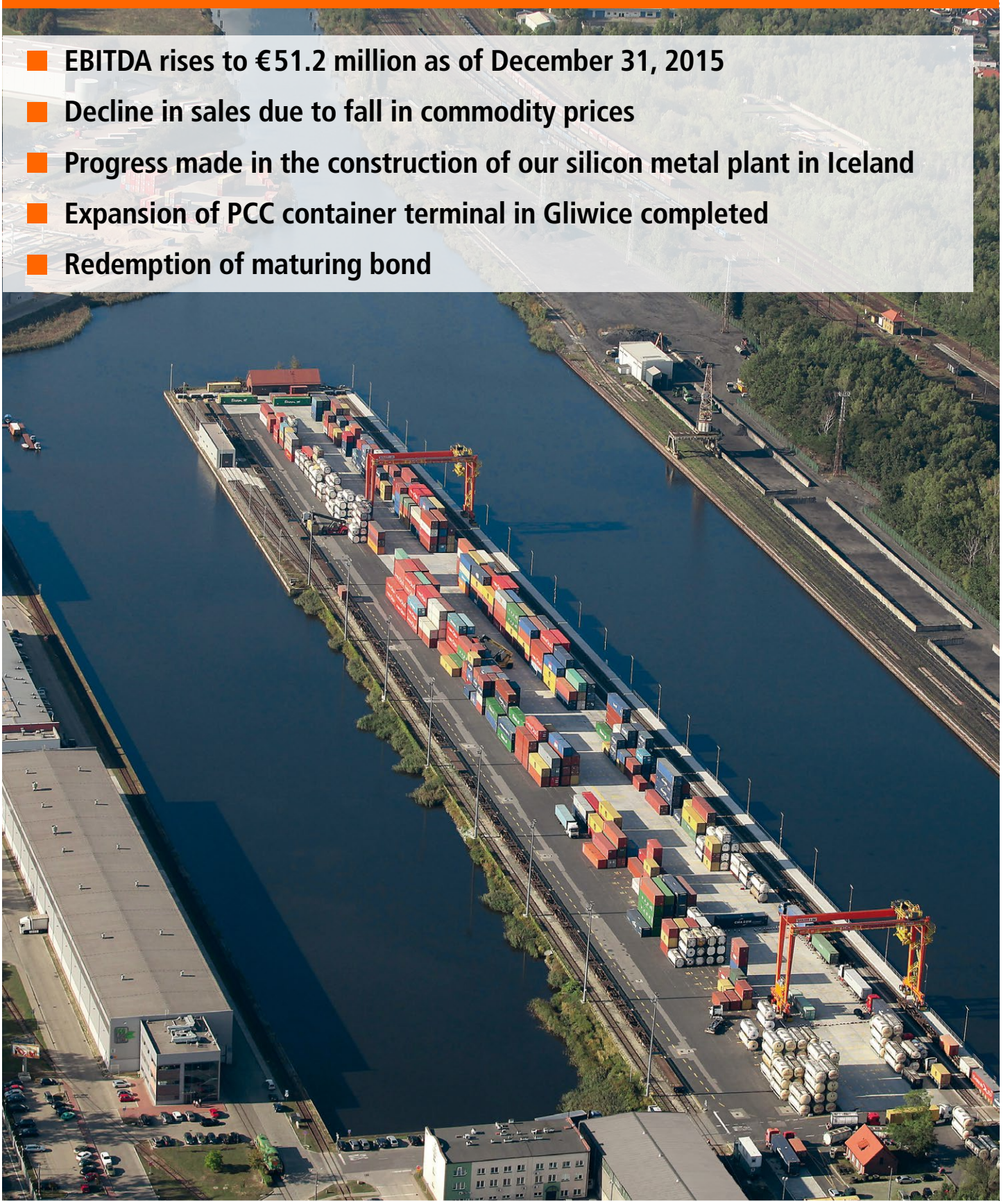


Quarterly Report 4/2015

- EBITDA rises to €51.2 million as of December 31, 2015
- Decline in sales due to fall in commodity prices
- Progress made in the construction of our silicon metal plant in Iceland
- Expansion of PCC container terminal in Gliwice completed
- Redemption of maturing bond



The expansion work on the PCC container terminal in Gliwice (Poland) was completed in December 2015. Thanks in particular to the installation of two gantry cranes, its handling capacity has now increased to 150,000 TEU per year.

