



REPORT

supplementing the Opinion
on auditing the Financial Statements

OF PROCHEM S.A.

for the financial year ending
on 31 December 2009

Misters Audytor Spółka z o.o.
Warsaw, March 2010

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General section of the Report

I. Introduction

1. This audit was performed on the basis of the Contract of 26.06.2009 signed between PROCHEM S.A. and Misters Audytor Sp. z o.o., with its seat in Warsaw, at ul. Stepieńska 22/30. The said Contract was concluded pursuant to the Resolution of the Supervisory Board No. 20/VII of 5 June 2009 on appointing a chartered auditor to perform the audit of the Company's Financial Statements for 2009.
2. Misters Audytor Sp. z o.o. is entered on a list of entities authorised to perform audits of financial statements of the National Chamber of Statutory Auditors under no. 63.
3. The audit covered the Financial Statements comprising the following:
 - 1) Statement of Financial Position as per 31 December 2009, showing the total assets and liabilities amounting to **113,282** thousand złoty;
(say: one hundred thirteen million two hundred and eighty two thousand złoty)
 - 2) Profit and Loss Account for the financial year from 1 January 2009 to 31 December 2009, showing a net loss in the amount of **3,118** thousand złoty;
(say: three million one hundred and eighteen thousand złoty)
 - 3) Statement of Comprehensive Income covering the period from 1 January 2009 to 31 December 2009, showing a total loss in the amount of **3,118** thousand złoty;
(say: three million one hundred and eighteen thousand złoty)
 - 4) Statement of Cash Flows for the financial year from 1 January 2009 to 31 December 2009, showing a decrease of cash by the amount of **7,464** thousand złoty;
(say: seven million four hundred and sixty four thousand złoty)
 - 5) Statement of Changes in Equity Capital, showing a decrease in equity capital by an amount of **3,658** thousand złoty;
(say: three million six hundred and fifty eight thousand złoty)
 - 6) Notes on assumed accounting principles (policy) and other explanatory remarks;
 - 7) other explanatory information to the Financial Statements,

as well as accounting books and finance and accounting records for the period from 1 January 2009 to 31 December 2009, constituting the basis for drawing up the Financial Statements.

The Management Board's Report on the Company's Business Activity for the financial year 2009 was attached to the Financial Statements.

4. The audit covered an assessment of the accounting books with regards to compliance with legal regulations and correct application of the accounting principles.
5. On 26 March 2010 the Management Board submitted its statement on completeness, accuracy and compliance of the Financial Statements to be audited with the applied accounting principles (policy) and on no occurrence of the circumstances which would considerably affect the data shown in the said Financial Statements for the reporting year.
6. During the audit, the entity made available all the data, information, explanations and statements indicated by the auditor, necessary to verify the submitted Financial Statements.
7. Misters Audytor Sp. z o.o. is independent of the audited Company and the scope of planned and performed works was not limited in any way. The specificity of the Financial Statements results from the auditing documentation drawn up and kept in the auditor's seat.

8. The Financial Statements were audited by Jadwiga Kaźmierczak, a chartered auditor no. 6062. The audit was performed in the Company's seat, i.e. in Warsaw, at ul. Powązkowska 44C, between 22.02.2010 and 5.03. 2010 and outside the Company's seat until the date of issuing of the Opinion.
9. The Company's Financial Statements for the financial year 2009 constitute an integral part of the Report hereto.

II. Basic information on the Company's business activity

1. *PROCHEM S.A.*, hereinafter referred to as the Company, conducts its business activity basing on the Code of Commercial Partnerships. The Company's seat is located in Warsaw at ul. Powązkowska 44C.
2. The Company's Articles of Association were drawn up in the form of a notarial deed, before Paweł Błaszczak Notary Public, in his Notarial Office No. 18 in Warsaw, on 14 June 1991 (Repertory A nr 5038/91). The last amendment was made on 6 June 2009 in a form of a Notarial Deed Repertory A 2353/2009, drawn up in the Notarial Office of Marek Rudziński in Warsaw at ul. Powązkowska 44C. The following articles of the Company's Articles of Association were amended: &6, &17, &20 and &25.

