



HTP HIGH TECH PLASTICS AG



Annual Report 2006

Key figures

	2006	2005	2004	2003	2002
Revenues and Earnings					
Total sales in TEUR	78,725	72,937*	80,287	81,540	70,461
PIM	52,232	49,878	49,047	49,507	43,760
IT	26,493	17,537	12,589	11,054	7,941
MS	0	5,353	18,651	20,979	18,760
EBITDA in TEUR	8,794	8,582	-11,163	1,482	5,610
EBIT in TEUR	2,119	441	-26,237	-6,667	-1,068
EBT in TEUR	304	-1,249	-28,223	-8,311	-2,120
Consolidated result in TEUR	111	7,480	-33,284	-6,812	-1,501
EBITDA-margin in %	11.2	11.8	-13.9	1.8	8.0
EBIT-margin in %	2.7	0.6	-32.7	-8.2	-1.5
EBT-margin in %	0.4	-1.7	-35.2	-10.2	-3.0
Consolidated result-margin in %	0.1	10.3	-41.5	-8.4	-2.1
Financial situation					
Total assets in TEUR	101,821	79,389	85,061	110,738	109,337
Equity ratio in %	31	30	11	35	42
Gearing in %	75	76	271	88	50
Capital expenditure	8,059	7,816	11,265	12,515	11,352
Depreciation/amortisation in TEUR	6,675	8,141	15,074	8,149	6,678
Gross cash flow in TEUR	7,102	14,985	-18,653	918	3,851
Cash flow from operating activities in TEUR	-88	5,047	-11,244	335	3,962

	2006	2005	2004	2003	2002
Share					
Issued shares	10,500,000	8,500,000	5,500,000	5,500,000	5,500,000
Weighted average number of shares	9,552,055	6,972,194	5,194,614	5,227,054	5,334,507
Share price at closing date in EUR	3.79	3.88	4.60	6.25	8.25
High in EUR	5.25	4.18	7.10	8.28	10.70
Low in EUR	3.30	2.70	2.95	3.95	5.60
Market capitalisation at closing date in TEUR	39,795	32,980	25,300	34,375	45,375
Earnings per share in EUR	0.01	1.07	-6.42	-1.35	-0.29
Employee-related ratios					
Average annual headcount	669	683	808	866	788
Headcount at closing date	675	621	764	871	784
Sales per employee in TEUR	118	107	99	94	89
Total gross income per employee in TEUR	128	114	91	99	107
Personnel expenditure per employee in TEUR	36	34	38	36	35

* Includes TEUR 169 from other sales

Highlights and milestones

— Completion of the restructuring program

- Personnel adjustments at all sites and in all areas
- Shutdown of unprofitable units
- Reduction of fixed costs
- Considerable reduction of debt equity ratio
- Stable core shareholders

— Turnaround completed

- Increase in productivity implemented
- Positive operating result in all four quarters
- Positive consolidated result
- Equity ratio >30 %

— First steps of expansion

- Acquisition of the HTP Motion GmbH in April
 - Gain of new customers in the core markets automotive and electronics
 - Access to new businesses such as medical technology, computer and packaging industry
- Opening of new production building in Slovakia in July 2007
- Capital increase for the financing of further acquisitions
- Strategic new orientation from plastics manufacturer to industrial medium-sized holding
- Acquisition of Gruber & Kaja, BBC Baugeräte and ProRegio in January 2007

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Preface

Letter of the Management Board



Dear shareholders,

In the business year 2006 we successfully completed our restructuring program. As the result of the increases in productivity, the project selection and the necessary staff cut, we can present a positive annual result for 2006.

Turnaround completed

With a sales growth of about 8 % to TEUR 78.725 we could almost increase the operating result fivefold to TEUR 2.119. Consequently, we achieved the turnaround of the result from ordinary business activities of TEUR + 304 after TEUR - 1.249 in the previous year. We consider the fact that we could close all four quarters positively as proof for the sustainability of the improvement in the result.

