

FACE TO FACE

Annual Report 2011






PCC AT A GLANCE

Consolidated Income Statement	2011	2010
Sales	**€ 614.8 m**	€ 580.1 m
Gross profit	**€ 113.6 m**	€ 89.4 m
EBITDA*	**€ 49.2 m**	€ 14.5 m
EBIT*	**€ 32.4 m**	€ 1.0 m
EBT*	**€ 14.0 m**	–€ 15.4 m

Consolidated Balance Sheet	2011	2010
Total assets	**€ 458.6 m**	€ 468.1 m
Fixed assets	**€ 278.8 m**	€ 273.6 m
Current assets	**€ 173.9 m**	€ 186.6 m
Equity	**€ 114.7 m**	€ 112.0 m
Liabilities	**€ 320.1 m**	€ 320.1 m

Key Group Indicators	2011	2010
Equity ratio*	**29.8 %**	34.2 %
ROCE*	**9.3 %**	0.3 %
Gross cash flow	**€ 8.2 m**	€ 4.9 m
Capital expenditures	**€ 54.3 m**	€ 53.2 m
Number of employees at home and abroad (average over the year)	**2,312**	2,174

Consolidated Sales by Division	2011	2010
Chemicals Division	**€ 546.4 m**	€ 404.6 m
Energy Division	**€ 13.8 m**	€ 136.6 m
Logistics Division	**€ 43.9 m**	€ 30.3 m
Other Shareholdings	**€ 10.6 m**	€ 8.5 m
Total sales	**€ 614.8 m**	€ 580.1 m

Consolidated Sales by Region	2011	2010
Germany	**€ 147.6 m**	€ 236.8 m
Poland	**€ 229.8 m**	€ 167.1 m
Other EU member states	**€ 135.5 m**	€ 95.7 m
Rest of Europe	**€ 55.7 m**	€ 35.5 m
USA, Asia and other regions (total)	**€ 46.1 m**	€ 45.0 m
Total sales	**€ 614.8 m**	€ 580.1 m

Rounding differences possible

* For explanations and definitions, see page 17

IN A WORD

In addition to the usual facts and figures, this present annual report is dedicated in particular to the people who are responsible for the success of the PCC Group. These include around 8,000 investors who have put their trust in us; over 2,000 committed employees who, with their know-how and dedication, contribute to the progress being made by our industrial partners; and naturally customers who use the manufactured items that contain PCC products and commodities. Whether through its Chemicals, Energy or Logistics divisions, PCC is focused on ensuring customer benefit on a person-to-person basis – as graphically underlined by the faces which you will find introducing each individual section of this annual report.

FACE TO FACE

Annual Report 2011

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PCC. synergies at work

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RENATA GETS THE FIRE GOING …

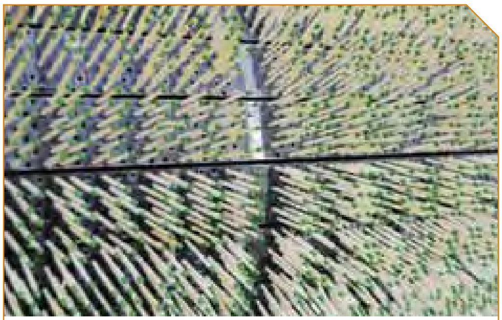
RENATA GAMROT (32) often finds herself in natural surroundings. Hardly surprising with hobbies like skiing, canoeing and photography. She also likes to spend long evenings with friends around a camp fire. Yet, despite all this romanticism, she also has a mind for safety. After all, as a Technical Specialist at the PCC matches factory "Czechowice" S.A., Renata is well aware of the properties of fire and is conscientious in her approach to supervising the laboratory work and production processes of the plant.

OUR MATCHES FACTORY FABRYKA ZAPAŁEK "CZECHOWICE" S.A.

Apart from the classic safety matches, the range of products manufactured by our Silesian factory "Czechowice" S.A. also includes barbecue and home fire matches – all customisable from the colour of the match head and stick to the individual design of the box.

PRODUCTION FROM RENEWABLE RAW MATERIALS

Timber from sustainably managed forests is exclusively used for the production of the matches. Sulphur- and chromate-free, their product quality is certified compliant with EN1783:1997 SAF and has been so since the year 2000.



INCREASING DEMAND FROM THE EAST

Demand for matches is steadily rising in Poland and the neighbouring states in the east, particularly on the consumer market side. In addition, matchboxes are popular items used by companies as give-aways to their customers.

OVER 600 MILLION BOXES PER YEAR

In 2011, the matches factory Fabryka Zapałek "Czechowice" S.A. manufactured and sold some 600 million matchboxes to retail outlets, and around 23 million boxes as advertising gifts and give-aways.

… AND GUIDO COOKS THE STEAKS.

Fire – the source of civilisation! That is **GUIDO KLEINSCHMIDT'S (46)** first thought whenever he gets out the barbecue for a family party – invariably his "cooker of first resort". Naturally, Guido offers the full range of BBQ delicacies such as vegetable skewers, pork belly and sausages. However, the cordon bleu dish of this amateur "grill master" takes the form of his specially prepared T-bone steaks. Just like you would with good cigars, Guido elegantly ignites the barbecue briquettes with long matches – matches that meet the highest demands, manufactured by the PCC factory "Czechowice" S.A.

INFORMATION FOR OUR INVESTORS

›
Sulphonation Plant 2 of PCC Exol S.A. has a production capacity amounting to 30,000 metric tons per year of anionic surfactants (sulphonates). It is located on the factory site of PCC Rokita SA in Brzeg Dolny, Lower Silesia, Poland.

The regular issuance of PCC securities is an important element in the financing concept adopted for our Group. Since the first issuance in October 1998, a relationship of trust has grown between ourselves and many investors – one that has become somewhat of a rarity in today's financial world. Because of this particularly, we work hard day in, day out in order to earn and reward the confidence placed in us – with diligence, sincerity and, of course, with attractive bonds and profit participation certificates from which our investors enjoy sustained benefits.

KEY FINANCIALS OF THE PCC GROUP

Only those companies able to maintain an overview of their business situation can ensure clarity and stability. As an internationally active group of companies, PCC focuses its efforts on its three main divisions: Chemicals, Energy and Logistics. Under the management of PCC SE headquartered in Duisburg, our 2,312 employees at home and abroad together generated consolidated sales amounting to € 614.8 million in fiscal 2011. Following a loss in the previous year, we also succeeded in increasing our earnings before taxes by almost € 30 million, resulting in an EBT figure of € 14 million. With our investors very much in mind, our sights are firmly set on achieving continuous, stable growth going forward.

The PCC Villa in Duisburg-Homberg has been the corporate headquarters of the PCC Group since 1998. Each year, this also serves as the venue for the Investors' Day organised by PCC SE.

DEVELOPMENT IN SELECTED GROUP INDICATORS

Figures in € m	2007	2008	2009	2010	**2011**
Sales	**943.8**	**913.0**	**652.0**	**580.1**	**614.8**
Chemicals Division (until 2007: Chemical Production)	276.5	479.8	339.9	404.6	**546.4**
Energy Division (until 2007: Trading)	575.0	177.0	211.1	136.6	**13.8**
Logistics Division	92.3	255.1	99.6	30.3	**43.9**
Other Shareholdings	0.0	1.2	1.4	8.5	**10.6**
Gross profit	**131.3**	**207.9**	**116.8**	**89.4**	**113.6**
Net profit / loss	**5.1**	**–29.4**	**90.1**	**–17.7**	**10.3**
EBITDA [1]	38.4	28.7	130.8	14.5	**49.2**
EBIT [2]	20.7	–0.8	107.4	1.0	**32.4**
EBT [3]	8.2	–27.7	94.8	–15.4	**14.0**
Gross cash flow [4]	17.9	9.8	–28.3	4.9	**8.2**
ROCE in % [5]	**6.4 %**	**–0.2 %**	**30.2 %**	**0.3 %**	**9.3 %**
Net debt [6]	224.9	294.5	165.0	209.3	**218.3**
Net debt / EBITDA	5.9	10.3	1.3	14.4	**4.4**
Group equity [7]	**138.3**	**95.6**	**196.1**	**160.0**	**136.7**
Equity ratio in % [8]	27.4 %	17.6 %	43.8 %	34.2 %	**29.8 %**
Return on equity in % [9]	7.9 %	–57.7 %	112.9 %	–14.6 %	**9.1 %**
Capital expenditures	**137.8**	**133.4**	**38.4**	**53.2**	**54.3**
Number of employees (consolidated companies) [10]	**3,767**	**6,137**	**3,914**	**2,174**	**2,312**
Germany	138	189	201	217	**101**
International	3,629	5,948	3,713	1,957	**2,211**

Rounding differences possible

1 EBITDA = Earnings before interest, taxes, depreciation and amortisation
2 EBIT = Earnings before interest and taxes; EBITDA – Depreciation and amortisation
3 EBT = Earnings before taxes; EBIT – Interest and other financial items
4 Gross cash flow = Net profit / loss adjusted for non-cash income and expenditures
5 ROCE = Return on capital employed; EBIT ÷ [Average equity + Average interest-bearing debt capital]
6 Net debt = Interest-bearing borrowings – Liquid funds – Other securities
7 Group equity = Economic capital, including mezzanine capital with a term of more than one year
8 Equity ratio calculated on the basis of economic capital (see note 7 above)
9 Return on equity = Net profit for the year ÷ Average equity
10 Average over the year

PREFACE BY THE CHAIRMAN OF THE ADMINISTRATIVE BOARD OF PCC SE

DEAR CUSTOMERS, BUSINESS PARTNERS AND INVESTORS, COLLEAGUES, EMPLOYEES, LADIES AND GENTLEMEN,

I am delighted to present to you the 2011 annual report of PCC SE. Following the realignment of the Group and the ongoing tremors of the financial and economic crisis that characterised fiscal 2010, we returned the PCC Group as planned to a stable growth path in the year under review. Although, due to strategically motivated divestitures, there was a reduction in the number of businesses generating revenues and earnings within the Group, we succeeded in substantially increasing both sales and profits compared to 2010.

BACK TO BLACK WITH SUBSTANTIAL REVENUE GROWTH

We completed the restructuring of our Energy division in February 2011 following our withdrawal from the gas and electricity consumer business through the sale of PCC Energie GmbH to the Spanish company Nexus Energía S.A. Although removal of the subsidiary from the scope of consolidation of the PCC Group eliminated revenues of around € 125 million from our books, Group sales increased from around € 580 million in 2010 to € 615 million (+6.0 %) in 2011. As expected, this expansion in sales which, on a comparable basis excluding the revenues of PCC Energie GmbH in the two relevant financial years, was actually over 35 %, was generated primarily by the most important segment of the PCC Group, the Chemicals division, which accounts for around 90 % of consolidated revenues. Virtually all the affiliates and subsidiaries within this division – whether on the trading or on the production side – were able to increase their business volumes, in some cases considerably. Also in the Logistics division, within which PCC Intermodal S.A. increased its sales by around 25 %, we were able to see, in 2011 for the first time, the long anticipated fruits of our investment and development efforts of recent years. With capital expenditures of around € 54 million, the PCC Group's investments were at almost exactly the same level as in the previous year, with a predominant share once again flowing into expansion projects. And a glance at the earnings figures shows that PCC is generating profitable growth. Following a loss of around € 15 million in the previous year, earnings before taxes (EBT) rose by almost € 30 million to € 14 million in the year under review, confirming the validity of our Group strategy. And, to underline this, I am also particularly delighted to report to you that, for the first time for many years, all three divisions returned to a position where they were able to contribute positively to Group earnings.

This includes the Energy segment. However, we are aware that, having withdrawn from its trading and supply activities, PCC still has to make enormous efforts in order to achieve a satisfactory level of sales and earnings in this division. The difficult political, administrative and legal conditions prevailing in South-East Europe are giving rise to a constant stream of new delays in the realisation of the planned small hydropower plants. And, although offering highly promising returns, the investments scheduled for the PCC Rokita SA site in Poland, geared to optimised energy supply through the construction of a modern gas-fired power plant and a small wind power park, are currently only at the pre-planning phase due to technical, approval and financing issues still needing to be clarified.

› **Waldemar Preussner**
Chairman of the Administrative Board of PCC SE

In considering the Group results, it should also be remembered that exceptional charges such as back-tax payments resulting from a major tax audit, and also impairment charges and value allowances with respect to investments and receivables, combined to reduce Group earnings by around € 7 million.

FURTHER EXPANSION OF STABLE CORE BUSINESS AREAS COMBINED WITH COMPETENCE-RELATED DIVERSIFICATION

Last year, the investment activity of the PCC Group focused primarily on the expansion of our chemical facilities and development of the logistics segment. At the beginning of the year, the new ethoxylation plant of PCC Exol S.A. at the refinery site of PKN Orlen S.A. in Płock came on stream as scheduled. The plant will significantly increase the sales potential of this Group subsidiary and thus further enhance the leading market position of PCC in surfactants in Poland. In the Polyols business segment too, we have further expanded our production capacities through investment in an additional production line which went into operation at the beginning of 2012. The system house PCC Prodex has now been fully integrated within the Group and is, as expected, developing well due to its close technical cooperation with PCC Rokita. The fact that the "PCC Rokita" subgroup was able to almost double its pre-tax earnings compared to 2010 shows that PCC is moving in the right direction in this segment. At the beginning of 2011, PCC Chemax in the USA commissioned a wholly owned blending and filling plant and is thus now able to respond more flexibly to customer demands, without having to rely on external vendors.

After three years of loss-making, in 2011 our Logistics division returned to a position where, with profits of about € 3 million, it was able to make a positive and significant contribution to Group earnings. This means that, just two years after the sale of our Polish freight railroad activities to Deutsche Bahn, the division has successfully completed its turnaround for a new beginning. Encouragingly, all the divisional companies were able to generate a profit, with PCC Intermodal posting the most impressive performance. With the commissioning of the container terminal in Kutno (Central Poland) in late summer, where PCC Intermodal will initially be handling around 100,000 TEU*, and later on 200,000 TEU* per year, and with the company's involvement in the terminal in Frankfurt (Oder), for which it was selected as operator following a competitive tendering process at the beginning of the year, a major platform has now been established for further dynamic growth. These positive business developments were also recognised by Polish investors; the capital increase of around € 10 million achieved through the second public offering of shares was successfully completed despite exceptionally volatile trading conditions and the effect of these on the Polish stock market.

While we continue to resolutely pursue the expansion possibilities available in the core businesses of the PCC Group, we are also examining projects that may contribute to further competence-related diversification of our investment portfolio. Our investment project in Iceland appears to me to be particularly promising in this regard. There, our investigations and plans for the construction of a silicon metal production plant are well underway. The quartzite mined by PCC Silicium S.A. in Poland also provides an important platform for the success of this project, as does our expertise in project management and in the marketing of silicone – for which, inter alia, the silicon metal produced in Iceland is to be used. We are also benefiting from our many years of experience in the energy market because access to inexpensive electricity – and the necessary long-term security of supply associated with this – constitute important reasons for selecting the site on Iceland and are of central significance for the success of the project. There is still a long way to go to the planned production start in 2015,

* TEU = Twenty-foot Equivalent Unit – unit of measurement for ISO standard containers

but the positive resonance of technology suppliers, future customers, banks and the relevant Icelandic institutions give me good reason to be optimistic, and I am convinced that our committed team will carry this project through to a successful conclusion.

POSITIVE OUTLOOK FOR THE FUTURE

Fiscal 2012 saw a further continuation of our positive business performance. With the passing of the first quarter of 2012, in which we recorded sales of around € 161 million and pre-tax profits amounting to € 2.4 million, we are already trading somewhat above our expectations. Our polyol production has, in particular, seen growth of 14 % compared to the previous year. The boom in intermodal transport has also continued through 2012. Likewise, the sales and earnings figures of our Russian subsidiary ZAO PCC Rail confirm that our entry into the wagon leasing business was a good decision. This business needs to be expanded with further investment in growth. Looking at the financial year as a whole, we are convinced that we will be able to exceed the sales and earnings figures of the previous year.

WORDS OF THANKS

First, I would like to express my deep gratitude to you, our employees. It makes me very proud to know that, together, we have returned the PCC Group to profitability. My Administrative Board colleagues, the Group management and I know that this success is largely due to your indefatigable commitment. Your motivation and creativity remain the foundation for our thriving business development.

My thanks also go to you, our many thousands of investors. Our success is naturally also dependent upon your involvement. Large numbers of you have been supporting us for many years by subscribing to our bonds and profit participation certificates, and some of you have actually remained true to us since our first issuances in October 1998. This trust also means that we continue to bear a great responsibility to you, and you can be sure that financial prudence and reliability will remain our watchwords going forward.

I look forward to continuing to earn your trust and confidence in PCC in the future as, together, we progress to becoming a strong European chemicals, energy and logistics enterprise.

Duisburg, May 2012

Sincerely yours,

Waldemar Preussner
Chairman of the Administrative Board of PCC SE

CORPORATE BODIES

ADMINISTRATIVE BOARD AND MANAGING DIRECTORS OF PCC SE

The Administrative Board of PCC SE (Societas Europaea) is made up of three members:

- Waldemar Preussner, Dipl.-Volkswirt (Chairman)
- Dr. rer. oec. (BY) Alfred Pelzer (Deputy Chairman)
- Reinhard Quint

PCC SE is headed by its two Managing Directors:

- Ulrike Warnecke
- Dr. Alfred Pelzer

The management of the Duisburg head office is completed by Executive Vice President Dipl.-Kfm. Dietmar Kessler, CFO of the Group.

Management of PCC SE (from left to right):
Dietmar Kessler, Waldemar Preussner, Ulrike Warnecke, Reinhard Quint, Dr. Alfred Pelzer

DIREKTINVEST UNIT OF PCC SE

CORPORATE BONDS SINCE 1998

The financing structure of the holding company, PCC SE, features a combination of equity funds and mezzanine and debt capital. The issuance of PCC securities constitutes our primary fund-raising instrument, facilitating as it does the fast and efficient exploitation of market and investment opportunities. It also enables company acquisitions and the operational growth of the Group to be independently and flexibly financed. Consequently, the issuance of bearer bonds – particularly to a wide circle of private investors – will remain a central component of PCC Group's financing strategy. In keeping with the conservative business philosophy of PCC, however, the security volumes will only be utilised to the extent necessary for our corporate development.

Since the first issuance on October 1, 1998, PCC has – as of May 1, 2012 – issued 30 bearer bonds of which 20 have already been redeemed, and one profit participation certificate.

SECURITIES IN CIRCULATION AS OF DECEMBER 31, 2011

PCC SE CORPORATE BONDS

PCC. Direktinvest

ISIN	Fixed coupon p. a.	Issue date	Maturity	Listing	Nominal volume
DE000A0LRV96	6.50 %	Mar. 1, 2007	Jul. 1, 2013	Frankfurt	€ 9.2 m
DE000A0S8DY1	7.00 %	Oct. 1, 2007	Oct. 1, 2012	Frankfurt	€ 19.9 m
DE000A0WL5E5	7.25 %	Sep. 1, 2008	Apr. 1, 2014	Frankfurt	€ 7.2 m
DE000A1EKZN7	6.00 %	Jul. 1, 2010	Oct. 1, 2014	Frankfurt	€ 35.0 m
DE000A1EWB67	6.50 %	Oct. 1, 2010	2012 - 2016*	–	€ 6.8 m
DE000A1EWRT6	6.50 %	Feb. 15, 2011	2012 - 2016*	–	€ 1.3 m
DE000A1H3H36	5.00 %	Mar. 1, 2011	Apr. 1, 2013	Frankfurt	€ 9.1 m
DE000A1H3MS7	6.875 %	Apr. 1, 2011	Jul. 1, 2015	Frankfurt	€ 26.7 m
DE000A1K0U02	7.25 %	Oct. 1, 2011	Dec. 1, 2015	Frankfurt	€ 10.0 m

PCC SE PROFIT PARTICIPATION CERTIFICATE

ISIN	Basic interest rate p. a.	Issue date	Maturity	Listing	Nominal volume
DE000A0MZC31	8.75 %	Oct. 1, 2007	Indeterminate**	Frankfurt	€ 10.6 m

* This redeemable bond will be amortised from January 1, 2012 through to its maturity date on October 1, 2016 in regular quarterly instalments equating to 5 % of the nominal value of the issue at 100 %.

** Redeemable with one year's notice, first date of redemption December 31, 2017, thereafter to the end of each quarter.

NEW ISSUANCES IN 2011 / 2012

Between February 2011 and January 2012, PCC SE issued five new bonds. As usual, all feature a quarterly coupon payment. The bond certificates are denominated in units of € 1,000 and – subject to a minimum take-up of € 5,000 – investments can be taken out free of handling charges if the bonds are acquired directly. Until further notice, the purchase price amounts to 100 % plus accrued and unpaid interest.

A further new issuance is envisaged for June 1, 2012. The coupon is 7.25 % p.a. with quarterly payments. This bond becomes due on July 1, 2016. Its introduction for trading on the open market of the Frankfurt Stock Exchange (FWB) is scheduled for June 2012.

CURRENT ISSUE VOLUME AS OF MAY 1, 2012

The current volume of corporate bonds and profit participation certificates issued by PCC SE and in circulation as of May 1, 2012 amounts to around € 149 million.

BOND REDEMPTIONS

- The 7.00 % bond ISIN DE000A0JFJ90, which was issued on May 1, 2006, was redeemed at maturity on April 1, 2011 for approximately € 27.5 million.

- On October 1, 2011, PCC SE redeemed at maturity the 4.50 % bond ISIN DE000A1A57W2 issued two years before. The redemption volume amounted to some € 7.7 million.

BONDS MATURING IN 2012

October 1, 2012 will see the end of the tenor of the 7.00% bond ISIN DE000A0S8DY1 issued in 2007. Its nominal volume is around € 20 million.

NEW BONDS ISSUED IN 2011 / 2012 AT A GLANCE

PCC SE CORPORATE BONDS

PCC. Direktinvest

ISIN	Fixed coupon p. a.	Issue date	Maturity	Listing	Issue volume
DE000A1EWRT6	6.50 %	Feb. 15, 2011	2012 - 2016*	–	€ 3 m
DE000A1H3H36	5.00 %	Mar. 1, 2011	Apr. 1, 2013	Frankfurt	€ 20 m
DE000A1H3MS7	6.875 %	Apr. 1, 2011	Jul. 1, 2015	Frankfurt	€ 30 m
DE000A1K0U02	7.25 %	Oct. 1, 2011	Dec. 1, 2015	Frankfurt	€ 25 m
DE000A1MA912	5.00 %	Jan. 1, 2012	Dec. 1, 2013	Frankfurt	€ 10 m

* This redeemable bond will be amortised from January 1, 2012 through to its maturity date on October 1, 2016 in regular quarterly instalments equating to 5 % of the nominal value of the issue at 100 %.

At the Investors' Day, attendees receive facts, figures and data directly from the PCC SE management.

EARNING TRUST WITH TRANSPARENCY AND OPENNESS: INVESTOR RELATIONS AT PCC SE

The current business and financial data of the PCC Group can be viewed at any time at www.pcc.eu or www.pcc-finanzinformationen.eu. The certified consolidated financial statements of the PCC Group, published each year within the Group's annual report, are also available on the internet in an online archive. This not only holds all the annual reports published since the first issue in fiscal 2004 but also the regular quarterly reports that have appeared since 2001.

THE INVESTORS' DAY HELD AT PCC

Each year – usually in early summer – PCC SE invites its investors to its traditional Investors' Day at the Group headquarters at the PCC Villa in Duisburg-Homberg. This event provides attendees with an opportunity to gain first-hand information of the business performance and strategy of the Group. In recent years, 1,000 to 1,500 investors have regularly availed themselves of this opportunity to hear from the Group management of PCC SE – in the form of Chairman of the Board Waldemar Preussner accompanied by senior executives and project managers of the German Group companies – the latest news pertaining to the current financial year and the progress being made in the Group's investment projects.

At last year's Investors' Day, held on July 9, 2011, over 1,000 guests visited PCC SE in Duisburg.

KEVIN KNOWS THE VALUE OF GETTING A GOOD NIGHT'S SLEEP ...

KEVIN PICKIN (57) often dreams of a better world. More than that, he also works towards this goal by regularly collecting donations for charitable purposes: For example, with the charity band Ladbroke Rockers for which he distributes posters, organises gigs and generally provides invaluable backup support. As Project Manager for the Polyols business unit at PCC Rokita SA, this proud father of five is also committed day by day to high-quality foam products designed to provide a good night's sleep. After all, this too hugely benefits humankind.

INNOVATIVE FOAM TECHNOLOGY iPoltec®
USED IN ITS MILLIONTH MATTRESS CORE

With iPoltec®, the foam technology offered by PCC Rokita SA of Brzeg Dolny in Lower Silesia, it is possible to manufacture those comfortable polyurethane foam products that are so much in demand among Europe's renowned mattress and furniture manufacturers. The key to the success of the Rokopol iPol® and Rokopol® vTec speciality polyols lies in a clever combination of polyol and technological expertise. By providing on-site customer support in setting up the production lines, a PCC expert team ensures that each foam production process generates optimum results. By the end of 2011, one million mattress cores had already been manufactured with iPoltec® technology.

ipoltec® by PCC

100,000 METRIC TON MARK REACHED

With the commissioning of the fourth production line for the manufacture of polyols at the beginning of April 2012, PCC Rokita increased its overall capacity to 100,000 metric tons per year as measured on the basis of standard polyols.

FOCUSING ON THE PRODUCTION OF SPECIALITY POLYOLS

In recent years, PCC Rokita SA has successfully shifted its production emphasis away from standard polyols towards a more specialised range. Using these speciality feedstocks, manufacturers are able to produce foams with properties such as extremely high resilience, enhanced comfort and long-term elasticity. The exacting emission specifications that apply are also reliably met by these virtually odourless foams.

NEW AT PCC ROKITA: POLYOLS FOR VISCOELASTIC FOAMS

With the Rokopol® vTec speciality polyol, high-quality viscoelastic foam can be produced with substantially reduced temperature sensitivity.

Among the brands for which we manufacture:

form polster

... AND SO DOES LILLY.

LILLY has only just come into the world and still sleeps a great deal: In addition to her morning and afternoon nap, she also likes to nod off occasionally in between time. However, it seems she is also particularly keen on taking a meal at around 3 o'clock in the morning, thereafter falling asleep happily next to her mummy. As sleeping is currently a full-time job for Lilly, she really does know how to appreciate a good mattress. And mattresses are becoming even better thanks to major European manufacturers making the most of top-grade PCC foam technology.

STRATEGY

›

The new ethoxylation plant of PCC Exol S.A. is located in Płock some 100 km north-west of Warsaw in strategically favourable proximity to the petrochemicals concern PKN Orlen, a major feedstock supplier.

Deploying and channelling a company's powers and capabilities to optimum effect is an art. Hence, PCC SE places its reliance on the specialised talents, self-motivation and individual responsibility of its affiliated companies and their employees. It is a matter of deliberate policy that these companies are active in submarkets and market niches of the high-growth economies of Eastern and South-East Europe. The managerial staff running these subsidiaries, most of whom come from the region, also enjoy considerable scope for action, enabling them to operate with flexibility in the marketplace.

STRATEGY

GROUP STRATEGY

PCC SE is the parent and holding company of the PCC Group. It operates a stable and future-aligned investment portfolio with the focus on the chemicals, energy and logistics sectors. Most of the Group's sites and company locations are in Europe.

At PCC SE, active investment portfolio management encompasses both the acquisition of new shareholdings and the further development of existing activities and projects. We concentrate in particular on positioning ourselves in less competitive submarkets and market niches.

Our investment focus continues to be aligned predominantly to the dynamically expanding economies of Eastern and South-East Europe.

Conversely, PCC is also willing and able to sell off operations and participating interests where disposal offers attractive gains and the funds generated can be invested in the expansion of other core activities. The holding company will also divest shareholdings where these are unable to offer satisfactory returns or fail to exhibit attractive development potential.

THE DIVISIONS AND BUSINESS ACTIVITIES OF THE PCC GROUP

Chemicals division	▪ Production and conversion of chemical feedstocks: Main product lines: - Polyols (for the manufacture of foam products) - Chlorine and chlorine compounds - Surfactants (surface-active washing materials in cleaning and laundry products) - Phosphorus and naphthalene derivatives (flame retardants and plasticisers) - Nonylphenol and dodecylphenol ▪ Trading activities involving chemical feedstocks, coke and anthracite ▪ Production and sale of consumer goods such as household cleaners, laundry products and matches
Energy division	▪ Project development and operation of power plants with the focus on renewable energies ▪ Optimisation of the energy supply system serving Group-owned chemical facilities
Logistics division	▪ Intermodal transport – scheduled all-container trains and door-to-door deliveries ▪ Logistics services ▪ Road haulage ▪ Rail wagon leasing
Activities under development	▪ Quartzite mining and processing ▪ Services provided by a data processing centre ▪ IT and telecommunication services

› The new ethoxylation plant in Płock was commissioned on May 19, 2011 with an official inauguration ceremony.

MANAGEMENT PHILOSOPHY

Lean management structures with short decision-making paths, creativity and dynamism, together with direct access to the capital markets, provide the basis for corporate and financial independence. These virtues are both prerequisites for and the result of the business approach adopted by company founder and Chairman of the Administrative Board, Waldemar Preussner.

"As much central control as necessary, as much entrepreneurial freedom as possible." This mission statement derives from PCC SE's management philosophy and our conviction and experience that only extensive compliance with the principle of subsidiarity can promote entrepreneurial attitudes and close customer relations while also preventing suffocation by administrative structures and constraints.

The holding company provides the strategic guidance for the divisions and business units, creating or enhancing the conditions for growth and promoting synergies through appropriate investment and communication activities. PCC SE manages the subsidiaries and affiliates of the PCC Group on the basis of a rolling three-year planning horizon augmented by a continuous financial control process. Aside from risk management and investment control, the central functions of PCC SE include management development, liquidity maintenance, mergers and acquisitions, optimisation of tax and financing matters, and advice and support for companies considering special projects.

In addition to organic expansion of the business units and Group companies, the focus for the future will also be on generating major growth impetus through targeted company acquisitions and project activities. Essential criteria governing the pursuit of such measures include relevance to our core competences, the prospect of reasonable returns, risk diversification, the realisation of Group synergies based on existing companies and business units, and financial feasibility.

STRATEGIES OF THE GROUP DIVISIONS

CHEMICALS DIVISION

The strategy of our chemical production sites – under the leadership of Polish (Lower Silesia) chemicals subgroup PCC Rokita SA, our largest chemicals manufacturer – is geared to the stabilisation and expansion of our positions, some as market leader, in areas of Central Europe. We focus on selected product segments including polyols, surfactants and flame retardants. Priority is given to investments in our current sites. As much importance is attached to the modernisation of existing facilities with respect to future environmental and economic standards as to expansion through the provision of additional central production capacity.

