

**CONSOLIDATED QUARTERLY REPORT
OF PROCHEM S.A. CAPITAL GROUP
FOR THE FIRST QUARTER OF 2013**

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I. Selected financial data

Revenues from sale and profit expressed in PLN and statement of cash flows are converted into EUR 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 the first quarter of 2012 - 4.1750 PLN/EUR
- For the first quarter of 2013 - 4.1738 PLN/EUR

The data 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 statements, which as at the balance sheet date was:

- 4.1774 PLN/EUR as at 31 March 2013
- 4.0882 PLN/EUR as at 31 December 2012.

Selected financial data of Prochem S.A. Capital Group

| Description | Reporting period ended 31 March | | Reporting period ended 31 March | |
|---|------------------------------------|---------|------------------------------------|--------|
| | 2013 | 2012 | 2013 | 2012 |
| | in PLN thousands | | in EUR thousands | |
| Consolidated statement of comprehensive income | | | | |
| Revenues from sale | 27 997 | 35 916 | 6 708 | 8 603 |
| Gross profit on sales | 4 323 | 4 564 | 1 036 | 1 093 |
| Results from operating activities | 458 | 23 | 110 | 6 |
| Profit before tax | 258 | 1 215 | 62 | 291 |
| Net profit attributable to: | 289 | 767 | 69 | 184 |
| - owners of the company | 224 | 438 | 54 | 105 |
| - minority interest | 65 | 329 | 16 | 79 |
| Profit/diluted profit per share (in PLN/EUR) attributable to owners of parent company | 1.06 | 0.11 | 0.01 | 0.03 |
| Consolidated statement of cash flows | | | | |
| Net cash provided by (used in) operating activities | -3 118 | -11 241 | -747 | -2 692 |
| Net cash provided by (used in) investing activities | 1 681 | 204 | 403 | 49 |
| Net cash provided by (used in) financing activities | 2 108 | -963 | 505 | -231 |
| Total cash flow, net | 671 | -12 000 | 161 | -2 874 |

| Description | As at | | | As at | | |
|---|------------------|------------|----------|------------------|------------|----------|
| | 31 March 2013 | 31 2012 | December | 31 March 2013 | 31 2012 | December |
| | in PLN thousands | | | In EUR thousands | | |
| Consolidated statement of financial position | | | | | | |
| Total assets | 178 388 | | 186 106 | 42 703 | | 45 523 |
| Total non-current assets | 100 122 | | 100 721 | 23 968 | | 24 637 |
| Total current assets | 78 266 | | 85 385 | 18 736 | | 20 886 |
| Owner's equity | 110 288 | | 110 410 | 26 401 | | 27 007 |
| Minority interest | 13 733 | | 13 678 | 3 287 | | 3 346 |
| Total equity | 124 021 | | 124 088 | 29 689 | | 30 353 |
| Total non-current liabilities | 7 586 | | 7 751 | 1 816 | | 1 896 |

Interim condensed consolidated financial statements as at and for the period of three months ended 31 March 2013.

| | | | | |
|---|-----------|-----------|-----------|-----------|
| Total current liabilities | 46 781 | 54 267 | 11 199 | 13 274 |
| Book value per share (in PLN/EUR) attributable to owners of parent entity | 28.32 | 28.35 | 6.78 | 6.93 |
| Weighted average number of ordinary shares (units) | 3 895 000 | 3 895 000 | 3 895 000 | 3 895 000 |

Selected financial data of Prochem S.A.

| Description | Reporting period ended 31 March | | Reporting period ended 31 March | |
|---|---------------------------------|------------------|---------------------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 |
| | in PLN thousands | | in EUR thousands | |
| Statement of comprehensive income | | | | |
| Revenues from sale | 14 127 | 25 924 | 3 385 | 6 209 |
| Gross profit on sales | 2 085 | 2 261 | 500 | 542 |
| Results from operating activities | 90 | 99 | 22 | 24 |
| Profit before tax | 164 | 410 | 39 | 98 |
| Profit for the period | 294 | 274 | 70 | 66 |
| Profit per share (in PLN/EUR) | 0.08 | 0.07 | 0.02 | 0.02 |
| Statement of cash flows | | | | |
| Net cash provided by (used in) operating activities | -1 997 | -12 072 | -478 | -2 891 |
| Net cash provided by (used in) investing activities | -355 | -70 | -85 | -17 |
| Net cash provided by (used in) financing activities | 1 094 | -31 | 262 | -7 |
| Total cash flow, net | -1 258 | -12 173 | -301 | -2 916 |
| Description | As at | | As at | |
| | 31 March 2013 | 31 December 2012 | 31 March 2013 | 31 December 2012 |
| | in PLN thousands | | in EUR thousands | |
| Statement of financial position | | | | |
| Total assets | 104 690 | 109 647 | 25 061 | 26 820 |
| Total non-current assets | 47 437 | 46 860 | 11 356 | 11 462 |
| Total current assets | 57 253 | 62 787 | 13 705 | 15 358 |
| Total equity | 70 324 | 70 030 | 16 834 | 17 130 |
| Total non-current liabilities | 442 | 442 | 106 | 108 |
| Total current liabilities | 33 924 | 39 175 | 8 121 | 9 582 |
| Book value per share (in PLN/EUR) | 18.05 | 17.98 | 4.32 | 4.40 |

I. Interim condensed consolidated financial statements of Capital Group

Consolidated statement of financial position as at 31 March 2013

(all amounts in PLN thousands if not stated otherwise)

| | As at 31 March 2013 | As at 31 December 2012 |
|--|------------------------|---------------------------|
| A s s e t s | | |
| Non-current assets | | |
| Property, plant and equipment | 26 034 | 26 275 |
| Intangible assets | 280 | 296 |
| Investment properties | 70 214 | 70 178 |
| Shares | 843 | 843 |
| Shares in equity-accounted investees | 593 | 1 116 |
| Deferred tax assets | 2 158 | 2 013 |
| Total non-current assets | 100 122 | 100 721 |
| Current assets | | |
| Inventories | 5 680 | 4 512 |
| Trade and other receivables | 48 920 | 59 597 |
| Other financial assets | 198 | 198 |
| Other assets | 16 001 | 14 282 |
| Cash and cash equivalents | 7 467 | 6 796 |
| Total current assets | 78 266 | 85 385 |
| Total assets | 178 388 | 186 106 |
| E q u i t y a n d l i a b i l i t i e s | | |
| Equity | | |
| Share capital | 3 895 | 3 895 |
| Revaluation reserve | 11 072 | 11 063 |
| Retained earnings | 95 321 | 95 452 |
| Owners' equity | 110 288 | 110 410 |
| Minority interest | 13 733 | 13 678 |
| Total equity | 124 021 | 124 088 |
| Non-current liabilities | | |
| Provision for deferred income tax | 5 316 | 5 467 |
| Provisions for retirement and similar benefits | 1 876 | 1 876 |
| Other provisions | 41 | 41 |
| Other non-current liabilities | 353 | 367 |
| Total non-current liabilities | 7 586 | 7 751 |
| Current liabilities | | |
| Current bank loans | 9 770 | 7 526 |
| Current borrowings | 60 | 29 |
| Trade payables | 28 558 | 34 983 |
| Liabilities for current income tax | 247 | 101 |
| Other liabilities | 7 108 | 8 065 |
| Deferred income | 1 038 | 3 563 |
| Total current liabilities | 46 781 | 54 267 |
| Total liabilities | 54 367 | 62 018 |
| Total equity and liabilities | 178 388 | 186 106 |

| | | |
|---|-----------|-----------|
| Book value – equity attributable to owners of parent entity | 110 288 | 110 410 |
| The number of shares (units) | 3 895 000 | 3 895 000 |
| Book value per share (in PLN) | 28.32 | 28.35 |

