



POLYTEC WORLD

02/2018 - DECEMBER 2018

A CHANGE AT THE TOP OF THE POLYTEC GROUP

Expert competence for a successful future, page 10

THE POLYPERSPECTIVE PROGRAMME

POLYTEC is furthering the "future-shapers" within its own ranks, page 21

ALL THE COLOURS OF THE RAINBOW

POLYTEC starch trays will be used to produce every type of fruit gum, page 29

THE NEXT GENERATION



POLYTEC GROUP

Content



Cover Story

- 4 **32 YEARS OF POLYTEC HISTORY**
The POLYTEC GROUP success story from its foundation to the change of generation
- 6 **A GENERATION CHANGE AT POLYTEC**
Friedrich Huemer hands over the management of the POLYTEC GROUP to his son Markus Huemer

Introducing...

- 10 **A CHANGE AT THE TOP OF THE POLYTEC GROUP**
Expert competence for a successful future
- 14 **WELCOME!**
Uta Stockbauer is the new Vice President Human Resources

Finance

- 15 **INTERIM REPORT Q3 2018**
GROUP results
- 19 **THE 2018 VIENNA STOCK EXCHANGE PRIZE**
POLYTEC HOLDING AG was among the winners of the 2018 Vienna Stock Exchange Prize
- 20 **FINANCE DAYS 2018**
A comprehensive know-how exchange for a successful future in the finance area

Passion for People

- 21 **THE P3 POLYPERSPECTIVE PROGRAMME**
POLYTEC is furthering the "future-shapers" within its own ranks
- 22 **MOVING TECHNOLOGIES**
The POLYTEC GROUP at the IZB 2018
- 24 **AN ENCHANTING FESTIVE OPENING IN TELFORD**
The inauguration event in Telford delighted employees, customers and business partners alike
- 26 **SUMMER PARTY 2018**
The Hörsching location opens the new production hall

Passion creates...

- 27 **WE'RE MAKING PROGRESS!**
The digitisation status quo
- 28 **POLYTEC MAKES CHILDRENS' EYES SPARKLE!**
The playground equipment manufacturer, Kompan, has put its trust in POLYTEC since 2007
- 29 **ALL THE COLOURS OF THE RAINBOW**
POLYTEC starch trays will be used to produce every type of fruit gum

Passion for People

- 30 **THE 2018 DONATION PROJECT**
POLYTEC is donating to the "CHRISTKINDL" charity drive
- 31 **READ & WIN**
GLOSSARY: AN OVERVIEW OF ABBREVIATIONS AND SPECIALIST TERMS !



Friedrich Huemer, CEO

Dear Reader,

In May 1986, the then global group, Kässbohrer, awarded me my first contract, which was worth over ATS 3.5 million (approx. EUR 300 k). The paperwork was addressed to me personally because at this point in time, both the name of my company and its location were still undecided. The order in question related to a new development created jointly by Kässbohrer and myself, and serial deliveries were imperative by September or October of the same year. Then on 8 August, en route to an Employment Office in order to recruit my first employees, I suffered a car accident and narrowly escaped death. Nonetheless, in spite of several weeks in hospital and months spent on crutches, starting in October I managed to punctually deliver the product in series. The vote of confidence that Kässbohrer showed me at that time has influenced me throughout the intervening years and in my opinion, trust in a partnership represents the cornerstone of any business relationship. This is despite the fact that in recent years, I must confess this belief has sometimes been difficult to uphold in the automotive industry.

For me, the impressive development of the POLYTEC GROUP in the years following its inception were a delight, as expressed by our motto, "PASSION CREATES INNOVATION"

and described in more detail in an interview in this issue.

The headline above my editorial for the 2017 POLYTEC GROUP Annual Report was "Accept challenges, create perspectives", but when it was published during this spring, I was unaware of just how massive the challenges facing our industry would actually become in 2018. The effects of the new WLTP exhaust emission and fuel consumption standard, which came into force in September, as well as the turbulences surrounding diesel drive technology, have kept and continue to keep us on tenterhooks.

On January 1, 2019, after 32 intensive years, as planned I will hand over my position as the POLYTEC GROUP CEO to my son Markus. However, this does not mean my farewell to you or POLYTEC, but rather that I will remain available to the group and offer my support as both an active core shareholder and advisor on important matters. I therefore look forward to continuing to contribute in future to the creation of value added in the interests of all POLYTEC GROUP stakeholders.

Yours sincerely,
Friedrich Huemer

32 YEARS OF POLYTEC HISTORY

THE POLYTEC GROUP SUCCESS STORY
MILESTONES FROM ITS FOUNDATION TO THE CHANGE OF GENERATION

1986 FOUNDATION OF THE POLYTEC GROUP

Production of moulded polyurethane components (e.g. finishers for snow groomers).



2002 EXPANSION IN THE INJECTION MOULDING FIELD

The takeover of today's POLYTEC PLASTICS' locations in Idstein and Lohne results in expansion in both series production in the injection moulding field and the engine compartment product portfolio.

2007 INCREASED FIBRE COMPOSITE COMPETENCE

Acquisition of 4 Menzolit-Fibron locations.

1995 ENTRY INTO THE AUTOMOTIVE SUPPLY INDUSTRY

Purchase of f/o/r Kunststofftechnik and related entry into the automotive supply industry.

2000 CAPVIS ENTRY

Capvis becomes an equity partner with a 67% participation.

2004 EXPANSION IN THE INTERIOR AREA

Enlargement of serial production business in the interior area.

2006 IPO

Listing on the Vienna Stock Exchange and departure of Capvis.



2008/09 THE CRISIS YEAR

Purchase and resale of the majority of the Peguform locations.

2011 SALE OF POLYTEC INTERIOR

Takeover of Plastics Products Innovation (now POLYTEC PLASTICS) in Ebensee.

2014 FURTHER SELECTIVE ACQUISITIONS

Takeover of two locations from voestalpine NL.

2016 STRENGTHENED GLOBAL PRESENCE

Production launches in China and Turkey; plant enlargement.

2018 FURTHER CONSOLIDATION OF THE EUROPEAN MARKET POSITION

Opening of the paint shop in Telford, UK.

2019 GENERATION CHANGE

Friedrich Huemer hands over the management of the POLYTEC GROUP to his son Markus Huemer.

2008/2009 - THE CRISIS YEAR

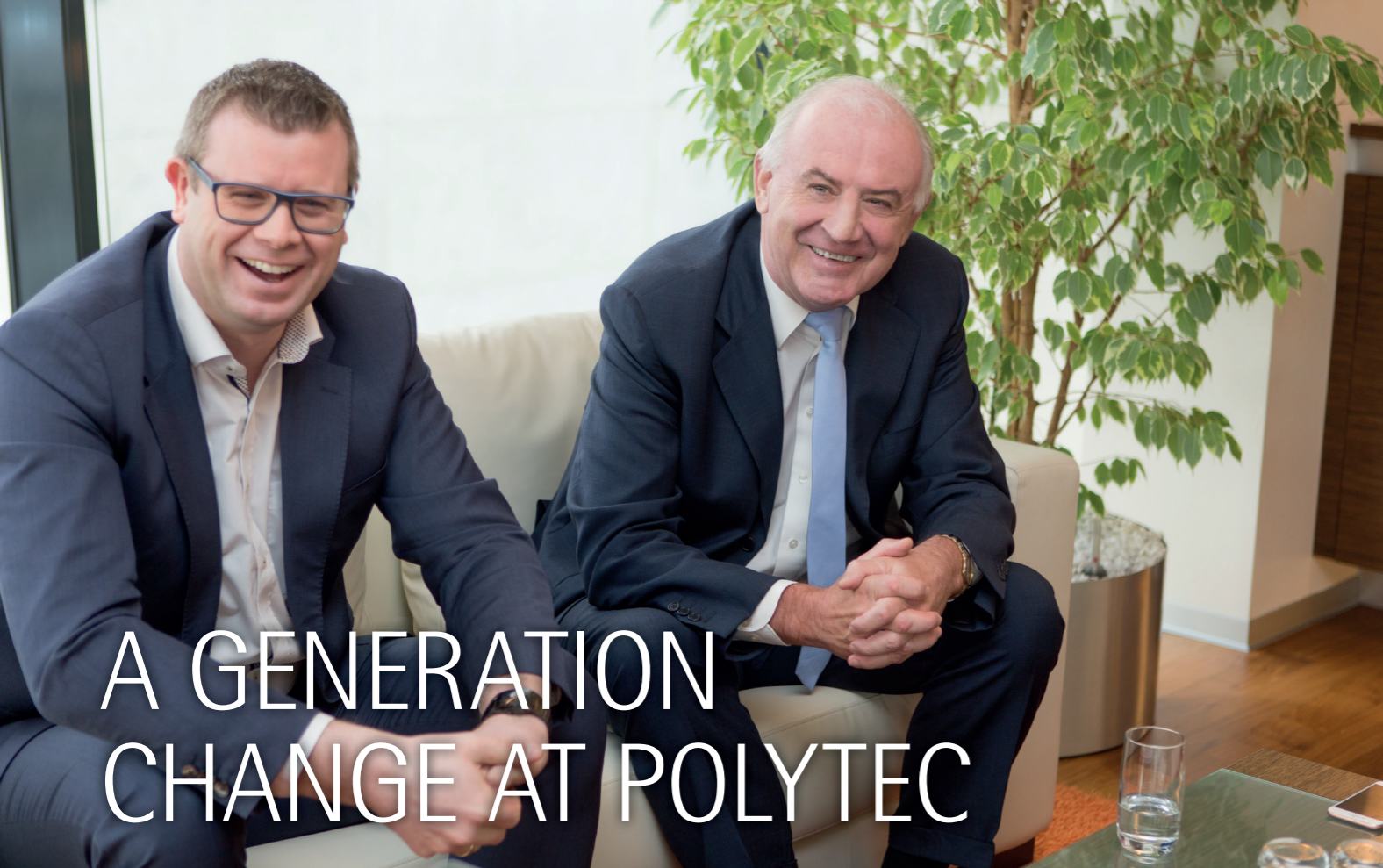
In Peguform, which at this time is a leading, European automotive supplier owned by the US fund Cerberus, Friedrich Huemer sees a strategically attractive purchase target. However, two weeks after the contractual signing, the US investment bank, Lehman Brothers, slides into insolvency and in the aftermath drags the entire global economy into crisis. As a result, with the exception of two COMPOSITES plants, POLYTEC gives up Peguform and the loans taken out for the purchase. It thereby largely discharges its debts, but what remains is a loss of around EUR 100 million, a year-long decision-making blockade owing to the first-ever dependency upon the banks, and a great deal of personal experience.



