

QUARTERLY REPORT 3 | 06

Q3



POLYTEC GROUP



INCOME FIGURES

in EUR million	Q3 2006	Q3 2005	CHANGE IN %	1-9 2006	1-9 2005	CHANGE IN %
Net Sales	116.3	117.0	-0.6 %	399.2	366.8	8.8 %
Earnings before interest, taxes and amortisation (EBITDA)	9.1	9.4	-2.7 %	36.9	28.7	28.6 %
Earnings before interest and taxes (EBIT)	4.5	5.7	-21.2 %	23.5	16.7	40.6 %
Earnings before tax	3.9	4.9	-20.8 %	21.1	13.9	51.9 %
Unconsolidated Net Profit	3.1	2.9	10.3 %	14.1	8.5	65.6 %
EBITDA Margin	7.9 %	8.0 %		9.2 %	7.8 %	
EBIT Margin	3.8 %	4.8 %		5.9 %	4.5 %	
Earnings per Share (in EUR)				0.67	0.44	65.7 %

FINANCIAL FIGURES

in EUR million	1-9 2006	1-9 2005	CHANGE IN %
Cash-Flow			
Cash flow from operating activities	16.8	-4.9	
Cash flow from investing activities	-15.3	-10.5	-68.8 %
Cash flow from financing activities	5.3	13.2	-59.7 %
Capital expenditures	16.8	14.3	17.5 %

BALANCE SHEET RATIOS

in EUR million	Sept. 30, 2006	December 31, 2005
Balance sheet total	265.3	258.3
Equity	122.5	87.4
Net debt	31.2	53.7
Net working capital	62.6	51.4
Gearing	25.5 %	61.4 %
Equity ratio	46.2 %	33.8 %
Employees (average period)	3,533	3,655

RESULT OF THE FIRST NINE MONTHS OF 2006

HÖRSCHING, NOVEMBER 8, 2006: POLYTEC GROUP TODAY PUBLISHED ITS FINANCIAL RESULT FOR THE FIRST NINE MONTHS OF 2006, TO THE END OF SEPTEMBER 30, 2006.

ECONOMIC ENVIRONMENT

Growth in the automotive industry on the POLYTEC GROUP's main markets slowed during the first nine months of the year. As a result, according to information from BMW, the number of vehicles delivered by the company fell during the third quarter by 4.6 % in comparison with the same period last year. Cautious optimism

remains a feature of the macroeconomic environment. Although there was a slight recovery in the commodities markets during the 3rd quarter of 2006, no relief of the pressure on prices currently being experienced by plastics processors appears likely in the short term.

GROUP OVERVIEW

in EUR million	Q3 2006	Q3 2005	CHANGE	1-9 2006	1-9 2005	CHANGE
Net Sales	116.3	117.0	-0.6 %	399.2	366.8	8.8 %
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Unconsolidated Net Profit	3.1	2.9	10.3 %	14.1	8.5	65.6 %

GROUP RESULT

During the first nine months of 2006, sales of the POLYTEC GROUP increased by 8.8 %, to EUR 399.2 million, in comparison with the same period last year. The development within the first nine months is based primarily on the positive growth of the AUTOMOTIVE SYSTEM DIVISION (+ 10.7 %), and to a smaller extent on that of the CAR STYLING DIVISION (+ 7.8 %).

EBITDA at Group level rose by 28.6 % to EUR 36.9 million (2005:

EUR 28.7 million), corresponding to an EBITDA margin of 9.2 % (2005: 7.8 %) for the first nine months of 2006. EBIT rose by 40.6 % during the first nine months of 2006, to EUR 23.5 million, although the trend reversed during third quarter of the current financial year. During this quarter, EBIT fell by EUR 1.2 million. Despite the increase in capital during the IPO of the POLYTEC GROUP, it proved possible to increase earnings per share from EUR 0.44 to EUR 0.67.