Consolidated statement of comprehensive income for the period from 1 January 2013 to 31 March 2013

(all amounts in PLN thousands if not stated otherwise)

| | Period of three months ended 31 March 2013 | Period of three months ended 31 March 2012 |
|--|---|---|
| Revenues from sale, including: | 27 997 | 35 916 |
| Revenues from sale of services | 26 771 | 34 576 |
| Revenue from sale of goods and materials | 1 226 | 1 340 |
| Cost of sales, including: | -23 674 | -31 352 |
| Cost of services sold | -22 674 | -30 096 |
| Cost of merchandise and raw materials | -1 000 | -1 256 |
| Gross profit on sales | 4 323 | 4 564 |
| Gebneral and administrative expenses | -3 940 | -4 501 |
| Other operating income | 119 | 158 |
| Other operating expenses | -44 | -198 |
| Results from operating activities | 458 | 23 |
| Financial income | 81 | 119 |
| Profit on disposal of shares in subsidiaries and other | - | 1 181 |
| Finance expenses | -320 | -258 |
| Share of profit (loss) of associates | 39 | 150 |
| Profit before tax | 258 | 1 215 |
| Income tax expense : | -31 | 448 |
| - current tax | 265 | 110 |
| - deferred tax | -296 | 338 |
| Profit for the period | 289 | 767 |
| Other comprehensive income net | - | - |
| Total comprehensive income | 289 | 767 |

Profit for the period attributable to:

| | | |
|--------------------------------------|------------|------------|
| Shareholders of parent entity | 224 | 438 |
| Minority interest | 65 | 329 |

Total comprehensive income attributable to:

| | | |
|-------------------------------|-----|-----|
| Shareholders of parent entity | 224 | 438 |
| Monority interest | 65 | 329 |

| | | |
|--|-----------|-----------|
| Weighted average number of ordinary shares (units) | 3 895 000 | 3 895 000 |
|--|-----------|-----------|

| | | |
|---|------|------|
| Profit per share (in PLN) attributable to shareholders of parent entity | 0.06 | 0.11 |
|---|------|------|

| | | |
|---|------|------|
| Total comprehensive income per ordinary share (in PLN) attributabl to owners of parent entity | 0.06 | 0.11 |
|---|------|------|

Consolidated statement of changes in equity For the period from 1 January 2013 to 31 March 2013

(all amounts in PLN thousands if not stated otherwise)

| | Share capital | Revaluation reserve | Retained earnings | Equity attributable to shareholders of parent entity | Equity attributable to minority interest | Total equity |
|---|---------------|---------------------|-------------------|--|--|----------------|
| The reporting period from 1 January 2013 to 31 March 2013 | | | | | | |
| As at the beginning of the period | 3 895 | 11 063 | 95 452 | 110 410 | 13 678 | 124 088 |
| Net profit of the given period | - | - | 224 | 224 | 65 | 289 |
| Net other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income | - | - | 224 | 224 | 65 | 289 |
| Changing the structure of non-controlling interest (shares purchased by Elektromontaż for redemption) | - | 9 | 39 | 48 | -48 | - |
| Repurchase of own shares by Elektromontaż S.A. for redemption | - | - | -7 | -7 | -3 | -10 |
| Other changes – among others the sale of shares of subsidiaries | - | - | -387 | -387 | 41 | -346 |
| As at the end of the period | 3 895 | 11 072 | 95 321 | 110 288 | 13 733 | 124 021 |

| | Share capital | Revaluation reserve | Retained earnings | Equity attributable to shareholders of parent entity | Equity attributable to minority interest | Total equity |
|---|---------------|---------------------|-------------------|--|--|----------------|
| The reporting period from 1 January 2012 to 31 March 2012 | | | | | | |
| As at the beginning of the period | 3 895 | 10 371 | 98 620 | 112 886 | 14 206 | 127 092 |
| Net profit of the given period | - | - | -3 858 | -3 858 | 706 | -3 152 |
| Net other comprehensive income | - | 465 | - | 465 | 133 | 598 |
| Total comprehensive income | - | 465 | -3 858 | -3 393 | 839 | -2 554 |
| Payment of dividend | - | - | - | - | -12 | -12 |
| Changing the structure of non-controlling interest (shares purchased by Elektromontaż for redemption) | - | 227 | 1 024 | 1 251 | -1 251 | - |
| Repurchase of own shares by Elektromontaż S.A. for redemption | - | - | -242 | -242 | -104 | -346 |
| Other changes – among others the sale of shares of subsidiaries | - | - | -92 | -92 | - | -92 |
| As at the end of period | 3 895 | 11 063 | 95 452 | 110 410 | 13 678 | 124 088 |

Consolidated statement of cash flows for the period from 1 January 2013 to 31 March 2013 (indirect method)

(all amounts in PLN thousands if not stated otherwise)

| | Period of three months ended 31 March 2013 | Period of three months ended 31 March 2012 |
|---|--|--|
| Cash flows – operating activities | | |
| Profit before tax | 258 | 1 215 |
| Total adjustments | -3 259 | -12 333 |
| Share in profit of associates | -39 | -150 |
| Amortisation and depreciation | 576 | 642 |
| Interest and profit sharing (dividends) | 133 | 67 |
| (Profit) loss on investing activities recognized in the statement of comprehensive income | - | -1 181 |
| (Profit) loss on disposal of property, plant and equipment | -12 | 27 |
| Change in provisions | -695 | -616 |
| Change in inventories | -1 168 | 990 |
| Change in receivables | 7 092 | 8 906 |
| Change in current liabilities, except for loans and borrowings | -6 633 | -22 220 |
| Other adjustments (including deferred income) | -2 513 | 1 202 |
| Cash provided by (used in) operating activities | -3 001 | -11 118 |
| Paid income tax | 117 | 123 |
| Net cash provided by (used in) operating activities | -3 118 | -11 241 |
| Cash flows – investing activities | | |
| Inflows | 2 245 | 317 |
| Disposal of intangible assets and property, plant and equipment | 23 | 76 |
| Inflows from financial assets | 2 186 | 241 |
| - in subsidiaries and related entities | 270 | - |
| disposal of financial assets (shares) | 270 | - |
| - in remaining entities | 1 916 | 241 |
| other inflows from financial assets | 1 856 | 241 |
| borrowing | 60 | - |
| Outflows | 528 | 113 |
| Acquisition of intangible assets and property, plant and equipment | 449 | 113 |
| For financial assets, including: | 79 | - |
| a) in related entities | 50 | - |
| - acquisition of financial assets | 50 | - |
| b) in other entities | 29 | - |
| - repayment of loan and interest | 29 | - |
| Net cash provided by (used in) investing activities | 1 681 | 204 |
| Cash flows – financing activities | | |
| Inflows | 2 375 | 64 |
| Bank loans | 2 375 | 64 |
| Outflows | 267 | 1 027 |
| Other than payments to shareholders, expenses related to profit distribution | 10 | 112 |
| Repayment of bank loans | 95 | 828 |
| Payments of liabilities under finance lease agreements | 29 | 12 |
| Paid interest, commission | 133 | 75 |
| Net cash provided by (used in) financing activities | 2 108 | -963 |
| Total cash flow, net | 671 | -12 000 |
| Net increase/(decrease) in cash and cash equivalents | 671 | -12 000 |
| Cash and cash equivalents at the beginning of the period | 6 796 | 19 350 |

| | | | | |
|--|-----|---|-----|---|
| Cash and cash equivalents at the end of the period | 467 | 7 | 350 | 7 |
|--|-----|---|-----|---|

