



HTP HIGH TECH PLASTICS AG



First quarter report 2006

Key figures

	Q1 2006	Q1 2005	2005
Revenues and earnings			
Sales in EUR 000s	18,261	18,701	72,937
PIM	12,179	13,067	48,251
IT	6,082	3,587	15,186
MS	-	2,047	9,331
Others	-	-	169
EBITDA in EUR 000s	2,051	1,203	8,582
EBIT in EUR 000s	205	-665	441
EBT in EUR 000s	-419	-755	-1,249
Consolidated result in EUR 000s	-396	-701	7,480
EBITDA margin in %	11.2	6.4	11.8
EBIT margin in %	1.1	-3.6	0.6
EBT margin in %	-2.3	-4.0	-1.7
Consolidated result margin	-2.2	-3.7	10.3
Financial situation			
Total assets in EUR 000s	83,202	79,876	79,389
Equity ratio in %	28	11	30
Gearing in %	94	72	76
Capital expenditure in EUR 000s	3,179	2,181	7,816
Depreciation/amortisation in EUR 000s	1,846	1,868	8,141
Gross cash flow in EUR 000s	1,355	1,272	14,985
Cash flow from operating activities in EUR 000s	-3,082	-3,680	5,047

	Q1 2006	Q1 2005	2005
Share			
Issued shares	8,500,000	5,500,000	8,500,000
Weighted average number of shares	8,500,000	5,087,754	6,972,194
Share price at closing date in EUR	4.64	3.42	3.88
High in EUR	4.70	4.75	4.18
Low in EUR	3.40	2.99	2.70
Market capitalisation at closing date in EUR 000s	39,440	18,810	32,980
Earnings per share in EUR 000s	-0.05	-0.14	1.07
Employee-related ratios			
Average annual headcount	616	766	683
Headcount at closing date	611	767	621
Sales per employee in EUR 000s	29.6	24.4	107
Total gross income per employee in EUR 000s	31.5	25.3	114
Personnel expenditure per employee in EUR 000s	9.5	8.8	34

Letter of the Management Board

Dear shareholders,

the first quarter result proves the sustainability of the restructuring measures implemented last year. Since the previous year's third quarter we are continuously achieving positive operating quarterly results. Thus, for the first time since 2003, the first three months of a financial year are positive again. We are pleased with this success.

As the re-organisational steps are completed and the implementation of all restructuring measures is still going on, we were in the position to turn our attention to new objectives. With the acquisition of the German Motion GmbH we made the first step towards the expansion of business fields. The business activities of the company trading under the name of HTP Motion GmbH are an ideal completion of

the HTP Group's core business. On the one hand, the HTP Group wins new customers in its automotive and electronics core markets and on the other hand, through this acquisition, the company gains access to new interesting business lines such as medical technology, computer and packaging industries with which the Motion GmbH has already made extensive and long-standing experience.

HTP Motion has at its disposal modern machinery equipment with a high degree of automation. About 90 employees generate annual sales of 15 million EUR. The new company is being managed by our subsidiary HTP Liebscher, which is based in Munich. We expect a quick realisation of synergy effects.

The acquisition of the Motion GmbH was only a first approach to the realisation of our strategic target to further expand the HTP Group. At present, the entire plastic injection molding industry is going through important changes. A lot of interesting companies are offered for sale. In order to actively participate on the reorganisation of the market environment and the strengthening of the HTP Group's market position, on the occasion of the 8th Ordinary General Meeting, we will propose our shareholders to increase the HTP AG's share capital by 3 million shares to 11.5 million shares.

HTP AG's successful restructuring reflects in the share development. Since the listing in Vienna in June 2005, the share price more than doubled and thus clearly outperformed the Vienna stock index.

We thank you, our esteemed shareholders, for the trust you have placed in us and we hope to succeed in meeting your expectation also in the future.

