



Unipetrol

ORLEN GROUP

Annual Report 2015

UNIPETROL RPA, s.r.o.

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The Annual Report of UNIPETROL RPA, s.r.o., Company is processed in accordance with the provisions of Section 21 of Act no. 563/1991 Coll., On Accounting, as amended.

1. IDENTIFICATION DATA

Company: UNIPETROL RPA, s.r.o.

Registered office: Litvínov, Záluží 1, Postcode 436 70, Czech Republic

ID no. (IČ): 275 97 075

Share capital

11 147 964 000 CZK – registered 26 September 2007

Establishment of the Company

UNIPETROL RPA, s.r.o. has merged with CHEMOPETROL, a.s., with its registered office at Litvinov, Litvinov-Zaluzi 1, Most, Identification No.: 25003887, and UNIPETROL RAFINERIE a.s., with its registered office at Litvinov, Litvinov-Zaluzi 1, Identification No: 25025139, where UNIPETROL RPA, s.r.o. is the legal successor. On 1 January 2007, due to the merger, the assets and liabilities, including rights and commitments from labour-law relations, of CHEMOPETROL, a.s. and UNIPETROL RAFINERIE a.s. were transferred to UNIPETROL RPA, s.r.o.

This information was entered into the Commercial Register on 1 August 2007.

The sole shareholder is the joint-stock company UNIPETROL, a.s., registered office Prague 4, Na Pankráci 127, Postcode 140 00, ID: 616 72 190.

The Company is part of a consolidated group UNIPETROL, a.s. Since May 2005 the majority shareholder of UNIPETROL, a.s. is Polski Koncern Naftowy ORLEN S.A.

Principal activities

UNIPETROL RPA, s.r.o. (Unipetrol RPA) is a leading Czech producer in the field of refinery, petrochemical and agrochemical raw materials, which is also reflected in the abbreviation RPA: refinery, petrochemistry, agrochemistry. The Company supplies the market primarily with motor fuels, fuel oils, bitumen, liquefied petroleum products, oil hydrogenates, other refinery products, olefins and aromatics, agrochemicals, carbon black and sorbents and polyolefins (high-density polyethylene and polypropylene).

Statutory representatives

1.1. EXECUTIVES

Mirosław Kastelik	in office since 6 February 2013
Martin Durčák	in office since 5 June 2013
Łukasz Piotrowski	in office since 11 June 2014
Piotr Wielowieyski	in office since 30 September 2014
Marek Świtajewski	in office since 1 May 2015
Andrzej Kozłowski	in office since 1 May 2015

Changes made in the statutory bodies during 2015

Marek Świtajewski – the executive powers vested on 1 May 2015

Andrzej Kozłowski – the executive powers vested on 1 May 2015

1.2. MANAGEMENT

In the time period to which the report relates, the management of the Company was formed by its executives.

2. INFORMATION ON PAST DEVELOPMENT

2.1. REFINERY BUSINESS UNIT

The most important event of 2015 was the completion of the acquisition of Eni stake in Česká rafinářská by UNIPETROL, a.s. from 1 May 2015, which led to an increase of refining capacity from 67.555% to 100%. Therefore, the Company had to make great efforts to ensure the sale of the additional volumes.

Even without the corresponding contractual options the Company was able to sell additional volumes on the domestic market and abroad. Unfortunately, just 3.5 months after taking over the additional refining capacity the Company had to face a shutdown of the steam cracker unit and associated limitations in crude oil processing. Many new business activities were restricted and the Company had to focus all their efforts to cope with the unexpected situation. With the help of all business partners – suppliers and customers – the Company maintained the refinery in limited operation mode without major problems.

2.2. MONOMERS AND CHEMICALS BUSINESS UNIT

The principal business activity of the Company in the field of monomers and chemicals is the sale of the steam cracker unit products and ammonia. The most important products of the steam cracker unit include ethylene, propylene, C4 fractions and benzene. A major impact on the sales of the unit was caused in August by an explosion and subsequent fire at the Litvínov production plant, which resulted in the shutdown of the steam cracker unit and related polymers production. In essence, this meant a complete suspension of all sales of the products of the steam cracker units in the last four months of the year. Until then, however, sales volumes and structure of the customer portfolio completely corresponded with the situation experienced in previous years.

The domestic market remained the main market for the steam cracker unit products. Monomers, C4 fractions and benzene were processed captively either in production plants of the Company or transported through the existing pipelines to strategic customers (Spolana Butadien Kralupy, Synthos).

By-products of the ethylene unit were supplied primarily to the domestic market and the markets of the Central and Western Europe.

2.3. POLYOLEFINS BUSINESS UNIT

The first seven months of 2015 the polyolefins production – polypropylene (PP) and high density polyethylene (HDPE) ran without any major problems.

The situation changed after the August accident at the steam cracker unit and the subsequent cessation of the feedsotck production. In the period from August to December 2015 the production was significantly reduced. Only one HDPE production unit operated in limited capacity. Due to lack of ethylene it was not possible to operate the second polyethylene production unit.

The same situation also occurred in the case of polypropylene production. Due to the low availability of propylene the production unit was running at limited capacity, significantly below its nominal capacity. Additionally, due to the technological constraints a large part of the commercial portfolio was locked.

3. INFORMATION ON EXPECTED DEVELOPMENT

In June 2013, Unipetrol Group announced its strategy up to 2017, which specifies the key trends for the coming years. Under this strategy, the group wants to improve its financial results and maintain them at positive sustainable level that will allow the Company additional capital investment and developing their own resources.

Unipetrol RPA will focus on improving efficiency and operational excellence across all segments of the business. The goal, which stands for the whole strategy is to secure long-term growth of Unipetrol Group.

The main task, however, will be the repair and commissioning of the steam cracker unit after the accident in August 2015, and also the smooth running of the planned turnaround of a chemical complex Chempark Záluží in March and April 2016.

4. SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

On 21 December 2015 the General Meetings of UNIPETROL RPA, s.r.o. and BENZINA, s.r.o. approved a merger with legal succession of UNIPETROL RPA, s.r.o.. The legal effects of the merger occurred on 1 January 2016.

Marek Zouvala was appointed as the executive of the Company as of 1 January 2016.

During January 2016 scope of business registered in the Commercial register has been extended by the following activities:

- Provision of services in the field of occupational safety and health
- Machining
- Locksmithery, tool-making
- Accounting consulting, bookkeeping, tax accounting

On 30 December 2015 BENZINA, s.r.o. concluded an agreement with OMV to acquire 68 of its filling stations in the Czech Republic. Completion of the transaction is subject to the fulfilment of certain pre-conditions, among others, obtaining the necessary approval from the antitrust authorities.

In the period between 1 January 2016 to the time of preparing this report there were no further special or significant facts or conditions in the Company that could affect the expected development.

5. OTHER INFORMATION

5.1. RESEARCH AND DEVELOPMENT

Research and development of Unipetrol focuses on three key areas – plastics, petrochemicals and refineries. Research in the field of plastics was provided in 2015 by the Polymer Institute Brno (PIB) and the petrochemical and refining research by the Inorganic Chemistry Research Institute in Ústí nad Labem (VÚAnCh), which was with the effect from 1 January 2016 renamed to Unipetrol výzkumně vzdělávací centrum, a.s. (Unipetrol Research Training Centre).

In addition to these institutions, Unipetrol closely cooperated with universities, especially the University of Chemistry and Technology, Prague (ICT). The research and development results are applied as part of the technical support of production, development of individual strategies or directly, after introduction of new products into the production portfolio.

An implementation of a unique project took place, which covered opening of the University Centre ICT – Unipetrol in Chempark Záluží, which goal is to train and educate students of ICT directly in the production complex.

Refinery area

The main research activities were primarily focused on the processes associated with the production of motor fuels and processing of residual fractions. In the past year the Company worked primarily on the topic of processing of petroleum residues, with emphasis on the latest trends in the production of bituminous binders with the aim to reduce processing temperatures and thereby reduce emissions. The main achievement was the research on the current asphalt pavement construction technologies with an emphasis on a high level of recycling material from the reconstruction of roads.

With increasing demands on the quality of motor fuels, either because of legislative requirements or due to engine manufacturers who require better quality fuel for their engines by improving the fuel quality by adding the fuel additive gained in importance and has become an essential part of the fuel production. In accordance with the recommendations of individual producers additives are added to the fuel typically in small amounts and their contents must be optimized. In 2015, examination was carried out across a broad spectrum of additives for diesel fuel, which are applied in a refinery.

In connection with the obligation to reduce greenhouse gas emissions by 2020 by a total of 6% the issue of using various kinds of FAME (fatty acid methyl esters) or FAME of different origin was further processed. The experimental part was focused on the comparison of the winter classes of diesel containing as a bio-component either rapeseed oil methyl ester or methyl ester of used cooking oils.

Petrochemical area

Olefins and chemicals

Long-term plans in petrochemicals aim to improve the product portfolio and increase production efficiency.

In 2015 there were options examined in assessing light hydrocarbons derived from pyrolysis and their use for the production of blowing agents.

Further options included investigation and development of production of pure aromatic hydrocarbons – naphthalene.

Research projects were focused on theoretical issues of pyrolysis and search for other possible routes for using its by-products, then the use of raw materials from renewable sources in the petrochemical industry, but also to identify opportunities to streamline management and improve the economics of petrochemical production by using modern instrumental analytical methods.

Implementation of development projects also continued, aimed at economic and ecological use of the used catalysts and a considerable part of the work was done in the field of energy savings.

In the area of development of existing products a project focused on raising the utility value of sorption materials based on carbon black Chezacarb. New possibilities of use of carbon black from the POX production plant were investigated as a filler in special tires.

Polyolefins

The research work focused on the introduction of new catalytic systems.

The PIB development activities in the direction of the production of polyethylene (PE) focused on improving the utility properties of the produced Liten, improved processing behaviour of matrices at customers together with finding savings in production costs. To achieve the foregoing requirements the PIB development work was aimed at extending the use of the actual catalytic system under operating conditions, but also to search for other potentially suitable commercial catalysts. By their deployment it is possible to achieve improvements in properties of produced matrices as well as in the economy of production of PE.

Research in the field of production of polypropylene (PP), was aimed at studying phthalate-free catalysts and catalytic converters complying with REACH. Based on the outcomes of the research for the production of block copolymers a catalytic system that meets REACH was successfully implemented from February 2015 at the polypropylene production plant. New ways of preparing polypropylene copolymers with enhanced properties and upgrade of the existing types of polymers in order to reduce operating costs were also explored.

The area of additivation formulas for polymeric products and additivation/stabilisation of produced polymer material was investigated as well.

Polymer Institute Brno together with Unipetrol RPA worked on improving the production process of polypropylene and polyethylene to remove technological bottlenecks.

The possibility of using carbon black as filler for polymeric materials produced in Unipetrol RPA was also addressed.

Outside the research work Polymer Institute Brno also provides for Unipetrol specialized technical service through customer support.

During 2016 the research work in the area of plastics will continue on the development of new types of catalyst systems, copolymers and innovated types of polymers.

5.2. ACTIVITIES IN THE AREA OF ENVIRONMENT

Protecting the environment, creating safe and healthy working conditions for employees and their continual improvement, including pollution prevention is among the highest priorities of the Company. Basic principles of conduct in the environmental field are set out in the Policy of Responsible Care in chemistry and Integrated Management System of occupational safety and health, environmental protection and quality, which includes quality management systems, environmental protection, health and safety. To implement the policy the Company management approved targets that were met in 2015 in accordance with approved plans.

At the end of 2015 a periodic visit by the Lloyd's Register Quality Assurance certification body took place at Unipetrol RPA, which found no major discrepancies against the requirements of international standards ISO 9001, 14001 and OHSAS 18001.

Given that Unipetrol RPA cancelled its membership with the Association of Chemical Industry of the Czech Republic it lost its right to use the Responsible Care logo, although it continues meeting the conditions of the programme. In 2014 it was last and already for the eighth time when the Company met the conditions.

In 2015, Unipetrol RPA continued in implementing investment and non-investment schemes, aimed at reducing the negative impact of the production facilities on the environment. These were mainly investments to ensure the segregation of sewage, repair and reconstruction of industrial sewage and handling areas at the technological facilities, water purification sewerage system, preparation for the installation of the DENOx equipment and new continuous analyzers at the T700 heating plant as well as construction of the cleaning area for the 2016 turnaround.

A number of changes to valid integrated permits has been issued for Unipetrol RPA equipment.

In the area of environmental protection there is a continuous decline in the emissions of pollutants. The decrease of emissions relates to the implementation of investment projects, optimisation of the operation of production facilities and end use technologies, and not least the decommissioning of inefficient equipment.

5.3. LABOUR RELATIONS

In 2015 the Company has taken further steps to consolidate the structure of Unipetrol Group, which is one of the key objectives of the medium-term strategy and is a step towards simplifying organizational and administrative structure and a step towards greater efficiency. The ongoing process of increasing the efficiency of operation of the Company corresponds with the development of the employment. As of 31 December 2015 the Company was employing 1 522 employees. At the end of 2015 the average age of employees of the Company was 45.63 years and the average monthly salary reached 38 304 CZK. The Company initiated the process of generational change.

The employees education at Unipetrol RPA focused in 2015 primarily on maintaining production staff qualifications and on continuing professional development of specialists. There was a Training Centre established in January 2015 including two programmes. The Operator trainee programme, which helps preparing new employees for future positions and the Graduate programme, purpose of which is to recruit university graduates mainly with the chemistry education background.

The health care for employees of Unipetrol RPA has been provided on a long-time basis by general practitioners contracted to a health care facility. Doctors also provide supervision of the working conditions of individual workplaces to ensure these are not harmful to health, conduct preventive medical examinations, including any compulsory health examinations.

The employees of UNIPETROL RPA, s.r.o. (Ltd) could use many advantages within the context of the social policy of the Company, including for example the employer's contribution to canteen meals or provision of above standard medical care. In addition, it is possible to implement a system of optional employee benefits, through which the employees can benefit from the supplementary pension insurance, life insurance, education, sports, culture, recreation, relaxation and health, according to individual preferences. The Company did not forget their former employees and financially supported the activities of senior clubs.

5.4. SUBSIDIARIES

Name	ID (IČ)	Address	in %
UNIPETROL DOPRAVA, s.r.o. *	640 49 701	Litvínov, Litvínov-Růžodol, Descriptive no. 4, Postcode 436 70	99.80
CHEMOPETROL, a.s.	254 92 110	Litvínov, Záluží 1, Postcode 436 70	100.00
POLYMER INSTITUTE BRNO, spol. s r.o. **			
HC VERVA Litvínov, a.s.	640 48 098	Litvínov, S. K. Neumanna 1598, Postcode 436 01	70.95
UNIPETROL DEUTSCHLAND GmbH	TAX 04424705213	Langen/Hessen, Paul-Ehrlich-Str. 1B, Germany	99.90
UNIPETROL SLOVENSKO s. r. o.	35777087	Bratislava, Panónska cesta 7, Postcode 850 00	86.96
UNIPETROL RPA Hungary Kft.***	Cg. 01-09-272652	Cziráki utca 24-32. A/1. ép. 2. em. 122, H-1163 Budapest, Hungary	100.00

* On 25 June 2015 the spin-off merger related to selected assets and liabilities of UNIPETROL DOPRAVA, s.r.o. has been registered in the Commercial register. The selected assets and liabilities have been spun-off from UNIPETROL DOPRAVA, s.r.o. and have been merged to the Company.

** Company POLYMER INSTITUTE BRNO, spol. s r.o. has been dissolved as the result of a merger with the successor Company UNIPETROL RPA, s.r.o. as of 31 December 2015.

*** Company UNIPETROL RPA Hungary Kft. has been registered in the Commercial Register with the effect from 27 October 2015.

6. FINANCIAL STATEMENTS

An integral part of this report are the financial statements for 2015 in the following extent:

- Statement of profit or loss and other comprehensive income for 2015
- Statement of financial position as of 31 December 2015
- Statement of changes in equity for the period from 1 January 2015 to 31 December 2015
- Statement of cash flow for the period from 1 January 2015 to 31 December 2015
- Explanatory notes to the financial statements for the period from 1 January 2015 to 31 December 2015

7. REPORT ON RELATIONS BETWEEN THE CONTROLLING AND THE CONTROLLED PERSON, AND ON RELATIONS BETWEEN THE CONTROLLED PERSON AND OTHER PERSONS CONTROLLED BY THE SAME CONTROLLING PERSON IN 2015

An integral part of this report is the report on relations between the controlling person and the controlled person and between the controlled person and other persons controlled by the same controlling person in 2015 (Report on relations).

Signature of the Statutory representative of the Company:

Name: Mirosław Kastelik

Function: Statutory representative

Signature.....



Annexes:

1. Auditor's Report
2. Financial statements for 2015
3. Report on relations for 2015

The names of the companies (e.g. UNIPETROL, a.s., UNIPETROL RPA, s.r.o., etc.) are in this report mentioned also in simplified form (e.g. Unipetrol, Unipetrol RPA, etc.).



UNIPETROL RPA, s.r.o.

SEPARATE FINANCIAL STATEMENTS

Translation from the Czech original

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

FOR THE YEAR

2015

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTE	2015	2014 (restated)
Statement of profit or loss			
Revenues	8	102 227 194	115 493 964
Cost of sales	9	(91 706 615)	(111 301 678)
Gross profit on sales		10 520 579	4 192 286
Distribution expenses	9.2	(2 877 097)	(2 332 352)
Administrative expenses	9.2	(255 398)	(305 002)
Other operating income	10.1	59 138	242 444
Other operating expenses	10.2	(833 864)	(124 082)
Profit from operations		6 613 358	1 673 294
Finance income	11.1	1 477 844	1 532 223
Finance costs	11.2	(1 349 818)	(1 393 839)
Net finance income/(costs)		128 026	138 384
Profit before tax		6 741 384	1 811 678
Tax expense	12	(1 328 090)	36 255
Net profit		5 413 294	1 847 933
Other comprehensive income			
items which will not be reclassified into profit or loss			
Actuarial gains and losses		408	(5 434)
Deferred tax		503	(6 709)
		(96)	1 275
items which will be reclassified into profit or loss under certain conditions			
Hedging instruments		7 419	728 057
Deferred tax		9 159	898 835
		(1 740)	(170 778)
		7 827	722 623
Total net comprehensive income		5 421 121	2 570 556

The separate financial statements are to be read in conjunction with the notes forming part of the financial statements set out on pages 8 to 49.

STATEMENT OF FINANCIAL POSITION

	NOTE	31/12/2015	31/12/2014
ASSETS			
Non-current assets			
Property, plant and equipment	13	12 913 892	12 509 149
Investment property	14	153 787	99 032
Intangible assets	15	1 095 701	1 455 767
Shares in related parties	16	1 073 655	1 178 023
Other non-current assets	17	308	18 488
		15 237 343	15 260 459
Current assets			
Inventories	18	8 500 598	8 535 640
Trade and other receivables	19	10 312 438	10 932 139
Other financial assets	20	4 215 656	2 034 532
Current tax receivables	12	26	11 725
Cash and cash equivalents	21	61 581	65 244
		23 090 299	21 579 280
Total assets		38 327 642	36 839 739
EQUITY AND LIABILITIES			
EQUITY			
Share capital	22.1	11 147 964	11 147 964
Statutory reserves	22.2	-	565 646
Hedging reserve	22.3	545 186	537 767
Retained earnings	22.4	3 033 059	(3 328 026)
Total equity		14 726 209	8 923 351
LIABILITIES			
Non-current liabilities			
Loans and borrowings	23	766 866	734 885
Provisions	24	433 298	430 179
Deferred tax liabilities	12	924 774	119 578
Other non-current liabilities	25	871	17 933
		2 125 809	1 302 575
Current liabilities			
Trade and other liabilities	26	13 923 299	11 385 297
Loans and borrowings	23	134	12 000 674
Provisions	24	610 988	602 353
Current tax liabilities	12	555 849	-
Other financial liabilities	27	6 385 354	2 625 489
		21 475 624	26 613 813
Total liabilities		23 601 433	27 916 388
Total equity and liabilities		38 327 642	36 839 739

STATEMENT OF CHANGES IN EQUITY

	Share capital	Statutory reserves	Hedging reserve	Retained earnings	Total equity
01/01/2015	11 147 964	565 646	537 767	(3 328 026)	8 923 351
Net profit	-	-	-	5 413 294	5 413 294
Items of other comprehensive income	-	-	7 419	408	7 827
Total net comprehensive income	-	-	7 419	5 413 702	5 421 121
Transfer of statutory reserves to retained earnings	-	(565 646)	-	565 646	-
Spin - off merger with UNIPETROL DOPRAVA, s.r.o.	-	-	-	365 032	365 032
Merger with POLYMER INSTITUTE BRNO, spol. s r.o.	-	-	-	16 705	16 705
31/12/2015	11 147 964	-	545 186	3 033 059	14 726 209
01/01/2014	11 147 964	565 646	(190 290)	(5 170 525)	6 352 795
Net profit	-	-	-	1 847 933	1 847 933
Items of other comprehensive income	-	-	728 057	(5 434)	722 623
Total net comprehensive income	-	-	728 057	1 842 499	2 570 556
31/12/2014	11 147 964	565 646	537 767	(3 328 026)	8 923 351

The separate financial statements are to be read in conjunction with the notes forming part of the financial statements set out on pages 8 to 49.

STATEMENT OF CASH FLOWS

	NOTE	2015	2014
Cash flows - operating activities			
Net profit		5 413 294	1 847 933
Adjustments for:			
Depreciation and amortisation	13,15	1 469 008	1 535 889
Foreign exchange (gain)/loss		215	23 836
Interest and dividends, net		(151 342)	(150 262)
(Profit)/Loss on investing activities		367 288	(596 523)
Change in provisions		601 160	631 910
Tax expense	12	1 328 090	(36 255)
Other adjustments (other financial instruments, movements in deferred income)		(603)	(1 497 502)
Change in working capital		3 548 225	(3 075 619)
<i>inventories</i>		81 608	407 942
<i>receivables</i>		1 691 424	(617 266)
<i>liabilities</i>		1 775 193	(2 866 295)
Net cash provided by/(used in) operating activities		12 575 335	(1 316 593)
Cash flows - investing activities			
Acquisition of property, plant and equipment and intangible assets		(2 352 058)	(1 354 528)
Disposal of property, plant and equipment and intangible assets		2 899	333
Purchases of financial assets		(327)	(200 000)
Settlement of financial derivatives		285 826	532 730
Dividends received		224 632	304 723
Outflows from cash pool granted		(2 704 022)	(298 636)
Other		1	(1)
Net cash used in investing activities		(4 543 049)	(1 015 379)
Cash flows - financing activities			
Proceeds from loans and borrowings		-	6 226 776
Repayments of loans and borrowings		(12 000 000)	(3 975 865)
Interest paid		(64 575)	(157 102)
Change in cash pool liabilities		4 043 428	224 117
Other		(15 234)	(5 322)
Net cash provided by/(used in) financing activities		(8 036 381)	2 312 604
Net decrease in cash and cash equivalents		(4 095)	(19 368)
Effect of exchange rate changes		432	218
Cash and cash equivalents, beginning of the year		65 244	84 394
Cash and cash equivalents, end of the year	21	61 581	65 244

The separate financial statements are to be read in conjunction with the notes forming part of the financial statements set out on pages 8 to 49.

ACCOUNTING PRINCIPLES AND OTHER EXPLANATORY NOTES

1. DESCRIPTION OF THE COMPANY

Establishment of the company

UNIPETROL RPA, s.r.o. (also the "Company") is a Czech limited liability company that was incorporated on 21 September 2006.

Identification number

275 97 075

Registered office of the company

UNIPETROL RPA, s.r.o.
Záluží 1
436 70 Litvínov
Czech Republic

The Company's share capital amounts to CZK 11 147 964 thousand.

UNIPETROL RPA, s.r.o. has merged with CHEMOPETROL, a.s., with its registered office at Litvínov, Litvínov-Záluží 1, Most, Identification No.: 25003887, and UNIPETROL RAFINERIE a.s., with its registered office at Litvínov, Litvínov-Záluží 1, Identification No: 25025139, where UNIPETROL RPA, s.r.o. is the legal successor. On 1 January 2007, due to the merger, the assets and liabilities, including rights and commitments from labour-law relations, of CHEMOPETROL, a.s. and UNIPETROL RAFINERIE a.s. were transferred to UNIPETROL RPA, s.r.o.

Registered on: 1 August 2007.

The information relates to changes in the Company structure done in 2015 is presented in the note 5.

Principal activities

The main scope of business activities pursued by the Company is the sale of product from crude oil, which is processed by CESKA RAFINERSKA, a.s. to oil products for a processing fee, as well as the production, processing and sale of chemicals, the production and final processing of plastics, and the production, processing, distribution and sale of energy, particularly heat, electricity and gas.

Ownership structure

The sole shareholder of the Company is UNIPETROL, a.s., with its registered office at Praha 4, Na Pankráci 127.

Statutory representatives of the Company

Statutory representatives of the Company as at 31 December 2015 were as follows:

Position	Name
Statutory representative	Marek Świtajewski
Statutory representative	Miroslaw Kastelik
Statutory representative	Martin Durčák
Statutory representative	Łukasz Piotrowski
Statutory representative	Piotr Wielowieyski
Statutory representative	Andrzej Kozłowski

Each statutory representative acts independently on behalf of the Company.

Changes in statutory representatives in 2015 were as follows:

Position	Name	Change	Date of change
Statutory representative	Marek Świtajewski	Elected to the office	1 May 2015
Statutory representative	Andrzej Kozłowski	Elected to the office	1 May 2015

Group identification and consolidation

The Company is part of the consolidation group of UNIPETROL, a.s. ("the Group"). Pursuant to section 62(2) of Decree No. 500/2002 Coll., the financial statements of the Company and of all entities consolidated by the Company have been included in the consolidated financial statements of UNIPETROL, a.s. with its registered office at Prague 4, Na Pankráci 127, 140 00, ID No. 616 72 190. The consolidated financial statements of UNIPETROL, a.s. prepared in accordance with International Financial Reporting Standards as adopted by the European Union are published pursuant to section 62(3c) of Decree No. 500/2002 Coll. and section 21a of Act No. 563/1991 Coll., on Accounting.

2. STATEMENT OF STATUTORY REPRESENTATIVES

The statutory representatives of UNIPETROL RPA, s.r.o. hereby declare that to the best of their knowledge the foregoing financial statements and comparative data were prepared in compliance with the accounting principles applicable to the Company in force (disclosed in note 3) and that they reflect true and fair view on financial position and financial result of the Company, including basic risks and exposures.

