

UNIPETROL, a.s.

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

AS OF 30 JUNE 2011



UNIPETROL, a.s.

Consolidated statement of financial position
prepared in accordance with International Financial Reporting Standards
As at 30 June 2011
(in thousands of Czech crowns)



	Note	30 June 2011 (unaudited)	31 December 2010 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	32,966,862	33,909,010
Intangible assets	10	2,954,713	1,908,948
Investment property		162,190	162,190
Other investments	11	87,155	192,425
Non-current receivables	12	101,253	130,224
Deferred tax asset		44,889	48,280
Total non-current assets		36,317,062	36,351,077
Current assets			
Inventories		11,409,361	10,193,515
Trade and other receivables		11,894,894	9,487,630
Other short-term financial assets	13	579,412	540,342
Prepayments and other current assets		183,186	141,780
Cash and cash equivalents		1,765,969	4,741,831
Current tax assets		33,265	14,623
Total current assets		25,866,087	25,119,721
Total assets		62,183,149	61,470,798
EQUITY AND LIABILITIES			
Equity			
Share capital		18,133,476	18,133,476
Statutory reserves		2,555,201	2,452,698
Other reserves		(12,179)	25,971
Retained earnings	14	18,557,329	18,187,563
Total equity attributable to equity holders of the Company		39,233,827	38,799,708
Non-current liabilities			
Loans and borrowings	15	2,008,757	2,013,357
Deferred tax liability		1,915,322	1,758,773
Provisions	16	373,623	392,789
Other non-current liabilities		103,136	146,823
Total non-current liabilities		4,400,838	4,311,742
Current liabilities			
Trade and other payables and accruals		16,795,096	16,741,801
Deferred income		676,541	--
Loans and borrowings	15	229,173	212,454
Provisions	16	717,828	1,301,691
Other short-term financial liabilities	13	114,783	80,276
Current tax liabilities		15,063	23,126
Total current liabilities		18,548,484	18,359,348
Total liabilities		22,949,322	22,671,090
Total equity and liabilities		62,183,149	61,470,798

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 17.

UNIPETROL, a.s.

Consolidated statement of comprehensive income
prepared in accordance with International Financial Reporting Standards
For the 6 month period ended 30 June 2011
(in thousands of Czech crowns)



	Note	30 June 2011 (unaudited)	30 June 2010 (unaudited)
Revenue	3	49,035,593	41,447,785
Cost of sales		(46,898,640)	(38,740,354)
Gross profit		2,136,953	2,707,431
Other income		380,754	295,573
Distribution expenses		(1,076,057)	(948,072)
Administrative expenses		(572,766)	(584,923)
Other expenses		(73,969)	(151,513)
Result from operating activities	5	794,915	1,318,496
Finance income		425,423	381,456
Finance costs		(527,262)	(645,011)
Net finance costs	7	(101,839)	(263,555)
Profit before income tax		693,076	1,054,941
Income tax expense	8	(230,509)	(225,863)
Profit for the period		462,567	829,078
Other comprehensive income:			
Foreign currency translation differences - foreign operations		(6,716)	(5,942)
Effective portion of changes in fair value of cash flow hedges		(38,704)	--
Other transactions		9,619	--
Income tax on other comprehensive income		7,353	--
Other comprehensive income for the period, net of tax		(28,448)	(5,942)
Total comprehensive income for the period		434,119	823,136
Basic and diluted earnings per share (in CZK)		2.55	4.57

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 17.

UNIPETROL, a.s.

Consolidated statement of changes in equity
prepared in accordance with International Financial Reporting Standards
For the 6 month period ended 30 June 2011
(in thousands of Czech crowns)



	Share capital	Statutory reserves	Translation reserve	Fair value reserve	Hedging reserve	Retained earnings	Total equity
Balance as at 1 January 2010	18,133,476	2,425,274	12,867	20,748	--	17,278,971	37,871,336
Total comprehensive income for the period							
Profit	--	52,024	--	--	--	777,054	829,078
Other comprehensive income							
Foreign currency translation differences	--	--	(5,942)	--	--	--	(5,942)
Total other comprehensive income	--	--	(5,942)	--	--	--	(5,942)
Total comprehensive income for the period	--	52,024	(5,942)	--	--	777,054	823,136
Balance as at 30 June 2010	18,133,476	2,477,298	6,925	20,748	--	18,056,025	38,694,472
Balance as at 1 January 2011	18,133,476	2,452,698	5,223	20,748	--	18,187,563	38,799,708
Total comprehensive income for the period							
Profit	--	92,822	--	--	--	369,745	462,567
Other comprehensive income							
Foreign currency translation differences	--	--	(6,716)	--	--	--	(6,716)
Effective portion of changes in fair value of cash flow hedges, net of tax	--	--	--	--	(31,351)	--	(31,351)
Other items	--	9,681	--	(83)	--	21	9,619
Total other comprehensive income	--	9,681	(6,716)	(83)	(31,351)	21	(28,448)
Total comprehensive income for the period	--	102,503	(6,716)	(83)	(31,351)	369,766	434,119
Balance as at 30 June 2011	18,133,476	2,555,201	(1,493)	20,665	(31,351)	18,557,329	39,233,827

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 17.

UNIPETROL, a.s.

