



Annual Report

2005

ČESKÁ RAFINÉRSKÁ, a.s.

ANNUAL REPORT

ČESKÁ RAFINÉRSKÁ, a. s.

2005

Content:

Report of the Board of Directors on the Company's Business Activities and the Status of Assets	2
Report of the Supervisory Board of ČESKÁ RAFINÉRSKÁ, a.s, Litvínov	11
Auditor Report to the Annual Report 2005	12
Independent Auditor's Report and Financial Statements	14
Report on the Relations between the Controlling and Controlled Person and on Relation between the Controlled Person and other Person Controlled by the same Controlled Person	52

Report of the Board of Directors of ČESKÁ RAFINÉRSKÁ, a. s. on the Company's Business Activities and the Status of Assets in 2005

In 2005, the full transition of ČESKÁ RAFINÉRSKÁ, a. s. (the "Company") to the "processing" refinery business model was completed, so the Company's future development is now fully based on that of a cost-center. The results achieved during the year 2005 are proof of this success.

The Company entered 2005 with a number of objectives and tasks set by its Shareholders, among which the major ones were:

- Sustain a high level of performance in HSE
- Demonstrate the required availability of both refineries' facilities
- Improve cost-effectiveness, in terms of fixed costs, and keep within the limits set by the Shareholders
- Commence preparation of the "Clean Fuels 2009" and "Biofuels" investment programs
- Finalize implementation of a company-wide process management approach
- Stabilize and introduce motivation factors for Company's staff
- Definitively discontinue activities of the Company's subsidiaries: ČESKÁ RAFINÉRSKÁ SLOVAKIA s.r.o. and CRC Polska Sp.z o.o.
- Promote open communication and cooperation with the surrounding municipalities, and cooperation with companies sharing the Kralupy nad Vltavou and Litvínov sites, as well as cooperation with national authorities

The Company's performance against these major objectives and tasks was marked by the following successes:

- Recipient of the "Company Promoting Health" national title
- Record volume of crude oil processed (i.e., 7.1 million metric tons)
- Increased efficiencies, resulting either in major economies in fixed expenses or in keeping within budgeted funds
- Motor fuels produced in compliance with the "Clean Fuels 2005" (and partially "Clean Fuels 2009") quality requirements
- All main processes were analyzed, described and partially revised
- Staff turnover remained low, and a direct link between performance and remuneration continued
- Operations of both foreign subsidiaries were terminated
- Studies aimed at increasing the Company's competitiveness were commissioned

On the other hand, the Company was not fully successful in maintaining its past performance in terms of safety performance, although positive developments and awards were gained in the areas of employee care and of occupational health and safety. Due to a two-month unscheduled shutdown of the FCC complex, the required key unit availability rate could not be achieved, but all the other production units operated by the Company registered both improved availability and reliability.

Business Model Conversion

The Company completed conversion to the “processing” model launched on 1st August 2003, whereby the Company acts as a plant operator in partnership with four “Processors” (i.e., UNIPETROL RAFINÉRIE a.s., Agip Česká republika, s.r.o., ConocoPhillips Czech Republic s.r.o. and Shell Czech Republic a.s.) which select the hydrocarbons to be processed and determine the products to be manufactured. 2005 brought further improvements to the relationship of the Company as an Operator with its four Processor partners.

The Company was able to respond to Processors’ volume and quality requirements, resulting in the processing of significantly more crude oil than in any previous year.

Financial Situation

In 2005, the Company posted a pre-tax profit of CZK 350 million (257 million after-tax) on a turnover of CZK 9 294 million. These results correspond to the Company’s business plan expectations.

In a year-on-year comparison, net assets decreased CZK 3 349 million (i.e., from CZK 27,065 to CZK 23,716 million). This decrease was mainly driven by:

- Lower funds deposited by Processors in the Company’s account under the Cash-flow and Security Agreement (CZK 1,710 million),
- Lower net fixed assets resulting from annual depreciation (CZK 745 million), and
- Repayment of the 2003 syndicated Term Loan (CZK 444 million).

Shareholders equity increased by CZK 246 million (i.e., from CZK 16,507 million to 16,753 million), corresponding to the Company’s after-tax profit and to impact of disposal of ČESKÁ RAFINÉRSKÁ SLOVAKIA s.r.o. In June 2005, the Company fully repaid the syndicated term loan, thus ending re-financing activities related to conversion to a processing refinery.

During the year, the Company completed discontinuation of operation of its foreign subsidiaries established when the Company operated as a trader/producer. In September 2005, CRC Polska Sp.z o.o. was deleted from the Companies' Register in Poland. In October 2005, the Company's interest in ČESKÁ RAFINÉRSKÁ SLOVAKIA s.r.o. was sold to one of the Company's Processors.

The following table describes a 5-year look at key past financial data.

Table 1: Key Financial Indicators 2001 through 2005 (million of CZK *)

	2001	2002	2003**	2004**	2005**
Turnover	46,812	40,719	32,756	8,915	9,293
Net profit	(61)	(736)	332	18	257
Fixed Cash expenses	1,916	1,878	2,003	2,066	1,761
Investments (CAPEX)***	2,470	1,181	833	928	484

* *unconsolidated data*

** *the figures are not fully comparable with fiscal years 2001 and 2002 due to the conversion to a processing refinery taking place as of 1 August 2003.*

*** *investment capital expenditures*

Internal Audit and Risk Assessment

Internal audit and risk assessment is an important activity of the Company. As such, the Internal Audit and Risk Assessment section maintains close links with the Company's staff, Management, Internal Audit Committee, Board of Directors, Supervisory Board, Processors and Shareholders. Audit and risk assessment related activities during the year were :

- Processor Audits (i.e., Cost Allocation and Processing Fee audit and an audit of the Company's Internal Audit Systems),
- Business consultations related to risk control and process management,
- Initiation of a Corporate Risk Assessment with the Internal Audit Committee,
- Administration and review of compliance with the annual business ethics survey, and
- Regular reporting to the Internal Audit Committee, Board of Directors and the Supervisory Board.

Production Activities

Key operating achievements during the year included:

- Record volume of crude oil processed
- Improved unit utilization
- Best ever energy efficiency
- Completion of the EU “Clean Fuels 2005” program
- Limited diesel production capability is already available in compliance with EU “Clean Fuels 2009”
- Remained within the CO₂ emission quotas established for the Company by national authorities

In 2005, over 7.1 million metric tons of crude oil were processed, some 15% more than the previous year, and the largest volume of crude ever processed by the Company. This crude oil processing record was achieved thanks to high market demand, continued improved production planning, closer co-operation between the Company and its’ Processors, and corresponding plant reliability.

Key 2005 plant reliability performance highlights includes:

Kralupy:

- Fluid Catalytic Cracking (FCC) unit utilization was its’ highest since it came online in 2001 (despite a two-month unplanned shutdown)

Litvínov:

- Increased utilization rate of the Visbreaking unit, its availability reached 100%. Additionally, the unit was maximum loaded at the end of 2005 and beginning of 2006.

Both localities:

- Other key operating units utilization increased as compared with previous years;

There were a significantly reduced number of unscheduled unit shutdowns, as compared with previous years. This achievement was the result of maintenance activities and specific programs aimed at increasing operational reliability, such as the “Best in Class II” project. The purpose of this multi-year project is to secure maximum integrity of the facilities, optimize unit operations and increase work performance. In 2005, progress was achieved in the areas of structuring and systemizing maintenance activities, shutdown-work management, asset registration and management, and the procurement, registration and storage of spare parts.

With respect to product quality, 2005 was a milestone because the Company met the stricter legal requirements for aromatic compounds and sulphur content in motor fuels – automotive

petrol and diesel oils. Since 2004, the Company has produced motor fuels with a maximum sulphur content not exceeding 50 mg/kg, in compliance with Directive No. 98/70/EC as amended by Directive 2003/17/EC. Limited volumes of diesel oils at 2009 quality requirements was produced in 2005.

Investment Activities

Completion of the “Clean Fuels 2005” program was the major project of the year. Part of this was investment into a specific naphtha fractionator (known to as a 3-cut splitter) in the FCC block at Kralupy, completed at the beginning of 2005. Its completion and proper functioning was necessary to efficiently operate with sufficient desulphurization of cracked naphtha from the FCC, and to ensure a smooth switch to the production of low-sulphur automotive gasoline. This project, which also included adjustments to the naphtha hydrotreater, was completed within the planned time-frame and budget. The Company also commenced preparing the design and proceedings with public authorities for the construction of a selective desulfurization unit at Kralupy. This unit is required for the production of sulphur-free fuels under the “Clean Fuels 2009” program.

Investments were also focused on individual projects aimed at increasing the reliability of both production and non-production systems and environmental protection. For example, projects, reducing the Company’s share of noise emissions from the sites were undertaken.

The Company also began preparations for meeting the requirements of Directive 2003/30/EC, the promotion of biofuels based on renewable energy resources to replace, in part, traditional fossil motor fuels. These projects will be implemented during 2006.

Work aimed at relaunching the Livínov refinery hydrocracking chamber No.11 began. This project is intended for processing middle distillate by two Processors only.

Table 2: 2005 Investment Allocation According to Structure of Investment Plan and Locality (thousand of CZK)

	Litvinov	Kralupy	Both sites	Total
Major projects	26,181	107,620	0	133,801
General improvements	27,554	25,645	0	53,199
Mandatory projects	9,011	8,899	97,175	115,085
Minor projects	69,278	32,873	45,178	147,329
Projects requested by Processors	9,579	17,889	7,211	34,679
Total	141,603	192,926	149,564	484,093

Health, Safety, Environment and Quality

Health, safety and environment (HSE) are the Company's and the Shareholders' highest priority. To this end, systemic and incentive measures, aimed at individual aspects of protecting employee health and the safe conduct of work, form the core of the Company's HSE culture. This culture results in increased attention paid to identifying hazardous behavior and near-miss accidents. The purpose of such attention is to identify and minimize risk and to identify appropriate mitigation strategies and remedies.

During the year, the Company was awarded the national title "Company Promoting Health" and was successful with a "Best Practices – Stop the Noise" program. The Company was also rated highly for HSE in the Solomon Study (the pre-eminent independent benchmarking survey for the global refining industry).

Significant HSE accomplishments during the year included:

- Renewal of Compliance certification with updated ISO 14001:2004 standards.
- Audit of the "Safe Enterprise" program, verifying further improvement in the Company's integrated management systems.
- No operational incidents, accidents or emergencies having a negative impact on the environment or surrounding municipalities' quality of life.
- A new standardized initial training course for both staff and contractors was implemented in cooperation with partner firms at both sites.

HSE performance is monitored using key indicators. The values for 2005 are given in Table 3.

Table 3: 2005 HSE Performance Indicators

	2001	2002	2003	2004	2005
Accidents with absence (employees and contractors)	0	0	0	3	2
Hydrocarbon Leaks (above 200 l levels)	-	5	3	4	2
Fires	14	4	9	5	3

The gravity of the three fires was low, and the damage sustained was negligible. The results of cause analysis gave rise to systemic measures, reflected in improved staff and contractor training.

The Company's sustainable development principles commit both the Company and its staff to a responsible sustainable development approach for conserving natural resources and minimizing the impact of the refinery operations on the environment. Decisions of the national supervisory authorities are observed and measures resulting from recent legal regulations adopted, including those harmonizing Czech legislation with those of the European Union. One of the requirements was regarding the content of sulphur in motor fuels not exceeding 50 mg/kg, (The "Clean Fuels Program 2005") which the Company has met in all production from the end of 2004. Meeting this requirement is a precursor for further sulphur content reduction in motor fuels.

More detailed information and comments relating to the above mentioned areas are available in the Company's report on 2005 Health, Safety, Quality and Environmental Performance (2005 HSEQ Report).

Human Resources and Education

During 2005, the workforce situation was consolidated, with staff turnover rate on a very low level. The Company continued rationalizing and improving the effectiveness of the Human Resource capital. The previously introduced system of employee performance evaluation and objective setting remained as a standard part of corporate culture. Non-cash components of remuneration continued to be used, such as PALETA - a scheme of non-cash employee benefits.

Staff education is a key part of the Company's success plan. In the area of operator training, great emphasis is placed on practical training and best practices exchange. Along with IT technology development, e-learning programs were implemented enabling staff to access courses, programs, and testing via the intranet and internet. In 2005, seminars aimed at enhancing legal awareness of staff were held and the Echo newsletter was re-imaged.

Communication, External Relations and Social Responsibility

The Company continually advocates open and clear communication in all of its relations, particularly external ones. Key Company communications during 2005 included completion of the "Clean Fuels 2005" program, information from General Meetings, product quality, and environmental impact. A significant event organized for general public was an 'Open House' action organized at the Kralupy site at the occasion of the 30th anniversary of the start up of the Kralupy refinery. Other initiatives included the publication and presentation of a book entitled "The Century of Petrol – The History of the Refining Industry in the Czech Lands", and a company presentation to the public giving insight to the Kralupy refinery's history and organization with former Company Managers and Directors.

External relations are of high importance to the Company. Consequently, the Company took part in presentations at universities, particularly recruitment activities at technical schools (especially chemistry).

The Company remains committed to social responsibility through its Corporate Social Responsibility (CSR) principle, particularly in the areas closed to its operations (i.e., the municipalities of Litvínov, Most, Meziboří, Kralupy nad Vltavou, Veltrusy and Chvatěruby, and surrounding regions).

Significant amounts were donated to those in need or to charity projects, either individually, jointly with local municipalities, or various non-profit organizations. The Company was also represented at a number of social, sports and cultural events, such as the Most Derby Day. Details of the Company's specific CSR activities are described, along with figures, in the Company's 2005 Corporate Social Responsibility Report.

Benefiting from EU Public Assistance Programs

The Company was able to identify subsidy opportunities focused on environmentally-oriented business and the development of human resources. Specifically, the Company applied for participation in the LIFE Program (EU Environmental Grants) with a group of projects aimed at the introduction of biofuels production in the Czech Republic. The Company also prepared a 'Human Resources Operational Program' subsidy application for the promotion of education of employees at all levels and for the employee aimed at improving the adaptability of employers and employees to changes in economic and technological conditions, and to promoting competitiveness.