II. Interim condensed separate financial statements of PROCHEM S.A.

Separate statement of financial position as at 31 March 2013

(all amounts in PLN thousands if not stated otherwise)

| | As at 31 March 2013 | As at 31 December 2012 |
|--|------------------------|------------------------------|
| A s s e t s | | |
| Non-current assets | | |
| Property, plant and equipment | 2 073 | 2 015 |
| Intangible assets | 135 | 140 |
| Shares in subsidiaries | 15 076 | 15 026 |
| Shares in equity-accounted investees | 708 | 708 |
| Deferred tax assets | 2 115 | 1 986 |
| Other financial assets | 27 330 | 26 985 |
| Total non-current assets | 47 437 | 46 860 |
| Current assets | | |
| Inventories | 2 139 | 2 359 |
| Trade and other receivables | 40 727 | 45 745 |
| Other financial assets | 608 | 751 |
| Other assets | 11 873 | 10 768 |
| Cash and cash equivalents | 1 906 | 3 164 |
| Total current assets | 57 253 | 62 787 |
| Total assets | 104 690 | 109 647 |
| E q u i t y a n d l i a b i l i t i e s | | |
| Equity | | |
| Share capital | 3 895 | 3 895 |
| Revaluation reserve | 1 086 | 1 086 |
| Retained earnings | 65 343 | 65 049 |
| Total equity | 70 324 | 70 030 |
| Non-current liabilities | | |
| Provisions for retirement and similar benefits | 415 | 415 |
| Other non-current liabilities | 27 | 27 |
| Total non-current liabilities | 442 | 442 |
| Current liabilities | | |
| Current bank loans | 7 555 | 6 347 |
| Trade payables | 23 176 | 29 083 |
| Other liabilities | 3 182 | 3 734 |
| Deferred income | 11 | 11 |
| Total current liabilities | 33 924 | 39 175 |
| Total liabilities | 34 366 | 39 617 |
| Total equity and liabilities | 104 690 | 109 647 |
| The number of shares (units) | 3 895 000 | 3 895 000 |
| Book value per share (in PLN) | 18.05 | 17.98 |

Separate statement of comprehensive income as at 1 January 2013 to 31 March 2013

(all amounts in PLN thousands if not stated otherwise)

| | Period ended 31 March 2013 | Period ended 31 March 2012 |
|--|-------------------------------|-------------------------------|
| Revenues from sale, including: | 14 127 | 25 924 |
| Revenues from sale of services | 13 915 | 25 885 |
| Revenues from sale of goods and services | 212 | 39 |
| Cost of sales, including: | -12 042 | -23 663 |
| Cost of services sold | -11 831 | -23 627 |
| Cost of merchandise and raw materials | -211 | -36 |
| Gross profit on sales | 2 085 | 2 261 |
| General and administrative expenses | -2 043 | -2 101 |
| Other operating income | 82 | 59 |
| Other operating expense | -34 | -120 |
| Results from operating activities | 90 | 99 |
| Financial income | 341 | 477 |
| Profit on disposal of shares in subsidiaries | - | - |
| Finance expenses | -267 | -166 |
| Profit before tax | 164 | 410 |
| Income tax expense : | -130 | 136 |
| - current tax | - | - |
| - deferred tax | -130 | 136 |
| Profit for the period | 294 | 274 |
| Net other comprehensive income | - | - |
| Net other comprehensive income | 294 | 274 |
| Weighted average number of ordinary shares (units) | 3 895 000 | 3 895 000 |
| Profit/diluted profit per share (in PLN per share) | 0.08 | 0.07 |
| Total comprehensive income per ordinary share (in PLN per share) | 0.08 | 0.07 |

Separate statement of changes in equity

(all amounts in PLN thousands if not stated otherwise)

| | Share capital | Revaluation reserve | Retained earnings | Total equity |
|--|---------------|---------------------|-------------------|---------------|
| The reporting period from 1 January 2013 to 31 March 2013 | | | | |
| As at the beginning of the period | 3 895 | 1 086 | 65 049 | 70 030 |
| Net profit of the given period | - | - | 294 | 294 |
| Net other comprehensive income | - | - | - | - |
| Total comprehensive income | - | - | 294 | 294 |
| As at the end of the period | 3 895 | 1 086 | 65 343 | 70 324 |
| The reporting period from 1 January 2012 to 31 March 2012 | | | | |
| As at the beginning of the period | 3 895 | 951 | 61 993 | 66 839 |
| Net profit of the given period | - | - | 3056 | 3 056 |
| Net other comprehensive income | - | 135 | - | 135 |
| Total comprehensive income | - | 135 | 3 056 | 3 191 |

| | | | | |
|------------------------------------|--------------|--------------|---------------|---------------|
| As at the end of the period | 3 895 | 1 086 | 65 049 | 70 030 |
|------------------------------------|--------------|--------------|---------------|---------------|

Separate statement of cash flows for the period from 1 January to 31 March 2013 (indirect method)

(all amounts in PLN thousands if not stated otherwise)

| | Period of three months ended 31 March 2013 | Period of three months ended 31 March 2012 |
|---|---|---|
| Cash flows – operating activities | | |
| Profit before tax | 164 | 410 |
| Total adjustments | -2 161 | -12 482 |
| Amortisation and depreciation | 198 | 286 |
| Interest and profit sharing (dividends) | -103 | -181 |
| (Profit) loss on disposal of property, plant and equipment | -12 | 30 |
| (Profit) loss on investing activities recognized in the statement of comprehensive income | - | - |
| Change in provisions | -1 | -119 |
| Change in inventories | 220 | 9 |
| Change in receivables | 3 903 | 9 088 |
| Change in current liabilities, except for loans and borrowings | -6 366 | -22 998 |
| Other adjustments (including deferred income) | - | 1 403 |
| Cash provided by (used in) operating activities | -1 997 | -12 072 |
| Net cash provided by (used in) operating activities | -1 997 | -12 072 |
| Cash flows – investing activities | | |
| Inflows | 169 | 48 |
| Disposal of intangible assets and property, plant and equipment | 23 | 48 |
| Inflows from financial assets | 146 | - |
| a) in subsidiaries and related entities: | 146 | - |
| - repayment of loans granted | 91 | - |
| - repayment of interest on loans granted | 55 | - |
| Outflows | 524 | 118 |
| Acquisition of intangible assets and property, plant and equipment | 344 | 118 |
| For financial assets, including: | 180 | - |
| a) in related entities: | 180 | - |
| - acquisition of financial assets | 50 | - |
| - loans granted | 130 | - |
| Net cash provided by (used in) investing activities | -355 | -70 |
| Cash flows – financing activities | | |
| Inflows | 1 208 | - |
| Bank loans | 1 208 | - |
| Outflows | 114 | 31 |
| Repayment of interest, commission | 114 | 31 |
| Net cash provide by (used in) financing activities | 1 094 | -31 |
| Total cash flow, net | -1 258 | -12 173 |
| Net increase/(decrease) in cash and cash equivalents | -1 258 | -12 173 |
| Cash and cash equivalents at the beginning of the period | 3 164 | 16 006 |
| Cash and cash equivalents at the end of the period | 1 906 | 3 833 |

IV. Notes on adopted accounting principles (policy) and other explanatory notes to interim condensed consolidated financial statements of Prochem S.A Capital Group and Prochem S.A.