1995 - ENTRY INTO THE AUTOMOTIVE SUPPLY INDUSTRY

Friedrich Huemer rounds off the POLYTEC INDUSTRIAL of today through the taking of a majority interest in the German company Thelen. In addition, POLYTEC also enters the automotive supply industry with the purchase of f/o/r Kunststofftechnik. At the same time, Friedrich Huemer hands over the management of POLYTEC INDUSTRIAL to his wife Ulrike.





A GENERATION CHANGE AT POLYTEC

FRIEDRICH HUEMER HANDS OVER THE MANAGEMENT OF THE POLYTEC GROUP TO HIS SON MARKUS

32 years ago, Friedrich Huemer founded the POLYTEC company with the production of show groomer finishers in a rented hall in Schlüsselberg. Since then, a great deal has changed. From a single, tiny production location, the POLYTEC GROUP has evolved into a global concern with 28 locations and a workforce of over 4,500, which is now about to take another significant step. Because at the beginning of 2019, Markus Huemer (37) is to succeed his father as the CEO of the POLYTEC GROUP, which is headquartered in Hörsching, Upper Austria.

In this interview Friedrich Huemer reflects upon POLYTEC's creation and expansion.

You have put a very great deal of time and energy into POLYTEC's creation and expansion. What was your motivation?

I was always ambitious and determined, and even as a young employee at the Semperit company I enjoyed considerable success with the result that my superiors thought that I showed potential. Therefore, the move into self-employment was simply a logical step, whereby in the initial phase I certainly had one or two sleepless nights. When I founded the company in 1986, my long-term target was the creation of an enterprise with perhaps thirty to fifty employees. However, by 1988 I had not only purchased a plot of land for a new building, but during the construction phase had acquired what had been my

department at Semperit. In other words, I had more or less already achieved my initial goal. However, shortly after commissioning, the new building burned down, but then we rebuilt it on a larger scale that provided spare space. This move was motivated by the fact that as the first takeover had functioned so smoothly, I had acquired a taste for such purchases and had decided to grow further through buy-outs. Therefore, I actually placed an advertisement in a regional newspaper under the nonchalant headline, "Participations sought!" In fact, during the 30-year history of the company we have been able to successfully restructure numerous firms and thereby save many jobs.

What did you enjoy most?

Having survived the initial phase, I was motivated by a wish for rapid expansion. I love a degree of speed in my daily activities and I

have always attached importance to pushing ahead with my projects quickly, which as is well known, is also something that I require from my employees. Consequently, during the first twenty years, for me there was only one direction and that was upwards! Following entry into the automotive branch in 1995 with the Hörsching location, in the very short period of around a decade, we managed to become a significant supplier and suddenly, "We were somebody."

It is common knowledge that I was brought up in genuinely humble circumstances and therefore today I am still proud of the fact that from having a company with a handful of employees, I managed to create an enterprise, which was also familiar to our customers at board level. Money was always a means to an end because I wanted to make something happen. However, after a period of constant growth, which by 2008 meant annual sales revenues of around EUR 800

million with roughly 6,500 employees, the catastrophic year of 2008 meant a turning point. The experience of having to rely on others and being unable to make my own business decisions was extremely unpleasant. I remain unable to laugh about this situation, but nonetheless the resultant experience and the certainty with regard to our subsequent achievements in minimum time undoubtedly affected me profoundly.

What were your greatest difficulties?

For most people, the serious road accident that I suffered before the start of the firm (see Editorial) would certainly have meant an early end. However, out of a sense of "having to manage", the responsibility actually drove me on. With four employees, I worked for weeks in two shifts per day, although I was only able to move on crutches. On Saturdays and Sundays, my wife and I continued production with what was our reserve capacity. This brought me to the edge of exhaustion and occasionally, despair. After this, in the course of negotiations with the commercial licensing authorities, we had immense problems with officialdom and neighbours. The procedures took years and cost corresponding amounts of time and money. By contrast, I never regarded the challenges that accompanied various acquisitions as problematic. As a trained chemist, I even completed my initial purchases without a lawyer and to a large extent relied simply on my knowledge of human nature and business instincts. Moreover, although with every takeover we naturally also bought a large amount of work, for me business problems always represented positive stress. This is still the case today and I hit top form whenever negotiations are tough, although I should add that in recent years I have perhaps become somewhat milder. I must not always extract the maximum and wish to leave my partners in a positive mood and with a sense of being on an equal footing.

What moments, both positive and negative, are imprinted most deeply in your memory?

First and foremost, naturally my resolve to become self-employed and found a company, and secondly, the decision to opt for growth through acquisitions. After a few takeovers, this strategy became virtually automatic and its success proved me right. This was certainly defining and not an approach employed by

every small company. The third milestone was the purchase of the location here in Hörsching, which for us meant both our entry into the automotive branch and a completely new and very special type of customer. After that came the sale of a majority holding to the financial investor, Capvis, and then the IPO in 2006. The subsequent takeover of the far larger Peguform should actually have been the crowning achievement in my career, as with this step we became one of the major players in our branch. However, immediately after the signing of the contracts, the Lehmann insolvency triggered the 2008 economic crisis, which constituted the virtual end of the merger, even before the initial steps towards integrating both companies could be implemented in tandem with the financing. In the retrospective, what struck me most was the fact that at first all the banks "wanted a piece of the action" and the project was also condoned by our customers, but then suddenly everybody acted merely in their own interests and ceased to meet their responsibilities. I had previously never known such reliance upon the banks and consequently in the course of all the related discussions, I set myself the target of regaining my independence within two years. We achieved this and more, and following further acquisitions and plant enlargements in recent years, we now possess a respectable, international footprint, which we are about to supplement with a new location in South Africa.

Why do you believe that now is the ideal moment for a handover?

When as a young man I opted for self-employment, I also decided that at a maximum,



I would earn my living until I was forty and then afterwards do what I enjoyed. At sixty, I no longer wanted to be active on an operational level and as I had apparently achieved my first two objectives, in the last two to three years, I indicated that I also wished to attain my final goal. Therefore, everyone could prepare for this move "in orderly fashion".

Were it not for the events of 2008/2009, my decision to exit with sixty would have been far tougher. Up to that point, we had always enjoyed success and that was naturally pleasing. However, seen from a current perspective, at that time I was probably on a treadmill, from which I would have not escaped so easily had the crisis not occurred. This decisive phase changed my attitude greatly and I began to ask myself existential questions. During this period, Markus already started to show positive potential and once we had liberated ourselves from the banks, the way was free for me to possibly genuinely stop at sixty.

By 2012, I was of the opinion that from both a financial and organisational standpoint, we were already in a position that would allow me to think in concrete terms about my withdrawal and initiate the appropriate preparations. Accordingly, I looked around for something to keep me occupied after the end of my assignment as the POLYTEC GROUP CEO and succeeded with the creation of a suitable real estate portfolio. This contains numerous hotels and commercial properties both in Austria and other countries, as well as GlobeAir AG, which is the meantime has become a highly significant company and is among the branch leaders in Europe.

As a result, I need have no fear of pension shock. The purchase and sale of properties

and hotels with interesting business partners in an attractive environment will now no longer be a pleasant sideline, but instead my main job. In this sense, I will not be undergoing a dramatic change. Instead, I will merely institute a better balance between work and leisure in my daily life.

How do you regard the team that will succeed?

This team naturally convinces me, as after all it also belongs to me because I built it up and hopefully have imbued it with my spirit. Equally, I am totally convinced that the new Board of Directors will be successful without me, even though the departure of the company founder is always of special significance. Moreover, in the final analysis, I am not about to disappear. As the main shareholder, in future I will of course retain my interest in the positive, further development of the business and therefore I will be available in an advisory role and keep my office in Hörsching.

In the following interview, Markus Huemer talks about his career within the POLYTEC GROUP and his points of emphasis for the future.

You are to head the new executive management team and in recent months have placed the group's organisation on a fresh footing. What were your motives in this regard?

In recent years, the executive management team was partially very much involved on an operational level and the fact that within POLYTEC I exercised a large number of functions with responsibilities that ranged from grinding in production to being the COO, made it difficult to think outside the box. Nonetheless, due to the fact that in his role as CEO, my father had for quite some time gradually withdrawn from day-to-day business, this constellation was highly successful. However, the numerous challenges, dynamic market environment and, in particular, the growing complexity that we currently face, demand that the entire Board of Directors place a greater focus upon corporate development. Ongoing organisational adjustments, as well as a targeted concentration of resources are essential in order to exploit opportunities and therefore the business unit managements must assume far greater responsibility for their daily activities. On both a Board and BU level, a strong



team is needed that through its pooled competences is capable of both mastering and taking advantage of complexity. I have therefore already ensured that the new executive management team within the holding has an excellent blend. It demonstrates a promising mix of company know-how, external experience inputs, expertise in specialist areas and a balanced age structure. Over the years, the POLYTEC CFO, Peter Haidenek, has dealt successfully with the capital market and we have enjoyed long and trusting working relationship. The enthusiasm that he exudes every day is infectious, inspiring and an important element in our success. I am delighted that he continues to partner me on the Board of Directors.

With Heiko Gabbert an experienced POLYTEC man has joined the Board. Having started his career as an interior systems supplier and in the Volkswagen Group, during almost fifteen years he has occupied a variety of posts within POLYTEC and in his last assignment headed the PLASTICS Business Unit. His interdisciplinary experience resulted in the successful positioning of this BU and in particular he shares my vision of a digitised enterprise. Indeed, his strengths with regard to operational implementation have already resulted in the founding of numerous light-house projects, which form the basis for our overall concept.

