

UNIPETROL a.s.

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

AS OF 30 SEPTEMBER 2011



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AS OF 30 SEPTEMBER 2011



UNIPETROL, a.s.

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



	Note	30 September 2011 (unaudited)	31 December 2010 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	9	33,516,391	33,909,010
Intangible assets	10	2,907,906	1,908,948
Investment property		162,190	162,190
Other investments	11	87,990	192,425
Non-current receivables	12	98,339	130,224
Derivative financial instruments		--	--
Deferred tax asset		44,638	48,280
Total non-current assets		36,817,454	36,351,077
Current assets			
Inventories		10,602,538	10,193,515
Trade and other receivables		9,513,309	9,487,630
Other short-term financial assets	13	824,590	540,342
Prepayments and other current assets		151,172	141,780
Cash and cash equivalents		1,096,205	4,741,831
Current tax assets		44,914	14,623
Total current assets		22,232,728	25,119,721
Total assets		59,050,182	61,470,798
EQUITY AND LIABILITIES			
Equity			
Share capital		18,133,476	18,133,476
Statutory reserves		2,554,038	2,452,698
Other reserves		4,347	25,971
Retained earnings	14	18,430,773	18,187,563
Total equity attributable to equity holders of the Company		39,122,634	38,799,708
Non-current liabilities			
Loans and borrowings	15	2,020,509	2,013,357
Deferred tax liability		1,747,861	1,758,773
Provisions	16	368,492	392,789
Other non-current liabilities		103,790	146,823
Total non-current liabilities		4,240,652	4,311,742
Current liabilities			
Trade and other payables and accruals		12,559,327	16,741,752
Deferred income		370,821	--
Loans and borrowings	15	1,507,921	212,454
Provisions	16	917,035	1,301,691
Other short-term financial liabilities	13	312,208	80,325
Current tax liabilities		19,584	23,126
Total current liabilities		15,686,896	18,359,348
Total liabilities		19,927,548	22,671,090
Total equity and liabilities		59,050,182	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 16.

UNIPETROL, a.s.

Consolidated statement of comprehensive income
prepared in accordance with International Financial Reporting Standards
For the 9 month period ended 30 September 2011
(in thousands of Czech crowns)



	Note	30 September 2011 (unaudited)	30 September 2010 (unaudited)
Revenue	3	73,100,211	63,952,323
Cost of sales	5	(70,743,398)	(60,238,221)
Gross profit		2,356,813	3,714,102
Other income		761,881	418,888
Distribution expenses		(1,569,182)	(1,456,325)
Administrative expenses		(872,408)	(833,299)
Other expenses		(111,839)	(287,018)
Result from operating activities	5	565,265	1,556,349
Finance income		200,710	171,393
Finance costs		(334,768)	(495,630)
Net finance costs	7	(134,058)	(324,237)
Profit before income tax		431,207	1,232,111
Income tax expense	8	(96,360)	(227,702)
Profit for the period		334,847	1,004,409
Other comprehensive income:			
Foreign currency translation differences - foreign operations		(2,052)	(14,998)
Effective portion of changes in fair value of cash flow hedges		(14,954)	--
Other transactions		9,667	--
Income tax on other comprehensive income		(4,582)	--
Other comprehensive income for the period, net of tax		(11,921)	(14,998)
Total comprehensive income for the period		322,926	989,411
Basic and diluted earnings per share (in CZK)		1.85	5.54

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 16.

UNIPETROL, a.s.