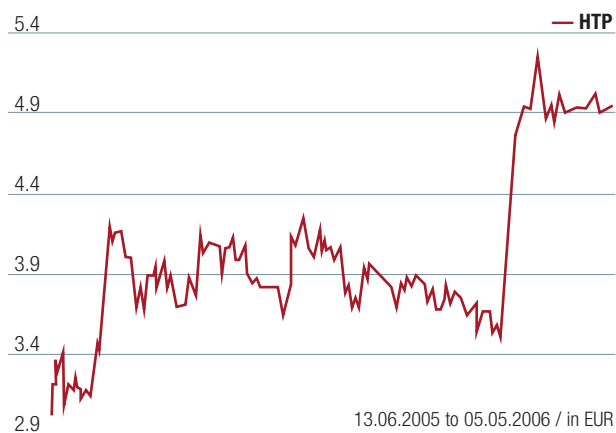
With best regards,

Kurt Helletzgruber

Birgit Hochenegger-Stoirer

Thomas Vondrak

HTP share / Vienna stock market

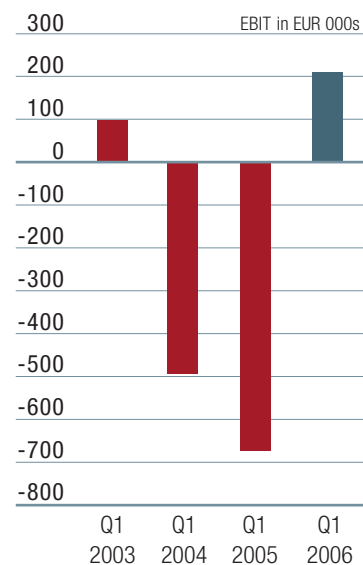


Earnings and balance sheet analysis

Earnings situation

Several serial production start-ups in the first quarter of the current year compensated the loss in sales resulting from last year's shut-down of the large mold service. In the first three months of the current business year, consolidated sales of TEUR 18,261 were only by 2.4 % lower than the previous year's amount of TEUR 18,701. Reductions in personnel from 767 to 611 employees led to a decrease in personnel expenses of 13.2 % to TEUR 5,823 after TEUR 6,706 in the first quarter of last year. As a result, personnel tangent dropped from 35.9 % to 31.9 %. However,

For the first time since three years, positive EBIT



ever, material expenses in relation to sales increased from 42.7 % to 49 %. Reasons for this are on the one hand the higher raw material prices, but the bigger extent of 5 percentage points results from the increased use of commodities and the purchase of molds after the shut-down of the large mold service in Fohnsdorf.

Earnings before interest, tax, depreciation and amortisation (EBITDA) improved significantly. In the first quarter of 2006 they amounted to TEUR 2.051 and thus exceed the previous year's value of TEUR 1,203 by 70.5 %. Depreciation and amortisation of TEUR 1,846 were slightly lower

than the comparable first quarter value of TEUR 1,868. Thanks to the rigorous restructuring steps, for the first time since financial 2003, in the first quarter of a business year we achieved a positive EBIT. Last year, operating losses amounted to minus TEUR -665. The positive EBIT of this year comes to TEUR 205. The EBIT margin is 1.1 % and shows the sustainability of the restructuring measures taken.

In the first quarter of the current year, the financial result amounted to minus TEUR -624. The previous year's low value of minus TEUR -90 was resulting from the temporary exemption of interests from credit liabilities.

For the first quarter, the result of ordinary business activities comes to minus TEUR -419 after minus TEUR -755 in the first quarter of last year. After consideration of income tax and minority interests the consolidated result came to minus TEUR -396 (previous year: minus TEUR -701)

Financial situation

Since the end of financial 2005, the balance sheet changed only insignificantly. Due to the slightly higher balance total, the equity ratio, which at December 31, 2005 came to 30 %, decreased to 28 % at the end of March. As a result of borrowing activity for the financing of the new building in Slovakia, long term liabilities rose by 11.6 % to TEUR 31,121 whereas short-term liabilities remained almost unchanged.

Cash Flow

In the first quarter, gross cash flow of TEUR 1,355, improved by 6.6 % (previous year: TEUR 1,272). Due to the increase in working capital cash flow from operating activities amounted to minus TEUR -3,082 (prior year: minus TEUR -3,680). As a result of investment activities, in the first three months, net cash flow amounted to minus TEUR -3,179 after minus TEUR -68 in the previous year. Beside investments in new machinery, rebuilding activities of the Austrian sites have a major impact.

