

Business Development

In Q2 of 2006, PCC Group generated consolidated sales revenues of app. EUR 221 million, taking the group turnover for the first six months of the year (as per June 30, 2006) to EUR 459 million. In the same period, the EBT (Earnings Before Taxes) rose to EUR 7.8 million (from EUR 4.1 million after Q1).

The business development in the individual Divisions - Trading, Chemical Production and Logistics - varied enormously. Whereas the Trading Division closed Q2 with another deficit (due to losses incurred in its energy wholesaling activities), both the Chemical Production Division and the Logistics Division contributed a positive result.

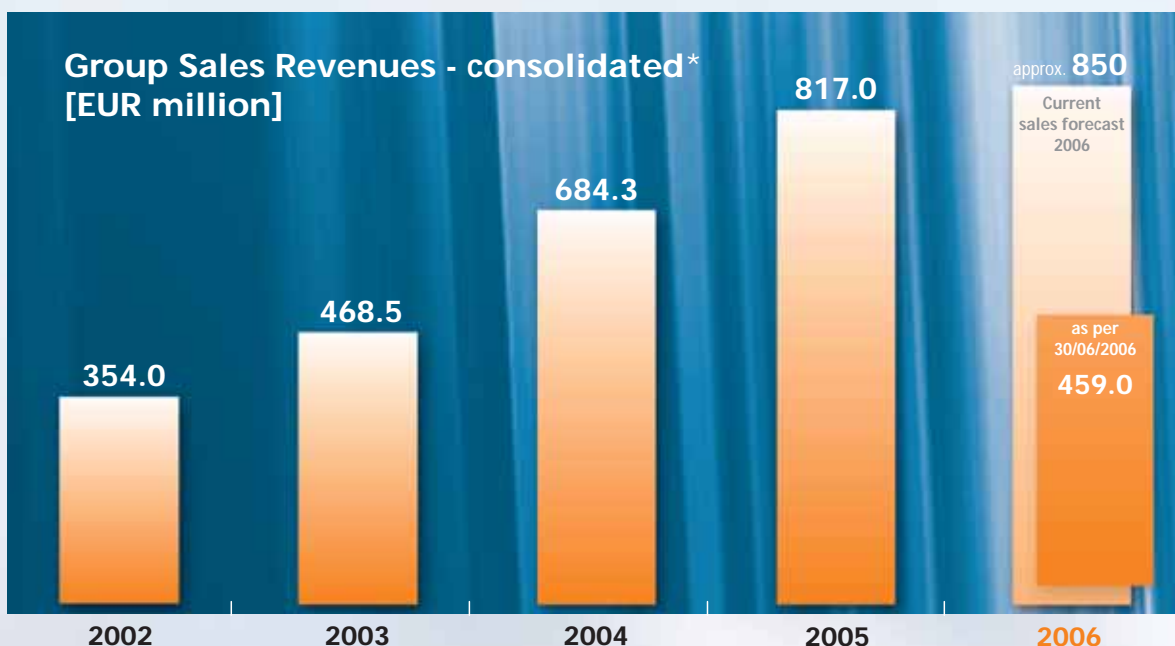
In the wake of these developments, profound restructuring measures for the electricity wholesaling business have been planned for the second half of 2006. These measures are designed to sustainably improve the division's long-term profitability.

The other two divisions are expected to continue their development for the rest of the year as planned. Seasonal losses of Rokita Agro will affect the results of PCC Rokita S.A. and the Chemical Production Division in the second half of the year so that no substantial additional profits are foreseen until the end

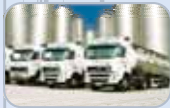
of 2006. The Logistics Division, on the other hand, is looking forward to a stable development on the previous year's level.

We expect PCC Group to generate sales revenues of more than EUR 850 million for the whole business year 2006 (2005: EUR 817 million). This increase will be largely driven by higher sales revenues of several affiliates and the first consolidation of PCC Chemax (Chemical Production) and PCC Rail Coaltran (Logistics).

On the other hand, we expect the result for 2006 to fall slightly short of the previous year's figure, due to the low contributions from the Trading Division and the rise in interest payments for PCC AG. The latter is a direct result of the continued creation of substantial liquidity reserves in preparation for the transfer of funds required to finalize the acquisition of two Polish chemical factories ZAK ("Zakłady Azotowe Kędzierzyn") and ZAT ("Zakłady Azotowe Tarnów"), which will most likely take place in late autumn. These investments will not generate first returns before the business year 2007 when the initial contributions from the two new subsidiaries are expected to boost the Group's results.



* In the PCC Group consolidated entity since 2003: PCC Rokita S.A. since 2004: PCC Rail Szczakowa S.A.



Annual Report 2005

The 2005 Annual Report can be downloaded as a pdf file from the PCC website. You can also go to <http://financial-information.pcc.eu> for more detailed information (Annual Reports of the last three years, quarterly reports and key data from the group's consolidated accounts).

PCC Rokita doubles capacities

The opening of the third polyol production line in Q2 (April) marked the end of PCC Rokita's extension. The plant in the Lower Silesian town of Brzeg Dolny near Wroclaw now has the capacities to produce more than 60,000 tons of polyols per year. PCC Rokita manufactures polyether polyols which are used, for example, as chemical raw materials for the production of polyurethane foams in the furniture industry.

The capital expenditure of nearly EUR 6 million will enhance the company's competitiveness on this robust and expanding market (annual growth rate: 4-5 percent). PCC Rokita is the only producer of polyether polyols in Poland.

PCC AG currently owns 96.74 percent of PCC Rokita's capital stock. The company is one of the largest chemical manufacturers in Poland.

PCC Energie publishes energy guidebook for SMEs

Eight years of experience on the deregulated energy market, compressed on 50 pages: the new brochure "Energiemanagement - Ein Ratgeber für den Mittelstand" (Energy Management: A Guide for SMEs) provides a comprehensive overview of the experiences made by PCC Energie GmbH on the electricity market.

The guide advises the owners of small and medium-sized enterprises how to select the least costly supply contract, what such a contract should contain, how to cut energy costs and many things besides. For more detailed information, go to www.pcc-energie.de.

PCC in the Council of the German Energy Exchange

Since 2003, PCC has been continuously represented in the Council of the German Energy Exchange, Leipzig. In the most recent Council elections on May 22, Mr Ehry, Executive Vice President of Petro Carbo Chem GmbH and Managing Director of PCC Energie GmbH, was elected as Member of the Council.

Interest payments for bonds kept safe in deposit facilities

Many investors who have purchased bonds directly from PCC hold the view that any interest due on a given date is paid out by PCC straight to the individual bond holder. We would like to take this opportunity to tell you how the interest payments are actually credited to the right account. (The process described in the following, by the way, is valid for all bonds managed or kept safe in deposit facilities, not only for bonds issued by PCC.)

A central administration authority is responsible for the safekeeping of the securities including any transfers as well as the collection of earnings (interest payments) and the redemption of the bonds on their maturity date. For all German securities exchanges, this central administration authority is the Clearstream Banking AG, Frankfurt. Since all securities transactions including their transfer to the securities account of the purchaser or their later transfer to the deposit of another bank are handled and managed by Clearstream, nobody else is aware at any given time at which bank the bonds in question are actually kept.

On the dates when interest payments become due, Clearstream collects the due amounts from the banks which have been appointed by the bond debtors (i.e. PCC in this case) as their paying agents. The paying agent will then charge the amount in question to the account of the bond debtor.

If you require further information or assistance in connection with your PCC bonds, please send a short email to anleihe@pccag.com or call us under +49 [0]2066 90 80 90.