Business Development

The fourth quarter of 2015 saw the PCC Group post a positive business performance overall, with the political changes that took place in Poland leaving results essentially unaffected. Consolidated sales during this period came in at €135 million, with the cumulative total through to year-end at €572 million. However, this represents a significant shortfall both with respect to the corresponding prior-year figure and the 2015 budget. The main cause for this variance lies in the continuing low level of commodity prices, which has also persisted into the new year, resulting primarily from the drastic decline in the price of crude oil. Easing economic growth in China, as a consequence of which more and more commodities from that region have been flowing into the European market since mid-2015, has added to the price pressure. However, the PCC Group was also able to profit from these developments on the purchasing side.

Operating profit before interest (or financial result), taxes, depreciation and amortization (EBITDA) increased in the fourth quarter of 2015 by €13.7 million to €+51.2 million. Compared to the previous year (€+54.7 million), this represents a decline of around 6%. However, after adjusting the two figures for proceeds from stock exchange flotations and share sales during the two respective years, the EBITDA for 2015 represents a significant improvement on 2014 (+25%). This rise is primarily the result of an increase versus 2014 of around €11 million – from €+150 million to €+161 million – in gross margin from operating activities. However, both the EBITDA figure and also, as a result, earnings before taxes (EBT) were below the budget for 2015 due to the reasons already explained in previous quarterly reports (including lower proceeds on the disposal

of our telecommunications activities, and heat-related production restrictions during the summer months). EBT rose in the fourth quarter by €1.4 million to €+4.4 million (previous year: €+7.8 million).

These figures are provisional consolidated financial statement numbers for fiscal 2015. Included for the first time in these unaudited financials is PCC BakkiSilicon hf, Húsavík (Iceland), which became a fully consolidated affiliate as of December 31, 2015. Following approval of the consolidated financial statements, the final, audited and certified financial data will be published on our website www.pcc-financialdata.eu in the course of the second quarter of 2016.

Taking all its segments together, the Chemicals division of the PCC Group generated sales of €115.2 million in the fourth quarter of 2015. As of the end of the year, accumulated divisional sales amounted to €496.1 million. Performance within the individual segments of the division is summarised in the following:

Polyols

The Polyols segment continued its positive performance through the fourth quarter. Due to the low price level prevailing, annual sales were below budget. However, on the earnings side, our expectations were fully met overall. Losses in the Polyurethane Systems business unit were significantly outweighed by the positive results achieved by the Polyols business unit of PCC Rokita SA, Brzeg Dolny (Poland). By contrast, the system house PCC Prodex Sp. z o.o., Warsaw, continued to suffer from a pronounced low level of sales to, among others, the mining sector. In addition, the market launch of the insulating foam "Crossin" experienced delays.



Surfactants

Business performance in the Surfactants segment was also once again positive in the fourth quarter.

Although – as in the case of the Polyols segment – sales expectations were not fulfilled, anticipated earnings were exceeded. In particular, PCC Exol SA, Brzeg Dolny, was able to again benefit from the favourable purchase prices prevailing for its input materials. In addition, the increased focus on higher-quality speciality surfactants had a positive effect on profitability. The business performance of the US American subsidiary of PCC Exol SA, namely PCC Chemax, Inc., Piedmont (South Carolina) – which until now has predominantly served the oilfield chemicals sector – was adversely affected in the fourth quarter due to the current situation on the oil market. However, this affiliate also ended 2015 with a positive overall earnings result.

Chlorine

The Chlorine segment ended the fourth quarter and also fiscal 2015 with successful results overall.