After consideration of the positive cash flow from financing activities of TEUR 3,985 after TEUR 1,458, this is resulting in a change of financial means of TEUR 6,364 at the beginning of the year to TEUR 4,064 at March 31, 2006.

in EUR 000s	Q1 2006	Q1 2005
Gross cash flow	1,355	1,272
Cash flow from operating activities	-3,082	-3,680
Net investing cash flow (ICF)	-3,179	-68
Net financing cash flow (FCF)	3,985	1,458
Change in cash and cash equivalents	-2,300	-2,290

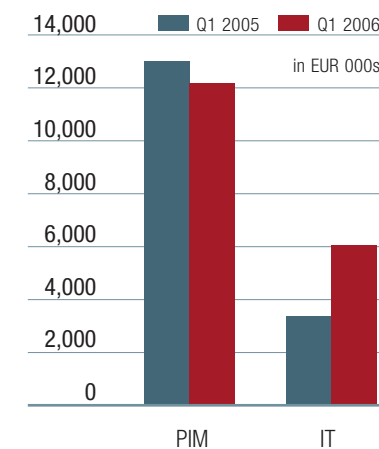
Business divisions

First quarter sales of TEUR 18,261 remained slightly below the previous year's value of TEUR 18,701. This is mainly resulting from the closure of the large molds service in June last year. When adjusting the previous year's sales of this unit, the HTP Group increased its sales by about 10 %.

Since the mold service segment lost in importance after the shut-down of the large mold service, a change in segmentation became necessary. The Group's so far second biggest segment will drop considerably below 10 % of consolidated sales and thus will be closed. In the future, segment reporting will refer to the remaining segments "PIM Precise Injection Molding" and "IT Insert Technology". Sales from the production of molds are assigned to the profit centres for which they are produced and will be integrated in the PIM and IT segments. Last year's figures were adjusted accordingly in order to make them comparable.

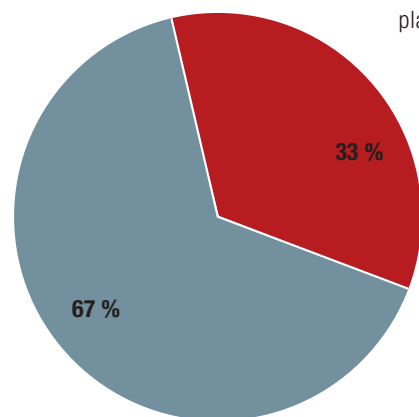
In the first three months, the PIM segment, which includes all injection molding products of the HTP Group, generated sales of TEUR 12,179 after TEUR 13,067 in the first quarter of 2005.

Sales per segment



In this segment, the realised product streamlining led to the turnaround of the operating result (EBIT). After the last year's minus of minus TEUR 231, the current year's first quarter EBIT amounted to TEUR 86.

Share of sales per segment



■ IT
■ PIM

Due to various start-ups of new projects, sales of the IT segment, which produces plastic component parts for the electronics and automotive industries, increased by 69.6 % to TEUR 6,082 after TEUR 3,587 in Q1 2005. The operating result almost doubled from TEUR 64 to TEUR 120.

Segment report

Q1 2006

in EUR 000s	PIM	IT	MS	Others	Group
Sales	12,179	6,082	-	-	18,261
in % from sales	67	33	-	-	100
EBIT	86	120	-	-	205
EBIT-margin in %	0.7	2.0	-	-	1.1

Q1 2005

in EUR 000s	PIM	IT	MS	Others	Group
Sales	13,067	3,587	2,047	-	18,701
in % from sales	70	19	11	-	100
EBIT	-231	64	-483	-15	-665
EBIT-margin in %	-1.8	1.8	-23.6	-	-3.6

