

**CONSOLIDATED QUARTERLY REPORT OF PROCHEM S.A.  
CAPITAL GROUP FOR 3RD QUARTER OF 2012**

**Containing :**

- Selected Financial Data
- Interim Shortened Consolidated Financial Statement as at and for the period of nine months ending on 30 September 2012
- Interim Shortened Individual Financial Statement as at and for the period of nine months ending on 30 September 2012
- Notes on assumed accounting principles (policy) and other explanatory remarks to Interim Shortened Consolidated Financial Statement of Prochem S.A. Capital Group and company Prochem S.A.

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**PROCHEM S.A.  
ul. Powązkowska 44C  
01-797 Warszawa**

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## I. Selected financial data

Revenue from sales and profit expressed in PLN and cash flow statement are converted into EURO at the exchange rate set as the arithmetic mean of average exchange rates announced by the Chairman of the National Bank of Poland as at the last day of each month and are as follows:

- For three quarters of 2011 - 4.0414 PLN/EURO
- For three quarters of 2012 - 4.1948 PLN/EURO

The data reported in statement of financial position are converted at the average exchange rate announced by the Chairman of the National Bank of Poland as at the date of financial statement, which as at the balance sheet date was:

- 4.1138 PLN/EURO as at 30 September 2012
- 4.4168 PLN/EURO as at 31 December 2011

### Selected financial data of Prochem S.A. Capital Group

| Specification  | Reporting period<br>ended on 30 September |                  | Reporting period<br>ended on 30 September |                  |
|--|---|------------------|---|------------------|
|  | 2012                                      | 2011             | 2012                                      | 2011             |
|  | In PLN thousand                           |                  | In EURO thousand                          |                  |
| <b>Consolidated statement of comprehensive income</b>  |   |                  |   |                  |
| Revenue from sales   | 110 653                                   | 108 956          | 26 378                                    | 26 960           |
| Gross profit from sales  | 11 151                                    | 12 164           | 2 658                                     | 3 010            |
| Operating profit (loss)  | -1 666                                    | 2 279            | -397                                      | 564              |
| Profit before tax  | -740                                      | 2 170            | -176                                      | 537              |
| Net profit assigned to :   | -1 853                                    | 1 246            | -442                                      | 308              |
| - shareholders of parent entity  | -2 315                                    | 992              | -552                                      | 245              |
| - minority shareholders  | 462                                       | 254              | 110                                       | 63               |
| Profit per one ordinary share/diluted (in PLN/EURO)<br>assigned to shareholders of parent entity | -0.59                                     | 0.25             | -0.14                                     | 0.06             |
| <b>Consolidated statement of cash flow</b>   |   |                  |   |                  |
| Net operating cash flow  | -18 107                                   | -11 095          | -4 316                                    | -2 745           |
| Net cash flow from investment activity   | -491                                      | 3 089            | -117                                      | 764              |
| Net cash flow from financial activity  | 4 529                                     | 5 163            | 1 080                                     | 1 278            |
| Total net cash flow  | -14 069                                   | -2 843           | -3 354                                    | -703             |
| Specification  | As at                                     |                  | As at                                     |                  |
|  | 30 September 2012                         | 31 December 2011 | 30 September 2012                         | 31 December 2011 |
|  | In PLN thousand                           |                  | In EURO thousand                          |                  |
| <b>Consolidated statement of financial position</b>  |   |                  |   |                  |
| Total assets   | 189 455                                   | 218 175          | 46 054                                    | 49 397           |
| Total fixed assets   | 95 501                                    | 96 320           | 23 215                                    | 21 808           |
| Total current assets   | 93 954                                    | 121 855          | 22 839                                    | 27 589           |
| Parent entity's equity   | 111 498                                   | 112 886          | 27 103                                    | 25 558           |
| Minority shareholders  | 13 450                                    | 14 206           | 3 269                                     | 3 216            |
| Total equity   | 124 948                                   | 127 092          | 30 373                                    | 28 775           |
| Total long-term liabilities  | 7 335                                     | 6 417            | 1 783                                     | 1 453            |
| Total short-term liabilities   | 57 172                                    | 84 666           | 13 898                                    | 19 169           |
| Book value per one ordinary share (in PLN/EURO)<br>attributable to shareholders of parent entity | 28.63                                     | 28.98            | 6.96                                      | 6.k6             |
| Weighted average number of shares (units)  | 3 895 000                                 | 3 895 000        | 3 895 000                                 | 3 895 000        |

**Selected financial data of Prochem S.A.**

| Specification                                       | Reporting period<br>ended on 30 September |         | Reporting period<br>ended on 30 September |        |
|---|---|---------|---|--------|
|   | 2012                                      | 2011    | 2012                                      | 2011   |
|   | In PLN thousand                           |         | In EURO thousand                          |        |
| <b>Statement of comprehensive income</b>            |   |         |   |        |
| Revenue from sales                                  | 72 842                                    | 69 675  | 17 365                                    | 17 240 |
| Gross profit from sales                             | 4 272                                     | 5 885   | 1 018                                     | 1 456  |
| Operating profit (loss)                             | -2 184                                    | 1 339   | -521                                      | 331    |
| Profit before tax                                   | 5 771                                     | 3 482   | 1 376                                     | 862    |
| Net profit  | 5 047                                     | 2 857   | 1 203                                     | 707    |
| Profit per one ordinary share/diluted (in PLN/EURO) | 1.30                                      | 0.73    | 0.31                                      | 0.18   |
| <b>Statement of cash flow</b>                       |   |         |   |        |
| Net operating cash flow                             | -19 955                                   | -11 458 | -4 757                                    | -2 835 |
| Net cash flow from investment activity              | -220                                      | 6 135   | -52                                       | 1 518  |
| Net cash flow from financial activity               | 5 743                                     | 4 256   | 1 369                                     | 1 053  |
| Total net cash flow                                 | -14 432                                   | -1 067  | -3 440                                    | -264   |

| Specification                                      | As at             |                  | As at             |                  |
|--|-------------------|------------------|-------------------|------------------|
|  | 30 September 2012 | 31 December 2011 | 30 September 2012 | 31 December 2011 |
|  | In PLN thousand   |                  | In EURO thousand  |                  |
| <b>Statement of financial position</b>             |                   |                  |                   |                  |
| Total assets                                       | 117 043           | 141 565          | 28 451            | 32 051           |
| Total fixed assets                                 | 32 921            | 34 053           | 8 003             | 7 710            |
| Total current assets                               | 84 122            | 107 512          | 20 449            | 24 342           |
| Total equity                                       | 71 886            | 66 839           | 17 474            | 15 133           |
| Total long-term liabilities                        | 415               | 384              | 101               | 87               |
| Total short-term liabilities                       | 44 742            | 74 342           | 10 876            | 16 832           |
| Book value per one ordinary share (in PLN/EURO)    | 18.46             | 17.16            | 4.49              | 3.89             |
| Weighted average number of ordinary shares (units) | 3 895 000         | 3 895 000        | 3 895 000         | 3 895 000        |

## II. Interim Shortened Consolidated Financial Statement of Capital Group

### Consolidated Statement of Financial Position as at 30 September 2012

(all amounts in thousands of PLN, if not marked otherwise)

|  | As at<br>30 Sept. 2012 | As at<br>31 Dec. 2011 |
|--|------------------------|-----------------------|
| <b>A s s e t s</b>                                   |                        |                       |
| <b>Fixed assets</b>                                  |                        |                       |
| Tangible assets                                      | 25 594                 | 26 631                |
| Intangible assets                                    | 204                    | 194                   |
| Real estate investments                              | 66 904                 | 66 904                |
| Shares and stocks of subsidiaries and other entities | 843                    | 843                   |
| Shares and stocks valued under equity method         | 1 801                  | 1 344                 |
| Deferred tax assets                                  | 155                    | 404                   |
| <b>Total fixed assets</b>                            | <b>95 501</b>          | <b>96 320</b>         |
| <b>Current assets</b>                                |                        |                       |
| Inventory  | 5 103                  | 6 071                 |
| Trade receivables and other receivables              | 68 894                 | 75 656                |
| Other financial assets                               | 199                    | 435                   |
| Other assets   | 14 477                 | 19 668                |
| Cash and cash equivalents                            | 5 281                  | 19 350                |
| Fixed assets to be disposed                          | -                      | 675                   |
| <b>Total current assets</b>                          | <b>93 954</b>          | <b>121 855</b>        |
| <b>Total assets</b>                                  | <b>189 455</b>         | <b>218 175</b>        |
| <b>Equity and liabilities</b>                        |                        |                       |
| <b>Equity</b>  |                        |                       |
| Share capital  | 3 895                  | 3 895                 |
| Retained earnings                                    | 107 603                | 108 991               |
| <b>Parent entity's equity</b>                        | <b>111 498</b>         | <b>112 886</b>        |
| <b>Minority shareholders</b>                         | <b>13 450</b>          | <b>14 206</b>         |
| <b>Total equity</b>                                  | <b>124 948</b>         | <b>127 092</b>        |
| <b>Long-term liabilities</b>                         |                        |                       |
| Provision to deferred income tax                     | 5 331                  | 4 674                 |
| Retirement benefit obligations                       | 1 651                  | 1 592                 |
| Other provisions                                     | 11                     | -                     |
| Other long-term liabilities                          | 342                    | 151                   |
| <b>Total long-term liabilities</b>                   | <b>7 335</b>           | <b>6 417</b>          |
| <b>Short-term liabilities</b>                        |                        |                       |
| Short-term bank credits                              | 9 326                  | 4 291                 |
| Short-term loans                                     | 28                     | 29                    |
| Trade payables                                       | 41 117                 | 71 841                |
| Liabilities on account of current income tax         | -                      | 421                   |
| Other liabilities                                    | 6 040                  | 5 667                 |
| Deferred income                                      | 661                    | 2 417                 |
| <b>Total short-term liabilities</b>                  | <b>57 172</b>          | <b>84 666</b>         |
| <b>Total liabilities</b>                             | <b>64 507</b>          | <b>91 083</b>         |
| <b>Total equity and liabilities</b>                  | <b>189 455</b>         | <b>218 175</b>        |