The main sales and earnings generator remained the Chlorine business unit of PCC Rokita SA, which continued to benefit from favourable raw material prices and the substantial improvement in energy efficiency of the new chlor-alkali electrolysis process. In this

Key financials by segment (per IFRS)	Polyols			Surfactants			Chlorine			Speciality Chemicals		
	Q4/2015	12M/2015	12M/2014	Q4/2015	12M/2015	12M/2014	Q4/2015	12M/2015	12M/2014	Q4/2015	12M/2015	12M/2014
Sales ¹ € m	31.6	136.3	147.0	24.3	101.1	98.8	17.5	58.2	67.8	33.2	161.9	222.1
EBITDA ² € m	2.9	14.0	12.6	2.4	9.3	6.6	5.5	7.8	8.1	0.0	5.0	3.9
EBIT ³ € m	2.6	12.6	11.4	1.9	7.0	4.4	3.8	2.5	3.7	-0.9	1.5	-0.1
EBT ⁴ € m	2.4	12.2	11.0	1.2	4.5	1.4	3.4	1.8	3.3	-1.6	-0.2	-0.9
Employees (at Dec. 31)	168	168	146	262	262	241	343	343	245	363	363	380

Notes: Rounding differences possible. Annual figures for 2015 taken from the unaudited and therefore provisional consolidated financial statements and include, for the first time, the full consolidation of PCC BakkiSilicon hf, Húsavík (Iceland). Subject to change without notice. Quarterly figures likewise unaudited. | 1 The segment sales indicated relate exclusively to external sales. Intra-group sales have already been eliminated through consolidation. | 2 EBITDA (earnings before interest, taxes, depreciation and amortisation) | 3 EBIT (earnings before interest and taxes) = Operating profit = EBITDA - depreciation and amortisation | 4 EBT (earnings before taxes) = EBIT - financial result

business unit, too, our earnings expectations were exceeded. The commissioning of our new production plant for ultra-pure monochloroacetic acid (MCAA) – likewise managed under the Chlorine segment – was, however, further delayed due, among other things, to the delivery of a defective plant component. Consequently, other than originally planned, this business unit was still unable to make any contribution to the sales and operating profit of the Chlorine segment in 2015.

Speciality Chemicals

The performance of the Speciality Chemicals segment further declined in the fourth quarter. This applies particularly to the two commodity trading companies still managed under this segment, PCC Trade & Services GmbH, Duisburg, and PCC Morava-Chem s.r.o., Český Těšín (Czech Republic). The main reasons for the weakness in performance are increased competitive pressure emanating from rising commodity imports from China (in particular, coke), the persistent weakness of the steel industry, and the low price levels commanded by chemical commodities. PCC Trade & Services GmbH was able to slightly improve its operating profit in the fourth quarter, and it ended fiscal 2015 with a positive earnings result overall. By contrast, PCC Morava-Chem slipped into the loss zone in the fourth quarter of 2015 due particularly to the insolvency of its biggest customer.

Business performance at the alkylphenol manufacturer PCC Synteza S.A., Kędzierzyn-Koźle (Poland), and the Phosphorus and Naphthalene Derivatives business unit of PCC Rokita SA was, on the other hand, decidedly positive in the fourth quarter, with low purchase prices for raw materials among the reasons. Gratifyingly, there-

fore, both Group entities were able to end 2015 with a positive earnings result following significant losses in the previous year. The quartzite quarry of PCC Silicium S.A., Zagórze (Poland), saw its operating profit slightly improve in the fourth quarter, but nevertheless closed 2015 in the loss zone as expected. A fundamental improvement in the economic situation of this affiliate is not expected to occur until commissioning of the silicon metal plant in Iceland.

Consumer Products

Performance at the “PCC Consumer Products” subgroup remained below expectations in the fourth quarter. The EBITDA figure of this subgroup declined slightly in the fourth quarter, but still at least remained in the positive zone as of year-end. At the pre-tax level, however, it posted a significant loss. The Consumer Products segment therefore also experienced the biggest negative variance with respect to the 2015 budget. As already explained in the preceding quarterly report, a major cause of this development was the site upgrade work being carried out at PCC Consumer Products Kosmet Sp. z o.o., Brzeg Dolny, which continued throughout the past year, greatly impacting both ongoing production operations and sales. Consequently, this affiliate also posted a slight loss, including at the operating level, as of December 31, 2015. The building work has, however, now been completed, with conditions for an improvement in performance in 2016 now in place.