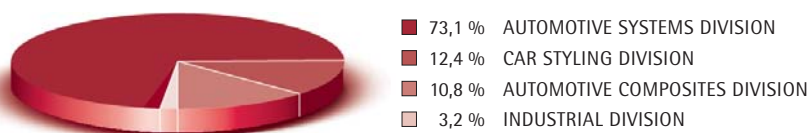


CONTACT:

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

RESULT OF THE DIVISIONS

Divisional share of group sales in the first nine months of 2006.



AUTOMOTIVE SYSTEMS DIVISION

in EUR million	Q3 2006	Q3 2005	CHANGE	1-9 2006	1-9 2005	CHANGE
Net Sales	81.8	86.2	-5.1 %	292.0	263.7	10.7 %
Earnings before interest, taxes and amortisation (EBITDA)	5.8	6.0	-4.0 %	27.9	17.7	57.2 %
Earnings before interest and taxes (EBIT)	2.4	3.6	-31.9 %	18.3	9.5	93.2 %

Its share of Group sales of 73.1 % during the first nine months of 2006, and an increase in sales of 10.7 % to EUR 292.0 million over the same period last year, has brought positive growth to the AUTOMOTIVE SYSTEMS DIVISION. EBITDA rose by 57.2 % to EUR 27.9 million (2005: EUR 17.7 million).

However, a drop in sales of 5.1 % against the same period in 2005 was recorded during the 3rd quarter of 2006. The main reason for this was the phase-out of door panel projects for Land Rover and the Opel Corsa. These two orders were responsible for an annual sales volume of about EUR 30.0 million. The loss of sales from these two contracts during the 3rd quarter of 2006, in comparison with the same period during 2005, amounted to EUR 2.6 million.

Caused by the on-going production for orders from BMW and AUDI a slight decrease in the number of produced parts can be seen. Sales with BMW decreased in the 3rd Quarter 2006 by 4.0 %. Also the production of trunk trim parts and seat back panels for AUDI reflecting a decline in sales by EUR 3.0 million

Despite this trend, EBITDA only fell by EUR 0.2 million, or 4.0 %, to EUR 5.8 million during the 3rd quarter of 2006. The result of this quarter was also seriously affected by the negative trend in the exchange rate against the South African rand. This had the effect of reducing the quarterly result recorded by the Division by EUR 0.5 million.

CAR STYLING DIVISION

in EUR million	Q3 2006	Q3 2005	CHANGE	1-9 2006	1-9 2005	CHANGE
Net Sales	16.7	15.5	7.6 %	49.6	46.0	7.8 %
Earnings before interest, taxes and amortisation (EBITDA)	1.6	2.0	-17.4 %	4.7	5.7	-16.7 %
Earnings before interest and taxes (EBIT)	1.1	1.4	-22.8 %	3.2	4.0	-21.7 %

During the first nine months of 2006, the CAR STYLING DIVISION made a 12.4 % contribution to Group sales. Divisional sales rose by 7.8 % to EUR 49.6 million (2005: EUR 46.0 million). However, EBITDA fell by 16.7 % to EUR 4.7 million (2005: EUR 5.7 million). This trend was due to the fact that the product mix was significantly altered in comparison with last year, in favour of painted parts.

Although these have the effect of increasing turnover, the margins are not as high as those of unfinished parts or primed parts. Another factor for decreasing sales is the development of the accessories business in the US with an effect on earning by approx. EUR 0.4 million in 2006.

AUTOMOTIVE COMPOSITES DIVISION

in EUR million	Q3 2006	Q3 2005	CHANGE	1-9 2006	1-9 2005	CHANGE
Net Sales	13.0	11.4	14.1 %	44.7	45.7	-2,1 %
Earnings before interest, taxes and amortisation (EBITDA)	0.3	0.3		1.3	2.3	-43.1 %
Earnings before interest and taxes (EBIT)	-0.3	-0.3		-0.5	0.7	

The contribution to Group sales by the AUTOMOTIVE COMPOSITES DIVISION fell from 12.5 % to 10.8 % during the first nine months of 2006. During the first nine months of the current year, the Division realised sales of EUR 44.7 million (2005: EUR 45.7 million), a fall of 2.1 % against the same period last year. EBITDA recorded a fall of EUR 1.0 million to EUR 1.3 million. The increase in sales during the third quarter, compared against the same period last year, was due

