

REPORT FOR 1ST HALF OF 2011

Containing:

- Interim Shortened Consolidated Financial Statement of PROCHEM S.A. Capital Group as at and for the period of 6 months ending on 30 June 2011
- Interim Shortened Individual Financial Statement of Prochem S.A. as at and for the period of 6 months ending on 30 June 2011

and

- Chosen Financial Data
- Declarations of Management Board
- Report of the Management Board about activity of the Capital Group of Prochem SA in the first half of the year 2011.

www.prochem.com.pl

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

Interim Shortened Consolidated Financial Statement of PROCHEM S.A. Capital Group as at and for the period ending on 30 June 2011

Selected Financial Data

Income from sales and profit expressed in PLN and 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 last day of every month and are amounting to:

- for the first half of 2010 - 4.0042 PLN/EURO
- for the first half of 2011 - 3.9673 PLN/EURO

Balance-sheet data were 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 the balance-sheet day amounted to:

- 4.1458 PLN/EURO as at 30 June 2010
- 3.9603 PLN/EURO as at 31 Dec. 2010
- 3.9866 PLN/EURO as at 30 June 2011

Selected financial data of Prochem S.A. Capital Group

Wyszczególnienie	Reporting period ended on 30 June		Reporting period ended on 30 June	
	2011	2010 (restated data)	2011	2010 (restated data)
	In PLN thousand		In EURO thousand	
Income from sales	58 515	51 464	14 749	12 853
Gross profit (loss) on sales	7 425	8 786	1 872	2 194
Operating income (loss)	-388	1 596	-98	399
Profit (loss) before tax	-436	1 391	-110	347
Net profit (loss)	-816	766	-206	191
including assigned to:				
shareholders of parent entity	-993	694	-250	173
minority shareholders	177	72	45	18
Net operating cash flow	-2 211	-3 080	-557	-769
Net cash flow from investment activity	5 589	5 371	1 409	1 341
Net cash flow from financial activity	-368	-1 525	-93	-381
Total net cash flow	3 010	766	759	191
Profit (loss) per one ordinary share/diluted (in PLN/EURO) – assigned to shareholders of parent entity	-0.25	0.18	-0.06	0.04

Description	Reporting period ended on		Reporting period ended on	
	30 June 2011	31 December 2010 (restated data)	30 June 2011	31 December 2010 (restated data)
	In PLN thousand		In EURO thousand	
Total assets	181 367	187 006	45 494	47 220
Total fixed assets	95 457	101 751	23 944	25 693
Total current assets	85 910	85 255	21 550	21 527
Parent entity's equity	106 124	105 626	26 620	26 671
Minority shareholders	15 436	18 021	3 872	4 550
Total equity	121 560	123 647	30 492	31 222
Total long-term liabilities	6 499	8 372	1 630	2 114

Interim Shortened Consolidated Financial Statement of PROCHEM S.A. Capital Group as at and for the period ending on 30 June 2011

Total short-term liabilities	53 308	54 987	13 372	13 885
Weighted average number of shares (units)	3 895 000	3 895 000	3 895 000	3 895 000
Book value per one share (PLN/EURO)- assigned to shareholders of parent entity	27.25	27.12	6.83	6.85

Selected financial data of Prochem S.A.

Wyszczególnienie	Reporting period ended on 30 June		Reporting period ended on 30 June	
	2011	2010	2011	2010
	in PLN thousand		In EURO thousand	
Income from sales	34 467	19 150	8 688	4 782
Gross profit (loss) on sales	2 231	3 692	562	922
Operating income (loss)	-803	-220	-202	-55
Gross profit (loss)	1 261	541	318	135
Net profit (loss)	1 048	331	264	83
Net operating cash flow	-618	-3 651	-156	-912
Net cash flow from investment activity	6 190	2 661	1 560	665
Net cash flow from investment activity	-672	224	-169	56
Total net cash flow	4 900	-766	1 235	-191
Net profit (loss) per one ordinary share /diluted (in PLN/EURO)	0.27	0.08	0.07	0.02

	Reporting period ended on		Reporting period ended on	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	In PLN thousand		In EURO thousand	
Total assets	108 448	105 163	27 203	26 554
Total fixed assets	34 039	34 685	8 538	8 758
Total current assets	74 409	70 478	18 665	17 796
Total equity	64 677	63 629	16 224	16 067
Total long-term liabilities	342	330	86	83
Total short-term liabilities	43 429	41 204	10 894	10 404
Weighted average number of ordinary shares (units)	3 895 000	3 895 000	3 895 000	3 895 000
Book value per one ordinary share (in PLN/EURO)	16.61	16.34	4.17	4.12