Consolidated statement of changes in equity
prepared in accordance with International Financial Reporting Standards
For the 9 month period ended 30 September 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	--	51,632	--	--	--	952,777	1,004,409
Other comprehensive income							
Foreign currency translation differences	--	--	(14,998)	--	--	--	(14,998)
Total other comprehensive income	--	--	(14,998)	--	--	--	(14,998)
Total comprehensive income for the period	--	51,632	(14,998)	--	--	952,777	989,411
Balance as at 30 September 2010	18,133,476	2,476,906	(2,131)	20,748	--	18,231,748	38,860,747
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	--	91,659	--	--	--	243,188	334,847
Other comprehensive income							
Foreign currency translation differences	--	--	(2,052)	--	--	--	(2,052)
Effective portion of changes in fair value of cash flow hedges, net of tax	--	--	--	--	(19,536)	--	(19,536)
Other items	--	9,681	--	(36)	--	22	9,667
Total other comprehensive income	--	9,681	(2,052)	(36)	(19,536)	22	(11,921)
Total comprehensive income for the period	--	101,340	(2,052)	(36)	(19,536)	243,210	322,926
Balance as at 30 September 2011	18,133,476	2,554,038	3,171	20,712	(19,536)	18,430,773	39,122,634

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 16.

UNIPETROL, a.s.

Consolidated statement of cash flows
prepared in accordance with International Financial Reporting Standards
For the 9 month period ended 30 September 2011
(in thousands of Czech crowns)



	30 September 2011	30 September 2010
	(unaudited)	(unaudited)
Cash flows from operating activities:		
Profit for the period	334,847	1,004,409
Adjustments for:		
Depreciation of the property, plant and equipment and amortisation of intangible assets	2,330,985	2,634,680
Gain on disposals of property, plant and equipment and intangible assets	10,922	(21,077)
Net foreign exchange loss (gain)	(142,245)	216,707
Interest and dividend, net	141,659	136,757
Net loss (gain) from derivatives	55,552	(96,926)
Impairment losses (gains) on financial investments, property plant and equipment	(20,196)	12,201
Income tax expense	96,360	227,702
Changes in:		
- in trade receivables and other current assets	23,626	(1,439,575)
- in inventories	(370,931)	(959,951)
- in trade and other payables and accruals	(5,432,772)	713,525
- in provisions	615,689	(9,980)
Interest paid	(33,488)	(44,443)
Income tax paid	(137,435)	(116,006)
Net cash from (used in) operating activities	(2,527,427)	2,258,023
Cash flows from investing activities:		
Proceed from disposals of short-term financial assets	280,537	796,618
Proceed from disposals of property, plant and equipment and intangible assets	173,458	569,015
Change in loans granted	30,190	(277,896)
Interest received	20,860	18,282
Proceed from disposals of CELIO, a.s.	--	78,323
Dividends received	--	7,759
Acquisition of property, plant and equipment and intangible assets	(2,672,487)	(1,893,337)
Acquisition of short-term financial assets	(280,537)	(582,723)
Acquisition of additional shareholding in subsidiary	(460)	--
Net cash used in investing activities	(2,448,439)	(1,283,959)
Cash flows from financing activities:		
Change in loans and borrowings	1,345,698	94,802
Payment of finance lease liabilities	(8,468)	(10,537)
Dividends paid	(1,895)	(1,164)
Net cash from financing activities	1,335,335	83,101
Net change in cash and cash equivalents	(3,640,531)	1,057,165
Cash and cash equivalents at the beginning of the period	4,741,831	1,185,721
Effects of exchange rates changes on the balance of cash held in foreign currencies	(5,095)	(29,583)
Cash and cash equivalents at the end of the period	1,096,205	2,213,303

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 16.



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**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 September 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 September 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. The liquidation of UNIPETROL TRADE a.s. finished as at 27 September 2011. It is expected that liquidation of CHEMAPOL (SCHWEIZ) AG will be completed 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 September 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 September 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 September 2011.