*Interim Shortened Consolidated Financial Statement as at and for the period of nine months ended on 30 September 2012*

|  |           |           |
|--|-----------|-----------|
| Weighted average number of ordinary shares (units)                           | 3 895 000 | 3 895 000 |
| Book value per one share (in PLN)- assigned to shareholders of parent entity | 28.63     | 28.98     |

**Consolidated Statement of Comprehensive Income for the period from January 2012 to 30 September 2012**

(all amounts in thousands of PLN, if not marked otherwise)

|  | 3rd quarter of<br>2012<br>from 1 July 2012<br>to 30 September<br>2012 | Period of<br>9 months ended on<br>30 September 2012 | 3rd quarter of<br>2011<br>from 1 July 2011<br>to 30 September<br>2011 | Period of<br>9 months ended on<br>30 September 2011 |
|--|---|---|---|---|
| Revenue from sales including :   | 33 720  | 110 653   | 50 441  | 108 956   |
| Revenue from sales of services   | 32 152  | 106 130   | 48 577  | 104 217   |
| Revenue from sales of goods and materials  | 1 568   | 4 523   | 1 864   | 4 739   |
| Cost of sales including :  | -31 359   | -99 502   | -45 702   | -96 792   |
| Cost of services sold  | -30 069   | -95 585   | -44 592   | -93 224   |
| Cost of goods and materials sold   | -1 290  | -3 917  | -1 110  | -3 568  |
| <b>Gross profit from sales</b>   | <b>2 361</b>  | <b>11 151</b>                                       | <b>4 739</b>  | <b>12 164</b>                                       |
| General and administrative expense   | -3 343  | -11 107   | -2 880  | -11 367   |
| Other operating revenue  | 1 802   | 2 193   | 985   | 1 970   |
| Other operating cost   | -179  | -3 903  | -177  | -488  |
| <b>Operating profit (loss)</b>   | <b>641</b>  | <b>-1 666</b>                                       | <b>2 667</b>  | <b>2 279</b>  |
| Financial income   | 18  | 124   | 118   | 375   |
| Profit from sale of shares of subordinated entities  | -   | 1 187   | -   | 288   |
| Finance costs  | -426  | -760  | -441  | -1 076  |
| Share in profit of associated entities   | 55  | 375   | 262   | 304   |
| <b>Profit (loss) before tax</b>  | <b>288</b>  | <b>-740</b>   | <b>2 606</b>  | <b>2 170</b>  |
| Income tax :   | -26   | 1 113   | 544   | 924   |
| - current income tax   | 30  | 206   | 102   | 154   |
| - deferred income tax  | -56   | 907   | 442   | 770   |
| <b>Net profit (loss)</b>   | <b>314</b>  | <b>-1 853</b>                                       | <b>2 062</b>  | <b>1 246</b>  |
| <b>Other comprehensive income (net)</b>  | <b>-</b>  | <b>-</b>  | <b>-</b>  | <b>-</b>  |
| <b>Total comprehensive income</b>  | <b>314</b>  | <b>-1 853</b>                                       | <b>2 062</b>  | <b>1 246</b>  |
| Net profit (loss) assigned to:   |   |   |   |   |
| Shareholders of parent entity  | 247   | -2 315  | 1 985   | 992   |
| Minority shareholders  | 67  | 462   | 77  | 254   |
| Total comprehensive income assigned to:  |   |   |   |   |
| Shareholders of parent entity  | 247   | -2 315  | 1 985   | 992   |
| Minority shareholders  | 67  | 462   | 77  | 254   |
| Weighted average number of ordinary shares (units)   | 3 895 000   | 3 895 000   | 3 895 000   | 3 895 000   |
| Profit (loss) per one ordinary share(in PLN per one share) assigned to shareholders of parent entity         | 0.06  | -0.59   | 0.51  | 0.25  |
| Comprehensive income per one ordinary share (in PLN per one share) assigned to shareholders of parent entity | 0.06  | -0.59   | 0.51  | 0.25  |

## Consolidated Statement of Changes in Owners' Equity

(all amounts in thousands of PLN, if not marked otherwise)

|   | Share capital | Shares of parent entity | Retained earnings | Equity assigned to shareholders of parent entity | Minority shareholders equity | Total equity   |
|---|---------------|-------------------------|-------------------|--|------------------------------|----------------|
| <b>Reporting period from 1 January 2012 to 30 September 2012</b>  |               |                         |                   |  |                              |                |
| <b>As at the beginning of period</b>  | <b>3 895</b>  | <b>-</b>                | <b>108 991</b>    | <b>112 886</b>                                   | <b>14 206</b>                | <b>127 092</b> |
| Changes of assumed accounting principles (policy)   | -             | -                       | -                 | -  | -                            | -              |
| <b>As at the beginning of period, after restatements</b>  | <b>3 895</b>  | <b>-</b>                | <b>108 991</b>    | <b>112 886</b>                                   | <b>14 206</b>                | <b>127 092</b> |
| Net profit (loss) of the given period   | -             | -                       | -2 315            | -2 315   | 462                          | -1 853         |
| <i>Other comprehensive income (netto)</i>   | -             | -                       | -                 | -  | -                            | -              |
| <b>Total comprehensive income</b>   | <b>3 895</b>  | <b>-</b>                | <b>106 676</b>    | <b>110 571</b>                                   | <b>14 668</b>                | <b>125 239</b> |
| Payment of dividend   | -             | -                       | -                 | -  | -12                          | -12            |
| Change of structure of minority shareholders (shares purchased by Elektromontaż with the aim of redemption) | -             | -                       | 1 105             | 1 105  | -1 105                       | -              |
| Repurchase of own shares with the aim of redemption (Elektromontaż)   | -             | -                       | -209              | -209   | -101                         | -310           |
| Other movements- among others sale of shares of subsidiaries  | -             | -                       | 31                | 31   | -                            | 31             |
| <b>As at the end of period</b>  | <b>3 895</b>  | <b>-</b>                | <b>107 603</b>    | <b>111 498</b>                                   | <b>13 450</b>                | <b>124 948</b> |

|   | Share capital | Shares of parent entity | Retained earnings | Equity assigned to shareholders of parent entity | Minority shareholders equity | Total equity   |
|---|---------------|-------------------------|-------------------|--|------------------------------|----------------|
| <b>Reporting period from 1 January 2011 to 31 December 2011</b>   |               |                         |                   |  |                              |                |
| <b>At the beginning of period restated</b>  | <b>3 895</b>  | <b>-</b>                | <b>101 731</b>    | <b>105 626</b>                                   | <b>18 021</b>                | <b>123 647</b> |
| Net profit of the given period  | -             | -                       | 4 982             | 4 982  | 627                          | 5 609          |
| <i>Other comprehensive income (net)</i>   | -             | -                       | -                 | -  | -                            | -              |
| <b>Total comprehensive income</b>   | <b>3 895</b>  | <b>-</b>                | <b>106 713</b>    | <b>110 608</b>                                   | <b>18 648</b>                | <b>129 256</b> |
| Payment of dividend   | -             | -                       | -                 | -  | -11                          | -11            |
| Change of structure of minority shareholders (shares purchased by Issuer)                                   | -             | -                       | 70                | 70   | -90                          | -20            |
| Change of structure of minority shareholders (shares purchased by Elektromontaż with the aim of redemption) | -             | -                       | 3 353             | 3 353  | -3 353                       | -              |
| Repurchase of own shares with the aim of redemption (   | -             | -                       | -782              | -782   | -394                         | -1 176         |
| Other movements- among others sale of shares of subsidiaries, displacement                                  | -             | -                       | -363              | -363   | -594                         | -957           |
| <b>Stan na koniec okresu</b>  | <b>3 895</b>  | <b>-</b>                | <b>108 991</b>    | <b>112 886</b>                                   | <b>14 206</b>                | <b>127 092</b> |

**Consolidated Statement of Cash Flow for the period from 1 January 2012 to 30 September 2012**

(all amounts in thousands of PLN, if not marked otherwise)

|  | 3rd quarter of<br>2012<br>from 1 July 2012<br>to 30 September<br>2012 | Period of<br>9 months ended<br>on 30<br>September 2012 | 3rd quarter of<br>2011<br>from 1 July 2011<br>to 30 September<br>2011 | Period of<br>9 months ended<br>on<br>30 September<br>2011 |
|--|---|--|---|---|
| <b>Operating cash flow</b>   |   |  |   |   |
| Gross profit (loss)  | 288   | -740   | 2 606   | 2 170   |
| Total adjustments  | -1 631  | -16 740  | -11 224   | -12 965   |
| Share in profit of associated entities                                     | -55   | -375   | -262  | -304  |
| Amortization and depreciation  | 538   | 1 766  | 630   | 2 249   |
| Interest and profit sharing (dividends)                                    | 403   | 517  | 81  | -   |
| (Profit) from sale of tangible assets                                      | -99   | -173   | -75   | -423  |
| (Profit) on investment   | -1  | -1 190   | -45   | -348  |
| Movement in provisions   | -292  | -267   | -900  | -1 033  |
| Change in inventory  | -169  | 968  | 1 417   | 1 386   |
| Movement in receivables  | 5 442   | 13 805   | -30 865   | -28 756   |
| Movement in current liabilities with the exception<br>of loans and credits | -7 609  | -30 015  | 16 752  | 13 063  |
| Other adjustments (including change in deferred<br>income)                 | 211   | -1 776   | 2 043   | 1 201   |
| Operating cash flow  | -1 343  | -17 480  | -8 618  | -10 795   |
| Income tax paid  | -209  | -627   | -266  | -300  |
| <b>Net operating cash flow</b>   | <b>-1 552</b>   | <b>-18 107</b>   | <b>-8 884</b>   | <b>-11 095</b>  |
| <b>Investment cash flow</b>  |   |  |   |   |
| Inflows  | 117   | 295  | -2 314  | 4 138   |
| Sale of intangible assets and tangible assets                              | 109   | 287  | 89  | 656   |
| From financial assets  | 8   | 8  | -2 403  | 3 482   |
| a) in affiliated entities  | 8   | 8  | -2 403  | 3 482   |
| - sale of financial assets   | 8   | 8  | -2 370  | 3 080   |
| - repayment of granted loans   | -   | -  | -   | 393   |
| - repayment of interest on loans   | -   | -  | -   | 9   |
| - other income from financial assets                                       | -   | -  | -33   | -   |
| Outflows   | -300  | -786   | -186  | -1 049  |
| Purchase of intangible assets and tangible assets                          | -219  | -704   | -122  | -417  |
| Investments in real estates  | -   | -  | -73   | -141  |
| For financial assets in affiliated entities,<br>including:                 | -81   | -82  | -   | -54   |
| - purchase of financial assets   | -81   | -81  | -   | -54   |
| - other outflows   | -   | -1   | -   | -   |
| Other investment expenses  | -   | -  | 9   | -437  |
| <b>Net cash flow from investment activity</b>                              | <b>-183</b>   | <b>-491</b>  | <b>-2 500</b>   | <b>3 089</b>  |
| <b>Financial cash flow</b>   |   |  |   |   |
| Inflows  | 2 654   | 6 352  | 6 065   | 7 234   |
| Bank credits   | 2 654   | 6 108  | 5 556   | 6 679   |



