INTERIM REPORT | Q3 2010

EARNINGS FIGURES

in EUR million	Q3 2010	Q3 2009	CHANGE IN %	1-9 2010	1-9 2009	CHANGE IN %
Sales	184.4	142.5	29.4%	550.2	433.7	26.9%
EBITDA	13.6	3.8	255.4%	30.2	-3.2	
EBIT	6.8	-3.5		9.8	-25.1	
Result from continued operations	9.9	-5.1		8.7	-29.2	
Result from discontinued operations	0.0	12.6		0.0	-37.9	
Net income	9.9	7.6	31.6%	8.7	-67.1	
EBITDA margin	7.4%	2.7%		5.5%	-0.7%	
EBIT margin	3.7%	-2.4%		1.8%	-5.8%	

FINACIAL FIGURES

in EUR million	1-9 2010	1-9 2009	CHANGE IN %
Cash flow from operating activities	9.1	-14.2	
Cash flow from investing activities	-5.5	-17.7	69.0%
Cash flow from financing activities	-12.4	-156.0	92.0%
Cash flow from operations held for sale	0.0	180.8	
Capital expenditures	12.4	16.3	-24.3%

BALANCE SHEET RATIOS

in EUR million	September 30, 2010	December 31, 2009
Balance sheet total	341.3	332.1
Equity	71.4	61.5
Net debt	71.0	69.9
Net working capital	45.5	25.3
Gearing	0.99	1.14
Equity ratio	20.9%	18.5%
Employees (End of period)	5,939	5,361

SHARE FIGURES

		September 30, 2010	December 31, 2009	Change in %
Closing price	in EUR	4,8	2,11	127,5%
Market capitalisation	in Mio. EUR	107.2	47.1	127.5%

		1-9 2010	1-9 2009	Change in %
Earnings per share from continued operations	in EUR	0.36	-1.31	-

INTERIM REPORT Q3 2010

ECONOMIC FRAMEWORK CONDITIONS

Global sales of passenger cars continued to recover over the past month with the Asian and Russian markets in particular characterized by a steady positive development of the new car business and the US market reporting a further strong increase in sales. As expected, however, demand for passenger cars in Western Europe, remained below the previous year's level, which had been supported by extensive incentive programs. Nevertheless the market is showing first signs of a deceleration of the downward trend in sales.

The German commercial vehicle segment continued its recovery trend in September 2010. Matthias Wissmann, President of the VDA – the German Association of the Automotive Industry – stressed: "The positive sentiment demonstrated by both exhibitors and visitors to the 63rd IAA Commercial Vehicles (the International Motor Show in Hanover) has also been reflected by the growing sales figures the industry has been recording for some time now. However, the general economic situation is not only shaped by favorably high growth rates but also by a very low base level. It will still take some time before we get back to where we were before the crisis started to unfold. Nevertheless, our core markets show clear signs of recovery." Against this backdrop, the inflow of foreign orders increased by 38% in September 2010; a plus of 54% since the beginning of the year.

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 as "assets held for disposal" in the profit and loss statement.

GROUP RESULTS

in EUR million	Q3 2010	Q3 2009	CHANGE IN %	1-9 2010	1-9 2009	CHANGE IN %
Sales	184.4	142.5	29.4%	550.2	433.7	26.9%
EBITDA	13.6	3.8	255.4%	30.2	-3.2	
EBIT	6.8	-3.5		9.8	-25.1	
Result from continued operations	9.9	-5.1		8.7	-29.2	
Result from discontinued operations	0.0	12.6		0.0	-37.9	
Net income	9.9	7.6	31.6%	8.7	-67.1	
EBITDA margin	7.4%	2.7%		5.5%	-0.7%	
EBIT margin	3.7%	-2.4%		1.8%	-5.8%	
Earnings per share (in EUR)	0.43	0.33		0.36	-3.05	
Earnings per share from coninued operations	0.43	-0.23		0.36	-1.31	

The positive dynamic business trend registered in the previous reporting periods also continued in the third quarter 2010, with group sales showing considerable growth of roughly 30% to EUR 184.4 million. In the first nine months of 2010 this increase amounted to 26.9% or EUR 116.5 million. Group EBITDA also showed a favorable development in the third quarter 2010, rising to EUR 13.6 million compared to EUR 3.8 million in the same period of the previous year. In the first nine months of 2010, group EBITDA amounted to EUR 30.2 million, which corresponds to an EBITDA margin of 5.5%.