First expansion steps

Parallel to the consolidation of the restructuring and HTP AG's further process improvement, during the year, our main focus was on acquisition projects to expand the Group. A first success was the acquisition of the HTP Motion GmbH in April. Beside the enlargement of the customer and product range in our core markets automotive and electronics, with this acquisition we succeeded in entering new markets such as medical technology, computer and packaging industry.

Reorientation of the strategy

Due to the strained situation in the entire automotive industry and the known difficulties in the European aircraft industry, in the course of the business year 2006, we came to the conclusion that despite the successful positioning and specialisa-

tion of the HTP AG within the plastics business, there is only limited potential to increase the profitability and the shareholders' value. In addition to the core segment plastics, we will widen our focus to other industries.

New industrial core business fields

In the last months, we examined a number of acquisition projects and at the beginning of 2007 we succeeded in concluding first acquisitions. With the acquisition of the Gruber & Kaja Druckguss- und Metallwarenfabrik, a specialist in high quality die-cast parts with its head office in Traun, Upper Austria, we could enter the metal processing industry. With the contribution of the BBG Baugeräte GmbH based in Kapfenberg, Styria we could get a foothold in mechanical engineering and thus we were able to enlarge our plastics core business by two traditional industries. This new portfolio provides a better balancing of risks, a stronger growth with attractive profit potential and eventually a significant increase in shareholders' value.

Furthermore, in the context of the Group's new orientation, the ProRegio Mittelstandsfinanzierung AG has been integrated into the Company. In the future, ProRegio, which already prepared the acquisition of Gruber & Kaja, will be responsible for the identification, the evaluation, the judgement and the realisation of acquisition projects in the three defined industrial core business fields and additionally constitutes a platform for minority interests.

HTP becomes the industrial medium-sized holding HTI

The considerable changes in the constitution of the HTP AG require a new structuring of the Group. Hence, we will bring the HTP AG's operating businesses into newly founded subsidiaries, the HTP Electronics GmbH, the HTP Automotive GmbH and the HTP Aircraft GmbH. The HTP AG becomes the holding company and shall be renamed HTI High Tech Industries. All operating units remain independent and will be supported by the holding company in the fields of financing, controlling, legal, taxes and development. Dipl.-Ing. Peter Glatzmeier joined the Management Board as of February 1, 2007 and took over the responsibility for mechanical engineering, communication, technology and product development.

Thanks

We thank you, esteemed shareholders, for the trust you have placed in us. Not least due to your participation in the capital measures, we were able to set the Company on a solid basis and to prepare it for expansion steps. We hope you will keep on supporting our course and we are looking forward to new common successes.

Kurt Helletzgruber
Birgit Hochenegger-Stoirer
Thomas Vondrak
Peter Glatzmeier

Report of the Supervisory Board



In the year under review, the Supervisory Board has taken over the assigned tasks according to law and status and has regularly given advice to and supervised the Management Board with regard to the Company's management. The Supervisory Board was directly involved in all decisions, which were of substantial importance to the Group.

The Management Board has regularly informed the Supervisory Board about the business development and planning of the Group and of the individual divisions as well as about important business incidents. In the financial year 2006, during five common meetings with the Management Board, each at the Company's head quarters in Neudörfel and, based on the Management Board's oral and written reports, the Supervisory Board was concerned regularly with the Company's and its associated companies' situation and business policy. Main focus was given to the operating business as well as to the discussion and examination of business and planning being subject to approval. Furthermore, the Supervisory Board has discussed in de-

tail all business transactions of importance to the Company with the Managing Board. In addition, the Supervisory Board had intensive discussions with the Management Board and approved the Company's and the Group's strategic orientation. Thus, the Supervisory Board was given sufficient opportunity to comply with its reporting and supervisory duties.