Changes in the Composition of the Board of Directors and Supervisory Board

Board of Directors

Martin Kubů resigned in September 2005, and Vladimír Škácha was temporarily appointed until 13th December 2005. Aleša Jakub was recalled as a member of the Board of Directors, Miroslav Kornalík and Andrzej Stegenta were elected members of the Board of Directors, effective 14th December 2005. Miroslav Kornalík was later nominated by the Board of Directors to the position of General Affairs Director.

Subsequent to the end of the 2005 financial year, Eric Van Anderson was recalled from the Board of Directors as of 28th February 2006, and Terry Lee Long was elected as member of the Board of Directors, and later nominated by the Board of Directors as Vice-Chairman of the Board of Directors and Chief Finance Officer effective 1st March 2006.

Supervisory Board

The mandates of Zdeněk Černý and Marie Čížinská expired during the year. On 13th December 2005, Ivan Ottis and Jaroslav Jabloňski were elected members of the

Supervisory Board, with Ivan Ottis also appointed as Chairman, who later resigned in March 2006.

In 2005, as employee elected (re-elected) nominees to the Supervisory Board, Jan Klimeš, Ilona Pokorná and Jaroslav Stránský were elected in place of previous members Alois Dvořák, Jan Klimeš and Ilona Pokorná.

ČESKÁ RAFINÉRSKÁ, a.s. enters 2006 as a fully implemented processing refinery which meets the requirements of its Shareholders and Processors. The Company has paved the way for higher utilization of capacities and guaranteed product quality.

Further development will rely on projects enabling the Company to respond to legal regulations, such as sulphur or other substance content in motor fuels, blending of bio-components into motor fuels, and ongoing environmental protection measures.

The Company continues to pursue its long-term objectives to attain outstanding results in HSE, to apply an open communication policy with respect to the general public and state authorities and to foster its reputation as a credible partner.

Litvínov, 28 March 2006



Ivan Souček
Chairman of the Board of Directors
ČESKÁ RAFINÉRSKÁ, a.s

Report of the Supervisory Board of ČESKÁ RAFINÉRSKÁ, a. s.
for the Ordinary General Meeting of the Company 5 May 2006

Report of the Supervisory Board of ČESKÁ RAFINÉRSKÁ, a.s. on the Company's regular financial statements for 2005 and the examination of the Report on the relationships between the controlling and controlled person and on the relationships between the controlled person and other persons controlled by the same controlling person for 2005.

PricewaterhouseCoopers Audit, s.r.o. audited the regular financial statements for 2005 and expressed an auditor's statement of no reservations. In view of the auditor's statement, the Supervisory Board states that the regular financial statements reflects truly, in all material aspects, the assets, liabilities, equity and financial standing of Česká rafinérská, a.s. as at 31 December 2005 and its results for 2005 in accordance with the accounting act and relevant regulations of the Czech Republic.

The Supervisory Board also states that it did not discover any material misstatements in the submitted annual financial statements as at 31 December 2005 or in other documents that the Company's Board of Directors submitted to the Supervisory Board for discussion in 2005 that would suggest that the accounting records were not maintained properly in accordance with reality and legal regulations.

The Supervisory Board recommends the Regular General Meeting approve the financial statements for 2005 and also approve the proposal of the Board of Directors for the division of the 2005 profit.

The Supervisory Board has examined the Report on relationships between the controlling and controlled person and on relationships between the controlled person and other persons controlled by the same controlling person for 2005 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.

Given in Kralupy nad Vltavou, dated 13 April 2006


JUDr. Josef Gros
Vice-chairman of the Supervisory Board
ČESKÁ RAFINÉRSKÁ, a.s.

REPORT OF INDEPENDENT AUDITORS

TO THE SHAREHOLDERS OF ČESKÁ RAFINÉRSKÁ, A.S.

We have audited the accompanying balance sheet of ČESKÁ RAFINÉRSKÁ, a.s. (“the Company”) as at 31 December 2005, the related income statement, statement of changes in shareholders’ equity, cash flow statement and notes for the year then ended presented in the annual report of the Company on pages 14 - 51 (“the financial statements”). The financial statements, which include description of the activities of the Company, and underlying accounting records are the responsibility of the Company’s Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Act on Auditors, International Standards on Auditing and related application guidance of the Chamber of Auditors of the Czech Republic. Those auditing standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the assets, liabilities and equity of the Company as at 31 December 2005, and the results of its operations and its cash flows for the year then ended in accordance with the Act on Accounting and other relevant legislation of the Czech Republic.

We have examined whether the supplementary financial information included in the annual report of the Company on pages 2 - 11, which does not form part of the financial statements for the year ended 31 December 2005, is consistent with the audited financial statements of the Company. In our opinion, all other supplementary information included in the annual report is consistent with the audited financial statements in all material respects.

ČESKÁ RAFINÉRSKÁ, a.s.

Report of Independent Auditors

In addition we have also reviewed the accompanying report on relations between the Company and its controlling party UNIPETROL, a.s. and between the Company and the other parties controlled by UNIPETROL, a.s. on pages 52 - 61 ("the Report"). The completeness and accuracy of the Report is the responsibility of the Board of Directors. Our responsibility is to review the accuracy of information included in the Report. We conducted our review in accordance with the auditing standards of the Chamber of Auditors of the Czech Republic related to reviews of reports on relations between related parties. These standards require that we plan and perform the review to obtain moderate assurance as to whether the Report is free of material misstatement. Based on our review, nothing has come to our attention that causes us to believe that the accompanying Report has not been properly prepared, in all material respects.

21 April 2006



PricewaterhouseCoopers Audit, s.r.o.
represented by Partner



Petr Šobotník
Auditor, Licence No. 113

ČESKÁ RAFINÉRSKÁ, a.s.

**INDEPENDENT AUDITORS REPORT
AND FINANCIAL STATEMENTS**

31 DECEMBER 2005

REPORT OF INDEPENDENT AUDITORS

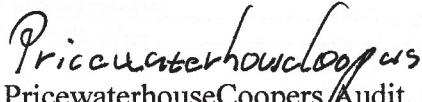
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28 February 2006


PricewaterhouseCoopers Audit, s.r.o.
represented by Partner


Petr Šobotník
Auditor, Licence No. 113

Company name: ČESKÁ RAFINÉRSKÁ, a.s.
 Identification number: 62741772
 Legal form: Joint-stock company
 Primary business: Refining of crude oil
 Balance sheet date: 31 December 2005
 Date of preparation of the financial statements: 31 December 2005

BALANCE SHEET
 (in CZK thousands)

		Current year			Prior year 2004	Prior year 2003
		Gross	Provisions	Net	Net	Net
TOTAL ASSETS		32,431,753	(8,715,770)	23,715,983	27,064,961	26,583,585
A.	STOCK SUBSCRIPTION RECEIVABLE					
B.	FIXED ASSETS	23,121,576	(8,012,685)	15,108,891	15,854,327	16,303,429
B. I.	Intangible assets	1,016,821	(786,275)	230,546	299,857	361,804
B. I. 1	Research and development	51,408	(32,063)	19,345	16,083	14,542
2	Software	651,230	(568,530)	82,700	155,782	208,744
3	Royalties	257,933	(185,682)	72,251	86,730	104,248
4	Intangible assets in the course of construction	56,250	-	56,250	41,262	34,270
B. II.	Tangible assets	21,450,665	(7,226,410)	14,224,255	14,889,836	15,189,652
1	Constructions/ Buildings	4,324,061	(600,683)	3,723,378	3,700,805	3,529,606
2	Equipment	15,299,964	(5,723,664)	9,576,300	10,156,031	10,400,527
3	Other tangible fixed assets	168,685	(55,855)	112,830	118,414	123,971
4	Tangible assets in the course of construction	379,746	-	379,746	403,211	219,307
5	Advances paid for tangible fixed assets	8,897	-	8,897	3,650	323,895
6	Adjustment to acquired fixed assets	1,269,312	(846,208)	423,104	507,725	592,346
B. III.	Long-term investments	654,090	-	654,090	664,634	751,973
B. III. 1	Investments in controlled entities / subsidiaries	-	-	-	10,544	97,883
2	Other financial investments	654,090	-	654,090	654,090	654,090
C.	CURRENT ASSETS	8,992,698	(703,085)	8,289,613	10,701,103	9,597,444
C. I.	Inventories	1,319,672	(199,840)	1,119,832	1,048,880	1,302,394
C. I. 1	Raw materials	1,093,762	(195,481)	898,281	904,483	986,562
2	Work in progress and semi-finished products	-	-	-	-	104,137
3	Finished goods	187,540	(4,359)	183,181	137,342	211,695
4	Prepayments for inventory	38,370	-	38,370	7,055	-
C. II.	Long-term receivables	279,674	(279,674)	-	4,818	109,490
C. II. 1	Trade receivables	279,674	(279,674)	-	4,818	109,490
C. III.	Short-term receivables	5,854,921	(223,571)	5,631,350	7,127,799	6,151,127
C. III. 1	Trade receivables	746,848	(223,571)	523,277	357,836	1,755,195
2	Taxes and state subsidies receivable	67,595	-	67,595	38,301	252,153
3	Short-term prepayments	13,699	-	13,699	-	-
4	Anticipated assets	-	-	-	-	160,832
5	Other receivables	5,026,779	-	5,026,779	6,731,662	3,982,947
C. IV.	Financial assets	1,538,431	-	1,538,431	2,519,606	2,034,433
C. IV. 1	Cash in hand	1,385	-	1,385	1,823	792
2	Cash at bank	887,046	-	887,046	1,559,138	75,941
3	Short-term investments	650,000	-	650,000	958,645	1,957,700
D.	OTHER ASSETS - TEMPORARY ACCOUNTS OF ASSETS	317,479	-	317,479	509,531	682,712
D. I.	Accruals and deferrals	317,479	-	317,479	509,531	682,712
D. I. 1	Prepaid expenses	216,796	-	216,796	280,630	312,842
2	Accrued revenue	100,683	-	100,683	228,901	369,870

		Current year	Prior year 2004	Prior year 2003
TOTAL EQUITY & LIABILITIES		23,715,983	27,064,961	26,583,585
A.	EQUITY	16,753,496	16,506,875	16,640,650
A. I.	Share capital	9,348,240	9,348,240	9,348,240
A. I. 1	Share capital	9,348,240	9,348,240	9,348,240
A. II.	Capital contributions	-	10,377	14,692
1	Assets and liabilities revaluation	-	10,377	14,692
A III.	Reserve funds and other reserves	463,456	462,544	445,951
A III. 1	Statutory reserve fund	463,456	462,544	445,951
A. IV.	Retained earnings	6,684,802	6,667,473	6,499,913
IV. 1	Retained profits	6,684,802	6,667,473	6,499,913
A. V.	Profit for the current period	256,998	18,241	331,854
B.	LIABILITIES	6,962,487	10,538,275	9,607,001
B. I.	Provisions	436,284	288,748	349,733
I. 1	Tax-deductible provisions	405,383	288,748	349,733
2	Other provisions	30,901	-	-
B. II.	Long-term liabilities	267,655	40,045	7,702
II. 1	Other liabilities	134,109	-	-
2	Deferred tax liability	133,546	40,045	7,702
B. III.	Short-term liabilities	6,238,851	9,764,136	7,549,566
B. III. 1	Trade payables	704,180	734,425	1,187,765
2	Liabilities to shareholders/owners	-	147,702	-
3	Liabilities to employees	18,795	18,200	20,857
4	Liabilities for social security and health insurance	11,913	11,651	10,670
5	Taxes and state subsidies payable	5,026,149	6,731,896	6,292,199
6	Short-term advanced payables	347,304	2,058,129	-
7	Anticipated liability	130,442	62,024	36,916
8	Other payables	68	109	1,159
B. IV.	Bank loans and overdrafts	19,697	445,346	1,700,000
B. IV. 1	Long-term bank loans	-	325,357	1,342,105
2	Short-term bank loans and overdrafts	19,697	119,989	357,895
C.	OTHER LIABILITIES - TEMPORARY ACCOUNTS OF LIABILITIES	-	19,811	335,934
C. I.	Accruals and deferrals	-	19,811	335,934
C. I. 1	Accruals	-	19,811	335,934

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005

(in thousands CZK)

		Current year	Prior year 2004	Prior year 2003
I.	Sales of goods	490,102	636,832	2,865,870
A.	Cost of goods sold	462,621	463,191	2,953,538
+	Gross margin	27,481	173,641	(87,668)
II.	Sales of production	8,804,223	8,167,133	28,517,492
II. 1	Sales of own products and services	8,802,678	8,278,505	29,890,398
2	Change in inventory of finished goods and work in progress	-	(111,372)	(1,372,906)
3	Activation	1,545	-	-
B.	Cost of sales	6,412,681	5,957,134	25,847,111
B. 1	Raw materials and consumables	2,654,297	2,340,177	22,837,553
B. 2	Services	3,758,384	3,616,957	3,009,558
+	Added value	2,419,023	2,383,640	2,582,713
C.	Personnel expenses	465,356	462,904	486,661
C. 1	Wages and salaries	333,457	334,186	350,431
C. 2	Emoluments of board members	3,309	4,035	4,051
C. 3	Social security costs	115,873	112,222	119,665
C. 4	Other social costs	12,717	12,461	12,514
D.	Taxes and charges	5,803	4,453	5,890
E.	Depreciation of long-term assets	1,224,225	1,201,420	1,162,900
III.	Sale of long-term assets and raw materials	12,017	10,821	2,481,734
III. 1	Sale of long-term assets	3,708	7,349	4,291
2	Sale of raw materials	8,309	3,472	2,477,443
F.	Net book value of long-term assets and raw materials sold	4,238	10,719	2,459,049
F. 1	Net book value of long-term assets sold	1,613	3,406	6,999
F. 2	Net book value of raw materials sold	2,625	7,313	2,452,050
G.	Increase/(decrease) in operating provisions	258,149	258,556	397,809
IV.	Other operating income	20,467	12,640	224,801
H.	Other operating charges	169,676	210,398	474,283
*	Operating result	324,060	258,651	302,656
VI.	Income from sales of securities and shares	2,967	79,441	-
J.	Securities and shares sold	167	83,024	-
VII.	Income from long-term investments	6,098	-	-
VIII.	Income from short-term investments	8,784	3,458	2,045
X.	Interest income	21,720	27,139	15,525
N.	Interest expense	6,481	44,091	70,030
XI.	Other financial income	31,611	37,335	665,415
O.	Other financial expense	43,937	49,314	643,892
*	Financial result	20,595	(29,056)	(30,937)
Q.	Tax on profit or loss on ordinary activities	93,501	32,343	84,373
Q. 1	- deferred	93,501	32,343	84,373
**	Profit or loss on ordinary activities after taxation	251,154	197,252	187,346
XIII.	Extraordinary income	5,968	86,997	256,395
R.	Extraordinary charges	124	266,008	111,887
*	Profit (loss) on extraordinary items after taxation	5,844	(179,011)	144,508
***	Net profit (loss) for the financial period	256,998	18,241	331,854
	Profit or loss before taxation	350,499	50,584	416,227

