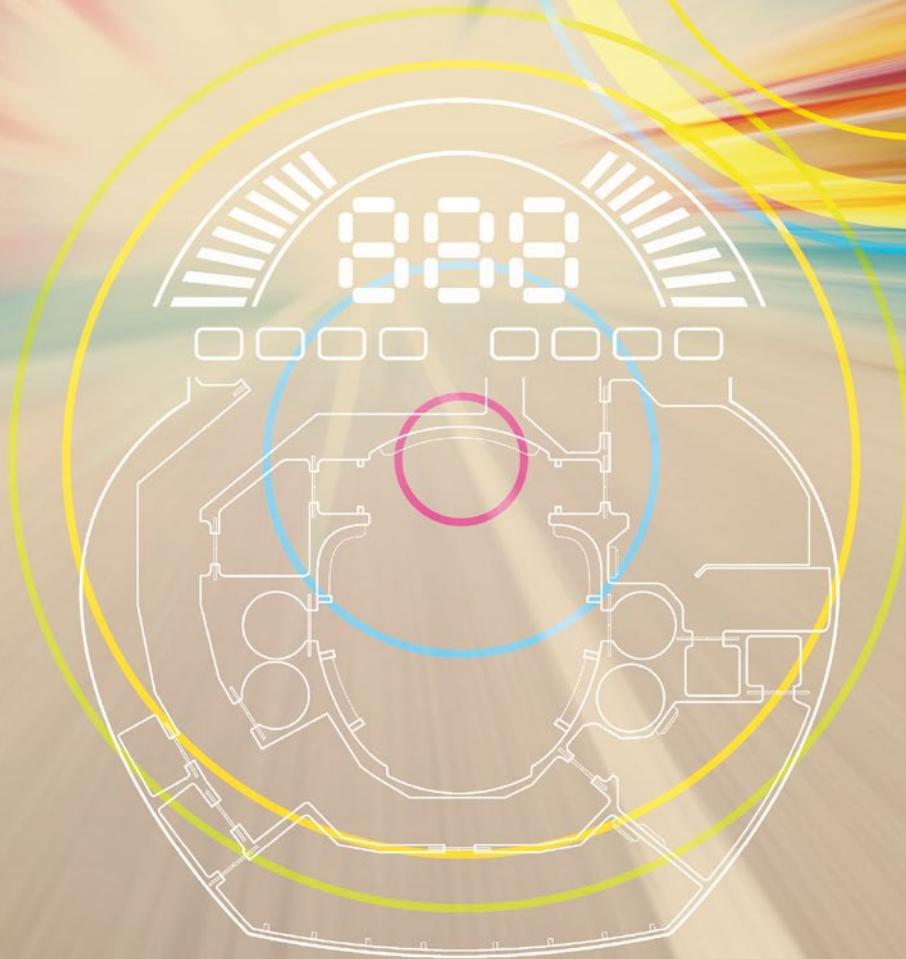


HALF YEAR FINANCIAL REPORT H1 2018

POLYTEC

MEETING
CHALLENGES.
CREATING
PERSPECTIVES.



