

GRUPA KAPITAŁOWA PROCHEM S.A.

**CONSOLIDATED QUARTERLY REPORT OF THE CAPITAL GROUP
OF PROCHEM S.A. FOR THREE QUARTERS OF 2010**

**CONTAINING SHORTENED STATEMENT OF COMPANY PROCHEM
S.A. FOR THREE QUARTERS OF 2010**

**PROCHEM S.A.
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01-797 Warszawa**

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Net revenue from sales and profits expressed in PLN and items of the cash flow statement were converted into EURO according to the rate set as the arithmetic mean of average prices announced by the Chairman of the National Bank of Poland for the closing date of every month and are amounting to:

- for three quarters of 2009 . - 4.3993 PLN/EUR
- for three quarters of 2010 - 4.0027 PLN/EUR

Balance data was converted according to the average price announced by the Chairman of the National Bank of Poland as at the day of drawing financial statement up which as at reporting day amounted to:

- 4.2226 PLN/EUR as at 30 September 2009
- 3.9870 PLN/EUR as at 30 September 2010

Selected Financial Data Concerning the Capital Group of Prochem S.A.

Capital Group of PROCHEM	Reporting period ended on 30 September		Reporting period ended on 30 September	
	2010	2009	2010	2009
	in PLN thousand		in Euro thousand	
Revenue from sales	80 598	140 739	20 136	31 991
Gross profit (loss) on sales	14 613	10 920	3 651	2 482
Profit (loss) from operating activitiesj	3 693	2 073	923	471
Gross profit (loss)	3 226	1 777	806	404
Net profit (loss)	2 596	898	649	204
assigned to :				0
parent entity's equity	2 119	543	529	123
minority shareholders	477	355	119	81
Net cash from operating activities	-376	-8 454	-94	-1 922
Net cash flow from investment activity	4 110	-3 343	1 027	-760
Net cash flow from financial activity	-2 730	361	-682	82
Total net cash flow	1 004	-11 436	251	-2 600
Total assets	179 940	200 828	45 132	47 560
Total fixed assets	98 467	93 550	24 697	22 155
Total current assets	81 473	107 278	20 435	25 406
Equity assigned to shareholders of parent entity	105 763	103 777	26 527	24 577
Equity assigned to monority shareholders	13 850	12 019	3 474	2 846
Total equity	119 613	115 796	30 001	27 423
Total long-term liabilities	8 892	9 296	2 230	2 201
Total short-term liabilities	51 435	75 736	12 901	17 936
Weighted average number of shares (units)	3 895 000	3 895 000	3 895 000	3 895 000
Net profit (loss) per one ordinary share (in PLN/Euro)/ Diluted profit per one ordinary share (in PLN/Euro)				
assigned to shareholders of parent entity	0.54	0.14	0.14	0.03

Selected Financial Data Concerning Prochem S.A.

GRUPA KAPITAŁOWA PROCHEM S.A.

Prochem S.A.	Reporting period ended on 30 September		Reporting period ended on 30 September	
	2010	2009	2010	2009
	in PLN thousand		in Euro thousand	
Revenue from sales	31 503	93 603	7 870	21 277
Gross profit (loss) on sales	5 644	2 754	1 410	626
Profit (loss) from operating activities	243	-1 684	61	-383
Gross profit (loss)	1 058	794	264	180
Net profit (loss)	1 013	738	253	168
Net cash from operating activities	-2 495	-8 464	-623	-1 924
Net cash flow from investment activity	3 406	-1 194	851	-271
Net cash flow from financial activity	-658	2 231	-164	507
Total net cash flow	253	-7 427	63	-1 688
Total assets	105 207	133 743	26 388	31 673
Total fixed assets	35 170	39 459	8 821	9 345
Total current assets	70 037	94 284	17 566	22 328
Total equity	63 729	66 654	15 984	15 785
Total long-term liabilities	1 800	1 655	451	392
Total short-term liabilities	39 678	65 434	9 952	15 496
Weighted average number of ordinary shares (units)	3 895 000	3 895 000	3 895 000	3 895 000
Net profit (loss) per one ordinary share (in PLN/Euro) / Diluted profit per one ordinary share (in PLN/Euro)	0.26	0.19	0.06	0.04

In 2009 weighted average number of ordinary shares was corrected by the number of shares repurchased for the purpose of redemption (5,000 units).

II. Interim Shortened Consolidated Statement of Financial Position of PROCHEM S.A. Capital Group as at 30 September 2010

(all amounts in thousand of PLN if not marked otherwise)

	As at 30 Sept. 2010	As at 30 June 2010	As at 31 Dec. 2009 (transformed)	As at 30 Sept. 2009 (transformed)
Fixed assets				
Tangible assets	31 237	31 994	36 702	33 176
Intangible assets	307	341	484	585
Real estate investments	59 385	57 754	56 673	52 521
Shares (stocks) in subsidiaries	2 869	2 873	3 386	3 386
Shares (stocks) in associates	736	748	629	853
Assets on account of deferred income tax	3 933	3 998	4 055	3 028
Other financial assets	-	-	-	1
Total fixed assets	98 467	97 708	101 929	93 550
Current assets				
Inventory	6 003	5 872	6 629	6 822
Trade receivables and other receivables	54 103	58 081	56 567	76 100
Other financial assets	558	593	3 432	3 391
Other assets	13 763	11 786	14 415	13 684
Cash and cash equivalents	7 046	6 808	6 042	7 281
Total current assets	81 473	83 140	87 085	107 278
Total assets	179 940	180 848	189 014	200 828
Liabilities				
Equity				
Share capital	3 895	3 900	3 900	3 900
Shares (stocks) of parent entity (negative value)		-5	-5	-5
Retained earnings	101 868	100 571	99 840	99 882
Parent entity's equity	105 763	104 466	103 735	103 777
Minority capital	13 850	13 682	13 781	12 019
Total equity	119 613	118 148	117 516	115 796
Long-term liabilities				
Long-term bank credits	378	378	1 033	1 471
Provision on account of deferred income tax	5 941	6 337	5 815	3 930
Retirement liabilities	2 160	1 862	1 829	2 440
Other reserves	119	175	12	273
Other long-term liabilities	294	370	695	1 182
Total long-term liabilities	8 892	9 122	9 384	9 296
Current liabilities				
Short-term bank credits	4 108	5 083	5 088	5 510
Short-term loans	29	762	776	777
Trade debt	41 424	40 318	47 019	56 840
Liabilities on account of current income tax	212		212	13
Other liabilities	5 534	7 198	8 733	12 177
Deferred income	128	217	286	419
Current liabilities	51 435	53 578	62 114	75 736
Total long-term and current liabilities	60 327	62 700	71 498	85 032
Total liabilities	179 940	180 848	189 014	200 828

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Interim Shortened Consolidated Statement of Comprehensive Income for the Period from 1 January 2010 to 30 September 2010