These notes contain both consolidated financial data of the Prochem Capital Group (Prochem Group, the Group, the Capital Group) and the separate financial results of Prochem SA (Prochem, the Company, the Issuer).

1. Establishment of the parent company and principal activity

Company Prochem S.A. (hereinafter called „Prochem”, „Company”, „Issuer” or „Parent Company”) seated in Warsaw, 44C Powązkowska Street. The company is registered in the National Court Register (KRS) by the District Court for the Capital City Warsaw, XII Commercial Department of the National Court Register under KRS number 0000019753. Principal activity according to Polish Business Classification (PKD 2007) determines symbol 7112Z – engineering activities and related technical consulting. According to Warsaw Stock Exchange classification Prochem belongs to construction sector. Prochem S.A. is a Parent Company of the Capital Group and prepares a separate consolidated financial statement. Prochem S.A. was established through transformation of a state-owned enterprise under the name Przedsiębiorstwo Projektowania I Realizacji Inwestycji Przemysłu Chemicznego „Prochem”. The notarial deed and Company’s Articles of Association were signed on 1 October 1991. Duration of the Company is unlimited.

2. Management Board and Supervisory authorities of the Parent Company

As at the date of preparation hereby financial statements the Management Board of Prochem S.A. comprises of:

Jarosław Stępniewski - President of the Management Board
Marek Kiersznicki - Vice President of the Management Board
Krzysztof Marczak - Vice President of the Management Board

As at the date of preparation hereby financial statements the Supervisory Board of Prochem S.A. comprises of:

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

From the date of publication of the report for the year 2012 in the Management Board and the Supervisory Board have been no changes.

3. Organization of the Group, with indication of consolidated entities

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

Subsidiaries covered by full consolidation:

- Prochem Inwestycje Sp. z o.o. seated in Warsaw – subsidiary directly (100.0%);
- Irydion Sp. z o.o. seated in Warsaw – subsidiary directly (100.0%);

- PRO-INHUT Sp. z o.o. seated in Dąbrowa Górnicza – subsidiary indirectly (93.4%);
- Pro-Organika Sp. z o.o. seated in Warsaw – subsidiary directly (91.4%);
- Prochem Serwis Sp. z o.o. seated in Warsaw – subsidiary indirectly (89.1%);
- PREDOM Sp. z o.o. z seated in Wrocław – subsidiary indirectly (81.1% of the capital and profit, 69.4% of the votes);
- Prochem Zachód Sp. z o.o. seated in Słubice – subsidiary directly (60.0%);
- ELPRO Sp. z o.o. Kraków – subsidiary indirectly (85.0%, including 70.1% share in the 50% share of Elektromontaż Kraków);
- Elmont Inwestycje Sp. z o.o. Kraków – subsidiary indirectly (85.0%, including 70.1% sharing in the 50% share of Elektromontaż Kraków);
- Elektromontaż Kraków S.A. – subsidiary indirectly (70.1%), including 31.5% of the capital and the votes belong to company Prochem Inwestycje subsidiary 100%. Elektromontaż Kraków S.A. prepares consolidated financial report, which contains data of a 100% subsidiary: ELMONT-POMIARY Sp. z o.o. seated in Krakow and two associates ELPRO Sp. z o.o. and Elmont-Inwestycje Sp. z o.o.;
- IRYD Sp. z o.o. seated in Warsaw – subsidiary indirectly 100%;
- ATUTOR Integracja Cyfrowa Sp. z o.o. seated in Warsaw – subsidiary indirectly (87.3% of the share belongs to Prochem Inwestycje Sp. z o.o. 100% subsidiary);
- Prochem RPI Sp. z o.o. seated in Warsaw - 100% subsidiary directly and indirectly;
- PRO PLM Sp. z o.o. in liquidation, based in Warsaw – 100% subsidiary indirectly and directly (50% belongs to Prochem Inwestycje Sp. z o.o. 100% subsidiary).

Associated companies valued using the equity method :

- ITEL Sp. z o.o. seated in Gdynia – 42.0% of the share (18.7% of the votes and capital belongs directly to Prochem S.A. and 23.3% belongs to Prochem RPI Sp. z o.o. 100% subsidiary);
- TEOMA S.A. seated in Warsaw – 19.5% of the share capital and 16.6% of the votes (12.1% of the votes belongs directly to Prochem S.A., and 4.4% belongs to Prochem Inwestycje Sp. z o.o. 100% subsidiary).

Consolidated subsidiaries were included into consolidated financial statements from the date of gaining control by the parent company, and associated companies from the date of gaining significant influence.

Predom Projektowanie Sp. z o.o. was excluded from consolidation. The Company has not commenced activity. The value of shares was recognized in impairment losses.

For the shares of company TEOMA was created write-down for 100% of value.

On 13 February 2013, the company Prochem Inwestycje Sp. z o.o. (100% subsidiary of the Issuer) on the basis of the agreement on sale of shares for redemption, sold part of its shares in company PROMIS for redemption for the amount of PLN 270 thousand. The nominal value of the share was PLN 110 thousand. The associated company ZI Promis Sp. of o.o. was excluded from consolidation since the date of disposal.

On 28 February 2013, the Assembly of Partners adopted a resolution on the dissolution and opening the liquidation of the company PRO-PLM Sp. of o.o. directly and indirectly subsidiary 100%.

4. Accounting policies adopted by the Capital Group and the Issuer

Base for presentation and statement of compliance

Interim condensed consolidated financial statements of PROCHEM S.A. Capital Group and interim consensed separate financial statements for three months of 2013 was prepared according to IAS 34 „Interim Reporting” and Minister of Finance Regulation of 19 February 2009 on current and periodic information provided by

issuers of securities and conditions for recognition as equivalent required by the law of a non-Member State (Official Journal no. 33, item 259). These interim condensed financial statements do not contain the information and disclosures required for complete financial statements and should be read together with the financial statements for the year ended December 31, 2012.

The interim condensed consolidated financial statements of Prochem S.A. Capital Group and the interim condensed separate financial statements have been prepared assuming a going concern in the foreseeable future and there is no evidence indicating that Prochem SA Capital Group and the Issuer will not be able to continue its operations as a going concern.

The duration of each company belonging to Prochem SA Capital Group is not limited, except for the company PRO-PLM Sp. of o.o. in liquidation.

Financial statements of subsidiaries are prepared for the same reporting period as the financial statements of the parent company, using consistent accounting policies.

The fiscal year of the parent company and the companies belonging to the Group is the calendar year.

The operations of the parent company and the companies belonging to the Group is not seasonal or not subject to cyclical trends.

Principles of preparation of the consolidated financial statements.

Consolidated financial statements was prepared based on the principle of the historical cost, apart from:

- land, buildings and construction measured at revalued amount,
- investment real property (land), measured at fair value.

