Česká rafinérská

Česká rafinérská 2003 Annual Report

Annual Report 2003

Česká rafinérská

Česká rafinérská builds on a 100-year tradition of fuel production and oil processing in the Czech Lands. The Company considers this heritage to be of a great value and preserving its treasures to be a part of its cultural responsibility. Thus, the 2003 Annual Report is accompanied by snapshots of existing technical equipment marked with the traces of passed times and showing a startling concordance with modern art trends and expressions.

Company Profile

Name: ČESKÁ RAFINÉRSKÁ, a. s.

Registered office: Litvínov, Záluží 2, Postal Code 436 70, Czech Republic

Registered No.(IČO): 62741772

Incorporated in the Companies Register maintained by the Regional Court in Ústí nad Labem, Section B, File 696

Share capital: CZK 9 348 240 000

Securities issued: 934 824 ordinary registered shares; the total amount of the issue is CZK 9 348 240 000.

The Company is a part of a corporate group (holding), the controlling entity of which is UNIPETROL, a.s. having its registered office at Klimentská 10, Praha 1, Reg. No. 61672190, which is a part of a corporate group the controlling entity of which is the National Property Fund of the Czech Republic with its registered office at Rašínovo nábřeží 42, Praha 2, Reg. No. 41692918.

In the year under review, the Company did not acquire any of its own shares or interim certificates, or any shares or interim certificates of its controlling entity.

There were two subsidiaries of Česká rafinérská based in Poland (CRC Polska Sp. z o.o.) and in Slovakia (ČESKÁ RAFINÉRSKÁ SLOVAKIA s. r. o.).

Česká rafinérská is a production company operating in the field of crude oil processing and running refineries in Kralupy nad Vltavou and Litvínov. Its primary products include automotive gasoline, diesel fuel, aircraft fuels, heating oils, asphalts, feedstock for the petrochemical and chemical industries, materials for lubricating oil production, and materials for other industrial use. The Company products holds a dominant position in the Czech Republic's market in terms of motor fuels and certain specialist products a portion of its output is exported, some of it to EU countries.

Since August 1, 2003 the Company operates as processing refinery, i. e. it processes the crude oil purchased and supplied by its owners local offialtes. They sell the whole range of its products on the domestic or export markets.

The Company purchases the results of R & D, know-how and expertise from external entities, primarily under a technical assistance agreement with Shell Global Solution International.

With its turnover of CZK 32,8 billion, the Company reported a net profit of CZK 331,9 million. The Company exhibited a continuously stable financial situation in the past year.

Financial results* and assets (CZK billion)	**2003**
Turnover	32,76
Profit after tax	0,33
Total assets	26,58
Equity	16,64
Liabilities	9,61

* Since August 1, 2003 processing refinery

The 2003 Highlights

February	- termination of former Kralupy control room
March	- awarding Bezpečný podnik (i. e. Safety Enterprise)
July	- 8 milion workhours without Lost Workday Case (LWC)
August, 1	- transition to processing refinery mode
September	- sign of the Credit Agreement for needs of processing cost-center refinery

Content

7_9	Company Profile
13_15	Introduction from the Chairman of the Board of Directors
17_27	Report on the Business Activities and Status of the Company Assets in 2003.
29_34	Activities of Česká rafinérská as a merchant company: market environment, business activities and milestones between 1996 and July 2003
38_39	Report of the Supervisory Board
41	Financial Part
42_69	Consolidated Financial Statements
71_99	Financial Statements
101_124	Consolidated Financial Statements Prepared in Accordance with International Financial Reporting Standards
124	Report of Relationship between Related Persons
125	Directory

Introduction from the Chairman of the Board of Directors

Ivan Souček
Chairman of the Board of Directors and Chief Executive Officer

Dear Shareholders and Stakeholders of Česká rafinérská,

2003 was a year during which the Company underwent the biggest change since its establishment in 1996. In 2003 the Company converted from a merchandising refinery functioning along traditional lines, into a 'processing-type' refinery. As of 1 August 2003, the date of the conversion, Česká rafinérská no longer performs any merchandising activities, these having been taken over by the marketing companies of its Shareholders (Processors). In exchange for a processing fee Česká rafinérská refines its Processors' crude, the products from which are marketed by the Shareholders' marketing companies.

This fundamental change in the way the Company operates, based on a strategic decision of the Shareholders taken in 2002, has necessitated significant changes in the structure and administrational organisation of the Company. These changes were gradually implemented at the end of 2003 and the beginning of 2004. The conversion also required changes in the financing structure, to make it better suited to the requirements of a processing type refinery, involving the repayment of past loans, and taking out new loans for more appropriate financing. The conversion resulted in a reduction in the workforce, predominantly in commercial activities. We are pleased to be able to say that we have managed to complete this sensitive aspect of the transition successfully, and responsibly.

In terms of profitability 2003 was as well a good year for Česká rafinérská. The Company processed six percent more crude versus the previous year, and after two years of losses posted pre-tax profits of almost CZK 500 million. Two major factors contributed to this situation. Firstly, high refinery products' margin during the first seven months of the year during which the Company continued in its merchandising operation, and secondly, the stable processing fees that came in during the remainder of the year. We should also acknowledge the achievements attained in the area of HSE. Last year Česká rafinérská achieved a record number of eight million hours worked without an accident resulting in inability to work. In this respect the Company ranks alongside world-class refineries. Thanks to its successes in this area, in 2003 the Company was awarded the 'Safe Company' title.

2003 saw the progress of investment projects within the 'Clean Fuels' program, with more than CZK 1 billion of planned investment, targeted at preparing the Company for the technical demands of more stringent environmental requirements on motorfuels that come into effect in the European Union in the coming years.

We are confident, that thanks to the close collaboration with Shareholders and Processors within the new business model, Česká rafinérská is even more qualified to continue maintaining its position on the market in the Czech Republic and in Europe in the years to come.

Ivan Souček,
Chairman of the Board and CEO
Litvinov
29 April 2004

Miroslav Debnár
Member of the Board of Directors

Oscar Magnoni
Member of the Board of Directors

František Šamal
Member of the Board of Directors

Eric Van Anderson
Vice-chairman of the Board of Directors

Ivan Souček
Chairman of the Board of Directors

Lennart Heldtander
Member of the Board of Directors

Report on the Business Activities and the Status of the Company's Assets in 2003

The 2003 year represents a turning point in the history of ČESKÁ RAFINÉRSKÁ, a.s. (CRC). In line with the Shareholders' vision for the future of CRC, following the approval of a transformation project by the General Meeting of the Company at the end of 2002, the execution of the Processing Agreement with the marketing affiliates of Shareholders' organizations and amendment to the 1996 Shareholders' Agreement, CRC has successfully completed its transition and conversion to a cost-center business model and processing type refinery as of 01 August 2003.

The Processing Agreement established a new set of relationships between CRC (the 'Operator') and the Shareholders' Czech marketing affiliates (the 'Processors'). As a result of the decisions to convert, much of the Board of Director's and the workforce's concentration in 2003 was devoted to the preparation of the targeted conversion, and to transitioning between the previous merchandising refinery business activities and the new processing type refinery. Consequently, significant work by the Board of Directors and Executive Management has been focused directly on the considerable and demanding task of conversion.

At the start of the year, based upon the targets established by the Shareholders and General Meeting, the following company objectives were established:

- Ensuring a smooth transition to a cost-center processing mode
- Securing the appropriate financing structure for the Company's new business model
- Achieving a Total Registered Injury Rate (TRIR) equal to or lower than 1.2
- Keeping within the fixed operating costs set by the General Meeting
- Ensuring the continued implementation of investments within the 'Clean Fuels' project and forecast changes in product specifications

Characteristics in 2003 of the crude and motorfuels markets included an above-average value in refining margin, and a general increase in the demand for motorfuels on the domestic market. The Czech crown strengthened against the US-dollar, reaching a currency exchange rate as strong as CZK 25.63 to the USD in December 2003, weakening CRC's ability to optimize product prices, which are - as an industry standard - quoted in USD. Leading up to the date of conversion the domestic market witnessed increasing competition from imports.

During the run-up to the 01 August 2003 cost-center launch date, numerous changes had to be implemented, both in order to cease commercial activity, and to ensure CRC's ability to operate within the provisions of the Processing Agreement. Some key characteristics of the responsibilities of the Operator and the Processors follow:

- As the Operator, CRC no longer owns finished or semi-finished product or crude
- Crude supply is secured by the Processors, with some handling and logistics services provided by CRC
- CRC no longer has customers in a commercial sense, rather, it refines crude into motorfuels and petrochemical feedstocks on behalf of the Processors
- CRC implements four operating plans, supplied monthly by each Processor, and optimizes them
- CRC's total refining capacity is divided pro rata between the four Processors according to their Shareholders' ownership share
- Processors pay CRC a processing fee for refining and other services

Before the conversion could take place, a number of transaction and process changes had to be implemented:

- Execution of new agreements and amendment of existing agreements
- Assignment of CRC's crude purchase agreements to the Processors
- Termination or assignment of agreements for the sale of crude products to which CRC was a party
- Sale of product and crude inventories to the Processors
- Execution of a loan agreement for IKL crude line-fill
- Restructuring of processes such as production optimization, inventory allocation, cost apportionment, reporting, invoicing, cash handling, and bank guarantees
- Restructuring of financing
- Company reorganization to fit with the requirements of CRC as an Operator and cost-center

Financial

Following the losses incurred in 2001 and 2002, in 2003 the Company posted a CZK 416.2 million profit. The non-consolidated net profit (excluding the Company's Polish and Slovak subsidiaries) amounted to CZK 331.9 million, on a consolidated turnover of CZK 35.8 billion, or CZK 32.8 billion non-consolidated turnover.

Table 1: Turnover, net profit and investments - 1999 through 2003 in billions of CZK*

	1999	2000	2001	2002	2003**
Turnover	31.3	52.3	46.8	40.7	32.80
Net profit	1.48	2.53	-0.06	-0.74	0.33
Operating Fixed Costs	1.92	1.65	1.92	1.88	2.00
Investments	4.34	4.99	2.47	1.18	0.83

* Non-consolidated figures

** 2003 is not fully comparable due to the cost center conversion as of 1 August 2003

On a year-to-year basis, consolidated net assets changed from CZK 28.1 billion to CZK 26.7 billion, largely due to a drop in inventories and other changes associated with the conversion to the processing refinery mode. Overdue receivables decreased by CZK 353.7 million. Consolidated Shareholders' capital increased from CZK 16.3 billion to CZK 16.6 billion.

In terms of financial activities, 2003 saw the restructuring of external financing for the conversion and to best fit the Company's needs as an operator and cost-center. Finance restructuring was achieved through an agreement concluded between banking partners on maintaining short-term loan facilities over the transition period, the negotiation of a new loan facility to cover the requirements of the processing refinery cash flows and the new business model, and the repayment of an earlier loan for CRC's prior commercial activities.

In mid-2003 conditions for the payment of customs duties on crude imports were negotiated, a program to handle the new Excise Tax Act was developed, and payment for the business interruption insurance claim for the Litvínov CCR Packinox exchanger was received.

Commercial

2003 economics mirrored the development of the crude and crude product market, affected particularly by demand from both export markets and domestic customers for high-quality motor fuels meeting EU quality standards. A cornerstone of CRC's commercial strategy in 2003 was to further strengthen its position on the domestic motorfuels' market. This proved a challenge as CRC's existing customers had already learned that CRC would continue selling to the market for only part of the year, and would thus enter only into short-term commercial arrangements. To some degree, customers' anxiety was off-set by the implementation of a flexible pricing policy that proved effective in achieving an increased domestic market share.

Company market share for January through July 2003 stood at 53 % for gasoline and 47% in diesel, despite tough transfer conditions. Increased liftings of motorfuels by Shareholders' marketing affiliates greatly enhanced CRC's market share position. CRC's subsidiaries in Poland and Slovakia further supported CRC through exports of products to markets surrounding the Czech Republic.

Table 2: Customer sales January through July period, and transfers to Processors in August through December period (in thousands of Mt); petrochemical feedstock products not included

Product	2002	2003	Difference
Gasolines	1 243	1 327	84
Diesel + Gasoil	2 043	2 220	177
JET	160	141	-19
LFO (+ ELFO)	1	1	0
HFO	249	335	86
Bitumens	235	224	-11
LPG, incl. Propylene	160	180	20
Crude processed	*5 601*	*5 947*	*346*

The development of the merchant company, its activities and milestones - including a Survey of commercial results thereof can be found in the Appendix of this Report.

Health, Safety and the Environment

The Company's performance in Health, Safety, the Environment, and Quality (HSEQ) continues to rank as CRC's most outstanding attribute. In September 2003, a record 8,3 million hours (CRC and contractor combined) without a lost workday was recorded, and the Litvínov refinery turnaround was completed without a single Health or Safety incident. In recognition of its accomplishments, the Company was awarded the prestigious Safe Company title, awarded on behalf of the Czech Work Safety Office by the Minister of Labour and Social Affairs.

Emergency response plans were updated and amended in both refineries. Despite a relatively higher fire occurrence in comparison to recent years, there were no major fires that resulted in any significant damage.

Table 3: Injury rate - combined* pursuant to Czech legislation

	TIR	TRIR	LWC
2003	4,44	1,44	1,1

*Combined with contractors

In the area of Quality, the Company underwent assurance audits conducted by Lloyd's Register Quality Assurance, once again confirming compliance with ČSN ISO 9001:2001 and ČSN ISO 14001:1997 standards.

Attention to environmental care in production and the areas surrounding CRC's operations continues to rank as one of the company's number one priorities. Recommendations from the environmental inspectorate are carried out, and new legislative requirements, including those standard across the EU, are implemented. No major environmental incident occurred in 2003. In 2003 the only under-performing unit was the Litvínov refinery-based sulphur recovery unit (Claus Unit); reconstruction of the unit is planned for 2004.

Further, more detailed information relating to HSEQ can be found in the company's 2003 Health, Safety, Quality & Environmental Impact Report.

Operations

Production and Maintenance were also affected by the Company conversion to a processing refinery by 01 August 2003. In 2003, 5.95 million Mt of crude was processed, an increase of 0.3 million Mt over 2002, with altogether 18 crude types being processed. In December 2003, the first batch of crude from the Moravian Crude Oil Company arrived through the new connection to the Druzhba pipeline.

In the second half of 2003, the first batches of low-sulphur mogas and diesel were produced for export. The reliability of the processing units was increased. On the FCC Unit the waste-heat boiler was reconstructed, with a corresponding increase in reliabilty. On the basis of risk analysis, scheduled inspection intervals were adjusted and an asset integrity review & register program was instituted. In terms of maintenance, a number of upgrades took place, including the reorganization and inclusion of a new module into the SAP PM control system.

Significant investment activities in 2003 included the "Clean Fuels" project, with the objective of producing low-sulphur motor fuels in line with the requirements of established and expected EU specifications. The first target of the Clean Fuels project is to begin production of mogas and diesel with a sulphur content not exceeding 50 ppm by 1 January 2005, and a second target is the production of motorfuels with a 10 ppm sulphur content by 2009.

At the Litvínov refinery one gasoil hydrodesulphurization unit was upgraded, and construction activities relevant to the modification of the other existing gasoil hydrodesulphurization unit were launched in the middle of the year. In parallel with that project, construction activities on the modification of Kralupy's existing gasoil hydrodesulphurization unit were also started. Both projects will be completed in the course of the 2004 year. The project focused on the desulphurization of FCC gasoline was started in Kralupy. The completion of that project is scheduled for the beginning of the 2005 year.

The year 2003 saw the implementation of a number of projects aimed at enhancing work safety in relevant operations and protecting the environment and of projects built on advanced information technologies.

Tabule 5: Investment allocation in 2003 according to project objective and locality (in thous. CZK)

	Litvínov	Kralupy	Both	Total
Development	3 217	88 983	5 309	97 509
Stay-in-business	299 597	67 018	12 796	379 412
Environmental protection	95 109	777	0	95 886
Work safety	44 265	37 313	0	81 578
Other minor projects	80 639	63 622	34 030	178 292
Total	522 827	257 714	52 136	832 677

Workforce, Training

During the course of 2003 a variety of staff-related activities took place, some of which were directly connected with the conversion to a processing refinery. While the staffing level in the production area saw no major changes the number of administrative staff was reduced particularly in commercial and financial. CRC was pleased to welcome several new graduates as part of the Graduate Program.

The annual performance evaluations, intended to assess each employee's performance potential and attainment of annual personal targets, were continued. Sociological surveys were conducted, and the Paleta system of non-monetary benefits continued.

For staff training and skills assessment, the e-learning packages continued to be employed, and development of the company intranet continued as a way of ensuring efficient intra-company communication. The company Health Support Program was extended and now includes an anti-stress program. The 'Health & Safety in the Office' project, which focuses largely on office-based behaviors, was implemented. The Company joined the National Health Support Network and received an award for its Health Support Program.

Table 5: CRC staff number as of 31 December 2003 & makeup as per highest education

	Total	University	Vocational	Apprenticeship	Primary
2003	735	133	329	243	30

Communications and External Relations

In the areas of media and public relations, one priority was the preparation and implementation of a communications strategy geared toward the conversion, a topic that would be the subject of attention in both national and regional media.

As a provider of monetary donations the company continued to give priority to those institutions in the regions in which CRC operates its refineries, i.e in the Litvínov/Most and Kralupy areas, for causes such as social welfare, health care, culture, education, and leisure. Long-term cooperation agreements with local municipalities were cultivated, with donations totaling around CZK 10 million, assuring the surrounding population of the company's commitment to the region in which it operates.

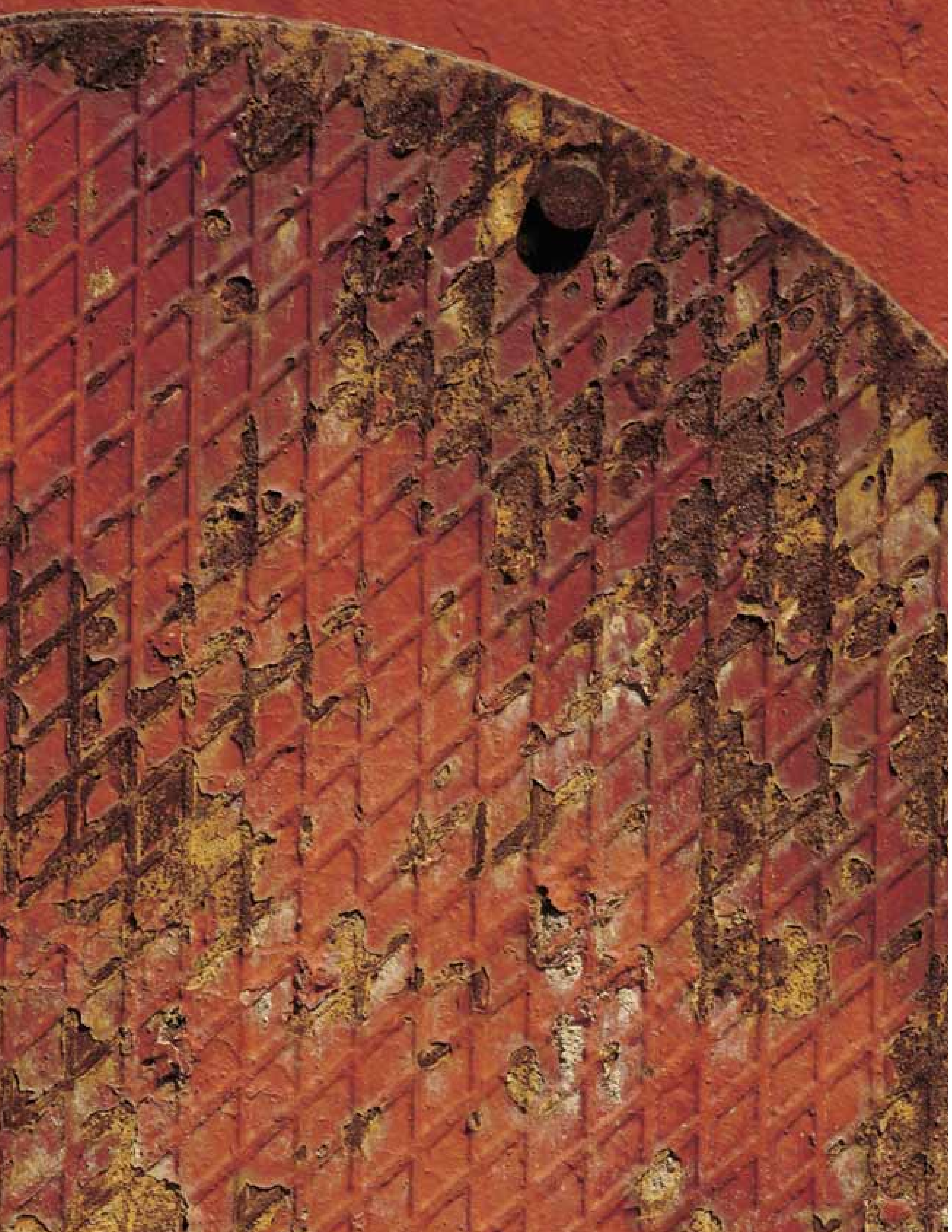
The General Meeting approved a number of changes in the membership of the Board of Directors, 30 July 2003 approving the recall of Ivan Ottis as Chairman of the Board of Directors by UNIPETROL, a.s. with effect from 01 August 2003, and the subsequent appointment of Ivan Souček, who in parallel, became CEO. John de Haseth was recalled as a member of the Board of Directors by Shell Overseas Investments B.V. and was replaced by Lennart Heldtander, who also assumed the position of Technical Director. The position of Investment Director has been vacant since August 2003, and was eventually abolished, along with the position of Commercial Director, with the launch of the new organization 01 April 2004.

The Board of Directors can conclude that the majority of company objectives established in 2003 have been accomplished. The Board has implemented a new organizational structure, has optimized to meet the new demands of the processing refinery; has ensured the necessary conversion financing, and has kept receivables and fixed costs within the limit required by the General Meeting.

ČESKÁ RAFINÉRSKÁ, a.s. entered 2004 having fully completed the period of transition to a cost-center processing refinery, as an Operator and service provider in partnership with the marketing affiliates of its Shareholders' companies. With the ongoing co-operation of its Shareholders and Processing partners, CRC will focus its attentions in a cost-center mode on reliability of assets and technical integrity, efficiency and superior product quality, with continued uncompromising commitment to business ethics and corporate responsibility.

Ing. Ivan Souček,
Chairman of the Board of Directors
Litvínov, 28 April 2004

Activities of Česká rafinérská as a merchant company: market environment, business activities, and company milestones between 1996 and July 2003



1996

General Market Characteristics It has been just a few years since the Czech Republic abolished centralized economic planning, liberalized its market environment, abolished the foreign trade monopoly and introduced a fully competitive environment for fuel imports from abroad. The material regulation of fuel prices is being discontinued.

CRC Commercial Achievement Establishing commercial policy, implementing flexible product pricing procedures, strengthening domestic market shares, establishing of direct export and finding new export markets. CRC reported very good business results in this stage of development and reinforced its market position.

CRC Merchant Refinery Milestones Managed to create from two production refineries a fully functional business with all the operations that this concept represents. Commenced independent merchant activities. Purchased crude, semi-product and product stocks from parent companies. Building of new organizational structure. A fire at the tank facility in Litvínov.

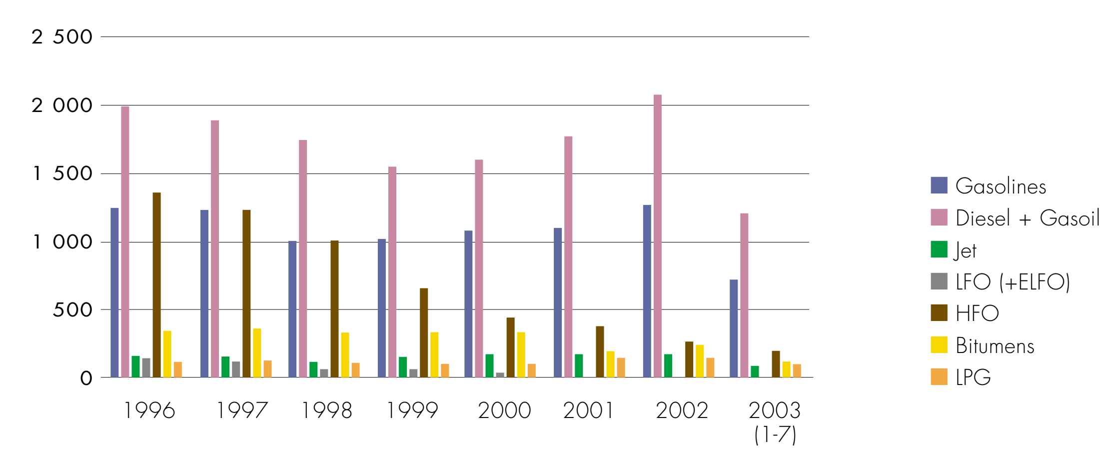
1997

General Market Characteristics Expected growth of unleaded mogas grades consumption continued, unlike the long – term assumptions diesel consumption declined slightly, the total portion of motor fuels imported to the domestic market showed a year-on-year growth. Consumption of high sulphur fuel oil continued to fall, low sulphur fuel oil market saw a surprisingly good growth. The competitive environment in the central European region became significantly tenser as a result of the start up of the new Leuna/Mider refinery.