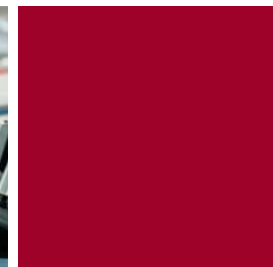
to sound call off figures at the Italian plant and also to tooling sales of EUR 1.5 million at the Swedish plant. The Swedish site of this Division, with its poor order book and the resultant surplus capacities, remained responsible for the poor performance. In order to bring the Swedish plant in line with the current situation, negotiations were held with the local trade union during the 3rd quarter, with a view to making a significant reduction in headcount.

INDUSTRIAL DIVISION

in EUR million	Q3 2006	Q3 2005	CHANGE	1-9 2006	1-9 2005	CHANGE
Net Sales	4.8	4.0	20.2 %	12.9	11.4	12.6 %
Earnings before interest, taxes and amortisation (EBITDA)	1.3	1.0	29.6 %	3.1	2.4	28.5 %
Earnings before interest and taxes (EBIT)	1.2	0.9	32.9 %	2.7	2.0	32.7 %

The INDUSTRIAL DIVISION managed to confirm once again its prominent status within the Group. Sales rose by 12.6 % to EUR 12.9 million during the first nine months of the current financial year. EBITDA rose by 28.5 % to EUR 3.1 million.

In addition to a seasonal rise in demand for parts for pisting machines, series business involving special machine construction also contributed to the significant increase in turnover.



EMPLOYEES

POLYTEC GROUP employed a total of 3,466 employees per Sept. 30, 2006. This reduction in headcount per Sept. 30, 2006, from 3,687 at

the start of the year, has come primarily from the savings measures introduced at the locations in Sweden and England.

	End of period			Average period		
	Sept. 30, 06	Sept. 30, 05	CHANGE	1-9 2006	1-9 2005	CHANGE
AUTOMOTIVE SYSTEMS DIVISION	2,357	2,471	-114	2,406	2,415	-9
CAR STYLING DIVISION	567	594	-27	575	584	-8
AUTOMOTIVE COMPOSTITES DIVISION	409	422	-13	424	449	-25
INDUSTRIAL DIVISION	103	92	11	97	91	6
Holding	30	29	1	30	27	3
Group	3,466	3,608	-142	3,533	3,566	-33

CAPITAL EXPENDITURES

CAPEX at Group level totalled EUR 16.8 million during the first nine months of 2006 (2005: EUR 14.3 million). The increase in CAPEX of the AUTOMOTIVE SYSTEMS DIVISION, from 57.7 % to EUR 13.5 million during the first nine months of the year, came amongst

other things from the acquisition of a second production line for headliners at the Polish plant, and from machines acquired for the extensive facelift of the BMW X3.

in EUR million	Q3 2006	Q3 2005	CHANGE	1-9 2006	1-9 2005	CHANGE
AUTOMOTIVE SYSTEMS DIVISION	6.7	2.1	215.0 %	13.5	8.6	57.7 %
CAR STYLING DIVISION	0.2	0.4	-60.9 %	1.1	2.1	-46.5 %
AUTOMOTIVE COMPOSTITES DIVISION	0.4	2.5	-85.0 %	0.9	3.0	-70.7 %
INDUSTRIAL DIVISION	0.5	0.2	234.2 %	0.7	0.4	74.5 %
Holding	0.5	0.0	-	0.6	0.3	111.9 %
Group	8.3	5.2	58.7 %	16.8	14.3	17.5 %

INVESTMENT AND FINANCES

The increase in capital during the IPO of POLYTEC GROUP brought a significant improvement in the Group's financial situation over that at the last accounting date. The equity ratio stood at 46.2 % at Sept. 30, 2006 (Dec. 31, 2005: 33.8 %), and net financial debts were reduced by EUR 22.5 million from their level at Dec. 31, 2005. The net debt rose slightly, by EUR 1.3 million, since the half year account-

ing date, mainly as a result of investments during the 3rd quarter. Gearing at the quarterly accounting date stood at 25.5 % (Dec. 31, 2005: 61 %).