Peter Bernscher supplements our team in ideal fashion. His long-term experience derived from many years spent in a highly successful major group such as voestalpine will assist us with the development of our organisation into a better-integrated concern. Moreover, his automotive experience was another contributory factor to his rapid entry into our group, as a knowledge of the rules of the branch game is of decisive importance for a CSO.

In addition, I believe it is important that the main specialist areas possess greater representation within the group's executive management. Therefore, three Vice-President appointments have been created with Rudolf Wiesbeck as the VP for Digitisation & IT, Matthias Mayr as the VP for Financial Services and since November, Uta Stockbauer as the VP for Human Resources. This initiative also demonstrates the significance of the respective agendas for group development. We will also raise the group's implementation capacity with the support of a newly established network organisation, which has already been successfully tested within the digitisation framework.

For a number of years, you have worked relatively closely with your father within the group. How did you manage to ensure that this arrangement functioned so well? And how did you deal with it on a private level?

We are both very proud of the fact that the handover has been so smooth. This is due to my father's high level of trust in me, which meant that I was soon allowed a great deal of design freedom, but at the same time could always obtain his advice without any reservations. As a result, I was able to quickly acquire a wealth of experience with regard to important management assignments. I should also mention that owing to my frequent involvement with our international locations and my father's steady withdrawal from day-to-day business, our cooperation was not quite as intensive as one might imagine and without doubt this has also contributed to our success.

For us, it is important not to mix the private with the professional. Therefore, we manage to barely discuss business matters at home

and basically this approach has developed into an unspoken principle. Furthermore, even though we are naturally not always of the same opinion with regard to every issue, this has never influenced our personal relationship. In the final analysis, the family is always the cornerstone of any business venture.

A short look back. You have spent virtually your entire business career in one company, namely POLYTEC. Is the excitement still there?

Even if my employment contract has always been with the same company, I have been able to gather experience in functions ranging from labourer (as a holiday intern) to membership of the Board of Directors. Furthermore, owing to our expansion through acquisitions, I was largely active in the newly purchased companies, where I was repeatedly confronted by new general conditions, procedures, challenges and in particular corporate cultures in differing countries. Consequently, I am convinced that I was thus in a position to acquire know-how faster and to a greater extent than I would have had I followed the same path within a specialist area in differing companies. Incidentally, what has also been confirmed to me on many occasions is that at POLYTEC things are never boring. Therefore, my life has always been, and will remain, both exciting and challenging.

What do you regard as being the most significant challenges for the future?

In the coming weeks and months, undoubtedly the question as to how our main customers will deal with WLTP. In the medium-term, alternative drives will also have an impact upon our power train portfolio and while this does not pose an acute threat, we nonetheless have an intensive focus on new products for which we could employ our core competences. In fact, our wide-ranging technical portfolio offers us a wealth of possibilities for the creation of new solutions through targeted combinations of materials and technologies.

Our business environment is evolving with ever-greater speed and unpredictability. Companies are confronted with the challenge of adjusting quickly, while at the same time not descending into hysteria and activism because of every trend and possible

danger. A high degree of organisational flexibility and the maximum possible focusing of resources are in demand, and this is bound to lead to mistakes, which can only be admitted quickly and rectified appropriately in an open corporate culture.

With all the digitisation hype, production companies appear to be increasingly "old fashioned" and uninteresting. However, it is precisely through the targeted use of the technological possibilities offered by digitisation that decisive opportunities exist for increased competitiveness. If the correct information is available at the right moment and in the required quality, decision-making abilities can be enhanced at every level. The enterprise will become faster, better targeted and adaptable, although a focus on essentials without losing sight of the big picture is of pivotal importance for success.

What will be your priorities and major concerns in the near future?

In order to account for the changes in the branch, we are boosting our innovation process, as we require more room for the targeted creativity needed to turn our extensive technology portfolio into new products and services. Consequently, under the heading "Valuable Plastic Solutions", a team drawn from various group areas will be working on new solutions and operate outside, but in coordination with, the core organisation.

We are investing over EUR 20 million in the course of our sweeping digitisation strategy. During the realisation process, we are adapting, standardising and optimising all of the process sequences in our company and are modifying our internal structures accordingly. These endeavours involve a massive use of resources and put a strain on our organisation. Therefore, it is gratifying that we have made enormous progress during

this year and following initial difficulties, the entire group is involved. One success factor in this connection is the network organisation that we have established, which operates on a cross-functional and inter-business unit basis in order to attain the best possible result for the entire group.

Not every company will be able to survive the turbulent times in the automotive industry and such situations have always provided us with an excellent opportunity for successful takeovers. We are on the look out for possible targets with the aim of achieving acquisitional growth and furthermore, in 2019 we will start to build a new plant in South Africa and ramp up production at our paint shop in the UK, which opened during this year.

A strong team on every level is vital to all of these plans and one of the issues that we face is caused by the fact that an ever-decreasing number of people are prepared to assume managerial responsibility. Therefore, it is all the more important that those who are willing are either retained within the group, or attracted from outside. A positive employer image is essential for successful recruiting and internal advancement is critical with regard to the perspectives of the existing team. Accordingly, at the beginning of 2019, fourteen people will kick-off our P3 POLY-PERSPECTIVE PROGRAMME, a customised general management course that will furnish talents with management ambitions with a general understanding of the business world.

I derive my personal motivation for the post as the POLYTEC CEO from the chance to use these enormous challenges for the creation of fresh opportunities and to gear a production company precisely to such possibilities. It is not the big fish that gobble up the minnows, but the fast ones that devour the slow.



The future POLYTEC Board of Directors (from r. to l.): Markus Huemer, Peter Bernscher, Peter Haidenek, Heiko Gabbert

Introducing...

A CHANGE AT THE TOP OF THE POLYTEC GROUP

EXPERT COMPETENCE FOR A SUCCESSFUL FUTURE

Peter Bernscher
Chief Sales Officer

Personality	purposeful, disciplined, respectful
Team member	since August 2018
Location	Hörsching, AUT



Peter Bernscher, Alice Godderidge's successor, has been active in the group as the new CSO since 1 August 2018. From 2013 to 2017, Peter Bernscher was the voestalpine Metal Forming CEO with managerial responsibilities for sales, marketing and sourcing, as well as the Automotive Components Business Unit and in his last post, he served as the CEO of British Steel Ltd. in the UK. He therefore brings to POLYTEC both extensive automotive market know-how and major business group experience.

Hello Mr. Bernscher, I am delighted to be able to meet you here in your new office. Please begin by telling us something about yourself.

I turned fifty this year and have already been working for over thirty years. As a result, during these three decades I have gathered a wealth of professional and personal experience, which I now hope to use to the benefit of the POLYTEC GROUP. With the exception

of my time at British Steel, I have spent my entire career within the voestalpine group.

Does this mean you were constantly in Linz?

No, quite the reverse, as I was nearly always on the move. I lived in Italy for eleven years and spent a further five largely in the Netherlands. During the remaining time I

was based in Linz and Krems, but from there was also under way a great deal.

What were your assignments during these years?

I started my career in the Sales Department of the Steel Division with responsibility for Scandinavia. Then as I said I went to Italy and worked in a family-owned company in which

voestalpine had a 40% shareholding. There I experienced a terrific period of expansion because in ten years we increased our annual sales from 40,000 to over 600,000 t, took over two competitors and became the no.1 steel processing enterprise in northern Italy.

Why did you return to Austria after 11 years?

A good question... Home is home and somehow it drew me back to my family and friends in Austria. In addition, a new professional challenge awaited me, as voestalpine had offered me an executive post in its international Stahl Service Center Group and I took over the commercial area.

You spent four years in this role?

That is correct. But at the end of 2007, I moved to the Netherlands in order to become the CEO of an automotive sub-supply group, which had been acquired via the stock exchanges. The Polynorm Group required restructuring because its actual core business was ill-defined and innovation was lacking. The earnings situation was poor and the company culture did not match that of the voestalpine Group. I was therefore faced by a genuine challenge.

Did you master it?

Yes, but it was tough. However, during the subsequent two years everyone worked hard and new products finally brought success. We specialised and in 2011 had the best year for a long time.

In 2012 you again returned to Austria.

Yes, I did. Two voestalpine divisions had been merged and I took over the Automotive Business Unit prior to being appointed head of the Divisional Board in 2013. We had sales of over EUR 1 billion in the automotive sector, total revenues of around EUR 2.3 billion and a workforce of 11,000. It was a fantastic time and we became truly international with new plants in the USA, Mexico, China and South Africa, which were established through organic growth. This was an important step towards being taken seriously by the OEMs.

I think that you had initial contacts with POLYTEC as early as 2014?

Actually, these already took place in 2008, when we tried to sell off our plastics activities for the first time. We finally succeeded in 2014 and the selling process fascinated me. Moreover, I was able to learn a very great deal from Friedrich Huemer and his son. Indeed, this transaction provided the foundation stone for my current appointment in the POLYTEC GROUP, as our bargaining was hard, but always characterised by respect and fairness.

Why after so many years did you finally leave voestalpine?

An interesting question. Basically, I had no intention of going, but then another challenge came along and the turnaround situation at British Steel intrigued me. However, I was unable to implement my restructuring concept and the general conditions were not those promised. Under such circumstances, when neither side is really happy, it is better to accept the consequences, even though this is sometimes painful.

... and now the POLYTEC GROUP.

Yes, and this is genuinely pleasing. I find the industry exciting and the products are demanding and future-oriented. The team is fantastic, my colleagues on the board are highly competent and I am already convinced that together we will attain remarkable. The achievements of the Huemer family are inestimable and without them this stock

exchange listed corporation would not exist. Moreover, even during my first weeks in the group, I have been deeply impressed by the spirit and cooperation evident on every level.

Have you thus gone back to your roots in sales and marketing?

Yes, these areas are where I come from and they are still my favourite disciplines. I look forward to every negotiation, but I always wish to remain fair. It is also the case that when one enjoys doing something, this is sensed by the other party and creates trust. However, sales not only mean bargaining, but also strategic thinking and planning. It is these capabilities that I wish to implement to a greater degree at POLYTEC.

