

First Quarter Report 2005

Key figures of the HTP Group according to IFRS

		1 st Quarter 2005	1 st Quarter 2004	2004
Revenues and earnings				
Sales	EUR 000s ¹	18,701	19,337	80,287
PIM	EUR 000s	12,193	12,106	49,047
IT	EUR 000s	2,869	2,687	12,589
MS	EUR 000s	3,639	4,544	18,651
EBITDA ²	EUR 000s	1,203	1,546	-16,189
EBIT ³	EUR 000s	-665	-487	-31,263
EBT ⁴	EUR 000s	-755	-415	-33,249
Consolidated result	EUR 000s	-701	-316	-33,284
EBITDA-margin	%	6.4	8.0	-20.2
EBIT-margin	%	-3.6	-2.5	-38.9
EBT-margin	%	-4.0	-2.1	-41.4
Consolidated result-margin	%	-3.7	-1.6	-41.5
Financial situation				
Total assets	EUR 000s	79,876	111,435	85,061
Equity ratio	%	11	34	11
Capital expenditure	EUR 000s	2,181	688	11,265
Depreciation/amortisation	EUR 000s	1,868	2,033	15,074
Cash flow from operating activities	EUR 000s	-3,680	-1,965	-11,244
Share				
Issued shares	Number	5,500,000	5,500,000	5,500,000
Weighted average number of shares	Number	5,087,754	5,266,667	5,194,614
Share pricing at closing date	EUR	3.42	6.15	4.60
High	EUR	4.75	6.90	7.10
Low	EUR	2.99	6.10	2.95
Market capitalisation at closing date	EUR 000s	18,810	33,825	25,300
Earnings per share	EUR	-0.14	-0.06	-6.42
Employee-related ratios				
Quarterly average headcount	Number	766	857	808
Number of employees at closing date	Number	767	849	764
Sales per employee	EUR 000s	24.4	22.6	99.4
Personnel expenditure per employee	EUR 000s	8.8	8.7	38.7

¹ in EUR 000s

² Earnings before interest, tax, depreciation and amortisation

³ Earnings before interest and tax

⁴ Earnings before tax

Letter of the Management Board

Dear shareholders,

After the coverage of losses from the past through a debt allowance of the banks, HTP High Tech Plastics AG's capital increase was successfully completed on June 6. 3 million new shares were issued at EUR 2.40. 400,000 own shares were sold. As a result of this cash inflow of EUR 8.2 million, the company stands again on a solid financial basis.

In the context of the capital increase, it came to major changes within the shareholders' structure. The private equity companies Astor and Proregio, which jointly hold 30.1% of the shares and which have taken over the industrial leadership, are the new majority shareholders. In our opinion, this provides essential preconditions for a successful restructuring of the company.

Our restructuring concept consists of two parts: the first short-term restructuring steps, to be implemented until the end of the year and the medium-term measures, which we will be realised until the end of 2007.

Until the end of 2004, the company was run production oriented, with a sales tray of products, a bloated overhead and consequently earnings were highly negative. Therefore, it was necessary to initiate restructuring steps. The first measures, which we will implement until the end of this year, are the following:

- **Market-oriented reorganisation**

We intend to develop from a production controlled business to a market and customer oriented company. Preparations for this started already. The implementation of the necessary changes of the Group's structure will be realised until the end of the current year.

- **Streamlining of the product range**

We will specialise in certain technically demanding system components where we can make use of our special know-how.

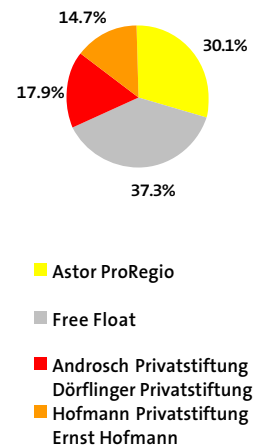
- **Increase in productivity**

The streamlining of the product range will reduce sales, which, however shall be compensated by new orders. That is why, in the coming years, sales in total will only increase marginally. However, our target is to realise these sales with a considerably lower number of employees. The closure of the unprofitable large molds service has already started and will be finished by the end of June.

