

POLYTEC GROUP

# HALF YEAR FINANCIAL REPORT 2016

## KEY FIGURES HALF YEAR 2016

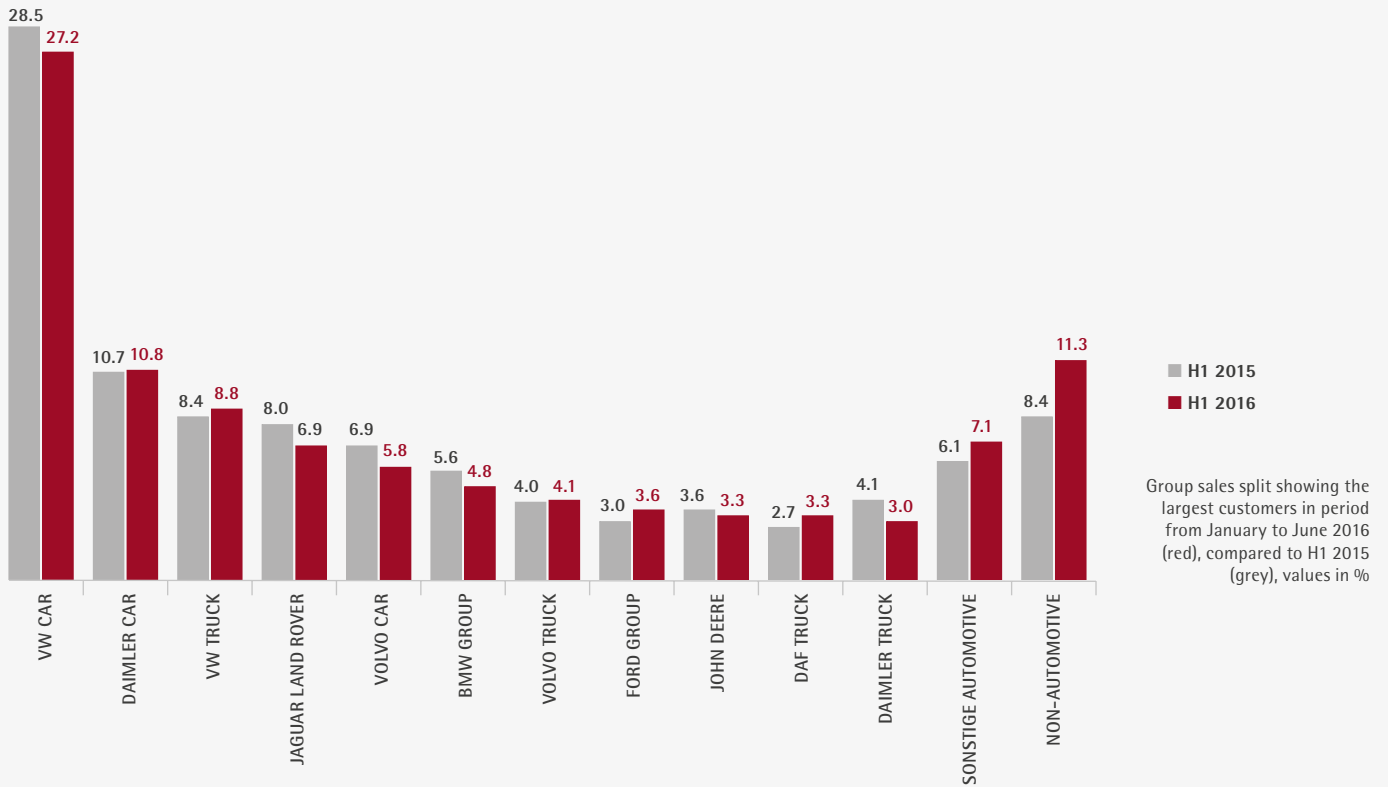
Key figures by half year	Unit	H1 2016	H1 2015	Change
Sales	EUR m	326.3	311.3	4.8%
EBITDA	EUR m	33.0	29.5	11.8%
EBITDA margin	%	10.1	9.5	
EBIT	EUR m	20.3	18.2	11.5%
EBIT margin	%	6.2	5.8	
Earnings after tax	EUR m	13.0	12.1	7.7%
Earnings per share	EUR	0.57	0.53	7.5%
Capital expenditures	EUR m	18.8	107.7	-82.5%
Equity ratio	%	34.5	32.4	
Net working capital	EUR m	57.4	62.1	-7.6%
Average capital employed	EUR m	280.8	217.1	29.3%
Net financial debt (+)/-assets (-)	EUR m	105.8	110.2	-4.0%
Employees - end of period	FTE	4,343	4,266	1.8%

Key figures quarterly	Unit	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Sales	EUR m	154.2	161.0	157.4	168.9
EBITDA	EUR m	14.5	15.6	15.4	17.6
EBITDA margin	%	9.4	9.7	9.8	10.4
EBIT	EUR m	8.5	9.9	9.4	10.9
EBIT margin	%	5.5	6.1	6.0	6.5
Earnings after tax	EUR m	5.9	6.2	5.9	7.1
Earnings per share	EUR	0.26	0.28	0.26	0.31
Capital expenditures	EUR m	14.9	12.9	10.2	8.6
Equity ratio	%	33.2	33.6	34.1	34.5
Net working capital	EUR m	59.2	50.5	54.8	57.4
Capital employed	EUR m	276.1	274.4	283.5	287.1
Net financial debt (+)/-assets (-)	EUR m	108.8	99.1	102.8	105.8
Employees - end of period	FTE	4,292	4,223	4,255	4,343

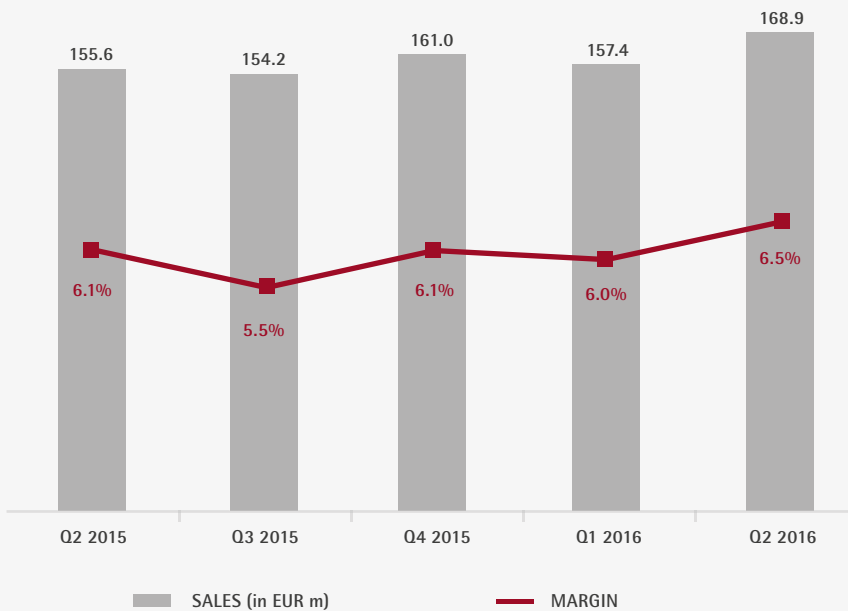
"WE REGARD THE FUTURE WITH OPTIMISM AND THANKS TO THE EXTENSIVE INITIATIVES AND INVESTMENTS OF RECENT YEARS, WE ARE WELL EQUIPPED TO DEAL WITH IT."