May I wish all the very best in that regard. In closing do you have a message for your colleagues at POLYTEC?

Yes, I do. We can only improve by working together and every day presents an opportunity to prove it.

Thank you for the interview!

My pleasure.



Introducing...

Heiko Gabbert

Chief Operations Officer
as from January 2019

Personality	decisive, thorough, innovative
Team member	since 2003
Location	To date Lohne, D from 2019 Hörsching, AUT



With effect from 1 January 2019, **Heiko Gabbert** will succeed Markus Huemer (the future POLYTEC GROUP CEO) as COO. Heiko Gabbert, has occupied various roles within POLYTEC for the past 15 years and is currently the head of the group's injection moulding business unit. He thus possesses extensive market and customer know-how, as well as a detailed knowledge of the group, not to mention the comprehensive leadership and automotive experience gathered during his project management and executive assignments at groups such as Faurecia and Volkswagen.

What for you were the most formative and important appointments in your career?

I started my professional life in 1990 at the Riesselmann company in Lohne, which was then a leading plastics manufacturer. As a project manager, I was responsible for every specialist area and therefore I was able to gather practical experience extremely quickly. Subsequently, I spent four years as a programme manager for all the vehicle projects in the automotive interior business area at the Sommer Allibert company (the current Faurecia). I looked after virtually the entire range of vehicle interior components for our customer Volkswagen with what by current standards was a small and inexperienced team and undoubtedly, in tandem with the acceptance of sizeable responsibility at a young age, this major challenge had a lasting impact and influence upon my career.

What happened next?

As a result of the close, long-term cooperation with Volkswagen, the group offered me an opportunity to make an interesting job change. I was given the assignment of creating and heading an engineering department for the various plastic products produced by the component manufacturing facility in Wolfsburg. By the end of this appointment, I was responsible for an area with a hundred employees, who were responsible for the development and technical realisation of various plastic products such as bumper systems, fuel tanks and instrument panels.

And then you started work at the POLYTEC GROUP?

Precisely. After five successful years at Volkswagen AG, I found a professional challenge within the POLYTEC GROUP, which was near my home. At the end of 2003, I took over

the plant management of the Lohne plant, which marked the beginning of my POLYTEC career. A short time later, I became the head of several plants in the injection moulding area, which were subsequently organised as the POLYTEC PLASTICS business unit.

You will soon commence another professional challenge as the POLYTEC GROUP COO. What assignments will you assume in the coming year?

The reorganisation of the Board of Directors will also result in changes regarding specialist responsibilities. As the new COO, my main focus will naturally be on increased production plant performance and in this connection I regard the expansion of the POLYTEC Performance System (PPS) and its extension within every area of the POLYTEC GROUP as imperative. I also attach great significance to the fact that PPS should not be regarded as an "additional programme".

In fact, I see it far more as representing the POLYTEC philosophy, which should embody our targets and ambitions, as well as the avenues and possibilities for its implementation. I therefore aim to raise the levels of acceptance and degree of importance attached to PPS amongst my colleagues. My second focal point will be the new "Innovation" specialist area. I wish to serve as a sparring partner and in teamwork with my colleagues originate inventive, creative ideas and processes.

How do you think your competences and experiences can contribute to POLYTEC's further development?

Certainly through my almost thirty years of working in the plastics business and my intention to use my engineering know-how and further the wide-ranging capabilities available within the POLYTEC GROUP to open up new product areas and capture additional customers. Time and again, I am fascinated by the manifold applications available for plastics. My motivation stems from a desire to repeatedly transfer this flexibility to new products and, irrespective of the prior reservations, experience how it functions. The shift in the general conditions surrounding the automotive industry demand a rethink with regard to future business areas, which we must open up by an out of the box approach and creativity.

What in particular do you like about POLYTEC?

For me, witnessing the enthusiasm shown by our engineers and technicians when developing new products is a great pleasure and extremely motivating in what is frequently stressful day-to-day business. It is precisely



sely this passion that characterises POLYTEC. I also admire the hands-on mentality demonstrated at executive management level. This, and the flat organisation of the hierarchical structure, is not commonplace amongst groups of a size comparable with ours.

The biggest change with regard to your new position must be the move to Austria. Are you already looking forward to it?

Naturally. As many people already know, I have long had a special affinity with the "mountainous regions" and over the years have spent many enjoyable holidays with my family walking through them. In addition, my long-term employment at POLYTEC, the related contacts and the trust in my person shown by the Huemer family, have certainly heightened my enthusiasm for Austria. This is not necessarily the norm for indigenous,

northern German "lowlanders", but all the aforementioned factors have persuaded us to transfer the centre point of our private life to Upper Austria.

One can literally feel your affection for Austria and we hope that you and your family get off to a flying start. Is there anything else that you would like to say to your POLYTEC colleagues?

Irrespective of the conditions that will face us, I am convinced that our extremely flexible and motivated workforce will adjust accordingly and we will enjoy shared success. However, we cannot wait and merely react to changes. My passion lies in a positive approach to the new and the further development of what already exists. With this in mind, I hope that I can evoke similar enthusiasm and motivation among a large number of my colleagues.

Introducing...

Uta Stockbauer
Vice President Human Resources

Personality	committed, humorous, solution-oriented
Team member	since November 2018
Location	Hörsching, AUT

Uta Stockbauer was appointed as the new Vice-President Human Resources in November and in this capacity bears specialist managerial responsibility for the group's HR organisation. She has the role of forming an interface between the organisation and management, and from group headquarters in Hörsching she determines the general conditions needed to achieve maximum job satisfaction, motivation and commitment amongst the POLYTEC workforce.

What motivates you during the working day?

The delivery of meaningful performance and hence effectiveness, as well as the creation and support of conditions that enable others to achieve optimum results.

The world needs ...

people, who themselves represent change.

What is important for you with regard to teamwork with colleagues?

Esteem, respect and cooperation.

The most important thing in life is ...

depending upon the category: children, partner, family, friendship, work.

Change means ...

fitness for today and tomorrow.

My friends describe me as ...

a good listener, advisor and a cheerful, self-deprecating and candid person.

Contentment ...

is what I feel when everything is running smoothly, which means a sense of pleasure with the status quo and what is to come.

Time is ...

one of our most valuable resources.

A successful company ...

has motivated and qualified employees at its heart, who contribute jointly to business success.

What is your passion?

Travel

My motto:

Wohle alle fällt

INTERIM REPORT Q3 2018

GROUP RESULTS

As compared to the excellent result of the preceding year, in the first three quarters of 2018 POLYTEC GROUP sales fell by 5.8% to EUR 478.7 million (Q1-Q3 2017: EUR 508.0 million).

In the third quarter, the consequences of the transition to the new WLTP exhaust gas and fuel consumption standard, which came into effect in September 2018, increased in severity. The resultant temporary reductions

in vehicle production at major customers led to the anticipated cutback in call-offs and sales losses. Moreover, as was already the case in the first half of 2018, owing to the drop in consumer demand, the call-offs for diesel car products remained weak in the third quarter.

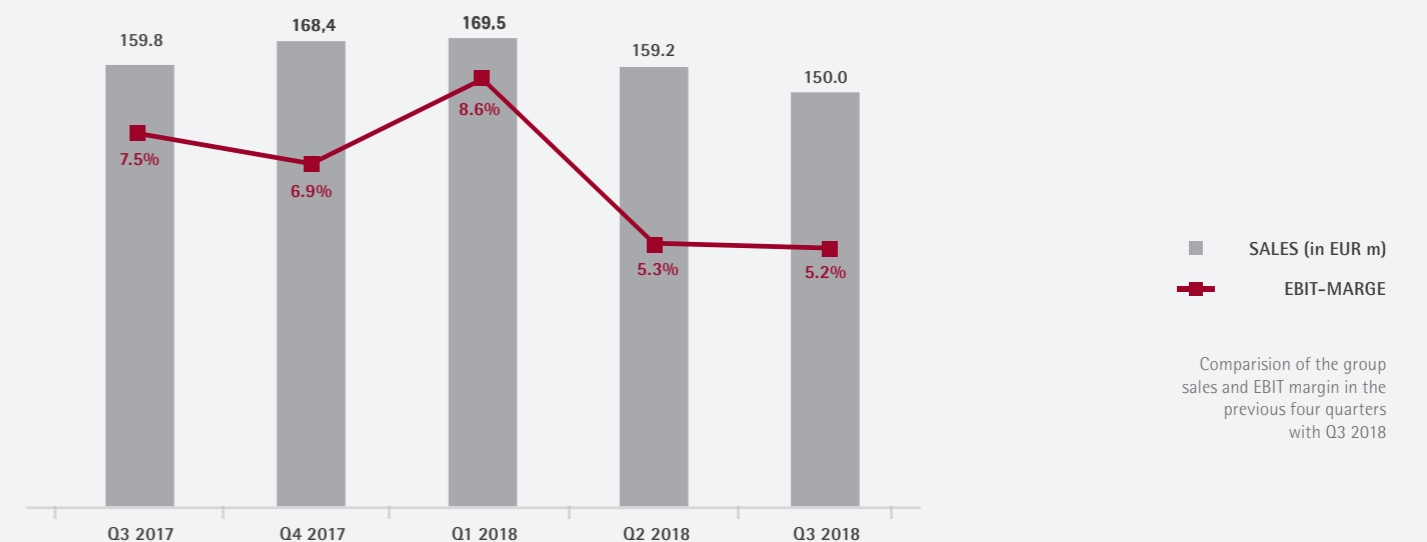
The commercial vehicle market area continued to develop in a positive manner and showed a slight rise in comparison with the

preceding year.

In the first nine months of 2018, POLYTEC GROUP EBITDA totalled EUR 50.0 million (Q1-Q3 2017: EUR 63.9 million). The EBITDA margin (EBITDA/sales) fell by 2.2 percentage points over the previous year to stand at 10.4%. In the first three quarters of 2018, group EBIT amounted to EUR 30.9 million (Q1-Q3 2017: EUR 43.4 million). The EBIT margin (EBIT/sales) declined from 8.5% to 6.5%.

