

INTERIM REPORT 1 | 10

EARNINGS FIGURES

in EUR million	Q1 2010	Q1 2009	CHANGE IN %
Sales	164.7	139.9	17.8%
EBITDA	3.6	-6.6	
EBIT	-3.3	-13.8	76.4%
Result from continued operations	-5.5	-14.6	62.2%
Result from discontinued operations	0.0	-39.5	
Net income	-5.5	-54.1	89.8%
EBITDA margin	2.2%	-4.7%	
EBIT margin	-2.0%	-9.9%	

FINANCIAL FIGURES

in EUR million	Q1 2010	Q1 2009	CHANGE IN %
Cash flow from operating activities	-20,1	-10,3	-93,9%
Cash flow from investing activities	-3,4	-2,8	-23,9%
Cash flow from financing activities	1,7	2,9	-39,0%
Capital expenditures	-3,9	-6,7	41,4%

BALANCE SHEET RATIOS

in EUR million	March 31, 2010	December 31, 2009
Balance sheet total	339.5	332.1
Equity	58.8	61.5
Net debt	91.2	69.9
Net working capital	46.2	25.3
Gearing	1.55	1.14
Equity ratio	17.3%	18.5%
Employees (End of period)	5,092	4,979

SHARE FIGURES

		March 31, 2009	December 31, 2008	Change in %
Closing price	in EUR	2,28	2,11	8,1%
Market capitalisation	in EUR mill.	50.9	47.1	8,1%
		Q1 2010	Q1 2009	Change in %
Earnings per share	in EUR	-0.25	-2.44	89.8%

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ECONOMIC FRAMEWORK CONDITIONS

The favourable upward trend in sales registered in the passenger car segment from the second half of 2009 onwards continued throughout the first quarter of 2010 and led to a noticeable increase in the POLYTEC GROUP's production output. This positive development is also reflected in the quarterly reports of the company's most important OEMs, which also recorded a positive trend in sales volumes both on the domestic and international markets. With a 70% increase, China registered the strongest growth. The German OEMs reported a market share of 20% in this country. However, once the various incentive programs, mainly aimed at stimulating sales of compact cars, have expired, the further development of the automotive industry will remain fairly uncertain for most OEMs.

The European commercial vehicle industry put in a weaker performance, failing to show any significant signs of recovery. According to a VDA press release, sales in the commercial vehicle segment dropped by 1% in the first quarter of 2010 compared to the same period of the previous year. However, the segment did register a positive development towards the end of the first quarter, with March recording a 10% increase in sales in a year-on-year comparison. In summary, the company would like to point out that the recovery trend on the main sales markets is still below the level anticipated before the crisis started to unfold and it will mainly depend on how the individual markets develop over the next few months whether this recovery trend can be considered sustainable.

GENERAL INFORMATION ABOUT THE CURRENT INTERIM REPORT

The restructuring of the POLYTEC GROUP - which has been agreed upon by the company, the core shareholders and the banks - provided, among other things, for the disposal of the PEGUFOM GROUP acquired in 2008, with the exception of two plants (Weiden and Chodova Plana), which have been incorporated into the Automotive Composites Division. As a result, the PEGUFOM GROUP,

excluding the two plants in Weiden and Chodova Plana, is categorized as "held for disposal" pursuant to IFRS 5, and is reported separately from the Automotive Systems Division. For better comparability, key financial figures were adjusted accordingly and results were reported pursuant to IFRS 5 as "held for disposal" in the balance sheet.