The Supervisory Board has given a main emphasis to the business development. In the period under review, in-depth consultations referred to the liquidity of the Company and all associated companies, restructuring measures to improve the Company's earnings situation and its quality management. Further, the Supervisory Board has regularly informed itself about the Group's risk management. Deliberations about the determination of emission conditions for shares after the capital increase were likewise subjects of individual Supervisory Board Meetings as well as the pursuing of the Group's growth, the debate about acquisitions and the resolution with regard to the new group structure.

In the year 2006, one member resigned from the Supervisory Board and two additional members were appointed to the Supervisory Board. The Supervisory Board has adopted new rules of procedure in 2006.

The financial statements and notes for the year ending December 31, 2006 as well as the status report were audited in accordance with the International Financing Reporting Standards (IFRS) by KPMG Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, the auditing company elected by the shareholders, and were given a qualified auditor's certificate. There were no grounds for any complaints with respect to the Management Board.

Executive bodies

The Management Board presented in due time HTP High Tech Plastics AG's financial statements and the consolidated financial statements of the HTP Group as well as the auditor's reports as of December 31, 2006 and reported on these at length. The Supervisory Board has taken note of the auditing results. The Supervisory Board's own audits did not result in any objections against the financial statements of HTP High Tech Plastics AG and the consolidated financial statements. According to legal provision, the auditor has attended the Supervisory Board meeting and informed about essential audit results. The Supervisory Board adopts the Management Board's proposal for the assignment of the annual result 2006.

In the meeting of April 23, 2007, the Supervisory Board has examined and approved the financial statements and the status report of HTP High Tech Plastics AG for the fiscal year 2006. Accordingly, the financial statements for 2006 of HTP High Tech Plastics AG have been duly adopted.

The Supervisory Board wishes to thank the Management Board for its activities and its all-out commitment to the Company as well as the Management and the HTP Group's employees for their performance and commitment in the year 2006.

Neudörfel, April 23, 2007

The Supervisory Board
Mag. Dr. Gerd-Dieter Mirtl
Chairman of the Supervisory Board

Executive bodies

Management Board

Mag. Kurt Helletzgruber

Chairman of the Management Board / Strategy, Sales, Purchasing

Mag. Birgit Hochenegger-Stoier

Member of the Management Board / Finance, Personnel, IT

Dr. Thomas Vondrak

Member of the Management Board / Engineering, R & D, Production, Quality

Dipl.-Ing. Peter Glatzmeier

Member of the Management Board / Communication, Mechanical Engineering, Technology, Product Development / since February 1, 2007

Supervisory Board

Mag. Dr. Gerd-Dieter Mirtl

Chairman

Dr.-Ing. Fritz Kretz

Deputy Chairman

Mag. Franz Rossler

Member

Dr. Norbert Scherbaum

Member since May 15, 2006

In 2007 the HTP becomes HTI

HTI High Tech Industries AG



The HTI High Tech Industries is a quoted holding company specialised in participations in medium-sized industrial companies. Contrary to financial investors, the HTI is interested in long-term participations and thus does not pursue any compelling exit strategy for its commitments.

The companies in which the HTI holds a share remain independent. The general managers of the holding companies operate independently and bear the sole responsibility for the results. They are supported by the holding company in the areas of financing, controlling, legal, taxes and development. Due to its stock listing, the holding is able to optimise financing possibilities on the capital market for its subsidiaries.

The HTI strives for growth through acquisitions and attaches great importance to the diversification of its fields of activities in order to minimise the entrepreneurial risk.

Thus, as of 2007, the HTI will be subdivided into four segments:

- **PLASTICS**
- **METAL**
- **MECHANICAL ENGINEERING**
- **OTHER INTERESTS**

For the time being, the HTI makes investments in profitable niche players in the three defined core business areas plastics, metal and mechanical engineering. For the selection of companies, the HTI will focus on the acquisition of medium-sized industrial companies undergoing changes, but having an established market position (sales of EUR 15 - 100 million). Particularly interesting are companies with unsolved succession, companies for sale as a result of demergers of companies or companies with restructuring needs or high modernisation potentials. The ProRegio Mittelstandsfinanzierungs AG will take over the selection of these companies.