Changes in estimates and accounting policies

The preparation of financial statements under IFRS adopted by EU requires using certain accounting estimates and adoption of assumptions concerning future events. Items of the consolidated financial statements set under the estimation are subject to verification if circumstances being base of estimates are changing or as a result of obtaining new information or of progressing course of events or of acquiring greater experience.

Adopted accounting principle (policy) are changed in case of:

1. changes in IFRS,
2. when the change in accounting principles will lead to that information included in the financial statements about the impact of the transaction, of other events and conditions on financial position, financial result or also flows will be more useful and credible for recipients of financial statements.

In case of changes in accounting policies it is assumed that new accounting policies were always applied, except for the ones which aren't anticipating the retrospective change. Adjustments associated with it are recognized as changes in equity. For ensuring the comparability the transformations of financial statements for the period presented earlier are done in such way that the financial statements also include introduced changes, except for situations, when establishing the influence of the change on individual periods or its total influence is in practice impossible.

Significant accounting policies

In preparing these interim condensed consolidated financial statements and the interim condensed separate financial statements for the three months 2013 years, were applied the same accounting principles and the

same calculation methods which were applied in the consolidated financial statements of Prochem SA Capital Group and the financial statements of Prochem SA for the year ended December 31, 2012.

Changes in estimates

During the three months of 2013 years there was no change in the principles and methods of calculation used to determine the estimates.

Functional currency and presentation currency of the financial statements

Interim condensed consolidated financial statements of the Group and separate financial statements of Prochem S.A. is presented in Polish Zloty („zloty” or “PLN”), which is the functional currency and presentation currency.

5. A brief description of achievements and failures of the issuer during the period covered by the report, together with an indication of the most important events

In the first quarter of 2013, there were no significant events that were to impact on the results of Prochem SA Group and the Issuer.

6. Description of factors and events, especially of untypical nature, which have a significant impact on the financial results

In the first quarter of 2013 the events of untypical nature did not occur.

Other events that affect the financial results of the Capital Group in the first quarter of 2013:

- a) provision for deferred income tax which was created in the previous periods in the amount of PLN 1 073 thousand was resolved, and provision was created in the amount of PLN 797 thousand
- b) deferred tax assets were used in the amount of PLN 580 thousand, and established in the amount of PLN 583 thousand,
- c) provisions created to costs in previous periods were used in the amount of PLN 398 thousand,

Other events that affect the financial results of the Issuer in the first quarter of 2013:

- a) provision for deferred income tax which was created in previous periods in the amount of PLN 646 thousand, and provision was created in the amount of PLN 474 thousand,
- b) deferred tax assets were used in the amount of PLN 346 thousand, and established in the amount of PLN 303 thousand,
- c) provision created to future costs in previous periods were used in the amount of PLN 215 thousand.

7. Explanation of the seasonal and cyclical nature of the issuer in the reporting period

The problem of seasonality and cyclicity does not apply to the Issuer and the Group of Prochem SA

8. Information regarding the issuance, redemption or repayment of non-equity securities and equity securities

In the first quarter of 2013, the subsidiary Elektromontaż Krakow SA repurchased 400 of its own shares for cancellation for a total amount of PLN 10 thousand.

As a result of repurchase of own shares by Elektromontaż Kraków, there is a change in the structure of interest. As at March 31, 2013 the share of the parent company increased by 0.1 percentage point to 70.1%.

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

In the reporting period, the Issuer did not pay any dividend. In the proposed distribution of net profit for the year 2012, the proposed dividend is PLN 0.78 per share.

10. Events that occur after the date of the condensed quarterly financial statements not included in this report, which could have a material impact on future financial results of the issuers

On April 3, 2013, the General Meeting of Shareholders of IRYDION Sp. z o.o. resolved to increase the share capital by PLN 4 500 thousand, through the issue of 4 500 new shares with a nominal value of PLN 1,000 each. The new shares were subscribed as follows:

- 4 499 shares at the issue price of PLN 14 996.5 thousand were acquired by Look Finansowanie Inwestycji S.A. seated in Wrocław,
- 1 share at issue price of PLN 3.5 thousand was acquired by Prochem S.A.

After the increase the share capital of Irydion sp. z o.o. amounts to PLN 9 000 thousand. After changing the articles of association of the Issuer's share in the capital and the voting rights decreased to 50%

On April 3, 2013 loan agreement agreement was concluded between Irydion Sp. z o.o and shareholder Look Finansowanie Inwestycji S.A. seated in Wrocław under which Look Finansowanie Inwestycji S.A. will grant a loan of PLN 15,000 until 30 September 2013 with the date of repayment till September 30, 2018. the interest rate does not differ from market conditions. Cash and cash equivalents gained both through the issue of new shares and the loan will be used for the implementation of a joint project by the shareholders of company IRIDION Sp. z oo, ie a development project - under the name Astrum Business Park in Warsaw. This project involves the construction in two phases, of an office building on the land, owned by the Company IRIDION.

11. Related party transactions

In the first quarter of 2013 members of the Supervisory Board and Management Board didn't conclude contracts with related parties.

Transactions with related parties as below were concluded on market conditions and relate to sale and purchase of services among others construction services, assembly services and rental as well as loans granted mutually.

Settlements with related parties include trade settlements and loans.

Guarantees and sureties granted to related parties are presented in item 12.

Transactions of Capital Group with associated entities

The reporting period

In the period from 1 January 2013 to 31 March 2013 there were no transactions with associated entities.

Share in net profit (loss) for the first quarter of 2013 in entities valued under the equity method amounted to PLN 39 thousand.

As at 31 March 2013 there were no settlements with associated entities directly and indirectly under trade payables.

Comparative data

In the period from 1 January 2012 to 31 March 2012 there were no transactions with associated entities.

Share in net profit (loss) for the first quarter of 2012 in entities valued under equity method amounted to PLN 150 thousand.

As at 31 March 2012 there were no settlements with associated entities directly or indirectly under trade payables.

Transactions of the Issuer with subsidiaries

Data for the reporting period

As at 31 March 2013 settlements of the Issuer with subsidiaries directly or indirectly developed as follows:

Receivables from non-current loans with interest - PLN 27 330 thousand,

Receivables from current loans with interest - PLN 410 thousand,

Trade and other receivables - PLN 8 556 thousand,

Trade payables – PLN 2 902 thousand

In the period from 1 January 2013 to 31 March 2013 there were following transactions of the Issuer with subsidiaries directly and indirectly:

- sale and purchase of construction services,
- sale of other services (rental of space),

Total revenues from these transactions amounted to - PLN 351 thousand

Revenues from interest on loans amounted to - PLN 218 thousand

The remuneration under the valorisation of the contract value - PLN 93 thousand

Comparative data

As at 31 March 2012 settlements of the Issuer with subsidiaries directly or indirectly developed as follows:

Receivables from non-current loans with interest - PLN 19,121 thousand,

Receivables from current loans with interest - PLN 1,255 thousand,

Trade and other receivables - PLN 8,475 thousand

Trade payables - PLN 3,651 thousand

In the period from 1 January 2012 to 31 March 2012 there were following transactions of the Issuer with subsidiaries directly or indirectly:

- sale and purchase of construction services,
- sale of other services (rental of space),

Total revenues from these transactions amounted to - PLN 428 thousand

Revenues from interest on loans amounted to - PLN 212 thousand

The remuneration under the valorisation of the contract value - PLN 215 thousand

The remuneration under the valorisation of the contract value – PLN 187 thousand

Transactions of the Issuer with associated entities

The reporting period

In the period from 1 January 2013 to 31 March 2013 there were no transactions with associated entities.