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

	3rd Q 2010 from 1 July 2010 to 30 Sept. 2010	Period of 9 months ended on 30 Sept. 2010	3rd Q of 2009 from 1 July 2009 to 30 Sept. 2009 (transformed)	Period of 9 months ended on 30 Sept. 2009 (transformed)
Net revenues from sales of services, goods and materials, including:	29 134	80 598	33 862	140 739
Net revenues from sale of services	27 412	76 287	32 765	134 655
Net revenue from sale of goods and materials	1 722	4 311	1 097	6 084
Costs of services, goods and materials sold, including:	23 307	65 985	30 002	129 819
Cost of services sold	21 758	62 136	28 961	124 255
Cost of goods and materials sold	1 549	3 849	1 041	5 564
Gross profit (loss) from sale	5 827	14 613	3 860	10 920
Other revenues	334	2 121	956	4 550
Other costs	316	1 305	194	1 689
General management costs	3 748	11 736	4 229	11 708
Operating profit (loss)	2 097	3 693	393	2 073
Financial revenues	231	475	188	1 185
Finance costs	482	1 011	921	1 587
Share in profit of associated entities	-11	69	139	106
Profit (loss) before tax	1 835	3 226	-201	1 777
Income tax :	5	630	-444	879
- current income tax	357	390	-30	127
- deferred income tax	-352	240	-414	752
Net profit (loss)	1 830	2 596	243	898
Net profit (loss) assigned to :				
Shareholders of parent entity	1 302	2 119	276	543
Minority shareholders	528	477	-33	355
Total	1 830	2 596	243	898
Other comprehensive income (net)	-	-	-	898
Total comprehensive income	1 829	2 596	243	
Total comprehensive income assigned to:				
Shareholders of parent entity	1 301	2 119	276	543
Minority shareholders	528	477	-33	355
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)				
Diluted profit per one ordinary share (in PLN) assigned to shareholders of parent entity	0.33	0.54	0.07	0.14
Total comprehensive income per one ordinary share (in PLN per one share)	0.33	0.54	0.07	0.14

Interim Shortened Consolidated Statement of Changes in Equity Capital

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

	Share capital	Shares of parent entity	Retained earnings	Equity assigned to shareholders of parent entity	Minority shareholders' equity	Total equity
Reporting period from 1 January 2010 to 30 September 2010						
As at the beginning of period	3 900	-5	99 840	103 735	13 781	117 516
Payment of dividend				0	-10	-10
Net profit (loss)			2 119	2 119	477	2 596
Total comprehensive income			2 119	2 119	467	2 104
Other movements	-5	5	-91	-91	-398	-489
As at the end of period	3 895	0	101 868	105 763	13 850	119 613
Reporting period from 1 January 2010 to 30 June 2010						
As at the beginning of period	3 900	-5	99 840	103 735	13 781	117 516
Payment of dividend				0	-10	-10
Net profit (loss)			785	785	72	857
Total comprehensive income			785	785	62	847
Other movements			-54	-54	-161	-215
As at the end of period	3 900	-5	100 571	104 466	13 682	118 148
Reporting period from 1 January 2009 to 31 December 2009						
As at the beginning of period	3 900	-2	99 124	103 022	13 421	116 443
Payment of dividend			-506	-506	-1 922	-2 428
Net profit (loss)			1 251	1 251	2 282	3 533
Other comprehensive income			-29	-29		-29
Total comprehensive income			716	716	360	-1 076
Own shares purchased with the aim of redemption		-3		-3		-3
As at the end of period (transformed)	3 900	-5	99 840	103 735	13 781	117 516
Reporting period from 1 January 2009 to 30 September 2009						
As at the beginning of period	3 900	-2	99 124	103 022	13 421	116 443
Payment of dividend			-506	-506		-506
Net profit (loss) transformed			832	832	-1 402	-570
Other comprehensive income			-30	-30		-30
Total comprehensive income			296	296	-1 402	-1 106
Other movements			462	462		462
Own shares purchased with the aim of redemption		-3		-3		-3
As at the end of period (transformed)	3 900	-5	99 882	103 777	12 019	115 796

**Interim Consolidated Statement of Cash Flows (indirect method)
for the period from 1 January 2010 to 30 September 2010**

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

	3rd Q of 2010 from 1 July 2010 to 30 Sept. 2010	Period ended on 30Sept. 2010	3rd Q of 2009 from 1 July 2009 to 30 Sept. 2009 (transformed)	Period ended on 30 Sept. 2009 (transformed)
Cash flows from operating activities				
Gross profit (loss)	1 835	3 226	-201	1 777
Adjustments for:	1 052	-3 19	-2 922	-9 512
Shares in profit of associated entities	11	-69	73	106
Amortisation and depreciation	975	3 110	1 076	3 446
Interest and profit sharing (dividends)	-1553	-951	247	556

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(Profit) loss on disposal of fixed tangible assets	19	257		-102
(Profit)loss from investment activity	115	-1 145		
Movement in provisions	21	-947	984	-2 252
Change in inventory	-131	626	-687	-233
Movement in receivables	2 086	3 201	22 354	50 077
Movements in current liabilities with the exception of loans and credits	-265	-6 954	-27 043	-59 123
Other adjustments	-226	-297	74	-1 987
Operating cash	2 887	57	-3 123	-7 735
Income tax paid	-183	-433	1 053	-719
Net cash from operating activities	2 704	-376	-2 070	-8 454

Investment cash flows

Inflows	81	6 099	238	361
Sales of intangible assets and fixed tangible assets	54	2 742	127	250
From financial assets, including:	27	3 357	-	-
a) in affiliates	27	3 354	-	-
- disposal of financial assets	5	5	-	-
- dividends received	22	113	-	-
- repayment of loans	-	2 797	-	-
- repayment of interest on loans granted	-	439	-	-
b) in other entities	-	3	-	-
- other inflows from financial assets	-	3	-	-
Other investment inflows	-	-	111	111
Outflows	1 342	1 989	880	3 704
Purchase of intangible assets and fixed tangible assets	178	323	876	1 371
Investments in real estates and intangible assets	1 160	1 354	-	2 291
For financial assets including:	-	301	4	42
a) in affiliates	-	301	4	42
- purchase of financial assets	-	301		30
- other expenditures	-	-	4	12
Other capital expenditure	4	11		
Net cash from investment activity	-1 261	4 110	-642	-3 343

Financial cash flow

Inflows from credits received	-1 078	166	12 100	16 769
Repayment of credits and loans	-	-1 801	-12 492	-13 676
Payment from the title of finance lease	-166	-767	-187	-695
Interest and commissions paid	-86	-447	-84	-423
Other financial inflows	125	129	-	2
Purchase of own shares (stocks)	-	-	-	-3
Other outflows under distribution of profit than payments to shareholders	-	-10	-733	-1 613
Net cash flow from financial activity	-1 205	-2 730	-1 396	361

Total net cash flows	238	1 004	-4 108	-11 436
Increase (decrease) of net cash flow and cash equivalents	238	1 004	-4 108	-11 436
Cash and cash equivalents at the beginning of period	6 808	6 042	11 389	18 717
Cash and cash equivalents at the end of period	7 046	7 046	7 281	7 281