Pursuant to the Decision of the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register of 13.06.2001, the Company is entered into the National Court Register under no. KRS 0000019753. The last current copy from the National Court Register was issued on 20.01.2010.

3. The Company has a Tax Identification Number 113-00-10-523, issued on 07.06.1993, and the National Economy Register statistical number REGON 012532360.
4. During the audited period, the scope of the Company's business activity was consistent with the copy from the National Court Register and included the following types of activity (according to PCA – Polish Classification of Activities):
 - 41,10, Implementation of construction projects relating to erection of buildings
 - 41,20 building works relating to the erection of residential and non-residential buildings
 - 42,21, works relating to the construction of transmission pipelines and distribution networks,
 - 42,22, works relating to the construction of telecommunication and power lines,
 - 43,11,12, dismantling and demolishing of building structures, preparation of building sites,
 - 43,13, performing excavating works and geological and engineering drilling,
 - 43,21,22,29 performing electric, water-supply and sewage, heating, gas and air-conditioning installations and other building installations,
 - 43,31,32,33,34,39, plastering works, joinery installation, floor-laying, wall-paper placing and wall-facing works, painting and glazing, performing other finishing Works,
 - 43,99, remaining specialistic building works, not classified elsewhere,
 - 68,20, rental and management of own or leased real properties,
 - 71,11, activities relating to architecture
 - 71,12, activities relating to engineering and related technical assistance,
 - 71,20, other technical tests and analyses,
 - 74,10, activity in the scope of specialistic design.

5. As per 31 December 2009, the Company's initial capital amounted to PLN 3 900 000 and was divided into 3 900 000 shares, with par value of PLN 1.00 each . As at the end of the reporting period, the amount of the equity capital was 62 798 thousand złoty.

As per the day of drawing up the Financial Statements, there are the following shareholders who held at least 5% of votes at the General Meeting of Shareholders:

	Quantity of shares (pcs)	% of votes in the total number of votes	% share in the initial capital
PROCHEM HOLDING Sp.z o.o	962 341	24,65	24,68
Steve Tappan	382 751	9,80	9,81
ING Towarzystwo Funduszy Inwestycyjnych S.A., including:	358 312	9,18	9,19
ING Parasol Specjalistyczny Fundusz Inwestycyjny Otwarty (Umbrella Specialist Open Investment Fund)	228 950	5,86	5,87
Union Investment Towarzystwo Funduszy Inwestycyjnych S.A.	345 000	8,84	8,85
PTE PZU SA	325 521	8,34	8,35
Legg Mason Zarządzanie Aktywami S.A.	201 948	5,17	5,18

The changes in shareholding structure of issuer's stakes refers to the following:

1. Prochem Holding Sp. z o.o. – the number of shares held was decreased by 37 659 pcs. An overall share in the total number of votes decreased by 0.97 %, and in equity capital – by 0.96 %.

2. PTE PZU SA – the number of shares held was increased by 31 080 pcs. An overall share in the total number of votes and the share in equity capital increased by 0.80 %.

3. Millennium Towarzystwo Funduszy Inwestycyjnych S.A. sold some of the issuer's shares on 17 March 2010, as a result of which its share in the Company decreased below 5 %. Following the transaction, the Fund stated that it held 166 553 shares, which constituted 4.2706 % of the share in the capital and 4.2666 % of the share in the total number of votes.

4. Legg Mason Zarządzanie Aktywami S.A. purchased shares of Prochem S.A. on 17 March 2010 in favour of Fundusz Własności Pracowniczej Polskich Kolei Państwowych SFIO and Legg Mason Akcji Concentrated Investment Fund. As per the said day, 201 948 shares of the Company were on the Fund's account, which constituted 5.18 % of the Company's capital, 5.17 % of the total number of shares.