	Unit	Q3 2018	Q3 2017	Change	Q1-Q3 2018	Q1-Q3 2017	Change
Sales	EUR m	150.0	159.8	-6.1%	478.7	508.0	-5.8%
EBITDA	EUR m	14.7	18.8	-21.8%	50.0	63.9	-21.8%
EBITDA-Marge (EBITDA/sales)	%	9.8	11.8	-2.0% points	10.4	12.6	-2.2% points
EBIT	EUR m	7.8	12.1	-35.5%	30.9	43.4	-28.8%
EBIT-Marge (EBIT/sales)	%	5.2	7.5	-2.3% points	6.5	8.5	-2.0% points
Earnings after tax	EUR m	5.6	8.4	-33.3%	22.2	31.0	-28.4%
Average capital employed	EUR m	-	-	-	337.8	295.1	14.5%
ROCE before tax (EBIT/average capital employed)	%	-	-	-	12.6	21.1	-8.5% points
Earnings per share	EUR	0.24	0.37	-35.1%	0.98	1.38	-29.0%

SALES AND EBIT MARGIN



SALES BY MARKET AREAS

In EUR m	Q3 2018	Share	Q3 2017	Q1-Q3 2018	Share	Q1-Q3 2017
Passenger cars	90.6	60.4	101.7	300.0	62.7%	329.2
Commercial vehicles	41.1	27.4	36.7	129.0	26.9%	121.7
Non-automotive	18.3	12.2	21.4	49.7	10.4%	57.1
POLYTEC GROUP	150.0	100%	159.8	478.7	100%	508.0

As compared to the same period of the previous year, passenger car market sales, which with 62.7% (Q1-Q3 2017: 64.8%) represents the strongest sales area within the POLYTEC GROUP, were down by 8.9% at EUR 300.0 million (Q1-Q3 2017: EUR 329.2 million). On the one hand, this decline resulted from the switch to the WLTP stand-

ard and on the other, the lower demand for diesel cars. Sales in the commercial vehicles market area (26.9%, Q1-Q3 2017: 24.0%) maintained their positive trend and as compared to the period from January to September 2017 rose by 6.0% from EUR 121.7 million to EUR 129.0 million. Due primarily to a drastic reduction in call-offs from one

major customer, the share of group sales emanating from the non-automotive market area fell from 11.2% in the first nine months of 2017 to 10.4% in the same period of the current year. However, the fourth quarter of 2018 should show a marked improvement, as the customer started once again to call up the agreed product quantities.

SALES BY CATEGORY

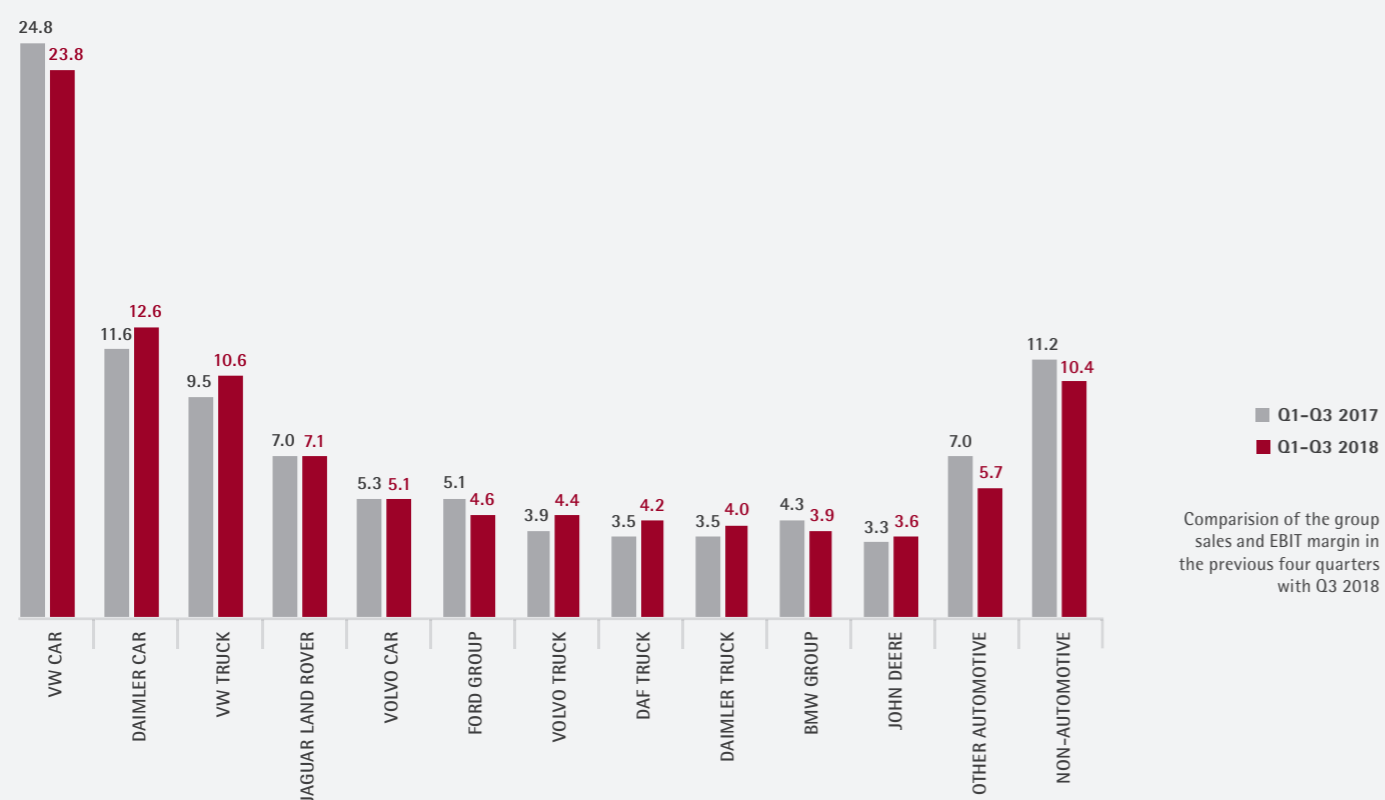
In EUR m	Q3 2018	Share	Q3 2017	Q1-Q3 2018	Share	Q1-Q3 2017
Parts and other sales	134.4	89.6%	144.2	434.7	90.8%	456.9
Tooling and other engineering sales	15.6	10.4%	15.6	44.0	9.2%	51.1
POLYTEC GROUP	150.0	100%	159.8	478.7	100%	508.0

Sales in the serial part market area during the first nine months of 2018 fell by 4.9% to EUR 434.7 million. Tooling and engineer-

ing sales are subject to cyclical fluctuations and as compared to the same period of 2017 were 13.9% or EUR 7.1 million lower.

GROUP SALES BY CUSTOMERS

compared to previous year



SALES BY REGION

In EUR m	Q3 2018	Share	Q3 2017	Q1-Q3 2018	Share	Q1-Q3 2017
Austria	6.3	4.2%	5.9	17.9	3.7%	16.8
Germany	84.6	56.4%	90.7	269.4	56.3%	284.5
Other EU countries	48.1	32.1%	53.3	160.5	33.5%	175.0
Other countries	11.0	7.3%	9.9	30.9	6.5%	31.7
POLYTEC GROUP	150.0	100%	159.8	478.7	100%	508.0

GROUP KEY BALANCE SHEET AND FINANCIAL FIGURES

	Unit	30.09.2018	31.12.2017	Change
Equity	EUR m	229.9	217.5	5.7%
Equity ratio (equity/balance sheet total)	%	45.2	42.1	3.1% points
Balance sheet total	EUR m	508.2	516.5	-1.6%
Net working capital ¹⁾	EUR m	103.1	75.5	36.6%
Net working capital/sales	%	15.9	11.2	4.7% points

¹⁾ Net working capital = current assets less current liabilities

As at 30 September 2018, the group's balance sheet total was slightly lower than on 31 December 2017 at EUR 508.2 million and the equity ratio concurrently was 3.1 percentage points higher at 45.2%. In the

same period, net working capital rose by EUR 27.6 million to EUR 103.1 million. As was the case in the preceding quarters, the main impetus in this connection derived from services not yet invoiced or paid,

which resulted from the high level of tooling and engineering activities. In addition, raw material stocks were enlarged in order to avoid future price rises.

	Unit	30.09.2018	31.12.2017	Change
Net debt (+)/-assets (-)	EUR m	101.5	78.7	29.0%
Net debt (+)/-assets (-)/EBITDA	-	1.48	0.96	54.2%
Gearing (net debt (+)/-assets (-)/equity)	-	0.44	0.36	22.2%

As compared to the 31 December 2017 reporting date, net debt was EUR 22.8 million higher at EUR 101.5 million. The key figure for the fictive debt repayment peri-

od (net debt/EBITDA) increased from 0.96 to 1.48. The gearing ratio rose from 0.36 to 0.44, but remained at a low level.

EMPLOYEES

Employees (incl. leasing personnel) in terms of full-time equivalents (FTE)	End of period		Change	Average period		Change
	30.09.2018	30.09.2017		Q1-Q3 2018	Q1-Q3 2017	
Austria	564	551	13	568	535	33
Germany	2,154	2,224	-70	2,168	2,204	-36
Other EU countries	1,532	1,584	-52	1,553	1,597	-44
Other countries	205	188	17	199	180	19
POLYTEC GROUP	4,455	4,547	-92	4,488	4,516	-28

Average group workforce numbers (including leasing personnel) amounted to 4,488 (full-time equivalents) and therefore remained at the level of the preceding year.

As at the reporting date of 30 September 2018, POLYTEC GROUP employees totalled 4,455, of which 439 or 9.9% were leasing personnel.

OUTLOOK

The POLYTEC GROUP executive management currently still 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.

The attainment of this outlook is feasible, but will be made more difficult by the issues surrounding WLTP, diesel drive technology, Brexit, obstacles to international trade, general economic developments and other

currently unknown negative factors, the consequences of which cannot at present be fully estimated.