3. ACCOUNTING PRINCIPLES

3.1 Principles of preparation of financial statements

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations approved by the International Accounting Standards Board (IASB) which were adopted by the European Union (EU) and were in force as at 31 December 2015. Financial statements have been prepared based on historical cost, except for: derivatives, financial instruments at fair value through profit and loss, financial assets available for sale, and investment properties stated at fair value.

The separate financial statements are compliant with all requirements of IFRSs adopted by the EU and present a true and fair view of the Company's financial position as at 31 December 2015, results of its operations and cash flows for the year ended 31 December 2015.

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

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

3.2 Impact of IFRS amendments and interpretations on separate financial statements of the Company

3.2.1 Binding amendments and interpretations to IFRSs

The amendments to standards and IFRS interpretations, in force from 1 January 2015 until the date of publication of these separate financial statements had no impact on the foregoing separate financial statements.

3.2.2 IFRSs, amendments and interpretations to IFRSs endorsed by the European Union, not yet effective

Standards and Interpretations adopted by the EU	Possible impact on financial statements
Amendments to IAS 19 Employee Benefits entitled Defined Benefit Plans: Employee Contributions	no impact expected
Improvements to IFRS 2010-2012; 2012-2014	no impact expected
Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations	no impact expected
Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture: Agriculture: Bearer Plants	no impact expected
Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation	no impact expected
Amendments to IAS 27 Separate Financial Statements: Equity Method in Separate Financial Statements	no impact expected
Amendments to IAS 1 Presentation of Financial Statements: Disclosure initiative	no impact expected

3.2.3 Standards, amendments and interpretations adopted by International Accounting Standards Board (IASB), waiting for approval of the European Union

Standards and Interpretations waiting for approval of the EU	Possible impact on financial statements
New standard IFRS 9 Financial Instruments	impact*
New standard IFRS 14 Regulatory Deferral Accounts	no impact expected
New standard IFRS 15 Revenue from Contracts with Customers	impact**
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates: Sale or Contribution of Assets between an Investor and its Associate of Joint Venture	no impact expected
Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interest in Other Entities and IAS 28 Investments in Associates and Joint Ventures: Investment Entities: Applying the Consolidation Exception	no impact expected
IFRS 16 – Leasing	impact***
Amendments to IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses	no impact expected
Amendments to IAS 7 – Statement of Cash Flows – Disclosure initiative	no impact expected

*At the time of the implementation of the new IFRS 9, allocation of the appropriate financial assets to the new categories of financial instruments will be made.

**At the time of the implementation, i.e. on 1 January 2017, the impact of the new IFRS 15 will depend on the specific facts and conditions of the contracts with customers, in which the Company will be a party.

***At the time of implementation, the impact of the new IFRS 16 will depend on the specific facts and circumstances relating to the lease contracts, which the Entity/Group will be a party.

3.3 Functional currency and presentation currency

These separate financial statements are presented in Czech crowns (CZK), which is the Company's functional and presentation currency. All financial information presented in CZK has been rounded to the nearest thousand.

3.4 Applied accounting policies

3.4.1 Change in accounting policies, estimates and prior period errors

An entity shall change an accounting policy only if the change:

- is required by an IFRS, or
- results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the financial position, financial performance or cash flows.

In case of change in accounting policy it is assumed that the new policy had always been applied. The amount of the resulting adjustment is made to the equity. For comparability, the entity shall adjust the financial statements (comparative information) for the earliest prior period presented as if the new accounting policy had always been applied, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change.

Items of financial statements based on an estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience.

The correction of a material prior period error is made to the equity. When preparing the financial statements it is assumed that the errors were corrected in the period when they occurred.

3.4.2 Transactions in foreign currency

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items including units of currency held by the Company as well as receivables and liabilities due in defined or definable units of currency are translated using the closing rate, i.e. spot exchange rate as at the end of the reporting period,
- non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition as finance income or expense in the period in which they arise, except for monetary items which hedge the currency risk are accounted in accordance with cash flow hedge accounting principles.

3.4.3 Revenues

Revenues from sales (from operating activity) comprise revenues that relate to core activity, i.e. activity for which the Company was founded, revenues are recurring and are not of incidental character.

Revenues from sales are recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the sale transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenues from sale of goods and services are recognized when the Company has transferred to the buyer the significant risks and rewards of ownership and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenues include received or due payments for delivered goods and services decreased by the amount of any trade discounts, value added tax (VAT), excise tax and fuel charges.

Revenues are measured at fair value of the received or due payments. Revenues from sale are adjusted for profit or loss from settlement of cash flows hedging instrument related to above mentioned revenues.

Revenues and expenses relating to services for which the start and end dates fall within different reporting periods are recognized based on the percentage of completion method, if the outcome of a transaction can be measured reliably, i.e. when total contract revenue can be measured reliably, it is probable that the economic benefits associated with the contract will flow to the Company and the stage of completion can be measured reliably. If those conditions are not met, revenues are recognized up to the cost incurred, but not greater than the cost which are expected to be recovered by the Company.

3.4.4 Costs

Costs (relating to operating activity) comprise costs that relate to core activity, i.e. activity for which the Company was founded, costs are recurring and are not of incidental character.

Cost of sales comprises costs of finished goods, merchandise and raw materials sold and adjustments related to inventories written down to net realizable value.

Distribution expenses include selling brokerage expenses, trading expenses, advertising and promotion expenses as well as distribution expenses.

Administrative expenses include expenses relating to management and administration of the Company as a whole.

3.4.5 Other operating income and expenses

Other operating income in particular includes income from liquidation and sale of non-financial non-current assets, surplus of assets, return of court fees, penalties earned, surplus of grants received to revenues over the value of costs, assets received free of charge, reversal of receivable impairment allowances and some provisions, compensations earned and revaluation gains, gain on sale of investment property.

Other operating expenses include in particular loss on liquidation and sale of non-financial non-current assets, shortages of assets, court fees, contractual penalties and fines, penalties for non-compliance with environmental protection regulations, cash and tangible assets transferred free of charge, impairment allowances (except those that are recognized as financial costs and cost of sales), compensations paid, write-off of construction in progress which have not produced the desired economic effect, cost of recovery of receivables and revaluation losses, loss on sale of investment property.

3.4.6 Finance income and costs

Finance income includes, in particular, income from the sale of shares and other securities, dividends received, interest earned on cash in bank accounts, term deposits and loans granted, increase in the value of financial assets and net foreign exchange gains.

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established. Finance costs include, in particular, loss on sale of shares and securities and costs associated with such sale, impairment losses relating to financial assets such as shares, securities and interest, net foreign exchange losses, interest on own bonds and other securities issued, interest on finance lease, commissions on bank loans, borrowings, guarantees.

3.4.7 Tax expense

Income tax expenses comprise of current tax and deferred tax.

Current tax is determined in accordance with the relevant tax law based on the taxable profit for a given period and is recognized as liability, in the amount which has not been paid or receivable, if the amount of the current and prior periods income tax paid exceeds the amount due.

Deferred tax assets and liabilities are accounted for as non-current and are not discounted as well as are offset in the statement of financial position, if there is legally enforceable right to set off the recognized amounts.

The transactions settled directly in equity are recognized in equity.

3.4.8 Property, plant and equipment

Property, plant and equipment are assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period (one year or the operating cycle, if longer than one year).

Property, plant and equipment include both fixed assets (assets that are in the condition necessary for them to be capable of operating in the manner intended by management) as well as construction in progress (assets that are in the course of construction or development necessary for them to be capable of operating in the manner intended by management).

Property, plant and equipment are initially stated at cost, including grants related to assets (IAS20). The cost of an item of property, plant and equipment comprises its purchase price, including any costs directly attributable to bringing the asset into use.

The cost of an item of property, plant and equipment includes also estimated costs of dismantling and removing the item and restoring the site/land on which it is located, the obligation for which is connected with acquisition or construction of an item of property, plant and equipment and capitalized borrowing costs.

Property, plant and equipment are stated in the statement of financial position prepared at the end of the reporting period at the carrying amount, including grants related to assets. The carrying amount is the amount at which an asset is initially recognised (cost) after deducting any accumulated depreciation and accumulated impairment losses.

Depreciation of an item of property, plant and equipment begins when it is available for use that is from the month it is in the location and condition necessary for it to be capable of operating in the manner intended by the management, over the period reflecting their estimated useful life, considering the residual value.

Components of property, plant and equipment which are material for the whole item are depreciated separately in accordance with their useful life.

The following standard useful lives are used for property, plant and equipment:

Buildings and constructions	10-40 years
Machinery and equipment	4-35 years
Vehicles and other	2-20 years

The residual value, estimated useful life and depreciation methods are reassessed annually, the adjustments to depreciation expenses are accounted for in next period (prospectively).

The costs of significant repairs and regular maintenance programs are recognized as property, plant and equipment and depreciated in accordance with their useful lives. The costs of current maintenance of property, plant and equipment are recognized as an expense when is incurred.

Property, plant and equipment are tested for impairment, when there are indicators or events that may imply that the carrying amount of those assets may not be recoverable.

3.4.9 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment property shall be recognized as an asset when, and only when:

- it is probable that the future economic benefits that are associated with the investment property will flow to the Company, and
- the cost of the investment property can be measured reliably.

An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. For internally constructed investment property the cost is set at the date of construction completion when the asset is brought into use, in accordance with rules set for property, plant and equipment.

After initial recognition investment property shall be measured at fair value. Gains and losses resulting from changes in fair value of investment property are presented in the statement of profit or loss and other comprehensive income in the period which they arise. The Company determines fair value without any deduction for transaction costs it may incur on sale or other disposal.

If the Company determines that the fair value of an investment property is not reliably determinable on a continuing basis, the Company shall measure that investment property at cost in accordance with rules set for property, plant and equipment.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected.

3.4.10 Intangible assets

Intangible assets include identifiable non-monetary assets without physical substance. An asset is identifiable if it is either separable, i.e. is capable of being separated or divided from the Company and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the Company intends to do so, or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Company or from other rights and obligations.

Intangible assets are recognized if it is probable that the expected future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

An intangible asset arising from development (or from development phase of an internal project) shall be recognised if, and only if, the Company can demonstrate all of the following: the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete the intangible asset and use or sell it, its ability to use or sell the intangible asset, how the intangible asset will generate probable future economic benefits, among other things, the Company can demonstrate the existence of a market for the output of the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset, the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, its ability to measure reliably the expenditure attributable to the intangible asset during its development.

If the definition criteria of an intangible asset are not met, the cost incurred to acquire or self develop an asset are recognised in profit or loss when incurred. An intangible asset that is acquired in a business combination, the cost of that intangible asset is its fair value at the acquisition date.

An intangible asset shall be measured initially at cost, including grants related to assets (IAS20). An intangible asset that is acquired in a business combination, is recognised initially at fair value.

After initial recognition, an intangible asset shall be presented in the financial statements in its net carrying amount, including grants related to assets.

Intangible assets are measured at acquisition or at construction cost less amortization and impairment allowances. Intangible assets with a finite useful life are amortized when it is available for use that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management over their estimated useful life. The depreciable amount of an asset with a finite useful life is determined after deducting its residual value. Excluding particular cases, the residual value of an intangible asset with a finite useful life shall be assumed to be zero.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, e.g. interest, commissions, are part of the initial cost.

The following standard useful lives are used for intangible assets:

Acquired licenses, patents, and similar intangible assets	2-15 years
Acquired computer software	2-10 years

Appropriateness of the applied amortization periods and rates is periodically reviewed, at least at the end of the reporting year, and potential adjustments to amortization allowances are made in the subsequent periods. Intangible assets with an indefinite useful life are not amortized. Their value is decreased by the eventual impairment allowances. Additionally, the useful life of an intangible asset that is not being amortized shall be reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

3.4.10.1 Carbon dioxide emission allowances

By the virtue of The Kyoto Protocol, the countries, which decided to ratify the Protocol, obliged themselves to reduce emissions of greenhouse gases, i.e. carbon dioxide (CO₂).

In the European Union countries, the plants and companies, which reach productivity exceeding 20 MW and some other industrial plants were obliged to participate in emissions trading system. All mentioned entities are allowed to emit CO₂ or they are partially granted free of charge in a specified quantity under the derogations provided in article 10a and 10c of the EU Directive 2009/29/EC and are obliged to redeem them in a number corresponding to the size of emission realized in a given year.

CO₂ emission rights are initially recognised as intangible assets, which are not amortised (assuming the high residual value), but tested for impairment.

Granted emission allowances should be presented as separate items as intangible assets in correspondence with deferred income at fair value as at the date of registration (grant in scope of IAS 20). Purchased allowances should be presented as intangible assets at purchase price.

For the estimated CO₂ emission during the reporting period, a provision should be created (taxes and charges).

Grants should be recognised on a systematic basis to ensure proportionality with the related costs which the grants are intended to compensate.

Outgoing of allowances is recognised using FIFO method (First In, First Out) within the individual types of rights (EUA - European Union Allowances, ERU – Emission Reductions Units, CER – Certified Emission Reduction).

3.4.11 Impairment of property, plant and equipment and intangible assets

At the end of the reporting period the Company assesses whether there are any indicators that an asset or cash generating unit (CGU) may be impaired. If any such indicator exists, the entity shall estimate the recoverable amount of the asset (CGU).

The recoverable amount of other assets is the higher of the fair value less costs to sell and value in use.

Fair value less costs to sell is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, less costs to sell.

Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Assets that do not generate the independent cash flows are grouped on the lowest level on which cash flows, independent from cash flows from other assets, are generated (cash generating units).

To the cash generating unit following assets are allocated:

- goodwill, if it may be assumed, that the cash generating unit benefited from the synergies associated to a business combination with another entity,
- corporate assets, if they may be allocated on a reasonable and coherent basis.

If there are external or internal indicators that the carrying amount of an asset as at the end of the reporting period may not be recoverable, the impairment tests are carried out. The tests are carried out also annually for intangible assets with the indefinite useful life and for goodwill.

When carrying amount of an asset or a cash generating unit exceeds its recoverable amount, the carrying amount is decreased to the recoverable amount by an adequate impairment allowance charged against cost in profit or loss. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

The impairment loss shall be allocated to the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit; and
- then, to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

At the end of each reporting period an assessment shall be made whether an impairment loss recognized in prior periods for an asset shall be partly or completely reversed. Indications of a potential decrease in an impairment loss mainly mirror the indications of a potential impairment loss in prior periods.

A reversal of an impairment loss for an asset other than goodwill shall be recognised immediately in profit or loss, unless the asset is carried at revalued amount in accordance with another standard.

3.4.12 Inventories

Inventories are assets held for sale in the ordinary course of business, or in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories comprise products, semi-finished products and work in progress, merchandise and materials.

Finished goods, semi-finished products and work in progress are measured initially at production cost. Production costs include costs of materials and costs of conversion for the production period. Costs of production include also a systematic allocation of fixed and variable production overheads estimated for normal production level.

Finished goods, semi-finished products and work in progress shall be measured at the end of the reporting period at the lower of cost and net realisable value, after deducting any impairment losses.

Outgoings of finished goods, semi-finished products and work in progress is determined based on the weighted average cost formula, the cost of each item is determined from the weighted average of the cost of similar items produced during the reporting period.

Merchandise and materials are measured initially at acquisition cost.

As at the end of the reporting period merchandise and raw materials are measured at the lower of cost and net realizable value, considering any impairment allowances. Outgoings of merchandise and raw materials is determined based on the weighted average acquisition cost or production cost formula. Impairment tests for specific items of inventories are carried out on a current basis during an annual reporting period. Write-down to net realizable value concerns raw materials and merchandise that are damaged or obsolete.

3.4.12 Inventories (continued)

Raw materials held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value.

Expenses and revenues connected with inventories write-offs or establishment and release of allowances are included in cost of sales.

3.4.13 Trade and other receivables

Trade and other receivables are recognized initially at the fair value increased by transaction costs and subsequently at amortized cost using the effective interest method less impairment allowances.

Impairment allowances of receivables are based on the individual analysis on the value of held collaterals, and based on the possible compensations of debts, allowances.

Recognition and reversal of impairment losses on receivables are recognized in other operating activity in relation to principal amount and in financial activities in relation to interest for delay payments.

3.4.14 Cash and cash equivalents

Cash comprises cash on hand and in a bank accounts. Cash equivalents are short-term highly liquid investments (of original maturity up to three months) that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3.4.15 Non-current assets held for sale and discontinued operation

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale.

Non-current assets are classified as held for sale when the following criteria are simultaneously met:

- the sales were declared by the appropriate level of management;
- the assets are available for an immediate sale in their present condition;
- an active program to locate a buyer has been initiated;
- the sale transaction is highly probable and can be settled within 12 months following the sale decision;
- the selling price is reasonable in relation to its current fair value;
- it is unlikely that significant changes to the sales plan of these assets will be introduced.

The classification of asset into this category is made in the reporting period when the classification criteria are met. If the criteria for classification of a non-current asset as held for sale are met after the reporting period, an entity shall not classify a non-current asset as held for sale in those financial statements when issued.

Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets (excluding financial assets) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, investment property, which continue to be measured in accordance with the Company's accounting policies. While a non-current asset is classified as held for sale it shall not be depreciated (or amortised). A gain is recognised for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss that has been previously recognised.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

The Company shall re-present the disclosures presented with refer to discontinued operation for prior periods presented in the separate financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

If the Company ceases to classify a discontinued operation, the results of operations previously presented in discontinued operations shall be reclassified and included in the results from continuing operations for all periods presented. The amounts for prior periods shall be described as having been re-presented.

3.4.16 Equity

Equity is recorded in accounting books by type, in accordance with legal regulations and the Company's articles of association. Equity comprises:

3.4.16.1 Share capital

The share capital is paid by shareholders and is stated at nominal value in accordance with the Company's articles of association and the entry in the Commercial Register.

3.4.16.2 Statutory reserve

The Company can establish a reserve fund for possible future losses.

3.4.16.3 Hedging reserve

Hedging reserve relates to valuation and settlement of hedging instruments that meet the criteria of cash flow hedge accounting. The Company applies cash flow hedge accounting to hedge commodity risk, exchange rate risk and interest rate risk. Changes in fair value, which are an ineffective part of the hedge relationship, are recognized in the statement of profit or loss.

3.4.16.4 Revaluation reserve

Revaluation reserve comprises revaluation of items, which, according to the Company's regulations, relates to the revaluation reserve, including particularly:

- change of the fair value of the available-for-sale financial assets;
- differences between the net book value and the fair value of the investment property at the date of reclassification from the property occupied by the Company to the investment property.

3.4.16.5 Retained earnings

Retained earnings include:

- the amounts arising from profit distribution/loss cover,
- the undistributed result for prior periods,
- the current reporting period profit/loss,
- the effects (profit/loss) of prior period errors,
- changes in accounting principles,
- other reserve capital as additional payments to equity,
- the actuarial gains and losses from retirement benefits.

3.4.17 Trade and other liabilities

Liabilities, including trade liabilities, are initially stated at fair value, increased by transaction cost and subsequently, at amortized cost using the effective interest rate method.

Accruals are liabilities due for goods or services received/provided, but not paid, invoiced or formally agreed with the seller, together with amounts due to employees.

Although it is sometimes necessary to estimate the amount or timing of accruals, the uncertainty is generally much lower than it is for provisions.

3.4.18 Provisions

A provision is a liability of uncertain timing or amount. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured reliably. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Provisions are not recognised for the future operating losses.

3.4.18.1 Environmental provision

The Company creates provisions for future liabilities due to reclamation of contaminated land or water or elimination of harmful substances if there is such a legal or constructive obligation. Environmental provision for reclamation is periodically reviewed on the basis of contaminated assessment.

3.4.18.2 Jubilee bonuses and retirement benefits

Under the Company's remuneration plans, its employees are entitled to jubilee bonuses and retirement benefits. The jubilee bonuses are paid to employees after elapse of a defined number of years in service. The retirement benefits are paid once at retirement. The amount of retirement benefits and jubilee bonuses depends on the number of years of service and an employee's average remuneration.

The jubilee bonuses are other long-term employee benefits, whereas retirement and pension benefits are classified as retirement defined benefit plans.

The provision for jubilee bonuses, retirement and pension benefits is created in order to allocate costs to relevant periods.

The present value of those liabilities is estimated at the end of each reporting period by an independent actuary and adjusted if there are any material indications impacting the value of the liabilities. The accumulated liabilities equal discounted future payments, considering the demographic and financial assumption including employee rotation, planned increase of remuneration and relate to the period ended at the last day of the reporting year. Actuarial gains and losses from:

- post employment benefits are recognized in components of other comprehensive income,
- other employment benefits, including jubilee bonuses, are recognized in the statement of profit and loss.

3.4.18.3 Shield programs

Shield programs provision (restructuring provision) is created when the Company started to implement the restructuring plan or announced the main features of the restructuring plan to those affected by it in a sufficiently specific manner to raise a valid expectation in them that the restructuring will be carried out. A restructuring provision shall include only the direct expenditures arising from the restructuring, i.e. connected with the termination of employment (paid leave payments and compensations), termination of lease contracts, dismantling of assets.

3.4.18.4 CO₂ emissions costs

The Company creates provision for the estimated CO₂ emission during the reporting period in operating activity costs (taxes and charges).

3.4.18.5 Other provisions

Other provisions include mainly provisions for legal proceedings and are recognized after consideration of all available information, including opinions of independent experts. If on the basis of such information it is more likely than not that a present obligation exists at the end of the reporting period, the Company recognises a provision (if the recognition criteria are met).

If it is more likely that no present obligation exists at the end of the reporting period, the Company discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.

3.4.19 Government grants

Government grants are transfers of resources to the Company by government, government agencies and similar bodies whether local, national or international in return for past or future compliance with certain conditions relating to the activities of the entity.

Government grants are recognized in the statement of financial position as deferred income when there is reasonable assurance that it will be received and that the Company will comply with the conditions attached to it.

Grants related to costs are presented as compensation to the given cost at the period they are incurred. The surplus of the received grant over the value of the given cost is presented as other operating income.

If the government grants relates to assets, it is presented net with the related asset and is recognized in statement of profit or loss on a systematic basis over the useful life of the asset through the decreased depreciation charges, the treatment regarding Carbon dioxide emission allowances granted is described in note 3.4.14.1.

3.4.20 Separate statement of cash flows

The separate statement of cash flows is prepared using indirect method.

Cash and cash equivalents presented in the separate statement of cash flows include cash and cash equivalents less bank overdrafts, if they form an integral part of the Company's cash management.

Dividends received are presented in cash flows from investing activities.

Dividends paid are presented in cash flows from financing activities.

Interest received from finance leases, loans granted, short-term securities and cash pooling system are presented in cash flows from investing activities. Other interests received are presented in cash flows from operating activities.

Interest paid and provisions on bank loans and borrowings received, cash pool facility, debt securities issued and finance leases are presented in cash flows from financing activities. Other interests paid are presented in cash flows from operating activities.

3.4.21 Financial instruments

3.4.21.1 Measurement of financial assets and liabilities

At initial recognition, the Company measures financial assets and liabilities at its fair value plus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of the reporting period the Company measures loans and receivables including trade receivables at amortized cost using effective interest rate method. Effective interest is the rate which discounts estimated future cash flows or payments made in expected periods until financial instrument expiration, and in justified situations in shorter period, up to net book value of financial asset or liability.

At the end of the reporting period the Company measures its financial liabilities at amortized cost using the effective interest rate method.

3.4.21.2 Transfers

In the Company there were no particular circumstances for the reclassification of the financial instruments measured at fair value through profit or loss.

3.4.21.3 Hedge accounting

Derivatives designated as hedging instruments whose cash flows are expected to offset changes cash flows of a hedged item are accounted for in accordance with cash flow hedge accounting, if all of the following conditions are met:

- at the inception of the hedge there is formal designation and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge,
- the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, consistently with the originally documented risk management strategy for that particular hedging relationship,
- for cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately impact profit or loss,
- the effectiveness of the hedge can be reliably measured,
- the hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

The Company does not apply hedge accounting in case when embedded derivative instrument is separated from the host contract.

The Company assesses effectiveness at the inception of the hedge and later, at minimum, at each reporting date. The Company assesses hedge as effective, for external reporting purposes only if the actual results of the hedge are within a range of 80% - 125%. The Company uses statistical methods, in particular regression analysis, to assess effectiveness of the hedge. The Company uses simplified analytical methods, when a hedged item and a hedging instrument are of the same nature i.e. maturity dates, amounts, changes affecting fair value risk or cash flow changes.

Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could impact profit or loss. A forecast transaction is an uncommitted but anticipated future transaction.

If a cash flow hedge is used, it is accounted for as follows:

- the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income, and
- the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income are reclassified to profit or loss in the same period or periods during which the asset acquired or liability assumed affect profit or loss. However, if the Company expects that all or a portion of a loss recognised in other comprehensive income will not be recovered in one or more future periods, it reclassifies to profit or loss the amount that is not expected to be recovered.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Company removes the associated gains and losses that were recognised in the other comprehensive income and includes them in the initial cost or other carrying amount of the asset or liability.

If a hedge of a forecast transaction results in recognition of revenues from sales of finished goods, merchandise, materials and services the Company removes the associated gains and losses that were recognised in the other comprehensive income and adjusts these revenues.

The Company discontinues cash flow hedge accounting if:

- the hedging instrument expires, is sold, terminated or exercised - in this case, the cumulative gain or loss on the hedging instrument recognised in other comprehensive income remain separately recognised in equity until the forecast transaction occurs,
- the hedge no longer meets the criteria for hedge accounting - in this case, the cumulative gain or loss on the hedging instrument recognised in other comprehensive income remain separately recognised in equity until the forecast transaction occurs,
- the forecast transaction is no longer expected to occur, in which case any related cumulative gain or loss on the hedging instrument recognised in other comprehensive income are recognised in profit or loss,
- the designation is revoked - in this case the cumulative gain or loss on the hedging instrument recognised in other comprehensive income remain separately recognised in equity until the forecast transaction occurs or is no longer expected to occur.

The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment on a disposal of the foreign operations.

3.4.22 Fair value measurement

The Company maximises the use of relevant observable inputs and minimizes the use of unobservable inputs to meet the objective of fair value measurement, which is to estimate the price at which an orderly transaction to transfer the liability or equity instrument would take place between market participants as at the measurement date under current market conditions.

The Company measures derivative instruments at fair value using valuation models for financial instruments based on generally available exchange rates, interest rates, forward and volatility curves, for currencies and commodities quoted on active markets.

Fair value of derivatives is based on discounted future flows related to contracted transactions as a difference between term price and transaction price.