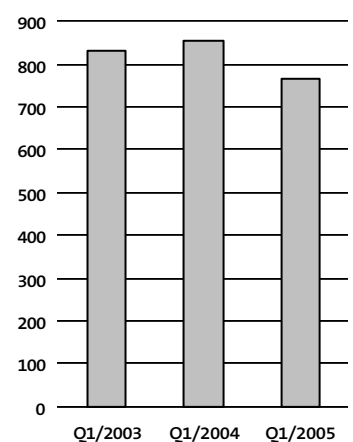
- **Setting-up of a motivated and dynamic management**

For the successful implementation of our concept, we need motivated and dynamic people who together with us will consistently pursue the set goal. We are glad that, despite the company's difficult situation, we succeeded in keeping many competent employees and acquiring new ones.

Shareholder Structure



Quarterly average headcount



All these restructuring measures form the basis for the new orientation of the HTP Group. Parallel to the implementation of these short-term actions, activities for the measures to be implemented in the medium-term have already been initiated.

- **Market orientation**

The most important point is the restructuring of Group from a production oriented activity to a modern market oriented company.

- **Structural adjustment of the Group**

In order to work quicker and more efficient, the highly complex net of companies shall be broken up. The, at the beginning of the year, existing six subsidiaries with their further five sub-subsidiaries shall be reduced to three companies in order to free space for new operating company units or joint ventures. The HTP High Tech Plastics Italia S.r.l was the first company that was closed at the end of May. Sales activities in Italy are now taken over by a sales representative in Austria.

- **Development of Vrable site to a system supplier**

We will invest in the development of our Slovakian site in order to become a local system supplier for the recently settled automobile manufacturers.

- **Material and process development for serial application**

In order to secure our leadership in know-how, we will focus on the development of new procedures and the application of new materials combined with plastics.

We are convinced that with this program, we will make the HTP High Tech Plastics AG a profitable and competitive company again. Our target for the current year is a balanced result. In the medium term, we will benefit from the market growth opportunities resulting from the almost unlimited application possibilities of plastics and we intend to grow profitably.

Kurt Helletzgruber and Birgit Hochenegger-Stoirer

Earnings and balance sheet analysis

Earning situation

The first quarter of the current year was characterised by the first measures to restructure the company from pure production orientation towards a market orientation. The necessary streamlining of the product range resulted in a sales decrease which could only partly be compensated by new orders.

Thus, first quarter sales of EUR 18.7 million remained by 3.3 % below the previous years value. Long-term orders were not taken due to the upcoming closure of the Fohnsdorf plant. This was resulting in a negative change of inventories. Consequently, gross income of EUR 18.7 million decreased by 9 % compared to the previous year's value of EUR 20.5 million.

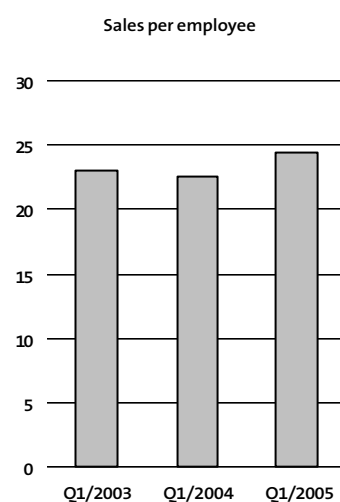
The measures taken to increase productivity show first positive effects. 766 employees generated sales of EUR 0.024 million each and thus 8.2 % more than in the first three months of the previous year. Despite severance payments, personnel expenditures in relation to sales decreased by 3 % to 35.9 %, but still are significantly exceeding the Management's target value.

Earnings before interest, tax, depreciation and amortisation dropped from EUR 1.5 million to EUR 1.2 million. Low investments as well as value adjustments on fixed assets cause a slight reduction of depreciations from EUR 2.0 million to EUR 1.9 million. As expected, the EBIT of EUR - 0.665 million and a negative margin of - 3.6 % is remaining by EUR 0.177 million below the past year's value. Reason for this are the fully implemented restructuring measures. At the end of fiscal 2004 restructuring provisions amounted to EUR 5 million, whereof EUR 0.929 were dissolved in the first quarter.

