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Business Development

The PCC Group's portfolio companies had a substantially better start into fiscal 2011 than expected. Coming in at €146 million, consolidated sales were €18 million lower than planned and fell €12 million short of the level reached in the fourth quarter of 2010 (€158 million). This, however, was essentially due to the exclusion of PCC Energie GmbH from consolidation within the PCC Group as of January 1, 2011. The sales of this former portfolio company were included in the results for the fourth quarter 2010 as well as in our budget for 2011.

Despite of this, earnings performance in the first quarter of 2011 exceeded our plans by roughly €4 million both on the operating and pre-tax level. Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) reached +€12 million, while a profit of +€4 million was generated before tax (EBT). Both figures were also substantially higher than in the corresponding period of last year. The reasons for this favourable development shall be highlighted in the following discussion of the results of the different group divisions:

The Chemicals Division continued to be the cornerstone of the PCC Group in the first quarter of 2011 for both sales and earnings. The division's sales reached €129 million as of March 31, 2011, which is €41 million more than in the corresponding period of the previous year and also substantially more than we expected for the first quarter of 2011. This favourable trend was mainly caused by the continued good economic performance. This is also reflected in the earnings of the Chemicals Division, which were clearly in the black, up both compared with the previous year and our plans.

At PCC Rokita SA, Brzeg Dolny (Poland), the strong performance of the polyols business unit continued seamlessly into 2011, while the chlorine business again capitalised on the further rise of sodium hydroxide (caustic soda) and lye prices. However, overall earnings of PCC Rokita SA for the first quarter of 2011 fell short of our plans, which was mainly due the development of the PLN/EUR exchange rate. On the other hand, PCC Chemax, Inc., Piedmont (SC, USA) slightly exceeded our earnings forecast for the first quarter of 2011. The latter goes also for PCC Synteza S.A., Kędzierzyn-Koźle (Poland), despite the fact that this subsidiary experienced difficulties in raw material supplies at the beginning of 2011 (delayed supplies from Russia, inter alia), allowing it to resume production at full capacity only in March 2011.

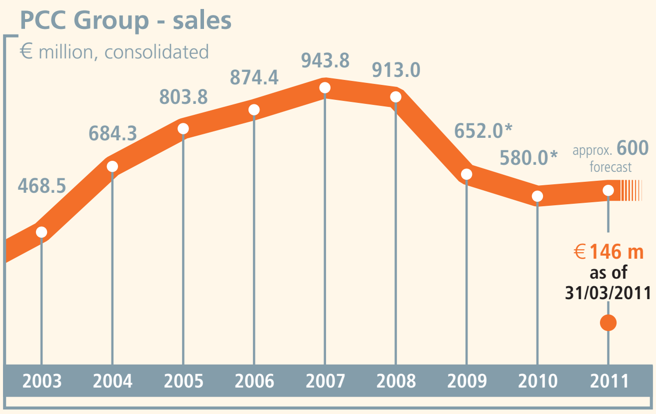
For the two trading companies within the Chemicals Division, the first quarter of 2011 was favourable throughout. Here, Petro Carbo Chem GmbH, Duisburg (Germany) capitalised on the further rise in coke prices, while Czech PCC Morava-Chem s.r.o., Český Těšín, benefited from an expansion of pig iron trade for the metalworking industry.

Newly consolidated PRODEX-SYSTEM Sp. z o.o., a systems supply business based in Warsaw, as well as the other portfolio companies of the Chemicals Division, did not have any substantial impact on earnings for the first quarter of 2011.

Business development of the Energy Division was dominated by the exclusion of PCC Energie GmbH, Duisburg, as a consequence of the sale of that company to Spain's Nexus Energia S.A. utility, Barcelona. This caused division sales to drop to €5 million in the first quarter of 2011, significantly below our budget for 2011 and the corresponding period of last year. However, the exclusion of PCC Energie GmbH had a positive impact on the division's earnings.

Among the other companies of this division, both ZE-Blachownia Sp. z o.o., Kędzierzyn-Koźle, and PCC Energy Trading GmbH, Duisburg, exceeded our earnings forecast due to above-plan sales of energy and heat, as well as group-owned emission rights. Bosnia's GRID BH d.o.o., Sarajevo, also ended the quarter in the black, allowing the whole division to end the first quarter of 2011 with a profit. Business activities of PCC DEG Renewables GmbH, Duisburg, continued to be in their development phase.

Sales of the Logistics Division, dominated by PCC Intermodal S.A., Gdynia (Poland), came in at approximately €10 million in the first quarter of 2011, which was in line with our expectations and substantially up (by roughly €5 million) on last year, again mainly due to the overall favourable economic climate. This division also ended the first quarter of 2011 with a profit. However, the budgetary targets for this period were not fully met. This was caused, inter alia, by a sharp rise in traction costs for the trains of PCC Intermodal S.A. due to price increases imposed by its contractual partners. Nevertheless, this subsidiary was able to end the first quarter of 2011 with an overall profit. PCC Autochem Sp. z o.o., the tank trucking company based in Brzeg Dolny, and the newly consolidated ZAO PCC Rail, Moscow, which is creating a



* The sales decrease is mainly caused by the sale of "PCC Logistics" to Deutsche Bahn AG in July 2009. The sales of this group of companies were consolidated until the end of the first half of 2009.