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

(in thousands CZK)

	Share capital	Revaluation reserve	Statutory reserve fund	Retained earnings	Net profit/loss for current period	Total
At 1 January 2003	9,348,240	8,528	445,951	7,235,502	(735,589)	16,302,632
Distribution of profit/loss				(735,589)	735,589	-
Revaluation of assets and liabilities		6,164				6,164
Net profit/loss for 2003					331,854	331,854
At 31 December 2003	9,348,240	14,692	445,951	6,499,913	331,854	16,640,650
Distribution of profit/loss			16,593	167,560	(184,153)	-
Dividend Approved					(147,701)	(147,701)
Revaluation of assets and liabilities		(4,315)				(4,315)
Net profit/loss for 2004					18,241	18,241
At 31 December 2004	9,348,240	10,377	462,544	6,667,473	18,241	16,506,875
Distribution of profit/loss			912	17,329	(18,241)	-
Dividend Approved					-	
Revaluation of assets and liabilities		(10,377)				(10,377)
Net profit/loss for 2005					256,998	256,998
At 31 December 2005	9,348,240	-	463,456	6,684,802	256,998	16,753,496

**CASH FLOW STATEMENT
FOR YEAR ENDED 31 DECEMBER 2005**

(in thousands CZK)

		Current year	Prior year 2,004	Prior year 2,003
Cash flows from operating activities				
Z.	Net profit/(loss) from ordinary activities before tax	344,655	229,595	271,719
A. 1.	Adjustments for non cash movements	1,462,240	1,476,569	1,657,738
A. 1. 1.	Depreciation of fixed assets and receivables	1,308,846	1,286,041	1,247,521
A. 1. 2.	Change in allowances	25,993	234,921	349,413
A. 1. 3.	Change in provisions	147,536	(60,985)	(36,225)
A. 1. 4.	(Profit) / loss from disposals of fixed assets	(4,896)	(360)	2,708
A. 1. 5.	Net interest expense (income)	(15,239)	16,952	54,505
A. 1. 6.	Other non cash movements	-	-	39,816
A *	Net cash flow from ordinary activities before tax, changes in working capital, paid interests and extraordinary items	1,806,895	1,706,164	1,929,457
A. 2.	Working capital changes	(1,758,183)	1,070,518	460,688
A. 2. 1.	(Increase)/decrease in inventories	(78,406)	82,128	3,595,459
A. 2. 2.	(Increase)/decrease in receivables	(179,162)	1,438,495	3,017,431
A. 2. 3.	(Increase)/decrease in other receivables and prepayments	1,853,942	(2,200,850)	(4,644,154)
A. 2. 4.	Increase/(decrease) in payables	12,592	2,066,868	(3,498,045)
A. 2. 5.	Increase/(decrease) in payables, bank loans and accruals	(3,367,149)	(316,123)	1,989,997
A **	Net cash flow from ordinary activities before tax, paid interests and extraordinary items	48,712	2,776,682	2,390,145
A. 3.	Interest received	21,720	27,139	-
A. 4.	Interest paid	(6,481)	(44,091)	(70,030)
A. 6.	Cash movements relating to extraordinary items	5,844	(179,011)	48,292
A ***	Net cash flow from ordinary activities	69,795	2,580,719	2,368,407
Cash flows from investing activities				
B. 1.	Acquisition of fixed assets	(484,294)	(927,682)	(832,677)
B. 2.	Proceeds from sale of fixed assets	6,675	86,790	4,066
B. 3.	Interest received	-	-	15,525
B ***	Net cash flow from investing activities	(477,619)	(840,892)	(813,086)
Cash flows from financing activities				
C. 1.	Change in long and short-term liabilities and loans	(425,649)	(1,254,654)	8,772
C. 2.	Changes in equity	(147,702)	-	-
C ***	Net cash flow from financing activities	(573,351)	(1,254,654)	8,772
F.	Net increase/(decrease) in cash and cash equivalents	(981,175)	485,173	1,564,093
P.	Cash and cash equivalents at the beginning of the year	2,519,606	2,034,433	470,340
R.	Cash and cash equivalents at the end of the year	1,538,431	2,519,606	2,034,433

GENERAL INFORMATION

ČESKÁ RAFINÉRSKÁ, a.s., (the “Company”) is a joint-stock company that was incorporated on 28 April 1995 and has its registered office in Litvínov, Záluží 2, Czech Republic. The identification number of the Company is 62741772. The Company’s main business activity comprises the refining of crude oil into finished products and petrochemical feedstock.

Shareholders of the Company who hold a 10% or greater interest in the Company’s share capital are as follows:

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

The Company is a part of the consolidated group of Unipetrol. Since 31 May 2005, Unipetrol has become a part of the consolidated group of PKN Orlen.

Decision-making processes within the Company are further specified in the Articles of Incorporation.

Based on the Processing Agreement concluded between the Company and its Shareholders in January 2003, the Company started operating as a processing refinery on 1 August 2003. As a result of this change, most of the current commercial activities of the Company were transferred to the subsidiaries of its shareholders, which became the Company’s main customers (the “Processors”).

The members of the statutory and supervisory bodies as at 31 December 2005 were as follows:

Board of Directors		Member since
Chairman	Ivan Souček	15 October 2002
Vice chairman	Eric Van Anderson	14 April 2000
Member	Rudolf Bureš	6 April 2004
Member	Miroslav Kornalík	14 December 2005
Member	Andrej Mieczyslav Stegenta	14 December 2005
Member	Oscar Magnoni	12 November 1999
Member	Lars Lennart Heldtander	16 July 2003

GENERAL INFORMATION (continued)

Supervisory Board		Member since
Chairman	Ivan Ottis	13 December 2005
Vice chairman	Josef Gros	9 July 1997
Member	Ladislav Varhaník	10 December 1997
Member	Jaroslav Kamil Jablonski	13 December 2005
Member	Gabriela Plintovičová	26 May 2004
Member	Valter D'Angeli	26 May 2004
Member	Jan Klimeš	29 April 2002
Member	Ilona Pokorná	29 April 2002
Member	Jaroslav Stránský	16 June 2005

The Company operates the two largest petrochemical refineries, located in Kralupy nad Vltavou and Litvínov, in the Czech Republic. The Litvínov refinery has the capacity to process 5 million tonnes of crude oil per year; the Kralupy refinery has the capacity to process 3 million tonnes of crude oil per year.

The Company is divided into five divisions: Finance, Technical, General Affairs, Planning and Development, and CEO.

1. BASIS OF THE PREPARATION OF THE FINANCIAL STATEMENTS

The Financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in the Czech Republic for the years 2005, 2004, and 2003.

The financial statements have been prepared under the historical cost convention, except as disclosed below.

Comparable data for the years 2004 and 2003 were taken from previous audited financial statements.

Disclosure of comparatives in respect of insurance costs in the income statement and work-in-progress in balance sheet was adjusted to provide better comparability to the current year balances.

2. ACCOUNTING POLICIES

The valuation principles applied by the Company for preparation of the financial statements for the years 2005, 2004, and 2003 are as follows:

a) Intangible assets

Intangible assets are recorded at cost, which includes costs incurred in bringing the assets to their present location and condition. All research costs are expensed. Development costs are capitalised as intangible assets and recorded at the lower of costs or the value of future economic benefits if the value of future economic benefits can be reasonably estimated. All other development costs are expensed as incurred.

Intangible assets with unit costs exceeding CZK 60 thousand and with a useful life of over 1 year are amortised applying the straight-line basis over their estimated useful life. The usefulness of assets were set as follows:

	Years
Research and development	2 – 6
Software	2 – 5
Royalties	3 – 10

Intangible assets with a unit cost of less than CZK 60 thousand are expensed upon acquisition.

A provision for impairment is established whenever the carrying value of an asset is greater than its estimated recoverable amount.

b) Tangible assets

Tangible assets with a unit cost of more than CZK 40 thousand are recorded at acquisition cost, which includes freight, customs duties and other related costs. Interest costs incurred in connection with construction of tangible fixed assets are not capitalised. The costs of property enhancements are capitalised. Repairs and maintenance expenditures are expensed as incurred. Tangible fixed assets with a unit cost of less than CZK 40 thousand are treated as inventory and are expensed upon consumption.

2. ACCOUNTING POLICIES (continued)

b) Tangible fixed assets (continued)

A provision for impairment is established whenever the carrying value of an asset is greater than its estimated recoverable amount.

In accordance with the Act on Reserves, the Company creates a reserve for major repairs, which the Company's management expects to incur in future accounting periods (Note 10). The value of the reserve is based on the total estimated costs of major repairs of tangible fixed assets.

A valuation adjustment to acquired property was recognised in 1995 as the difference between the value of property in accordance with valuation done for the purposes of contributing those assets to the Company and the net book value of the property as recorded in the accounting records of the contributing entities (Note 3).

Depreciation

Tangible assets are depreciated applying the straight-line basis over their estimated useful lives which are as follows;

	Years
Buildings and constructions	50
Plant, machinery and equipment	4 - 20
Motor vehicles	6 - 11
Furniture and fittings	4 - 8
Other tangible fixed assets	4 - 30
Valuation adjustment to acquired property	15

c) Short-term financial assets

Short-term financial assets consist of cash equivalents, cash in hand and in the bank, and held-to-maturity debt securities falling due within one year.

d) Long-term financial assets

Long-term financial assets consist of investments in subsidiaries and held-to-maturity debt long-term loans.

2. ACCOUNTING POLICIES (continued)

e) Investment in subsidiaries and associated undertaking

A subsidiary is an enterprise that is controlled by the Company, which means that the Company has the power to govern the subsidiary's financial and operating policies and to obtain benefits from the subsidiary's activities.

An associated undertaking is an enterprise where the Company has significant influence, which is the power to participate in the enterprise's financial and operating policy decisions, but no control.

Equity investments in subsidiaries and associates are recorded using the equity method. Under this method, the investment is initially recorded at cost and the carrying amount is increased or decreased to recognise the investor's share of the equity capital in a subsidiary or an associated undertaking.

f) Other securities and investments

The Company classifies securities and investments, other than investments in subsidiaries and associated undertakings, as trading, available-for-sale or held-to-maturity.

g) Inventories

Inventories are stated at the lower of cost or net realisable amount. Cost includes appropriate overheads incurred to bring inventory to its present state and location (mainly transport, customs duty, etc.). The weighted average cost method is applied for all disposals.

Value of spare parts is adjusted by a provision based on their expected utilisation and the estimate of the remaining useful life of the related assets.

A provision for spare parts is created on the basis of a detailed analysis of the expected utilisation at year-end and remaining useful life.

2. ACCOUNTING POLICIES (continued)

h) Receivables

Receivables are stated at their nominal value. The valuation of doubtful receivables is adjusted through a provision for the doubtful amount to their net realisable value.

A provision for doubtful receivables is created on the basis of a detailed analysis of the collectibility of doubtful receivables at year-end.

i) Share capital

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

In accordance with the Commercial Code and the articles of association, the Company must create a statutory reserve fund from profit. In the first year in which a profit is generated, a joint-stock company is obliged to allocate 20% of profit after tax (however, not more than 10% of share capital) to the statutory reserve fund. In subsequent years, the Company allocates 5% of the profit after tax, until the value of the reserve fund from profit reaches 20% of the share capital. This fund can only be used to offset losses.

j) Liabilities

Long-term liabilities and current liabilities are recorded at their nominal values. Short- and long-term loans are recorded at their nominal values. Any portion of a long-term loan due within one year of the balance sheet date is recorded as a short-term loan.

k) Financial leases

The Company accounts for leased assets by expensing the lease payments and capitalising the residual value of those assets at the time of the contract expiration and exercising of the purchase option. Lease payments paid in advance are recorded as prepaid expenses and amortised over the lease term. Amounts payable in future periods but not yet due are disclosed in the notes but not recognised in the balance sheet.

2. ACCOUNTING POLICIES (continued)

l) Provisions

Provisions are recognised when the Company has a present obligation, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. The Company recognises tax deductible provisions relating to future repairs of property, the plant and equipment.

m) Foreign currency translation

Transactions denominated in a foreign currency are translated and recorded at the Czech National Bank rate of exchange rate on the date of the transaction.

All monetary assets and liabilities denominated in foreign currencies have been translated at the year-end exchange rate published by the Czech National Bank.

All foreign exchange gains and losses are recognised in the profit and loss account. Since 2002, unrealised exchange rate gains and losses are also recognised in the profit and loss account.

n) Revenues and expenses recognition

Revenues and expenses are recognised on an accrual basis.

Sales are recognised when goods are shipped and title passes to the customer or upon the performance of services. Sales are shown net of discounts and Value Added Tax. A processing fee is charged to individual Processors based on the Processing Agreement.

o) Extraordinary items and changes in accounting policies

Extraordinary gains and losses represent one-off effects of events outside the scope of the Company's activities and the effects of changes in accounting policies.

p) Income tax and deferred tax

Income tax is calculated using the valid tax rate from the accounting profit, increased or decreased by permanent and temporary non-tax deductible costs and non-taxable revenues (e.g. increase/decrease of other reserves and provisions, entertainment expenses, differences between accounting and tax depreciation).

2. ACCOUNTING POLICIES (continued)

p) Income tax and deferred tax (continued)

Deferred tax is recognised on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax assets are recognised if it is probable that sufficient future taxable profit will be available against which the assets can be utilised.

q) Related parties

The Company's related parties are considered to be the following:

- group companies;
- shareholders, of which the Company is a subsidiary or an associate, directly or indirectly, and subsidiaries and associates of these shareholders;
- members of the Company's statutory and supervisory bodies and management and parties close to such members, including the subsidiaries and associates of the members and their close parties;
- companies with the same management member.

