

EANS-Adhoc: Polytec Holding AG / POLYTEC GROUP To Expand Its Core Competences / Acquisition of PPI Plastic Products Innovation GmbH & Co KG / Investment in the further expansion of the company's plants

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Acquisition of PPI Plastic Products Innovation GmbH & Co KG
Investment in the further expansion of the company's plants

Against the backdrop of a persistently positive business development driven by the favorable economic situation of the automotive industry and the new orders received, in both the automotive and non-automotive business area, capacities in the Components (injection molding) and Car Styling (genuine accessories and small series) segment have to be expanded. Such capacity adjustments will be realized by further developing and expanding the current Components plant in Lohne (Germany) and the Car Styling plant in Hörsching (Austria). Furthermore, the POLYTEC GROUP will acquire the injection molding plant PPI Plastic Products Innovation GmbH & Co KG based in Ebensee (Austria). The total investment volume will amount to EUR 15 million.

Acquisition of PPI Plastic Products Innovation GmbH & Co KG (PPI)

In the Components business segment, Polytec currently operates three injection-molding plants in Germany (Lohne, Wolmirstedt and Idstein). Following an in-depth evaluation of the possibilities to guarantee the necessary capacities for the Components business with existing plants, the Management Board has decided to acquire the PPI injection-molding plant in Ebensee (Austria) instead of further expanding the existing business site in Wolmirstedt (Germany). Owing to its geographic proximity to the most important automotive hubs such as Ingolstadt, Győr, Bratislava, Munich and the Austrian engine plants of BMW and Opel, the PPI plant represents a sound addition to the production network of Polytec's Components business. Furthermore, the PPI, which in the past had already functioned as a partner plant of the Car Styling division for a number of injection-molding projects, will increasingly carry out projects in the area of original equipment and small series on behalf of the Car Styling segment. Additional product groups produced by the PPI plant include industrial products and garden furniture made of plastics.

For the 2011 business year, the company expects to achieve total sales of roughly EUR 26 million. Over the next few years, sales will be considerably increased based on new customer orders in the automotive business area, which have already been nominated to the company. The purchasing price for 100% of the shares will amount to approximately EUR 1.5 million (carrying amount of the equity of the company as of July 31, 2011). Besides, PPI's net financial liabilities totaling EUR 8-9 million will also be passed on to Polytec as of August 31, 2011 (closing). Therefore, the total consideration for the acquisition of the company will amount to EUR 10 million. Huemer Invest GmbH is the current owner of the company.

Investments in the further expansion of the business locations in Lohne (Germany) and Hörsching (Austria)

The plant in Lohne will be further expanded and developed into the leading operation of the Components segment to allow the company to execute the additional customer orders that have already been placed in the non-automotive area (consumer electronics including JIS supplies) and to tackle the constantly increasing production volumes - especially with regard to the cylinder head covers. Furthermore, the Car Styling plant in Hörsching will be further developed to meet future capacity requirements with investments in the expansion of its production, storage and logistics facilities. The total investment volume for both business locations will amount to EUR 5 million.

The planned investment in the plants in Lohne and Hörsching as well as the

acquisition of the PPI plant in Ebensee will contribute to safeguarding the production capacities of the Polytec Group over the long term. In addition, existing core competences will be further expanded and the diversification of business activities across segments will be further enhanced through additional non-automotive activities.

Further inquiry note:

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