5. The Issuer purchased 3000 of its own shares in 2009 for redemption purposes. An average unit purchase price amounted to PLN 15.50 per share. The par value of the shares purchased amounted to PLN 3000. As per the day on which the information was drawn up, Prochem SA had 5000 shares for redemption purposes, which constitutes 0.13 % of its equity capital, which corresponded to 5000 votes at the General Meeting of Shareholders.

6. The Company's financial year shall be a calendar year.

7. During the period from 1 January 2009 to 31 December 2009 the following persons composed the Management Board of the Company:

First and last names:	Position	Date of appointment
Stępniewski Jarosław	President of the Board	22.06.2008
Kiersznicki Marek	Vice-President of the Board	22.06.2008
Marczak Krzysztof	Member of the Board	22.06.2008

A new Management Board was elected on 06.06.2009, with the same composition.

The composition of the Board had not changed by the day of audit completion.

8. The composition of the Company's Supervisory Board in 2009 was as follows:

First and last names:	Position	Date of appointment
Karczykowski Andrzej	President of the Supervisory Board	21.06.2008
Obłój Krzysztof	Member of the Supervisory Board	21.06.2008
Garliński Marek	Member of the Supervisory Board	21.06.2008
Steven Tappan	Member of the Supervisory Board	21.06.2008
Krajowski Kukiel Dariusz	Member of the Supervisory Board	21.06.2008

The composition of the Supervisory Board had not changed by the day of audit completion.

9. Company's average employment in 2009 amounted to 235 full-time jobs.

10. As of the end of the audited period, Prochem S.A. held shares and stocks in the following subordinated entities:

Subsidiaries	% of the equity capital	% of votes at the General Meeting of Shareholders
IRYDION Sp. z o.o	100%	100%
PROCHEM INWESTYCJE Sp. z o.o	100%	100%
PRO-ORGANIKA S.A.	91.4%	91.4%
PROCHEM ZACHÓD Sp. z o.o	60.0%	60.0%
ELEKTROMONTAŻ Kraków S.A.	54.5%	54.5%
Prochem RPI Sp. z o.o.	96.7%	96.7%
Predom Sp. z o.o.	5.7%	5.7%

Elektromontaż Kraków S.A. – draws up its financial statements which include data of subordinated entities, consolidated under the full method and the equity method.

Stocks and shares in the entities consolidated under the equity method:

% of the equity capital

TEOMA S.A. Warszawa	7.9 %
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ITEL Sp.z o.o. Gdynia

35.2 %

Stocks and shares in the remaining entities:

IRYD Sp. z o.o. Concorde Investissment SA Sp.K.	50.0%
Kostrzyńsko-Słubicka Specjalna Strefa Ekonomiczna SA	5.4 %

Changes in the balance of stocks and shares in subordinated entities:

On 24 February 2009, the Issuer signed a Stock Purchase Agreement, pursuant to which it bought 1000 stocks of the subsidiary company, with par value of PLN 5 each, for a total amount of PLN 30 000.00. The ownership of the said stocks was transferred to the Issuer on the day, on which it made a relevant payment, i.e. on 10 March 2009. Following the transaction, the share of Prochem SA in the capital and votes of Elektromontaż Kraków SA amounted to 54.45 %.

PROCHEM S.A. is a dominant entity of the whole capital group and it draws up consolidated financial statements.