*Interim Shortened Consolidated Financial Statement as at and for the period of nine months ended on 30 September 2012*

|  |              |               |              |               |
|--|--------------|---------------|--------------|---------------|
| Loans  | -            | -             | -            | 39            |
| Other financial outflows   | -            | 244           | 509          | 516           |
| <b>Outflows</b>  | <b>-339</b>  | <b>-1 823</b> | <b>-534</b>  | <b>-2 071</b> |
| Payment of dividend  | -12          | -12           | -11          | -11           |
| Other than payment to shareholders outflows under distribution of profit | -84          | -310          | -372         | -1 061        |
| Repayment of bank credits  | -            | -1 075        | -9           | -317          |
| Payment from the title of finance lease                                  | -            | -30           | -6           | -346          |
| Interest, commissions paid   | -            | -391          | -136         | -335          |
| Other financial outflows   | -5           | -5            | -            | -1            |
| <b>Net cash from financial activity</b>                                  | <b>2 315</b> | <b>4 529</b>  | <b>5 531</b> | <b>5 163</b>  |
| Total net cash flow  | 580          | -14 069       | -5 853       | -2 843        |
| Increase/(decrease) in net cash and cash equivalents                     | 580          | -14 069       | -5 853       | -2 843        |
| Cash and cash equivalents at the beginning of period                     | 4 701        | 19 350        | 9 110        | 6 100         |
| Cash and cash equivalents at the end of period                           | 5 281        | 5 281         | 3 257        | 3 257         |

#### IV. Interim Shortened Individual Financial Statement of PROCHEM S.A.

##### Individual Statement of Financial Position as at 30 September 2012

(all amounts in thousands of PLN, if not marked otherwise)

|  | As at<br>30 Sept. 2012 | As at<br>31 Dec. 2011 |
|--|------------------------|-----------------------|
| <b>A s s e t s</b>                                   |                        |                       |
| <b>Fixed assets</b>                                  |                        |                       |
| Tangible assets                                      | 1 814                  | 2 249                 |
| Intangible assets                                    | 159                    | 126                   |
| Shares and stocks of subsidiaries and other entities | 10 026                 | 10 626                |
| Shares and stocks of associated entities             | 1 288                  | 1 288                 |
| Deferred tax assets                                  | 116                    | 841                   |
| Other financial assets                               | 19 518                 | 18 923                |
| <b>Total fixed assetsAktywa trwałe, razem</b>        | <b>32 921</b>          | <b>34 053</b>         |
| <b>Current assets</b>                                |                        |                       |
| Inventory  | 2 749                  | 3 335                 |
| Trade receivables and other receivables              | 64 236                 | 67 602                |
| Other financial assets                               | 1 482                  | 1 438                 |
| Other assets   | 14 081                 | 19 131                |
| Cash and cash equivalents                            | 1 574                  | 16 006                |
| <b>Total current assets</b>                          | <b>84 122</b>          | <b>107 512</b>        |
| <b>Total assets</b>                                  | <b>117 043</b>         | <b>141 565</b>        |
| <b>E q u i t y a n d l i a b i l i t i e s</b>       |                        |                       |
| <b>Equity</b>  |                        |                       |
| Share capital  | 3 895                  | 3 895                 |
| Retained earnings                                    | 67 991                 | 62 944                |
| <b>Total equity</b>                                  | <b>71 886</b>          | <b>66 839</b>         |
| <b>Long-term liabilities</b>                         |                        |                       |
| Retirement benefit obligations                       | 415                    | 384                   |
| <b>Total long-term liabilities</b>                   | <b>415</b>             | <b>384</b>            |
| <b>Short-term liabilities</b>                        |                        |                       |
| Short-term bank credits                              | 6 003                  | -                     |
| Trade payables                                       | 35 743                 | 69 995                |
| Other liabilities                                    | 2 974                  | 1 948                 |
| Deferred income                                      | 22                     | 2 399                 |
| <b>Total short-term liabilities</b>                  | <b>44 742</b>          | <b>74 342</b>         |
| <b>Total liabilities</b>                             | <b>45 157</b>          | <b>74 726</b>         |
| <b>Total equity and liabilities</b>                  | <b>117 043</b>         | <b>141 565</b>        |
| Weighted average number of ordinary shares (units)   | 3 895 000              | 3 895 000             |
| Book value per one share (in PLN)                    | 18.46                  | 17.16                 |

**Individual Statement of Comprehensive Income for the period from 1 January 2012 to 30 September 2012**

(all amounts in thousands of PLN, if not marked otherwise)

|  | 3rd quarter of<br>2012<br>from 1 July 2012<br>to 30 September<br>2012 | Period of<br>9 months ended on<br>30 September 2012 | 3rd quarter of<br>2011<br>from 1 July 2011<br>to 30 September<br>2011 | Period of<br>9 months ended on<br>30 September 2011 |
|--|---|---|---|---|
| Income from sales including :  | 19 495  | 72 842  | 35 208  | 69 675  |
| Income from sale of services   | 19 256  | 71 970  | 35 094  | 69 495  |
| Income from sale of goods and materials                                  | 239   | 872   | 114   | 180   |
| Cost of sales including :  | -19 186   | -68 570   | -31 554   | -63 790   |
| Cost of services sold  | -19 021   | -67 778   | -31 476   | -63 644   |
| Cost of goods and materials sold   | -165  | -792  | -78   | -146  |
| <b>Gross profit from sales</b>   | <b>309</b>  | <b>4 272</b>  | <b>3 654</b>  | <b>5 885</b>  |
| General and administrative expenses                                      | -1 578  | -5 471  | -1 725  | -5 390  |
| Other operating income   | 1 662   | 2 013   | 291   | 1 134   |
| Other operating costs  | -52   | -2 998  | -78   | -290  |
| <b>Operating profit (loss)</b>   | <b>341</b>  | <b>-2 184</b>                                       | <b>2 142</b>  | <b>1 339</b>  |
| Financial income   | 202   | 917   | 279   | 891   |
| Profit from sale of shares of subordinated entities                      | -   | 7 545   | -   | 2 056   |
| Finance costs  | -321  | -507  | -200  | -804  |
| <b>Profit before tax</b>   | <b>222</b>  | <b>5 771</b>  | <b>2 221</b>  | <b>3 482</b>  |
| Income tax :   | -58   | 724   | 412   | 625   |
| - current income tax   | -   | -   | -   | -   |
| - deferred income tax  | -58   | 724   | 412   | 625   |
| <b>Net profit</b>  | <b>280</b>  | <b>5 047</b>  | <b>1 809</b>  | <b>2 857</b>  |
| <b>Other comprehensive income (net)</b>                                  | <b>-</b>  | <b>-</b>  | <b>-</b>  | <b>-</b>  |
| <b>Total comprehensive income</b>  | <b>280</b>  | <b>5 047</b>  | <b>1 809</b>  | <b>2 857</b>  |
| Weighted average number of ordinary share (units)                        | 3 895 000   | 3 895 000   | 3 895 000   | 3 895 000   |
| Profit per one ordinary share/diluted (in PLN per one share)             | 0.07  | 1.30  | 0.46  | 0.73  |
| Total comprehensive income per one ordinary share (in PLN per one share) | 0.07  | 1.30  | 0.46  | 0.73  |

### Individual Statement of Changes in Owners' Equity

(all amounts in thousands of PLN, if not marked otherwise)

|  | Share capital | Retained earnings | Total equity |
|--|---------------|-------------------|--------------|
| <b>Reporting period from 1 January 2012 to 30 September 2012</b> |               |                   |              |
| As at the beginning of period                                    | 3 895         | 62 945            | 66 840       |
| Net profit of the given period                                   | -             | 5 047             | 5 047        |
| Other comprehensive income (net)                                 | -             | -                 | -            |
| Total comprehensive income                                       | -             | 5 047             | 5 047        |
| At the end of period   | 3 895         | 67 992            | 71 887       |
| <b>Reporting period from 1 January 2011 to 31 December 2011</b>  |               |                   |              |
| At the beginning of period                                       | 3 895         | 59 734            | 63 629       |
| Net profit of the given period                                   | -             | 3 210             | 3 210        |
| Other comprehensive income (net)                                 | -             | -                 | -            |
| Total comprehensive income                                       | -             | 3 210             | 3 210        |
| At the end of period   | 3 895         | 62 944            | 66 839       |