Consolidated statement of cash flows
prepared in accordance with International Financial Reporting Standards
For the 6 month period ended 30 June 2011
(in thousands of Czech crowns)



	30 June 2011 (unaudited)	30 June 2010 (unaudited)
Cash flows from operating activities:		
Profit for the period	462,567	829,078
Adjustments for:		
Depreciation of the property, plant and equipment and amortisation of intangible assets	1,596,019	1,702,883
Gain on disposals of property, plant and equipment and intangible assets	(4,330)	(20,746)
Net foreign exchange loss (gain)	(384,178)	454,646
Interest and dividend, net	90,505	94,394
Net loss (gain) from derivatives	341,713	(327,394)
Impairment losses on financial investments, property, inventory, receivables	(1,283)	46,130
Income tax expense	230,508	225,863
Changes in:		
- in trade receivables and other current assets	(2,382,902)	(2,460,771)
- in inventories	(1,178,993)	(272,039)
- in trade and other payables and accruals	94,232	788,670
- in provisions	(41,792)	98,522
Interest paid	(20,305)	(30,980)
Income tax paid	(89,923)	(103,496)
Net cash from (used in) operating activities	(1,288,161)	1,024,760
Cash flows from investing activities:		
Proceed from disposals of property, plant and equipment and intangible assets	173,621	566,086
Proceed from disposals of short-term financial assets	280,537	199,462
Proceed from disposals of CELIO, a.s.	--	78,323
Interest received	15,783	15,442
Dividends received	--	7,759
Change in loans granted	17,155	(254,958)
Acquisition of property, plant and equipment and intangible assets	(1,781,484)	(1,304,650)
Acquisition of short-term financial assets	(280,537)	(219,249)
Acquisition of additional shareholding in subsidiary	(460)	--
Net cash used in investing activities	(1,575,385)	(911,785)
Cash flows from financing activities:		
Change in loans and borrowings	(92,383)	1,013,794
Payment of finance lease liabilities	(5,767)	(10,537)
Dividends paid	(1,316)	(1,164)
Net cash from (used in) financing activities	(99,466)	1,002,093
Net change in cash and cash equivalents	(2,963,013)	1,115,068
Cash and cash equivalents at the beginning of the period	4,741,831	1,185,681
Effects of exchange rates changes on the balance of cash held in foreign currencies	(12,850)	(10,789)
Cash and cash equivalents at the end of the period	1,765,969	2,289,960

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 17.



Index

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

**1. DESCRIPTION OF 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 Pankraci 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, paraffins, 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 30 June 2011 are as follows:

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

Structure of consolidated group

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 2010. There were no changes in the structure of the Group in the period ended 30 June 2011 except the issues mentioned below.

On 1 June 2010 CHEMAPOL (SCHWEIZ) AG and on 1 January 2011 UNIPETROL TRADE a.s. were put under liquidation due to restructuring process of UNIPETROL TRADE Group. It is expected that liquidation will finish in 2011.

On 17 February 2011 PARAMO a.s. bought 2 legal entities: Paramo Oil s.r.o. and Paramo Asfalt s.r.o. which were included in the consolidation group of UNIPETROL and allocated to Refinery segment. As at 30 June 2011 the entities were not conducting any operational activity.

Based on the UNIPETROL, a.s. Management decision POLYMER INSTITUTE BRNO, s.r.o. was included starting from 1 January 2011 into consolidation group, into Petrochemical segment. The 2010 figures presented in the consolidated financial statements were not restated due to low materiality of the impact.



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 period ended 30 June 2011 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 2010.

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 2010.

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 2010.

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 2011 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 2011 or later periods.

The Group will adopt the changes after their acceptance by the European Commission in accordance 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 period ended 30 June 2011.

3. REVENUES

	30/06/2011	30/06/2010
Gross sales of finished goods and revenue from services	56,866,169	49,315,748
Less: Excise tax	(12,264,970)	(10,808,459)
Net revenues from sales of finished goods and services	44,601,199	38,507,289
Gross sales of merchandise and materials	4,484,883	3,008,127
Less: Excise tax	(50,489)	(67,631)
Net revenues from sales merchandise and materials	4,434,394	2,940,496
Total revenues	49,035,593	41,447,785

4. OPERATING SEGMENTS

Revenues and result by operating segments

Period ended 30/06/2011	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Total external revenues	26,686,551	4,753,214	17,572,283	23,545	--	49,035,593
Inter segment revenues	10,663,907	113,556	726,832	315,338	(11,819,633)	--
Total segment revenue	37,350,458	4,866,770	18,299,115	338,883	(11,819,633)	49,035,593
Result from operating activities	(239,802)	158,101	849,656	26,960	--	794,915
Net finance income						(101,839)
Profit before income tax						693,076
Income tax expense						(230,509)
Profit for the period						462,567

Period ended 30/06/2010	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Total external revenues	21,620,872	3,961,290	15,792,296	73,327	--	41,447,785
Inter segment revenues	9,037,011	153,302	674,988	275,245	10,140,546	--
Total segment revenue	30,657,883	4,114,592	16,467,284	348,572	(10,140,546)	41,447,785
Result from operating activities	635,477	266,257	395,113	21,649	--	1,318,496
Net finance costs						(263,555)
Profit before income tax						1,054,941
Income tax expense						(225,863)
Profit for the period						829,078

Assets by operating segments

30/06/2011	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Segment assets	26,904,410	6,664,118	26,890,821	2,231,846	(1,369,476)	61,321,719
Unallocated corporate assets						861,430
Total assets						62,183,149

31/12/2010	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Segment assets	26,156,910	6,676,068	24,132,333	4,857,607	(1,337,018)	60,485,900
Unallocated corporate assets						984,898
Total assets						61,470,798