Forward rates of exchange are not modeled as a separate risk factor, but they are calculated as a result of spot rate and forward interest rate for foreign currency in relation to CZK.

3.4.22 Fair value measurement (continue)

Derivative instruments are presented as assets, when their valuation is positive and as liabilities, when their valuation is negative.

Gains and losses resulting from changes in fair value of derivative instruments, for which hedge accounting is not applicable, are recognised in a current year profit or loss.

As compared to the previous reporting period the Company has not changed valuation methods concerning derivative instruments.

3.4.23 Lease

A lease is an agreement whereby a lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

Assets used under the operating lease, that is under the agreement that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee, are recognised as assets of the lessor. Determining whether the transfer of risks and rewards exists depends on the assessment of essence of the economic substance of the transaction.

3.4.24 Contingent assets and liabilities

Contingent liabilities are defined as possible obligations that arise from past events and which are dependent on occurrence or non-occurrence of some uncertain future events not wholly within the control of the Company or present obligations that arise from past events but is not recognised because it is not probable that an outflow of resource embodying economic benefits will be required to settle the obligations or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the statement of financial position however the information on contingent liabilities is disclosed unless the probability of outflow of resources relating to economic benefits is remote. Contingent liabilities acquired as the result of a business combination are recognized as provisions in the statement of financial position.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognized in the statement of financial position as it may lead to recognition of the income, which will never be gained; however the respective information on the contingent receivable is disclosed if the inflow of assets relating to economic benefits is probable the Company discloses respective information on the contingent asset in the additional information to financial statements and if practicable, estimates the influence on financial results, as according to accounting principles for valuation of provisions.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

3.4.25 Subsequent events after the reporting date

Subsequent events after the reporting date are those events, favourable and unfavourable that occur between end of the reporting period and date of when the financial statements are authorized for issue. Two types of subsequent events can be identified:

- those, that provide evidence of conditions that existed at the end of the reporting period (events after the reporting period requiring adjustments) and
- those that are indicative of conditions that arose after the reporting period (events after the reporting period not requiring adjustments).

4. APPLICATION OF PROFESSIONAL JUDGEMENT AND ASSUMPTIONS

The preparation of separate financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, equity, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In the matters of considerable weight, the Company's management bases its estimates on opinions of independent experts.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in notes: 12. Tax credit/(expense), 13. Property, plant and equipment, 14. Investment property, 15. Intangible assets in relation to impairment, 13.3 Impairment of property, plant and equipment and intangible assets, 18.1 Changes in impairment allowances of inventories to net realizable value, 19.1 Changes in impairment allowances of trade and other receivables, 28. Financial instruments and 32. Contingent assets and liabilities.

The accounting policies described above have been applied consistently to all periods presented in these separate financial statements.

5. CHANGES IN DISCLOSURE OF COMPARING PERIOD

Starting from 1 January 2015 the Company unified its presentation of the cash flow hedge instruments' settlement. Consequently, the result of settlement of foreign currency forwards designated as hedge accounting instruments is included in operating part of the statement of profit or loss and other comprehensive income, not financial part as previously. The management believes that unified presentation provides users of the financial statements with better information concerning operations of the Company.

The changes in the statement of profit or loss for 2014 are presented in the following table:

	Previously stated	Presentation of results from foreign currency forwards	2014 (audited, restated)
Statement of profit or loss			
Revenues	115 784 644	(290 680)	115 493 964
Cost of sales	(111 342 024)	40 346	(111 301 678)
Gross profit on sales	4 442 620	(250 334)	4 192 286
Distribution expenses	(2 332 352)	-	(2 332 352)
Administrative expenses	(305 002)	-	(305 002)
Other operating income	242 444	-	242 444
Other operating expenses	(124 082)	-	(124 082)
Loss from operations	1 923 628	(250 334)	1 673 294
Finance income	1 572 569	(40 346)	1 532 223
Finance costs	(1 684 519)	290 680	(1 393 839)
Net finance income (costs)	(111 950)	250 334	138 384
Loss before tax	1 811 678	-	1 811 678
Tax expense	36 255	-	36 255
Net loss	1 847 933	-	1 847 933

6. MERGERS

6.1 Spin-off merger with UNIPETROL DOPRAVA, s.r.o.

On 25 June 2015 the spin-off merger related to selected assets and liabilities of UNIPETROL DOPRAVA, s.r.o. has been registered in the Commercial register. The selected assets and liabilities have been spun-off from UNIPETROL DOPRAVA, s.r.o. and have been merged to the Company. The assets and liabilities which were subject of spin-off merger are presented below:

	Note	Spin-off
ASSETS		
Non-current assets		
Property, plant and equipment	13	405 918
Intangible assets	15	1 088
Total assets		407 006
EQUITY AND LIABILITIES		
EQUITY		
Statutory reserves	22.2	77 440
Other reserves	22.4	200 000
Retained earnings	22.4	87 592
Total equity		365 032
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	12.2	41 974
Total liabilities		41 974
Total equity and liabilities		407 006

The decisive day of the spin-off merger was 1 January 2015. The assets transferred to the Company by the merger have been rented to UNIPETROL DOPRAVA, s.r.o. As a consequence, the settlement agreement between the Company and UNIPETROL DOPRAVA s.r.o. has been concluded. Based on the agreement all inflows and outflows connected with the assets transferred, which were realized from 1 January 2015 till 25 June 2015 including potential rental fee, have been settled.

6.2 Merger with POLYMER INSTITUTE BRNO, spol. s r.o.

On 31 December 2015 the merger between the Company and POLYMER INSTITUTE BRNO, spol. s r.o. ("PIB") has been registered in the Commercial register. The Company became a legal successor after the merger. The decisive day of the merger was 1 January 2015.

The assets and liabilities which were subject of the merger are presented below:

	NOTE	Balance as at 31/12/2015	Elimination	Impact of the merger
ASSETS				
Non-current assets				
Property, plant and equipment	13	53 081	-	53 081
Investment property	14	8 527	-	8 527
Intangible assets	15	666	(3 547)	(2 881)
Shares in related parties	16	-	(104 694)	(104 694)
		62 274	(108 241)	(45 967)
Current assets				
Inventories	18	46 566	-	46 566
Trade and other receivables	19	63 629	(15 379)	48 250
Other financial assets	20	8 871	-	8 871
Current tax receivables	12	26	-	26
Cash and cash equivalents	21	647	-	647
		119 739	(15 379)	104 360
Total assets		182 013	(123 620)	58 393
EQUITY AND LIABILITIES				
EQUITY				
Share capital	22.1	97 000	(97 000)	-
Retained earnings	22.4	27 946	(11 241)	16 705
Total equity		124 946	(108 241)	16 705
LIABILITIES				
Non-current liabilities				
Provisions	24	1 412	-	1 412
Deferred tax liabilities	12.2	4 240	-	4 240
		5 652	-	5 652
Current liabilities				
Trade and other liabilities	26	51 238	(15 379)	35 859
Provisions	24	177	-	177
		51 415	(15 379)	36 036
Total liabilities		57 067	(15 379)	41 688
Total equity and liabilities		182 013	(123 620)	58 393

There are intercompany transactions, financial investment and intercompany resale of intangible asset eliminated in the "Elimination" column.

6.3 Merger between UNIPETROL RPA, s.r.o. and BENZINA, s.r.o.

The merger by amalgamation of UNIPETROL RPA, s.r.o. ("UNIPETROL RPA") and BENZINA, s.r.o. was approved by the companies' General Meetings with legal succession of UNIPETROL RPA on 21 December 2015. The legal effects of the merger came into force as at 1 January 2016. The legal successor after the merger is UNIPETROL RPA, s.r.o. It is expected that as a result of the merger the retained earnings of the Company will increase by CZK 3 852 194 thousand.

7. THE GROUP STRUCTURE

The Company is part of the consolidation group UNIPETROL, a.s. The following table shows subsidiaries and joint-ventures forming the consolidated group of UNIPETROL, a.s., and the parent company's interest in the capital of subsidiaries and joint-ventures held either directly by the parent company or indirectly by the consolidated subsidiaries into the Operating segments (as of 31 December 2015).

Name and place of business	Ownership interest of the parent company in share capital	Ownership interest in share capital through subsidiaries	Operating segment	Website
Parent company				
UNIPETROL, a.s. Na Pankráci 127, 140 00 Praha 4, Czech Republic			Corporate functions	www.unipetrol.cz
Subsidiaries consolidated in full method				
BENZINA, s.r.o. Na Pankráci 127, 140 00 Praha 4, Czech Republic	100.00%	--	Retail	www.benzinaplus.cz
ČESKÁ RAFINÉRSKÁ, a.s. Záluží 2, 436 70 Litvínov, Czech Republic	100.00%	--	Downstream	www.ceskarafinerska.cz
HC VERVA Litvínov, a.s. Litvínov, S.K. Neumanna 1598, Czech Republic	--	70.95%	Corporate functions	www.hokej-litvinov.cz
CHEMOPETROL, a.s. (dormant entity) Litvínov - Záluží 1, 436 70 Litvínov, Czech Republic	--	100.00%	Downstream	
MOGUL SLOVAKIA, s.r.o. * Hradištie pod Vrátnom, U Ihriska 300, Slovak Republic	--	100.00%	Downstream	www.mogul.sk
PARAMO, a.s. Přerovská 560, 530 06 Pardubice, Czech Republic	100.00%	--	Downstream	www.paramo.cz
Paramo Oil s.r.o. (dormant entity) Přerovská 560, 530 06 Pardubice, Czech Republic	--	100.00%	Downstream	
PETROTRANS, s.r.o. Sřelničná 2221, 182 00 Praha 8, Czech Republic	0.63%	99.37%	Downstream	www.petrotrans.cz
UNIPETROL AUSTRIA HmbH in Liquidation Vienna, Apfelgasse 2, Austria	100.00%	--	Downstream	
UNIPETROL Deutschland GmbH Paul Ehrlich Str. 1/B, 63225 Langen/Hessen, Germany	0.10%	99.90%	Downstream	www.unipetrol.de
UNIPETROL DOPRAVA s.r.o. Litvínov - Růžodol č.p. 4, 436 70 Litvínov, Czech Republic	0.12%	99.88%	Downstream	www.unipetroldoprava.cz
UNIPETROL RAFINÉRIE, s.r.o. (dormant entity) Litvínov - Záluží 1, 436 70 Litvínov, Czech Republic	100.00%	--	Downstream	
UNIPETROL RPA, s.r.o. Litvínov - Záluží 1, 436 70 Litvínov, Czech Republic	100.00%	--	Downstream Corporate functions	www.unipetrolrpa.cz
UNIPETROL RPA Hungary Kft. (dormant entity) 1042 Budapest, Arpad ut 48-50. I. em.5, Hungary	--	100.00%	Downstream	
UNIPETROL SERVICES, s.r.o. Litvínov - Záluží 1, 436 70 Litvínov, Czech Republic	100.00%	--	Corporate functions	www.unipetrolservices.cz
UNIPETROL SLOVENSKO s.r.o. Panónská cesta 7, 850 00 Bratislava, Slovak Republic	13.04%	86.96%	Downstream	www.unipetrol.sk
Výzkumný ústav anorganické chemie, a.s.** Revoluční 84/č.p. 1521, Ústí nad Labem, Czech Republic	100.00%	--	Corporate functions	www.vuanch.cz
Joint operations consolidated based on shares in assets and liabilities				
Butadien Kralupy a.s. O. Wichterleho 810, 278 01 Kralupy nad Vltavou, Czech Republic	51.00%	--	Downstream	

* MOGUL SLOVAKIA, s.r.o. was merged with UNIPETROL SLOVENSKO, s.r.o. as of 1 January 2016.

**As of 1 January 2016 the company Výzkumný ústav anorganické chemie, a.s. has changed the name as Unipetrol výzkumně vzdělávací centrum, a.s.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

8. REVENUES

	2015	2014
Sales of finished goods	94 633 662	108 770 524
Sales of services	2 811 663	2 609 319
Revenues from sales of finished goods and services,net	97 445 325	111 379 843
Sales of merchandise	4 342 805	3 343 494
Sales of raw materials	439 064	770 627
Revenues from sales of merchandise and raw materials,net	4 781 869	4 114 121
	102 227 194	115 493 964

8.1 Geographical information

	2015	2014
Czech Republic	67 477 356	78 870 377
Germany	12 807 303	11 993 443
Poland	1 454 246	2 341 046
Slovakia	11 537 357	12 609 298
Other countries	8 950 932	9 679 800
	102 227 194	115 493 964

Revenues from the Czech Republic, Slovakia and Germany represented 10% or more of the Company's total revenues.

8.2 Major customers

The Company generated revenues from sales of products and goods from segment Downstream to 1 recipient outside of the Group in the amount of CZK 11 795 170 thousand that individually exceeded 10% of total revenues.

8.3 Revenues from major products and services

	2015	2014
Downstream	102 217 996	115 492 103
Light distillates	23 048 517	22 176 663
Medium distillates	44 663 471	46 497 778
Heavy fractions	2 976 963	3 847 001
Monomers	3 486 316	6 031 313
Polymers	15 314 723	19 112 611
Aromas	2 511 617	5 968 514
Others	7 413 924	9 250 631
Services	2 802 465	2 607 592
Corporate Functions	9 198	1 861
	102 227 194	115 493 964

9. OPERATING EXPENSES

9.1 Cost of sales

	2015	2014
Cost of finished goods and services sold	(86 880 801)	(107 115 680)
Cost of merchandise and raw materials sold	(4 825 814)	(4 185 998)
	(91 706 615)	(111 301 678)

9.2 Cost by nature

	2015	2014
Materials and energy	(77 329 267)	(98 112 550)
Cost of merchandise and raw materials sold	(4 825 814)	(4 185 998)
External services	(9 498 772)	(7 740 840)
Employee benefits	(972 667)	(979 754)
Depreciation and amortisation	(1 469 008)	(1 535 889)
Taxes and charges	(355 032)	(377 706)
Impairment to non-current assets	(598 144)	(31 182)
Other	(432 176)	(272 191)
	(95 480 880)	(113 236 110)
Change in inventories	(274 911)	(827 004)
Cost of products and services for own use	82 817	-
Operating expenses	(95 672 974)	(114 063 114)
Distribution expenses	2 877 097	2 332 352
Administrative expenses	255 398	305 002
Other operating expenses	833 864	124 082
Cost of sales	(91 706 615)	(111 301 678)

9.3 Employee benefits

	2015	2014
Payroll expenses	(700 234)	(704 416)
Future benefits expenses	(1 511)	(2 494)
Social security expenses	(233 103)	(231 809)
Other employee benefits expenses	(37 819)	(41 035)
	(972 667)	(979 754)

Future benefits expenses include change in provisions for jubilee bonuses and retirement benefits.

9.4 Number of employees, managers and their remuneration

2015	Employees	Key Management	Statutory representative	Total
Wages and salaries	(673 144)	(26 450)	(640)	(700 234)
Social and health insurance	(227 089)	(5 821)	(193)	(233 103)
Social expense	(33 820)	(3 999)	-	(37 819)
Change of employee benefits provision	(1 511)	-	-	(1 511)
	(935 564)	(36 270)	(833)	(972 667)
Number of employees average per year	1 509	11	-	1 520
Number of employees as at balance sheet day	1 510	12	-	1 522

2014	Employees	Key Management	Statutory representative	Total
Wages and salaries	(673 039)	(26 550)	(4 827)	(704 416)
Social and health insurance	(224 618)	(6 070)	(1 121)	(231 809)
Social expense	(38 140)	(2 315)	(580)	(41 034)
Change of employee benefits provision	(2 494)	-	-	(2 494)
	(938 291)	(34 935)	(6 528)	(979 754)
Number of employees average per year	1 522	9	-	1 531
Number of employees as at balance sheet day	1 515	9	-	1 524

10. OTHER OPERATING INCOME AND EXPENSES

10.1 Other operating income

	2015	2014
Profit on sale of non-current non-financial assets	2 717	-
Reversal of provisions	10 141	-
Reversal of receivables impairment allowances	-	787
Reversal of impairment allowances of property, plant and equipment and intangible assets	1 536	460
Penalties and compensations earned	16 263	90 915
Other	28 481	150 282
	59 138	242 444

In 2015 in the line "Other" the revaluation of Investment property in amount of CZK 2 947 thousand is included (2014: CZK 17 036 thousand), the Transpetrol transportation settlement in amount of CZK 7 735 thousand and processing fee in amount of CZK 14 486 thousand in 2015. In 2014 further includes "the CO₂ provision update in amount of CZK 32 378 thousand and the CO₂ allowances revaluation in amount of CZK 57 861 thousand.

10.2 Other operating expenses

	2015	2014
Loss on sale of non-current non-financial assets	(25 036)	(4 876)
Recognition of provisions	(16 946)	(3 500)
Recognition of receivables impairment allowances	(31 634)	(20 308)
Recognition of impairment allowances of property, plant and equipment and intangible assets	(598 144)	(31 182)
Costs and losses due to removing damages	(156 274)	-
Donations	(3 561)	(1 373)
Other	(2 269)	(62 843)
	(833 864)	(124 082)

11. FINANCE INCOME AND COSTS, NET

	2015	2014
Interest	(34 654)	(112 573)
Dividends received	221 411	305 414
Foreign exchange loss	(286 432)	(843 159)
Settlement and valuation of financial instruments	261 156	819 821
Other	(33 455)	(31 119)
	128 026	138 384

11.1 Finance income

	2015	2014
Interest	27 458	44 478
Dividends received	221 411	305 414
Settlement and valuation of financial instruments	1 228 938	1 182 285
Other	41	46
	1 477 844	1 532 223

11.2 Finance costs

	2015	2014
Interest	(62 110)	(157 051)
Foreign exchange loss	(286 432)	(843 159)
Settlement and valuation of financial instruments	(967 780)	(362 464)
Other	(33 496)	(31 165)
	(1 349 818)	(1 393 839)

12. TAX EXPENSE

	2015	2014
Tax expense in the statement of profit or loss		
Current tax	(570 924)	-
Deferred tax	(757 166)	36 255
	(1 328 090)	36 255
Tax expense in other comprehensive income		
Tax on effective portion of changes in fair value of cash flow hedges	(1 740)	(170 778)
Other	(96)	1 275
	(1 836)	(169 503)
	(1 329 926)	(133 248)

Domestic income tax is calculated in accordance with Czech tax regulations at the rate of 19% in 2015 (2014: 19%) of the estimated taxable income for the year. The deferred tax has been calculated using tax rate approved for the year 2016 and forward i.e. 19%. The Company recognized tax liability in amount of CZK 555 849 thousand as at 31 December 2015 (current tax receivables in amount of CZK 11 725 thousand as at 31 December 2014).

12.1 The differences between tax expense recognized in profit or loss and the amount calculated based on tax rate from profit/(loss) before tax

	2015	2014
Profit for the year	5 413 294	1 847 933
Total tax credit (expense)	(1 328 090)	36 255
Profit excluding tax	6 741 384	1 811 678
Tax using domestic income tax rate	(1 280 863)	(344 219)
Non-deductible expenses	(225 751)	(99 923)
Tax exempt income	221 411	115 654
Changes in estimates related to prior periods	(42 887)	363 860
Other differences	-	883
Total tax credit (expense)	(1 328 090)	36 255
Effective tax rate	(19.7%)	2.00%

The line "Recognition of previously unrecognized deferred tax asset related to tax losses" includes impact of deferred tax assets from tax losses previously unrecognized in prior periods recognized in 2015 due to probability of utilisation.

12.2 Deferred tax

Deferred income tax result from future tax benefits and costs related to the differences between the tax basis of assets and liabilities and the amounts reported in the financial statements. The deferred income taxes have been calculated using the tax rate expected to apply to periods when the respective asset is realized or liability is settled (i.e. 19% in 2015 and onward).

The movements in deferred tax assets and liabilities were as follows:

	31/12/2014	Merger with PIB	Deferred tax recognized in statement of Profit or loss	Deferred tax recognized in Other comprehensive income	Spin-off merger	31/12/2015
Deferred tax assets						
Inventory	138 802	605	(37 631)	-	-	101 776
Provisions	141 795	302	48 166	(96)	-	190 167
Unused tax losses carried forward	622 052	-	(622 052)	-	-	-
Other	37 117	280	(21 379)	-	-	16 018
	939 766	1 187	(632 896)	(96)	-	307 961
Deferred tax liabilities						
Property, plant and equipment	(933 201)	(5 427)	(70 342)	-	(41 974)	(1 050 944)
Financial instruments valuation	(126 143)	-	-	(1 740)	-	(127 883)
Other	-	-	(53 928)	-	-	(53 928)
	(1 059 344)	(5 427)	(124 270)	(1 740)	(41 974)	(1 232 705)
	(119 578)	(4 240)	(757 166)	(1 836)	(41 974)	(924 774)

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

13. PROPERTY, PLANT AND EQUIPMENT

	31/12/2015	31/12/2014
Land	21 125	547
Buildings and constructions	4 711 364	4 729 194
Machinery and equipment	6 500 085	6 859 864
Vehicles and other	199 111	219 271
Construction in progress	1 482 207	700 273
	12 913 892	12 509 149

13.1 Changes in property, plant and equipment

	Land	Buildings and constructions	Machinery and equipment	Vehicles and other	Construction in progress	Total
01/01/2015						
Net book value						
Gross book value	663	12 141 510	24 982 736	958 796	752 596	38 836 301
Accumulated depreciation and impairment allowances	(116)	(7 386 033)	(18 097 172)	(739 525)	(52 323)	(26 275 169)
Government grants	-	(26 283)	(25 700)	-	-	(51 983)
	547	4 729 194	6 859 864	219 271	700 273	12 509 149
increase/(decrease), net						
Investment expenditures	-	98 161	998 333	64 320	786 372	1 947 186
Depreciation	-	(262 317)	(1 006 057)	(72 385)	-	(1 340 759)
Borrowing costs	-	-	-	-	5 740	5 740
Merger with PIB	11 828	8 954	30 064	2 220	15	53 081
Impairment allowances	-	(72 314)	(516 845)	330	-	(588 829)
Reclassifications	-	(45 308)	-	-	-	(45 308)
Sale	-	(60)	(4 030)	(2)	-	(4 092)
Liquidation	-	(3 017)	(359)	(14 823)	-	(18 199)
Government grants - received, settled	-	-3 050	2 714	-	-	5 764
Spin - off merger	8 750	257 872	139 115	181	-	405 918
Other increases/(decreases)	-	(2 851)	(2 714)	(1)	(10 193)	(15 759)
31/12/2015						
Net book value						
Gross book value	21 241	12 644 086	26 378 556	981 447	1 534 530	41 559 860
Accumulated depreciation and impairment allowances	(116)	(7 875 347)	(19 855 485)	(782 336)	(52 323)	(28 565 608)
Government grants	-	(57 375)	(22 986)	-	-	(80 361)
	21 125	4 711 364	6 500 085	199 111	1 482 207	12 913 892
01/01/2014						
Net book value						
Gross book value	663	12 022 992	24 427 908	938 879	639 519	38 029 961
Accumulated depreciation and impairment allowances	(116)	(7 133 384)	(17 171 952)	(693 019)	(52 323)	(25 050 794)
Government grants	-	(26 482)	(21 380)	-	-	(47 862)
	547	4 863 126	7 234 576	245 860	587 196	12 931 305
increase/(decrease), net						
Investment expenditures	-	118 352	760 498	45 666	107 220	1 031 736
Depreciation	-	(251 206)	(1 123 310)	(68 844)	-	(1 443 360)
Borrowing costs	-	-	-	-	4 982	4 982
Impairment allowances	-	(883)	(2 613)	612	-	(2 884)
Reclassifications	-	2 256	-	-	875	3 131
Sale	-	(1 407)	-	-	-	(1 407)
Liquidation	-	-	(1 132)	(4 022)	-	(5 154)
Government grants - received, settled	-	199	(4 320)	-	-	(4 121)
Other increases/(decreases)	-	(1 243)	(3 835)	(1)	-	(5 079)
31/12/2014						
Net book value						
Gross book value	547	4 729 194	6 859 864	219 271	700 273	12 509 149

According to IAS 23 the Company capitalized those borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, as part of the cost of that asset. Borrowing costs capitalized in the year ended 31 December 2015 amounted to CZK 5 740 thousand (31 December 2014: CZK 4 982 thousand).

13.1. Changes in property, plant and equipment (continue)

Material additions

The major additions to non-current assets were the capitalized repairs of steam cracker unit after accident in amount of CZK 317 965 thousand, construction of new unit PE3 of CZK 311 247 thousand, PP to 300 kt intensification of CZK 85 726 thousands, renovation of pyrolytic furnace BA-102 of CZK 49 042 thousand, renovation of international ethylene pipeline of CZK 35 366 thousand, renovation of substation R200 of CZK 29 117 thousand. The highest decrease of asset is liquidation of Katalco catalyst in carrying amount of CZK 6 186 thousand.

In 1994 the Company obtained a grant of CZK 260 030 thousand from the German Ministry for Environmental Protection and Safety of Reactors in order to execute a pilot environmental project targeted at limiting cross-border pollution, in connection with the reconstruction of the T700 power station and its desulphurization. The carrying amount as at 31 December 2015 was CZK 31 862 thousand (31 December 2014: CZK 34 669 thousand).

13.2 Changes in property, plant and equipment impairment

	Land	Buildings and constructions	Machinery and equipment	Vehicles and other	Construction in progress	Total
01/01/2015	116	1 220 874	1 493 411	59 814	52 323	2 826 538
Recognition	-	77 312	520 832	-	-	598 144
Reversal	-	(1 536)	-	-	-	(1 536)
Usage	-	(2 949)	(3 987)	(330)	-	(7 266)
Spin - off merger	-	1 420	-	-	-	1 420
Reclassifications	-	(513)	-	-	-	(513)
	116	1 294 608	2 010 256	59 484	52 323	3 416 787
increase/(decrease) net*	-	72 314	516 845	(330)	-	588 829
01/01/2014	116	1 219 991	1 490 798	60 426	52 323	2 823 654
Recognition	-	883	3 810	1	-	4 694
Reversal	-	-	(460)	-	-	(460)
Usage	-	-	(737)	(613)	-	(1 350)
	116	1 220 874	1 493 411	59 814	52 323	2 826 538
increase/(decrease) net*	-	883	2 613	(612)	-	2 884

*Increase/(decrease) net includes recognition, reversal, usage and reclassifications.

Recognition and release of impairment to property, plant and equipment is presented in other operating expenses and income.

13.3 Impairment to non-current assets

The Company has assessed the requirements presented in IAS 36 for determination of Impairment indicators for single assets and for CGU as at 31 December 2015. The Company has identified internal indicator, i.e. evidence of physical damage of an asset within a CGU after an accident from 13 August 2015.