Material transactions and outstanding balances with related parties are disclosed in Note 19.

r) Pension plan

In 2005, the Company provided a contribution to the Employee Pension Scheme according to Act 42/1994 and its amendment no. 170/1999 Coll. Regular contributions are made to the state budget to fund the national pension plan.

s) Subsequent events

The effects of events that occurred between the balance sheet date and the date of preparation of the financial statements are recognised in the financial statements in the case that these events provide further evidence of conditions that existed at the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the preparation of the financial statements, and such events are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are disclosed but not recognised in the financial statements.

3. FIXED ASSETS

a) Intangible fixed assets (CZK'000)

2005 Cost

	Opening balances	Additions	Disposals	Transfers	Closing balances
Research and development	42,101	5,211	-	4,096	51,408
Software	619,746	19,548	(312)	12,248	651,230
Royalties	251,111	3,322	-	3,500	257,933
Intangible assets in the course of construction	41,262	30,463	-	(15,475)	56,250
2005 Total	954,220	58,544	(312)	4,369	1,016,821

2005 Accumulated depreciation

	Opening balances	Depreciation charge	Disposals	Transfers	Closing balances
Research and development	(26,018)	(6,041)	0	(4)	(32,063)
Software	(463,964)	(104,811)	246	(1)	(568,530)
Royalties	(164,381)	(21 299)	0	(2)	(185,682)
2005 Total	(654,363)	(132,151)	246	(7)	(786,275)
2005 Net book value	299,857				230,546

3. FIXED ASSETS (continued)

a) Intangible fixed assets (CZK'000) (continued)

2004 Cost

	Opening balances	Additions	Disposals	Transfers	Closing balances
Research and development	35,742	3,263	-	3,096	42,101
Software	584,910	22,645	(1,944)	14,135	619,746
Royalties	246,467	1,388	(562)	3,818	251,111
Intangible assets in the course of construction	34,270	15,531	-	(8,539)	41,262
2004 Total	901,389	42,827	(2,506)	12,510	954,220

2004 Accumulated depreciation

	Opening balances	Depreciation charge	Disposals	Transfers	Closing balances
Research and development	(21,200)	(4,818)	-	-	(26,018)
Software	(376,166)	(89,442)	1,644	-	(463,964)
Royalties	(142,219)	(22,643)	481	-	(164,381)
2004 Total	(539,585)	(116,903)	2,125	-	(654,363)
2004 Net book value	361,804				299,857

3. FIXED ASSETS (continued)

a) Intangible fixed assets (CZK'000) (continued)

2003 Cost

	Opening balances	Additions	Disposals	Transfers	Closing balances
Research and development	35,742	-	-	-	35,742
Software	527,234	4,575	(53,894)	106,995	584,910
Royalties	245,862	594	(389)	400	246,467
Intangible assets in the course of construction	27,916	3,165	(5,169)	8,358	34,270
2003 total	836,754	8,334	(59,452)	115,753	901,389

2003 Accumulated depreciation

	Opening balances	Depreciation charge	Disposals	Transfers	Closing balances
Research and development	(15,150)	(6,050)	-	-	(21,200)
Software	(328,153)	(101,908)	53,895	-	(376,166)
Royalties	(109,357)	(33,251)	389	-	(142,219)
2003 Total	(452,660)	(141,209)	54,284	-	(539,585)
2003 Net book value	384,094				361,804

Research and development costs represent external studies, which are amortised over their estimated useful lives. Management also expects these projects to be technically viable and commercially profitable.

3. FIXED ASSETS (continued)

b) Tangible fixed assets (CZK'000)

2005 Cost

	Opening Balances	Additions	Disposals	Transfers	Closing balances
Constructions	4,202,730	83,718	(2,277)	39,890	4,324,061
Machinery and equipment	14,957,807	112,100	(65,755)	295,812	15,299,964
Artworks and collections	1,090	-	-	-	1,090
Other tangibles fixed assets	167,593	28	(26)	-	167,595
Tangible assets					
in the course of construction	403,211	316,606	-	(340,071)	379,746
Advances for tangible fixed assets	3,650	5,247	-	-	8,897
Adjustment to acquired property	1,269,312	-	-	-	1,269,312
2005 Total	21,005,393	517,699	(68,058)	(4,369)	21,450,665

2005 Accumulated depreciation

	Opening balances	Depreciation charge	Disposals	Transfers	Closing balances
Constructions	(501,925)	(99,397)	640	(1)	(600,683)
Machinery and equipment	(4,801,776)	(980,617)	58,721	8	(5,723,664)
Other tangibles fixed assets	(50,269)	(5,586)	-	-	(55,855)
Adjustment to acquired property	(761,587)	(84,621)	-	-	(846,208)
2005 Total	(6,115,557)	(1,170,221)	59,361	7	(7,226,410)
2005 Net book value	14,889,836				14,224,255

3. FIXED ASSETS (continued)

b) Tangible fixed assets (CZK'000) (continued)

2004 Cost

	Opening Balances	Additions	Disposals	Transfers	Closing balances
Constructions	3,939,231	141,216	(1,119)	123,402	4,202,730
Machinery and equipment	14,237,841	525,076	(41,541)	236,431	14,957,807
Artworks and collections	1,090	-	-	-	1,090
Other tangibles fixed assets	167,565	28	-	-	167,593
Tangible assets					
in the course of construction	219,307	236,002	-	(52,098)	403,211
Advances for tangible fixed assets	323,895	-	-	(320,245)	3,650
Adjustment to acquired property	1,269,312	-	-	-	1,269,312
2004 Total	20,158,241	902,322	(42,660)	(12,510)	21,005,393

2004 Accumulated depreciation

	Opening Balances	Depreciation charge	Disposals	Transfers	Closing balances
Constructions	(409,625)	(92,203)	30	(127)	(501,925)
Machinery and equipment	(3,837,314)	(986,731)	(30)	22,299	(4,801,776)
Other tangibles fixed assets	(44,684)	(5,585)	-	-	(50,269)
Adjustment to acquired property	(676,966)	(84,621)	-	-	(761,587)
2004 Total	(4,968,589)	(1,169,140)	-	22,172	(6,115,557)
2004 Net book value	15,189,652				14,889,836

3. FIXED ASSETS (continued)

b) Tangible fixed assets (CZK'000) (continued)

2003 Cost

	Opening balances	Additions	Disposals	Transfers	Closing balances
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
Artworks and collections	1,090	-	-	-	1,090
Other tangibles fixed assets	759,887	-	(592,322)	-	167,565
Tangible assets					
in the course of construction	816,273	796,695	(1,266,504)	(127,157)	219,307
Advances for tangible fixed assets	344,404	381,721	(402,230)	-	323,895
Adjustment to acquired property	1,269,312	-	-	-	1,269,312
2003 Total	20,216,568	2,444,920	(2,387,494)	(115,753)	20,158,241

2003 Accumulated depreciation

	Opening balances	Depreciation charge	Disposals	Transfers	Closing balance
Constructions	(325,031)	(85,513)	-	919	(409,625)
Machinery and equipment	(3,036,682)	(919,075)	-	118,443	(3,837,314)
Other tangibles fixed assets	(177,307)	(17,103)	-	149,726	(44,684)
Adjustment to acquired property	(592,345)	(84,621)	-	-	(676,966)
2003 Total	(4,131,365)	(1,106,312)	-	269,088	(4,968,589)
2003 Net book value	16,085,203				15,189,652

3. FIXED ASSETS (continued)

b) Tangible fixed assets (CZK'000) (continued)

The valuation adjustment of CZK 1 269 312 thousand to acquired property was recognised in 1995 as the difference between the value of property in accordance with the valuation done for the purposes of contributing those assets to the Company and the net book value of the property as recorded in the accounting records of the contributing entities (Note 2b). The amount is depreciated on a straight-line basis over 15 years.

c) Long-term financial assets (CZK'000)

Summary of changes in investment in subsidiaries and associated undertakings:

	As at 31. 12. 2003			As at 31. 12. 2004			As at 31. 12. 2005
	Disposal	Revaluation	Disposal	Revaluation	Disposal	Revaluation	
Subsidiaries	97,883	87,339	-	10,544	10,544	-	-

In 1999, a subsidiary - ČESKÁ RAFINÉRSKÁ SLOVAKIA s.r.o., - was established with its registered office in Bratislava. The company was incorporated on 24 November 1999 and its business activities was purchase and sale of goods. In April 2005 RAFINÉRSKÁ SLOVAKIA s.r.o. paid out dividends of CZK 6 098 thousand. The company was sold on 31 October 2005.

In 2000, a subsidiary - CRC Polska Sp. z o.o. - was established with its registered office in Wroclaw. The company was incorporated on 24 November 2000 and its business activities was purchase and sale of goods. The company was liquidated on 28 December 2004.

3. FIXED ASSETS (continued)

c) Long-term financial assets (CZK'000) (continued)

The Company's subsidiaries and associated undertakings as at 31 December 2004:

Name	ČESKÁ RAFINÉRSKÁ SLOVAKIA s.r.o.
Registered office	Bratislava, Slovakia
% of capital	100 %
Total assets (CZK'000)	11,371
Equity (CZK'000)	10,544
Registered capital and capital funds (CZK'000)	157
Other capital funds (CZK'000)	15
Retained earnings (CZK'000)	20,915
Net profit/(loss) for the current period (CZK'000)	(10,553)
Cost of acquisition	167
Dividends (CZK'000)	-

The Company's subsidiaries and associated undertakings as at 31 December 2003:

Name	ČESKÁ RAFINÉRSKÁ SLOVAKIA s.r.o.	CRC Polska Sp. z o.o.
Registered office	Bratislava, Slovakia	Wroclaw, Poland
% of capital	100 %	100 %
Total assets (CZK'000)	147,502	217,591
Equity (CZK'000)	21,097	76,786
Registered capital and capital funds (CZK'000)	167	83,024
Other capital funds (CZK'000)	15	6,967
Retained earnings (CZK'000)	2,675	(1,755)
Net profit/(loss) for the current period (CZK'000)	18,240	(11,450)
Cost of acquisition	167	83,024
Dividends (CZK'000)	-	-

Financial information for ČESKÁ RAFINÉRSKÁ SLOVAKIA s.r.o and CRC Polska Sp. z o.o. was obtained from their audited financial statements.

3. FIXED ASSETS (continued)

c) Long-term financial assets (CZK '000) (continued)

Summary of changes in other long-term financial assets:

	As at 31. 12. 2003			As at 31. 12. 2004			As at 31. 12. 2005
	Additions	Revaluation	Additions	Revaluation	Additions	Revaluation	2005
Other long-term financial assets	654,090	-	-	654,090	-	-	654,090

Other long-term financial assets represent a commodity loan of 110 thousand tonnes of crude oil to the Processors. The commodity loan was provided for the entire period during which the Company operates in the processing refinery mode in accordance with the processing agreement signed between the Company and the Processors on 31 July 2003. The loan bears an interest rate of 2.818% and is to be repaid in 2023 in a single instalment. The loan was valued using market prices of crude oil as at 1 August 2003. The loan has not been revalued as at 31 December 2005 as there is no supporting evidence as to what is the expected value of relative crude oil at maturity date.

4. INVENTORIES

(CZK'000)	2005	2004	2003
Raw material	1,093,762	1,075,053	1,007,562
Work-in-progress	-	-	104,137
Finished goods	187,540	159,158	211,695
Advances paid for inventories	<u>38,370</u>	<u>7,055</u>	-
Total inventories	1,319,672	1,241,266	1,323,394
Provision	(199,840)	(192,386)	(21,000)
Net book value	<u>1,119,832</u>	<u>1,048,880</u>	<u>1,302,394</u>

Raw material represents mainly spare parts amounting to CZK 1,039,738 thousand as at 31 December 2005.

5. RECEIVABLES

(CZK'000)	2005	2004	2003
Long-term receivables	279,674	384,795	424,674
Long-term receivables net	-	4,818	109,490
Short-term trade receivables	746,848	462,565	1,861,183
- receivables overdue more than 360 days	123,539	117,027	83,383
State tax receivables	67,595	38,301	252,153
Advances paid	13,699	-	-
Anticipated receivables	-	-	160,832
Other receivables	5,026,779	6,731,662	3,982,947
Total receivables	<u>5,854,921</u>	<u>7,232,528</u>	<u>6,257,115</u>
Provision for doubtful receivables	(223,571)	(104,729)	(105,988)
Net receivables	<u>5,631,350</u>	<u>7,127,799</u>	<u>6,151,127</u>

As at 31 December 2005, the Company recorded a long-term trade receivable that will be gradually settled by 2010. Due to uncertainty of the collectibility of this receivable, the Company established a provision in the full amount of the long-term receivable.

All overdue trade receivables, not covered by a provision, are secured by deposits, bills of exchange or insurance.

Other receivables include mainly a receivable for paid 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 Notes 4 and 5).

Changes in the provision accounts were as follows (CZK'000):

Provisions	Inventories	Receivables - tax allowed	Receivables - other	Total
Balance at 31 December 2002	-	55,956	36,803	92,759
Charge for the year	21,000	8,883	332,807	362,690
Written off during the year	-	(8,971)	(4,306)	(13,277)
Balance at 31 December 2003	21,000	55,868	365,304	442,172
Charge for the year	192,386	14,881	72,845	280,112
Written off during the year	(21,000)	(4,398)	(19,794)	(45,192)
Balance at 31 December 2004	192,386	66,351	418,355	677,092
Charge for the year	24,910	47,461	10,008	82,379
Written off during the year	(17,456)	(26,041)	(12,889)	(56,386)
Balance at 31 December 2005	199,840	87,771	415,474	703,085

The tax-allowed provisions are created in compliance with the Czech Act on Reserves.

7. FINANCIAL ASSETS

Short-term securities and shares represent short-term bank promissory notes held to maturity. Their nominal value is CZK 650,000 thousand, CZK 958,645 thousand and CZK 1,957,700 thousand as at 31 December 2005, 2004 and 2003, respectively.

The Company has bank accounts, which allow the Company to maintain an overdraft facility. As at 31 December 2005, 2004 and 2003, the overdraft balance totalled CZK 19,697 thousand (in accordance with the agreed credit limit), respectively CZK 1,678 thousand and CZK nil, and were classified as short-term bank loans in the accompanying balance sheet (Note 12).