The original core business of PCC, namely trading activities involving petrochemical and carbon-based commodities, was allocated to the Chemicals division at the beginning of 2008. One of the prime objectives of our trading business is to provide support to our production companies. We intend both to strengthen sales in the western markets and to expand trading volumes with respect to the raw materials of particular importance for our production operations, in order to achieve cost digression benefits.

The consumer goods business of PCC under the "PCC Consumer Products" subgroup is to be further expanded in the coming years. Initially a cleaning product manufacturing company was placed under the umbrella of this subgroup. Now this business segment has been augmented through the acquisition of a matches factory. Future growth of the "PCC Consumer Products" subgroup is to be driven not only through the further development of the existing product portfolio but also through acquisition of additional companies. The long-term goal is either to float this subgroup on the Warsaw Stock Exchange, GPW, or possibly to divest it through sale to a strategic investor.

PCC SE has been the majority shareholder in PCC Rokita SA since 2003. This chemicals manufacturer has, in recent years, developed into a modern chemicals concern with investments in the most advanced of production facilities.

ENERGY DIVISION

In the energy sector, we concentrate on power plant construction, with a specific focus on the development, planning, implementation and also selling-on of projects in the renewable energies field. Operating within PCC DEG Renewables GmbH, Duisburg, a joint venture with KfW subsidiary DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, PCC is developing power plants in South-East Europe on the basis of regenerative energy sources – primarily hydroelectric power and wind energy. The first PCC climate-protection project concluded in February 2009 when, as a pilot project, the Mujada small hydropower plant in Central Bosnia was linked up to the grid. Further hydroelectric power plant projects and a wind park are currently in the planning phase.

LOGISTICS DIVISION

Among our special areas of growth are the expansion in container transport and the development of a corresponding infrastructure involving materials handling terminals in Poland. The first combined transport terminal was successfully commissioned in Central Poland at the end of September 2011. PCC Intermodal S.A., Gdynia, provides container transport services within Poland and also from the major European ports of Rotterdam, Hamburg and Bremerhaven to Poland and vice versa. This market in Poland and other Eastern European countries still offers enormous scope for development. PCC is also closely monitoring developments within the Russian logistics sector. Indeed, as liberalisation of this market began to take hold in Russia, PCC SE gained a foothold there with an initial niche operation. In the coming years, we intend to further promote our goods transport railway activities in Russia through the continuous expansion of our own fleet of goods wagons.

ACTIVITIES UNDER DEVELOPMENT

Pooled under this heading are the PCC projects which are still in their developmental phase. These include activities in the fields of information technology and telecommunications, a data processing centre and operation of a quartzite quarry in Poland. A part of the quartzite mined from this opencast site is to be used eventually as a raw material for the production of silicon metal. For this purpose, PCC is planning the construction of a corresponding manufacturing facility in Iceland. ■

Following the IPO in 2009, a further tranche amounting to 10 % of the PCC SE shareholding in the combined transport company PCC Intermodal S.A. was successfully floated as a capital increase issue on the Warsaw Stock Exchange, GPW, at the end of 2011.

ANKE'S SCHEDULES STICK ...

Accuracy, punctuality and consistency. **ANKE IX (47)** treasures these virtues above all others, aiming to hit the target every time – both as a sports markswoman and as a logistics expert at PCC Intermodal S.A. Keen to ensure that everything goes to schedule, she and her colleagues keep all the logistics processes running like clockwork by paying careful attention to every load and every container. So customers can be sure that, on PCC trains, conscientiousness and reliability are always part of the cargo.

PCC INTERMODAL TRANSPORTS 90,000 CONTAINERS PER YEAR

In 2011, PCC Intermodal S.A., Gdynia, handled a transport volume of 90,000 containers – equivalent to 141,000 TEU. The company offers combined transportation services that run to a particular schedule, with around 60 container block trains operating each week.

THE STANDARD CONTAINERS

Commonly, containers conform to the 20-foot and 40-foot ISO standards, i.e. exhibit measurements equal to one or two twenty-foot equivalent units (TEU). This provides the basis for successful intermodal transport, ensuring that the containers can be readily transferred from road to rail and back again.

REACH STACKERS FOR LOADS OF UP TO 45 METRIC TONS

Container marshalling at the intermodal terminals is performed with mobile lifting appliances called reach stackers which, depending on their load capacity rating, can handle containers with weights of up to 45 metric tons, lifting and lowering them from the second row if necessary.

NEW CONTAINER TERMINAL IN CENTRAL POLAND

Commissioned in October 2011, PCC Intermodal's new terminal in Kutno (Central Poland) can handle up to 100,000 TEU per year. The terminal also has capacity in reserve, which could allow turnover to expand to up to 200,000 TEU p.a.

… SO ROLF CAN KEEP SELLING.

As a medium-sized manufacturer of plastics drums, **ROLF FRIESE (58)** deliberately avoids price wars with international competitors, relying instead on quality, service and the maximum availability of his wares. It's a business model that can only be pursued with the support of reliable partners. Consequently, Rolf puts his trust in the transport schedules of PCC Intermodal S.A. and the people responsible for them. Incidentally, these latter also organise the transfer of the containers from train to truck, so that Rolf gets the plastics granulate needed to manufacture his products delivered directly to his door.

INVESTMENTS

›

The Kutno terminal is located in Central Poland. It is the first investment project of its kind to have been undertaken by PCC Intermodal S.A. In the coming years, further terminals are to be built at major communication hubs throughout Poland.

All sensible investment opportunities have one thing in common: They offer expansibility. Hence, PCC SE is also keen to take on projects and new companies that offer growth potential, can be further developed and can thus generate an increase in enterprise value over the medium term. In fiscal 2011, PCC invested a total of € 54.3 million, of which the majority went into modernising existing facilities and the construction of new chemical plants. The capital expenditures earmarked for 2012 amount to € 60 million.

A PLATFORM FOR THE FUTURE: THE INVESTMENTS OF PCC

In fiscal 2011, PCC SE invested around € 54.3 million, thus slightly exceeding the prior-year level of € 53.2 million. These capital expenditures were predominantly on property, plant and equipment (tangible fixed assets) to the tune of around 78 %. The remaining 22 % was for the purchase of shareholdings and intangible assets.

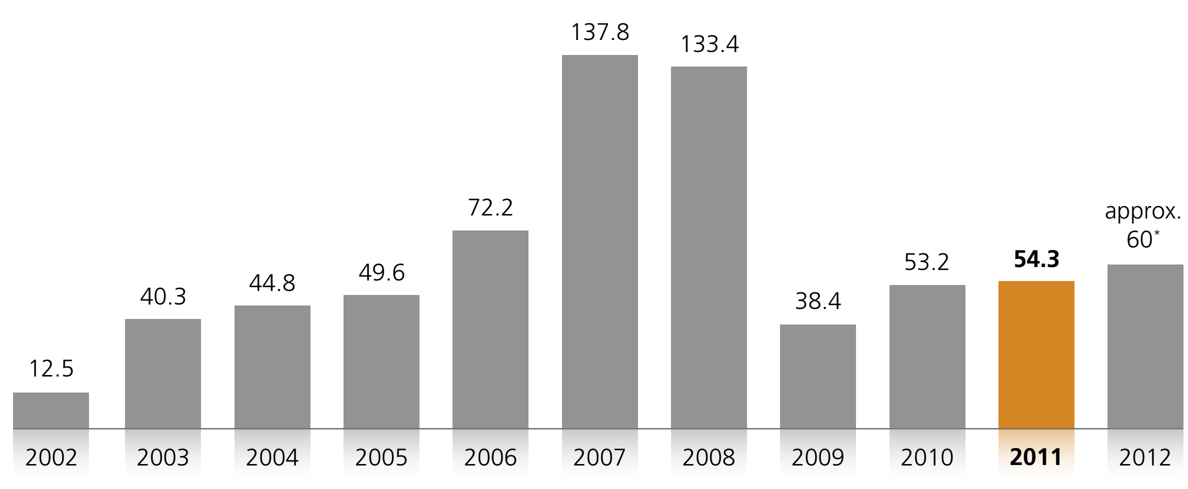
Once again, the majority of our investments went into the Chemicals division. As in the previous years, our focus was primarily on the continuous modernisation of existing production facilities while also driving forward new plant construction. The most prominent outcome of this approach in 2011 was the completion and commissioning of the new ethoxylation plant in Płock (Poland), as a result of which PCC was able to substantially extend its position as Poland's leading surfactants producer.

In addition, the Logistics division's first modern container handling terminal in Kutno, Central Poland, was inaugurated at the end of September 2011, providing a foundation for advancing dynamic growth in this business segment. This terminal alone is already able to handle 100,000 TEU per year. The second construction phase will increase this total over the medium term to 200,000 TEU.

In the Energy division, we continue to focus on the construction of our own power plants based on renewable energies, predominantly in South-East Europe, even though the difficult underlying conditions prevailing in this region give rise to persistent and recurring delays in the realisation of planned small hydropower plant projects.

In the last ten years, the accumulated investment volume of PCC has grown to € 636.5 million. Further capital expenditures of around € 60 million are planned for fiscal 2012. ■

CAPITAL EXPENDITURES OF THE PCC GROUP in € million



* Forecast

INVESTMENTS IN THE CHEMICALS DIVISION

Again in 2011, PCC invested primarily in the Chemicals division. The most important of these capital projects culminated in the commissioning of this new ethoxylation plant in spring 2011. Here we see a photo of the storage tanks and fan cooling towers undergoing construction in summer 2010.

For the first time, the focus in 2011 was not just on plant modernisation and facility expansion at our existing production sites – for with the completion and commissioning of the new ethoxylation plant in Płock, PCC has realised a greenfield project, the first of such magnitude, outside the "PCC Rokita" factory complex. However, the most important chemical production site of the PCC Group remains that of the "PCC Rokita" subgroup headquartered in Brzeg Dolny, Lower Silesia, some 40 kilometres north-west of Wrocław. Its holding company, PCC Rokita SA, was privatised in 2002, at which point PCC initially acquired 33 % of the shares made available. By increasing its shareholding to over 50 % in 2003, the PCC Group quickly became the majority shareholder of PCC Rokita SA. Since 2010, PCC SE has owned 100 % of the stock and is thus now the sole shareholder of PCC Rokita SA.

PCC EXOL S.A. COMMISSIONS NEW ETHOXYLATION PLANT

Following the successful conclusion of the commissioning phase at the end of the first quarter of 2011, PCC Group subsidiary PCC Exol S.A., Brzeg Dolny, celebrated the official opening of its new ethoxylation plant on May 19, 2011.

The facility is located in strategic proximity to the mineral oil and petrochemicals group PKN Orlen S.A. in Płock, some 100 km north-west of Warsaw, enabling location advantages to be secured for the foreseeable future. Here, PCC has on its doorstep the only ethylene oxide source east of the Rhine and west of the Urals. Ethylene oxide, together with fatty alcohols manufactured from palm oil, are the essential feedstocks for the production of surfactants such as the ethoxylates manufactured here.

The production facility in Płock is designed for an annual capacity of 30,000 metric tons of non-ionic surfactants. Surfactants are surface-active substances used as ingredients of cleaning and laundry products. Combined with the already operational ethoxylation plant on the factory site of PCC Rokita SA in Brzeg Dolny, this has increased the Group's annual capacity for ethoxylate production to a total of 65,000 metric tons. PCC is the only manufacturer of surfactants in Poland. In Brzeg Dolny, PCC also operates two further production facilities for surfactants, its sulphonation plants 1 and 2, with a capacity totalling 40,000 metric tons p.a. Here, the ethoxylates from the ethoxylation plants are converted into sulphonates (anionic surfactants), which are particularly gentle to the skin.

All our activities in the surfactants segment in Poland have been brought under the umbrella of PCC Exol S.A., enabling synergy effects to be more efficiently utilised. The medium-term plan is to float this business unit on the Warsaw Stock Exchange, GPW. The US American company PCC Chemax, Inc. of Piedmont (South Carolina) is also soon to be incorporated into this subgroup.

PHASES OF CONSTRUCTION OF THE PŁOCK ETHOXYLATION PLANT FROM 2010 TO 2011

APRIL 2010
Installation of the reactor equipment

MAY 2010
Construction of the access road with truck weighbridge

JULY 2010
Buffer tank for ethylene oxide prior to commencement of insulation work

MAY 2011
The new ethoxylation plant has an annual capacity of 30,000 metric tons of non-ionic surfactants (ethoxylates).

OCTOBER 2010
Work on the production area at Level 0

JANUARY 2011
Completion work on the mechanical equipment, and the commissioning phase

MAY 2011
Celebratory inauguration of the new ethoxylation plant

The custom pilot manufacturing plant at PCC's US subsidiary PCC Chemax, Inc. is equipped with a jacketed ribbon blender designed for the mixing of liquids to powders. Its capacity is about 60 cu. ft. (1.7 m^3) or 11 drums of finished products.

PCC CHEMAX BUILDS CUSTOM PILOT MANUFACTURING PLANT

In the USA, PCC Chemax, Inc. commissioned a new in-plant blending and filling facility at the beginning of 2011, enabling it to act independently of subsuppliers and respond more flexibly in future to customer requests. This custom pilot manufacturing plant has a footprint of more than 7,000 sq. ft. (650 m^2) and is designed to allow for further expansions in the future.

Between 2,300 and 4,600 litres of liquid products can be mixed in its jacketed tanks. In addition, a number of smaller blending tanks of different holding capacities enable quantities ranging from 20 to over 200 litres to be manufactured where smaller volumes of a product or sample batches need to be prepared. A jacketed ribbon blender is also installed for the mixing of liquids to powders. Its capacity is about 60 cu. ft. (1.7 m^3) or 11 drums of finished products. The facility has been developed for handling small to medium-sized projects.

PCC ROKITA SA FURTHER EXPANDS ITS POLYOL PRODUCTION

The Polyols business unit of PCC Rokita SA has successfully completed its transition from producer of exclusively standard polyols to manufacturer of high-grade polyols. These speciality polyols constitute the main feedstock for the manufacture of high-comfort, high-durability polyurethane foams (abbreviated as PU or PUR) for the mattress, furniture and automotive industries.

Following the construction and commissioning of the iPol polyol plant in 2010, building work on the fourth polyol production plant of PCC Rokita SA restarted in 2011 after the project had been interrupted due to the onset of the economic crisis. Commissioning of the plant designated "Polyols 4" began on March 18, 2012, and by April 2, 2012, the first product batch had already been manufactured.

The production capacity of the new plant – measured on the basis of standard polyols – is around 30,000 metric tons per year, while the total capacity of all four facilities exceeds 100,000 metric tons p.a.

The speciality polyol product portfolio includes "Rokopol iPol" polyols for the manufacture of highly resilient cold-cure foams. By the end of 2011, this raw material had been used in the production of 1 million mattress cores. In addition, speciality polyols have been developed for the manufacture of viscoelastic foams. Under the name "Rokopol vTec", these have been in production since December 2011. Thanks to our iPoltec "intelligent polyurethane" technology, the foams produced exhibit significantly reduced temperature sensitivity.

In order to further increase its already growing market share in the field of speciality polyols in the future, PCC has invested heavily in the expansion of its laboratory facilities and in new laboratory technology for the manufacture of foam specimens at the site in Brzeg Dolny.

At the same time, synergies between the different business units of PCC Rokita SA are to be harnessed for efficiency enhancement. Examples include a cooperation arrangement between the Flame Retardants department (within the Phosphorus Derivatives unit) and the Polyols unit. These two businesses are working together on new technologies while exploiting their synergies to generate further success on their global sales markets. The joint appearance of the two business units at the world's largest polyurethane trade show – the "Utech" in Maastricht (Netherlands) – in April 2012 was a successful trial run to determine how new ideas might be channelled towards satisfying customer needs.

PCC ESTABLISHES SUBGROUP FOR THE CONSUMER GOODS SECTOR

Around the middle of 2011, PCC SE established the holding company PCC Consumer Products S.A., headquartered in Warsaw, with a view to developing a subgroup of companies engaged in the manufacture of consumer goods, particularly products sold as private labels. The intention is to bring together manufacturers of consumer products under the umbrella of this Group subsidiary, creating synergy effects through the use of identical distribution channels and the pooling of marketing activities.

PCC Consumer Products made its first share purchases in August 2011 when it acquired 85 % of the shares in the Silesian matches factory Fabryka Zapałek "Czechowice" S.A., Czechowice-Dziedzice, from the Polish Treasury as part of the privatisation process. In 2011, this factory produced a total of 600 million boxes of matches for the retail sector and around 23 million boxes for advertising purposes. Its range of products also includes barbecue and home fire matches, as well as semi-finished products.

Also in August 2011, PCC Consumer Products S.A. acquired from PCC Rokita SA 100 % of the shares in Kosmet-Rokita Sp. z o.o., Brzeg Dolny, a manufacturer of household and industrial cleaners, laundry products and cosmetics. Further purchases of participating interests in companies operating in the consumer goods segment are at the planning stage. ■

INVESTMENTS IN THE LOGISTICS DIVISION

PCC INTERMODAL INAUGURATES NEW COMBINED TRANSPORT TERMINAL IN CENTRAL POLAND

On September 30, 2011, PCC Intermodal S.A. celebrated the inauguration of its container terminal in Kutno, the first modern logistics and handling centre in Central Poland.

The terminal facilitates fast and efficient processing of cargo both for east-west transportation – from Western Europe to Russia and vice versa – and for north-south transportation – from the Baltic Sea ports of Gdańsk and Gdynia to the Adriatic ports of Koper and Trieste. This investment thus not only plays a key role for PCC Intermodal S.A. but is also strategically important for the further development of intermodal transportation in Poland.

In particular, the position of Kutno in the heart of the country and at the hub of major transport arteries brings significant advantages. Within a radius of 150 to 200 km of Kutno can be found a number of important cities such as Warsaw, Łodź, Poznań and Bydgoszcz, as well as smaller towns such as Płock, Włocławek, Konin and Kalisz. In keeping with the intermodal transportation concept, i.e. the principle of utilising different transport means, the arriving loads are taken by truck from the terminal directly to the customer's front door.

The construction of the terminal in Kutno began in spring 2010. This investment project has, in fact, been divided into four construction phases, with the first having now been completed and comprising the following elements, inter alia:

- 45,000 m² of developed terminal operating area from a total available footprint of 80,000 m²
- Railway facility covering an area of 9,000 m² (including two sidings, each measuring 700 metres in length)
- Entry and exit gates with four lanes
- An office building and a social and engineering building.

The terminal is now equipped with four reach stackers with a load capacity of up to 45 metric tons. The annual handling capacity of the terminal stands at 100,000 TEU in this first construction phase, later to be expanded to more than 200,000 TEU.

CONSTRUCTION PHASES OF THE KUTNO TERMINAL FROM 2010 TO 2011

APRIL 2010
Preparatory work with, shown here, placement of the construction workers' accommodation container

JUNE 2010
Civil engineering works: Laying of the substrate for the terminal pavement

AUGUST 2010
Concreting of the terminal area

NOVEMBER 2011
The terminal is already working at full capacity with the annual handling volume at 100,000 TEU. The next construction phase is already at the planning stage with expansion to up to 200,000 TEU possible.

SEPTEMBER 2010
Laying of the drainage system

JUNE 2011
Terminal construction close to completion: Administrative building and access roads

SEPTEMBER 30, 2011
Official celebratory inauguration of the container handling terminal

PC RAIL: RAILWAY PROJECT IN RUSSIA

The Russian PCC subsidiary ZAO PCC Rail, Moscow – originally a chemical commodities, coal and iron trading company – has focused since commencement of market liberalisation on the railway goods transport sector in Russia. PCC Rail provides goods transport services with its own and, occasionally, leased wagons to a number of customers, primarily in Russia but also in other CIS states, offering all the associated support functions. It mainly transports building materials, metals and coal. Again in 2011 – as in the previous year – our main capital expenditures in this area involved the acquisition of further wagons with the aim of continuously expanding the vehicle pool. In 2011, the company operated an average of 265 wagons, transporting more than 280,000 metric tons of goods with a transport performance of some 370 million metric ton-kilometres. The company currently has around 300 wagons.

Over the medium term, the intention is to steadily increase the wagon fleet to up to 2,000 units. However, progress in this project is rather slow as the availability of wagons in a good condition at appropriate prices is very limited. In 2012, supply levels are expected to increase to relieve this shortfall, with the Russian state railway expected to release wagons for resale. ■

The Moscow transportation company ZAO PCC Rail is planning to increase its wagon fleet to up to 2,000 units. Already today – with a current pool of 300 wagons – the company is generating a profit.

INVESTMENTS IN THE ENERGY DIVISION

POWER PLANT CONSTRUCTION TO HARNESS RENEWABLE ENERGY SOURCES

Once more in 2011, PCC focused on the implementation of scheduled power plant projects in Eastern and South-East Europe. These projects are planned by PCC DEG Renewables GmbH, Duisburg, a joint venture with KfW subsidiary DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, Cologne. Within this business segment, the political, administrative and legal situation prevailing in the regions concerned constantly leads to delays. Consequently, there were no further hydroelectric power plants commissioned in 2011. As PCC's first pilot climate protection project, the Mujada small hydropower plant in Central Bosnia was linked up to the electricity grid in 2009.

Of the various power plants planned for Bosnia-Herzegovina, the Republic of Macedonia and Bulgaria, one building approval was obtained in 2011 for the project in Bulgaria, and negotiations on the construction contract are currently underway there. In Macedonia, a long-term financing agreement was completed with the EBRD (European Bank for Reconstruction and Development) in April 2011. The building work tenders were sent out in August 2011. In the meantime, the general approval process has been successfully completed for three of the four sites, with construction start-up expected in 2012. In Bosnia-Herzegovina, two court actions and underperforming approval authorities are hindering progress at the envisaged three sites. In order to finance the projects, we are currently negotiating on a portfolio approach with the EBRD which should also facilitate third-party funding of individual undertakings. ■

OTHER INVESTMENTS

PCC PLANS SILICON METAL PRODUCTION IN ICELAND

PCC SE is planning to build a modern production plant for silicon metal in Iceland. Commissioning is scheduled for 2015, with the financing package currently being put together. The investment volume for the first construction phase, creating a production capacity of 33,000 metric tons per year, lies in the region of € 130 million. Provision has been made to double capacity if the market should develop positively. The silicon metal produced in this new plant could be used, for example, as an aluminium alloying element or in the chemical industry for the production of siloxanes or silicone. The electric power for this energy-intensive production system will be generated from renewable sources such as geothermal and hydroelectric. An electricity supply contract with a local energy utility has already been agreed in the main points at competitive conditions for a period of at least 15 years.

The chosen site of Bakki near Húsavik lies on the northern coast of Iceland. On an area of 200 hectares, an industrial park is to be developed here to create further future-viable jobs to supplement those in the traditional sectors of tourism and fishing. The PCC project will directly create between 120 and 150 jobs in the form of employees needed to operate the production plant.

On October 21, 2011, a declaration of intent relating to the construction of the plant was signed together with the Húsavik district authority. The relevant approval processes were then put in train. The first stage involves obtaining an environmental approval. The corresponding environmental study was submitted by PCC SE

The deepest extraction level of the quartzite quarry of PCC Silicium S.A. in Zagórze (Poland) currently lies at 380 m above sea level. Over the medium term it is to be deepened to 340 m above sea level in order to develop the deposits located lower down.

to the relevant authority and published for comment, on November 30, 2011. A public hearing took place in Húsavik on December 13, 2011. A delegation from PCC SE travelled to the area in order to present the project to the local people. The project found a positive response among the audience of around 120 participants and particularly the local residents likely to be affected.

In the meantime, a leading German plant construction company has already been selected as the turnkey contractor.

Trials are currently being carried out in order to determine the extent to which quartzite from the quarry operated by PCC Silicium S.A. in Zagórze (Poland) can be used as raw material for the silicon metal production planned for Iceland, something that would lead to additional synergy effects becoming available.

3SERVICES FACTORY S.A. OPENS DATA CENTRE IN KATOWICE

On May 11, 2011, PCC subsidiary 3Services Factory S.A. (3SF) opened a new data centre in Katowice (Poland). This modern IT facility, a joint project between PCC SE and the Polish telecommunications company TKP S.A., is one of the largest in Poland. PCC SE has a direct shareholding of 51 % and, through its participation in TKP, owns a further approx. 21 % of the shares in 3SF.

The 3SF data centre is located in the heart of Upper Silesia close to the motorways A1 and A4. The complex with a floor space of 800 m² represents the first construction phase of an investment project which will ultimately see the data centre expanded to a total of 4,000 m² in area. The centre that has now been opened offers space for 220 server cabinets. The facility features two independent power supplies, emergency power generators and three independent fibre-optic connections. ■

In the new data centre of PCC subsidiary 3Services Factory in Katowice, 90 % of the facility floor space available has already been leased. A second construction phase is already in the planning stage.

THANKS TO MAREK, THERE ARE MANY ROUTES TO EUROPEAN CHAMPIONSHIP GLORY …

MAREK MOTYKA (61) is looking forward enormously to the 2012 European Football Championship, and especially to the matches that will be taking place in his country. As a fan of Wisła Kraków and FC Barcelona, and a fervent supporter of the Polish national team, he will be able to see many of his favourite players live and in the flesh. And Marek has also given his all in order to ensure that fans and national squads from throughout Europe can travel to their various venues in comfort. Because, with his own team behind him, this Technical Director of PCC Silicium S.A. delivered around 1.7 million metric tons of quartzite from a quarry in 2011 – urgently needed aggregate used as backfill for the expansion of Poland's road network.

1.7 MILLION METRIC TONS OF QUARTZITE

That is the quantity produced by PCC Silicium S.A. from its quarry in Zagórze (Poland) in fiscal 2011. The quality of this quartzite is currently being extensively analysed. The plan is to use a part of the material mined here for silicon metal production.

INVESTMENT IN MINING TECHNOLOGY

In addition to a new crushing and screening plant, there are various excavators involved in quartzite mining at the quarry in Zagórze.

QUARTZITE AS A BASIS FOR METALLURGICAL PROCESSES

One extensive investigative trial has already been completed in order to examine the suitability of the quartzite produced by PCC Silicium for high-grade metallurgical processes, with the aggregate being optically sorted following selection and high-pressure cleaning.

QUARTZITE – THE IDEAL BACKFILL

The quartzite mined by PCC Silicium is predominantly used for road construction. As a backfill aggregate, it produces a solid substrate on which the asphalt can be laid. And the same quartzite is also used for the construction of railway lines.

... WHICH CERTAINLY IMPRESSES ULF.

ULF RUGE (35) and his fellow football fans are going to the 2012 European Football Championship to see their team play live. The friends are travelling to Poland in an ageing van. Thankfully, however, they are benefiting from a network of new Polish roads and motorways – all built just in time for the football championship thanks in part to the high volumes of quartzite delivered by PCC Silicium S.A. The modern road pavements that have resulted ensure that Ulf's crew and many other fans will have a smooth journey, with their shock absorbers intact, ready to enjoy some great games and Poland's legendary hospitality.

STRUCTURES AND SYNERGIES

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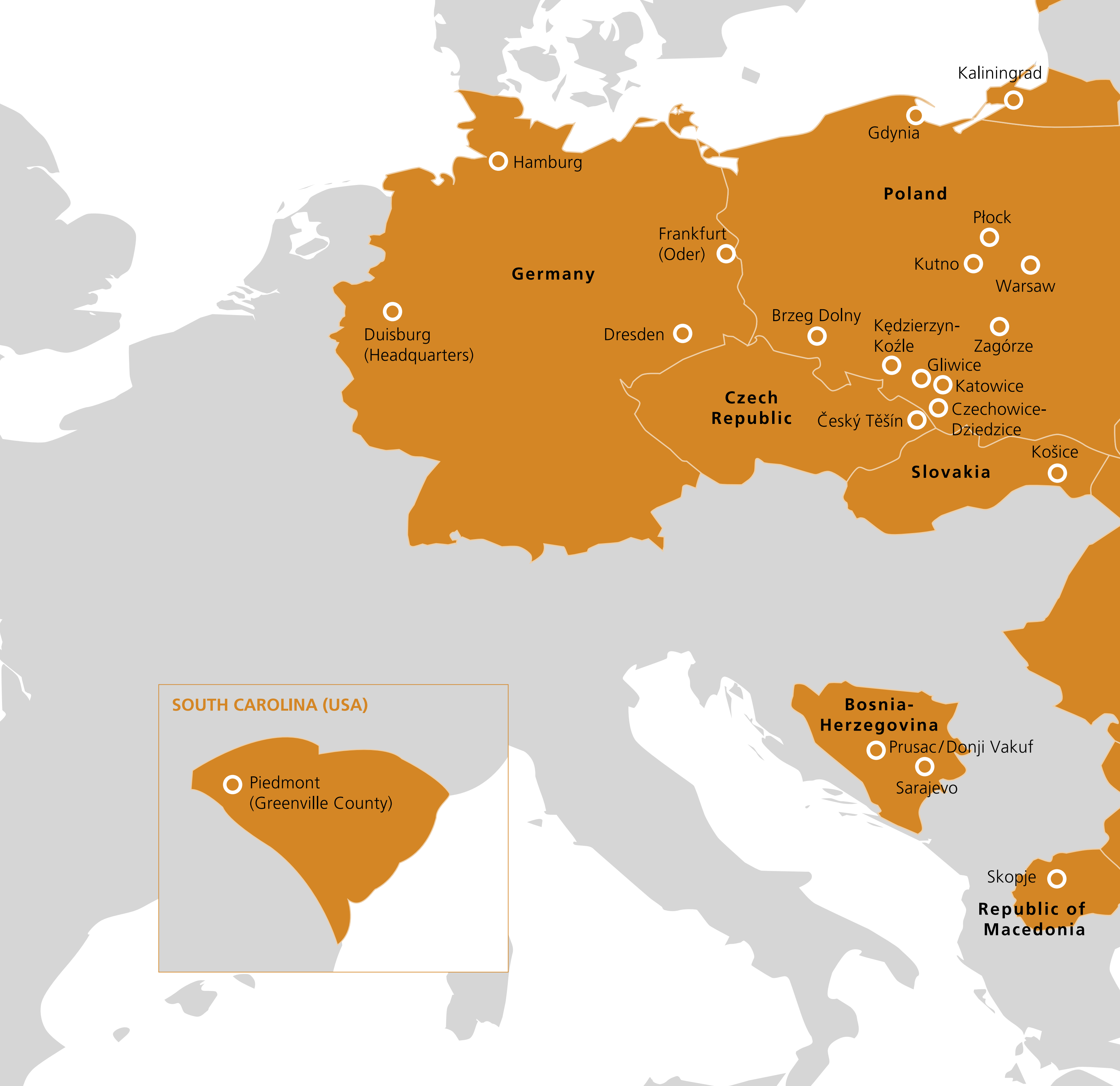
Various grades of mineral are found at the PCC Silicium quartzite quarry. Generally, the range of applications for the quartzite mined extends from backfill material to further processing, e.g. in the production of silicon metal.