SHAREHOLDER STRUCTURE

As at 30 September 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 unchanged total of 334,041 treasury shares, which amounted to 1.50% of share capital. The Huemer Group retained an unaltered 29.04% (16.0% Huemer Holding GmbH and 13.04% Huemer Invest GmbH) holding in POLYTEC Holding AG share capital.

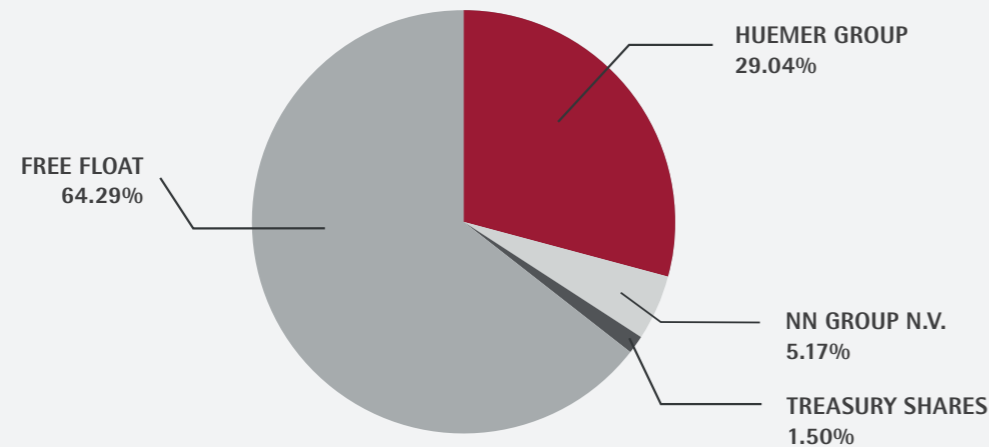
At the beginning of August, the shareholder NN Group N.V., Amsterdam (Netherlands) notified POLYTEC Holding AG of the overstepping of a disclosure threshold regard-

ing a shareholding on 8 August 2018. Two administered funds held a combined total of 5.17%, or 1,155,000 POLYTEC Holding AG shares. POLYTEC Holding AG issued a punctual notification to this effect in accordance with § 135 Para. 2 Austrian Stock Exchange Act. Apart from this information the shareholders did not provide POLYTEC Holding AG with any further voting right notifications pursuant to § 130 of the Austrian Stock Exchange Act.

At the end of August, POLYTEC Holding AG received notification that on 28 August 2018, Duswald GmbH, a legal entity closely associated with a person discharg-

ing managerial responsibilities, namely Mr. Fred Duswald, the Supervisory Board Chairman of POLYTEC Holding AG, had purchased 10,000 POLYTEC shares at a price of EUR 11.16 each. In response to this information POLYTEC Holding AG punctually published a managers' transactions announcement according to Article 19 MAR.

As at 30 September 2018 and up to the editorial closing date for this report at the end of October, on the basis of the shares issued, the shareholder structure of POLYTEC Holding AG presented the following picture:



CORPORATE CALENDAR 2019

This is the corporate calendar of POLYTEC Holding AG for the 2019 financial year:

Date	Day	Event
29.03.2019	FRI	Financial statements and annual report FY 2018
30.04.2019	TUE	Record date „Annual General Meeting“
08.05.2019	WED	Interim report Q1 2019
10.05.2019	FRI	19th Annual General Meeting FY 2018, Hörsching, Austria, 10:00 a.m.
15.05.2019	WED	Ex-dividend date
16.05.2019	THU	Record date „Dividends“
17.05.2019	FRI	Dividend payment date
07.08.2019	WED	Half-year financial report 2019
07.11.2019	THU	Interim report Q3 2019

PAUL RETTENBACHER, HÖRSCHING, AUSTRIA



THE 2018 VIENNA STOCK EXCHANGE PRIZE

POLYTEC HOLDING AG WAS AMONG THE WINNERS OF THE 2018 VIENNA STOCK EXCHANGE PRIZE

The Vienna Stock Exchange Prize was presented on 17 May 2018 in the Palais Niederösterreich in the presence of an invited audience of over 350 guests and for the second time in the award's history, POLYTEC HOLDING AG was again able to impress the specialist jury.

THE POLYTEC HOLDING AG WINS BRONZE

In 2007, just a year after the IPO, POLYTEC HOLDING AG was already able to take home this award. Now, eleven years later, the group convinced the specialist jury once again and was rewarded with third place in the Small & Mid Cap category. Accordingly, the group's founder, main shareholder and CEO, Friedrich Huemer, together with IR Manager Paul Rettenbacher were on hand to collect the trophy.

An expert jury from the Austrian Association for Financial Analysis and Asset Management (ÖVFA) selected the winners and the Small & Mid Cap prizes were awarded on the basis of the criteria of financial reporting, investor relations and corporate governance standards. POLYTEC GROUP's excellent performance in all of these categories, as well as with regard to a sustainability orientation and technical market factors such as share performance and liquidity, was rated accordingly.

THE VIENNA STOCK EXCHANGE PRIZE

This year saw the eleventh presentation of the Vienna Stock Exchange Prize, which is Austria's most prestigious award for top corporations. In the presence of numerous representatives from the worlds of business and politics, the expert jury named its prizewinners in four categories, which apart from ATX, Small & Mid Cap and Corporate Bond, also included a journalistic award for the best media activities amongst listed companies.

PAUL RETTENBACHER, HÖRSCHING, AUSTRIA



Friedrich Huemer and Paul Rettenbacher at the prize presentation.



FINANCE DAYS 2018

A COMPREHENSIVE KNOW-HOW EXCHANGE FOR A SUCCESSFUL FUTURE IN THE FINANCE AREA

19 and 20 June saw the holding of the Finance Days 2018, which was both the first meeting of its type in POLYTEC history and a complete success.

PASSION 4 PEOPLE

Under the motto "PASSION 4 PEOPLE", the initial Finance Days event took place at the splendid Falkensteiner Hotel in Bad Leonfelden, Upper Austria. The "Days" were attended by all of the POLYTEC employees with an involvement in group financial matters. Apart from important, internal, strategic and organisational



changes, key financial market developments and trends were presented during the meeting and then discussed on a supra-departmental basis. One special highlight was a successful planning game during which a car manufacturing process was emulated with the help of Lego bricks.

PEOPLE IN THE SPOTLIGHT

The meeting had two main objectives. Firstly, faces should be added to the voices at the ends of the telephone lines and thus every area of group finance should become mutually acquainted. The intention was to strengthen networking amongst the employees involved and thus move the people behind the e-mails and phone calls into the spotlight.

Secondly, the event was aimed at raising the awareness levels of the attendees with regard to POLYTEC GROUP strategy, organisation and management.

POTENTIAL FOR FUTURE SUCCESS

Logically enough, being constantly up to speed is vital for future success in a market characterised by rapid change and in this connection, a comprehensive knowledge of the latest developments and joint strategy is decisive. Therefore, apart from internal further training programmes and workshops, group personnel are also offered opportunities like the Finance Days to exchange their know-how with other colleagues.

In view of the positive feedback, a repeat of the Finance Days is already being considered



in order to provide a forum for the debate of new and exciting financial topics and to sharpen the focus on the human factor still further.

STEFAN SCHNECKENLEITNER, HÖRSCHING, AUSTRIA



THE P3 POLYPERSPECTIVE PROGRAMME

POLYTEC IS FURTHERING THE "FUTURE-SHAPERS" WITHIN ITS OWN RANKS

Apart from the POLYTEC Leadership and Lean Management Academies, the beginning of next year will see the launch of the P3 POLYPERSPECTIVE PROGRAMME, which is intended to foster group employees, who envisage themselves as "future-shapers" and thus wish to be in the driving seat.

THE HUMAN SUCCESS FACTOR

Human capital represents one of the most significant sources of competitive advantages and POLYTEC has long thematised its recognition of this fact. Moreover, this has now resulted in the addition of yet another cornerstone in the area of inter-group employee development.

Apart from the long-established POLYTEC LEADERSHIP ACADEMY (PLA), which specialises in managerial principles and their implementation, following a 12-month preparation period, the group has initiated the P3 POLYPERSPECTIVE PROGRAMME. P3 creates perspectives for employees, who are willing to accept challenges, are seeking managerial responsibility and wish to achieve planned progress.

In cooperation with LIMAK, Austria's longest-standing business school, POLYTEC is now offering customised general management training. Leading experts from science and business are to serve as trainers and coaches in the P3 POLYPERSPECTIVE PROGRAMME with the aim of providing the attendees with multifaceted business expertise, which in the long-term will enable them to successfully occupy positions within POLYTEC's top management.

THE SELECTION PROCESS

P3 is targeted on employees, who can see themselves designing the future and therefore wish to be at the cutting edge. They are characterised by exceptional commitment, a willingness to assume greater responsibility and a readiness to invest some of their leisure time in P3.

From mid-September to mid-October 2018, POLYTEC personnel, who had been working in the group for at least two years, had an opportunity to apply to join the first programme course. The three-phase selection process is currently under way and the first fourteen P3 participants will have been selected by the beginning of December.

The German language P3 POLYPERSPECTIVE PROGRAMME will kick-off in January 2019 and will conclude in mid-2020 with a "grand finale", which at present is still secret. P3 is to be held near the holding in Upper Austria and will involve 21 days of attendance at five separate sessions. Each of these will deal with two thematic topics such as personnel and strategic management, accounting and economics, project and change management.

During the entire 13-month training process, each attendee will have a Board

member as a mentor, advisor and feedback provider with regard to the various study topics. In addition, individual coaching will be offered by Christian Kandutsch (PLA trainer) in order to support the personal development process of the candidates in optimum fashion. Moreover, towards the end of the programme, the trainees will be able to implement their newly acquired know-how during a one-month job transfer to a different specialist area within the POLYTEC GROUP, which is certain to pose a demanding challenge.

We wish the candidates in the selection process every success and look forward to commencing the P3 POLYPERSPECTIVE PROGRAMME in January 2019 with the first group of attendees.

