

QUARTERLY REPORT 1 | 06

Q1



POLYTEC GROUP



HIGHLIGHTS

- SALES AT GROUP LEVEL INCREASE BY 13.3 % OVER THE PREVIOUS YEAR, TO EUR 134.2 MILLION.
- OPERATING RESULT BEFORE DEPRECIATION (EBITDA) OF EUR 13.3 MILLION
- AUTOMOTIVE SYSTEMS DIVISION ACHIEVES EBITDA MARGIN OF 10.5 %
- CAR STYLING DIVISION INCREASES SALES BY 15.7 % TO EUR 16.9 MILLION
- PROFIT FOR THE PERIOD INCREASES FROM EUR 1.3 MILLION TO EUR 5.2 MILLION

INCOME FIGURES

in Mill. EURO	Q1 2006	Q1 2005	CHANGE ABSOLUTE
Net Sales	134.2	118.5	15.7
Earnings before interest, taxes and amortisation (EBITDA)	13.3	6.8	6.5
Earnings before interest and taxes (EBIT)	8.8	2.8	6.1
Earnings before tax (EBT)	8.0	1.7	6.4
Unconsolidated profit	5.2	1.3	3.9
<i>EBITDA Margin</i>	9.9 %	5.8 %	
<i>EBIT Margin</i>	6.6 %	2.3 %	
Earnings per Share	0.27	0.07	

FINANCIAL FIGURES

in Mill. EURO	Q1 2006	Q1 2005	CHANGE ABSOLUTE
Cash flow			
Cash flow from operating activities	-3.7	-12.0	8.3
Cash flow from investing activities	-4.4	-3.6	-0.8
Cash flow from financing activities	6.2	11.3	-5.1
Capital expenditures	4.4	4.1	0.3

BALANCE SHEET RATIOS

in Mill. EURO	MARCH 31, 2006	DEC. 31, 2005
Balance sheet total	268.5	258.3
Equity	92.0	87.3
Net debt	62.4	53.7
Net working capital	65.0	51.4
<i>Gearing</i>	67.8 %	61.4 %
<i>Equity ratio</i>	34.3 %	33.8 %
Employees (average period)	3,536	3,441

RESULTS FOR THE 1ST QUARTER 2006

POLYTEC GROUP DELIVERS DISTINCT GROWTH IN SALES AND AN INCREASE IN PROFIT

ECONOMIC ENVIRONMENT

The macroeconomic situation stabilised in the first three months of the current financial year. The automotive business also benefited from this improved mood which prevailed in Germany, the most important market for POLYTEC. In March, for instance, the Ifo Business Climate Index reached its highest level since 1991.

The most important customers of the POLYTEC GROUP were able to achieve a marked improvement in their sales figures compared to the

previous year. In view of the improvement in the sectoral situation, the VDA also made a slight upward adjustment of its sales forecasts for 2006.

In the current financial year, the main risk for the further development of the economy as a whole is still the development of oil prices, which have once again peaked as a result of the Iranian nuclear conflict.

GROUP RESULTS

in Mill. EURO	Q1 2006	Q1 2005	CHANGE
Net Sales	134.2	118.5	13.3 %
Earnings before interest, taxes and amortisation (EBITDA)	13.3	6.8	95.2 %
Earnings before interest and taxes (EBIT)	8.8	2.8	219.3 %
Earnings before tax	8.0	1.7	375.5 %
Unconsolidated Net Profit	5.2	1.3	306.7 %

Sales for the POLYTEC GROUP totalled EUR 134.2 million for the first three months of the financial year 2006, increasing by 13.3 % in comparison to the previous year. The positive trend in sales at the Group level is primarily attributable to the positive trend in the Automotive Systems Division (+18.0 %) as well as to the Car Styling Division (+15.7 %).

Compared to the previous year, the Group EBITDA increased by 95.2 % to EUR 13.3 million (2005: EUR 6.8 million.). The Automotive Systems

Division can also be credited for this development, since it was able to increase its results. The operating result (EBIT) increased by 219.3 % to EUR 8.8 million (2005: EUR 2.8 million.).

Due to an improvement in financial performance and a fall in the taxation ratio, the result after taxes experienced an above-average increase to EUR 5.2 million (2005: EUR 1.3 million) compared to the operating result – posting a gain of 306,7 %.