4. Other information

1. The Financial Statements for 2008 were audited by an authorised entity, Mistery Audytor Sp. z o.o., with its seat in Warsaw, entered into the list of the National Chamber of Statutory Auditors under no. 63. The Financial Statements received an opinion containing no reservations.
2. The Company's activity in 2008 closed with a net profit amounting to 2 011 thousand zloty.
3. On 06.06. 2009, by means of the Resolution no. 2, the Ordinary General Meeting of Shareholders approved the Financial Statements for 2008 and pursuant to the Resolution no. 5 it decided to distribute the generated net profit amounting to PLN 2 010 570.14 as follows: PLN 506 350.00 to be paid as dividends in favour of the Company's shareholders, PLN 90 215,66 to cover the loss of previous years, PLN 30 000.00 for charity purposes and PLN 1 413 974.48 for the Company's supplementary fund. An arithmetic error was made (an improper amount was inserted) in the Resolution of the General Meeting of Shareholders, in the entry concerning the reserve fund. In Note no. 30 in the Explanatory Notes to the Financial Statements on the financial position of the Company, drawn up as per 31 December 2009, the Board notifies about the error correction.
4. The Financial Statements for 2008 were submitted in the District Court in Warsaw, XII Commercial Division of the National Court Register on 23.06.2009 and published in Monitor Polski B no 2485 item 13850 of 8.12.2009.
5. The final balance for the financial year 2008 was recorded in the books as an initial (opening) balance of the year 2009.
6. The aim of the audit of the Financial Statements for 2009 was to give a written opinion together with a report whether the Financial Statements are consistent with the applied accounting principles (policy) and whether they give a true and fair view of the Company's material and financial position and its financial result.
7. The Financial Statements were signed by all Members of the Company's Management Board. This means that the Board assumed responsibility for the correctness of the Financial Statements to be audited.

Analytical section of the Report

I. Financial analysis of the Company

**General analysis of the Financial Statements
Statement of Financial Position (in thousand zloty)**

ASSETS	31.12.2009	% of the balance sum	31.12.2008	% of the balance sum
A Fixed assets				
I. Intangible assets	398	0,4	811	0,4
II. Tangible fixed assets	4 853	4,3	6 547	3,6
III. Stocks and shares in the subordinated entities and other entities	10 430	9,2	10 400	5,7
IV. Stocks and shares in entities consolidated under the equity method	708	0,6	708	0,4
V. Assets due to deferred income tax	1 597	1,4	742	0,4
VI. Other financial assets	21 072	18,6	18 105	10,0
	39 058	34,5	37 313	20,5
B Working assets				
I. Inventory	3 302	2,9	3 734	2,1
II. Trade receivables and other receivables	52 913	46,7	117 631	64,7
III. Other financial assets	1 783	1,6	1 534	0,8
IV. Other assets	13 181	11,6	11 027	6,1
V. Cash and short-term deposits	3 045	2,7	10 509	5,8
	74 224	65,5	144 435	79,5
Assets in total	113 282	100,0	181 748	100,0

LIABILITIES	31.12.2009	% of the balance sum	31.12.2008	% of the balance sum
A Equity capital				
I Initial capital	3 900	3,4	3 900	2,1
II Own shares purchased for redemption purposes	-5	0,0	-2	0,0
III Supplementary capital	14 812	13,1	14 812	8,1
IV Revaluation capital	766	0,7	766	0,4
V Other reserve funds	46 443	41,0	45 059	24,8
VI Profit / Loss of previous years	0	0,0	-90	0,0
VII Net profit / loss	- 3 118	-2,8	2 011	1,1
	62 798	55,4	66 456	36,5
B Long-term liabilities				
I Reserves due to deferred income tax	1 481	1,3	857	0,5
II Liabilities towards old-age pensions	283	0,3	379	0,2
III Other long-terms liabilities	253	0,2	1 012	0,6
	2 017	1,8	2 248	1,3
C Short-term liabilities				
I Short-term bank loans and credits	2 620	2,3	1	0,00
II Trade liabilities	41 724	36,9	97 444	53,61
III Other liabilities	3 898	3,4	13 261	7,30
IV Income of future periods	225	0,2	2 338	1,29
	48 467	42,8	113 044	62,2
Liabilities in total	113 282	100,0	181 748	100,0
Accounting value – equity capital	62 798		66 456	
Number of shares (in pcs)	3 895 00		3 900 000	
Accounting value per one share (in PLN)	16,1		17,04	

Individual Statement of Comprehensive Income (in thousand zloty)
By function

		1.01.2009 - 31.12.2009
A.	Income on sale of goods and products	
I	Income on sale of services	103 980
II	Income on sale of goods and materials	1 728
		105 708
B	Cost of sold goods and products	
I	Production costs of sold services	100 598
II	Value of sold goods and materials	1 694
		102 292
C.	Gross profit/(loss) on sales	3 416
D	Cost of sales	0,00
E	Administration costs	6 644
F.	Other operating income	
I	Profit on sale of non-financial fixed assets	43
II	Other operating income	1 873
		1 915
G.	Other operating costs	
I	Other operating costs	4 574
		4 574
H.	Profit/Loss on operating activity	-5 887
I	Financial income	
I	Dividends and participation in profits	1 876
II	Interest received	964