CRC Commercial Achievement During the first half of the year the business activities were still being affected by the consequences of the Litvinov refinery accident in late 1996, all competitors efforts continued to further strengthen their position in the domestic market through new subsidiaries and their fast-growing network of petrol station. Nevertheless, strengthening domestic market shares continues.

CRC Merchant Refinery Milestones Launched the C_5/C_6 isomerisation unit at the refinery in Kralupy. Start of the Operator 2000 and work safety motivation programs. Preparation of the Transformation Map 1997-2001. Made significant investments in modernization, safety and environment.

CRC Total Sales 1996 - 7/2003 */in thousands of Mt/*



1998

General Market Characteristics Growing competition, a rise in imports of foreign products, and an overall recession in the Czech economy, the result of which was reflected in the falling demand for refinery products for example total domestic sales of mogas dropped by eight percent.

CRC Commercial Achievement Growing competition reduced the CRC domestic market share, though this was balanced by growing export also to Germany and Austria, very demanding and saturated markets of EU.

CRC Merchant Refinery Milestones Energetic implementation of the TIP/SAP project, the electronization of the company, and creation of common systems. First Shell plaques for safety; opened the Center for re-engagement in work. Launch of operation of the blending facility at the Litvínov refinery's reconstructed tank field. Employees can choose from the Palette of Fringe Benefits.

1999

General Market Characteristics The petroleum products market in Czech Republic was influenced by the limited purchasing power of the population, changes in consumption tax rates, the continuance of other central European countries import barriers, and by increased quality requirements of refinery products for environmental reasons. The refinery margin dropped to its lowest point this decade, whilst competitive pressure from rival refineries intensified.

CRC Commercial Achievement The year was an extremely difficult for CRC business activities, as the crude oil and refinery products markets underwent very fast and unexpected changes. The reduced share for CRC on the Czech market was effectively compensated by growing exports. Subsidiary, CRC Slovakia, was founded, and began direct sales activities in Slovakia.

CRC Merchant Refinery Milestones Conoco President Award for work safety improvements. Launch of the managerial information/control system SAP/R3 and formation of the Customer Services Center. Construction and launch of the visbreaker and opening a new control room in the Litvínov refinery.

2000

General Market Characteristics The domestic market saw a further decline in gasoline consumption as a result of high price level and it also experienced an increase in competition from imports as motor fuels import duties were reduced and finally eliminated from the end of 2000.

CRC Commercial Achievement Pursued a strategy of strengthening relations with its existing major buyers and also to widen its customer base to focus on the smaller companies active in the fuels market. A new, more competitive, transparent and market reactive pricing policy was introduced both to meet of the needs existing customers and to create position for CRC to be able to expand its volumes when the FCC unit comes on stream in early 2001. CRC continued to strengthen its export activities in key areas of focus in late 2000. Commercial with significant gains made in both the volumes and market shares in CRC major products, recovery market share in white products!

CRC Merchant Refinery Milestones CRC Polska affiliate was established in Wroclaw, Poland. Safety and Environment Award from Business Leaders Forum. Responsible Care title award. Supported the formation of the Most Environmental Center for the Krušné hory region. Fluid catalytic crack being built in Kralupy. New office building in Kralupy. Leaded gasoline production discontinued.

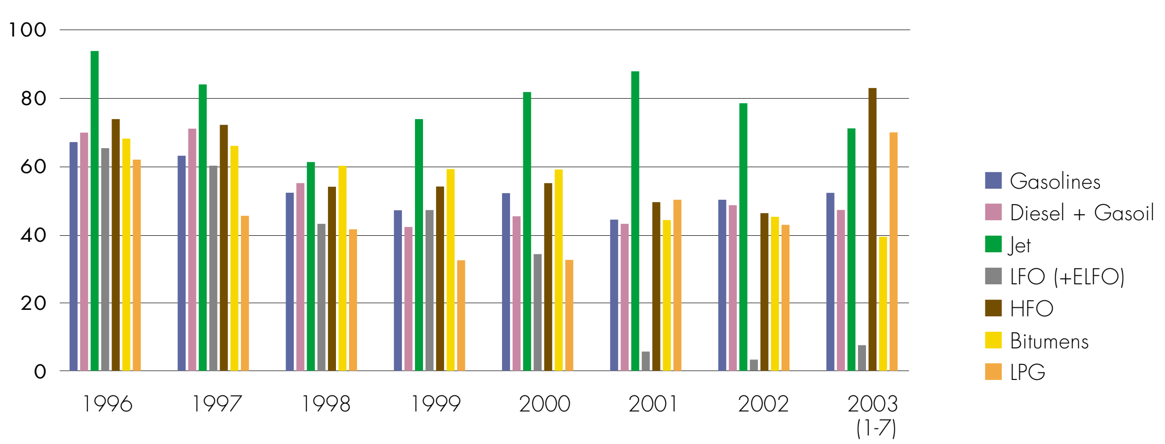
2001

General Market Characteristics Competition became extremely strong. Whilst partly this was a continuation of the trend from the past, at a time when growth in motor fuels consumption was stagnating. However, the negative impact of this unavoidable process consisted in a significant drop in inland premia compared to previous years.
Request for low sulfur motor fuel appeared.

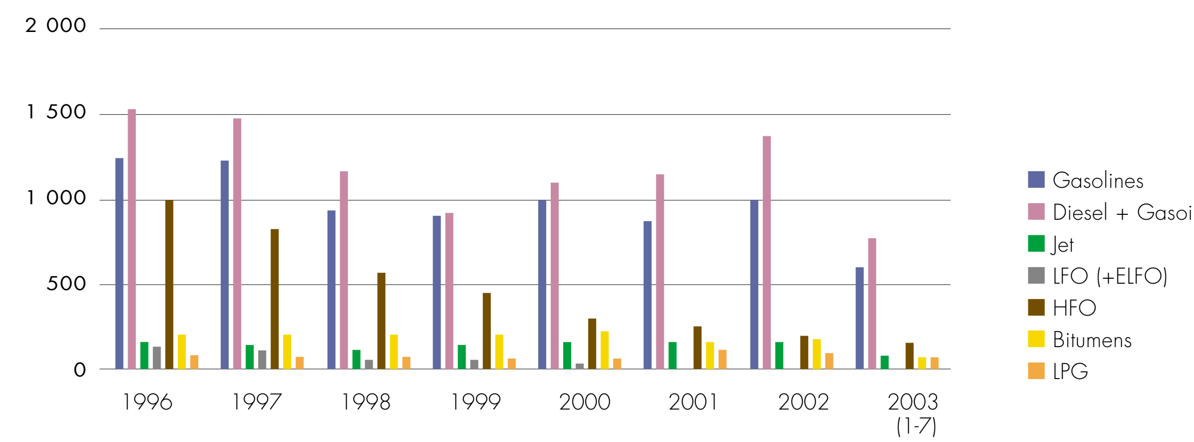
CRC Commercial Achievement In relation to the FCC launch, this was an extraordinary year in that CRC need to maintain and extend its share in the domestic market. Due to the aggressive marketing and pricing policies of competitors, in Q1/2001, the company recorded its lowest sales ever. During H1/2001, CRC managed to gradually increase its market share. The balance of CRC production and sales costs was adversely affected by the specific regional motor fuel quality requirements, which deviated from expectations.

CRC Merchant Refinery Milestones Completion of the Operator 2000, Lab Technician 2000 and Supervisor 2000 programs. Completion and start-up of the FCC – ceremonial inauguration. ČSN ISO 9000 and ČSN ISO 14 000 certification granted by Lloyd's Insurance Register. Conoco Technical Excellence Award for the FCC project.

Domestic Market Share (%)



CRC Inland Sales /in thousands of Mt/



2002

General Market Characteristics Zero consumption growth in domestic and European motor fuels market. At the same time, it had to deal with the fact that Euro 2000 specifications for motor fuels were introduced into the Czech Republic more than a year earlier than anticipated (1 January 2003).

CRC Commercial Achievement Given the availability of additional volumes of motor fuels provided by the FCC unit, in 2002 the company strove to considerably increase its market share in domestic motor fuels segment and boost its export. Flexible commercial policy helped to increase sale of motor fuels despite a drop in sales to the shareholders companies. The higher market share was achieved at the cost of prices lower than planned because in an environment of sturdy competition CRC had to introduce a number of price and other incentives.

CRC Merchant Refinery Milestones Centralized control rooms in Litvínov and Kralupy. Crisis in business relationships among shareholders. Plans to transform the company into a processing refinery. Formation of teams to prepare the transition to the processing mode of operation.

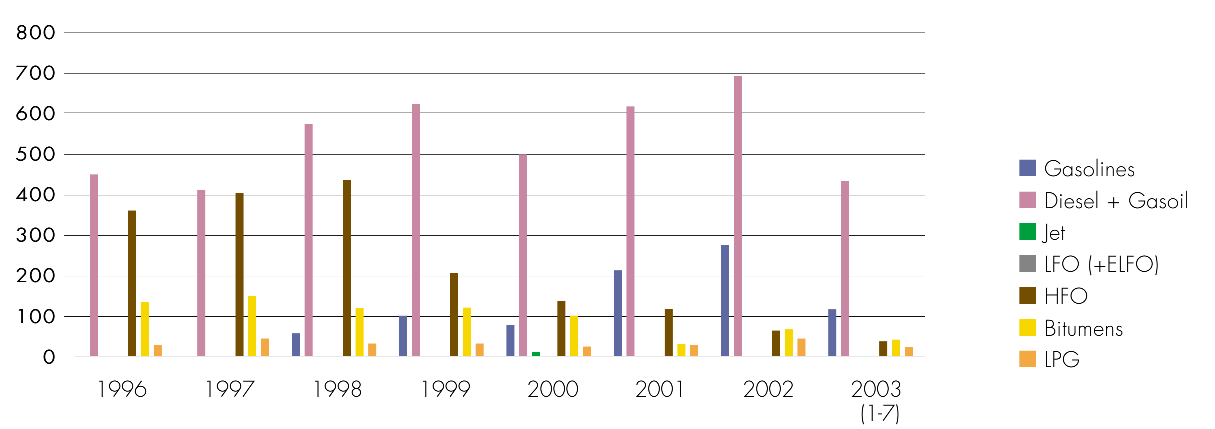
2003

General Market Characteristics EURO 2000 specification in force. The CRC commercial strategy applied during 2002 and first half of 2003 brought stability to domestic motor fuels market. Low sulfur fuels requested by export market.

CRC Commercial Achievement Despite all this year's purchase contracts were concluded with limited duration, condition of negotiation all contracts for major accounts helped to fix CRC business-to-business relationship and persuade SH/AC to increase lifting before CRC transfer to the processing refinery. The price tool – financial bonuses had been used in order to maximize sales volumes in required location and to enlarge the CRC market share. After transfer to the processing refinery the requirenments of processors satisfactory fulfiled.

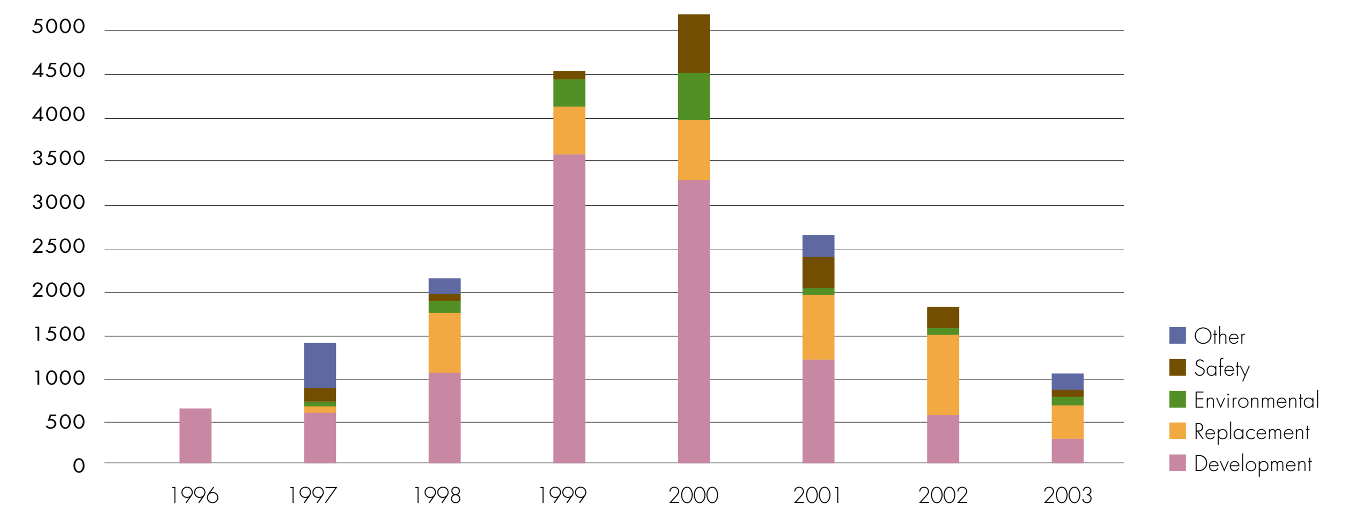
CRC Merchant Refinery Milestones The old control room in Kralupy no longer in use. Safe Business award. 8 million hours worked without a work-related injury resulting in absence from work (LWC). Processing refinery as of 1 August.

CRC Export Sales /in thousands of Mt/

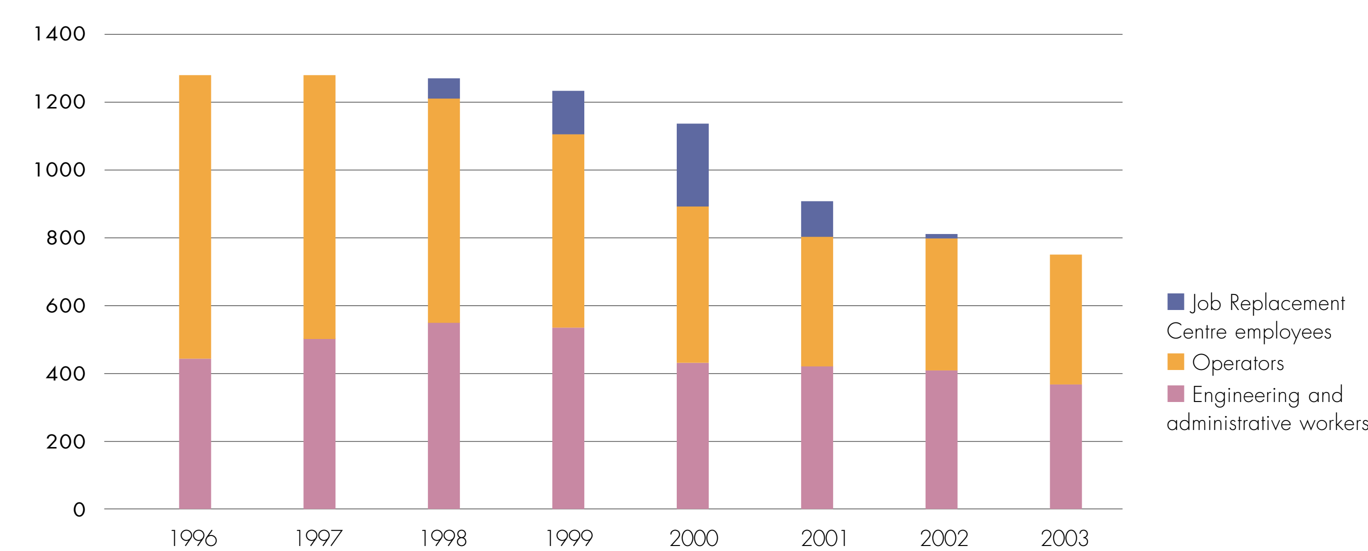


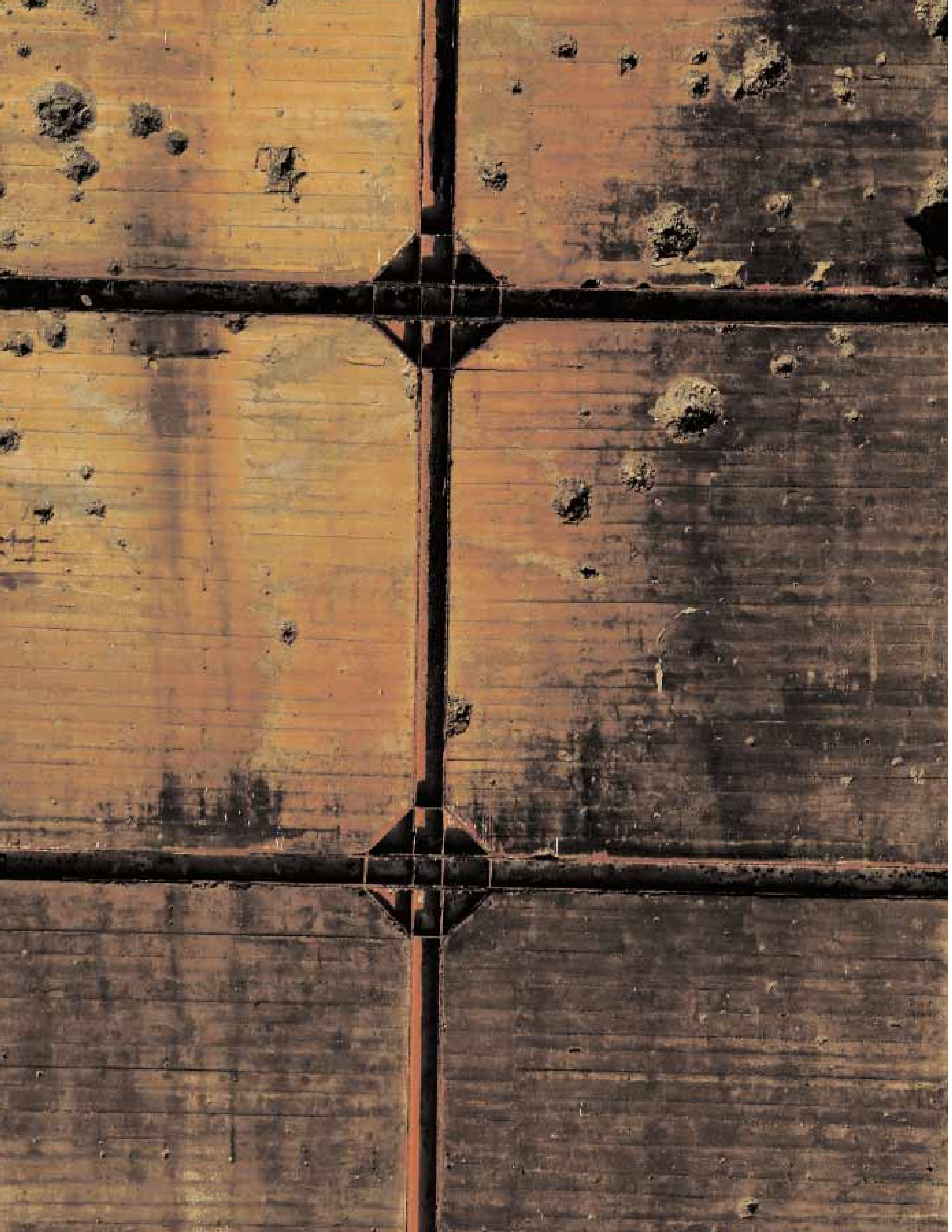
Processed crude /in thousands of Mt/

Distribution of capital expenditures /in million of CZK/



Number of employees divided according position





Report of the Supervisory Board

Ladislav Varhaník
Member of the Supervisory Board

Alois Dvořák
Member of the Supervisory Board

Jiří Eminger
Member of the Supervisory Board

Jan Klimeš
Member of the Supervisory Board

Marie Čižinská
Member of the Supervisory Board

Zdeněk Černý
Chairman of the Supervisory Board

Enrico Amici
Member of the Supervisory Board

Josef Gros
Vice-chairman of the Supervisory Board

Ilona Pokorná
Member of the Supervisory Board

Report of the Supervisory Board of ČESKÁ RAFINÉRSKÁ, a.s. on the Company's regular financial statements for 2003 and consolidated financial statements as at 31 December 2003 and examination of the Report on relations between the controlling and controlled person and on relations between the controlled person and other persons controlled by the same controlling person for 2003.

Ernst & Young ČR, s.r.o. audited the regular financial statements for 2003 and expressed the auditor's statement – no qualifications. In respect of the auditor's statement, the Supervisory Board is stating that the regular and consolidated financial statements truly reflects, in all material aspects, the assets, liabilities, equity and financial standing of ČESKÁ RAFINÉRSKÁ, a.s. as at 31 December 2003 and its results for 2003 in accordance with the accounting act and relevant regulations of the Czech Republic.

The Supervisory Board is also stating that it did not discover any material misstatements in the submitted annual financial statements as at 31 December 2003 and other documents that the Company's Board of Directors submitted to the Supervisory Board for discussion in 2003, which would suggest that the accounting records were not maintained properly in accordance with reality and legal regulations.

The Supervisory Board recommends that regular General Meeting approves the annual financial statements for 2003 and the consolidated financial statements for 2003 and also approves the proposal of the Board of Directors for distribution of profit for 2003.

The Supervisory Board examined the Report on relations between the controlling and controlled person and on relations between the controlled person and other persons controlled by the same controlling person for 2003 as prepared by the Company's Board of Directors and submitted to the Supervisory Board. The Supervisory Board has no significant qualifications concerning the submitted Report.

Zdeněk Černý
Chairman of the Supervisory Board
Kralupy nad Vltavou
21 April 2004

Česká rafinérská

Annual Report 2003

Financial Part

Consolidated Financial Statements

ERNST & YOUNG

AUDITORS' REPORT

To the Shareholders of Česká rafinérská, a.s.:
We have audited the consolidated financial statements of Česká rafinérská, a.s. and subsidiaries, for the year ended 31 December 2003 in accordance with the Act No. 254/2000 Coll. on Auditors and the auditing guidelines issued by the Chamber of Auditors. Our audit included an examination of evidence supporting the consolidated financial statements and of the accounting policies and estimates used by management in their preparation. Our audit procedures were carried out on a test basis and with regard to the principle of materiality.

The Board of Directors is responsible for maintaining accounting records and for preparing consolidated financial statements which give a true and fair view of the assets, liabilities, equity, financial results and financial situation of Česká rafinérská, a.s. and subsidiaries. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole, based on our audit performed in accordance with this Act and the auditing guidelines.

In our opinion, the consolidated financial statements present in all material respects, a true and fair view of the assets, liabilities, equity and financial position of Česká rafinérská, a.s. and subsidiaries, as of 31 December 2003 and the financial results for the year then ended in accordance with Act No. 563/1991 Coll. on Accounting and relevant legislation.

Without qualifying our opinion we wish to draw your attention to the following matters:
As more fully discussed in Note 1, during 2003, Česká rafinérská, a.s. was converted from a full-merchant mode into the processing refinery mode. As a result of this change, most of the current commercial activities carried out within Česká rafinérská, a.s. were transferred to the shareholders.

The prior year consolidated financial statements of Česká rafinérská a.s. and subsidiaries were audited by other auditors whose reports dated 28 February 2003 and 25 February 2002, respectively, expressed unqualified opinions on those statements. We have relied on their audit opinions on the 2002 and 2001 financial information.

The accompanying annual report for 2003 contains information about important matters related to the Company's financial statements, the evolution of its business and other matters. We have checked that the accounting information in the annual report is consistent with that contained in the audited financial statements as of 31 December 2003. Our work as auditors was confined to checking the annual report with the aforementioned scope and did not include a review of any information other than that drawn from the audited accounting records of the Company.

