keywords: Financial Figures/Balance Sheet/3-month report

EANS-Adhoc: Polytec Holding AG discloses the results for the full year 2009 as well as the results for the first quarter 2009 - massive strain caused by economic environment- active countermeasures

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FULL YEAR 2008
The 62.6% growth in sales was due to the first-time consolidation of the Peguform Group acquired in the year under review. Of the total increase in sales of EUR 416.5 million (+62.6%), EUR 327.4 million (+49.2%) are attributable to new acquisitions and EUR 122.1 million (+18.4%) are due to the full-year effect of the acquisitions made in 2007. Excluding these acquisition effects, total sales in 2008 showed an organic decline of EUR 33.0 million (- 5.0%). Due to the unfavourable development of the automotive business, the earnings situation of the group could not keep up with the growth in sales. While EBITDA registered a small increase of 2.0%, EBIT fell by 59.2% also due to extraordinary amortizations.

FIRST QUARTER 2009
Declining production volumes of almost all OEMs which have an impact on POLYTEC GROUP´s results, led to a considerable drop in sales by 31.4% to EUR 139.9 million. PEGUFORM GROUP´s sales figures were not included due to the planned divestment of this business segment. This substantial decrease in sales resulted in a decline in EBITDA to EUR 6.6 million despite the adoption of counter-measures, which encompassed the introduction of short-time working schedules, the discontinuation of fixed-term employment contracts as well as the reduction of non-essential capital expenditures.
Despite these measures, which were initiated to counteract the effects of the economic recession, it was impossible for the company to prevent a negative EBITDA. Earnings before interest and taxes (EBIT) amounted to EUR -3.8 million in Q1 09. The net result during the reporting period of the PEGUFORM GROUP, which is categorized as "held for disposal" pursuant to IFRS 5, is included in the Q1 09 net result with a total value of EUR -39.5 million. Net result during the reporting period also encompasses the retirement of fixed assets from the current business for a total amount of EUR -14.5 million as well as the impairment of PEGUFORM GROUP´s fixed assets for the anticipated disposal loss of EUR ~ 25.0 million.
Therefore, net loss during the reporting period amounted to EUR -54.1 million. Excluding the contribution of PEGUFORM GROUP to the net result, which is comparable with the net profit of the previous year after minority interests, the net loss in Q1 09 totaled EUR -14.6 million.

OUTLOOK 2009
Due to the disposal of Peguform, group sales in 2009 (excluding the business units that are to be sold off) are not expected to exceed EUR 600 million. It is anticipated that the start of production for new projects especially in the Automotive Systems Division, will compensate for the decline in current business operations, which otherwise would be even more significant. The group divisions have been impacted by the decline in sales to different degrees. Although the car supply segment is reporting declines in sales of between 20% and 30%, there are also temporary positive effects due to the government incentives to stimulate car sales (scrapping premium). In the view of the management, a slight improvement of the situation is anticipated for the second half of 2009.

The commercial vehicle supply segment is certainly facing a considerably worse scenario. This business unit is not only confronted with more drastic declines in sales, which in some cases amount to 50% and more, neither is there much prospect of a short-term recovery. In fact, the business situation, at least in the first half of 2010 is not expected to be substantially better than in 2009. Management is, therefore, intensively monitoring the development of sales at the Automotive Composites Division, as one of the most negatively affected business units of the group, and is adopting remedial measures to counteract the unavoidable negative results arising from such a sales situation. On the cost side, counter-measures focus on the adjustment of capacities to the changed business situation. In all of the group´s major plants, overcapacities are being tackled with the introduction of short-time working schedules. As a last resort, plants will also have to be shut down as in the case of the recently announced closure of the Swedish plant. The group´s currently very limited financing capacities have to be taken into consideration when adopting cost-saving measures. Management has a duty to carefully evaluate restructuring steps in the light of the short-term impact that such remedial measures will have upon cash reserves.

However, all measures notwithstanding, the group will certainly not be able to prevent a negative EBIT in 2009. In addition to these internal restructuring measures, customers´ contributions have also to compensate for declines in results. The dramatic decrease in production volume has made former calculation parameters completely obsolete as a basis for price negotiations. Moreover, as specific target output volumes cannot be reached, no rationalization effects can be applied, which used to be passed on to the customers in form of contractually agreed price reductions (savings). Thus, in addition to implementing all possible cost-saving measures, management´s top priority must be to obtain customer commitments to support the supply capacity of the component supply industry.

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