The damage assets are part of Petrochemical CGU. After the fire, the Petrochemical CGU continues in operation at limited extent with external feedstock deliveries of ethylen and propylen. In relation to damage assets, the Company has selected a repair scenario which is going to secure the lowest estimated lost profit and shortest estimated shutdown duration.

The Company is insured against property and mechanical damage as well as loss of business profits (business interruption) and it is in the process of seeking recourse from the insurer. The Company expects that based on conditions envisaged in the insurance policy, it will recover from the insurer the cost of repair in relation to property damage insurance. The Company also expects that the compensation from business interruption insurance will cover expected profit loss during the period of steam cracker rebuilding. Further information is presented in note 32.

Taking above stated facts into consideration, in relation to net book value of assets as at 31 December 2015, the Company hasn't identified any indicators of the impairment on CGU's level. The individually damaged assets were written down to its fair value less cost of disposal as required by IAS 36 and impairment of CZK 597 279 thousand was recognised.

The Company hasn't identified deterioration of the indicators (deterioration of external refinery environment, performance of refinery activities below forecasted level, surplus of refinery production capacities and increased supply of products) following on which the impairment was recognized in 2014. The Company also hasn't identified any indicator which would leads to the reversal of the impairment.

The Company's future financial performance is based on a number of factors and assumptions in respect of macroeconomics development, such as foreign exchange rates, commodity prices, interest rates, outside the Company's control. The change of these factors and assumptions might influence the Company's financial position, including the results of the impairment test of non-current assets, and consequently might lead to changes in the financial position and performance of the Company.

13.4 Other information on property, plant and equipment

	31/12/2015	31/12/2014
The gross book value of all fully depreciated property, plant and equipment still in use	5 134 398	5 160 793
The net book value of temporarily idle property, plant and equipment	-	14 025
The net book value of leased non-current assets	181 119	200 754

The Company reviews economic useful lives of property, plant and equipment and introduces adjustments to depreciation charge prospectively according to its accounting policy. Should the depreciation policy from the previous year be applied, the depreciation expense for 2015 would be higher by CZK 145 971 thousand.

14. INVESTMENT PROPERTY

	2015	2014
At the beginning of the year	99 032	87 016
Reclassification from property, plant, equipment	39 400	-
Purchase	5 436	-
Fair value measurement	1 627	14 272
increase	1 627	14 272
Reclassification	(235)	(2 256)
Merger with PIB	8 527	-
	153 787	99 032

Rental income amounted to CZK 17 692 thousand in 2015 (2014: CZK 16 470 thousand). Operating costs related to the investment property amounted to CZK 2 429 thousand in 2015 (2014: CZK 2 251 thousand).

14.1 Fair value of investment property measurement

Investment property at 31 December 2015 comprised the land and buildings owned by the Company and leased to third parties, which fair value was estimated depending on the characteristics based on comparison or revenue approach. The comparison approach was applied assuming, that the value of assessed property was equal to the market price of similar property (such assets belong to Level 2 as defined by IFRS 7).

In the revenue approach the calculation was based on the discounted cash flow method. 10 year period forecasts were applied in the analysis. The discount rate used reflects the relation, as expected by the buyer, between yearly revenue from an investment property and expenditures required to purchase investment property. Forecasts of discounted cash flows relating to the property consider arrangements included in all rent agreements as well as external data, e.g. current market rent charges for similar property, in the same location, technical conditions, standard and designed for similar purposes (investment property valued under revenue approach belong to Level 3 as defined by IFRS 7).

	Carrying amount	Fair value	Fair value hierarchy	
			Level 2	Level 3
31/12/2015	153 787	153 787	-	153 787
31/12/2014	99 032	99 032	-	99 032

14.2 Sensitivity analysis of changes in fair value of investment property classified under Level 3 fair value

Analysis of the influence of potential changes in the fair value of investment property on profit before tax in relation to a hypothetical change in discount rate:

	Level 3			
	+1 pp	(4 507)	-1 pp	4 507
Change in discount rate		(4 507)		4 507

15. INTANGIBLE ASSETS

	31/12/2015	31/12/2014
Internally generated intangible assets	23 454	-
Assets under development	9 680	-
Other	13 774	-
Other intangible assets	1 072 247	1 455 767
Software	18 113	19 062
Licences, patents and trade marks	585 897	648 174
Assets under development	428 543	355 853
CO ₂ emission allowance	11 854	337 958
Other	27 840	94 720
	1 095 701	1 455 767

15.1 Internally generated intangible assets

Due to merger with PIB to 31 December 2015 the Company recognized internally generated intangible assets amounted to CZK 23 454 thousand, which includes research studies, from which assets in amount of CZK 9 680 thousand is under development.

15.2 Changes in other intangible assets

	Software	Licences, patents and trade marks	Assets under development	CO ₂ emission allowance	Other	Total
01/01/2015						
Net book value						
Gross book value	263 615	1 778 862	355 853	337 958	1 196 794	3 933 082
Accumulated amortisation and impairment allowances	(244 553)	(1 130 688)	-	-	(1 102 074)	(2 477 315)
	19 062	648 174	355 853	337 958	94 720	1 455 767
increase/(decrease), net						
Investment expenditures	645	-	82 370	-	13 065	96 080
Amortization	(3 260)	(62 277)	-	-	(62 712)	(128 249)
Merger with PIB	666	-	(9 680)	-	(17 321)	(26 335)
Impairment allowances	-	-	-	-	423	423
Liquidation	-	-	-	-	(423)	(423)
Government grants - received, settled	79	-	-	-	-	79
Spin - off merger	1 000	-	-	-	88	1 088
Other increases/(decreases)	(79)	-	-	(326 104)	-	(326 183)
31/12/2015						
Net book value	18 113	585 897	428 543	11 854	27 840	1 072 247
Gross book value	273 091	1 778 862	428 543	11 854	446 766	2 939 116
Accumulated amortisation and impairment allowances	(254 637)	(1 192 965)	-	-	(418 926)	(1 866 528)
Government grants	(341)	-	-	-	-	(341)
	18 113	585 897	428 543	11 854	27 840	1 072 247
01/01/2014						
Net book value						
Gross book value	257 301	1 779 301	330 040	461 953	1 190 849	4 019 444
Accumulated amortisation and impairment allowances	(243 358)	(1 068 851)	-	(128 191)	(1 075 446)	(2 515 846)
Government grants	-	-	-	-	-	-
	13 943	710 450	330 040	333 762	115 403	1 503 598
increase/(decrease), net						
Investment expenditures	11 992	-	26 688	-	29 185	67 865
Amortization	(2 960)	(62 277)	-	-	(27 292)	(92 529)
Impairment allowances	(3 913)	-	-	128 191	(22 572)	101 706
Reclassifications	-	-	(875)	-	-	(875)
Liquidation	-	-	-	-	(3)	(3)
Other increases/(decreases)	-	1	-	(123 995)	(1)	(123 995)
31/12/2014						
Net book value	19 062	648 174	355 853	337 958	94 720	1 455 767

Material additions

The most important additions to intangible assets was new PE3 – licence - project of CZK 28 975 thousand.

15.3 Changes in impairment allowances of intangible assets

	Software	Licences, patents and trade marks	Assets under development	CO ₂ emission allowance	Other	Total
01/01/2015	7 752	177 274	-	-	42 702	227 728
Usage	-	-	-	-	(423)	(423)
	7 752	177 274	-	-	42 279	227 305
increase/(decrease) net*	-	-	-	-	(423)	(423)
01/01/2014	3 839	177 274	-	128 191	20 130	329 434
Recognition	3 913	-	-	-	22 575	26 488
Usage	-	-	-	(128 191)	(3)	(128 194)
	7 752	177 274	-	-	42 702	227 728
increase/(decrease) net*	3 913	-	-	(128 191)	22 572	(101 706)

*Increase/(decrease) net includes recognition, reversal, usage and reclassifications.

Recognition and release of impairment to intangible assets is presented in other operating expenses and income.

15.4 Other information

	31/12/2015	31/12/2014
The gross book value of all fully depreciated intangible assets still in use	614 616	1 204 656
The net book value of intangible assets with indefinite useful life	9 562	9 562

The Company reviews economic useful lives of intangible assets and introduces adjustments to amortization charge prospectively according to its accounting policy. Should the depreciation policy from the previous year be applied, the depreciation expense for 2015 would be higher by CZK 1 970 thousand.

15.5 CO₂ emission allowances

Based on Czech National Allocation Scheme for the years 2013-2020 the Company was to obtain CO₂ allowances free of charge in amount of 1 304 747 tons in 2015.

	Value	Quantity (in tonnes)
01/01/2015	337 958	1 891 753
Estimated grant of CO ₂ allowances for 2015	264 386	1 304 747
Settlement for 2014	(590 490)	(3 138 000)
	11 854	58 500
Estimated annual consumption 2015	588 344	2 829 625

As at 31 December 2015 the market value of one EUA allowance (European Union Emission Allowance) amounted to EUR 8.22 (as at 31 December 2014: 7.24 EUR).

16. SHARES IN RELATED PARTIES

	31/12/2015	31/12/2014
Unquoted shares	1 073 655	1 178 023
	1 073 655	1 178 023

Shares in related parties as at 31 December 2015:

Name of the entity	Registered office	Cost of investment	Ownership percentage	Impairment	Carrying amount	Dividend income for the year
Subsidiaries						
UNIPETROL DOPRAVA, s.r.o.	Litvínov	959 532	99.80	-	959 532	99 876
POLYMER INSTITUTE BRNO, spol. s r.o.	Brno	-	-	-	-	37 760
CHEMOPETROL, a.s.	Litvínov	2 000	100.00	108	1 892	-
HC VERVA Litvínov, a.s.	Litvínov	27 293	70.95	17 955	9 338	-
UNIPETROL SLOVENSKO s.r.o.	Bratislava	2 980	86.96	-	2 980	30 296
UNIPETROL DEUTSCHLAND GmbH	Langen/Hessen	99 586	99.90	-	99 586	53 479
UNIPETROL RPA HUNGARY Kft	Budapest	327	100.00	-	327	-
Total		1 091 718		18 063	1 073 655	221 411

The company UNIPETROL RPA, s.r.o. has established a new subsidiary company in Hungary, named UNIPETROL RPA Hungary Kft. The subject of its business will be wholesale sales of solid, liquid and gaseous fuels and related products as well as retail sales of motor fuels in the specialized shops.

Information relating to the merger between the Company and POLYMER INSTITUTE BRNO, s.r.o. is presented in note 6.

16. SHARES IN RELATED PARTIES (CONTINUED)

Shares in related parties as at 31 December 2014:

Name of the entity	Registered office	Cost of investment	Ownership percentage	Impairment	Carrying amount	Dividend income for the year
Subsidiaries						
UNIPETROL DOPRAVA, s.r.o.	Litvínov	959 532	99.80	-	959 532	166 205
POLYMER INSTITUTE BRNO, spol. s r.o.	Brno	104 695	99.00	-	104 695	25 740
CHEMOPETROL, a.s.	Litvínov	2 000	100.00	108	1 892	-
HC VERVA Litvínov, a.s.	Litvínov	27 293	70.95	17 955	9 338	-
UNIPETROL SLOVENSKO s.r.o.	Bratislava	2 980	86.96	-	2 980	64 076
UNIPETROL DEUTSCHLAND GmbH	Langen/Hessen	99 586	99.90	-	99 586	49 393
Total		1 196 086		18 063	1 178 023	305 414

17. OTHER NON-CURRENT ASSETS

	31/12/2015	31/12/2014
Other long term receivables	297	18 476
Financial assets	297	18 476
Prepayments	11	12
Non-financial assets	11	12
	308	18 488

Other non-current assets includes long term loan to ČESKÁ RAFINÉRSKÁ, a.s. related to financing of Komora 11 construction according the "Launch of chamber K11 and D distillation, Construction 3611". The interest rate is 1M PRIBOR + agreed mark up. The final maturity date is June 2016. The long-term portion of the loan is presented under other non-current financial assets. The short-term portion of the loan amounts to CZK 21 847 thousand (2014: CZK 31 335 thousand) and is presented under Trade and other receivables, as described in note 19.

18. INVENTORIES

	31/12/2015	31/12/2014
Raw materials	4 131 015	3 930 915
Work in progress	1 133 231	857 169
Finished goods	2 456 103	2 935 910
Merchandise	35 082	152 803
Spare parts	745 167	658 843
Inventories, net	8 500 598	8 535 640
Impairment allowances of inventories to net realisable value	522 747	730 536
Inventories, gross	9 023 345	9 266 176

18.1 Change in impairment allowances of inventories to net realizable value

	2015	2014
At the beginning of the year	730 536	189 191
Recognition	614 399	788 593
Usage	(792 501)	(33 920)
Reversal	(32 873)	(213 328)
Merger with PIB	3 186	-
	522 747	730 536

Changes in the net realizable value allowances for inventories (excluding utilization movement) amounted to CZK 581 526 thousand (2014: CZK 575 265 thousand) and are included in cost of sales presented in note 9.

19. TRADE AND OTHER RECEIVABLES

	31/12/2015	31/12/2014
Trade receivables	8 717 298	10 624 206
Short-term part of loan	21 847	31 335
Other	1 726	2 606
Financial assets	8 740 871	10 658 147
Excise tax and fuel charge receivables	203 379	204 609
Advances for construction in progress	1 005 295	-
Prepayments and deferred costs	362 893	69 383
Non-financial assets	1 571 567	273 992
Receivables, net	10 312 438	10 932 139
Receivables impairment allowance	134 542	108 921
Receivables, gross	10 446 980	11 041 060

Trade receivables result primarily from sales of finished goods and sales of merchandise. The management considers that the carrying amount of trade receivables approximates their fair value. The average credit period on sales of goods is 30 days. No interest is charged on the trade receivables for the first 4 days after the due date. Thereafter, interest is based on terms agreed in the selling contract.

The Company exposure to credit and currency risk related to trade and other receivables is disclosed in note 28 and detailed information about receivables from related parties is presented in note 34.

19.1 Changes in the impairment allowances of trade and other receivables

	31/12/2015	31/12/2014
At the beginning of the period	108 921	102 288
Recognition	31 634	20 308
Merger with PIB	136	-
Reversal	-	(787)
Usage	(5 492)	(24 732)
Foreign exchange differences	(657)	11 844
	134 542	108 921

The Company sets impairment allowances based on analysis of customers' creditworthiness and ageing of receivables. In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the debtor from the date credit was initially granted up to the reporting date. The management considers that there is no further credit risk allowance required in excess of the allowance for impairment charges.

Increases and reversals of impairment allowances in respect of the principal amount of trade and other receivables are included in other operating expense or income, and default interest is included in financial costs or income.

20. OTHER FINANCIAL ASSETS

	31/12/2015	31/12/2014
Cash flow hedge instruments		
<i>foreign currency forwards</i>	29 573	15 398
<i>commodity swaps</i>	670 235	872 058
Derivatives not designated as hedge accounting		
<i>foreign currency forwards</i>	13 622	23 214
<i>commodity swaps</i>	-	164 898
Cash pool	3 021 464	311 347
Receivables on settled cash flow hedge instruments	480 762	647 617
	4 215 656	2 034 532

The Company is part of the PKN Group's cash pool system, closing balances are shown in the table.

The Company provides related parties within the Group with short-term cash pool loans. The interest rates were based on appropriate inter-bank rates and the fair value of loans approximates their carrying amount.

Information regarding cash flow hedge instruments and derivatives not designated as hedge accounting is presented in note 28.3.

21. CASH AND CASH EQUIVALENTS

	31/12/2015	31/12/2014
Cash on hand and in bank	61 581	65 244
	61 581	65 244

Cash includes the restricted cash regarding to the provision for land restoration in amount of CZK 51 167 thousand as at 31 December 2015 (31 December 2014: CZK 51 133 thousand).

22. EQUITY

22.1 Share capital

The registered capital of the Company as at 31 December 2015 amounted to CZK 11 147 964 thousand (31 December 2014: CZK 11 147 964 thousand).

22.2 Statutory reserves

The Company established a reserve fund for possible future losses.

The balance of Statutory fund as at 31 December 2014 amounted to CZK 565 646 thousand and UNIPETROL, a.s. as the sole member decided to transfer the reserves to the accumulated loss from previous years.

22.3 Hedging reserve

The amount of the hedging reserve CZK 545 186 thousand as at 31 December 2015 relates to the fair value of derivatives meeting the requirements of cash flows hedge accounting (31 December 2014: CZK 537 767 thousand) and the related deferred tax.

22.4 Retained earnings

On 24 March 2015 UNIPETROL, a.s. as the sole member decided on distribution of profit for 2014 in amount of CZK 1 847 933 thousand to the accumulated loss from previous years.

22.5 Equity management policy

Equity management is performed on the Group level in order to protect the Group's ability to continue its operations as a going concern while maximizing returns for shareholders.

The Company monitors equity debt ratio (net financial leverage). As at 31 December 2015 and 31 December 2014 the Company's financial leverage amounted to 48% and 167%, respectively.

Net financial leverage = (net debt / equity) x 100%

Net debt = non-current loans and borrowings + current loans and borrowings + cash pool liabilities - cash and cash equivalents.

23. LOANS AND BORROWINGS

	Non-current		Current		Total	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Bank loans	-	-	134	-	134	-
Česká rafinérská, a.s. - initial oil filling	766 866	734 885	-	-	766 866	734 885
Borrowings	-	-	-	12 000 674	-	12 000 674
	766 866	734 885	134	12 000 674	767 000	12 735 559

ČESKÁ RAFINÉRSKÁ, a.s. – the initial oil filling

The interest-free liability to ČESKÁ RAFINÉRSKÁ, a.s. is registered under non-current loans. The liability relates to the initial filling of oil placed in MERO IKL pipeline, which was transferred to UNIPETROL RPA, s.r.o. (as the successor of UNIPETROL RAFINÉRIE a.s.) on 1 August 2003 in connection with the start of the processing refinery project. The liability to ČESKÁ RAFINÉRSKÁ, a.s. will be settled by returning the oil after the termination of the project. Following the acquisition of 32,445% (16,335%) shares of ČESKÁ RAFINÉRSKÁ, a.s. by UNIPETROL Group in April 2015 (January 2014), the Company took over the processing rights and the liability relates to the initial filling in IKL pipeline from Eni s.r.o. (Shell Czech Republic a.s.). As a result of this transaction, the liability from IKL initial filling increased by CZK 456 428 thousand (2014: increased by CZK 306 697 thousand).

The fair value of the liability from IKL initial filling amounted to CZK 766 866 thousand as at 31 December 2015 and to CZK 734 885 thousand as at 31 December 2014.

Financing provided by the parent company UNIPETROL, a.s.

Based on a loan agreement with the parent company UNIPETROL, a.s., the Company may utilise short-term unsecured loans in the form of overdrafts (cash pool) or borrowings.

In the case of cash pool presented under note 27 Other financial liabilities, interest is paid on the first working day after the close of the reporting period. Its total amount, including accrued interest, was CZK 6 288 580 thousand as at 31 December 2015 (as at 31 December 2014: CZK 2 246 921 thousand).

In the case of borrowings, interest is paid together with principal at the end of the interest period specified by an interest schedule. The total amount, including accrued interest, was zero as at 31 December 2015 (as at 31 December 2014: CZK 12 000 674 thousand).

The interest rates are defined based on corresponding inter-bank markets, and their fair value approximates their carrying amount.

Current bank loans

As at 31 December 2015 the Company has a short-term bank loan in amount of CZK 134 thousand (31 December 2014: the Company did not use any short-term bank loan). Short-term bank loans are subject to normal credit terms and their carrying amounts approximate fair values.

23.1 Loans

By currency (translated into CZK)/by interest rate

	31/12/2015	31/12/2014
CZK/PRIBOR	134	-
	134	-

	31/12/2015	31/12/2014
PRIBOR	134	-
	134	-

23.2 Borrowings

By currency (translated into CZK)/by interest rate

	31/12/2015	31/12/2014
CZK/PRIBOR	-	12 000 674
	-	12 000 674

	31/12/2015	31/12/2014
PRIBOR	-	12 000 674
	-	12 000 674

Disclosures resulting from IFRS 7 relating to loans and borrowings are included in note 28 and are presented together with other financial instruments.

24. PROVISIONS

	Non-current		Current		Total	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Environmental provision	357 535	349 784	-	-	357 535	349 784
Jubilee bonuses and retirement benefits provision	45 834	44 466	3 576	2 348	49 410	46 814
Provision for CO ₂ emission	-	-	588 344	590 242	588 344	590 242
Other provision	29 929	35 929	19 068	9 763	48 997	45 692
	433 298	430 179	610 988	602 353	1 044 286	1 032 532

Changes in provisions in 2015

	Environmental provision	Jubilee bonuses and retirement benefits provision	Provision for CO ₂ emission	Other provision	Total
01/01/2015	349 784	46 814	590 242	45 692	1 032 532
Recognition	3 500	1 817	588 592	13 446	607 355
Discounting	6 018	-	-	-	6 018
Utilization	(1 767)	(809)	(590 490)	-	(593 066)
Release	-	-	-	(10 141)	(10 141)
Merger with PIB	-	1 588	-	-	1 588
	357 535	49 410	588 344	48 997	1 044 286

Changes in provisions in 2014

	Environmental provision	Jubilee bonuses and retirement benefits provision	Provision for CO ₂ emission	Other provision	Total
01/01/2014	339 854	38 086	451 786	45 704	875 430
Recognition	3 500	9 202	640 059	-	652 761
Discounting	7 213	-	-	-	7 213
Utilization	(783)	(474)	(469 225)	(12)	(470 494)
Release	-	-	(32 378)	-	(32 378)
	349 784	46 814	590 242	45 692	1 032 532

24.1 Environmental provision

The provision for land restoration is created as a result of the legal obligation to restore the fly-ash dump after it is discontinued, which is expected to happen after 2043. The provision amounted to CZK 339 014 thousand as at 31 December 2015 (31 December 2014: CZK 334 763 thousand). Under a clause on environmental damages, a provision for the compensation of damage to Lesy České republiky, s.p. (Forests of the Czech Republic), totalling CZK 18 521 thousand, was included in the environmental provision as at 31 December 2015 (31 December 2014: CZK 15 021 thousand).

24.2 Provisions for jubilee bonuses and retirement benefits

The Company realizes the program of paying out retirement benefits in line with remuneration policies in force. The retirement benefits are paid as one-time payments at retirement. The amount of retirement benefits depends on the number of years of service and an employee's average remuneration. The base for the calculation of provision for an employee is expected benefit which the Company is obliged to pay in accordance with internal regulation.

The present value of these obligations is estimated at the end of each reporting year and adjusted if there are any material indications impacting the value of the obligations. The accrued liabilities equal discounted future payments, considering employee rotation.

Employment benefit provisions for retirement received by employees were created using discount rate 0.54% p.a. in 2015 (2014: 0.62%), assumptions used were based on Collective agreement. Should the prior year's assumptions be used, the provision for the jubilee bonuses and retirement benefits would be lower by CZK 2 048 thousand.

24.2.1 Change in employee benefits obligations

	Retirement benefits	Total
01/01/2015	46 814	46 814
Current service cost	2 023	2 023
Interest expense	297	297
Actuarial gains and losses net	(503)	(503)
<i>financial assumptions</i>	460	460
<i>other issues</i>	(963)	(963)
Merger with PIB	1 588	1 588
Payments under program	(809)	(809)
	49 410	49 410

	Retirement benefits	Total
01/01/2014	38 086	38 086
Current service cost	1 605	1 605
Interest expense	889	889
Actuarial gains and losses net	6 709	6 709
<i>demographic assumptions</i>	(365)	(365)
<i>financial assumptions</i>	8 214	8 214
<i>other issues</i>	(1 140)	(1 140)
Payments under program	(475)	(475)
	46 814	46 814

The carrying amount of employee benefits liabilities is identical to their present value as at 31 December 2015 and as at 31 December 2014.

24.2.2 Division of employee benefits liabilities by employees

	Active employees		Pensioners		Total	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Czech Republic	49 410	46 814	-	-	49 410	46 814
	49 410	46 814			49 410	46 814

24.2.3 Geographical division of employee benefits liabilities

	Retirement benefits		Total	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Czech Republic	49 410	46 814	49 410	46 814
	49 410	46 814	49 410	46 814

24.2.4 Sensitivity analysis to changes in actuarial assumptions

The Company carried out the employee benefit payments from current resources. As at 31 December 2015 there were no funded plans and the Company paid no contributions to fund liabilities.

Actuarial assumptions	Assumed variations as at 31/12/2015	Czech Republic	
		Influence on retirement benefits 2015	
Demographic assumptions (+)	0,5 pp	(2 226)	
<i>staff turnover rates, disability and early retirement</i>	0,5 pp	(2 226)	
Financial assumptions (+)	0,5 pp	(2 819)	
<i>discount rate</i>	0,5 pp	(2 819)	
		(5 045)	
Demographic assumptions (-)	-0,5 pp	2 404	
<i>staff turnover rates, disability and early retirement</i>	-0,5 pp	2 404	
Financial assumptions (-)	-0,5 pp	3 097	
<i>discount rate</i>	-0,5 pp	3 097	
		5 501	

Actuarial assumptions	Assumed variations as at 31/12/2014	Czech Republic	
		Influence on retirement benefits 2014	
Demographic assumptions (+)	0,5 pp	(2 701)	
<i>staff turnover rates, disability and early retirement</i>	0,5 pp	(2 701)	
Financial assumptions (+)	0,5 pp	(2 716)	
<i>discount rate</i>	0,5 pp	(2 716)	
		(5 417)	
Demographic assumptions (-)	-0,5 pp	2 944	
<i>staff turnover rates, disability and early retirement</i>	-0,5 pp	2 944	
Financial assumptions (-)	-0,5 pp	2 986	
<i>discount rate</i>	-0,5 pp	2 986	
		5 930	

24.2.5 Employee benefits maturity and payments of liabilities analysis

24.2.5.1 Ageing analysis of employee benefits obligations

	Retirement benefits		Total	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Less than one year	3 576	2 348	3 576	2 348
Between one and three years	4 986	5 695	4 986	5 695
Between three and five years	4 318	4 466	4 318	4 466
Later than five years	36 530	34 305	36 530	34 305
			49 410	46 814
Weighted average duration of liability	13	14	13	14

24.2.5.2 Aging of employee benefits payments analysis

	Retirement benefits		Total	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Less than one year	3 624	2 365	3 624	2 365
Between one and three years	5 632	6 369	5 632	6 369
Between three and five years	5 412	5 731	5 412	5 731
Later than five years	127 402	121 044	127 402	121 044
	142 070	135 509	142 070	135 509

24.2.6 Total employee benefits expenses recognized in the statement of profit or loss and other comprehensive income

	31/12/2015	31/12/2014
In profit and loss		
Current service cost	(2 023)	(1 605)
Interest expense	(297)	(889)
Payments under program	809	-
	(1 511)	(2 494)
In components of other comprehensive income		
Gains and losses arising from changes	503	(6 709)
<i>demographic assumptions</i>	-	365
<i>financial assumptions</i>	(460)	(8 214)
<i>other issues</i>	963	1 140
	503	(6 709)
	(1 008)	(9 203)

Payments under program were settled to Employee benefits costs in amount of CZK 475 thousand in 2014.