RESULTS OF THE GROUP

in EUR million	Q1 2010	Q1 2009	CHANGE IN %
Sales	164,7	139,9	17,8%
EBITDA	3,6	-6,6	
EBIT	-3,3	-13,8	76,4%
Result from continued operations	-5,5	-14,6	62,2%
Result from discontinued operations	0,0	-39,5	
Net income	-5,5	-54,1	89,8%
EBITDA margin	2,2%	-4,7%	
EBIT margin	-2,0%	-9,9%	
Earnings per share (in EUR)	-0,25	-2,44	89,8%

The POLYTEC GROUP's key financial figures showed a noticeable improvement in the first quarter of 2010 compared to the same period of the previous year. Beside an increase in group sales of 17.8% to EUR 164.7 million due to a perceptible upward trend in production output, especially in the passenger car segment, cost structures were further optimized based on the steady implementation of cost-saving measures. This cost-cutting programme mainly included the reduction of personnel expenses, considerably downsizing leased staff as well as leveraging country-specific short-time working schemes. Furthermore, two European plants were shut down at the end of 2008 and production shifted to other corporate plants.

In the first quarter of 2010, EBITDA turned positive to EUR 3.6 million compared to a negative EBITDA in the same period of 2009 and EBITDA margin amounted to 2.2%. However, the effective and result-oriented implementation of a number of cost-cutting measures could not prevent a negative EBIT of EUR -3.3 million despite a considerable improvement of EUR 10 million, which is mainly attributable to the unsatisfactory development of the Automotive Systems Division. Please refer to the segment reporting section for more details in this regard.

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SEGMENT REPORTING

AUTOMOTIVE SYSTEMS DIVISION

in EUR million	Q1 2010	Q1 2009	CHANGE IN %
Sales	98,6	77,4	27,3%
EBITDA	-0,7	-3,6	81,3%
EBIT	-5,2	-8,0	35,4%
EBITDA margin	-0,7%	-4,7%	
EBIT margin	-5,2%	-10,3%	

In the first quarter of 2010, the Automotive Systems Division was able to increase its contribution to group sales from 55% to 60% compared to the same period of the previous year due to differing sales performances in the individual divisions. Division sales grew by 27.3% to EUR 98.6 million mainly attributable to the positive development of production volumes starting in the second half of 2009. Incentives programmes initiated by the government in the previous year did not have any positive effects on the division's

performance, as it mainly supplies the European premium segment. Therefore, no negative sales effects are expected in the current business year, once these incentives programmes have expired. Earnings showed a positive development but underperformed expectations due to start-up difficulties for a number of projects, with a negative EBITDA amounting to EUR 0.7 million. Production-related problems led to higher personnel costs along with higher material and energy expenses.

AUTOMOTIVE COMPOSITES DIVISION

in EUR million	Q1 2010	Q1 2009	CHANGE IN %
Sales	42,6	42,9	-0,9%
EBITDA	1,8	-4,0	
EBIT	0,1	-6,0	
EBITDA margin	4,2%	-9,3%	
EBIT margin	0,3%	-13,9%	

The Automotive Composites Division is still confronted with weak demand in the commercial vehicle segment. In the first quarter of 2010, sales figures remained almost stable at EUR 42.6 million compared to the same period of the previous year.

In contrast to this, divisional earnings showed a positive development, with EBITDA turning positive to EUR 1.8 million after a negative EBITDA of EUR 4.0 million in the first quarter of the previous year. This corresponds to an EBITDA margin of 4.2%. This positive trend is due solely to the consistent implementation of a number of cost-saving measures. Besides shutting down the

aforementioned production plants in Slovakia and Sweden, which led to a higher utilisation of division capacities, remedial measures included the downsizing of leased staff and negotiations with customers concerning the unsatisfactory situation at the division's production plants. Furthermore, consistent leveraging of short-time working schemes resulted in a decrease in personnel expenses, which almost compensated for reductions in production volumes. Other fixed costs still have a negative impact on results as they cannot be cut and can only be offset by a higher production output.

CAR STYLING DIVISION

in EUR million	Q1 2010	Q1 2009	CHANGE IN %
Sales	19,2	15,8	21,7%
EBITDA	1,9	1,4	33,5%
EBIT	1,5	0,8	75,1%
EBITDA margin	9,8%	8,9%	
EBIT margin	7,6%	5,3%	

The Car Styling Division was able to further improve its earnings situation in the first quarter of 2010 due to the favourable development of the call-off order figures of the most relevant customers of the division. Besides a substantial increase in division sales of 21.7% to EUR 19.2 million, EBITDA rose by 33.5% to EUR 1.9

million, which corresponds to a margin of roughly 10%. In order to respond to this improved order situation, personnel resources were adjusted accordingly and division capacities increased by 10% in the quarter under review.