8. OTHER ASSETS

Prepaid expenses include mainly prepaid rent and the value of catalysts in use, and are expensed in the income statement in the period when the relevant service is provided or material used.

Accrued revenues include mainly estimated items created for final Processing Fee settlement, and are accounted for to revenues in the period in which the relevant service is provided.

9. EQUITY

Share capital of the Company comprises 934,824 registered shares fully subscribed and paid for, with a nominal value of CZK 10 thousand.

The shareholder structure is described in the financial statements in the note “General Information”.

The net profit for 2004 was approved and allocated by the General Meeting of Shareholders on 6 May 2005:

Profit for 2004	18,241
Contribution to Reserve fund	(912)
Transfer to retained earnings	17,329
Retained earnings as at 31 December 2004	6,667,473
Transfer of profit for 2004	17,329
Retained earnings as at 31 December 2005	6,684,802

The net profit for 2003 was approved and allocated by the General Meeting of Shareholders on 15 December 2004 as follows:

Profit for 2003	331,854
Contribution to Reserve fund	(16,593)
Dividends – liabilities	(147,701)
Transfer to retained earnings	167,560
Retained earnings as at 31 December 2003	6,499,913
Transfer of profit for 2003	167,560
Retained earnings as at 31 December 2004	6,667,473

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

9. EQUITY (continued)

Based on the General Meeting of Shareholders dated 28 April 2003, the 2002 loss was approved and allocated to retained earnings (CZK'000):

Loss for 2002	(735,589)
Retained earnings as at 31 December 2002	7,235,502
Compensation of loss for 2002	(735,589)
Retained earnings as at 31 December 2003	6,499,913

In 2003, the Company paid out no dividends. The Company paid dividends in 2005 in the amount of CZK 147,702 thousand from 2003 profit, which were recorded in liabilities as at 31 December 2004.

10. RESERVES

The movements in the reserve accounts were as follows (CZK'000):

Reserves	Tax allowed	Other
Balance as at 31 December 2002	335,817	50,141
Change for the year	157,074	-
Used in the year	(143,158)	(50,141)
Balance as at 31 December 2003	349,733	-
Change for the year	143,607	-
Used in the year	(204,592)	-
Balance as at 31 December 2004	288,748	-
Change in the year	264,893	30,901
Used in the year	(148,258)	-
Balance as at 31 December 2005	405,383	30,901

10. RESERVES (continued)

The tax allowed reserve for the purpose of repairs of tangible fixed assets was created in 2005, 2004 and 2003.

Other reserves represented mainly a reserve for staff retraining created in 2002 and reserves for the purpose of repairs of tangible fixed assets created beyond the terms of the Act on Reserves in 2005.

11. LIABILITIES

As at 31 December 2005, the Company recognized a long-term liability in the amount of CZK 134,109 thousand. This represents loans received from a related party (Note 19).

As at 31 December 2005, 2004 and 2003, the Company had no overdue short-term liabilities.

The Company records payables to related parties (Note 19).

Trade payables and other liabilities with the exception of excise tax payable to financial authorities were not secured by any of the Company's assets. The excise tax payables are secured by bank guarantees with a value of CZK 100,000 thousand.

12. BANK LOANS AND OTHER BORROWINGS

At 31 December 2005, the Company did not have any long-term bank loans.

Loans overview (CZK '000):

Type	2005	2004	2003
Long-term loan due after 1 year	-	325,357	1,342,105
Current portion of long-term loan			
within one year	-	118,311	357,895
Overdrafts	19,697	1,678	-
Total	19,697	445,346	1,700,000

The interest expense relating to bank loans and short-term notes for 2005, 2004 and 2003 was CZK 6,481 thousand, CZK 44,091 thousand and CZK 70,030 thousand respectively.

The long-term bank loan was fully repaid in June 2005.

13. OTHER LIABILITIES

Accruals include mainly unbilled services and are expensed in the 2005 income statement.

14. TAXATION

The calculation of 2005, 2004 and 2003 income tax is as follows (CZK'000):

	2005	2004	2003
Profit/loss before tax	350,499	50,584	416,227
Non-taxable income	(39,217)	(84,471)	(60,987)
Non-tax deductible expenses	141,883	643,941	573,994
Difference between accounting and tax depreciation	(116,035)	(133,385)	(301,173)
Tax base (loss)	337,130	476,669	628,061
Utilised tax loss (portion of 2002, 2003)	(337,130)	(476,669)	(628,061)
Taxable income	-	0	-
Income tax rate	26 %	28 %	31%
Current tax due	-	-	-

The calculation of the 2005 income tax is based on the preliminary income tax calculation.

According to Income Tax Act, the Company may carry forward tax losses generated in 2001 and 2002 for up to seven years. The remaining tax loss carried forward from 2001 and 2002 amounted to CZK 940,382 thousand as at 31 December 2005.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

14. TAXATION (continued)

The Company has calculated deferred tax as follows (CZK'000):

Deferred tax			2005		2004		2003	
	Base	Tax rate *)	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Difference between accounting and tax net book value of fixed assets	-	26%	-	-	-	(31,548)	-	(2,877)
	(2,457,410)	24%	-	(589,779)	-	(533,240)	-	(546,795)
Other differences								
Provision to inventories	195,481	24%	46,915	-	40,937	-	5,880	-
Provision to finished goods	4,359	24%	1,046	-	5,236	-	-	-
Provision to receivables	415,473	24%	99,714	-	100,405	-	102,285	-
Adjustment to acquired fixed assets	-	26%	-	-	-	(22,001)	-	(23,694)
	(423,104)	24%	-	(101,545)	-	(101,545)	-	(123,546)
10% reinvestment tax relief	730,344	24%	175,283	-	175,283	-	164,080	-
Social and health expenses payable in the following year	7,134	26%	-	-	1,570	-	-	-
Expenses of the following year	-	24%	-	-	-	-	-	-
	-	26%	-	-	2,028	-	-	-
Reserves	30,901	24%	7,416	-	-	-	-	-
	-	26%	-	-	94,328	-	101,920	-
Tax losses	940,382	24%	225,692	-	228,502	-	315,045	-
Total			557,778	(691,324)	648,289	(688,334)	689,210	(696,912)
Net				(133,546)		(40,045)		(7,702)

*) Tax rates stated above are in accordance with the valid tax rate for the accounting period of 2005 and known tax rates for consecutive accounting periods. Tax rates used for the 2003 and 2004 deferred tax calculation were in accordance with legislation valid in those periods.

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 be realised.

15. LEASES

The Company uses assets under finance lease contracts that are not recorded as fixed assets in the financial statements (Note 2k).

Assets that are being used by the Company under finance leases as at 31 December 2005 are as follows (CZK'000):

Description	Terms/ condition	Instalments related to the whole rent period	Financial leases payments			Payments due in following years	
			31. 12. 2005	31. 12. 2004	31. 12. 2003	Due within 1 year	Due after 1 year
Cars	As per contract	11,026	6,736	3,979	1,222	2,757	1,533

In 2005, a lease agreement for the isomerisation unit expired. The agreement including amendments was concluded in 1994 – 1998. The total lease amount was CZK 585,703 thousand and was fully repaid in 2001. The unit was according to the Czech Accounting Standards capitalised at its acquisition cost of CZK 8 thousand. The estimated useful economic life of the unit is 30 years.

16. COMMITMENTS AND CONTINGENCIES

The Company has a long-term (15 year) transport contract with Mero ČR a.s., effective since 1 January 1996 and an annual transport contract with Transpetrol, a.s. which stipulates a minimum annual throughput of crude oil through the IKL and Druzba pipelines.

According to the Government Decree of 20 July 2005 about National Allocation Plan of the Czech Republic for years 2005 – 2007, the Company was allocated, as an operator of the equipment producing CO₂ emissions, 1,100,247 pcs in greenhouse gas emissions allowances. As of balance sheet date, the Company did not have an account opened with the Allowance Register yet. Therefore, the allowances are not reflected in the Company accounts. Allocated emission rights cover expected production of CO₂ emissions.

16. COMMITMENTS AND CONTINGENCIES (continued)

As at 31 December 2005, the Company had not issued any guarantees.

As at 31 December 2004, the Company had issued following guarantees:

Type of guarantee	On behalf of	Beneficent	Reason	Amount (CZK'000)	Currency	Amount (CZK'000)
Company guarantee	CRC Slovakia	Citibank Slovakia	Overdraft	30,000	SKK	23,589
Total						23,589

As at 31 December 2003, the Company had issued the following guarantees:

Type of guarantee	On behalf of	Beneficent	Reason	Amount (CZK'000)	Currency	Amount (CZK'000)
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. REVENUE ANALYSIS

Revenue from ordinary activities has been generated as follows (CZK'000):

	2005		2004		2003	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Sale of products	-	-	-	2,515	20,758,620	5,018,404
Sale of services	8,802,678	-	8,275,990	-	4,016,050	97,324
Sale of goods	490,102	-	636,832	-	153,021	2,712,849
Total revenues	9,292,780	-	8,912,822	2,515	24,927,691	7,828,577

Due to the conversion to a processing refinery, the Company has had only 4 main customers since 1 August 2003 and these are the Processors.

18. EMPLOYEE ANALYSIS

The analysis of payroll expenses (CZK'000):

	2005		2004		2003	
	Employees	Management	Employees	Management	Employees	Management
Average number of staff	693	26	710	26	759	28
Wages/salaries	333,457	36,077	334,186	38,678	350,431	43,710
Social insurance	115,873	12,854	112,222	13,009	119,665	15,206
Social expenses	12,717	567	12,461	285	12,514	280
Total personnel Expenses	462,047	49,498	458,869	51,972	482,610	59,196

The members and former members of the statutory and supervisory boards received bonuses and other remuneration totalling CZK 3,309 thousand, CZK 4,035 thousand and CZK 4,051 thousand in 2005, 2004 and 2003, respectively.

19. RELATED PARTY TRANSACTIONS

No loans, guarantees or other benefits were granted to members of statutory bodies in 2005, 2004 and 2003, and they do not hold any shares of the Company.

Trade receivables and payables from these transactions arose under the same terms and conditions as with unrelated parties.

Related party receivables:

Related party	2005	2004	2003
SPOLANA, a.s.	-	-	5
Agip Česká republika, s.r.o.	1,295,030	1,686,478	101,583
CHEMOPETROL, a.s.	70,373	70,339	35,534
UNIPETROL DOPRAVA a.s.	43	11	4
ConocoPhillips ČR s.r.o.	830,958	1,049,414	354,393
KAUČUK, a.s.	1,715	2,241	6,810
Shell Czech Republic a.s.	1,014,827	1,588,556	88,136
PARAMO, a.s.	4	-	-
ČESKÁ RAFINÉRSKÁ SLOVAKIA s.r.o.	-	-	70,069
CRC Polska Sp. z o.o.	-	-	90,901
UNIPETROL RAFINÉRIE a.s.	<u>2,660,033</u>	<u>2,852,419</u>	<u>774,156</u>
Total	5,872,983	7,249,458	1,521,591

19. RELATED PARTY TRANSACTIONS (continued)

Related party payables:

Related party	2005	2004	2003
CHEMOPETROL, a.s.	98,255	97,424	122,071
CHEMOPETROL BM, a.s.	-	-	113
UNIPETROL DOPRAVA, a.s.	129,998	122,958	107,813
HC CHEMOPETROL, a.s.	1	-	3
AGIP Česká republika, s.r.o.	3,132	811,690	71,172
ConocoPhillips Czech Republic s.r.o.	2,447	2,054	51,320
KAUČUK, a.s.	113,674	51,361	43,457
Shell Czech Republic a.s.	8,683	637,624	85,175
UNIPETROL, a.s.	18,191	18,566	16,120
SPOLANA a.s.	176	209	100
PARAMO, a.s.	-	51	-
B.U.T., s.r.o.	7	2	3
UNIPETROL RAFINÉRIE a.s.	<u>150,808</u>	<u>620,699</u>	<u>191,405</u>
Total	<u>525,372</u>	<u>2,362,638</u>	<u>688,752</u>

Related party long-term payables:

Related party	2005	2004	2003
UNIPETROL RAFINÉRIE a.s.	134,109	-	-

Long-term payable to company UNIPETROL RAFINÉRIE a.s. represents a loan for the modernisation of production machinery. The loan will be drawn in year 2006 and its total estimated amount is CZK 371 million. The loan is to be repaid in regular monthly instalments over the expected machinery lifetime, which is 10 years from the moment the machinery is put into operation, which is planned for the second half of the year 2006. The interest rate to be applied to the loan is floating on the basis of 1 M PRIBOR + margin 0,75% p.a.

19. RELATED PARTY TRANSACTIONS (continued)

Income and expenses resulting from transactions between related parties as at 31 December 2005 amounted to (CZK'000):

Related party	Income	Expenses
AGIP Česká republika, s.r.o.	1,483,486	86,936
B.U.T., s.r.o.	-	154
ConocoPhillips Czech Republic s.r.o.	1,566,950	82,814
CHEMOPETROL, a.s.	6,106	1,051,552
HC CHEMOPETROL, a.s.	-	52
KAUČUK, a.s.	12,834	608,272
PETROTRANS, a.s.	-	5
PARAMO, a.s.	25	2,178
Shell Czech Republic a.s.	1,457,810	84,591
SPOLANA a.s.	-	3,926
UNIPETROL, a.s.	17,488	16,528
UNIPETROL DOPRAVA, a.s.	370	861,451
UNIPETROL RAFINÉRIE a.s.	<u>4,740,803</u>	<u>261,949</u>
Total	9,285,872	3,060,408

Company sales of products and services to related parties in 2004 and 2003 amounted to CZK 8,936,160 thousand and CZK 23,317,012 thousand, respectively.

In 2004 and 2003, purchases of goods and services from related parties amounted to CZK 2,884,254 thousand and CZK 4,069,085 thousand, respectively.

Transactions were concluded on the arm's-length basis. Trade receivables and payables from these transactions arose under the same terms and conditions as with third parties.

As at 31 December 2005, based on Processing Agreement, the Company holds 66 thousand tonnes of crude oil, 83 thousand tonnes of semi-finished goods and 129 thousand tonnes of finished refinery goods for the Processors.