POLYTEC GROUP

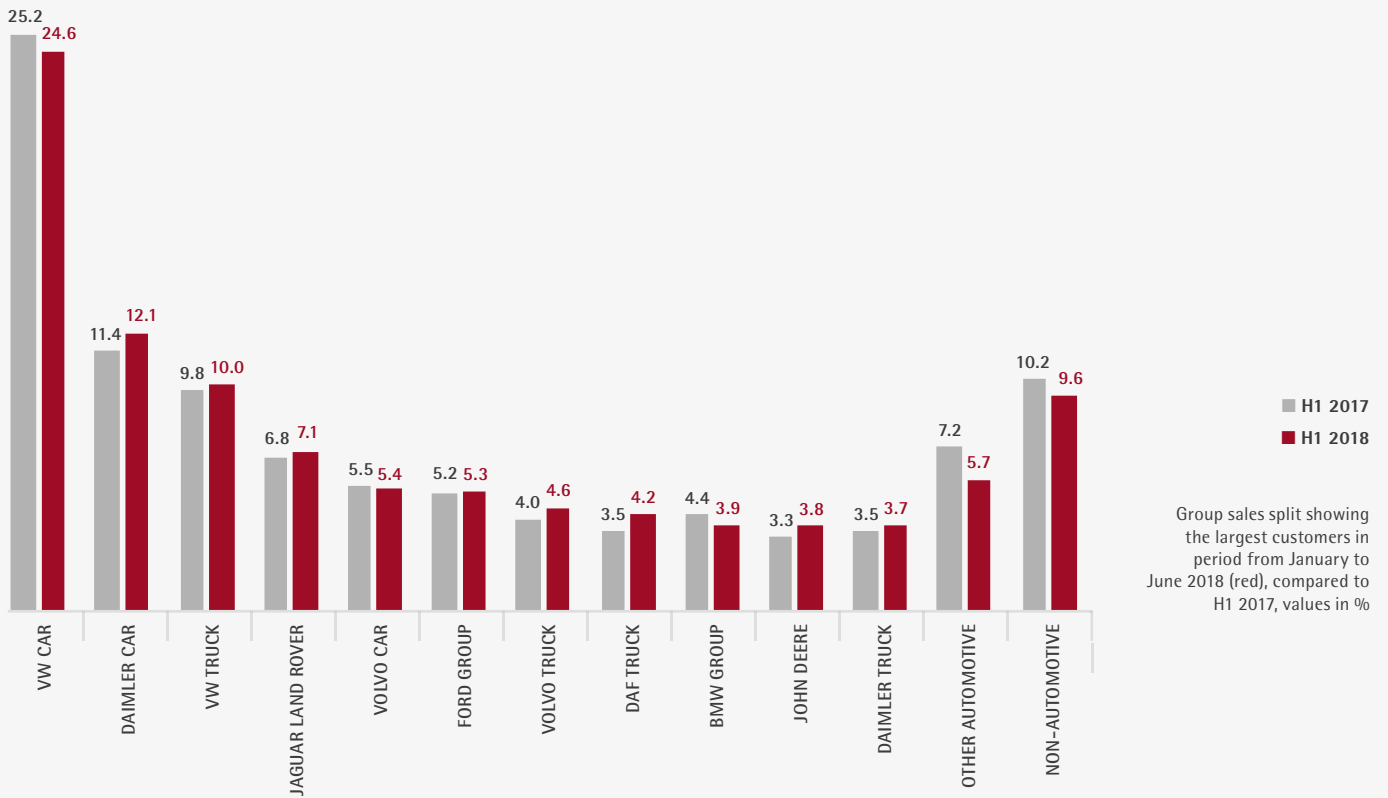
KEY FIGURES HALF YEAR 2018

Key figures by half-year	Unit	H1 2018	H1 2017	Change
Sales	EUR m	328.7	348.3	-5.6%
EBITDA	EUR m	35.3	45.1	-21.7%
EBITDA margin (EBITDA/sales)	%	10.7%	12.9%	-2.2% points
EBIT	EUR m	23.0	31.3	-26.5%
EBIT margin (EBIT/sales)	%	7.0%	9.0%	-2.0% points
Earnings after tax	EUR m	16.6	22.6	-26.5%
Earnings per share	EUR	0.74	1.01	-26.7%
Investments in tangible assets	EUR m	18.8	14.1	33.3%
Equity ratio (equity/balance sheet total)	%	43.5%	39.3%	4.2% points
Net working capital (NWC)	EUR m	90.2	65.9	36.9%
Average capital employed	EUR m	329.6	289.8	13.7%
Net financial debt (+)/-assets (-)	EUR m	89.8	82.0	9.5%
Employees (incl. leasing personnel) end of period	FTE	4,497	4,563	-1.4%

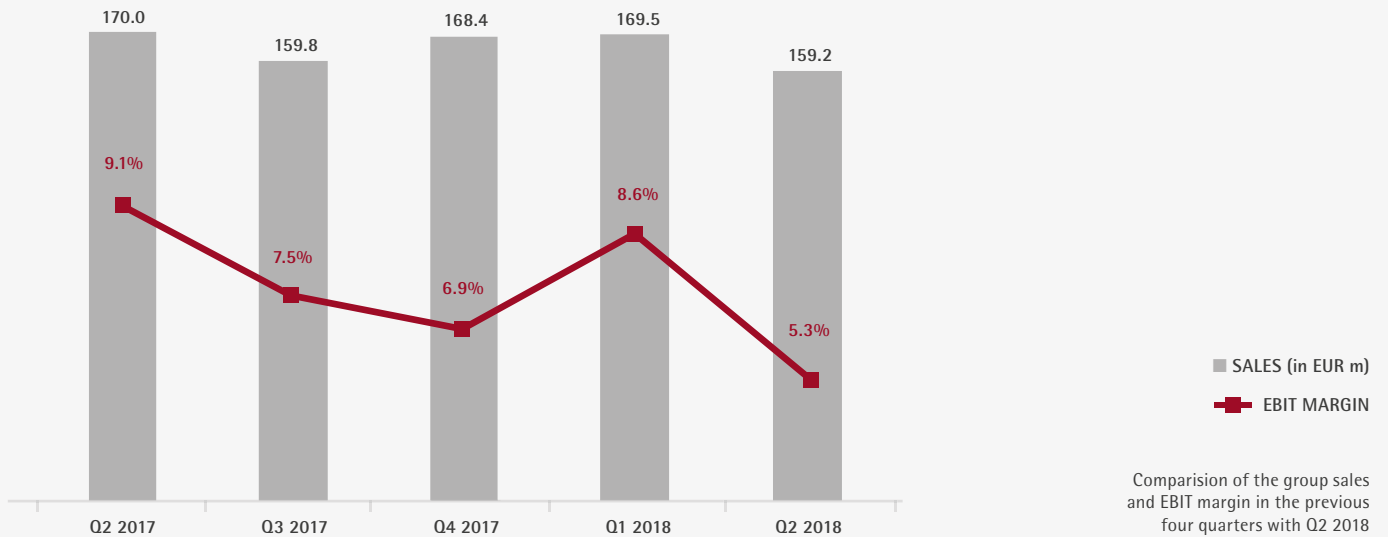
Key figures quarterly	Unit	Q3 2017	Q4 2017	Q1 2018	Q2 2018
Sales	EUR m	159.8	168.4	169.5	159.2
EBITDA	EUR m	18.8	18.4	21.1	14.2
EBITDA margin (EBITDA/sales)	%	11.8%	10.9%	12.4%	8.9%
EBIT	EUR m	12.1	11.7	14.6	8.5
EBIT margin (EBIT/sales)	%	7.5%	6.9%	8.6%	5.3%
Earnings after tax	EUR m	8.4	8.0	10.6	6.0
Earnings per share	EUR	0.37	0.36	0.47	0.27
Investments in tangible assets	EUR m	9.7	12.8	8.3	10.5
Equity ratio (equity/balance sheet total)	%	41.5%	42.1%	43.5%	43.5%
Net working capital (NWC)	EUR m	73.8	75.5	90.7	90.2
Capital employed	EUR m	314.0	318.8	336.8	340.4
Net financial debt (+)/-assets (-)	EUR m	83.7	78.7	82.5	89.8
Employees (incl. leasing personnel) end of period	FTE	4,547	4,522	4,495	4,497

GROUP SALES BY CUSTOMERS

compared to previous year



SALES & EBIT MARGIN



HALF YEAR FINANCIAL REPORT H1 2018

This interim report has not been subject to an audit or a review.

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GROUP MANAGEMENT REPORT H1 2018

AUTOMOTIVE INDUSTRY DEVELOPMENT

The tables below show registration numbers of new vehicles for the periode from January to June 2018 compared to the figures from the previous year:

REGISTRATIONS OF NEW CARS IN THE MAJOR INTERNATIONAL MARKETS

In pieces	H1 2018	Share	H1 2017	Share	Change
China	11,540,600	40.4%	10,929,100	39.7%	5.6%
USA	8,574,300	30.0%	8,401,700	30.5%	2.1%
European Union	8,449,200	29.6%	8,210,900	29.8%	2.9%
Total three major markets	28,564,100	100%	27,541,700	100%	3.7%
Other selected countries					
Japan	2,292,000		2,346,600		-2.3%
India	1,735,000		1,530,900		13.3%
Brazil	1,129,200		993,100		13.7%
Russia	849,200		718,500		18.2%

REGISTRATIONS OF NEW CARS IN THE EUROPEAN UNION

In pieces	H1 2018	Share	H1 2017	Share	Change
Germany	1,839,000	21.8%	1,787,000	21.8%	2.9%
United Kingdom	1,314,000	15.5%	1,401,800	17.1%	-6.3%
France	1,188,200	14.1%	1,135,300	13.8%	4.7%
Italy	1,120,800	13.3%	1,137,300	13.8%	-1.4%
Spain	734,600	8.7%	667,500	8.1%	10.1%
Other EU countries	2,252,600	26.6%	2,082,500	25.4%	8.2%
EUROPEAN UNION	8,449,200	100%	8,211,400	100%	2.9%