### Individual Statement of Cash Flows for the period from 1 January to 30 September 2012

(all amounts in thousands of PLN, if not marked otherwise)

|   | 3rd quarter of<br>2012<br>from 1 July 2012<br>to 30 September<br>2012 | Period of<br>9 months ended<br>on 30<br>September 2012 | 3rd quarter of<br>2011<br>from 1 July 2011<br>to 30 September<br>2011 | Period of<br>9 months<br>ended on<br>30 September<br>2011 |
|---|---|--|---|---|
| <b>Operating cash flow</b>  |   |  |   |   |
| Gross profit (loss)   | 222   | 5 771  | 2 221   | 3 482   |
| Total adjustments   | -1 168  | -25 726  | -13 061   | -14 940   |
| Amortization and depreciation   | 179   | 674  | 324   | 1 084   |
| Interest and profit sharing (dividends)                                 | -32   | -380   | -139  | -385  |
| (Profit) from sale of tangible assets                                   | -109  | -158   | -   | -299  |
| (Profit) on investments recognized in Statement of Comprehensive Income | -   | -7 545   | -   | -2 056  |
| Movement in provisions  | -43   | -50  | -28   | -62   |
| Change in inventory   | -425  | 586  | 0   | 93  |
| Movement in receivables   | 4 782   | 16 664   | -26 837   | -29 707   |
| Movement in current liabilities with the exception of loans and credits | -5 372  | -33 135  | 13 213  | 15 144  |
| Other adjustments (including deferred income)                           | -148  | -2 382   | 406   | 1 248   |
| Operating cash flow   | -946  | -19 955  | -10 840   | -11 458   |
| Income tax paid   | -   | -  | -   | -   |
| Net operating cash flow   | -946  | -19 955  | -10 840   | -11 458   |

|   |              |               |              |              |
|---|--------------|---------------|--------------|--------------|
| <b>Investment cash flow</b>                                 |              |               |              |              |
| <b>Inflows</b>  | <b>97</b>    | <b>247</b>    | <b>66</b>    | <b>6 486</b> |
| Sale of intangible assets and tangible assets               | 94           | 244           | 66           | 568          |
| Inflow from financial assets                                | 3            | 3             | -            | 5 918        |
| a) in affiliated entities                                   | 3            | 3             | -            | 5 918        |
| - dividend received   | 3            | 3             | -            | -            |
| - sale of financial assets                                  | -            | -             | -            | 5 450        |
| repayment of granted loans                                  | -            | -             | -            | 443          |
| repayment of interest on loans                              | -            | -             | -            | 25           |
| <b>Outflows</b>   | <b>-112</b>  | <b>-467</b>   | <b>-121</b>  | <b>-351</b>  |
| Purchase of intangible assets and tangible assets           | -112         | -465          | -121         | -297         |
| For financial assets including:                             | -            | -2            | -            | -54          |
| a) in affiliated entities                                   | -            | -1            | -            | -54          |
| - purchase of financial assets                              | -            | -             | -            | -54          |
| - loans granted   | -            | -1            | -            | -            |
| b) in other entities  | -            | -1            | -            | -            |
| - loans granted   | -            | -1            | -            | -            |
| <b>Net cash flow from investment activity</b>               | <b>-15</b>   | <b>-220</b>   | <b>-55</b>   | <b>6 135</b> |
| <b>Financial cash flow</b>                                  |              |               |              |              |
| Inflows   | 1 540        | 6 003         | 4 998        | 4 998        |
| Inflows from credits received                               | 1 540        | 6 003         | 4 998        | 4 998        |
| Outflows  | -165         | -260          | -70          | -742         |
| Repayment of bank credits                                   | -            | -             | -            | -277         |
| Payment from the title of finance lease                     | -            | -             | -            | -253         |
| Interest and commission paid                                | -165         | -260          | -70          | -212         |
| <b>Net cash flow from investment activity</b>               | <b>1 375</b> | <b>5 743</b>  | <b>4 928</b> | <b>4 256</b> |
| Total net cash flow   | 414          | -14 432       | -5 967       | -1 067       |
| Decrease/(increase ) in net cash and cash equivalents       | 414          | -14 432       | -5 967       | -1 067       |
| <b>Cash and cash equivalents at the beginning of period</b> | <b>1 160</b> | <b>16 006</b> | <b>6 974</b> | <b>2 074</b> |
| <b>Cash and cash equivalents at the end of period</b>       | <b>1 574</b> | <b>1 574</b>  | <b>1 007</b> | <b>1 007</b> |

## **V. Notes on assumed accounting principles (policy) and other explanatory remarks to Interim Shortened Consolidated Financial Statement of Prochem S.A Capital Group and company Prochem S.A. as at and for the period ending on 30 September 2012**

This Notes contains both consolidated financial data of PROCHEM Capital Group (Prochem Group, Group, Capital Group) and individual financial results of PROCHEM S.A. (PROCHEM, Company, Issuer).

### **1. The establishment of the parent company and basic scope of its activity**

Company Prochem S.A. (hereinafter called „Prochem”, „Company”, „Issuer”, „Parent Company”) with the registered office in Warsaw, at 44C Powązkowska Street. The company is entered into the National Court Register (KRS) by the District Court for the capital city of Warsaw, XII Commercial Division of the National Court Register under KRS number 0000019753. Basic activity according to Polish Business Classification (PKD 2007) determines symbol 7112Z – operations in the scope of engineering services and associated with it technical consulting. According to Warsaw Stock Exchange Classification the company is being ranked among the construction sector. Company Prochem S.A. is a parent entity in the Capital Group and is drawing up separate consolidated financial statement. Company Prochem S.A. was established as a result of transformation of a state enterprise under the name Przedsiębiorstwo Projektowania I Realizacji Inwestycji Przemysłu Chemicznego “Prochem” (The Office of Designing and the Implementation of an Investment Project of the Chemical Industry ). The authenticated deed and statutes were signed on 1 October of 1991. The company’s duration is indefinite.

### **2. Managiung Bodies of Parent Company**

As at the date of drawing up this financial statement the Management Board of Prochem S.A. comprises following persons :

Jarosław Stepniewski – Chairman of the Management Board

Marek Kiersznicki - Vice Chairman

Krzysztof Marczak - Management Board Member

As at the date of drawing up this financial statement the Supervisory Board comprises following persons:

- Andrzej Karczykowski - Chairman
- Marek Garliński – Vice Chairman
- Dariusz Krajowski-Kukiel
- Krzysztof Obłój
- Adam Parzydeł

Since the day of publishing Report for the first quarter of 2012 in composition of Management Board and Supervisory Board no changes took place.

### **3. Description of organization of Capital Group indicating the entities being subject to consolidation**

The Prochem Capital Group (hereinafter referred to as „Capital Group”, „Group”), in addition to data of parent entity (hereinafter referred to as “the Issuer”) comprises the following subsidiaries directly or indirectly, and affiliated entities (hereinafter referred to as “entity” or “company”):

Subsidiaries covered by full consolidation:

- Prochem Inwestycje Sp. z o.o. with registered office in Warsaw – direct subsidiary (100.0%);
- Irydion Sp. z o.o. with registered office in Warsaw – direct subsidiary (100.0%);
- PRO-INHUT Sp. z o.o. with registered office in Dąbrowa Górnicza – indirect subsidiary (99.0%);
- Pro-Organika Sp. z o.o. with registered office in Warsaw – direct subsidiary (91.4%);
- Prochem Serwis Sp. z o.o. with registered office in Warsaw – indirect subsidiary (89.1%);
- PREDOM Sp. z o.o. with registered office in Wrocław – indirect subsidiary (81.1% of the share capital and profit, 69.4% of votes);
- Prochem Zachód Sp. z o.o. with registered office in Warsaw – direct subsidiary (60.0%);
- ELPRO Sp. z o.o. Kraków – indirect subsidiary (84.8%, including 69.6% of the share in 50% share of Elektromontaż Kraków);
- Elmont Inwestycje Sp. z o.o. Kraków – indirect subsidiary (84.8%, including 69.6% of the share in 50% share of Elektromontaż Kraków);
- Elektromontaż Kraków S.A. – indirect subsidiary 69.6%, including 31.3% of the share capital and voting rights belonging to company Prochem Inwestycje subsidiary 100% – company draws up consolidated financial statement containing data of the subsidiary 100% ELMONT-POMIARY Sp. z o.o. with registered office in Krakow and two associated companies ELPRO Sp. z o.o. with registered office in Krakow and Elmont-Inwestycje Sp. z o.o. with registered office in Krakow;
- IRYD Sp. z o.o. with registered office in Warsaw – indirect subsidiary 100%;
- ATUTOR Integracja Cyfrowa Sp. z o.o. with registered office in Warsaw – indirect subsidiary (87.3% of share belongs to company Prochem Inwestycje Sp. z o.o. subsidiary 100%);
- Prochem RPI Sp. z o.o. with registered office in Warsaw – direct and indirect subsidiary 100% (3.3% of share belongs to company Prochem Inwestycje Sp. z o.o. subsidiary 100%);
- PRO PLM Sp. z o.o. with registered office in Warsaw – direct and indirect subsidiary 100% (50% of share belongs to company Prochem Inwestycje Sp. z o.o. subsidiary 100%).

Associated entities valued with equity method:

- PROMIS Sp. z o.o. with registered office in Warsaw – indirectly associated (29.5% of voting rights and 48.9 % of share capital belongs to company Prochem Inwestycje Sp. z o.o. subsidiary 100%);
- ITEL Sp. z o.o. Gdynia – 42.0% of share (18.7% of voting rights and capitals belongs directly to Prochem S.A. and 23.31% belongs to Prochem RPI Sp. z o.o. subsidiary (100%) ;
- TEOMA S.A. with registered office in Warszawie –19.5% of the share capital and 16.6% of voting rights (12.2% of voting rights belongs directly to Prochem S.A. and 4.4% belongs to Prochem Inwestycje Sp. z o.o. subsidiary 100%).

Consolidated subsidiaries were included in the consolidated financial statements from the day of taking of control by the parent company, and affiliates from the day of having a significant influence.

Company Predom Projektowanie Sp. z o.o. was excluded from consolidation. The Company has not commenced operations. The value of shares was covered by impairment write down.

#### **4. Accepted accounting principles applied by Capital Group and Issuer**

***Basis for preparation and statement of compliance***

Interim Shortened Consolidated Financial Statement of PROCHEM S.A. Capital Group and Individual Interim Shortened Financial Statement for nine months of 2012 were drawn up according to International Accounting Standards IAS 34 „Interim Financial Reporting” and regulation of the Minister of Finance of 19

February 2009 on current and periodical information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member state (Journal of Laws of 2009 No 33, item. 259). These Interim Shortened Consolidated Financial Statements are not containing information and disclosures required for complete financial reports and should be read along with Consolidated Financial Statement of Prochem S.A. Capital Group for the financial year ended on 31 December 2011 and Financial Statement of Prochem S.A. for the financial year ended on 31 December 2011.

These Interim Shortened Consolidated Financial Statement of Prochem S.A. Capital Group and Individual Interim Shortened Financial Statement have been prepared at going concern assumption in a foreseeable future and it is stated that there are no circumstances pointing out the threat to going concern of Prochem S.A. Capital Group and of Issuer.