In addition to the global recovery trend of the market, this favorable performance of group EBITDA is mainly attributable to the implementation of efficiency measures and the continued high cost awareness of the management. Nevertheless this fairly positive earnings development has to be seen in the context of the continued need for remedial action in the "problem areas" of the Automotive Systems Division (please refer to the segment reporting and the outlook for further details in this regard).

The first half of 2010 was marked by the achievement of a turnaround at the group level with the company's operating result turning positive for the first time since the beginning of the financial and economic crisis. This favorable development also continued in the third quarter of 2010, with net profit for the period amounting to almost EUR 9 million after a loss of EUR 97 million in the previous year. In addition to this positive business development, the disposal of 10% of the shares in Grammer AG in the amount of EUR 6.1 million also made a positive contribution to the financial result. Earnings per share amounted to EUR 0.36 in the first nine months of 2010.

SEGMENTREPORTING

AUTOMOTIVE SYSTEMS DIVISION

in EUR million	Q3 2010	Q3 2009	CHANGE IN %	1-9 2010	1-9 2009	CHANGE IN %
Sales	108.5	85.3	27.2%	332.0	265.7	25.0%
EBITDA	2.6	1.2	114.0%	5.9	0.5	
EBIT	-1.8	-3.5	49.3%	-7.4	-13.4	44.3%
EBITDA margin	2.4%	1.4%		1.8%	0.2%	
EBIT margin	-1.6%	-4.1%		-2.2%	-5.0%	

Division sales showed a considerable increase by 27.2% to EUR 108.5 million in the third quarter 2010. This favorable development was mainly attributable to the ongoing positive business performance of the European vehicle manufacturers on the Asian, Russian and US markets. On the domestic markets, however, the European OEMs were still unable to match the demand level of the previous year, which had been supported by extensive incentive programs. In the first nine months of 2010, division sales increased by 25.0% to EUR 332.0 million, whereas EBITDA at EUR 5.9 million clearly underperformed, remaining below the company's target level due to the unfavorable development of costs in the plants in Zaragoza (Spain) and Waldbröl (Germany). The corporate countermeasures adopted in the first six months of the year to tackle this challenging situation, described in great detail in the interim report for the first half 2010, were also continued in the third quarter 2010. Both plants were able to report first positive developments although the operating result remains negative. While remedial measures put in place at the Spanish plant in Zaragoza in terms of quality, process stability and headcount reduction are proceeding according to plan, the German plant in Waldbröl still requires concerted efforts especially with regard to the stability of individual production processes if full-year targets are to be met. In

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addition to this extensive package of in-house measures, the support of our customers remains crucial element if we are to guarantee a sustainable earnings development.

AUTOMOTIVE COMPOSITES DIVISION

in EUR million	Q3 2010	Q3 2009	CHANGE IN %	1-9 2010	1-9 2009	CHANGE IN %
Sales	52.4	36.5	43.8%	146.6	111.6	31.4%
EBITDA	8.0	1.4	457.8%	15.8	-5.8	
EBIT	6.3	-0.3		10.9	-11.3	
EBITDA margin	15.2%	3.9%		10.8%	-5.2%	
EBIT margin	12.0%	-0.8%		7.4%	-10.1%	

In the first nine months of 2010, sales at the Automotive Composites Division rose by 31.4% to EUR 146.6 million. This growth was mainly supported by a substantial increase in production volumes in the commercial vehicle segment. Despite this favorable development, accumulated division sales in the period under review failed to match the 2008 level by roughly EUR 60 million. EBITDA amounted to EUR 15.8 million in the first nine months of 2010. This positive result both in absolute terms as well as in relation to division sales is mainly attributable to the consistent implementation of restructuring and sales measures supported by a steady increase in the utilization of division capacities.

