



Prochem S.A.

**Independent Auditors' Report on Review of
the condensed separate interim financial
statements for the period from 1 January 2016
to 30 June 2016**

31 August 2016
Report contains 2 pages



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**INDEPENDENT AUDITORS' REPORT
ON REVIEW OF THE CONDENSED
SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD
FROM 1 JANUARY 2016 TO 30 JUNE 2016**

To the Shareholders of Prochem S.A.

Introduction

We have reviewed the accompanying 30 June 2016 condensed separate interim financial statements of Prochem S.A., with its registered office in Warsaw, Łopuszańska 95 Street ("the condensed separate interim financial statements"), which comprise:

- the condensed separate statement of financial position as at 30 June 2016,
- the condensed separate statement of profit or loss for the six-month period ended 30 June 2016,
- the condensed separate statement of comprehensive income for the six-month period ended 30 June 2016,
- the condensed separate statement of changes in equity for the six-month period ended 30 June 2016,
- the condensed separate statement of cash flows for the six-month period ended 30 June 2016, and
- additional information to the condensed separate interim financial statements.

Management is responsible for the preparation and presentation of these condensed separate interim financial statements in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed separate interim financial statements, based on our review.



Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as adopted by the National Council of Certified Auditors as the National Standard on Assurance 2410. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with National Standards on Assurance or International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements of Prochem S.A. as at 30 June 2016 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

Emphasis of matter

Without qualifying our conclusion, we draw your attention to matters described in notes 7 and 29 to the attached condensed separate interim financial statements. Prochem S.A. has recognized receivables with respect to guarantee deposits from PERN S.A. with a carrying value of PLN 17,364 thousand, that are subject to court dispute related to final settlement of the construction contract "Rurociąg w relacji ST-1 Adamowo-Baza Surowca Plebanka". The ultimate outcome of the dispute cannot presently be determined.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
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Signed on the Polish original

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Miroslaw Matusik
Key Certified Auditor
Registration No. 90048
Limited Liability Partner with power of attorney

31 August 2016