



Quarterly Report I/2010

Business Development

In the first quarter of the new business year, PCC Group generated overall consolidated sales revenues of approximately €125 million. This figure was roughly the same as in the corresponding period of the previous year (adjusted for the sales of the PCC Rail / PCC Rybnik Group), but fell short of our expectations by approximately €11 million.

Earnings did not reach the budgeted volume for the first quarter of 2010, and were considerably below last year's figures. Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) came in at +€1 million, €4 million below plan.

A similar budget deviation was observed in Earnings before Tax (EBT). As of 31 March 2010 we recorded losses of -€6.2 million instead of the forecasted -€2.4 million.

The reasons for this development are manifold as illustrated in the outline of the situation in the individual business divisions below:

The Chemicals division remains the main source of revenues and earnings, although this was the division where the essential budget deviations of the first quarter of 2010 occurred. The sharp decline of the prices for caustic soda and lye as well as lower than planned polyol sales volumes impacted negatively on sales and earnings of PCC Rokita SA in Brzeg Dolny. On the other hand, the favourable trends registered by the surfactants business in 2009 continued in the first quarter of 2010. An advantageous development was also observed at PCC Synteza S.A., Kędzierzyn-Koźle, whose loss-making production of bisphenol-A was wound up at the beginning of the year. Due to the focus on production of nonylphenol and dodecylphenol, this subsidiary ended the first quarter of 2010 with a profit - as did PCC Rokita SA as a whole and PCC Chemax, Inc., Piedmont.

The latter goes also for the PCC Group's largest trading company Petro Carbo Chem GmbH which missed its sales forecast in the first quarter by approximately €3 million, but posted earnings which were even slightly higher than budgeted. Among other things, this development was caused by the steel industry where business activity picked up strongly, as well as the steady recovery in large parts of the chemical industry.

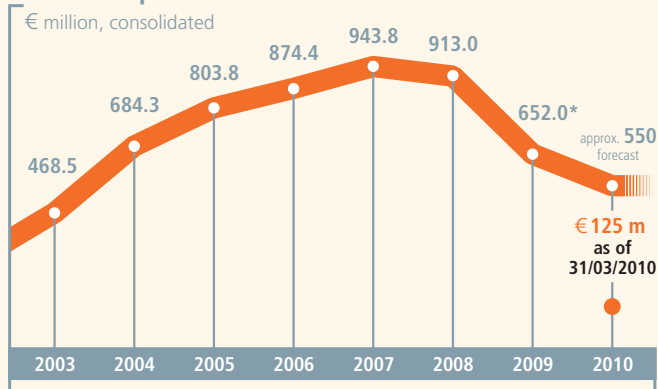
The Energy division also achieved an overall profit in the first quarter of 2010, due to performance figures above plan reached by PCC Energie GmbH, Duisburg, as well as fairly good results achieved by ZE-Blachownia Sp. z o.o., Kędzierzyn-Koźle. Both companies capitalised on the harsh winter 2009 / 2010

which enabled them to increase sales volumes and revenues and to generate higher margins.

Business development of the Logistics division dominated by PCC Intermodal S.A., Gdynia, was less satisfying. In this subsidiary, the harsh winter had a negative impact on earnings, causing considerable damage to the container platforms in use. The damages themselves were covered by appropriate insurance policies; however, the temporary absence of the platforms initially caused a drop in sales. Another complicating factor in the first quarter was the fact that the order volume of one of the largest clients of PCC Intermodal S.A. fell short of our expectations. In contrast to this, the road-transport company PCC Autochem Sp. z o.o. ended the first quarter of 2010 with a profit. This profit, however, was not nearly large enough to compensate for the losses of PCC Intermodal S.A.

In addition, the consolidated results of the first quarter of 2010 were also negatively influenced by the results of PCC SE, as the high interest expenses of that company were not yet balanced by dividend payments from the subsidiaries. These are scheduled to arrive during the second and third quarter.

