



# Quarterly Report III/2009

## Business Development

In the third quarter of 2009, the PCC group generated consolidated sales of €157 million. This was €21 million less than in the previous quarter. This sales decrease was mainly caused by the exclusion of the PCC Rail / PCC Rail Rybnik Group from consolidation within PCC as of June 30, 2009 following the sale of those subsidiaries to Deutsche Bahn AG. Sales for the remaining Logistics division thus shrank to approximately €5 million in the third quarter of 2009, compared to €40 million in the second quarter of 2009. Cumulative sales of the PCC Group as per September 30, 2009 reached €505 million and were in line with our current forecast for this period.

Earnings development in the third quarter was also dominated by the sale of the PCC Rail / PCC Rail Rybnik Group and the capital gain achieved from it by PCC SE. Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) improved by approximately €125.2 million compared to half-year results, from €+20.5 million to €+145.7 million as of September 30, 2009. Earnings before tax (EBT) increased by €111.8 million in the third quarter, from €-0.9 million to €110.9 million.

Business development in the third quarter of 2009 differed from division to division within the PCC Group: The Chemicals division, on the back of the slightly improved economic situation and consequently rising prices, was able to increase its quarterly sales from €71 million in the second quarter of 2009 to €83 million in the third quarter of 2009. Cumulative sales for this division as per September 30, 2009 reached €242 million. When it comes to operating results, an increase was noted compared to the level reached by June 30, 2009, although the earnings curve ran considerably less steeply than in the previous quarter.

Among the reasons for this were the weakening lye and caustic soda business of PCC Rokita SA based in Brzeg Dolny, and rising commodity prices that could not always be promptly passed on to our clients in sales prices. The latter was particularly true for the bisphenol-A business of PCC Synteza S.A. based in Kędzierzyn-Koźle. On the other hand, PCC Chemax, Inc. in Piedmont, USA, registered favourable business development throughout, as earnings rose considerably compared to the previous quarter on the back of rising margins and a parallel drop in fixed costs.

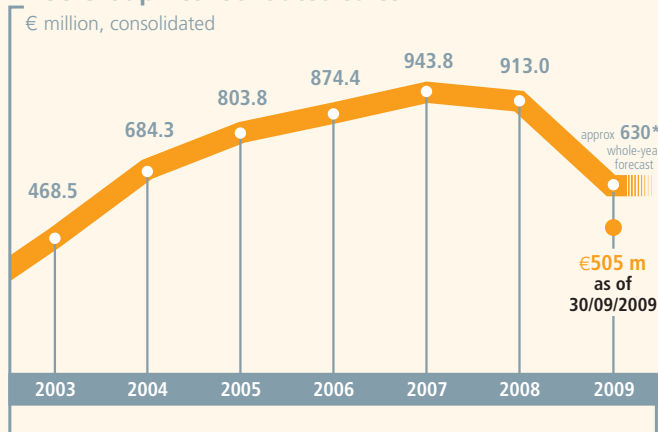
The largest commodity trading company within the Chemicals division, Duisburg-based Petro Carbo Chem GmbH, closed September 2009 with its first monthly profit in the current

business year, and consequently ended the first three quarters of 2009 slightly above the current forecast.

In the Energy division, overall turnover in the third quarter of 2009 was €69 million. The division's sales as per September 30, 2009 thus reached €172 million. In line with expectations, the division again incurred a loss, which was essentially caused by the continued losses of PCC Energie GmbH based in Duisburg. In the past months, massive efforts have been undertaken to boost the sales performance of this subsidiary. Apart from an expansion of the sales team in the field and office, measures have been taken to improve sales control and increase efficiency as this subsidiary will only be able to turn around if sales performance is raised significantly.