REGISTRATIONS OF NEW COMMERCIAL VEHICLES IN THE EUROPEAN UNION

In pieces	H1 2018	Share	H1 2017	Share	Change
Light commercial vehicles <=3.5 t	1,066,700	83.2%	1,015,000	82.9%	5.1%
Medium commercial vehicles >3.5 t to <=16 t	35,300	2.7%	34,900	2.8%	1.2%
Heavy commercial vehicles >16 t	159,900	12.5%	153,900	12.6%	3.9%
Medium and heavy buses & coaches >3.5 t	20,200	1.6%	20,400	1.7%	-0.9%
EUROPEAN UNION	1,282,100	100%	1,224,200	100%	4.7%

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

GROUP RESULTS

SALES

As compared to the excellent result of the preceding year, in the first six months of 2018 POLYTEC GROUP sales fell by 5.6% to EUR 328.7 million (H1 2017: EUR 348.3 million).

As was already the case in the first quarter, during the second quarter of the current year the number of call-ups for diesel ve-

hicle products declined noticeably. In particular, this was a result of the bans on older diesel models, which led to customer uncertainty. Consequently, the very high level of passenger car market sales of the previous year was not repeated in the half-year under report. In addition, as compared to the same period of the previous year sales in the non-automotive market area fell signifi-

cantly, due basically to a drastic reduction in demand from one major customer. Lower tooling and engineering sales also had an impact upon sales earnings, but conversely the commercial vehicles market area developed in a positive manner and showed a slight rise in comparison with the preceding year.

SALES BY MARKET AREAS

In EUR m	Q2 2018	Share	Q2 2017	H1 2018	Share	H1 2017
Passenger cars	99.6	62.5	110.2	209.4	63.7%	227.6
Commercial vehicles	43.9	27.6	42.1	87.9	26.7%	85.0
Non-automotive	15.7	9.9	17.7	31.4	9.6%	35.7
POLYTEC GROUP	159.2	100%	170.0	328.7	100%	348.3

As compared to the same period of the previous year, sales in the passenger car market area, which with 63.7% (H1 2017: 65.4%) represents the strongest sales area within the POLYTEC GROUP, were down by 8.0% at EUR 209.4 million (H1 2017: EUR 227.6 million). This decline resulted

from the very high figure of the previous year and the fall in call-ups for diesel car products. Sales in the commercial vehicles market area (26.7%, H1 2017: 24.4%) during the period from January to June were slightly higher than in the same period of 2017, increasing by 3.4% from EUR 85.0

million to EUR 87.9 million. The share of group sales emanating from the non-automotive market area fell from 10.2% in the first half of 2017 to 9.6% in the current year, due primarily to a sizeable reduction in call-ups from one major customer.

SALES BY CATEGORY

In EUR m	Q2 2018	Share	Q2 2017	H1 2018	Share	H1 2017
Parts and other sales	145.6	91.5%	152.3	300.3	91.4%	312.8
Tooling and other engineering sales	13.6	8.5%	17.7	28.4	8.6%	35.5
POLYTEC GROUP	159.2	100%	170.0	328.7	100%	348.3

As compared to the very strong performance of the preceding year, sales in the serial part market area were down by 4.0%

at EUR 300.3 million. Tooling and engineering sales are subject to cyclical fluctuations and in the first half of 2017 were

extremely high. Therefore, sales in the current period under report failed to reach the same level.

SALES BY REGION

In EUR m	Q2 2018	Share	Q2 2017	H1 2018	Share	H1 2017
Austria	5.3	3.3	5.0	11.6	3.5%	10.9
Germany	89.5	56.5	95.8	184.8	56.2%	193.9
Other EU countries	55.0	34.6	59.1	112.4	34.2%	121.7
Other countries	9.4	5.9	10.1	19.9	6.1%	21.8
POLYTEC GROUP	159.2	100%	170.0	328.7	100%	348.3

GROUP EARNINGS FIGURES

	Unit	Q2 2018	Q2 2017	Change	H1 2018	H1 2017	Change
Sales	EUR m	159.2	170.0	-6.4%	328.7	348.3	-5.6%
EBITDA	EUR m	14.2	22.3	-36.3%	35.3	45.1	-21.7%
EBITDA-Marge (EBITDA/sales)	%	8.9	13.1	-4.2% points	10.7	12.9	-2.2% points
EBIT	EUR m	8.5	15.4	-44.8%	23.0	31.3	-26.5%
EBIT-Marge (EBIT/sales)	%	5.3	9.1	-3.8% points	7.0	9.0	-2.0% points
Earnings after tax	EUR m	6.0	11.0	-45.5%	16.6	22.6	-26.5%
Average capital employed	EUR m	329.6	289.8	13.7%	329.6	289.8	13.7%
ROCE before tax (EBIT/ average capital employed)	%	14.2	21.9	-7.7% points	14.2	21.9	-7.7% points
Earnings per share	EUR	0.27	0.49	-44.9%	0.74	1.01	-26.7%

MATERIAL AND PERSONNEL EXPENSES

In the second quarter, the material to sales ratio (material expense/sales) was 2.3 percentage points up on the first quarter, due primarily to the marked rise in raw material prices and an altered article mix. The

group's personnel ratio (personnel expense/sales) rose in the first half-year by 2.8 percentage points to 34.1% (H1 2017: 31.3%). In tandem with falling sales revenues, this increase was caused mainly by higher per-

sonnel costs, which derived primarily from overheads for indirect employees and the increase in personnel that accompanied the digitisation offensive.

EBITDA AND EBIT

In the first half of 2018, POLYTEC GROUP EBITDA totalled EUR 35.3 million. The EBITDA margin (EBITDA/sales) fell by 2.2 percentage points over the previous year to stand at

10.7%. In the same period, six-month group EBIT amounted to EUR 23.0 million (H1 2017: EUR 31.3 million). The EBIT margin (EBIT/sales) declined from 9.0% to 7.0%.

FINANCIAL AND GROUP RESULT

Owing to lower financial earnings, the financial result fell to minus EUR 1.5 million (H1 2017: minus EUR 1.3 million). The POLYTEC GROUP tax ratio (income taxes/earnings before income tax) in the first

half-year of 2018 amounted to 22.7%, which was 1.9 percentage points lower than in the previous year. This change emanated from a more favourable country mix. As a consequence, the group earn-

ings after tax totalled EUR 16.6 million (H1 2017: EUR 22.6 million). This corresponds with earnings per share of EUR 0.74 (H1 2017: EUR 1.01).