PCC Group - sales



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

PCC Rokita launches membrane electrolysis plant

At the end of March 2010, PCC Rokita SA put into operation its new, environmentally friendly membrane electrolysis plant for the chlorine business unit on its premises in Brzeg Dolny (Poland). The plant will facilitate a decrease in energy consumption by approx. 20 % and consequently a reduction in CO₂



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emissions. At the same time the emission of mercury-containing wastewater from the existing electrolysis plant can be completely avoided thanks to recycling. Having put the plant into operation, final test runs are currently being performed. Final acceptance of the plant is scheduled for May.

PCC SE has become the only shareholder of PCC Rokita

PCC SE has become the owner of 100 % of the shares of Poland's chemical group PCC Rokita SA as of April 1, 2010, and is now the company's only shareholder. The shares of the remaining minority shareholders were acquired during a so-called squeeze-out process. PCC SE thus strengthens its commitment at its largest and most profitable subsidiary, bringing to an end the gradual acquisition process that has lasted several years. PCC SE bought its first 33 % block of shares of PCC Rokita during the privatization process in 2002. As early as in 2003, PCC SE boosted its share to 50.32 %, becoming PCC Rokita's majority shareholder and facilitating first-time consolidation of the chemical group into Group accounts for 2003.

PCC Intermodal launches construction of intermodal transport terminal in Kutno

Having completed the planning and permitting phase at the end of March 2010, PCC Intermodal S.A. has started construction of its new intermodal transport terminal in Kutno (Poland). Currently reinforcement works are underway to ensure the ground's required bearing capacity. The terminal in Kutno will be the most modern inland container terminal for intermodal transport, able to handle incoming and outgoing cargo from central Poland in east-west as well as north-south direction. With an operating space of 80,000 m², the terminal is designed to handle more than 100,000 TEU annually. The terminal is scheduled to be commissioned in December 2010.

Apart from that, PCC Intermodal has expanded its fleet by a Kalmar brand reachstacker that will be used in container handling in Kutno. This lifting vehicle with an empty weight of 76 tonnes and a lifting capacity of 45 tonnes is currently being tested by the PCC team at the terminal in Krzewie near Kutno.

PCC Intermodal share shows positive performance

PCC Intermodal's shares have performed very well. The issue price during last December's successful IPO, which saw a 30 % oversubscription in the private investor's tranche, was 3 PLN. Since then the price steadily increased by more than 30 % by

the end of the first quarter of 2010. As of May 10, 2010, the price was 4.5 PLN, as much as 50 % above issue price. The latest share price is available on the web site of the Warsaw Stock Exchange (www.gpw.pl). The ISIN code for the shares is PLPCCIM00014. For any questions concerning the purchase of shares, please do not hesitate to contact us by phone on +49-(0)2066-908080.

PCC signs concession agreements for hydropower plant locations in Macedonia

On March 31, 2010, PCC SE, along with its subsidiary PCC HYDRO DOOEL Skopje, signed concession agreements with the Government of Macedonia concerning four locations intended for the construction of hydropower plants. After several years of negotiations, this paved the way to enter the planning and permitting phase. Each of the contracts contains a concession for the next 20 years and an option to extend the water use permit for 10 more years. PCC SE expects to launch power plant construction at these locations in 2011.

Record quarter for hydroelectricity production at PCC's Climate Protection Project

Due to favourable weather conditions in the first three months of 2010, PCC's Bosnian subsidiary GRID BH delivered a record quarter in electricity production at its small hydropower plant Mujada in Central Bosnia. High precipitation rates at the beginning of the year caused a higher water level in the Prusac River and allowed for higher water withdrawal at the power plant's Tyrolean Weir water intake. While forecasts provide for an average monthly production of 550,000 kWh, actual production reached 2.1 million kWh in the first quarter of 2010, corresponding to a monthly average of 700,000 kWh. Each year the climate protection project will help to mitigate CO₂ emissions to the tune of 7,200 tonnes.

The generator of the Mujada small hydropower plant has an average annual electricity output of 6.6 million kWh, covering the annual demand of more than 2,600 households. Annual electricity consumption per household in Bosnia and Herzegovina reaches approximately 2,500 kWh.

As of April 7, 2010, PCC DEG Renewables GmbH - a joint venture of PCC SE and DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH - acquired another 25.62 % of the shares of Bosnian GRID BH. It now owns 85.62 % of this company's shares, underlining its commitment to the development of hydropower projects in this country.