20. RESEARCH AND DEVELOPMENT COSTS

The Company did not incur any research and development costs in 2005, 2004 and 2003.

21. EXTRAORDINARY INCOME AND EXPENSES

Extraordinary expenses and revenues include mainly a returned penalty imposed on the Company by the Office for the Protection of Competition in 2003, which was based on a court decision in 2005.

22. SUBSEQUENT EVENTS




No events have occurred subsequent to year-end that would have a significant impact on the financial statements as at 31 December 2005.

23. CASH FLOW STATEMENT

The cash flow statement was prepared using the indirect method.

Statutory approvals

These financial statements have been approved for submission to the general meeting of shareholders by the Company's Board of Directors.

	Signature of Company's statutory body	Signature of Company's statutory body:	Person responsible for accounting (name, signature):
Prepared on:			
28 February 2006	Ivan Souček Chairman of the Board of Directors	Eric Van Anderson Vice-chairman of the Board of Directors	Mojmír Zenáhlík Controller

ČESKÁ RAFINÉRSKÁ, a.s.
with its registered seat in Litvínov, Záluží 2, Post Code 436 70
Identification No. 62741772
incorporated in the Commercial Register of the Regional Court in Ústí nad Labem,
Section B, Insert No. 696

**REPORT ON THE RELATIONSHIPS
BETWEEN THE CONTROLLED ENTITY AND OTHER ENTITIES
CONTROLLED BY THE SAME CONTROLLING ENTITY
YEAR 2005**

ČESKÁ RAFINÉRSKÁ, a.s., company with its registered seat in Litvínov, Záluží 2, Post Code 436 70, Identification No. 62741772 (hereinafter only: “the Company“) is part of a business consortium with UNIPETROL, a.s., acting as the regulating person, seated at Klimentská 10, 110 05 Praha 1, Identification No. 61672190, that had been - until 23 May 2005 - part of a business consortium in which the regulating person was the National Property Fund of the CR, seated in Rašínovo nábřeží 42, Praha 2, Identification No. 41692918, and - since 24 May 2005 - has been part of a business consortium in which the regulating person is Polski Koncern Naftowy ORLEN SA, seated at ul. Chemików 7, 09-411 Plock, Poland. Patterns of the business consortiums are set out in Attachments hereto.

Within the 2005 accounting period, the following relationships between the company and interrelated persons were in place:

Part I

Contracts entered into between the Company and interrelated persons in 2005 and fulfillments (considerations¹) rendered (received) by the Company in 2005 under contracts entered into in the previous period.

Notes:

- a) Contract classification is compliant with accounting methodology.
- b) Foreign currency conversion rates into CZK are in line with the current CNB rate in effect on the day of financial payment (considerations).

1 THE CONTROLLING PERSON

UNIPETROL, a.s.

Relationship towards the Company: Directly controlling company

Within the said period, relationships proceeded based on terms and conditions common in trading business, prices were contractually agreed as customary prices. From the contracts entered into, the Company suffered no (pecuniary) loss whatsoever. Relationships as listed below were involved:

Purchases:

Under a contract entered into in the past period, the Company purchased - as a service - the liability insurance for members of the Company Board of Directors and Supervisory Board. For the said service, the Company provided a fulfillment in the amount of 466 thousand CZK.

¹ Alternative term: counter-indemnities

Further, the Company purchase IT Services and consultancy services (as per the Provider's scope of business); for these, a fulfillment was rendered equaling 1,001 thousand CZK.

Other contractual relationships:

Under three (3) contracts concluded in the previous period, concerning the creation of easement to use the land by the Company, a fulfillment was provided in the amount of CZK 15,062 thousand.

In the previous period, the Company has entered into two (2) contracts, namely the *Amended and Restated Shareholders' Agreement* and the *Cash Flow & Security Agreement*. In 2005, no fulfillment was rendered nor received under those.

2 OTHER INTERRELATED PERSONS CONTROLLED BY UNIPETROL, a.s.

B.U.T., s.r.o.

Relationship towards the Company: Company directly controlled by CHEMOPETROL, a.s., company.

Within the said period, relationships proceeded based on terms and conditions common in trading business, prices were contractually agreed as customary prices. From the contracts entered into, the Company suffered no (pecuniary) loss whatsoever. Relationships as listed below were involved:

Purchases:

Under one (1) contract entered into in the previous period, the Company purchased services that were paid for in the amount of CZK 154 thousand. The services purchased entailed staff accommodation.

HC CHEMOPETROL, a.s.

Relationship towards the Company: Company directly controlled by CHEMOPETROL, a.s., company.

Within the said period, relationships proceeded based on terms and conditions common in trading business, prices were contractually agreed as customary prices. From the contracts entered into, the Company suffered no (pecuniary) loss whatsoever. Relationships as listed below were involved:

Purchases:

Under one (1) contract concluded within the given period, the Company purchased - as part of the PALETA system of staff bonuses - season tickets for its employees for which a fulfillment was provided in an amount of CZK 52 thousand.

CHEMOPETROL, a.s.

Relationship towards the Company: Company directly controlled by UNIPETROL, a.s., company.

Within the said period, relationships proceeded based on terms and conditions common in trading business, prices were contractually agreed as customary prices. From the contracts entered into, the Company suffered no (pecuniary) loss whatsoever. Relationships as listed below were involved:

Purchases:

Utilities:

Under four (4) contracts concluded in the previous period, and one (1) contract entered into within the said period, the Company purchased utilities for which it provided a fulfillment equaling 856,353 thousand CZK. The transaction includes the purchase of electricity including distribution thereof, of steam including distribution, of clear and pure water, and of condensate. Prices were set as per resulting price calculations.

Material and products:

Over the said period, the Company entered into three (3) contracts, and the fulfillment rendered for those equals CZK 498 thousand. They were contracts for the purchase of ethanol and of foaming agents.

Further, within the previous period, the Company had entered into three (3) contracts, for which a fulfillment was provided in the amount of CZK 20,081 thousand. The contracts were for the purchase of nitrogen, carbon dioxide, air, propylene, and soda water. Prices would either derive from crude oil prices, or were determined - on a contractual basis - as customary prices.

Services:

Over the said period, the Company has entered into twelve (12) contracts. For those, it provided fulfillment in the amount of CZK 12,780 thousand. The services include reviews of electrical appliances, use of pipe bridges, and laboratory analyses.

Over the previous period, the Company has concluded ten (10) contracts, and paid for the services rendered, an amount of CZK 155,912 thousand. The following Services are involved:

Considerations	Payments (in thousand CZK)
Spare parts storage	5,704
Nitrogen compression	21,856
Waste water treatment	77,834
Other Services ²	50,518

Sales:

² such as guard, fencing, firefighting services, use of Fire-Fighters Emergency Team, communication, IT, and monitoring)

Utilities:

Under a contract entered into in the previous period, the Company sold circulating condensate for which it received a consideration in the amount of CZK 5,807 thousand. The price was derived from agreed-on price calculations.

Services:

Under two (2) contracts concluded in the previous period, the Company sold services for which it received a consideration in the amount equaling CZK 299 thousand. The price was fixed through agreement. The services entailed rental of nonresidential premises.

Other:

Within the given period, the Company entered into a contract for disposal of fixed assets. The payment obtained for it equals 34 thousand CZK.

The Company created items for debit and credit notes in a total amount of CZK 5,928 thousand.

Other contractual relationships:

Within the previous period, the Company entered into four (4) tripartite contracts on processing crude leftovers into hydrogen and hydrogen sulfide. In each case, the third party is a different subject. In the said contracts, the Company only acts as administrator, and does not provide nor obtain any fulfillments or considerations whatsoever.

KAUČUK, a.s.

Relationship towards the Company: Company directly controlled by UNIPETROL, a.s., company.

Within the said period, relationships proceeded based on terms and conditions common in trading business, prices were contractually agreed as customary prices. From the contracts entered into, the Company suffered no (pecuniary) loss whatsoever. Relationships as listed below were involved:

Purchases:***Utilities:***

Under seven (7) contracts entered into in the previous period, the Company purchased utilities. The fulfillment for those totaled 545 246 thousand CZK. Prices were derived from agreed-on price calculations. Involved were electric power, natural gas, technical gases, steam, high pressure boiler-feed water, and water.

Services:

Within the said period, the Company concluded six (6) contracts. Under those, services were purchased. The fulfillment rendered totaled 17,406 thousand CZK. Prices were fixed by agreement. Involved were services such as the provision of shared infrastructure, plot-related

services, rental of nonresidential premises and related services, communication and postal services, IRS³ Energis support, and lab services.

Under five (5) contracts concluded in the previous period, the Company purchased services for which it provided fulfillment totaling 44,236 thousand CZK. Prices were fixed by agreement. Involved were services such as waste water discharge into open sewerage, MOPV services, asset protection, AB II safety guarding and camera system handling, and firefighting services.

To relevant orders, the Company purchased various services in an amount totaling CZK 181 thousand.

Other:

The Company paid interest on arrears in the amount of 2 thousand CZK.

Sales:

Utilities:

Under two (2) contracts entered into in the previous period, the company sold utilities for which it obtained a consideration of CZK 8,332 thousand. Prices were derived from agreed-on price calculations. Involved were high-quality FCC condensate and steam condensate.

Services:

Under six (6) contracts concluded in the previous period, the Company would render services for which it obtained a consideration totaling 4,054 thousand CZK. Prices were fixed by agreement. Involved were services: waste water treatment, lease of a specialty firefighting truck, distribution of firefighting water, storage, unloading and pumping of imported n-pentane, lifting and loading of railcar containers, and processing waters pumped from HUWP⁴ wells.

Other:

The Company made out a CZK 753 thousand credit note for the 2004 utilities price clearance.

Other contractual relationships:

Under the *Contract on the provision of mutual services* entered into in the previous period, the Company purchased services for which it rendered a fulfillment in the amount of 1,200 thousand CZK. Conversely, the Company provided services for which a consideration totaling CZK 1,200 thousand was obtained. It entailed central degasification system services.

PARAMO, a.s.

Relationship towards the Company: Company directly controlled by UNIPETROL, a.s., company.

Within the said period, relationships proceeded based on terms and conditions common in trading business, prices were contractually agreed as customary prices. from the contracts

³ i.e. *Integrated Management System (IMS)*

⁴ i.e. *hydrogeological underground water protection*

entered into, the Company suffered no (pecuniary) loss whatsoever. Relationships as listed below were involved:

Purchases:

Under one (1) contract entered into in the said period, the Company purchased oil and lubricant stuff for which a payment was effected equaling CZK 2,178 thousand.

Sales:

As a payment for Services rendered in the form of laboratory analyses, the Company received - over the said period - a payment equaling 25 thousand CZK.

Other contractual relationships:

Within the given period, the Company entered into a tripartite agreement on the transportation of crude oil via Družba and Adria pipelines. The third party, and Provider of the service, is TRANSPETROL, a.s., company, Bratislava, Slovak Republic. Transpetrol, a.s., was provided a fulfillment in the amount of 512,060 thousand CZK.

UNIPETROL RAFINÉRIE a.s.

Relationship towards the Company: Company directly controlled by UNIPETROL, a.s., company.

Within the said period, relationships proceeded based on terms and conditions common in trading business, prices were contractually agreed as customary prices. From the contracts entered into, the Company suffered no (pecuniary) loss whatsoever. Relationships as listed below were involved:

Purchases:

In connection with the *Processing Agreement* concluded between the Company and Processors, the former purchased Products and feedstocks, including state material reserves (SMR) and unumpables, for which a fulfillment was rendered in the amount of CZK 249,231 thousand. The prices would rest upon price formulas based on international price quotations of crude oil and oil products.

Sales:

Products and feedstock:

In the previous period, the Company entered into an agreement under which it sold products and feedstocks. For those, a consideration was received in the amount equaling CZK 245,148 thousand. Prices were derived from agreed-on price calculations.

Services:

Under three (3) contracts entered into in the previous period, the Company rendered services for which it obtained a consideration in the amount of 4,491,821 thousand CZK. Prices were derived from agreed-on price calculations. Involved were Services as listed below:

Fulfillments	Considerations (in thousand CZK)
Processing fee	3,097,765
Other handling/processing services	1,384,656
First filling of IKL pipeline loan interest	9,400

Other:

Another contract that the Company entered into in the previous period is the *Cash Flow & Security Agreement*. Thereunder, the Company rendered a CZK 1,248 thousand fulfillment. Involved was pre-payment interest.

Damage compensation provided:

Over the period in question, the Company provided damage compensation in the amount of CZK 8,291 thousand. The damage was incurred in connection with crude oil transportation effected by MERO a.s.. It entailed a delay in crude unloading ex oil-tanker in Trieste. Further, the Company rendered a CZK 109 thousand fulfillment in response to a claim for a batch of poor quality diesel fuel supplied to a customer.

Other contractual relationships:

In the said year, the Company entered into a contract on income distribution in ČESKÁ RAFINÉRSKÁ SLOVAKIA s.r.o. daughter company for which it obtained a consideration totaling 2,967 thousand CZK.

Within the given period, the Company entered into a credit agreement for the construction of Chamber 11; for that, it received a CZK 134,109 thousand consideration. Loan interest for 2005 is in the amount of 327 thousand CZK.

Further, within the previous period, the Company concluded a *Contract on the provision of statistical data* and a *Contract for Work* (Service Level Agreement). Under the said contracts, no fulfillment was rendered nor received whatsoever.

In the previous period, the Company entered into three (3) contracts: *Conditional sales contract*, *Contract on processing crude residue to obtain hydrogen and hydrogen sulfide*, and the *Contract on the assignment of rights and obligations ensuing from the Fuel Gas Agreement*. Under the said contracts, no fulfillment was rendered nor received whatsoever.

3 OTHER INTERRELATED PERSONS DIRECTED BY NPF CR

ČEPRO, a.s.

Relationship towards the Company: Company directly controlled by National Property Fund (NPF) of the CR.

Within the said period, relationships proceeded based on terms and conditions common in trading business, prices were contractually agreed as customary prices. from the contracts

entered into, the Company suffered no (pecuniary) loss whatsoever. Relationships as listed below were involved:

Purchases:

Utilities:

Under the contract entered into in the said period, the Company took off electric power for which it provided a fulfillment in the amount of CZK 587 thousand.

