



# Quarterly Report I/2009

## Business Development

In the first quarter of the 2009 business year, the PCC Group generated overall consolidated sales revenues of just under €170 million. Revenues were thus considerably lower than in the same period of the previous year (€232 million), and remained far below our original revenue expectations (from September 2008) for the first quarter of 2009, which amounted to €276 million.

The main reason for this significant decline in revenues is the global financial and economic crisis, which not only caused commodity prices to slump dramatically, but also brought about a heavy decline in new orders in some segments. Apart from that, since September 2008 the Polish Złoty has weakened considerably against the Euro.

Despite these developments, the PCC group generated earnings before interest, tax, depreciation and amortization (EBITDA) of € +12.5 million, meaning that the operating result was at least approximately maintained at the level from the same period of the previous year (€ +13.2 million). However, we missed our original forecast of € +14.0 million for the first quarter of 2009 - set before the onset of the crisis - by approximately €1.5 million.

When it comes to earnings before tax (EBT), last year's positive figures could not be maintained due to a significant rise in interest expenses and amortization costs. This was in line with earlier expectations and caused a loss of just under € -0.8 million. Still, EBT thus added approximately €200,000 compared to the forecast created for the first quarter of 2009 before the onset of the economic slowdown.

In the first quarter of 2009, business development again differed considerably between the individual divisions:

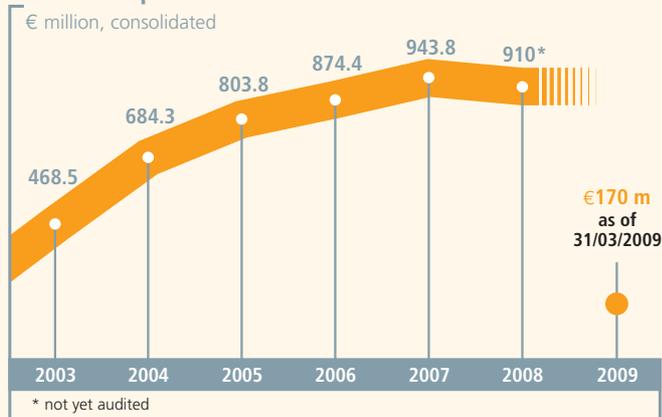
The Chemicals division generated sales revenues of €88 million in the first quarter of 2009 and ended the quarter clearly in the black - mainly thanks to the performance of PCC Rokita SA, which was far better than expected. In this context, both PCC Rokita SA and PCC Synteza S.A. benefited from the price slump for commodities and energy mentioned earlier. Apart from that, PCC Rokita SA's results were boosted by the markedly positive development of the lye / caustic soda business. PCC Synteza S.A.'s business was bolstered by an Italian competitor closing their nonyl-phenol production unit, allowing this subsidiary to end the first quarter with a considerably higher profit.

However, the companies in the commodity trade business - with the exception of PCC Morava-Chem s.r.o. - ended the first quarter in the red. One of the main reasons for this is the coke trading business. Having been the main source of earnings of the trading business as recently as one year ago, it has now almost grinded to a halt due to the crisis in the steel and metalworking industries.

In the Energy division, sales revenues in the first quarter of 2009 amounted to €41 million. In line with our expectations, all group companies in this division ended the first quarter with a loss. The first two months of 2009 were especially difficult for PCC Energie GmbH, operating in the energy and gas supplies business for medium-sized companies, as due to the economic slowdown consumption volumes of many of the company's clients fell short of the forecast volumes. Based on forecasts, PCC Energie GmbH - and many other energy suppliers - fed too much power into the transmission system. These surpluses are remunerated with the so-called control energy price. However, the developments described above sent that price temporarily into the negative, even causing a need to make additional payments for the surpluses, which had an extremely negative impact on results.

Having to cope with a heavy decline in transport volumes in some segments in the first quarter of 2009, the Logistics division was also affected by the consequences of the economic slowdown. Both revenues and earnings fell short of our expectations during that period. Still, the division generated an operating result clearly in the black from sales revenues of €45 million. Securing a large long-term contract for the transport of road construction materials, the company paved the way for a successful business development in the quarters to come (see page 2).