5. OPERATING EXPENSES AND INCOMES

Cost of sales

	30/06/2011	30/06/2010
Cost of finished goods and services sold	(43,296,614)	(36,469,855)
Cost of merchandise and raw materials sold	(3,602,026)	(2,270,499)
Cost of sales - total	(46,898,640)	(38,740,354)

Cost by nature

	30/06/2011	30/06/2010
Materials and energy	(39,183,711)	(30,897,473)
Cost of merchandise and raw materials sold	(3,602,026)	(2,270,499)
External services	(3,111,356)	(2,981,466)
Depreciation and amortisation	(1,596,019)	(1,702,883)
Personal expenses	(1,271,497)	(1,270,333)
Repairs and maintenance	(541,363)	(580,621)
Insurance	(101,840)	(126,775)
Taxes and charges	(28,620)	(29,278)
Non-cancellable operating leasing	(24,002)	(25,214)
Research expenditures	(4,997)	(12,546)
Other	(165,271)	(225,958)
Change in inventories	1,009,222	(301,816)
Cost of products and services for own use	48	--
Operating expenses	(48,621,432)	(40,424,862)
Distribution expenses	1,076,057	948,072
Administrative expenses	572,766	584,923
Other operating expenses	73,969	151,513
Cost of finished goods, services, merchandise and raw materials sold	(46,898,640)	(38,740,354)

Other operating incomes

	30/06/2011	30/06/2010
Gain on sale of non-current non-financial assets	6,714	41,272
Reversal of provisions	133,749	4,623
Reversal of receivables impairment allowances	9,865	7,062
Reversal of impairment allowances of property, plant and equipment and intangible assets	17,989	43,687
Penalties and compensations earned	4,012	59,734
CO2 allowances grant derecognition	183,415	113,845
Other	25,010	25,350
Total	380,754	295,573

Other operating expenses

	30/06/2011	30/06/2010
Loss on sale of non-current non-financial assets	(2,384)	(20,526)
Recognition of provisions	(35,717)	(35,491)
Recognition of receivables impairment allowances	(8,377)	(78,472)
Recognition of impairment allowances of property, plant and equipment and intangible assets	(466)	(7,483)
Addition to provisions for consumption of CO2 allowances	(13,025)	--
Donations	(3,943)	(2,960)
Other	(10,057)	(6,581)
Total	(73,969)	(151,513)

6. IMPAIRMENT ALLOWANCES OF ASSETS

	30/06/2011	30/06/2010
Property, plant, equipment		
Recognized	(466)	(7,483)
Released	17,989	43,687
Receivables		
Recognized	(8,377)	(78,472)
Released	9,865	7,062
Inventories		
Recognized	(72,156)	(33,048)
Released	28,160	24,645

7. FINANCE INCOME AND FINANCE COSTS

	30/06/2011	30/06/2010
Finance income		
Interest income	39,759	40,734
Dividend income	--	7,759
Net foreign exchange gain	384,178	--
Net gain arising on derivatives	--	327,394
Other finance income	1,486	5,569
Total finance income	425,423	381,456
Finance costs		
Interest expense	(130,552)	(144,220)
Less: amounts capitalised on qualifying assets	288	1,333
Net foreign exchange losses	--	(454,646)
Net loss arising on derivatives	(341,713)	--
Other finance expenses	(55,285)	(47,278)
Total finance costs	(527,262)	(645,011)
Net finance costs	(101,839)	(263,555)

8. INCOME TAX

	30/06/2011	30/06/2010
Current tax	(64,825)	(86,783)
Deferred tax	(165,683)	(139,080)
Income tax recognised in profit and loss	(230,508)	(225,863)
Income tax recognised in other comprehensive income	7,353	--
Income tax - total	(223,155)	(225,863)

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

During the six months ended 30 June 2011 the Group acquired assets with a cost of CZK 562,881 thousand (six months ended 30 June 2010: CZK 636,537 thousand).

Assets with a carrying amount of CZK 14,718 thousand were disposed during six months ended 30 June 2011 (six months ended 30 June 2010: CZK 32,478 thousand), resulting in a net gain on disposal of CZK 6,503 thousand (six months ended 30 June 2010: net loss of CZK 18,130 thousand), which is included in other operating incomes (expenses) in the statement of comprehensive income.

10. INTANGIBLE ASSETS**Acquisitions and disposals**

During the six months ended 30 June 2011 the Group acquired intangible assets with a cost of CZK 961,006 thousand, including CO2 allowances with a cost CZK 932,875 thousand (six months ended 30 June 2010: CZK 540,454 thousand and CZK 461,117 thousand respectively).

During the six month ended 30 June 2011 the Group was granted CO2 allowances in amount of CZK 1,366,108 thousand (six month ended 30 June 2010: CZK 1,427,360 thousand), and disposed CO2 allowances with a carrying amount of CZK 144,905 thousand (six months ended 30 June 2010: CZK 496,008 thousand), resulting in a net loss on disposal of CZK 2,173 thousand (six months ended 30 June 2010: net gain of CZK 38,876 thousand) which is included in other operating expenses (incomes) in the statement of comprehensive income. There were no other intangible assets disposed by the Group in the six months ended 30 June 2011 and 30 June 2010.