Net working capital rose by EUR 11.2 million from their level at the last accounting date.

OUTLOOK

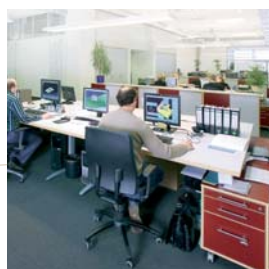
The contract phase-outs during the 3rd quarter and the projected 2006 production figures of the European automotive industry will cause the 4th quarter to be weaker the same period last year.

Nevertheless, POLYTEC GROUP expects a rise in sales of about 3.5 % during 2006, coupled with an EBITDA margin in the region of 9 %, which is in line with management targets.

INCOME STATEMENT

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

	Q3		January 1 – Sept. 30	
	2006	2005	2006	2005
Net Sales	116,269.0	117,028.4	399,160.9	366,848.6
Other operating income	2,704.3	1,923.9	7,243.9	5,392.7
Changes in inventory of finished and unfinished goods	-74.9	-5,698.1	-16,112.6	-1,300.6
Own work capitalised	75.3	1,292.7	172.8	2,230.4
Expenses for materials and services received	-65,067.8	-60,677.3	-211,869.5	-207,254.7
Personnel expenses	-30,078.4	-30,393.4	-95,414.8	-95,381.3
Other operating expenses	-14,696.9	-14,096.9	-46,327.3	-41,873.4
Earnings before interest, taxes and amortisation (EBITDA)	9,130.6	9,379.3	36,853.4	28,661.7
Depreciation	-4,664.5	-3,714.7	-13,395.3	-11,973.3
Earnings before interest, taxes and amortisation of goodwill (EBITA)	4,466.1	5,664.6	23,458.1	16,688.4
Amortisation of goodwill	0.0	0.0	0.0	0.0
Earnings before interest and taxes (EBIT)	4,466.1	5,664.6	23,458.1	16,688.4
Income from associated companies	26.4	0.0	39.0	67.4
Financial expenses	-553.8	-736.8	-1,994.9	-2,600.8
Other financial results	-17.3	22.1	-357.2	-230.5
Financial result	-544.7	-714.7	-2,313.1	-2,763.9
Earnings before tax	3,921.4	4,949.9	21,145.0	13,924.5
Taxes on income	-1,065.1	-2,066.8	-7,116.8	-5,424.8
Profit of the year after tax	2,856.3	2,883.1	14,028.2	8,499.7
Minority interest	291.6	-29.8	111.0	40.0
Net profit (Result after minority interest)	3,147.9	2,853.3	14,139.2	8,539.7
Earnings per share	0.14	0.15	0.67	0.44



BALANCE SHEET AS OF SEPTEMBER 30, 2006

compared with the full year figures (in thousand Euro)

ASSETS:	Sept. 30, 2006	Dec. 31, 2005
A. FIXED ASSETS		
I. Intangible assets	4,502.0	3,144.4
II. Goodwill	25,611.5	25,611.5
III. Tangible assets	70,881.4	70,353.9
IV. Investments in affiliated and associated companies	165.2	165.2
V. Other financial assets	2,884.9	3,034.9
VI. Deferred tax assets	4,045.2	3,911.8
	108,090.2	106,221.7
B. CURRENT ASSETS		
I. Inventories	55,667.6	57,691.0
II. Trade accounts receivable and other receivables and assets	83,474.6	83,126.8
III. Cash and cash equivalents	18,029.1	11,235.4
	157,171.3	152,053.2
	265,261.5	258,274.9