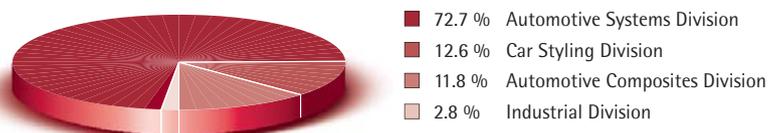


CONTACT:

Manuel Taverne
POLYTEC GROUP
Investor Relations
A-4063 Hörsching, Linzer Strasse 50
Phone: +43-7221-701-292
investor.relations@polytec-group.com
www.polytec-group.com/investor/en

DEVELOPMENT OF THE DIVISIONS

Divisional share of Group sales in the first quarter 2006



Automotive Systems Division

in Mill. EURO	Q1 2006	Q1 2005	CHANGE
Net Sales	97.6	82.8	18.0 %
Earnings before interest, taxes and amortisation (EBITDA)	10.2	3.8	171.1 %
Earnings before interest and taxes (EBIT)	7.0	0.9	668.2 %

Having achieved a 72.7 % share of Group sales and an increase of EUR 14.8 million (+18.0 %), the Automotive Systems Division can look back on a successful first quarter 2006. The increase in sales is primarily attributable to deliveries for the BMW 3 Series. POLYTEC is the sole supplier of door panels for the 3 Series. This order alone is responsible for about 20 % of Group sales. This model was launched in the first quarter of last year and is now being manufactured at full capacity in Europe and South Africa.

The first quarter of last year was burdened with the start-up costs for this major project, but a marked improvement in profits has been the logical result of ongoing mass production. In addition, it is also

evident that the rigorous cost reduction measures undertaken in 2005 are starting to bear fruit.

In total, the EBITDA improved from EUR 3.8 million (4.6 % of sales) in the first quarter of 2005 to EUR 10.2 million (10.5 % of sales) in the first quarter of 2006. The EBIT developed similarly.

In principle, a stable order and earnings situation can also be anticipated for the coming months. It remains to be seen whether unscheduled, short-notice holiday shutdowns at customer plants will have a detrimental effect on the business trend within the Division, as was the case in 2005.

Car Styling Division

in Mill. EURO	Q1 2006	Q1 2005	CHANGE
Net Sales	16.9	14.6	15.7 %
Earnings before interest, taxes and amortisation (EBITDA)	1.8	1.6	17.7 %
Earnings before interest and taxes (EBIT)	1.3	1.0	29.6 %

Sales increased by 15.7 % in the first quarter of 2006 to EUR 16.9 million (2005: EUR 14.6 million). This was due primarily to a general rise in demand at the accessories business.

The EBITDA increased by 17.7 % to EUR 1.8 million. The EBIT registered a similar increase. The EBIT margin increased from 7.0 % to 7.9 % in comparison to the previous year.

The Division's UK plant, which continues to battle low capacity utilisation and orders with weak margins, is still posing problems. A comprehensive set of measures is being implemented and should contribute to the further stabilisation of results in the upcoming months.

Automotive Composites Division

in Mill. EURO	Q1 2006	Q1 2005	CHANGE
Net Sales	15.9	17.7	-10.4 %
Earnings before interest, taxes and amortisation (EBITDA)	0.4	0.7	-47.8 %
Earnings before interest and taxes (EBIT)	-0.2	0.2	-

In contrast to the overall Group trend, the Automotive Composites Division registered a decline in business development in comparison to the previous year. In the first quarter of 2006, the Division recorded sales of EUR 15.9 million compared to EUR 17.7 million for the previous year. Whereas the Division's Italian plant is operating at a level similar to the previous year and within the approved budget, the decrease in sales and the deterioration in performance can be ascribed solely to the Swedish plant.

This decline in sales is to be attributed to the phasing out of high-margin projects and to poor call-off figures for current projects. Personnel capacities are being adjusted at present.

The EBITDA has declined from EUR 0.7 million to EUR 0.4 million (-47.8 %). The EBIT showed a similar trend.

In the coming months, it is anticipated that the earnings position at the Swedish plant will stabilise at a very low level.

Industrial Division

in Mill. EURO	Q1 2006	Q1 2005	CHANGE
Net Sales	3.8	3.4	11.9 %
Earnings before interest, taxes and amortisation (EBITDA)	0.9	0.6	70.6 %
Earnings before interest and taxes (EBIT)	0.8	0.4	87.8 %

With quarterly sales of EUR 3.8 million, the Industrial Division has achieved an increase in sales of 11.9 % (2005: EUR 3.4 million). The EBITDA increased in the same period by 70.6 % to EUR 0.9 million.