ASSETS AND FINANCIAL STATUS

INVESTMENTS

In EUR m	Q2 2018	Q2 2017	Change	H1 2018	H1 2017	Change
Investments in tangible assets	10.5	9.7	8.2 %	18.8	14.1	33.3 %

Additions to tangible assets in the first half of 2017 amounted to EUR 18.8 million (H1 2017: 14.1 million). In particular investment focused on the Telford location in

the English Midlands, where a new painting plant has been built. Furthermore, the POLYTEC Group implemented production plant and infrastructural improvements

and enlargements, as well as ongoing investments in maintenance.

GROUP KEY BALANCE SHEET AND FINANCIAL FIGURES

The key financial figures are presented together with the figures from the last balance sheet date of 31 December 2017 as follows:

	Unit	30.06.2018	31.12.2017	Change
Equity	EUR m	224.9	217.5	3.4%
Equity ratio (equity/balance sheet total)	%	43.5	42.1	1.4% points
Balance sheet total	EUR m	516.6	516.5	0.0%
Net working capital ¹⁾	EUR m	90.2	75.5	19.6%
Net working capital/sales	%	13.7	11.2	2.5% points

¹⁾Net working capital = current assets less current liabilities

At the end of the first half of 2018, group's balance sheet total remained at the level of 31 December 2017. In spite of a dividend payment at the end of May 2018 of around EUR 9.9 million (2017: EUR 8.8 million), the

equity ratio rose by 1.4 percentage points to 43.5%. At EUR 89.8 million, net debt was EUR 11.1 million higher than on the 31 December 2017 balance sheet date, due largely to the dividend payment. Owing to

the increase in business volume and seasonal factors, as opposed to the figure for 31 December 2017, at the end of the first half of 2018 net working capital was up by EUR 14.7 million at EUR 90.2 million.

	Unit	30.06.2018	31.12.2017	Change
Net debt (+)/-assets (-)	EUR m	89.8	78.7	14.1%
Net debt (+)/-assets (-)/EBITDA	-	1.24	0.96	29.2%
Gearing (net debt (+)/-assets (-)/equity)	-	0.40	0.36	11.1%

The key figure for the notional debt repayment period rose from 0.96 to 1.24. The gearing ratio rose from 0.36 to 0.40, but thus remained at a low level.

EMPLOYEES

Employees (incl. leasing personnel) in terms of full-time equivalents (FTE)	End of period		Change	Average period		Change
	30.06.2018	30.06.2017		H1 2018	H1 2017	
Austria	573	531	42	566	525	-24
Germany	2,184	2,231	-47	2,170	2,195	-25
Other EU countries	1,540	1,617	-77	1,558	1,600	-42
Other countries	200	184	16	198	180	18
POLYTEC GROUP	4,497	4,563	-66	4,492	4,500	-8

Average group workforce numbers (including leasing personnel) amounted to 4,492 (full-time equivalents) and therefore remained at the level of the preceding

year. As at the reporting date of 30 June 2018, POLYTEC GROUP employees numbered 4,497 of which 512 or 11.4% were leasing personnel.

RISKS AND UNCERTAINTIES

The automotive industry is currently undergoing a period of turbulence. As yet, the final consequences of the diesel exhaust gas affair cannot be determined and the debate regarding the various drive technologies continues. It is anticipated that in the long-term, the demand for products related to vehicles with diesel engines will shift to the conventional petrol-driven area or alternative drive technologies.

In the second quarter, call-ups for diesel vehicle products declined noticeably as a result of the bans on older diesel models, which in particular led to consumer uncertainty. In addition, during the second quarter, the

challenges of transitioning to the new WLTP audit process became apparent. Due to this new emission standard for new cars, which will apply from September 2018, reductions of product call-ups and sales losses cannot be ruled out in the coming months.

Commodity prices, above all for polyamide, but also for polypropylene and resins, have increased significantly in recent months and have weighed heavily on Group expenses. Higher commodity prices are also expected to impact the consolidated net income in the second half of the year. The full impact of the effects of the proposed departure of the UK from the European

Union, or possible limitations on global trade cannot be currently assessed.

At present, it is impossible to determine clearly whether or not the aforementioned or other risks and uncertainties will exert an influence on the future development of the POLYTEC GROUP's sales and income. The management continues to keep such developments under close surveillance.

As far as risk reporting is concerned, we would refer to the information included in section G.2 of the notes to the consolidated financial statements in the annual report for 2017.

MATERIAL TRANSACTIONS WITH RELATED COMPANIES AND PERSONS

As compared to 31 December 2017, there were no material changes regarding business dealings with related companies and persons and therefore reference should be

made to the notes to the consolidated financial statements of POLYTEC Holding AG as at 31 December 2017.

OUTLOOK

The POLYTEC GROUP executive management assumes group sales of around EUR 650 million and EBIT (earnings before interest and taxes) of around EUR 45 million for the

financial year 2018, subject to further, yet unknown negative effects due to the topics of WLTP, diesel drive technology and any other difficulties in international trade.

INTERIM CONSOLIDATED FINANCIAL STATEMENT ACCORDING TO IAS 34

This interim report has not been subject to an audit or a review.

CONSOLIDATED INCOME STATEMENT

for the period from 1 January to 30 June 2018 compared to the figures from the previous year

In EUR k	H1 01.01. – 30.06.		Q2 01.04. – 30.06.	
	2018	2017 ¹⁾	2018	2017 ¹⁾
Net sales	328,676	348,267	159,149	169,999
Other operating income	3,221	2,392	1,704	1,548
Changes in inventory	1,690	2,829	1,048	910
Own work capitalised	2,248	606	1,688	278
Expenses for materials and services received	-156,678	-169,143	-78,275	-81,813
Personnel expenses	-112,800	-109,921	-55,632	-54,364
Other operating expenses	-31,047	-29,938	-15,447	-14,277
Earnings before interest, taxes and depreciation (EBITDA)	35,311	45,091	14,235	22,280
Depreciation	-12,288	-13,757	-5,777	-6,851
Earnings before interest and taxes = operating result (EBIT)	23,022	31,334	8,458	15,429
Interest result	-1,584	-1,502	-518	-525
Other financial income	82	162	9	-6
Financial result	-1,502	-1,340	-508	-531
Earnings before tax	21,250	29,994	7,949	14,898
Taxes on income	-4,895	-7,371	-1,915	-3,869
Earnings after tax	16,625	22,624	6,034	11,030
thereof result of non-controlling interests	-386	-398	-183	-185
thereof result of the parent company	16,240	22,226	5,851	10,845
Earnings per share in EUR	0.74	1.01	0.27	0.49

¹⁾ POLYTEC GROUP has applied IFRS 15 using the modified retrospective method. Under this method, the comparative information is not restated.

