



Quarterly Report IV/2009

Business Development

In the fourth quarter of 2009, the PCC Group generated consolidated sales of €145 million. Overall turnover for 2009 thus came in at approximately €650 million, marking a significant drop from the €913 million reached in the previous year. One of the reasons for this was the exclusion of the PCC Rail / PCC Rail Rybnik Group from consolidation within PCC as of 30 June 2009, following the sale of those subsidiaries to Deutsche Bahn AG. (For comparison purposes: sales of the Logistics division in 2008 = €255 million, 2009 = €95 million). Apart from that, sales in 2009 were adversely affected by the global financial and economic crisis. Still, we managed to ultimately exceed our €630 million sales forecast for last year by €20 million.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) came in at + €140 million, slightly below our expectations but significantly above the + €29 million result reached in the previous year. Earnings before tax (EBT) for 2009 will amount to approximately + €90 million, which also represents a considerable growth compared to the – €28 million bottom line reached in the previous year.

Final sales and earnings figures will be released on our web site www.pcc.eu in the course of the second quarter 2009 once they have been audited.

In the operative business of the PCC Group, the Chemicals division represented the main source of revenues and earnings in 2009. Overall 2009 sales for this division amounted to €340 million. In the fourth quarter of 2009 they reached €98 million, marking another significant increase compared to the previous quarter when sales stood at €83 million. Earnings performance was also favourable in the fourth quarter of 2009 in an overall perspective.

This was decisively influenced by PCC Rokita SA based in Brzeg Dolny. Among other things, this subsidiary capitalised on the shift of its polyol product portfolio towards a higher share of speciality polyols. The polyol business unit's results were also favourably influenced by temporary production stoppages at two large competitors in the fourth quarter of 2009. The surfactants business unit also ended 2009 with pronounced success. At PCC Synteza S.A. in Kędzierzyn-Koźle, however, the negative trend in the bisphenol-A business continued throughout the fourth quarter of 2009. Therefore the management of PCC Synteza S.A. and PCC SE decided to discontinue the production of bisphenol-A in 2010 and to focus on the profitable products nonylphenol and dodecylphenol in the future.

The trade companies of the PCC Group, operating within the Chemicals division, unfortunately closed 2009 with a loss as a consequence of the global financial and economic crisis. The slight economic recovery observed since the third quarter of 2009 did indeed continue; however, the losses incurred during the first half of 2009, when our trading activities particularly with the steel industry had come to a nearly complete standstill, could not be offset.

The Energy division generated sales of €39 million in the fourth quarter of 2009. The division's sales for 2009 thus reached €211 million. In line with expectations, the division again incurred a loss. The main reason for this was the previously reported loss situation of PCC Energie GmbH based in Duisburg. Restructuring measures taken at this subsidiary will presumably enable it to break even only in 2011.

The Logistics division reached division sales of €5 million in the fourth quarter of 2009, taking annual sales to €95 million. The division's operating result decreased slightly against the third quarter; still, 2009 ended with an overall profit. Division companies were still struggling to cope with the consequences of the global economic slowdown, particularly in the beginning of the fourth quarter. Only at the end of the fourth quarter did PCC Intermodal S.A. based in Gdynia start to register a slight recovery of its business and consequently higher capacity utilization on its transport routes.

PCC Group - sales

€ million, consolidated



* The sales decrease was mainly caused by the sale of "PCC Logistics" to Deutsche Bahn AG in July 2009.



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Successful stock market debut of PCC's subsidiary PCC Intermodal S.A. in Warsaw

The first stock market debut of a PCC Group company became reality when PCC Intermodal S.A. went public on December 18, 2009 with the first listing of its shares on the Warsaw Stock Exchange, WSE (Giełda Papierów Wartościowych w Warszawie). All 6.7 million shares offered were successfully placed on the market. The issue price was PLN 3 (approximately €0.7). The volume of the capital increase amounted to PLN 20.3 million (approximately €4.8 million) equalling 10% of the increased share capital.

On the day of their first listing, PCC Intermodal's shares closed at PLN 3.15 or 5% above issue price. The latest share price is available on the web site of the Warsaw Stock Exchange (www.gpw.pl). The ISIN code for the shares is PLPCCIM00014.

Carrying approximately 50,000 containers per year, PCC Intermodal S.A. is the market leader in intermodal transport of containerized goods in Poland. The ambitious investment programme of this PCC subsidiary envisages the construction and launch by the end of 2013 of at least five modern combined transport terminals covering the territory of Poland. PCC Intermodal will commence construction of the first terminal in Kutno, Central Poland, in the near future. Given favourable weather conditions the first sod will be turned in March 2010. Construction permits have already been obtained, construction design has been finished. Works on this combined transport terminal are due to be completed at the end of 2010.

PCC Rokita completes membrane electrolysis plant

Installation works have been completed at the new, environmentally friendly membrane electrolysis plant of PCC Rokita SA in Brzeg Dolny, Lower Silesia. Preparation works are underway for the commissioning of the facility, which is envisaged for February 2010.

This modern facility will be operated alongside the existing mercury electrolysis plant and take over a substantial part of the lye and chlorine production. These are the basic products of the chlorine business unit, which is PCC Rokita's second most important source of revenue with a 30% share in sales.

Major advantages for the PCC Rokita works are lower energy consumption, and thus reduced CO₂ emissions. Overall energy consumption for the lye and chlorine production will be lowered by approximately 20%. At the same time the emission of mercury-containing wastewater from the existing electrolysis plant can be avoided completely thanks to recycling.

PCC's subsidiary PCC Exol S.A. issues profit participation certificates at 7.50% p.a.

PCC's Polish subsidiary PCC Exol S.A. has issued profit participation certificates at 7.50% p.a. with a nominal value of €1,000,000. The company is currently building a modern ethoxylation plant with a capacity of 30,000 metric tons of non-ionic surfactants - so-called ethoxylates, input materials for the production for household chemicals and cosmetics - in Plock, approximately 100 km northwest of Warsaw. The plant is scheduled to go on stream at the end of 2010.

As one of the sources of financing, PCC Exol S.A. relies on the issue of profit participation certificates. Remuneration will be paid quarterly, as with all PCC securities, at a rate of 7.50% p.a. The certificates mature on December 31, 2014. On behalf of PCC Exol S.A., PCC SE of Duisburg acts as the company's authorized representative for the organisation and handling of the subscriptions. In Germany, 20 profit participation certificates at a nominal value of €50,000 each can be purchased via PCC SE. The subscription period ends March 31, 2010. For more information, please refer to the following web site: www.pcc-direktinvest.eu. Paper copies of the information material can be ordered without commitment by phone on +49 [0]2066 90 80 90 or e-mail at direktinvest@pcc.eu.

New issuances of PCC SE planned for the second quarter of 2010

PCC SE is planning to issue a new corporate bond in the course of the second quarter of 2010. Minimum investment will be €5,000, basic denomination €1,000. Interested investors can register for the distribution of the securities prospectus filling out a form on the Internet at www.pcc-direktinvest.eu.

PCC SE launches new Internet presence

Following the successful relaunch of its web site design, PCC SE has changed its appearance on the Internet. The previous Internet presence was completely revised. One of the main aims of the web site relaunch was to improve functionality. For example, the new main navigation and sub-navigation are much easier to understand for the visitor and thus easier to use.

The main menu item "Investors" now comprises not only new issuances and announcements of new securities, but also offers concise information on all securities of PCC SE currently in circulation along with the available financial data, e.g. quarterly and annual reports. Please visit us on the Internet: www.pcc.eu.