The improvement in results is to be attributed to a very good level of incoming orders for polyurethane processing, which has been able to compensate for a slight decline in sales of special purpose machinery.

EMPLOYEES

The POLYTEC GROUP employed an average of 3,536 employees in the first quarter 2006, an increase of 95 employees over the previous year.

This development is attributable solely to the Automotive Systems Division.

	As of March 31,			Average of period		
	2006	2005	CHANGE	Q1 2006	Q1 2005	CHANGE
Automotive Systems Division	2,418	2,279	139	2,412	2,274	138
Car Styling Division	578	595	-17	579	591	-12
Automotive Composites Division	427	453	-26	422	459	-37
Industrial Division	95	93	2	94	89	5
Holding	30	28	2	29	27	2
Group	3,548	3,448	100	3,536	3,441	95

INVESTMENT AND FINANCES

Commensurate with the typical development of working capital during the year, capital tie-up in net working capital has increased by EUR 8.7 million compared to December 31, 2005.

This is also the reason why, despite a pre-tax result of EUR 8.0 million, cash flow from operating activities remains negative at EUR -3.7million.

This conforms with the usual financial trend in the first quarter.

The equity ratio has increased from 33.8 % to 34.3 % compared to December 31, 2005 and thus presents a very solid figure, even before the capital increase that is expected from the IPO.

CAPITAL EXPENDITURES

In the first quarter 2006, Group capital expenditures amounted to EUR 4.4 million compared to EUR 4.1 million for the same time period the previous year.

in Mill. EURO	Q1 2006	Q1 2005	CHANGE
Automotive Systems Division	3.5	2.9	20.1 %
Car Styling Division	0.5	0.6	-19.7 %
Automotive Composites Division	0.2	0.2	5.3 %
Industrial Division	0.1	0.2	-41.2 %
Holding	0.1	0.1	-
Group	4.4	4.1	7.4 %

The focus of investment activity was the Automotive Systems Division. Among the most important acquisitions were the expansion of equipment for the upcoming BMW X3 facelift, a new production line for

roofs at the Polish plant, and acquisitions resulting from the transfer of orders from an insolvent competitor to POLYTEC.

CAPITAL MARKET INFORMATION

Financial Calendar 2006:

Report on 2nd quarter 2006 August 2, 2006

Report on 3rd quarter 2006 November 8, 2006

ISIN	AT0000A00XX9
Symbol	PYT
Reuters	POLV
Bloomberg	PYT.AV
Shares issued	22,329,585 ¹

SUBSEQUENT EVENTS AFTER - 31.3.2006

On 28.4.2006 the stock of POLYTEC HOLDING AG was quoted for the first time on the prime market of the Vienna Stock Exchange. The offer price was fixed at EUR 7.75 for the 11,616,056 shares offered. This resulted in gross issuing proceeds of EUR 90.0 million. 3,000,000 shares originated from an increase in capital. The remaining 8,616,056 shares are being sold by the financial investor Capvis.

In addition, there is a surplus allocation option (Greenshoe) of 15 % (1,742,408 units), which can be drawn within 30 days of issue by the issuing syndicate. This would increase the total amount issued to 13,358,464 shares or EUR 103.5 million.

FORECAST FOR 2006

We are counting on a sustained favourable trading situation for the Group in the upcoming quarters. However, the third quarter of 2006 will see the phasing out of two important orders in the Automotive Systems Division, and this first quarter, which was extraordinary in comparison to the previous year, should not hide the fact that the challenges of this year are still to be overcome.

The net income situation at the plants in England (Car Styling Division) and Sweden (Automotive Composites Division) indicates that further

major efforts are needed to steer all plants toward achieving the internal target rates of return.

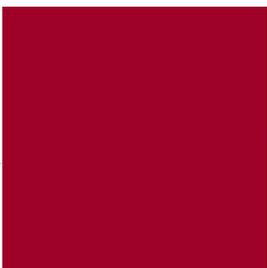
Although the first quarter has been very gratifying, it shows nevertheless that ambitious targets can be achieved through consistent implementation of the appropriate measures, and that POLYTEC has set out on the right path to achieve sustained success in a still difficult sector environment.

¹ Information as of May 19. (following capital increase as a result of the IPO, 19,329,585 shares issued for the quarterly report due date).