3. REVENUES

	30/09/2011	30/09/2010
Gross sales of finished goods and revenue from services	85,070,616	76,974,285
Less: Excise tax	(18,953,613)	(17,790,772)
Net revenues from sales of finished goods and services	66,117,003	59,183,513
Gross sales of merchandise and materials	7,269,912	4,881,032
Less: Excise tax	(286,704)	(112,222)
Net revenues from sales merchandise and materials	6,983,208	4,768,810
Total revenues	73,100,211	63,952,323

4. OPERATING SEGMENTS

Revenues and result by operating segments

Period ended 30/09/2011	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Total external revenues	40,836,483	7,347,187	24,883,884	32,657	--	73,100,211
Inter segment revenues	15,116,909	173,427	1,078,267	451,495	(16,820,098)	--
Total segment revenue	55,953,392	7,520,614	25,962,151	484,152	(16,820,098)	73,100,211
Result from operating activities	(569,365)	300,501	579,457	254,672	--	565,265
Net finance costs						(134,058)
Profit before income tax						431,207
Income tax expense						(96,360)
Profit for the period						334,847

Period ended 30/09/2010	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Total external revenues	34,331,863	6,274,421	23,256,863	89,176	--	63,952,323
Inter segment revenues	13,318,784	235,291	995,074	412,306	(14,961,455)	--
Total segment revenue	47,650,647	6,509,712	24,251,937	501,482	(14,961,455)	63,952,323
Result from operating activities	492,424	437,493	570,878	55,553	--	1,556,348
Net finance costs						(324,237)
Profit before income tax						1,232,111
Income tax expense						(227,702)
Profit for the period						1,004,409

Assets by operating segments

30/09/2011	Refinery	Retail	Petrochemical	Other	Eliminations	Consolidated
Segment assets	25,728,563	6,661,586	24,963,880	1,935,173	(1,326,322)	57,962,880
Unallocated corporate assets						1,087,302
Total assets						59,050,182

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**

	30/09/2011	30/09/2010
Cost of finished goods and services sold	(65,038,530)	(56,799,568)
Cost of merchandise and raw materials sold	(5,704,868)	(3,438,653)
Cost of sales - total	(70,743,398)	(60,238,221)

Cost by nature

	30/09/2011	30/09/2010
Materials and energy	(57,633,811)	(48,651,720)
Cost of merchandise and raw materials sold	(5,704,868)	(3,438,653)
External services	(4,603,813)	(4,604,943)
Depreciation and amortisation	(2,330,985)	(2,634,680)
Personal expenses	(1,890,413)	(1,877,942)
Repairs and maintenance	(775,366)	(874,170)
Insurance	(151,770)	(190,418)
Taxes and charges	(37,224)	(36,385)
Non-cancellable operating leasing	(36,003)	(36,865)
Research expenditures	(7,331)	(19,144)
Other	(235,830)	(398,196)
Change in inventories	110,412	(51,810)
Cost of products and services for own use	175	63
Operating expenses	(73,296,827)	(62,814,863)
Distribution expenses	1,569,182	1,456,325
Administrative expenses	872,408	833,299
Other operating expenses	111,839	287,018
Cost of finished goods, services, merchandise and raw materials sold	(70,743,398)	(60,238,221)

Other operating incomes

	30/09/2011	30/09/2010
Gain on sale of non-current non-financial assets	6,635	42,837
Reversal of provisions	145,272	27,987
Reversal of receivables impairment allowances	15,439	45,427
Reversal of impairment allowances of property, plant and equipment and intangible assets	21,540	60,625
Penalties and compensations earned	243,796	62,190
CO2 allowances grant derecognition	280,043	136,854
Other	49,156	42,968
Total	761,881	418,888

Other operating expenses

	30/09/2011	30/09/2010
Loss on sale of non-current non-financial assets	(17,557)	(21,760)
Recognition of provisions	(38,587)	(96,163)
Recognition of receivables impairment allowances	(15,608)	(84,204)
Recognition of impairment allowances of property, plant and equipment and intangible assets	(1,344)	(72,825)
Addition to provisions for consumption of CO2 allowances	(13,025)	–
Donations	(6,170)	(3,322)
Other	(19,548)	(8,744)
Total	(111,839)	(287,018)