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PCC. synergies at work

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transport business in Russia, also contributed to quarterly earnings.

The results of the "Others" division impacted negatively on consolidated earnings, due mainly to losses recorded in the non-consolidated financial statement of PCC SE, Duisburg, which were caused by high debt service expenditures. In the first quarter of 2011, these were not yet countered by any revenues from dividend payments from the portfolio companies. The dividend payments are scheduled for the second quarter of 2011.

Location advantages of the new ethoxylation plant in Płock (Poland)

Choosing Płock, approximately 100 km north-west of Warsaw, as the site for its new ethoxylation plant, the PCC Group secured itself substantial long-term advantages. The production of surfactants, for instance ethoxylates as manufactured at this site, is based on two main basic materials: fatty alcohol made from palm oil, and ethylene oxide. Building its plant in close vicinity of the PKN Orlen mineral oil group, PCC managed to occupy the only source of ethylene oxide east of the Rhine River and west of the Urals. Apart from the strategic advantages, this also means a competitive edge in transport costs.

The start-up phase of the new ethoxylation plant of PCC Exol S.A. was successfully completed at the end of the first quarter of 2011. The final performance test confirmed the plant's scheduled annual capacity of 30,000 metric tons of ethoxylates (non-ionic surfactants), which are used as ingredients for washing agents and detergents. Following the official acceptance procedure, the plant has now started regular operation. On May 19, 2011, the production plant will be officially opened with a ceremony.

PCC Intermodal carries more containers

In the first three months of 2011, PCC Intermodal increased its container transport numbers by 55 % compared with the first quarter of 2010, from 12,946 to 20,114 units. This increase is particularly encouraging as it was achieved despite difficult weather conditions in the first quarter, which is traditionally the weakest period of the year. The registered transport volume fell only slightly short of the strong previous quarters Q3/2010 with 20,762 containers and Q4/2010 with 20,270 containers.

PCC remains committed to education in Tanzania

Since 2007, PCC SE has been supporting the African relief project AOHM (Amani Orphans' Home Mbigili), a children's village for AIDS orphans in southern Tanzania (www.mbigili.de). PCC financed the construction of one of four children's houses there, which was completed in 2008. Today, nine orphans aged 5 to 15 live here together with their house-mum. The energy supply for the children's home was secured thanks to the installation of a solar power facility for the building.

Striving to give young people a better future, PCC also supports students through study grants. In January 2011, PCC extended its commitment, giving three students the opportunity to study at a Tanzanian university.

Prior to launching PCC's support, PCC owner Waldemar Preussner went to Tanzania to make sure on site that the donations are invested in a useful way and for the good of the orphans.

At this year's Investors' Day, AOHM representatives are expected once again to give their report on current affairs in the children's village and the plans for the future.

Bond redemption on April 1, 2011

On April 1, 2011, PCC SE redeemed at final maturity its 7.00 % bond issued five years ago (ISIN DE000A0JFJ90/WKN A0JFJ9). The redemption sum amounted to approximately €27.5 million.

New issues at 5.00 %, 6.50 % and 6.875 % p.a.

In the first quarter of 2011, PCC SE issued three new corporate bonds. Interest on all of these securities will be paid quarterly as usual, and they can be purchased directly and free of charge from PCC SE.

The new issues at a glance:

- 5.00 % bond – redeemable at final maturity in April 2013 (ISIN DE000A1H3H36)
- 6.50 % sinking-fund bond – redeemable between 2012 and 2016 (ISIN DE000A1EWRT6)
- 6.875 % bond – redeemable at final maturity in July 2015 (ISIN DE000A1H3MS7)

The proceeds from some of these bond issuances are directly project-related. The 5.00 % bond will be used to create a sub-group within the PCC Group, which will encompass the Group's subsidiary Kosmet-Rokita Sp. z o.o., Brzeg Dolny, as well as new acquisitions with production activities under retail network brands (private labels). The proceeds from the 6.50 % sinking-fund bond will be invested in the expansion of the phosphorus chemicals business unit at the PCC Rokita SA chemical works in Brzeg Dolny. As a result, the production portfolio is expected to be expanded to comprise halogen-free plastics additives. Additional information and the published versions of the securities prospectuses are available on the Internet at www.pcc-direktinvest.eu.

Stock exchange listing of the new issuances

The 5.00 % bond and the 6.875 % bond have been listed on the Open Market of the Frankfurt Stock Exchange since April 6, 2011. No listing is planned for the sinking-fund bond.

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