INCOME STATEMENT FOR THE PERIOD OF JANUARY 1, 2006 TO MARCH 31, 2006

compared with the figures from the previous year (in thousand Euro)

	1.1. – 31.3.	
	2006	2005
Net Sales	134,235.8	118,496.4
Other operating income	4,402.1	1,561.6
Changes in inventory of finished and unfinished goods	752.4	-220.4
Own work capitalised	109.0	76.8
Expenses for materials and services received	-78,019.3	-66,845.2
Personnel expenses	-32,532.8	-32,661.1
Other operating expenses	-15,611.5	-13,575.5
Earnings before interest, taxes and amortisation (EBITDA)	13,335.7	6,832.6
Depreciation	-4,504.3	-4,066.7
Earnings before interest, taxes and amortisation of goodwill (EBITA)	8,831.4	2,765.9
Amortisation of goodwill	0.0	0.0
Earnings before interest and taxes (EBIT)	8,831.4	2,765.9
Income from associated companies	0.0	0.0
Financial expenses	-808.5	-1,081.9
Other financial results	23.8	8.2
Financial result	-784.7	-1,073.7
Earnings before tax	8,046.7	1,692.2
Taxes on income	-2,868.9	-730.1
Profit of the year after tax	5,177.8	962.1
Minority interest	-21.7	305.8
Unconsolidated Net Profit (Result after minority interest)	5,156.1	1,267.9
Earnings per share	0.27	0.07



BALANCE SHEET AS OF MARCH 31, 2006

compared with the full year figures (in thousand Euro)

AKTIVA:	31.3.2006	31.12.2005
A. FIXED ASSETS		
I. Intangible assets	3,725.5	3,144.4
II. Goodwill	25,611.5	25,611.5
III. Tangible assets	69,712.2	70,353.9
IV. Investments in affiliated and associated companies	165.2	165.2
V. Other financial assets	2,818.3	3,034.9
VI. Deferred tax assets	3,831.3	3,911.8
	105,864.0	106,221.7
B. CURRENT ASSETS		
I. Inventories	56,519.3	57,691.0
II. Trade accounts receivable and other receivables and assets	96,854.2	83,126.8
III. Cash and cash equivalents	9,298.3	11,235.4
	162,671.8	152,053.2
	268,535.8	258,274.9
PASSIVA:	31.3.2006	31.12.2005
A. SHAREHOLDER'S EQUITY		
I. Share capital	19,329.6	19,329.6
II. Treasury stock	-215.5	0.0
III. Capital reserves	38,530.4	38,530.4
IV. Minority interests	329.6	307.0
V. Retained earnings	34,027.4	29,207.9
	92,001.5	87,374.9
B. LONG-TERM LIABILITIES		
1. Interest-bearing liabilities	30,665.3	33,125.4
2. Provision for deferred taxes	811.4	754.3
3. Long-term provisions for personnel	10,118.3	9,902.8
4. Other long-term liabilities	2,639.6	2,874.8
	44,234.6	46,657.3
C. SHORT-TERM LIABILITIES		
1. Trade accounts payable	39,269.8	50,149.2
2. Short-term interest-bearing liabilities	34,504.9	25,594.0
3. Short-term portion of long-term loans	9,379.4	9,279.7
4. Other short-term liabilities	49,145.6	39,219.8
	132,299.7	124,242.7
	268,535.8	258,274.9

CASH FLOW STATEMENT FOR THE PERIOD OF JANUARY 1, 2006 TO MARCH 31, 2006

compared with the figures from the previous year (in thousand Euro)

	1.1. – 31.3.	
	2006	2005
Earnings before tax	8,046.7	1,692.2
- Income taxes	-1,047.4	-2,733.9
+(-) Depreciation (appreciation) of fixed assets	4,504.3	4,066.7
+(-) Other non-cash expenses/income	215.5	1,095.6
= Consolidated financial Cash flow	11,719.1	4,120.6
+(-) Changes in net working capital	-15,428.4	-16,161.2
= Cash flow from operating activities	-3,709.3	-12,040.6
+(-) Cash flow from investing activities	-4,443.8	-3,603.9
+(-) Cash flow from financing activities	6,216.0	11,309.0
= Changes in cash and cash equivalents	-1,937.1	-4,335.5
+ Opening balance of cash and cash equivalents	11,235.4	10,003.9
= Closing balance of cash and cash equivalents	9,298.3	5,668.4

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousand Euro)