6. IMPAIRMENT ALLOWANCES OF ASSETS

	30/09/2011	30/09/2010
Property, plant, equipment		
Recognized	(1,344)	(72,825)
Released	21,540	60,625
Receivables		
Recognized	(15,608)	(84,204)
Released	15,439	45,427
Inventories		
Recognized	(132,614)	(79,888)
Released	55,171	36,941

7. FINANCE INCOME AND FINANCE COSTS

	30/09/2011	30/09/2010
Finance income		
Interest income	56,813	60,745
Dividend income	--	7,759
Net foreign exchange gain	142,245	--
Net gain arising on derivatives	--	96,926
Other finance income	1,652	5,963
Total finance income	200,710	171,393
Finance costs		
Interest expense	(201,124)	(207,574)
Less: amounts capitalised on qualifying assets	2,652	2,313
Net foreign exchange losses	--	(216,707)
Net loss arising on derivatives	(55,552)	--
Other finance expenses	(80,743)	(73,662)
Total finance costs	(334,767)	(495,630)
Net finance costs	(134,057)	(324,237)

8. INCOME TAX

	30/09/2011	30/09/2010
Current tax	(100,657)	(125,603)
Deferred tax	4,297	(102,099)
Income tax recognised in profit and loss	(96,360)	(227,702)
Income tax recognised in other comprehensive income	(4,582)	--
Income tax - total	(100,942)	(227,702)

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

During the nine months ended 30 September 2011 the Group acquired assets with a cost of CZK 1,831,279 thousand (nine months ended 30 September 2010: CZK 870,186 thousand).

Assets with a carrying amount of CZK 29,756 thousand were disposed during nine months ended 30 September 2011 (nine months ended 30 September 2010: CZK 35,184 thousand), resulting in a net loss on disposal of CZK 8,749 thousand (nine months ended 30 September 2010: net loss of CZK 17,800 thousand), which is included in other operating expenses in the statement of comprehensive income.

10. INTANGIBLE ASSETS**Acquisitions and disposals**

During the nine months ended 30 September 2011 the Group acquired intangible assets with a cost of CZK 965,819 thousand, including CO2 allowances with a cost CZK 932,875 thousand (nine months ended 30 September 2010: CZK 829,567 thousand and CZK 720,471 thousand respectively).

During the year 2011 the Group was granted CO2 allowances in amount of CZK 1,366,108 thousand (in the year 2010: CZK 1,427,360 thousand), and till 30 September 2011 disposed CO2 allowances with a carrying amount of CZK 144,905 thousand (nine months ended 30 September 2010: CZK 496,008 thousand), resulting in a net loss on disposal of CZK 2,173 thousand (nine months ended 30 September 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 nine months ended 30 September 2011 and 30 September 2010.

11. OTHER INVESTMENTS

The Group has equity investments amounting to CZK 87,990 thousand as at 30 September 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 151,451 thousand (31 December 2010: CZK 174,952 thousand) for reconstruction of production unit. Part of this receivable in amount of CZK 77,574 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 15,279 thousand is presented under current receivables. The Group also presents non-current receivables from cash deposits to operators of fuel stations in amount of CZK 16,566 thousand and prepayments for investments in amount of CZK 23,189 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**

	30/09/2011	31/12/2010
Loans	533,123	533,435
Cash flow hedge instruments – commodity swaps	222,429	--
Cash flow hedge instruments – currency forwards	69,038	6,907
Total	824,590	540,342

Other short-term financial liabilities

	30/09/2011	31/12/2010
Liabilities from cash pooling	71,564	49
Liabilities from factoring	128,410	--
Derivative financial instruments – currency forwards	19,080	80,276
Cash flow hedge instruments – currency forwards	93,154	--
Total	312,208	80,325

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

	30/09/2011	31/12/2010
Non – current loans and borrowings		
Unsecured bonds issued	2,013,630	2,000,000
Finance lease liability	6,879	13,357
Total non – current loans and borrowings	2,020,509	2,013,357
Current loans and borrowings		
Current portion of unsecured bonds issued	254,080	102,634
Unsecured bank loans	1,243,808	86,748
Current portion of secured bank loans	--	12,017
Current portion of finance lease liability	10,033	11,055
Total current loans and borrowings	1,507,921	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 2,566,291 thousand (CZK 2,518,730 thousand at 31 December 2010).

