Quarterly Report II/2008

Business Development

In the second quarter of 2008, the PCC Group generated consolidated sales revenues of €238 million. Cumulated consolidated turnover for the first half of the year reached €470 million as of 30 June 2008, falling slightly short of the amount registered in the corresponding period of last year (€472 million). Earnings before interest, tax, depreciation and amortization (EBITDA) rose by €10 million in the second quarter, bringing EBITDA for the first half of the year to nearly €24 million, up €4 million from the same period of last year (€19.9 million). However, figures were declining when it comes to earnings before tax (EBT). In the second quarter of 2008, EBT declined by about €1 million and came in at slightly above €2 million, which was still in line with our expectations.

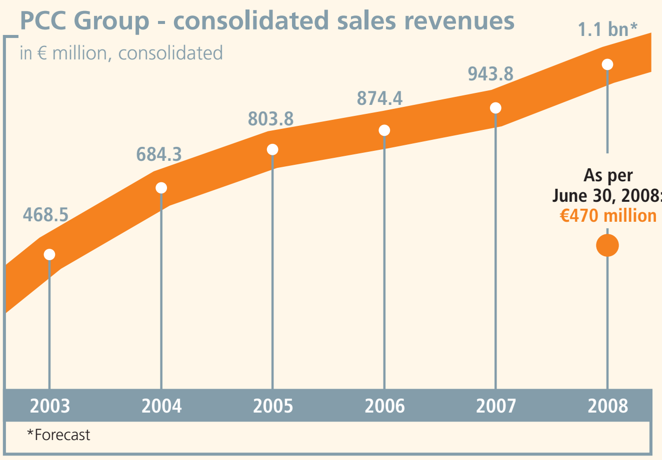
Again, business development in the second quarter of 2008 differed considerably between the individual divisions. While both the Chemicals and the Logistics division slightly improved their results in the second quarter, losses persisted in the Energy division. Another adverse effect were the relatively high non-recoverable costs (including interest payments) of the PCC SE holding company, which will be countered by considerable dividend payments, namely from PCC Rail S.A. and PCC Rokita SA, only in the second half of 2008.

Highlights of business development in the individual divisions:

The Chemicals division maintained revenues at a level of €130 million in the second quarter of 2008, unchanged from the first quarter. Revenues for the first half of the year thus came in at €260 million. The division continued to be profitable, although profits were well below the level of the first quarter. This course of events was decisively influenced by PCC Rokita SA, whose result was under strain from rising raw material and energy costs as well as rising financing costs resulting from necessary investments. Apart from this, the standard polyols business continued to be loss-making. One of the main reasons for this was a gradual price decline on the Polish market due to rising competition from abroad. On the other hand, results were positively affected by the seasonal peak in Rokita-Agro SA's business in the beginning of the second quarter and by the substantial rise in sales prices for caustic soda. As a result, the overall profit of PCC Rokita SA was slightly up in the second quarter of 2008. At the Chemical division's largest trading company, Petro Carbo Chem GmbH based in Duisburg, a favourable development was observed in the second quarter of 2008. Starting in May 2008, this subsidiary returned to the black with an upward trend which will allow it to swing to an overall profit in July 2008.

Consolidated sales revenues of the Energy division were also unchanged from the first quarter, reaching €49 million. Adding €5 million of "leftover" revenues not accounted for in the results for the first quarter and generated by PCC Energy S.A. which has entered liquidation, revenues for the first half of the year reached nearly €104 million. When it comes to earnings, the negative trend of the previous quarter continued, as all companies gathered in this division with the exception of Polish heat supply company ZE-Blachownia Sp. z o.o. were still in the red. This situation is not expected to change considerably in the short term, which is particularly true for the subsidiaries PCC DEG Renewables GmbH from Duisburg and GRID BH d.o.o. from Bosnia (PCC SE has 60 % of the shares in both cases), as those companies' power plants are still in the project or construction phase. The first power plant in Bosnia is due to be commissioned at the end of 2008.

The Logistics division was able to increase its consolidated sales revenues by €4 million to €68 million in the second quarter of 2008, mainly due to rising sales of the PCC Rail group. Cumulated revenues for the first half of the year ending on 30 June 2008 thus reached €132 million. Profit was also lower than in the first quarter of 2008 in the Logistics division, which was caused by rising energy costs and higher financing costs among other factors. Nevertheless this division was the main source of profit of the Group in the second quarter. Again, this was substantially influenced by the PCC Rail subgroup. In the second quarter of 2008, its holding company PCC Rail S.A. pushed ahead with the integration of the Rybnik group in co-operation with an external consultant. This company merger is expected to result in a long-term sustainable rise in efficiency and profitability of the whole Logistics division.