We have reviewed the information contained in the report on related parties, which was prepared in accordance with Section 66a of the Commercial Code. The Board of Directors is responsible for the complete and accurate presentation of the report. Our responsibility is to review the accuracy of the information included in the report. During our audit, nothing came to our attention that would cause us to believe that the information disclosed in the report was inaccurate. We did not review the completeness of the information presented in the report. In addition, we are unable to assess whether the relationships between related parties had an adverse affect on the Company. However, the management of the Company believes that all transactions between related parties were performed on an arm's length basis.

Ernst & Young ČR, s.r.o.
License No. 401

Ladislav Langr
auditor, license No. 257

27 February 2004,
Prague, Czech Republic

in thousand Czech crowns

BALANCE SHEET - LONG FORM

		Current year			Prior year 2002	Prior year 2001
		Gross	Provisions	Net	Net	Net
	TOTAL ASSETS	32 690 887	(6 001 062)	26 689 825	28 121 793	29 480 673
A.	STOCK SUBSCRIPTIONS RECEIVABLE	0	0	0	0	0
B.	FIXED & FINANCIAL ASSETS	21 716 694	(5 510 490)	16 206 204	16 470 459	16 566 199
B. I.	Intangible fixed assets	901 703	(539 780)	361 923	384 326	378 042
B. I. 1	Foundation and organizational costs	0	0	0	0	0
2	Research and development	35 742	(21 200)	14 542	20 592	10 164
3	Software	585 224	(376 361)	208 863	199 313	179 550
4	Patents, rights and royalties	246 467	(142 219)	104 248	136 505	119 100
5	Goodwill			0		
6	Other intangibles assets	0	0	0	0	0
7	Intangibles assets in progress	34 270	0	34 270	27 916	69 228
8	Advances granted for intangibles assets	0	0	0	0	0
B. II.	Tangible assets	20 160 901	(4 970 710)	15 190 191	16 086 133	16 188 157
B. II. 1	Land	0	0	0	0	0
2	Constructions	3 939 231	(409 625)	3 529 606	3 368 520	2 800 151
3	Separate movable items and groups of movable items	14 240 501	(3 839 435)	10 401 066	10 296 299	9 510 549
4	Perennial crops	0	0	0	0	0
5	Livestock	0	0	0	0	0
6	Other tangible assets	168 655	(44 684)	123 971	583 670	632 955
7	Tangible assets in progress	219 307	0	219 307	816 273	1 728 385
8	Advances granted for tangible assets	323 895	0	323 895	344 404	754 530
9	Gain or loss on revaluation of acquired property	1 269 312	(676 966)	592 346	676 967	761 587
B. III.	Financial investments	654 090	0	654 090	0	0
B. III. 1	Subsidiaries (shareholdings > 50%)	0	0	0	0	0
2	Associates (shareholdings of 20% - 50%)	0	0	0	0	0
3	Other long-term securities and deposits	0	0	0	0	0
4	Intergroup loans	0	0	0	0	0
5	Other long-term loans and financial assets	654 090	0	654 090	0	0
6	Financial assets in progress	0	0	0	0	0
7	Advance for long-term assets	0	0	0	0	0
B. IV.	Active consolidation difference (Goodwill)	0	0	0	0	0
B. V.	Investments accounted for under the equity method	0	0	0	0	0
C.	CURRENT ASSETS	10 291 236	(490 572)	9 800 664	11 273 614	12 397 788
C. I.	Inventory	1 397 010	(21 000)	1 376 010	5 453 618	4 364 805
C. I. 1	Materials	1 007 562	(21 000)	986 562	3 653 580	2 391 130
2	Work-in-progress and semi-finished production	114 796	0	114 796	542 520	881 853
3	Finished products	201 036	0	201 036	1 111 131	1 012 316
4	Livestock	0	0	0	0	0
5	Goods	73 616	0	73 616	146 261	33 864
6	Advances granted for inventory	0	0	0	126	45 642
C. II.	Long-term receivables	424 674	(315 184)	109 490	76 670	13 914
C. II. 1	Trade receivables	424 674	(315 184)	109 490	0	13 914
2	Receivables from subsidiaries	0	0	0	0	0
3	Receivables from associates	0	0	0	0	0
4	Receivables from partners, co-operative members and participants in association	0	0	0	0	0
5	Unbilled revenue	0	0	0	0	0
6	Other receivables					
7	Deferred tax asset	0	0	0	76 670	0
C. III.	Short-term receivables	6 415 085	(154 388)	6 260 697	5 237 779	5 636 018
C. III. 1	Trade receivables	1 984 478	(154 388)	1 830 090	5 129 329	5 298 475
2	Receivables from subsidiaries	0	0	0	0	0
3	Receivables from associates	0	0	0	0	0
4	Receivables from partners, co-operative members and participants in association	0	0	0	0	0
5	Social security and health insurance	0	0	0	0	0
6	Due from government - tax receivables	286 786	0	286 786	54 042	256 927
7	Other advances granted	0	0	0		0
8	Unbilled revenue	160 832	0	160 832	50 401	76 362
9	Other receivables	3 982 989	0	3 982 989	4 007	4 254
C. IV.	Short-term financial assets	2 054 467	0	2 054 467	505 547	2 383 051
C. IV. 1	Cash	803	0	803	1 128	864
2	Bank accounts	94 034	0	94 034	40 591	556 899
3	Short-term securities and interests	1 959 630	0	1 959 630	463 828	1 825 288
4	Short-term financial assets in progress	0	0	0	0	0
D.	OTHER ASSETS	682 957	0	682 957	377 720	516 686
D. I.	Accrued assets and deferred liabilities	682 957	0	682 957	377 720	516 686
D. I. 1	Prepaid expenses	313 087	0	313 087	377 667	447 545
2	Prepaid expenses (specific-purpose expenses)		0			
3	Unbilled revenue	369 870	0	369 870	53	69 141

				Current year	Prior year 2002	Prior year 2001
			TOTAL SHAREHOLDER'S EQUITY & LIABILITIES	26 689 825	28 121 793	29 480 673
A.			SHAREHOLDER'S EQUITY	16 640 574	16 298 195	17 014 649
A.	I.		Basic capital	9 348 240	9 348 240	9 348 240
A.	I.	1	Registered capital	9 348 240	9 348 240	9 348 240
		2	Own shares	0	0	0
		3	Changes in basic capital	0	0	0
A.	II.		Capital funds	0	(1 130)	0
A	II.	1	Share premium (agio)	0	0	0
		2	Other capital funds	0	0	0
		3	Gain or loss on revaluation of assets and liabilities	0	(1 130)	0
		4	Gain or loss on revaluation of company transformations	0	0	0
A	III.		Reserve funds, (indivisible fund) and other funds created from profit	452 933	445 951	445 951
A	III.	1	Legal reserve fund/Indivisible fund	452 933	445 951	445 951
		2	Statutory and other funds	0	0	0
A.	IV.		Profit (loss) for the previous years	6 498 152	7 220 458	7 280 875
	IV.	1	Retained earnings for the previous years	6 498 152	7 220 458	7 280 875
		2	Accumulated loss of previous years	0	0	0
A.	V.		Consolidated earnings of accounting period	341 249	(715 324)	(60 417)
	V.	1	Earnings of current period	341 249	(715 324)	(60 417)
		2	Consolidated earnings - equity method (+/-)	0	0	0
A.	VI.		Passive consolidation difference (Badwill)			
A.	VII.		Consolidated reserve funds			
B.			LIABILITIES	9 713 317	11 759 864	12 400 811
B.	I.		Reserves	349 733	385 958	490 239
B.	I.	1	Reserves created under special legislation	349 733	335 817	374 200
		2	Reserve for pensions and similar obligations	0	0	0
		3	Reserve for corporate income tax			
		4	Other reserves	0	50 141	116 039

B.	II.		Long-term liabilities	7 723	50	310 619
B.	II.	1	Trade payables	0	0	0
		2	Liabilities to subsidiaries	0	0	0
		3	Liabilities to associates	0	0	0
		4	Liabilities to partners, co-operative members and participants in association	0	0	0
		5	Advances received			
		6	Bonds payable			
		7	Notes payable			
		8	Unbilled deliveries	0	0	0
		9	Other liabilities	21	50	150
		10	Deferred tax liability	7 702	0	310 469
B.	III.		Current liabilities	7 592 526	9 175 510	8 801 173
B.	III.	1	Trade payables	1 204 023	4 920 209	4 547 833
		2	Liabilities to subsidiaries	0	0	0
		3	Liabilities to associates	0	0	0
		4	Liabilities to partners, co-operative members and participants in association	0	0	0
		5	Liabilities to employees	21 234	2 910	1 565
		6	Liabilities arising from social security and health insurance	10 947	12 285	13 413
		7	Due to government – taxes and subsidies	6 315 179	4 054 776	3 672 706
		8	Advances received	0	0	0
		9	Bonds payable	0	0	0
		10	Unbilled deliveries	39 287	144 200	176 047
		11	Other liabilities	1 856	41 130	389 609
B.	IV.		Bank loans and short-term notes	1 763 335	2 198 346	2 798 780
B.	IV.	1	Long-term bank loans	1 342 105	1 333 333	2 000 000
		2	Short-term bank loans	421 230	865 013	798 780
		3	Short-term notes	0	0	0
C.			OTHER LIABILITIES - TEMPORARY ACCOUNTS OF LIABILITIES	335 934	63 734	65 213
C.	I.		Accruals	335 934	63 734	65 213
C.	I.	1	Accruals	335 934	63 734	65 213
		2	Deferred income	0	0	0
D.			MINORITY CAPITAL	0	0	0
D.	I.		Minority basic capital	0	0	0
D.	II.		Minority capital funds	0	0	0
D.	III.		Minority funds created from profit, including retained earnings	0	0	0
D.	IV.		Minority earnings from current accounting period	0	0	0

PROFIT AND LOSS STATEMENT - LONG FORM

			Current year	Prior year 2002	Prior year 2001
		Revenues from goods sold	5 802 778	2 823 981	1 381 124
A.		Cost of goods sold	5 859 837	2 891 169	1 386 714
+		Gross margin	(57 059)	(67 188)	(5 590)
II.		Production	28 614 350	39 573 374	45 938 654
II.	1	Revenue from sale of finished products and services	29 982 820	39 747 920	45 628 510
	2	Change in inventory produced internally	(1 368 470)	(174 546)	310 144
	3	Own work capitalized	0	0	0
B.		Production related consumption	25 878 532	38 601 647	44 443 404
B.	1	Consumption of material and energy	22 837 961	36 311 588	42 156 733
B.	2	Services	3 040 571	2 290 059	2 286 671
+		Value added	2 678 759	904 539	1 489 660
C.		Personnel expenses	493 252	493 035	546 327
C.	1	Wages and salaries	355 988	353 754	396 965
C.	2	Bonuses to members of company or cooperation bodies	4 051	2 668	2 174
C.	3	Social security and health insurance	120 636	122 319	130 425
C.	4	Other social costs	12 577	14 294	16 763
D.		Taxes and fees	24 456	9 724	5 887
E.		Amortization and depreciation of intangible and tangible fixed assets	1 163 560	1 192 494	885 358
		Settling of passive consolidation difference (Badwill)	0	0	0
		Settling of active consolidation difference (Goodwill)	0	0	0
III.		Revenue from sale of intangible and tangible fixed assets and materials	2 481 734	112 807	13 346
III.	1	Revenues from sale of intangible and tangible fixed assets	6 999	112 788	13 346
	2	Revenue from sale of materials	2 474 735	19	0
F.		Net book value of intangible and tangible fixed assets and materials sold	2 459 049	109 335	19 920
F.	1	Net book value of intangible and tangible fixed assets sold	0	109 335	19 920
F.	2	Materials sold	2 459 049	0	0
G.		Change in reserves and provisions relating to operations and in prepaid expenses (specific-purpose expenses)	427 493	3 333	(116 567)
IV.		Other operating revenues	231 345	65 670	29 025
H.		Other operating expenses	273 413	123 447	96 223
V.		Transfer of operating revenues	0	0	0
I.		Transfer of operating expenses	0	0	0
*		Consolidated operating results	550 615	(841 686)	(138 251)
VI.		Revenue from sale of securities and interests	0	0	0

J.		Securities and interests sold	0	0	0
VII.		Income from financial investments	0	0	0
VII.	1	Income from subsidiaries and associates	0	0	0
	2	Income from other long-term securities and interests	0	0	0
	3	Income from other financial investments	0	0	0
VIII.		Income from short-term financial assets	2 045	3 693	9 923
K.		Expenses related to financial assets	0	0	0
IX.		Gain on revaluation of securities and derivatives	0	0	0
L.		Loss on revaluation of securities and derivatives	0	0	0
M.		Change in reserves and provisions relating to financial activities	0	74 412	(29 660)
X.		Interest income	15 670	19 529	31 981
N.		Interest expense	75 963	137 985	92 537
XI.		Other finance income	666 642	593 875	823 541
O.		Other finance cost	867 134	802 518	943 100
XII.		Transfer of finance income	0	0	0
P.		Transfer of finance cost	0	0	0
*		Consolidated result from financial activities	(258 740)	(248 994)	(199 852)
Q		Tax on profit or loss on ordinary activities	93 578	(372 289)	(256 653)
Q	1	- due	9 205	14 850	10 909
Q	2	- deferred	84 373	(387 139)	(267 562)
**		Consolidated result on ordinary activities after taxation	198 297	(718 391)	(81 450)
XIII.		Extraordinary gains	256 645	13 873	93 915
R.		Extraordinary losses	113 642	10 667	72 415
S.		Tax on extraordinary profit or loss	51	139	467
S.	1	- due	51	139	467
S.	2	- deferred	0	0	0
*		Consolidated result from extraordinary activities	142 952	3 067	21 033
**		Consolidated net result excluding equity income (loss)	341 249	(715 324)	(60 417)
	1	Earnings for the accounting period - group share			
	2	Earnings for the accounting period - minority share	0	0	0
**		Income / loss from equity method consolidation	0	0	0
***		Consolidated net result for the accounting period	341 249	(715 324)	(60 417)
		Consolidated result of operations before tax	434 878	(1 087 474)	(316 603)

1. COMPANY'S DESCRIPTION AND DEFINITION OF THE CONSOLIDATION GROUP

Česká rafinérská, a.s. ("the Company") is a Czech joint stock company incorporated on 28 April 1995 and its legal seat is in Litvínov, Czech Republic. The Company operates two petrochemical refineries in the Czech Republic. The Company is also the parent company of Česká rafinérská Slovakia, s.r.o., a Slovak limited liability company, and CRC Polska Sp z o.o., a Polish limited liability company, which are involved in the trading of petrochemical products. The Company and its subsidiaries are hereinafter referred to as the "Group". The main activity of the Group is crude oil refining and sale of hydrocarbon fuels and lubricants.

There were changes made by the Company to the commercial register during 2003 relating to members of the Board of Directors and Supervisory Board.
The shareholders of the Company who hold a 10% or greater interest in the Company's basic capital are as follows:

Unipetrol, a.s.	51,00 %
Eni International B.V.	16 1/3 %
ConocoPhillips Central and Eastern Europe Holdings B.V.	16 1/3 %
Shell Overseas Investments B.V.	16 1/3 %

The Group is a part of the consolidated group Unipetrol a.s.

Based on the Processing Agreement concluded between the Company and its Shareholders in January 2003, the Company converted into a processing refinery mode as of 1 August 2003. As a result of this change, most of the current commercial activities carried out within Česká rafinérská, a.s. were transferred to the shareholders. Since 1 August 2003, the Company had four main customers. These are the subsidiaries of the shareholders ("the Processors").

Members of statutory and supervisory bodies of the Company at 31 December 2003 were as follows:

Board of directors

- Chairman: Ing. Ivan Souček (from 1. 8. 2003)
- Chairman: Ing. Ivan Ottis (through 31. 7. 2003)
- Vice-chairman: Eric Van Anderson
- Member: Ing. Miroslav Debnár
- Member: Ing. František Šamal (from 1. 2. 2003)
- Member: Ing. Jiří Pavlas (through 31. 1. 2003)
- Member: Oscar Magnoni
- Member: Lennart Heldtander (from 16. 7. 2003)
- Member:John William de Haseth (through 15. 7. 2003)

Supervisory Board

- Chairman: JUDr. Zdeněk Černý
- Vice-Chairman: JUDr. Ing. Josef Gros
- Member: Ing. Marie Čižinská
- Member: Ing. Ladislav Varhaník
- Member: Ing. Jiří Eminger
- Member: Enrico Amici
- Member: JUDr. Alois Dvořák
- Member: Jan Klimeš
- Member: Bc. Ilona Pokorná

The Group is made of companies and subsidiaries that were included there from the aspect of materiality of their equity share and turnover of the Group.
The principal company of the consolidation group is Česká rafinérská, a.s., which is the parent company of the consolidation Group.
Relevant financial information for 2003, 2002 and 2001 with respect to the sole consolidated subsidiaries, Česká rafinérská Slovakia, s.r.o. and CRC Polska Sp. z o.o., are as follows:

GROUP STRUCTURE 2003

Name: Registered Office	Česká rafinérská Slovakia s.r.o. Bratislava, Slovakia	CRC Polska Sp. z o.o. Wroclaw, Poland
Acquisition Cost of Interest (in TKc)	167	83,024
Percentage of Ownerwhip in %	100%	100%
Basic Capital (in TKc)	167	83,024
Shareholder's Equity (in TKc)	21,097	76,786
Profit/(Loss) of Current Year (in TKc)	18,240	(11,450)
Retained Earnings/(Losses) (in TKc)	2,675	(1,755)
Total Assets (in TKc)	147,502	217,591
Intrinsic Value of an Interest (in TKc)	21,097	76,786
Dividends (in TKc)	-	-
Consolidation Method	Direct	Direct

GROUP STRUCTURE 2002

Name: Registered Office	Česká rafinérská Slovakia s.r.o. Bratislava, Slovakia	CRC Polska Sp. z o.o. Wroclaw, Poland
Acquisition Cost of Interest (in TKc)	167	83,024
Percentage of Ownerwhip in %	100%	100%
Basic Capital (in TKc)	167	83,024
Shareholder's Equity (in TKc)	2,859	89,991
Profit/(Loss) of Current Year (in TKc)	7,613	17,088
Retained (Losses) (in TKc)	(4,924)	(10,121)
Total Assets (in TKc)	237,052	402,470
Intrinsic Value of an Interest (in TKc)	2,859	89,991
Dividends (in TKc)	-	-
Consolidation Method	Direct	Direct

GROUP STRUCTURE 2001

Name:	Česká rafinérská Slovakia s.r.o.	CRC Polska Sp. z o.o.
Registered Office	Bratislava, Slovakia	Wroclaw, Poland
Acquisition Cost of Interest (in TKc)	167	83,024
Percentage of Ownerwhip in %	100%	100%
Basic Capital (in TKc)	167	83,024
Shareholder's Equity (in TKc)	(4,755)	72,903
Profit/(Loss) of Current Year (in TKc)	16,692	(10,121)
Retained (Losses) (in TKc)	(21,615)	-
Total Assets (in TKc)	165,575	482,891
Intrinsic Value of an Interest (in TKc)	(4,755)	72,903
Dividends (in TKc)	-	-
Consolidation Method	Direct	Direct

Financial statements of the Company were audited by Ernst & Young ČR, s.r.o., who issued an unqualified opinion. Financial statements of the subsidiaries were audited by other auditors who issued unqualified opinions.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying financial statements were prepared in accordance with the Czech Law on Accounting and relevant legislation and the relevant accounting procedures for entrepreneurs as applicable for 2003, 2002 and 2001.

a) Impact of Law on Accounting Amendments

The impact of amendments to the Act on Accounting and to the accounting procedures for entrepreneurs as of 1 January 2003 and 1 January 2002 was reflected in the net profit or loss for 2003 and 2002, respectively, or in the equity as of 31 December 2003 and 2002, respectively. For this reason, certain information in the 2003 financial statements is not fully comparable with the information in the 2002 and 2001 financial statements.

b) Information Comparability

In connection with the amendments to the Act on Accounting and to the accounting procedures, the classification of some items in the balance sheet, income statement and cash flow statement has changed in 2003. For this reason, certain balances of previous accounting periods have been transferred to the correct reporting lines so that they are comparable in the accompanying financial statements.

c) Consolidation

The accompanying consolidated financial statements were prepared in compliance with Decree No. 500/2002 Coll., which implements certain provisions of Act No. 563/1991 Coll., on Accounting. Their purpose is to give a true and fair view of the assets, liabilities, of financial position and of profit or loss of the consolidation group as a whole and they are intended for shareholders and creditors.

Financial statements of all companies included in the consolidation were prepared as of 31 December 2003.

Financial statements of subsidiary companies with a registered seat abroad were translated to Czech crowns at the exchange rate at 31 December for the balance sheet and the yearly average exchange rate for the Profit and Loss statement as published by the Czech National Bank.

To prepare the consolidated financial statements, a full consolidation was used for companies where the Company had a controlling interest (more than a 50% ownership interest).

d) Explanation Added for Translation to English

These consolidated financial statements are presented on the basis of accounting principles and standards generally accepted in the Czech Republic. Certain accounting practices applied by the Company that conform with generally accepted accounting principles and standards in the Czech Republic may not conform with generally accepted accounting principles in other countries.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The valuation standards applied by the Group in compiling the 2003, 2002 and 2001 financial statements are as follows:

a) Intangible Fixed Assets

Intangible fixed assets are valued at their acquisition cost and related expenses, if any.

Patents, royalties and similar rights are amortised over their useful lives as specified in the relevant contracts.

Intangible fixed assets over 60 TKc are amortised over their estimated useful economic life.

b) Tangible Fixed Assets

Purchased tangible fixed assets with a cost of more than 40 TKc are recorded at their acquisition cost including freight, customs duties and other related costs.

Interest and other financial expenses incurred in the construction of tangible fixed assets are also capitalised.

The costs of technical improvements are capitalised. Repairs and maintenance expenditures are expensed as incurred.

The adjustment to acquired property arose in 1995 and is calculated as the difference between the total appraised value of the property for contribution and the book value of the property as recorded in the accounting records of the contributing entity (see Note 4). As a result of the revaluation of acquired property, a portion of the adjustment was recorded as a step-up in the net book value of the relevant asset. The resulting adjustment is now reported under the caption Gain or loss on revaluation of acquired property in the accompanying balance sheet.

Depreciation

Depreciation is calculated based on acquisition cost and the estimated useful life of the related asset. The estimated useful lives are as follows:

	Years
Buildings, halls and constructions	50
Machinery and equipment	4 - 20
Vehicles	6 - 11
Furniture and fixtures	4 - 8
Other tangible fixed assets	4 - 30
Gain or loss on revaluation of acquired property	15

Additions to statutory reserve for major repairs relating to extraordinary overhauls or repairs of tangible fixed assets are based on annual estimates of the cost of the next overhaul or repair and on the time expected to elapse until next overhaul or repair.

c) Financial Assets

Short-term financial assets consist of liquid valuables, cash in hand and at bank, held-to-maturity debt securities falling due within one year and other available-for-sale securities.

Long-term financial assets consist of held-to-maturity debt securities.

d) Inventory

Purchased inventory is valued at cost using the weighted average method. Costs of purchased inventory include transportation and other applicable costs.

Finished goods and work-in-progress are valued at standard cost. Cost of finished goods and work-in-process include direct materials, labor costs and production overhead. Finished goods held at subsidiaries include excise tax.

Inventory of finished and semi-finished products is carried at the lower of cost and net realizable value.

e) Receivables

Receivables are carried at nominal value after provision for doubtful accounts. Additions to the provision account are charged to income.

Receivables from and payables to companies included in the consolidation group are offset.

Provisions are established based on a detailed review of the recoverability of receivables.

f) Shareholders' Equity

The basic capital of the Group is stated at the amount of the basic capital of the Company recorded in the Commercial Register maintained by the Regional Court.

In accordance with the Commercial Code, the parent Company creates a legal reserve fund from profit.

In the first year in which profit is generated, a joint-stock company should allocate 20% of profit after tax (however, not more than 10% of basic capital) to the legal reserve fund. In subsequent years, the reserve fund is allocated 5% of profit after tax until the fund reaches 20% of basic capital. This fund can only be used to offset losses.

g) Reserves and Liabilities

The Company creates legal reserves within the meaning of the Act on Reserves and reserves for losses and risks if the related title, amount and timing can be reliably estimated and the accrual and matching principles are observed.

Long-term liabilities and current liabilities are carried at their nominal values. Amounts resulting from the revaluation of financial derivatives at fair value are shown in other payables.