**PCC Group - consolidated sales revenues**



## PCC Rokita secures Biesterfeld Spezialchemie as new distributor

PCC Rokita SA secured Biesterfeld Spezialchemie GmbH ([www.biesterfeld-spezialchemie.com](http://www.biesterfeld-spezialchemie.com)) as a new distributor for its Rokopol® brand polyether polyols. These polyols manufactured by PCC Rokita in Brzeg Dolny are used in the production of flexible



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and rigid foams and so-called CASE\* products. The contract which was signed on 1 February 2009 gives the partner exclusive distribution rights for Germany, Austria, the Benelux countries, Switzerland and Poland. Biesterfeld Spezialchemie GmbH, a Biesterfeld Group company, sells complex specialty chemicals and is one of the leading European distributors in this area.

### PCC launches group-wide measures to implement EU's REACH directive

Through the introduction of the European Union's REACH directive, new legislation regulating the registration, evaluation and authorization of chemicals has entered into force. So far, the extensive pre-registration phase has been successfully completed. Considering the fact that within the PCC group several production sites are affected by the new directive, a REACH task force has been set up to secure an efficient implementation of the complex legislative regulations throughout the whole group. In a first step, the REACH coordinators of the PCC units concerned have created a unified cross-site reporting system.

### PCC Energie expands its gas supply business

By adding H-Gas Norddeutschland (Gasunie) to its existing supply areas, PCC Energie GmbH has expanded by another market area in the gas supply business. Business clients in the H-Gas Norddeutschland market area can now choose to have their natural gas supplied by PCC Energie. Apart from that market area, our Duisburg-based subsidiary is already active in the Net Connect Germany, Ontras and RWE H-Gas market areas, offering gas supplies on approximately 70 % of Germany's territory. In the energy supply business, PCC Energie already covers all of Germany.

### PCC Rail becomes strategic logistics company in Poland's motorway construction

PCC Rail S.A. has signed a three-year contract with the Lower Silesian Quarry Company Dolnośląskie Surowce Skalne S.A. (DSS, www.dss.pl). According to the contract, PCC Rail will transport a total amount of approximately 8 to 10 million metric tons of aggregates for the road construction sector in Poland. PCC Rail thus becomes a strategic company in the construction of motorways, which is being accelerated as part of the preparations for the European Football Championships 2012. The company will be responsible for the transport of at least 50 % of the aggregates produced by DSS. The quarry operated by DSS is one of Poland's most modern aggregated production sites.

### Gantry cranes rationalize container handling

Last year, PCC Port Szczecin Sp.z o.o. handled 63,000 TEU\*\*, 23 % more than a year earlier. In order to facilitate future growth in handling volumes, construction of a second container terminal has started on the adjacent Ostrów Grabowski Island. Following the completion of the new terminal in 2010, handling capacity will increase from the current 80,000 TEU to 200,000 TEU. Aiming to increase efficiency, the reachstackers used to date will be supplemented by modern gantry cranes, some of them rubber-tyred. Currently two such RTG cranes (rubber-tyred gantry cranes) are being tested in the Szczecin port. Including the two RTG cranes planned for the new terminal, four such cranes will be in service simultaneously in the future. This will enable PCC Port Szczecin to reduce handling costs substantially as the time needed to load and unload vehicles and vessels will be shortened from the original five to ten hours to just one or two hours.

### Current securities issues

Presently direct orders can be placed via PCC SE at no charge for three types of PCC securities: Interest on all securities is paid quarterly.

- PCC 3-month investment at 6.50% - bearer bond redeemable on a quarterly basis, minimum investment €50,000
- PCC bearer bond at 7.25%, redeemable on 1 April 2014, minimum investment €5,000
- PCC profit participation certificate at 8.75%, minimum investment €5,000

Terms and conditions as well as securities prospectuses can be ordered without commitment by telephone on +49 (0)2066 / 908090 or e-mail at [directinvest@pcc.de](mailto:directinvest@pcc.de). All documents are available for download on the Internet on [www.pcc.eu](http://www.pcc.eu).

\* CASE: abbreviation for "coatings, adhesives, sealants, elastomers"  
 \*\* TEU: abbreviation for "Twenty Foot Equivalent Unit": Container capacity measure