Quarterly Report II/2008

Construction of MCAA production facility under preparation

In the near future, construction works will commence on the territory of PCC Rokita SA in Brzeg Dolny on a new production facility for MCAA. Basic engineering works have already been completed. Following its completion in 2010, the facility will produce monochloroacetic acid. The full capacity of 42,000 metric tons per year should be reached as early as in 2012. Beyond the chlorine balance that will be achieved, this will also secure acid supplies to PCC Rokita's subsidiary Rokita-Agro SA for the production of pesticides. Sales opportunities will continuously expand as demand for monochloroacetic acid on the global market is steadily rising. A special company, MCAA SE, was established in May 2008 to ensure construction and operation of the plant as well as the optimal introduction of the product on the market. Potential investors wishing to act as co-investors can obtain up to 49 % of the shares, investing at least €100,000. Details of the offer are currently being determined in co-operation with a team from Deloitte Corporate Finance.

Switching to environmentally friendly membrane electrolysis

The electrolysis plant and chlorine processing facilities form the core of the PCC Rokita SA chemicals production complex. Preparations for switching over from mercury electrolysis to the modern and, in particular, more environmentally friendly membrane electrolysis technology started in 2006. Construction works started at the turn of 2007/2008. In July 2008, excavation works and the laying of the foundations were completed. The commissioning of the membrane electrolysis facilities is scheduled for the beginning of 2009. The technology upgrade means an investment of approx. €30 million. Capacity is expected to increase by more than 20 % to 120,000 metric tons per year. The production costs will significantly decrease - by 18 % - thanks to the reduction in energy consumption enabled by the use of the membrane technology.

New ethoxylates plant under construction

The design phase for the construction of a new ethoxylates plant on the premises of PKN Orlen SA in Płock has been completed. After the completion of demolition works, excavation works started in June 2008. Starting in 2009, the plant is expected to manufacture 20,000 metric tons of non-ionic surfactants per year for use in detergents and washing agents. Together with the existing ethoxylates plant of PCC Rokita SA in Brzeg Dolny, production capacity for non-ionic surfactants will nearly double to 45,000 metric tons. Overall capacity for the production of non-ionic and anionic surfactants - the latter are produced in two sulphonation plants in Brzeg Dolny - will reach 85,000 metric tons in 2009. This substantially strengthens PCC Rokita SA's position on this market.

PCC Rail group continues to increase market share

Although the Polish rail cargo market remains dominated by the state-owned PKP railways and its subsidiaries PKP Cargo (75.2 %) and PKP LHS (6.0 %), private rail companies have now reached a market share of 18.8 %. Logistics holding company PCC Rail, acting jointly with PCC's three new Polish rail company acquisitions PTKiGK S.A. in Rybnik, PTK Holding S.A. in Zabrze and NZTK Sp. z o.o. in Bieruń, is the leader in this segment with a 7.6 % market share.

PCC Intermodal S.A. extends network to Rotterdam

PCC's subsidiary PCC Intermodal S.A. has started operating regular container block trains between Poland and the Dutch port of Rotterdam. The containers are reloaded at KV-Terminal, the freight traffic centre of Frankfurt/Oder. Initially the company is running five scheduled trains weekly between the large inland terminals in Poland and Rotterdam and vice versa. In the long term, this service will provide for even better connections between Poland's special economic zones and the ports on the German and Dutch coasts. Inaugurating the service on July 24th, the company dispatched two trains coming from Kutno in Central Poland and Rotterdam respectively.

Jubilee bond emission at 7.25 % p.a.

For ten years now - since October 1998 - PCC has been issuing corporate bonds as a flexible financing tool. This makes the bond issued on 1 September 2008 PCC SE's jubilee bond. Interest due for this 21st corporate bond - coded ISIN DE000A0WL5E5 - is paid quarterly in line with earlier bonds, but its interest coupon set at 7.25 % p.a. is the highest to date. The bond is expected to be listed on the Open Market of the Frankfurt Stock Exchange at the end of September. Apart from the new bond issue, the profit participation certificate carrying interest at 8.75 % p.a. (ISIN DE000A0MZC31) is still available directly via PCC SE at no charge. The published version of the securities prospectuses is available as a PDF file on our website (www.pcc.eu). Paper copies of the prospectuses can be ordered without commitment by phone on +49 [0]2066 90 80 90 or e-mail at directinvest@pcc.eu.

Annual report of PCC SE for 2007 now available

Our annual report for the 2007 business year can now be downloaded as a PDF file on our website www.pcc.eu (→PCC-Group→Financial Information). The report is available in the original German version as well as in English and Polish translation.

www.pcc.eu

PCC SE
Public Relations
Moerser Str. 149
47198 Duisburg
Germany
Phone: +49 (0)20 66. 20 19 35
Fax: +49 (0)20 66. 20 19 72
E-mail: pr@pcc.eu

PCC SE
Direct Invest
Baumstr. 42
47198 Duisburg
Germany
Phone: +49 (0)20 66. 90 80 80
Fax: +49 (0)20 66. 90 80 99
E-mail: directinvest@pcc.eu