtajewski

Chairman of the Board of Directors



Mirosław Kastelik

Member of the Board of Directors