CONSOLIDATED BALANCE SHEET AS OF 30.06.2018

Compared to the figures from the balance sheet date as of 31 December 2017

ASSETS (In EUR k)		30.06.2018	31.12.2017 ¹⁾
A. Non-current assets:			
I.	Intangible assets	3,229	3,110
II.	Goodwill	19,180	19,180
III.	Tangible assets	238,360	232,910
IV.	Other long-term receivables	126	126
V.	Deferred tax assets	5,704	7,674
		266,600	263,000

B. Current assets:			
I.	Inventories	39,717	63,278
II.	Trade accounts receivable	59,131	67,035
III.	Contract assets	84,121	43,050
IV.	Other current receivables	19,846	17,691
V.	Income tax receivables	877	1,215
VI.	Current interest-bearing receivables	4,330	4,286
VII.	Cash and cash equivalents	41,928	56,899
		249,950	253,453
		516,550	516,453

EQUITY AND LIABILITIES (in EUR k)		30.06.2018	31.12.2017 ¹⁾
A. Shareholder's equity:			
I.	Share capital	22,330	22,330
II.	Capital reserves	37,563	37,563
III.	Treasury stock	-1,855	-1,855
IV.	Retained earnings	171,324	163,359
V.	Other reserves	-11,346	-10,370
		218,016	211,028
VI.	Non-controlling interests	6,851	6,465
		224,866	217,493

B. Long-term liabilities:			
I.	Non-current, interest-bearing liabilities	119,156	126,332
II.	Provision for deferred taxes	4,039	3,080
III.	Provisions for personnel	27,532	27,278
IV.	Other long-term liabilities	10,575	11,863
		161,301	168,552

C. Short-term liabilities:			
I.	Current interest-bearing liabilities	16,924	13,600
II.	Liabilities on income taxes	1,062	2,758
III.	Trade accounts payable	50,523	54,054
IV.	Contract liabilities	2,373	4,802
V.	Other current liabilities	35,565	31,799 ²⁾
VI.	Current provisions	23,935	23,395 ²⁾
		130,382	130,408
		516,550	516,453

¹⁾ POLYTEC GROUP has applied IFRS 15 using the modified retrospective method. Under this method, the comparative information is not restated.

²⁾ Previous year is restated

CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January to 30 June 2018 compared to the figures from the the previous year

	In EUR k	01.01. – 30.06.	
		2018	2017 ¹⁾
	Earnings before tax	21,520	29,994
+(-)	Depreciation on fixed assets	12,289	13,757
-(+)	Interest result	1,584	1,501
+(-)	Other non-cash expenses and earnings	-583	304
+(-)	Increase (decrease) in non-current provisions for employees	72	133
-(+)	Profit (loss) from fixed asset disposals	-129	-224
-(+)	Increase (decrease) in inventories, advance payments made	-4,848	-4,168
-(+)	Increase (decrease) in trade and other receivables as well contract assets	-4,734	-21,540
+(-)	Increase (decrease) in trade and other payables as well contract liabilities	-2,121	2,098 ²⁾
+(-)	Increase (decrease) in current provisions	-762	-2,116 ²⁾
=	Consolidated cash flow from current activities	22,288	19,739
+	Interest received	75	261
-	Interest paid	-869	-2,033
-	Taxes paid	-3,916	-6,188
=	Consolidated cash flow from operating activities	17,578	11,779
-	Investments in fixed assets	-18,840	-15,223
+	Payments from the disposal of intangible and tangible assets	606	476
-(+)	Increase (decrease) in other non-current assets	0	-37
=	Consolidated cash flow from investing activities	-18,234	-14,784
+	Repayments of loan financing	0	216
-	Repayments of real estate loans	-2,678	-2,725
-	Repayments of promissory notes	-887	-2,687
-	Outflows from financial leasing agreements	-706	-786
+(-)	Change in current financial liabilities	-150	1,040
+	Refinancing promissory note bonds	0	8,500
-	Third party dividends	-9,899	-8,798
=	Consolidated cash flow from financing activities	-14,320	-5,239
+(-)	Consolidated cash flow from operating activities	17,578	11,779
+(-)	Consolidated cash flow from investing activities	-18,234	-14,784
+(-)	Consolidated cash flow from financing activities	-14,320	-5,239
=	Change in cash and cash equivalents	-14,976	-8,244
+(-)	Effect from currency translations	5	-146
+	Opening balance of cash and cash equivalents	56,899	79,540
=	Closing balance of cash and cash equivalents	41,928	71,150

¹⁾ POLYTEC GROUP has applied IFRS 15 using the modified retrospective method. Under this method, the comparative information is not restated.

²⁾ Previous year is restated

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In EUR k	Share capital	Capital reserves	Treasury stock	Retained earnings	Other reserves	Shares of POLYTEC Holding AG stockholders	Non controlling interests	Total
As at 1.1.2018	22,330	37,563	-1,855	163,359	-10,369	211,028	6,465	217,493
Impact due to change of accounting method	0	0	0	1,623	0	1,623	0	1,623
Altered balance as at 1.1.2018	22,330	37,563	-1,855	164,982	-10,369	212,651	6,465	219,116
Comprehensive income after tax	0	0	0	16,240	0	16,240	386	16,625
Other result after tax	0	0	0	0	-977	-977	0	-977
Dividend payments	0	0	0	-9,898	0	-9,898	0	-9,898
As at 30.6.2018	22,330	37,563	-1,855	171,324	-11,346	218,016	6,851	224,866

In EUR k	Share capital	Capital reserves	Treasury stock	Retained earnings	Other reserves	Shares of POLYTEC Holding AG stockholders	Non controlling interests	Total
As at 1.1.2017 ¹⁾	22,330	37,563	-1,855	133,913	-8,317	183,635	6,289	189,924
Comprehensive income after tax	0	0	0	22,226	0	22,226	398	22,624
Other result after tax	0	0	0	0	-1,221	-1,221	0	-1,221
Dividend payments	0	0	0	-8,798	0	-8,798	0	-8,798
As at 30.6.2017 ¹⁾	22,330	37,563	-1,855	147,341	-9,538	195,841	6,687	202,528

¹⁾ POLYTEC GROUP has applied IFRS 15 using the modified retrospective method. Under this method, the comparative information is not restated.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1.1. -30.06.2018 In EUR k	Group	Non controlling interests	Total
Earnings after tax	16,240	386	16,625
Currency translations	-977	0	-977
Total comprehensive income	15,263	386	15,648

1.1. -30.06.2017 ¹⁾ In EUR k	Group	Non controlling interests	Total
Earnings after tax	22,226	398	22,624
Currency translations	-1,221	0	-1,221
Total comprehensive income	21,004	398	21,402

¹⁾ POLYTEC GROUP has applied IFRS 15 using the modified retrospective method. Under this method, the comparative information is not restated.