As at 31 March 2013 there were no settlements with associated entities directly and indirectly under trade payables and receivables.

Comparative data

In the period from 1 January 2012 to 31 March 2012 there were no transactions with associated entities.

As at 31 March 2012 there were no settlements with associated entities directly and indirectly under trade payables and receivables.

12. Changes in contingent liabilities or contingent assets that have occurred since the end of the last financial year

Contingent liabilities

| under | Capital Group | | including Issuer | |
|--|--------------------------|---------------------------------|------------------------------|---------------------------------|
| | as at | | as at | |
| | 31 March 2013 | 31 December 2012 | 31 March 2013 | 31 December 2012 |
| Bank guarantee of good performance | 19 544 | 18 542 | 13 776 | 12 774 |
| Guarantee of payment | 1 035 | 1 035 | 1 035 | 1 035 |
| B/e surety of the good performance of the contract | 35 | 35 | - | - |
| The tender guarantee | 1 880 | - | 1 880 | - |
| Warranty securing obligations under statutory warranty and guarantee gwarancja zabezpieczająca zobowiązania z tytułu rękojmi i gwarancji – granted on behalf of ZI Promis Sp. z o.o. | 292 | 286 | 292 | 286 |
| Total guarantees | 22 786 | 19 898 | 16 983 | 14 095 |

Contingent assets

Contingent assets of the Group include bank guarantees of good performance which as at the balance sheet date amount to:

| From the title of: | As at | |
|---------------------------|----------------------|-------------------------|
| | 31 March 2013 | 31 December 2012 |

| | | |
|--|--------------|--------------|
| Bank guarantee of good performance | 2 824 | 2 078 |
| guarantees of bills of exchange for securing terms of the contract | 577 | 577 |
| Total contingent assets | 3 401 | 2 655 |

Contingent assets relate exclusively to the Issuer.

13. Changes in the structure of the Capital Group since the beginning of the year, including amalgamation, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinued operations

As a result of repurchase of own shares by Elektromontaż Kraków, there is a change in the structure of interest. As at March 31, 2013 the share of the parent company increased by 0.1 percentage point to 70.1%.

In the first quarter of 2013 the company Prochem Inwestycje Sp. z o.o. (100% subsidiary of the Issuer) on the basis of the agreement on sale of shares for redemption, sold part of its shares in associated company ZI PROMIS Sp. z o.o. seated in Warsaw for the amount of PLN 270 thousand. The nominal value of the share was PLN 110 thousand.

14. The position of Management Board regarding the feasibility of the previously published forecasts for the year, in the light of the results presented in the quarterly report in relation to the forecasts h

Board of Prochem SA did not publish any financial forecasts of the company or Prochem SA Capital Group for 2013.

15. Shareholders holding directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting of the Company at the date of this quarterly report, including the number of owned shares, the percentage of the share capital, the number of votes and percentage of the total number of votes at the general meeting, and changes in the ownership of large blocks of shares of the Issuer since the previous quarterly report

According to the knowledge of the Company at the date of this report, the shareholders with at least 5% of votes at the general meeting of shareholders:

| Description | Number of shares (units) | % of votes in total number of votes | % of share capital |
|---|---------------------------------|--|---------------------------|
| 1. Prochem Holding M. Garliński Spółka Komandytowa | 941 213 | 24.15 | 24.17 |
| 2. Steve Tappan | 382 751 | 9.82 | 9.83 |
| 3. Otwarty Fundusz Emerytalny PZU „Złota Jesień” | 369 000 | 9.47 | 9.46 |
| 4. Legg Mason Parasol Fundusz Inwestycyjny Otwarty („Legg Mason Parasol FIO”) i Fundusz Własności Pracowniczej PKP Specjalistyczny Fundusz Inwestycyjny Otwarty ora Leeg Mason Akcji Skoncentrowany Fundusz Inwestycyjny Zamknięty - total, | 610 138 | 15.66 | 15.67 |

| | | | |
|---------------------------|---------|------|------|
| including: | | | |
| - Legg Mason Parasol FIO" | 284 054 | 7.29 | 7.29 |

Since the submission the annual report there is no change in structure of ownership of large blocks of shares.

16. Statement of changes in ownership of the issuer's shares or rights to shares (options) by the Management Board and supervisory authorities, in accordance with the Issuer's knowledge, in the period since the previous quarterly report.

As at the date of this quarterly report following members of the Management Board and the Supervisory Board of the company held Prochem shares :

- 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 since the previous report, there was no change in the ownership of the shares of the issuer.

17. Proceedings pending before the court, competent authority for arbitration or public administration including information on :

- a) proceedings relating to liabilities or receivables of the issuer or its subsidiary whose value is at least 10% of the equity of the issuer, the specification of the subject case, the amount in dispute, date of initiation of proceedings, the parties to the proceedings and the position of the issuer,
- b) two or more proceedings relating to liabilities and receivables with a total value respectively of at least 10% of the equity of the issuer, stating the total value proceedings separately in the group of liabilities and group of receivables together with the position of the issuer in this case and, for the most significant procedures in group of liabilities and group of receivables - an indication of their subject, the amount in dispute, date of initiation of proceedings and the parties to the proceedings.

PROCHEM S.A. is still a party to the proceedings before the court for settlement of the interrupted on 10 November 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, of which PLN 17 364 thousand were presented in the statement of financial position as receivable from the seized deposits, and remaining amount as contingent receivables. 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 obligation 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 accounting for the contract 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- Warsaw University of Technology – Department of Civil Engineering, who according to the

recommendations of Court of Appeal will ultimately settle the disputed contract. In April 2011, the case file was forwarded to the expert witness, who in an opinion published in May 2012 confirmed the amount of the claim of Prochem S.A. By order of May 31, 2012, the District Court granted the Warsaw University of Technology a remuneration for opinion in the case, as to which the defendant PERN lodged a complaint. According to PERN SA the prepared opinion could not be the basis of the facts of the Court, because it is contrary to the thesis of the Court, which indicated the basis and scope of the opinion.

The Court of Appeal in Warsaw, I Civil Division annuls the decision of the District Court contested by PERN SA and the request for remuneration of an expert for the drafting of an opinion has submitted to the District Court for reconsideration.

On 5 February 2013 before the District Court in Warsaw, a hearing was held with the participation of experts, after which the court decided to oblige the parties to submit the pleadings clarifying the final conclusions of evidence to complement the expert opinions and postponed the hearing until 16 May 2013.

By order dated February 25, 2013, the District Court in Warsaw XXVI Economic Department upheld the previous decision of the Court, and finally awarded a remuneration for the expert for drafting the opinion. In grounds for the judgment the Court determined that, at the hearing on 5 February 2013, the certified carefully explained the methodology that has been adopted for the preparation of the legal opinion and it is not inconsistent with the thesis of the Court, and there are no legitimate grounds to complaints that the methodology adopted by the experts is not correct.

The value of this procedure exceeds 10% of the equity of the Issuer's Capital Group.

Furthermore, the total value of other proceedings separately for groups of liabilities and as well as group of receivables does not exceed 10% of the equity of the Capital Group.