Services:

Under a contract entered into in the previous period, the Company purchased services. For those, it rendered a fulfillment in the amount of CZK 29 thousand. Involved was lease of nonresidential premises.

Sales:

Under a contract concluded in the given period, the Company would render services for which it received a consideration in the amount of 265 thousand CZK. Involved were waste water sampling and treatment.

Under a contract entered into in the previous period, the Company would render services. For those, a consideration was received equaling CZK 64 thousand. Involved was rental of nonresidential premises.

In 2005, the Company had rendered diesel oil processing services for which it obtained a fulfillment equaling 497 thousand CZK.

Other contractual relationships:

In the past period, the Company entered into an *Agreement on a future contract on the transport of refinery products and semi-finished products*. Under the said contract, no fulfillment was rendered nor obtained in 2005.

MERO ČR, a.s.

Relationship towards the Company: Company directly controlled by National Property Fund (NPF) of the CR.

Within the said period, relationships proceeded based on terms and conditions common in trading business, prices were contractually agreed as customary prices. From contracts entered into, the Company did not sustain any injury whatsoever. Relationships as listed below were involved:

Purchases:

Services

Within the said period, the Company entered into a contract, namely on purchasing a service. The fulfillment provided for it totaled 179 thousand CZK. The price was fixed by agreement. Involved was crude oil storage.

Under a contract concluded in the previous period, the Company purchased the services of crude transport via IKL and Druzhba pipelines. The fulfillment in that case equaled 1,383,447 thousand CZK.

Damage compensation received:

Over the period in question, the Company received damage compensation in the amount of CZK 8,291 thousand. The damage was incurred in connection with crude oil transportation effected by MERO a.s.. It entailed a delay in crude unloading ex oil-tanker in Trieste.

Part II

Other legal acts made for the benefit of interrelated persons

Within the said period, the Company transferred in return for payment its ownership interest in ČESKÁ RAFINÉRSKÁ SLOVAKIA s.r.o., to the UNIPETROL RAFINÉRIE a.s., company.

Part III

Other measures adopted or implemented for the benefit of, or at instigation of, interrelated persons

Within the said period, no measures whatsoever were adopted nor implemented for the benefit of, or at instigation of, interrelated persons.

Litvínov, on 23 March 2006

in the name and on behalf of
the Board of Directors of ČESKÁ RAFINÉRSKÁ, a.s.



Ing. Ivan Souček
Chairman of the Board of Directors



Oscar Magnoni
member of the Board of Directors

BUSINESS CONSORTIUM OF THE NATIONAL PROPERTY FUND OF CR (NPF CR) - CONTROLLED COMPANIES
1 January 2005 - 23. May 2005

Companies directly and indirectly controlled by NPF CR	Seat of Company	Identification No.	Note
UNIPETROL, a.s.	Praha	61672190	see separate List of UNIPETROL business consortiums
Severočeské mlékárny, a.s. in bankruptcy	Teplice	48291749	
KONAX a.s.- in liquidation	Jihlava	46347801	
Ormlk, a.s. in liquidation in bankruptcy	Žamberk	60109092	
ČESKÝ TELECOM, a.s.	Praha	60193336	
SPT TELECOM (Czech Republic) Finance B.V.	Amsterdam, Nizozemské král.		
OMNICOM Praha, spol. s r.o.	Praha	45797111	
CenTrade, a.s.	Praha	26513731	
Eurotel Praha, spol. s r.o.	Praha	15268306	
CZECH TELECOM Austria GmbH	Wien	FN229578s	
CZECH TELECOM Germany GmbH	Frankfurt am Main, SRN	04523534587	
CZECH TELECOM Slovakia s.r.o.	Bratislava	35848863	
UNITEX a.s.	Brno	49969358	
Severočeské doly a.s.	Chomutov	49901982	
Skládka Tušimice, a.s.	Kadaň	25005553	
SD-Vrtné a trhací práce, a.s.	Bílina	25022768	
SD-Autodoprava, a.s.	Bílina	25028197	
SD-Humatex, a.s.	Bílina	25458442	
SD -1. strojírenská, a.s.	Bílina	25437127	
SD-Kolejová doprava, a.s.	Tušimice	25438107	
SHD-KOMES a.s.	Most	44569891	
PRODECO, a.s.	Teplice	25020790	
ENETECH a.s.	Chomutov	25448731	
České aerolinie a.s.	Praha	45795908	
ČSA Airtours a.s.	Praha	61860336	
Slovak Air Services s.r.o.	Bratislava	31373844	
Amadeus Marketing CSA, s.r.o.	Praha	49680030	
CSA Services, s.r.o.	Praha	25085531	
ČSA Support s.r.o.	Praha	25674285	
AERO HOLDING a.s. in liquidation	Praha	00002127	
PRESTA, vyr.stav.hmot a dílců,a.s. in bankruptcy	Česká Lípa	46708944	controlled up to 4 January 2005
Č E Z, a.s.	Praha	45274649	
AHV, s.r.o.	Třebíč	49973762	
Beskydská energetická, a.s., in liquidation	Ostrava	25829491	
Centrum výzkumu Řež s.r.o.	Husinec-Řež	26722445	
CEZ Finance B.V.	Amsterdam, Nizozemské král.		
CEZ Romania S.R.L.	Bukurest, Rumunská rep.	18196091	
CEZ Trade Bulgaria EAD	Pernik, Bulharská rep.	113570147	controlled since 25 March 2005
CEZTel, a.s.	Praha	25107950	
Coal Energy, a.s.	Praha	26485079	
ČEZ Distribuce, a.s.	Praha	27232425	
ČEZ ENERGOSERVIS spol. s r.o.	Třebíč	60698101	
ČEZ Logistika, s.r.o.	Ostrava	26840065	
ČEZ Měření, s.r.o.	Hradec Králové	25938878	since 16 February 2005 using the name of VČE-měřicí technika
ČEZ Obnovitelné zdroje, s.r.o.	Hradec Králové	25938924	up to 20 May using the name of VČE-elektřárny
ČEZ Prodej, s.r.o.	Praha	27232433	
ČEZ Správa majetku, s.r.o.	Děčín	26206803	
ČEZ Zákaznické služby, s.r.o.	Pízeň	26376547	
ČEZData, s.r.o.	Pízeň	27151417	
ČEZnet, a.s.	Praha	26470411	
DECOM Slovakia, spol. s r.o.	Trnava	31438318	
ECK Generating, s.r.o.	Kladno-Dubí	62956761	
EGl machine, s.r.o.	Čelákovice	26434075	
EGl servis, s.r.o., in bankruptcy	Čelákovice	26423316	
EGl, a.s.	Praha	60721332	
Elektrorazpredelenie Pleven EAD	Pleven, Bulharská. rep.	114521288	controlled since 18 January 2005
Elektrorazpredelenie Sofia Oblast EAD	Sofia, Bulharská rep.	130278316	controlled since 18 January 2005
Elektrorazpredelenie Stolično EAD	Sofia, Bulharská rep.	130277958	controlled since 18 January 2005
ELEKTROSPOLEČNOST B.D. spol. s r.o.	Ostrava	44739486	controlled up to 7 April 2005
Elektrovod - MATIC d.o.o.	Zagreb, Chorvatská rep.	1837621	
Elektrovod Holding, a.s.	Bratislava	35834111	
Elektrovod Osvetlenie, s.r.o.	Košice	36170151	
Elektrovod Polska Sp. z o.o.	Kraków, Polská rep.		
Elektrovod Rozvádzače, s.r.o.	Bratislava	35801859	
Elektrovod Stav, s.r.o.	Bratislava	35872241	
ELTODO Slovakia, s.r.o.	Skalice	31662030	
ELTRAF, a.s.	Kralice	46357483	
ELV-SERVIS, spol. s r.o.	Bratislava	35702095	

Companies directly and indirectly controlled by NPF CR from 1 January 2005 through 23 May 2005	Seat of Company	Identification No.	Note
ELV Projekt, a.s.	Bratislava	35768584	
EN projekt, spol. s r.o.	Plzeň	25217852	
EN-DATA a.s.	Plzeň	62621084	
Enerfín, a.s. - in liquidation	Plzeň	25751344	
Energetická montážní společnost Česká Lípa, s.r.o.	Česká Lípa	62743333	
Energetická montážní společnost Liberec, s.r.o.	Liberec	62743325	
Energetická montážní společnost Ústí n. Labem, s.r.o.	Ústí nad Labem	62743317	
ENERGETICKÉ CENTRUM Kladno, spol. s r.o.	Kladno-Dubí	46358293	
Energetické opravny, a.s.	Kadaň	25040707	
Energetika Vítkovice, a.s. (Evi, a.s.)	Ostrava-Vítkovice	25854712	
ENERGOKOV, s.r.o. , in bankruptcy	Děčín	25015621	
ENERGOPROJEKT SLOVAKIA a.s.	Bratislava	31381570	
Energoreal s.r.o.	Plzeň	25226924	
Energozdroj, s.r.o. in liquidation	Děčín	64653382	
ENEST, s.r.o.	Praha	64791327	
ENPRO, a.s.	Přerov	26831848	
ENPROSPOL, s.r.o.	Děčín	25488767	
ePRIM, a.s., in liquidation	Ostrava	25889567	
ESE, s.r.o.	Třebíč	60701935	
ESMOS, s.r.o.	Klenčí pod Čerchovem	62620673	disincorporation 1 May 2005
ESS s.r.o.	Teplíce-Soběduhy	25013271	
GAZELA plus s.r.o.	Plzeň	26339404	
HYDROČEZ, a.s.	Praha	63079852	
I & C Energo a.s.	Třebíč	49433431	
KOTOUČ ŠTRAMBERK, spol. s r.o.	Štramberk	47972165	
KNAUF POČERADY, spol. s r.o.	Počerady	47780690	
LACOMED, spol. s r.o.	Husinec-Řež	46348875	
LIDRONE, spol. s r.o.	Plzeň	49786105	
LOMY MORINA spol. s r.o.	Mořina	61465569	
MojeEnergie, s.r.o.	Praha	27114791	
MSEM, a.s.	Frydek-Místek	64610080	
Nuclear Safety & Technology Centre s.r.o.	Husinec-Řež	27091490	
OSC, a.s.	Brno	60714794	
PRO ENERGO Plzeň, spol. s r.o.	Plzeň	64356591	
PRODECO, a.s.	Teplíce	25020790	
První energetická a.s.	Praha	61860948	controlled up to 18 February 2005
rpg Energiehandel GmbH	Munchen, SRN	HRB 139537	
SD - 1. strojírenská, a.s.	Bílina	25437127	
SD - Autodoprava, a.s.	Bílina	25028197	
SD - Humatex, a.s.	Bílina	25458442	
SD - Kolejová doprava, a.s.	Kadaň	25438107	
SD - Vrtné a trhací práce, a.s.	Bílina	25022768	
SEG s.r.o.	Plzeň	46883657	
Severočeská energetika, a.s.	Děčín	49903179	
Severočeské doly, a.s.	Chomutov	49901982	
Severomoravská energetika, a.s.	Ostrava	47675691	
SIGMA-ENERGO s.r.o.	Třebíč	60702001	
SINIT, a.s.	Ostrava-Mariánské Hory	25397401	
Skládka Tušimice, a.s.	Kadaň	25005553	
STE-obchodní služby spol. s r.o.	Praha	49826182	
Středočeská energetická a.s.	Praha	60193140	
ŠKODA PRAHA a.s.	Praha	00128201	
ŠKO-ENERGO FIN, s.r.o.	Mladá Boleslav	61675954	
ŠKO-ENERGO, s.r.o.	Mlada Boleslav	61675938	
Union Leasing, a.s.	Ostrava	60792710	
Ústav aplikované mechaniky Brno, s.r.o.	Brno	60715871	
Ústav jaderného výzkumu Řež a.s.	Husinec-Řež	46356088	
Ústav jaderných informací Zbraslav, a.s.	Praha 5	45270902	
VČE-montáže, a.s.	Pardubice	25938746	
VČE-transformátory, s.r.o.	Hradec Králové	25938916	
Východočeská energetika, a.s.	Hradec Králové	60108720	
WADE, a.s.	Třebíč	25523520	
Západočeská energetika, a.s.	Plzeň	49790463	
Teplotechna Praha, a.s. in bankruptcy	Praha	60192933	
SEVAC a.s. in liquidation in bankruptcy	Kostelec	60192968	
HOLDING Kladno a.s."in liquidation" in bankruptcy	Kladno	45144419	
STAZAP, a.s.	Praha	45280100	
Silnice Teplíce a.s. in liquidation	Teplíce	47285583	
MERO ČR, a.s.	Kralupy n. Vltavou	60193468	
MERO Pipeline, GmbH	Vohburg a.d.Donau, SRN	B 90.659	
ČEPRO, a.s.	Praha	60193531	
BAUFELD-ekologické služby s.r.o.	Praha	49681036	
OSINEK, a.s.	Ostrava-Vítkovice	00012173	

Companies directly and indirectly controlled by NPF CR from 1 January 2005 through 23 May 2005	Seat of company	Identification No.	Note
VÍTKOVICE STEEL, a.s.	Ostrava-Hulváky	25874942	
VÍTKOVICE-Servis Centrum, a.s. in liquidation	Kraków, Polská rep.	25824341	
VÍTKOVICE STEEL Polska, sp. z o.o.	Kraków, Polská rep.		
VÍTKOVICE INTERNATIONAL GmbH (Dusseldorf)	Dusseldorf,SRN	HRB42951	
ČEPS, a.s.	Praha	25702556	
ENIT, a.s.	Kadaň	25426796	
PPPCentrum a.s.	Praha	00013455	
PAL a.s.	Praha	00211222	
Výzkumný a zkušební letecký ústav, a.s.	Praha	00010669	
LETKA, a.s.	Praha	25134132	
AERO Vodochody, a.s.	Odolena Voda	00010545	
THERMAL - F, a.s.	Karlovy Vary	25401726	
Dřevařské závody Borohrádek-F, a.s.	Borohrádek	25288016	