SELECTED NOTES

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

subsidiaries is mainly operating in the automotive and plastics industry.

ACCOUNTING AND EVALUATION METHODS

This interim report as of 30 June 2018 was compiled pursuant to the legal provisions of International Financial Reporting Standards (IFRS), and more specifically, in conformity with IAS 34 (interim reports).

POLYTEC GROUP has adopted IFRS 15 *Revenue from Contracts with Customers* with a

date initial application of 1 January 2018. As a result, the Group has changed its accounting policy for revenue recognition as detailed below. POLYTEC GROUP has applied IFRS 15 using the modified retrospective method by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity

at 1 January 2018. Therefore, the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11. Practical expedients were employed in line with IFRS 15.C5. The main changes result from the first period-related recognition of sales revenues from series products and are reported as follows:

Consolidated balance sheet

30 June 2018 (In EUR k)	As reported	Adjustments	Balances without adoption of IFRS 15
Inventories	39,717	27,289	67,006
Contract assets	84,121	-29,440	54,681
Equity	224,866	-1,583	223,283
Deferred taxes	4,039	-568	3,471
Balance sheet total	516,550	-2,151	526,085

The items "Contract assets" and "Contract obligations" contain on the one hand receivables and liabilities from tooling projects,

which prior to the adoption of IFRS 15 were reported as "Receivables from construction contracts" or "Liabilities from construction

contracts", and on the other those series parts, which pursuant to IFRS 15 are subject to period-related revenue recognition.

Consolidated statement of comprehensive income

30 June 2018 (in EUR k)	As reported	Adjustments	Balances without adoption of IFRS 15
Sales	328,676	1,024	329,700
Change in inventories	1,690	-970	720
Earnings before tax	21,520	54	21,574
Tax expenses	-4,895	-13	-4,908
Earnings after tax	16,625	41	16,666
Comprehensive income after tax	16,240	41	16,281

Consolidated cash flow

30 June 2018 (in EUR k)	As reported	Adjustments	Balances without adoption of IFRS 15
Earnings before tax	21,520	54	21,574
Increase (decrease) in advance payments on inventories	-4,848	1,103	-3,745
Increase (decrease) in trade and other receivables, as well as contract assets	-4,734	-1,158	-5,892

The remaining accounting and valuation methods from 31 December 2017 were retained. A reclassification of EUR 11,382 k related to provisions for personnel expenses (emoluments, other delayed bonuses, etc.) that are no longer recognised

as current provisions, but instead as other current liabilities. This led to an adjustment in the contributions of the previous year of EUR 7,380 k in the income statement and EUR 966 k in cash flow. The interim report does not contain all the infor-

mation and statements issued in the POLYTEC Holding AG consolidated financial statements as at 31 December 2017 and therefore this should be referred to for further details.

SCOPE OF CONSOLIDATION

The consolidated financial statement includes all major Austrian and foreign companies, where POLYTEC Holding AG directly or indi-

rectly holds a majority of voting rights. Between 1 January 2018 and 30 June 2018, the scope of consolidation remained unchanged,

whereby 45 companies, including 34 foreign entities, continued to be fully consolidated.

EQUITY

At the 18th ordinary Annual General Meeting on 16 May 2018, a dividend of EUR 9.9 million (previous year: EUR 8.8 million) was agreed

unanimously and paid out on 24 May 2018. This corresponds with a dividend of EUR 0.45 per eligible share (previous year: EUR 0.40).

MATERIAL TRANSACTIONS WITH RELATED COMPANIES AND PERSONS

There were no material changes regarding business transactions with companies and persons as compared to 31 December 2017

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 2017.

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

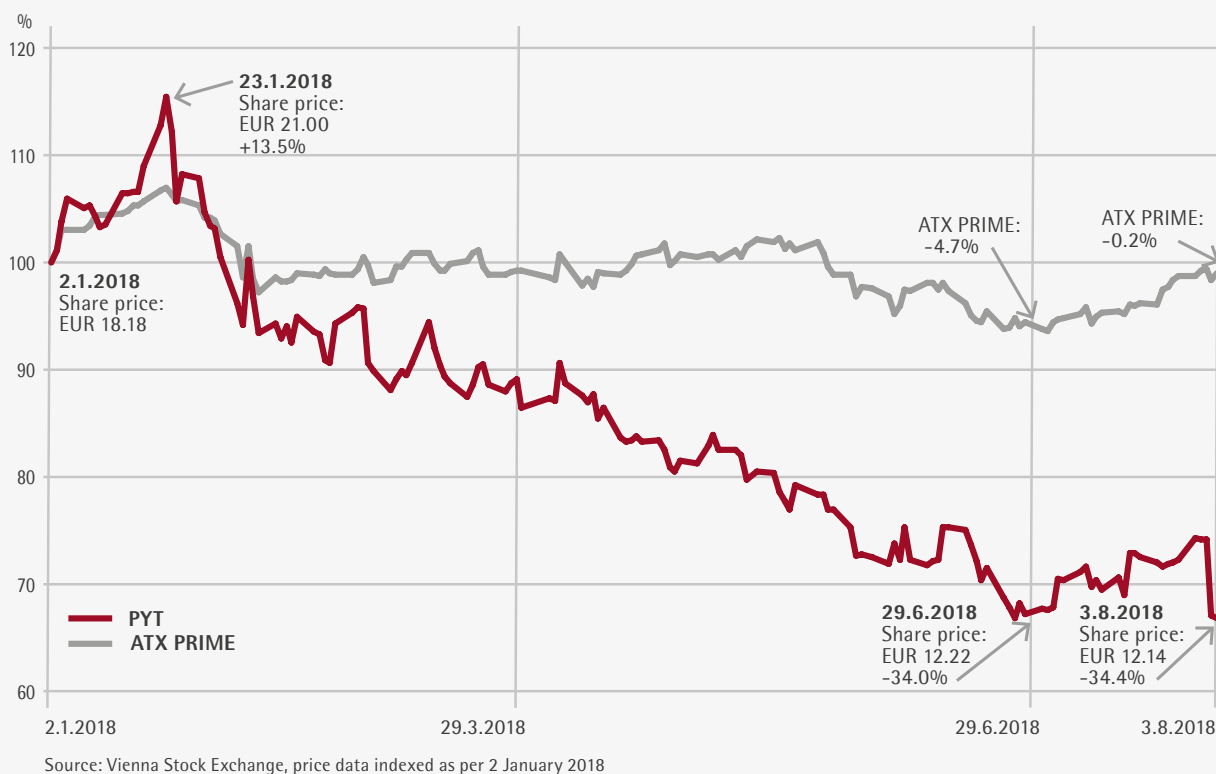
to this, sales from one quarter can also be influenced by the billing of large tooling or engineering projects.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred after 30 June 2018.