11. OTHER INVESTMENTS

The Group has equity investments amounting to CZK 87,155 thousand as at 30 June 2011 (CZK 192,425 thousand as at 31 December 2010), which represent ownership interests in companies that do not have quoted market price and whose fair value cannot be reliably measured and therefore are carried at acquisition cost, less any impairment losses. The change in amount of other investments was caused by inclusion of POLYMER INSTITUTE BRNO, s.r.o. into the consolidation group.

12. NON-CURRENT RECEIVABLES

The Group has provided a loan to ČESKÁ RAFINÉRSKÁ, a.s. in the amount of CZK 159,285 thousand (31 December 2010: CZK 174,952 thousand) for reconstruction of production unit. Part of this receivable in amount of CZK 81,587 thousand was eliminated as an intergroup transaction. The loan is due in 2016 and bears interest of 1M PRIBOR increased by mark up. Short term part of the loan in amount of CZK 15,286 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 16,554 thousand and prepayments for investments in amount of CZK 22,287 thousand. The management considers that carrying amount of receivables approximates their fair value.

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

	30/06/2011	31/12/2010
Loans	533,569	533,435
Derivative financial instruments not designated as hedge accounting – currency forwards	41,101	--
Cash flow hedge instruments – currency forwards	3,720	6,907
Cash flow hedge instruments – commodity swaps	1,022	--
Total	579,412	540,342

Other short-term financial liabilities

	30/06/2011	31/12/2010
Derivative financial instruments – currency forwards	79,803	80,276
Cash flow hedge instruments – currency forwards	34,980	--
Total	114,783	80,276

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 market 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 Ordinary General Meeting of UNIPETROL, a.s. held on 30 June 2011 decided on appropriation of the profit for 2010 amounting to CZK 512,121 thousand. In accordance with Article 26 (1) of the Company's Articles of Association CZK 25,606 thousand was allocated to the reserve fund and CZK 486,515 thousand to retained earnings.

15. LOANS AND BORROWINGS

	30/06/2011	31/12/2010
Non – current loans and borrowings		
Unsecured bonds issued	2,000,000	2,000,000
Finance lease liability	8,757	13,357
Total non – current loans and borrowings	2,008,757	2,013,357
Current loans and borrowings		
Current portion of unsecured bonds issued	212,684	102,634
Unsecured bank loans	5,634	86,748
Current portion of secured bank loans	--	12,017
Current portion of financial leasing	10,855	11,055
Total current loans and borrowings	229,173	212,454

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 2,531,114 thousand (CZK 2,518,730 thousand at 31 December 2010).

Analyses of bank loans

	Total
Balance as at 1 January 2011	98,765
Loans taken	1,524,244
Repayment	(1,616,626)
Interests	(91)
FX differences	(658)
Balance as at 30 June 2011	5,634

Financial leases

	30/06/2011	31/12/2010
Future minimum lease payments	20,953	26,284
Present value of future minimum lease payments	19,612	24,412

16. PROVISIONS

	Long – term provision		Short – term provision	
	30/06/2011	31/12/2010	30/06/2011	31/12/2010
Provisions for environmental damages and land restoration	321,499	315,995	--	--
Provisions for legal disputes	14,835	24,769	135,462	135,036
Provision on CO2 allowances	--	--	513,925	1,082,904
Employee benefits provision	30,262	30,049	--	--
Other provisions	7,027	21,976	68,441	83,751
Total	373,623	392,789	717,828	1,301,691

The Group decreased provision for shutdown of heating plant T200 included under other provisions by amount of CZK 30,001 thousand (long-term part: CZK 14,950 thousand, short-term part: CZK 15,051 thousand).

Provision on CO2 allowances was created for estimated CO2 emissions in the period ended 30 June 2011 and 31 December 2010.

17. COMMITMENTS AND CONTINGENCIES**Capital Commitments**

As at 30 June 2011 the Group had capital commitments for the acquisition of property, plant and equipment in the amount of CZK 431,381 thousand (as at 31 December 2010: CZK 334,243 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 2010.

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

In November 2006, the European Commission imposed fines, among others, upon Shell, Dow, Eni, UNIPETROL, a.s. and SYNTHOS Kralupy a.s. for an alleged cartel in the area of Emulsion Styrene Butadiene Rubber ("ESBR"). UNIPETROL, a.s. and SYNTHOS Kralupy a.s., its subsidiary at that time, were jointly imposed a fine of EUR 17.5 million, which they reimbursed to the Commission. At the same time, both companies appealed to the Court of First Instance in Luxembourg.

Following the above decision of the European Commission, UNIPETROL, a.s. has been served with a claim for damages, which tire producers brought against the members of the ESBR cartel. The claim for damages was filed with the High Court of Justice, Queen's Bench Division, Commercial Court. The claimants ask for damages, together with interest, to compensate for their loss suffered as a result of an alleged cartel.

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

As notified on July 13, 2011, General Court of the European Union quashed a decision of the European Commission of November 2006 which found UNIPETROL, a.s. and its former subsidiary SYNTHOS Kralupy a.s. liable for participation in a cartel. The Court concluded that the Commission had failed to prove cartel conduct on the part of UNIPETROL a.s. and SYNTHOS Kralupy a.s.. Both companies thus became entitled to reimbursement for a previously jointly paid EUR 17.5 million fine. As at the date of approval of these statements UNIPETROL a.s. has received EUR 9,8 million, which corresponds to the penalty paid and part of the accrued interest.

Claims regarding reward for employees' invention are described in the consolidated financial statements of the Group as at and for the year ended 31 December 2010. During the period ended 30 June 2011 there were no changes in relation to the issue.