15. LOANS AND BORROWINGS (CONTINUED)**Analyses of bank loans**

	Total
Balance as at 1 January 2011	98,765
Loans taken	6,089,402
Repayment	(4,943,611)
Interests	(91)
FX differences	(657)
Balance as at 30 September 2011	1,243,808

Finance lease liabilities

	30/09/2011	31/12/2010
Future minimum lease payments	18,111	26,284
Present value of future minimum lease payments	16,912	24,412

16. PROVISIONS

	Long – term provision		Short – term provision	
	30/09/2011	31/12/2010	30/09/2011	31/12/2010
Provisions for environmental damages and land restoration	324,000	315,995	--	--
Provisions for legal disputes	8,883	24,769	135,880	135,036
Provision on CO2 allowances	--	--	723,017	1,082,904
Employee benefits provision	28,583	30,049	--	--
Other provisions	7,026	21,976	58,138	83,751
Total	368,492	392,789	917,035	1,301,691

The Group decreased provision for shutdown of heating plant T200 included under other provisions by amount of CZK 30,963 thousand (long-term part: CZK 14,950 thousand, short-term part: CZK 16,013 thousand).

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

17. COMMITMENTS AND CONTINGENCIES**Capital Commitments**

As at 30 September 2011 the Group had capital commitments for the acquisition of property, plant and equipment in the amount of CZK 279,060 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

17. COMMITMENTS AND CONTINGENCES (CONTINUED)

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. 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 September 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 883 million as at 30 September 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:

30/09/2011	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	1	20,401	353,459	--
Current payables including loans	2,835,922	2,629	74,767	--
Non-current payables including loans	--	4	--	--
Expenses	39,527,563	52,164	1,501,983	--
Revenues	57,556	86,359	1,586,232	--
Interests income and expense	(2,285)	--	9,411	--

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 9 month period ended 30 September 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 9 month period ended 30 September 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 9 month period ended 30 September 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 9 month period ended 30 September 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.

UNIPETROL, a.s.

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

AS OF 30 SEPTEMBER 2011



UNIPETROL, a.s.

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



	30 September 2011 (unaudited)	31 December 2010 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	395,906	397,215
Intangible assets	674	1,187
Investment property	162,190	162,190
Investments in subsidiaries and joint ventures	14,354,080	14,354,116
Other investments	4,250	4,251
Loans to subsidiaries	2,396,106	2,662,294
Receivables from subsidiaries	108	168
Deferred tax asset	--	421
Total non-current assets	17,313,314	17,581,842
Current assets		
Trade and other receivables	134,165	175,655
Loans to subsidiaries	12,610,559	6,514,103
Loans to related companies	500,034	500,035
Prepaid expenses	8,483	9,251
Cash and cash equivalents	30,407	2,863,092
Total current assets	13,283,648	10,062,136
Total assets	30,596,962	27,643,978
EQUITY AND LIABILITIES		
Equity		
Share capital	18,133,476	18,133,476
Reserves	1,679,635	1,654,065
Retained earnings	5,950,943	4,971,986
Total equity	25,764,054	24,759,527
Non-current liabilities		
Loans and borrowings	2,013,630	2,000,000
Provisions	400	400
Deferred tax liability	4,253	--
Total non-current liabilities	2,018,283	2,000,400
Current liabilities		
Trade and other payables and accruals	97,503	107,175
Loans and borrowings	2,689,005	734,890
Dividends payable	28,117	30,012
Current tax liabilities	--	11,974
Total current liabilities	2,814,625	884,051
Total liabilities	4,832,908	2,884,451
Total equity and liabilities	30,596,962	27,643,978

UNIPETROL, a.s.