SHARE & INVESTOR RELATIONS

POLYTEC SHARE PRICE DEVELOPMENT



SHARE KEY FIGURES

POLYTEC share (AT0000A00XX9)	Unit	H1 2018	Change	H1 2017	H1 2016
Closing price last trading day of period	EUR	12.22	-25.9%	16.49	7.34
Highest closing price during period	EUR	21.00	14.3%	18.38	8.19
Lowest closing price during period	EUR	12.14	16.7%	10.40	6.65
Market capitalisation last day of period	EUR m	272.9	-25.9%	368.2	163.9
Earnings per share	EUR	0.74	-26.7%	1.01	0.57

Sources: Vienna Stock Exchange and POLYTEC GROUP

In 2018, the POLYTEC share (ISIN: AT0000A00XX9) started the new stock exchange year with an initial closing price of EUR 18.18. During the subsequent first three weeks the price rose and on 23 January 2018 reached EUR 21.00, which was the

highest closing price in the period under report.

On 29 June, the final stock exchange trading day in the first half-year of 2018, the POLYTEC share closed at EUR 12.22 and was thus EUR 6.28, or 34.0%, down on the

end price of the 2017 stock exchange year (EUR 18.50). On average, the half-year share price amounted to EUR 16.00 (H1 2017: EUR 14.65) and market capitalisation as at 29 June 2018 stood at EUR 272.9 million (30.6.2017: EUR 368.2 million).

Up to the end of January, the POLYTEC share moved largely above the ATX Prime Index, which from the beginning of February shifted laterally and with a fall of 4.7% closed the first half-year. The STOXX® Europe 600 Automobile & Parts (SXAP) index closed at 549 points (2017: 537) and was down by around 8.8% compared to the beginning of 2018.

In the first six months of 2018, money turnover relating to the POLYTEC share on the Vienna Stock Exchange involved EUR 169.3

million (H1 2017: EUR 131.4 million) and stock turnover of 10.6 million shares (H1 2017: 9.2 million). During the 123 trading days, an average of 86,225 POLYTEC shares were traded daily (H1 2017: 74,432 shares). The three best trading days took place at the end of January and the beginning of February with 5 February 2018 seeing the highest trading volume in the first quarter of 2018 with around 4.0 million shares and 232,406 contracts (money and stock turnover both in double counting).

After the reporting date at the end of June 2018, the POLYTEC share regained ground and by the end of July stood at EUR 13.48. Following the announcement of the revised outlook for the 2018 financial year, the POLYTEC share was subject to a correction amounting to minus 9.5% on 2 August and minus 0.49% on 3 August, with the result that it subsequently stood at the level of the reporting date of 29 June 2018.

18TH ORDINARY ANNUAL GENERAL MEETING ON 16 MAY 2018

The 18th Annual General Meeting of POLYTEC Holding AG took place on Wednesday 16 May 2018 at group headquarters in Hörsching. The shareholders and shareholder representatives attending voted unanimously for the payment of a dividend for the 2017 financial year of EUR 0.45 (2016: EUR 0.40) per eligible share, which corresponded with a total amount of about EUR 9.9 million (2016:

EUR 8.8 million). All serving members of the POLYTEC Holding AG Board of Directors and Supervisory Board in the 2017 financial year were granted a discharge. The resolution proposing that remuneration of EUR 98,750.00 (2016: EUR 98,750.00) be paid to the members of the Supervisory Board in the 2017 financial year was passed unanimously. The AGM elected KPMG Austria GmbH Wirtschafts-

prüfungs- und Steuerberatungsgesellschaft, 4020 Linz, Austria as the auditors for the financial statements and the consolidated financial statements for the 2018 financial year. The detailed voting results can be downloaded from the company website, www.polytec-group.com from the Investor Relations section under the heading Annual General Meeting.

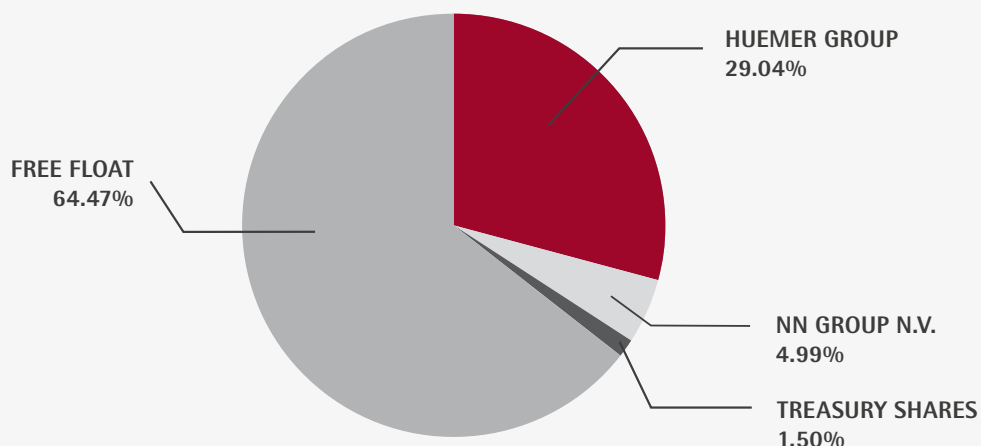
SHAREHOLDER STRUCTURE

As at 30 June 2018, POLYTEC Holding AG's share capital remained unchanged at EUR 22.3 million and was divided into 22,329,585 bearer shares. On the reporting date POLYTEC Holding AG held an un-

changed total of 334,041 treasury shares, which amounted to 1.50% of share capital.