FRIEDRICH HUEMER, CEO

## GROUP SALES BY CUSTOMERS



## SALES & EBIT MARGIN



Comparison of the group sales and EBIT margin in the previous four quarters with Q2 2016

# HALF YEAR FINANCIAL REPORT 2016

This interim consolidated financial statement has not been subject to an audit or a review.

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# HALF YEAR GROUP MANAGEMENT REPORT

## AUTOMOTIVE INDUSTRY DEVELOPMENTS

The global passenger car market continued to grow in the first six months of 2016. China demonstrated the most dynamic growth with 12.0%, followed by the EU countries with 9.4% and the USA with 1.3%. Up to the end of June 2016, some 27.06 million vehicles were newly registered in these three main markets. As opposed to the same period of the previous year, new registrations increased by 1.93 million vehicles, which represented a rise of 7.7%. However, the situation in Russia and Brazil remained problematic.

China again led the new registration statistics in the H1 2016 with 10.62 million vehicles. The Chinese automotive market continues to profit from the reduction in VAT on cars with a capacity of less than 1.6 l. The demand for SUVs was also lively. In the USA, new light vehicle (cars and light trucks) registrations were also up by 0.11 million and with 8.60 million units remained in front of Western Europe.

Passenger car registrations in the EU during the first half of 2016 increased to more than 7.84 million units (H1 2015: 7.17 million). Growth was evident in the five main EU markets with double-digit growth of 19.2% in Italy and 12.5% in Spain. New registrations in France increased by 8.3% in the first six months of 2016, while as compared to the same period of last year Germany demonstrated growth of 7.1% and the UK 3.2%. Cyprus, Latvia, Lithuania and Hungary developed in an especially dynamic manner during the first six months of 2016, and all in all, as compared to June 2015 the EU automotive market in June 2016 showed growth of 6.9%. Italy, Spain and Germany all registered positive development, while France remained stable at 0.8%. Private car demand in the UK fell slightly by 0.8%.

New registrations of commercial vehicles in the EU during the first half of 2016 were up by 13.5% at over 1.17 million units (H1 2015: over 1.03 million). Among the five most important sales markets, in the first six months of

2016 Italy showed by far the strongest growth with 30.8%. Growth in Spain was less than half as large, but nonetheless amounted to 14.0%. France followed with 12.7%, Germany with 10.4% and the UK with 3.6%. As in the preceding months, with some 969,000 units in absolute terms light trucks weighing up to 3.5 t constituted the most important vehicle group and demonstrated growth of 13.2% as compared to H1 2015. More than 182,000 medium-weights trucks (heavier than 3.5t but lighter than 16t) were registered in the EU, which represented an increase of 16.5%. Sales of heavy trucks with weights in excess of 16 t increased the most, rising by 17.6% in the first six months of 2016 to total 147,000 units in absolute terms. In the period up to June, the sales of buses in the over 3.5 t category were up by 2.7% at roughly 19,000 units.

Source: German Automotive Industry Association (VDA), European Automobile Manufacturers Association (ACEA)

## GROUP RESULTS

In EUR m	Q2 2016	Q2 2015	Change	H1 2016	H1 2015	Change
Sales	168.9	155.6	8.6%	326.3	311.3	4.8%
EBITDA	17.6	15.3	14.8%	33.0	29.5	11.8%
EBIT	10.9	9.4	15.9%	20.3	18.2	11.5%
Earnings after tax	7.1	6.2	14.8%	13.0	12.1	7.7%

EBITDA margin	10.4%	9.8%		10.1%	9.5%	
EBIT margin	6.5%	6.1%		6.2%	5.8%	
Earnings per share (in EUR)	0.31	0.28	10.7%	0.57	0.53	7.5%

In the first half-year 2016, the consolidated sales of the POLYTEC GROUP went up by 4.8% to EUR 326.3 million (H1 2015: EUR 311.3 million). In particular this sales growth derived from positive development in the second quarter. For while a slight increase of 1.0% could be determined in the months from January to March, in the period from April to June 2016, as compared to the same period of last year, sales climbed far more sharply, rising by 8.6% to EUR 168.9 million.

Group EBIT was increased by 11.5% in the first six months of 2016 to stand at EUR 20.3 million (H1 2015: EUR 18.2 million). The EBIT margin improved by 0.4 percentage points

to 6.2% (H1 2015: 5.8%). The material cost ratio remained stable at the level of the previous year, while the personnel cost ratio fell by 0.8 percentage points to 31.2%. This improvement emanated from greater efficiency, which derived from both a higher degree of automation and the lean management initiatives deployed as part of the POLYTEC Performance System (PPS). Other operating expenses increased somewhat disproportionately as compared to sales, rising from EUR 36.9 million to EUR 39.8 million (H1 2016: 12.2%, H1 2015: 17.7%). This discrepancy emanated from non-capitalised investments and property, plant and equipment maintenance.

The financial result amounted to minus EUR 2.5 million (H1 2015: minus EUR 1.8 million). The change in the other financial expenses is a consequence of general financial market development and relates exclusively to financial instruments unsuited to hedging.

The POLYTEC GROUP tax rate at the end of H1 2016 totalled 26.9%, which was 0.6 percentage points higher than in the first half of last year. In the first six months of 2016, the group generated a net profit of EUR 13.0 million, which was EUR 0.9 million higher than the result for the preceding year. Earnings per share rose by 7.5% to EUR 0.57 (H1 2015: EUR 0.53).

## SALES BY SEGMENT

In EUR m	Q2 2016	Q2 2015 <sup>1)</sup>	Change	H1 2016	H1 2015 <sup>1)</sup>	Change
Plastics processing	167.2	153.0	9.3%	323.3	306.4	5.5%
Other	7.9	7.8	1.3%	15.1	15.3	-1.3%
Reconciliation	-6.2	-5.3	17.0%	-12.2	-10.4	17.3%
<b>POLYTEC GROUP</b>	<b>168.9</b>	<b>155.6</b>	<b>8.6%</b>	<b>326.3</b>	<b>311.3</b>	<b>4.8%</b>

<sup>1)</sup> Previous year presented in comparable fashion – see accounting and valuation methods in the annex.

The changes in sales in both the first half and second quarter of 2016 emanate exclusively from the operative core business of the POLYTEC GROUP.