Provisions for employee benefits recognized in profit or loss were accounted as follows:

	31/12/2015	31/12/2014
Cost of sales	(1 242)	(2 921)
Distribution expenses	(127)	187
Administrative expenses	(142)	240
	(1 511)	(2 494)

On the basis of existing legislation, the Company is obliged to pay contributions to the national pension insurance. These expenses are recognized as social security and healthcare insurance costs. The Company has no other obligations in this respect. Additional information about the post-employment benefits is in note 3.4.18.2 and 35.

24.3 Provision on CO₂ allowances

A provision for CO₂ allowances is created for estimated CO₂ emissions in the reporting period.

24.4 Other provisions

Provisions for the Company's other potential future liabilities totalled CZK 48 997 thousand as at 31 December 2015 (31 December 2014: CZK 38 563 thousand). A significant portion of the provisions relates to the shutdown of certain production units – as at 31 December 2015 this included a provision of CZK 7 411 thousand for the liquidation of a urea production unit (31 December 2014: CZK 4 271 thousand); as at 31 December 2015 this included a provision of CZK 28 800 thousand related to the shutdown of the T200 heating plant (31 December 2014: CZK 28 800 thousand).

25. OTHER NON-CURRENT LIABILITIES

	31/12/2015	31/12/2014
Investment liabilities	541	832
Financial liabilities	541	832
Guarantee received	330	17 101
Non-financial liabilities	330	17 101
	871	17 933

26. TRADE AND OTHER LIABILITIES

	31/12/2015	31/12/2014
Trade liabilities	7 436 244	6 707 837
Investment liabilities	1 120 179	423 511
Other	3 596 232	2 616 246
Financial liabilities	12 152 655	9 747 594
Prepayments for deliveries	106 772	13 832
Payroll liabilities	124 141	132 670
Excise tax and fuel charge	989 569	908 521
Value added tax	468 974	505 692
Other taxation, duties, social security and other benefits	53 611	49 810
Accruals	27 577	27 178
holiday pay accrual	8 299	6 695
wages accrual	19 278	20 483
Non-financial liabilities	1 770 644	1 637 703
	13 923 299	11 385 297

The management considers that the carrying amount of trade and other liabilities approximates their fair value.

27. OTHER FINANCIAL LIABILITIES

	31/12/2015	31/12/2014
Cash flow hedge instruments		
foreign currency forwards	-	54 510
commodity swaps	26 759	169 036
Derivatives not designated as hedge accounting		
foreign currency forwards	5 203	-
commodity swaps	-	155 022
Cash pool	6 288 580	2 246 921
Liabilities on settled cash flow hedge instruments	64 812	-
	6 385 354	2 625 489

The Company can draw short-term cash pooling loans within the Group, which are paid by the first working day after the end of the reporting period. The interest rates were based on appropriate inter-bank rates and the fair value of loans approximates their carrying amount. Information about cash flow hedge instruments and derivatives not designated as hedge accounting is presented in note 28.3.

EXPLANATORY NOTES TO FINANCIAL INSTRUMENTS

28. FINANCIAL INSTRUMENTS

28.1 Financial instruments by category and class

Financial assets

31/12/2015

Financial instruments by class	Note	Financial instruments by category			Total
		Financial assets at fair value through profit or loss	Loans and receivables	Hedging financial instruments	
Trade receivables	19	-	8 717 298	-	8 717 298
Cash pool	20	-	3 021 464	-	3 021 464
Financial derivatives	20	13 622	-	699 808	713 430
Receivables from settled financial derivatives	20	-	480 762	-	480 762
Cash and cash equivalents	21	-	61 581	-	61 581
Other	17,19	-	23 870	-	23 870
		13 622	12 304 975	699 808	13 018 405

31/12/2014

Financial instruments by class	Note	Financial instruments by category			Total
		Financial assets at fair value through profit or loss	Loans and receivables	Hedging financial instruments	
Trade receivables	19	-	10 624 206	-	10 624 206
Cash pool	20	-	311 347	-	311 347
Financial derivatives	20	188 112	-	887 456	1 075 568
Receivables from settled financial derivatives	20	647 617	-	-	647 617
Cash and cash equivalents	21	-	65 244	-	65 244
Other	17,19	-	52 417	-	52 417
		835 729	11 053 214	887 456	12 768 393

28.1. Financial instruments by category and class (continue)

Financial liabilities

31/12/2015

Financial instruments by class	Note	Financial instruments by category			Total
		Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortised cost	Liabilities excluded from the scope of IAS 39	
Borrowings	23	-	766 866	-	766 866
Other non-current liabilities	25	-	541	-	541
Current loans	23	-	134	-	134
Trade liabilities	26	-	7 436 244	-	7 436 244
Investment liabilities	26	-	1 120 179	-	1 120 179
Financial derivatives	27	5 203	-	26 759	31 962
Liabilities from settled financial derivatives	27	-	64 812	-	64 812
Cash pool	27	-	6 288 580	-	6 288 580
Other	26	-	3 596 232	-	3 596 232
		5 203	19 273 588	26 759	19 305 550

31/12/2014

Financial instruments by class	Note	Financial instruments by category			Total
		Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortised cost	Liabilities excluded from the scope of IAS 39	
Borrowings	23	-	12 735 559	-	12 735 559
Other non-current liabilities	25	-	832	-	832
Trade liabilities	26	-	6 707 837	-	6 707 837
Investment liabilities	26	-	423 511	-	423 511
Financial derivatives	27	155 022	-	223 546	378 568
Cash pool	27	-	2 246 921	-	2 246 921
Other	26	-	2 616 246	-	2 616 246
		155 022	24 730 905	223 546	25 109 474

28.2. Income, (costs), gains and (loss) in statement of profit or loss and other comprehensive income

2015	Note	Financial instruments by category			Total
		Financial assets and liabilities at fair value through profit or loss	Loans and receivables	Financial liabilities measured at amortised cost	
Interest income	11.1	-	27 456	-	27 456
Interest costs	11.2	-	-	(62 110)	(62 110)
Foreign exchange gain/(loss)	11	-	(60 423)	(226 009)	(286 432)
<i>Recognition/reversal of receivables impairment allowances recognized in:</i>					
other operating income/(expenses)	10	-	(31 634)	-	(31 634)
Settlement and valuation of financial instruments	11	261 156	-	-	261 156
Other	11	-	41	(27 478)	(27 437)
		261 156	(64 560)	(315 597)	(119 001)

other, excluded from the scope of IFRS 7

Provisions discounting	11	-	-	-	(6 018)
					(6 018)

2014	Note	Financial instruments by category			Total
		Financial assets and liabilities at fair value through profit or loss	Loans and receivables	Financial liabilities measured at amortised cost	
Interest income	11.1	-	44 478	-	44 478
Interest costs	11.2	-	-	(157 051)	(157 051)
Foreign exchange gain/(loss)	11	-	179 076	(1 022 235)	(843 159)
<i>Recognition/reversal of receivables impairment allowances recognized in:</i>					
other operating income/(expenses)	10	-	(19 521)	-	(19 521)
Settlement and valuation of financial instruments	11	819 821	-	-	819 821
Other	11	-	46	(23 952)	(23 906)
		819 821	204 079	(1 203 238)	(179 338)

other, excluded from the scope of IFRS 7

Provisions discounting	11	-	-	-	(7 213)
					(7 213)

28.3 Hedge accounting

The Company hedges its cash flows from operating revenues due to sale of petrochemical and refinery products as well as operating expenses due to purchases of crude oil against changes in exchange rates (EUR/CZK for sale and USD/CZK for purchases and sale). Foreign exchange forwards are used as hedging instruments.

The Company has derivative financial instruments, which serve as a hedging instrument pursuant to the Company's risk management strategy. Changes in the fair value of derivatives that do not meet the hedge accounting criteria are included in derivatives held for trading and their fair value changes are reported in the Statement of profit or loss and other comprehensive income.

The fair value of derivative instruments are designated as hedging instruments according to the cash flow hedge accounting planned realization date and the planned date of the influence on the result of the hedged cash flow as well as the net fair value which will be recognized in the profit or loss at the realization date:

	31/12/2015	31/12/2014
Planned realization date of hedged cash flow		
Currency operating exposure		
2015	-	(39 112)
2016	29 573	-
Commodity risk exposure		
2015	-	703 022
2016	643 476	-
	673 049	663 910

28.4 Financial risk management

The UNIPETROL group's Corporate Treasury function provides services to UNIPETROL RPA, s.r.o., coordinates access to domestic and international financial markets, monitors and manages the risks outlined below relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other market risks), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using natural hedging. The Company uses derivative financial instruments to hedge these risk exposures. The potential use of financial derivatives is governed by the UNIPETROL group's policies, which provide written principles on currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess funds. Compliance with policies and exposure limits is reviewed by the UNIPETROL group's internal auditors on regular basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

28.4.1 Market risk

The Company is exposed to commodity price risk resulting from the adverse changes in raw material, mainly crude oil prices. Management addresses these risks by means of a commodity, supplier and client risk management. The Company analyses the exposure and enters to a minor extent into derivative commodity instruments to minimize the risk associated with the purchase of crude oil.

28.4.1.1 Commodity risks

As part of its operating activity the Group is exposed mainly to the following commodity risks:

- risk of changes in refining and petrochemical margins on the sale of products and Ural/Brent differential fluctuations-hedges on an irregular basis as a part of hedging strategies;
- risk of changes in crude oil and products prices related to the time mismatch between the date of the crude oil and/or products, as well as future sales transactions-identified and hedged in a systematic and regular manner;
- risk of changes in CO₂ emission allowances prices-hedged on regular basis through periodic verification of numbers of owned and required rights to CO₂ emission with determining the method of balancing of the future shortages or surpluses. In 2015 and in 2014, the Group concluded forward and spot transactions for purchase of rights which in the future will be amortized as a settlement of CO₂ emissions. Valuations of these transactions are no subject to recognition in the financial statements, as purchased emission rights will be used for own purposes;
- risk of changes in crude oil and refinery product prices related to the obligation to maintain mandatory reserves of crude oil and fuels-is not hedged on purpose due to the permanent exposure and non-cash impact on the Group's results.

28.4.1.1 Commodity risks (continue)

Sensitivity analysis for commodity risk

Analysis of the influence of potential changes in the book values of financial instruments on profit before tax and hedging reserve in relation to a hypothetical change in prices of crude oil:

31/12/2015

	Influence on hedging reserve			
	Increase of price by	Influence	Decrease of price by	Influence
Crude oil USD/BBL	5 USD/BBL	(308 724)	5 USD/BBL	308 724

31/12/2014

	Influence on hedging reserve			
	Increase of price by	Influence	Decrease of price by	Influence
Crude oil USD/BBL	5 USD/BBL	(217 822)	5 USD/BBL	217 822

28.4.1.2 Currency risk management

The currency risk arises most significantly from the exposure of trade payables and receivables denominated in foreign currencies, and the foreign currency denominated loans and borrowings. Foreign exchange risk regarding trade payables and receivables is mostly covered by natural hedging of trade payables and receivables denominated in the same currencies. Hedging instruments (forwards, currency swaps) also could be used, to cover significant foreign exchange risk exposure of trade payables and receivables not covered by natural hedging.

Currency structure of financial instruments denominated in main foreign currencies:

Financial instruments by class	EUR		USD		Total after translation to CZK	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Financial assets						
Trade receivables	76 099	133 271	19 937	22 043	2 551 489	4 198 268
Cash pool	92 366	5 978	20 802	104	3 012 593	168 122
Financial derivatives	-	-	27 548	7 222	683 857	164 898
Receivables from settled financial derivatives	-	-	19 367	-	480 762	-
Cash and cash equivalents	7	3	-	5	198	183
Other	3	4	-	-	84	103
	168 475	139 256	87 654	29 374	6 728 983	4 631 674
Financial liabilities						
Cash pool	-	65	-	11 248	-	258 634
Trade liabilities	46 735	42 310	110 518	112 274	4 006 468	3 736 715
Investment liabilities	20 147	7 137	165	16	548 557	198 251
Financial derivatives	-	-	1 288	6 789	31 962	155 022
Liabilities from settled financial derivatives	-	-	2 611	-	64 812	-
Other	-	-	11 120	-	276 044	-
	66 882	49 512	126 700	130 327	4 927 843	4 348 622

Sensitivity analysis for currency changes risk

The influence of potential changes in carrying amounts of financial instruments as at 31 December 2015 and 2014 arising from hypothetical changes in exchange rates of relevant currencies in relation to functional currency on profit before tax and hedging reserve:

31/12/2015

	Increase of exchange rate	Total		Decrease of exchange rate	Total influence
		Total influence	Total influence		
EUR/CZK	15%	279 647	(279 647)	15%	(279 647)
USD/CZK	15%	394 709	(394 709)	15%	(394 709)
		674 356	(674 356)		

	Increase of exchange rate	Influence on profit before tax		Decrease of exchange rate	Total influence
		Total influence	Total influence		
EUR/CZK	15%	411 833	(411 833)	15%	(411 833)
USD/CZK	15%	272 358	(272 358)	15%	(272 358)
		684 191	(684 191)		

	Increase of exchange rate	Influence on hedging reserve		Decrease of exchange rate	Total influence
		Total influence	Total influence		
EUR/CZK	15%	(132 186)	132 186	15%	132 186
USD/CZK	15%	122 351	(122 351)	15%	(122 351)
		(9 835)	9 835		

28.4.1.2 Currency risk management (continued)

31/12/2014

	Increase of exchange rate		Total	Decrease of exchange rate		Total
			Total influence			Total influence
EUR/CZK	15%		(553 953)	15%		553 953
USD/CZK	15%		(301 590)	15%		301 590
			(855 542)			855 542

	Increase of exchange rate		Total	Decrease of exchange rate		Total
			Total influence			Total influence
EUR/CZK	15%		373 221	15%		(373 221)
USD/CZK	15%		(345 779)	15%		345 779
			27 442			(27 442)

	Increase of exchange rate		Total	Decrease of exchange rate		Total
			Total influence			Total influence
EUR/CZK	15%		(927 174)	15%		927 174
USD/CZK	15%		44 189	15%		(44 189)
			(882 985)			882 985

Variations of currency rates described above were calculated based on historical volatility of particular currency rates and analysts' forecasts.

Sensitivity of financial instruments for currency risk was calculated as a difference between the initial carrying amount of financial instruments (excluding derivative instruments) and their potential carrying amount calculated using assumed increases/(decreases) in currency rates. In case of derivative instruments, the influence of currency rate variations on fair value was examined at constant level of interest rates. The fair value of foreign currency forward contracts is determined based on discounted future cash flows of the transactions, calculated based on the difference between the forward rate and the transaction price.

28.4.1.3 Interest rate risk

Interest rate structure of financial instruments:

	PRIBOR		EURIBOR		LIBOR		Carrying amount	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Financial assets								
Cash pool	8 871	143 225	2 496 195	165 746	516 398	2 376	3 021 464	311 347
	8 871	143 225	2 496 195	165 746	516 398	2 376	3 021 464	311 347
Financial liabilities								
Loans	134	-	-	-	-	-	134	-
Borrowings	766 866	12 735 559	-	-	-	-	766 866	12 735 559
Cash pool	6 288 580	1 988 287	-	1 791	-	256 843	6 288 580	2 246 921
	7 055 580	14 723 846	-	1 791	-	256 843	7 055 580	14 982 480

Interest rate sensitivity analysis

The influence of financial instruments on profit before tax due to changes in significant interest rates:

Interest rate	Assumed variation		Influence on profit before tax		Total	
	31/12/2015	31/12/2014	2015	2014	2015	2014
EURIBOR	+0.5 pp	+0.5 pp	12 481	820	12 481	820
LIBOR	+0.5 pp	+0.5 pp	2 582	(1 272)	2 582	(1 272)
PRIBOR	+0.5 pp	+0.5 pp	(35 234)	(72 903)	(35 234)	(72 903)
			(20 171)	(73 355)	(20 171)	(73 355)

The above interest rates variations were calculated based on observations of interest rates fluctuations in the current and prior year as well as on the basis of available forecasts.

The sensitivity analysis was performed on the basis of instruments held as at 31 December 2015 and 31 December 2014. The influence of interest rates changes was presented on annual basis. The sensitivity analysis of financial instruments for the risk of interest rate changes was calculated as arithmetic product of the balance of items, sensitive to interest rates changes (excluding derivatives) multiplied by adequate variation of interest rate.

28.4.2 Credit and liquidity risk

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of impairment losses, estimated by the Company's management based on prior experience and their assessment of the credit status of its customers.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers.

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management. Before accepting any new customer, the Company uses own or external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The trade receivables in amount of CZK 1 292 337 thousand represented more than 10% of the Company's total trade receivables as at 31 December 2015.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of debtors. Where appropriate, credit guarantee insurance cover is purchased or sufficient collateral on debtor's assets obtained.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Based on the analysis receivables, the counterparties were divided into following groups:

- Group I – counterparty with good or very good history of cooperation in the current year,
- Group II – other counterparties.

	Note	31/12/2015	31/12/2014
Group I		8 634 983	10 398 593
	17,19	8 634 983	10 398 593

The ageing analysis of past due receivables

	Note	31/12/2015	31/12/2014
Up to 1 month		79 027	261 731
From 1 to 3 months		1 242	5 839
From 3 to 6 months		14 405	5 587
From 6 to 12 months		1 652	1 082
Above 1 year		0 659	3 791
	17,19	106 185	278 030

The Management of the Company believes that the risk of impaired financial assets is reflected by recognition of an impairment. Information about impairment allowances of particular classes of assets is disclosed in the notes 13 and 15.

Ultimate responsibility for liquidity risk management rests with the Company's statutory representatives, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate liquid funds, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As at 31 December 2015 and 31 December 2014 the maximum available credit facilities relating to bank loans and guarantees amounted to CZK 150 000 thousand and CZK 150 000 thousand respectively, of which as at 31 December 2015 and 31 December 2014 CZK 6 780 thousand and CZK 143 000 thousand respectively remained unused.

28.4.2 Credit and liquidity risk (continued)

Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities using the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Contractual maturity of financial liabilities

	Note	31/12/2015				Total	Carrying amount
		Up to 1 year	From 1 to 3 years	From 3 to 5 years	Above 5 years		
Loans - undiscounted value	23	134	-	-	-	134	134
Borrowings - undiscounted value	23	-	-	-	766 866	766 866	766 866
Cash pool - undiscounted value	27	6 288 580	-	-	-	6 288 580	6 288 580
Trade liabilities	26	7 436 244	-	-	-	7 436 244	7 436 244
Investment liabilities	25,26	1 120 179	541	-	-	1 120 720	1 120 720
Financial derivatives	27	31 962	-	-	-	31 962	31 962
Liabilities from settled financial derivatives	27	64 812	-	-	-	64 812	64 812
Other	26	3 596 232	-	-	-	3 596 232	3 596 232
		18 538 143	541	-	766 866	19 305 550	19 305 550

	Note	31/12/2014				Total	Carrying amount
		Up to 1 year	From 1 to 3 years	From 3 to 5 years	Above 5 years		
Borrowings - undiscounted value	23	12 000 674	-	-	734 885	12 735 559	12 735 559
Cash pool - undiscounted value	27	2 246 921	-	-	-	2 246 921	2 246 921
Trade liabilities	26	6 707 837	-	-	-	6 707 837	6 707 837
Investment liabilities	25,26	423 511	555	277	-	424 343	424 343
Financial derivatives	27	378 568	-	-	-	378 568	378 568
Other	26	2 616 246	-	-	-	2 616 246	2 616 246
		24 373 757	555	277	734 885	25 109 474	25 109 474

28.5 Emission allowances risk

The Group monitors the emission allowances granted to the Group under the National Allocation Plan and CO₂ emissions planned. The Group might enter into transactions on emission allowances market in order to cover for shortages or utilize the excess of obtained emission allowances over the required amount.

OTHER EXPLANATORY NOTES

29. FAIR VALUE MEASUREMENT

31/12/2015

	Note	Fair value	Carrying amount	Fair value hierarchy Level 2
Financial assets				
Trade receivables	19	8 717 298	8 717 298	8 717 298
Receivables from settled financial derivatives	20	480 762	480 762	480 762
Cash pool	20	3 021 464	3 021 464	3 021 464
Financial derivatives	20	713 430	713 430	713 430
Cash and cash equivalents	21	61 581	61 581	61 581
Other	17,19	23 870	23 870	23 870
		13 018 405	13 018 405	13 018 405
Financial liabilities				
Current loans	23	134	134	134
Borrowings	23	766 866	766 866	766 866
Cash pool	27	6 288 580	6 288 580	6 288 580
Trade liabilities	26	7 436 244	7 436 244	7 436 244
Investment liabilities	25,26	1 120 720	1 120 720	1 120 720
Financial derivatives	27	31 962	31 962	31 962
Liabilities from settled financial derivatives	27	64 812	64 812	64 812
Other	26	3 596 232	3 596 232	3 596 232
		19 305 550	19 305 550	19 305 550

31/12/2014

	Note	Fair value	Carrying amount	Fair value hierarchy Level 2
Financial assets				
Trade receivables	19	10 624 206	10 624 206	10 624 206
Receivables from settled financial derivatives	20	647 617	647 617	647 617
Cash pool	20	311 347	311 347	311 347
Financial derivatives	20	1 075 568	1 075 568	1 075 568
Cash and cash equivalents	21	65 244	65 244	65 244
Other	17,19	52 417	52 417	52 417
		12 776 399	12 776 399	12 776 399
Financial liabilities				
Borrowings	23	12 735 559	12 735 559	12 735 559
Cash pool	27	2 246 921	2 246 921	2 246 921
Trade liabilities	26	6 707 837	6 707 837	6 707 837
Investment liabilities	25,26	424 343	424 343	424 343
Financial derivatives	27	378 568	378 568	378 568
Other	26	2 616 246	2 616 246	2 616 246
		25 109 474	25 109 474	25 109 474

For other classes of financial assets and liabilities presented in note 27 fair value represents their carrying amount.

29.1 Methods applied in determining fair values of financial instruments (fair value hierarchy)

Fair value of shares quoted on active markets is determined based on market quotations (so called Level 1). In other cases, fair value is determined based on other input data, apart from market quotations, which are directly or indirectly possible to observe (so called Level 2) and data to valuation, which aren't based on observable market data (Level 3). Financial assets and liabilities carried at fair value by the Company belong to Level 2 as defined by IFRS.

In the year ended 31 December 2015 and the comparative period there were no transfers between Levels 1, 2 and 3 in the Company.

As at 31 December 2015 and 31 December 2014 the Company held unquoted shares in entities amounting to CZK 1 073 655 thousand and CZK 1 178 023 thousand, for which fair value cannot be reliably measured, due to the fact that there are no active markets for these entities and no comparable transactions in the same type of instruments.

30. LEASE

30.1 The Company as a lessee

Operating lease

At the balance sheet date, the Company had future minimum lease payments under non-cancellable operating leases for the following periods:

	31/12/2015	31/12/2014
Less than one year	1 413	1 998
Between one and five years	2 762	5 791
	4 175	7 789

The Company leases vehicles, land and offices under operating leases. Lease payments are adjusted annually to reflect market conditions. None of the leases includes contingent rentals.

Payments recognized as an expense were as follows:

	2015	2014
Non-cancellable operating lease	2 014	1 092
Cancellable operating lease	81 905	87 027
	83 919	88 119

Financial lease

Net carrying amount of leased assets:

	31/12/2015	31/12/2014
Machinery and equipment	181 119	200 754
	181 119	200 754

30.2 The Company as a lessor

As at 31 December 2015 and as at 31 December 2014 the Company did not possess any finance or operating lease agreements as a lessor.

31. INVESTMENT EXPEDITURES INCURRED AND FUTURE COMMITMENTS RESULTING FROM SIGNED INVESTMENT CONTRACTS

The total value of investment expenditure with borrowing costs amounted to CZK 2 050 633 thousand to 31 December 2015 and CZK 1 118 855 thousand to 31 December 2014, including environmental expenditures of CZK 46 854 thousand and CZK 63 946 thousand.

Future investment liabilities value from contracts signed to 31 December 2015 and 31 December 2014 amounted to CZK 10 236 816 thousand and CZK 273 435 thousand. As at 31 December 2015 signed investment contracts related to the new polyethylene unit (PE3) at the Litvínov plant amounted to CZK 6 645 801 thousand and contracts related to the steam cracker repair amounted to CZK 2 665 603 thousand.

32. CONTINGENT ASSETS AND LIABILITIES

32.1 Contingent assets

Steam cracker unit accident

As a consequence of the steam cracker unit accident which took place at the Chempark Záluží in Litvínov on 13 August 2015, the Company recognized in the 3rd quarter 2015 an estimated impairment charge in the amount of CZK 597 279 thousand in relation to damaged assets. The amount of the impairment charge can be changed until the completion of technical works on the site.

The Company is insured against property and mechanical damage as well as loss of business profits (business interruption) and it is in the process of seeking recourse from the insurer. The Company expects that, based on the insurance policies and the estimates made at the end of 2015, it should be in a position to recover repair costs estimated at approximately CZK 4.1 billion, as well as recoverable lost business profits estimated at CZK 2.4 billion and other operating cost incurred in connection with the fire amounting to approximately CZK 156 million.

During 2015 the Company has received advance payments for insurance compensation in the amount of CZK 276 million. Advance payments are presented in the Statement of financial position under Trade and other liabilities.

Tax proceeding

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

32.1 Contingent assets (continue)

Claim for unjustified enrichment against ČEZ Distribuce, a.s.