Naturally, the new company structure requires organisational changes and an enlargement of the management. Together with Kurt Helletzgruber, Peter Glatzmeier, General Manager of the BBG Baugeräte GmbH and Nikolaus Kretz, Member of the Management Board of ProRegio Mittelstandsfinanzierungs AG will form the Management Board of the HTI. Birgit Hoehenegger-Stoirer and Thomas Vondrak will lead the operating HTP High Tech Plastics GmbH and will support the HTI as deputy Management Board members as well as Karlheinz Wintersberger, who will also conduct the business of the Gruber & Kaja GmbH.

HTI High Tech Industries AG

PLASTICS

HTP GmbH

- HTP Automotive GmbH
- HTP Electronics GmbH
- HTP Aircraft GmbH

HTP Plasmet s.r.o.

HTP Germany GmbH

- HTP Liebscher GmbH & Co KG
- HTP Motion GmbH

HTP US Inc.

METAL

Gruber & Kaja

Druckguss- und
Metallwarenfabrik GmbH

Mechanical Engineering

BBG Baugeräte GmbH
— Favre SARL

Other interests

ProRegio Mittelstands-
finanzierungs AG



HTI High Tech Industries AG



PLASTICS

HTP High Tech Plastics GmbH

The plastics segment of HTI consists of the operating business of the HTP before its transformation into a medium-sized holding company. All operating units have been integrated in the HTP High Tech Plastics GmbH. Each business division has been consolidated under a separate legal unit in order to create the subsidiaries HTP Automotive, HTP Electronics and HTP Aircraft. The subsidiaries HTP Plasmet, HTP Germany with the operating units HTP Liebscher and HTP Motion as well as the HTP US, which supplies customers in North America, remained unchanged. With about 670 employees, the HTP generated sales of EUR 79 million in the business year 2006. After the completed consolidation phase, the Company now strives for an organic growth of about 10 % annually on average. Target markets for acquisitions and co-operations are companies in Eastern Europe or enterprises being active in interesting markets such as packaging or medical technology.

METAL

Gruber und Kaja Druckguss- und Metallwarenfabrik GmbH

The Gruber & Kaja Druckguss- und Metallwarenfabrik, based in Traun and Nettingsdorf in Upper Austria constitutes the core of the new metal processing segment „metal“. The company is specialised in the production of complex, pressure tight and high-quality die-cast parts and is a well established supplier for the automotive and utility vehicle industry.

In 2006, the company, existing since 1950, generated sales of about EUR 74 million with its more than 400 employees. In the current business year, the focus of Gruber & Kaja is on the concentration of its production on the modern site in Nettingsdorf. Pro-

duction and efficiency increases shall be achieved through synergy effects with other companies of the HTI Group. In the coming years, the metal segment shall further expand through acquisitions of profitable companies with technology competence technology.