## SALES BY MARKET AREAS

In EUR m	Q2 2016	Share	Q2 2015	H1 2016	Share	H1 2015
Passenger cars	111.5	66.0%	105.8	215.0	65.9%	212.9
Commercial vehicles	37.8	22.4%	37.5	74.2	22.7%	71.6
Non-automotive	19.7	11.6%	12.3	37.1	11.4%	26.8
<b>POLYTEC GROUP</b>	<b>168.9</b>	<b>100%</b>	<b>155.6</b>	<b>326.3</b>	<b>100%</b>	<b>311.3</b>

In the passenger car market area, which with 65.9% is the strongest in the POLYTEC GROUP, sales rose by roughly 1% over the same period of the previous year to EUR 215.0 million (H1 2015: EUR 212.9 million). As compared to the first six months of 2015, in the first half of 2016 component sales to VW Car, the car customer providing

the largest share of the POLYTEC GROUP's consolidated sales (27.2%), also increased slightly.

In the months from January to June 2016, sales in the commercial vehicle market area (22.7%) were up by 3.6% on those of the same period of last year at EUR 74.2 million. Sales in the non-automotive market area

(11.4%) were markedly higher than in the comparable period of the preceding year, rising by 38.4% to EUR 37.1 million. The impetus for this positive trend was created by additional sales of transport boxes to the customer IFCO from the Ebensee plant, where in the meantime production lines are in full operation.

## SALES BY CATEGORY

In EUR m	Q2 2016	Share	Q2 2015	H1 2016	Share	H1 2015
Part sales and other sales	155.9	92.3%	142.2	302.3	92.6%	282.9
Tooling and engineering sales	13.0	7.7%	13.4	24.0	7.4%	28.4
<b>POLYTEC GROUP</b>	<b>168.9</b>	<b>100%</b>	<b>155.6</b>	<b>326.3</b>	<b>100%</b>	<b>311.3</b>

During the year, tooling and engineering sales were subject to cyclical fluctuations. In terms of an annual comparison, these sales fell by EUR 4.4 million, or 15.5%, in the first half of 2016, owing to the fact that in the preceding year especially solid project pro-

gress was achieved. As opposed to the first quarter of 2016, project progress improved in the course of the second quarter and at minus 3% was only slightly below the level of Q2 2015.

Sales in the series area developed satisfactorily. In the first half of 2016 parts and other sales rose by 6.9% to EUR 302.3 million. Moreover, in the second quarter of 2016, at EUR 155.9 million sales were up by as much as 9.6% over the comparable period of last year.

## SALES BY REGION

In EUR m	Q2 2016	Share	Q2 2015	H1 2016	Share	H1 2015
Austria	4.5	2.7%	4.3	9.5	2.9%	9.8
Germany	90.8	53.8%	82.8	176.5	54.1%	166.3
Other EU countries	64.1	37.9%	59.9	122.7	37.6%	116.9
Other countries	9.5	5.6%	8.6	17.6	5.4%	18.3
<b>POLYTEC GROUP</b>	<b>168.9</b>	<b>100%</b>	<b>155.6</b>	<b>326.3</b>	<b>100%</b>	<b>311.3</b>

## EMPLOYEES (INCL. LEASING PERSONNEL)

Full-time equivalents of employees (FTE)	End of period			Average period		
	30.06.2016	30.06.2015	Change	H1 2016	H1 2015	Change
Austria	578	595	-17	563	576	-13
Germany	2,237	2,346	-109	2,245	2,340	-95
Other EU countries	1,352	1,160	192	1,292	1,169	123
Other countries	176	165	11	169	164	5
<b>POLYTEC GROUP</b>	<b>4,343</b>	<b>4,266</b>	<b>77</b>	<b>4,269</b>	<b>4,249</b>	<b>20</b>

By the end of the first half of 2016, as compared to last year, group workforce numbers (including leasing personnel) had increased

by 77. Personnel expenses in the second quarter of 2016 were burdened by an customary funding obligation of EUR 2.9 million

for a pension fund. Nonetheless, the personnel cost ratio fell by 0.8 percentage points to 31.2%.

## CAPITAL EXPENDITURE AND KEY FINANCIAL FIGURES

### CAPITAL EXPENDITURE

In EUR m	Q2 2016	Q2 2015	Change	H1 2016	H1 2015	Change
Capital expenditures	8.6	7.1	21.1%	18.8	107.7	-82.5%

The additions to fixed assets in the first half of 2016 amounted to EUR 18.8 million (H1 2015: EUR 107.7 million). This sharp fall as compared to the same period of last year was

primarily the result of the purchase of the real estate portfolio completed in the first quarter of 2015. Capital expenditure on fixed assets in the first quarter of 2016 amounted to

EUR 10.2 million and EUR 8.6 million in the second quarter of 2016. In particular, new investments were made at the Ebensee location (Austria).

### KEY FINANCIAL FIGURES

The key financial figures are presented as follows with comparative figures from the last balance sheet closing date of 31 December 2015.

	Unit	30.06.2016	31.12.2015
Equity	EUR m	167.8	162.9
Equity ratio	%	34.5	33.6
Net working capital	EUR m	57.4	50.5
Net working capital/Sales	%	9.0	8.1
Net debt (+) /- cash (-)	EUR m	105.8	99.1
Net debt (+) /- cash (-)/EBITDA	%	1.67	1.66
Gearing	%	0.63	0.61
Capital Employed	EUR m	287.1	274.4

At the end of the first half of 2016, the group's total assets had risen slightly by EUR 1.3 million to EUR 486.4 million. In addition, despite the payment of a dividend of EUR 6.6 million (H1 2015: EUR 5.5 million), as compared to the

balance sheet date of 31 December 2016, the equity ratio as at 30 June 2016 was also up by 0.9 percentage points at 34.5%. By comparison with the balance sheet date of 31 December 2015, net debt was EUR 6.7 million higher

at EUR 105.8 million. At the end of the first half of 2016, as a result of the increase in business volume net current assets were also up on the figure for 31 December 2015, having risen by EUR 6.9 million to EUR 57.4 million.



## RISKS AND UNCERTAINTIES

There were no major changes with regard to risks and uncertainties during the first six months of the 2016 financial year. In the period up to 30 June 2016 and beyond to the editorial closing for this report at the end of July 2016, no significant impact upon the operative activities of the

POLYTEC GROUP derived from the VW exhaust gas affair, or the result of the "BREXIT" referendum. The VW Group has been the POLYTEC GROUP's largest customer in terms of sales for many years and any consequences that may result upon the POLYTEC GROUP's sales and earnings devel-

opment in years to come remain impossible to estimate fully.

As far as group risk reporting is concerned, we would refer you to section F.4 of the notes contained in the 2015 consolidated financial statements.

## MATERIAL TRANSACTIONS WITH RELATED COMPANIES AND PERSONS

As far as business transactions with related companies and persons are concerned,

reference should be made to the annex of this report.