18. Information on the one or more transactions concluded by the issuer or its subsidiary with related parties, if separately or jointly they are significant and were concluded on terms other than market terms:

- a) the subject of the transaction,
- b) the relationship of the issuer or its subsidiary with entity who is the party to the transaction,
- c) the material terms of the transaction, with particular emphasis on financial conditions and the indication of the specific conditions specified by parties, characteristic of this agreement, in particular which differ from those commonly used for such contracts.

In the first quarter of 2013 transactions concluded on terms other than market conditions did not occur.

19. Information on the surety for loan or borrowing or guarantees by the issuer or its subsidiary - to one entity or its subsidiary, if the total value of existing guarantees is equivalent to at least 10% of the issuer's equity

In the first quarter of 2013, none of the companies belonging to the Group did not grant to another entity of warranties or surety for a loan or borrowing of this value.

20. Other information that is material to the assessment of the human resources, financial position, financial results and their changes and information that is material to assess the possibility fulfill its obligations by the issuer.

The low level of indebtedness and the high financial liquidity allow the companies belonging to the Group to current and timely service of obligations which means that they are a reliable partner in business.

21. Factors that in the Issuer's assessment will have an impact on its financial performance in the prospect for at least the next quarter

In the next quarter, the Group's performance will depend mainly on the results obtained in the implementation of the contracts acquired by the Group, as well as on the result of decisions concerning offers made by the Group for sale of its services. Also will be important the success of development projects that have been already launched by the Group.

22. Financial risk management

The operations of companies belonging to Capital Group are exposed to the following financial risks:

- credit risk;
- liquidity risk;
- market risk (including currency risk, interest rate risk).

The credit risk

The Group conducts its commercial activity through sale of services to economic subjects with deferred payments, which may result in the risk of non-payment from customers for the services provided. The company, in order to minimize the credit risk manages the risk by obligatory procedure of gaining hedging. 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 regularly monitored by the financial services. In case of overdue amounts due procedures of the vindication are started.

In order to lower the risk of not recovering receivables for supplies and services the Company receives security from its clients in the form among others: bank and insurance guarantees, of mortgages and bills of exchange and the security deposits.

For the improvement of current liquidity, with the objective of the release the receivables which were seized by investors on account of the proper securing of implemented agreements and the statutory warranty for construction and assembly work, the Group grants bank guarantees and insurance warranties within guarantee lines which were launched for that purpose.

Credit risk associated with cash and bank deposits is considered by the Group to be low.

All entities in which the Company invests available funds operate in the financial sector. These include domestic banks and branches of foreign banks with current loan credibility of the highest quality.

Credit risk arising from intercompany loans granted by the Group is considered to be low.

The Group does not identify risks in payment of liabilities under the loan agreements.

The risk of impaired financial assets is reflected by write-downs.

The liquidity risk

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

1. Exchange rate risk

Part of the contracts for the sale of services is concluded with foreign companies in foreign currencies (EUR, USD). In the event of a significant strengthening of the domestic currency it may adversely affect the Group's results. Partly this risk is eliminated naturally through the purchase of equipment and services necessary for the execution of these contracts abroad, as well as through the purchase of the relevant financial instruments.

2. Interest rate risk

The Group is exposed to risk of volatility in cash flows arising from interest rate arising from bank loans based on floating interest rate WIBOR ON (overnight) and granted loans based on variable WIBOR 6M and rediscount rate.

Liquidity risk associated with the litigation with PERN SA

In view of the substantial extension of legal proceeding in a dispute with PERN SA which began in 2006, and currently is conducted before the District Court in Warsaw on the accounting for the contract interrupted on 10 November 2005 for the general implementation of an investment project under the name "Pipeline in a section from the ST-1 Adamowo – to Plebanka raw material base "exists the need to fulfill in 2013 by Prochem the commitments concerning seized guarantee deposits of subcontractors, which as at balance sheet date amount to PLN 6 586 thousand before recovery of the security deposit retained by PERN SA.. Amounts due under the deposit of Prochem SA from PERN SA as at 31 December 2012 amount to PLN 17 364 thousand.

Board of Prochem SA considers the need to accumulate adequate funds for this purpose.

23. Reporting by business and geographical segments

Operating segment is a component part of the entity:

- that engages in business activity in relation to which it can obtain income and incur expenses,
- whose operating results are regularly reviewed by the body responsible for making operating decisions of the company,
- in case of which are available separate financial information.

Revenues of the segment constitute revenues from sale to external customers.

Segment expenses are expenses that include costs relating to the sale to external customers.

Segment result is determined on the level of as operating income.

For the managing purpose the activity of the Group is divided into eleven main operating divisions such as: contracting services (general contractor), engineering and design (supervisions along with the function of contract engineer), rental of construction equipment, and other activity and other activities, which include among others the income from subletting, sale of photocopy services and others.

As assets of the segment are classified assets used by the segment which comprise mainly receivables, inventories and property, plant and equipment less provisions and impairment losses.

Some of the assets in the common use are assigned to the segments based on reasonable weights.

In the first quarter of 2013, income from operations achieved beyond the Polish borders did not occur.

Detailed information on the activities of Prochem SA and Capital Group in the various segments are shown in the following tables.

**Operating Segments- Prochem SA for the first quarter of 2013- revenues and results of the segments
The current period from 1 January to 31 March 2013**

| | General contracting | Design and engineering services | Rental of construction equipment | Other | Items not assigned | Total |
|--|---------------------|---------------------------------|----------------------------------|--------------|--------------------|----------------|
| Revenues from external customers | 5 943 | 6 931 | 258 | 995 | | 14 127 |
| Total revenues of the segment | 5 943 | 6 931 | 258 | 995 | - | 14 127 |
| Result | | | | | | |
| Profit (loss) of the segment | 48 | 82 | -131 | 43 | - | 42 |
| Financial income | | | | | 341 | 341 |
| Finance expenses | | | | | -267 | -267 |
| Net financial income | | | | | 74 | 74 |
| Profit on other operating activities | | | | | 48 | 48 |
| Profit before tax | | | | | 164 | 164 |
| Income tax | | | | | -130 | -130 |
| Profit for the period | | | | | 294 | 294 |
| Assets and liabilities | | | | | | |
| Segment assets (related to activity) | 32 193 | 7 331 | 3 111 | 1 092 | - | 43 727 |
| Assets unallocated (among others shares and other financial assets)) | | | | | 60 963 | 60 963 |
| Total assets | 32 193 | 7 331 | 3 111 | 1 092 | 60 963 | 104 690 |
| Depreciation of property, plant and equipment | 11 | 33 | 48 | - | 88 | 180 |
| Amortization of intangible assets | - | - | - | - | 18 | 18 |

The comparative period from 1 January to 31 March 2012

| | General contracting | Design and engineering services | Rental of construction equipment | Other | Items not assigned | Total |
|--|---------------------|---------------------------------|----------------------------------|------------|--------------------|----------------|
| Revenues from external customers | 19 518 | 4 558 | 1 392 | 456 | | 25 924 |
| Total revenues of the segment | 19 518 | 4 558 | 1 392 | 456 | - | 25 924 |
| Result | | | | | | |
| Profit (loss) of the segment | 1 070 | -1 679 | 688 | 81 | - | 160 |
| Financial income | | | | | 477 | 477 |
| Finance expenses | | | | | -166 | -166 |
| Net financial income | | | | | 311 | 311 |
| Loss on other operating activities | | | | | -61 | -61 |
| Profit before tax | | | | | 410 | 410 |
| Income tax | | | | | 136 | 136 |
| Profit for the period | | | | | 274 | 274 |
| Assets and liabilities | | | | | | |
| Segment assets (related to activity) | 47 687 | 4 563 | 4 047 | 283 | - | 56 580 |
| Assets unallocated (among others shares and other financial assets)) | | | | | 63 545 | 63 545 |
| Total assets | 47 687 | 4 563 | 4 047 | 283 | 63 545 | 120 125 |
| Depreciation of property, plant and equipment | 39 | 40 | 110 | 83 | - | 272 |
| Amortization of intangible assets | - | - | - | 14 | - | 14 |