Guarantees

The Group issued the guaranty on behalf of HC Litvínov in favour of Association of ice hockey clubs in amount of CZK 7,000 thousand. Based on the Group's request, Commerzbank AG, Komerční banka, a.s. and HSBC, a.s. issued bank guarantees relating to the security of customs debt and excise tax at customs offices in Most and Domažlice. Total balance of guarantees related to excise tax is CZK 855 million as at 30 June 2011 (31 December 2010 CZK 955 million).

18. RELATED PARTIES**Parent and ultimate controlling party**

During 2011 and 2010 a majority (62.99%) of the Company's shares were in possession of PKN Orlen.

Transaction with non-consolidated subsidiaries, associates and other related parties:

30/06/2011	PKN Orlen	Parties under control or significant influence of the Group	Entities under control or significant influence of PKN Orlen	Other related parties
Current receivables	3	25,203	302,217	--
Current payables including loans	6,746,464	2,336	59,377	--
Non-current payables including loans	--	4	--	--
Expenses	26,626,341	39,833	932,979	--
Revenues	57,551	57,544	1,027,779	--
Interests income and expense	(1,563)	--	6,250	--

31/12/2010	PKN Orlen	Parties under control or significant influence of the Group	Entities under control or significant influence of PKN Orlen	Other related parties
Current receivables	24,725	38,183	185,200	--
Current payables including loans	5,680,150	13,356	162,806	--
Non-current payables including loans	--	4	--	--
Expenses	45,952,434	103,608	1,411,211	3,385
Revenues	1,190,751	186,900	1,699,031	340
Interests income and expense	(1,533)	--	19,527	--

Material transactions concluded by the Group Companies with related parties

In 6 month period ended 30 June 2011 and in 2010 there were no transactions concluded by the Group with related parties on other than market terms.

Transactions with key management personnel

In 6 month period ended 30 June 2011 and in 2010 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 6 month period ended 30 June 2011 and in 2010 there were no significant transactions concluded with members of the Board of Directors, Supervisory Board, their spouses, siblings, descendants, ascendants or their other relatives.

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

In 6 month period ended 30 June 2011 and in 2010 members of the key management personnel of the Parent Company and the Group companies submitted statements that they have not concluded any transaction with related parties.

19. SIGNIFICANT POST BALANCE SHEET EVENTS

Information on decision of the General Court of the European Union from 13 July 2011 is included in the note 17.

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 30 June 2011.

UNIPETROL, a.s.

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

AS OF 30 JUNE 2011



UNIPETROL, a.s.

Non-consolidated statement of financial position
prepared in accordance with International Financial Reporting Standards
As at 30 June 2011
(in thousands of Czech crowns)



	Note	30 June 2011 (unaudited)	31 December 2010 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	396,627	397,215
Intangible assets		845	1,187
Investment property		162,190	162,190
Investments in subsidiaries and joint ventures		14,354,033	14,354,116
Other investments		4,249	4,251
Loans to subsidiaries	10	2,498,608	2,662,294
Receivables from subsidiaries		132	168
Deferred tax asset		--	421
Total non-current assets		17,416,684	17,581,842
Current assets			
Trade and other receivables		460,957	175,655
Loans to subsidiaries	10	10,256,477	6,514,103
Loans to related companies	11	500,034	500,035
Prepaid expenses		8,181	9,251
Cash and cash equivalents		323,905	2,863,092
Total current assets		11,549,554	10,062,136
Total assets		28,966,238	27,643,978
EQUITY AND LIABILITIES			
Equity			
Share capital		18,133,476	18,133,476
Reserves		1,679,586	1,654,065
Retained earnings	12	5,695,926	4,971,986
Total equity		25,508,988	24,759,527
Non-current liabilities			
Loans and borrowings	13	2,000,000	2,000,000
Provisions		400	400
Deferred tax liability		4,154	--
Total non-current liabilities		2,004,554	2,000,400
Current liabilities			
Trade and other payables and accruals		86,210	107,175
Loans and borrowings	13	1,337,793	734,890
Dividends payable		28,693	30,012
Current tax liabilities		--	11,974
Total current liabilities		1,452,696	884,051
Total liabilities		3,457,250	2,884,451
Total equity and liabilities		28,966,238	27,643,978

The non-consolidated financial statements are to be read in conjunction with the notes forming part of the non-consolidated financial statements set out on pages 23 to 28.

UNIPETROL, a.s.

Non-consolidated statement of comprehensive income
prepared in accordance with International Financial Reporting Standards
For the 6 month period ended 30 June 2011
(in thousands of Czech crowns)



	Note	30 June 2011 (unaudited)	30 June 2010 (unaudited)
Revenue	3	69,488	91,487
Cost of sales		(31,840)	(36,317)
Gross profit		37,648	55,170
Other income		1,671	2,038
Administrative expenses		(76,570)	(92,927)
Other expenses		(124)	(16)
Results from operating activities	5	(37,375)	(35,735)
Finance income		933,811	653,841
Finance costs		(129,895)	(144,937)
Net finance income	7	803,916	508,904
Profit before income tax		766,541	473,169
Income tax expense	8	(16,995)	(21,441)
Profit for the period		749,546	451,728
Other comprehensive income:			
Revaluation of investment property		(85)	--
Other comprehensive income for the period, net of tax		(85)	--
Total comprehensive income for the period		749,461	451,728
Basic and diluted earnings per share (in CZK)		4.13	2.49

The non-consolidated financial statements are to be read in conjunction with the notes forming part of the non-consolidated financial statements set out on pages 23 to 28.

