

Letter to shareholders

Vienna, May 2009



Dear Shareholders,
Dear Ladies and Gentlemen,

Chemical industry avoided the colour "red" in their quarterly reports and surprised by a less dramatic reporting than expected by financial markets. Profits shrunk less than expected but nevertheless outlook is still negative.

Having a brief look at the Q1 earnings of the international chemistry peer group, operative earnings dropped by almost 80% and turnover dropped by 30% compared with 2008 figures. Plant utilization is still at a very low level. BASF for example reported a plant utilization of less than 60%.

Despite these disappointing results, margins improved slightly as of lower raw material costs especially in the petro-chemical segment.

Also production cutback and cost cutting initiatives, which have been initialised in autumn 2008 already, do have a positive impact now. Inventories have been reduced by chemistry industry therefore cash flow increased significantly. Also depreciation of inventories declined compared to Q4 financial reporting.

Almost all peer companies are pessimistic with regard to business outlook 2009. Cost cutting programs have been tightened therefore by almost all international chemical companies.

UCP Chemicals AG is faced with almost the same challenges as its international peer. Therefore UCP Chemicals AG focused on cost cutting measures wherever possible. In spring 2009 workforce has been reduced by another 200 employees and modernisation of production facilities increased profitability already.

In April 2009 UCP Chemicals AG published its financial results 2008 and invited its shareholders to the annual shareholder assembly, which took place on May 13th.

Key financials of the financial year 2008 are attached to this letter in the key figures chart below and of course are available through our financial report 2008, which can be found on our homepage or ordered as hard copy from our Investor Relations department.

Having a brief look at our key financials for the first quarter 2009 you will see that UCP Chemicals AG delivered a turnover of EUR 10.9 million (EUR 26.6 million in first quarter 2008). Gross profit declined from EUR 6.3 million to EUR 1.8 million in first quarter 2009. EBITDA subsequently fell from EUR 0.7 million in first quarter 2008 to EUR -2.0 million in 2009. Net Profit dropped from EUR -0.4 million to EUR -2.4 million in first quarter 2009.

Summarizing these figures we have to state that our first quarter still is affected by the international economical crisis, but we are optimistic that both our cost cutting program but also a consolidating market environment should bring us back to profits.

The signals of the markets are not clear yet but the sentiment right now is better than it has been in January. The management team of UCP Chemicals AG will ensure that the operative business of our company is ready to cope with all scenarios which might come within the next few months.

Yours sincerely,

Heinz G. Kaiser, MBA
Chief Executive Officer

Key figures in EUR

	2007	Δ %	2008	Δ %	Q1 2008	Q1 2009	Δ %
Turnover	120.9	23.8	95.4	-21.1	26.6	10.9	-59.1
EBITDA	10.5	19.1	1.9	-81.6	0.7	-2.0	-390.9
EBITA-Margin (%)	8.7	-3.8	2.0	-76.7	2.5	-18.0	-811.5
Gross Profit	24.1	13.2	22.7	-5.6	6.3	1.8	-70.8
EBIT	7.9	9.7	-0.3	-103.5	0.2	-2.5	>-1000
EBIT-Margin (%)	6.5	-11.4	-0.3	-104.5	0.7	-22.7	>-1000
Net Profit*	3.5	-8.0	-1.3	-137.5	-0.4	-2.4	-570.6
Balance Sheet Total	83.3	10.4	80.9	-2.9	75.1	78.9	5.0
Equity	41.0	6.8	35.6	-13.2	39.7	39.4	-0.7
Equity Ratio (%)	49.2	-3.2	44.0	-10.6	52.8	49.9	-5.5
Net Debt	18.4	>1000,0	28.7	56.4	22.9	20.5	-10.6
Investments	8.2	92.2	11.7	42.4	1.7	1.7	0.8
Employees	2280	-5.2	2069	-9.3	2266	1935	-14.6

Because of formatting to EUR millions, there could be rounding differences.

* After minority interests