The duration of the activities of individual entities belonging to the Capital Group and company Prochem S.A. is not limited.

Financial statements of all subordinated entities were drawn up for the same reporting period as financial statement of the parent entity with the application of consistent accounting principles.

A financial year of the parent company and companies belonging to the group is a calendar year.

The operational activity of the parent company and companies belonging to the group doesn't have seasonal character and isn't subject to cyclical trends.

#### ***Principles of drawing up consolidated financial statement***

Consolidated Financial Statement was drawn up based on the principle of the historical cost, with the exception of:

- land, buildings and constructions,
- investment properties (land),
- derivatives of financial instruments
- investments in subsidiaries, associated or in joint undertaking.

#### ***Changes in accounting estimates and accounting policy***

The preparation of financial statements in accordance with IFRS as adopted by EU requires the use of reliable accounting estimates and the assumptions as to future events. Items of the financial statement identified on the basis of estimates are subject to verification when circumstances being the basis of estimates are changing or as a result of new information, the progressive course of events or more experience.

The change of adopted principles in the accounting policy is effected in case :

1. of IFRS changes,
2. when the change in accounting policy will lead to the fact that information included in the financial statement concerning the impact of the transaction, other events and conditions on financial position, financial performance or cash flows, will be more useful and credible for recipients of reports.

In case of changes in accounting principles it is assumed, that the new accounting policy have been always applied, except for those that do not provide a retrospective change. Adjustments associated with it shall be shown as changes in owner's equity. To ensure the comparability transformations of financial statements are done for the earlier presented period in such a way that the statements also include changes made, except for situations, when setting the impact of change on particular periods or the cumulative effect is practically impossible.



***Essential accounting principles***

In preparing the Interim Shortened Consolidated Financial Statement and Interim Shortened Individual Financial Statement for nine months of 2012 the same accounting principles and the same calculating methods were applied as those that were used in Consolidated Financial Statement of Prochem S.A. Capital Group and Financial Statement of Prochem S.A. for the year ended on 31 December 2011.

Amendments to IFRS issued but not effective until the date of publication of these interim shortened financial statements will be made in accordance with the date of their entry into force. The possible impact of these changes on future financial statements are being analyzed.

***Changes in accounting estimates***

Within nine months of 2012 there was no change in the principles and methods of calculation used to determine estimates.

***Functional currency and presentation currency of the statement***

The Interim Shortened Consolidated Financial Statement of the Group and Individual Financial Statement of Prochem S.A. are presented in Polish zloty (“zł” or ”PLN”), which is functional and reporting currency.

**5. Brief description of the significant achievements and failures of the Issuer in the period covered by the report along with an indication of the major events that affect them**

In the third quarter of 2012 Issuer signed an agreement with FENIX Sp. z o.o. in arrangement bankruptcy with registered office in Wrocław on the receivables covered by write-down in the first half of 2012. The signing of the agreement and taking over the liabilities by „Prześlakowska Maria Przedsiębiorstwo Wielobranżowe Jan-Mar” with registered office in Wrocław, helped to solve the previous write-down in the amount of PLN 1 516 thousand. Solution of write-down was recognized in other operating income.

**6. Factors and events particularly of an unusual nature having a significant impact on achieved financial results**

In the third quarter of 2012 events of unusual nature did not occur.

Other events having a significant effect on financial performance of Capital Group in the third quarter of 2012.

- a) Provision for deferred income tax created in the previous periods in the amount of PLN 217 thousand was dissolved, and provision was created in the amount of 258 thousand,
- b) Deferred tax assets was used in the amount of PLN 411 thousand, and created in the amount of PLN 505 thousand,
- c) Provision for holiday benefits created in the previous periods in the amount of PLN 24 thousand was used,
- d) Provision for retirement benefits created in previous periods in the amount of PLN 11 thousand was used,
- e) Provision for future costs created in previous periods in the amount of PLN 25 thousand was used,
- f) Creation of write-down covering amounts due in the amount of PLN 2 thousand and dissolution of write-down in the amount of PLN 1 516 thousand.

Other events having a significant effect on financial performance of the Issuer in the third quarter of 2012:

- a) Provision for deferred income tax created in the previous periods in the amount of PLN 217 thousand was dissolved, and provision in the amount of PLN 163 thousand was created,
- b) Deferred tax assets were used in the amount of PLN 408 thousand, and were created in the a mount of PLN 398 thousand,

- c) Creation of write-down covering amounts due in the amount of PLN 2 thousand and dissolution of write-down in the amount of PLN 1516 thousand,
- d) Provision for holiday benefits created in the previous periods in the amount of PLN 7 thousand was used,
- e) Provision for future retirement benefit in the amount of PLN 11 thousand was used,
- f) Provision for future costs created in previous periods in the amount of PLN 25 thousand was used.

**7. Explanation concerning the seasonal character or the cyclical nature of activity of the issuer in the presented period**

The problem of the seasonal character and the cyclical nature does not apply to the Issuer and Prochem S.A. Capital Group.

**8. Information on issue, repurchase and repayment of non-equity securities and equity securities**

Did not occur.

**9. Information on dividend paid (or declared), total value and per one share divided into ordinary and preference shares**

During the reporting period Issuer did not pay dividends.

**10. Indication of the events that occurred after the date on which shortened quarterly financial statement was prepared, not included in this report, and that may significantly affect the future financial performance of the issuer.**

Did not occur.

**11. Related party transactions**

In the reporting period 2012 members of the Supervisory Board and Management Board didn't concluded contracts with affiliates.

Transactions with affiliated entities as below were concluded on market conditions and concern sale and purchase of services among others construction and assembly services and hire contract as well as mutually granted loans.

Settlements with affiliated entities include trade balances and loans.

Guarantees and sureties granted to affiliated entities are presented in item 12.

**Transactions of the Capital Group with associated entities.**

***Reporting period***

In the period from 1 January 2012 to 30 September 2012 there were transactions with associates under financial income – guarantee fee - in the amount of PLN 3 thousand.

Dividends received amounted to PLN 18 thousand.

Net share in profit (loss) for three quarters of 2012 of the entities valued with equity method amounted to PLN 375 thousand.

As at 30 September 2012 settlements with associated entities directly or indirectly on trade payables did not

occur.

### ***Comparative data***

In the period from 1 January 2011 to 30 September 2011 there were transactions with associated entities under financial income – interest on loans – in the amount of PLN 4 thousand.

Net share in profit (loss) for three quarters of 2011 of the entities valued with equity method amounted to PLN 304 thousand.

As at 30 September 2011 settlements with associated entities directly or indirectly on trade payables did not occur.

### **Transactions of the Issuer with subsidiaries**

#### **Data for the reporting period**

As at 30 September 2012 settlements between the Issuer and associates directly or indirectly developed as follows:

Receivables from long-term loans with interest - PLN 19 518 thousand,  
Receivables from short-term loans with interest - PLN 1 283 thousand,  
Trade receivables and other receivables - PLN 16 689 thousand,  
Trade payables - PLN 2 249 thousand

In the period from 1 January 2012 to 30 September 2012 there were following transactions between Issuer and direct and indirect subsidiaries:

sale and acquisition of construction services,  
sale of other services (lease of the area),  
Total income from these transactions amounted to - PLN 946 thousand  
Income from interest on loans amounted to - PLN 636 thousand  
Remuneration on account of valorization of contract value – PLN 215 thousand  
Received dividends – PLN 3 thousand.

#### **Comparative data**

As at 30 September 2011 settlements between the Issuer and associates directly or indirectly developed as follows:

Receivables from long-term loans with interest - PLN 18 703 thousand,  
Receivables from short-term loans with interest - PLN 345 thousand,  
Trade receivables and other receivables – PLN 10 984 thousand  
Trade payables - PLN 1 660 thousand

In the period from 1 January 2011 to 30 September 2011 there were following transactions between Issuer and direct and indirect subsidiaries:

sale and acquisition of construction services,  
sale of other services (lease of the area),  
Total income from these transactions amounted to - PLN 873 thousand  
Income from interest on loans amounted to - PLN 594 thousand.  
Remuneration on account of valorization of contract value – PLN 187 thousand  
Received dividends – PLN 3 thousand.

### **Transactions of the issuer with associated entities**

#### ***Reporting period***

In the period from 1 January 2012 to 30 September 2012 transactions with associates did not occur. As at 30 September 2012 settlements with associated entities directly or indirectly on trade payables and trade receivables did not occur.

**Comparative data**

In the period from 1 January 2011 to 30 September 2011 transactions with associates did not occur.

As at 30 September 2011 settlements with associated entities directly or indirectly on trade payables and trade receivables did not occur.

**12. Information on changes in contingent liabilities or contingent assets that have occurred since the end of the last financial year**

***Contingent liabilities of Capital Group***

| Title   | Period ended on   |                  |                   |
|---|-------------------|------------------|-------------------|
|   | 30 September 2012 | 31 December 2011 | 30 September 2011 |
| Bank guarantee of good performance  | 16 191            | 13 481           | 14 994            |
| Guarantee of payment  | 1 305             | 832              | 832               |
| Tender guarantee  | 130               | 450              | 400               |
| Warranty protection obligations under the warranty and guarantee – given on behalf of the associate | 288               | -                | -                 |
| <b>Total guarantees</b>   | <b>17 914</b>     | <b>14 763</b>    | <b>16 226</b>     |
| L/C for delivery  | 373               | 1 719            | 7 920             |
| <b>Total contingent liabilities</b>   | <b>18 287</b>     | <b>16 482</b>    | <b>24 146</b>     |

***Contingent liabilities of Issuer***

| Title   | Period ended on   |                  |                   |
|---|-------------------|------------------|-------------------|
|   | 30 September 2012 | 31 December 2011 | 30 September 2011 |
| Bank guarantee of good performance  | 12 156            | 8 353            | 12 431            |
| Guarantee of payment  | 1 305             | 832              | 832               |
| Tender guarantee  | 130               | 450              | 400               |
| Warranty protection obligations under the warranty and guarantee – given on behalf of the associate | 288               | -                | -                 |
| <b>Total guarantees</b>   | <b>13 879</b>     | <b>9 635</b>     | <b>13 663</b>     |
| L/C for delivery  | 373               | 1 719            | 7 920             |
| <b>Total contingent liabilities</b>   | <b>14 252</b>     | <b>11 354</b>    | <b>21 583</b>     |

***Contingent assets of the Issuer***

| Title                                     | Period ended on   |                  |                   |
|---|-------------------|------------------|-------------------|
|   | 30 September 2012 | 31 December 2011 | 30 September 2011 |
| Bank guarantee of good performance        | 2 638             | 3 768            | 4 100             |
| Terms of contact security guarantees Bs/e | 577               | 4 198            | 4 198             |
| <b>Total contingent assets</b>            | <b>3 215</b>      | <b>7 966</b>     | <b>8 298</b>      |

**13. Changes in the structure of the Capital Group since the beginning of the year including merging of economic units, takeover or sale of subsidiaries and long-term investments, restructuring and discontinued operations**

In the third quarter of 2012 subsidiary Elektromontaż Kraków S.A. repurchased 3 356 shares for a total of PLN 84 thousand. As a result of repurchase of own shares for redemption by company Elektromontaż Kraków has changed the structure of participation. As at 30 September 2012 direct and indirect share of Parent Company increased by 2.04 percentage points to 69.64%.