LIABILITIES AND SHAREHOLDER'S EQUITY:	Sept. 30, 2006	Dec. 31, 2005
A. SHAREHOLDER'S EQUITY:		
I. Share capital	22,329.6	19,329.6
II. Treasury stock	-215.5	0.0
III. Capital reserves	57,783.2	38,530.4
IV. Minority interests	117.8	307.0
V. Retained earnings	42,456.8	29,207.9
	122,471.9	87,374.9
B. LONG-TERM LIABILITIES:		
1. Interest-bearing liabilities	29,141.5	33,125.4
2. Provision for deferred taxes	1,532.6	754.3
3. Long-term provisions for personnel	10,520.1	9,902.8
4. Other long-term liabilities	2,079.9	2,874.8
	43,274.1	46,657.3
C. SHORT-TERM LIABILITIES:		
1. Trade accounts payable	31,724.4	50,149.2
2. Short-term interest-bearing liabilities	12,717.2	25,594.0
3. Short-term portion of long-term loans	10,234.7	9,279.7
4. Other short-term liabilities	44,839.2	39,219.8
	99,515.5	124,242.7
	265,261.5	258,274.9

CASH FLOW STATEMENT

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

	January 1 – Sept. 30	
	2006	2005
Earnings before tax	21,145.0	13,924.5
- Income taxes	-5,518.3	-8,873.2
+(-) Depreciation (appreciation) of fixed assets	13,395.3	12,189.9
+(-) Other non-cash expenses/income	617.3	1,646.9
= Consolidated financial Cash flow	29,639.3	18,888.1
+(-) Changes in net working capital	-12,878.3	-23,811.4
= Cash flow from operating activities	16,761.0	-4,923.3
+(-) Cash flow from investing activities	-15,280.4	-10,509.6
+(-) Cash flow from financing activities	5,313.1	13,168.9
= Changes in cash and cash equivalents	6,793.7	-2,264.0
+ Opening balance of cash and cash equivalents	11,235.4	10,003.9
= Closing balance of cash and cash equivalents	18,029.1	7,739.9

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousand Euro)

	SHARE CAPITAL	TREASURY STOCK	CAPITAL RESERVES	MINORITY INTERESTS	RETAINED EARNINGS	TOTAL
Balance as of January 1, 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	-111.0	14,139.2	14,028.2
Capital increase	3,000.0	0.0	20,250.0	0.0	0.0	23,250.0
Cost of Capital increase	0.0	0.0	-997.2	0.0	0.0	-997.2
Treasury Stock	0.0	-215.5	0.0	0.0	0.0	-215.5
Dividends	0.0	0.0	0.0	-100.0	0.0	-100.0
Currency Translation	0.0	0.0	0.0	21.8	-890.3	-868.5
Balance as of September 30, 2006	22,329.6	-215.5	57,783.2	117.8	42,456.8	122,471.9

	SHARE CAPITAL	TREASURY STOCK	CAPITAL RESERVES	MINORITY INTERESTS	RETAINED EARNINGS	TOTAL
Balance as of January 1, 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	-40.0	8,539.7	8,499.7
Dividends	0.0	0.0	0.0	-80.0	-9,320.0	-9,400.0
currency translation	0.0	0.0	0.0	-9.4	896.7	887.3
Balance as of September 30, 2005	19,329.6	0.0	38,530.4	131.4	23,531.8	81,523.2

SEGMENT REPORTING

(in thousand Euro)

AUTOMOTIVE SYSTEMS	Q3 2006	Q3 2005	CHANGE	1-9 2006	1-9 2005	CHANGE
External sales	81,798.6	86,152.4	-5.1 %	291,978.7	263,738.1	10.7 %
Earnings before interest, tax and amortisation (EBITDA)	5,771.4	6,011.7	-4.0 %	27,866.5	17,731.1	57.2 %
Earnings before interest and tax (EBIT)	2,448.4	3,596.9	-31.9 %	18,300.9	9,470.4	93.2 %
Unconsolidated Net Profit	1,352.6	1,871.4	-27.7 %	11,308.3	4,728.8	139.1 %
Capital expenditures	6,669.1	2,117.5	215.0 %	13,487.5	8,554.3	57.7 %