JANINE ZIKA, HÖRSCHING, AUSTRIA

MOVING TECHNOLOGIES

THE POLYTEC GROUP AT THE IZB 2018

THE IZB CELEBRATES ITS TENTH BIRTHDAY

With some 50,000 visitors in three days, the International Suppliers Fair (IZB) easily justified its reputation as Europe's leading trade event in this field. On 16 to 18 October, the IZB opened its doors in Wolfsburg, Germany for the tenth time and not only presented its audience with innovative solutions and the latest branch trends, but also 38 global premieres. In fact, over 830 exhibitors from 34 nations were on hand to offer the attendees inventive ideas and this repetition of a high international presence meant that the IZB

further consolidated its position as both a globally recognised summit meeting of the automotive supplier branch and a communications and business platform. Moreover, a tour of the hall exhibits indicated three main focal points of interest, comprised by networked and autonomous driving, artificial intelligence and the continuing trend towards e-mobility.

AN IMPRESSIVE DISPLAY

At the fair, the POLYTEC GROUP presented its extensive product and technology range under the motto "Moving Technologies".

Specialist visitors to the group's 56m² stand were awaited by a display of concentrated plastics competence and innovative solutions that extended along the entire value added chain. The modern and open design of the exhibit offered an invitation to linger and also cleverly spotlighted the objects on display, from battery box shells, to bumpers and engine compartment components.

MARCO BADER, HÖRSCHING, AUSTRIA

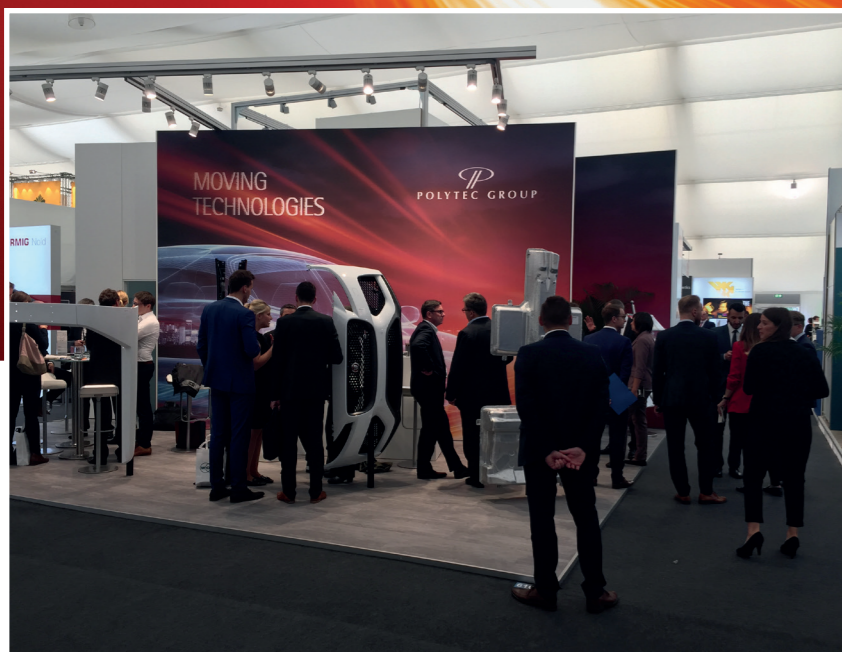
FACTS TO AMAZE IZB 2018

8,000m of cable supplied the exhibition halls with electrical power.

The largest of the seven halls had 6,850m² of space.

In total, more than 3,500t of materials were transported to Wolfsburg for the trade fair stands.

The assembly and disassembly of the exhibition landscape in Wolfsburg took 70 days.





AN ENCHANTING FESTIVE OPENING IN TELFORD

THE INAUGURATION EVENT IN TELFORD DELIGHTED EMPLOYEES, CUSTOMERS AND BUSINESS PARTNERS ALIKE

The new paint shop in the town of Telford in the English Midlands was officially opened in mid-May 2018 and in future will supply services ranging from painting and assembly to just-in-sequence deliveries. The invitation to attend the celebratory opening was accepted by many of the POLYTEC workforce, as well as numerous customers and business partners.

GBP 22 MILLION FOR A COLOURFUL FUTURE

This is the amount that the POLYTEC GROUP has invested in the building of the new paint shop in Telford. In future, the facility will upgrade components from the Bromyard plant, which are intended mainly for the tradition-rich, British automotive industry. The planning of the Telford location already took into account the possible, future expansion of the plant, which in its first phase of development will provide jobs for around 100 local people, who will be working in a production area of approximately 7,000 m². Environment friendly and highly ergonomic processes will offer these employees the best possible working conditions and in the course of the equipping of the shop, a special focus was placed on the maximum fulfilment of group standards in order to facilitate teamwork during projects with other POLYTEC GROUP locations.

THE LATEST TECHNOLOGY FOR TOP QUALITY

The new facility in Telford is able to offer its customers a wealth of advantages. A fully automatic system using the latest painting technology in combination with optimum process reliability and quick colour changes provides significant increases in manufacturing productivity and corresponding cost efficiency.

In addition, the geographical proximity to Jaguar Land Rover, one of POLYTEC CAR STYLING UK's key accounters, facilitates first class, just-in-sequence delivery. It should be

added that not only current customers, but also other potential business partners are to be addressed. In fact, POLYTEC has reasons for optimism with regard to the attainment of this goal, as numerous Central European customers have already expressed an interest in Telford's services.

"CURTAIN UP!"

On 17 May, the paint shop was jointly opened in the company of both employees and numerous representatives from important customers and business partners. Having greeted the guests with "sekt" and finger

"With our new paint shop we will not only serve our existing clientele, but also further consolidate our solid market position."

MARKUS HUEMER
(THE FUTURE POLYTEC GROUP CEO)

food, "Curtain Up!" was the order of the day. The previously shrouded view of the festive event location was unveiled to the sound of music from Céline Roschek and the brand new hall was transformed into an impressive party zone with a stage, catering stations and naturally enough, vehicle exhibits. Markus Huemer and Alice Godderidge

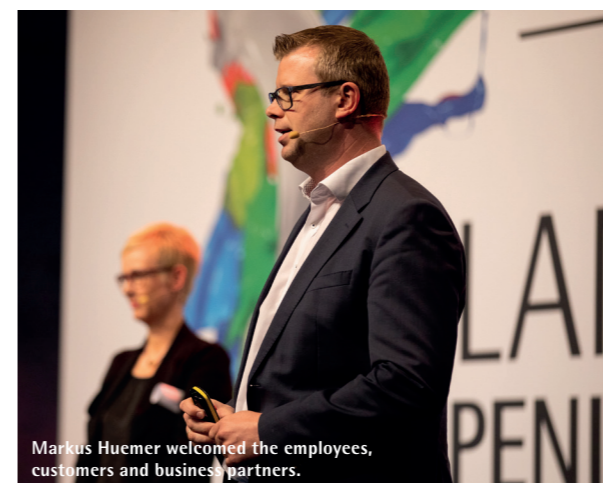
initiated the proceedings by welcoming the guests and thanking the plant's suppliers, customers and personnel. The POLYTEC GROUP's future CEO then officially launched the new location with a short presentation. Simon Pierro, the well-known iPad magician acted as the evening's presenter and entertained the guests with astonishing sleight

of hand. There were also intermezzos with Céline Roschek, who on her e-violin played pieces ranging from the classics to pop.

GABRIELE WORF, HÖRSCHING, AUSTRIA



Céline Roschek enchanted with her magical sounds.



Markus Huemer welcomed the employees, customers and business partners.



The main entrance to the new paint shop in Telford.



Summer PARTY

INCLUDING HALL OPENING

Following a construction phase of around twelve months, on 22 June the completion of the hall roof renovation at the Hörsching location was celebrated in style during a summer party attended by the POLYTEC workforce and their families, as well as suppliers and customers.

CONCLUSION OF THE HALL ROOF RENOVATION

Extensive construction work commenced at the Hörsching location at the beginning of 2017. This not only involved the renovation of the hall roof, but also the entire production area. In addition, the facade cladding was replaced completely and thanks to its accomplished design this has now become a modern eye-catcher.

Furthermore, in order to complete a major order, POLYTEC has invested in a fully automated soft engine cover production system. These foamed products not only convince due to the attractive look of their smooth upper surface, but also the excellent noise absorption provided by the open pore underside. The new production system was put into operation in November 2017.

OPTIMUM LIGHTING CONDITIONS FOR A MORE PLEASANT WORKING ATMOSPHERE

One main aim of the construction measures was the friendly design of the working environment for the personnel in the production area. Large area windows now allow the extensive use of daylight and in combination with the latest LED technology ensure optimum lighting conditions. Accordingly, this year's summer party provided the perfect occasion for the workforce and their families to not only celebrate the completion of the conversion work, but also to immediately sample the pleasant atmosphere in the new hall. As a result, a large number of visitors responded to the invitation of the Board of Directors and the management team and were rewarded with a colourful programme.

ENTERTAINMENT FOR BOTH LARGE AND SMALL

Following the official opening by the Board and the management, the group "Project M" provided the guests with live music and there was plenty of fun and games to keep the little ones amused, including face painting and a bouncy castle. Moreover, the adults were able to demonstrate their sharpshooting skills while shying at tin cans. Amongst the food and beverages on offer, the cocktail bar proved to be a special highlight, as despite the less than summery temperatures it provided a genuine touch of holiday feeling. The "coffee mobile" also enjoyed a great deal of custom and lent a tasty finishing touch to the pastries and ice cream on the dessert menu.

POLYTEC CAR STYLING HÖRSCHING, AUSTRIA



Innovation

WE'RE MAKING PROGRESS!

THE DIGITISATION STATUS QUO

Without a doubt, one key competitive advantage of the POLYTEC GROUP is its multifaceted technology and product portfolio. However, this diversity, which has been deliberately sought, must remain under control and digitisation extending across the group constitutes a major prerequisite in this regard.

For several months, flexible teams have been working throughout the group on numerous digitisation projects.

CLIENT ROLLOUT PROJECT

The objective of this project is to substitute every computer in the POLYTEC GROUP for a new device. This involves the impressive total of well over 2,000 clients, which will then correspond with the state of the art. The project is also being used to both cut the number of software packages employed within the group from several hundred to a little over fifty and promote their uniformity. This modernisation and standardisation of the IT landscape represents a further landmark within the POLYTEC digitisation initiative. By the end of November, equipment substitution and an initial run through will have been completed in all the departments at the group's large locations.