EMPLOYEES

	END OF PERIOD			AVERAGE PERIOD		
	MARCH 31, 10	MARCH 31, 09	CHANGE	Q1 10	Q1 09	CHANGE
Automotive Systems Division	3,122	2,806	316	3,059	2,849	210
Automotive Composites Division	1,787	2,016	- 29	1,767	2,044	- 277
Car Styling Division	634	602	32	625	618	8
Others/Consolidation	144	141	3	141	147	- 5
Group	5,687	5,565	122	5,592	5,657	- 65

The development of the company's headcount (including leased staff) varied widely between the individual divisions.

In the Automotive Systems Division the workforce was expanded and 300 additional employees, mainly leased staff, were recruited to respond to a higher workload resulting from increased production

output in the passenger car segment. In contrast, staff in the Automotive Composites Division, which mainly supplies the commercial vehicle segment, was reduced by 229 full-time equivalents. The Car Styling Division also had to adjust its capacities to match higher demand and workload.

FINANCIAL KEY FIGURES AND INVESTMENTS

INVESTMENTS

in EUR million	Q1 2010	Q1 2009	CHANGE IN %
Automotive Systems Division	3.1	5.4	-42.2%
Automotive Composites Division	0.4	0.7	-43.7%
Car Styling Division	0.2	0.5	-60.5%
Others/Consolidation	0.2	0.0	512.1%
Group	3.9	6.7	-41.4%

FINANCIAL KEY FIGURES

in EUR million	MARCH 31, 2010	DECEMBER 31, 2009	
Asset ratio	37.7%	39.3%	
Equity ratio	17.3%	18.5%	
Net working capital (in mill. EUR)	46.2	25.3	82.6%
Net working capital to sales	7.3%	4.2%	
Net debt (in mill. EUR)	91.2	69.9	30.5%
Net debt to EBITDA	4.47	6.84	
Gearing (Net debt to Equity)	1.55	1.14	
Capital employed (in mill. EUR)	165.7	147.0	12.7%

Capital expenditures for tangible assets were reduced by 40% in the period under review and led to a reduced intensity of investments of 37.7% as of March 31, 2010. The equity ratio declined slightly to 17.3% as of end of March 2010 compared to 18.5% as of the balance sheet date December 31, 2009. On the one hand, the balance sheet total increased compared to the balance sheet date as of December 31, 2009 due to a 12.7% rise in capital employed. On the other hand,

a drop in shareholder equity was reported as a consequence of the Group's earnings situation. Net debt increased by EUR 21.3 million as of March 31, 2010 compared to December 31, 2009. This was mainly due to the usual increase in working capital in the course of the year. Moreover, it should be noted that as of December 31, 2009 net debt included factoring payments, which positively influenced the company's cash situation in the amount of EUR 9 million.

OUTLOOK

Although the favourable upward trend in the automotive industry that started in the second half of 2009 continued during the first quarter of 2010, it remains largely uncertain how business will develop during the year under review. If the company's order situation and consequently capacity utilisation does not improve in 2010, additional restructuring measures cannot be fully ruled out

especially following the termination of short-time working schemes. For forward-looking statements regarding the company's liquidity situation, the development of the individual business segments and the further financing of the operating business please refer to the forecast report in the company's annual report 2009 or to the annual financial report 2009 of POLYTEC HOLDING AG.