UNIPETROL BUSINESS CONSORTIUM - CONTROLLED COMPANIES

COMPANY direct participations indirect participations	Seat of company	Ident. No.:	Capital	Other shareholders		Note
			interest	within Consortium		
			% corporate stock	company	%	
UNIPETROL, a.s. - controlled companies						
CHEMOPETROL, a.s.	Litvínov	25003887	100,00			
KAUČUK, a.s.	Kralupy nad Vltavou	25053272	100,00			
BENZINA a.s.	Praha	60193328	100,00			
UNIPETROL RAFINÉRIE a.s.	Litvínov	25025139	100,00			
UNIPETROL TRADE a.s.	Praha	25056433	100,00			
Výzkumný ústav anorganické chemie, a.s.	Ústí nad Labem	62243136	100,00			
SPOLANA a.s.	Neratovice	45147787	81,78			
PARAMO, a.s.	Pardubice	48173355	73,52			
ČESKÁ RAFINÉRSKÁ, a.s.	Litvínov	62741772	51,00			
ALIACHEM a.s.	Pardubice	60108916	38,79	AGROBOHEMIE, a.s.	55,01	concerted conduct
CELIO a.s.	Litvínov 7	48289922	10,53	CHEMOPETROL, a.s.	40,53	
CHEMOPETROL, a.s. - controlled companies						
B.U.T., s.r.o.	Litvínov	25005120	100,00			
UNIPETROL DOPRAVA, a.s.	Litvínov	64049701	100,00			
HC CHEMOPETROL, a.s.	Litvínov	64048098	70,95			
CHEMICKÁ SERVISNÍ, a.s.	Litvínov	25492110	100,00			
POLYMER INSTITUTE BRNO, spol. s r.o.	Brno	60711990	100,00			
KAUČUK, a.s. - controlled companies						
K-PROTOS, a.s.	Kralupy nad Vltavou	25617214	100,00			
BENZINA a.s. - controlled companies						
BENZINA Trade a.s.	Praha	26135710	100,00			
PETROTRANS, a.s.	Praha	25123041	100,00			
ČS Žilina s.r.o.	Bratislava	35807539	100,00			
ČS Smižany s.r.o.	Bratislava	35808306	100,00			
ČS Milhost' s.r.o.	Bratislava	35807547	100,00			
UNIPETROL RAFINÉRIE a.s. - controlled companies						
UNIRAF SLOVENSKO s.r.o. (do 5.11.2005 název "ČESKÁ RAFINÉRSKÁ SLOVAKIA s.r.o.")	Bratislava	35777087	100,00			controlled from 31 Oct. 2005
UNIPETROL TRADE a.s. - controlled companies						
ALIACHEM VERWALTUNGS GmbH	Langen/Hessen, SRN		100,00			
UNIPETROL DEUTSCHLAND GmbH	Langen/Hessen, SRN		100,00			
ALIAPHARM GmbH FRANKFURT	Frankfurt/Main, SRN		100,00			
UNIPETROL CHEMICALS IBERICA S.A.	Barcelona, Španělsko		100,00			
CHEMAPOL (SCHWEIZ) AG	Basel, Švýcarsko		100,00			
UNIPETROL AUSTRIA HmbH	Wien, Rakousko		100,00			
UNIPETROL (UK) LIMITED	Kingston upon Thames, V Británie		100,00			
ALIACHEM BENELUX B.V. v likvidaci	Le Amstelveen, Nizozem, král.		100,00			
UNIPETROL FRANCE S.A.	Paris, Francie		96,72			
ALIACHEM ITALIA S.r.l.	Milano, Itálie		90,00			
ALIACHEM USA, Inc.	Boston, USA		100,00			activity terminated
UNIPETROL POLSKA Sp.z o.o.	Lodž, Polsko		100,00			
MOGUL, d.o.o.	Velenje, Slovinsko		100,00			
DP MOGUL UKRAJINA	Kijev, Ukrajina		100,00			
SPOLANA a.s. - controlled companies						
NeraPharm, spol. s r.o.	Neratovice	26499258	100,00			
PARAMO, a.s. - controlled companies						
Paramo Trysk a.s.	Pardubice	64259790	100,00			
MOGUL SERVIS, a.s. v likvidaci	Kolín V	25634151	100,00			disincorporation on 3 Sept. 2005
MOGUL MORAVA, a.s., v likvidaci	Lípa, okr. Zlín	60742160	100,00			disincorporation on 8 Dec. 2005
MOGUL TANK-PLUS a.s., v likvidaci	Strakonice	62526774	98,33			disincorporation on 6 May 2005
MOGUL SLOVAKIA, s.r.o.	Hradište pod Vrátnom, SR	36222992	100,00			
PETRA SLOVAKIA, s.r.o. "v likvidácii"	Ladomierská Vieska, SR	31600191	70,00			
ČESKÁ RAFINÉRSKÁ, a.s. - controlled companies						
ČESKÁ RAFINÉRSKÁ SLOVAKIA s.r.o.	Bratislava	35777087	100,00			controlled up to 31 Oct. 2005
CRC POLSKA Sp. z o.o. v likvidaci	Wroclaw, Polsko		100,00			disincorporation on 28 Sept. 2005
ALIACHEM a.s. - controlled companies						
SYNTHESIA a.s.	Pardubice	26014343	100,00			
OSTACOLOR s.r.o.	Pardubice	25937421	100,00			
Ostacolor Polska Sp. z o.o.	Lodž, Polsko		100,00			
Fatra, a.s.	Pardubice	27465021	100,00			
Chemoinvest, s.r.o. "v likvidaci"	Ostrava-Mariánské Hory	64613097	100,00			disincorporation on 12 Jan. 2005
FATRA - HIF, s.r.o.	Staré Město	48584355	100,00			
Energetika Chropyně, a.s.	Chropyně	25517074	100,00			
Výzkumný ústav organických syntéz a.s.	Pardubice	60108975	100,00			
ZLATÝ JELEN, spol. s r.o.	Vizovice	60738006	91,00			disincorporation on 11 Feb. 2005
PLASTFLOOR, spol. s r.o. - v likvidaci	Chropyně	48911267	65,71			disincorporation on 29 April J382005

PKN ORLEN S.A. BUSINESS CONSORTIUM - CONTROLLED COMPANIES

24 May 2005 - 31 December 2005

Companies directly and indirectly controlled by PKN	company	Tax Id. No.	Share of PKN ORLEN in directly controlled (daughter) company % of corporate stock held		Share of daughter c. of PKN ORLEN in indirectly controlled c. % corporate	Note
			24.5.2005	31.12.2005		
Directly controlled company (PKN ORLEN S.A. daughter company)						
Indirectly controlled company (controlled by PKN ORLEN S.A. daughter company)						
UNIPETROL, a.s.	Praha	CZ61672190	62,99	62,99	x	see separate List of UNIPETROL business consortium
B.H.T. Dromech S.A. Warszawa in bankrupcy	Warszawa		81,14	81,14	x	
	Płock	628-18-76-045	82,46	82,46	x	
Centrum Edukacji Sp. z o.o.	Płock	774-25-02-290	69,43	0,00	x	directly controlled up to 14. 7. 2005
Centrum Komercjalizacji Technologii Sp. z o.o.	Płock	583-000-53-02	100,00	0,00	x	directly controlled up to 14. 7. 2005
ORLEN Deutschland AG	Elmshorn	DE813-701-725	100,00	100,00	x	
Inowrocławskie Kopalnie Soli "SOLINO" S.A.	Inowrocław	556-080-06-84	70,54	70,54	x	
ORLEN Automatyka Sp. z o.o.	Płock	774-24-52-600	52,42	52,42	x	
ORLEN Budonaft Sp. z o.o.	Kraków	675-000-21-01	100,00	100,00	x	
ORLEN Gaz Sp. z o.o.	Płock	774-10-17-032	100,00	100,00	x	
ORLEN Petrogaz Wrocław Sp. z o.o.	Wrocław		x	x	51,61	
Przedsiębiorstwo Gazyfikacji Beprzewodowej PEGEBE S.A.	Płock		x	x	100,00	
ORLEN KolTrans Sp. z o.o.	Płock	774-26-58-299	99,85	99,85	x	
Orlen Laboratorium Sp. z o.o.	Płock	774-27-43-094	94,94	94,94	x	
ORLEN Medica Sp. z o.o.	Płock	774-22-81-558	100,00	100,00	x	
Sanatorium Uzdrowskie "Krzyszka" Sp. z o.o.	Ciechocinek		x	x	97,95	
ORLEN Morena Sp. z o.o.	Gdańsk	583-27-52-859	100,00	100,00	x	
ORLEN Ochrona Sp. z o.o.	Płock	774-23-96-528	100,00	100,00	x	
ORLEN OIL Sp. z o.o.	Kraków	675-11-90-702	47,21	51,69	x	directly controlled from 8 December 2005
ORLEN PetroCentrum Sp. z o.o.	Płock	774-14-73-770	100,00	100,00	x	
ORLEN Petrogaz Nowa Brzeźnica Sp. z o.o. in bankrupcy	Nowa Brzeźnica		52,00	0,00	x	disincorporation in 05/2005
ORLEN PetroProfit Sp. z o.o.	Niemce	713-10-07-199	100,00	100,00	x	
Petrooktan Sp. z o.o.	Świdnik		x	x	51,00	
Petromont Sp. z o.o.	Niemce		x	x	85,00	
Petro-Oil Lubelskie Centrum Sprzedaży Sp. z o.o.	Lublin		x	x	76,00	
ORLEN PetroTank Sp. z o.o.	Wielka	814-10-19-514	90,00	90,00	x	
ORLEN PetroZachód Sp. z o.o.	Poznań	782-19-89-665	51,83	51,83	x	
ORLEN Powiernik Sp. z o.o.	Płock	774-26-27-531	100,00	100,00	x	
ORLEN Projekt S.A.	Płock	774-23-72-663	51,00	51,00	x	
ORLEN Transport Kędzierzyn-Koźle Sp. z o.o.	Kędzierzyn-Koźle	749-18-69-365	94,29	94,29	x	
ORLEN Transport Kraków Sp. z o.o.	Kraków	677-21-47-410	98,41	98,41	x	
RAF-TRANS Sp. z o.o.	Jedlicze		x	x	100,00	
ORLEN Transport Nowa Sól Sp. z o.o.	Nowa Sól	925-18-27-003	96,79	96,80	x	
ORLEN Transport Olsztyn Sp. z o.o.	Olsztyn	739-31-38-407	94,86	94,89	x	
ORLEN Transport Płock Sp. z o.o.	Płock	774-24-11-883	97,55	97,55	x	
ORLEN Transport Słupsk Sp. z o.o.	Słupsk	839-27-14-335	97,06	97,06	x	
ORLEN Transport Szczecin Sp. z o.o.	Szczecin	955-19-76-919	99,56	99,56	x	
ORLEN Wir Sp. z o.o.	Płock	774-24-92-700	51,00	51,00	x	
Petrolot Sp. z o.o.	Warszawa	522-17-76-204	51,00	51,00	x	
Petromor Sp. z o.o.	Gdańsk	583-26-33-592	51,31	51,31	x	
Petrotel Sp. z o.o.	Płock	774-22-71-577	80,65	75,00	x	
Rafineria Nafty Jedlicze S.A.	Jedlicze	684-00-00-761	75,00	75,00	x	
„RAF-BIT” Sp. z o.o.	Jedlicze		x	x	100,00	
„RAF-ENERGIA” Sp. z o.o.	Jedlicze		x	x	100,00	
„RAF-KOLTRANS” Sp. z o.o.	Jedlicze		x	x	100,00	
„RAF-Służba Ratownicza” Sp. z o.o.	Jedlicze		x	x	100,00	
„RAF-REMAT” Sp. z o.o.	Jedlicze		x	x	96,12	
„RAF-EKOLOGIA” Sp. z o.o.	Jedlicze		x	x	92,74	
Konsorcjum Olejów Przetworzonych "ORGANIZACJA ODZYSKU" S.A.	Jedlicze		x	x	81,00	
"RAN-PETROMEX" Sp. z o.o.	Opole		x	x	51,00	
"RAN-WATT" Sp. z o.o. w likwidacji	Toruń		x	x	51,00	
Rafineria Trzebinia S.A.	Trzebinia	628-00-00-977	77,15	77,15	x	
Energomedia Sp. z o.o.	Trzebinia		x	x	100,00	
NaftoWax Sp. z o.o.	Trzebinia		x	x	100,00	
Euronaft Trzebinia Sp. z o.o.	Trzebinia		x	x	99,99	
EkoNaft Sp. zo.o.	Trzebinia		x	x	99,00	
Zakładowa Straż Pożarna Sp. z o.o.	Trzebinia		x	x	99,97	
SAMRELAKS Mąchocice Sp. z o.o.	Mąchocice Kapitulne	657-24-21-591	100,00	100,00	x	
Ship - Service S.A.	Szczecin	851-030-74-92	60,86	60,86	x	
Bor Farm Sp. z o.o.	Radowo Małe		x	x	100,00	
Ship Service Agro Sp. z o.o.	Szczecin		x	x	100,00	controlling company: Bor Farm Sp.z o.o.
WISŁA Płock Sportowa S.A.	Płock	774-22-62-118	100,00	100,00	x	
Zakład Budowy Aparatury S.A.	Płock	774-24-05-635	96,57	96,57	x	
ORLEN Centrum Serwisowe Sp. z o.o.	Opole	754-26-73-302	96,65	96,65	x	
Anwil S.A.	Włocławek	888-000-49-38	76,27	84,49	x	
Przedsiębiorstwo Rolne AGRO-AZOTY II Włocławek Sp.z o.o. w łące	Czaplinek		x	x	100,00	
Przedsiębiorstwo Inwestycyjno - Remontowe REMWIL Sp. z o.o.	Włocławek		x	x	99,98	
Przedsiębiorstwo Produkcyjno-Handlowo-Uslugowe PRO-LAB Sp. z o.o.	Włocławek		x	x	99,20	
Przedsiębiorstwo Usług Specjalistycznych i Projektowych CHEMEKO Sp. z o.o.	Włocławek		x	x	55,93	
ZAWITAJ Świnoujście Sp. z o.o.	Świnoujście	855-14-99-353	100,00	0,00	x	directly controlled up to 2. 6. 2005
ORLEN EKO Sp. z o.o.	Płock	774-28-16-522	100,00	100,00	x	
ORLEN Administracja Sp. z o.o.	Płock		00,00	100,00	x	launched 15 December 2005