CAR STYLING DIVISION

in EUR million	Q3 2010	Q3 2009	CHANGE IN %	1-9 2010	1-9 2009	CHANGE IN %
Sales	18.8	14.5	29.8%	58.7	44.3	32.5%
EBITDA	1.9	1.1	68.4%	6.2	3.1	100.3%
EBIT	1.5	0.6		4.9	1.4	252.6%
EBITDA margin	10.1%	7.6%		10.5%	7.0%	
EBIT margin	7.9%	4.1%		8.3%	3.1%	

The Car Styling Division was able to continue the positive trend of previous reporting periods in the third quarter of 2010, reporting a considerable increase in both sales and earnings. Division sales grew by 29.8% to EUR 18.8 million and accumulated sales by 32.5% compared to the previous quarter. The division's results showed a favorable development with an EBITDA margin of 10.5%.

EMPLOYEES

	SEPT. 30 2010	SEPT. 30 2010	CHANGE	1-9 2010	1-9 2009	CHANGE
Automotive Systems Division	3,139	2,956	183	3,172	2,822	350
Automotive Composites Division	1,927	1,875	52	1,815	1,993	-178
Car Styling Division	700	580	120	662	592	70
Holding/Andere	163	131	32	151	139	12
Group	**5,929**	**5,542**	**387**	**5,800**	**5,546**	**254**

At the group level, total headcount including leased staff grew by 387 employees as of end of September 2010 due to the considerable increase in workload and production output and the consequent adjustment of capacities in all business areas. Total headcount continued to exceed the targeted personnel level only in the Automotive Systems Division and, more specifically, in the aforementioned plants and will be adjusted to an economically sound employee base in the course of the implementation of turnaround measures.

KEY FINANCIAL FIGURES AND CAPITAL EXPENDITURES

CAPITAL EXPENDITURES

in EUR million	Q3 2010	Q3 2009	CHANGE IN %	1-9 2010	1-9 2009	CHANGE IN %
Automotive Systems Division	2.2	3.1	-29.0%	9.6	14.6	-34.1%
Automotive Composites Division	0.5	0.1	519.2%	1.6	1.0	68.6%
Car Styling Division	0.4	0.3	37.9%	0.7	0.5	44.1%
Others/Consolidation	0.2	0.2	-24.4%	0.4	0.3	56.6%
Group	**3.2**	**3.6**	**-11.4%**	**12.4**	**16.3**	**-24.3%**

Capital expenditures for tangible assets were reduced by roughly a fourth to EUR 12.4 million in the first nine months of 2010. Capital expenditures at both the group and division level are usually assessed in terms of their necessity and limited to project-related undertakings as far as possible. This development also impacted the asset ratio, which was reduced to 35.5% compared to the balance sheet date (December 31, 2009: 39.3%).

KEY FINANCIAL FIGURES

in EUR million	SEPTEMBER 30, 2010	DECEMBER 31, 2009	CHANGE IN %
Asset ratio	35.5%	39.3%	
Equity ratio	20.9%	18.5%	
Net working capital	45.5	25.3	79.8%
Net working capital to sales	6.3%	4.2%	
Net debt	71.0	69.9	1.5%
Net debt to EBITDA	1.6	6.8	
Gearing (Net debt to Equity)	1.0	1.1	
Capital employed	159.3	147.0	8.4%

The company's equity ratio increased to 20.9% as of end of September 2010 due to a positive earnings situation. Net debt remained almost stable at EUR 71.0 million compared to the balance sheet date as of December 31, 2009. In addition to a positive cash flow situation, the disposal of 10% of the shares in Grammer AG contributed to a considerable improvement of the balance sheet structure. The resulting sales proceeds totaling EUR 12.1 million were used to both strengthen liquidity and repay an open credit line in the amount of EUR 6.1 million.

The considerable increase in net working capital of 79.8% to EUR 45.9 million compared to the balance sheet date is mainly attributable to the growth in sales and production volumes.

OUTLOOK

Based on the dynamic development of the automotive and commercial vehicle industry, which continued in the third quarter of 2010 und the forecasts for the rest of the year, total group sales of EUR 750 million are anticipated for the full year 2010. Compared to the interim report for the half year 2010, sales forecasts for the full-year 2010 have been significantly raised. However, a certain degree of insecurity with regard to the actual development until year-end persists. This improved forecast will logically also have a positive impact on the development of earnings, with full-year EBITDA expecting to total at least EUR 40 million from today's perspective.