It is always the interrelated properties and those which ideally complement one another that generate real synergy effects, exceeding the sum of the simple whole. Hence, the Chemicals division of PCC comprises both production companies and trading houses. In the Logistics division, our new intermodal terminal in Kutno, Central Poland, is achieving excellent capacity utilisation levels by virtue of the fact that it operates as a cargo transit hub serving both the east-west and the north-south axes. And in the Energy division, we are planning and developing green power plants with the purpose of generating both economic and ecological benefit.

LOCATIONS OF THE PCC GROUP

The PCC Group is represented by its subsidiaries, affiliates and shareholdings in 13 countries around the world. The majority of its sites are located in Europe. The Group headquarters of PCC SE are in Duisburg, Germany. With PCC Chemax, Inc., whose product portfolio complements that of the "PCC Rokita" subgroup, PCC is also represented in the USA.




Russia
Latvia
Moscow
Lviv
Ukraine
Romania
Râmnicu Vâlcea
Sofia
Bulgaria
Turkey
Istanbul

ORGANISATION OF THE PCC GROUP

The PCC Group comprises a total of around 70 subsidiaries and affiliates. The main fully consolidated companies of the individual divisions (as of December 31, 2011) are shown on this double-page spread. A detailed list of the various shareholdings can be found under Note (33) in the consolidated financial statements at the back of this report.

PCC SE

CHEMICALS DIVISION

PRODUCTION COMPANIES

- PCC ROKITA (PL)
  - PCC Exol (PL)
  - TENSIS (PL)
  - EKO LOGISTYKA (PL)
  - LabMatic (PL)
  - APAKOR-ROKITA (PL)
- PCC Synteza S.A. (PL)
- PCC CHEMAX (USA)
- PCC Prodex (PL)
- PCC Consumer Products (PL)
  - KOSMET ROKITA (PL)
  - Fabryka Zapałek Czechowice S.A. (PL)

TRADING COMPANIES

- PCC Petro Carbo Chem GmbH (D)
- PCC MORAVA-CHEM (CZ)

PCC SE

ENERGY DIVISION

- PCC Energetyka Blachownia* (PL)
- PCC Energy Trading (D)
- PCC DEG Renewables (D)
- GRID BH (BIH)

LOGISTICS DIVISION

- PCC Intermodal (PL)
- PCC Autochem (PL)
- PCC RAIL (RUS)

OTHER SHAREHOLDINGS

- PCC Silicium (PL)
- PCT Polskie Centrum Teleinformatyki (PL)
- 3services factory (PL)
- PCC Capital (D)

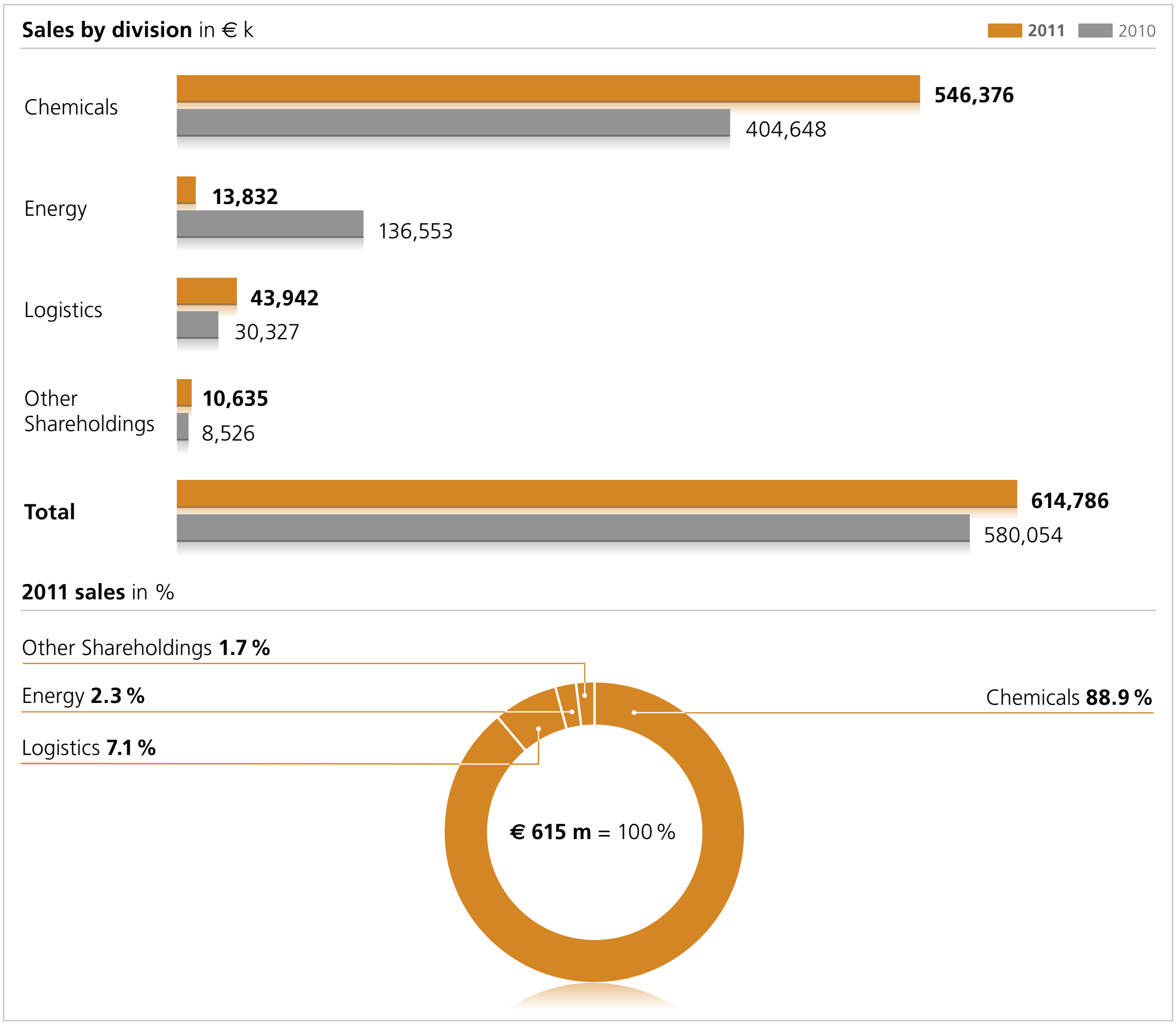
* Formerly Zakład Energetyki-Blachownia Sp. z o.o.

STRUCTURES AND SYNERGIES

THE GROUP DIVISIONS OF PCC

Total consolidated sales in fiscal 2011 amounted to € 614.8 million (2010: € 580.1 million). With sales of € 546.4 million (2010: € 404.6 million), the Chemicals division was once again the main revenue generator of the PCC Group. As a result of the divestment of the energy utility PCC Energie GmbH at the turn of 2010/2011, the share of total sales attributable to the Chemicals division rose further, from 69.8 % in 2010 to 88.9 % in 2011. Moreover, this divestment changed the ranking of the other divisions in 2011. The Chemicals division is now followed by the Logistics division with € 43.9 million (2010: € 30.3 million), ahead of the Energy division with € 13.8 million (2010: € 136.6 million). Other Shareholdings contributed € 10.6 million (2010: € 8.5 million) to total consolidated sales.

The most important sales markets of the PCC Group remain Germany and Poland. Due to the strong regional PCC presence in the chemical industry and in the logistics services sector, Poland has now become the most important national market of the Group. ■



CHEMICALS DIVISION

Chemicals division	2011	2010
Divisional sales in € million	**546.4**	404.6
Number of employees (average for the year)	**1,728**	1,521

As a chemicals manufacturer in selected product segments – polyols, chlorine, surfactants and phosphorus derivatives – PCC is, in certain areas, already a market leader in Central Europe.

Our most important production site is located in the Lower Silesia region in the south-west of Poland, and more specifically in Brzeg Dolny near Wrocław, and counts among the largest chemical works in the country. Here, the "PCC Rokita" subgroup, led by PCC Rokita SA, produces in particular polyether polyols which are in demand for the manufacture of polyurethane foams in the mattress, furniture and automotive industries. PCC Rokita is the only producer in Poland of these speciality polyols.

Nonylphenol and dodecylphenol are manufactured at the production site of PCC Synteza S.A. in Kędzierzyn-Koźle near Gliwice. And located overseas in Piedmont, in the US state of South Carolina, PCC Chemax, Inc. develops and markets speciality surfactants.

In the field of consumer goods production, now under the umbrella of PCC Consumer Products S.A., household and industrial cleaners, laundry care products and cosmetics are currently being manufactured by Kosmet-Rokita Sp. z o.o., Brzeg Dolny. In Czechowice-Dziedzice, the matches factory "Czechowice" S.A. – newly acquired by PCC – manufactures standard matches and also bespoke speciality products.

The products of the main segments of the PCC Group are summarised on the following pages.

This custom pilot manufacturing plant of PCC Chemax, Inc. covers an area of more than 7,000 sq. ft. (650 m²), with an expansion option also available. The plant is engineered to meet the needs of a lab to pilot production scale-up.

POLYOLS – manufactured by PCC Rokita SA:

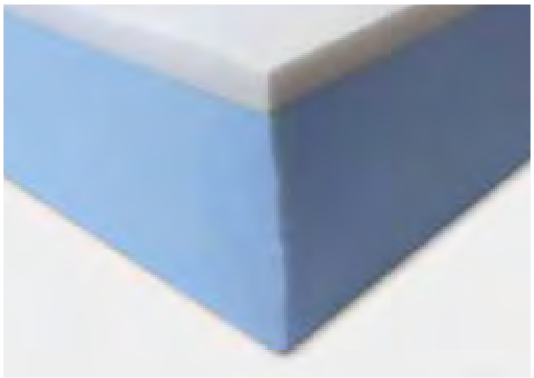
Main products: Polyols – raw materials for the polyurethane industry:

- **Rokopol® brand polyols** for the manufacture of flexible foams, utilised primarily in the furniture segment (mattresses, upholstery, seating furniture) and the automotive industry, and for the production of foam sheeting, self-adhesive laminates, acoustic insulation, filter materials etc.

- **Rokopol® speciality polyols using innovative iPoltec technology** developed to create end products offering special properties such as freedom from odour, extended durability and exceptionally high resilience:
  - **"Rokopol iPol®" polyols** for the manufacture of highly flexible speciality foams for the furniture, mattress and automotive industries
  - **"Rokopol® vTec" polyols** for the manufacture of viscoelastic foams for the furniture and mattress industries

- **Rokopol® polyols** for the manufacture of rigid foams for use as energy and acoustic insulation materials in various building applications, for example outer wall insulation, laminated composites, two-pack products for door and window frames

- **Other Rokopol® products** for use in adhesives, paints and coatings, polyurethane elastomers for flooring applications, as sealants and components for compressor lubricants and hydraulic fluids



Polyols: Main component of PUR foams

CHLORINE PRODUCTS – manufactured by PCC Rokita SA:

Main products: Chlorine, chlorine compounds, alkaline solutions

- Liquid chlorine: For use in the chemical industry for chlorination, in the pulp and paper industry as a bleaching agent, and for water treatment

- Caustic soda, also known as sodium hydroxide: Widely used in the chemical, paper, household chemicals and textile industries; for example, as a degreasing agent in metallurgy, and as a rinsing agent for bottles and apparatus in the food industry

- Chlorobenzenes: Solvents, starting materials for chemical synthesis applications and for pesticides

Liquid chlorine for water treatment

SURFACTANTS – manufactured by PCC Exol S.A.:

Main products: Surfactants (surface-active substances) for the household chemicals and cosmetics industries

- Non-ionic surfactants: Manufactured on the basis of nonylphenol, alcohols and fatty acids; used in the production of various laundry and cleaning detergents and a range of special products
- Anionic surfactants: Based on alkylbenzenes and ethoxylated fatty alcohols; used in the production of laundry detergent powders and liquid detergents, liquid soaps and shampoos

Surfactants as the cleaning “actives” in handwash and shower gels

ALKYLPHENOLS – manufactured by PCC Synteza S.A.:

Main products: Nonylphenol and dodecylphenol

- Nonylphenol: Used in the manufacture of surfactants for industrial cleaning solutions, for filling inkjet printer cartridges, for paper coating and as a rubber additive
- Dodecylphenol: Additive for hydraulic oils and lubricating greases

Nonylphenol for filling ink jet printer cartridges

PHOSPHORUS AND NAPHTHALENE DERIVATIVES – manufactured by PCC Rokita SA:

Main products: Phosphorus derivatives and naphthalene derivatives

- Phosphorous-based plasticisers, stabilisers, flame retardants for use in the plastics, paints and coatings industries
- Inorganic phosphorus compounds: Intermediary products for use in chemical synthesis applications (e.g. in the pharmaceutical industry and agrochemicals manufacturing)
- Naphthalene sulphonates: Construction-related chemicals such as concrete additives, admixtures for the manufacture of plasterboard

Naphthalene derivates as concrete additives

EU STANDARDS AND ENVIRONMENTAL PROTECTION AT PCC ROKITA SA

PCC Rokita SA is certified to the following standards or participates in the following programmes:

- IPPC – Integrated Pollution Prevention and Control – integrated approvals since 2007

Integrated Pollution Prevention and Control

- EN ISO 9001 – European Quality Management Standard – certification since 2000
- EN ISO 14001 – European Environmental Management Standard – certification since 2001
- Responsible Care – member since 1999

The main companies of the Chemicals division and their fields of activity as of December 31, 2011 read as follows:

Production Companies

PCC ROKITA	**"PCC Rokita" subgroup,** Brzeg Dolny (Poland)
Holding company	PCC Rokita SA, Brzeg Dolny
Sales contribution 2011	€ 287.9 million (previous year: € 255.1 million)
Employees 2011 (annual average)	1,289 (previous year: 1,335)
Year established or incorporated within the PCC Group	▪ Incorporated within the PCC Group in 2002 ▪ Majority holding since 2003 ▪ Since April 2010, wholly owned by PCC SE
Business activities	Production of polyols, chlorine (chlorine compounds, alkaline solutions), surfactants, phosphorus and naphthalene derivatives
Major subsidiaries	Brzeg Dolny site (Poland): ▪ Tensis Sp. z o.o., manufacturer of chemical blends ▪ PCC Exol S.A., operator of the new ethoxylation plant in Płock (carved out of the "PCC Rokita" subgroup in April 2012, and since that time direct subsidiary of PCC SE) ▪ Ekologistyka Sp. z o.o., in-company service-provider for waste disposal and recycling ▪ LabMatic Sp. z o.o., in-company service-provider for plant and equipment maintenance ▪ Apakor-Rokita Sp. z o.o., in-company apparatus and vessel fabricator, service-provider for the construction and repair of apparatus and vessels of steel, non-ferrous metal and plastics
Further information	PCC Rokita SA counts among Poland's biggest chemical plants and is the largest chemicals producer in Lower Silesia. PCC Rokita is the only manufacturer of polyether polyols, surfactants and monochlorobenzene (MCB) in Poland.

Synteza S.A.	**PCC Synteza S.A.,** Kędzierzyn-Koźle (Poland)
Sales contribution 2011	€ 40.3 million (previous year: € 27.2 million)
Employees 2011 (annual average)	80 (previous year: 85)
Year established or incorporated within the PCC Group	Incorporated in the PCC Group in 1998
Business activities	Chemical production with the emphasis on nonylphenol and dodecylphenol (alkylphenols)

CHEMAX	**PCC Chemax, Inc.,** Piedmont, Greenville County, South Carolina (USA)
Sales contribution 2011	€ 17.4 million (previous year: € 17.3 million)
Employees 2011 (annual average)	36 (previous year: 30)
Year established or incorporated within the PCC Group	Incorporated in the PCC Group in 2006
Business activities	Development and marketing of speciality chemicals (surfactants) for surface treatment
Further information	PCC Chemax is PCC's first overseas acquisition.

Prodex	**PCC Prodex Sp. z o.o.** (formerly PRODEX-SYSTEM Sp. z o.o.), Warsaw (Poland)
Sales contribution 2011	€ 7.5 million
Employees 2011 (annual average)	24
Year established or incorporated within the PCC Group	Incorporated in the PCC Group in 2010
Business activities	Development and marketing of polyurethane systems

Consumer Products	**"PCC Consumer Products" subgroup,** Warsaw (Poland)
Holding company	PCC Consumer Products S.A., Warsaw
Sales contribution 2011	€ 10.9 million
Employees 2011 (annual average)	229
Year established or incorporated within the PCC Group	Established in 2011
Business activities	The new subgroup is active in the consumer goods segment; the plan is to continuously expand this business, particularly through the acquisition of further companies and shareholdings.
Subsidiaries	▪ Kosmet-Rokita Sp. z o.o., Brzeg Dolny, producer of cleaning and laundry detergent products and also cosmetics ▪ Fabryka Zapałek "Czechowice" S.A., Czechowice-Dziedzice (Poland), matches factory

Trading Companies

PCC Petro Carbo Chem GmbH	**Petro Carbo Chem GmbH,** Duisburg (Germany)
Sales contribution 2011	€ 176.3 million (previous year: € 130.3 million)
Employees 2011 (annual average)	46 (previous year: 45)
Year established or incorporated within the PCC Group	Established in 1993
Business activities	▪ Trading with solid fuels, primarily coke breeze, coke fines and small-nut anthracite ▪ Trading with chemical commodities, primarily coking plant by-products such as crude tar and crude benzene, pure benzene, phenols, toluene, adipic acid and bisphenol-A
Major subsidiary	ZAO Novobalt Terminal, Kaliningrad (Russia)
Further information	Founding company of the PCC Group from which the PCC SE of today was originally carved out in 1998.

PCC MORAVA-CHEM	**PCC Morava-Chem s.r.o.,** Český Těšín (Czech Republic)
Sales contribution 2011	€ 40.5 million (previous year: € 28.3 million)
Employees 2011 (annual average)	19 (previous year: 20)
Year established or incorporated within the PCC Group	Incorporated within the PCC Group in 1994
Business activities	Specialises in trading with chemical commodities, coal and coke, and also casting plant/foundry raw materials and products; railway and intermodal transportation services also part of the portfolio.

ENERGY DIVISION

Energy division	2011	2010
Divisional sales in € million	**13.8**	136.6
Number of employees (average for the year)	**121**	242

Having completed its investment portfolio optimisation and business realignment processes, the Energy division's focus is on the development of power plant projects. Following the divestment of the energy supply utility PCC Energie GmbH through its sale to the Spanish company Nexus Energía at the turn of 2010/2011, PCC has exited completely from the German power supply segment.

Within the division's power plant business, attention centres on the identification of greenfield projects and the acquisition of projects in various stages of implementation. The aim is to create value for the PCC Group by investing in and developing such projects and the subsequent operation of the facilities concerned over many years. The project portfolio currently comprises industrial CHP (cogeneration) plants, wind farms and small hydropower plants. The latter two categories are managed in a joint venture with DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, a member of the KfW group. There are currently several power plant projects in Poland and in East and South-East Europe in the planning, developmental or construction phase. Two power plants have so far come on stream:

- November 2008: Commissioning of the new cogeneration plant EC-3, a modern CHP facility (installed capacity: 70 MW thermal, 15 MW electric) at the factory site of PCC Rokita SA in Brzeg Dolny
- February 2009: Commissioning of the Mujada small hydropower plant, a pilot project in Donji Vakuf, Central Bosnia: installed capacity 1.15 MW, generation of around 6.6 million kWh of electricity per year

A further business area of the Energy division supplementing the other activities is that of optimising the energy supply to Group-owned chemical plants and affiliate facilities.

The main companies that make up the Energy division as of December 31, 2011 and their fields of activity are indicated overleaf.

Energetyka Blachownia	**PCC Energetyka Blachownia Sp. z o.o.** (formerly ZAKŁAD Energetyki – Blachownia Sp. z o.o., abbreviated: ZE-Blachownia), Kędzierzyn-Koźle (Poland)
Sales contribution 2011	€ 11.6 million (previous year: € 10.7 million)
Employees 2011 (annual average)	115 (previous year: 124)
Year established or incorporated within the PCC Group	Incorporated within the PCC Group in 2006
Business activities	Trading and distribution of electricity, thermal energy and coke-oven gas, and the generation and supply of compressed air, industrial water, demineralised water and sanitary water. Further important business segments include sewage and waste treatment.

Energy Trading	**PCC Energy Trading GmbH,** Duisburg (Germany)
Sales contribution 2011	€ 2.3 million (previous year: € 9.1 million)
Employees 2011 (annual average)	– (as in previous year)
Year established or incorporated within the PCC Group	Established in 2008
Business activities	Energy trading and trading with emission allowances

PCC DEG Renewables	**PCC DEG Renewables GmbH,** Duisburg (Germany)
Sales contribution 2011	– (as in previous year)
Employees 2011 (annual average)	15 including employees of the subsidiaries listed below (previous year: 9)
Year established or incorporated within the PCC Group	Established in 2008
Business activities	Holding company for operations aligned to the utilisation of renewable energy sources; business activities include the acquisition, financing, direct ownership and management of shareholdings and/or companies.
Subsidiaries	▪ GRID BH d.o.o., Sarajevo (Bosnia-Herzegovina), see following entry ▪ NOVI ENERGII OOD, Sofia (Bulgaria) ▪ PCC Izvorsko EOOD, Sofia (Bulgaria) ▪ PCC HYDRO DOOEL Skopje, Skopje (Macedonia)
Further information	Joint venture between KfW banking group subsidiary DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH and PCC SE, in which PCC SE holds 60 % and DEG 40 % of the shares.

	GRID BH d.o.o., Sarajevo (Bosnia-Herzegovina)
Sales contribution 2011	€ 0.3 million (previous year: € 0.4 million)
Employees 2011 (annual average)	4 (as in previous year)
Year established or incorporated within the PCC Group	Incorporated within the PCC Group in 2006
Business activities	Since February 2009, this project company has been operating the Mujada small hydropower plant in Bosnia-Herzegovina, the first climate-protection project of PCC.
Further information	In April 2010, PCC DEG Renewables GmbH increased its shareholding in this company to 85.62 %.

LOGISTICS DIVISION

Logistics division	**2011**	2010
Divisional sales in € million	**43.9**	30.3
Number of employees (average for the year)	**249**	189

Over the years, the Logistics division has undergone considerable change. Since the middle of 2009 and following the sale of the "PCC Logistics" group of companies, which accounted for the majority of PCC's railway activities in Poland at the time, the Logistics division has mainly comprised the businesses of intermodal transportation/container transport, logistics services, road haulage and rail wagon leasing.

Again in 2011, the primary revenue generator in the division was PCC Intermodal S.A., Gdynia, which counts among Poland's leading providers of container transport services (combined transportation). The operating schedule of PCC Intermodal currently offers more than 60 rail connections per week, served by scheduled container block trains. In the so-called intermodal transportation of goods and containers, more than one vehicle/transportation means is utilised, with the last leg of the journey to the customer being performed locally by truck, for example.

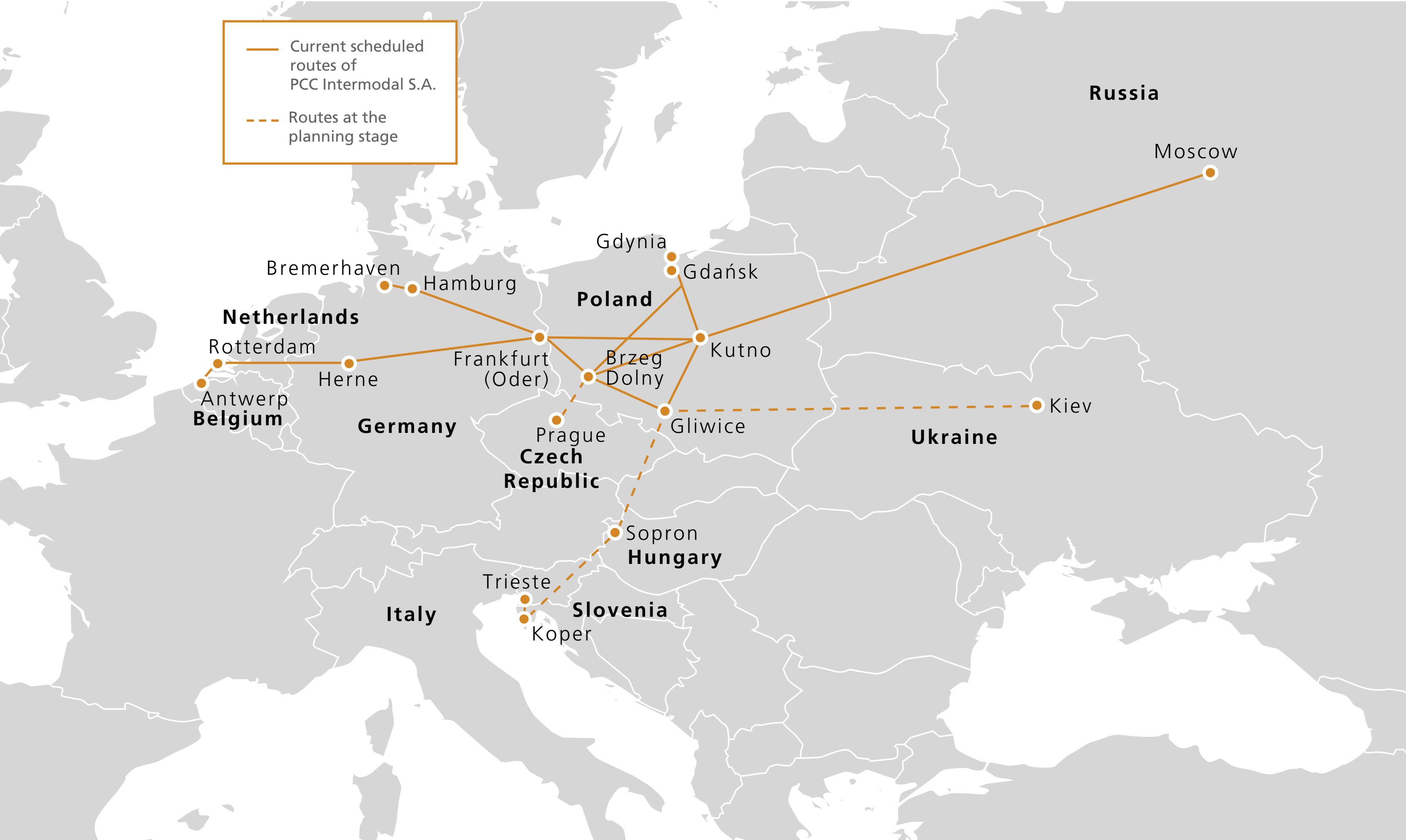
In 2011, PCC Intermodal S.A. transported around 90,000 containers or 141,000 TEU on rail links between the Polish inland terminals and the seaports of Poland, Germany and the Netherlands.

The network of routes operated by PCC Intermodal has been continuously expanded – currently, the company offers links between the inland terminals at Gliwice, Brzeg Dolny, Kutno and Frankfurt (Oder) and the seaports of Gdańsk, Gdynia, Hamburg, Bremerhaven and Rotterdam. With the commissioning of the new Kutno terminal in Central Poland, the network has now been extended towards the east through to Moscow. The first container block train travelled to the Russian capital in December 2011. In addition, the terminal means that new scheduled rail journeys can also be made to Southern Europe – via Sopron (Hungary) through to the Adriatic ports of Koper (Slovenia) and Trieste (Italy).

The capital expenditure programme of PCC Intermodal S.A. supports the construction and commissioning of several modern combined transport terminals at the intersections of major routes throughout Poland. In Germany, PCC Intermodal has been operating the container handling terminal in Frankfurt (Oder) since April 2012.

The Russian transportation company ZAO PCC Rail, which is active in the field of goods wagon leasing on broad-gauge railways in Russia, and the Polish forwarding company PCC Autochem Sp. z o.o., active in the road haulage segment with its own fleet of road tankers, also belong to the Logistics division.

NETWORK OF ROUTES FOR CONTAINER BLOCK TRAINS OPERATED BY PCC INTERMODAL S.A.



The main companies of the Logistics division as of December 31, 2011, and their activities are indicated below:

	PCC Intermodal S.A., Gdynia (Poland)
Sales contribution 2011	€ 40.1 million (previous year: € 29.8 million)
Employees 2011 (annual average)	154 (previous year: 121)
Year established or incorporated within the PCC Group	Established in 2005
Business activities	▪ Intermodal container transport ▪ Door-to-door deliveries ▪ Cargo handling and storage services ▪ Overseas transportation of goods In 2011, PCC Intermodal S.A. handled over 90,000 containers, corresponding to almost 141,000 TEU (Twenty-foot Equivalent Unit, standard unit of container measurement). PCC Intermodal operates a schedule of container block trains based on 60 railway connections per week.
Further information	PCC Intermodal S.A. was the first company of the PCC Group to implement an IPO, placing 10 % of its shares on the Warsaw Stock Exchange, GPW, on December 18, 2009. A further capital increase share issue was successfully placed in a second tranche floated on the stock exchange in 2011.

	PCC Autochem Sp. z o.o., Brzeg Dolny (Poland)
Sales contribution 2011	€ 6.7 million (previous year: € 5.3 million)
Employees 2011 (annual average)	71 (previous year: 68)
Year established or incorporated within the PCC Group	Incorporated within the PCC Group in 2002; majority holding since 2003
Business activities	Road haulage and forwarding services; vehicle fleet includes around 50 company-owned road tankers; specialises in the transportation of hazardous materials and particularly the carriage of liquid chemicals; has a modern tank cleaning installation for road tankers and tank containers.

	ZAO PCC Rail (formerly ZAO Petro Carbo Chem), Moscow (Russia)
Sales contribution 2011	€ 4.5 million
Employees 2011 (annual average)	24
Year established or incorporated within the PCC Group	Established in 1994
Business activities	Goods wagon leasing, particularly on the Russian transport market, but also in the adjoining CIS states. The vehicle pool currently comprises around 300 wagons.

OTHER SHAREHOLDINGS

Other Shareholdings	**2011**	2010
Divisional sales in € million	**10.6**	8.5
Number of employees (average for the year)	**214**	222

The Other Shareholdings comprise subsidiaries and affiliates from a wide range of segments encompassing quartzite mining, factoring and information technology & telecommunications, including our own data processing centre.