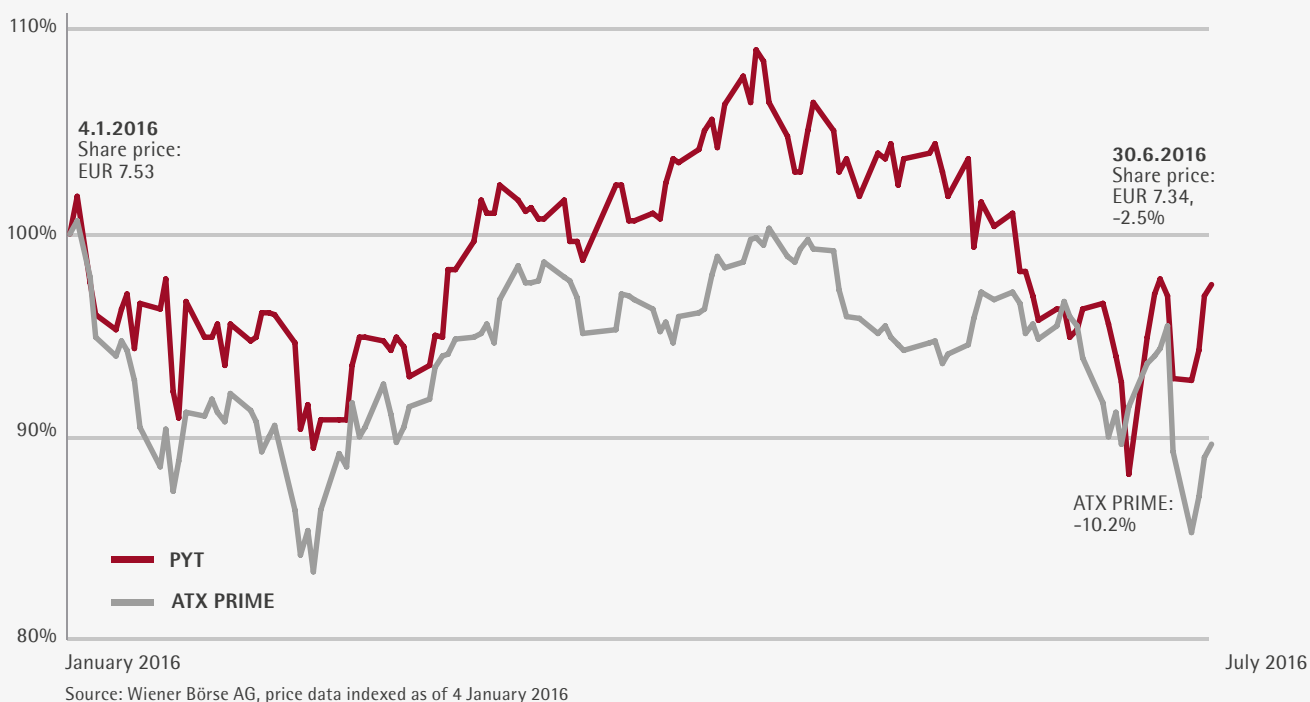
## OUTLOOK

Subject to the proviso of economic stability and positive business development on the part of all major customers, the POLYTEC

GROUP management anticipates consolidated sales growth in the 2016 financial year and a significant improvement in results.

# SHARE AND INVESTOR RELATIONS

## POLYTEC SHARE PRICE DEVELOPMENT



## KEY SHARE FIGURES

	Unit	H1 2016	Change	H1 2015	H1 2014
Closing price last trading day of period	EUR	7.34	-6.9%	7.88	8.02
Share price high during period	EUR	8.19	-3.1%	8.45	8.54
Share price low during period	EUR	6.65	7.3%	6.20	6.80
Market capitalization last day of period	EUR m	163.9	-6.9%	176.0	179.1
Earning per share	EUR	0.57	7.5%	0.53	0.30

	Unit	H1 2016	Share	H1 2015	H1 2014
Number of shares issued	Piece	22,329,585	100.0%	22,329,585	22,329,585
Number of shares outstanding	Piece	21,995,544	98.5%	21,995,544	22,019,044
Treasury shares	Piece	334,041	1.5%	334,041	310,541

The POLYTEC share (ISIN: AT0000A00XX9) started the 2016 stock exchange and fiscal year with a price of EUR 7.53 and on 30 June 2016, closed at EUR 7.34. The absolute difference of minus EUR 0.19 represented an easing of around 2.5%. On the final trading day of the first half of 2016, market capitalisation amounted to EUR 163.9 million.

From the middle of February, the price of the POLYTEC share rose steadily and on 20 April reached its high for the period at EUR 8.19. From this point onwards, the share price was subject to strong pressure and on 17 June 2016 hit its half-year low

of EUR 6.65. This day witnessed the second highest trading volume (322,536 shares with double counting) in the entire period. During the last trading days prior to 30 June, the POLYTEC share rose by 10.4% (EUR 0.69) and also made up for a brief "BREXIT" dip.

From the beginning of January until the end of June 2016, the STOXX® Europe 600 Automobile & Parts Index lost 22.0% of its value and at the end of June closed on 422. A few days after the "BREXIT" referendum, the index reached its period low of 416. The ATX Index lost roughly 10.2% of its value in the first half of 2016.

In the first six months of 2016, a monetary turnover of approximately EUR 31.9 million and a share turnover of 4.3 million shares were achieved on the Vienna Stock Exchange with POLYTEC shares. On average, during 123 trading days 35,308 POLYTEC shares were traded daily. Last year, this figure amounted to 43,188, respectively with double counting. The busiest trading day was 23 March 2016, when 361,790 POLYTEC shares were traded (double counting).

Up to the editorial closing date for this report at the end of July 2016, the POLYTEC share reached an average price of EUR 7.50.

## DIVIDEND POLICY

POLYTEC's dividend policy is based on profitability, strategic growth perspectives and the capital requirements of the Group. At

the 16th Annual General Meeting of shareholders on 19 May 2016, a dividend of EUR 6.6 million (2015: EUR 5.5 million) was

agreed unanimously and paid out on 27 May 2016. This corresponds with a dividend of EUR 0.30 per share (2015: EUR 0.25).