On 31 August 2015 UNIPETROL RPA, s.r.o., as petitioner, submitted its action to the District Court in Děčín requesting issuance of a payment order ordering ČEZ Distribuce, a.s., as respondent, to pay an unjustified enrichment to UNIPETROL RPA, s.r.o. in the amount of CZK 303 469 thousand with interest and legal fees. The unjustified enrichment of ČEZ Distribuce, a.s. results from ČEZ Distribuce, a.s., during the period from 1 January 2013 until 30 September 2013, charging UNIPETROL RPA, s.r.o. a monthly fee for renewable sources of energy and combined heat and power production with respect to the electricity produced and distributed by UNIPETROL RPA, s.r.o. itself. UNIPETROL RPA, s.r.o. is of the opinion that ČEZ Distribuce, a.s., as distribution system provider, is not entitled to charge the fee to its customers with respect to electricity which was produced and consumed by the customers themselves, i.e. for electricity for which no distribution service was provided.

32.2 Contingent liabilities

Transportation contracts

The transportation of crude oil supplies through pipelines for UNIPETROL RPA, s.r.o. is provided by MERO ČR, a.s. and TRANSPETROL, a.s. via ČESKÁ RAFINÉRSKÁ, a.s. As at 31 December 2015, ČESKÁ RAFINÉRSKÁ, a.s. held a contract for transportation with TRANSPETROL, a.s., covering crude oil supplies until 2020.

ČESKÁ RAFINÉRSKÁ, a.s. and MERO ČR, a.s. agreed on the terms and conditions of the crude oil transportation into the Czech Republic. The contract on storage and transportation of crude oil via the IKL and Družba pipelines came into force as of 1 January 2016. ČESKÁ RAFINÉRSKÁ, a.s. and MERO ČR, a.s. further extended the deadline for their negotiations regarding a new transportation tariff for supplies through the Družba and IKL pipelines until 31 March 2016.

The Company management does not expect any impact on the business activities caused by lack of agreement over the new transportation tariff for supplies through the Družba and IKL pipelines with MERO ČR, a.s. The effect on the financial statements is currently not measurable.

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

On 23 May 2012 UNIPETROL RPA, s.r.o., the subsidiary of UNIPETROL, a.s., received a petition from the District Court Ostrava, by which the claimant – I.P. – 95, s.r.o. is claiming compensation of damages totalling CZK 1 789 million. I.P. – 95, s.r.o. claims that it incurred damages as a result of an unjustified insolvency filing against I.P. – 95, s.r.o. made by UNIPETROL RPA, s.r.o. on 24 November 2009. I.P. – 95, s.r.o. assigned part of the receivable in question of CZK 1 742 million, to NESTARMO TRADING LIMITED; following the assignment, I.P. – 95, s.r.o. filed a motion regarding NESTARMO TRADING LIMITED joining the proceedings as a claimant. UNIPETROL RPA, s.r.o. is one of eight respondents against whom the petition was filed.

In a relating court proceedings, the Upper Court in Olomouc ruled that receivable of UNIPETROL RPA, s.r.o., which was claimed by UNIPETROL RPA, s.r.o. in the bankruptcy against I.P. – 95, s.r.o., was rightfully, justified and existing at the time of making the insolvency filing. On basis of applicable jurisprudence – claiming of justified receivable within a bankruptcy proceedings can not cause any damage to the debtor. Hence the Group expects that the damages compensation claim against UNIPETROL RPA, s.r.o. will be rejected by the relevant court.

On the basis of provisions of the Czech Insolvency Act, the proceedings has been suspended due to I.P. – 95, s.r.o. becoming insolvent and the insolvency trustee failing to give consent for the proceedings to continue. I.P. – 95, s.r.o. gave consent with the proceedings to continue and therefore, as per the most recent decision of the court, the proceedings will continue with I.P. – 95, s.r.o. in its position as petitioner. The court has also submitted the case to the Czech Supreme Court to decide on local jurisdiction matters; Czech Supreme Court remanded the case District Court in Ostrava.

32.2 Contingent liabilities (continued)

On 31 July 2015, the Regional Court resolved to annul the resolution of District Court in Ostrava allowing for the Cypriot company, NESTARMO TRADING LIMITED, to accede the court proceedings as plaintiff. The District Court in Ostrava is obligated to again review and decide on NESTARMO TRADING LIMITED acceding the proceedings. On 12 January 2016 the District Court in Ostrava dismissed the motion of I.P. – 95, s.r.o. to allow for the Cypriot company, NESTARMO TRADING LIMITED, to accede the court proceedings as plaintiff.

UNIPETROL RPA, s.r.o. does not recognize the alleged claim and considers the claim as unjustified and unfounded. UNIPETROL RPA, s.r.o. is still taking all legal actions to defend itself against this claim.

Claims regarding award for employees' intellectual work

In the year 2001 the court case commenced regarding the award for the employees' intellectual work between UNIPETROL RPA, s.r.o. and its two employees. Employees demanded award of approx. CZK 1.8 million. UNIPETROL RPA, s.r.o. as a defendant did not agree and offered the award amounting to approx. CZK 1.4 million, based on experts' valuations. In 2005 Employees plaintiffs filed the next petition to the court to extend the action to an amount of approx. CZK 82 million. The first instance hearing was held on 18 October 2011. An experts' valuation ordered by the court confirmed the amount of the reward payable to the employees in the amount of CZK 1.6 million. One of the employees accepted payment of his share in the award confirmed by the expert in the expert valuation ordered by the court. The Company paid the award to the second employee based on the expert opinion in January 2016.

33. GUARANTEES AND SECURITIES

Guarantees

The Company guarantees the obligations of HC Verva Litvínov, a.s. to the Association of Professional Ice Hockey Clubs CZK 7 000 thousand as at 31 December 2015 (31 December 2014: CZK 7 000 thousand).

UNIPETROL, a.s. issued a guarantee for the company UNIPETROL RPA, s.r.o. in favour of ČEPRO, a.s. to ensure the excise tax in the amount of CZK 150 000 thousand.

Guarantees to ensure the excise tax at custom office were issued in total amount of CZK 136 220 thousand as at 31 December 2015.

34. RELATED PARTY TRANSACTIONS

34.1 Material transactions concluded by the Company with related parties

In 2015 and 2014 there were no transactions concluded by the Company with related parties on other than market terms.

34.2 Transactions with key management personnel

In 2015 and 2014 the Company did not grant to key management personnel and their relatives any advances, loans, guarantees and commitments or other agreements obliging them to render services to the Company and related parties. In 2015 and 2014, there were no significant transactions concluded with members of statutory bodies or with their family members or other related parties.

34.3 Transactions with related parties concluded by key management personnel of the Company

In 2015 and 2014 the members of the key executive personnel, based on the submitted statements, did not conclude any transactions with their related parties.

34.4 Transactions and balances of the Company with related parties

Ultimate controlling party

The ultimate controlling party is Polski Koncern Naftowy ORLEN S.A., which held 62,99% of shares in the parent company UNIPETROL, a.s. in 2015 and 2014.

2015	UNIPETROL, a.s.	Parties under control or significant influence of UNIPETROL, a.s.	Parties under control or significant influence of the Company	PKN Orlen	Entities under control or significant influence of PKN Orlen
Sales	4 190	11 338 132	12 786 050	531 512	6 929 339
Purchases	104 834	9 680 037	306 641	62 848 059	401 523
Finance income, including dividends	-	360	221 451	-	445
Finance costs	84 210	(22)	221 411	-	-
			-	-	10 079

31/12/2015	UNIPETROL, a.s.	Parties under control or significant influence of UNIPETROL, a.s.	Parties under control or significant influence of the Company	PKN Orlen	Entities under control or significant influence of PKN Orlen
Non-current receivables	-	-	-	-	-
Other current financial assets	13 171	-	-	-	3 008 293
Trade and other receivables	1 515	1 268 881	822 208	188 720	491 775
Trade and other liabilities, including borrowings	6 340 403	4 754 785	90 083	2 558 668	49 720

2014	UNIPETROL, a.s.	Parties under control or significant influence of UNIPETROL, a.s.	Parties under control or significant influence of the Company	PKN Orlen	Entities under control or significant influence of PKN Orlen
Sales	4 241	15 517 232	12 815 422	1 157 875	7 085 174
Purchases	93 228	9 023 392	321 592	76 917 472	1 237 897
Finance income, including dividends	11	518	305 460	-	1
Finance costs	150 013	107	305 414	-	-
			-	762	28 550

31/12/2014	UNIPETROL, a.s.	Parties under control or significant influence of UNIPETROL, a.s.	Parties under control or significant influence of the Company	PKN Orlen	Entities under control or significant influence of PKN Orlen
Non-current receivables	-	18 278	-	-	-
Other current financial assets	293 157	-	-	-	18 190
Trade and other receivables	1 513	1 329 195	833 485	111 370	503 920
Trade and other liabilities, including borrowings	14 311 428	3 699 401	152 135	2 239 062	165 792

35. REMUNERATION PAID AND DUE OR POTENTIALLY DUE TO THE KEY EXECUTIVE PERSONNEL AND STATUTORY REPRESENTATIVES

The remuneration of the key executive personnel and statutory representatives includes short-term employee benefits, post-employment benefits, other long-term employee benefits and termination benefits paid, due and potentially due during the period.

35.1 Key management personnel and statutory bodies' members' compensation

	2015		2014	
	Short-term benefits	Termination benefits	Short-term benefits	Termination benefits
Remuneration of current period	36 354	750	38 772	2 692
Paid for previous year	10 221	-	10 925	-
Potentially due to be paid in the following year	9 562	-	8 923	-

Further detailed information about benefits of the key personnel and statutory representatives are presented in note 9.4.

35.2 Bonus system for key executive personnel of the Company

In 2015 the key executive personnel was participating in the annual MBO bonus system (management by objectives). The regulations applicable to statutory representatives, directors directly reporting to statutory representatives and other key positions have certain common features. The persons subject to the above mentioned system are remunerated for the accomplishment of specific goals set at the beginning of the bonus period, by the statutory representatives for the key executive personnel. The bonus systems are structured in such way, so as to promote the cooperation between individual employees in view to achieve the best possible results for the Company. The goals so-said are qualitative or quantitative (measurable) and are evaluated following the end of the year for which they were set, based on the rules adopted in the applicable Bonus System Regulations. Regulation gives the possibility to promote employees, who significantly contribute to results generated by the Company.

36. SUBSEQUENT EVENTS AFTER THE REPORTING DATE

As at 1 January 2016 came into force the legal effects of the merger between UNIPETROL RPA, s.r.o. and BENZINA, s.r.o. as described in note 6.

As of January 1, 2016 there was newly created a position of Executive in Charge of Retail that will be held by former Executive of Benzina Marek Zouvala.

On 30 December 2015 BENZINA, s.r.o. concluded an agreement with OMV to acquire 68 of its filling stations in the Czech Republic. Completion of the transaction is subject to the fulfilment of certain pre-conditions, among others, obtaining the necessary approval from the antitrust authorities.

The Company's management is not aware of any other events after the end of the period that would have any material impact on the financial statements as at 31 December 2015.

37. APPROVAL OF THE FINANCIAL STATEMENTS

The separate financial statements were authorized for issue by the Company's statutory representatives on 1 March 2016.

Signature of statutory representative



Miroslaw Kastelik
Statutory Representative

**REPORT ON RELATIONS BETWEEN THE CONTROLLING PERSON
AND THE CONTROLLED PERSON**

AND

**BETWEEN THE CONTROLLED PERSON AND OTHER PERSONS
CONTROLLED BY THE SAME CONTROLLING PERSON**

in 2015

**in accordance with article 82 of the Act No. 90/2012 Coll., on Business Companies and Cooperatives
(on Business Corporations), as amended (hereinafter the „Act on Business Corporations“)**

Financial period from 1 January 2015 to 31 December 2015 is the vesting period for this Report on relations between the controlling person and the controlled person and between the controlled person and other persons controlled by the same controlling person (hereinafter the „Report on Relations“).

The structure of relations between the entities

Controlled Person

UNIPETROL RPA, s.r.o. with registered office at Litvínov – Záluží 1, 436 70 Litvínov, Corporate ID: 27597075, entered in the Commercial Register maintained by the Regional Court in Ústí nad Labem, Section C, Enclosure 24430 (hereinafter „UNIPETROL RPA, s.r.o.“).

Controlling Persons

UNIPETROL, a.s. with registered office at Na Pankráci 127, 140 00 Praha 4, Corporate ID: 61672190, entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Enclosure 3020 (hereinafter „UNIPETROL, a.s.“).

Polski Koncern Naftowy Spółka Akcyjna with registered office at Chemików 7, PŁOCK, Poland (hereinafter „Polski Koncern Naftowy Spółka Akcyjna“) is the majority shareholder of UNIPETROL, a.s.

Other Controlled Persons

The entities controlled by the Controlling Person – Polski Koncern Naftowy Spółka Akcyjna are members of business group „PKN ORLEN S.A.“, whose scheme is shown in Appendix No. 2.

The entities controlled by UNIPETROL, a.s. are members of PKN ORLEN S.A. business group and are also members of „UNIPETROL“ business group, whose scheme is shown in Appendix No. 1.

The role of the Controlled Person

The role of UNIPETROL RPA, s.r.o. within the business group is sale of products from crude oil, the production, processing and sale of chemicals, the production and final processing of plastics and the production, processing, distribution and sale of energy, particularly heat, electricity and gas.

The method and means of controlling

UNIPETROL, a.s. is the sole shareholder of UNIPETROL RPA, s.r.o. and has direct influence in UNIPETROL RPA, s.r.o.

Polski Koncern Naftowy Spółka Akcyjna is the majority shareholder of UNIPETROL, a.s. and has indirect influence in UNIPETROL RPA, s.r.o. through UNIPETROL a.s.

The list of actions undertaken in the last financial period made on instigation or in the interest of the Controlling Person or entities controlled by such entity, on condition such actions concern assets exceeding 10% of the controlled entity's equity capital identified in the last financial statements

In the vesting period there were actions carried out in accordance with article 82 (2d) of the Act on Business Corporations. The list of mutual agreements with the details is enclosed in Appendix No. 3., the list of transactions and balances of the Company with related parties is presented in the note 34 of the Separate financial statements of UNIPETROL RPA, s.r.o. for the year 2015.

The list of mutual agreements between the Controlled Person and the Controlling Person or between the Controlled Persons

The mutual agreements between UNIPETROL RPA, s.r.o. and UNIPETROL, a.s. and Polski Koncern Naftowy Spółka Akcyjna and Other Controlled Persons were concluded on the standard terms, while agreed and provided performances or counter-performances were based on the standard terms of business relations.

The list of mutual agreements with the details is enclosed in Appendix No. 3.

The conclusion

The statutory representatives of UNIPETROL RPA, s.r.o. based on available information declare that UNIPETROL RPA, s.r.o. incurred no detriment, special advantage or disadvantage in accordance with the article 82 (4) of the Act of Business Corporations as a result of any contracts, acts or measures taken between entities in business group. No risks arise from the relations between entities in business group to UNIPETROL RPA, s.r.o. except those arising from standard participation in international business group.

The statutory representatives prepared the Report on Relations based on information available on the date of the Report on Relations.

The Report on Relations is to be read in conjunction with the Appendix No. 1, 2 and 3.

Litvinov, 1 March 2016

On behalf of statutory representatives of UNIPETROL RPA, s.r.o.



Miroslav Kástelík,
Statutory representative

Appendix No. 1

BUSINESS GROUP OF UNIPETROL, a.s. – controlled entities

1 January 2015 - 31 December 2015

Companies controlled by UNIPETROL, a.s.	Residence	Shares in directly and indirectly controlled companies		Note
		Share in % of the capital		
Companies with direct share of UNIPETROL, a.s.				
Companies with indirect share of UNIPETROL, a.s.		1.1.	31.12.	
1. UNIPETROL RPA, s.r.o., IČ 275 97 075	Litvínov, Záluží 1	100,00	100,00	
1.1 HC VERVA Litvínov, a.s., IČ 640 48 098	Litvínov, S.K. Neumanna 1598	70,95	70,95	Other shareholders - Litvínov city owns 22,14% and HC Litvínov, o.s. owns 6,91%
1.2 CHEMOPETROL, a.s., IČ 254 92 110	Litvínov, Záluží 1	100,00	100,00	
1.3 POLYMER INSTITUTE BRNO, s.r.o., IČ 607 11 990	Brno, Tkalcovská 36/2	99,00	99,00	1% owned by UNIPETROL, a.s. Effectively from 31.12.2015 the merger with UNIPETROL RPA, s.r.o. was registered, decisive day of the merger was 1.1.2015
1.4 UNIPETROL DOPRAVA, s.r.o., IČ 640 49 701	Litvínov, Růžodol 4	99,88	99,88	0,12% owned by UNIPETROL, a.s.
1.5 UNIPETROL DEUTSCHLAND GmbH, IČ HRB 34346	Langen, Germany, Paul-Ehrlich-Strasse 1B	99,90	99,90	0,1% owned by UNIPETROL, a.s.
1.6 UNIPETROL SLOVENSKO, s.r.o., IČ 357 77 087	Panónská cesta 7, Bratislava, Slovensko	86,96	86,96	13,04% owned by UNIPETROL, a.s.
1.7 UNIPETROL RPA Hungary Kft., IČ 01-09-272652	1042 Budapest, Árpád út 48-50. I. em. 5., Hungary	0,00	100,00	
2. UNIPETROL SERVICES, s.r.o., IČ 276 08 051	Litvínov, Záluží 1	100,00	100,00	
3. Výzkumný ústav anorganické chemie, a.s., IČ 622 43 136	Ústí nad Labem, Revoluční 84/ 1521	100,00	100,00	
4. BENZINA, s.r.o., IČ 601 93 328	Praha 4, Na Pankráci 127	100,00	100,00	
4.1 PETROTRANS, s.r.o., IČ 251 23 041	Praha 8, Sřfelničná 2221	99,37	99,37	0,63% owned by UNIPETROL, a.s.
5. UNIPETROL RAFINÉRIE, s.r.o. IČ 278 85 429	Litvínov, Záluží 1	100,00	100,00	
6. ČESKÁ RAFINÉRSKÁ, a.s., IČ 627 41 772	Litvínov, Záluží 2	67,555	100,00	
7. UNIPETROL AUSTRIA, GmbH, in liquidation, IČ 43 551	Vienna, Apfelgasse 2, Austria	100,00	100,00	
8. PARAMO, a.s., IČ 481 73 355	Pardubice, Svítkov, Přerovská 560	100,00	100,00	
8.1 MOGUL SLOVAKIA, s.r.o., IČ 36 222 992	Hradiště pod Vrátnou, U ihriska 300, Slovakia	100,00	100,00	
8.2 Paramo Oil, s.r.o., IČ 246 87 341	Pardubice, Přerovská 560	100,00	100,00	
9. Butadien Kralupy a.s., IČ 278 93 995	Kralupy nad Vltavou, O. Wichterleho 810	51,00	51,00	49% shares owned by SYNTHOS Kralupy a.s.
Other companies with share of UNIPETROL, a.s.				
1. UNIVERSAL BANKA, a.s. in bankruptcy, IČ 482 64 865	Praha 1, Senovážné náměstí 1588/4	16,45	16,45	12,24% shares owned by UNIPETROL RPA, s.r.o.
2. ORLEN HOLDING MALTA LIMITED, IČ C 39945	Malta, Level 1, 36, Strand Towers, The Strand, Sliema SLM 1022	0,5	0,5	99,5% shares owned by PKN ORLEN S.A.

Appendix No. 2

PKN ORLEN S.A. BUSINESS GROUP – controlled companies

1 January 2015 – 31 December 2015

Company controlled by PKN ORLEN S.A.	Residence	Shares in directly and indirectly controlled company		Note
		as at 1.1.2015	as at 31.12.2015	
1. Unipetrol a.s.	Praha	62,99%	62,99%	
2. AB ORLEN Lietuva	Juodeikiai	100,00%	100,00%	
2.1 UAB Mazeikiu Nafta Trading House	Vilnius	100,00%	100,00%	
2.1.1 SIA ORLEN Latvija	Riga, Latvia	100,00%	100,00%	
2.1.2 ORLEN Eesti OU	Tallin, Estonia	100,00%	100,00%	
2.2 UAB Mazeikiu Nafta Paslaugos Tau	Juodeikiai	100,00%	100,00%	
2.3 UAB EMAS	Juodeikiai	100,00%	100,00%	
3. AB Ventus Nafta	Vilnius	100,00%	100,00%	
4. Anwil S.A.	Włocławek	100,00%	100,00%	
4.1 Przedsiębiorstwo Inwestycyjno - Remontowe REMWIL Sp. z o.o.	Włocławek	100,00%	0%	PKN purchased 100% of shares on 26.1.2015 and company merged to Orlen Serwis S.A. on 20.2.2015
4.2 Pro-Lab Sp. z o.o. w likwidacji	Włocławek	99,32%	99,99%	Anwil acquired 0,67% share on 18.2.2015. Company entered into liquidation on 1.8.2015
4.3 SPOLANA a.s.	Neratovice	100,00%	100,00%	
4.4 Przedsiębiorstwo Usług Technicznych Wircom Sp. z o.o.	Włocławek	49,02%	97,38%	Anwil acquired: 48,03% stake on 20.11.2015 and 0,33% on 15.12.2015
5. Inowrocławskie Kopalnie Soli "SOLINO" S.A.	Inowrocław	100,00%	100,00%	
6. Kopalnia Soli Lubień sp. z o.o.	Warszawa	100,00%	100,00%	
7. ORLEN Administracja Sp. z o.o.	Płock	100,00%	100,00%	
8. ORLEN Asphalt Sp. z o.o.	Płock	100,00%	100,00%	
8.1 ORLEN Asphalt Ceska Republika s.r.o.	Pardubice	100,00%	100,00%	
9. ORLEN Automatyka Sp. z o.o.	Płock	100,00%	0%	Company merged to ORLEN Serwis S.A. on 20.2.2015
10. ORLEN Serwis S.A.	Płock	100,00%	100%	
11. ORLEN Budonafit Sp. z o.o.	Limanowa	100,00%	100%	
12. ORLEN Centrum Serwisowe Sp. z o.o.	Opole	99,33%	99,33%	
13. ORLEN Deutschland GmbH	Elmshorn	100,00%	100,00%	
14. ORLEN EKO Sp. z o.o.	Płock	100,00%	100,00%	
15. ORLEN Gaz Sp. z o.o.	Płock	100,00%	0%	Company merged to Orlen Paliwa (prev. Orlen Petrotank) on 30.10.2015
16. Orlen Holding Malta Limited	Sliema, Malta	99,50%	99,50%	The remaining share owned by Unipetrol, a.s.
16.1 Orlen Insurance Ltd.	Sliema, Malta	99,99%	99,99%	The remaining share owned by PKN ORLEN S.A.
17. ORLEN KolTrans Sp. z o.o.	Płock	99,85%	99,85%	
18. ORLEN Centrum Usług Korporacyjnych sp. z o.o.	Płock	100,00%	100,00%	
19. Orlen Laboratorium Sp. z o.o.	Płock	99,38%	99,38%	
20. ORLEN Ochrona Sp. z o.o.	Płock	100,00%	100,00%	
20.1 ORLEN Apsauga UAB	Juodeikiai	100,00%	100,00%	
21. ORLEN OIL Sp. z o.o.	Kraków	100,00%	100,00%	

21.1 Platinum Oil Sp. z o.o.	Lublin	100,00%	0%	Company merged to ORLEN Oil on 5.1.2015
21. 2 ORLEN Oil Cesko s.r.o. w likwidacji	Brno	100,00%	0%	Company liquidated on 14.2.2015
22. ORLEN Paliwa Sp. z o.o.	Płock	100,00%	0%	Company merged to Orlen Paliwa (prev. Orlen Petrotank) on 30.06.2015
23. ORLEN Paliwa Sp. z o.o.	Wielka	100,00%	100%	till 30.06.2015 ORLEN PetroTank Sp. z o.o.
23.1 Petro-Mawi Sp. z o.o. w likwidacji	Sosnowiec	60,00%	60,00%	
24. ORLEN Projekt S.A.	Płock	99,77%	99,77%	
25. ORLEN Transport Kraków Sp. z o.o. w upadłości	Kraków	98,41%	98,41%	
26. ORLEN Transport S.A.	Płock	100,00%	100,00%	
27. ORLEN Upstream Sp. z o.o.	Warszawa	100,00%	100,00%	
27.1 ORLEN Upstream International B.V.	Amsterdam	100,00%	100,00%	
27.1.1 Orlen Upstream Canada Ltd	Calgary	100,00%	100,00%	Till 31.3.2015 TriOil Resources Ltd.
27.1.1.1 Kicking Horse Energy Inc.	Calgary	0,00%	100,00%	Company acquired on 1.12.2015
27.1.1.1.1 KCK Operating Company Ltd.	Calgary	0,00%	100,00%	Company acquired on 1.12.2015
27.1.1.1.2 Columbia Natural Resources Canada Ltd.	Calgary	0,00%	100,00%	Company acquired on 1.12.2015
27.1.1.1.3 Kicking Horse International Exploration Ltd.	Calgary	0,00%	100,00%	Company acquired on 1.12.2015
27.1.1.1.4 Pierdrie Production GP Ltd.	Calgary	0,00%	50,00%	Company acquired on 1.12.2015
27.1.1.1.4.1 671519 N.B. Ltd. (New Brunswick)	Saint John	0,00%	100,00%	Company acquired on 1.12.2015
27.1.1.1.5 KCK Atlantic Holdings Ltd.	Calgary	0,00%	100,00%	Company acquired on 1.12.2015
27.1.1.1.5.1 Pierdrie Production LP	Calgary	0,00%	80,00%	Company acquired on 1.12.2015
27.1.1.2 1426628 Alberta Ltd.	Calgary	100,00%	100,00%	
27.1.1.3 OneEx Operations Partnership	Calgary	100,00%	100,00%	
27.2 ORLEN International Exploration -Production Company BV	Amsterdam	100,00%	0,00%	Company liquidated on 31.10.2015
27.2.1 SIA Balin Energy in liquidation	Riga	50,00%	0,00%	Company liquidated on 2.7.2015
27.3 Kiwi Acquisition Corp.	Carson City	0,00%	100,00%	Company established on 9.10.2015
27.3.1 FX Energy Inc.	Salt Lake City	0,00%	100,00%	Company shares (67,3%) acquired on 15.12.2015. Remaining part (to 100%) acquired on 31.12.2015
27.3.1.1 FX Drilling Company, Inc.	Salt Lake City	0,00%	100,00%	Company acquired altogether with FX Energy Inc.
27.3.1.2 FX Producing Company, Inc.	Salt Lake City	0,00%	100,00%	Company acquired altogether with FX Energy Inc.
27.3.1.4 Frontier Exploration, Inc.	Salt Lake City	0,00%	100,00%	Company acquired altogether with FX Energy Inc.
27.3.1.4 FX Energy Netherlands Partnership C.V.	n/a	0,00%	100,00%	Company acquired altogether with FX Energy Inc.
27.3.1.4.1 FX Energy Netherlands B.V.	Utrecht	0,00%	100,00%	Company acquired altogether with FX Energy Inc.
27.3.1.4.1.1 FX Energy Polska Sp. z o.o.	Warszawa	0,00%	100,00%	Company acquired altogether with FX Energy Inc.
28. ORLEN Wir Sp. z o.o.	Płock	76,59%	76,59%	
29. Petrolot Sp. z o.o.	Warszawa	100,00%	100,00%	
30. Rafineria Nafty Jedlicze S.A.	Jedlicze	100,00%	0%	Company merged to Rafineria Trzebinia (Orlen Południe) on 5.1.2015