III	Others	555
		<u>3 395</u>
J.	Financial costs	
I	Interest due	237
II	Others	616
		<u>853</u>
K.	Gross profit/ loss before taxes	-3 345
	Result on extraordinary operations	0,00
M.	Gross profit/ loss	-3 345
N.	Income tax	-227
O.	Other obligatory decreases of profit	0,00
P.	Net profit / loss	<u><u>-3 118</u></u>

Selected financial ratios

RATIOS FOR THE STATEMENT OF COMPREHENSIVE INCOME

BY FUNCTION			2008	2009
A	ACTIVITY EFFECTIVENESS			
	Gross return on sales			
	gross result on sales x 100			
	income on sale of products	%	5,91%	3,23%
	Return on assets (ROA)			
	net financial result x 100			
	average balance of assets	%	1,17%	-2,11%
	Return on equity capital (ROE)			
	net financial result x 100			
	average balance of equity	%	3,00%	-4,82%
	Receivables turnover rate			
	receivables due to deliveries and services x 365 days			
	income on sale of products, goods and materials	days	131	286
	Liabilities turnover rate			
	average balance of liabilities due to deliveries and services x 365 days			
	costs of products, goods and materials sold	days	169	248
B	FINANCING			
	Debt ratio			

	assets			
	Equity-to-fixed assets ratio			
	equity x 100			
	fixed assets			
		%	178,09%	160,78%
	Liquidity I			
	working assets in total			
	short-term liabilities		1,28	1,53
	Liquidity II			
	working assets - inventory			
	short-term liabilities		1,24	1,46
C	CAPITAL MARKET RATIOS			
	Profitability ratio per one share			
	net profit			
	number of issued shares	PLN	0,52	-0,80
	Net accounting value of assets per one share			
	equity capital			
	number of issued shares	PLN	17,04	16,12

Interpretation for key ratios

Profitability ratios

The financial loss incurred in 2009, amounting to 3 118 thousand zloty, had negative effects on the profitability ratios. The gross return on sales reached 3.23%, while in 2008 it amounted to 2008 5.91 %. Return on equity in 2009 reached - 4.82 %, while in 2008 it amounted to 3.00 %.

Rotation ratios

All rotation ratios aggravated. Receivables turnover rate extended from 131 days in 2008 when compared with 286 days in 2009. Liabilities turnover rate extended by 79 days, reaching 248 days at the end of 2009.

Debt rate

Debt ratios improved. The debt ratio decreased by 18.87% and amounted to 44.57%.

Liquidity ratios

The Company's liquidity ratios improved when compared with the previous year. The liquidity ratio I increased by 0.25, reaching the value of 1.53 at the end of the financial year. Analysis of the liquidity ratios does not reveal any problems with the settlement of the Company's short-term liabilities.

Detailed section of the Report

I. Correctness of the accounting system used and the related internal audit system

Accounting system

Pursuant to Art. 10 of the Law of 29 September 1994 on accounting (uniform text Journal of Laws of 2009 no. 152, item 1223, as amended), the Company has up-to-date documents describing its accounting principles (policy). These principles were approved by means of the Resolution of the Management Board no. 3/2005 of 11.04.2005. Since 1.01.2006, accounting principles resulting from the International Accounting Standards and the International Financial Reporting Standards constitute binding accounting principles for the Company.

The accounting books are kept in the Company's seat, with the use of Exact Globe system.

The records of the IT system for data processing comply with the requirements of the Law on accounting.