UNIPETROL, a.s.

Non-consolidated statement of changes in equity
prepared in accordance with International Financial Reporting Standards
For the 6 month period ended 30 June 2011
(in thousands of Czech crowns)



	Share capital	Statutory reserves	Fair value changes relating to investment property	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2010	18,133,476	1,612,772	20,748	7,455	4,472,958	24,247,409
Profit for the period	--	--	--	--	451,728	451,728
Total comprehensive income for the period	--	--	--	--	451,728	451,728
Allocation of profit to reserves	--	13,093	--	--	(13,093)	--
Balance as at 30 June 2010	18,133,476	1,625,865	20,748	7,455	4,911,593	24,699,137
Balance as at 1 January 2011	18,133,476	1,625,865	20,748	7,452	4,971,986	24,759,527
Profit for the period	--	--	--	--	749,546	749,546
Total comprehensive income for the period	--	--	--	--	749,546	749,546
Allocation of profit to reserves	--	25,606	--	--	(25,606)	--
Other movements	--	--	(85)	--	--	(85)
Balance as at 30 June 2011	18,133,476	1,651,471	20,663	7,452	5,695,926	25,508,988

The non-consolidated financial statements are to be read in conjunction with the notes forming part of the non-consolidated financial statements set out on pages 23 to 28.

UNIPETROL, a.s.

Non-consolidated statement of cash flows
prepared in accordance with International Financial Reporting Standards
For the 6 month period ended 30 June 2011
(in thousands of Czech crowns)



	30 June 2011 (unaudited)	30 June 2010 (unaudited)
Cash flows from operating activities:		
Profit for the period	749,546	451,728
Adjustments for:		
Depreciation of property, plant and equipment	1,595	2,365
Loss / (gain) on disposals of property, plant and equipment	(1,068)	(776)
Profit on disposals of financial investments	--	(15,054)
Interest and dividends, net	(804,638)	(494,828)
Reversal of impairment losses on financial investments, property, plant and equipment, inventory and receivables	(30)	(25)
Foreign exchange gain (loss)	17	(20)
Income tax expense	16,995	21,441
Changes in:		
- trade and other receivables and other current assets	79,126	140,255
- in trade and other payables and accruals	(50,113)	(115,272)
Interest paid	(16,119)	(28,460)
Net cash used in operating activities	(24,689)	(38,646)
Cash flows from investing activities:		
Dividends received	363,411	307,734
Interest received	99,724	120,074
Proceed from sale of property, plant and equipment and intangible assets	982	5,111
Proceed from sale of financial investments	--	16,147
Acquisition of property, plant and equipment and intangible assets	(579)	(4,379)
Acquisition of financial investments	--	(76,500)
Change in loans to subsidiaries	(3,473,169)	(220,323)
Change in loans to related companies	1	(249,821)
Net cash used in investing activities	(3,009,630)	(101,957)
Cash flows from financing activities:		
Change in loans and borrowings	492,873	710,646
Dividends paid	(1,319)	(1,027)
Net cash from financing activities	491,554	709,619
Net change in cash and cash equivalents	(2,542,765)	569,016
Cash and cash equivalents at beginning of the period	2,863,092	253,876
Effects of exchange rates changes on the balance of cash held in foreign currencies	3,578	(220)
Cash and cash equivalents at the end of the period	323,905	822,672

The non-consolidated financial statements are to be read in conjunction with the notes forming part of the non-consolidated financial statements set out on pages 23 to 28.



Index

1. Description of the company	24
2. Basis of preparation and significant accounting policies	24
3. Revenue	25
4. Business segments	25
5. Operating expenses and incomes	25
6. Impairment allowances of assets	25
7. Finance income and finance expense	26
8. Income tax.....	26
9. Property, plant and equipment	26
10. Loans to subsidiaries.....	26
11. Current loans to related companies.....	27
12. Retained earnings and dividends	27
13. Loans and borrowings	27
14. Commitments and contingencies	27
15. Related parties	28
16. Significant post balance sheet events	28

1. DESCRIPTION OF THE COMPANY*Establishment of the parent company*

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

Registered office of the Company

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

Principal activities

UNIPETROL, a.s. operates as a holding company that controls a group of companies engaged in the oil refinery, production of petrochemical commodities, semi-finished products for industrial fertilizers, polymer materials, generation of heat and electricity, distribution and gas stations operation.

The Company is involved in providing economic and organizational advisory services, financing, intermediation of services, advisory services relating to chemical industry, internal and external communication advisory services and human resources consultancy.

Ownership structure

The shareholders as at 30 June 2011 are as follows:

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**A Statement of compliance and general principles of preparation**

These condensed non-consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the non-consolidated financial statements of the Company as at and for the year ended 31 December 2010.

These condensed non-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 Company'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 2010.

B Significant accounting policies

The Company used the same accounting policies and methods of computation during preparation of these interim financial statements as those applied in its non-consolidated financial statements as at and for the year ended 31 December 2010.

The non-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 2011 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 Company's accounting periods beginning on or after 1 January 2011 or later periods.

The Company will adopt the changes after their acceptance by the European Commission in accordance their effective date. The possible impact of the changes on the Group's future consolidated financial statements is being analyzed.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**C Functional and presentation currency**

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

D Information on seasonality and cyclicity Company's operations

The Company does not report any material seasonal or cyclical character of its operation in the period ended 30 June 2011.