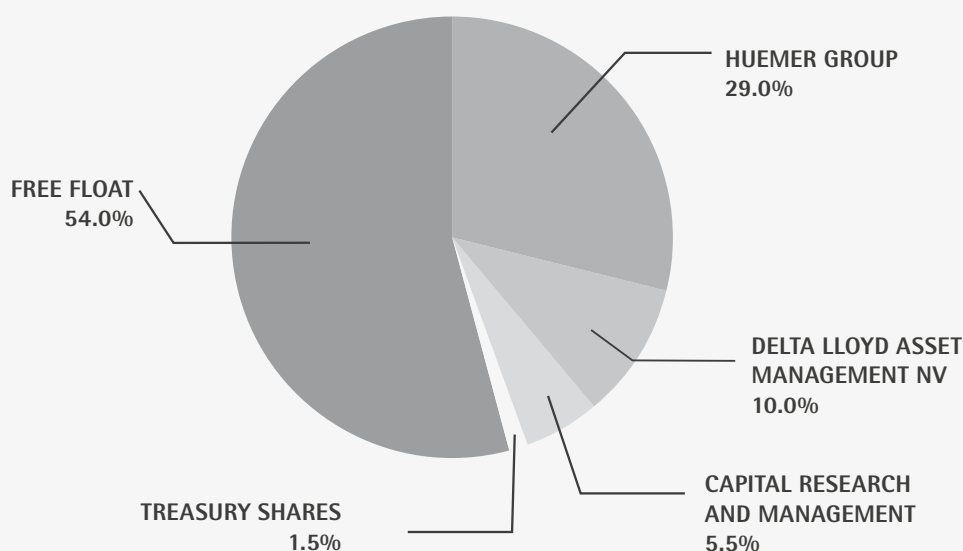
## SHAREHOLDER STRUCTURE

As at the reporting date of 30 June 2016, POLYTEC HOLDING AG share capital remained unchanged at EUR 22.3 million and was divided into 22,329,585 bearer shares. As at 30 June 2016, POLYTEC HOLDING AG held 334,041 treasury shares, a figure that corresponds with approximately 1.5% of share capital. In the period from 1 January to 30 June 2016, the Board of Directors did not purchase or sell additional treasury shares.

In the first half of 2016, POLYTEC HOLDING AG received no voting right notifications pursuant to § 91 Austrian Stock Exchange Act from shareholders. Following the reporting date, the Dutch shareholder, Delta Lloyd NV, which is based in Amsterdam, informed POLYTEC HOLDING AG that on 15 July 2016, a participation notification threshold had been reached. In combination, two of the funds administered by Delta Lloyd Asset Manage-

ment now hold a total of 9.98% or 2,228,808 POLYTEC HOLDING AG shares.

On the editorial closing date for this report at the end of July 2016, on the basis of the shares issued, the shareholder structure of POLYTEC HOLDING AG presented the following picture:



## 16TH ORDINARY ANNUAL GENERAL MEETING ON 19 MAY 2016

The 16th Annual General Meeting of POLYTEC HOLDING AG took place on Thursday, 19 May 2016 at group headquarters in Hörsching. The shareholders and shareholder representatives attending voted unanimously for the payment of a dividend for the 2015 financial year of EUR 0.30 per share, which corresponded with a total amount of EUR 6,598,663.20.

All the members of the POLYTEC HOLDING AG Board of Directors and Supervisory Board incumbent in 2015 were granted respective

unanimous discharge. The resolution proposing that remuneration of EUR 98,750.00 be paid to the members of the Supervisory Board in the 2015 financial year was also passed unanimously.

The AGM elected Deloitte Oberösterreich Wirtschaftsprüfungs GmbH, 4020 Linz as the auditors for the financial statements and the consolidated financial statements for the 2016 financial year.

A resolution regarding the renewed creation of approved capital (§ 169 Stock Corpora-

tion Act) within a maximum of three years for a cash or non-cash capital increase up to a nominal amount of EUR 6,698,875.00 with the possibility of excluding subscription rights and a corresponding amendment to the articles was approved by the AGM with the required majority.

The detailed voting results can be downloaded from the company website, [www.polytec-group.com](http://www.polytec-group.com) from the Investor Relations section under the heading Annual General Meeting.

## INVESTOR CONTACTS

In order to secure a comprehensive, timely and transparent presentation of POLYTEC GROUP information of relevance to the capital markets, the Board of Directors and the Investor Relations Department remain in constant con-

tact with stockholders. During the first half-year 2016, together with investment banks and the Vienna Stock Exchange, POLYTEC organised road shows, or upon invitation participated in investor conferences with the aim

of reporting upon the current business figures and development of the company. In addition, a regular dialogue was continued with institutional and private investors and analysts by means of frequent telephone conferences.

## RESEARCH COVERAGE

The coverage of the POLYTEC GROUP by national and international investment banks is an important element in its comprehensive investor relations activities and plays

a significant role in the visibility of the POLYTEC share within the investor community. The financial institutions listed below publish reports on POLYTEC HOLDING AG.

On the editorial closing date for this report at the end of July 2016, the recommendations and price targets presented the following picture:

Institute	Recommendation	Latest price target
BAADER Helvea Equity Research	HOLD	EUR 7.50
ERSTE Group Research	BUY	EUR 9.60
M.M. Warburg Research	BUY	EUR 10.00
Raiffeisen CENTROBANK Research	BUY	EUR 9.50

## DETAILS REGARDING THE POLYTEC SHARE

ISIN	AT0000A00XX9
Total number of shares issued	22,329,585
Listing on the Vienna Stock Exchange	Prime Market
Indices	ATX Prime, ATX CPS, WBI
Share also traded in	Berlin, Frankfurt, London, Munich, Stuttgart/ Tradegate
Ticker symbols	Vienna Stock Exchange: PYT.AV, Reuters: POLV.VI, WKN: AOJL31

# INTERIM CONSOLIDATED FINANCIAL STATEMENT ACCORDING TO IAS 34

This interim consolidated financial statement has not been subject to an audit or a review.

# CONSOLIDATED INCOME STATEMENT

for the period from 1 January to 30 June 2016 and the period from 1 April to 30 June 2016 compared to the figures from the previous period

In EUR k	H1 01.01. – 30.06.		Q2 01.04. – 30.06.	
	2016	2015	2016	2015
Net sales	326,279	311,340	168,912	155,590
Other operating income	2,035	2,256	1,099	961
Changes in inventory of finished and unfinished goods	-21	2,552	-954	1,152
Own work capitalised	897	907	404	306
Expenses for materials and services received	-154,613	-150,128	-79,658	-74,893
Personnel expenses	-101,835	-100,449	-51,797	-49,719
Other operating expenses	-39,828	-36,936	-20,463	-18,081
Result from companies reported at-equity	105	0	39	0
<b>Earnings before interest, taxes and depreciation (EBITDA)</b>	<b>33,018</b>	<b>29,543</b>	<b>17,580</b>	<b>15,315</b>
Depreciation	-12,726	-11,352	-6,651	-5,885
<b>Earnings before interest and taxes = operating result (EBIT)</b>	<b>20,291</b>	<b>18,191</b>	<b>10,929</b>	<b>9,430</b>
Interest result	-1,962	-1,911	-943	-1,007
Other financial income	31	77	31	77
Other financial expenses	-578	0	-233	0
<b>Financial result</b>	<b>-2,509</b>	<b>-1,834</b>	<b>-1,145</b>	<b>-930</b>
<b>Earnings before tax</b>	<b>17,783</b>	<b>16,357</b>	<b>9,784</b>	<b>8,500</b>
Taxes on income	-4,792	-4,298	-2,672	-2,305
<b>Earnings after taxes</b>	<b>12,991</b>	<b>12,059</b>	<b>7,112</b>	<b>6,195</b>
thereof result of non-controlling interests	-377	-298	-196	-128
<b>thereof result of the parent company</b>	<b>12,613</b>	<b>11,761</b>	<b>6,916</b>	<b>6,067</b>
<b>Earnings per share in EUR</b>	<b>0.57</b>	<b>0.53</b>	<b>0.31</b>	<b>0.28</b>