III. Interim Shortened Financial Statement of PROCHEM S.A.

Interim Shortened Individual Statement of Financial Position as at 30 September 2010

(all amounts in thousand of PLN if not marked otherwise)	As at 30 Sept. 2010	As at 30 June 2010	As at 31 Dec. 2009 (transformed)	As at 30 Sept. 2009 (transformed)
Tangible assets	3 714	4 069	4 853	5 303
Intangible assets	173	245	398	482
Shares (stocks) of subsidiaries	10 573	10 543	10 430	10 430
Shares (stocks) of associates	708	708	708	708
Assets on account of deferred income tax	1 540	1 610	1 597	766
Other financial assets	18 462	18 672	21 072	21 770
Total fixed assets	35 170	35 847	39 058	39 459
Current assets				
Inventory	2 888	2 931	3 302	3 390
Trade receivables and other receivables	49 440	52 457	52 430	73 101
Other financial assets	1 749	1 861	1 783	1 363
Other assets	12 767	10 538	13 181	13 406
Cash and cash equivalents	3 193	2 174	2 940	3 024
Total current (short-term) assets	70 037	69 961	73 636	94 284
Total assets	105 207	105 808	112 694	133 743
Liabilities				
Equity				
Share capital	3 895	3 900	3 900	3 900
Shares (stocks) of parent entity (negative value)		-5	-5	-5
Retained earnings	59 834	59 234	58 903	62 759
Total equity	63 729	63 129	62 798	66 654
Long-term liabilities				
Deferred tax provision	1 468	1 704	1 481	933
Retirement liabilities	309	309	283	213
Other long-term liabilities	23	23	253	509
Total long-term liabilities	1 800	2 036	2 017	1 655
Short-term liabilities				
Short-term bank credits	2 833	3 577	2 620	3 484
Trade liabilities	34 873	34 650	41 724	53 261
Other liabilities	1 878	2 305	3 310	8 295
Deferred income	94	111	225	394
Short-term liabilities	39 678	40 643	47 879	65 434
Total liabilities	41 478	42 679	49 896	67 089
Total equity and liabilities	105 207	105 808	112 694	133 743

Individual Statement of Comprehensive Income for the period from 1 January 2010 to 30 September 2010

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

	3r Q of 2010 from 1 July 2010 to 30 Sept. 2010	Period ended on 30 September 2010	3rd Q of 2009 from 1 July 2009 to 30 Sept. 2009 (transformed)	Period ended on 30 September 2009 (transformed)
Net revenues from sales of services, goods and materials including:	12 353	31 503	16 709	93 603
Net revenues from sale of services	12 041	31 168	16 705	91 875
Net revenues from sale of goods and materials	312	335	4	1 728
Costs of services, goods and materials sold including:	10 401	25 859	16 001	90 849
Costs of services sold	10 092	25 529	16 001	89 159
Costs of goods and materials sold	309	330		1 690
Gross profit (loss) from sale	1 952	5 644	708	2 754
Other operating income	197	456	780	1 935
Other operating costs	81	681	53	1 453
General management costs	1 605	5 176	1 610	4 920
Operating profit (loss)	463	243	-175	-1 684
Financial revenues	221	1 491	-172	3 133
Finance costs	167	676	358	655
Profit (loss) before tax	517	1 058	-705	794
Income tax :	-165	45	-510	56
- current		1		3
- deferred	-165	44	-510	53
Net profit (loss)	682	1 013	-195	738

Other comprehensive income (net)	-	-	-	-
Total comprehensive income	682	1 013	-195	738

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)/				
Diluted profit per one ordinary share (in PLN) share .	0.18	0.26	-0.05	0.19
Total comprehensive income per one ordinary share (in PLN per one share)	0.18	0.26	-0.05	0.19

Individual Statement of Changes in Owners' Equity

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

	Share capital	Shares of parent entity	Retained earnings	Total equity
Reporting period from 1 January 2010 to 30 September 2010				
As at beginning of period	3 900	-5	58 903	62 798
Net profit (loss) in the given period			1 013	1 013
Own shares purchased with the aim of redemption	-5	5	-82	-82
Total comprehensive income	-5	5	931	931
As at the end of period	3 895	0	59 834	63 729
Reporting period from 1 January 2010 to 30 June 2010				
As at the beginning of period	3 900	-5	58 903	62 798
Net profit (loss) in the given period			331	331
Total comprehensive income	0	0	331	331

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As at the end of period	3 900	-5	59 234	63 129
Reporting period from 1 January 2009 to 31 December 2009				
As at the beginning of period	3 900	-2	62 558	66 456
Payment of dividend			-506	-506
Net profit (loss) in the given period			-3 118	-3 118
Own shares purchased with the aim of redemption			-31	-31
Net other comprehensive income			-3 655	-3 655
Total comprehensive income		-3		-3
As at the end of period (upon transformation)	3 900	-5	58 903	62 798
Reporting period from 1 January 2009 to 30 September 2009				
As at the beginning of period	3 900	-2	62 558	66 456
Payment of dividend			-506	-506
Net profit (loss) (transformed)			738	738
Own shares purchased with the aim of redemption		-3	0	-3
Net other comprehensive income			-31	-
Total comprehensive income	0	-3	201	198
As at the end of period (transformed)	3 900	-5	62 759	66 654

Individual Statement of Cash Flows for the period from 1 January 2010 to 31 March 2010

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

	3rd Q of 2010 from 1 July 2010 to 30 Sept. 2010	Period ended on 30 September 2010	3rd Q of 2009 from 1 July 2009 to 30 Sept. 2009 (transformed)	Period ended on 30 Sept. 2009 (transformed)
Cash flows from operating activities				
Gross profit (loss)	517	1 058	-705	794
Adjustments for:	639	-3 553	1 773	-9 258
Amortisation and depreciation	460	1 449	540	1 713
Interest and profit sharing (dividends)	-159	-695	-72	-2 271
(Profit)loss on disposal of fixed tangible assets	-8	-47	10	-33
Movement in provisions	-19	-753	919	-1 495
Change in inventory	46	417	-2	344
Movement in receivables	487	3 400	22 987	41 503
Movement in current liabilities , with the exception of loans and credits	-156	-7 198	-22 680	-47 072
Other adjustments (including deferred income)	-12	-126	71	-1 947
Operating cash	1 156	-2 495	1 068	-8 464
Income tax paid				
Cash provided by operating activities	1 156	-2 495	1 068	-8 464
Investment cash flows				
Inflows	816	3 613	126	2 110
Sales of intangible assets and fixed tangible assets	-5	40	120	228
From financial assets, in affiliates:	821	3 573	6	1 882
- dividend received	300	302		1 876
- repayment of granted loans		2 600		
- repayment of interest on granted loans	521	671	6	6
Outflows	71	207	2 559	3 304