3. REVENUE

	30/06/2011	30/06/2010
Fees for use of land	53,403	51,969
Revenue from services	16,085	39,518
Total revenue	69,488	91,487

4. BUSINESS SEGMENTS

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

5. OPERATING EXPENSES AND INCOMES**Cost of sales**

	30/06/2011	30/06/2010
Cost of finished goods and services sold	(31,840)	(36,317)
Total	(31,840)	(36,317)

Cost by nature

	30/06/2011	30/06/2010
Materials and energy	(1,162)	(866)
External services	(51,981)	(68,508)
Personnel costs	(52,075)	(52,410)
Depreciation and amortisation	(1,595)	(2,365)
Taxes and charges	(1,174)	(1,276)
Other	(547)	(3,835)
Operating expenses	(108,534)	(129,260)
Administrative expenses	76,570	92,927
Other operating expenses	124	16
Cost of finished goods, services, merchandise and raw materials sold	(31,840)	(36,317)

Other operating incomes

	30/06/2011	30/06/2010
Profit on sale of non-current non-financial assets	1,068	776
Insurance income	414	479
Reversal of receivables impairment allowances	30	25
Other	159	758
Total	1,671	2,038

Other operating expenses

	30/06/2011	30/06/2010
Donations	(53)	-
Other	(71)	(16)
Total	(124)	(16)

6. IMPAIRMENT ALLOWANCES OF ASSETS**Impairment allowances**

In the period ended 30 June 2011 receivables allowances in amount of CZK 30 thousand were released (period ended 30 June 2010: CZK 25 thousand). There were no other impairment allowances on assets recognised or released in the periods ended 30 June 2011 and 30 June 2010.

7. FINANCE INCOME AND FINANCE EXPENSE

	30/06/2011	30/06/2010
Finance income		
Interest income	205,243	224,807
Dividend income	725,543	410,336
Net foreign exchange gains	--	20
Profit from sale of investments in subsidiaries	--	15,054
Other finance income	3,025	3,624
Total finance income	933,811	653,841
Finance costs		
Interest expense	(126,148)	(140,315)
Net foreign exchange losses	(17)	--
Other finance expenses	(3,730)	(4,622)
Total finance costs	(129,895)	(144,937)
Net finance income	803,916	508,904

8. INCOME TAX

	30/06/2011	30/06/2010
Current tax	(12,420)	(20,710)
Deferred tax	(4,575)	(731)
Income tax expense	(16,995)	(21,441)

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

During the six month ended 30 June 2011 the Group acquired assets with a cost of CZK 579 thousand (six month ended 30 June 2010: CZK 4,267 thousand).

Assets with a carrying amount of CZK 3,876 thousand were disposed during six months ended 30 June 2011 (six months ended 30 June 2010: CZK 8,377 thousand), resulting in a gain on disposal of CZK 1,068 thousand (six months ended 30 June 2010: CZK 776 thousand), which is included in other operating income in the statement of comprehensive income.

10. LOANS TO SUBSIDIARIES

	30/06/2011	31/12/2010
Non – current loans		
Non-current loans	2,498,608	2,662,294
Total non – current loans	2,498,608	2,662,294
Current loans		
Cash pooling	2,061,003	1,577,295
Operating loans	8,195,474	4,936,808
Total current loans	10,256,477	6,514,103

Non-current loans to subsidiaries

The Company provided to its subsidiaries UNIPETROL RPA, s.r.o., BENZINA, s.r.o. and BUTADIEN KRALUPY a.s. non-current loans amounting to CZK 2,498,608 thousand as at 30 June 2011.

A carrying amount of the loan provided to BENZINA s.r.o. was CZK 2,215,733 thousand and fair value amounted to CZK 2,839,348 thousand as at 30 June 2011. Part of the loan due within twelve months is presented in current assets.

Movement table of operating loans to subsidiaries:

	Non-current loans		Current loans	
	30/06/2011	31/12/2010	30/06/2011	31/12/2010
Balance at beginning of the period	2,662,294	2,963,304	4,936,808	6,878,136
Loans granted	--	77,361	4,914,436	6,828,279
Repayments	--	(51,000)	(1,819,456)	(9,096,978)
Reclassification to current from non-current loans to subsidiaries	(163,686)	(327,371)	163,686	327,371
Balance at end of the period	2,498,608	2,662,294	8,195,474	4,936,808

Current loans to subsidiaries

The Company provided current loans to its subsidiaries: UNIPETROL RPA, s.r.o., BENZINA s.r.o., PARAMO a.s., Butadien Kralupy a.s..

11. CURRENT LOANS TO RELATED COMPANIES

As at 30 June 2011 the Company had a short-term loan to related entity SPOLANA a.s. The carrying amount of the loan amounted CZK 500,034 thousand as at 30 June 2011 (31 December 2010 – CZK 500,035 thousand). The interest rates were based on appropriate inter-bank rates and the fair value of the loan approximated its carrying amount at 30 June 2011. Zakłady Azotowe ANWIL Spółka Akcyjna provided full guarantee for the loan obligation of SPOLANA a.s..

12. RETAINED EARNINGS AND DIVIDENDS

The Ordinary General Meeting of UNIPETROL, a.s. held on 30 June 2011 decided on appropriation of the profit for 2010 amounting to CZK 512,121 thousand. In accordance with Article 26 (1) of the Company's Articles of Association CZK 25,606 thousand was allocated to the reserve fund and CZK 486,515 thousand to retained earnings.