Correctness of the accounting system used and the related internal audit system was checked at a random basis. In particular, the assessment covered the following:

- correctness of documents concerning business operations,
- correctness of accounting books kept in an electronic form,
- validity and continuity of the accounting principles used,
- validity of the methods used to secure the access to data and electronic data processing system,
- connections between data resulting from the books with the financial statements,
- protection of accounting documents, accounting books and the financial statements,
- performance and settlement of stock-taking results,
- effectiveness of internal audit system operation.

Basing on the foregoing assessment and the results of analysis the reliability of individual items presented in the Financial Statements, it was ascertained that the accounting system and a related internal audit system may be acknowledged as correctly operating and complying with the requirements of art. 24 of the Law on Accounting. The aim of the audit was not to express a complex opinion on the operation of these two systems.

Internal audit

The audit system includes an internal control (audit), performed by authorised employees of the Company. External accounting documents (external invoices) are recorded in the Company's accounting books after they have been first initialled by persons responsible for the substantive control and formal and accounting control.

While auditing the Financial Statements, the Company's internal audit system and its effectiveness were reviewed. The applied procedures showed neither irregularities nor material weak points in the system operation.

Stock taking

During the period covered by the audit, the Company performed (pursuant to art. 26 of the Law on accounting) stock taking of the assets and liabilities, in accordance with the Order issued by the President of the Management Board of Prochem S.A. no. 6/2009 of 6.11.2009, settled and recorded the results of the said stock taking in the books.

The physical stock taking revealed the following balances of assets:

- | | |
|-----------------------------------|-------------------|
| • fixed assets under construction | as per 31.12.2009 |
| • stocks of basic materials | as per 31.12.2009 |
| • cash in hand | as per 31.12.2009 |

By means of confirmation of balances and verification against source evidence, the following balances were squared:

- | | |
|-------------------------------|-------------------|
| • cash in bank | as per 31.12.2009 |
| • bank credits | as per 31.12.2009 |
| • receivables and liabilities | as per 31.12.2009 |

By means of comparisons and verification of the accounting records against relevant documents, the balances of remaining items of assets and liabilities were determined as per 31.12.2009.

II. Information on certain material entries in the Financial Statements

Tangible fixed assets – amounting to 4 853 thousand złoty, constitute 4.3% of the balance total. The value of tangible fixed assets in 2009 decreased, when compared with the previous year, by 25.39%. It was mainly caused by planned amortisation or liquidation due to their wear. The gross value of the fixed assets was decreased in the audited year, to a total sum of 350 thousand złoty, 88% of which constituted decreases in the group of technical equipment and machinery and other fixed assets.

Trade receivables and other receivables – amounting to 52 913 thousand złoty, constitute 46.7 % of the balance total and they are lower by 55 % when compared with the previous year. These are mainly receivables on deliveries and services, the net value of which amounted to PLN 51 461 at the end of the reporting period. The balance of receivables on deliveries and services also covers overdue receivables amounting to 17 364 thousand złoty towards guarantee deposits with regards to warranty from PERN „PRZYJAŹN” SA, which were not confirmed as per the end of the reporting period. According to the statement presented in item 6.13 of the Report of the Management Board, these receivables shall not be covered by a revaluating write-off.

In our opinion, they should not be shown as the Company's assets.

Other assets – amounting to 13,181 thousand złoty constitute 11.6 % of the balance total. This item covers estimates of contracts of construction works, which were pending as per the end of the reporting period.

The value of income adjusted upwards, but not invoiced yet, which participate in the Company's financial result, amounted to 12 779 thousand złoty.

Short-term liabilities – amounting to 48,467 thousand złoty constitute 42.8 % of the balance total. The greatest entry refers to trade liabilities on deliveries and services amounting to 41 724 thousand złoty, which had not been settled in 83% by the audit date. There were no overdue liabilities.

Net income on sales and similar income – it decreased when compared with the previous year by 63,6%, amounting to 105 708 thousand złoty. The Company generates its income mainly on selling

building services, performed by both the Company and its subcontractors. Such income constitutes 98% of total income on sales.

Income on performing unfinished services was determined as per the end of the reporting period in proportion to the degree of their progress, measured by the costs incurred since the day, on which the relevant contracts had been concluded to

the day, on which total costs of a given service were established, pursuant to provisions of IAS 11 – Construction contracts.