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Purchase of intangible assets and fixed tangible assets	41	64	109	174
For financial assets in affiliates:	30	143	2 450	3 130
- purchase of financial assets	30	143		30
- granting of a loan			2 450	3 100
Net cash flow from investment activity	745	3 406	-2 433	-1 194
Financial cash flows				
Inflows from obtained credits	-744	213	-325	3 483
Purchase of own shares (stocks)	-	-	-	-3
Dividends and other payments to shareholders	-	-	-506	-506
Interest and commission paid	-29	-223	-35	-222
Payments from the title of finance lease	-109	-648	-150	-521
Net cash flow from financial activity	-882	-658	-1 016	2 231
Total net cash flow	1 019	253	-2 381	-7 427
Increase (decrease) of net cash flow and cash equivalents	1 019	253	-2 381	-7 427
Cash and cash equivalents at the beginning of period	2 174	2 940	5 405	10 451
Cash and cash equivalents at the end of period	3 193	3 193	3 024	3 024

IV. Notes on assumed accounting principles (policy) and other explanatory remarks to Interim Shortened Consolidated Financial Statement of Prochem S.A. Capital Group

These Notes contain both individual financial results of PROCHEM S.A. (PROCHEM, Company, Issuer) and consolidated financial data of the Capital Group of PROCHEM S.A. (PROCHEM Group, Group, Capital Group).

1. Reporting Entity

Company PROCHEM S.A. (hereinafter called "Prochem", "Company", "Issuer") with the registered office in Warsaw at 44c Powązkowska Str. 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 of the Company 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 Designing and the Implementation of an Investment Project of the Chemical Industry Office). The notary deed and statutes were signed on 1 October of 1991. The company's duration is indefinite.

2. Description of the organization of the capital group with pointing out entities being subject to consolidation

GRUPA KAPITAŁOWA PROCHEM S.A.

Prochem S.A. capital group (called " Capital Group ", "Group "), apart from data of dominant entity (hereinafter called, " Issuer ") comprises the following subsidiaries directly and indirectly and associated companies:

Subsidiaries covered by full consolidation

- Prochem Inwestycje Sp. z o.o. with registered office in Warsaw – subsidiary directly (100.0%);
- Irydion Sp. z o.o. with registered office in Warsaw – subsidiary directly (100.0%);
- PRO-INHUT Sp. z o.o. with registered office in Dąbrowa Górnicza– subsidiary indirectly (99.0%);
- Pro-Organika Sp. z o.o. with registered office in Warsaw – subsidiary directly (91.4%);
- Prochem Serwis Sp. z o.o. with registered office in Warsaw – subsidiary indirectly (90.0%);
- PREDOM Sp. z o.o. with registered office in Wrocław – subsidiary indirectly (81.1% of capital and profit, 69.4% in votes);
- ASI Polska Sp. z o.o. with registered office in Gliwice– subsidiary indirectly (90.0%);
- Prochem Zachód Sp. z o.o. with registered office in Słubice – subsidiary directly (60.0%);
- PROTRADE Sp. z o.o. with registered office in Gdynia– subsidiary indirectly (72%) (ASI Polska Sp. z o.o. subsidiary in 90.0% holds 80.0%)
- ELPRO Sp. z o.o. Kraków – subsidiary indirectly (77.9%, including 55.9% of share in 50% of share of Elektromontażu Kraków)
- Elmont Inwestycje Sp. z o.o. Kraków – subsidiary indirect (77.9%, including 55.9% of share in 50% of share of Elektromontaż Kraków)
- Elektromontaż Kraków S.A. – subsidiary direct (55.9%) – the company is drawing up consolidated financial statement, which contains data of the subsidiary in 100%:
ELMONT-POMIARY Sp. z o.o. with registered office in Krakow and two associates ELPRO Sp. z o.o. and Elmont Inwestycje Sp. z o.o.
- IRYD Sp. z o.o. with registered office in Warsaw – subsidiary indirectly 100%
- ATUTOR Integracja Cyfrowa Sp. z o.o. with registered office in Warsaw – subsidiary indirectly (97.2% of share holds company Prochem Inwestycje Sp. z o.o. subsidiary in 100%).
- Prochem RPI Sp. z o.o. with registered office in Warsaw – subsidiary directly and indirectly in 100%

Associated entities covered by consolidation under the equity method:

- PRO PLM Sp. z o.o. with registered office in Warsaw – associated indirectly (50% of shares belongs to company Prochem Inwestycje Sp. z o.o. subsidiary in 100%),
- PROMIS Sp. z o.o. with registered office in Warsaw – associated indirectly (45% of right of vote and 97.6 % of share capital belongs to company Prochem Inwestycje Sp. z o.o. subsidiary in 100%),
- ITEL Sp. z o.o. Gdynia – 42.0% of shares (18.7% of right of vote and capitals belongs directly to Prochem S.A. and 23.31% belongs to Prochem RPI Sp. z o.o. subsidiary in 100%) since 23 February 2010.
- .TEOMA S.A. with registered office in Warsaw – associated indirectly (12.9% of shares , including Prochem Inwestycje Sp. z o.o. subsidiary in 100% holds 5% of shares).

Subsidiaries covered by consolidation were included in the consolidated financial statement starting from the day of taking over the control by the parent company, and associates from the day of exerting the significant influence.

3. Accepted Accounting Principles Applied by Capital Group and Issuer

Declaration about conformity and base for presentation

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Interim shortened consolidated financial statement of Prochem S.A. Capital Group and Individual interim shortened financial statement for 9 months of 2010 were drawn according to International Accounting Standards 34 (MSR 34) "Interim Financial Reporting" and Regulation of the Minister of Finance of 19 February 2009 on current and periodical data to be submitted by issuers of securities (Journal of Laws of 2009 No 33, item 259). The accounting principles adopted at drawing up this interim shortened consolidated financial statement and individual interim shortened financial statement for 9 months of 2010 are in conformity with principles applied at drawing up annual financial reports for the financial year ended on 31 December 2009. This interim shortened consolidated financial statements are not containing information and disclosures required for complete financial reports and should be read including the financial statement for the financial year ended on 31 December 2009.

This interim shortened consolidated financial statement of Prochem S.A. Capital Group and individual interim shortened financial statement were prepared at assuming continuing economic activity in a foreseeable future and it is stated that circumstances pointing out to the threat to continuing activity by the Issuer's Capital Group and Issuer don't exist.

The duration of activities of individual entities being included in a capital group and company Prochem S.A. isn't limited.

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

Interim shortened consolidated financial statement of the Group and Issuer is being presented in Polish zlotys („złoty” or „PLN”) which is functional and reporting currency.

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 it isn't subject to cyclical trends.

Principles of drawing up consolidated financial statement

At drawing up the interim shortened consolidated financial statement of Prochem S.A. Capital Group the following procedures were applied:

- data of subsidiaries were included in financial statement with the full method, consisting in linking financial statements of the dominant entity and of subsidiaries by adding up individual items of assets, liabilities, the equity capital, the income and costs.
- shares in associated companies were evaluated in the consolidated financial statement with the equity method.