Jointly from the start of the procedure of buy back of shares up to 30 September 2012, 59 439 shares were repurchased for a total of PLN 1.5 m.

In the third quarter of 2012 on the basis of the Resolution No 15 of the Ordinary General Meeting of company Elektromontaż Kraków S.A. of 15 June 2012 on the redemption of shares, the share capital decreased by PLN 257.8 thousand (discontinued 51 563 shares with a nominal value of PLN 5 each).

In the second quarter of 2012 parent company sold 81 455 shares of company Elektromontaż Kraków, i.e. 30.9% share in share capital and voting rights to company Prochem Inwestycje Sp. z o.o. subsidiary 100%. Nominal value of share amounts to PLN 5, selling price was PLN 100 per share. Realized gain on the transaction does not affect the financial result of Prochem S.A. Capital Group for the year 2012.

Company Prochem Inwestycje Sp. z o.o. sold 2 shares of company Prochem Serwis Sp. z o.o. of nominal value of PLN 1 thousand each, for a total of PLN 7.7 thousand

#### **14. Attitude of the Management Board regarding the feasibility of previously published results forecasts for the given year, in the light of the results presented in quarterly report in relation to forecast results**

Management Board of the Company Prochem S.A. did not publish forecasts of financial results of the Company and Prochem S.A. for 2012.

#### **15. Shareholders having directly or indirectly through subsidiaries at least 5 % of the total number of votes at the General Meeting of the Issuer on the date of submission of the quarterly report together with the number of shares belonging to those shareholders and their percentage participation in the total number of votes at the General Meeting and an indication of changes in the ownership structure of considerable share packets of the issuer in the period from the previous quarterly report**

According to information held by the Company as at the date of this report the following shareholders hold at least 5% of the votes at the General Meeting of Shareholders.

| Description   | Number of owned shares<br>(in units) | % of votes in total<br>number of votes | % of share capital |
|---|--------------------------------------|--|--------------------|
| 1. Prochem Holding M. Garliński Spółka Komandytowa  | 962 341                              | 24.68                                  | 24.71              |
| 2. Steve Tappan   | 382 751                              | 9.82                                   | 9.83               |
| 3. ING Towarzystwo Funduszy<br>Inwestycyjnych SA, including:<br>- ING Parasol Specjalistyczny<br>Fundusz Inwestycyjny Otwarty   | 358 312                              | 9.19                                   | 9.20               |
| 4. Otwarty Fundusz Emerytalny PZU „Złota Jesień“  | 369 000                              | 9.47                                   | 8.36               |
| 5. Legg Mason Zarządzanie<br>Aktywami S.A, oncluding:<br>- Legg Mason Akcji Fundusz Inwestycyjny Otwarty<br>- Legg Mason akcji Skoncentrowany Fundusz<br>Inwestycyjny Zamknięty | 603 682                              | 15.48                                  | 15.50              |
|   | 284 054                              | 7.29                                   | 7.29               |
|   | 261 769                              | 6.71                                   | 6.72               |

In the period from submission of the report for the first half of 2012 there was no change in the ownership structure of considerable share packets of the Issuer.

**16. Statement of changes in the ownership of the shares of the Issuer or rights to them (options) by persons managing and supervising the Issuer, according to information held by the Issuer in the period from the previous quarterly report**

As at the date of quarterly report the following members of the Management Board and Supervisory Board held shares of PROCHEM SA:

- Jarosław Stępniewski – 37,787 units.;
- Marek Kiersznicki – 17, 500 units;
- Krzysztof Marczak – 9,030 units;
- Andrzej Karczykowski – 20,000 units;
- Marek Garliński – 35,548 units;

In the period from submission of the previous report there was no change in the ownership structure of shares of the Issuer.

**17. Indication of proceedings pending before the court, competent authority for arbitration or public authority including information on:**

- a) Proceedings concerning liabilities or debts of the issuer or its subsidiaries whose value is at least 10 % of the equity of the issuer, specifying: the subject matter of the proceedings, the amount in dispute, the date of initiation of proceedings, the parties in proceedings and the position of the issuer,
- b) Two or more proceedings concerning liabilities and debts which total amount constitutes respectively at least 10 % of the equity of the issuer, stating the total value of proceedings separately in the group of liabilities and debts along with the position of the issuer in this case, and for the biggest proceedings in the group of liabilities and group of debts – an indication of their subject, the amount in dispute, the date of initiation of the proceeding and the parties in proceedings.

PROCHEM S.A. is still a party to the proceedings before the court for settlement of the interrupted on 10 Nov. 2005 contract for construction management of an investment project under the name "Pipeline in a section from the ST- 1 Adamowo - to raw material base Plebanka" concluded with PERN S.A. PROCHEM S.A. filed a lawsuit to the court for payment of PLN 41,301 thousand for a final settlement of contract. On 18 January 2008 District Court in Warsaw issued a judgment in this case considering claim of Prochem S.A. as to be right in principle, while stating that this commitment is not yet due.

On 26 August 2008 the Court of Appeal in Warsaw issued a final judgment on the appeal lodged by PROCHEM S.A. from the a/m judgment of the District Court, recognizing in it that the claim filed by Prochem S.A. regarding contractual settlement is not premature and at the same time ordered the District Court to make accounting for the mentioned above contract pursuant to the provisions of the contract. This finding is in compliance with position in a case of PROCHEM S.A.

On 12 August 2010 the hearing was held before the District Court in Warsaw, where the Court decided to appoint an expert, who according to the Court of Appeal will ultimately settle the disputed contract. In April 2011 the case file was forwarded to the expert witness who must issue an opinion. The opinion was issued in May 2012. Date of the next hearing has not yet been determined. The final result of the settlement is not known.

In addition, the total value of the other procedures separately for the group of liabilities and group of debts does not exceed 10% of the equity of the Capital Group of the Issuer.

**18. Information on the conclusion by the issuer or its subsidiary one or more transactions with affiliated entities if individually or collectively they are significant and have been concluded on terms other than market terms:**

- a) Subject of the transaction,
- b) The relationship of the issuer or its subsidiaries with the entity which is party to the transaction,

- c) The essential terms of transaction, with particular emphasis on financial conditions and an indication of specific conditions determined by parties, specific to this contract, in particular different from those common applied to the type of contract.

In the third quarter of 2012 transactions concluded on terms other than market terms did not occur.

**19. Information about giving credit guarantees, guarantee for loan or giving a guarantee by the issuer or its subsidiary, including for a single entity or its subsidiary, if the total value of existing guarantees is equivalent to at least 10% of the equity of the issuer**

In the third quarter of 2012 none of the companies belonging to the Capital Group granted to a third party guarantees or credit guarantees or loan guarantees of such value.

**20. Other information which in the opinion of the Issuer is relevant to the assessment of its personnel, property and financial situation, financial result and their changes, and the information that is relevant to assess the possibility of fulfillment of obligations by the Issuer**

The low level of debts and the high financial liquidity allow companies belonging to the Capital Group for the current and timely service of obligations what causes that they are a credible partner in business

**21. Factors which in the opinion of the Issuer will influence its performance in at least the next quarter**

In the next quarter results achieved by the Group will depend mainly on effects achieved on the execution of contracts acquired by the Group, as well as the result of decisions concerning offers submitted by the Group for sale of its services. A success of development projects that were started by the Capital Group will also be substantial.

**22. Management of financial risk**

Activity of Companies belonging to Capital Group is exposed to the following financial risks:

- Credit risk;
- Liquidity risk;
- Market risks (including foreign exchange risk, interest rate risk, risk of economic fluctuations on the investment market, risk of making conditional on the staff).

*Credit risk*

Group leading the commercial activity is conducting sales of its services to business companies with the deferred payment, in the result of what a risk of the non-receipt of the amount due from contracting parties for delivered services can come into existence. In order to minimize the credit risk the Group is managing the risk through the being in force procedure of acquiring securities.

The accepted period of the repayment of amount due associated with the normal course of the sale is 14 - 60 days.

Amounts due from contracting parties are being regularly monitored by financial services. In case of overdue amounts due procedures of the collection are being started.

In order to lower the risk of not recovering trade receivables the Group is taking securities from its clients in the form among others: of bank and insurance guarantees, of mortgages and bills of exchange and the bails.

For the improvement of current liquidity, with the objective of the release the amount due seized by investors on account of the proper security of carried out agreements and the statutory warranty for construction and assembly work, the Group is granting bank guarantees and insurance within frames of guarantee lines started for that purpose.

The credit risk associated with cash and bank deposits is regarded by the Group as low.

All entities in which the Group is depositing available funds operate in the financial sector. National banks and branches of foreign banks of the credibility of the credit short-term best quality belong to them.

The credit risk, resulting from granted inside the group loans is regarded by the Group as low. The group isn't identifying threatening to payment of obligations arising from agreements on loans.

Risk of endangered financial assets is reflected by write-downs covering its value.

#### ***Liquidity risk***

The Group is exposed to the liquidity risk resulting from the relation of current liabilities to current assets.