Operating Segments - Prochem SA Capital Group for the first quarter of 2013 - revenues and results of the segments

The current period from 1 January to 31 March 2013

| | General contract ing | Design and engineering services | Rental of construction equipment | Assembly of electrical installations | Rental of office space and real estate | Property management | Maintenance | Commercial activity | Development activity | Other IT services | Other | Items not assigned | Total |
|---|----------------------|---------------------------------|----------------------------------|--------------------------------------|--|---------------------|-------------|---------------------|----------------------|-------------------|------------|--------------------|----------------|
| Revenues from external customers | 6 335 | 7 417 | 258 | 9 321 | 1 220 | 1 300 | 215 | 1 226 | - | 101 | 604 | - | 27 997 |
| Total revenue of the segment | 6 335 | 7 417 | 258 | 9 321 | 1 220 | 1 300 | 215 | 1 226 | - | 101 | 604 | - | 27 997 |
| Result | | | | | | | | | | | | | |
| Profit (loss) of the segment | -82 | 123 | -131 | 269 | 70 | 26 | 72 | 70 | - | 12 | -46 | - | 383 |
| Financial income | | | | | | | | | | | | 81 | 81 |
| Finance expenses | | | | | | | | | | | | 320 | 320 |
| Net financial income | | | | | | | | | | | | -239 | -239 |
| Profit sharing in associated entities | | | | | | | | | | | | 39 | 39 |
| Profit on other operating activity | | | | | | | | | | | | 75 | 75 |
| Profit before tax | | | | | | | | | | | | 258 | 258 |
| Income tax | | | | | | | | | | | | -31 | -31 |
| Profit for the current period | | | | | | | | | | | | 289 | 289 |
| Net profit assigned to non-controlling interest | | | | | | | | | | | | 65 | 65 |
| Net profit assigned to shareholders of parent entity | | | | | | | | | | | | 224 | 224 |
| Assets | | | | | | | | | | | | | |
| Segment assets (related to activity) | 26 526 | 9 008 | 3 111 | 14 274 | 15 680 | 3 130 | 91 | 1 824 | 28 855 | - | 772 | - | 103 271 |
| Assets unallocated (among others shares and other financial assets) | | | | | | | | | | | | 75 117 | 75 117 |
| Total assets | 26 526 | 9 008 | 3 111 | 14 274 | 15 680 | 3 130 | 91 | 1 824 | 28 855 | - | 772 | 75 117 | 178 388 |
| Other information related to segment | | | | | | | | | | | | | |
| Depreciation of property, | 20 | 44 | 48 | 94 | 163 | 33 | 20 | - | - | - | - | 116 | 538 |

Interim condensed consolidated financial statements as at and for the period of three months ended 31 March 2013.

plant and equipment

Amortization of intangible
assets

| | | | | | | | | | | | | |
|---|----|---|---|---|---|---|---|---|---|---|----|----|
| - | 16 | - | 3 | - | - | - | - | - | - | - | 19 | 38 |
|---|----|---|---|---|---|---|---|---|---|---|----|----|

The comparative period from 1 January to 31 March 2012

| | General contracting | Design and engineering services | Rental of construction equipment | Assembly of electrical installations | Rental of office space and real estate | Property management | Commercial activity | Development activity | Other IT services | Other | Items not assigned | Total |
|--|---------------------|---------------------------------|----------------------------------|--------------------------------------|--|---------------------|---------------------|----------------------|-------------------|-------------|--------------------|---------------|
| Revenues from external customers | 19 603 | 5 137 | 1 353 | 5 024 | 1 616 | 1 399 | 1 340 | - | 110 | 334 | - | 35 916 |
| Total revenue of the segment | 19 603 | 5 137 | 1 353 | 5 024 | 1 616 | 1 399 | 1 340 | - | 110 | 334 | - | 35 916 |
| Result Profit (loss) of the segment | 903 | -1 822 | 685 | 195 | 235 | 199 | 84 | - | 15 | -431 | - | 63 |
| Financial income | | | | | | | | | | | 1 300 | 1 300 |
| Finance expenses | | | | | | | | | | | -258 | -258 |
| Net financial income | | | | | | | | | | | 1 042 | 1 042 |
| Profit sharing in associated entities | | | | | | | | | | | 150 | 150 |
| Profit on other operating activity | | | | | | | | | | | -40 | -40 |
| Profit before tax | | | | | | | | | | | 1 215 | 1 215 |
| Income tax | | | | | | | | | | | 448 | 448 |
| Profit for the current period | | | | | | | | | | | 767 | 767 |
| Net profit assigned to non-controlling interest | | | | | | | | | | | 329 | 329 |
| Net profit assigned to | | | | | | | | | | | 438 | 438 |

Interim condensed consolidated financial statements as at and for the period of three months ended 31 March 2013.

**shareholders of
parent entity**

| | | | | | | | | | | | | |
|---|---------------|--------------|--------------|---------------|---------------|--------------|--------------|---------------|------------|------------|---------------|----------------|
| Assets | | | | | | | | | | | | |
| Segment assets (related to activity) | 40 827 | 7 124 | 4 047 | 10 657 | 20 288 | 2 143 | 1 799 | 54 832 | 295 | 718 | - | 142 730 |
| Assets unallocated (among others shares and other financial assets) | | | | | | | | | | | 53 945 | 53 945 |
| Total assets | 40 827 | 7 124 | 4 047 | 10 657 | 20 288 | 2 143 | 1 799 | 54 832 | 295 | 718 | 53 945 | 196 675 |
| Other information related to segment | | | | | | | | | | | | |
| Depreciation of property, plant and equipment | 54 | 51 | 110 | 83 | 181 | 29 | - | - | 12 | - | 100 | 620 |
| Amortization of intangible assets | - | 4 | - | 3 | 1 | - | - | - | - | - | 14 | 22 |

24. Approval of the financial statements

The condensed interim financial statements were authorized for issue by the Board on 15 May 2013.

Signatures of the Members of Management Board

| | | | |
|---------------------|--|-----------------------------------|--------------------|
| 15 May 2013 date | Jarosław Stępniewski first name and surname | Chairman of the Board position | signature |
|---------------------|--|-----------------------------------|--------------------|

| | | | |
|---------------------|---|---|--------------------|
| 15 May 2013 date | Marek Kiersznicki first name and surname | Vice Chairman of the Board position | signature |
|---------------------|---|---|--------------------|

| | | | |
|---------------------|---|---|--------------------|
| 15 May 2013 date | Krzysztof Marczak first name and surname | Vice Chairman of the Board position | signature |
|---------------------|---|---|--------------------|

Signature of person responsible for bookkeeping

| | | | |
|---------------------|---|------------------------------|--------------------|
| 15 May 2013 date | Barbara Auguścińska-Sawicka first name and surname | Chief Accountant position | signature |
|---------------------|---|------------------------------|--------------------|