The other affiliates managed under this subgroup – the matches factory PCC Consumer Products Czechowice S.A., Czechowice-Dziedzice (Poland), and the Belarusian affiliate OOO PCC Consumer Products Navigator, Grodno – were likewise unable to meet our expectations due to sales figures for 2015 dipping below budget. However, at

least both companies posted positive results at the operating level. The matches factory also recorded a slight plus in its pre-tax number.

Energy

The Energy division of the PCC Group reported external sales of €2.9 million in the fourth quarter of 2015. Divisional revenues as of year-end amounted to €11.3 million. The main earnings generator remained the Conventional Energies business unit of this division, which comprises the CHP power plant (and the corresponding business unit) of PCC Rokita SA, and the power and heat cogenerator PCC Energetyka Blachownia Sp. z o.o., Kędzierzyn-Koźle. Both Group entities ended the fourth quarter and also fiscal 2015 with positive results slightly above budget, due among other things to cost savings made (for example in maintenance and repair work). The Renewable Energies business unit also posted a positive performance overall, although not quite fulfilling the budget figures for 2015. As already mentioned in the report for the third quarter of 2015, the delay in commissioning the Patiška site (Republic of Macedonia) was one reason. Occasionally unfavourable hydrology in the course of 2015 likewise had an adverse effect.

Logistics

The Logistics division of the PCC Group generated external sales of €15.2 million in the fourth quarter of 2015. As of December 31, therefore, external divisional sales amounted to €56.8 million, with our expectations for 2015, at least in the intermodal transport business, being gratifyingly exceeded. PCC Intermodal S.A., Gdynia (Poland), again made by far the big-

Key financials by segment (per IFRS)	Consumer Products			Energy			Logistics			PCC Group total		
	Q4/2015	12M/2015	12M/2014	Q4/2015	12M/2015	12M/2014	Q4/2015	12M/2015	12M/2014	Q4/2015	12M/2015	12M/2014
Sales ¹ € m	8.6	38.6	42.5	2.9	11.3	10.9	15.2	56.8	50.8	134.8	571.7	647.3
EBITDA ² € m	-0.1	0.2	1.1	1.9	7.6	5.4	1.1	4.5	3.9	13.7	51.2	54.7
EBIT ³ € m	-0.3	-0.6	0.3	1.2	4.8	2.9	0.2	1.4	1.2	7.3	27.7	32.7
EBT ⁴ € m	-0.4	-2.0	-0.6	1.3	4.6	2.7	-1.3	-2.1	-4.3	1.4	4.4	7.8
Employees (at Dec. 31)	568	568	617	177	177	176	365	365	332	2,983	2,983	2,890

Notes: Rounding differences possible. Annual figures for 2015 taken from the unaudited and therefore provisional consolidated financial statements and include, for the first time, the full consolidation of PCC BakkiSilicon hf, Húsavík (Iceland). Subject to change without notice. Quarterly figures likewise unaudited. | 1 The segment sales indicated relate exclusively to external sales. Intra-group sales have already been eliminated through consolidation. | 2 EBITDA (earnings before interest, taxes, depreciation and amortisation) | 3 EBIT (earnings before interest and taxes) = Operating profit = EBITDA - depreciation and amortisation | 4 EBT (earnings before taxes) = EBIT - financial result

gest contribution to the positive operating results of the Logistics division in the fourth quarter, ending 2015 with a substantially positive earnings figure. With the expansion and modernisation measures at the Gliwice container terminal completed as of the end of the year, PCC Intermodal has also now established an important platform for further growth in the coming months (see below). The road tanker haulage company PCC Autochem Sp. z o.o., Brzeg Dolny, was also able to end both the fourth quarter and fiscal 2015 with successful results overall. By contrast, the Russian affiliate ZAO PCC Rail, Moscow, continued to operate at a loss. In the fourth quarter, therefore, comprehensive restructuring measures were implemented at this subsidiary: the majority of the wagon fleet was rented out, office space was reduced and redundancies announced. The effects of these measures will, however, not be reflected in the results of ZAO PCC Rail until the first quarter of 2016.



Holding / Projects

PCC BakkiSilicon hf was consolidated in this segment for the first time as of December 31, 2015. The holding company itself, PCC SE, ended the fourth quarter of 2015 with another negative result as expected. The losses of the last six months have, however, been extensively offset by the dividend payouts received in the second quarter and proceeds on the disposal of the telecommunications and data centre businesses that took place in June 2015.