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

01.01. – 30.06.2016 In EUR k	Group	Non controlling interests	Total
Profit after tax	12,613	377	12,991
Currency translation	-1,561	0	-1,561
<b>Total comprehensive income</b>	<b>11,052</b>	<b>377</b>	<b>11,429</b>

01.01. – 30.06.2015 In EUR k	Group	Non controlling interests	Total
Profit after tax	11,761	298	12,059
Currency translation	-98	0	-98
<b>Total comprehensive income</b>	<b>11,663</b>	<b>298</b>	<b>11,961</b>

# CONSOLIDATED BALANCE SHEET AS OF 30.06.2016

Compared to the figures from the balance sheet date of 31 December 2015

ASSETS (In EUR k)		31.06.2016	31.12.2015
<b>A. Non-current assets:</b>			
I.	Intangible assets	1,998	1,796
II.	Goodwill	19,180	19,180
III.	Tangible assets	221,348	217,054
IV.	Shares in companies reported at-equity	1,041	936
V.	Other non-current assets	126	113
VI.	Other long-term receivables	714	924
VII.	Non-current, interest-bearing receivables	223	209
VIII.	Deferred tax assets	14,806	14,564
		<b>259,436</b>	<b>254,777</b>

<b>B. Current assets:</b>			
I.	Inventories	57,742	58,429
II.	Trade accounts receivable	64,952	52,202
III.	Receivables from construction contracts	35,303	34,623
IV.	Other current receivables	13,989	14,232
V.	Income tax receivables	190	185
VI.	Current interest-bearing receivables	4,144	13,009
VII.	Cash and cash equivalents	50,647	57,683
		<b>226,967</b>	<b>230,362</b>
		<b>486,403</b>	<b>485,139</b>

EQUITY AND LIABILITIES (In EUR k)		30.06.2016	31.12.2015
<b>A. Shareholder's equity:</b>			
I.	Share capital	22,330	22,330
II.	Capital reserves	37,563	37,563
III.	Treasury stock	-1,855	-1,855
IV.	Retained earnings	110,231	104,217
V.	Other reserves	-6,906	-5,346
		<b>161,364</b>	<b>156,910</b>
VI.	Non-controlling interests	6,392	6,015
		<b>167,756</b>	<b>162,925</b>

<b>B. Long-term liabilities:</b>			
I.	Long-term interest-bearing liabilities	135,003	141,698
II.	Provision for deferred taxes	2,026	919
III.	Long-term provisions for personnel	26,451	26,115
IV.	Other long-term liabilities	14,604	15,998
		<b>178,084</b>	<b>184,730</b>

<b>C. Short-term liabilities:</b>			
I.	Short-term interest-bearing liabilities	25,814	28,346
II.	Liabilities on income taxes	4,754	3,262
III.	Trade accounts payable	45,649	50,197
IV.	Liabilities from construction contracts	1,606	1,867
V.	Other short-term liabilities	29,390	25,171
VI.	Short-term provisions	33,350	28,642
		<b>140,563</b>	<b>137,483</b>
		<b>486,403</b>	<b>485,139</b>



# CONSOLIDATED CASH FLOW STATEMENT

for the period from 1 January to 30 June 2016 compared to the figures from the previous period

	In EUR k	01.01. – 31.06.	
		2016	2015
	<b>Pre-tax profit</b>	<b>17,783</b>	<b>16,357</b>
-	Income taxes	-1,984	-1,421
+(-)	Depreciation (appreciation) of fixed assets	12,659	11,352
-	Non-cash earnings from first time consolidation	0	-42
+(-)	Result from companies reported at-equity	-105	0
+(-)	Other non-cash expenses and earnings	697	0
+(-)	Increase (decrease) in long-term provisions for personnel	358	-95
+(-)	Profit (loss) from asset disposals	-71	0
=	<b>Consolidated cash flow from earnings</b>	<b>29,338</b>	<b>26,151</b>
+(-)	Increase (decrease) in inventories, advance payments made	315	-4,220
+(-)	Increase (decrease) in trade and other receivables	-14,467	-3,748
+(-)	Increase (decrease) in trade and other payables	1,413	-8,221
+(-)	Increase (decrease) in provisions	3,347	0
=	<b>Consolidated cash flow from operating activities</b>	<b>19,947</b>	<b>9,962</b>
-	Investments in fixed assets	-20,061	-41,151
-	Acquisition of a subsidiary, less acquired cash and cash equivalents	0	-2,564
-	Investments in financial assets	-13	-2,000
+	Revenues from disposal of financial investments	0	584
+	Payments from the disposal of intangible and tangible assets	657	659
+(-)	Increase (decrease) interest bearing receivables and other long-term receivables	8,928	372
+(-)	Other changes	0	-402
=	<b>Consolidated cash flow from investing activities</b>	<b>-10,489</b>	<b>-44,502</b>
+	Inflows from loan financing	301	7,000
-	Repayments of loan financing	-2,953	-1,286
-	Repayments of real estate loans	-2,739	-29,322
-	Outflows from financial leasing agreements	-5,500	-1,588
+(-)	Changes in current financial liabilities	922	1,066
-	Dividend payments	-6,599	-5,499
+(-)	Other changes in equity	0	-143
=	<b>Consolidated cash flow from financing activities</b>	<b>-16,568</b>	<b>-29,772</b>
+(-)	Consolidated cash flow from operating activities	19,947	9,962
+(-)	Consolidated cash flow from investing activities	-10,489	-44,502
+(-)	Consolidated cash flow from financing activities	-16,568	-29,772
=	<b>Changes in cash and cash equivalents</b>	<b>-7,109</b>	<b>-64,312</b>
+(-)	Effect from currency translations	72	45
+	Opening balance of cash and cash equivalents	57,683	111,951
=	<b>Closing balance of cash and cash equivalents</b>	<b>50,647</b>	<b>47,684</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In EUR k	Share capital	Capital reserves	Treasury stock	Retained earnings	Other income	Equity attributable to Shareholders of the parent	Non controlling interests	Total
<b>Balance as of January 1, 2016</b>	<b>22,330</b>	<b>37,563</b>	<b>-1,855</b>	<b>104,217</b>	<b>-5,345</b>	<b>156,910</b>	<b>6,015</b>	<b>162,925</b>
Earnings after tax according to income statement	0	0	0	12,613	0	12,613	377	12,991
Comprehensive income	0	0	0	0	-1,561	-1,561	0	-1,561
Dividend payments	0	0	0	-6,599	0	-6,599	0	-6,599
<b>Balance as of June 30, 2016</b>	<b>22,330</b>	<b>37,563</b>	<b>-1,855</b>	<b>110,231</b>	<b>-6,906</b>	<b>161,363</b>	<b>6,392</b>	<b>167,756</b>