III. Contingent liabilities and mortgages

A total value of warranties and guarantees granted by Prochem S.A. in favour of other entities, as per the end of the reporting period of 2009, was shown in Note no. 34 „Notes on accounting assumed principles (policy) and other explanatory information" and amounted to 22 923 thousand złoty, including the following:

- 1/ own bank guarantees – performance bonds and warranties - 8 611 thousand złoty,
- 2/ guarantees towards reimbursement of advances – 1 753 thousand złoty,
- 3/ tendered guarantees – 445 thousand złoty.
- 4/ avaral performance bonds (bills of exchange) – 12 114 thousand złoty.

As per the end of the reporting period, the total value of contingent receivables towards performance bonds and warranties amounted to 10 258 thousand złoty.

IV. Events after the end of the reporting period

According to the Management Board's statement, no events pertaining to the period from 1 January 2009 to 31 December 2009 occurred after the end of the reporting period, which had not been provided for in the Financial Statements for the reporting year.

V. Notes on assumed accounting principles (policy) and other explanatory information

Notes on accounting assumed principles (policy) and other explanatory information correctly describe the individual entries in the Financial Statements, disclosing a proposed coverage of the net loss incurred during the period from 1.01.2009 to 31.12.2009.

VI. Report on the Company's Business Activity

The Management Board attached its Report on the Company's Business Activity for the period from 01.01.2009 to 31.12.2009 to the Financial Statements. The information included therein included issues referred to in art. 49 par. 2 of the quoted Law on accounting and in the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities (Journal of Laws of 2009, no. 33, item 259), and the business information included in the Report are consistent with the data presented in the audited Financial Statements.

VII. Statement of Changes in Equity Capital

The Statement of Changes in Equity Capital correctly shows changes that occurred in the Company's equity capital for the financial period from 01.01.2009 to 31.12.2009. The Statement shows a *decrease* of the equity by an amount of 3 658 thousand złoty.

VIII. Statement of Cash Flows

The Statement of Cash Flows for the period from 01.01.2009 to 31.12.2009 was drawn up in accordance with the requirements set out in IAS 7. The information included therein are correctly related to the Statement of Financial Position, profit and Loss Account and the Company's

accounting books. The Statement of Cash Flows shows a decrease in net cash by an amount of **7 464** thousand zloty.

IX. Valuation

The principles of valuation used by the Company were described in the submitted Financial Statements. They are compliant with the Accounting Standards (IAS 1, IAS 8) and the assumed accounting policy applied correctly and continuously by the Company.

X. Presentation

The Company correctly presented the individual assets and liabilities, as well as income and expenses in its Financial Statements. The Financial Statements with explanatory Notes contain all items to be disclosed according to the obligatory principles of presenting financial statements IAS/IFRS.

XI. Compliance with legal regulations

The Chartered Auditor received a written statement from the Company, in which the Management Board stated that the Company had complied with relevant legal regulations.

Misters Audytor Sp. z o.o. and the undersigned Chartered Auditor confirm that they are authorised to audit financial statements and comply with the conditions determined in art. 56 Law on chartered auditors and their self-government, entities authorised to audit financial statements and public supervision to express an impartial and independent opinion on the Financial Statements of PROCHEM S.A.

The Financial Statements were audited in accordance with relevant binding regulations, as well as the knowledge and experience resulting from the standards of performing the profession of the chartered auditor, issued by the National Board of Chartered Auditors during the period of their validity.

On behalf of **Misters Audytor Spółka z o.o.**
Warsaw, ul. Stepińska 22/30
Entity entered into the list of entities
authorised to perform audits under entry no. 63

Key Chartered Accountant

Jadwiga Kaźmierczak

President of the Board
Barbara Misterska - Dragan

.....
Chartered Auditor
No. 6062

.....
Chartered Auditor
No. 2581
on behalf of
Misters Audytor Spółka z o.o.

Warsaw, 26 March 2010