Consolidated balance sheet

in EUR 000s	31.03.2006	31.12.2005
ASSETS		
Intangible assets	2,506	2,585
Goodwill	645	645
Property, plant and equipment	32,982	33,071
Shares in associated companies	957	986
Other financial assets	571	571
Long-term receivables	0	318
Deferred tax assets	3,654	3,654
	41,315	41,830
Long-term assets		
Inventories	15,462	13,919
Trade receivables	12,728	12,868
Receivables from associated companies	2,330	830
Securities held as short-term assets	4,064	6,364
Cash and cash equivalents	7,304	3,578
Short-term assets	41,888	37,559
Total assets	83,202	79,389

in EUR 000s	31.03.2006	31.12.2005
SHAREHOLDERS' EQUITY AND LIABILITIES		
Issued capital	8,500	8,500
Share premium	35,715	35,715
Retained earnings	-25,540	-25,160
Secondary loan funds	4,696	4,696
Minority interests	-88	-59
Equity	23,282	23,691
Long-term pension and personnel provisions	2,170	1,932
Other long-term provisions	865	1,092
Long-term interest-bearing borrowings	14,973	11,164
Other long-term liabilities	13,113	13,690
Long-term liabilities	31,121	27,878
Short-term interest bearing borrowings	13,316	13,184
Trade payables and payments received on orders	7,622	6,814
Tax and other provisions	3,169	2,750
Other liabilities	4,693	5,071
Short-term liabilities	28,800	27,819
Total shareholders' equity and liabilities	83,202	79,389

Consolidated income statement

in EUR 000s	Q1 2006	Q1 2005
Sales	18,261	18,701
Changes in finished goods and work in progress	-5	-545
Other own expenses capitalised	169	20
Other operating income	962	504
Total gross income	19,387	18,680
Cost of materials	-8,956	-7,983
Personnel expenses	-5,823	-6,706
Other operating expenses	-2,557	-2,788
Earnings before interest, tax, depreciation and amortisation (EBITDA)	2,051	1,203
Depreciation on tangible assets	-1,846	-1,868
Goodwill amortisation	0	0
Earnings before interest and tax	205	-665
Net interest result	-534	-214
Other net financial result	-89	123
Net financial result	-624	-90
Earnings before tax	-419	-755
Income tax	-11	-26
Annual result	-430	-781
Minority interests	34	80
Net result	-396	-701
Earnings per share in EUR non-diluted	-0.05	-0.14
Earnings per share in EUR diluted	-0.05	-0.14
Weighted average number of shares	8,500,000	5,087,754

Consolidated statement of shareholders' equity

in EUR 000s	Issued capital	Share premium	Retained earnings	Translation reserves	Secondary loan funds	Minorities	Total
Status as of January 1, 2006	8,500	35,715	-25,153	-7	4,696	-59	23,692
Consolidated result	–	–	-396	–	–	–	-396
Currency translation adjustments	–	–	–	15	–	–	15
Acquisition/disposal of minority interests	–	–	–	–	–	-29	-29
Status as of March 31, 2006	8,500	35,715	-25,549	8	4,696	-88	23,282

in EUR 000s	Issued capital	Share premium	Retained earnings	Translation reserves	Secondary loan funds	Minorities	Total
Status as of January 1, 2005	5,500	34,976	-32,631	3	5,000	-99	12,779
Consolidated result	–	–	-701	–	–	–	-701
Currency translation adjustments	–	–	1	3	–	–	4
Acquisition/disposal of minority interests	–	–	–	–	–	-80	-80
	5,500	34,976	-33,331	36	5,000	-179	12,002
Less treasury stock							-3,619
Status as of March 31, 2005							8,383

Notes to the quarterly statement

As well as the annual financial statements, the quarterly statement as at March 31, 2006 was compiled according to the principles of the International Financial Reporting Standards. The accounting and valuation principles of December 31, 2005 were applied unchanged.

Change in segmentation:

As a result of the shut-down of a major part of the business activity of the MS mold service segment, the share in consolidated sales will drop considerably below 10 % this year. That is why the mold service activities are recorded under the newly created profit centres "automotive", "electronics" and „aircraft" and consequently are included in the segments PIM and IT.

The first quarter report 2006 is available in German and in English.

Financial calendar

May 15	8th Ordinary General Meeting
August 16	Half-yearly Report
November 14	Third Quarter Report

The above report's forecasts, estimations and indications about future developments, for which it is uncertain, if, when and to what extent they will happen, are based on the information available to the Company and, in the Company's opinion, determine justifiable assumptions. Thus, the actual results of the HTP may deviate considerably from the future oriented statements, forecasts and planning. Consequently, all future oriented statements of this report are subject to risks and uncertainty.



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