This gives reasons for optimism that the rollout planned for the second quarter of 2019 can be concluded successfully at all the other group facilities.

The new computers have also demonstrated to the workforce that we are moving forward. Moreover, owing to the fact that the various digitisation projects have placed increased demands upon the infrastructure, in a parallel, background move we are also pressing ahead with the updating and standardisation of network lines, servers and switches.

ERP- ENTERPRISE RESOURCE PLANNING

Major advances with regard to the future ERP system can also be reported, as a team of some fifty employees from all business units and differing departments has already completed numerous workshop days.

Consequently the preparation of group-wide SAP templates was concluded in September and the result presented. This now forms the basis for the inter-group ERP system, which was put into pilot operation at the Ebensee plant in the second quarter of next year.

ECM – ENTERPRISE CONTENT MANAGEMENT

Following an extremely satisfactory test phase, the beginning of November saw the implementation of digital invoice processing in Hörsching and this will now be gradually extended to include all other locations.

RUDOLF WIESBECK, HÖRSCHING, AUSTRIA



1. ENHANCED INFORMATION QUALITY

Information is to be provided efficiently and in a more user- and assignment-oriented form.



2. HIGHER SPEED

Information of relevance is to be made available in real time or at the press of a button, in order to increase the speed of reaction in the case of deviations. This facilitates the rapid recognition of the need for action and a prompt and correct response without the need for a lengthy analytical phase.



3. PROGRESSIVE AUTOMATION

Standard tasks are also to be largely automated even outside the value-added process.



POLYTEC MAKES CHILDRENS' EYES SPARKLE!

THE PLAYGROUND EQUIPMENT MANUFACTURER, KOMPAN, HAS PUT ITS TRUST IN POLYTEC SINCE 2007

The POLYTEC GROUP is renowned for its comprehensive, long-term automotive industry know-how and experience. However, the company has also proven itself to be more than a competent partner in the non-automotive field. Among other examples, this is successfully demonstrated by the Komló location, where components for the playground equipment manufacturer, Kompan, have been manufactured since 2007.

PLAYGROUNDS OFFER A WORLD OF ADVENTURE

For children, playgrounds provide far more than just recreation. They mean adventure, fascination, fun and games, and also learning. Playgrounds are where youngsters are able to discover their physical talents and acquire related skills. In addition, playgrounds represent a meeting-place, where children can gather initial experiences with playmates of their own age.

SUCCESSFUL TEAMWORK

Many of these worlds of adventure come from Kompan, the global leader in the field of playground equipment. Moreover, apart from slides, seesaws and swings, the company also produces sport and fitness equipment for adults. Areas in which, the company's primary emphasis is on the provision of top quality, attractive design and safety. The POLYTEC GROUP is able to meet these demands in optimum fashion and since 2007 has been supplying Kompan with a range of playground equipment components

that include swings and climbing frame parts. During this production, PUR semi-rigid foaming technology is employed, which entails the conversion of two components (polyol and isocyanate) from a liquid into a solid state by means of the application of pressure and heat.

PERFECT FOR OUTDOORS

One special highlight of the playground equipment components manufactured by POLYTEC is their colour and UV fastness, which make the products ideal for outdoor use. In addition, the great flexibility demonstrated by the Komló plant allows the manufacture of even small part series and constitutes another source of customer satisfaction.



ANDREA ZIMMERMANN, KOMLÓ, HUNGARY

ALL THE COLOURS OF THE RAINBOW

POLYTEC STARCH TRAYS WILL BE USED TO PRODUCE EVERY TYPE OF FRUIT GUM

In 2019, POLYTEC COMPOSITES in Gochsheim will launch its production of highly functional starch trays, which are manufactured in the course of a complex process. The company has therefore once again been able to demonstrate that it also possesses the necessary competences in the non-automotive area.

A COMPLICATED PRODUCTION PROCESS

The starch trays manufactured by POLYTEC will be employed for the production of every type of fruit gum in a process that uses so-called mogul technology, which is also referred to as starch casting. This functions on the lost mould principle and involves the pressing of a stamp image into a tray containing a layer of powdered starch. The indentations in the starch are then filled with the hot and liquid fruit gum mixture.

A RANGE OF ADVANTAGES

This procedure is characterised by a degree of demouldability and a high level of automation. Moreover, it offers great flexibility because for a new product only the stamps and not the moulds need to be exchanged. Consequently, if required, new sweets can be brought to market within weeks. The starch trays manufactured by POLYTEC offer a range of advantages during fruit gum production because their precise tolerances enhance process stability. In addition, the

top quality surfaces of the trays not only minimise the risk of abrasion, which would contaminate the foodstuffs, but are also sealed against bacteria.

TIMO SCHMIDT, KRAICHTAL-GOCHSHEIM, GERMANY

FRUIT GUM PRODUCTION AND THE ROLE OF THE POLYTEC STARCH TRAYS

explained step-by-step:



A passion for doing good



THE 2018 DONATION PROJECT

At this festive time of the year, we wish to remember that many people are less fortunate than we are. Therefore, we are again deliberately refraining from making Christmas gifts in order to support a charitable social project:

THE UPPER AUSTRIAN "CHRISTKINDL"* CHARITY DRIVE (Linz, Austria)

POLYTEC is donating EUR 10,000 to this year's Christmas charity drive, which is organised by the "Oberösterreichische Nachrichten"*** newspaper and will again offer help to thousands of Upper Austrians in need.

**"Christkindl" – Christ Child – a traditional gift bringer in Catholic countries
"Oberösterreichische Nachrichten" – Upper Austrian News

Dear Partners, Shareholders and Employees,

We would like to take this opportunity to thank you for your trust and the excellent teamwork.

As you can ascertain from this issue, 2018 has confronted us with considerable challenges and apart from strategic topics; above all we have been affected by the discussions concerning diesel engines and the related impacts of the new WLTP standard.

We are convinced that in combination, our extensive investments, group-wide digitisation strategy and last, but not least, the POLYTEC GROUP's well-known innovative strengths, represent the prerequisites for positive development. Therefore, we are able face our impending tasks with optimism.

In this spirit, we wish you and your families a splendid Christmas and a healthy and prosperous New Year.

Friedrich Huemer, CEO

Markus Huemer, COO



Win a city break for two!

READ & WIN

1. Who will be the new POLYTEC GROUP CEO?
2. Where did the POLYTEC GROUP open a new plant in mid-May 2018?
3. When does the P3 POLYPERSPECTIVE PROGRAMME begin?

Send your answers to the questions above by 21 January 2019 per e-mail to polytecworld@polytec-group.com and win a voucher for a three-day city break for two persons complete with breakfast in one of the following countries: Austria, Germany, Italy or Hungary. The voucher will be valid until 31 December 2021. The winner will be drawn in week 4 and informed in writing. The editorial team is excluded from the competition.

THE WINNER FROM THE LAST ISSUE:
ARIE VAN BERNE, DAF TRUCKS, NETHERLANDS

GLOSSARY

CEO	Chief Executive Officer; head of the executive board
CFO	Chief Financial Officer; the member of the executive board with responsibility for finance, controlling, accounting and investor relations
CSO	Chief Sales Officer; the member of the executive board with responsibility for sales, marketing and development
COO	Chief Operations Officer; the member of the executive board with responsibility for plants, production and purchasing
Enterprise Content Management (ECM)	ECM involves the electronic logging, storage and administration of documents and related efficient procedures
Enterprise Resource Planning (ERP)	ERP is central computer system for the planning and control of internal resources in line with the business purpose
IPO	Initial Public Offering
Just-in-Sequence	Parts are delivered to the assembly line as required in the correct order and at precisely the right moment
OEM	Original Equipment Manufacturer
P3 THE POLYPERSPECTIVE PROGRAMME	Customised general management training
PPS	POLYTEC PERFORMANCE SYSTEM; the POLYTEC GROUP lean management programme
PUR semi-rigid foaming	Technology, which entails the conversion of two components (polyol and isocyanate) from a liquid into a solid state by means of the application of pressure and heat



PEFC certified: printed on paper from sustainably managed forests and controlled sources. More info at www.pefc.at.

Imprint and disclosure according to § 25 Austrian Media Act:

POLYTEC HOLDING AG; managerial functions, as well as the development and production of plastic parts. UID no.: ATU 49796207; company reg. No. 197646 g, Regional Court Linz; Polytec-Strasse 1, 4063 Hörsching, Austria; Tel. +43 7221 701-0, Fax +43 7221 701-35, office@polytec-group.com; Executive Board: Friedrich Huemer, Markus Huemer, Peter Bernscher, Peter Haidenek; Chairman of the Supervisory Board: Fred Duswald; half-yearly magazine for the information of employees and customers of the POLYTEC GROUP with regard to general business developments, production innovations and other business-related content. Responsible for contents: Peter Bernscher; chief editor and concept: Gabriele Worf; design: Cornelia Freyenschlag, Jutta Mayr; editorial team: Gabriele Worf, Cornelia Freyenschlag, Jutta Mayr, Marco Bader, POLYTEC CAR STYLING Hörsching, Paul Rettenbacher, Timo Schmidt, Stefan Schneckleitner, Uta Stockbauer, Rudolf Wiesbeck, Janine Zika, Andrea Zimmermann; images: POLYTEC GROUP; Adobe Stock: Sergey Nivens (modified); Bildstadt; Martina Draper; Fotolia: BillionPhotos.com, cienpiesnf (modified), Fotobeu, kras99 (modified), pokki, Thomas, Toheyvector (modified); iStock: Blackred, nadla; James Greenoff (F8Creates); Jochen Schweizer; Kässbohrer; Kompan; Shutterstock: BookzV, T.Sumaetho, verca; Wiener Börse. Errors and printing errors excepted.

Should you wish to unsubscribe from receiving the POLYTEC WORLD or update your contact data, please send an e-mail to polytecworld@polytec-group.com.

**PASSION
CREATES
INNOVATION**