The main sales generator in this division is PCC Silicium S.A. with its quartzite quarry and the associated processing plant. The mined quartzite continues to be used primarily for the construction of roads and railways. Since 2011 and through the turn of the year, PCC Silicium S.A. has been able to benefit particularly from the expansion of infrastructure that has taken place in the run-up to the 2012 European Football Championship in Poland.

Under the Other Shareholdings division, PCC Silicium S.A. with its quartzite quarry and processing plant plays an important role. It contributed € 9.6 million to Group sales in 2011.

PCC Silicium	**PCC Silicium S.A.** (formerly: KiZWK "Bukowa Góra" S.A.), Zagórze (Poland)
Sales contribution 2011	€ 9.6 million (previous year: € 7.3 million)
Employees 2011 (annual average)	117 (previous year: 136)
Year established or incorporated within the PCC Group	Majority holding since September 2009
Business activities	The company operates a quartzite quarry and the associated quartzite processing plant. The quartzite mined from this quarry is currently used primarily as road construction material and for the production of ferrosilicon. The long-term objective is to use a portion of the quartzite for the production of silicon metal for the chemical and aluminium industries.

PCT Polskie Centrum Teleinformatyki	**Polskie Centrum Teleinformatyki S.A.** (abbreviated: PCT S.A.), Brzeg Dolny (Poland)
Sales contribution 2011	€ 2.2 million (previous year: € 2.3 million)
Employees 2011 (annual average)	28 (previous year: 29)
Year established or incorporated within the PCC Group	Incorporated within the PCC Group in 2002; majority holding since 2003
Business activities	IT & telecommunication services, particularly for the Polish companies of the PCC Group.

3services factory	**3Services Factory S.A.** (abbreviated: 3SF), Katowice (Poland)
Sales contribution 2011	€ 0.3 million
Employees 2011 (annual average)	16
Year established or incorporated within the PCC Group	Established in 2011
Business activities	Operation of a modern data processing centre in Upper Silesia
Further information	PCC SE directly holds 51 % of the shares in 3SF and a further approx. 21 % through its participation in the other shareholder, TKP.

PCC Capital	**PCC Capital GmbH,** Duisburg (Germany)
Sales contribution 2011	€ 0.6 million (previous year: € 1.4 million)
Employees 2011 (annual average)	3 (as in the previous year)
Year established or incorporated within the PCC Group	Established in 2005
Business activities	Factoring for the companies of the PCC Group and third-party clients
Subsidiary	Drefakt GmbH, Dresden (Germany)

NATALIA TAKES A KEEN INTEREST IN DIRT ...

While at primary school, **NATALIA PŁOWIEC (27)** learned that the world was made up of the tiniest of particles, and that was enough to kindle a burning interest in the elements. During her chemistry degree, her curiosity was taken to far greater depths, developing into a passion for chemical engineering. Today, Natalia is a Senior Development Specialist at PCC subsidiary Kosmet-Rokita, responsible among other things for liquid detergents, handwash and shower gels and stain removers, all of which, with their surfactants, help get rid of dirt of all kinds.

HOUSEHOLD CLEANERS, LAUNDRY DETERGENTS AND COSMETICS FROM KOSMET-ROKITA

Since 2011, Kosmet-Rokita Sp. z o.o. (Brzeg Dolny) has been part of the new "PCC Consumer Products" subgroup of PCC. Previously, the company was part of the "PCC Rokita" subgroup. Kosmet-Rokita counts among Poland's leading private label manufacturers in the field of household cleaners, laundry detergents and cosmetics.

ON THE WAY TO EUROPE

The product portfolio of Kosmet-Rokita not only includes its own brands such as "Brilless professional" and "Shimm"; the company also produces private label products under the proprietary brands of retail chains. Kosmet-Rokita likewise manufactures industrial cleaners for professional applications. For years, the company has pursued a successful policy of expansion within the European market.

ACTIVE-INGREDIENT PRODUCTION AT PCC EXOL S.A.

Surfactants – the surface-active washing substances used in household cleaners and laundry detergents – are manufactured by the sister company PCC Exol S.A. It produces both highly effective non-ionic surfactants (ethoxylates) and dermatologically compatible anionic surfactants (sulphonates).

EMPLOYING ADVANCED TECHNOLOGIES

"Brilless professional", the liquid cleaner for plastics surfaces, is based on one of the newest developments to come to light in recent years, namely nanotechnology. Small particles (in the nanometre size range) form an invisible protective layer on the cleaned surface – whether smooth or rough – which protects it from dirt, dust and residues. Kosmet-Rokita is committed to the further development not only of nanotechnology but also of other advanced technologies.

… AND ANNA KNOWS HOW TO GET RID OF IT.

Grass, bicycle chain oil, ballpoint pen ink. **ANNA DRĘŹEK (53)** has raised five children and – according to her husband – knows everything there is to know about dirt and stains. In earlier times, these were removed using remedies learned at grandma's knee. Today, Anna would not be without her more modern mother's little helpers. These include proven cleaning products from PCC subsidiary Kosmet-Rokita – guarantors of cleanliness and hygiene on which she knows she can rely.

GROUP MANAGEMENT REPORT

›
The plant shown here for the production of "Rokopol iPol®" polyols was commissioned in 2010. By the end of 2011, one million mattress cores had already been manufactured with these speciality polyols, with our iPoltec® technology being deployed for foams designed to offer enhanced comfort.

Fiscal 2011 saw us increase consolidated sales by around 6 % to € 615 million. This was achieved despite our exit from the German electricity and gas consumer business, which brought with it a decrease in revenues of € 125 million. Earnings before taxes came in at € 14 million. We primarily have the huge efforts of our employees to thank for the successful completion of this turnaround. The Group is steadily and progressively developing to the benefit of our investors and in line with our strategic realignment towards proactive asset management. Looking forward, the PCC Group intends to continue operating on the basis of its three main segments: Chemicals, Energy and Logistics.

CORE BUSINESS ACTIVITIES

In fiscal 2011, the organisational structure of the PCC Group remained unchanged and therefore continued to comprise the following four divisions:

- Chemicals
- Energy
- Logistics
- Other Shareholdings

Consolidated Group sales across all the divisions amounted to € 614.8 million for the 2011 financial year. Compared to the corresponding prior-year figure of € 580.1 million, this represents a rise of around 6 %. After adjusting the prior-year sales figure for the 2010 revenues of PCC Energie GmbH, which left the scope of consolidation of PCC SE effective January 1, 2011 as a result of its sale to the Spanish investor Nexus Energía S.A., the rise in sales was significantly larger: consolidated sales for 2010 adjusted for the revenues of this former affiliated company amounted to € 455 million. Consequently, the rise in sales for 2011 compared to the previous year was actually 35 %. The main cause for this development was the consistently positive economic climate which prevailed in 2011, combined with an initial further increase in prices. As a result, the affiliated companies of the PCC Group were able to realise higher revenues than in the previous year.

The sale of PCC Energie GmbH marked a continuation of the strategic realignment of the PCC Group following the divestment of the Pesticides business of PCC Rokita SA, Brzeg Dolny, in fiscal 2008, and the sale of "PCC Logistics" in 2009. Going forward, the PCC Group intends to place an ever stronger focus on the proactive management of its investment portfolio. Combined with the examination of further new acquisitions with the aim of competence-related diversification into new market segments, this forms the core of our Group policy.

Business performance in the individual divisions in fiscal 2011 was encouraging, with all core segments – Chemicals, Energy and Logistics – ending the year in profit. The Chemicals division – supported by PCC Rokita SA, Brzeg Dolny, and the trading company Petro Carbo Chem GmbH, Duisburg – once again filled the role as the main revenue and also the primary earnings generator. And it appears that this will remain the case in fiscal 2012.

The performance of the individual Group divisions can be summarised as follows:

CHEMICALS:

The Chemicals division comprises the following production and commodity trading companies*:

Production companies:

- "PCC Rokita" subgroup under the management of PCC Rokita SA, Brzeg Dolny (Poland)
- PCC Synteza S.A., Kędzierzyn-Koźle (Poland)
- PCC Prodex Sp. z o.o., Warsaw (Poland)
- "PCC Consumer Products" subgroup under the management of PCC Consumer Products S.A., Warsaw (Poland)
- PCC Chemax, Inc., Piedmont, S.C. (USA)
- S.C. Euro-Urethane S.R.L., Râmnicu Vâlcea (Romania) (shareholding 58.72 %)
- Węglopochodne Sp. z o.o., Kędzierzyn-Koźle (Poland)

Commodity trading companies:

- Petro Carbo Chem GmbH, Duisburg (Germany)
- PCC Morava-Chem s.r.o., Český Těšín (Czech Republic)
- C&C Coke and Coal Products GmbH i. L., Duisburg (Germany) (shareholding 60 %).

* Fully consolidated subsidiaries; shareholding 100 % unless otherwise indicated

› Once again in 2011, the Chemicals division was the main revenue and earnings generator of the PCC Group.

With consolidated divisional sales amounting to € 546.4 million (previous year: € 404.6 million), the Chemicals division was – as already stated – again the main revenue generator within the PCC Group in fiscal 2011. Operating profit in the form of earnings before interest, tax, depreciation and amortisation (EBITDA) came in at € 41.8 million, thus exceeding the prior-year figure of € 28.2 million by some 48 %. Thanks to the favourable economic conditions prevailing in 2011, all the subsidiaries consolidated within this division contributed to this sales growth. In addition, the polyurethane system house PCC Prodex Sp. z o.o., Warsaw, and also the matches factory Fabryka Zapałek "Czechowice" S.A. of Czechowice-Dziedzice (Poland), part of the "PCC Consumer Products" subgroup, were consolidated within the Chemicals division of PCC SE for the first time. In the course of 2011, the average workforce attributable to the Chemicals division was 1,728 employees.

Again in fiscal 2011, the main sales and earnings generator within the Chemicals division was PCC Rokita SA together with its subsidiaries, which was able to exceed its encouraging prior-year earnings as a result of the favourable economic conditions prevailing. Within its portfolio, PCC Rokita SA holds – in part – leading positions within Central Europe in product segments such as polyols (feedstocks for the manufacture of foam products), surfactants (surface-active agents for laundry detergents and cleaning products) and phosphorus derivatives (flame retardants, plasticisers). With the commissioning in 2010 of a production plant for the manufacture of speciality polyols such as Rokopol iPol and Rokopol vTec, commissioning of the fourth polyol production line and commissioning of the new ethoxylation plant at the Płock site in 2011, this position has been further strengthened. The new ethoxylation plant was constructed at the strategically important refinery site in Płock for reasons of feedstock supply reliability. Both the Polyols unit and the Surfactants business once again made positive contributions to the overall earnings position of PCC Rokita SA in fiscal 2011. Another important business for PCC Rokita SA, that of chlor-alkali electrolysis, was also able to finish the year in profit due to the consistently high price level for the caustic soda (sodium hydroxide) that occurs as a by-product of this conversion process.

2011 also saw the first steps being taken to substantially change the "face" of PCC Rokita SA in 2012: the Surfactants unit of PCC Rokita SA was carved out in the course of 2011 and incorporated into PCC Exol S.A., Brzeg Dolny. This is a wholly owned subsidiary of PCC Rokita SA and – following its sale to PCC SE – is due to be floated by the latter on the Warsaw Stock Exchange, GPW, as a capital increase share issue in 2012. Over the long term, there are also plans to incorporate PCC Chemax, Inc., Piedmont, a company similarly involved in the formulation of surface-modifying substances, within PCC Exol S.A., Brzeg Dolny, in order to more effectively utilise the synergy effects that already exist between these two subsidiaries.

A further milestone was reached in 2011 with the carve-out from PCC Rokita SA of the subsidiary Kosmet-Rokita Sp. z o.o., a manufacturer of household cleaners, laundry detergents and cosmetics. Kosmet-Rokita Sp. z o.o. thus became the nucleus of the "PCC Consumer Products" subgroup. Our aim is to further complement its portfolio through the acquisition of additional companies active in the production of consumer goods. With the purchase of 85 % of the shares in the matches factory Fabryka Zapałek "Czechowice" S.A., Czechowice-Dziedzice, by PCC Consumer Products S.A. in 2011, an initial step has already been taken in this direction. While the newly acquired matches factory was able to end fiscal 2011 with a small profit, Kosmet-Rokita Sp. z o.o. once again recorded a loss for the year due to a disproportionate increase in raw material and feedstock prices, particularly at the beginning of the reporting period. However, in the course of the year, the company was able to pass on at least part of these price increases to its customers. In the meantime, the price trend with respect to these input materials has reversed again, so that the outlook for 2012 can be regarded as positive. Because of the restructuring and automation activities now initiated, our matches factory should also achieve further earnings improvements going forward.

There is a similarly encouraging outlook for the system house PCC Prodex Sp. z o.o., Warsaw, which was acquired in 2010 and through which the value chain of the PCC Group with respect to polyols and polyurethanes has been successfully extended. Following the acquisition of a smaller producer of PUR systems for mining applications, this subsidiary, which was first consolidated in 2011, has been able to further expand its product range while simultaneously building its growth potential. In addition, collaboration with PCC Rokita SA has had a positive effect on the business development of the system house, so that this too was able to make a positive contribution to Group earnings in 2011.

PCC Synteza S.A., Kędzierzyn-Koźle, which has been concentrating on the manufacture of nonylphenol and dodecylphenol since 2010, was able to once again substantially improve its earnings compared to the previous year, due to the relatively high demand for both products in 2011. Work is also continuing on the development of new product segments, some in collaboration with PCC Rokita SA. Conversely, PCC Chemax, Inc. posted a slight decline in earnings, with higher sales being offset by an increase in depreciation, amortisation and financing expenses. Nonetheless, it was also able to end fiscal 2011 with a clear profit. 2011 also saw a continuation of the wind-up process involving the production company Węglopochodne Sp. z o.o., Kędzierzyn-Koźle, which ceased operations in 2009.

The book value of PCC SE's stake in the Romanian company S.C. Euro-Urethane S.R.L., Râmnicu Vâlcea, had already been written off in 2009 as a precautionary measure, due to the still uncertain prospects for the realisation of the investment originally planned back in 2008 involving a production plant for TDI (toluene diisocyanate). There may be further developments in the future, but it still remains unclear how these will pan out. In the case of its second Romanian investment, S.C. Oltchim S.A., Râmnicu Vâlcea, on the other hand, PCC increased its stake to around 18.3 % through the purchase of additional shares in expectation of the pending privatisation of this production company, which manufactures polyols and chlorides, as well as other products. Further developments with respect to S.C. Oltchim S.A. are heavily dependent on the since initiated privatisation process.

The two remaining active trading companies of the PCC Group, which are likewise listed under the Chemicals division, namely Petro Carbo Chem GmbH, Duisburg, and PCC Morava-Chem s.r.o., Český Těšín, were able to benefit from a consistently positive economic climate in fiscal 2011, once again improving on their solid prior-year results. This applies particularly to Petro Carbo Chem GmbH, Duisburg, which was able to significantly increase its profitability compared to 2010 with respect to both its chemical commodities and its solid fuel trading activities. By contrast, C&C Coke and Coal Products GmbH i. L., Duisburg, in which PCC SE holds 60 % of the shares, remains the subject of a liquidation process which, due to a lack of sufficient future prospects, was initiated on October 1, 2010. This is due for completion in 2012. The realignment of the trading business of the PCC Group was thus extensively completed in 2011. In future, these trading activities will concentrate on the market niches in which PCC has already established a strong position. The aim is to enhance and further expand this solid platform while also focusing more on the supply security of the production companies of the PCC Group through the procurement of the raw materials and feedstocks they require, and on providing support for these companies in the sale of their products in selected markets.

ENERGY:

The Energy division encompasses the following subsidiaries involved in energy supply and power plant construction:

- ZE-Blachownia Sp. z o.o., Kędzierzyn-Koźle (Poland) (shareholding 84.46 %)
- PCC DEG Renewables GmbH, Duisburg (Germany) (shareholding 60 %)
- GRID BH d.o.o., Sarajevo (Bosnia-Herzegovina) (shareholding 51.37 %)

plus a further entity predominantly involved in the trading of CO_2 certificates:

- PCC Energy Trading GmbH, Duisburg (Germany)

Aggregating the results of the above companies together, the Energy division generated consolidated sales of € 13.8 million, representing a drastic collapse compared to the prior-year figure of € 136.6 million. The main cause for this decline in revenues lies in the departure of PCC Energie GmbH, Duisburg, from the scope of consolidation of PCC SE as of January 1, 2011, following its sale to the Spanish investor Nexus Energía S.A., Barcelona. The closing of the corresponding purchase agreement occurred in February 2011. Due to the divestment of this subsidiary, which had made regular losses in the preceding years, the Energy division of the PCC Group was able for the first time in years to make a positive contribution to Group earnings with an EBITDA figure of € 1.5 million. As a consequence of the above-mentioned departure of PCC Energie GmbH, the number of employees in the Energy division halved to 121 people as an average for the year 2011.

With the sale of PCC Energie GmbH, PCC SE was able to continue with the optimisation of its investment portfolio and the realignment of its Energy division, focusing on the development and operation of its own power plant facilities on the basis of renewable energy sources, particularly in Eastern and South-East Europe.

The main sales and earnings generator of the Energy division in 2011 was ZE-Blachownia Sp. z o.o., Kędzierzyn-Koźle, which operates in the power and heat supply sector and was able to benefit from the higher than expected consumption levels of its customers that occurred as a consequence of the favourable economic environment. Following 2010, therefore, this subsidiary was again able to make a significantly improved, positive contribution to Group earnings in 2011.

The activities of PCC DEG Renewables GmbH, Duisburg, continued to undergo development in fiscal 2011. This company operates in the field of regenerative energy. PCC SE has 60 % of its shares while the KfW subsidiary DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, Cologne, holds 40 %. Its Bosnian subsidiary, GRID BH d.o.o., Sarajevo, still only has one of the four planned small hydropower plants in operation, with the three others remaining in abeyance due to the requisite licences and permits still not having been granted. However, for the second consecutive year, the company was able to make a positive contribution to Group earnings. In the case of the hydropower activities in the Republic of Macedonia planned by PCC DEG Renewables GmbH, construction of the total of four small hydropower plants with an aggregate capacity of 4.1 MW has also been delayed beyond the end of 2011 due to the lengthy approval processes. However, building work is expected to commence at three sites in the course of 2012. The subsidiary also has stakes in hydropower and wind power projects in Bulgaria. However, here too, construction commencement has been delayed beyond the start of 2012, again because of a lack of the necessary approvals, licences and permits. PCC SE has not precluded the possibility of developing some of the planned projects only up to the point where they are ready for construction, and then offering these to potential buyers. Notable contributions to Group earnings from these activities are still not expected until some time in the medium term.

LOGISTICS:

The Logistics division comprises the following three companies:

- PCC Intermodal S.A., Gdynia (Poland) (shareholding 56.24 %)
- ZAO PCC Rail, Moscow (Russia)
- PCC Autochem Sp. z o.o., Brzeg Dolny (Poland)

The primary business activity of the Logistics division is that of intermodal transportation under the management of PCC Intermodal S.A. Further business activities within the division include the railway wagon leasing and transport business of ZAO PCC Rail, which was included in the consolidated financial statements of PCC SE for the first time in 2011 as a reflection of its growing importance for the PCC Group. PCC Autochem, which operates in the road haulage sector, completes the activities managed under this division.

Consolidated divisional sales amounted to € 43.9 million, an increase of € 13.6 million compared to the corresponding prior-year figure of € 30.3 million. In addition to the first-time consolidation of ZAO PCC Rail, Moscow, this significant growth in revenues is also due to expanding transport volumes at PCC Intermodal S.A. Divisional operating earnings before interest, tax, depreciation and amortisation (EBITDA) increased by € 3.1 million in the financial year. The previous year saw a slight loss of –€ 1.5 million. The number of employees for 2011 averaged 249.

As already mentioned, the Logistics division is currently dominated by PCC Intermodal S.A., Gdynia, the portfolio of which encompasses combined transport services both within Poland and on international routes. In 2011, this company was able to substantially increase the capacity utilisation of its scheduled trains due to the favourable economic situation prevailing, thus generating for the first time a clear and substantial profit. Although, due to the hard winter of 2010/2011 and continual, in part also weather-related delays in the construction of the new, wholly owned intermodal terminal of this subsidiary in Kutno (Central Poland), this was less than originally expected, in the course of the year the continuous increase registered in the level of utilisation of its scheduled trains from Rotterdam and also Hamburg/Bremerhaven to Poland and back enabled the earnings curve of PCC Intermodal S.A. to steadily rise. Profitability was positively impacted by the completion of the terminal in Kutno in September 2011, through which the previous bottleneck in handling capacities in Poland was greatly relieved. The improved earnings performance was also reflected in the successful placement of a second tranche of shares on the Warsaw Stock Exchange, GPW, in autumn 2011. The cash generated through this capital increase will be invested in, among other things, the construction of further intermodal terminals in Poland in order to extend our activities not only in the Polish market for container transport, still seen as a strong growth generator over the long term, but also in the expansion of further international routes, for example to Moscow, the Black Sea or the Adriatic.

The expansion planned for 2011 in the rail wagon leasing and transport business of ZAO PCC Rail, Moscow, only made minor progress as there were virtually no wagons available to meet the relevant requirements at a sustainable price. By the end of the year, the fleet had only increased to around 280 wagons. Nevertheless, this subsidiary was also able to make a positive contribution to Group earnings in 2011. In the meantime, the situation on the wagon market has improved: Russia's national railway company intends to sell off a number of wagons through several tender processes in the course of 2012, so that the activities of ZAO PCC Rail, Moscow, will gain further in importance for the PCC Group in 2012.

PCC Autochem Sp. z o.o., Brzeg Dolny, which operates in the road haulage sector, was able to substantially increase the capacity utilisation ratio of its fleet of tankers as a result of an alliance entered into with a renowned German forwarding agent in 2011, making a positive contribution to Group earnings as a result. However, this subsidiary remains of rather minor importance for the business development of the Group.

OTHER SHAREHOLDINGS:

The companies which make up the Other Shareholdings are as follows:

- PCC Capital GmbH, Duisburg (Germany)
- PCT Polskie Centrum Teleinformatyki S.A., Brzeg Dolny (Poland)
- PCC Silicium S.A., Zagórze (Poland) (shareholding 91.65 %)
- 3Services Factory S.A., Katowice (Poland) (shareholding 71.94 %)

Their activities comprise the fields of factoring (PCC Capital GmbH, Duisburg), IT and telecommunications (PCT Polskie Centrum Teleinformatyki S.A., Brzeg Dolny, and 3Services Factory S.A., Katowice) and the operation of a quartzite mine in Poland (PCC Silicium S.A., Zagórze). The total sales of this Group division in 2011 amounted to € 10.6 million, which represents a plus of around € 2 million compared to the previous year. The average number of employees during this reporting period was 214.

May 19, 2011: Official opening ceremony to inaugurate the new ethoxylation plant in Płock, performed by representatives of PCC's management and of Płock municipal authority.

Again in fiscal 2011, the main sales and earnings generator of this Group division was PCC Silicium S.A. (formerly KiZWK "Bukowa Gora" S.A.), which was also responsible for a major portion of the above-mentioned increase in revenues. This quartzite mine and its processing facility, both of which have belonged to the PCC Group since 2009 and in which PCC SE held 91.65 % of the shares as of December 31, 2011, continued in 2011 to focus on the mining of quartzite for road and railway construction. Due to the enormous expansion in infrastructure projects leading up to the 2012 European Football Championship in Poland, this business is experiencing a real boom which has continued through the start of 2012. Consequently, PCC Silicium S.A. was once again able to make a notable, positive contribution to Group earnings. However, the long-term objective remains to see a portion of the quartzite output being used for the manufacture of silicon metal. Work on developing a corresponding project continued through 2011. PCC SE intends to acquire the remaining shares in this company in the course of 2012 so as to become the sole owner of PCC Silicium S.A.

The IT and telecommunications centre PCT S.A. again made a positive contribution to Group earnings in fiscal 2011. By contrast, the data centre 3Services Factory S.A., which is currently undergoing development, continued to post start-up losses in 2011, the year of its first-time consolidation within the PCC Group. The results of PCC Capital GmbH were once again adversely affected by cases of fraud impacting on its factoring business; as a result, this subsidiary likewise ended fiscal 2011 with a loss. Due to a lack of sufficiently encouraging future prospects and as a consequence of the increasingly difficult refinancing situation for the factoring business, PCC Capital GmbH will be ceasing operations in 2012. ■

BUSINESS DEVELOPMENT AND FINANCIAL PERFORMANCE

Our road haulage subsidiary PCC Autochem Sp. z o.o., a specialist in the transportation of chemicals, has its headquarters on the factory site of PCC Rokita SA.

Overall, the PCC Group ended fiscal 2011 with an operating profit (EBITDA) of € 49.2 million, substantially above the level of the previous year (€ 14.5 million). Given that the euro is not the functional currency of most PCC companies, foreign exchange rates affecting sales and earnings exert an influence on the figures appearing in the consolidated balance sheet and income statement. If parities had remained unchanged versus the previous year, sales of the PCC Group would have amounted to € 627.2 million, representing an increase of around 2 %. Other operating income includes foreign exchange rate gains of € 13.4 million (previous year: € 10.2 million). Similarly, included in other operating expenses are foreign exchange rate losses amounting to € 7.5 million for 2011 (previous year: € 6.0 million).

In addition to the improved performance posted by virtually all the operating affiliates and subsidiaries in the Group, which benefited from the positive economic environment prevailing, the increase in other operating income from € 18.3 million to € 42.2 million was also a major factor in the improved EBITDA figure. This rise in other operating income is attributable in the amount of € 4.1 million to additions to financial assets: the value of the Oltchim shares held by PCC SE was adjusted to reflect the original acquisition price due to a significant increase in the stock market valuation (in 2009, a corresponding write-down was made due to the drastic collapse in the stock market price at the time). Currently, the price quoted for the Oltchim share is actually above the book value recognised at PCC SE. A further major cause for the rise in other operating income lies in gains amounting to around € 8.1 million from the sale of shares in affiliated companies (flotation of PCC Intermodal S.A.).

For the above reasons, earnings before tax (EBT) also improved from –€ 15.4 million in 2010 to +€ 14.0 million in 2011. Amortisation of intangible assets and depreciation of property, plant and equipment (tangible fixed assets) rose by € 3.3 million, from € 13.5 million to € 16.8 million. Net interest expense remained virtually constant at € 19.8 million. Write-downs of financial assets relate largely to stakes held by PCC SE in the non-consolidated German affiliates TEC artec valves GmbH & Co. KG, Oranienburg, and F+K Customer Care GmbH, Velbert. Due to a lack of positive prospects for the future, the book value of these two affiliates was written off. An exceptional charge of around € 3.9 million was incurred in 2011 as a result of a tax audit of the Group's German subsidiaries for the period from 2006 to 2010 which resulted in the retrospective non-recognition of input VAT deductions and the correction of municipal trade and corporate income tax liabilities.

The interest expense total results from the mezzanine capital liabilities of PCC SE, liabilities from bearer bonds, and bank liabilities. Liabilities from mezzanine capital decreased from € 66.0 million to € 48.0 million due to the redemption of an initial tranche in the amount of € 18.0 million in December 2011. There was also a decline – albeit minor – in bank liabilities, with the total as of year-end 2011 at € 75.1 million (previous year: € 76.9 million).

By contrast, liabilities from bearer bonds increased from € 112.9 million to € 132.7 million. As of April 1, 2011, PCC SE redeemed from existing liquidity a bond issued five years before (ISIN: DE000A0JFJ9) in the amount of around € 28 million at maturity on April 1, 2011. On October 1, 2011, a two-year bond (ISIN: DE000A1A57W) of € 8.5 million was redeemed. Coinciding with this, however, a follow-up bond (ISIN: DE000A1H3MS) with a volume of € 30 million, a coupon of 6.875 % and a maturity date of July 2015 was extensively placed by the end of the third quarter of 2011. Also on October 1, 2011, a further follow-up bond (ISIN: DE000A1K0U0) with a volume of € 20 million, a coupon of 7.25 % and a maturity date of December 2015 was issued. Of this, around € 8.6 million had been placed by the end of the year, with bond sales continuing into 2012. In addition to the two above-mentioned bonds, two further, smaller issuances took place in 2011: effective March 1, 2011, a bond (ISIN: DE000A1H3H3) with a 5 % coupon, a two-year tenor and a volume of € 20 million was issued, of which however only around half had been placed by the end of the year. On February 15, 2011, a smaller bond (ISIN: DE000A1EWRT) with a 6.5 % coupon was also issued, the proceeds of which are to be exclusively used for investment in a new plastics additives project of PCC Rokita SA. The interest and redemption amounts paid on this bond will be reimbursed by PCC Rokita SA to PCC SE on a period-congruent basis. PCC Rokita SA also issues its own złoty bonds in Poland. As of year-end 2011, these were valued at around € 7.5 million.

At € 320.1 million, total Group liabilities remained at the prior-year level. Trade accounts payable decreased from € 50.1 million to € 44.6 million, while other liabilities rose from € 12.1 million to € 18.6 million. Total provisions decreased from € 24.2 million to € 18.2 million, due in part to the release of the remaining provisions for possible warranty claims by Deutsche Bahn AG arising from the contract of sale for "PCC Logistics". This decrease in provisions together with the decline of € 6.3 million down to € 5.4 million in the special reserve for emission allowances received free of charge, resulted in a decrease in the balance sheet total from € 468.1 million to € 458.6 million, albeit with an increase in equity from € 112.0 million to € 114.7 million (due in part to the positive profit result for 2011).

On the assets side of the consolidated balance sheet, non-current assets rose from € 273.6 million to € 278.8 million, due in part to the first-time consolidation of ZAO PCC Rail, Moscow, and ongoing investments in property, plant and equipment at both the "PCC Rokita" subgroup and PCC Intermodal S.A. At the same time, current assets decreased from € 186.6 million to € 173.9 million. This is a consequence of a decrease in accounts receivable and other assets. Combined, these fell from € 95.2 million to € 88.3 million. At the same time, cash in hand declined from € 45.8 million to € 37.9 million, due largely to a corresponding decrease at PCC SE resulting from the already mentioned redemption of the first mezzanine capital tranche in the amount of € 18.0 million.