Short-term and long-term loans are recorded at face value. Any portion of long-term debt, which is due within one year, is regarded as short-term debt.

h) Financial Leases

The Group records leased assets by expensing the lease payments and capitalising the residual value of the leased assets when the lease contract expires and the purchase option is exercised. Lease payments paid in advance are recorded as prepaid expenses and amortised over the lease term.

i) Foreign Currency Transactions

Assets whose acquisition or production costs were denominated in foreign currencies were translated to local currencies at the exchange rates prevailing at the date of each acquisition.

Foreign currency on hand, and receivables and payables denominated in foreign currencies are translated to national currencies based on daily exchange rates and are adjusted at year-end to the exchange rates at 31 December as published by the relative National Bank.

Realized exchange rate gains and losses are charged or credited, as appropriate, to income for the year. Beginning in 2002, unrealized exchange rate gains and losses are also recognized or charged, as appropriate, into income. In 2001, these gains and losses were not recognized or charged, as appropriate, into income until collection or payment of the related item occurred, and were included in other liabilities or other assets, as appropriate, in the accompanying balance sheet. Unrealized exchange rate losses were reported as assets in the accompanying balance sheet and were offset by a reserve with a corresponding charge to income.

j) Recognition of Revenues and Expenses

Revenues and expenses are recognised on an accrual basis, when the actual flow of the related goods or services occurs, regardless of when the related monetary or financial flow arises.

In accordance with the accounting principle of prudence, the Group does not record contingent gains at year-end, whereas foreseeable contingent losses are recorded as they become known.

k) Income Tax

The corporate income tax expense is calculated for each company in the Group and is based on the statutory tax rate and book income before taxes, increased or decreased by the appropriate permanent and temporary differences (e.g. non-deductible reserves and provisions, entertainment expenses, differences between book and tax depreciation, etc.). The corporate income tax expense in the consolidated financial statements consists of the sum of corporate income tax expense of the parent Company and other companies of the Group, consolidated using the full consolidation method.

The deferred tax position is calculated for each company in the Group and reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for corporate income tax purposes. The consolidated deferred tax position is the sum of the deferred tax positions of the parent Company and other companies in the Group for which the full consolidation method has been used, adjusted for the effects of temporary differences resulting from intercompany transactions.

4. FIXED ASSETS

a) Intangible Fixed Assets (in TKc)

COST

	At beginning of year	Additions	Disposals	Transfers	Total cost
Research and development	35,742	-	-	-	35,742
Software	527,587	4,575	(53,933)	106,995	585,224
Patents, rights and royalties	245,862	594	(389)	400	246,467
Intangibles in progress	27,916	3,165	(5,169)	8,358	34,270
2003 Total	837,107	8,334	(59,491)	115,753	901,703
2002 Total	677,581	53,085	(38,273)	144,714	837,107
2001 Total	556,217	242,513	(144,145)	22,996	677,581

ACCUMULATED AMORTISATION

	At beginning of year	Amortisation during year	Disposals	Transfers	Total accumulated amortisation	Net book value
Research and development	(15,150)	(6,050)	-	-	(21,200)	14,542
Software	(328,274)	(101,982)	53,895	-	(376,361)	208,863
Patents, rights and royalties	(109,357)	(33,251)	389	-	(142,219)	104,248
Intangibles in progress	-	-	-	-	-	34,270
2003 Total	(452,781)	(141,283)	54,284	-	(539,780)	361,923
2002 Total	(299,539)	(152,648)	-	(594)	(452,781)	384,326
2001 Total	(166,610)	(132,929)	-	-	(299,539)	378,042

Research and development costs represent external studies, which are amortised over their estimated useful lives. Management has sound reasons to foresee the technical success and commercial profitability of these projects.

b) Tangible Fixed Assets (in TKc)

COST

	At beginning of year	Additions	Disposals	Transfers	Total cost
Constructions	3,693,551	243,033	(919)	3,566	3,939,231
Machinery and equipment	13,333,937	1,024,245	(125,519)	7,838	14,240,501
Art work and collections	1,090	-	-	-	1,090
Other tangibles	759,887	-	(592,322)	-	167,565
Tangibles in progress	816,273	797,469	(1,267,278)	(127,157)	219,307
Advances for tangibles	344,404	381,721	(402,230)	-	323,895
Gain or loss on revaluation of acquired property	1,269,312	-	-	-	1,269,312
2003 Total	20,218,454	2,446,468	(2,388,268)	(115,753)	20,160,901
2002 Total	19,449,003	4,494,703	(3,580,538)	(144,714)	20,218,454
2001 Total	17,269,459	10,511,492	(8,308,952)	(22,996)	19,449,003

ACCUMULATED DEPRECIATION

	At beginning of year	Depreciation during year	Disposals	Transfers	Provision	Total accumulated depreciation	Net book value
Constructions	(325,031)	(85,513)	919	-	-	(409,625)	3,529,606
Machinery and equipment	(3,037,638)	(920,240)	118,443	-	-	(3,839,435)	10,401,066
Art work and collections	-	-	-	-	-	-	1,090
Other tangibles	(177,307)	(17,103)	149,726	-	-	(44,684)	122,881
Tangibles in progress	-	-	-	-	-	-	219,307
Advances for Tangibles	-	-	-	-	-	-	323,895
Gain or loss on revaluation of acquired property	(592,345)	(84,621)	-	-	-	(676,966)	592,346
2003 Total	(4,132,321)	(1,107,477)	269,088	-	-	(4,970,710)	15,190,191
2002 Total	(3,260,846)	(1,124,936)	192,370	594	60,000	(4,132,321)	16,086,133
2001 Total	(2,452,018)	(837,032)	88,204	-	(60,000)	(3,260,846)	16,188,157

Depreciation expense for tangible fixed assets totalled 1,022,265 TKc, 1,039,819 TKc and 752,411 TKc in 2003, 2002 and 2001, respectively.

The adjustment to acquired property of 1,269,312 TKc arose from the difference between the total price of property contributed to the Company by a shareholder and the book value of the property as recorded in the accounting records of the contributing entity (see Note 3b). The amount is depreciated on a straight-line basis over 15 years. Depreciation expense of the adjustment to acquired property totaled 84,621 TKc, 84,620 TKc and 84,621 TKc in 2003, 2002 and 2001, respectively.

c) Long-term Financial Assets

	Balance at 31.12. 2001	Balance at 31.12. 2002	Changes	Balance at 31.12. 2003
Other long-term financial assets	-	-	654 090	654 090

Other long-term financial assets represent loaned crude oil of 110 thousand tons to the processors for the duration of the processing agreement concluded on 31 July 2003. Loan carries an interest rate of 2.818% and will be repaid in 2023 in a single installment. Loan was valued using market prices of crude oil at 1 August 2003. The loan has not been revalued as of 31 December 2003 as the crude oil price differences were immaterial.

As a result of conversion to processing refinery the Company is considering the disposal or liquidation of the subsidiaries in 2004. The Company assumes that the disposal or liquidation will be completed with no loss.

5. RECEIVABLES

Provisions for uncollectible receivables charged to income totalled 397,710 TKc, 37,700 TKc and 30,015 TKc, in 2003, 2002 and 2001, respectively.

Receivables overdue for more than 360 days totalled 111,891 TKc, 122,983 TKc and 53,833 TKc as of 31 December 2003, 2002 and 2001, respectively.

As of 31 December 2003, the Company had a long-term trade receivable that should gradually be settled until 2010. Due to the uncertainty related to the collectibility of the receivable, the Company has created a provision of 315,184 TKc.

Other receivables mainly include a receivable for excise tax due from the processors.

The Group has also receivables from related parties (see Note 19).

6. PROVISIONS

Provisions reflect a temporary diminution in value of assets (see Note 4 a 5).

Changes in the provision accounts were as follows (in TKc):

Provisions	Fixed assets	Inventory	Receivable - statutory	Receivable - other	Total
Balance at 31. 12. 2000	-	-	42,787	88,025	130,813
Additions	60,000	20,000	5,444	24,571	110,015
Use	-	-	(16,763)	(48,052)	(64,815)
Balance at 31. 12. 2001	60,000	20,000	31,468	64,544	176,012
Additions	-	-	24,660	13,040	37,700
Use	(60,000)	(20,000)	(172)	(23,114)	(103,286)
Balance at 31. 12. 2002	-	-	55,956	54,470	110,426
Additions	-	21,000	8,883	367,827	397,710
Use	-	-	(8,971)	(8,593)	(17,564)
Balance at 31. 12. 2003	-	21,000	55,868	413,704	490,752

Statutory provisions are created in compliance with the Czech Law on Reserves.

7. FINANCIAL ASSETS

Short-term securities and interests consist of short-term bank promissory notes held to maturity. Their nominal value is 1,959,630 TKč, 463,828 TKč and 1,825,288 TKč as of 31 December 2003, 2002 and 2001, respectively.

The Group has bank accounts, which allow the Group to maintain overdraft facility. At 31 December 2003, 2002 and 2001, the overdraft balances totalled (in accordance with the agreed credit limit) 63,335 TKc, 198,346 TKc and 798,780 TKc, respectively, and were reflected as short-term loans in the accompanying balance sheet (see Note 12).

8. OTHER ASSETS

Prepaid expenses include prepaid rent and catalysts in use, which are being charged to income as the relevant service is provided or material used.

Unbilled revenues include receivables from the Processors for recharged transport costs, which are being charged to revenues as the relevant service is provided.

9. EQUITY OF THE GROUP AND OF THE CONSOLIDATING COMPANY

The basic capital of the Company is comprised of 934,824 registered shares fully subscribed and paid, with a nominal value of 10 TKc.

The changes in the capital accounts were as follows (in TKc):

	Number of shares	Basic capital	Legal reserve fund
Balance at 31. 12. 2000	934,824	9,348,240	319,361
2001 Change	-	-	126,590
Balance at 31. 12. 2001	934,824	9,348,240	445,951
Balance at 31. 12. 2002	934,824	9,348,240	445,951
2003 Change	-	-	6,982
Balance at 31. 12. 2003	934,824	9,348,240	452,933

The Annual General Meeting held on 28 April 2003 approved that the loss of the 2002 accounting period would be covered from the retained earnings of previous years (in TKc):

Loss for 2002	(715,324)
Allocation to Legal reserve fund	(6,982)
Compensation from retained earnings	(722,306)
Retained earnings at 31. 12. 2002	7,220,458
Compensation of loss for 2002 and allocation to Legal reserve fund	(722,306)
Retained earnings at 31. 12. 2003	6,498,152

The Annual General Meeting held on 17 May 2002 approved that the loss of the 2001 accounting period would be covered from the retained earnings of previous years (in TKc):

Loss for 2001	(60,417)
Retained earnings at 31. 12. 2001	7,280,875
Compensation of loss for 2001	(60,417)
Retained earnings at 31. 12. 2002	7,220,458

The Annual General Meeting held on 4 May 2001 and the extraordinary General Meeting held on 27 September 2001 approved the following profit distribution for 2000

	(in TKc)
Profit for 2000	2,515,672
Allocation to Legal reserve fund	(126,590)
Ordinary dividends	(253,338)
Extraordinary dividends	(380,472)
Undistributed profits added to retained earnings	1,755,272
Retained earnings at 31. 12. 2000	5,525,603
Transfer of 2000 profit	1,755,272
Retained earnings at 31. 12. 2001	7,280,875

In 2003 and 2002, the Company paid out no dividends. In 2001, the Company paid out ordinary dividends of 271 Kc per share, totalling 253,338 TKc and extraordinary dividends of 407 Kc totaling 380,472 TKc.

10. RESERVES

The movements in the reserve accounts were as follows (in TKc):

Reserves	Legal	Foreign exchange rate losses	Other
Balance at 31. 12. 2000	345,417	44,752	84,503
Additions	119,783	74,412	41,627
Use	(91,000)	(44,752)	(84,503)
Balance at 31. 12. 2001	374,200	74,412	41,627
Additions	88,617	-	50,141
Use	(127,000)	(74,412)	(41,627)
Balance at 31. 12. 2002	335,817	-	50,141
Additions	157,074	-	-
Use	(143,158)	-	(50,141)
Balance at 31. 12. 2003	349,733	-	-

The Group established the legal reserve in 2003, 2002 and 2001 for the purpose of repairs of tangible fixed assets.

Other reserves include primarily a reserve related to employees' retraining.

11. SHORT-TERM LIABILITIES

As of 31 December 2003, 2002 and 2001, the Group had no overdue short-term liabilities, respectively.

The Group has payables to related parties (see Note 19).

12. BANK LOANS AND SHORT-TERM NOTES

At 31 December 2003, the Group had a long-term bank loan and no other short-term notes, except for the overdraft accounts mentioned in Note 7.

Summary of loans (in TKc):

Term	2003	2002	2001
Long-term loan	1,342,105	1,333,333	2,000,000
Current portion of long-term loan	357,895	666,667	-
Overdrafts	63,335	198,346	798,780
Total	1,763,335	2,198,346	2,798,780

The interest expense relating to bank loans and short-term notes for 2003, 2002 and 2001 was 75,963 TKc, 137,985 TKc and 92,537 TKc, respectively.

13. OTHER LIABILITIES

Accruals and contingencies mainly include unbilled services.

14. INCOME TAXES

The calculation of 2003, 2002 and 2001 income taxes is as follows (in TKc):

	2003	2002	2001
Profit/(Loss) before taxes	416,227	(1,122,728)	(328,085)
Non-taxable revenues	(60,987)	(290,425)	(215,461)
Non-deductible expenses	573,994	307,511	403,111
Differences between book and tax depreciation	(301,173)	(181,462)	(847,495)
Tax base/loss	628,061	(1,287,104)	(988,110)
Tax loss 2001, 2002 utilised (partly)	(628,061)	-	-
Taxable income (loss)	-	-	-
Current income tax rate	31%	31%	31%
Prior year adjustments	-	-	7,527
Current tax due	-	-	7,527

The calculation of the 2003 income tax is only a preliminary estimate.

The parent Company can carryforward tax losses generated in 2001 and 2002 for up to seven years. The remaining tax loss carryforward for 2001 and 2002, totalled to 1,647,153 TKc as of 31 December 2003.

The income tax duties of the subsidiaries are immaterial compared to results of Česká rafinérská a.s.

The parent Company has calculated deferred taxes as follows:

			2003		2002		2001	
Deferred tax items	Base	Tax rate	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Difference between net book	(10,275)	28%	-	(2,877)	-	(642,669)	-	(636,484)
value of fixed assets for	(158,965)	26%	-	(41,331)	-	-	-	-
accounting and tax purposes	(2,106,099)	24%	-	(505,464)	-	-	-	-
Other temporary differences:								
Provision against receivables	365,304	28%	102,285	-	11,409	-	13,998	-
Revaluation of derivatives	-	-	-	-	351	-	-	-
Provision against inventory	21,000	28%	5,880	-	-	-	6,200	-
Adjustment to acquired property	(84,621)	28%	-	(23,694)	-	(209,860)	-	(217,492)
	(84,621)	26%	-	(22,001)	-	-	-	-
	(423,104)	24%	-	(101,545)	-	-	-	-
Reserves	-	-	-	-	15,544	-	35,972	-
10% investment relief	683,667	24%	164,080	-	193,983	-	176,039	-
Tax loss	364,000	28%	101,920	-	707,912	-	311,298	-
	354,400	26%	92,144	-	-	-	-	-
	928,752	24%	222,901	-	-	-	-	-
Total			689,210	(696,912)	929,199	(852,529)	543,507	(853,976)
Net				(7,702)	76,670			(310,469)

The parent Company has calculated the individual components of the deferred tax taking into account the expected rate in the year in which the tax will crystallise.

The parent Company has recorded a deferred tax liability of 7,702 TKc.

15. LEASING

The Group leases assets, which are recorded in an off-balance sheet account (see Note 3h).

Assets that are being used by the Group under finance leases (i.e. the assets are transferred to the Company when the leasing period expires) as of 31 December 2003, 2002 and 2001, respectively, are as follows (in TKc):

						Remaining payments as of 31.12. 2003	
Description	Terms	Total lease	Payments made as of 31. 12. 2003	Payments made as of 31. 12. 2002	Payments made as of k 31. 12. 2001	Due within one year	Due over one year
Isomerisation unit	As per contract	585,703	585,703	585,703	585,703	-	-
Company cars	As per contract	56,741	40,038	27,410	13,770	8,792	7,911

16. COMMITMENTS AND CONTINGENCIES

The Group has a long-term (15 years) transport contract with Mero ČR a.s., and an annual transport contract with Transpetrol which stipulate a minimum annual throughput of crude oil through the IKL and Druzhba pipelines.

At 31 December 2003, the Company had issued the following guarantees:

Type of guarantee	on behalf of	Beneficiary	Reason	Amount (in thousands)	Curr.	Amount (in TKc)
Company Guarantee	CRC Slovakia	Citibank Slovakia	Overdraft	130,000	SKK	102,323
Company Guarantee	CRC Slovakia	Citibank Slovakia	Custom guarantee	60,000	SKK	47,226
Company Guarantee	CRC Polska	ING Bank Slaski	Credit contract	9,000	PLN	62,028
Company Guarantee	CRC Polska	Bank Handlowy w Warszawie	Credit contract	6,000	PLN	41,352
Company Guarantee	CRC Polska	TuiR Warta S.A.	Custom guarantee	13,000	PLN	89,596
Total						342,525

17. REVENUES

The breakdown of the Company's revenues from current activities is as follows (in TKc):

	2003		2002		2001	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Sale of products	20,758,620	5,018,404	31,245,353	8,076,352	36,807,815	8,520,765
Sale of services	4,016,050	189,746	377,073	49,142	299,930	-
Sale of goods	153,021	5,649,757	499,470	2,324,511	101,022	1,280,102
Total revenues	24,927,691	10,857,907	32,121,896	10,450,005	37,208,767	9,800,867

Due to the conversion to Processing refinery, the Company has only 4 main customers and these are the processors.
Other operating revenues include the sale of inventory during the conversion to processing refinery operations.

18. PERSONNEL AND RELATED EXPENSES

The average number of employees in the Group in 2003, 2002 and 2001, by category and the related personnel costs for the year, were as follows (in TKc):

	2003		2002		2001	
	Total Personnel	Directors, Deputy Directors and Managers	Total Personnel	Directors, Deputy Directors and Managers	Total Personnel	Directors, Deputy Directors and Managers
Average number of employees	771	31	822	28	981	31
Salaries and wages	355,988	47,364	353,754	39,177	396,965	44,090
Social insurance	120,636	15,492	122,319	13,409	130,425	16,635
Social expenses	12,577	287	14,294	256	16,763	293
Total personnel expenses	489,201	63,143	490,367	52,842	544,153	61,018

The members and former members of statutory, management and supervisory boards received total bonuses and other remuneration of 4,051 TKc, resp. 2,668 TKc and 2,174 TKc in 2003, 2002 and 2001, respectively.

19. RELATED PARTY INFORMATION

No loans, guarantees or other benefits were granted to members of statutory bodies in 2003, 2002 and 2001 and they do not hold any shares of the Group. The Group sells products to related parties in the ordinary course of business. Sales amounted to 21,429,559 TKc, 17,756,548 TKc and 21,367,944 TKc in 2003, 2002 and 2001, respectively.

Short-term receivables from related parties as of 31 December were as follows (in TKc):

Related party	2003	2002	2001
Aliachem, a.s.	-	265	432
Unipetrol Deutschland GmbH	-	781	3,889
Unipetrol Austria GmbH	-	9,432	3,029
Spolana, a.s.	5	2,089	4
AGIP Praha, a.s.	101,583	139,074	120,644
Benzina, a.s.	-	752,268	219,938
Chemopetrol, a.s.	35,534	997,546	619,265
Chemopetrol BM, a.s.	-	-	1
Unipetrol doprava, a.s.	4	4	699
ConocoPhillips ČR, s.r.o.	354,393	138,153	97,839
Kaučuk, a.s.	6,810	58,260	38,303
Shell ČR, a.s.	88,136	363,802	553,756
Paramo, a.s.	-	3,898	54
Koramo, a.s.	-	40,835	60,815
UNIPETROL RAFINÉRIE, a.s.	774,156	-	-
Total	1,360,621	2,506,407	1,718,668

The Group purchases products and receives services from related parties in the ordinary course of business. In 2003, 2002 and 2001, volumes of purchases amounted to 4,069,085 TKc, 3,546,777 TKc and 4,284,542 TKc, respectively.

Short-term liabilities to related parties as of 31 December were as follows (in TKc):

Related party	2003	2002	2001
Benzina, a.s.	-	15,987	804
Chemopetrol, a.s.	122,071	123,252	210,663
Chemopetrol BM, a.s.	113	89	82
Unipetrol Doprava, a.s.	107,813	133,778	145,549
HC Chemopetrol, a.s.	3	-	549
Agip Praha, a.s.	71,172	6,004	4,520
ConocoPhillips ČR, s.r.o.	51,320	9,354	901
Kaučuk, a.s.	43,457	129,030	99,089
Shell ČR, a.s.	85,175	35,874	8,976
Unipetrol, a.s.	16,120	17,809	16,089
Spolana, a.s.	100	119	227
Koramo, a.s.	-	-	629
Paramo, a.s.	-	-	314
B.U.T., s.r.o.	3	17	30
Petrotrans,a.s	-	10	-
UNIPETROL RAFINERIE a.s.	191,405	-	-
Total	688,752	471,323	488,422

At 31 December 2003, the Company held 68 thousand tons of crude oil, 2 thousand tons of other raw materials, 70 thousand tons of semi-finished products and 145 thousand tons of finished refinery products for the Processors.

20. RESEARCH AND DEVELOPMENT COSTS

The Group did not charge any research and development costs to income in 2003, 2002 and 2001, respectively.

21. SIGNIFICANT INCOME STATEMENT ACCOUNTS

Other financial expenses and revenues primarily represent realised exchange gains and exchange losses.

Extraordinary expenses and revenues mainly include corrections of errors related to the valuation of the IKL first linefill.

22. CASH FLOW INFORMATION (SEE ATTACHED FORM)

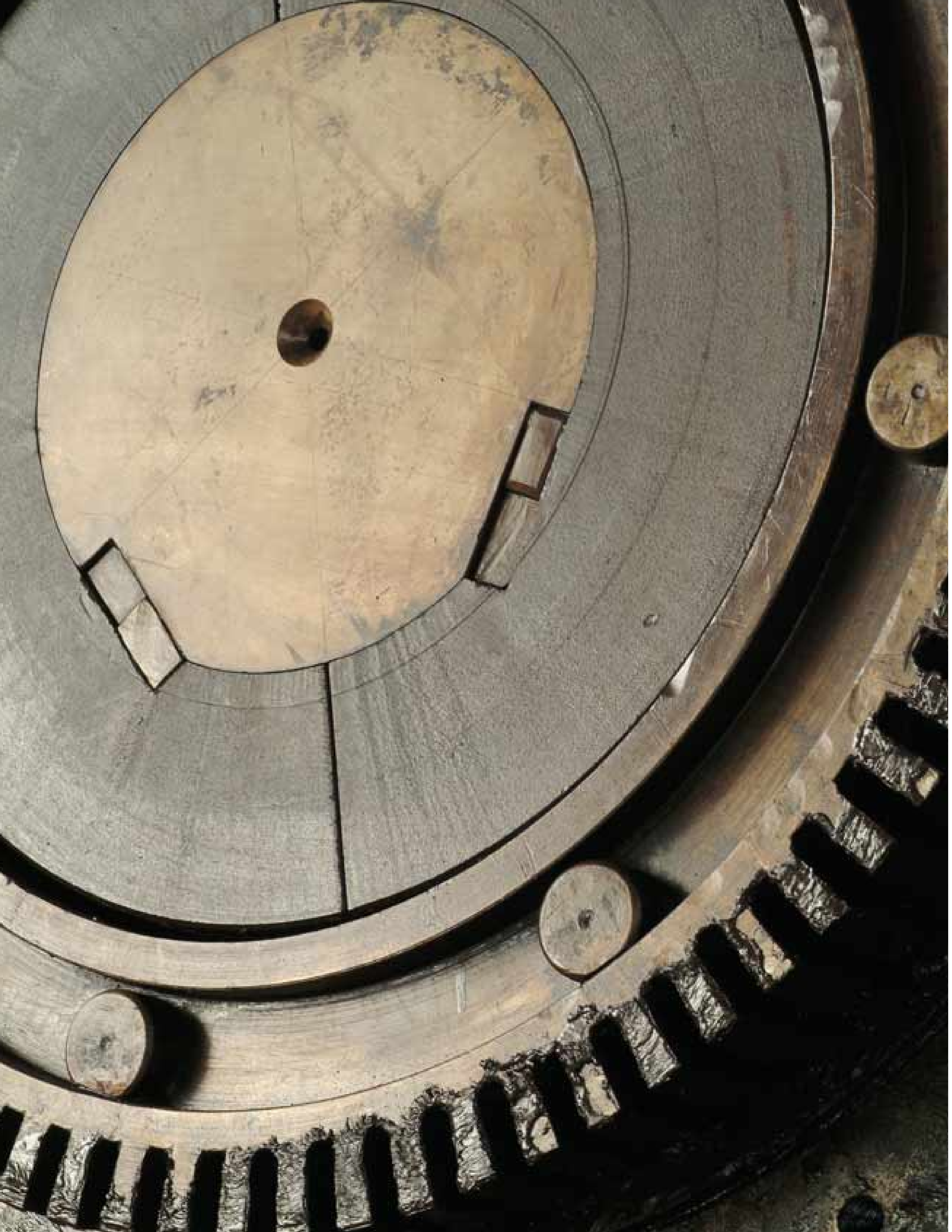
The cash flow statement has been prepared based on the indirect method.