	SHARE CAPITAL	TREASURY STOCK	CAPITAL RESERVES	MINORITY INTERESTS	RETAINED EARNINGS	TOTAL
Balance as of January 1st, 2006	19,329.6	0.0	38,530.4	307.0	29,207.9	87,374.9
Consolidated profit for the year	0.0	0.0	0.0	21.7	5,156.1	5,177.8
Treasury stock	0.0	-215.5	0.0	0.0	0.0	-215.5
Currency translation	0.0	0.0	0.0	0.0	-336.6	-335.7
Balance as of March 31st, 2006	19,329.6	-215.5	38,530.4	329.6	34,027.4	92,001.5

	SHARE CAPITAL	TREASURY STOCK	CAPITAL RESERVES	MINORITY INTERESTS	RETAINED EARNINGS	TOTAL
Balance as of January 1st, 2005	19,329.6	0.0	38,530.4	260.8	23,415.4	81,536.2
Consolidated profit for the year	0.0	0.0	0.0	-305.8	1,267.9	962.1
Currency translation	0.0	0.0	0.0	-2.8	225.3	222.5
Balance as of March 31st, 2005	19,329.6	0.0	38,530.4	-47.8	24,908.6	82,720.8

SEGMENT REPORTING

(in thousand Euro)

	CAR STYLING 1.1. – 31.3.		AUTOMOTIVE SYSTEMS 1.1. – 31.3.		AUTOMOTIVE COMPOSITES 1.1. – 31.3.	
	2006	2005	2006	2005	2006	2005
Net sales (not consolidated)	18,602.8	18,603.2	114,490.3	94,493.8	15,871.8	17,704.9
thereof:						
Internal sales and elimination	1,666.9	3,968.4	16,844.2	11,715.9	0.0	0.0
External sales	16,935.9	14,634.8	97,646.1	82,777.9	15,871.8	17,704.9
EBITDA	1,849.7	1,571.5	10,245.9	3,779.6	385.6	738.1
Amortisation	518.1	543.7	3,259.6	2,870.2	559.5	494.5
thereof: extraordinary	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before interest and tax (EBIT)	1,331.6	1,027.8	6,986.3	909.4	-173.9	243.6
Unconsolidated Net Profit	857.6	743.6	4,169.3	-62.1	-440.7	-52.2
Capital expenditures	518.3	645.1	3,483.0	2,900.9	168.1	159.7

	INDUSTRIAL 1.1. – 31.3.		HOLDING / CONSOLIDATION 1.1. – 31.3.		GROUP 1.1. – 31.3.	
	2006	2005	2006	2005	2006	2005
Net sales (not consolidated)	4,020.9	3,550.4	0.0	0.0	152,985.8	134,352.3
thereof:						
Internal sales and elimination	238.9	171.6	0.0	0.0	18,750.0	15,855.9
External sales	3,782.0	3,378.8	0.0	0.0	134,235.8	118,496.4
EBITDA	944.5	553.5	-90.0	189.9	13,335.7	6,832.6
Amortisation	119.3	114.2	47.8	44.1	4,504.3	4,066.7
thereof: extraordinary	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before interest and tax (EBIT)	825.2	439.3	-137.8	145.8	8,831.4	2,765.9
Unconsolidated Net Profit	585.1	273.3	6.5	59.5	5,177.8	962.1
Capital expenditures	131.2	223.2	50.8	124.2	4,351.4	4,053.1



FINANCIAL CALENDAR 2006:

Report on 2nd quarter 2006 August 2, 2006
Report on 3rd quarter 2006 November 8, 2006

CAPITAL MARKET INFORMATION

ISIN	AT0000A00XX9
Symbol	PYT
Reuters	POLV
Bloomberg	PYT.AV
Shares issued	22,329,585



POLYTEC GROUP

POLYTEC HOLDING AG
Headquarters
Gewerbegebiet Neubau Nord
Linzer Strasse 50
A-4063 Hörsching
AUSTRIA
Phone: +43-7221-701-292
Fax: +43-7221-701-40
investor.relations@polytec-group.com

www.polytec-group.com/investor/en

Imprint: Medium Ownership: POLYTEC HOLDING AG, Austria
Responsible for content: Manuel Taverne – Investor Relations
Conception: eigen)art werbegesellschaft mbH & Co KG, Linz
Photography: Edwin Enzlmüller, Linz; Archiv POLYTEC HOLDING AG, Austria
Lithography: G2, Linz; Print: Gutenberg, Linz