The above-mentioned decline in the balance sheet total combined with an increase in recognised Group equity led to an improvement in the equity ratio from 23.9 % to 25.0 %. However, the economic equity ratio, which takes into account recognised Group equity plus mezzanine capital with a residual term of more than one year, again declined. This is because only € 22.0 million of mezzanine capital was allocated to economic equity as of year-end 2011 in anticipation of the mezzanine capital redemptions of € 26.0 million due in 2012. Related to economic equity of € 136.7 million, the economic equity ratio therefore decreased from 34.2 % to 29.8 %. ■

RISKS TO FUTURE DEVELOPMENT

Aside from the general economic risks that lie outside our control, the PCC Group is exposed in its operating business to the risk of price changes and credit risks. We endeavour to eliminate the latter as far as possible by taking out appropriate commercial credit insurance policies. Price change risks are minimised through the conclusion of back-to-back transactions, price formulae and/or hedging instruments.

In addition, the operating companies and the holding company are exposed to the risk of changes in interest rates and foreign exchange parities. However, these can be at least partially eliminated by hedging. The foreign exchange rate and foreign currency risks affecting the Group may be significantly reduced with Poland's introduction of the euro as its official currency.

The Chemicals division is, moreover, particularly susceptible to the risk of rising environmental protection charges in the wake of increasingly stringent pan-European waste, effluent and other environmental regulations. Investment requirements resulting from these could, in the future, have a negative effect on the earnings position of this division and of the Group as a whole. The same applies to additional expenditures which may arise in connection with the EU's REACH regulation (European legislation on the registration, evaluation, authorisation and restriction of chemicals) which came into force on June 1, 2007. The utilisation of further potential for savings may, however, compensate to some extent for any additional costs incurred.

In 2009, a subsidiary of PCC SE acquired emission certificates on which VAT was charged. However, the selling company failed to meet its obligation to pay the VAT resulting from these transactions to the competent tax authorities. The subsidiary claimed the input VAT from these emission trading transactions in its VAT declaration submitted to the competent tax authorities. In May 2010, the public prosecution

The modernisation and expansion of existing facilities continue to be at the focus of our investment expenditures in the Chemicals division.

authority of Düsseldorf instituted preliminary court proceedings in relation to the aforesaid emission trading transactions, and this process was still ongoing through the turn of the year 2011/2012. Essentially, the public prosecution authority accuses the subsidiary of having received unjustified tax benefits by claiming the said input VAT. The investigations relate to individuals rather than the company itself. PCC SE is convinced that the people involved have acted within the law and that the charges will be completely rebutted. The tax authority is also considering clawing back the input VAT claimed in relation to these emission trading transactions. For reasons of commercial prudence, a provision in the low single-digit million euro range was made as of December 31, 2009 in order to cover the costs to the subsidiary that such an action, if successful, would represent.

Risks can also arise for the PCC Group from further developments with respect to S.C. Oltchim S.A. PCC SE has a stake in that company in the form of shares and loans with a total value of around € 20 million. This company, in which the Romanian state holds around 54 % of the shares and which is involved in the production of polyols and chlorides, has been making a loss for years. Although the share price has risen again on the Romanian stock exchange since 2009 and is also currently above the acquisition cost of the shares purchased by PCC SE, the proportion of the total of Oltchim shares traded on the Romanian stock exchange is relatively small overall. This latter circumstance could have a negative effect on the valuation of the share package held by PCC SE. Moreover, the shares held by PCC SE in S.C. Oltchim S.A. could be diluted as a result of Romanian government plans to convert the company's debt into equity. On the other hand, with more than 4,000 employees S.C. Oltchim S.A. is the largest chemical producer in Romania so that – particularly against the background of the parliamentary elections due to take place in Romania in November 2012 – it appears quite unlikely that the Romanian state would allow this company to fail. Incidentally, in the now initiated privatisation process for S.C. Oltchim S.A., three parties in addition to PCC SE (including an affiliated company of a major Russian conglomerate) have submitted non-binding offers in the first bidding round. It is also possible that further bidders will enter the fray in the next round. In the view of PCC SE, these developments indicate that S.C. Oltchim S.A. does indeed offer attractive prospects for the future, with positive growth potential over the long term, and its shares may well hold their value as a consequence. ■

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT RELATED TO THE GROUP ACCOUNTING PROCESS

The annual financial statements of PCC SE and the PCC consolidated financial statements are prepared in accordance with the provisions of Germany's Commercial Code [HGB] as amended on May 29, 2009 with adoption of the German Accounting Law Modernisation Act [Bilanzrechtsmodernisierungsgesetz, BilMoG], and in supplementary accordance with the German Joint Stock Corporation Act [Aktiengesetz, AktG].

The consolidated financial statements are prepared within the PCC Group in a multi-stage process using standardised IDL consolidation software. The pre-consolidated financial statements of individual subsidiaries, duly audited by their own auditors, are incorporated by PCC SE within the consolidated financial statements. Responsibility for advice and support with respect to the consolidation system, for the consolidation chart of accounts standardised across the Group, and for implementation of the consolidation measures, lies with PCC SE.

The companies incorporated within the consolidated financial statements are required to abide by a standard set of accounting and financial reporting guidelines pertaining to the consolidated annual and interim financial statements. These also specify the recognition and valuation principles to be applied in compliance with the provisions of the HGB.

All the companies included in the consolidated financial statements are provided with a binding, uniform calendar of due dates for the preparation of their financial statements and completion of the associated audits. Automated and manual checks and controls are integrated at every stage of the process. The organisational rules ensure that all business transactions and the preparation of the annual financial statements are recorded, processed and documented in full, promptly, correctly and with correct period allocation. Before the final submission to PCC SE, a quality-assuring review process is performed within the subsidiaries of the PCC Group by their own management bodies or with direct involvement of their management. This internal procedure concludes with a formal written confirmation of the system's effectiveness in the form of a signature releasing the individual financial statements and related information for incorporation in the consolidated financial statements. ■

EVENTS AFTER THE BALANCE SHEET DATE

The bond issued in October 2011 by PCC SE with a 7.25 % coupon and a volume of € 20 million (ISIN: DE000A1K0U0) was almost completely placed by the end of April 2012 and was therefore increased by a further € 5 million. A decision was also taken to issue a follow-up bond with the same coupon and volume (€ 20 million) due for redemption in 2016.

In April 2012, PCC SE took part in the privatisation process relating to S.C. Oltchim S.A. by submitting a non-binding bid. The further progress of this process remains to be seen and will depend, inter alia, on the financing possibilities available for this acquisition. Depending on how the privatisation process develops, PCC SE may sell its share package to one of the other potential purchasers.

At the beginning of April 2012, PCC Rokita SA commissioned its fourth production line for polyols, thus further enhancing the development of the Polyols unit.

In preparation for the flotation of PCC Exol S.A. planned for 2012, in April 2012 PCC SE also acquired 100 % of the shares of this affiliate, which was previously wholly owned by PCC Rokita SA.

In the first four months of the new financial year, PCC SE acquired further shares in PCC Silicium S.A. As of April 30, 2012, the PCC SE shareholding in this company amounted to 99.47 %. ■

At the beginning of April 2012, PCC Rokita SA saw the first batch delivered by its new "Polyols 4" production line, the latest addition to its polyols capability.

OUTLOOK FOR 2012 AND 2013

The focus for the PCC Group in 2012 will be on strengthening its existing asset portfolio, gearing investments towards generating further growth in the core activities of the Group, and securing its enduring competitiveness.

Moreover, the strategy of proactive asset and investment portfolio management is expected to gain further significance in 2012. The future development in the privatisation process involving S.C. Oltchim S.A. will be of major significance in this respect in 2012. If PCC SE were to be successful in this process, the Chemicals division of the PCC Group would take on even greater weight, with a substantial increase in sales ensuing – albeit accompanied by significant risks for profitability and thus also liquidity. The fact that, in addition to two Romanian companies, a major Russian conglomerate is also competing with PCC through one of its affiliated companies indicates, however, that the prospects of the PCC bid succeeding are somewhat low. Hence, the possible consolidation of S.C. Oltchim S.A. has been put on hold in our planning for fiscal 2012 and the years following.

Due to ongoing robust business activity, we expect the PCC Group to achieve an overall increase in sales for fiscal 2012 of between 10 % and 15 %. Moreover, as a consequence of the investments made in 2011, which will only become fully effective in 2012 in terms of revenues generated, and also the investments still to be concluded in 2012, further increases in sales are anticipated.

The "PCC Consumer Products" subgroup of the PCC Group, in which Kosmet-Rokita Sp. z o.o., a company active inter alia in the production of cleaning products, acts as the nucleus, and which in the meantime has been augmented through the addition of the matches factory in Czechowice-Dziedzice, is to be further expanded in 2012 and the years following. Our long-term aim is to float this business on the Warsaw Stock Exchange, GPW. Similar plans exist for the IT and telecommunications services business of the PCC Group which was expanded in 2011 through addition of the data centre 3Services Factory S.A. Also conceivable as a medium-term alternative is the sale of this business to a strategic investor. The above-mentioned developments likewise underline the realignment of the Group strategy towards proactive investment portfolio management combined with examination of further new acquisitions with the aim of competence-related diversification into new market segments.

According to the budget prepared in the fourth quarter of 2011 for the years 2012 to 2014, the operating business performance of the subsidiaries and affiliates currently attributable to the Chemicals, Energy and Logistics divisions was expected to roughly match that of fiscal 2011. However, this forecast was based on a relatively gloomy assessment of the economic outlook prevailing at the time. Over the intervening period, the economic climate has proved to be substantially more robust than anticipated so that – assuming a continuation in this trend – slight improvements in earnings may be achievable compared to 2011. Both EBITDA and EBT are indeed now expected to rise compared to the respective comparative figures for 2011. Increasing amortisation and depreciation as a result of the investments made in 2011 and those planned for 2012, and a continuing high interest burden affecting the Group as a whole will, however, dampen earnings to a degree – hence the only moderate increase in earnings likely to pre-tax level (EBT).

The main revenue and earnings generator in 2012 will again be the Chemicals division of PCC SE, followed at some distance by the Logistics division. The Energy division will, by contrast, be largely characterised by project development work, at least through 2012, and will therefore be of somewhat minor importance in terms of its contribution to Group earnings. Subject to adherence to current schedules, however, we expect to see further small hydropower plants take up full production in South-East Europe, providing additional support to the upward earnings trend.

As already mentioned, two mezzanine tranches totalling € 26 million are due for redemption in 2012. In addition, a bond with a volume of around € 20 million matures on October 1, 2012. Further mezzanine tranches (€ 22 million) and bonds will also become due for redemption in the subsequent years. These will be served in part by the liquidity available within the Group and also cash flows from the planned further public offering of PCC Exol S.A. on the Warsaw Stock Exchange, GPW. Likewise planned are divestments by PCC SE and the issuance of new bonds.

Duisburg, May 24, 2012
PCC SE

Ulrike Warnecke
Managing Director

Dr. rer. oec. (BY) Alfred Pelzer
Managing Director

CONSOLIDATED FINANCIAL STATEMENTS

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The vehicle fleet operated by PCC Autochem Sp. z o.o. comprises 50 road tankers. These are used to transport, among other things, the surfactants produced by sulphonation plant 2 of PCC Exol S.A., seen here in the background, which has an annual capacity of 30,000 metric tons.

Transparency, fairness and objectivity in our dealings and communications with our business partners and investors are given the highest priority at PCC SE. The following consolidated financial statements for fiscal 2011 have been prepared in accordance with Germany's Commercial Code [HGB] and Joint Stock Corporation Act [AktG]. Accompanying the Group management report, they comprise the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of movements in Group equity, the consolidated statement of changes in fixed assets and the explanatory notes to these charts and statements.

AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by PCC SE, Duisburg, Germany, comprising the balance sheet, income statement, notes to the consolidated financial statements, the cash flow statement and the statement of movements in equity, and the group management report, for the financial year from January 1 to December 31, 2011. The preparation of the consolidated financial statements and the group management report according to German commercial law is the responsibility of the legal representatives of the company. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB (Commercial Code) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements and rule infringements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements prepared in accordance with the applicable financial reporting framework, and in the group management report, are detected with reasonable assurance. Knowledge of the business activities and of the economic and legal environment in which the PCC group operates, and expectations as to possible misstatements, are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those individual entities included in the consolidated financial statements, the determination of the entities to be included in the consolidation, the accounting and consolidation principles used, and significant estimates made by the company's legal representatives, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of PCC SE, Duisburg, Germany, for the financial year from January 1 to December 31, 2011 comply with the legal requirements of German commercial law and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The group management report is consistent with the consolidated financial statements, essentially provides an accurate view of the group's position and suitably presents the opportunities and risks associated with the group's future development.

Düsseldorf, May 31, 2012

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Häger	Krichel
Wirtschaftsprüfer	Wirtschaftsprüfer
(Certified Public Auditor)	(Certified Public Auditor)

Consolidated Income Statement

Figures in € k	(Note)	**Jan. 1 – Dec. 31, 2011**	Jan. 1 – Dec. 31, 2010
Sales	(4)	**614,786**	**580,054**
Change in inventories		**140**	–202
Other internal costs capitalised	(5)	**3,220**	321
Other operating income	(6)	**42,232**	18,295
Purchased goods and services	(7)	**504,578**	490,758
Personnel expenses	(8)	**39,375**	40,050
Other operating expenses	(10)	**67,218**	53,165
EBITDA (Earnings before interest, taxes, depreciation & amortisation)		**49,208**	**14,495**
Depreciation and amortisation	(9)	**16,803**	13,459
EBIT (Earnings before interest and taxes)		**32,405**	**1,036**
Result from associated companies	(11)	**222**	815
Income from other investments	(11)	**39**	132
Other interest and similar income		**2,126**	1,966
Amortisation and impairment of financial fixed assets and marketable securities	(11)	**983**	11
Interest and similar expenses	(12)	**19,836**	19,366
EBT (Earnings before taxes)		**13,973**	**–15,427**
Taxes on income	(13)	**3,705**	2,247
Profit / loss for the year		**10,268**	**–17,674**
Result attributable to PCC SE Group		**9,910**	–16,833
Result attributable to minority interests		**358**	–841

Consolidated Balance Sheet

Assets in €k	(Note)	**Dec. 31, 2011**	Dec. 31, 2010
Fixed Assets		**278,751**	**273,567**
Intangible assets	(14)	**10,936**	10,310
Tangible assets		**236,515**	228,314
Financial assets		**31,301**	34,943
Current Assets		**173,922**	**186,606**
Inventories	(15)	**47,305**	44,442
Trade accounts receivable	(16)	**56,368**	51,106
Accounts receivable from affiliated companies	(17)	**9,781**	9,785
Accounts receivable from enterprises in which participating interests are held	(18)	**149**	1,446
Other assets	(19)	**22,009**	32,860
Marketable securities		**403**	1,143
Cash and cash equivalents		**37,908**	45,824
Prepaid expenses and deferred charges	(20)	**2,163**	**3,959**
Deferred taxes	(27)	**3,767**	**4,003**
Total assets		**458,603**	**468,135**

Equity and liabilities in € k	(Note)	**Dec. 31, 2011**	Dec. 31, 2010
Equity	(21)	**114,723**	**111,972**
Subscribed capital		**5,000**	5,000
Capital reserve		**56**	56
Equity differences due to currency translation		**–18,183**	–2,564
Consolidated retained earnings		**98,302**	85,159
Accumulated other capital		**10,700**	10,074
Minority interests		**18,847**	14,246
Special reserve for emission allowances received free of charge	(22)	**5,396**	**11,711**
Provisions	(23)	**18,226**	**24,202**
Provision for pensions and similar obligations		**828**	430
Tax provisions		**400**	111
Other provisions		**16,998**	23,660
Liabilities	(24)	**320,116**	**320,057**
Mezzanine capital		**48,000**	66,000
Liabilities from bearer bonds	(25)	**132,691**	112,902
Bank liabilities		**75,129**	76,889
Advance payments for orders received		**25**	647
Trade accounts payable		**44,608**	50,076
Accounts payable to affiliated companies		**1,000**	1,461
Accounts payable to companies in which participations are held		**96**	0
Other liabilities	(26)	**18,567**	12,082
Deferred income		**143**	**194**
Total equity and liabilities		**458,603**	**468,135**

Consolidated Cash Flow Statement

Figures in €k	(Note)	**Jan. 1 – Dec. 31, 2011**	Jan. 1 – Dec. 31, 2010
Profit for the year		**10,268**	**–17,674**
Depreciation, amortisation and impairment of tangible and intangible fixed assets		**16,803**	13,459
Amortisation and impairment of financial fixed assets		**1,304**	11
Change in provisions		**–890**	5,721
Increase (+), decrease (–) in allowances for receivables and other assets		**–159**	3,760
Gains (–), losses (+) on disposals of fixed assets		**–6,299**	225
Other non-cash gains (–), expenses (+)		**–12,795**	–629
Gross cash flow		**8,232**	**4,873**
Increase (–), decrease (+) in inventories		**–5,341**	–16,959
Increase (–), decrease (+) in trade accounts receivable		**–20,070**	1,502
Increase (–), decrease (+) in receivables from affiliated companies		**–73**	–2,114
Increase (–), decrease (+) in other assets		**8,380**	13,676
Increase (+), decrease (–) in trade accounts payable		**8,945**	–2,581
Increase (+), decrease (–) in payables to affiliated companies		**–4,274**	–165
Increase (+), decrease (–) in other liabilities		**4,725**	8,436
Other changes		**0**	0
Cash flow from operating activities		**523**	**6,669**
Inflows from disposal of intangible fixed assets		**379**	148
Inflows from disposal of tangible fixed assets		**2,008**	4,129
Inflows from disposal of financial fixed assets		**12,753**	249
Inflows from disposal of consolidated companies and other operations		**6,918**	–75
Capital expenditures for acquisitions of consolidated companies and other operations		**–10,440**	–4,401
Capital expenditures for purchases of intangible fixed assets		**–643**	–2,254
Capital expenditures for purchases of tangible fixed assets		**–35,935**	–41,424
Capital expenditures for purchases of financial fixed assets		**–13,766**	–9,503
Cash flow from investing activities		**–38,726**	**–53,130**
Proceeds from capital contributions		**0**	0
Dividends paid to shareholder and owner		**–2,050**	–5,000
Inflows (+), outflows (–) from issuance/redemption of mezzanine capital notes		**–18,000**	0
Inflows (+), outflows (–) from issuance/redemption of profit participation certificates		**626**	868
Inflows (+), outflows (–) from issuance/redemption of bearer bonds		**19,821**	6,956
Inflows (+), outflows (–) from assumption/amortisation of other financial liabilities		**5,757**	15,471
Cash flow from financing activities		**6,154**	**18,295**
Changes in cash due to cash transactions		**–32,048**	–28,165
Changes in cash due to foreign exchange rates		**1,733**	–1,106
Changes in cash due to revaluation		**22,399**	10,530
Cash at beginning of period		**45,824**	64,565
Cash at end of period	(30)	**37,908**	**45,824**

Consolidated Statement of Movements in Group Equity

Figures in €k	Subscribed capital	Capital reserve	Equity differences due to currency translation	Consolidated retained earnings	Accumulated other capital	Equity per consolidated balance sheet	Minority interests	Group equity
As per Dec. 31, 2010	5,000	56	–2,564	85,159	10,074	97,725	14,246	111,972
Profit as per Dec. 31, 2011				9,910		9,910	358	10,268
Additions to capital from the issuance of profit participation certificates					626	626		626
Dividends paid to shareholder and owner				–2,050		–2,050	–69	–2,119
Changes in consolidation scope				4,086		4,086	649	4,735
Consolidation effects			–6,837	1,198		–5,639	4,793	–846
Foreign currency translation differences			–8,782			–8,782	–1,130	–9,912
As per Dec. 31, 2011	**5,000**	**56**	**–18,183**	**98,302**	**10,700**	**95,875**	**18,847**	**114,723**

Consolidated Statement of Changes in Fixed Assets

Figures in € k	(Note)	Historical cost: Jan. 1, 2011	Changes in consolidation scope	Additions	Disposals	Reclassifications	Foreign currency translation	Dec. 31, 2011
Intangible assets		**17,084**	**1,699**	**643**	**72**	**80**	**–823**	**18,611**
Intellectual property and similar rights		10,072	–411	95	71	1,037	–699	10,024
Goodwill		5,748	2,222	0	0	0	0	7,971
Advance payments		1,263	–113	548	1	–957	–125	616
Tangible assets		**365,315**	**16,480**	**35,935**	**6,142**	**–80**	**–36,876**	**374,632**
Land, land rights and buildings		49,871	4,993	904	320	9,381	–5,221	59,608
Technical plant and machinery		158,144	10,964	5,057	4,404	16,797	–16,974	169,583
Other plant, operating and office equipment		90,102	99	703	1,301	17,560	–8,879	98,283
Advance payments and construction in progress		67,198	425	29,271	116	–43,818	–5,801	47,158
Financial assets		**41,515**	**–12,065**	**13,766**	**8,357**	**0**	**–506**	**34,353**
Shares in affiliated companies		15,744	–7,946	7,634	7,503	966	–372	8,522
Loans to affiliated companies		4,185	–3,130	239	815	0	0	479
Shares in associated companies	(2)	11,369	–989	0	39	–966	0	9,375
Other investments		412	0	1	0	0	–31	383
Loans to enterprises in which participating interests are held		710	0	0	0	0	0	710
Securities		8,147	0	5,892	0	0	–1	14,039
Other loans		948	0	0	0	0	–103	846
Advance payments		0	0	0	0	0	0	0
Fixed assets		**423,914**	**6,114**	**50,344**	**14,571**	**0**	**–38,205**	**427,596**

Accumulated depreciation and amortisation							Net book value		
Jan. 1, 2011	Changes in consolidation scope	Additions	Disposals	Reclassifications	Foreign currency translation	Dec. 31, 2011	Dec. 31, 2010	Changes in at-equity valuation	Dec. 31, 2011
6,774	**–248**	**1,666**	**71**	**14**	**–461**	**7,675**	**10,310**	**0**	**10,936**
5,588	–248	603	71	14	–454	5,432	4,484		4,592
1,186	0	1,064	0	0	–7	2,243	4,563		5,728
0	0	0	0	0	0	0	1,263		616
137,000	**7,156**	**15,137**	**5,600**	**–14**	**–15,562**	**138,118**	**228,314**	**0**	**236,515**
14,712	1,615	1,184	272	–29	–1,596	15,614	35,159		43,994
83,269	5,412	9,165	3,570	–13	–9,623	84,640	74,875		84,943
37,283	128	4,778	1,129	28	–4,155	36,934	52,819		61,349
1,736	0	10	629	0	–188	929	65,462		46,229
8,106	**–26**	**–3,083**	**60**	**0**	**–186**	**4,750**	**34,943**	**1,697**	**31,301**
2,362	0	974	0	0	–53	3,283	13,381		5,239
86	–26	0	60	0	0	0	4,099		479
367	0	0	0	0	0	367	12,536	1,697	10,705
275	0	0	0	0	–30	245	138		138
0	0	0	0	0	0	0	710		710
4,067	0	–4,058	0	0	0	9	4,080		14,029
948	0	0	0	0	–103	846	0		0
0	0	0	0	0	0	0	0		0
151,880	**6,881**	**13,720**	**5,731**	**0**	**–16,208**	**150,542**	**273,567**	**1,697**	**278,751**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL 2011

GENERAL PRINCIPLES AND METHODS

The consolidated financial statements and also the Group management report of PCC Societas Europaea, Duisburg, Germany (PCC SE) as of December 31, 2011 have been prepared in accordance with the German Commercial Code [Handelsgesetzbuch, HGB] as amended on May 29, 2009 through adoption of the German Accounting Law Modernisation Act [Bilanzrechtsmodernisierungsgesetz, BilMoG], and in supplementary compliance with the German Joint Stock Corporation Act [Aktiengesetz, AktG]. The consolidated financial statements of PCC SE comprise the consolidated balance sheet, consolidated income statement, consolidated cash flow statement, consolidated statement of movements in Group equity and the notes thereto.

The closing date for preparation of the consolidated financial statements was December 31, 2011, coinciding with the closing date for the annual financial statements of PCC SE. The financial year of the Group corresponds to the calendar year.

The annual and subgroup financial statements of the subsidiaries included in the consolidation have likewise been prepared to this closing date.

The financial statements of PCC SE and the consolidated subsidiaries are prepared in accordance with uniform accounting and valuation principles. The accounting and valuation principles applied to fiscal 2010 (previous year) have been retained with the exception of the following change: Since fiscal 2011, deferred taxes have been determined and recognised to the extent allowable on tax losses carried forward.

Individual items of the consolidated balance sheet and the consolidated income statement have, in part, been aggregated in order to improve clarity of presentation. These items are explained in the notes. The total cost approach (classification of expenses by nature) has also been retained unchanged in the consolidated income statement.

The currency employed in the preparation of the consolidated annual financial statements is the euro. The reporting currency is the euro. Unless otherwise indicated, all amounts are given in thousand euros (€ k). Rounding differences may be encountered in the total sum lines.

PCC SE is a non-listed European joint stock company (Societas Europaea). PCC SE is the parent company of the PCC Group.

(1) Scope of consolidation

Essentially, all material subsidiaries are included in the consolidated annual financial statements of PCC SE.

Subsidiaries not responsible for material business operations and regarded individually and in aggregate as being immaterial in terms of portraying a true and fair view of the net assets, financial position, results of operations and cash flows of the Group, have been omitted from the consolidation process and are therefore not reflected in the consolidated annual financial statements. The subsidiaries included in the full consolidation are as follows:

Fully consolidated subsidiaries	**Division**	**Country**	**Participating interest** in %
Apakor-Rokita Sp. z o.o., Brzeg Dolny	Chemicals	Poland	**99.57**
C&C Coke and Coal Products GmbH i.L., Duisburg	Chemicals	Germany	**60.00**
Chemi-Progress Polska Sp. z o.o., Brzeg Dolny	Chemicals	Poland	**100.00**
Ekologistyka Sp. z o.o., Brzeg Dolny	Chemicals	Poland	**100.00**
Fabryka Zapałek "Czechowice" S.A., Czechowice	Chemicals	Poland	**85.00**
Kosmet-Rokita Sp. z o.o., Brzeg Dolny	Chemicals	Poland	**100.00**
LabMatic Sp. z o.o., Brzeg Dolny	Chemicals	Poland	**100.00**
PCC Chemax, Inc., Piedmont	Chemicals	USA	**100.00**
PCC Consumer Products S.A. (formerly PCC Locomotives Sp. z o.o.), Warsaw	Chemicals	Poland	**100.00**
PCC Exol S.A., Brzeg Dolny	Chemicals	Poland	**100.00**
PCC Morava-Chem s.r.o., Český Těšín	Chemicals	Czech Republic	**100.00**
PCC Prodex (formerly PRODEX-SYSTEM) Sp. z o.o., Warsaw	Chemicals	Poland	**100.00**
PCC Rokita SA, Brzeg Dolny	Chemicals	Poland	**100.00**
PCC Synteza S.A., Kędzierzyn-Koźle	Chemicals	Poland	**100.00**
Petro Carbo Chem GmbH, Duisburg	Chemicals	Germany	**100.00**
S.C. Euro-Urethane S.R.L., Râmnicu Vâlcea	Chemicals	Romania	**58.72**
Tensis Sp. z o.o., Brzeg Dolny	Chemicals	Poland	**100.00**
Węglopochodne Sp. z o.o., Kędzierzyn-Koźle	Chemicals	Poland	**100.00**
GRID BH d.o.o., Sarajevo	Energy	Bosnia-Herzegovina	**51.37**
PCC DEG Renewables GmbH, Duisburg	Energy	Germany	**60.00**
PCC Energy Trading GmbH, Duisburg	Energy	Germany	**100.00**
Zakład Energetyki-Blachownia Sp. z o.o., Kędzierzyn-Koźle	Energy	Poland	**84.46**
PCC Autochem Sp. z o.o., Brzeg Dolny	Logistics	Poland	**100.00**
PCC Intermodal S.A., Gdynia	Logistics	Poland	**56.24**
ZAO PCC Rail (formerly ZAO Petro Carbo Chem), Moscow	Logistics	Russia	**100.00**
3Services Factory S.A., Katowice	Other	Poland	**71.94**
PCC Capital GmbH, Duisburg	Other	Germany	**100.00**
PCC Silicium S.A. (formerly KiZWK "Bukowa Góra" S.A.), Zagórze	Other	Poland	**91.65**
PCT Polskie Centrum Teleinformatyki S.A., Brzeg Dolny	Other	Poland	**100.00**

The scope of consolidation underwent only immaterial change compared to the situation prevailing in the previous year (2010). However, the first-time consolidation of several further companies has caused it to expand. The sum translated into euro of all the balance sheet totals of the newly consolidated entities represents around 6.5 % of the consolidated balance sheet total.

The following associated companies have been accounted for in the consolidated financial statements on a proportionate basis using the at-equity method:

Associated companies	**Division**	**Country**	**Participating interest** in %
Górnicze Zakłady Dolomitowe S.A., Siewierz	Other	Poland	**10.89**
Inwestycyjna Grupa Budowlano-Surowcowa S.A., Katowice	Other	Poland	**33.00**
Kopalnia Piasku Kotlarnia S.A., Kotlarnia	Other	Poland	**10.89**
PUH Włodzimierz S.A., Katowice	Other	Poland	**14.03**
Telekomunikacja Kopalń Piasku S.A., Gliwice	Other	Poland	**42.73**

The following entities have not been included in the consolidated annual financial statements of PCC SE as these undertakings – individually and in their aggregation – are immaterial to the net assets, financial position, results of operations and cash flows of the Group.