AMENDMENT NO. 1

CASH FLOW STATEMENT

For the year ended 31 december 2003

		Current year	Prior year 2002	Prior year 2001
	Cash flows from operating activities			
Z.	Profit or loss on ordinary activities before taxation (+/-)	291 875	(1 090 680)	(338 103)
A. 1.	Adjustments to reconcile profit or loss to net cash provided by or used in operating activities	1 694 919	1 414 765	942 920
A. 1. 1.	Depreciation and amortization of fixed assets, write-off of receivables and adjustment to acquired property	1 248 181	1 277 114	969 979
A. 1. 2.	Change in provisions	380 146	21 734	(94 292)
A. 1. 3.	Change in reserves	(36 225)	0	0
A. 1. 4.	Foreign exchange differences	0	0	0
A. 1. 5.	(Gain)/Loss on disposal of fixed assets	2 708	(2 539)	6 677
A. 1. 6.	Interest expense and interest income	60 293	118 456	60 556
A. 1. 7.	Other non-cash movements (e.g. revaluation at fair value to profit or loss)	39 816	0	0
A*	Net cash from operating activities before taxation, changes in working capital and extraordinary items	1 986 794	324 085	604 817
A. 2.	Change in non-cash components of working capital	404 794	(293 150)	(50 639)
A. 2. 1.	Change in inventory	3 743 935	(1 068 813)	(105 724)
A. 2. 2.	Change in trade receivables	2 981 407	369 246	1 339 642
A. 2. 3.	Change in other receivables and in prepaid expenses and unbilled revenue	(4 627 394)	0	0
A. 2. 4.	Change in trade payables	(3 654 684)	406 417	(1 284 557)
A. 2. 5.	Change in other payables, short-term loans and in accruals and deferred income	1 961 530	0	0
A**	Net cash from operating activities before taxation, interest paid and extraordinary items	2 391 588	30 935	554 178
A. 3.	Interest paid	(75 963)	(137 985)	(92 537)
A. 4.	Tax paid	(9 167)	(4 088)	(1 037 746)
A. 5.	Gains and losses on extraordinary items	46 787	(9 158)	(1 837)
A***	Net cash provided by (used in) operating activities			
	Cash flows from investing activities	2 353 245	(120 296)	(577 942)
B. 1.	Purchase of fixed assets	(832 833)	(1 181 374)	(2 389 130)
B. 2.	Proceeds from sale of fixed assets	4 066	5 071	13 240
B. 3.	Interest received	15 670	19 529	31 981
B. 4.	Dividends received	0	0	0
B***	Net cash provided by (used in) investing activities	(813 097)	(1 156 774)	(2 343 909)
	Cash flows from financing activities			
C. 1.	Change in long-term liabilities and long-term loans	8 772	(600 434)	2 703 715
		0	0	0
C. 2.	Effect of changes in basic capital on cash	0	0	0
C. 2. 1,	Dividends or profit sharing paid	0	0	(633 810)
C. 2. 2,	Effect of other changes in basic capital on cash	0	0	0
C***	Net cash provided by (used in) financing activities	8 772	(600 434)	2 069 905
F.	Net increase (decrease) in cash	1 548 920	(1 877 504)	(851 946)
P.	Cash and cash equivalents at beginning of year	505 547	2 383 051	3 234 997
R.	Cash and cash equivalents at end of year	2 054 467	505 547	2 383 051



Česká rafinérská

Annual Report 2003

Financial Part

Czech Statutory Financial Statements

ERNST & YOUNG

AUDITORS' REPORT

To the Shareholders of Česká rafinérská, a.s.:
We have audited the financial statements of Česká rafinérská, a.s., for the year ended 31 December 2003 in accordance with the Act No. 254/2000 Coll. on Auditors and the auditing guidelines issued by the Chamber of Auditors. Our audit included an examination of evidence supporting the financial statements and of the accounting policies and estimates used by management in their preparation. Our audit procedures were carried out on a test basis and with regard to the principle of materiality.

The Board of Directors is responsible for maintaining accounting records and for preparing financial statements which give a true and fair view of the assets, liabilities, equity, financial results and financial situation of Česká rafinérská, a.s. Our responsibility is to express an opinion on the financial statements taken as a whole, based on our audit performed in accordance with this Act and the auditing guidelines.

In our opinion, the financial statements present, in all material respects a true and fair view of the assets, liabilities, equity and financial position of Česká rafinérská, a.s., as of 31 December 2003 and the financial results for the year then ended in accordance with Act No. 563/1991 Coll. on Accounting and relevant legislation.

Without qualifying our opinion we wish to draw your attention to the following matters:
As more fully discussed in Note 1, during 2003, Česká rafinérská, a.s. was converted from full-merchant mode into the processing refinery mode. As a result of this change, most of the current commercial activities carried out within Česká rafinérská, a.s. were transferred to the shareholders.

Česká rafinérská, a.s. is a parent company which compiled consolidated financial statements. We have issued an unqualified auditors' report on the consolidated financial statements dated 27 February 2004. Consolidated shareholders' equity amounts to 16,640,574 TKc, total assets amount to 26,689,825 TKc and the consolidated net profit was 434,878 TKc. In Note 19 to the financial statements, the intragroup sales as well as accounts receivable and payable balances as of the balance sheet date are disclosed.

The prior year financial statements were audited by other auditors whose reports dated 28 February 2003 and 25 February 2002, respectively, expressed unqualified opinions on those statements. We have relied on their audit opinions on the 2002 and 2001 financial information.

The accompanying annual report for 2003 contains information about important matters related to the Company's financial statements, the evolution of its business and other matters. We have checked that the accounting information in the annual report is consistent with that contained in the audited financial statements as of 31 December 2003. Our work as auditors was confined to checking the annual report with the aforementioned scope and did not include a review of any information other than that drawn from the audited accounting records of the Company.

We have reviewed the information contained in the report on related parties, which was prepared in accordance with Section 66a of the Commercial Code. The Board of Directors is responsible for the complete and accurate presentation of the report. Our responsibility is to review the accuracy of the information included in the report. During our audit, nothing came to our attention that would cause us to believe that the information disclosed in the report was inaccurate. We did not review the completeness of the information presented in the report. In addition, we are unable to assess whether the relationships between related parties had an adverse affect on the Company. However, the management of the Company believes that all transactions between related parties were performed on an arm's length basis.

Ernst & Young ČR, s.r.o.
License No. 401

Ladislav Langr
auditor, license No. 257

27 February 2004,
Prague, Czech Republic

Česká rafinérská, a.s. - 31 December 2003

Czech Statutory Financial Statement Forms in thousand Czech crowns

(Translation of financial statements originally issued in Czech - see Note 2 to the financial statements)

BALANCE SHEET - LONG FORM

		Current year Gross	Current year Provisions	Current year Net	Prior year 2002 Net	Prior year 2001 Net
	TOTAL ASSETS	32 533 931	(5 950 346)	26 583 585	27 834 898	29 292 276
A.	STOCK SUBSCRIPTION RECEIVABLE	0	0	0	0	0
B.	FIXED ASSETS	21 811 603	(5 508 174)	16 303 429	16 562 147	16 647 995
B. I.	Intangible assets	901 389	(539 585)	361 804	384 094	377 925
B. I. 1	Foundation and organization expenses	0	0	0	0	0
2	Research and development	35 742	(21 200)	14 542	20 592	10 164
3	Software	584 910	(376 166)	208 744	199 081	179 433
4	Patents, royalties and similar rights	246 467	(142 219)	104 248	136 505	119 100
5	Goodwill	0	0	0	0	0
6	Other intangible assets	0	0	0	0	0
7	Intangible assets in progress	34 270	0	34 270	27 916	69 228
8	Advances granted for intangible assets	0	0	0	0	0
B. II.	Tangible assets	20 158 241	(4 968 589)	15 189 652	16 085 203	16 186 879
B. II. 1	Land	0	0	0	0	0
2	Constructions	3 939 231	(409 625)	3 529 606	3 368 520	2 800 151
3	Separate movable items and groups of movable items	14 237 841	(3 837 314)	10 400 527	10 295 369	9 509 271
4	Perennial crops	0	0	0	0	0
5	Livestock	0	0	0	0	0
6	Other tangible assets	168 655	(44 684)	123 971	583 670	632 955
7	Tangible assets in progress	219 307	0	219 307	816 273	1 728 385
8	Advances granted for tangible assets	323 895	0	323 895	344 404	754 530
9	Gain or loss on revaluation of acquired property	1 269 312	(676 966)	592 346	676 967	761 587
B. III.	Financial investments	751 973	0	751 973	92 850	83 191
B. III. 1	Subsidiaries	97 883	0	97 883	92 850	83 191
2	Associates	0	0	0	0	0
3	Other long-term securities and interests	0	0	0	0	0
4	Loans to subsidiaries and associates	0	0	0	0	0
5	Other long-term investments	654 090	0	654 090	0	0
6	Long-term investments in progress	0	0	0	0	0
7	Advances granted for long-term investments	0	0	0	0	0
C.	CURRENT ASSETS	10 039 616	(442 172)	9 597 444	10 895 717	12 128 357
C. I.	Inventory	1 323 394	(21 000)	1 302 394	5 231 526	4 230 328
C. I. 1	Materials	1 007 562	(21 000)	986 562	3 653 580	2 391 130
2	Work in progress and semi-finished production	114 796	0	114 796	542 520	881 853
3	Finished products	201 036	0	201 036	1 022 778	888 307
4	Livestock	0	0	0	0	0
5	Goods	0	0	0	12 648	23 396
6	Advances granted for inventory	0	0	0	0	45 642
C. II.	Long-term receivables	424 674	(315 184)	109 490	76 670	13 914
C. II. 1	Trade receivables	424 674	(315 184)	109 490	0	13 914
2	Receivables from subsidiaries	0	0	0	0	0
3	Receivables from associates	0	0	0	0	0
4	Receivables from partners, cooperative members and participants in association	0	0	0	0	0
5	Unbilled revenue	0	0	0	0	0
6	Other receivables	0	0	0	0	0
7	Deferred tax asset	0	0	0	76 670	0
C. III.	Short-term receivables	6 257 115	(105 988)	6 151 127	5 117 181	5 657 372
C. III. 1	Trade receivables	1 861 183	(105 988)	1 755 195	5 059 725	5 352 458
2	Receivables from subsidiaries	0	0	0	0	0
3	Receivables from associates	0	0	0	0	0
4	Receivables from partners, cooperative members and participants in association	0	0	0	0	0
5	Social security and health insurance	0	0	0	0	0
6	Due from government - tax receivables	252 153	0	252 153	3 083	224 488
7	Other advances granted	0	0	0	0	0
8	Unbilled revenue	160 832	0	160 832	50 401	76 362
9	Other receivables	3 982 947	0	3 982 947	3 972	4 064
C. IV.	Short-term financial assets	2 034 433	0	2 034 433	470 340	2 226 743
C. IV. 1	Cash	792	0	792	1 118	848
2	Bank accounts	75 941	0	75 941	5 394	400 607
3	Short-term securities and interests	1 957 700	0	1 957 700	463 828	1 825 288
4	Short-term financial assets in progress	0	0	0	0	0
D.	OTHER ASSETS - TEMPORARY ACCOUNTS OF ASSETS	682 712	0	682 712	377 034	515 924
D. I.	Accrued assets and deferred liabilities	682 712	0	682 712	377 034	515 924
D. I. 1	Prepaid expenses	312 842	0	312 842	376 981	446 823
2	Prepaid expenses (specific-purpose expenses)	0	0	0	0	0
3	Unbilled revenue	369 870	0	369 870	53	69 101

				Current year	Prior year 2002	Prior year 2001
TOTAL EQUITY & LIABILITIES				26 583 585	27 834 898	29 292 276
A.			EQUITY	16 640 650	16 302 632	17 029 693
A.	I.		Basic capital	9 348 240	9 348 240	9 348 240
A.	I.	1	Registered capital	9 348 240	9 348 240	9 348 240
		2	Own shares and own ownership interests (-)	0	0	0
		3	Changes in basic capital	0	0	0
A.	II.		Capital funds	14 692	8 528	0
A	II.	1	Share premium (agio)	0	0	0
		2	Other capital funds	0	0	0
		3	Gain or loss on revaluation of assets and liabilities	14 692	8 528	0
		4	Gain or loss on revaluation of company transformations	0	0	0
A	III.		Reserve funds, (indivisible fund) and other funds created from profit	445 951	445 951	445 951
A	III.	1	Legal reserve fund/Indivisible fund	445 951	445 951	445 951
		2	Statutory and other funds	0	0	0
A.	IV.		Profit (loss) for the previous years	6 499 913	7 235 502	7 296 137
	IV.	1	Retained earnings for the previous years	6 499 913	7 235 502	7 296 137
		2	Accumulated loss of previous years	0	0	0
A.	V.		Profit (loss) for the year (+ / -)	331 854	(735 589)	(60 635)
B.			LIABILITIES	9 607 001	11 468 729	12 197 686
B.	I.		Reserves	349 733	385 958	490 239
B.	I.	1	Reserves created under special legislation	349 733	335 817	374 200
		2	Reserve for pensions and similar obligations	0	0	0
		3	Reserve for corporate income tax	0	0	0
		4	Other reserves	0	50 141	116 039
B.	II.		Long-term liabilities	7 702	0	310 469
B.	II.	1	Trade payables	0	0	0
		2	Liabilities to subsidiaries	0	0	0
		3	Liabilities to associates	0	0	0
		4	Liabilities to partners, co-operative members and participants in association	0	0	0
		5	Advances received	0	0	0
		6	Bonds payable	0	0	0
		7	Notes payable	0	0	0
		8	Unbilled deliveries	0	0	0
		9	Other liabilities	0	0	0
		10	Deferred tax liability	7 702	0	310 469
B.	III.		Current liabilities	7 549 566	8 931 264	8 669 145
B.	III.	1	Trade payables	1 187 765	4 747 342	4 426 983
		2	Liabilities to subsidiaries	0	0	0
		3	Liabilities to associates	0	0	0
		4	Liabilities to partners, co-operative members and participants in association	0	0	0
		5	Liabilities to employees	20 857	2 268	1 207
		6	Liabilities arising from social security and health insurance	10 670	11 881	13 005
		7	Due to government – taxes and subsidies	6 292 199	3 994 651	3 664 298
		8	Advances received	0	0	0
		9	Bonds payable	0	0	0
		10	Unbilled deliveries	36 916	144 035	176 014
		11	Other liabilities	1 159	31 087	387 638
B.	IV.		Bank loans and borrowings	1 700 000	2 151 507	2 727 833
B.	IV.	1	Long-term bank loans	1 342 105	1 333 333	2 000 000
		2	Short-term bank loans	357 895	818 174	727 833
		3	Borrowings			0
C.			OTHER LIABILITIES - TEMPORARY ACCOUNTS OF LIABILITIES	335 934	63 537	64 897
C.	I.		Accrued liabilities and deferred assets	335 934	63 537	64 897
C.	I.	1	Accruals	335 934	63 537	64 897
		2	Deferred income	0	0	0

INCOME STATEMENT - LONG FORM

For the Years Ended 31 December 2003, 2002 and 2001

			Current year	Prior year 2002	Prior year 2001
I.		Revenue from sale of goods	2 865 870	980 546	1 174 262
A.		Cost of goods sold	2 953 538	1 077 582	1 181 209
+		Gross margin	(87 668)	(97 036)	(6 947)
II.		Production	28 517 492	39 515 535	45 888 748
II.	1	Revenue from sale of finished products and services	29 890 398	39 738 506	45 637 540
	2	Change in inventory produced internally	(1 372 906)	(222 971)	251 208
	3	Own work capitalized	0	0	0
B.		Production related consumption	25 847 111	38 576 973	44 418 350
B.	1	Consumption of material and energy	22 837 553	36 311 060	42 155 708
B.	2	Services	3 009 558	2 265 913	2 262 642
+		Value added	2 582 713	841 526	1 463 451
C.		Personnel expenses	486 661	486 123	540 246
C.	1	Wages and salaries	350 431	348 018	391 786
C.	2	Bonuses to members of company or cooperation bodies	4 051	2 668	2 174
C.	3	Social security and health insurance	119 665	121 196	129 563
C.	4	Other social costs	12 514	14 241	16 723
D.		Taxes and charges	5 890	7 632	5 486
E.		Amortization and depreciation of intangible and tangible fixed assets	1 162 900	1 191 941	884 897
III.		Revenue from sale of intangible and tangible fixed assets and materials	2 481 734	112 807	13 346
III.	1	Revenues from sale of intangible and tangible fixed assets	4 291	111 855	13 346
	2	Revenue from sale of materials	2 477 443	952	0
F.		Net book value of intangible and tangible fixed assets and materials sold	2 459 049	109 335	19 920
F.	1	Net book value of intangible and tangible fixed assets sold	6 999	109 316	19 920
F.	2	Materials sold	2 452 050	19	0
G.		Change in reserves and provisions relating to operations and in prepaid expenses (specific-purpose expenses)	397 809	(9 111)	116 263
IV.		Other operating revenues	224 801	59 181	19 614
H.		Other operating expenses	263 048	120 788	94 118
V.		Transfer of operating revenues	0	0	0
I.		Transfer of operating expenses	0	0	0
*		Profit or loss on operating activities	513 891	(893 194)	(164 519)

VI.		Revenue from sale of securities and interests	0	0	0
J.		Securities and interests sold	0	0	0
VII.		Income from financial investments	0	0	0
VII.	1	Income from subsidiaries and associates	0	0	0
	2	Income from other long-term securities and interests	0	0	0
	3	Income from other financial investments	0	0	0
VIII.		Income from short-term financial assets	2 045	3 693	9 923
K.		Expenses related to financial assets	0	0	0
IX.		Gain on revaluation of securities and derivatives	0	0	0
L.		Loss on revaluation of securities and derivatives	0	0	0
M.		Change in reserves and provisions relating to financial activities	0	(74 412)	29 660
X.		Interest income	15 525	17 382	29 691
N.		Interest expense	70 030	131 129	85 651
XI.		Other finance income	665 415	592 213	821 456
O.		Other finance cost	855 127	788 754	929 413
XII.		Transfer of finance income	0	0	0
P.		Transfer of finance cost	0	0	0
*		Profit or loss on financial activities	(242 172)	(232 183)	(183 654)
Q.		Tax on profit or loss on ordinary activities	84 373	(387 139)	(267 450)
Q.	1	- due	0	0	7 527
Q.	2	- deferred	84 373	(387 139)	(274 977)
**		Profit or loss on ordinary activies after taxation	187 346	(738 238)	(80 723)
XIII.		Extraordinary gains	256 395	13 190	92 484
R.		Extraordinary losses	111 887	10 541	72 396
S.		Tax on extraordinary profit or loss	0	0	0
S.	1	- due	0	0	0
S.	2	- deferred	0	0	0
*		Extraordinary profit or loss	144 508	2 649	20 088
T.		Transfer of share of profit or loss to partners (+/-)	0	0	0
***		Profit or loss for the year (+/-)	331 854	(735 589)	(60 635)
		Profit or loss before taxation	416 227	(1 122 728)	(328 085)

1. DESCRIPTION OF THE COMPANY

Česká rafinérská, a.s., ("the Company") is a Czech joint stock company that was incorporated on 28 April 1995 and its legal seat is in Litvínov, Czech Republic. The identification number of the company is 62741772. The company engages in the refining of crude oil into finished products and petrochemical feedstock. There were changes made by the Company to the commercial register during 2003 relating to the members of the Board of Directors and Supervisory Board. The shareholders of the Company who hold a 10% or greater interest in the Company's basic capital are as follows:

Unipetrol, a.s.	51 %
Eni International B.V.	16 1/3 %
ConocoPhillips Central and Eastern Europe Holdings B.V.	16 1/3 %
Shell Overseas Investments B.V.	16 1/3 %

The Company is a part of the consolidated group, Unipetrol a.s.

Based on the Processing Agreement concluded between the Company and its Shareholders in January 2003, the Company converted into a processing refinery mode as of 1 August 2003. As a result of this change, most of the current commercial activities carried out within Česká rafinérská, a.s. were transferred to the shareholders. Since 1 August 2003, the Company had four main customers. These are the subsidiaries of the shareholders ("the Processors").
Members of statutory and supervisory bodies at 31 December 2003 were as follows:

Board of directors

Chairman:	Ing. Ivan Souček (from 1. 8. 2003)
Chairman:	Ing. Ivan Ottis (through 31. 7. 2003)
Vice-chairman:	Eric van Anderson
Member:	Ing. Miroslav Debnár
Member:	Ing. František Šamal (from 1. 2. 2003)
Member:	Ing. Jiří Pavlas (through 31. 1. 2003)
Member:	Oscar Magnoni
Member:	Lennart Heldtander (from 16. 7. 2003)
Member:	John William de Haseth (through 15. 7. 2003)

Supervisory Board

Chairman:	JUDr. Zdeněk Černý
Vice-Chairman:	JUDr. Ing. Josef Gros
Member:	Ing. Marie Čižinská
Member:	Ing. Ladislav Varhaník
Member:	Ing. Jiří Eminger
Member:	Enrico Amici
Member:	JUDr. Alois Dvořák
Member:	Jan Klimeš
Member:	Bc. Ilona Pokorná

The Company is comprised of two petrochemical refineries, which are located in Kralupy and Litvínov, Czech Republic.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements were prepared in accordance with the Czech Law on Accounting and relevant legislation and the relevant accounting procedures for entrepreneurs as applicable for 2003, 2002 and 2001.

a) Impact of Law on Accounting Amendments

The impact of amendments to the Act on Accounting and to the accounting procedures for entrepreneurs as of 1 January 2003 and 1 January 2002 was reflected in the net profit or loss for 2003 and 2002, respectively, or in the equity as of 31 December 2003 and 2002, respectively. For this reason, certain information in the 2003 financial statements is not fully comparable with the information in the 2002 and 2001 financial statements.

b) Information Comparability

In connection with the amendments to the Act on Accounting and to the accounting procedures, the classification of some items in the balance sheet, income statement and cash flow statement has changed in 2003. For this reason, certain balances of previous accounting periods have been transferred to the correct reporting lines so that they are comparable in the accompanying financial statements.

c) Explanation Added for Translation to English

These financial statements are presented on the basis of accounting principles and standards generally accepted in the Czech Republic. Certain accounting practices applied by the Company that conform with generally accepted accounting principles and standards in the Czech Republic may not conform with generally accepted accounting principles in other countries.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in compiling the 2003, 2002 and 2001 financial statements are as follows:

a) Intangible Fixed Assets

Intangible fixed assets are valued at their acquisition cost and related expenses, if any.
Patents, royalties and similar rights are amortised over their useful lives as specified in the relevant contracts.
Intangible fixed assets over 60 TKc are amortised over their estimated useful economic life.

b) Tangible Fixed Assets

Purchased tangible fixed assets with a cost of more than 40 TKc are recorded at their acquisition cost including freight, customs duties and other related costs.
Interest and other financial expenses incurred in the construction of tangible fixed assets are also capitalised.
The costs of technical improvements are capitalised. Repairs and maintenance expenditures are expensed as incurred.
The adjustment to acquired property arose in 1995 and is calculated as the difference between the total appraised value of the property for contribution and the book value of the property as recorded in the accounting records of the contributing entity (see Note 4). As a result of the revaluation of acquired property, a portion of the adjustment was recorded as a step-up in the net book value of the relevant asset. The resulting adjustment is now reported under the caption Gain or loss on revaluation of acquired property in the accompanying balance sheet.