30.1 KONSORCJUM OLEJÓW PRZEPRACOWANYCH "ORGANIZACJA ODZYSKU OPAKOWAŃ I OLEJÓW" S.A.	Jedlicze	81,00%	0,00%	Shares transferred to Orlen Południe on 5.1.2015
30.2 „RAF-KOLTRANS” Sp. z o.o. w likwidacji	Jedlicze	100,00%	0,00%	Company liquidated on 3.6.2015
30.3 „RAF- SŁUŻBA RATOWNICZA” Sp. z o.o. w likwidacji	Jedlicze	100,00%	0,00%	Company liquidated on 14.12.2015
30.4 "RAN-WATT" Sp. z o.o. w likwidacji	Toruń	51,00%	0,00%	Shares transferred to Orlen Południe on 5.1.2015
31. ORLEN Południe S.A.	Trzebinia	99,46%	100,00%	Till 5.1.2015 Rafineria Trzebinia S.A.
31.1 Energomedla Sp. z o.o.	Trzebinia	100,00%	100,00%	
31.2 Euronafł Trzebinia Sp. z o.o.	Trzebinia	100,00%	100,00%	
31.3 Fabryka Parafin NaftoWax Sp. z o.o.	Trzebinia	100,00%	0%	Company merged to Rafineria Trzebinia (Orlen Południe) on 5.1.2015
31.4 EkoNaft Sp. z o.o. w likwidacji	Trzebinia	100,00%	100,00%	
31.5 Zakładowa Straż Pożarna Sp. z o.o.	Trzebinia	100,00%	0,00%	Company merged to Rafineria Trzebinia (Orlen Południe) on 5.1.2015
31.7 KONSORCJUM OLEJÓW PRZEPRACOWANYCH - ORGANIZACJA ODZYSKU OPAKOWAŃ I OLEJÓW S.A.	Jedlicze	8,00%	89,00%	Share increase through merger with Rafineria Nafty Jedlicze on 5.1.2015
31.8 RAN-WATT Sp. z o.o. w likwidacji	Toruń	0,00%	51,00%	Shares acquired on 5.1.2015 through merger with Rafineria Nafty Jedlicze
32. Ship - Service S.A.	Warszawa	60,86%	60,86%	
33. ORLEN Finance AB	Stokholm	100,00%	100,00%	
34. ORLEN Capital AB	Stokholm	100,00%	100,00%	
35. Baltic Power Sp. z o.o.	Warszawa	100,00%	100,00%	
36. Baltic Spark Sp. z o.o.	Warszawa	100,00%	0,00%	Company merged to Baltic Power on 19.3.2015
37. Basell Orlen Polyolefins Sp. z o.o.	Płock	50,00%	50,00%	
37.1 Basell ORLEN Polyolefins Sprzedaż Sp. z o.o.	Płock	100,00%	100,00%	
38. Płocki Park Przemysłowo-Technologiczny S.A.	Płock	50,00%	50,00%	
38.1 Centrum Edukacji Sp. z o.o.	Płock	69,43%	69,43%	

Appendix No. 3

The list of mutual agreements between the controlling and controlled entity or between the controlled entities

Number of the contract / amendment	Partnership role	Subject	Reason for conclusion of contract/amendment	Firm	Validity from	Validity till	Date of conclusion of the contract
0093 - 2016 rev. 0 dod. 0	Supplier	Contract of easement	Creation of the easement	ČESKÁ RAFINÉRSKÁ, a.s.	27.12.1995	Indefinitely	27.12.1995
0850 - 2015 rev. 0 dod. 0	Supplier	Payment on account agreement	Advance payment of indemnity for the events of August 2015.	ORLEN INSURANCE LTD	31.12.2015	Indefinitely	31.12.2015
0847 - 2015 rev. 0 dod. 0	Buyer	Contract for motion mode, driveways and entrances in Litvínov Chempark	Organization of the motion mode, driveways and entrances in Litvínov Chempark	PETROTRANS, s.r.o.	11.12.2015	Indefinitely	25.1.2016
0809 - 2015 rev. 0 dod. 0	Buyer	Contract for the lease of movable property	Laboratory work in connection with the business of the lessee.	Výzkumný ústav anorganické chemie a.s.	1.1.2015	31.12.2015	28.12.2015
0778 - 2015 rev. 0 dod. 0	Supplier	Purchase of propylene October 2015	Purchase of propylene	Polski Koncern Naftowy ORLEN S.A.	1.10.2015	31.10.2015	6.1.2016
0770 - 2015 rev. 0 dod. 0	Supplier	cooperation in advertising and promotion	Support of sport activities in Ústí region	HC VERVA Litvínov, a.s.	18.11.2015	31.12.2015	27.10.2015
0730 - 2015 rev. 0 dod. 0	Buyer	Agreement on regulation of rights and obligations	A short time consumption of energy	ČESKÁ RAFINÉRSKÁ, a.s.	14.10.2015	30.11.2015	18.11.2015
0707 - 2015 rev. 0 dod. 0	Buyer	The contract for the supply and consumption of hot water and fresh water	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.10.2015	Indefinitely	15.12.2015
0683 - 2015 rev. 0 dod. 0	Supplier	Repurchase transformer station st.3113 and building Trařmistr district II by Unipetrol Doprava s.r.o.	Transfer of ownership rights	UNIPETROL DOPRAVA, s.r.o.	8.10.2015	30.11.2015	30.11.2015
0681 - 2015 rev. 0 dod. 1	Buyer	The contract for the supply of energy services	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.10.2015	Indefinitely	20.10.2015
0678 - 2015 rev. 0 dod. 0	Supplier	Assignment agreement	Entered into the Assignment Agreement	UNIPETROL, a.s.	25.8.2015	4.9.2015	25.8.2015
0658 - 2015 rev. 0 dod. 0	Buyer	Contract for lease - rental within bd. 4432	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	14.10.2015	30.11.2015	9.11.2015
0561 - 2015 rev. 0 dod. 0	Buyer	The contract for the supply and consumption of hot water	Provision of services	UNIPETROL, a.s.	1.8.2015	Indefinitely	1.8.2015

Number of the contract / amendment	Partnership role	Subject	Reason for conclusion of contract/amendment	Firm	Validity from	Validity till	Date of conclusion of the contract
0558 - 2015 rev. 0 dod. 0	Buyer	The contract for the supply of energy services	Provision of services	UNIPETROL, a.s.	1.8.2015	Indefinitely	1.8.2015
0510 - 2015 rev. 0 dod. 0	Buyer	Settlement agreement	Settlement after the spinn off	UNIPETROL DOPRAVA, s.r.o.	1.9.2015	Indefinitely	27.10.2015
0509 - 2015 rev. 0 dod. 0	Supplier	Framework agreement for use of credit cards Benzina	Provision of services	BENZINA, s.r.o.	20.8.2015	Indefinitely	20.8.2015
0503 - 2015 rev. 0 dod. 0	Supplier	Agreement on changing the recipient of the project grant	Transformation of UNIPETROL DOPRAVA, s.r.o.	UNIPETROL DOPRAVA, s.r.o.	25.8.2015	Indefinitely	3.9.2015
0502 - 2015 rev. 0 dod. 0	Supplier	Agreement on changing the recipient of the project grant	Transformation of UNIPETROL DOPRAVA, s.r.o.	UNIPETROL DOPRAVA, s.r.o.	25.8.2015	Indefinitely	3.9.2015
0489 - 2015 rev. 0 dod. 0	Supplier	Contract of the car lease	Provision of services	Česká rafinérská, a.s.	1.8.2015	Indefinitely	25.8.2015
0488 - 2015 rev. 0 dod. 0	Supplier	Lease contract	Provision of services	Česká rafinérská, a.s.	1.8.2015	Indefinitely	25.8.2015
0478 - 2015 rev. 0 dod. 0	Supplier	Agreement No. 0090-2015 on Insurance and Administration Thereof - insurance of liability for damage – 2nd layer	Reinvoicing of the services	UNIPETROL, a.s.	1.5.2015	30.4.2016	1.9.2015
0433 - 2015 rev. 0 dod. 1	Supplier	Contract on engineering services	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.7.2015	30.9.2015	5.8.2015
0421 - 2015 rev. 0 dod. 0	Supplier	Terrorism, sabotage and malicious damage insurance no. OIL/TER/02/2015	Provision of services	ORLEN INSURANCE LTD	1.7.2015	1.7.2016	11.8.2015
0401 - 2015 rev. 0 dod. 0	Buyer	Lease for plots from third parties	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.7.2015	Indefinitely	6.10.2015
0366 - 2015 rev. 0 dod. 0	Supplier	Mandante contract	Spin - off UNIPETROL DORPAVA, s.r.o.	UNIPETROL DOPRAVA, s.r.o.	27.6.2015	Indefinitely	27.6.2015

Number of the contract / amendment	Partnership role	Subject	Reason for conclusion of contract/amendment	Firm	Validity from	Validity till	Date of conclusion of the contract
0365 - 2015 rev. 0 dod. 0	Supplier	Agreement No. 0072-2015 on Insurance and Administration Thereof - insurance of liability for damage – 1st layer	Provision of services	UNIPETROL, a.s.	1.5.2015	30.4.2016	30.6.2015
0353 - 2015 rev. 0 dod. 0	Buyer	Railway siding lease agreement	Spin - off UNIPETROL DORPAVA, s.r.o.	UNIPETROL DOPRAVA, s.r.o.	26.6.2015	Indefinitely	26.6.2015
0336 - 2015 rev. 0 dod. 0	Supplier	Provision of transport services on the railway lines - siding for Unipetrol RPA a Česká Rafinérská	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.8.2015	31.7.2018	1.8.2015
0335 - 2015 rev. 0 dod. 0	Buyer	Agreement on settlement of liabilities – provision of bank guarantee	Provision of bank guarantee	HC VERVA Litvínov, a.s.	1.7.2015	30.6.2016	30.6.2015
0273 - 2015 rev. 0 dod. 0	Buyer	Contract on Surcharge to the other Capital funds	Surcharge to the other Capital funds of UNIPETROL DOPRAVA, s.r.o. due to the planned Project of Spin - OFF	UNIPETROL DOPRAVA, s.r.o.	19.12.2014	Indefinitely	19.12.2014
0237 - 2015 rev. 0 dod. 0	Supplier	Contract for insurance and its administration No. 0029-2015 - directors and officers liability insurance.	Reinvoicing of services	UNIPETROL, a.s.	1.10.2014	31.10.2015	28.4.2015
0166 - 2015 rev. 0 dod. 0	Supplier	Research on the development of applications of conducting Chezacarb black - 2015	Provision of services	POLYMER INSTITUTE BRNO, spol. s r.o.	1.1.2015	31.12.2015	4.3.2015
0165 - 2015 rev. 0 dod. 0	Supplier	Development tasks for BU 2 aimed at optimizing EJ - VÚAnCh (2015)	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2015	31.12.2015	23.2.2015
0164 - 2015 rev. 0 dod. 0	Supplier	Development tasks for Urte-RAF- integration of biofuels - VÚAnCh (2015)	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2015	31.12.2015	23.2.2015
0163 - 2015 rev. 0 dod. 0	Supplier	Development tasks for Urte-RAF - VÚAnCh (2015)	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2015	31.12.2015	23.2.2015
289-2013 rev. 0 dod. 1-3	Supplier	REB-Družba Term Contract / 2013 - 2016	Crude oil supply	PKN Orlen S.A.	1.7.2013	30.6.2016	1.7.2013

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0162 - 2015 rev. 0 dod. 0	Supplier	Development tasks for Urte - VÚAnCh (2015)	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2015	31.12.2015	23.2.2015
0158 - 2015 rev. 0 dod. 0	Buyer	Unipetrol Slovakia ammonia-2015	Sale of products	UNIPETROL SLOVENSKO s. r. o.	1.1.2015	31.12.2015	20.3.2015
0142 - 2015 rev. 0 dod. 1	Supplier	Contract No. 0012-2015 - insurance and its support - insurance of nontechnology assets	Reinvoicing of services	UNIPETROL, a.s.	1.1.2015	31.12.2015	24.2.2015
0126 - 2015 rev. 0 dod. 0	Supplier	Increased efficiency and new scenarios for the use of hydrogen gas within Chempark	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2015	31.12.2015	27.3.2015
0125 - 2015 rev. 0 dod. 0	Supplier	Technical support in monitoring the development of production and use of biofuels	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2015	31.12.2015	27.3.2015
0124 - 2015 rev. 0 dod. 0	Supplier	New analytical methods for the management and control of petrochemical processes	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2015	31.12.2015	27.3.2015
0123 - 2015 rev. 0 dod. 0	Supplier	Management catalysts in refinery and petrochemical	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2015	31.12.2015	27.3.2015
0120 - 2015 rev. 0 dod. 0	Buyer	The contract for the lease of the vehicle - SKODA OCTAVIA, RZ 2U7 7793	Provision of services	SPOLANA a.s.	1.1.2015	30.6.2015	12.5.2015
0114 - 2015 rev. 0 dod. 0	Supplier	R&D activities of new HDPE - 2015	Provision of services	POLYMER INSTITUTE BRNO, spol. s r.o.	1.1.2015	31.12.2015	23.3.2015
0112 - 2015 rev. 0 dod. 0	Supplier	R&D activities of new PP - 2015	Provision of services	POLYMER INSTITUTE BRNO, spol. s r.o.	1.1.2015	31.12.2015	23.3.2015
0073 - 2015 rev. 0 dod. 0	Buyer	Non Disclosure Agreement	Protection of confidential information	PKN Orlen S.A.	19.12.2014	19.12.2019	19.12.2014
502-2005 rev. 0 dod. 1-3	Supplier	Crude oil purchase agreement	Crude oil supply	PKN Orlen S.A.	29.9.2005	Indefinite	29.9.2005
65-2006 rev. 0 dod. 1	Supplier	Crude oil purchase agreement	Crude oil supply	PKN Orlen S.A.	25.1.2006	Indefinite	25.1.2006

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0069 - 2015 rev. 0 dod. 1	Buyer	The contract for the lease of the vehicle - the Škoda Fabia Combi, RZ 4U8 3128	Provision of services	ORLEN Ochrana Spolka	12.1.2015	30.4.2015	5.3.2015
0057 - 2015 rev. 0 dod. 0	Supplier	Butadien- 1,3 Butadiene purchase	Sale of products	Butadien Kralupy a.s.	1.1.2015	31.12.2015	10.3.2015
0054 - 2015 rev. 0 dod. 0	Supplier	Butadien-purchase of Raffinate 1	Sale of products	Butadien Kralupy a.s.	1.1.2015	31.12.2015	10.3.2015
0033 - 2015 rev. 0 dod. 0	Supplier	Contract for the use of results achieved in addressing research and development project	Fulfillment of conditions of the grant allocation	Výzkumný ústav anorganické chemie, a.s.	1.1.2015	31.1.2018	15.12.2014
0025 - 2015 rev. 0 dod. 0	Buyer	Spolana-Ethylene for 2015	Sale of products	SPOLANA a.s.	1.1.2015	31.12.2015	7.4.2015
0024 - 2015 rev. 0 dod. 0	Buyer	Technical support for polypropylen unit	Provision of services	POLYMER INSTITUTE BRNO, spol. s r.o.	1.1.2015	31.12.2015	25.2.2015
0021 - 2015 rev. 0 dod. 0	Buyer	Technical sales support PE	Provision of services	POLYMER INSTITUTE BRNO, spol. s r.o.	1.1.2015	31.12.2015	13.3.2015
0020 - 2015 rev. 0 dod. 0	Buyer	Technical sales support PP	Provision of services	POLYMER INSTITUTE BRNO, spol. s r.o.	1.1.2015	31.12.2015	13.3.2015
0013 - 2015 rev. 0 dod. 0	Buyer	sale of ammonia in 2015	Sale of product	SPOLANA a.s.	1.1.2015	31.12.2015	15.6.2015
0808 - 2014 rev. 0 dod. 0	Buyer	Letter of Intent	Agreement	PKN Orlen S.A.	19.12.2014	28.2.2015	19.12.2014
0807 - 2014 rev. 0 dod. 0	Buyer	Rental of railway wagons	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.1.2015	31.12.2015	1.1.2015
0806 - 2014 rev. 0 dod. 0	Buyer	Providing the service of maintenance and repairs of RAIL TANK CARS	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.1.2015	31.12.2017	1.1.2015
0805 - 2014 rev. 0 dod. 0	Buyer	Providing of cleaning services for rail tanks cars and loading of ammonia	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.1.2015	31.12.2017	1.1.2015

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0804 - 2014 rev. 0 dod. 0	Buyer	The provision of rail transport services	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.1.2015	31.12.2017	1.1.2015
0803 - 2014 rev. 0 dod. 0	Buyer	Provision of transport services	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.1.2015	31.12.2017	1.1.2015
0761 - 2014 rev. 0 dod. 0	Supplier	Service contract	Provision of services	UNIPETROL, a.s.	1.1.2015	Indefinitely	1.1.2015
0756 - 2014 rev. 0 dod. 3	Supplier	Comprehensive insurance policy No. OIL/ALL/02/2014 - All risks insurance, gross profit insurance, machinery breakdown insurance, gross profit insurance following machinery breakdown insurance	Provision of services	ORLEN INSURANCE LTD	1.12.2014	30.11.2016	6.1.2015
0696 - 2014 rev. 0 dod. 1	Buyer	The contract for the supply and consumption of thermal energy	Provision of services	Výzkumný ústav anorganické chemie, a.s.	9.10.2014	Indefinitely	9.10.2014
0693 - 2014 rev. 0 dod. 0	Buyer	Contract for Transport services	Frame Agreement for cooperation with ORLEN Transport	ORLEN Transport Spółka Akcyjna	1.11.2014	Indefinitely	1.11.2014
0665 - 2014 rev. 0 dod. 0	Buyer	The contract for the lease of the vehicle - SKODA Fabia, RZ 2U7 6947	Provision of services	ORLEN Ochrona Spółka	1.10.2014	Indefinitely	31.10.2014
0609 - 2014 rev. 0 dod. 0	Supplier	Agreement No. 0148-2014 on Insurance and Administration Thereof - insurance of liability for damage – 2nd layer	Reinvoicing of services	UNIPETROL, a.s.	1.5.2014	30.4.2015	16.9.2014

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0599 - 2014 rev. 0 dod. 0	Supplier	Providing Road Transport services - dedicated fleet	Provision of services	PETROTRANS, s.r.o.	1.8.2014	31.7.2019	9.9.2014
0589 - 2014 rev. 0 dod. 0	Supplier	Contract about planning services	Provision of services	Polski Koncern Naftowy ORLEN S.A.	1.8.2014	Indefinitely	12.8.2014
0582 - 2014 rev. 0 dod. 0	Buyer	NDA - Uni AS, Uni RPA, Spolana for Salamanca project	Protection of confidential information	UNIPETROL, a.s.	9.7.2014	Indefinitely	9.7.2014
0502 - 2014 rev. 0 dod. 0	Supplier	Agreement No. 0129-2014 on Insurance and Administration Thereof - insurance of liability for damage – 1st layer	Reinvoicing of services	UNIPETROL, a.s.	1.5.2014	30.4.2015	10.6.2014
0499 - 2014 rev. 0 dod. 1-2	Buyer	Contract for the lease and provision of services (transition type contract - renting space at bd. 4836, 4441, 2837, 2859, 5630 and the land lease Dolní Jířetín including the provision of services Range)	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.6.2014	31.5.2015	12.2.2015
0498 - 2014 rev. 0 dod. 0	Buyer	The contract for the lease of the vehicle - Skoda Fabia, RZ 2U7 6811	Provision of services	ORLEN Ochrana Spolka	20.5.2014	28.2.2015	2.7.2014
0494 - 2014 rev. 0 dod. 0	Supplier	Invitation letter to the tender process	Common agreement for a tender process	ČESKÁ RAFINÉRSKÁ, a.s.	20.5.2014	Indefinitely	20.5.2014
0490 - 2014 rev. 0 dod. 1	Buyer	Contract for use of the company's access to AspenTech	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.5.2014	31.12.2015	28.7.2014
0485 - 2014 rev. 0 dod. 0	Supplier	Frame contract about provision of laboratory services	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2014	31.12.2015	25.6.2014
0446 - 2014 rev. 0 dod. 0	Buyer	Agreement on settlement of liabilities – provision of bank guarantee	Provision of bank guarantee	HC VERVA Lítvínov, a.s.	1.7.2014	30.6.2015	14.5.2014

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312-2014 rev. 0 dod. 0	Buyer	Agreement of confidentiality, information protection and abuse prohibition	Protection of confidential information	SPOLANA a.s.	25.2.2014	Indefinitely	25.2.2014
259-2014 rev. 0 dod. 1-5	Buyer	Contract on energy service, utility and fresh water	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2014	Indefinitely	1.1.2014
253-2014 rev. 0 dod. 1	Buyer	Contract on energy service, utility and fresh water	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.1.2014	Indefinitely	13.2.2014
237-2014 rev. 0 dod. 1	Buyer	Contract on energy services	Provision of services	CHEMOPETROL, a.s.	1.1.2014	Indefinitely	4.2.2014
216-2014 rev. 0 dod. 1	Buyer	Heat energy supply contract	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.1.2014	Indefinitely	13.2.2014
196-2014 rev. 0 dod. 1	Buyer	Contract on energy services and utility water supply	Provision of services	ORLEN Ochrana Sp. z o.o.	1.1.2014	Indefinitely	30.1.2014
186-2014 rev. 0 dod. 1	Buyer	Contract on energy service and utility water	Provision of services	PETROTRANS, s.r.o.	1.1.2014	Indefinitely	1.1.2014
158-2014 rev. 0 dod. 1	Buyer	Contract on energy services and utility water supply	Provision of services	UNIPETROL, a.s.	1.1.2014	Indefinitely	5.2.2014
94-2014 rev. 0 dod. 1-2	Buyer	Contract on combined power supply service	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2014	Indefinitely	1.1.2014

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82-2014 rev. 0 dod. 1	Buyer	Contract on combined power supply service	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.1.2014	Indefinitely	5.2.2014
459-2013 rev. 0 dod. 0	Buyer	"Contract on vehicle lease (Skoda Superb Combi 6U3 0434) "	Provision of services	ORLEN Ochrana Spolka	19.11.2013	Indefinitely	12.12.2013
424-2013 rev. 0 dod. 0	Buyer	Contract for the provision of telecommunications services (voice traffic)	Provision of services	BENZINA, s.r.o.	1.9.2013	Indefinitely	19.11.2013
299-2013 rev. 0 dod. 0	Buyer	Contract for use of results achieved in addressing research and development project	Provision of services	POLYMER INSTITUTE BRNO, spol. s r.o.	1.7.2013	1.7.2016	27.8.2013
162-2013 rev. 0 dod. 0	Supplier	Mandatory agreement	Provision of services	ORLEN Ochrana Spolka	1.3.2013	Indefinitely	26.3.2013
105-2013 rev. 0 dod. 1	Buyer	Contract on lease	Provision of services	CHEMOPETROL, a.s.	1.2.2013	Indefinitely	6.3.2013
88-2013 rev. 0 dod. 0	Buyer	Česká Rafinérská-ammonia water	Sale of ammonia water in papeline in 2013-2015	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2013	31.12.2015	24.4.2013
518-2012 rev. 0 dod. 0	Supplier	Non-disclosure agreement	Protection of confidential information	ČESKÁ RAFINÉRSKÁ, a.s.	1.11.2012	Indefinitely	1.11.2012
469-2012 rev. 0 dod. 1-4	Supplier	Cooperation agreement in the field of centralisation of financial risk management	Provision of services	Polski Koncern Naftowy ORLEN S.A.	26.10.2010	Indefinitely	26.10.2010

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403-2012 rev. 0 dod. 1-2	Supplier	Accession agreement regarding the Internal Agreement on Group Accounts	Provision of services	ORLEN FINANCE AB	30.6.2012	Indefinitely	29.6.2012
378-2012 rev. 0 dod. 0	Supplier	Mandate agreement	Mandate agreement connected with the Contract on provision of telecommunication services	ORLEN Ochrana Spolka	27.6.2012	Indefinitely	22.8.2012
376-2012 rev. 0 dod. 1	Supplier	Agreement on provision of support site services	Provision of services	ORLEN Ochrana Spolka	1.7.2012	Indefinitely	22.8.2012
368-2012 rev. 0 dod. 0	Supplier	Contract on provision of telecommunication services	Provision of services	ORLEN Ochrana Spolka	26.6.2012	Indefinitely	22.8.2012
319-2012 rev. 0 dod. 1-3	Buyer	Contract on lease	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.5.2012	30.4.2016	17.7.2012
313-2012 rev. 0 dod. 0	Buyer	Contract for the lease and provision of services	Provision of services	PETROTRANS, s.r.o.	1.4.2012	Indefinitely	13.8.2012
287-2012 rev. 0 dod. 1-10	Buyer	Contract for the lease and provision of services	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2012	31.12.2016	7.5.2012
221-2012 rev. 0 dod. 1-3	Buyer	Contract on technicals gas supply	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2012	Indefinitely	1.1.2012
209-2012 rev. 0 dod. 1-3	Buyer	Contract on technicals gas supply	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.1.2012	Indefinitely	2.2.2012
201-2012 rev. 0 dod. 1-4	Buyer	Contract on taking and purification sewage water	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.1.2012	Indefinitely	2.2.2012