Non-consolidated companies	Division	Country	Participating interest in %
BiznesPark Rokita Sp. z o.o., Brzeg Dolny	Chemicals	Poland	100.00
ChemiPark Technologiczny Sp. z o.o., Brzeg Dolny	Chemicals	Poland	86.98
Chemi-Plan S.A., Brzeg Dolny	Chemicals	Poland	100.00
CWB Partner Sp. z o.o., Brzeg Dolny	Chemicals	Poland	100.00
GEKON S.A. w likwidacji, Brzeg Dolny	Chemicals	Poland	100.00
OOO KosmetNavigator, Grodno	Chemicals	Belarus	50.00
LabAnalityka Sp. z o.o., Brzeg Dolny	Chemicals	Poland	100.00
MCAA SE, Brzeg Dolny	Chemicals	Poland	100.00
OOO PCC BelPol, Mogilev	Chemicals	Belarus	100.00
PCC Chlor-Alkali Sp. z o.o., Brzeg Dolny	Chemicals	Poland	100.00
TzOW Petro Carbo Chem, Lviv	Chemicals	Ukraine	92.32
PCC P4 Sp. z o.o., Brzeg Dolny	Chemicals	Poland	100.00
PCC Polyurethanes Sp. z o.o., Brzeg Dolny	Chemicals	Poland	100.00
PCC Slovakia s.r.o., Košice	Chemicals	Slovakia	100.00
Petro Carbo Chem, Dnipropetrovsk	Chemicals	Ukraine	100.00
Technochem Sp. z o.o., Brzeg Dolny	Chemicals	Poland	85.80
ZAO NOVOBALT Terminal, Kaliningrad	Chemicals	Russia	100.00
ZAO Exol, Nizhny Novgorod	Chemicals	Russia	100.00
Novi Energii OOD, Sofia	Energy	Bulgaria	36.00
PCC Development Sp. z o.o., Warsaw	Energy	Poland	100.00
PCC Energia EOOD, Sofia	Energy	Bulgaria	100.00
PCC Energija d.o.o. u likvidaciji, Zagreb	Energy	Croatia	100.00
PCC Envolt Sp. z o.o., Brzeg Dolny	Energy	Poland	100.00
PCC HYDRO DOOEL Skopje, Skopje	Energy	Republic of Macedonia	60.00
PCC Izvorsko EOOD, Sofia	Energy	Bulgaria	60.00
PCC Power Gubin S.A., Warsaw	Energy	Poland	100.00
PCC Power Sp. z o.o., Brzeg Dolny	Energy	Poland	100.00
PCC Utilities S.A., Brzeg Dolny	Energy	Poland	100.00
Agencja Rozwoju Lokalnego S.A., Jaworzno	Logistics	Poland	6.96
TRANSGAZ S.A., Rybnik	Logistics	Poland	9.64
WFP Project Development Sp. z o.o., Jaworzno	Logistics	Poland	100.00
3S Sp. z o.o., Gliwice	Other	Poland	42.73
4VOD Sp. z o.o., Kraków	Other	Poland	5.13
Drefakt GmbH, Dresden	Other	Germany	25.50
F&K Customer Care GmbH, Velbert	Other	Germany	51.00
Maktel Sp. z o.o., Katowice	Other	Poland	17.09
PCC Direktinvest GmbH, Duisburg	Other	Germany	100.00
SGT S.A., Gliwice	Other	Poland	19.94
TEC artec valves GmbH & Co. KG, Oranienburg	Other	Germany	68.85
PRZ Budostal-8 S.A., Kraków	Other	Poland	8.30
Wytwórnia Konstrukcji Betonowych S.A., Siemanowice	Other	Poland	2.16

For a detailed schedule of shareholdings, please refer to Note (33).

Changes in the Group in the year under review can be summarised as follows:

Fully consolidated subsidiaries	**Domestic**	**Abroad**
Jan. 1, 2010	7	16
Additions	0	2
Disposals/Mergers	1	0
Jan. 1, 2011	6	18
Additions	0	7
Disposals/Mergers	1	0
Consolidated companies as of Dec. 31, 2011	**5**	**25**

Seven foreign companies were added to the scope of consolidation in fiscal 2011:

- ZAO PCC Rail (formerly ZAO Petro Carbo Chem), Moscow (Russia)
- PCC Prodex (formerly PRODEX-SYSTEM) Sp. z o.o., Warsaw (Poland)
- PCC Consumer Products S.A. (formerly PCC Locomotives Sp. z o.o.), Warsaw (Poland)
- Fabryka Zapałek "Czechowice" S.A., Czechowice (Poland)
- Kosmet Sp. z o.o., Brzeg Dolny (Poland)
- 3Services Factory S.A., Katowice (Poland)
- Chemi-Progress Polska Sp. z o.o., Brzeg Dolny (Poland)

The transfer of shares pursuant to the purchase agreement signed in December 2010 with the Spanish energy utility Nexus Energía S.A., Barcelona, covering 100 % of the participating interest in PCC Energie GmbH, Duisburg, was completed on February 16, 2011. As a result, PCC Energie GmbH was completely eliminated from the scope of consolidation of the PCC Group retrospectively to January 1, 2011. C&C Coke and Coal Products GmbH (C&C), Duisburg, has been in liquidation since October 1, 2010. This process is expected to be completed in the course of 2012. The business activities have been transferred to Petro Carbo Chem GmbH, Duisburg, and will continue to be pursued under the stewardship of this company.

There were no changes in fiscal 2011 with respect to the affiliated and non-consolidated entities.

(2) Consolidation methods

Included in the consolidated financial statements of the PCC Group are all the material domestic and foreign subsidiaries over which PCC SE has, either directly or indirectly, the power to exert a controlling or dominating influence.

In the case of subsidiaries that were already subsidiaries of PCC SE before January 1, 2011, the book value method continues to be applied for the consolidation of capital, whereby the carrying value of the shares owned by the parent company is eliminated against the amount represented by the shares in the equity of the subsidiary undertaking. The book values of the shares owned by the parent company in the consolidated entity are eliminated against its equity on the basis of the ratios prevailing at the time of first-time inclusion in the consolidated financial statements. The positive and negative differences arising from this allocation are set off against reserves unless recognised in income.

The purchase method is applied for the first-time consolidation of entities acquired since January 1, 2010. This involves allocating the purchase price to the acquired assets and liabilities as of the date of their first-time consolidation. Any difference between the purchase price and the amount allocated is recorded as goodwill, which is then amortised over time. Further explanations can be found in Note (14). Any goodwill arising is subjected to an impairment test performed at least once a year.

All expenses and income, and also accounts receivable and payable resulting from transactions between consolidated companies, are eliminated, as are intercompany profits where such are material.

The financial statements of PCC SE and the consolidated subsidiaries are prepared in accordance with uniform accounting and valuation principles. Adaptation to uniform accounting and valuation principles with respect to associated entities has not been undertaken.

Participating interests in associated companies are accounted for in the consolidated balance sheet by the at-equity method. As in the previous year, the companies IGBS S.A., Katowice (Poland) and TKP S.A., Gliwice (Poland) were consolidated at Group level by the at-equity method in fiscal 2011. Realised net earnings for the year are proportionately allocated using the equity value approach. The dividends already received in fiscal 2011 have been deducted in the equity value calculation. Moreover, from fiscal 2011, any differences arising from the first-time consolidation of entities are amortised. This item contains the amortisation of goodwill over the useful life of TKP S.A. which, based on its medium-term development into a telecommunications subgroup, has been set at ten years. As of the balance sheet date, the remaining difference attributable to TKP S.A. amounted to around € 2.9 million, this being stated as goodwill. Attributed to IGBS S.A. is a difference on the liabilities side amounting to € 891k. The following table shows the change in equity values of the above-mentioned consolidated entities.

Figures in € k	**Dec. 31, 2011**	Dec. 31, 2010
Equity value at beginning of period	**10,826**	9,952
Additions/Disposals	**0**	58
Dividends	**–58**	0
Amortisation of consolidation differences	**–322**	0
Proportionate net profit/loss	**544**	815
Changes in consolidation scope	**–989**	0
Equity value at end of period	**10,001**	**10,826**

The assets and liabilities of subsidiaries whose functional currency is not the euro are translated at the mean spot rate ruling on the balance sheet date, while income and expenses are translated into euro at average rates for the year in question. Equity components of the subsidiaries are translated at the corresponding historic rate of exchange prevailing as of the date of their formation. The resultant currency translation differences are recognised as amounts due to currency translation within accumulated other capital or minority interests, as appropriate. The exchange rates of the main currencies of the Group applied with respect to one euro are as follows:

Currency exchange rate for 1€	Closing rate		Average rate	
	Dec. 31, 2011	Dec. 31, 2010	**2011**	2010
Czech koruna (CZK)	**25.7870**	25.0610	**24.5900**	25.2840
Polish złoty (PLN)	**4.4580**	3.9750	**4.1206**	3.9947
US dollar (USD)	**1.2939**	1.3362	**1.3920**	1.3257
Romanian leu (RON)	**4.3233**	4.2620	**4.2391**	4.2122
Russian ruble (RUB)	**41.7650**	40.8200	**40.8846**	40.2629
Bosnian convertible mark (BAM)	**1.9558**	1.9558	**1.9558**	1.9558

(3) Accounting and valuation policies

Intangible and tangible fixed assets are capitalised at purchase or manufacturing cost and amortised or depreciated using the straight-line method on the basis of estimated useful economic lives. Self-constructed/self-manufactured tangible fixed assets are measured at individual cost plus directly attributable overheads. Interest on borrowings is included in full in the manufacturing cost where the associated debt capital has been used for the manufacture of an asset and the interest relates to the period during which that asset was manufactured.

Shares in immaterial subsidiaries not consolidated, and other participating interests and loans are recognised at the lower of cost or fair value.

Inventories are measured in strict compliance with the principle of lower of cost or market.

Accounts receivable and other assets are disclosed at their face/nominal value and individually measured. Identifiable credit or default risks are reflected by appropriate individual allowances for bad debts. Accounts receivable in foreign currencies with a term of less than one year are recognised in the financial statements of the subsidiaries at the mean spot rate ruling on the balance sheet date. Accounts receivable in foreign currencies with a term of more than one year are recognised at the rate ruling at the time the claim arises or, if lower, at the mean spot rate ruling on the balance sheet date.

Credit balances at banks and cash in hand are recognised at face value.

Deferred taxes arising in the individual financial statements of the subsidiaries included in the consolidation are accrued with respect to timing differences between the reporting-date valuation of an asset or liability and its tax base, provided that a tax charge or benefit is probable in future periods. In addition, deferred tax assets and liabilities are reported where these result from consolidation measures affecting income. Where intercompany profits are eliminated, deferred taxes are booked to the supplying company. Deferred tax assets on tax-deductible losses carried forward are recognised to the extent allowed. At Group level, deferred tax assets and liabilities are offset and disclosed on a net basis.

Prepaid expenses and deferred charges are recognised on the assets side of the balance sheet, provided that they represent expenses pertaining to a period after the closing date. Deferred income is recognised on the liabilities side with respect to income that has been received prior to the balance sheet date but represents earnings attributable to a period after that date.

Provisions are recognised in an amount which, on prudent commercial assessment, is required to cover identifiable risks and contingent liabilities. Provisions for pensions and similar obligations are accrued at the present value of the vested benefits based on actuarial assessments. Provisions allocated after January 1, 2010 and with a remaining term of more than one year are discounted over their remaining term at the average market interest rate prevailing during the previous seven financial years. The discount rate applied is calculated on the basis of a statutory instrument and announced by the German central bank (Deutsche Bundesbank).

Liabilities are measured at redemption value. Liabilities denominated in a foreign currency and with a term of up to one year are translated at the mean spot rate ruling on the balance sheet date.

Within the PCC Group, derivative financial instruments are contracted in order to hedge price, foreign currency and interest rate risks. These derivative financial instruments are exclusively measured at fair value.

There are subsidiaries within the PCC Group that have been allocated emission allowances free of charge. These emission certificates are measured at their fair value as of the balance sheet date and recognised under current assets. Certificates used for the production process are disclosed under inventories, and certificates held for trading purposes are recognised under other assets. Income resulting from measurement to fair value is disclosed on the liabilities side between equity and provisions as a special reserve for emission allowances received free of charge.

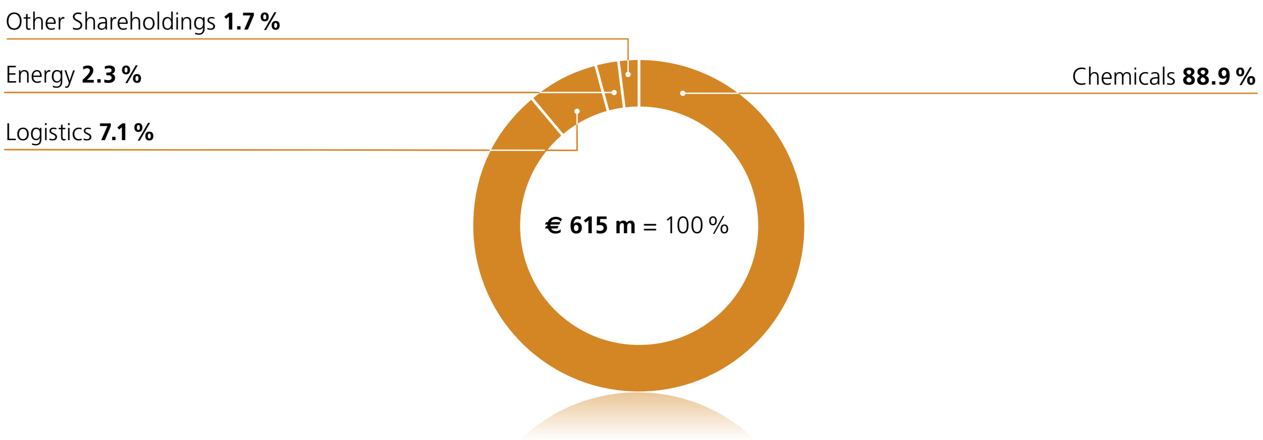
NOTES TO THE INDIVIDUAL ITEMS OF THE CONSOLIDATED INCOME STATEMENT

(4) Sales

The sales generated by the individual Group divisions in fiscal 2011 were as follows:

Sales by division in € k

2011 Sales in %



At € 615 million, total sales were around 6 % above the level of the previous year. Due to the generally more positive economic situation prevailing in 2011 and the associated increase in market prices and demand, the Chemicals division was able to post a substantial increase in revenues (+35.0 %) compared to 2010.

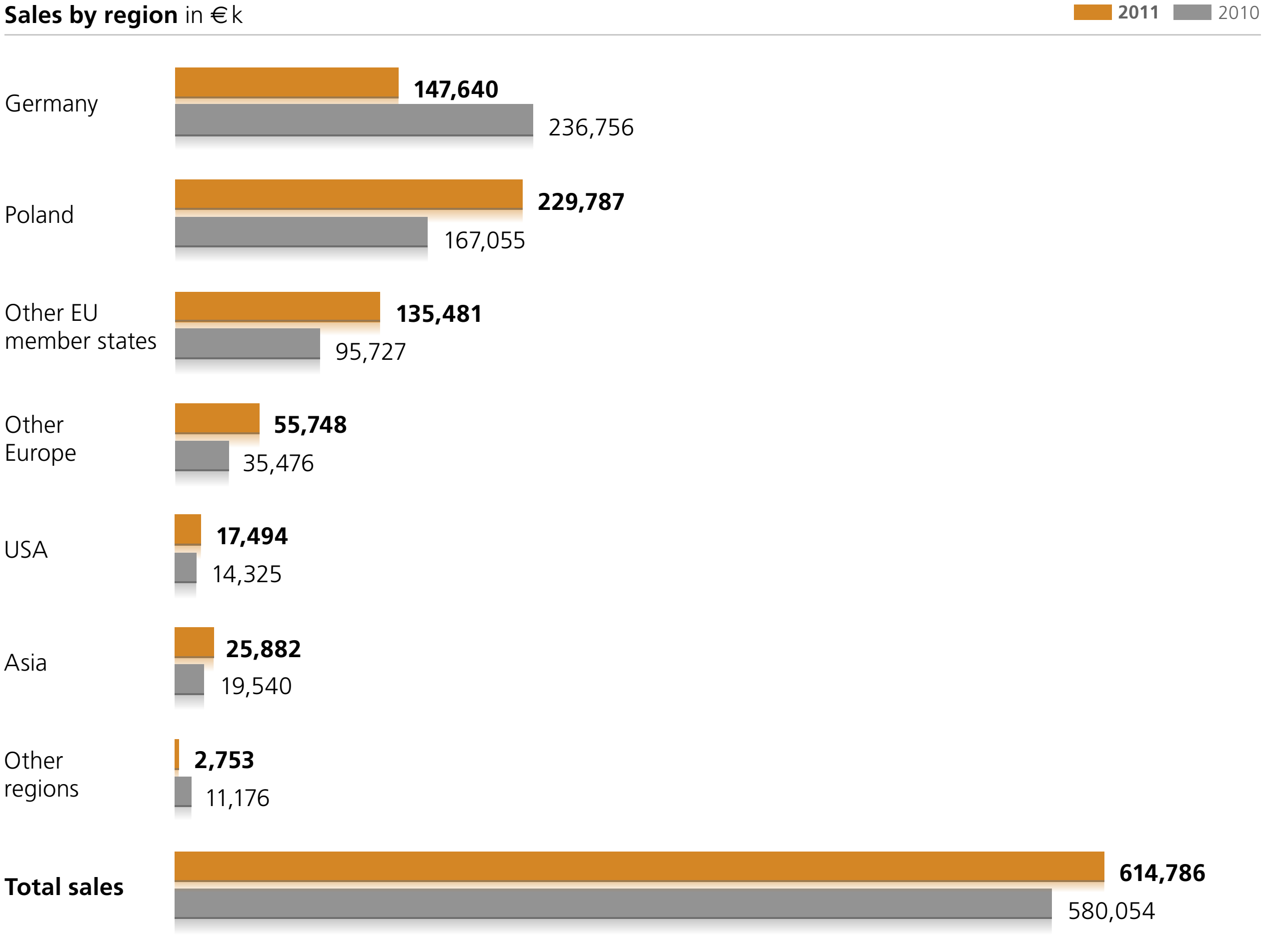
The decrease in sales at the Energy division is due primarily to the absence of the divested PCC Energie GmbH, Duisburg. All the other entities in the division saw their sales increase versus the previous year.

The significant rise of € 13.6 million (+44.9 %) in the Logistics division is due both to the first-time consolidation of ZAO PCC Rail, Moscow, and to a substantial rise in the transportation volumes handled by PCC Intermodal S.A., Gdynia, to 141,198 TEU in fiscal 2011 compared to 114,354 TEU in 2010, representing a plus of 23.5 %.

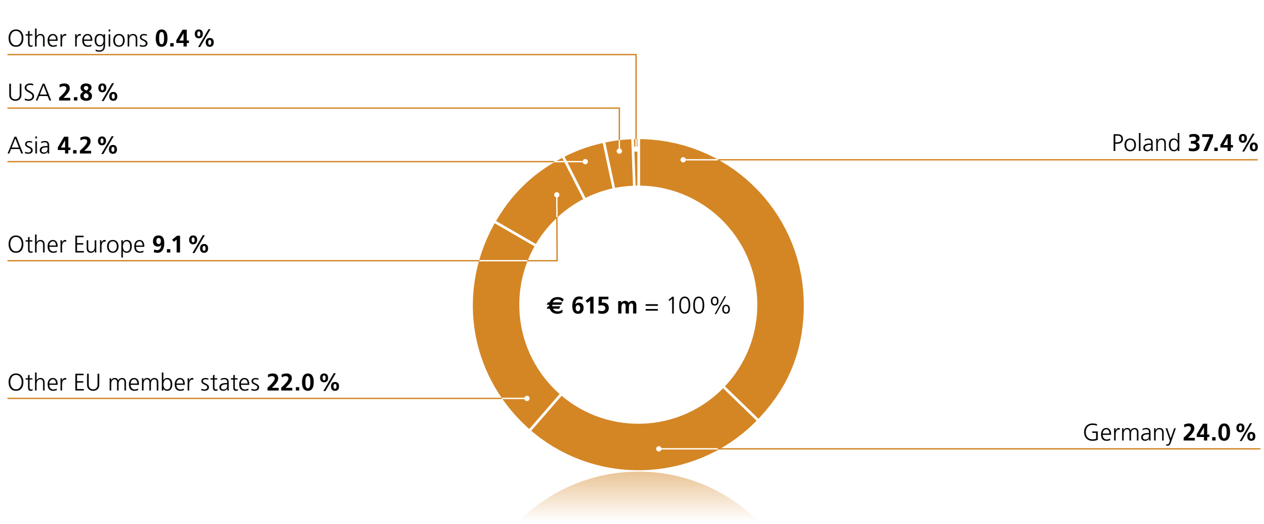
The rise of 24.7 % in the Other Shareholdings division is mainly attributable to the sales generated by PCC Silicium S.A., Zagórze. Following its take-over by PCC SE, this company benefited from a modernisation programme in 2010 and 2011 which ensured substantial increases and process optimisation on the production side. It has also profited from the continuing boom in Polish road and rail construction.

The sales breakdown by geographic region reads as follows:

Sales by region in € k



2011 Sales in %



(5) Other internal costs capitalised

The total for other internal costs capitalised essentially derives from the capitalisation of interest on borrowings directly assignable to the long-term investment programme and apportionable to the manufacturing period.

(6) Other operating income

Other operating income in fiscal 2011 breaks down as follows:

Figures in €k	**Dec. 31, 2011**	Dec. 31, 2010
Foreign exchange rate gains	**12,416**	9,937
Gains from disposal of assets	**7,673**	446
Income from the reversal of provisions	**1,182**	2,850
Foreign exchange rate gains on current receivables and liabilities	**1,013**	306
Gains from bad debts recovered	**817**	921
Rent and similar income	**664**	860
Insurance reimbursements	**228**	662
Income from costs recharged	**223**	132
Sundry other operating income	**18,015**	2,181
Total other operating income	**42,232**	**18,295**

Gains from foreign exchange rate differences and losses arising from foreign exchange rate differences disclosed under other operating expenses should be regarded as mutually compensating variables. As in the previous year, said losses were outweighed in the year under review, resulting in a positive effect on earnings. Since the adoption of the German Accounting Law Modernisation Act [BilMoG], income from foreign exchange rate differences on accounts receivable and payable with a term of less than one year is also disclosed as a separate item.

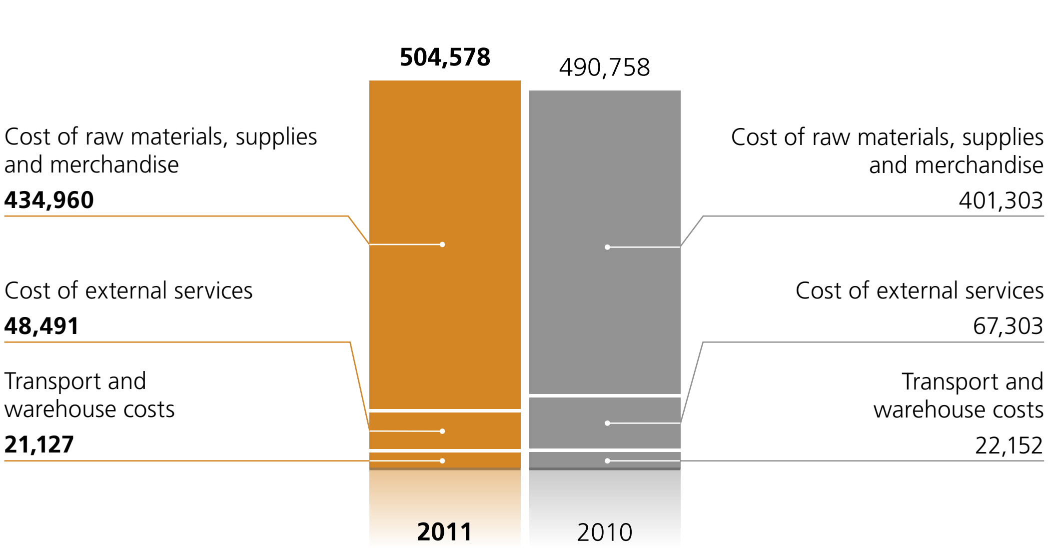
Included under sundry other operating income is a gain arising from the sale of shares in PCC Intermodal S.A., Gdynia, in the amount of € 8.7 million. Reflected in this sale was the identification and realisation of some of the hidden reserves in the company. During the sale of a second tranche of shares in the company offered in December 2011, new, additional shares in PCC Intermodal S.A. were purchased by PCC SE. Also included under other operating income is the write-up on securities classified as fixed financial assets. Here, the shares in S.C. Oltchim S.A., Romania, which were written down in 2009, were written up again in the year under review by around € 4.1 million due to a sustained increase in their market price.

All remaining items under other operating income remained essentially unchanged compared to the prior-year period.

(7) Purchased goods and services

The cost of goods and services purchased in 2011 breaks down as follows:

Purchased goods and services in € k

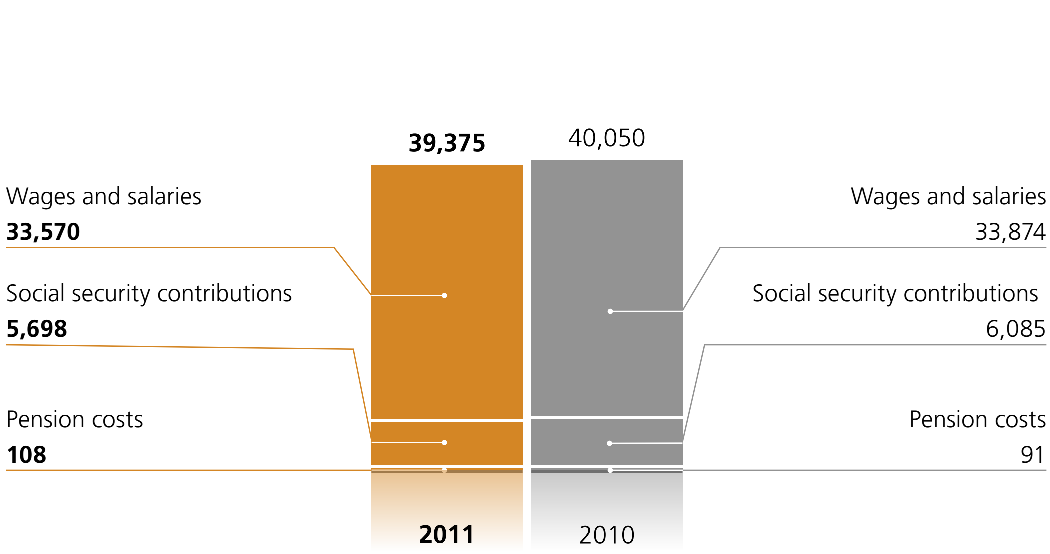


The cost of purchased goods and services increased by € 14 million (approx. 2.8 %) compared to the previous year. Increased feedstock/raw material prices and also substantially higher sales, particularly in the Chemicals division, were the reasons for this slight rise.

(8) Personnel expenses

The personnel expenses for fiscal 2011 are comprised as follows:

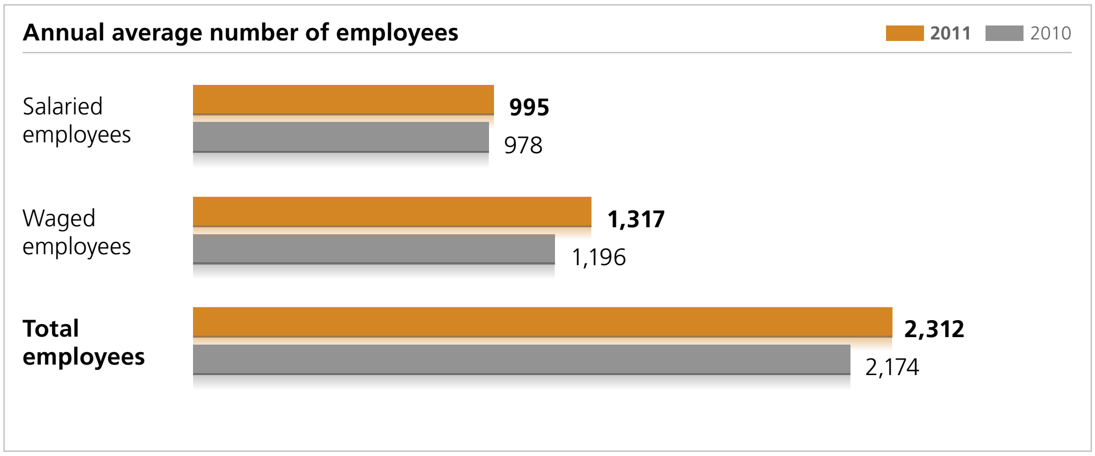
Personnel expenses in € k



Despite the increase in the number of employees, personnel expenses were held constant versus prior year.

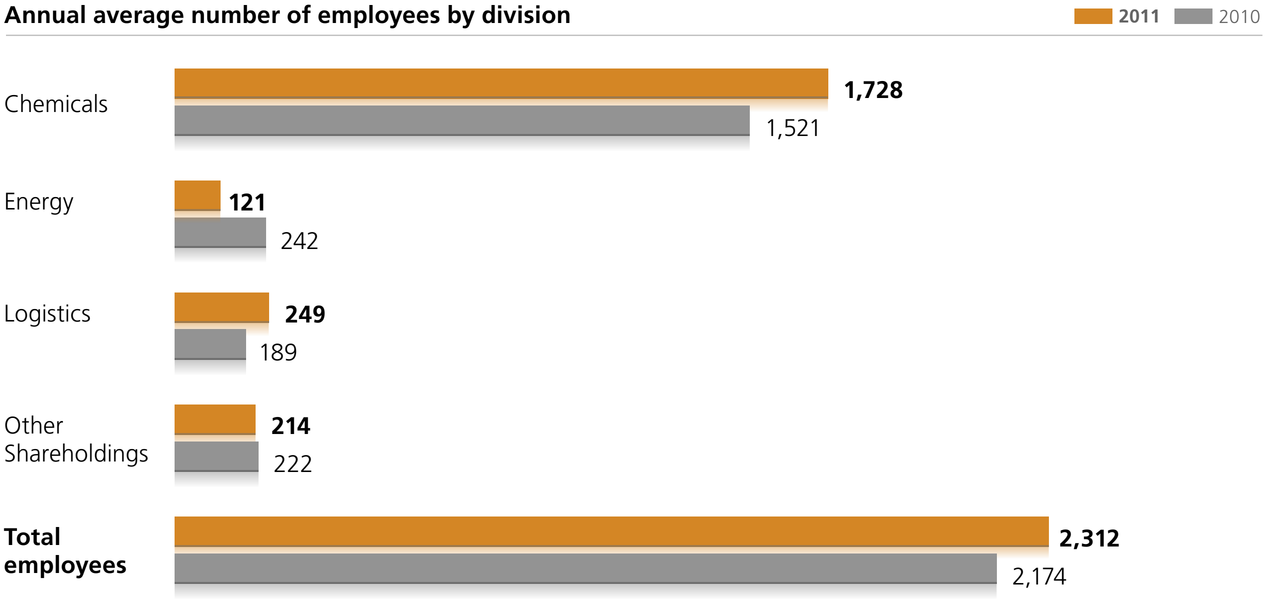
The employees added to the payroll are all with foreign companies at which lower labour costs prevail than those attributable to the German employees that left the Group.

The following graph shows the changes that took place with respect to average employee numbers in the PCC Group in 2011. As of December 31, 2011, the total workforce employed by the companies of PCC amounted to 2,568 employees.