In EUR k	Share capital	Capital reserves	Treasury stock	Retained earnings	Other income	Equity attributable to Shareholders of the parent	Non controlling interests	Total
<b>Balance as of January 1, 2015</b>	<b>22,330</b>	<b>37,563</b>	<b>-1,855</b>	<b>85,998</b>	<b>-5,262</b>	<b>138,774</b>	<b>5,520</b>	<b>144,294</b>
Earnings after tax according to income statement	0	0	0	11,761	0	11,761	298	12,059
Comprehensive income	0	0	0	0	-98	-98	0	-98
Dividend payments	0	0	0	-5,499	0	-5,499	0	-5,499
<b>Balance as of June 30, 2015</b>	<b>22,330</b>	<b>37,563</b>	<b>-1,855</b>	<b>92,260</b>	<b>-5,361</b>	<b>144,938</b>	<b>5,818</b>	<b>150,756</b>

## SEGMENT REPORTING

01.01. – 30.06. In EUR k	Plastics processing		Others		Transition		Group	
	H1 2016	H1 2015 <sup>1)</sup>	H1 2016	H1 2015 <sup>1)</sup>	H1 2016	H1 2015 <sup>1)</sup>	H1 2016	H1 2015 <sup>1)</sup>
External sales	321,922	306,354	4,357	4,986	0	0	326,279	311,340
Intra group sales	1,426	134	10,770	10,304	-12,196	-10,438	0	0
<b>Total sales</b>	<b>323,348</b>	<b>306,488</b>	<b>15,127</b>	<b>15,290</b>	<b>-12,196</b>	<b>-10,438</b>	<b>326,279</b>	<b>311,340</b>
Depreciation	-11,479	-10,128	-1,322	-1,299	75	75	-12,726	-11,352
thereof extraordinary	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>16,027</b>	<b>13,618</b>	<b>4,187</b>	<b>4,511</b>	<b>77</b>	<b>62</b>	<b>20,291</b>	<b>18,191</b>

01.04. – 30.06. In EUR k	Plastics processing		Others		Transition		Group	
	Q2 2016	Q2 2015 <sup>1)</sup>	Q2 2016	Q2 2015 <sup>1)</sup>	Q2 2016	Q2 2015 <sup>1)</sup>	Q2 2016	Q2 2015 <sup>1)</sup>
External sales	166,473	153,023	2,439	2,566	0	0	168,912	155,590
Intra group sales	736	12	5,466	5,274	-6,202	-5,286	0	0
<b>Total sales</b>	<b>167,209</b>	<b>153,036</b>	<b>7,905</b>	<b>7,840</b>	<b>-6,202</b>	<b>-5,286</b>	<b>168,912</b>	<b>155,590</b>
Depreciation	-5,994	-5,304	-694	-657	38	75	-6,650	-5,885
thereof extraordinary	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>8,900</b>	<b>7,222</b>	<b>1,992</b>	<b>2,154</b>	<b>37</b>	<b>54</b>	<b>10,929</b>	<b>9,430</b>

<sup>1)</sup> Previous year presented in comparable figures – see accounting and valuation methods in the annex.

# SELECTED DISCLOSURES

## GENERAL INFORMATION

POLYTEC HOLDING AG (listed in the Commercial Registry of the City of Linz under the

number FN 197646 g) is an Austrian holding company, which together with its subsidiar-

ies is mainly operating in the automotive and plastics industry.

## ACCOUNTING AND EVALUATION METHODS

This condensed interim report as of June 30, 2016 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, 2015 were applied to this report. This interim report does not include all information and data contained in the consolidated financial statements as of December 31, 2015 of POLYTEC HOLDING

AG. Please refer to the consolidated financial statements for more information.

In the segment reporting, the figures for the first half of 2015 are presented in comparative figures. During this comparative period, real estate assets were allocated largely to the plastics processing segment, but are now reported under "Others". Above all, this is due to the fact that real estate is administered and controlled at group level. As a conse-

quence, as opposed to the original presentation of the H1 2015, sales in the other segment are EUR 4.2 million higher. Conversely, sales in the plastics processing segment are EUR 0.8 million lower, and in line with the transition column have been reduced by EUR 3.4 million. EUR 1.0 million has been deducted from the figure for depreciation in the plastics processing segment and EUR 2.9 million from EBIT. The reverse effects are shown correspondingly in the other segment.

## SCOPE OF CONSOLIDATION

The consolidated financial statement includes all major Austrian and foreign com-

panies, where POLYTEC HOLDING AG directly or indirectly holds a majority of voting rights.

The scope of consolidation changed from 1st January 2016 to June 30, 2016 as follows:

Scope of consolidation	Equity-consolidation	Full consolidation
<b>As of December 31, 2015</b>	<b>1</b>	<b>41</b>
Access due to purchase of real estate	0	1
<b>As of June 30, 2016</b>	<b>1</b>	<b>42</b>
Therefore of foreign companies	1	31

## ACQUISITIONS IN 1ST HALF-YEAR 2016

### FORTEAL K.S. AND SPELAG S.R.O. (NOW POLYTEC ESTATES BOHEMIA K.S. AND SPELAG S.R.O.)

On 31 March 2016, the industrial property in Chodová Planá, Czech Republic, was taken over through the purchase of all shares of Fortreal k.s., Mariánskolázénská, Czech Republic, as a limited partnership, and the

acquisition of all shares of SPELAG s.r.o., Mariánskolázénská, Czech Republic, as a general partner. These companies do not form a business combination pursuant to IFRS 3. The property was already included

in the consolidated financial statements as at 31 December 2015 as financial leasing. Because of immateriality, the complementary company was not included in the scope of consolidation.

## ACQUISITIONS 2015

In the first half-year 2016, there were no changes in the valuations related to acqui-

sitions in 2015. For further information, reference should be made to the annual

report for 2015.

## EQUITY

At the 16th Annual General Meeting of shareholders on 19 May 2016, a dividend of EUR

6.6 million (2015: EUR 5.5 million) was agreed unanimously and paid out on 27 May 2016.

This corresponds with a dividend of EUR 0.30 per share (2015: EUR 0.25).