#### ***Market risks***

##### *1. Economic fluctuations on the investment market*

The Group provides services on the investment market characterized by a large scale of hesitations of the demand strongly connected with the general macroeconomic situation of the country. Methods of limiting the adverse impact of this factor on financial results (concentrating reserves, diversification of provided services) applied by the Group may not fully neutralize this risk.

##### *2. Dependence on the staff*

The risk of making conditional on the staff is appearing in the Group. The refinement of provided services, undertaking the completion of complicated technological projects, using modern computer systems and the work for customers of high reputation requires the highest professional qualifications from employees. Recruiting this sort of persons, peculiarly in the situation of the liberalization of the European labour market can be difficult. The Group is trying to minimize this threat by raising qualifications of the employed staff and applying incentive programs associating employees with the company.

##### *3. Risk of rate of exchange*

Part of contracts for sale of services is concluded with foreign companies in foreign currencies (EURO, US\$). In case of considerable stiffening of the domestic currency it can have adverse effect on the performance of the Group. Partly this risk is being wiped out in the natural way through the purchase of devices and the services necessary for the accomplishment of these contracts abroad, as well as through the purchase of relevant financial instruments.

##### *4. Interest rate risk*

The group is exposed to the risk of the changeability of cash flows from the title of the interest rate resulting from the bank loans based on the floating interest rate WIBOR.

##### *5. Risk of adverse settlement of litigation with PERN S.A.*

In the face of considerable extending of judicial proceedings in the dispute with PERN SA which was begun in 2006 and is conducted currently by the District Court in Warsaw concerning settlement of accounts for the contract given up on 10 November 2005 for construction management of an investment project under the name "Pipeline in a section from the ST- 1 Adamowo - to raw material base Plebanka", a risk exist of the necessity to fulfil obligations towards sub-suppliers by PROCHEM S.A. in 2011 concerning seized guarantee deposits before regaining them from PERN SA. As at the balance sheet date the amount of unpaid deposit to subcontractors amounts to PLN 7.7 m.

A detailed description of the dispute is described in item 17.



### **23. Reporting according to business and geographical sections**

The operation section is component part of the entity:

- which is committing itself to business activity, in relation to which it can obtain the income and bear the costs,
- which results of the activities are being inspected regularly by the body responsible for the making operating decision in the Company;
- in case of which separate financial information is accessible.

The income of the section is the revenue from sales for outside customers.

Costs of the section are costs consisting of the costs associated with the selling to outside customers.

The result of the section is being established on the level of the operating result.

The activity of the companies from the capital group for the purposes of the management was divided into four basic operating departments such as: realization (general contracting), design and engineering services and other engineering services (supervisions along with the service of the project engineer), the lease of the construction equipment and other activity as which we recognize among others the income from the sublet, sale of photocopy services and other.

All assets used by the segment which comprise mainly receivables, stocks and tangible fixed assets after deduction of values of reserves and writes off were ranked among assets of the segment.

Some assets being in the shared use are assigned up to these units based on sensible weights.

Detailed data concerning activity of Prochem S.A. and Capital Group in individual sections are shown in following detailed statements.

**Operation segments – Prochem S.A. for three quarters of 2012 – income and performance of segments**

*Current period from 1 January to 30 September 2012*

|   | General contracting | Engineering and design services | Rental of construction equipment | Other        | Items not assigned | Total          |
|---|---------------------|---------------------------------|----------------------------------|--------------|--------------------|----------------|
| Revenue on behalf of outer customers  | 55 752              | 11 456                          | 3 464                            | 2 170        | -                  | 72 842         |
| <b>Total income of the segment</b>  | <b>55 752</b>       | <b>11 456</b>                   | <b>3 464</b>                     | <b>2 170</b> | <b>-</b>           | <b>72 842</b>  |
| <b>Results</b>  |                     |                                 |                                  |              |                    |                |
| <b>Profit (loss) of the segment</b>   | <b>3 485</b>        | <b>-6 468</b>                   | <b>1 659</b>                     | <b>125</b>   | <b>-</b>           | <b>-1 199</b>  |
| Financial income  | -                   | -                               | -                                | -            | 8 462              | 8 462          |
| Finance costs   | -                   | -                               | -                                | -            | -507               | -507           |
| Net financial income  | -                   | -                               | -                                | -            | 7 955              | 7 955          |
| Loss from remaining operating activities  | -                   | -                               | -                                | -            | -985               | -985           |
| <b>Profit before tax</b>  | <b>-</b>            | <b>-</b>                        | <b>-</b>                         | <b>-</b>     | <b>5 771</b>       | <b>5 771</b>   |
| Income tax  | -                   | -                               | -                                | -            | 724                | 724            |
| <b>Profit for the current period</b>  | <b>-</b>            | <b>-</b>                        | <b>-</b>                         | <b>-</b>     | <b>5 047</b>       | <b>5 047</b>   |
| <b>Assets and liabilities</b>   |                     |                                 |                                  |              |                    |                |
| Assets of the segment ( associated with activity)   | 44 870              | 5 775                           | 3 137                            | 1 268        | -                  | 55 050         |
| Assets not assigned/not allocated (among other shares, stocks and other financial assets) | -                   | -                               | -                                | -            | 61 993             | 61 993         |
| <b>Total assets</b>   | <b>44 870</b>       | <b>5 775</b>                    | <b>3 137</b>                     | <b>1 268</b> | <b>61 993</b>      | <b>117 043</b> |
| Depreciation of tangible fixed assets   | 102                 | 83                              | 214                              | 228          | -                  | 627            |
| Amortization of intangible fixed assets   | -                   | -                               | -                                | -            | 47                 | 47             |

*Comparative period from 1 January to 30 September of 2011*

|   | General contracting | Engineering and design services | Rental of construction equipment | Other        | Items not assigned | Total         |
|---|---------------------|---------------------------------|----------------------------------|--------------|--------------------|---------------|
| Revenue on behalf of outer customers  | 48 315              | 15 611                          | 4 222                            | 1 527        | -                  | 69 675        |
| <b>Total income of the segment</b>  | <b>48 315</b>       | <b>15 611</b>                   | <b>4 222</b>                     | <b>1 527</b> | <b>-</b>           | <b>69 675</b> |
| <b>Results</b>  |                     |                                 |                                  |              |                    |               |
| <b>Profit (loss) of the segment</b>   | <b>3 269</b>        | <b>-4 621</b>                   | <b>2 038</b>                     | <b>-191</b>  | <b>-</b>           | <b>495</b>    |
| Financial income  | -                   | -                               | -                                | -            | 2 947              | 2 947         |
| Finance costs   | -                   | -                               | -                                | -            | -804               | -804          |
| Net financial income  | -                   | -                               | -                                | -            | 2 143              | 2 143         |
| Profit from remaining operating activities  | -                   | -                               | -                                | -            | 844                | 844           |
| Profit before tax   | -                   | -                               | -                                | -            | 3 482              | 3 482         |
| Income tax  | -                   | -                               | -                                | -            | 625                | 625           |
| <b>Net profit for the current period</b>  | <b>-</b>            | <b>-</b>                        | <b>-</b>                         | <b>-</b>     | <b>2 857</b>       | <b>2 857</b>  |
| <b>Assets and liabilities</b>   |                     |                                 |                                  |              |                    |               |
| Assets of the segment ( associated with activity)   | 62 197              | 9 664                           | 4 009                            | 719          | -                  | 76 589        |
| Assets not assigned/not allocated (among other shares, stocks and other financial assets) | -                   | -                               | -                                | -            | 52 234             | 52 234        |

*Interim Shortened Consolidated Financial Statement as at and for the period of nine months ended on 30 September 2012*

|   |               |              |              |            |               |                |
|---|---------------|--------------|--------------|------------|---------------|----------------|
| <b>Total assets</b>                     | <b>62 197</b> | <b>9 664</b> | <b>4 009</b> | <b>719</b> | <b>52 234</b> | <b>128 823</b> |
| Depreciation of tangible fixed assets   | 76            | 65           | 388          | -          | 476           | 1 005          |
| Amortization of intangible fixed assets | -             | -            | -            | -          | 79            | 79             |

Operation segments – Prochem S.A. Capital Group for three quarters of 2012 – income and performance of segments