The Logistics division ended the third quarter of 2009 - as mentioned above - with sales to the tune of €5 million. Cumulative sales as of September 30, 2009 thus reached €90 million. All subsidiaries working within this division remained under the strong influence of the general economic slowdown in the third quarter of 2009. The results of both PCC Intermodal S.A. and PCC Autochem Sp. z o.o. were again strained by under-utilization of their existing transport routes and fleets. Still, the Logistics division was able to end the first nine months of the 2009 business year slightly in the black.

**PCC Group - consolidated sales**



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



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### PCC SE acquires majority stake in Polish quartzite mine

In September, PCC SE bought 90.25% of the shares of the quartzite mine "Kopalnia i Zakład Wzbogacania Kwarcytu Bukowa Góra S.A.", with annual sales of approximately PLN 18 million (about €4.5 million). The new PCC subsidiary is based in Zagórze (in the Łączna municipality), about 160 km south of Warsaw. Through the acquisition of this company, PCC is aiming to gain access to the fast-growing solar energy market. Quartzite is used in the manufacture of silicon, a semiconductor with a 95% share in the material of solar cells.

### PCC Rokita returns to full capacity in polyols production

All three polyol production lines of PCC Rokita SA have resumed operation at full capacity. Due to the economic crisis, sales volumes of these polyols known under the Rokopol® brand name had started to decrease at the end of 2008. Since the end of the third quarter of 2009, capacity has again been fully utilized. Depending on variety, up to 70,000 metric tons of polyols per year can be produced.

### Kosmet Rokita launches new detergents on the market

Although Kosmet Rokita Sp. z o.o. (Brzeg Dolny, Poland) finished development work on a new seasonal detergent line only in September 2009, the company successfully implemented an end-of-season marketing campaign in 100 supermarkets of the Biedronka chain. Biedronka ("Ladybird"), part of Portugal's Jerónimo Martins Group, is Poland's leading discount grocery chain. Next summer, the new "Brillo"-branded wood, grill and plastics cleaning liquids will be available from the chain's more than 1,400 stores all over the country. In cooperation with the JM Group, Kosmet Rokita is now also preparing the market launch of a fabric softener concentrate containing microcapsules as well as washing liquids with odour neutralisers.

Cooperation with French detergents specialist Eau Ecarlate SAS (EE), which in the first step was limited to the French and Spanish markets, has in the meantime been extended to cover deliveries to the Belgian market as well. The innovative detergent concentrates can be found on the shelves under the "Vigor

Compact" brand name. A pre-wash gel, a drain unblocker and a bleach spray for EE are under development.

### PCC Energie wins court case against Badenova

Gas clients changing their supplier will no longer be held back by unfair sales practices. This obligation towards PCC Energie GmbH was endorsed by Badenova AG & Co. KG from South Baden in a court settlement. The dispute arose on the background of the only gradually accelerating competition on the German gas market, which in South Baden is being pushed forward by the Lörrach District Craft Trades Association in cooperation with PCC Energie.

For competition to function on the German gas market, strict division of network operation and gas distribution is essential. This means that the network operator must not discriminate against new suppliers at the expense of gas clients willing to change their supplier. In practice however - as the example from South Baden shows - this right often needs to be enforced by a court decision.

### PCC is supporting RUHR.2010 - the European Capital of Culture

PCC SE has its Group headquarters in Duisburg (D), at the very heart of the Ruhr area that will be the European Capital of Culture 2010. PCC therefore has particularly strong ties to this region and backs the European Capital of Culture RUHR.2010 as one of its supporters.

For one year, the distinctive features of the cultural profiles of 53 towns and cities within the Ruhr region will join to form Europe's new, unconventional Ruhr cultural metropolis. We are happy to be able to contribute to this event.

### Early call and redemption

The 6.5% bond - the so-called "PCC 3-monthly note" (ISIN DE000A0AE7D8) - was called by PCC SE and redeemed as per October 1, 2009. The redemption sum amounted to roughly €8.9 million.

### Subsequent bond already sold

The subsequent issue of a 4.5% PCC 3-monthly note (ISIN DE000A1A57W2) - was completely sold by the end of October. Issue volume was €10 million.