However, it remains to be seen whether the turnaround measures currently underway can be completed on time, thus averting the need for additional restructuring measures with a negative impact on results.

PROFIT AND LOSS STATEMENT

	Q3 2010	Q3 2009	1-9 2010	1-9 2009
Net Sales	184,394	142,460	550,172	433,693
Other operating income	2,861	5,290	12,329	12,415
Changes in inventory of finished and unfinished goods	-2,314	5,114	-1,729	-4,514
Own work capitalised	198	498	487	940
Expenses for materials and services received	-95,949	-83,929	-298,460	-242,129
Personal expenses	-48,846	-46,561	-154,505	-145,991
Other operating expenses	-26,727	-19,041	-78,097	-57,578
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**13,616**	**3,831**	**30,196**	**-3,164**
Depreciation	-6,797	-7,317	-20,415	-21,946
Earnings before interest, taxes, and amortisation of goodwill (EBITA)	**6,819**	**-3,486**	**9,782**	**-25,109**
Amortisation of goodwill	0	0	0	0
Earnings before interest and taxes	**6,819**	**-3,486**	**9,782**	**-25,109**
Financial expenses	-1,771	-1,914	-5,366	-5,084
Other financial results	5,483	21	6,259	-56
Financial result	**3,712**	**-1,893**	**893**	**-5,140**
Earnings before tax	**10,531**	**-5,379**	**10,674**	**-30,249**
Taxes on income	-597	303	-1,970	1,043
Result from continued operations	**9,934**	**-5,076**	**8,704**	**-29,206**
Result from discontinued operations	0	12,627	0	-37,850
Profit of the year after tax	**9,934**	**7,550**	**8,704**	**-67,056**
thereof minority interest	-240	-122	-608	-1,044
thereof group result	9,694	7,428	8,097	-68,100
Earnings per share	0.43	0.33	0.36	-3.05
Earnings per share from continued operations	**0.43**	**-0.23**	**0.36**	**-1.31**

TOTAL COMPREHENSIVE INCOME

	1.1. - 30.6.2010		
	Group	**Minorities**	**Total**
Profit/Loss after tax	8,097	608	8,704
Currency translation	1,162	4	1,167
Total comprehensive income	**9,259**	**612**	**9,871**

	1.1. -30.6.2009		
	Group	**Minorities**	**Total**
Profit/Loss after tax	-68,100	1,044	-67,056
Currency translation	2,207	-201	2,006
Market valuation of securities available for sale	-148	0	-148
Total comprehensive income	**-66,040**	**843**	**-65,197**

BALANCE SHEET

ASSETS	September 30, 2010	December 31, 2009
A. FIXED ASSETS		
I. Intangible assets	1,483	1,975
II. Goodwill	19,300	19,300
III. Tangible assets	97,640	106,177
IV. Investments in affiliated companies	315	290
V. Investments in associated companies	31	31
VI. Other finacial assets	2,436	2,874
VII. Deferred tax assets	13,261	13,974
	134,466	**144,619**
B. CURRENT ASSETS		
I. Inventories	78,544	72,972
II. Trade accounts	105,240	76,702
III. Marketable securities	0	5,932
VI. Cash and cash equivalents	23,082	31,857
	206,866	**187,462**
	341,332	**332,081**

LIABILITIES	September 30, 2010	December 31, 2009
A. SHAREHOLDERS EQUITY		
I. Share capital	22,330	22,330
II. Capital reserves	37,563	37,563
III. Treasury stock	0	-216
IV. Minority interests	4,018	3,406
V. Retained earnings	7,442	-1,601
	71,354	**61,483**
B. LONG-TERM LIABILITIES		
I. Interest bearing liabilities	12,331	12,589
II. Provision for deffered taxes	4,980	5,098
III. Long term provisions for personnel	26,488	25,661
IV. Other long term liabilities	4,589	5,800
	48,388	**49,147**
C. SHORT-TERM LIABILITIES		
I. Trade accounts payable	66,286	59,642
II; Short-term interest-bearing liabilities	51,017	51,801
III. Short-term portion of long-term loans	32,279	45,276
IV. Income tax liabilities	1,890	2,202
V. Other short-term liabilities	70,119	62,530
	221,590	**221,451**
	341,332	**332,081**