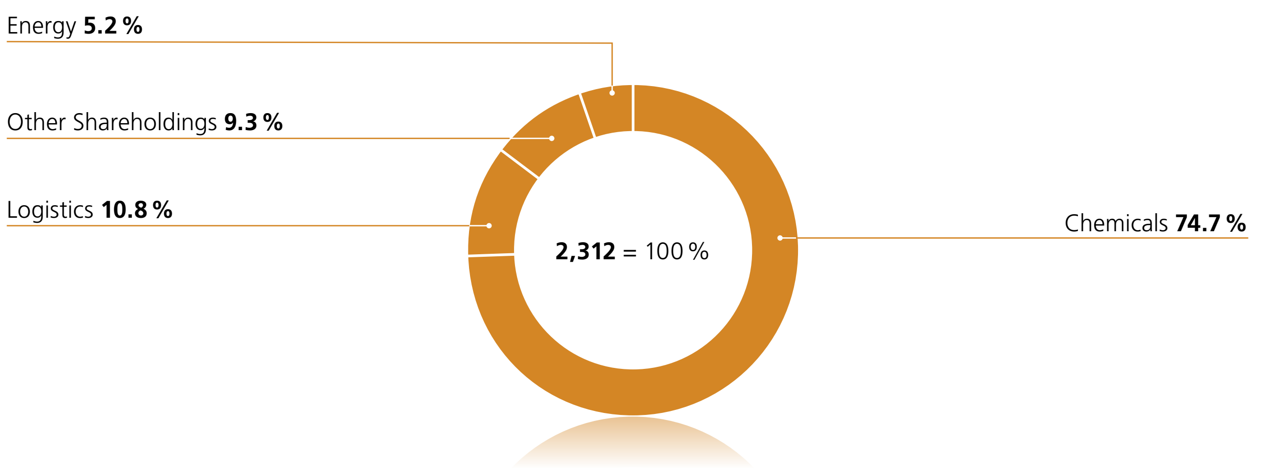


The next graph showing the workforce breakdown by division illustrates clearly the decrease in the number of employees in the Energy division arising from the sale of PCC Energie GmbH, Duisburg. The increase in the Chemicals division is due to the addition of the companies PCC Prodex, Warsaw, and the "PCC Consumer Products" subgroup, which were consolidated for the first time in fiscal 2011. The rise also registered in the Logistics division essentially had two reasons: Firstly, ZAO PCC Rail, Moscow, was consolidated at the beginning of the year, and second, PCC Intermodal, Gdynia, increased its payroll due both to the ramp-up of work at its first own container terminal and to a general expansion in its other operational business.

Annual average number of employees by division

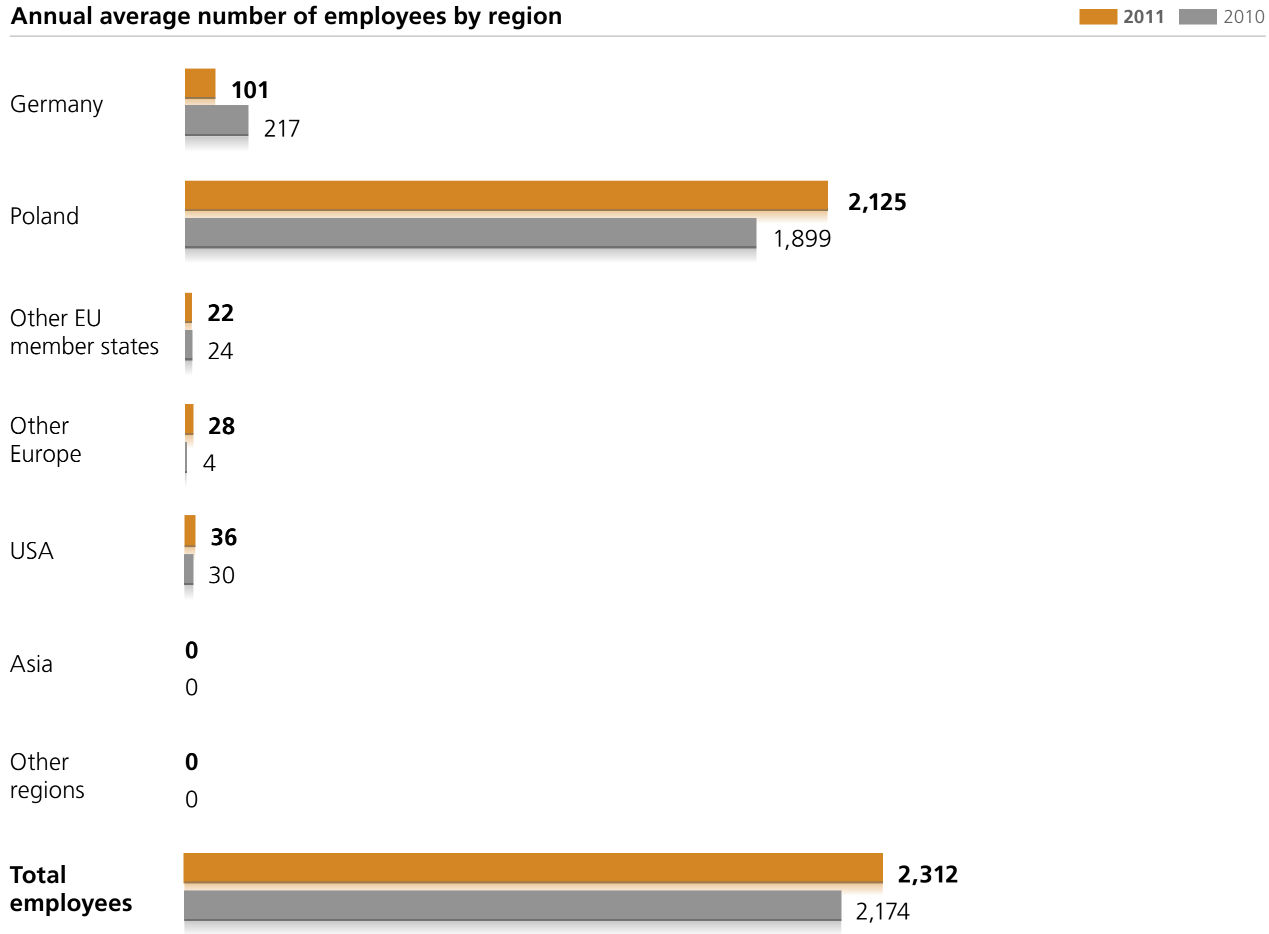


Employees 2011 in %

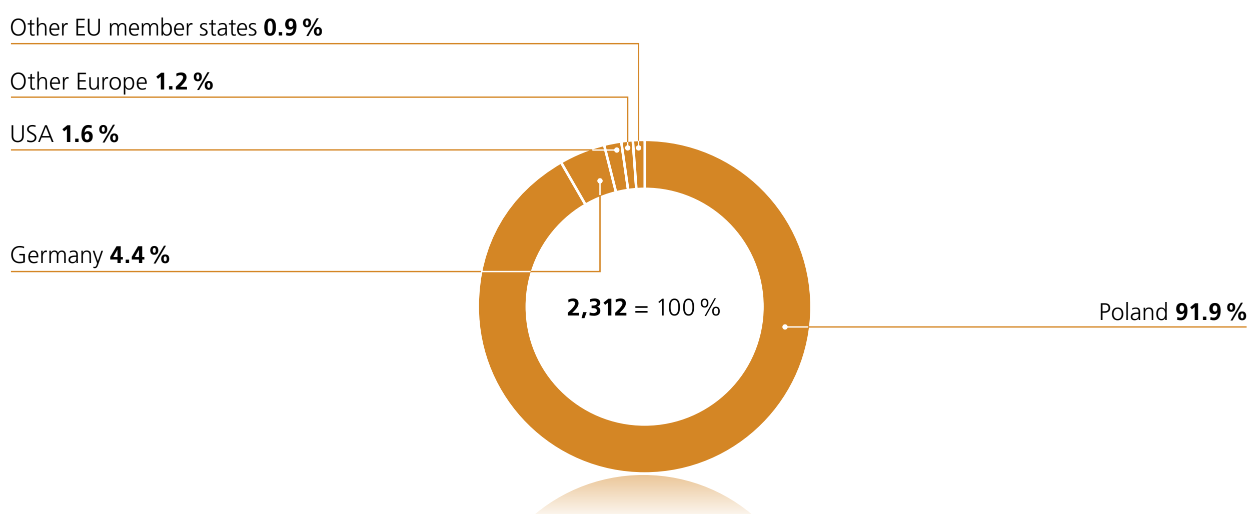


Broken down by geographic region, annual average employee numbers developed in 2011 as follows:

Annual average number of employees by region



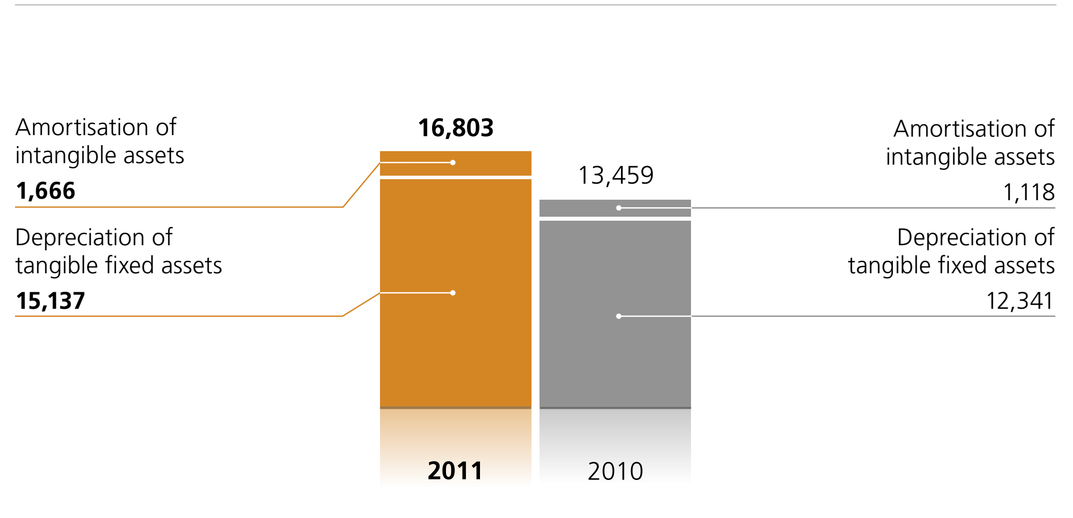
Employees 2011 in %



(9) Depreciation and amortisation

Depreciation and amortisation for fiscal 2011 break down as follows:

Depreciation and amortisation in € k



The increase in depreciation of property, plant and equipment (tangible fixed assets) is the result of the heavy investment programme undertaken by the PCC Group in recent years. The biggest portion of the rise of € 3,344k (approx. 24.8 %) is attributable to the "PCC Rokita" subgroup. A further aspect worth mentioning is the rail wagon leasing business of ZAO PCC Rail, Moscow, which is highly asset-intensive.

Included under the amortisation of intangible assets is around € 880k (previous year: € 474k) in amortisation of goodwill arising from capital consolidation. For further details in this regard, please go to Note (14).

(10) Other operating expenses

The other operating expenses incurred in fiscal 2011 were as follows:

Figures in € k	**Dec. 31, 2011**	Dec. 31, 2010
Other taxes	**7,459**	7,301
Foreign exchange rate losses	**6,440**	5,371
Legal and consultancy costs	**5,393**	6,309
Maintenance and repairs	**4,473**	2,824
Increase in value allowances on receivables	**3,552**	1,303
Selling costs	**3,483**	3,439
Travel and hospitality costs	**3,392**	2,731
General business expenses	**2,802**	2,686
Rent and similar expenses	**2,451**	2,837
Insurance costs	**2,216**	1,737
Other employee benefit costs	**2,153**	1,954
Additions to other provisions	**1,538**	2,590
Foreign exchange rate losses on current receivables and liabilities	**1,130**	0
Losses on disposal of tangible fixed assets	**679**	672
Sundry other operating expenses	**20,056**	11,411
Total other operating expenses and other taxes	**67,218**	**53,165**

As was already the case in the previous year, other taxes again constituted the largest single item under other operating expenses in fiscal 2011. This item contains all operating tax expenses. Domestic and foreign taxes on income and deferred taxes are separately disclosed as part of the net tax result, and are explained under Note (13).

As in the case of other operating income, expenses under this heading attributable to foreign exchange rate differences increased compared to the previous year. In particular, the Polish subsidiaries within the PCC Group generate income and expenses that are predominantly in a currency other than the euro, i.e. in a functional currency that is not the Group's.

Compared to the previous year, maintenance and repair costs increased by around 58 %. The largest individual rise in this regard was posted by the "PCC Rokita" subgroup which, as in 2009, recognised normalised expenses in this domain. Fiscal 2010 therefore constitutes an exception in this regard.

Selling costs, which were mainly generated by PCC SE in the sale of bearer bonds, were held roughly constant versus prior year. The increase in value allowances on receivables is the result of loan corrections with respect to non-consolidated subsidiaries. However, the factoring subsidiary PCC Capital GmbH, Duisburg, also registered an increase of around € 936k under this heading versus prior year due to further cases of fraud.

Included in sundry other operating expenses is an amount of € 1,042k (previous year: € 1,930k) in bad debts written off as unrecoverable.

(11) Other financial items

The headings and their corresponding amounts included in other financial items are as follows:

Figures in € k	**Dec. 31, 2011**	Dec. 31, 2010
Income from associated companies	**222**	815
Income from other participating interests	**39**	132
Total income from participations	**261**	**947**
Write-downs of financial assets	**974**	1
Write-downs of securities	**8**	10
Income from financial loans	**0**	0
Total other financial items	**1,243**	**958**

In fiscal 2011, the PCC Group incurred write-downs on financial assets of around € 974k. These relate to two entities for which an impairment loss had to be recognised due to their continuing negative economic and commercial prospects.

Income from associated companies contains not only the earnings contributions of € 544k (previous year: € 815k), but also, for the first time, a write-down of € 322k (previous year: € 0k) in amortisation of the difference recognised as goodwill arising from first-time consolidation.

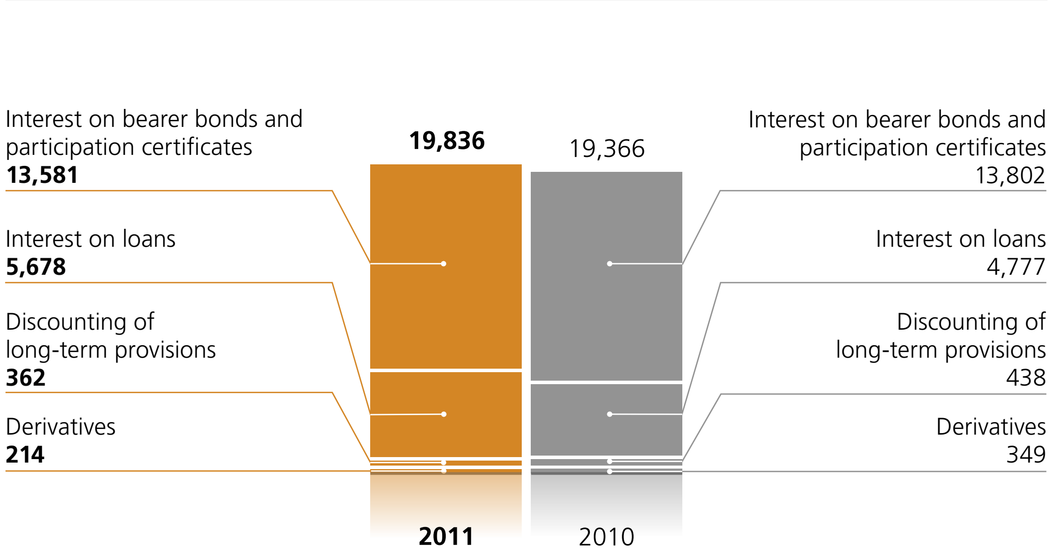
The income from associated companies and participating interests breaks down as follows:

Figures in € k	**Dec. 31, 2011**	Dec. 31, 2010
TKP S.A.	**345**	652
IGBS S.A.	**198**	163
Amortisation of consolidated difference	**–322**	0
Income from associated companies	**222**	**815**
BiznesPark Rokita Sp. z o.o.	**39**	115
CWB Partner Sp. z o.o.	**0**	17
Income from other participating interests	**39**	**132**
Total income from participations	**261**	**947**

(12) Interest and similar expenses

This item comprises interest on loans, interest arising from the issuance of bearer bonds and participation certificates, and expenses arising from derivative financial instruments. The breakdown reads as follows:

Interest and similar expenses in € k



Liabilities to banks as of the balance sheet date remained virtually unchanged versus the prior year-end. However, it should be noted in this regard that an increase occurred in the second half of 2010 particularly. The level for 2011 therefore represents the full year's expenditures in loan interest and thus an increase of around € 1 million compared to the previous year, with the underlying bank liabilities remaining constant.

However, as in previous years, the largest interest expense item remains interest on bearer bonds and participation certificates. Under Note (25) can be found a detailed breakdown of bond liabilities and their tenors.

Effective fiscal 2010, a separate heading has been introduced to also disclose interest expenses arising from the discounting of long-term (non-current) provisions allocated as from the 2010 financial year. This figure amounts to around € 362k (previous year: € 438k).

(13) Taxes on income

The taxes on income include the income taxes paid or owed in the individual countries and also deferred taxes recognised in earnings. Taxes on income are comprised of municipal trade and corporate income tax, the solidarity surcharge and the corresponding foreign taxes on income. Also included are deferred taxes arising from consolidation measures. These amount to around € 365k (previous year: income of € 400k) and are disclosed as part of the deferred taxes balance.

The breakdown of taxes on income by origin reads as follows:

Figures in € k	**Dec. 31, 2011**	Dec. 31, 2010
Current taxes on income, domestic	**1,489**	82
Current taxes on income, foreign	**2,375**	2,767
Deferred taxes	**–159**	–603
Total taxes on income	**3,705**	**2,246**

NOTES TO THE INDIVIDUAL ITEMS OF THE CONSOLIDATED BALANCE SHEET

(14) Goodwill

Participating interests included in the scope of consolidation of the PCC Group on or after January 1, 2010 are consolidated using the purchase method. Any difference that arises following allocation of the purchase price to the assets and liabilities of the acquired entity is recognised as goodwill in the consolidated balance sheet.

The purchase price excess arising from the first-time consolidation of PCC Silicium S.A. (formerly KiZWK "Bukowa Góra" S.A.) as of January 1, 2010, has been capitalised as goodwill in the consolidated balance sheet and will be subjected to scheduled straight-line amortisation over eight years. The amortisation term has been selected on the basis of the period that the company is expected to remain an affiliated entity and the extant development potential of this business as already analysed and projected by Group Project Development through the application of various models and concepts. For more information in this regard, please refer to the Group Management Report contained herein.

In the fiscal year under review, the first-time consolidation of PCC Prodex Sp. z o.o. (formerly PRODEX-SYSTEM Sp. z o.o.) as of January 1, 2010 gave rise to a difference recognised as goodwill. This will be subjected to scheduled straight-line amortisation over five years.

The following table also shows the goodwill assumed from the individual financial statements of PCC Chemax and the "PCC Rokita" subgroup.

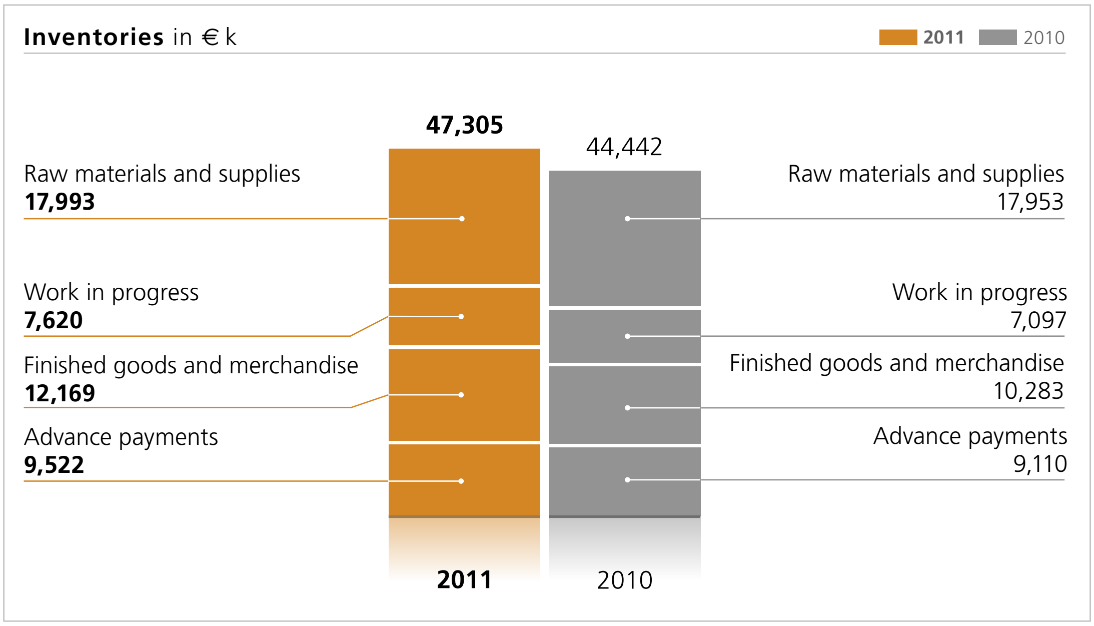
Figures in €k	Dec. 31, 2011	Dec. 31, 2010
PCC Silicium S.A.	2,885	3,317
PCC Prodex Sp. z o.o.	1,773	0
PCC Chemax, Inc.	942	1,013
"PCC Rokita" subgroup	127	233
Goodwill	**5,728**	**4,563**

The goodwill amortisation charges applied in fiscal 2011 were as follows:

Figures in €k	Dec. 31, 2011	Dec. 31, 2010
PCC Silicium S.A.	481	474
PCC Prodex Sp. z o.o.	443	0
"PCC Rokita" subgroup	127	213
PCC Chemax, Inc.	108	101
Depreciation on goodwill	**1,159**	**788**

(15) Inventories

The breakdown of inventories as of December 31, 2011 is as follows:



Compared to the previous year, inventories increased by around 6.4 %. However, also included in the total is € 3.1 million (previous year: € 7.4 million) as the remeasurement at fair value of emission certificates assigned to the production processes of subsidiaries within the Chemicals division. The resultant income is separately recognised as a special reserve item on the balance sheet.

(16) Trade accounts receivable

The analysis of the trade accounts receivable as of December 31, 2011 reads as follows:

Figures in € k	**Dec. 31, 2011**	Dec. 31, 2010
Trade accounts receivable	**63,853**	60,965
Individual allowances for bad debts	**–7,485**	–9,858
Total trade accounts receivable	**56,368**	**51,106**

Trade accounts receivable as of December 31, 2011 all have a remaining term of up to one year. The increase in trade accounts receivable versus prior year is similar to the rise in sales over the same period.

(17) Accounts receivable from affiliated companies

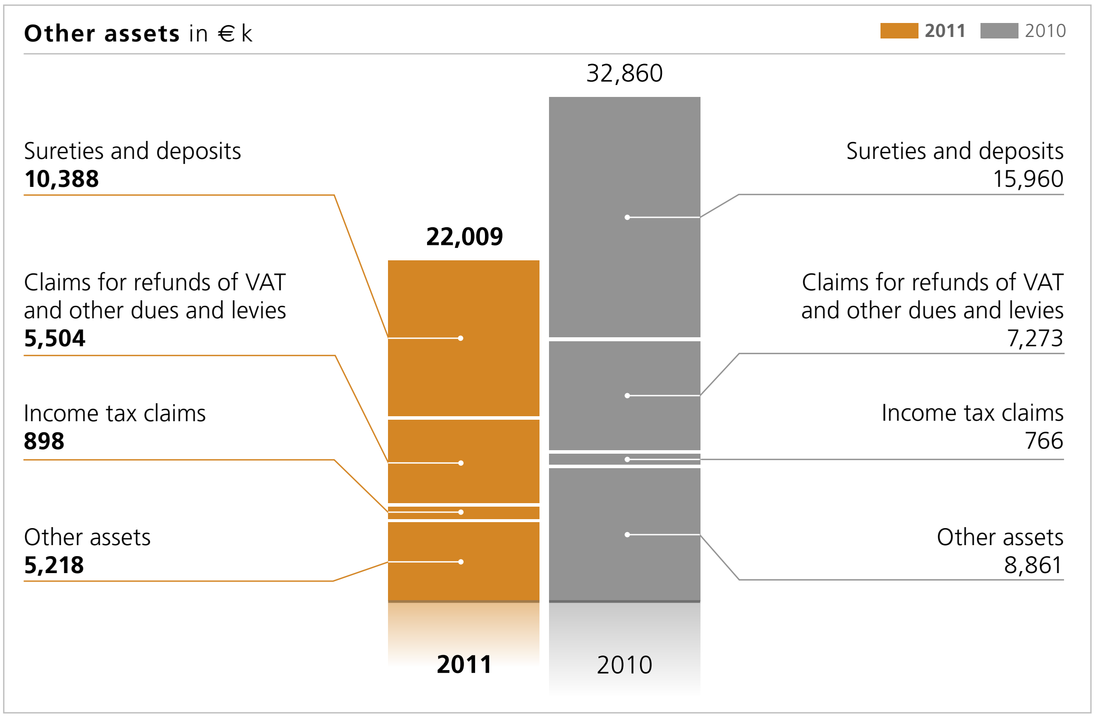
Accounts receivable from affiliated companies as of December 31, 2011 all have a remaining term of up to one year. They are comprised of accounts receivable from affiliated, non-consolidated companies. They primarily take the form of loans receivable from project companies in the renewable energies sector which are still in the developmental stage.

(18) Accounts receivable from enterprises in which participating interests are held

Accounts receivable from enterprises in which participating interests are held as of December 31, 2011 all have a remaining term of up to one year.

(19) Other assets

The items under the other assets heading as of December 31, 2011 are as follows:



Included under sureties and deposits is a claim arising from an escrow account. The decrease in this item compared to the previous year is the result of the partial draw-down of said escrow account following the sale concluded in 2009 of the "PCC Logistics" companies to Deutsche Bahn AG. The sundry other assets have a remaining term of up to one year and contain an account receivable from the sole shareholder of PCC SE in the amount of € 267k (previous year: € 37k). This is a short-term loan on which interest is payable at a rate of 6 % per annum.

(20) Prepaid expenses and deferred charges

Prepaid expenses and deferred charges include a debt discount (disagio) amounting to € 136k (previous year: € 296k).

(21) Equity

The subscribed capital of PCC SE as of December 31, 2011 amounts to € 5 million and is fully paid up. It is divided into 5,000,000 individual share certificates with a par value of € 1 per share.

The items included under consolidated retained earnings as of December 31, 2011 are as follows:

Figures in € k	**Dec. 31, 2011**	Dec. 31, 2010
Revenue reserves and profit/loss carried forward attributable to consolidated companies	**85,238**	98,431
Allocated differences arising from consolidation measures	**3,155**	3,561
Share of profit for the year attributable to Group	**9,910**	–16,833
Total consolidated retained earnings	**98,302**	**85,159**

For further detailed information on this item, please refer to the consolidated statement of movements in Group equity which forms part of the consolidated financial statements contained herein.

The consolidated retained earnings are comprised of the unappropriated profits realised in the period under review by the subsidiaries included in the consolidated financial statements. The share of the consolidated net loss for the previous year attributable to the PCC Group, amounting to –€ 16.8 million, has been brought forward and recognised within consolidated retained earnings.

Effective fiscal 2011, equity differences due to currency translation are separately disclosed in the capital accounts and in the consolidated statement of movements in Group equity. The disclosures for the previous year have been adjusted accordingly. The amounts under this heading changed from –€ 2.6 million in 2010 to –€18.2 million in fiscal 2011.

In fiscal 2011, the sole shareholder of PCC SE was paid out of retained earnings a dividend in the amount of € 2,050k (previous year: € 5,000k).

Recognised within accumulated other consolidated capital is capital from profit participation certificates, which rose from € 10.1 million in 2010 to € 10.7 million in 2011. This item includes additions to retained earnings as of December 31, 2011 arising from the issuance of a subordinated profit participation certificate by PCC SE in the amount of € 626k, this figure corresponding to the repayment obligation. The profit participation certificate was issued in October 2007 in the amount of € 20,000k in certificate denominations of € 1,000, the minimum investment being € 5,000. It offers a basic coupon of 8.75 % per annum on the certificate amount plus an additional share of profits amounting to between 0.5 % and 2.0 % per annum, depending on consolidated profit for the year. Where losses have been incurred during the term of the profit participation certificates, participation in such losses occurs as of the date of redemption. The term of the profit participation certificate is indeterminate. Amounts received exceeding the nominal value of the participatory right (agio) arising from the issuance of the participation certificate, totalling € 77k (previous year: € 73k), are likewise disclosed within accumulated other capital.

Shares in companies of the PCC Group are also held by German and foreign minority shareholders. The minority shareholders participate in the Group equity and the consolidated profit/loss for the year. The share of Group equity attributable to minority shareholders in 2011 amounted to € 18.8 million, representing an increase of € 4.6 million compared to year-end 2010.

(22) Special reserve for emission allowances received free of charge

PCC Rokita SA, as the largest production company in the Chemicals division, was issued emission allowances free of charge. In accordance with the German Accounting Law Modernisation Act [BilMoG], these were measured at their fair value as of the balance sheet date. The income arising has been neutralised and separately disclosed in the balance sheet under the item heading indicated above. The amount attributable in fiscal 2011 is around € 5.4 million (previous year: € 11.7 million).

(23) Provisions

The change in provisions during fiscal 2011 was as follows:

Figures in €k	Jan. 1, 2011	Currency effects	Released	Other changes	**Dec. 31, 2011**
Provisions for pensions and similar obligations	430	–34	44	476	**828**
Provisions for taxes on income	111	0	0	289	**400**
Other provisions	23,660	–1,175	1,161	–4,327	**16,998**
Provisions	**24,202**	**–1,209**	**1,205**	**–3,562**	**18,226**

Other changes are reflected in the balance between amounts utilised, amounts added and changes in the scope of consolidation. Effective January 1, 2010, this column also contains changes arising from the discounting of long-term (non-current) provisions allocated since January 1, 2010. As of December 31, 2011, the amount attributable to this item was € 302k (previous year: € 236k). The amount attributable to changes in the scope of consolidation as of December 31, 2011 was –€ 3.8 million, spread between entities consolidated for the first time and the disposal of PCC Energie GmbH, Duisburg. The largest item under other provisions is that of other accruals. These include provisions relating to the recultivation obligations of Polish subsidiaries.

Provisions for pensions and similar obligations are entirely due to obligations of consolidated companies abroad (in Poland). An average interest rate of 4.5 % (previous year: 4 %) has been applied as the basis of the actuarial assumptions used for the valuation of these obligations, for which purpose the projected unit credit method is applied. Increases in wages and salaries have also been taken into account within a range between 1.0 % and 6.1 % p.a. The pension obligations are derived from the relevant retirement age applicable in each case. In all, provisions for pensions and similar obligations have been allocated for 1,736 people (previous year: 1,239 people) in the PCC Group.