Depreciation

Depreciation is calculated based on acquisition cost and the estimated useful life of the related asset. The estimated useful lives are as follows:

	Years
Buildings, halls and constructions	50
Machinery and equipment	4 - 20
Vehicles	6 - 11
Furniture and fixtures	4 - 8
Other tangible fixed assets	4 - 30
Gain or loss on revaluation of acquired property	15

Additions to statutory reserve for major repairs relating to extraordinary overhauls or repairs of tangible fixed assets are based on annual estimates of the cost of the next overhaul or repair and on the time expected to elapse until the next overhaul or repair.

c) Financial Assets

Short-term financial assets consist of liquid valuables, cash in hand and at bank, held-for-trading securities, held-to-maturity debt securities falling due within one year, own shares, own bonds and other available-for-sale securities.

Long-term financial assets consist of ownership interests, available-for-sale securities and interests, and held-to-maturity debt securities.

As of 31 December 2003 and 2002, the individual components of financial assets are revalued under the equity method. The revaluation amounts are recorded in shareholders' equity as Revaluation of assets and liabilities.

Valuation under the equity method is calculated as the acquisition cost of the ownership interest and adjusted to the share of the net asset value of the underlying subsidiary.

In 2001, securities, shares and interests were recorded at purchase price, i.e. excluding the related costs. However, when the carrying value of securities, shares and interests had decreased, the difference was considered a temporary diminution in value and was recorded as a provision.

d) Inventory

Purchased inventory is valued at cost using the weighted average method. Costs of purchased inventory include acquisition related costs.

Finished goods and work-in-progress are valued at standard cost. Cost of finished goods and work-in-progress includes direct material, labor cost and production overhead.

Inventory of finished and semi-finished products is carried at the lower of cost and net realisable value.

e) Receivables

Receivables are carried at their nominal value after provision for doubtful accounts.

Provisions are established based on a detailed review of the recoverability of receivables.

f) Shareholders' Equity

The basic capital of the Company is stated at the amount recorded in the Commercial Register maintained by the Regional Court.

In accordance with the Commercial Code, the Company creates a legal reserve fund from profit.

In the first year in which profit is generated, a joint-stock company should allocate 20% of profit after tax (however, not more than 10% of basic capital) to the legal reserve fund. In subsequent years, the reserve fund is allocated 5% of profit after tax until the fund reaches 20% of basic capital. This fund can only be used to offset losses.

g) Reserves and Liabilities

The Company creates legal reserves within the meaning of the Act on Reserves and reserves for losses and risks if the related title, amount and timing can be reliably estimated and the accrual and matching principles are observed.

Long-term liabilities and current liabilities are carried at their nominal values. Amounts resulting from the revaluation of financial derivatives at fair value are shown in other payables.

Short-term and long-term loans are recorded at their nominal values. Any portion of long-term debt, which is due within one year of the balance sheet date, is regarded as short-term debt.

h) Financial Leases

The Company records leased assets by expensing the lease payments and capitalising the residual value of the leased assets when the lease contract expires and the purchase option is exercised. Lease payments paid in advance are recorded as prepaid expenses and amortised over the lease term.

i) Foreign Currency Transactions

Assets whose acquisition or production costs were denominated in foreign currencies are translated to Czech crowns at the exchange rates prevailing at the date of each acquisition.

Foreign currency on hand, and receivables and payables denominated in foreign currencies are translated to Czech crowns based on daily exchange rates and are adjusted at year-end to the exchange rates at 31 December as published by the Czech National Bank.

Realized exchange rate gains and losses are charged or credited, as appropriate, to income for the year. Beginning in 2002, unrealized exchange rate gains and losses are also recognized or charged, as appropriate, into income. In 2001, these gains and losses were not recognized or charged, as appropriate, into income until collection or payment of the related item occurred, and were included in other liabilities or other assets, as appropriate, in the accompanying balance sheet. Unrealized exchange rate losses were reported as assets in the accompanying balance sheet and were offset by a reserve with a corresponding charge to income.

j) Recognition of Revenues and Expenses

Revenues and expenses are recognised on an accrual basis, when the actual flow of the related goods or services occurs, regardless of when the related monetary or financial flow arises.

In accordance with the accounting principle of prudence, the Company does not record contingent gains at year-end, whereas foreseeable contingent losses are recorded as they become known.

k) Income Tax

The corporate income tax expense is calculated based on the statutory tax rate and book income before taxes, increased or decreased by the appropriate permanent and temporary differences (e.g. non-deductible reserves and provisions, entertainment expenses, differences between book and tax depreciation, etc.). The deferred tax position reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for corporate income tax purposes.

4. FIXED ASSETS

a) Intangible Fixed Assets (in TKc)

COST

	At beginning of year	Additions	Disposals	Transfers	Total cost
Research and development	35,742	-	-	-	35,742
Software	527,234	4,575	(53,894)	106,995	584,910
Patents, royalties and similar rights	245,862	594	(389)	400	246,467
Intangibles in progress	27,916	3,165	(5,169)	8,358	34,270
2003 Total	836,754	8,334	(59,452)	115,753	901,389
2002 Total	677,410	52,721	(38,091)	144,714	836,754
2001 Total	556,187	242,231	(144,004)	22,996	677,410

ACCUMULATED AMORTISATION

	At beginning of year	Amortisation during year	Disposals	Transfers	Total accumulated amortisation	Net book value
Research and development	(15,150)	(6,050)	-	-	(21,200)	14,542
Software	(328,153)	(101,908)	53,895	-	(376,166)	208,744
Patents, royalties and similar rights	(109,357)	(33,251)	389	-	(142,219)	104,248
Intangibles in progress	-	-	-	-	-	34,270
2003 Total	(452,660)	(141,209)	54,284	-	(539,585)	361,804
2002 Total	(299,485)	(152,581)	-	(594)	(452,660)	384,094
2001 Total	(166,599)	(132,886)	-	-	(299,485)	377,925

Research and development costs represent external studies, which are amortised over their estimated useful lives. Management has sound reasons to foresee the technical success and commercial profitability of these projects.

b) Tangible Fixed Assets (in TKc)

COST

	At beginning of year	Additions	Disposals	Transfers	Total cost
Constructions	3,693,551	243,033	(919)	3,566	3,939,231
Machinery and equipment	13,332,051	1,023,471	(125,519)	7,838	14,237,841
Art work and collections	1,090	-	-	-	1,090
Other tangibles	759,887	-	(592,322)	-	167,565
Tangibles in progress	816,273	796,695	(1,266,504)	(127,157)	219,307
Advances for tangibles	344,404	381,721	(402,230)	-	323,895
Gain or loss on revaluation of acquired property	1,269,312	-	-	-	1,269,312
2003 Total	20,216,568	2,444,920	(2,387,494)	(115,753)	20,158,241
2002 Total	19,447,228	4,494,481	(3,580,427)	(144,714)	20,216,568
2001 Total	17,268,774	10,509,312	(8,307,862)	(22,996)	19,447,228

ACCUMULATED DEPRECIATION

	At beginning of year	Depreciation during year	Transfers	Disposals	Provision	Total accumulated depreciation	Net book value
Constructions	(325,031)	(85,513)	-	919	-	(409,625)	3,529,606
Machinery and equipment	(3,036,682)	(919,075)	-	118,443	-	(3,837,314)	10,400,527
Art work and collections	-	-	-	-	-	-	1,090
Other tangibles	(177,307)	(17,103)	-	149,726	-	(44,684)	122,881
Tangibles in progress	-	-	-	-	-	-	219,307
Advances for Tangibles	-	-	-	-	-	-	323,895
Gain or loss on revaluation of acquired property	(592,345)	(84,621)	-	-	-	(676,966)	592,346
2003 Total	(4,131,365)	(1,106,312)	-	269,088	-	(4,968,589)	15,189,652
2002 Total	(3,260,349)	(1,123,980)	594	192,370	60,000	(4,131,365)	16,085,203
2001 Total	(2,451,921)	(836,632)	-	88,204	(60,000)	(3,260,349)	16,186,879

Depreciation expense for tangible fixed assets totalled 1,021,691 TKc, 1,039,360 TKc and 752,011 TKc in 2003, 2002 and 2001, respectively.

The adjustment to acquired property of 1,269,312 TKc arose from the difference between the total price of property contributed to the Company by a shareholder and the book value of the property as recorded in the accounting records of the contributing entity (see Note 3b). The amount is depreciated on a straight-line basis over 15 years. Depreciation expense of the adjustment to acquired property totaled 84,621 TKc, 84,620 TKc and 84,621 TKc in 2003, 2002 and 2001, respectively.

c) Long-term Financial Assets (in TKc)

Summary of changes in long-term financial assets:

	Balance at	Revaluation	Balance at	Additions	Revaluation	Balance at
	31. 12. 2001		31. 12. 2002			31. 12. 2003
Subsidiaries	83,191	9,659	92,850	-	5,033	97,883
Other long-term investments invifinancialiassets	-	-	-	654,090	-	654,090

A subsidiary, Česká rafinérská Slovakia s.r.o., was established with its seat in Bratislava, Slovak Republic in 1999. The company was registered on 24 November 1999 and engages in buying and selling of goods.

A subsidiary, CRC Polska Sp. z o.o., was established with its legal seat in Wroclaw, Poland in 2000. The company was registered on 24 November 2000 and is involved in buying and selling of goods.

The subsidiaries are part of the Česká rafinérská Consolidation Group for 2003, 2002 and 2001, respectively.

Česká rafinérská, a.s. is the sole owner of Česká rafinérská Slovakia s.r.o. and CRC Polska Sp. z o.o.

Subsidiaries as of 31 December 2003 were as follows:

Name:	Česká rafinérská Slovakia s.r.o.	CRC Polska Sp. z o.o.
Location	Bratislava, Slovak Republic	Wroclaw, Poland
Percentage of ownership	100%	100%
Total assets (in TKc)	147,502	217,591
Shareholder's equity (in TKc)	21,097	76,786
Basic capital and capital funds (in TKc)	167	83,024
Funds created from profit (in TKc)	15	6,967
Retained earnings/loss (in TKc)	2,675	(1,755)
Profit/loss of current year (in TKc)	18,240	(11,450)
Acquisition cost (in TKc)	167	83,024
Dividends received during the year (in TKc)	-	-

Subsidiaries as of 31 December 2002 were as follows:

Name:	Česká rafinérská Slovakia s.r.o.	CRC Polska Sp. z o.o.
Location	Bratislava, Slovak Republic	Wroclaw, Poland
Percentage of ownership	100%	100%
Total assets (in TKc)	237,052	402,470
Shareholder's equity (in TKc)	2,859	89,991
Basic capital and capital funds (in TKc)	167	83,024
Funds created from profit (in TKc)	-	-
Retained losses (in TKc)	(4,924)	(10,121)
Profit of current year (in TKc)	7,613	17,088
Acquisition cost (in TKc)	167	83,024
Dividends received during the year (in TKc)-	-	

Subsidiaries as of 31 December 2001 were as follows:

Name:	Česká rafinérská Slovakia s.r.o.	CRC Polska Sp. z o.o.
Location	Bratislava, Slovak Republic	Wroclaw, Poland
Percentage of ownership	100%	100%
Total assets (in TKc)	165,575	482,891
Shareholder's equity (in TKc)	(4,755)	72,903
Basic capital and capital funds (in TKc)	167	83,024
Funds created from profit (in TKc)	-	-
Retained earnings (in TKc)	(21,615)	-
Profit/Loss of current year (in TKc)	16,692	(10,121)
Acquisition cost (in TKc)	167	83,024
Dividends received during the year (in TKc)	-	-

Financial information for Česká rafinérská Slovakia and CRC Polska for the year ended 2003, 2002 and 2001 was obtained from their audited financial statements.

As a result of conversion to processing refinery the Company is considering the disposal or liquidation of the subsidiaries. The Company assumes that the disposal or liquidation will be completed with no loss.

Other long-term financial assets represents loaned crude oil of 110 thousand tons to the processors for the duration of the processing agreement concluded on 31 July 2003. The loan carries an interest rate of 2.818% and will be repaid in 2023 in a single installment. The loan was valued using market prices of crude oil at 1 August 2003. The loan has not been revalued as of 31 December 2003 as the crude oil price differences were immaterial.

5. RECEIVABLES

Provisions for uncollectible receivables charged to income totaled 341,690 TKc, 39,425 TKc and 22,219 TKc, in 2003, 2002 and 2001, respectively.

Receivables overdue for more than 360 days totalled 83,383 TKc, 87,599 TKc and 53,833 TKc as of 31 December 2003, 2002 and 2001, respectively.

As of 31 December 2003, the Company had a long-term trade receivable that should gradually be settled until 2010. Due to the uncertainty related to the collectibility of the receivable, the Company has created a provision of 315,183 TKc.

Other receivables mainly include a receivable for excise tax due from the processors.

The Company has receivables from related parties (see Note 19).

6. PROVISIONS

Provisions reflect a temporary diminution in the value of assets (see Note 4 and 5).

Changes in the provision accounts during 2003, 2002 and 2001 were as follows (in TKc):

Provisions	Fixed assets	Inventory	Receivable - statutory	Receivable - other	Total
Balance at 31. 12. 2000	-	-	42,787	68,099	110,886
Additions	60,000	20,000	5,444	16,775	102,219
Use	-	-	(16,763)	(39,721)	(56,484)
Balance at 31. 12. 2001	60,000	20,000	31,468	45,153	156,621
Additions	-	-	24,660	14,765	39,425
Use	(60,000)	(20,000)	(172)	(23,115)	(103,287)
Balance at 31. 12. 2002	-	-	55,956	36,803	92,759
Additions	-	21,000	8,883	332,807	362,690
Use	-	-	(8,971)	(4,306)	(13,277)
Balance at 31. 12. 2003	-	21,000	55,868	365,304	442,172

Statutory provisions are created in compliance with the Czech Law on Reserves.

7. FINANCIAL ASSETS

Short-term securities and interests consist of short-term bank promissory notes held to maturity. Their nominal value is 1,957,700 TKč, resp. 463,828 TKč and 1,825,288 TKč as of 31 December 2003, 2002 and 2001 respectively.

At 31 December 2003, 2002 and 2001, financial assets denominated in a foreign currency totaled 44,839 TKc, 149,301 TKc and 142,728 TKc, respectively.

The Company has bank accounts, which allow the Company to maintain an overdraft facility. At 31 December 2003, 2002 and 2001, the overdraft balances totaled (in accordance with the agreed credit limit) 0 TKc, 151,507 TKc and 727,833 TKc, respectively, and were reflected as short-term loans in the accompanying balance sheet (see Note 12).

8. OTHER ASSETS

Prepaid expenses include prepaid rent and catalysts in use, which are being charged to income as the relevant service is provided or material used.

Unbilled revenues include receivables from processors for recharged transport costs, which are being charged to revenues as the relevant service is provided.

9. SHAREHOLDERS' EQUITY

The basic capital of the Company is comprised of 934,824 registered shares fully subscribed and paid, with a nominal value of 10 TKc.

The changes in the capital accounts were as follows (in TKc):

	Number of shares	Basic capital	Legal reserve fund
Balance at 31. 12. 2000	934,824	9,348,240	319,361
2001 Change	-	-	126,590
Balance at 31. 12. 2001	934,824	9,348,240	445,951
Balance at 31. 12. 2002	934,824	9,348,240	445,951
Balance at 31. 12. 2003	**934,824**	**9,348,240**	**445,951**

The Annual General Meeting held on 28 April 2003 approved that the loss of the 2002 accounting period would be covered from the retained earnings of previous years.

	(in TKc)
Loss for 2002	(735,589)
Retained earnings at 31. 12. 2002	7,235,502
Compensation of loss for 2002	(735,589)
Retained earnings at 31. 12. 2003	**6,499,913**

The Annual General Meeting held on 17 May 2002 approved that the loss of the 2001 accounting period would be covered from the retained earnings of previous years.

	(in TKc)
Loss for 2001	(60,635)
Retained earnings at 31. 12. 2001	7,296,137
Compensation of loss for 2001	(60,635)
Retained earnings at 31. 12. 2002	**7,235,502**

The Annual General Meeting held on 4 May 2001 and the extraordinary General Meeting held on 27 September 2001 approved the following profit distribution for 2000.

	(in TKc)
Profit for 2000	2,531,785
Allocation to Legal reserve fund	(126,590)
Ordinary dividends	(253,338)
Extraordinary dividends	(380,472)
Undistributed profits added to retained earnings	1,771,385
Retained earnings at 31. 12. 2000	5,524,752
Transfer of 2000 profit	1,771,385
Retained earnings at 31. 12. 2001	7,296,137

In 2003 and 2002, the Company paid out no dividends. In 2001, the Company paid out ordinary dividends of 271 Kc per share, totaling 253,338 TKc and extraordinary dividends of 407 Kc per share totaling 380,472 TKc.

10. RESERVES

The movements in the reserve accounts were as follows (in TKc):

Reserves	Legal	Foreign exchange rate losses	Other
Balance at 31. 12. 2000	345,417	44,752	84,503
Additions	119,783	74,412	41,627
Use	(91,000)	(44,752)	(84,503)
Balance at 31. 12. 2001	374,200	74,412	41,627
Additions	88,617	-	50,141
Use	(127,000)	(74,412)	(41,627)
Balance at 31. 12. 2002	335,817	-	50,141
Additions	157,074	-	-
Use	(143,158)	-	(50,141)
Balance at 31. 12. 2003	349,733	-	-

The legal reserve was established in 2003, 2002 and 2001, respectively, for the purpose of repairs of tangible fixed assets.

Other reserves primarily include a reserve related to employees' retraining.

11. SHORT-TERM LIABILITIES

As of 31 December 2003, 2002 and 2001, the Company had no overdue short-term liabilities, respectively.

The Company has payables to related parties (see Note 19).

12. BANK LOANS AND SHORT-TERM NOTES

At 31 December 2003, the Company had a long-term bank loan.

Summary of loans (in TKc):

Term	2003	2002	2001
Long-term loan	1,342,105	1,333,333	2,000,000
Current portion of long-term loan	357,895	666,667	-
Overdrafts	-	151,507	727,833
Total	1,700,000	2,151,507	2,727,833

The interest expense relating to bank loans and short-term notes for 2003, 2002 and 2001 was 70,030 TKc, 131,129 TKc and 85,651 TKc, respectively.

13. OTHER LIABILITIES

Accruals and contingencies mainly include unbilled services.

14. INCOME TAXES

The calculation of 2003, 2002 and 2001 income taxes is as follows (in TKc):

	2003	2002	2001
Profit/(Loss) before taxes	416,227	(1,122,728)	(328,085)
Non-taxable revenues	(60,987)	(290,425)	(215,641)
Non-deductible expenses	573,994	307,511	403,111
Differences between book and tax depreciation	(301,173)	(181,462)	(847,495)
Tax base/loss	628,061	(1,287,104)	(988,110)
Tax loss 2001, 2002 utilised (partly)	(628,061)	-	-
Taxable income (loss)	-	-	-
Current income tax rate	31%	31%	31%
Tax due	-	-	-
Discounts (disabled people, tax withheld from dividends)	-	-	-
Prior year adjustments	-	-	7,527
Current tax due	-	-	7,527

The calculation of the 2003 income tax is only a preliminary estimate.

The Company can carryforward tax losses generated in 2001 and 2002 for up to seven years. The remaining tax loss carryforward for 2001 and 2002, amounted to 1,647,153 TKc as of 31 December 2003.

The Company has calculated deferred taxes as follows:

Deferred tax items	Base	Tax rate	2003 Deferred tax asset	2003 Deferred tax liability	2002 Deferred tax asset	2002 Deferred tax liability	2001 Deferred tax asset	2001 Deferred tax liability
Difference between net book	(10,275)	28%	-	(2,877)	-	(642,669)	-	(636,484)
value of fixed assets for	(158,965)	26%	-	(41,331)	-	-	-	
accounting and tax purposes	(2,106,099)	24%	-	(505,464)	-	-	-	
Other temporary differences:								
Provision against receivables	365,304	28%	102,285	-	11,409	-	13,998	-
Revaluation of derivatives	-	-	-	-	351	-	-	-
Provision against inventory	21,000	28%	5,880	-	-	-	6,200	-
Adjustment to acquired property	(84,621)	28%	-	(23,694)	-	(209,860)	-	(217,492)
	(84,621)	26%	-	(22,001)	-	-	-	-
	(423,104)	24%	-	(101,545)	-	-	-	-
Reserves	-	-	-	-	15,544	-	35,972	-
10% investment relief	683,667	24%	164,080	-	193,983	-	176,039	-
Tax loss	364,000	28%	101,920	-	-	-	-	-
	354,400	26%	92,144	-	-	-	-	-
	928,752	24%	222,901	-	707,912	-	311,298	-
Total			689,210	(696,912)	929,199	(852,529)	543,507	(853,976)
Net				(7,702)	76,670			(310,469)

The Company has calculated the individual components of the deferred tax taking into account the expected rate in the year in which the tax will crystallise.

The Company has recorded a deferred tax liability of 7,702 TKc.

15. LEASING

The Company leases assets, which are recorded in an off-balance sheet account (see Note 3h).

Assets that are being used by the Company under finance leases (i.e. the assets are transferred to the Company when the leasing period expires) as of 31 December 2003, 2002 and 2001, respectively, are as follows (in TKc):

Description	Terms	Total lease	Payments made as of 31. 12. 2003	Payments made as of 31. 12. 2002	Payments made as of 31. 12. 2001	Remaining payments as of 31.12. 2003 Due within one year	Remaining payments as of 31.12. 2003 Due over one year
Isomerisation unit	As per contract	585,703	585,703	585,703	585,703	-	-
Company cars	As per contract	54,394	37,742	25,599	14,620	8,741	7,911

16. COMMITMENTS AND CONTINGENCIES

The Company has a long-term (15 year) transport contract with Mero ČR a.s., and an annual transport contract with Transpetrol which stipulates a minimum annual throughput of crude oil through the IKL and Druzhba pipelines.

At 31 December 2003, the Company had issued the following guarantees:

Type of guarantee	on behalf of	Beneficiary	Reason	Amount (in TKc)	Curr.	Amount (in TKc)
Company Guarantee	CRC Slovakia	Citibank Slovakia	Overdraft	130,000	SKK	102,323
Company Guarantee	CRC Slovakia	Citibank Slovakia	Custom guarantee	60,000	SKK	47,226
Company Guarantee	CRC Polska	ING Bank Slaski	Credit contract	9,000	PLN	62,028
Company Guarantee	CRC Polska	Bank Handlowy w Warszawie	Credit contract	6,000	PLN	41,352
Company Guarantee	CRC Polska	TuiR Warta S.A.	Custom guarantee	13,000	PLN	89,596
Total						342,525

At 31 December 2003, the Company has entered into a foreign currency sale contract equivalent to 34,900 TKc. The forward contracts were closed in January 2004 with a net profit of 355 TKc.

17. REVENUES

A breakdown of the Company's 2003, 2002 and 2001 revenues from current activities is as follows (in TKc):

	2003 Domestic	2003 Foreign	2002 Domestic	2002 Foreign	2001 Domestic	2001 Foreign
Sale of products	20,758,620	5,018,404	31,245,353	8,076,352	36,807,815	8,529,795
Sale of services	4,016,050	97,324	377,073	39,728	299,930	-
Sale of goods	153,021	2,712,849	499,470	481,076	101,022	1,073,240
Total revenues	24,927,691	7,828,577	32,121,896	8,597,156	37,208,767	9,603,035

Due to the conversion to Processing refinery, the Company has only 4 main customers and these are the processors.

Other operating revenues include the sale of inventory during the conversion to processing refinery operations.

18. PERSONNEL AND RELATED EXPENSES

The average number of employees in 2003, 2002 and 2001, by category and the related personnel costs for the year, were as follows (in TKc):

	2003		2002		2001	
	Total Personnel	Directors, Deputy Directors and Managers	Total Personnel	Directors, Deputy Directors and Managers	Total Personnel	Directors, Deputy Directors and Managers
Average number of employees	759	28	822	28	971	29
Salaries and wages	350,431	43,710	348,018	39,177	391,786	41,513
Social insurance	119,665	15,206	121,196	13,409	129,563	14,222
Social expenses	12,514	280	14,241	256	16,723	285
Total personnel expenses	482,610	59,196	483,455	52,842	538,072	56,020

The members and former members of statutory, management and supervisory boards received total bonuses and other remuneration of 4,051 TKc, 2,668 TKc and 2,174 TKc in 2003, 2002 and 2001, respectively.