Subsidiaries covered by consolidation were included in the consolidated financial statement starting from the day of taking over the control by the parent company.

The goodwill of subsidiaries is a surplus of the purchase price of components of financial assets taken up by the dominant entity above the market value of net assets of the subsidiary, proportionally to the acquired share in the equity capital of this entity.

The negative goodwill of subsidiary is a surplus of the market value of net assets of the subsidiary above the purchase price of financial assets carried by the dominant entity, proportionally to the acquired share in the equity capital of this entity. For the day of purchasing the subsidiary (of including the control), assets, liabilities and contingent liabilities of the subsidiary are being evaluated at fair value.

Subsidiaries sold in the financial year are subject to a consolidation up to the day of the sale. Minority capital is being shown according to assigned value.

Entities are being regarded as associated companies, in which Prochem S.A. has between 20% and 50% of the total number of votes in constituting organs or in other way can exert a significant influence on their financial and operating policy.

Investments in associated companies are being accounted with method of the ownership transfer and at

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first are included according to the purchase price. Share in the profit or loss of the associated company is shown in the Statement of comprehensive income. When the participation in the loss of the associated company is equal to or exceeds a participation of the Group of Prochem in this entity the Group doesn't recognize further losses, unless assumed an obligation to do it. Unrealized gains among the Group and the associated company are being eliminated to the level of the participation of the Group in this entity.

The price of acquiring shares in associated companies is subject to adjustments reflecting all effects of changes of the fair value of net assets, falling on the value of the held share from the moment of purchase to the date of financial statement as well as effects of impairment.

In the presented interim shortened consolidated financial statement adjustments and exclusions were made as mentioned below:

- within the scope of exclusions:
 - of shares (stocks) had by the dominant entity with the share capital of subsidiaries ,
 - of mutual receivables and liabilities and other settlements of a similar nature of entities under consolidation,
 - of revenues and expenses on account of mutual operations of the purchase and the sale in the capital group,
 - of dividends calculated or paid by subsidiaries to the dominant entity and other entities covered by consolidation

- within the scope of adjustments:
 - of profits or losses arising as a result of business transactions made between entities under consolidation.

The interim shortened financial statement was drawn up based on the principle of the historical cost, with the exception of:

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

Transactions in foreign currencies at first are calculated according to the rate of exchange of the National bank of Poland being in effect on the day of the conclusion of a deal. Balance sheet items of assets and liabilities expressed in foreign currencies are being evaluated according to the average rate of the National Bank of Poland for the reporting day. Profit and loss arising from accounting for these transactions and balance sheet valuations of assets and obligations expressed in foreign currencies are included in the Statement of the Comprehensive Income.

Items of Financial Statement are being divided into short-term and long-term (current and fixed) in accordance with International Accounting Standards 1 (MSR 1).

Essential Accounting Principles

At drawing up this Interim Shortened Financial Statement the same accounting principles and the same accounting methods were applied as in the Financial Statement of Prochem S.A. Capital Group for the year ended on 31 December 2009.

At drawing up this Interim Shortened Financial Statement the same accounting principles and the same accounting methods were applied as in the Financial Statement of Prochem S.A. for the year ended on 31 December 2009.

New standards, changes and interpretations to existing standards didn't have the significant influence on this Financial Statement.

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Changes in Accounting Estimates

There were no changes in principles and methods of accounting applied for establishing estimates in the period of nine months of 2010.

Transformation of Financial Statements

Interim Shortened Financial Statement for the period from 1 January to 30 September 2010 is keeping comparability in relation to data of the Statement for the period from 1 January to 30 September 2009. For keeping the comparability reclassifications of given items of equity capitals was effected which were presented in the following table.

Changes as below result from the adaptation of onomastics and disclosures to widely accepted and required by International Financial Reporting Standards in the shape being in effect for financial statements drawn up for periods starting on 1 January 2009 and later.

Capital Group of Prochem S.A.

Consolidated Statement of Financial Position – transformation (in PLN thousand)

	As at 30 Sept. 2009	Adjustment/ transformation	As at 30 Sept. 2009 (transformed)
A s s e t s			
Trade receivables and other receivables	76 730	-630	76 100
Other assets	13 723	-39	13 684
Cash and short-term deposits	7 647	-366	7 281
Total current assets	108 313	-1 035	107 278
Total assets	201 863	-1 035	200 828
Liabilities			
Equity			
Spare capital	50 574	-50 574	0
Revaluation capital	13 687	-13 687	0
Other reserve capitals	36 836	-36 836	0
Profit (loss) brought forward	-1 370	1 370	0
Profit (loss) for the current year	221	-221	0
Retained profit		99 882	99 882
Parent entity's equity	103 843	-66	103 777
Minority capital	12 042	-23	12 019
Total equity	115 885	-89	115 796
Other liabilities	13 123	-946	12 177
Short-term liabilities	76 682	-946	75 736
Total liabilities	201 863	-1 035	200 828

Consolidated Statement of Comprehensive Income – transformation (in PLN thousand)

	Period ended on 30 Sept. 2009	Adjustment / transformation	Period ended on 30 Sept. 2009 (transformed)
General management costs	11 619	89	11 708
Profit (loss) from operating activity	2 162	-89	2 073
Profit (loss) before tax	1 866	-89	1 777
Net profit (loss)	987	-89	898

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Consolidated Statement of Cash Flow - transformation (in PLN thousand)	Period ended on 30 Sept. 2009	Adjustment/transformation	Period ended on 30 Sept. 2009 (transformed)
Cash flow from operating activities			
Gross profit (loss)	1 866	-89	1 777
Adjustments for:	-10 104	592	-9 512
Profit sharing in associated entities		106	106
Interests and profit sharing (dividends)	237	116	353
Movements in provisions	-1 033	-1 219	-2 252
Movements in receivables	48 774	1 303	50 077
Movement in short-term liabilities , with the exception of loans and credits	-61 357	2 234	-59 123
Other adjustments	-39	-1 948	-1 987
Cash generated from operating activity	-8 238	503	-7 735
Net cash provided by operating activities	-8 957	503	-8 454
Financial cash flows			
Buy-back of own shares (stocks)		3	3
Payments from the title of finance lease	174	521	695
Interest and commission paid	201	222	423
Net cash flow from financial activity	1 107	-746	361
Total net cash flow	-11 193	-243	-11 436
Increase /(decrease) of net cash flow and cash equivalents	-11 193	-243	-11 436
Cash and cash equivalents at the beginning of period	18 840	-123	18 717
Cash and cash equivalents at the end of period	7 647	-366	7 281

Prochem S.A.