The long-term (non-current) provisions with a term of more than one year that have been allocated since January 1, 2010, are discounted over their remaining life using the applicable average seven-year market interest rate announced by the German central bank (Deutsche Bundesbank).

Other provisions and accruals as of December 31, 2011 break down as follows:

Figures in € k	Dec. 31, 2011	Dec. 31, 2010
Provisions for anticipated losses	**3,051**	5,331
Accruals for personnel expenses	**2,114**	2,209
Provisions for obligations to customers	**1,165**	274
Accruals for litigation risk	**965**	38
Accrued expenses for payment obligations	**568**	5,228
Accruals for audit and other legal or consulting costs	**184**	203
Accruals for order commitments	**5**	16
Accrued costs for restructuring programme	**0**	54
Sundry other provisions and accruals	**8,946**	10,308
Total other provisions / accruals	**16,998**	**23,660**

Accrued expenses for payment obligations decreased significantly compared to the previous year. This is due in the first instance to the divestment of PCC Energie GmbH. There was a further reduction in provisions for anticipated losses compared to the previous year. As of the balance sheet date, this item relates to negatively valued derivative contracts taken out to hedge currency and interest rate risks. Also included in this item is a provision for risks arising from the winding-up of subsidiaries and for the usual commercial guarantees that may possibly arise in future periods in relation to Group companies already divested.

Within sundry other accruals is a site recultivation obligation of a subsidiary of the "PCC Rokita" subgroup amounting to around € 6.8 million. This is a multi-year obligation arising from local regulations and will remain in place until 2026.

(24) Liabilities

The maturity structure of the liabilities as of December 31, 2011 reads as follows:

Figures in € k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	Dec. 31, 2011
Mezzanine capital	26,000	22,000	0	**48,000**
Liabilities from bearer bonds	29,086	103,605	0	**132,691**
Bank liabilities	16,886	47,611	10,633	**75,129**
Advance payments for orders received	25	0	0	**25**
Trade accounts payable	44,596	12		**44,608**
Accounts payable to affiliated companies	1,000	0	0	**1,000**
Accounts payable to enterprises in which participating interests are held	96	0	0	**96**
Other liabilities	18,168	398	0	**18,567**
Total liabilities	**135,857**	**173,627**	**10,633**	**320,116**

The mezzanine capital exclusively comprises subordinate loans, held at the same level as in the previous year, bearing a fixed interest rate between 7.27 % and 7.9 % per annum and, in part, providing an additional, earnings-related distribution depending on consolidated profit for the year. The total amount is split into € 26.0 million with a remaining term of up to one year, and € 22.0 million with a remaining term of up to five years.

Our bank liabilities decreased from € 76.9 million in 2010 to € 75.1 million in the year under review, with the majority having medium-term tenors.

The loans disclosed under bank liabilities amounting to around € 33.9 million (previous year: € 46.9 million) are all secured by mortgages or similar liens. A further amount of € 7.2 million (previous year: € 11.5 million) is secured by chattel mortgages on property, plant and equipment or inventories. Bank liabilities recognised in the consolidated balance sheet are also secured by assignment of claims in the amount of € 5.5 million (previous year: € 5.0 million).

(25) Liabilities from bearer bonds

Liabilities from bearer bonds arise from the issuance of bonds by PCC SE and PCC Rokita SA. The bonds issued by PCC SE carry a fixed coupon between 4.50 % and 7.25 % p. a. and the bonds issued by PCC Rokita SA carry a fixed coupon of 9.0 % p. a. The following table provides an analysis of the bonds involved:

Figures in € k	**Dec. 31, 2011**	Dec. 31, 2010
Bonds in EUR	**125,169**	**112,603**
DE000A1EKZN7	**34,968**	34,998
DE000A1H3MS7	**26,665**	0
DE000A0S8DY1	**19,944**	19,944
DE000A1K0U02	**10,031**	0
DE000A0LRV96	**9,165**	9,165
DE000A1H3H36	**9,071**	0
DE000A0WL5E5	**7,224**	7,224
DE000A1EWB67	**6,756**	5,203
DE000A1EWRT6	**1,345**	0
DE000A0JFJ90	**0**	27,544
DE000A1A57W2	**0**	8,525
Bond in PLN	**33,532**	**1,188**
PLPCCRK00019	**33,532**	1,188

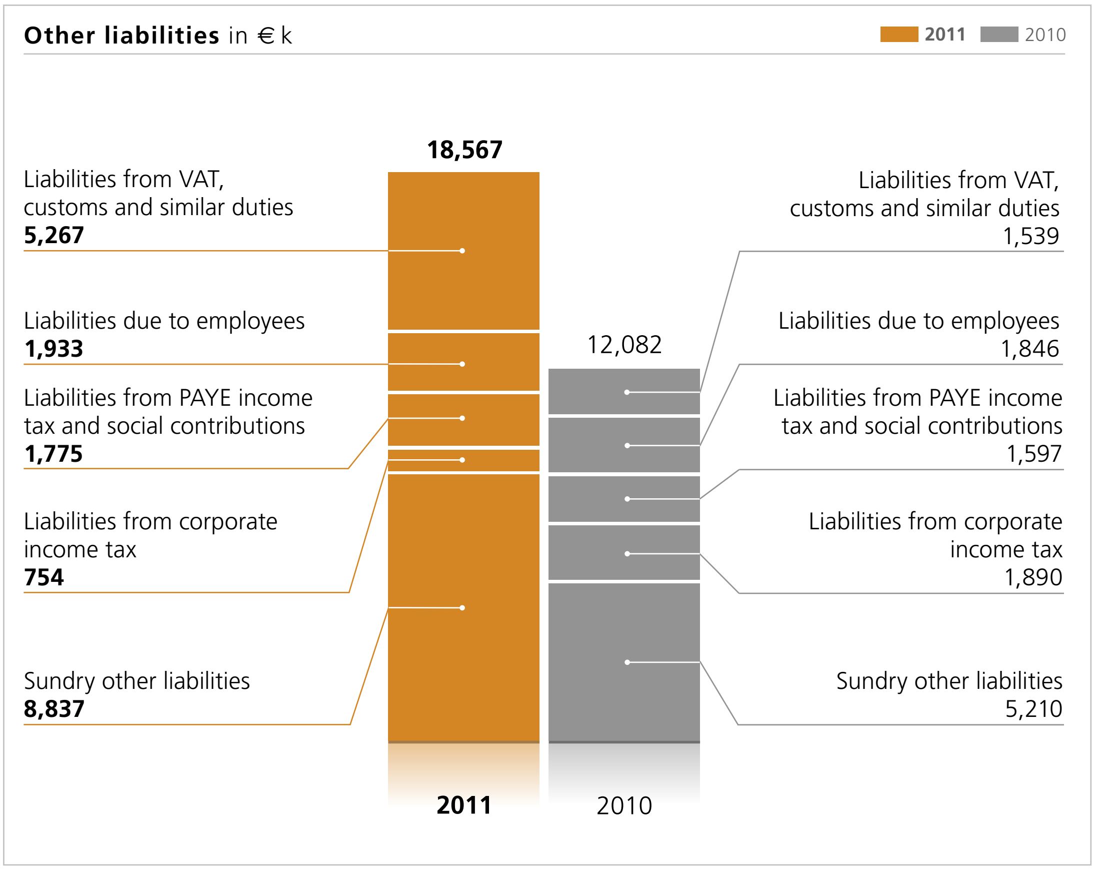
The bond issued by PCC Rokita SA with a face value of PLN 33,532k was valued as of the balance sheet date at € 7,522k (previous year: PLN 1,188k or € 299k).

The due dates of the bond liabilities of the PCC Group are indicated in the following table:

Figures in € k	**Total**	Due in 2011	Due in 2012	Due in 2013	Due in 2014	Due in 2015	Due after 2015
Dec. 31, 2011	**132,691**	**–**	**29,086**	**19,856**	**43,812**	**38,316**	**1,620**
Dec. 31, 2010	**112,902**	36,069	19,944	9,165	42,521	0	5,203

(26) Other liabilities

The items aggregated under other liabilities as of December 31, 2011 are as follows:



Compared to the previous year, the value of other liabilities increased from € 12.1 million to € 18.6 million. This increase is due in the first instance to the tax audit performed on our German companies in 2011.

(27) Deferred taxes

According to the German Accounting Law Modernisation Act [BilMoG], deferred taxes must be recognised on temporary differences between the carrying values of assets, liabilities and accruals in the balance sheet and their tax base. For German subsidiaries, the tax rate applied here is a uniform 30 %. For foreign subsidiaries, the relevant national tax rates are applied as follows:

Poland	19 %
Czech Republic	19 %
USA	34 %
Russia	20 %

The distribution of deferred taxes among the various balance sheet items is shown in the following table. Within the PCC Group, deferred tax assets and liabilities are offset and disclosed as netted balances. For fiscal 2011, this produced a surplus on the asset side of € 3,767k (previous year: € 4,003k).

Figures in €k	Deferred tax assets	Deferred tax liabilities
Intangible assets	2	–
Tangible fixed assets	99	994
Financial fixed assets and investments	–	–
Inventories	75	–
Receivables	75	67
Securities	1	–
Other assets	14	–
Provisions for pensions	154	3
Other provisions and accruals	246	–
Liabilities	83	20
Other liabilities	69	–
Losses carried forward	548	–
Other deferred taxes	3,544	59
Total deferred taxes	**4,911**	**1,144**

Deferred taxes arising from consolidation measures amounted to around € 35k (previous year: € 400k), and are due primarily to eliminated intercompany profits.

The largest item within the deferred tax assets total is due to anticipated future tax benefits accruing to the "PCC Rokita" subgroup, whose production sites are located in an area designated as a special economic zone. As of the balance sheet date, the amount recognised in this respect was € 3.3 million (previous year: € 2.6 million).

(28) Derivative financial instruments

With growing globalisation and the expansion in international trade, companies of the PCC Group are increasingly exposed to foreign currency and interest rate risks. Derivative financial instruments are used to minimise this exposure. These are disclosed in the balance sheet and valued as of the reporting date. The difference thus determined is recognised in income, with losses from currency derivatives being recognised under operating expenses, and losses from interest rate derivatives being recognised under financial items. The items are separately explained in the relevant sections. Negative fair values as of the valuation date are disclosed as provisions for anticipated losses.

Figures in €k	Nominal value	Fair value
FX forwards		
Buy	**0**	**0**
Sell	**3,824**	**–99**
FX options		
Buy	**0**	**0**
Sell	**0**	**0**
Cross-currency interest rate swaps	**10,690**	**–145**
Interest rate swaps	**0**	**0**
Other derivatives	**0**	**0**

(29) Contingent liabilities and other financial commitments

As in the previous year, there were no contingent liabilities per December 31, 2011.

The other financial commitments as of December 31, 2011 were as follows:

Figures in €k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	**Dec. 31, 2011**
Financial commitments for rent and leasing	2,836	99	93	**3,028**
Other commitments (including pending contracts)	1,935	5,798	0	**7,733**
Total financial commitments	**4,771**	**5,897**	**93**	**10,761**

There are no other commitments to entities not included in the consolidated financial statements.

NOTES TO THE INDIVIDUAL ITEMS OF THE CASH FLOW STATEMENT

(30) Cash flow statement

The cash flow statement shows the changes in cash and cash equivalents that took place in the year under review and is drawn up in accordance with German accounting standard DRS 2.

The cash flows are broken down according to the headings "Cash flow from operating activities", "Cash flow from investing activities" and "Cash flow from financing activities".

The financial funds equate to the total of cash and cash equivalents (cash in hand, credit balances at banks and cheques) shown in the balance sheet. In the event of changes in the scope of consolidation arising from the purchase or sale of entities, the purchase price paid or received (excluding debt assumed or sold), less the financial funds acquired or sold, is recognised as a cash flow from investing activities. The remaining accounting effects of the purchase or sale are distributed between the respective items within the three categories. In the event that the acquisition or disposal of shares in a company takes place without a change in the control relationship (loss or gain of control), such transactions are disclosed as investing activities.

In the 2011 statement, capital expenditures for acquisitions of consolidated companies and other operations relate to acquisition of the companies PCC Prodex Sp. z o.o., 3Services Factory S.A. and ZAO PCC Rail. The cash inflow from the disposal of consolidated companies relates to the divestment of PCC Energie GmbH.

Dividends paid fall under financing activities. Dividends paid within the Group out of prior-year earnings are eliminated. Payments to the sole shareholder of PCC SE are indicated in cash flow from financing activities.

(31) Corporate bodies

The corporate bodies of PCC SE are as follows:

Managing Directors:
- Ulrike Warnecke, Finance and Operations
- Dr. rer. oec. (BY) Alfred Pelzer, Operations

The Managing Directors received remunerations amounting to € 521k in fiscal 2011 (previous year: € 410k).

Administrative Board:
- Waldemar Preussner, Dipl. Volkswirt, Chairman
- Dr. rer. oec. (BY) Alfred Pelzer, Vice Chairman, Managing Director of PCC SE
- Reinhard Quint, Member of the Supervisory Board of RMM Metallhandel GmbH

The Members of the Board received remunerations amounting to € 132k in fiscal 2011 (previous year: € 132k).

Annual General Meeting:
The Annual General Meeting of the PCC SE took place on July 15, 2011. The consolidated financial statements and the Group management report for 2010 were both approved, as were the actions of the Managing Directors and the Administrative Board of PCC SE. Further, Warth & Klein Grant Thornton AG, Düsseldorf, was reappointed as auditor for fiscal 2011.

(32) Miscellaneous

The PCC Group and the individual German companies were audited by Warth & Klein Grant Thornton AG, Düsseldorf, and their financial statements were each given an unqualified opinion. The fee for auditing services in relation to these companies and the Group amounted to € 83k and the fee for other services performed in 2011 was € 14k.

Duisburg, May 24, 2012
PCC SE

Ulrike Warnecke
Managing Director

Dr. rer. oec. (BY) Alfred Pelzer
Managing Director

(33) Schedule of shareholdings

Name and head office of company	Division	Currency	Exchange rate as of Dec. 31, 2011 1 euro =	PCC SE participating interest in % Direct	Indirect	**Total**
Parent company						
PCC SE, Duisburg	Other	EUR	1.0000	–	–	**–**
Fully consolidated companies						
Apakor-Rokita Sp. z o.o., Brzeg Dolny	Chemicals	PLN	4.4580	–	99.57	**99.57**
C & C Coke and Coal Products GmbH i.L., Duisburg	Chemicals	EUR	1.0000	60.00	–	**60.00**
Chemi-Progress Polska Sp. z o.o., Brzeg Dolny	Chemicals	PLN	1.0000	–	100.00	**100.00**
Ekologistyka Sp. z o.o., Brzeg Dolny	Chemicals	PLN	4.4580	–	100.00	**100.00**
Fabryka Zapałek "Czechowice" S.A., Czechowice	Chemicals	PLN	4.4580	–	85.00	**85.00**
Kosmet Sp. z o.o., Brzeg Dolny	Chemicals	PLN	4.4580	–	100.00	**100.00**
Kosmet-Rokita Sp. z o.o., Brzeg Dolny	Chemicals	PLN	4.4580	–	100.00	**100.00**
LabMatic Sp. z o.o., Brzeg Dolny	Chemicals	PLN	4.4580	–	100.00	**100.00**
PCC Chemax, Inc., Piedmont	Chemicals	USD	1.2939	100.00	–	**100.00**
PCC Consumer Products S.A. (formerly PCC Locomotives Sp. z o.o.), Warsaw	Chemicals	PLN	4.4580	100.00	–	**100.00**
PCC Exol S.A., Brzeg Dolny	Chemicals	PLN	4.4580	–	100.00	**100.00**
PCC Morava-Chem s.r.o., Český Těšín	Chemicals	CZK	25.7870	98.00	2.00	**100.00**
PCC Prodex (formerly PRODEX-SYSTEM) Sp. z o.o., Warsaw	Chemicals	PLN	4.4580	100.00	–	**100.00**
PCC Rokita SA, Brzeg Dolny	Chemicals	PLN	4.4580	100.00	–	**100.00**
PCC Synteza S.A., Kędzierzyn-Koźle	Chemicals	PLN	4.4580	100.00	–	**100.00**
Petro Carbo Chem GmbH, Duisburg	Chemicals	EUR	1.0000	100.00	–	**100.00**
S.C. Euro-Urethane S.R.L., Râmnicu Vâlcea	Chemicals	RON	4.3233	58.72	–	**58.72**
Tensis Sp. z o.o., Brzeg Dolny	Chemicals	PLN	4.4580	–	100.00	**100.00**
Węglopochodne Sp. z o.o., Kędzierzyn-Koźle	Chemicals	PLN	4.4580	100.00	–	**100.00**
GRID BH d.o.o., Sarajevo	Energy	BAM	1.9558	–	51.37	**51.37**
PCC DEG Renewables GmbH, Duisburg	Energy	EUR	1.0000	60.00	–	**60.00**
PCC Energy Trading GmbH, Duisburg	Energy	EUR	1.0000	100.00	–	**100.00**
Zakład Energetyki-Blachownia Sp. z o.o., Kędzierzyn-Koźle	Energy	PLN	4.4580	84.46	–	**84.46**
PCC Autochem Sp. z o.o., Brzeg Dolny	Logistics	PLN	4.4580	51.30	48.70	**100.00**
PCC Intermodal S.A., Gdynia	Logistics	PLN	4.4580	56.24	–	**56.24**
ZAO PCC Rail (formerly ZAO Petro Carbo Chem), Moscow	Logistics	RUB	41.7650	100.00	–	**100.00**
3Services Factory S.A., Katowice	Other	PLN	4.4580	51.00	20.94	**71.94**
PCC Capital GmbH, Duisburg	Other	EUR	1.0000	100.00	–	**100.00**
PCC Silicium S.A. (formerly KiZWK "Bukowa Góra" S.A.), Zagórze	Other	PLN	4.4580	91.65	–	**91.65**
PCT Polskie Centrum Teleinformatyki S.A., Brzeg Dolny	Other	PLN	4.4580	100.00	–	**100.00**

Name and head office of company	Division	Currency	Exchange rate as of Dec. 31, 2011 1 euro =	PCC SE participating interest in % Direct	Indirect	**Total**
Associated companies						
Górnicze Zakłady Dolomitowe S.A., Siewierz	Other	PLN	4.4580	–	10.89	**10.89**
Inwestycyjna Grupa Budowlano-Surowcowa S.A., Katowice	Other	PLN	4.4580	33.00	–	**33.00**
Kopalnia Piasku Kotlarnia S.A., Kotlarnia	Other	PLN	4.4580	–	10.89	**10.89**
PUH Włodzimierz S.A., Katowice	Other	PLN	4.4580	–	14.03	**14.03**
Telekomunikacja Kopalń Piasku S.A., Gliwice	Other	PLN	4.4580	42.73	–	**42.73**

Name and head office of company	Division	Currency	Exchange rate as of Dec. 31, 2011 1 euro =	PCC SE participating interest in % Direct	Indirect	Total	Equity in local currency ('000)	Net result in local currency ('000)
Non-consolidated companies								
BiznesPark Rokita Sp. z o.o., Brzeg Dolny	Chemicals	PLN	4.4580	–	100.00	**100.00**	1,425.4	1,278.3
ChemiPark Technologiczny Sp. z o.o., Brzeg Dolny	Chemicals	PLN	4.4580	–	86.98	**86.98**	3,702.9	78.8
Chemi-Plan S.A., Brzeg Dolny	Chemicals	PLN	4.4580	–	100.00	**100.00**	18.0	–7.0
CWB Partner Sp. z o.o., Brzeg Dolny	Chemicals	PLN	4.4580	–	100.00	**100.00**	250.2	10.2
GEKON S.A. w likwidacji, Brzeg Dolny	Chemicals	PLN	4.4580	–	100.00	**100.00**	n.a.	n.a.
OOO KosmetNavigator, Grodno	Chemicals	BYR	3,924.56	–	50.00	**50.00**	n.a.	n.a.
LabAnalityka Sp. z o.o., Brzeg Dolny	Chemicals	PLN	4.4580	–	100.00	**100.00**	419.0	41.9
MCAA SE, Brzeg Dolny	Chemicals	PLN	4.4580	100.00	–	**100.00**	329.5	–81.4
OOO PCC BelPol, Mogilev	Chemicals	BYR	3,924.56	50.00	50.00	**100.00**	65.0	0.0
PCC Chlor-Alkali Sp. z o.o., Brzeg Dolny	Chemicals	PLN	4.4580	–	100.00	**100.00**	39.8	–10.2
PCC P4 Sp. z o.o., Brzeg Dolny	Chemicals	PLN	4.4580	–	100.00	**100.00**	25.3	–24.7
PCC Polyurethanes Sp. z o.o., Brzeg Dolny	Chemicals	PLN	4.4580	–	100.00	**100.00**	41.3	–8.7
PCC Slovakia s.r.o., Košice	Chemicals	EUR	1.0000	–	100.00	**100.00**	33.2	8.2
Petro Carbo Chem, Dnipropetrovsk	Chemicals	UAH	10.5731	–	100.00	**100.00**	147.0	–444.0
Technochem Sp. z o.o., Brzeg Dolny	Chemicals	PLN	4.4580	–	85.80	**85.80**	8.9	4.6
TzOW Petro Carbo Chem, Lviv	Chemicals	UAH	10.5731	92.32	–	**92.32**	6,545.6	–57.9
ZAO NOVOBALT Terminal, Kaliningrad	Chemicals	RUB	41.7650	–	100.00	**100.00**	64,180.7	30,429.9
ZAO Exol, Nizhny Novgorod	Chemicals	RUB	41.7650	100.00	–	**100.00**	634.0	0.0
Novi Energii OOD, Sofia	Energy	BGN	1.9558	–	36.00	**36.00**	–654.0	–267.0
PCC Development Sp. z o.o., Warsaw	Energy	PLN	4.4580	100.00	–	**100.00**	20.5	12.9
PCC Energia EOOD, Sofia	Energy	BGN	1.9558	100.00	–	**100.00**	–280.0	–124.0
PCC Energija d.o.o., Zagreb	Energy	HRK	7.3852	–	100.00	**100.00**	100.0	0.0
PCC Envolt Sp. z o.o., Brzeg Dolny	Energy	PLN	4.4580	100.00	–	**100.00**	249.3	–7.1
PCC HYDRO DOOEL Skopje, Skopje	Energy	MKD	61.5050	–	60.00	**60.00**	–56,157.0	–20,883.0
PCC Izvorsko EOOD, Sofia	Energy	BGN	1.9558	–	60.00	**60.00**	–1,029.0	–665.0
PCC Power Gubin S.A., Warsaw	Energy	PLN	4.4580	100.00	–	**100.00**	2,574.1	–52.7
PCC Power Sp. z o.o., Brzeg Dolny	Energy	PLN	4.4580	100.00	–	**100.00**	–6.0	–25.7
PCC Utilities S.A., Brzeg Dolny	Energy	PLN	4.4580	100.00	–	**100.00**	240.2	–34.3
Agencja Rozwoju Lokalnego S.A., Jaworzno	Logistics	PLN	4.4580	6.96	–	**6.96**	n.a.	n.a.
TRANSGAZ S.A., Rybnik	Logistics	PLN	4.4580	9.64	–	**9.64**	n.a.	n.a.
WFP Project Development Sp. z o.o., Warsaw	Logistics	PLN	4.4580	100.00	–	**100.00**	347.4	–8.2
3S Sp. z o.o., Gliwice	Other	PLN	4.4580	–	42.73	**42.73**	216.2	–539.1
4VOD Sp. z o.o., Kraków	Other	PLN	4.4580	–	5.13	**5.13**	122.9	77.9
Drefakt GmbH, Dresden	Other	EUR	1.0000	–	25.50	**25.50**	570.0	–14.0
F&K Customer Care GmbH, Velbert	Other	EUR	1.0000	51.00	–	**51.00**	–438.5	–144.7
Maktel Sp. z o.o., Katowice	Other	PLN	4.4580	–	17.09	**17.09**	n.a.	n.a.
PCC Direktinvest GmbH, Duisburg	Other	EUR	1.0000	100.00	–	**100.00**	48.4	–0.7
PRZ Budostal-8 S.A., Kraków	Other	PLN	4.4580	–	8.30	**8.30**	n.a.	n.a.
SGT S.A., Gliwice	Other	PLN	4.4580	–	19.94	**19.94**	–1,161.4	–135.6
TEC artec valves GmbH & Co. KG, Oranienburg	Other	EUR	1.0000	68.85	–	**68.85**	n.a.	n.a.
Wytwórnia Konstrukcji Betonowych S.A., Siemanowice	Other	PLN	4.4580	–	2.16	**2.16**	n.a.	n.a.

GLOSSARY

Additives
Additives are substances which, incorporated in formulations in very small quantities, optimise the properties and performance profile of products such as paints and plastics and/or facilitate their manufacture and processing.

BilMoG
German Accounting Law Modernisation Act. Extensive revision and amendment of the German Commercial Code [Handelsgesetzbuch/HGB]. Entered into German law on May 29, 2009 and applicable as from fiscal 2010.

CHP
Combined Heat and Power – used in reference to power plants designed to supply both electrical and thermal energy in a process known as "cogeneration". More fuel-efficient due to utilisation of otherwise wasted heat. Produces less CO_2 (greenhouse gas) per unit energy output, therefore regarded as more climate-friendly.

Climate-protection project
In keeping with the provisions of the Kyoto Protocol, a climate-protection project contributes to the reduction of greenhouse gases. Through adoption of a "clean development mechanism", participating developing countries are also to be assisted not only in reducing their emissions but also generally in their pursuit of a sustainable mode of development. The small hydropower plant projects being implemented by PCC in the Balkans constitute an example of this kind of assistance.

EBIT
Earnings Before Interest and Taxes; ↑EBITDA less depreciation and amortisation.

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortisation.

EBT
Earnings Before Taxes; ↑EBIT less interest and other financial items.

Ethoxylation
Process for the manufacture of non-ionic surfactants (ethoxylates; surface-active substances), which are major constituents of, in particular, detergents and cleaning products.

Futures
A futures or forward contract is a standardised contract, traded on a futures exchange, to buy or sell a certain underlying instrument at a certain date in the future and at a specified price. The future date is called the delivery date or final settlement date. The pre-set price is called the futures price. The price of the underlying asset on the delivery date is called the settlement price.

Hedge
A hedge is an investment that is taken out specifically to reduce or cancel out the risk in another investment or open position. Hedging is a strategy designed to minimise exposure to an unwanted business risk, while still allowing the business to profit from an investment activity.

HR foams
High-Resilience foams – suitable for applications involving elevated levels of stress, wear and tear and/or in which repeated cyclical shape recovery is required.

Intermodal transportation
Conveyance of goods, primarily in containers carried by more than one mode of transport: rail, truck or ship. The modal switch facilitates transport efficiency and local delivery to the customer.

IPPC
Integrated Pollution Prevention and Control introduced as an EC directive.

Kyoto Protocol
The Kyoto Protocol was agreed in 1997 as a consequence of a conference in Kyoto, Japan, adding binding requirements to the United Nations Framework Convention on Climate Change (UNFCCC). Its underlying aim is to protect the earth's climate. For the first time, the Protocol established mandatory limits governing the emission of greenhouse gases in the countries of the industrialised world, such gases being regarded as the primary cause of global warming.

Mezzanine capital
General term covering forms of finance which, due to their legal and economic make-up, represent a mix of equity and debt capital.

MW (megawatt)
Unit of measurement for electric power:
1 Megawatt = 10^3 kilowatts
1 Gigawatt = 10^6 kilowatts
1 Terawatt = 10^9 kilowatts

Phosphorus derivatives
Substances manufactured from phosphorus, such as flame retardants and plasticisers.

PUR foams
PUR is the abbreviation for polyurethane (also abbreviated PU), of which polyols are a major constituent.

REACH
European regulation governing the registration, evaluation, authorisation and restriction of chemicals.

Renewable energy
Also known as regenerative energy; term given to energy from sustainable sources such as solar energy, biomass, hydroelectric power and wind power.

ROCE
Return On Capital Employed; ↑EBIT ÷ Average equity + Average interest-bearing debt capital incl. pension provisions.

SE
Latin abbreviation: Societas Europaea; English: European Company.

Sulphonation
Process for the manufacture of anionic ↑surfactants (sulphonates; surface-active substances) which, because of their dermatological compatibility, are widely used in cosmetics and laundry/home care detergents.

Surfactants
Surface-active substances; ingredients in cosmetics, detergents, cleaning and cleansing products (↑Ethoxylation, ↑Sulphonation).

Swap
A swap is a derivative in which two counterparties agree to exchange one stream of cash flows for another stream.

TDI
Toluene diisocyanate; one of the more important isocyanates and an intermediate substance used in the manufacture of products such as adhesives and foams (polyurethane).

TEU
Twenty-foot Equivalent Unit – unit of measurement for ISO standard containers.

Turnkey contractor
A turnkey contractor bears full responsibility for the planning, construction, completion and hand-over to the end client of plant construction projects such as power stations and production facilities.

Value chain
The sequential set of primary and support activities in a production process that an enterprise performs to turn inputs, e.g. raw materials, into value-added outputs, e.g. finished products, for its external customers.

CREDITS

Published by
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Germany

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Photos (i. a.)
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lime agencja reklamowa,
Aleksander Bilicki, Wrocław (Poland)

Printed by
Druckerei und Verlag Peter Pomp GmbH, Bottrop (Germany)

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PCC SE
Duisburg, June 2012

This annual report is available in its original German version and as an English translation.

All versions can be downloaded from www.pcc.eu.

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FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements which are based on the current estimates and assumptions made by the management with respect to future developments. The accuracy of such statements is subject to risks and uncertainties that lie outside the control and forecasting capability of PCC SE. Examples include changes in the market environment and underlying economic conditions, the behaviour of other market participants, the success with which new acquisitions can be integrated, the realisation of anticipated synergy effects, and the actions of governmental agencies. Should such factors of uncertainty or imponderables come into play, or if the assumptions upon which these statements are based prove to be incorrect, the ensuing events could differ materially from those explicitly indicated, implied in or inferred from these statements. PCC SE neither plans nor undertakes to update any forward-looking statements in respect of developments or events occurring in the future.

TECHNICAL DISCREPANCIES

For technical reasons (e. g. arising from the conversion of electronic formats), differences may occur between the information provided in this annual report and that contained in the accounting documents submitted for publication in the Federal electronic gazette (Bundesanzeiger). In such cases, the version appearing in the Federal electronic gazette is authoritative.

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