PROFIT AND LOSS STATEMENT

	Q1 2010	Q1 2009
Net Sales	164.710	139.873
Other operating income	3.807	3.730
Changes in inventory of finished and unfinished goods	7.114	2.496
Own work capitalised	173	78
Expenses for materials and services received	-97.006	-82.650
Personal expenses	-51.313	-50.909
Other operating expenses	-23.887	-19.191
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	3.599	-6.573
Depreciation	-6.851	-7.210
Earnings before interest, taxes, depreciation and amortisation of goodwill (EBITA)	-3.252	-13.783
Amortisation of goodwill	0	0
Earnings before interest and taxes	-3.252	-13.783
Income from associated companies	0	0
Financial expenses	-1.777	-1.531
Other financial results	96	91
Financial result	-1.681	-1.440
Earnings before tax	-4.932	-15.223
Taxes on income	-588	631
Result from continued operations	-5.521	-14.592
Result from discontinued operations	0	-39.495
Profit of the year after tax	-5.521	-54.087
thereof minority interest	-137	-369
thereof group result	-5.658	-54.455
Earnings per share	-0,25	-2,44

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	JANUARY 1 - MARCH 31, 2010		
	Group	Minorities	Total
Profit/Loss after tax	-54.455	369	-54.087
Currency translation	766	543	1.308
Market valuation of securities available for sale	-3.550	0	-3.550
Total comprehensive income	-57.240	911	-56.328
	JANUARY 1 - MARCH 31, 2009		
	Group	Minorities	Total
Profit/Loss after tax	6.244	84	6.328
Currency translation	-619	-3	-621
Market valuation of securities available for sale	480	0	480
Total comprehensive income	6.105	81	6.187

BALANCE SHEET

ASSETS	March 31, 2010	December 31, 2009
A. FIXED ASSETS		
I. Intangible assets	1.740	1.975
II. Goodwill	19.300	19.300
III. Tangible assets	103.653	106.177
IV. Investments in affiliated companies	290	290
V. Investments in associated companies	31	31
VI. Other financial assets	2.874	2.874
VII. Deferred tax assets	13.922	13.974
	141.809	144.619
B. CURRENT ASSETS		
I. Inventories	76.823	72.972
II. Trade accounts	103.415	76.702
III. Marketable securities	7.347	5.932
VI. Cash and cash equivalents	10.116	31.857
	197.701	187.462
	339.510	332.081

LIABILITIES	March 31, 2010	December 31, 2009
A. SHAREHOLDERS EQUITY		
I. Share capital	22.330	22.330
II. Capital reserves	37.563	37.563
III. Treasury stock	-216	-216
IV. Minority interests	3.549	3.406
V. Retained earnings	-4.475	-1.601
	58.751	61.483
B. LONG-TERM LIABILITIES		
I. Interest bearing liabilities	11.588	12.589
II. Provision for deferred taxes	4.987	5.098
III. Long term provisions for personnel	25.910	25.661
IV. Other long term liabilities	5.130	5.800
	47.614	49.147
C. SHORT-TERM LIABILITIES		
I. Trade accounts payable	62.413	59.642
II; Short-term interest-bearing liabilities	50.981	51.801
III. Short-term portion of long-term loans	48.136	45.276
IV. Income tax liabilities	2.643	2.202
V. Other short-term liabilities	68.971	62.530
	233.144	221.451
	339.510	332.081

CASH FLOW STATEMENT

	Q1 2010	Q1 2009
Earnings before tax	-4.932	-15.223
- Income taxes	-206	124
+(-) Depreciation (appreciation) of fixed assets	6.851	7.210
+(-) Other non-cash expenses/income	249	180
= Consolidated financial Cash flow	1.961	-7.708
+(-) Changes in net working capital	-22.022	-2.638
= Cash flow from operating activities	-20.060	-10.346
+(-) Cash flow from investing activities	-3.427	-2.767
+(-) Cash flow from financing activities	1.747	2.864
+(-) Cash flow from operations held for sale	0	5.501
= Changes in cash and cash equivalents	-21.740	-4.747
+ Opening balance of cash and cash equivalents	31.857	19.195
= Closing balance of cash and cash equivalents	10.116	14.448

