



## Business Development

The first quarter of 2007 was extraordinarily positive for PCC group in an overall perspective. The group generated a turnover of EUR 225 million in the period up to March 31, 2007. Pre-tax profit reached EUR 7 million, thus exceeding our expectations. All three divisions - Trade, Chemical Production and Logistics - contributed positively to this result.

The main source of profit was the Chemical Production Division, represented by PCC Rokita SA in Brzeg Dolny. Although production had to be halted for several days in January following a power cut caused by the winter storm Kyrill, PCC Rokita SA clearly exceeded the goals set for the first quarter of 2007. Three main reasons can be identified for this positive trend: unplanned sales of caustic soda (sodium hydroxide) and monochlorobenzene, the successful implementation of a sales price hike and an adjusted sales strategy for several products. The latter will allow for continued growth of revenues and profits at PCC Rokita SA in the coming months.

Business development in the logistics firms consolidated under the roof of PCC Rail SA in Jaworzno was largely as planned, while the Trade Division also turned out a profit in the first quarter of 2007. On the one hand, this was caused by the continuing boom in the steel and metals industry as well as the chemical industry. On the other hand, the restructuring of the energy trading business yielded its first results, which is why we also expect continued positive development of that unit in the coming months.

## PCC plans more investments abroad

PCC SE plans more investment projects in Poland and new projects in South East Europe. Furthermore, other investment opportunities abroad are being analysed.

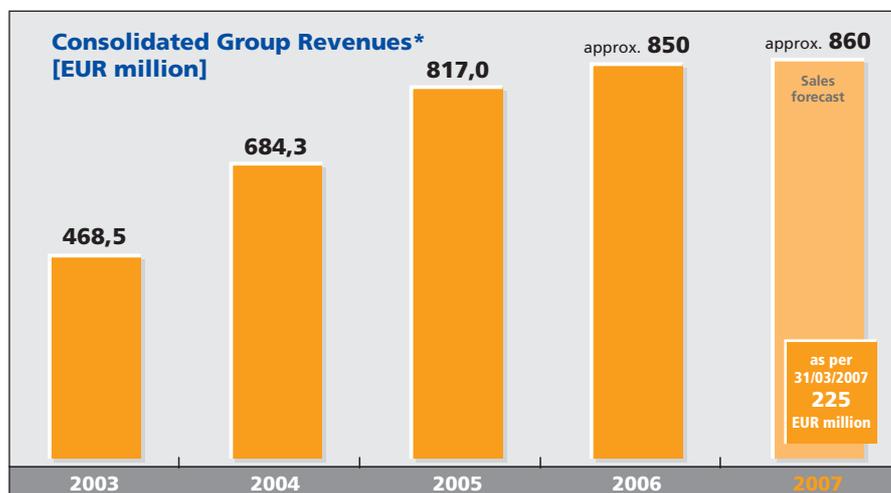
In the near future, the company will turn the first sod for the erection of four small hydropower plants in the canton of Central Bosnia. The power plants should be completed before the end of the year.

In Poland, PCC is going to build a new facility for the production of monochloroacetic acid on the site of PCC Rokita SA before 2009.

As for the production of polyols, where PCC is Poland's only manufacturer, the company plans to nearly double production capacity to 130,000 tons per year by 2008. Outside Poland, PCC is currently considering further investments in existing or the construction of new polyol production facilities.

## PCC Rail acquires block of shares in Drobница Port Szczecin

The Supervisory Board of Szczecin's port authority Port Szczecin-Swinoujscie S.A. approved the sale of a 45% block of shares of the general cargo stevedoring company Drobница-Port Szczecin Sp.z o.o. to PCC Rail S.A. The corresponding contracts were signed on February 7, 2007. After the completion of the deal, which is still subject to approval by Poland's competition authority UOKiK, PCC Rail will own 46.2% of Drobница-Port Szczecin, including its existing 1.2% stake. In the next step PCC plans to acquire a



\* PCC's consolidation group comprises:  
PCC Rokita SA from 2003  
PCC Rail SA (PCC Rail Szczakowa SA) from 2004



controlling stake in the company.

The purchase contract stipulates that PCC Rail will invest up to EUR 5 million during the next few years in the development of the company and port infrastructure. Additionally, PCC Rail pledged to maintain work conditions and staff salaries at least on the current level. The company handles about 40,000 containers and 2 million tons of steel, paper and other goods every year.

The investment provides PCC Rail with permanent access to Szczecin's port infrastructure and will allow for an extension of the company's logistics chain. First of all, positive effects are expected for the development of intermodal transport. For more information, please visit [www.drobnica-port.szczecin.pl](http://www.drobnica-port.szczecin.pl).

**PCC Technik takes over operation of metering points**

PCC Technik GmbH, the youngest subsidiary of Duisburg-based energy provider PCC Energie, on February 15 for the first time replaced a complete grid operator-supplied metering device with its own. The meter is read out according to the time intervals given by the client. The data can be accessed directly on an Internet portal. The installation offer additionally includes an efficiency control monitoring by PCC Technik GmbH in order to lower the client's energy costs.

So far, PCC Technik only exchanges the metering device. The metering itself is still done by the grid operator, as the metering segment has not been liberalised in Germany as of yet.

**New heat power station at PCC Rokita**

Energetyka Rokita, the internal power plant operator of PCC Rokita, plans to invest about EUR 28 million in the construction of a new heat power plant. The plant is supposed to supply electricity and process steam for PCC Rokita's chemical production as well as hot water for the neighbouring municipality of Brzeg Dolny from July 2008. The contracts with the general contractor were signed on February 6, 2007.

The new plant will allow for a significant reduction in dust, sulphur dioxide and nitrogen compounds

emissions. Additionally, co-burning of biomass with coal, variable working modes of the turboset and economical use of production waste will positively influence the plant's efficiency. Energetyka-Rokita will receive EU funding for this project, which fulfils BAT (Best Available Technology) requirements for environmentally relevant parts of the economy. The subsidies will be granted via Poland's National Fund for Environmental Protection and Water Management (NFOSiGW [www.nfosigw.gov.pl](http://www.nfosigw.gov.pl)).

**Training at PCC**

PCC has created four apprenticeship openings at its Duisburg headquarters, two each for future office administrators and for future wholesale and export merchants. The group thus strengthens its commitment to employment issues in the region.

**Current bond issue**

PCC SE's bond bearing a 6.5% interest (ISIN DE000A0LRV96) is currently open for subscriptions. Interest on the bond is paid quarterly in line with earlier bonds. The bond matures on July 1, 2013. The bond entered the Open Market of the Frankfurt Stock Exchange at the end of March. Subscription documents and a copy of the bond prospectus can be ordered by phone at +49 [0]2066 90 80 90 or e-mail at [anleihe@pcc.eu](mailto:anleihe@pcc.eu).

**New Orleans Jazz around the villa**

During this year's Investor's Day, to be held on Saturday, June 16, the proverbial Golden Age of New Orleans in the 1920s will be conjured up again in music. The "Maryland Jazz Band of Cologne", jazz legend Rod Mason and his "Rod Mason's Hot Five" will provide good entertainment, playing traditional jazz tunes around the PCC villa under a hopefully sunny summer sky.

As in previous years, there will be the opportunity for personal conversations with PCC's members of management and product managers.

Doors will open for invited guests at 12:00 noon. Please confirm your attendance by May 30 using the attached reply card. Registration via e-mail is also possible using [anleihe@pcc.eu](mailto:anleihe@pcc.eu).