Current period from 1 January to 30 September 2012

| For the period from 1. Jan.2012 to 30 Sept.2012.  | General contracting | Design services and engineering | Rental of construction equipment | Assembly of electrical installations | Lease of office space and real estates | Management of real estates | Maintenance | Commercial activity | Development activity | Other IT services | Other        | Items not assigned | Total          |
|---|---------------------|---------------------------------|----------------------------------|--------------------------------------|--|----------------------------|-------------|---------------------|----------------------|-------------------|--------------|--------------------|----------------|
| Income on behalf of outside customers   | 55 985              | 14 699                          | 3 464                            | 21 063                               | 4 050                                  | 4 241                      | 546         | 4 523               | -                    | 334               | 1 748        | -                  | 110 653        |
| <b>Total income of segment</b>  | <b>55 985</b>       | <b>14 699</b>                   | <b>3 464</b>                     | <b>21 063</b>                        | <b>4 050</b>                           | <b>4 241</b>               | <b>546</b>  | <b>4 523</b>        | <b>-</b>             | <b>334</b>        | <b>1 748</b> | <b>-</b>           | <b>110 653</b> |
| <b>Result</b>   |                     |                                 |                                  |                                      |  |                            |             |                     |                      |                   |              |                    |                |
| <b>Profit (loss) of the segment</b>   | <b>3 350</b>        | <b>-6 610</b>                   | <b>1 659</b>                     | <b>1 048</b>                         | <b>702</b>                             | <b>198</b>                 | <b>7</b>    | <b>606</b>          | <b>-</b>             | <b>-125</b>       | <b>-791</b>  | <b>-</b>           | <b>44</b>      |
| Financial income  | -                   | -                               | -                                | -                                    | -                                      | -                          | -           | -                   | -                    | -                 | -            | 1 311              | 1 311          |
| Finance costs   | -                   | -                               | -                                | -                                    | -                                      | -                          | -           | -                   | -                    | -                 | -            | -760               | -760           |
| Net financial income  | -                   | -                               | -                                | -                                    | -                                      | -                          | -           | -                   | -                    | -                 | -            | 551                | 551            |
| Share in profit of associated entities  | -                   | -                               | -                                | -                                    | -                                      | -                          | -           | -                   | -                    | -                 | -            | 375                | 375            |
| <b>(Loss) from remaining operating activities</b>                                       | <b>-</b>            | <b>-</b>                        | <b>-</b>                         | <b>-</b>                             | <b>-</b>                               | <b>-</b>                   | <b>-</b>    | <b>-</b>            | <b>-</b>             | <b>-</b>          | <b>-</b>     | <b>-1 710</b>      | <b>-1 710</b>  |
| <b>(Loss) before tax</b>  | <b>-</b>            | <b>-</b>                        | <b>-</b>                         | <b>-</b>                             | <b>-</b>                               | <b>-</b>                   | <b>-</b>    | <b>-</b>            | <b>-</b>             | <b>-</b>          | <b>-</b>     | <b>-740</b>        | <b>-740</b>    |
| Income tax  | -                   | -                               | -                                | -                                    | -                                      | -                          | -           | -                   | -                    | -                 | -            | 1 113              | 1 113          |
| <b>(Loss) for the current period</b>  | <b>-</b>            | <b>-</b>                        | <b>-</b>                         | <b>-</b>                             | <b>-</b>                               | <b>-</b>                   | <b>-</b>    | <b>-</b>            | <b>-</b>             | <b>-</b>          | <b>-</b>     | <b>-1 853</b>      | <b>-1 853</b>  |
| <b>Profit assigned to minority shareholders</b>   | <b>-</b>            | <b>-</b>                        | <b>-</b>                         | <b>-</b>                             | <b>-</b>                               | <b>-</b>                   | <b>-</b>    | <b>-</b>            | <b>-</b>             | <b>-</b>          | <b>-</b>     | <b>462</b>         | <b>462</b>     |
| <b>(Loss) net assigned to shareholders of parent entity</b>                             | <b>-</b>            | <b>-</b>                        | <b>-</b>                         | <b>-</b>                             | <b>-</b>                               | <b>-</b>                   | <b>-</b>    | <b>-</b>            | <b>-</b>             | <b>-</b>          | <b>-</b>     | <b>-2 315</b>      | <b>-2 315</b>  |
| <b>Assets</b>   |                     |                                 |                                  |                                      |  |                            |             |                     |                      |                   |              |                    |                |
| Assets of the segment (associated with activity)  | 38 148              | 8 767                           | 3 137                            | 14 121                               | 5 749                                  | 2 808                      | 254         | 1 293               | 33 678               | -                 | 1 522        | -                  | 109 477        |
| Assets not assigned/not allocated (among others shares, stocks, other financial assets) | -                   | -                               | -                                | -                                    | -                                      | -                          | -           | -                   | -                    | -                 | -            | 79 978             | 79 978         |
| <b>Total assets</b>   | <b>38 148</b>       | <b>8 767</b>                    | <b>3 137</b>                     | <b>14 121</b>                        | <b>5 749</b>                           | <b>2 808</b>               | <b>254</b>  | <b>1 293</b>        | <b>33 678</b>        | <b>-</b>          | <b>1 522</b> | <b>79 978</b>      | <b>189 455</b> |
| <b>Other information related to segment</b>   |                     |                                 |                                  |                                      |  |                            |             |                     |                      |                   |              |                    |                |
| Depreciation of tangible fixed assets   | 126                 | 105                             | 214                              | 250                                  | 40                                     | 573                        | 45          | -                   | -                    | -                 | 245          | 98                 | 1 696          |
| Amortization of intangible fixed assets   | -                   | 7                               | -                                | 10                                   | 1                                      | -                          | 3           | -                   | -                    | -                 | -            | 49                 | 70             |

**Comparative period from 1 January to 30 September of 2011**

|   | General contracting | Design services and engineering | Rental of construction equipment | Assembly of electrical installations | Lease of office space and real estates | Management of real estates | Maintenance  | Commercial activity | Development activity | Other IT services | Other        | Items not assigned | Total          |
|---|---------------------|---------------------------------|----------------------------------|--------------------------------------|--|----------------------------|--------------|---------------------|----------------------|-------------------|--------------|--------------------|----------------|
| Income on behalf of outside customers   | 48 620              | 18 696                          | 5 185                            | 21 019                               | 3 795                                  | 3 662                      | 3 090        | 3 082               | -                    | 501               | 1 059        | 247                | 108 956        |
| <b>Total income of segment</b>  | <b>48 620</b>       | <b>18 696</b>                   | <b>5 185</b>                     | <b>21 019</b>                        | <b>3 795</b>                           | <b>3 662</b>               | <b>3 090</b> | <b>3 082</b>        | <b>-</b>             | <b>501</b>        | <b>1 059</b> | <b>247</b>         | <b>108 956</b> |
| <b>Result</b>   |                     |                                 |                                  |                                      |  |                            |              |                     |                      |                   |              |                    |                |
| <b>Profit (loss) of the segment</b>   | <b>1 887</b>        | <b>-4 969</b>                   | <b>3 001</b>                     | <b>547</b>                           | <b>645</b>                             | <b>88</b>                  | <b>44</b>    | <b>158</b>          | <b>-</b>             | <b>33</b>         | <b>-387</b>  | <b>-250</b>        | <b>797</b>     |
| Financial income  | -                   | -                               | -                                | -                                    | -                                      | -                          | -            | -                   | -                    | -                 | -            | 663                | 663            |
| Finance costs   | -                   | -                               | -                                | -                                    | -                                      | -                          | -            | -                   | -                    | -                 | -            | 1 076              | 1 076          |
| Net financial income  | -                   | -                               | -                                | -                                    | -                                      | -                          | -            | -                   | -                    | -                 | -            | -413               | -413           |
| Share in profit of associated entities  | -                   | -                               | -                                | -                                    | -                                      | -                          | -            | -                   | -                    | -                 | -            | 304                | 304            |
| <b>Profit from remaining operating activities</b>                                       | <b>-</b>            | <b>-</b>                        | <b>-</b>                         | <b>-</b>                             | <b>-</b>                               | <b>-</b>                   | <b>-</b>     | <b>-</b>            | <b>-</b>             | <b>-</b>          | <b>-</b>     | <b>1 482</b>       | <b>1 482</b>   |
| <b>Profit before tax</b>  | <b>-</b>            | <b>-</b>                        | <b>-</b>                         | <b>-</b>                             | <b>-</b>                               | <b>-</b>                   | <b>-</b>     | <b>-</b>            | <b>-</b>             | <b>-</b>          | <b>-</b>     | <b>2 170</b>       | <b>2 170</b>   |
| Income tax  | -                   | -                               | -                                | -                                    | -                                      | -                          | -            | -                   | -                    | -                 | -            | 924                | 924            |
| <b>Profit for the current period</b>  | <b>-</b>            | <b>-</b>                        | <b>-</b>                         | <b>-</b>                             | <b>-</b>                               | <b>-</b>                   | <b>-</b>     | <b>-</b>            | <b>-</b>             | <b>-</b>          | <b>-</b>     | <b>1 246</b>       | <b>1 246</b>   |
| <b>Profit assigned to minority shareholders</b>   | <b>-</b>            | <b>-</b>                        | <b>-</b>                         | <b>-</b>                             | <b>-</b>                               | <b>-</b>                   | <b>-</b>     | <b>-</b>            | <b>-</b>             | <b>-</b>          | <b>-</b>     | <b>254</b>         | <b>254</b>     |
| <b>Net profit assigned to shareholders of parent entity</b>                             | <b>-</b>            | <b>-</b>                        | <b>-</b>                         | <b>-</b>                             | <b>-</b>                               | <b>-</b>                   | <b>-</b>     | <b>-</b>            | <b>-</b>             | <b>-</b>          | <b>-</b>     | <b>992</b>         | <b>992</b>     |
| <b>Assets and liabilities</b>   |                     |                                 |                                  |                                      |  |                            |              |                     |                      |                   |              |                    |                |
| Assets of the segment (associated with activity)  | 54 932              | 9 587                           | 4 009                            | 14 238                               | 21 445                                 | 1 391                      | -            | 2 425               | 54 129               | 301               | 942          | -                  | 163 399        |
| Assets not assigned/not allocated (among others shares, stocks, other financial assets) | -                   | -                               | -                                | -                                    | -                                      | -                          | -            | -                   | -                    | -                 | -            | 40 893             | 40 893         |
| <b>Total assets</b>   | <b>54 932</b>       | <b>9 587</b>                    | <b>4 009</b>                     | <b>14 238</b>                        | <b>21 445</b>                          | <b>1 391</b>               | <b>-</b>     | <b>2 425</b>        | <b>54 129</b>        | <b>301</b>        | <b>942</b>   | <b>40 893</b>      | <b>204 292</b> |
| <b>Other information related to segment</b>   |                     |                                 |                                  |                                      |  |                            |              |                     |                      |                   |              |                    |                |
| Depreciation of tangible fixed assets   | 76                  | 124                             | 388                              | 396                                  | 462                                    | 69                         | 64           | -                   | -                    | 21                | -            | 539                | 2 139          |
| Amortization of intangible fixed assets   | -                   | 12                              | -                                | 9                                    | -                                      | -                          | 7            | -                   | 2                    | -                 | -            | 80                 | 110            |

**24. Approval of the financial statement**

Interim Shortened Financial Statement was approved for issue by the Management Board on 14 November 2012.

**Signatures of Management Board Members:**

|             |                        |                       |           |
|-------------|------------------------|-----------------------|-----------|
| 14 Nov.2012 | Jarosław Stępniewski   | Chairman of the Board | .....     |
| date        | first name and surname | position              | signature |

|             |                        |                            |           |
|-------------|------------------------|----------------------------|-----------|
| 14 Nov.2012 | Marek Kiersznicki      | Vice Chairman of the Board | .....     |
| date        | first name and surname | position                   | signature |

|             |                        |                            |           |
|-------------|------------------------|----------------------------|-----------|
| 14 Nov.2012 | Krzysztof Marczak      | Vice Chairman of the Board | .....     |
| date        | first name and surname | position                   | signature |

**Signature of the person responsible for maintaining the accounts**

|             |                             |                  |           |
|-------------|-----------------------------|------------------|-----------|
| 14 Nov.2012 | Barbara Auguścińska-Sawicka | Chief Accountant | .....     |
| date        | first name and surname      | position         | signature |