Due to the loss of the other financial proceeds of the previous year, the financial result is poorer than in the last year, although the interest result could be improved considerably. Interest expenditures of EUR 0.213 million come to half of the comparative value. However, the financial result dropped from EUR 0.072 million to - EUR 0.090 million. After taxes and consideration of the minority interests, the consolidated result comes to - EUR 0.701 million after - EUR 0.316 million in the first quarter of 2004. Thus, earnings per share decrease from - 6 to - 13 cent.

Cash Flow

Gross cash flow amounting to EUR 1.272 million was exceeding the previous year's value by 8%. Changes in working capital are mainly resulting from the reduction of accounts receivable and liabilities to the tax authorities. Consequently, cash flow from operating activities amounted to - EUR 3.680 million after - EUR 1.965 million in the same quarter of the previous year. .



Financial situation

At the end of March, the equity ratio remained unchanged at 11 %. The capital increase, which was successfully realised at the beginning of June, led to a net cash inflow of EUR 8.2 million. Consequently, the equity ratio will improve significantly and the company will again provide a solid financing structure.

Business division PIM

Mainly due to the streamlining of the product range, in the first quarter, sales of the precise injection molding segment increased only marginally by 0.7 % to EUR 12.2 million. Compared to the previous year, the operating result improved by almost EUR 0.400 million, but still remained negative with EUR 0.177 million.

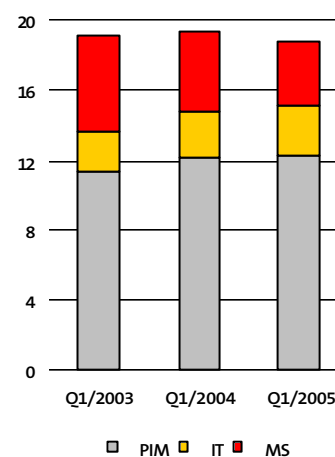
Business division IT

In the first three months, the IT segment, which is particularly producing for the electronics industry, could increase its sales by 6.8 % to EUR 2.9 million. However, due to the start-up of several new projects, the EBIT margin dropped to 3.4 %. This is resulting in an EBIT amounting to EUR 0.098 million, after EUR 0.428 million in the first three months of the previous year.

Business division MS

As a result of the current closure of the mold service activities in Fohnsdorf, long-term projects could not be accepted anymore. Thus, sales declined by 20 % to EUR 3.6 million. In this segment, losses before interest and tax came to - EUR 0.571 million after - EUR 0.238 million in the last year.

Sales in EUR million



1st Quarter 2005

in EUR 000s	PIM	IT	MS	Others	Group
Sales	12,193	2,869	3,639	–	18,701
in % from sales	65.2 %	15.3 %	19.5 %	–	100 %
EBIT	–177	98	–571	–15	–665
EBIT-margin	–1.45 %	3.43 %	–15.7 %	–	–3.6 %

1st Quarter 2004

in EUR 000s	PIM	IT	MS	Others	Group
Sales	12,106	2,687	4,544	–	19,337
in % from sales	62.6 %	13.9 %	23.5 %	62.6 %	100 %
EBIT	–575	428	–238	–103	–487
EBIT-margin	–4.75 %	15.94 %	–5.24 %	–	–2.52 %