Individual Statement of Financial Position – transformation (in PLN thousand)	As at 30 Sept. 2009	Adjustment/transformation	As at 30 Sept. 2009 (transformed)
A s s e t s			
Trade receivables and other receivables	73 636	-535	73 101
Other assets	13 445	-39	13 406
Cash and short-term deposits	3 197	-173	3 024
Total current (short-term) assets	95 031	-747	94 284
Total assets	134 490	-747	133 743
Liabilities			
Spare capital	14 812	-14 812	0
Revaluation capital	766	-766	0
Other spare capital	46 443	-46 443	0
Profit (loss) for the current year	777	-777	0
Retained profit		62 759	62 759
Total equity	66 693	-39	66 654
Other liabilities	9 003	-708	8 295
Short-term liabilities	66 142	-708	65 434
Total liabilities	67 797	-708	67 089
Total equity and liabilities	134 490	-747	133 743

Individual Statement of Comprehensive Income – transformation (in PLN thousand)	Period ended on 30Sept. 2009	Adjustment/transformation	Period ended on 30Sept .2009 (transformation)
General management costs	4 881	39	4 920

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Profit (loss) from operating activity	-1 645	-39	-1 684
Profit (loss) before tax	833	-39	794
Net profit (loss)	777	-39	738

Individual Statement of Cash Flow - transformation (in PLN thousand)	Period ended on 30 Sept .2009	Adjustment/ transformation	Period ended on 30 Sept. 2009 (transformation)
Caswh flows from operating activities			
Gross profit (loss)	833	-39	794
Adjustments for :	-9 928	670	-9 258
Interests and profit sharing (dividends)	-2 493	222	-2 271
Movements in provisions	-276	-1 219	-1 495
Movements in receivables	40 012	1 491	41 503
Movements in short-term liabilities, with exception of loans and credits	-49 196	2 124	-47 072
Other adjustments (including deferred income)	1	-1 948	-1 947
Cash generated from operating activities	-9 095	631	-8 464
Net cash provided by operating activities	-9 095	631	-8 464
Financial cash flows			
Outflows	506	746	1 252
Buy-back of own shares (stocks)		3	3
Interests and commissions paid		222	222
Payments from the title of finance lease		521	521
Net cash flow from financial activity	2 977	-746	2 231
Total net cash flow	312	-7	427
Increase/(decrease) of net cash flow and cash equivalents w	-7 312	-115	-7 427
Cash and cash equivalents at the beginning of period	10 509	-58	10 451
Cash and cash equivalents at the end of period	3 197	-173	3 024

4. Concise description of significant achievements or failures of the issuer in the period which the report concerns, together with showing the most important events concerning them

In January of 2010 a final agreement was signed, according to which the company Nitrogenmuvek Zrt. took over the built installation, however PROCHEM S.A. was encumbered with contractual penalties for the delay in the realization and he effected lowering the reward stipulated in the contract for its service. On the day of signing an agreement, parties acknowledged, that all current and the future claims associated with the contract mentioned above were satisfied. Financial results of this agreement were included by the Issuer in performance in 2009.

5. Decription of facts and events, in particular of untypical character, having the significant effect to achieved financial results

In the 3rd quarter of 2010 on achieved results of the Issuer the following events had the significant effect:

- reserves were dissolved established in previous periods for the deferred income tax in the amount of PLN 37 thousand, and reserves were established in the amount of PLN 252 thousand.
- assets from the title of deferred income tax were used in the amount of PLN 23 thousand, and established in the amount of PLN 33 thousand
- reserves for social security benefits in the amount of PLN 5 thousand were dissolved
- revaluating write off covering value of amounts due in the amount of PLN 74 thousand was dissolved and established in the amount of PLN 2 thousand,

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- e) provisions established for costs in previous years in the amount of PLN 20 thousand were used.

Within the capital group in the 3rd quarter of 2010:

- a) provision for deferred income tax established in previous years in the amount of PLN 764 thousand was dissolved, and provision in the amount of PLN 464 thousand was established,
- b) assets from the title of deferred income tax in the amount of PLN 213 thousand were used and established in the amount of PLN 234 thousand
- c) revaluating write off covering value of amounts due in the amount of PLN 81 thousand was dissolved and established in the amount of PLN 3 thousand,
- d) provisions for costs established in previous years in the amount of PLN 33 thousand were used.

6. Explanations 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 doesn't concern both the Issuer and Capital Group of Prochem S.A.

7. Information concerning emission, the repurchase and the repayment of not shareholder and capital securities

On 26 August 2010 a procedure of the redemption of 5,000 of bearer shares of PROCHEM S.A. was finished. The number of votes corresponding to redeemed shares is amounting to 5,000. After discontinuing of mentioned above shares the equity of the company amounts to PLN 3,895,000. The total number of votes from all shares amounts to 3,898,660. Structure of equity of the company PROCHEM S.A. after the redemption:

- founding series – 1.817.500,
 - B series – 682.500,
 - C series – 530.000,
 - D series – 865.000
- Total equity 3.895.000

7. Information concerning dividend paid (or declared), total value and per one share, with the division into ordinary shares and preferred shares

In 2009 the Issuer incurred a loss, for this period they didn't pay a dividend.

8. Events after the day, after as at the shortened quarterly financial report was drawn up, not-included in this report, but being able to in the meaning way affect future financial results of the issuer

On 11 October 2010 the Issuer signed the agreement for the sale of shares, on the basis of which purchased 1,000 shares of the subsidiary of the nominal value of PLN 5 each to the total amount of PLN 30,000 thousand (say: thirty thousands of zlotys). The ownership of the shares was transferred to the Issuer with the day of payment for shares, i.e. on 25 October 2010. After effected transaction the participation of PROCHEM S.A. in capital and votes of the company Elektromontaż Kraków S.A. increased by 0.31 % and amounts to 56.48 %.

9. Information concerning changes of contingent liabilities or contingent assets which occurred since the end of the last financial year

Contingent liabilities – in PLN thousand

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Title	Capital Group of Prochem				Including Issuer			
	2010		2009		2010		2009	
	30Sept	30 June	30 Sept.	30 June.	30 Sept.	30 June	30 Sept.	30 June
Bank performance guarantee	14 957	13 518	14 632	19 493	11 964	12 228	12 570	21 312
Guarantee of return of the advance payment				3 333				
B/e guarantees of the good workmanship of the agreement	197	197	12 159	12 127	197	197	12 127	12 127
Guarantee of payment	827	827		883	827	827		883
Guarantee for tender	134	3417	378	562	134	3417	378	562
Guarantee of a credit for subsidiary	500	500			1 500	1 500	1000	1000
Total	16 615	16 459	27 169	36 398	14 622	18 169	26 075	35 884

For nine months of 2010 Capital Group recorded the increase in contingent liabilities by amount of PLN 3,047 thousand, in case of the Issuer liabilities increased by PLN 3,006 thousand.

Contingent amounts due

Contingent amounts due of the Capital Group concern only an Issuer. These are bank performance guarantees which as at the day amount to:

Title	Capital Group / Issuer			
	30 Sept.2010	30 June 2010	30 Sept. 2009	30 June 2009
Bank performance guarantee	9 100	9 289	11 438	12 619

At the end of 3rd quarter of 2010 a decrease in contingent amounts due took place by amount of PLN 1,158 thousand.