CAR STYLING	Q3 2006	Q3 2005	CHANGE	1-9 2006	1-9 2005	CHANGE
External sales	16,655.6	15,473.9	7.6 %	49,569.4	45,977.0	7.8 %
Earnings before interest, tax and amortisation (EBITDA)	1,645.5	1,991.9	-17.4 %	4,720.3	5,668.6	-16.7 %
Earnings before interest and tax (EBIT)	1,116.5	1,445.6	-22.8 %	3,157.2	4,033.4	-21.7 %
Unconsolidated Net Profit	859.1	1,073.6	-20.0 %	2,124.2	2,709.2	-21.6 %
Capital expenditures	174.2	445.1	-60.9 %	1,111.9	2,076.4	-46.5 %

AUTOMOTIVE COMPOSITES	Q3 2006	Q3 2005	CHANGE	1-9 2006	1-9 2005	CHANGE
External sales	13,039.8	11,428.8	14.1 %	44,746.1	45,710.3	-2.1 %
Earnings before interest, tax and amortisation (EBITDA)	345.1	257.4	34.1 %	1,307.6	2,299.4	-43.1 %
Earnings before interest and tax (EBIT)	-289.2	-329.2	-12.2 %	-450.1	706.2	-163.7 %
Unconsolidated Net Profit	-430.9	-401.1	7.4 %	-1,400.8	-333.2	320.4 %
Capital expenditures	367.7	2,454.3	-85.0 %	866.4	2,959.1	-70.7 %

INDUSTRIAL	Q3 2006	Q3 2005	CHANGE	1-9 2006	1-9 2005	CHANGE
External sales	4,775.0	3,973.3	20.2 %	12,866.7	11,423.2	12.6 %
Earnings before interest, tax and amortisation (EBITDA)	1,306.9	1,008.5	29.6 %	3,064.7	2,385.4	28.5 %
Earnings before interest and tax (EBIT)	1,176.9	885.7	32.9 %	2,699.6	2,033.6	32.7 %
Unconsolidated Net Profit	1,010.5	501.4	101.5 %	2,025.2	1,260.0	60.7 %
Capital expenditures	533.1	159.5	234.2 %	740.6	424.4	74.5 %

HOLDING / CONSOLIDATION	Q3 2006	Q3 2005	CHANGE	1-9 2006	1-9 2005	CHANGE
External sales	0.0	0.0	-	0.0	0.0	-
Earnings before interest, tax and amortisation (EBITDA)	61.7	109.8	-43.8 %	-105.7	577.2	-118.3 %
Earnings before interest and tax (EBIT)	13.5	65.6	-79.4 %	-249.5	444.8	-156.1 %
Unconsolidated Net Profit	65.0	-162.2	-140.1 %	-28.7	134.9	-121.3 %
Capital expenditures	506.4	22.7	2,130.8 %	573.4	270.6	111.9 %

GROUP	Q3 2006	Q3 2005	CHANGE	1-9 2006	1-9 2005	CHANGE
External sales	116,269.0	117,028.4	-0.6 %	399,160.0	366,848.6	8.8 %
Earnings before interest, tax and amortisation (EBITDA)	9,130.6	9,379.3	-2.7 %	36,853.4	28,661.7	28.6 %
Earnings before interest and tax (EBIT)	4,466.1	5,664.6	-21.2 %	23,458.1	16,688.4	40.6 %
Unconsolidated Net Profit	2,856.3	2,883.1	-0.9 %	14,028.2	8,499.7	65.0 %
Capital expenditures	8,250.5	5,199.1	58.7 %	16,779.8	14,284.8	17.5 %

POLYTEC GROUP

POLYTEC HOLDING AG

Headquarters

Linzer Strasse 50

4063 Hörsching

AUSTRIA

Phone: +43-7221-701-292

Fax: +43-7221-701-40

investor.relations@polytec-group.com

www.polytec-group.com/investor/en

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Responsible for content: Manuel Tavernier – Investor Relations

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