Consolidated balance sheet

in EUR 000s	31.03.2005	31.12.2004
ASSETS		
Intangible assets	1,552	1,761
Goodwill	645	645
Property, plant and equipment	33,812	35,359
Equity interests	23	23
Shares in associated companies	916	872
Long-term receivables	1,522	1,694
Securities held as long-term assets	511	511
Deferred tax assets	3,700	3,700
Long-term assets	42,681	44,565
Inventories	15,993	16,698
Trade receivables	12,434	11,227
Receivables from associated companies	240	240
Other receivables	1,374	3,333
Securities held as short-term assets	825	826
Cash and cash equivalents	5,413	7,702
Prepaid expenses and other assets	916	470
Short-term assets	37,195	40,496
Total Assets	79,876	85,061
SHAREHOLDERS' EQUITY AND LIABILITIES		
Issued capital	5,500	5,500
Share premium	34,976	34,976
Currency-conversion equalisation item	36	32
Revenue reserves and consolidated result	-33,332	-32,631
Secondary loan funds	5,000	5,000
Less treasury stock	-3,619	-3,619
Equity and provisions less treasury stock	8,562	9,258
Minority interests	-179	-99
Long-term pension and personnel provisions	2,294	2,228
Other long-term provisions	1,273	1,243
Long-term interest-bearing borrowings	11,150	11,549
Other long-term liabilities	15,533	13,677
Long-term liabilities	30,251	28,697
Short-term interest-bearing borrowings	19,835	20,993
Trade payables	8,598	10,091
Tax and other provisions	7,312	8,668
Other liabilities and prepaid expenses	5,497	7,453
Short-term liabilities	41,243	47,205
Total shareholders' equity and liabilities	79,876	85,061

Consolidated income statement

in EUR 000s	1 st Quarter 2005	1 st Quarter 2004
Sales	18,701	19,337
Changes in finished goods and work in progress	-545	635
Other own expenses capitalised	20	42
Gross earnings from sales	18,176	20,014
Other operating income	504	511
Total gross income	18,680	20,525
Cost of materials	-7,983	-8,491
Personnel expenses	-6,706	-7,493
Other operating expenses	-2,788	-2,995
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,203	1,546
Depreciation	-1,868	-2,033
Restructuring expenditure	-929	0
Dissolution of restructuring provision	929	0
Earnings before interest and tax (EBIT)	-665	-487
Net interest result	-214	-442
Other net financial result	123	514
Net financial result	-90	72
Earnings before tax (EBT)	-755	-415
Income tax	-26	102
Annual loss	-781	-313
Minority interests	80	-3
Net result	-701	-316
Earnings per share	-0.14	-0.06
Earnings per share (diluted)	-0.14	-0.06
Average number of shares	5,087,754	5,266,667
Average diluted number of shares	5,087,754	5,266,667

Consolidated cash flow statement

in EUR 000s	1 st Quarter 2005	1 st Quarter 2004
Gross cash flow	1,272	1,179
Changes working capital	-4,952	-3,144
Cash flow from operating activities	-3,680	-1,965
Net investing cash flow	-68	442
Net financing cash flow	1,458	1,162
Change in cash and cash equivalents	-2,290	-361

Consolidated statement of shareholders' equity

1 st Quarter 2005	Issued capital	Share premium	Retained earnings	Secondary loan funds	Translation reserves	Total
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in EUR 000s

Status as at January 1, 2005	5,500	34,976	-32,631	5,500	33	12,878
Consolidated result	-	-	-701	-	-	-701
Secondary loan funds			-	-		0
Currency translation adjustments	-	-	1	-	3	4
	5,500	34,976	-33,331	5,000	36	12,181
Less treasury stock						-3,619
Status as at March 31, 2005						8,562

1 st Quarter 2004	Issued capital	Share premium	Retained earnings	Translation reserves	Total
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in EUR 000s

Status as at January 1, 2004	5,500	34,976	652	18	41,146
Consolidated result	-	-	-316	-	-316
Currency translation adjustments	-	-	10	-4	6
	5,500	34,976	346	14	40,836
Less treasury stock					-2,475
Status as at March 31, 2004					38,361

Quarterly statement

The quarterly statement as at March 31, 2005 and the annual financial statements for fiscal 2004 were compiled according to the principles of the International Financial Reporting Standards. The accounting and valuation principles of December 31, 2004 were applied unchanged. Since the last annual financial statements, the basis of consolidation remained unchanged.

Financial calendar

June 28, 2005	General Meeting
August 18, 2005	Half-yearly report 2005
November 9, 2005	Nine months report 2005
March 31, 2006	Annual report 2005

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

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 HPTP may deviate considerably from the future oriented statements, forecasts and plannings. Consequently, all future oriented statements of this report are subject to risks and uncertainty.