10. Position of the Management Board in relation to the possibility of accomplishment of earlier published forecasts of results for the given year, in the light of the results presented in the quarterly report in relation to results forecast

Company Prochem S.A. didn't publish forecasts of financial results neither of the company nor the Capital Group of PROCHEM S.A. for 2010.

11. Shareholders having directly or indirectly by subsidiaries at least 5 % of total number of votes at the General Meeting of the Issuer as at the day of submitting the quarterly report together with indicating the number of shares held by these entities, of their percentage share in the share capital, numbers of votes resulting from them and their percentage participation in the total number of votes at the General Meeting and indicating the changes in the ownership structure of considerable share packets of the issuer in the period from transmitting the last quarterly report.

According to the information in the Company's possession as at the day of drawing this report up the following shareholders have more than 5% of the votes at the general shareholders meeting.

Description	Qty of shares (units)	% of votes in total number of votes	% of share capital
1. Prochem Holding Sp. z o.o.	962.341	24,65	24,68
2. Steve Tappan	382.751	9,80	9,81
3. ING Towarzystwo Funduszy Inwestycyjnych SA, including ING Parasol Specjalistyczny	358.312	9,18	9,19
Fundusz Inwestycyjny Otwarty	228.950	5,86	5,87
4. Union Investment Towarzystwo Funduszy Inwestycyjnych S.A.	345.000	8,84	8,85
5. PTE PZU SA	325.521	8,34	8,35
6. Legg Mason Zarządanie Aktywami S.A	201.948	5,17	5,18

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W okresie od przekazania poprzedniego raportu nie nastąpiła zmiana w strukturze własności znacznych pakietów akcji emitenta.

12. Statement of changes in the possessions of shares of the issuer or entitlements to them (of option) by managing and supervising persons of the issuer, according to the information being in possession of the issuer, in the period from transmitting the last quarterly report

As at the day of drawing the quarterly report up the following members of the Management Board and Supervisory Board of the company held shares of PROCHEM S.A.:

- 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 transmitting the previous report the change in the structure of the ownership of the considerable share packets didn't take place.

13. Records of legal proceedings pending in the court, competent authority for the arbitration or administrative body with considering the information in the scope of:

- a) proceedings concerning obligations or the debt of the issuer or its subsidiary of the value constituting at least 10% of owners' equity of the issuer, showing the subject matter of the proceedings, the value of subject matter of litigation, the date of the instituting of proceedings, parties in proceedings and the position of the issuer,
- b) two or more proceedings concerning obligations and debts with total value constituting appropriately at least 10% of owners' equity of the issuer, with determining the total value of proceedings separately in the group of obligations and the group of the debts with position of the issuer in this matter and in relation to the biggest proceedings in the group of obligations and group of debts – with showing the matter, values of the subject matter of litigation, dates of the instituting of proceedings and parties in proceedings.

PROCHEM S.A. is still a party in the lawsuit regarding settlement of accounts for the contract given up on the day 10.11.2005 for construction management of an investment project under the name "Pipeline in a section from the ST- 1 Adamowo - to raw material base Plebanka" concluded with PERN S.A. PROCHEM S.A. filed a suit demanding the payment of PLN 41,301 thousand as the final settlement of contract. On 18 January 2008 District Court in Warsaw delivered a judgment regarding this case admitting a claim of Prochem S.A. as being rightful as for the principle, at the same time judged, that this liability wasn't still due.

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

On 12 August of 2010 the case was held before the District Court in Warsaw, during which the Court decided about appointing the expert, who will finally make accounting for arguable contract according to recommendations of the Court of Appeal. The value of these proceedings exceeds the 10 % of equity of the Capital Group of Issuer.

Apart from that total value of other proceedings separately for the group of obligations as well as the group of the debts, doesn't exceed the 10 % of equity of the Issuer.

14. Information about concluding by the issuer or its subsidiary of one or many transactions with affiliated entities, if they are substantial single or together and were concluded on other conditions than market conditions:

- a) subject of a transaction,
- b) connections of the issuer or its subsidiary with the entity being a side in the transaction,
- c) substantial terms and conditions of transactions, with special taking into account financial conditions and indicating the peculiar conditions determined by parties, characteristic of this agreement, in particular diverging from universally used conditions for the given type of agreements.

In 2010 transactions of this type didn't take place.

15. Information about granting by the issuer or its subsidiary guarantees of credit or the loan or providing a warranty - together for one entity or subsidiary of this entity, if the total value of existing guarantees or the guarantee constitutes the equivalent of the at least 10 % of owners' equity of the issuer

None of companies of the capital group gave to other entity the guarantee or guarantees of credit or loan of this value.

16. Other information which are in the opinion of the Issuer are essential for the evaluation of his personnel, material, financial situation, the financial result and their changes, and the information which are essential for the assessment of the possibilities of fulfilling of obligations by the issuer.

The low level of debts and the high financial liquidity let Companies from the capital group for the current and timely handling of liabilities what causes, that they are a credible partner in business trading.

17. Factors which in the evaluation of the issuer will influence results achieved by the issuer in prospect of at least successive quarter

Results of second quarter of 2010 will depend mainly on effects achieved on the realization of contracts acquired by Companies from the Capital Group, as well as the result of decisions concerning offers filed by them, for sale of their services. A success of development projects which were started by the Capital Group also will be substantial. Large impact on results of the Issuer and the Capital Group and for the evaluation of a situation of personnel and property as well as financial position and capital situation has the lasting crisis. Management Board of PROCHEM S.A. is judging, that fall in demand, great hesitations of rates of exchange, of difficulty in acquiring bank financing and slowing investment down can influence negatively current and future sale of the Issuer and the Group.

18. Events after the reporting day

On 11 October 2010 the Issuer signed the agreement for the sale of shares, on the basis of which purchased 1,000 shares of the subsidiary of the nominal value of PLN 5 each to the total amount of PLN 30,000 thousand (say: thirty thousands of zlotys). The ownership of the shares was transferred to the Issuer with the day of payment for shares, i.e. on 25 October 2010. After effected transaction the participation of PROCHEM S.A. in capital and votes of the company Elektromontaż Kraków S.A. increased by 0.31 % and amounts to 56.48 %.

On 4 November 2010 company Prochem S.A. purchased from IPG - Investimentos, Participacoes Gestao SGPS S.A., joint-stock company of the Portuguese law with the registered office in Lisboa, 25 shares of PRO-PLM sp. z o.o. of nominal value of PLN 25 000 . The purchase price amounts to 1 (one) Euro and was paid with the cash from individual means of the company.

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Purchased assets were regarded as important, since they constitute 50 % of capital of PRO-PLM Sp. z o.o. After the transaction capital of PRO-PLM sp. z o.o. is possessed by:

- 50% PROCHEM INWESTYCJE SP. Z O.O.
- 50% PROCHEM S.A.

At present activity of PRO-PLM sp. z o.o. - subsidiary of PROCHEM S.A. - is suspended.