19. RELATED PARTY INFORMATION

No loans, guarantees or other benefits were granted to members of statutory bodies in 2003, 2002 and 2001, and they do not hold any shares of the Company.

The Company sells products and services to related parties in the ordinary course of business. In 2003, 2002 and 2001, sales volumes amounted to 23,317,012 TKc, 20,371,451 TKc and 23,346,617 TKc, respectively.

Short-term receivables from related parties as of 31 December were as follows (in TKc):

Related party	2003	2002	2001
Aliachem, a.s.	-	265	432
Unipetrol Deutschland GmbH	-	781	3,889
Unipetrol Austria GmbH	-	9,432	3,029
Spolana, a.s.	5	2,089	4
AGIP Praha, a.s.	101,583	139,074	120,644
Benzina, a.s.	-	752,268	219,938
Chemopetrol, a.s.	35,534	997,546	619,265
Chemopetrol BM, a.s.	-	-	1
Unipetrol doprava a.s.	4	4	699
ConocoPhillips ČR, s.r.o.	354,393	138,153	97,839
Kaučuk, a.s.	6,810	58,260	38,303
Shell ČR, a.s.	88,136	363,802	553,756
Paramo, a.s.	-	3,898	54
Koramo, a.s.	-	40,835	60,815
Česká rafinérská Slovakia, s.r.o.	70,069	110,900	81,492
CRC Polska Sp. z o.o.	90,901	144,441	308,257
UNIPETROL RAFINERIE a.s.	774,156	-	-
Total	1,521,591	2,761,748	2,108,417

The Company purchases products and receives services from related parties in the ordinary course of business. In 2003, 2002 and 2001, volumes of purchases amounted to 4,069,085 TKc, 3,546,777 TKc and 4,285,926 TKc, respectively.

Short-term liabilities to related parties as of 31 December were as follows (in TKc):

Related party	2003	2002	2001
Benzina, a.s.	-	15,987	804
Chemopetrol, a.s.	122,071	123,252	210,663
Chemopetrol BM, a.s.	113	89	82
Unipetrol-Doprava, a.s.	107,813	133,778	145,549
HC Chemopetrol, a.s.	3	-	549
Agip Praha, a.s.	71,172	6,004	4,520
ConocoPhillips ČR, s.r.o.	51,320	9,354	901
Kaučuk, a.s.	43,457	129,030	99,089
Shell ČR, a.s.	87,175	35,874	8,976
Unipetrol, a.s.	16,120	17,809	16,089
Spolana, a.s.	100	119	227
Koramo, a.s.	-	-	629
Paramo, a.s.	-	-	314
B.U.T., s.r.o.	3	17	30
Petrotrans,a.s	-	10	-
UNIPETROL RAFINERIE a.s.	191,405		
Total	688,752	471,323	488,422

At 31 December 2003, the Company had issued guarantees on behalf of Česká rafinérská Slovakia, s.r.o. and CRC Polska Sp. z o.o. (see Note 16).

At 31 December 2003, the Company held 68 thousand tons of crude oil, 2 thousand tons of other raw materials, 70 thousand tons of semi-finished products and 145 thousand tons of finished refinery products for the processors.

20. RESEARCH AND DEVELOPMENT COSTS

The Company did not charge any research and development costs to income in 2003, 2002 and 2001, respectively.

21. SIGNIFICANT INCOME STATEMENT ACCOUNTS

Other financial expenses and revenues primarily represent realised exchange gains and exchange losses.

Extraordinary expenses and revenues mainly include corrections of errors related to the valuation of the IKL first linefill.,

22. CASH FLOW INFORMATION (SEE ATTACHED FORM)

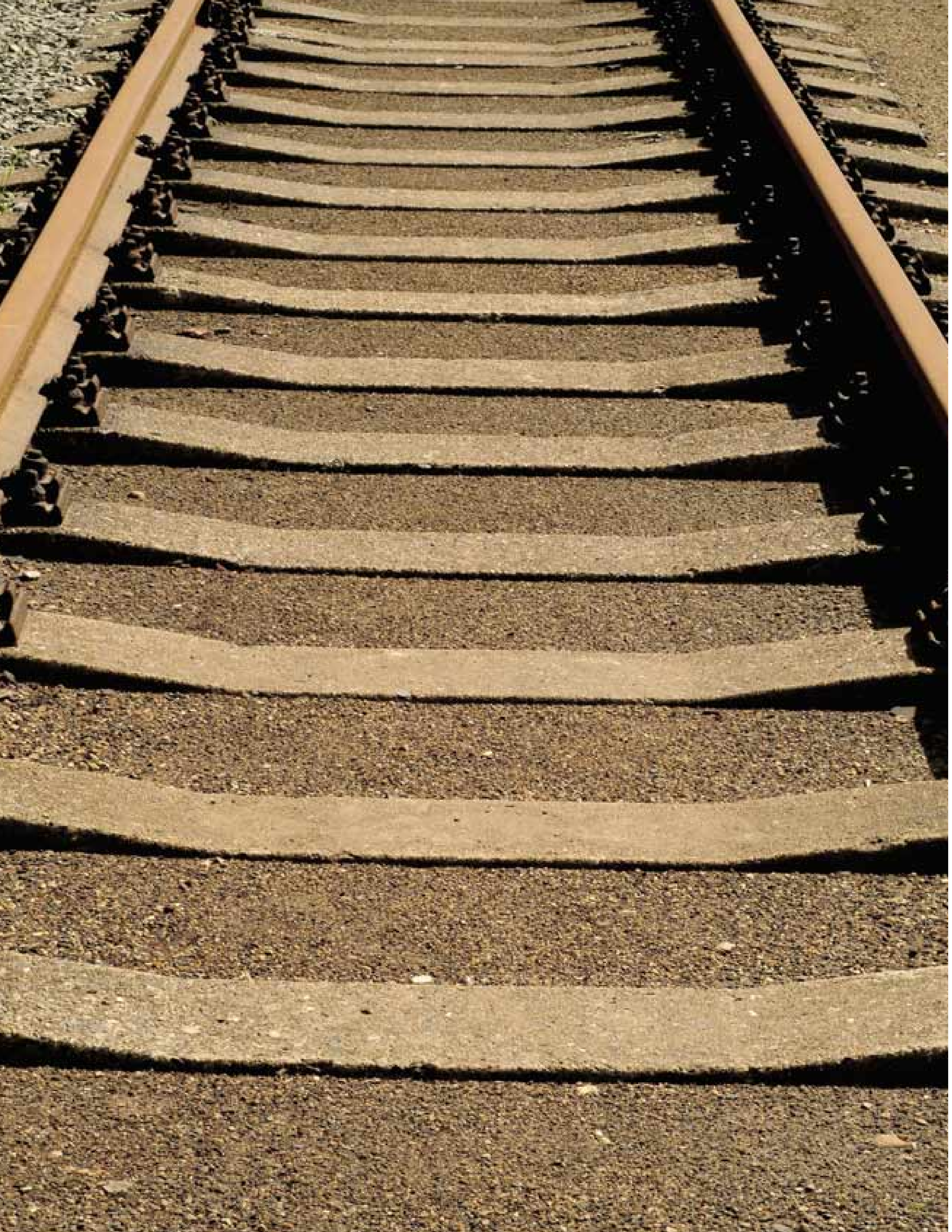
The cash flow statement has been prepared based on the indirect method.

AMENDMENT NO. 1

CASH FLOW STATEMENT

For the year ended 31 December 2003

		Current year	Prior year 2002	Prior year 2001
	Cash flows from operating activities			
Z.	Profit or loss on ordinary activities before taxation (+/-)	271 719	(1 125 377)	(348 173)
A. 1.	Adjustments to reconcile profit or loss to net cash provided by or used in operating activities	1 657 738	1 411 138	938 047
A. 1. 1.	Depreciation and amortization of fixed assets, write-off of receivables and adjustment to acquired property	1 247 521	1 276 561	969 518
A. 1. 2.	Change in provisions	349 413	23 369	(94 108)
A. 1. 3.	Change in reserves	(36 225)	0	0
A. 1. 4.	Foreign exchange differences	0	0	0
A. 1. 5.	(Gain)/Loss on disposal of fixed assets	2 708	(2 539)	6 677
A. 1. 6.	Interest expense and interest income	54 505	113 747	55 960
A. 1. 7.	Other non-cash movements (e.g. revaluation at fair value to profit or loss)	39 816	0	0
A*	Net cash from operating activities before taxation, changes in working capital and extraordinary items	1 929 457	285 761	589 874
A. 2.	Change in non-cash components of working capital	460 688	(166 950)	(81 965)
A. 2. 1.	Change in inventory	3 595 459	(981 198)	28 753
A. 2. 2.	Change in trade receivables	3 017 431	509 474	1 271 503
A. 2. 3.	Change in other receivables and in prepaid expenses and unbilled revenue	(4 644 154)	0	0
A. 2. 4.	Change in trade payables	(3 498 045)	0	0
A. 2. 5.	Change in other payables, short-term loans and in accruals and deferred income	1 989 997	304 774	(1 382 221)
A**	Net cash from operating activities before taxation, interest paid and extraordinary items	2 390 145	118 811	507 909
A. 3.	Interest paid	(70 030)	(131 129)	(85 651)
A. 4.	Tax paid	0	17 382	(1 008 055)
A. 5.	Gains and losses on extraordinary items	48 292	(9 158)	(3 577)
A***	Net cash provided by (used in) operating activities	2 368 407	(4 094)	(589 374)
	Cash flows from investing activities			
B. 1.	Purchase of fixed assets	(832 677)	(1 181 054)	(2 470 466)
B. 2.	Proceeds from sale of fixed assets	4 066	5 071	13 240
B. 3.	Interest received	15 525	0	0
B. 4.	Dividends received	0	0	0
B***	Net cash provided by (used in) investing activities	(813 086)	(1 175 983)	(2 457 226)
	Cash flows from financing activities			
C. 1.	Change in long-term liabilities and long-term loans	8 772	(576 326)	2 676 152
		0	0	0
C. 2. 1.	Effect of changes in basic capital on cash	0	0	0
C. 2. 2.	Dividends or profit sharing paid	0	0	(633 810)
C. 2. 3.	Effect of other changes in basic capital on cash	0	0	0
C***	Net cash provided by (used in) financing activities	8 772	(576 326)	2 042 342
F.	Net increase (decrease) in cash	1 564 093	(1 756 403)	(1 004 258)
P.	Cash and cash equivalents at beginning of year	470 340	2 226 743	3 231 001
R.	Cash and cash equivalents at end of year	2 034 433	470 340	2 226 743



Česká rafinérská

Annual Report 2003

Financial Part

Consolidated Financial Statements Prepared in Accordance with International Financial Reporting Standards

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of Ceska rafinerska, a.s.:

We have audited the accompanying consolidated balance sheets of Ceska rafinerska, a.s. (a Czech joint stock company) and subsidiaries (collectively "the Group") as of 31 December 2003 and the related consolidated statements of operations, equity and cash flows for the year ended 31 December 2003. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ceska rafinerska, a.s. and subsidiaries, as of 31 December 2003 and the results of its operations and cash flows for the year ended 31 December 2003 in accordance with International Financial Reporting Standards "IFRS", as published by the International Accounting Standards Board "IASB".

Without qualifying our opinion we wish to draw your attention to the following matter:

As more fully described in Note 1, during 2003, Ceska rafinerska, a.s. was converted from a full-merchant refinery into a processing refinery. As a result of this change, most of the existing commercial activities carried out by Ceska rafinerska, a.s. were transferred to the shareholders.

The accompanying annual report for 2003 contains information about important matters related to the Company's financial statements, the evolution of its business and other matters. We have checked that the accounting information in the annual report is consistent with that contained in the audited financial statements as of 31 December 2003. Our work as auditors was confined to checking the annual report with the aforementioned scope and did not include a review of any information other than that drawn from the audited accounting records of the Company.

We have reviewed the information contained in the report on related parties, which was prepared in accordance with Section 66a of the Commercial Code. The Board of Directors is responsible for the complete and accurate presentation of the report. Our responsibility is to review the accuracy of the information included in the report. During our audit, nothing came to our attention that would cause us to believe that the information disclosed in the report was inaccurate. We did not review the completeness of the information presented in the report. In addition, we are unable to assess whether the relationships between related parties had an adverse affect on the Company. However, the management of the Company believes that all transactions between related parties were performed on an arm's length basis.

Ernst & Young

Ernst & Young ČR s.r.o.

Prague, Czech Republic

27 February 2004

CESKA RAFINERSKA, A.S. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31 DECEMBER 2003 AND 2002

(Czech Crowns – Kc in Thousands)

	Notes	2003	2002
ASSETS			
Current Assets:			
Cash and Cash Equivalents	3	2,054,467	505,547
Accounts Receivable, Net	4	5,968,587	5,180,544
Inventory, Net	5	1,543,575	6,351,539
Other Current Assets	6	599,993	282,412
Total Current Assets		10,166,622	12,320,042
Property, Plant and Equipment, Net	7	16,125,176	16,741,580
Intangible Assets, Net	8	361,923	384,326
Other Non-current Assets	9	654,090	-
Total Non-current Assets		17,141,189	17,125,906
Total Assets		27,307,811	29,445,948
LIABILITIES AND EQUITY			
Current Liabilities:			
Accounts Payable	10	1,120,879	4,969,624
Taxes Payable and Accrued Liabilities	11	6,406,002	4,312,851
Short-Term Debt	12	421,230	865,013
Current Portion of Capital Lease Obligations	13	9,370	10,305
Total Current Liabilities		7,957,481	10,157,793
Capital Lease Obligations	13	7,039	8,810
Long-Term Debt	12	1,342,105	1,333,333
Deferred Taxes, Net	14	445,170	419,697
Total Non-current Liabilities		1,794,314	1,761,840
Equity:			
Capital	18	9,348,240	9,348,240
Retained Earnings	18	8,207,776	8,178,075
Total Equity		17,556,016	17,526,315
Total Liabilities and Equity		27,307,811	29,445,948

CESKA RAFINERSKA, A.S. AND SUBSIDIARIES, CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2002

(Czech Crowns – Kc in Thousands)

	Notes	2003	2002
Revenues	19	38,267,332	42,684,708
Cost of Sales		33,929,047	39,367,809
Gross Profit		4,338,285	3,316,899
Operating (Income) Expense:			
Distribution Expenses	20	640,999	1,166,400
General and Administrative Expenses	21	1,678,777	1,557,028
Depreciation and Amortisation	7,8	1,421,069	979,652
Change in Provision for Doubtful Receivables	4	359,146	14,414
Other, Net		(76,428)	97,717
Total Operating Expense, Net		4,023,563	3,815,211
Net Income (Loss) from Operations		314,722	(498,312)
Other (Income) Expense:			
Interest Income		(17,715)	(23,222)
Interest Expense	12,13	76,922	139,492
Foreign Exchange Rate Loss, Net	2	(12,939)	66,568
Other		204,073	180,936
Total Other Expense		250,341	363,774
Net Income (Loss) Before Income Tax Charge (Benefit)		64,381	(862,086)
Income Tax Charge (Benefit)	14	34,680	(339,028)
Net Profit (Loss)		29,701	(523,058)

CESKA RAFINERSKA, A.S. AND SUBSIDIARIES, CONSOLIDATED STATEMENTS OF EQUITY FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2002

(Czech Crowns – Kc in Thousands)

	Notes	Number of Shares	Capital	Retained Earnings	Total
Balance at 31 December 2001		934,824	9,348,240	8,701,133	18,049,373
Net Loss		-	-	(523,058)	(523,058)
Balance at 31 December 2002		934,824	9,348,240	8,178,075	17,526,315
Net Profit		-	-	29,701	29,701
Balance at 31 December 2003		934,824	9,348,240	8,207,776	17,556,016

CESKA RAFINERSKA, A.S. AND SUBSIDIARIES, CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2002

(Czech Crowns – Kc in Thousands)

	Notes	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)		29,701	(523,058)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:			
Deferred tax (benefit) loss	14	25,473	(354,018)
Change in provision for obsolete inventory	5	21,000	(20,000)
Change in provision for doubtful receivables	4	359,146	14,414
Depreciation and amortisation	7, 8	1,421,069	979,652
Changes in Current Assets and Liabilities:			
(Increase) decrease in current assets		2,668,103	(716,364)
(Decrease) increase in current liabilities		(1,755,593)	439,188
Net Cash Provided by (Used in) Operating Activities		2,768,899	(180,186)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to intangible assets, property, plant andequipment, net	7, 8	(782,262)	(1,088,453)
Net Cash (Used in) Investing Activities		(782,262)	(1,088,453)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net (payments) of capital lease obligations	13	(2,706)	(8,431)
Net payments of short-term debt	12	(443,783)	(600,434)
Net proceeds from long-term debt	12	8,772	-
Dividends paid	18	-	-
Net Cash (Used in) Financing Activities		(437,717)	(608,865)
Net Increase (Decrease) in Cash		1,548,920	(1,877,504)
Cash and Cash Equivalents at Beginning of Year	3	505,547	2,383,051
Cash and Cash Equivalents at End of Year	3	2,054,467	505,547
Supplemental Cash Flow Information:			
Interest Paid	12, 13	76,922	139,492
Income Taxes Paid	14	-	-

1. THE COMPANY AND OPERATIONS

Ceska rafinerska, a.s. (the Company) is a Czech Republic joint stock company, which was incorporated on 28 April 1995. Its registered location is in Litvínov, Czech Republic. The Company is involved in the refining of crude oil and the production and distribution of petroleum based products in the Czech Republic and abroad. The Shareholders are comprised of Unipetrol a.s., the majority shareholder with 51% of the outstanding shares, and Eni International B.V., ConocoPhillips Central and Eastern Europe Holdings B.V., and Shell Overseas Investments B.V. (16 1/3% each).

Based on the Processing Agreement concluded between the Company and its Shareholders in January 2003, the Company converted into a processing refinery mode as of 1 August 2003. As a result of this change, most of the existing commercial activities carried out within Ceska rafinerska, a.s. were transferred to the shareholders. Since 1 August 2003, the Company has had four main customers, which are the subsidiaries of the shareholders ("the Processors").

The Company operates the two largest oil refineries in the Czech Republic, located at Litvinov and Kralupy. Litvinov, the larger of the two refineries, has the capacity to process 5 million tons of crude oil per year while Kralupy has the capacity to process 3 million tons of crude oil per year. The Company receives its oil from the Druzhba pipeline in Russia and the Ingolstadt pipeline (IKL) in Western Europe.

The Company is composed of six divisions: Finance, Commercial, Technical, General Affairs, Planning and Development and Investments. The management of these divisions is divided between the two locations from which the Company operates. During 2003 and 2002, the Company employed an average of 759 and 833 employees, respectively.

A subsidiary, Ceska rafinerska Slovakia, s.r.o. was founded with its registered location in Bratislava, Slovak Republic. The company was registered on 24 November 1999 and engages in the buying and selling of goods. The subsidiary is part of the consolidated group for 2003 and 2002 and is incorporated in the accompanying consolidated financial statements. During 2003 and 2002, the subsidiary employed an average of 7 and 7 employees, respectively.

A subsidiary, CRC Polska Sp. z o.o., was founded with its registered location in Wroclaw, Poland. The company was registered on 24 November 2000 and is involved in the buying and selling of goods. The subsidiary is part of the consolidated group for 2003 and 2002 and is incorporated in the accompanying consolidated financial statements. During 2003 and 2002, the subsidiary employed an average of 5 and 5 employees, respectively.

As a result of conversion to processing refinery the Company is considering the disposal or liquidation of the subsidiaries in 2004. The Company assumes that the disposal or liquidation will be completed with no loss.

Ceska rafinerska, a.s. is the sole owner of Ceska rafinerska Slovakia, s.r.o. and CRC Polska Sp. z o.o.

The Company, Ceska rafinerska Slovakia, s.r.o. and CRC Polska Sp z o.o., are hereinafter referred to as the "Group".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company is required to maintain its books and records in accordance with accounting principles and practices mandated by the Czech Law on Accounting. The accompanying consolidated financial statements reflect certain adjustments and reclassifications not recorded in the accounting records of the Company in order to conform the Czech statutory balances to financial statements prepared in accordance with International Financial Reporting Standards "IFRS" issued by the International Accounting Standards Board. The adjustments are summarised in Note 22.

The consolidated financial statements have been prepared in accordance with IFRS.

The consolidated financial statements were authorized for issue by Ivan Souček, Chairman of the Board of Directors, Mojmír Zenáhlík, Controller, and Pavel Janus, Deputy Controller, on February 27, 2004.

Reporting and Measurement Currency

Because of the nature of the Group's activities and the fact that the Group operates primarily in the Czech Republic the financial statements are prepared in Czech Crowns.

Principles of Consolidation

The consolidated financial statements of the Group include the Company and the companies that it controls. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities.

Intercompany balances and transactions, including intercompany profits and unrealised profits and losses are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Management believes that the carrying value of the Group's financial instruments approximate their fair value.

Cash and Cash Equivalents

The Group considers highly liquid financial instruments with an original maturity of three months or less that are subject to an insignificant risk of change in value to be cash equivalents.

Receivables and Payables

Receivables are stated at the fair value of the consideration given and are carried at amortised cost, after provision for impairment. Payables and accruals are reported at amortised cost.

Crude Oil Stock

Crude oil stock is valued at the lower of cost plus applicable import duties, transportation and other related costs, and net realizable value. The Group uses the weighted average method to value crude oil stock.

Refined Products and Work in Process

Refined products and work in process are valued at the lower of cost and net realizable value and include raw materials, labor expenses and overhead used in the refining process. The Group uses the weighted average method for valuation of refined products and work in process.

Materials and Supplies

Materials and supplies consist mainly of chemicals and spare parts used by the production lines. Materials and supplies are valued at cost using the weighted average method. Materials and supplies are recorded in inventory when purchased or produced and then expensed or capitalised to property, plant and equipment or cost of sales, as appropriate, when utilised.

Property, Plant and Equipment

Property, plant and equipment is valued at acquisition cost. The cost of maintenance and replacement of minor items of property is charged to maintenance expense as incurred. Renewals and improvements are capitalised. Upon sale or retirement of property, plant and equipment, the cost and related accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement.

Construction-in-progress represents plant and properties under construction and is stated at cost. This includes cost of construction, plant and equipment and other direct costs. Construction-in-progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Property, plant and equipment is depreciated using the straight-line method over the estimated aggregate useful economic life of the asset. The estimated aggregate useful economic lives for property, plant and equipment has been determined to be 25 years.

Intangible Assets

Intangible assets are valued at acquisition cost and are amortised over their estimated useful economic life.

Other Financial Assets

Other financial assets consist of held-to-maturity debt securities.

Finance Lease

The Group recognises finance leases as assets and liabilities in the balance sheets at amounts equal to the present value of the minimum lease payments. In calculating the present value of the minimum lease payments the discount factor used is the interest rate implicit in the lease.

A finance lease gives rise to depreciation expense for the asset as well as a finance expense (i.e., interest) for each accounting period. The depreciation policy for leased assets is consistent with that for depreciable assets that are owned.

Borrowings

Borrowing costs are expensed as incurred. Borrowing costs include interest on bank overdrafts, short-term and long-term borrowings and finance charges in respect of finance leases.

Borrowings are initially recognised at the fair value of the proceeds received, net of transaction costs. They are subsequently carried at amortized cost using the effective interest rate method, the difference between net proceeds and redemption value being recognised in the net profit or loss for the period over the life of the borrowings.

Accruals and Deferrals

Accruals and deferrals are recorded to recognise revenues and costs as they are earned or incurred.

Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Revenues

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Sales are recognised net of sales taxes and discounts.

The Group recognises revenues from sales upon shipment of goods and when transfer of risk has been completed.

Taxation

Certain items of income and expense are recognised in different periods for tax and financial accounting purposes. Deferred taxes are provided using the liability method whereby deferred tax assets are recognised for deductible temporary differences and deferred tax liabilities are recognised for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. The tax effects of these timing differences are reflected as deferred tax items.

Deferred tax assets and liabilities are recognised regardless of when the timing difference is likely to reverse. Deferred tax assets and liabilities are not discounted and are classified as non-current assets (liabilities) in the balance sheet.

Deferred tax assets are recognised when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilised.

Foreign Currency Transactions

Transactions in foreign currencies are translated to local currencies by applying the exchange rate existing at the time of the transaction.

Assets and liabilities denominated in foreign currencies at 31 December 2003 and 2002 are adjusted to Czech crowns using the exchange rates published by the Czech National Bank (CNB).