CASH FLOW STATEMENT

		1-9 2010	1-9 2009
	Earnings before tax	**10,674**	**-30,249**
-	Income taxes	-1,687	30
+(-)	Depreciation (appreciation) of fixed assets	20,415	21,946
+(-)	Other non-cash expenses/income	828	525
=	**Consolidated financial Cash flow**	**30,229**	**-7,748**
+(-)	Changes in net working capital	-21,089	-6,427
=	**Cash flow from operating activities**	**9,140**	**-14,175**
+(-)	**Cash flow from investing activities**	**-5,480**	**-17,655**
+(-)	**Cash flow from financing activities**	**-12,435**	**-155,979**
+(-)	**Cash flow from operations held for sale**	**0**	**180,813**
=	**Changes in cash and cash equivalents**	**-8,775**	**-6,996**
+	Opening balance of cash and cash equivalents	31,857	19,195
=	**Closing balance of cash and cash equivalents**	**23,082**	**12,199**

CHANGES IN 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**
Total comprehensive income	0	0	0	612	9,259	9,871
Disposal of treasury stock	0	0	216	0	-216	0
Balance as of June 30, 2010	**22,330**	**37,563**	**0**	**4,018**	**7,442**	**71,354**

	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**
Total comprehensive income	0	0	0	843	-66,040	-65,197
Deconsolidation	0	0	0	-10,819	0	-10,819
Dividend	0	0	0	-2,264	0	-2,264
Balance as of June 30, 2009	**22,330**	**37,563**	**-216**	**3,326**	**13,509**	**76,512**

SEGMENT REPORTING

AUTOMOTIVE SYSTEMS	Q3 2010	Q3 2009	Change in %	1-9 2010	1-9 2009	Change in %
Sales	108.516	85.282	27,2%	332.040	265.729	25,0%
EBITDA	2.639	1.233	114,0%	5.929	450	1216,6%
EBIT	-1.784	-3.516	49,3%	-7.449	-13.374	44,3%
Net income	-3.078	-4.933	37,6%	-11.893	-15.283	22,2%
Capex	2,185	3,078	-29.0%	9,616	14,601	-34.1%

AUTOMOTIVE COMPOSITES	Q3 2010	Q3 2009	Change in %	1-9 2010	1-9 2009	Change in %
Sales	52,412	36,454	43.8%	146,631	111,566	31.4%
EBITDA	7,951	1,425		15,787	-5,786	
EBIT	6,294	-301		10,856	-11,321	
Net income	5,327	219		9,134	-10,946	
Capex	511	83	519%	1,628	966	69%

CAR STYLING	Q3 2010	Q3 2009	Change in %	1-9 2010	1-9 2009	Change in %
Sales	18,839	14,510	29.8%	58,690	44,302	32.5%
EBITDA	1,928	1,145	68.4%	6,185	3,088	100.3%
EBIT	1,479	597	147.6%	4,874	1,383	252.6%
Net income	1,237	472	162.2%	4,099	794	416.3%
Capex	366	265	37.9%	679	471	44.1%

Others/Consolidation	Q3 2010	Q3 2009	Change in %	1-9 2010	1-9 2009	Change in %
Sales	4,626	6,214	-25.6%	12,811	12,096	5.9%
EBITDA	1,099	28		2,295	-916	-350.5%
EBIT	829	-266		1,501	-1,797	-183.5%
Net income	6,448	-834		7,364	-3,772	-295.3%
Capex	154	203	-24.4%	428	273	56.6%

GROUP	Q3 2010	Q3 2009	Change in %	1-9 2010	1-9 2009	Change in %
Sales	184,394	142,460	29.4%	550,172	433,693	26.9%
EBITDA	13,616	3,831	255.4%	30,196	-3,164	
EBIT	6,819	-3,486		9,782	-25,109	
Net income	9,934	-5,076		8,705	-29,206	
Capex	3,215	3,628	-11.4%	12,350	16,311	-24.3%

SELECTED EXPLANATORY NOTES

ACCOUNTING AND EVALUATION METHODS

The interim report as of September 30, 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, November 3, 2010

Friedrich Huemer Chairman	Alfred Kollros Member

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