Non-consolidated statement of comprehensive income
prepared in accordance with International Financial Reporting Standards
For the 9 month period ended 30 September 2011
(in thousands of Czech crowns)



	30 September 2011 (unaudited)	30 September 2010 (unaudited)
Revenue	107,252	137,032
Cost of sales	(49,795)	(53,677)
Gross profit	57,457	83,355
Other income	241,550	2,728
Administrative expenses	(119,750)	(135,640)
Other expenses	(124)	(416)
Results from operating activities	179,133	(49,973)
Finance income	1,046,715	757,650
Finance costs	(198,093)	(208,571)
Net finance income	848,622	549,079
Profit before income tax	1,027,755	499,106
Income tax expense	(23,192)	(21,546)
Profit for the period	1,004,563	477,560
Other comprehensive income:		
Revaluation of financial investments	(36)	--
Other comprehensive income for the period, net of tax	(36)	--
Total comprehensive income for the period	1,004,527	477,560
Basic and diluted earnings per share (in CZK)	5.54	2.63

UNIPETROL, a.s.

Non-consolidated statement of changes in equity
prepared in accordance with International Financial Reporting Standards
For the 9 month period ended 30 September 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	--	--	--	--	477,560	477,560
Total comprehensive income for the period	--	--	--	--	477,560	477,560
Allocation of profit to reserves	--	13,093	--	--	(13,093)	--
Balance as at 30 September 2010	18,133,476	1,625,865	20,748	7,455	4,937,425	24,724,969
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	--	--	--	--	1,004,563	1,004,563
Total comprehensive income for the period	--	--	--	--	1,004,563	1,004,563
Allocation of profit to reserves	--	25,606	--	--	(25,606)	--
Revaluation of financial investments	--	--	--	(36)	--	(36)
Balance as at 30 September 2011	18,133,476	1,651,471	20,748	7,416	5,950,943	25,764,054

UNIPETROL, a.s.

Non-consolidated statement of cash flows
prepared in accordance with International Financial Reporting Standards
For the 9 month period ended 30 September 2011
(in thousands of Czech crowns)



	30 September 2011 (unaudited)	30 September 2010 (unaudited)
Cash flows from operating activities:		
Profit for the period	1,004,563	477,560
Adjustments for:		
Depreciation of property, plant and equipment and amortisation of intangible assets	2,402	3,726
Loss on disposals of property, plant and equipment	(1,068)	(1,290)
Profit on disposals of financial investments	--	(15,054)
Interest and dividends, net	(849,181)	(535,862)
Reversal of impairment losses on financial investments, property, plant and equipment, inventory and receivables	(3,029)	(40)
Foreign exchange gain	(5,561)	(6,033)
Income tax expense	23,192	21,546
Changes in:		
- trade and other receivables and other current assets	46,077	84,632
- in trade and other payables and accruals	(40,611)	(95,191)
- in provisions	--	400
Interest paid	(28,017)	(38,204)
Net cash from (used in) operating activities	148,767	(103,810)
Cash flows from investing activities:		
Dividends received	725,543	410,336
Interest received	156,897	166,228
Proceed from sale of property, plant and equipment and intangible assets	1,068	5,972
Proceed from sale of financial investments	--	16,147
Acquisition of property, plant and equipment and intangible assets	(579)	(30,878)
Acquisition of financial investments	--	(76,500)
Change in loans to subsidiaries	(5,670,572)	(84,049)
Change in loans to related companies	1	(249,821)
Net cash from (used in) investing activities	(4,787,642)	157,435
Cash flows from financing activities:		
Change in loans and borrowings	1,802,807	236,046
Dividends paid	(1,895)	(1,368)
Net cash from financing activities	1,800,912	234,678
Net change in cash and cash equivalents	(2,837,963)	288,303
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	5,278	6,064
Cash and cash equivalents at the end of the period	30,407	548,243

Signature of statutory representatives

2 November 2011

Piotr Chelminski

Mariusz Kedra

Chairman of the Board of Directors

Member of the Board of Directors