## FINANCIAL INSTRUMENTS

### FINANCIAL ASSETS

In EUR k	Carrying amount in the balance sheet 30.06.16	Amortised acquisition costs	Market value recognised through equity	Market value recognised through profit or loss	Current value 30.06.16	Fair-Value
<b>Loans and receivables</b>						<b>Hierarchy</b>
Trade accounts receivable	64,952	64,952	0	0	64,952	Level 3
Receivables on construction contracts	35,303	35,303	0	0	35,303	Level 3
Other receivables (excluding deferrals)	13,943	13,943	0	0	13,943	Level 3
Interest-bearing receivables	4,367	4,367	0	0	4,367	Level 3
Cash and cash equivalents	50,647	50,647	0	0	50,647	Level 3
<b>Total</b>	<b>169,212</b>	<b>169,212</b>	<b>0</b>	<b>0</b>	<b>169,212</b>	

In EUR k	Carrying amount in the balance sheet 31.12.15	Amortised acquisition costs	Market value recognised through equity	Market value recognised through profit or loss	Current value 31.12.15	Fair-Value
<b>Loans and receivables</b>						<b>Hierarchy</b>
Trade accounts receivable	52,202	52,202	0	0	52,202	Level 3
Receivables on construction contracts	34,623	34,623	0	0	34,623	Level 3
Other receivables (excluding deferrals)	14,456	14,456	0	0	14,456	Level 3
Interest-bearing receivables	13,217	13,217	0	0	13,217	Level 3
Cash and cash equivalents	57,683	57,683	0	0	57,683	Level 3
<b>Total</b>	<b>172,181</b>	<b>172,181</b>	<b>0</b>	<b>0</b>	<b>172,181</b>	

## FINANCIAL LIABILITIES

In EUR k	Carrying amount in the balance sheet 30.06.16	Amortised acquisition costs	Market value recognised through equity	Market value recognised through profit or loss	Current value 30.06.16	Fair-Value
<b>Measured at residual carrying amount</b>						<b>Hierarchy</b>
Non-current interest-bearing liabilities	132,630	132,630	0	0	134,233	Level 3
Current interest-bearing financial liabilities	24,194	24,194	0	0	25,522	Level 3
Trade accounts payable (without advance payments received)	45,616	45,616	0	0	45,616	Level 3
Other current liabilities	13,415	13,415	0	0	13,415	Level 3
	<b>215,855</b>	<b>215,855</b>	<b>0</b>	<b>0</b>	<b>218,786</b>	

<b>Measured at fair value</b>						
Currency futures	0	0	0	0	0	Level 2
Interest derivatives	845	0	0	845	845	Level 2
	<b>845</b>	<b>0</b>	<b>0</b>	<b>845</b>	<b>845</b>	

<b>Not assignable in accordance with IAS 39 (financial leasing)</b>						
Non-current interest-bearing liabilities	2,419					
Current interest-bearing liabilities	1,620					
	<b>4,039</b>					
<b>Total</b>	<b>220,739</b>	<b>215,855</b>	<b>0</b>	<b>845</b>	<b>219,631</b>	

In EUR k	Carrying amount in the balance sheet 31.12.15	Amortised acquisition costs	Market value recognised through equity	Market value recognised through profit or loss	Current value 31.12.15	Fair-Value
<b>Measured at residual carrying amount</b>						<b>Hierarchy</b>
Non-current interest-bearing liabilities	138,449	138,449	0	0	139,143	Level 3
Current interest-bearing financial liabilities	22,471	22,471	0	0	24,070	Level 3
Trade accounts payable (without advance payments received)	50,150	50,150	0	0	50,150	Level 3
Other current liabilities	12,990	12,990	0	0	12,990	Level 3
	<b>224,060</b>	<b>224,060</b>	<b>0</b>	<b>0</b>	<b>226,353</b>	

<b>Measured at fair value</b>						
Currency futures	1	0	0	1	1	Level 2
Interest derivatives	327	0	0	327	327	Level 2
	<b>328</b>	<b>0</b>	<b>0</b>	<b>328</b>	<b>328</b>	

<b>Not assignable in accordance with IAS 39 (financial leasing)</b>						
Non-current interest-bearing liabilities	3,249					
Current interest-bearing liabilities	5,875					
	<b>9,124</b>					
<b>Total</b>	<b>233,512</b>	<b>224,060</b>	<b>0</b>	<b>328</b>	<b>226,681</b>	

The fair values contained in the table above correspond with the current values at the end of the period under report. These were determined by banks using recognised finan-

cial mathematical models and where necessary statistical valuation models, as well as current market parameters on the balance sheet date. Interest swaps are offset on a

quarterly basis. The variable interest rate of the interest swaps is based on 6-month Euribor. The difference between fixed and variable interest is offset in net terms.

## MATERIAL TRANSACTIONS WITH RELATED COMPANIES AND PERSONS

On 8 July 2016, POLYTEC Immobilien GmbH purchased a plot of land located directly adjacent to group headquarters and the Hörsching plant from FH Immobilien GmbH, a company owned by Friedrich Huemer (CEO), at a standard market price of EUR

2.7 million. The property shall be available for future expansion of the POLYTEC GROUP works without any limitations.

Besides this, there were no other material changes regarding business transactions

with related companies and persons as compared to 31 December 2015 and therefore in this regard reference should be made to the notes contained in the consolidated financial statements of POLYTEC HOLDING AG as at 31 December 2015.

## 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 tooling or development projects.

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred after 30 June 2016.

# STATEMENT OF ALL LEGAL REPRESENTATIVES PURSUANT TO SECTION 87 PARA. 1 PT. 3 AUSTRIAN STOCK CORPORATION ACT

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the

group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, and of the principal risks and uncertainties for the

remaining six months of the financial year and of the major related party transactions to be disclosed.

This interim consolidated financial statement has not been subject to an audit or a review.

Hörsching, August 3, 2016

The Board of Directors of POLYTEC HOLDING AG




FRIEDRICH HUEMER  
CEO, Chairman of the  
Board of Directors

Responsibilities: M&A, Investment Management,  
Strategy, Corporate Communications, HR, Law



MARKUS HUEMER  
COO, Vice Chairman  
of the Board of Directors

Responsibilities: Business Development, Plants,  
Production, Procurement



ALICE GODDERIDGE  
CSO, Member of the  
Board of Directors

Responsibilities: Sales & Engineering (Sales, Marketing, Development)



PETER HAIDENEK  
CFO, Member of the  
Board of Directors

Responsibilities: Finance, IT, Controlling,  
Accounting, Investor Relations, Internal Audit

The Interim Report Q3 to be published  
November 3, 2016. Current news see online  
in the section Investor Relations of  
corporate website [www.polytec-group.com](http://www.polytec-group.com)

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**Note:**

This interim consolidated financial statement has not been subject to an audit or a review. This Interim Report has been prepared with the greatest possible care and every effort has been made to ensure the accuracy of the data that it contains. Nevertheless, rounding, typographical and printing errors cannot be excluded. The use of automatic calculating devices can result in rounding-related differences during the addition of rounded amounts and percentages. This Interim Report contains assessments and assertions relating to the future made on the basis of all the information currently available. Such future-related statements are usually introduced with terms such as "expect", "estimate", "plan", "anticipate", etc. We would draw your attention to the fact that various factors could cause actual conditions and results to deviate from the expectations outlined in this report. This Interim Report is published in German and English. In cases of doubt, the German version shall take precedence. This half year financial report 2016 was published on August 3, 2016.

**Imprint:**

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