18. Reporting according to trade and geographical sections

Activities of Capital Group were divided into activity in building sector, IT sector, maintenance services, lease of the real estate, real estate management, commercial activity, electrical installations and assembly services. In the building sector the Group sells the services in the scope of: general contracting, design and engineering services, supervisions with function of Contract Engineer, rental of construction equipment and development activity.

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

All operational liabilities, which comprise mainly trade liabilities, current tax liabilities and accrued liabilities, were ranked among liabilities of the segment.

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

The income from activity abroad in the period from 1 January 2010 to 30 September 2010 amounted to PLN 1,921 thousand, i.e. 21.36% of revenues from sales of products, services and goods, and in the corresponding period of previous year PLN 2,194 thousand i.e. 1.56 % of income from these sales.

Detailed data concerning activities of the Capital Group of Prochem S.A. in individual sections are presented in the following statements.

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Operation segments – Capital Group of Prochem S.A. for three quarters of 2010 – revenues and performance of segments

For the period from 1 January 2010 to 30 Sept. 2010	General contracting	Engineering and design services	Rental of construction equipment	Assembly of electrical installations	Lease of office space	Managemen t of real estates	Maintenanc e	Commercia l activity	Development activity	Other IT services	Other	Items not assigned	Total
Revenues on behalf of outside customers	13 454	18 472	1 911	20 343	3 505	3 505	12 273	3 761	2 641	522	958	-	81 345
Total income of the segment	13 454	18 472	1 911	20 343	3 505	3 781	12 273	3 761	2 641	522	958	-	81 621
Results													
Profit (loss) of the segment	2 218	-3 683	506	1 730	927	108	327	93	606	59	-14	-	2 877
Financial revenues												475	475
Finance costs												1 011	1 011
Net financial revenues												-536	-536
Profit (loss) from remaining operating activities												816	816
Profit (loss) before tax												3 226	3 226
Income tax												631	631
Profit (loss) in the current period												2 596	2 596
Profit (loss) assigned to minority shareholders												-477	-477
Net profit (loss) assigned to shareholders of parent entity												2 119	2 119
Assets and liabilities													
Assets of the segment (associated with activity)	26 494	8 094	1 951	11 159	18 162	842	6 686	1 869	51 514	144	361		127 276
Assets not assigned/not allocated (among others shares, stocks, and other financial assets)												52 664	52 664
Total assets	26 494	8 094	1 951	11 159	18 162	842	6 686	1 869	51 514	144	361	52 664	179 940
Other information related to segment													
Depreciation of tangible fixed assets	146	327	341	368	500	90	339		1	48	5	635	2 800
Amortisation of intangible fixed assets		14		44			27		1			224	310

Operation segments – Capital Group of Prochem S.A. for three quarters of 2009

For the period from 1 January 2009 to 30 Sept. 2009	General contracting	Engineerin g and design services	Rental of construction equipment	Assembly of electrical installations	Lease of the office space	Management of real estates	Maintenan ce	Commerci al activity	Developme nt activity	Other IT services	Other	Items not assigned	Total
Revenues on behalf of outside customers	75 423	22 146	1 634	16 996	3 522	3 654	10 362	3 545	0	726	2 731		140 739
Total income of the segment	75 423	22 146	1 634	16 996	3 522	3 654	10 362	3 545	0	726	2 731		140 739
Results:													
Profit (loss) of the segment	-3 844	2 403	-156	944	865	-69	-300	133	0	155	-919		-788
Financial revenues													1 291
Finance costs													1 587
Net financial revenues													-296
Profit (loss) from remaining operating activities													2 861
Profit (loss) before tax													1 777
Income tax													879
Profit (loss) in the current period													898
Profit (loss) assigned to minority shareholders													-355
Net profit (loss) assigned to shareholders of parent entity													543
Assets													
Assets of the segment (associated with activity)	20 074	7 602	2 698	17 623	19 086	1 184	10 836	1 940	46 476	192	357		128 068
Assets not assigned/not allocated (among others shares, stocks and other financial assets)												72 760	72 760
Total assets	20 074	7 602	2 698	17 623	19 086	1 184	10 836	2 164	46 476	192	357	72 536	200 828
Depreciation of tangible fixed assets	268	357	435	407	448	110	362			49	32	561	3 029
Amortisation of intangible assets		15		29		1	36					336	417

Operation segments - Prochem S.A. for three quarters of 2010 – revenues and performance of segments

For period from 1 January 2010 to 30 Sept. 2010	General contracting	Engineering and design services	Rental of construction equipment	Other	Items not assigned	Total
Revenues on behalf of outside customers	10 713	17 862	1 911	1 017		31 503
Total income of the segment	10 713	17 862	1 911	1 017		31 503
Results						
Profit (loss) of the segment	3 107	-3 228	506	83		468
Financial revenues						1 491
Finance costs						676
Net financial revenues						815
Profit (loss) from remaining operating activities						-225
Profit (loss) before tax						1 058
Income tax						45
Profit (loss) in the current period						1 013
Assets and liabilities						
Assets of the segment (associated with activity)	38 169	8 103	1 951	314		48 537
Assets not assigned/not allocated among other shares, stocks, and other financial assets)					56 670	56 670
Total assets	38 169	8 103	1 951	314	56 670	105 207
Depreciation of tangible fixed assets	59	248	341		577	1 225
Amortisation of intangible assets					224	224

Operation segments - Prochem S.A. for three quarters of 2009 – revenues and performance of segments

For the period from 1 January 2009 to 30 Sept. 2009	General contracting	Engineering and design services	Rental of construction equipment	Other	Items not assigned	Total
Revenues on behalf of outside customers	69 309	20 456	1 634	2 204		93 603
Total income of the segment	69 309	20 456	1 634	2 204		93 603
Results						
Profit (loss) of the segment	-3 756	2 484	-156	-699		-2 127
Financial revenues						3 133
Finance costs						655
Net financial revenues						2 478
Profit (loss) from remaining operating activities						443
Profit (loss) before tax						794
Income tax						56
Profit (loss) in the current period						738
Assets and liabilities						
Aktywa segmentu (associated with activity)	80 858	10 373	2 723	59		94 013
Assets not assigned/not allocated (among others shares, stocks and other financial assets)					62 713	62 713
Total assets	80 858	10 373	2 723	59	62 713	156 726
Depreciation of tangible fixed assets	172	278	435	32	466	1 383
Amortisation of intangible assets					330	330

20. Approval of the financial statement

Shortened interim financial statement was approved for publication by the Management Board on 15 November 2010.

Signatures of the Management Board members:

15 November 2010 date	Jarosław Stepniewski first name and surname	Chairman position signature
15 November 2010 date	Marek Kiersznicki first name and surname	Vice Chairman position signature
15 November 2010 date	Krzysztof Marczak first name and surname	Member of the Management Board position signature

Signature of the person to whom the bookkeeping was entrusted

15.11.2010 r. date	Krzysztof Marczak first name and surname	Member of the Management Board position signature
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