In the period from 1 April to 30 June 2018, POLYTEC Holding AG received not one voting

right notifications in accordance with § 130 of the Austrian Stock Exchange Act 2018. As at 30 June 2018, on the basis of the shares issued, the shareholder structure of POLYTEC Holding AG presented the following picture:



RESEARCH COVERAGE

The following financial institutions publish reports on POLYTEC GROUP and the recommendations and price targets up to the edi-

torial closing date of this report at the beginning of August 2018 are contained in the table below. The current recommendations and

price targets can be accessed on the company website, www.polytec-group.com in the Investor Relations, Share, Analyses section.

Institute	Recommendation	Latest price target	Updated
BAADER Helvea Equity Research	Hold	14.0	1.8.2018
ERSTE Group Research	Reduce	11.5	3.8.2018
M.M.Warburg Research	Hold	12.0	3.8.2018
Raiffeisen CENTROBANK Research	under review	under review	-

CHANGE TO THE POLYTEC HOLDING AG BOARD OF DIRECTORS

At its meeting on 27 June 2018, the POLYTEC Holding AG Supervisory Board agreed the following resolutions regarding changes to the Board of Directors:

After thirty-two years of highly successful group management, its founder and CEO, Friedrich Huemer (61), will not further extend his executive management mandate, which expires at the end of the current year, and with effect from 31 December 2018 will stand down from the board. He will however continue to be available to the group in an advisory role. With his systematic buy & build strategy, following its foundation, within a very short period Friedrich Huemer succeeded in turning his company into an automotive industry supplier group of note. He guided POLYTEC through the 2008/2009 financial crisis with impressive authority and in less than two years returned it to a successful course. Friedrich Huemer now hands over an enterprise with great financial strength and an excellent market position. He can thus look back on an outstanding track record as a businessman.

Markus Huemer (37), Friedrich Huemer's son, will assume management of the group as its CEO with effect from 1 January 2019. Markus Huemer possesses a comprehensive, interdisciplinary educational background, hav-

ing attended the Higher College for Chemical Engineering in Wels, gained a degree in Production and Management at the Steyr School of Applied Sciences and obtained an MBA in financial management at the Johannes Kepler University Linz. For the past thirteen years, he has contributed to POLYTEC's success in a diversity of functions and since 2014 he has served on the Board of Directors as its COO and deputy chairman. Markus Huemer has already established numerous pointers for the future orientation of the group in order to use the opportunities provided by a dynamic market environment.

The executive management mandate of Alice Godderidge (45), the group board's CSO, also expires at the end of the year and both she and the Supervisory Board have mutually agreed that this will not be renewed. Ms. Godderidge was recalled by the Supervisory Board from her position as a member of the Board of Directors with effect from 1 August 2018. During the past fifteen years, in a variety of posts Alice Godderidge played a decisive role in both POLYTEC's progress and the shaping of the group. Following successful teamwork, she is now looking forward to fresh challenges.

Peter Bernscher (50) will join the board as its CSO with effect from 1 August 2018. As a former managing director, he was previously

responsible for companies and subdivisions of voestalpine AG and in his last appointment was a member of the voestalpine Metal Forming executive board with responsibility for sales, marketing, sourcing and the Automotive Components Business Unit. Peter Bernscher also acted as the British Steel Ltd. CEO in the UK and therefore will bring extensive automotive market know-how and experience in a major concern to POLYTEC.

As per 1 January 2019, Heiko Gabbert (50) will assume Markus Huemer's position as COO. He is currently the CEO of the POLYTEC Group's injection moulding business area, which has sales revenues of around EUR 280 million and a workforce of approximately 1,600. As a chemistry and plastics technology graduate, he is a fully trained engineer and he also possesses extensive management and automotive experience gained during project management and managerial assignments in groups such as Faurecia and Volkswagen. Heiko Gabbert has served POLYTEC in a number of posts for the past fifteen years and thus disposes over wide-ranging market and customer know-how, as well as an in-depth understanding of the group.

Peter Haidenek (53) will remain in his post as POLYTEC CFO, an appointment that he has occupied since 2011.



Markus Huemer



Peter Bernscher



Heiko Gabbert

ADJUSTMENT OF THE OUTLOOK FOR THE FINANCIAL YEAR 2018

As at 2 August 2018, 4:20pm, POLYTEC Holding AG published a notification as per Article 17 MAR with following content:

Following the availability of the unaudited and provisional IFRS figures for the first half of 2018 and due to the significant drop in product call-ups in the second quarter in particular – sales Q2-2018: EUR 159.2 million, EBIT Q2-2018: EUR 8.5 million – as well as continuing uncertainties in the automotive industry POLYTEC Holding AG re-assessed the risks and thereupon adjusts the previous sales and earnings outlook for the current financial year.

In the second quarter, call-ups for diesel vehicle products declined noticeably as a

result of the bans on older diesel models, which in particular led to consumer uncertainty. In addition, sales in the Non-Automotive market area fell significantly compared to the same period of the previous year, on the basis of drastically reduced demand from one major customer. In addition, during the second quarter, the challenges of transitioning to the new WLTP audit process became apparent. Due to this new emission standard for new cars, which will apply from September 2018, reductions of product call-ups and sales losses cannot be ruled out in the coming months.

Commodity prices, above all for polyamide, but also for polypropylene and resins, have increased significantly in recent months and

have weighed heavily on Group expenses. Higher commodity prices are also expected to impact the consolidated net income in the second half of the year.

Outlook: The POLYTEC GROUP executive management assumes group sales of around EUR 650 million and EBIT (earnings before interest and taxes) of around EUR 45 million for the financial year 2018, subject to further, yet unknown negative effects due to the topics of WLTP, diesel drive technology and any other difficulties in international trade.

The half-year financial report as per 30 June 2018 will be published on Wednesday, 8 August 2018.

STATEMENT OF ALL LEGAL REPRESENTATIVES

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, July 2018
The Board of Directors of POLYTEC Holding AG



FRIEDRICH HUEMER
CEO, Chairman of the
Board of Directors

Responsibilities: M&A, Investment Management,
Corporate Strategy, Corporate Communications,
Legal Affairs



MARKUS HUEMER
COO, Vice Chairman
of the Board of Directors

Responsibilities: Business Development, Plants,
Production, Purchasing, HR, IT



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, Controlling,
Accounting, Investor Relations, Internal Audit

PASSION CREATES INNOVATION

The Interim Report Q3 2018 to be published 7 November 2018.

Current news see online in the section Investor Relations
of corporate website **www.polytec-group.com**

Contact:

POLYTEC Holding AG, Paul Rettenbacher, Head of Investor Relations, Polytec-Strasse 1,
4063 Hörsching, Austria; T +43 7221 701-292; paul.rettentbacher@polytec-group.com

Note:

This interim report 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 was published on 8 August 2018.

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