Progress in the construction of our silicon metal plant in Iceland

Our silicon metal project in the north of Iceland is proceeding to schedule. With construction having started in mid-2015, the detailed planning of the plant and the terracing of the site have now been exten-



The major construction site of PCC BakkiSilicon hf near Húsavík as of February 2016

sively completed, with the first foundations also in place. We will also see some of the main buildings completed in the course of the summer of 2016. We expect the plant to undergo commissioning around the end of 2017 / start of 2018. We have instigated recruitment activities in order to ensure that we have the necessary personnel available to operate the plant, and have already taken an important step with the hiring of a very experienced management team.

On the Icelandic side, a geothermal power station is being constructed near the plant with a high-tension transmission line being provided for its power supply. The port of Húsavík is also being expanded and linked to our facility via a new industrial road that passes through a tunnel measuring more than a kilometre in length. All these investments are directly related to our project and are generating a great deal of anticipation in the region.

PCC container terminal expansion project in Gliwice completed

As reported above, PCC Intermodal S.A. completed the expansion and modernisation of its container terminal in Gliwice, Poland, to schedule as of the end of 2015. Boasting an operating area of 50,000 square metres, the terminal is now equipped with two gantry cranes. Its annual handling capacity has been increased to 150,000 TEU (standard 20-foot containers). With its terminal thus extended, Gliwice now has the most advanced logistics centre in Upper Silesia. Located around 35 kilometres from Katowice,

the facility is at the strategically favourable intersection of the trans-European traffic corridors Berlin/Dresden-Wrocław-Lviv-Kiev and Gdańsk-Katowice-Žilina.

The terminal in Gliwice is the fourth that PCC Intermodal has successfully revamped within the last 13 months: September 2015 saw the expanded terminal in Brzeg Dol-



New gantry cranes at the PCC terminal in Gliwice

ny re-open; the terminal expansion project in Kutno, Poland, was completed in June 2015; and back in December 2014, the terminal upgrade in Frankfurt (Oder) was also brought to a successful conclusion. The container terminal network of PCC Intermodal also includes a fifth handling facility in Dębica, south-east Poland. Each month, the PCC subsidiary operates more than 400 combination transport trains on scheduled national and international routes.

Redemption of maturing bond

Effective December 1, 2015, our 7.25% bond issued with a placed volume of around €21.9 million in October 2011 (ISIN: DE000A1K0U02) was redeemed on maturity.

Duisburg, February 26, 2016

Published by

PCC SE
Moerser Str. 149
47198 Duisburg
Germany
www.pcc.eu

Public Relations contact

Moerser Str. 149, D-47198 Duisburg
Phone: +49 (0)2066 20 19 35
Fax: +49 (0)2066 20 19 72
Email: pr@pcc.eu
www.pcc-financialdata.eu

Direktinvest contact

Hilgerstr. 20, D-45141 Essen
Phone: +49 (0)2066 90 80 90
Fax: +49 (0)2066 90 80 99
Email: direktinvest@pcc.eu
www.pcc-direktinvest.eu



Visit us
on Facebook



Image rights held by PCC SE
You will find this quarterly report and further information on our website at www.pcc.eu

Note: The consolidated financial statements of PCC SE and also the annual financial statements of PCC SE (holding company) and its subsidiaries are audited once a year as of December 31 by an appropriately appointed auditor/public accountant. Interim figures are not audited. **Disclaimer:** This quarterly report contains forward-looking statements based on the current planning, estimates and forecasts of the management of PCC SE and its subsidiaries, and other information currently available. Forward-looking statements should not be regarded as guarantees of the future developments or results referred to therein. All such future developments and results are dependent on a large number of different factors and are accompanied by various risks and uncertainties. They are based on assumptions which may prove to be inaccurate. PCC SE neither undertakes nor intends to adapt such forward-looking statements to future results or developments, nor does it plan to update them as new information comes to light. PCC SE publishes its latest financial information on the internet at www.pcc-financialdata.eu / www.pcc-finanzinformationen.eu.