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199-2012 rev. 0 dod. 1-3	Buyer	Contract on taking and purification sewage water from rain water drainage	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2012	Indefinitely	1.1.2012
121-2012 rev. 0 dod. 1-2	Supplier	Agreement about provision of services - access card center and reception	Provision of services	ORLEN Ochrona Sp. z o.o.	1.2.2012	Indefinitely	27.1.2012
576-2011 rev. 0 dod. 0	Supplier	Agreement on cooperation and mutual provision of personnel	Provision of services	Polski Koncern Naftowy ORLEN S.A.	1.1.2011	Indefinitely	1.12.2011
573-2011 rev. 0 dod. 0	Supplier	Confidentiality agreement	Protection of confidential information	SPOLANA a.s.	19.10.2011	Indefinitely	19.10.2011
545-2011 rev. 0 dod. 0	Supplier	Sublease agreement	Provision of services	UNIPETROL SERVICES, s.r.o.	20.9.2011	31.12.2016	1.1.2011
544-2011 rev. 0 dod. 0	Buyer	Contract for the lease of space	Provision of services	UNIPETROL SERVICES, s.r.o.	1.1.2011	Indefinitely	1.1.2011
478-2011 rev. 0 dod. 1-2	Buyer	Contract for the lease and provision of services	Provision of services	ORLEN Ochrona Sp. z o.o.	1.7.2011	Indefinitely	1.7.2011
469-2011 rev. 0 dod. 1-2	Supplier	Contract on terms and conditions of property and persons physical security guard performance as well as on conditions of other services performance	Provision of services	ORLEN Ochrona Sp. z o.o.	1.7.2011	Indefinitely	24.8.2011
165-2011 rev. 0 dod. 1	Supplier	Appendix No.1 to the Agreement on the use of goodwill UNIPETROL, a.s	Fixing the price for year 2010	UNIPETROL, a.s.	16.3.2011	Indefinitely	13.4.2011

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138-2011 rev. 0 dod. 1-2	Buyer	Contract on customer connection to the LDS	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2011	Indefinitely	1.1.2011
135-2011 rev. 0 dod. 0	Buyer	Gases and related services and payment terms of them	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2011	Indefinitely	11.4.2011
1-2011 rev. 0 dod. 0	Buyer	Contract on power distribution - HV and LV	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2011	Indefinitely	10.1.2011
569-2010 rev. 0 dod. 0	Supplier	Lease agreement on non-residential premises	Provision of services	UNIPETROL SERVICES, s.r.o.	1.8.2010	31.12.2018	5.1.2011
516-2010 rev. 0 dod. 0	Supplier	Contract of the easement	Creation of the easement	UNIPETROL, a.s.	27.8.2010	Indefinitely	11.11.2010
509-2010 rev. 0 dod. 0	Supplier	Know-how and additional know-how provision agreement	Provision of services	Polski Koncern Naftowy ORLEN S.A.	1.9.2010	31.12.2018	2.9.2010
508-2010 rev. 0 dod. 0	Supplier	Data provision agreement	Provision of information	Polski Koncern Naftowy ORLEN S.A.	1.9.2010	31.12.2018	2.9.2010
210-2010 rev. 0 dod. 0	Buyer	The supply agreement if the Isles operation LDS	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.3.2010	Indefinitely	2.4.2010
154-2010 rev. 0 dod. 0	Supplier	Contract termination and the creation of the easement	Creation and termination of the easement	UNIPETROL, a.s.	10.1.2001	Indefinitely	10.1.2001
153-2010 rev. 0 dod. 0	Supplier	Contract Easement	Creation of the easement	UNIPETROL, a.s.	27.12.1999	Indefinitely	27.12.1999
40-2010 rev. 0 dod. 1	Buyer	Contract for connecting the customer to the LDS	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2010	Indefinitely	11.1.2010

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929-2009 rev. 0 dod. 1-6	Supplier	Lease contract	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2002	Indefinitely	1.1.2002
834-2009 rev. 0 dod. 1-3	Buyer	Cooperation Agreement	Cooperation Agreement	PKN Orlen S.A.	8.10.2009	Indefinitely	2.11.2009
627-2009 rev. 0 dod. 1-2	Supplier	Provision of SAP licenses	Provision of services	UNIPETROL, a.s.	1.5.2009	Indefinitely	30.6.2009
601-2009 rev. 0 dod. 1-6	Buyer	The contract for the compression of hydrogen-rich gas from the Česká Rafinérská, a.s. Litvínov	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2009	31.12.2015	11.8.2009
580-2009 rev. 0 dod. 1-5	Buyer	Lease contract and the provision of services (lease of lands below the building No. 2816, 2828, 2838, access area, services)	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.10.2010	Indefinitely	6.5.2009
579-2009 rev. 0 dod. 1-10	Buyer	Contract for the lease and provision of services	Provision of services	UNIPETROL, a.s.	1.4.2009	Indefinitely	6.7.2009
525-2009 rev. 0 dod. 1	Buyer	Lease contract	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.1.2009	Indefinitely	30.3.2009
424-2009 rev. 0 dod. 1-3	Buyer	Contract for property management	Provision of services	UNIPETROL, a.s.	1.1.2000	Indefinitely	1.1.2000
401-2009 rev. 0 dod. 1-9	Buyer	The contract for the supply and purchase of Industrial gases	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2009	31.12.2009	23.7.2009
149-2009 rev. 0 dod. 1-2	Buyer	Contract for connection to the LDS	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.1.2009	Indefinitely	15.1.2009

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92-2009 rev. 0 dod. 0	Buyer	Contract of service - applying analytical works	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2009	Indefinitely	23.1.2009
1032-2008 rev. 0 dod. 1-2	Supplier	Corporate Level Agreement	Provision of services	UNIPETROL, a.s.	18.12.2008	Indefinitely	19.12.2008
1017-2008 rev. 0 dod. 0	Supplier	Contract termination and the creation of the easement	Creation and termination of the easement	UNIPETROL, a.s.	12.5.2008	Indefinitely	26.8.2008
914-2008 rev. 0 dod. 1-2	Supplier	All Risk Insurance Policy	Provision of services	ORLEN INSURANCE LTD	1.12.2014	1.12.2016	6.1.2015
763-2008 rev. 0 dod. 1-3	Supplier	Contract on loan 17 mld CZK	Provision of loans	UNIPETROL, a.s.	25.6.2008	Indefinitely	25.6.2008
708-2008 rev. 0 dod. 1	Buyer	Contract for the provision of services	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.1.2013	Indefinitely	7.3.2013
707-2008 rev. 0 dod. 0	Buyer	The agreement on the joint use of the fire brigade	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.1.2008	Indefinitely	4.8.2008
693-2008 rev. 0 dod. 1	Buyer	Contract for the lease and provision of services	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.1.2008	Indefinitely	21.7.2008

Number of the contract / amendment	Partnership role	Subject	Reason for conclusion of contract/amendment	Firm	Validity from	Validity till	Date of conclusion of the contract
548-2008 rev. 0 dod. 1	Buyer	Contract for the lease and provision of services	Provision of services	UNIPETROL, a.s.	1.3.2008	Indefinitely	6.3.2008
471-2008 rev. 0 dod. 0	Buyer	Contract termination and the creation of the easement	Creation and termination of the easement	UNIPETROL, a.s.	1.1.2008	Indefinitely	11.7.2008
457-2008 rev. 0 dod. 1-8	Supplier	Framework Contract for the development and use of common information environment for monitoring around the Unipetrol Group-business	Provision of services	UNIPETROL, a.s.	1.1.2008	Indefinitely	1.4.2008
455-2008 rev. 0 dod. 1-7	Supplier	Framework Contract for the development and use of common information environment for monitoring around the Unipetrol Group-Production	Provision of services	UNIPETROL, a.s.	1.1.2008	Indefinitely	1.4.2008
348-2008 rev. 0 dod. 1	Supplier	Contract for Work - production stabilizing mixtures for PP	Provision of services	POLYMER INSTITUTE BRNO, spol. s r.o.	1.1.2008	Indefinitely	24.4.2008
5-2008 rev. 0 dod. 1-5	Buyer	Contract on based on commission	Provision of services	UNIPETROL DEUTSCHLAND GmbH	27.12.2007	Indefinitely	18.10.2007
629-2007 rev. 0 dod. 1-3	Buyer	"Contract for the lease and provision of services (Rental office space in bd. 2859, 2825 and 2846, including the provision of services "	Provision of services	UNIPETROL SERVICES, s.r.o.	1.4.2007	Indefinitely	25.7.2007
578-2007 rev. 0 dod. 1-17	Supplier	Contract for services	Provision of services	UNIPETROL SERVICES, s.r.o.	1.4.2007	Indefinitely	1.4.2007

Number of the contract / amendment	Partnership role	Subject	Reason for conclusion of contract/amendment	Firm	Validity from	Validity till	Date of conclusion of the contract
425-2007 rev. 0 dod. 1-7	Buyer	The purchase contract for the supply and consumption of C4 fraction for a new butadiene unit	Provision of feedstock for new butadiene unit	Butadien Kralupy a.s.	1.1.2010	31.12.2025	9.7.2007
243-2007 rev. 0 dod. 1-7	Buyer	Contract for the lease and provision of services - entrances	Provision of services	POLYMER INSTITUTE BRNO, spol. s r.o.	1.1.2007	31.12.2015	10.1.2007
105-2007 rev. 0 dod. 1-9	Supplier	The contract for the supply and consumption of return steam	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2007	31.12.2015	1.1.2007
17-2007 rev. 0 dod. 1-11	Supplier	The contract about supply and demand return condensate	Repurchase return condensate	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2007	31.12.2015	1.1.2007
16-2007 rev. 0 dod. 1-11	Buyer	Contract for the collection and treatment of wastewater	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2007	31.12.2015	1.1.2007
15-2007 rev. 0 dod. 1-11	Buyer	The contract for the supply and consumption of modified waters	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2007	31.12.2015	1.1.2007
14-2007 rev. 0 dod. 1-11	Buyer	The contract for the supply and consumption of water	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2007	31.12.2015	1.1.2007
13-2007 rev 0 dod. 1-13	Buyer	The contract for the supply of Energy services	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2007	31.12.2015	1.1.2007
12-2007 rev. 0 dod. 1-11	Buyer	The contract for the supply and consumption of heat energy	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2007	31.12.2015	1.1.2007
895-2006 rev. 0 dod. 0	Supplier	Contract for the termination of the easement and the easement	Provision of services	UNIPETROL, a.s.	1.12.2006	Indefinitely	20.12.2006
875-2006 rev. 0 dod. 0	Supplier	The contract on the protection of business secrets and personal data	Protection of business secret	UNIPETROL DOPRAVA, s.r.o.	22.11.2006	Indefinitely	22.11.2006
873-2006 rev. 0 dod. 0	Supplier	The contract on the protection of business secrets and personal data	Protection of business secret	UNIPETROL, a.s.	22.11.2006	Indefinitely	22.11.2006

Number of the contract / amendment	Partnership role	Subject	Reason for conclusion of contract/amendment	Firm	Validity from	Validity till	Date of conclusion of the contract
402-2006 rev. 0 dod. 0	Supplier	Contract for the termination of the easement and the easement	Land exchange with Dopravní podnik	UNIPETROL, a.s.	1.4.2006	Indefinitely	30.3.2006
348-2006 rev. 0 dod. 0	Supplier	Information Transfer and Confidentiality Agreement "Polyolefiny"	Protection of business secret	PKN ORLEN S.A.	28.2.2006	Indefinitely	28.2.2006
338-2006 rev. 0 dod. 0	Supplier	Cooperation Agreement	Cooperation agreement	Polski Koncern Naftowy ORLEN S.A.	16.6.2005	Indefinitely	16.6.2005
333-2006 rev. 0 dod. 0	Supplier	COM Cooperation Agreement	Cooperation agreement	Polski Koncern Naftowy ORLEN S.A.	1.3.2006	Indefinitely	1.3.2006
1502-2005 rev. 0 dod. 0	Supplier	Applying analytical work	Provision of services	Výzkumný ústav anorganické chemie, a.s.	1.1.2000	Indefinitely	1.1.2000
Č. 01656 / 2004	Supplier	Contract for the termination of the easement and the easement	Termination of the easement and the easement	UNIPETROL, a.s.	8.12.2004	Indefinitely	8.12.2004
Č. 01576 / 2004	Buyer	"Service contract (Breathing Equipment) "	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2005	Indefinitely	22.12.2004
Č. 01575 / 2004	Buyer	The agreement on the joint use of fire rescue system.	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2005	Indefinitely	5.1.2005
Č. 01572 / 2004	Buyer	"Service contract (Internal transport) "	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2005	Indefinitely	22.12.2004
Č. 01570 / 2004	Buyer	"Service contract (Services related to land) "	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2005	Indefinitely	12.12.2004
Č. 01569 / 2004	Buyer	"Service contract (Use of pipe bridges) "	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2005	Indefinitely	22.12.2004

Number of the contract / amendment	Partnership role	Subject	Reason for conclusion of contract/amendment	Firm	Validity from	Validity till	Date of conclusion of the contract
Č. 01567 / 2004 dod. 1-3	Buyer	"Service contract (Postal service) "	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2005	Indefinitely	22.12.2004
Č. 01565 / 2004 dod. 1-7	Buyer	"Service contract (Lighting the area) "	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2005	Indefinitely	22.12.2004
Č. 01564 / 2004	Buyer	"Service contract (guarding, guarding entrances) "	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2005	Indefinitely	22.12.2004
Č. 01563 / 2004	Buyer	"Service contract (Fencing the area) "	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2005	Indefinitely	22.12.2004
Č. 01561 / 2004	Buyer	Contract for delivery of services-operation of communications	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2005	Indefinitely	22.12.2004
Č. 00913 / 2004 dod. 1	Supplier	Contract for Work - providing services security adviser	Provision of services	UNIPETROL DOPRAVA, s.r.o.	1.1.2004	Indefinitely	30.12.2003
S 400/020/03	Supplier	Contract for the termination of the easement and the easement	Termination of the easement and the easement	UNIPETROL, a.s.	11.3.2003	Indefinitely	11.3.2003
5303-2003 rev. 0 dod. 1	Supplier	"The agreement to contract for easement (Unification of land use for each company UNIPETROL, a.s. - ČESKÁ RAFINÉRSKÁ, a.s. - CHEMOPETROL, a.s. - KAUČUK, a.s.)	Unification of land use for each company	UNIPETROL, a.s.	1.2.2007	Indefinitely	15.5.2007
Č. 01341 / 2003	Buyer	Power of attorney for representation in customs procedures - CHP empowered	Power of attorney	POLYMER INSTITUTE BRNO, spol. s r.o.	14.8.2000	Indefinitely	14.8.2000
Č. 01097 / 2003	Buyer	Mandate contract for representation in customs procedures - CHP empowered	Power of attorney	UNIPETROL DOPRAVA, s.r.o.	11.1.1999	Indefinitely	11.1.1999
0434 - 2015 rev. 0 dod. 0	Supplier	The contract for the supply of natural gas and transfers the associated costs	Supply of natural gas	Česká rafinérská, a.s.	1.11.2015	Indefinitely	12.11.2015

Number of the contract / amendment	Partnership role	Subject	Reason for conclusion of contract/amendment	Firm	Validity from	Validity till	Date of conclusion of the contract
0417 - 2015 rev. 0 dod. 0	Buyer	Contract for the lease of space pertaining to business	Provision of services	PARAMO, a.s.	1.7.2015	Indefinitely	11.9.2015
0204 - 2015 rev. 0 dod. 0	Buyer	UNIPETROL SLOVENSKO s. r. o. Frame contract LPG 2014	Supply of natural gas	UNIPETROL SLOVENSKO s. r. o.	1.7.2014	Indefinitely	21.3.2014
0049 - 2015 rev. 0 dod. 0	Buyer	Butadien Kralupy a.s. Frame contract - Methanol 2015	Supply of methanol	Butadien Kralupy a.s.	1.1.2015	Indefinitely	21.1.2015
0016 - 2015 rev. 0 dod. 0	Supplier	Frame Contract: Unipetrol + Paramo taking part in motor fuels auctions	Provision of services	Paramo a.s.	15.1.2015	Indefinitely	14.1.2015
0013 - 2015 rev. 0 dod. 1	Buyer	Term contract 2015 rail	Provision of services	ORLEN DEUTSCHLAND GmbH	1.1.2015	31.12.2015	1.1.2015
0012 - 2015 rev. 0 dod. 0	Buyer	Term contract 2015 road	Provision of services	ORLEN DEUTSCHLAND GmbH	1.1.2015	31.12.2015	1.1.2015
0007 - 2015 rev. 0 dod. 1-2	Buyer	Frame contract for 2015	Provision of products	UNIPETROL SLOVENSKO s. r. o.	1.1.2015	31.12.2015	2.1.2015
0004 - 2015 rev. 0 dod. 0	Buyer	Frame contract for sales in 2015	Provision of products	UNIPETROL DEUTSCHLAND GMBH	1.1.2015	31.12.2015	1.1.2015
0357 - 2014 rev. 0 dod. 0	Buyer	The storage contract and providing other services	Provision of services	PARAMO, a.s.	15.10.2014	Indefinitely	13.10.2014
0349 - 2014 rev. 0 dod. 1	Buyer	The purchase contract for the supply of fuel	Provision of products	BENZINA, s.r.o.	1.8.2014	Indefinitely	1.8.2014
0252 - 2014 rev. 0 dod. 0	Buyer	ORLEN GAZ Sp. z.o.o. Frame contract LPG 2014	Provision of products	ORLEN GAZ Sp. z.o.o.	1.5.2014	Indefinitely	27.1.2014
0122 - 2014 rev. 0 dod. 0	Buyer	frame purchase contract No. 946/2014 - SPOLANA a.s.	Provision of products	SPOLANA a.s.	21.3.2014	Indefinitely	21.3.2014
89-2014 rev. 0 dod. 0	Buyer	Paramo, a.s. storage contract and providing other services	Provision of services	PARAMO, a.s.	20.2.2014	Indefinitely	20.2.2014

Number of the contract / amendment	Partnership role	Subject	Reason for conclusion of contract/amendment	Firm	Validity from	Validity till	Date of conclusion of the contract
385-2013 rev. 0 dod. 0	Buyer	Services Agreement between PARAMO, a.s. and Unipetrol RPA, s.r.o.	Provision of services	PARAMO, a.s.	1.1.2013	Indefinitely	25.9.2013
353-2013 rev. 0 dod. 0	Supplier	Framework agreement on consumption of fuel through credit cards Benzina	Provision of services	BENZINA, s.r.o.	12.8.2013	Indefinitely	16.8.2013
32-2013 rev. 0 dod. 0	Buyer	Storage contracts and services	Provision of services	PARAMO, a.s.	1.1.2013	Indefinitely	15.1.2013
448-2012 rev. 0 dod. 0	Buyer	Sale contract OH+HCVD	Provision of products	PARAMO, a.s.	1.9.2012	Indefinitely	27.11.2012
319-2012 rev. 0 dod. 0	Supplier	The storage contract and providing other services Paramo - Unipetrol RPA	Provision of services	PARAMO, a.s.	1.7.2012	Indefinitely	11.7.2012
313-2012 rev. 0 dod. 0	Buyer	Sale contract liquid sulfur 2012	Provision of products	SPOLANA a.s.	1.7.2012	Indefinitely	22.8.2012
60-2012 rev. 0 dod. 1	Buyer	Sale contract petroleum residues (AS160/220) od 1.3. 2012	Provision of products	PARAMO, a.s.	1.3.2012	Indefinitely	27.11.2012
46-2012 rev. 0 dod. 1-3	Buyer	Sale contract ASF	Provision of products	ORLEN Asphalt Česká republika s.r.o.	1.2.2012	Indefinitely	22.3.2014
187-2011 rev. 0 dod. 0	Supplier	Trade agreement to take over wholesale Paramo	Integration of wholesale motor fuel in the Unipetrol Group	PARAMO, a.s.	1.8.2011	Indefinitely	18.7.2011
236-2010 rev. 0 dod. 0	Supplier	Shipping contracts for the supply of fuels and provision of shipping in supplies of goods to wholesale customers	Provision of services	PETROTRANS, s.r.o.	1.6.2010	Indefinitely	28.7.2010
210-2009 rev. 0 dod. 1-3	Supplier	Agreement on Cooperation in the transport fuels (trilateral)	Cooperation agreement	ČESKÁ RAFINÉRSKÁ, a.s.	1.7.2009	Indefinitely	1.7.2009
114-2009 rev. 0 dod. 0	Buyer	Frame contract č. S43100/4/2009/PARAMO, a.s.	Consumption of fuel	PARAMO, a.s.	1.3.2009	Indefinitely	2.1.2009

Number of the contract / amendment	Partnership role	Subject	Reason for conclusion of contract/amendment	Firm	Validity from	Validity till	Date of conclusion of the contract
227-2008 rev. 0 dod. 0	Supplier	Contract for the provision of future liability for the fulfillment of obligations towards the SSRH	Fulfillment of the obligation towards SSRH	ČESKÁ RAFINÉRSKÁ, a.s.	1.9.2008	Indefinitely	1.9.2008
404-2007 rev. 0 dod. 1	Supplier	Sale contract RAF I	Provision of products	Butadlen Kralupy a.s.	1.1.2008	31.12.2012	1.1.2008
294-2007 rev. 0 dod. 0	Buyer	Sale contract No. PL/272696025/07NH/22	Provision of products	Rafineria Trzebinia S.A.	26.6.2007	Indefinitely	26.6.2007
272-2007 rev. 0 dod. 0	Buyer	Sale contract: NO PL/272696025/07NH/19 of 10.04.07	Provision of products	Rafineria Trzebinia S.A.	30.4.2007	Indefinitely	30.4.2007
154-2007 rev. 0 dod. 0	Buyer	The loan agreement - UNIDO (creditor)	Provision of loan	UNIPETROL DOPRAVA, s.r.o.	8.3.2007	Indefinitely	8.3.2007
153-2007 rev. 0 dod. 0	Buyer	The loan agreement - UNIDO (the borrower)	Provision of loan	UNIPETROL DOPRAVA, s.r.o.	8.3.2007	Indefinitely	8.3.2007
119-2007 rev. 0 dod. 0	Buyer	Purchase contract S 43100/15/2006 - Paramo	Provision of products	PARAMO, a.s.	2.5.2006	Indefinitely	2.5.2006
138-2006 rev. 0 dod. 0	Buyer	The storage contract No.S43100/35/2006	Provision of services	PARAMO, a.s.	1.1.2006	Indefinitely	1.1.2006
536-2005 rev. 0 dod. 1	Buyer	Contract for the transfer of shares - Czech Refinery Slovakia	Transfer of share	ČESKÁ RAFINÉRSKÁ, a.s.	31.10.2005	Indefinitely	30.10.2005
501-2005 rev. 0 dod. 0	Buyer	Contract for the provision of documents No...: 01/2005/A	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	17.10.2005	Indefinitely	17.10.2005
78-2005 rev. 0 dod. 0	Buyer	Confidentiality agreements	Protection of confidential information	ČESKÁ RAFINÉRSKÁ, a.s.	6.6.2005	Indefinitely	6.6.2005
59-2005 rev. 0 dod. 0	Buyer	Arrangements for credentials	Provision of credentials	UNIPETROL, a.s.	25.8.2005	Indefinitely	25.8.2005
58-2005 rev. 0 dod. 1-2	Buyer	Contract on long-term loan	Provision of loan	ČESKÁ RAFINÉRSKÁ, a.s.	30.5.2006	Indefinitely	31.5.2006

Number of the contract / amendment	Partnership role	Subject	Reason for conclusion of contract/amendment	Firm	Validity from	Validity till	Date of conclusion of the contract
57-2005 rev. 0 dod. 1	Buyer	Contract on assumption of debt	Assumption of debt	ČESKÁ RAFINÉRSKÁ, a.s.	30.5.2006	Indefinitely	30.5.2006
209-2004 rev. 0 dod. 0	Buyer	Shipping contracts	Provision of services	PETROTRANS, s.r.o.	29.11.2004	Indefinitely	29.11.2004
186-2004 rev. 0 dod. 0	Buyer	The contract, Joint Information Environment for environmental monitoring of the holding - 2004	Provision of services	UNIPETROL, a.s.	1.1.2004	Indefinitely	30.1.2004
119-2004 rev. 0 dod. 0	Buyer	Agreement on the assignment of rights and obligations arising from contracts for the supply of fuel gas	Assignment of rights	ČESKÁ RAFINÉRSKÁ, a.s.	1.1.2004	Indefinitely	2.1.2004
53-2004 rev. 0 dod. 0	Buyer	The contract for the purchase of inventories to 1.8 2003 - a one-time buyout	Provision of inventories	ČESKÁ RAFINÉRSKÁ, a.s.	1.8.2003	Indefinitely	3.7.2003
51-2004 rev. 0 dod. 1-8	Buyer	Processing agreement - smlouva o přepracování	Provision of services	ČESKÁ RAFINÉRSKÁ, a.s.	1.8.2003	31.7.2023	23.7.2003

Přehled vzájemných smluv mezi osobou ovládanou a osobou ovládající nebo mezi osobami ovládanými PIB

Number of the contract / amendment	Partnership role	Subject	Reason for conclusion of contract/amendment	Firm	Validity from	Validity till	Date of conclusion of the contract
P1515	Buyer	Insurance agreement	Reinvoicing of services	UNIPETROL, a.s.	01.10.2014	31.10.2015	20.4.2015
P1315	Buyer	Insurance agreement	Reinvoicing of services	UNIPETROL, a.s.	01.01.2015	31.12.2015	13.4.2015
P2114	Buyer	Insurance agreement	Reinvoicing of services	UNIPETROL, a.s.	01.05.2014	30.04.2015	28.5.2014



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This document is an English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

Independent Auditor's Report to the Member of UNIPETROL RPA, s.r.o.

We have audited the accompanying separate financial statements of UNIPETROL RPA, s.r.o., prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which comprise the separate statement of financial position as of 31 December 2015, and the separate statement of profit and loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flow for the year then ended, and the notes to these separate financial statements including a summary of significant accounting policies and other explanatory notes. Information about UNIPETROL RPA, s.r.o. is set out in Note 1 to these separate financial statements.

Statutory Body's Responsibility for the Separate Financial Statements

The statutory body of UNIPETROL RPA, s.r.o. is responsible for the preparation of separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as the statutory body determines are necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors, International Standards on Auditing and the relevant guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Obchodní rejstřík vedený
Městským soudem v Praze
oddíl C, vložka 24185.

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IČ 49619187
DIČ CZ699001996



Opinion

In our opinion, the separate financial statements give a true and fair view of the financial position of UNIPETROL RPA, s.r.o. as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.


Other Information

Other information is defined as information (other than the separate financial statements and our auditor's report) included in the annual report. The statutory body is responsible for the other information.

Our opinion on the separate financial statements of UNIPETROL RPA, s.r.o. as of 31 December 2015 does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information included in the annual report is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, whether the annual report is prepared in accordance with applicable legislation and whether such information otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Prague
1 March 2016


KPMG Česká republika Audit, s.r.o.
Registration number 71


Karel Růžička
Partner
Registration number 1895