13. LOANS AND BORROWINGS

	30/06/2011	31/12/2010
Non – current loans and borrowings		
Unsecured bonds issued	2,000,000	2,000,000
Total non – current loans and borrowings	2,000,000	2,000,000
Current loans and borrowings		
Current portion of unsecured bonds issued	212,685	102,634
Unsecured bank loans	5,632	15,967
Unsecured loans from subsidiaries	1,119,476	616,289
Total current loans and borrowings	1,337,793	734,890

Analyses of bank loans

	Total
Balance at beginning of the period	15,967
Loans taken	2,340,640
Repayments	(2,350,975)
Balance at end of the period	5,632

Loans from subsidiaries

The current loans from subsidiaries are connected with a cash-pool structure. During the year 2011 the Company had cash-pooling agreements with following banks and subsidiaries:

Banks: CITIBANK a.s., ING Bank N.V., organizační složka and Česká spořitelna, a.s., Credit Agricole, S.A., RBS, N.V..

Subsidiaries: UNIPETROL RPA, s.r.o., BENZINA s.r.o., PARAMO,a.s., UNIPETROL DOPRAVA, s.r.o., UNIPETROL TRADE a.s., PETROTRANS, s.r.o., UNIPETROL SERVICES, s.r.o., UNIPETROL SLOVENSKO, s.r.o., BUTADIEN KRALUPY a.s. and MOGUL SLOVAKIA, s.r.o..

Cash on bank accounts with the above mentioned banks is pooled among the Company and subsidiaries listed above. The agreements enable the Company and the subsidiaries to take bank overdrafts at the total amount within the range from CZK 1,000,000 thousand to CZK 1,500,000 thousand at each bank. Interest income / expense is calculated from pooled balances and subsequently divided between the participants. The liabilities from cash-pooling bank loans amounted CZK 5,632 thousand and cash-pooling liabilities to subsidiaries in amount of CZK 1,119,476 thousand as at 30 June 2011 (as at 31 December 2010 CZK 10,695 thousand and CZK 616,289 thousand).

14. COMMITMENTS AND CONTINGENCIES**Capital Commitments**

As at 30 June 2011 and 31 December 2010 the Company didn't have had capital commitments for the acquisition of property, plant and equipment.

Contingent liabilities and commitments related to Purchase of shares of PARAMO, a.s. , the sale of shares in KAUCUK, 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 Company as at and for the year ended 31 December 2010.

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

In November 2006, the European Commission imposed fines, among others, upon Shell, Dow, Eni, UNIPETROL, a.s. and SYNTHOS Kralupy a.s. for an alleged cartel in the area of Emulsion Styrene Butadiene Rubber ("ESBR"). UNIPETROL, a.s. and SYNTHOS Kralupy a.s., its subsidiary at that time, were

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

jointly imposed a fine of EUR 17.5 million, which they reimbursed to the Commission. At the same time, both companies appealed to the Court of First Instance in Luxembourg.

Following the above decision of the European Commission, UNIPETROL, a.s. has been served with a claim for damages, which tire producers brought against the members of the ESBR cartel. The claim for damages was filed with the High Court of Justice, Queen's Bench Division, Commercial Court. The claimants ask for damages, together with interest, to compensate for their loss suffered as a result of an alleged cartel.

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

As notified on July 13, 2011, General Court of the European Union quashed a decision of the European Commission of November 2006 which found UNIPETROL, a.s. and its former subsidiary SYNTHOS Kralupy a.s. liable for participation in a cartel. The Court concluded that the Commission had failed to prove cartel conduct on the part of UNIPETROL a.s. and SYNTHOS Kralupy a.s. Both companies thus became entitled to reimbursement for a previously jointly paid EUR 17.5 million fine. As at the date of approval of these statements UNIPETROL a.s. has received EUR 9,8 million, which corresponds to the penalty paid and part of the accrued interest.

15. RELATED PARTIES*Ultimate controlling party*

During 2011 and 2010 a majority of the Company's shares were in possession of PKN Orlen (62.99%).

	30/06/2011		
	PKN Orlen	Parties under control or significant influence of the Company	Entities under control or significant influence of PKN Orlen
Current receivables and loans	3	10,654,878	500,034
Current payables and loans	1,032	1,131,392	--
Non-current receivables and loans	--	2,498,608	--
Expenses	1,508	29,524	19
Revenues	162	58,295	50
Purchases of fixed assets	--	579	--
Sales of property, plant and equipment	--	222	--
Dividends income	--	725,543	--
Financial income and expense	--	198,222	6,250

	31/12/2010		
	PKN Orlen	Parties under control or significant influence of the Company	Entities under control or significant influence of PKN Orlen
Current receivables	108	6,539,449	500,178
Current payables including loans	1,812	627,776	--
Non-current receivables	--	2,710,053	--
Expenses	11,005	58,049	126
Revenues	119	141,496	100
Purchases of fixed assets	--	204	--
Sales of property, plant and equipment	--	3,590	--
Dividends income	--	410,336	--
Financial income and expense	--	412,237	11,067

16. SIGNIFICANT POST BALANCE SHEET EVENTS

Information on decision of the General Court of the European Union from 13 July 2011 is included in the note 14.

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 30 June 2011.

Signature of statutory representatives

3 August 2011

Piotr Chelminski

Mariusz Kedra

Chairman of the Board of Directors

Member of the Board of Directors