SHAREHOLDERS' EQUITY

	SHARE CAPITAL	CAPITAL RESERVES	TREASURY STOCK	MINORITY INTERESTS	RETAINED EARNINGS	TOTAL
Balance as of January 1, 2010	22.330	37.563	-216	3.406	-1.601	61.483
Profit for the year after tax	0	0	0	142	-2.873	-2.731
Balance as of March 31, 2010	22.330	37.563	-216	3.549	-4.475	58.751

	SHARE CAPITAL	CAPITAL RESERVES	TREASURY STOCK	MINORITY INTERESTS	RETAINED EARNINGS	TOTAL
Balance as of January 1, 2009	22.330	37.563	-216	15.566	79.549	154.792
Profit for the year after tax	0	0	0	911	-57.240	-56.328
Balance as of March 31, 2009	22.330	37.563	-216	16.477	22.309	98.464

SEGMENT REPORTING

AUTOMOTIVE SYSTEMS	Q1 2010	Q1 2009	Change in %
Sales	98.584	77.427	27,3%
EBITDA	-675	-3.603	81,3%
EBIT	-5.154	-7.980	35,4%
Net income	-6.584	-9.015	27,0%
Capex	3.141	5.430	-42,2%
AUTOMOTIVE COMPOSITES	Q1 2010	Q1 2009	Change in %
Sales	42.552	42.935	-0,9%
EBITDA	1.800	-4.013	144,8%
EBIT	120	-5.974	0,0%
Net income	-422	-5.573	92,4%
Capex	413	734	-43,7%
CAR STYLING	Q1 2010	Q1 2009	Change in %
Sales	19.247	15.814	21,7%
EBITDA	1.883	1.410	33,5%
EBIT	1.454	830	75,1%
Net income	1.246	536	132,3%
Capex	188	475	-60,5%
Others/Consolidation	Q1 2010	Q1 2009	Change in %
Sales	4.328	3.696	17,1%
EBITDA	591	-367	0,0%
EBIT	328	-659	0,0%
Net income	240	-540	0,0%
Capex	162	26	512,1%
GROUP	Q1 2010	Q1 2009	Change in %
Sales	164.710	139.873	17,8%
EBITDA	3.599	-6.573	0,0%
EBIT	-3.252	-13.783	76,4%
Net income	-5.521	-14.592	62,2%
Capex	3.903	6.665	-41,4%

SELECTED EXPLANATORY NOTES

ACCOUNTING AND EVALUATION METHODS

The interim report as of March 31, 2010 was compiled pursuant to the legal provisions of International Financial Reporting Standards (IFRS), and more specifically, in conformity with IAS 34 (interim reports). The same accounting and evaluation methods adopted on December 31, 2009 were also applied to this report. For further information regarding accounting and evaluation principles of the POLYTEC GROUP, please refer to the consolidated financial statements as of December 31, 2009.

BUSINESS SEASONALITY

The quarterly reporting of POLYTEC GROUP's sales throughout one financial year strictly correlates to the car manufacturing operations of the group's customers. For this reason, quarters in which customers normally close for works holidays generally have lower rates of sales turnover than quarters without such effects. In addition to this, sales from one quarter can also be influenced by the billing of large tool or development projects. In general, the 2010 financial year has been marked by strongly fluctuating call-off order patterns as a consequence of the global automotive recession and economic downturn.

BASIS OF CONSOLIDATION

The consolidated accounts include all relevant domestic and foreign companies, of which Polytec Holding AG directly or indirectly holds the majority of voting rights. Compared to the last balance sheet date as of December 31, 2009 the basis of consolidation has remained unchanged.

DECLARATION BY THE MANAGEMENT BOARD

The Management Board declares that this interim report, which was compiled pursuant to the legal provisions of International Financial Reporting Standards (IFRS), provides a true and fair view of the asset, financial and earnings situation of POLYTEC GROUP. This interim report has not been subject to an audit or a review.

Hörsching, May 11, 2010

Friedrich Huemer
Chairman

Eduard Schreiner
Member

Alfred Kollros
Member

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Member

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