Exchange rate differences arising on settlement of transactions or on reporting foreign currency transactions at rates different from those at which they were originally recorded are included in the statement of operations as they occur. Exchange rate differences related to crude oil purchases are included within cost of sales. Exchange rate differences related to crude oil purchases amounted to a gain of 9,561 TKc in 2003 and a gain of 98,829 TKc in 2002.

Foreign Currency Translation

Financial statements for Ceska Rafinerska subsidiaries outside the Czech Republic (the Slovak Republic and Poland) are translated into Czech Crowns at year-end exchange rates for assets and liabilities and average exchange rates for income and expenses.

Post balance sheet events

Post-year-end events that provide additional information about the Group's position at the balance sheet date (adjusting events), are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

3. CASH AND CASH EQUIVALENTS

At 31 December 2003 and 2002, cash and cash equivalents is comprised of the following (amounts in thousands):

	2003	2002
Cash on hand	803	1,128
Current accounts:		
Czech Crowns	31,102	2,470
Foreign currencies	62,932	38,121
Total current accounts	94,034	41,719
Deposit accounts:		
Czech Crowns	1,957,700	280,000
Foreign currencies	1,930	183,828
Total deposit accounts	1,959,630	463,828
Total cash	2,054,467	505,547

The Group has bank accounts that allow the Group to maintain overdraft balances. At 31 December 2003 and 2002, overdraft cash balances totaled 63,335 TKc and 198,346 TKc, respectively, and are reflected as a liability in the accompanying consolidated balance sheet (see Note 12).

4. ACCOUNTS RECEIVABLE, NET

At 31 December 2003 and 2002, accounts receivable, net, is comprised of the following (amounts in thousands):

	2003	2002
Trade Receivables:		
Foreign sales	480,943	602,172
Domestic sales	1,971,839	4,630,749
Total trade receivables	2,452,782	5,232,921
Corporate income tax receivable	2,388	54,042
Other	3,982,989	4,007
Total accounts receivable	6,438,159	5,290,970
Allowance for doubtful accounts	(469,572)	(110,426)
Total accounts receivable, net	5,968,587	5,180,544

Trade receivables represent outstanding balances on invoices from both domestic and foreign customers. All receivables from domestic sales are denominated in Czech Crowns while receivables from abroad are denominated in a foreign currency.

As of 31 December 2003, the Company had a long-term trade receivable that should gradually be settled until 2010. Due to the uncertainty related to the collectibility of the receivable, the Company has created a provision of 315,184 TKc.

Other receivables represent mainly a receivable for excise tax due from processors.

5. INVENTORY

At 31 December 2003 and 2002, inventory is comprised of the following (amounts in thousands):

	2003	2002
Crude oil	167,565	3,722,245
Raw materials and supplies:		
Chemical supplies	30,178	53,706
Spare parts	977,384	775,676
Provision for obsolete spare parts	(21,000)	-
Total raw materials and supplies	986,562	829,382
Work in process	114,796	542,520
Goods	73,616	146,261
Refined products	201,036	1,111,131
Total inventory	1,543,575	6,351,539

The cost of inventories recognised as an expense in the income statements was 26,933,162 TKc and 37,320,078 TKc in 2003 and 2002, respectively.

6. OTHER CURRENT ASSETS

Included in other assets are prepaid expenses and catalysts used in production, which are being charged to income as used.

7. PROPERTY, PLANT AND EQUIPMENT, NET

At 31 December 2003 and 2002, property, plant and equipment, net, is comprised of the following (amounts in thousands):

Property, Plant and Equipment	Buildings	Machinery and Equipment	Other	Construction In Progress	Total
Cost					
Balance at 31 December 2001	3,462,578	13,785,909	71,429	1,811,017	19,130,933
Additions	218,956	695,962	184	2,115,173	3,030,275
Disposals	(39,060)	(200,615)	(71,429)	(1,846,329)	(2,157,433)
Transfers	465,351	307,665	906	(918,636)	(144,714)
Balance at 31 December 2002	4,107,825	14,588,921	1,090	1,161,225	19,859,061
Additions	134,086	398,720	-	1,188,441	1,721,247
Disposals	(919)	(125,519)	-	(935,036)	(1,061,474)
Transfers	112,513	642,422	-	(870,689)	(115,754)
Balance at 31 December 2003	4,353,505	15,504,544	1,090	543,941	20,403,080
Accumulated Depreciation					
Balance at 31 December 2001	345,822	2,133,241	12,807	-	2,491,870
Depreciation for the year	84,304	742,355	345	-	827,004
Disposals	(3,489)	(184,158)	(13,152)	-	(200,799)
Transfers	150	(744)	-	-	(594)
Balance at 31 December 2002	426,787	2,690,694	-	-	3,117,481
Depreciation for the year	135,981	1,143,805	-	-	1,279,786
Disposals	(919)	(118,444)	-	-	(119,363)
Balance at 31 December 2003	561,849	3,716,055	-	-	4,277,904
Property, plant and equipment, net, at 31 December 2001	3,116,756	11,652,668	58,622	1,811,017	16,639,063
Property, plant and equipment, net, at 31 December 2002	3,681,038	11,898,227	1,090	1,161,225	16,741,580
Property, plant and equipment, net, at 31 December 2003	3,791,656	11,787,910	1,090	544,520	16,125,176

Depreciation expense for 2003 and 2002 was 1,279,786 TKc and 827,004 TKc, respectively.

Certain buildings and machinery items with gross carrying amounts of 2,803,594 TKc and 3,001,130 TKc are fully depreciated, as of 31 December 2003 and 2002, respectively, but these items are still in active use.

The cost of machinery and equipment held under finance lease was 452,204 TKc and 442,370 TKc and has a net book value of 318,513 TKc and 335,931 TKc as at 31 December 2003 and 2002, respectively.

8. INTANGIBLE ASSETS, NET

At 31 December 2003 and 2002, intangible assets, net, is comprised of the following (amounts in thousands):

Intangible Assets	Software	Rights, Royalties and Patents	Construction in Progress	Total
Cost				
Balance at 31 December 2001	388,865	219,487	69,225	677,577
Additions	3,936	5,903	14,812	24,651
Disposals	-	-	(9,839)	(9,839)
Transfers	134,786	56,213	(46,285)	144,714
Balance at 31 December 2002	527,587	281,603	27,913	837,103
Additions	4,518	-	3,168	7,686
Disposals	(53,932)	(389)	(4,518)	(58,839)
Transfers	107,051	995	7,707	115,753
Balance at 31 December 2003	585,224	282,209	34,270	901,703
Accumulated Amortisation				
Balance at 31 December 2001	209,312	90,223	-	299,535
Amortisation for the year	118,529	34,119	-	152,648
Disposals	-	-	-	-
Transfers	430	164	-	594
Balance at 31 December 2002	328,271	124,506	-	452,777
Amortisation for the year	101,982	39,301	-	141,283
Disposals	(53,892)	(388)	-	(54,280)
Transfers	-	-	-	-
Balance at 31 December 2003	376,361	163,419	-	539,780
Intangible assets, net, at 31 December 2001	179,553	129,264	69,225	378,042
Intangible assets, net, at 31 December 2002	199,316	157,097	27,913	384,326
Intangible assets, net, at 31 December 2003	208,863	118,790	34,270	361,923

Amortisation expense for 2003 and 2002 was 141,283 TKc and 152,648 TKc, respectively.

9. OTHER NON-CURRENT ASSETS

Other non-current assets represent loaned crude oil of 110 thousand tons to the processors for the duration of the processing agreement concluded on 31 July 2003. The loan carries an interest rate of 2.818% and will be repaid in 2023 in a single installment. Loan was valued using market prices of crude oil at 1 August 2003. The loan has not been revalued as of 31 December 2003 as the crude oil price differences were immaterial.

10. ACCOUNTS PAYABLE

At 31 December 2003 and 2002, accounts payable are comprised of the following (amounts in thousands):

	2003	2002
Trade payables:		
Foreign suppliers	118,067	3,860,054
Domestic suppliers	968,775	1,053,245
Total trade payables	1,086,842	4,913,299
Social security payable	10,947	12,285
Payables to employees	21,234	2,910
Other suppliers	1,856	41,130
Total accounts payable	1,120,879	4,969,624

Accounts payable represent outstanding balances on invoices from both domestic and foreign suppliers. All payables to Czech companies are denominated in Czech Crowns.

11. TAXES PAYABLE AND ACCRUED LIABILITIES

At 31 December 2003 and 2002, taxes payable and accrued liabilities are comprised of the following (amounts in thousands):

	2003	2002
Excise duties payable	6,199,130	3,724,495
VAT (receivable) payable	(168,349)	325,281
Total taxes payable	6,030,781	4,054,776
Accrued costs	335,934	113,875
Other accrued liabilities	39,287	144,200
Total taxes payable and accrued liabilities	6,406,002	4,312,851

12. BANK DEBT

Short-term debt

At 31 December 2003 and 2002, short-term debt outstanding is comprised of the following (amounts in thousands):

	Conditions	Due date	2003	2002
Overdraft Facility (see Note 3)	Overdraft	1 year	63,335	198,346
Current portion of long-term debt		2003	357,895	666,667
Total short-term debt			421,230	865,013

Long-term debt

On 18 September 2003, the Group concluded a 5-year Term and Revolving Facilities Agreement with a syndicate of banks. This Facility Loan bears a floating interest rate. As of 31 December 2003 the Company had utilised 1,700,000 TKc of this Facility to cover short-term working capital requirements of which 357,895 TKc was classified as short-term debt maturing in 2004.

Repayments of the long-term portion of the debt are scheduled as follows (amounts in thousands):

Year	Amount
2005	357,895
2006	357,895
2007	357,895
2008	268,420
Total	1,342,105

Interest expense related to short-term and long-term debt for 2003 and 2002 was 75,963 TKc and 139,492 TKc, respectively.

During 2003, the Company was not able to maintain the financial covenants. However as the breach of covenants relates yet to the full-merchant mode the management believes that the Company will receive a waiver.

13. CAPITAL LEASE OBLIGATIONS

On 31 October 1997, the Group finalised a lease agreement for the isomerisation unit at the Kralupy refinery. The contract conditions were renegotiated during 1998 and resulted in an increase of the aggregate lease amount (principal and interest) by 15,364 TKc to a total value of 480,085 TKc. The lease amount (principal and interest) was fully repaid as of 31 December 2001.

During 2002 and 2003, the Group concluded leasing agreements for Company cars with a total value (principal and interest) of 50,585 TKc. The majority of the leasing contracts are for four years. The outstanding lease amount (principal and interest) was 18,260 TKc as of 31 December 2003.

The payments due on capital leases as of 31 December 2003 are as follows (amounts in thousands):

Year	Amount
2004	9,891
2005	4,183
2006	2,625
2007	1,561
Total minimum lease payments	18,260
Less: amounts representing interest	(1,808)
Present value of future lease payments	16,452
Less: current portion	(9,370)
Net long-term obligation	7,082

14. TAXATION

Income Tax Legislation

Corporate income tax is calculated in accordance with the Czech tax regulations at the rate of 31% in 2003 and 2002.

The Czech Republic, Slovak Republic and Poland currently have a number of laws related to various taxes imposed by governmental authorities. Applicable taxes include excise tax, value-added tax, corporate tax, and payroll (social) taxes, together with others. In addition, laws related to these taxes have not been in force for significant periods; therefore, implementing regulations are often unclear or nonexistent. Accordingly, few precedents with regard to issues have been established. Often, differing opinions regarding legal interpretations exist both among and within government ministries and organisations; thus, creating uncertainties and areas of conflict. Tax declarations, together with other legal compliance areas (as examples, customs and currency control matters) are subject to review and investigation by a number of authorities, which are enabled by law to impose extremely severe fines, penalties and interest charges. These facts create tax risks in the Czech and Slovak Republics and Poland substantially more significant. Management believes that it has adequately provided for tax liabilities in the accompanying financial statements; however, the risk remains those relevant authorities could take differing positions with regard to interpretive issues and the effect could be significant.

Income Tax Provision

The components of the income tax (benefit) provision for the years ended 31 December 2003 and 2002 are as follows (amounts in thousands):

	2003	2002
Current tax provision	9,207	14,990
Deferred tax (benefit)	25,473	(354,018)
Total income tax (benefit)	34,680	(339,028)

A reconciliation of expected income tax (benefit) provision for the year ended 31 December 2003 and 2002 is as follows (amounts in thousands):

	2003	2002
Net income (loss) before income tax	64,381	(862,086)
Statutory income tax rate	31%	31%
"Expected" income tax (benefit) provision	19,958	(267,247)
Add (deduct) tax effect of:		
Non-taxable revenues	(18,906)	(89,961)
Non-deductible expenses	177,938	91,682
Difference between tax and statutory depreciation	(93,364)	(55,972)
Other	(50,946)	(17,530)
Income tax (benefit) provision	34,680	(339,028)
Effective tax rate	-	-

Deferred Taxes, Net

At 31 December 2003 and 2002, deferred tax, net comprised of the following (amounts in thousands):

Deferred Tax Assets:	2003	2002
Provisions and Allowances	32,148	7,728
Tax loss carry forwards	416,965	708,612
10% Investment Relief	164,080	193,983
Total deferred tax assets	613,193	910,323
Deferred Tax Liabilities:		
Difference between property, plantand equipment per book and tax	1,023,478	1,128,121
Provisions and reserves related to repairs and maintenance	22,373	104,103
Crude oil inventory	12,512	97,796
Total deferred tax liabilities	1,058,363	1,330,020
Total deferred tax liability, net	445,170	419,697

The impact of the changes in income tax rate approved in 2003 was decrease of deferred tax liability by 143,319 TKc.

The Company believes that it will utilize the deferred tax asset arising from losses from prior years. These losses are tax allowable deduction in next six years.

15. FINANCIAL INSTRUMENTS

Financial risk management

The Group operates internationally, giving rise to significant exposure to market risks from changes in foreign exchange rates.

Risk management policies are approved by the Board of Directors and carried out by a central Treasury department.

Credit risk

The Group has significant concentration of credit risk with the Processors as they are the only customers since the change of mode of operations. The Group considers that its maximum exposure is reflected by the amount of trade receivables (see Note 4) net of allowance for doubtful accounts.

Interest rate risk

The Company's loans are at floating interest rates (see Note 12).

Fair value estimation

The carrying amount of cash and cash equivalents and of bank overdrafts approximates their fair value due to the short-term maturity of these financial instruments. Similarly, the historical cost carrying amounts of receivables and payables that are all subject to normal trade credit terms approximate their fair values.

The fair value of the following financial assets and liabilities, all carried at amortized cost, are determined as the present value of the estimated cash flows:

- other financial asset (see Note 9)
- long-term loan (see Note 12)
- finance lease liabilities (see Note 13)

Fair value has been determined by discounting the relevant cash flows using current interest rates for similar instruments at the balance sheet date.

16. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

The Group has a 15-year crude oil transport contract with Mero (effective 1 January 1996) and an annual contract with Transpetrol, which stipulate minimum annual throughput of crude oil by quantity through the IKL and Druzhba pipelines.

17. RELATED PARTY TRANSACTIONS

The Group sells products to related parties (entities owned by shareholders) in the ordinary course of business. In 2003 and 2002, sales amounted to 21,429,559 TKc and 17,756,548 TKc, respectively.

At 31 December 2003 and 2002, receivables from related parties is comprised of the following (amounts in thousands):

Related Party	2003	2002
Aliachem, a.s.	-	265
Unipetrol Deutschland GmbH	-	781
Unipetrol Austria GmbH	-	9,432
Spolana, a.s.	5	2,089
Benzina, a.s.	-	752,268
Kaucuk, a.s.	6,810	58,260
Chemopetrol, a.s.	35,534	997,546
Unipetrol Doprava a.s.	4	4
Paramo, a.s.	-	3,898
Koramo, a.s.	-	40,835
ConocoPhillips ČR, s.r.o.	354,393	138,153
Shell CR, a.s.	88,136	363,802
AGIP Praha, a.s.	101,583	139,074
UNIPETROL RAFINERIE a.s.	774,156	-
Total	1,360,621	2,506,407

The Group purchases products and receives services from related parties in the ordinary course of business. In 2003 and 2002 purchases amounted to 4,069,085 TKc and 3,546,777 TKc, respectively. At 31 December 2003 and 2002, liabilities to related parties are comprised of the following (amounts in thousands):

Related Party	2003	2002
Benzina, a.s.	-	15,987
Kaucuk, a.s.	43,457	129,030
Chemopetrol, a.s.	122,071	123,252
Unipetrol Doprava a.s.	107,813	133,778
Chemopetrol BM, a.s.	113	89
HC Chemopetrol, a.s.	3	-
Unipetrol, a.s.	16,120	17,809
Paramo, a.s.	-	-
Spolana, a.s.	100	119
Koramo, a.s.	-	-
Shell CR, a.s.	85,175	35,874
Agip Praha, a.s.	71,172	6,004
B.U.T., s.r.o.	3	17
ConocoPhillips CR, s.r.o.	51,320	9,354
Petrotrans, a.s.	-	10
UNIPETROL RAFINERIE a.s.	191,405	-
Total	688,752	471,323

At 31 December 2003, the Company held 68 thousand tons of crude oil, 2 thousand tons of other raw materials, 70 thousand tons of semi-finished products and 145 thousand tons of finished refinery products for the Processors.

18. EQUITY

Basic Capital

The basic capital of the Company comprised of 934,824 shares fully subscribed, with a nominal value of 10 TKc. All shares have equal voting rights. Majority is more than 51% of votes.

In 2003 and 2002, the Company paid out no dividends.

Reserve Fund

In accordance with Czech regulations, joint stock companies are required to establish a reserve fund for contingencies against possible future losses and other events. Contributions must be a minimum of 20% of after-tax profit in the first year in which profits are made and 5% of profit each year thereafter, until the fund reaches at least 20% of capital. As of 31 December 2003 and 2002, the balance was 445,951 TKc and 445,951 TKc, respectively, and is reflected as a component of retained earnings.

19. REVENUES

Revenues for the years 2003 and 2002 comprised of the following (amounts in thousands):

	2003			2002		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Products	20,758,620	5,018,404	25,777,024	31,245,353	8,076,352	39,321,705
Services	4,016,050	189,746	4,205,796	377,073	49,142	299,930
Goods	153,021	5,649,757	5,802,778	499,470	2,324,511	101,022
Other	2,481,734	-	2,481,734	112,807	-	112,807
Total	27,409,425	10,857,907	38,267,332	32,234,703	10,450,005	42,684,708

Other revenues represent mainly the crude oil inventory sale to processors as of August 1, 2003. The Company made profit of 113,446 TKc on this sale.

Concentration of Revenues

Due to conversion to Processing refinery, the Group has only 4 main customers and these are the processors.

20. DISTRIBUTION EXPENSES

Distribution expenses for the years 2003 and 2002 comprised of the following (amounts in thousands):

	2003	2002
Transport of finished products	640,999	1,166,400

The distribution expenses are charged to the costs of sales as these are recharged back to the Processors since change of mode of operations in August 2003.

21. ADMINISTRATION AND GENERAL EXPENSES

Administration and General expenses for the years 2003 and 2002 comprised of the following (amounts in thousands):

	2003	2002
Services:		
Maintenance service, repairs	386,698	370,685
Management services Fees	161,985	167,374
Consultancy and administrative services	88,966	69,721
Environmental protection services	87,351	87,800
Renting of premises and equipment	67,544	50,627
Security Services	55,679	56,104
Storage expenses	26,916	18,650
Expenses related to employees	18,559	21,076
Other	154,499	205,940
Total Services	1,048,197	1,047,977
Personnel expenses	493,252	493,035
Creation and reversal of Reserves and Prepayments	(30,190)	16,016
Insurance	167,518	-
Total administration and general expense	1,678,777	1,557,028

22. CHANGE OF MODE OF OPERATION

Based on the Processing Agreement concluded between the Company and its Shareholders in January 2003, the Company converted into a processing refinery mode as of August 1, 2003. As a result of this change, most of the existing commercial activities carried out within Ceska rafinerska, a.s. were transferred to the shareholders. The impact on revenues and cost of sales is as follows:

	8-12/2003	1-7/2003	2002
Revenue	6,433,470	31,833,862	42,684,708
Cost of sales	5,062,237	28,866,810	39,367,809
Gross profit	1,371,233	2,967,052	3,316,899

23. PRESENTATION OF FINANCIAL STATEMENTS

The accompanying financial statements are presented on the basis of International Financial Reporting Standards issued by the International Accounting Standards Board. Certain accounting principles generally accepted in the Czech Republic do not conform to International Financial Reporting Standards used in preparing the accompanying financial statements. A description of the significant adjustments required to conform the Group's statutory balances to financial statements prepared in accordance with International Financial Reporting Standards is set forth in the following table (amounts in thousands):

	2003		2002	
	Net Income	Retained Earnings	Net Income	Retained Earnings
Balance per Statutory Accounts	341,249	7,292,334	(716,455)	6,949,955
Revaluation of assets and liabilities denominated in foreign currencies, net	-	-	(13,314)	-
Reclassify crude oil line fill from property, plant and equipment to inventory	(205,797)	(2,554)	17,478	203,243
Adjust fixed asset life to 25 years	(45,525)	585,381	164,488	630,906
Reversal of provisions and reserves related to repairs and maintenance	10,298	242,010	(26,485)	231,712
Capital lease obligations	48,034	219,141	47,918	171,107
Adjustment for deferred taxes	(121,301)	(107,438)	26,021	13,861
Other	2,743	(21,098)	(22,709)	(22,709)
Balance per IFRS accounts	29,701	8,207,776	(523,058)	8,178,075

Report of Relationship between Related Persons

The Report on relations between the controlling and controlled person and on relation between the controlled person and other persons controlled by the same controlling person for 2003 is saved on the District Court in Ústí nad Labem.

Directory

Job title	Name	Site	Telephone number
Chief Executive Officer	Ivan Souček	Kralupy / Litvínov	315 718 521, 476 163 567
Legal Manager	Alois Dvořák	Litvínov	476 165 974
Public Relation Manager	Aleš Soukup	Kralupy	315 718 579
Internal Audit Manager	Iva Černá	Kralupy	315 718 562
Project Specialist	Petr Štěpán	Kralupy	315 718 545
Chief Financial Officer	Eric V. Anderson	Kralupy	315 718 561
Controller	Mojmír Zenáhlík	Kralupy	315 718 564
Treasurer	Hana Jílková	Kralupy	315 718 574
Information Technology Manager	Pavel Král	Kralupy	315 718 616
Technical Director	Lennart Heldtander	Litvínov	476 165 239
Production Manager Litvínov	Václav Raitr	Litvínov	476 163 884, 476 163 830
Production Manager Kralupy	Josef Krch	Kralupy	315 714 260
Maintenance Manager	Bryan Cooper	Litvínov	476 164 041
Technological Manager	Milan Vitvar	Litvínov	476 164 477, 315 713 547
Safety, Work, Health and Quality Manager	Michaela Freyová	Litvínov	476 164 041, 315 718 556
Refinery Scheduling & Hydrocarbon Accounting Manager	Aleš Ponert	Litvínov	476 162 151
Technical Project Preparation & Realization Manager	Jiří Krbec	Litvínov	476 164 191
Reinstrumentation Project Manager	Jiří Pohanka	Litvínov	476 165 633
Clean Fuels Project Manager	Josef Král	Litvínov	476 162 611
General Affairs Director	Aleša Jakub	Litvínov	476 164 338, 315 7185 81
Human Resources Manager	Alena Stejskalová	Litvínov	476 163 809
Service Manager	Radomír Bláha	Litvínov	476 165 176
Contracting and Procurement Manager	Igor Kuruc	Litvínov	476 162 862
Planning and Development Director	Oscar Magnoni	Kralupy	315 718 600
Operations Optimalisation Manager	Jiří Tlustý	Kralupy	315 718 627
Planning Manager	Hugo Kittel	Kralupy	315 718 603
Performance Assessment Manager	Jaroslav Kadaňka	Kralupy	315 718 626
Final Products Logistic Manager	Jaroslav Štrop	Kralupy	315 718 546

ČESKÁ RAFINÉRSKÁ, a. s.
Záluží 2
436 70 Litvínov VII
Czech Republic
e-mail: info@crc.cz
www.ceskarafinerska.cz

ČESKÁ RAFINÉRSKÁ, a. s.
Annual Report 2003

For Česká rafinérská, a. s.
published by ASCO – vydavatelství spol. s r. o.
Praha 10, K Lipanům 78
Czech Republic
In June 2004