

INTERIM SHORTENED INDIVIDUAL FINANCIAL STATEMENT OF PROCHEM S.A.

As at and for the period ended on 30 June 2010

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**PROCHEM S.A.
44C Powązkowska Str.
01-797 Warsaw**

Śródroczne skrócone skonsolidowane sprawozdanie finansowe Grupy Kapitałowej PROCHEM S.A. na dzień i za okres kończący się 30 czerwca 2011 roku

Statement of Financial Position

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

	Note No	As at 30 June 2011	As at 31 Dec. 2010
Assets			
Fixed assets			
Tangible assets	1	2 766	3 603
Intangible assets		118	111
Shares and stocks of subsidiaries and others	2	10 625	10 605
Shares and stocks of associated entities		708	708
Deferred tax assets	3	1 324	1 538
Other financial assets	4	18 498	18 120
Total fixed assets		34 039	34 685
Current assets			
Inventory	5	2 832	2 925
Trade receivables and other receivables	6	49 057	51 098
Other financial assets		540	997
Other assets	7	15 006	10 023
Cash and cash equivalents		6 974	2 074
Available-for-sale fixed assets		-	3 361
Total current assets		74 409	70 478
Total assets		108 448	105 163
Equity and Liabilities			
Equity			
Share capital		3 895	3 895
Retained earnings		60 782	59 734
Total equity		64 677	63 629
Long-term liabilities			
Retirement benefit obligations		342	330
Total long-term liabilities		342	330
Short-term liabilities			
Short-term bank credits	8	-	277
Trade payables	9	40 716	37 596
Other liabilities		1 745	3 211
Deferred income		968	120
Total short-term liabilities		43 429	41 204
Total liabilities		43 771	41 534
Total Equity and Liabilities		108 448	105 163
The number of shares (units)		3 895 000	3 895 000
Book value per one share (in PLN)		16.61	16.34

Śródroczne skrócone skonsolidowane sprawozdanie finansowe Grupy Kapitałowej PROCHEM S.A. na dzień i za okres kończący się 30 czerwca 2011 roku

Statement of Comprehensive Income
For the period from 1 January 2011 to 30 June 2011
(all amounts in PLN thousand if not marked otherwise)

	Note No	Period ended on 30 June 2011	Period ended on 30 June 2010
Net revenue on sales including:		34 467	19 150
Revenue on sale of services		34 401	19 127
Revenue on sale of goods and materials		66	23
Cost of sale including:		-32 236	-15 458
Cost of services sold	10	-32 168	-15 437
Cost of goods and materials sold		-68	-21
Gross profit from sale		2 231	3 692
General and administrative expense		-3 665	-3 571
Other operating income		843	259
Other operating costs		-212	-600
Loss from operating activity		-803	-220
Financial income		612	1 270
Profit from sale of shares of subsidiaries		2 056	-
Finance costs		-604	-509
Profit before tax		1 261	541
Income tax :		213	210
- current income tax		-	1
- deferred income tax		213	209
Net profit		1 048	331
Other comprehensive income (net)		-	-
Total comprehensive income		1 048	331
Weighted average number of ordinary shares (units)		3 895 000	3 895 000
Profit per one ordinary share/ diluted (in PLN per one share)		0.27	0.08
Total comprehensive income per one ordinary share (in PLN per one share)		0.27	0.08

Śródroczne skrócone skonsolidowane sprawozdanie finansowe Grupy Kapitałowej PROCHEM S.A. na dzień i za okres kończący się 30 czerwca 2011 roku

Statement of Changes in Owners' Equity

(All amounts in PLN thousand if not marked otherwise)

	Share capital	Shares of parent entity	Retained earnings	Total equity
Reporting period from 1 January 2011 to 30 June 2011				
As at the beginning of period	3 895	0	59 734	63 629
Net profit for the given period			1 048	1 048
Net other comprehensive income				
Total comprehensive income	0	0	1 048	1 048
As at the end of period	3 895	0	60 782	64 677

Reporting period from 1 January 2010 to 31 December 2010

As at the beginning of period	3 900	-5	58 367	62 262
Net profit (loss) in the given period			1 265	1 265
Net other comprehensive income			184	184
Total comprehensive income	0	0	1 449	1 449
Shares of parent entity purchased with the aim of redemption	-5	5	-82	-82
As at the end of period	3 895	0	59 734	63 629

Statement of Cash Flows

for the period from 1 June 2011 to 30 June 2011 (indirect method)

(all amounts in PLN thousand if not marked otherwise)

	Period ended on 30 June 2011	Period ended on 30 June 2010
Cash flows from operating activities		
Gross profit	1 261	541
Total adjustments	-1 879	-4 192
Amortisation and depreciation	760	989
Interest and profit sharing (dividends)	-246	-536
Profit from sales of tangible assets	-299	-39
Profit loss from investments included in Profit and Loss Account	-2 056	-
Movements in provisions	-34	-734
Change in inventory	93	371
Movements in receivables	-2 870	2 913
Movements in current liabilities with the exception of loans and credits	1 931	-7 042
Other adjustments (including deferred income)	842	-114
Operating cash	-618	-3 651
Income tax paid	-	-
Net cash provided by operating activities	-618	-3 651

Investment cash flows

Śródroczne skrócone skonsolidowane sprawozdanie finansowe Grupy Kapitałowej PROCHEM S.A. na dzień i za okres kończący się 30 czerwca 2011 roku

Inflows	6 420	2 797
Sales of intangible assets and tangible assets	502	45
From financial assets including:	5 918	2 752
a) in affiliates	5 918	2 752
- sale of financial assets	5 450	-
- dividends and profit sharing	-	2
- repayment of loans granted	443	2 600
- repayment of interest on granted loans	25	150
Outflows	230	136
Purchase of intangible assets and tangible assets	176	23
For financial assets including:	54	113
a) in affiliates	54	113
- purchase of financial assets	54	113
Net cash flow from investment activity	6 190	2 661
Financial cash flow		
Inflows from obtained credits	-	957
Repayment of credits	277	-
Payments from the title of finance lease agreements	253	539
Interest and commissions paid	142	194
Net cash from financial activity	-672	224
Total net cash flow	4 900	-766
Increase/(decrease) of net cash flow and cash equivalents	4 900	-766
Cash and cash equivalents at the beginning of period	2 074	2 940
Cash and cash equivalents at the end of period	6 974	2 174

Signatures of the members of the Management Board

31 Aug.2011 date signature	Jarosław Stępniewski	Chairman name and surname	position
31 Aug.2011 date signature	Marek Kiersznicki	Vice Chairman name and surname	position
31 Aug.2011 date signature	Krzysztof Marczak	Member of the Management Board name and surname	position

Signature of the person to whom the bookkeeping was entrusted

31 Aug.2011 date signature	Krzysztof Marczak	Financial Director name and surname	position
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