MASCHINENBAU

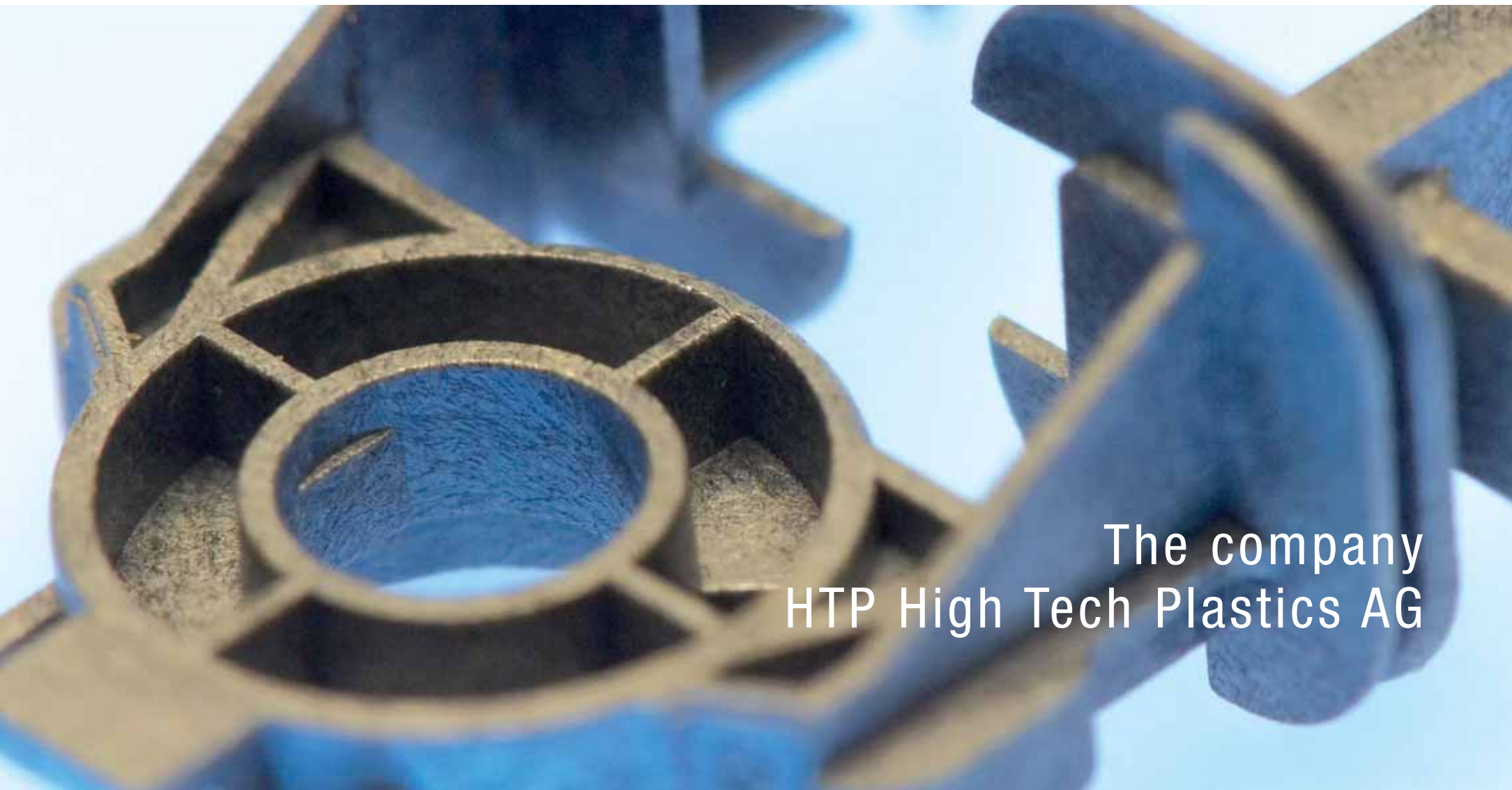
Mechanical Engineering

The Styrian BBG Baugeräte GmbH with its French subsidiary Favre constitutes HTI's engineering segment. Founded in 1919 as production line for pneumatic tools of the Gebrüder Böhler & Co AG, the today's company emerged in 1992 from the spin-off from and privatisation of the nationalised industry. The successful niche supplier of pneumatic tools and special machinery for the building industry generated sales of EUR 17 million with its 76 employees in 2006. In the medium term, the company intends to further strengthen its market presence in the Eastern European countries. Technically, the focus is on the further development of competence in vibration and noise reduction. To further expand this segment, the HTI plans additional acquisitions of profitable niche player in the field of engineering and plant construction.

OTHER INTERESTS

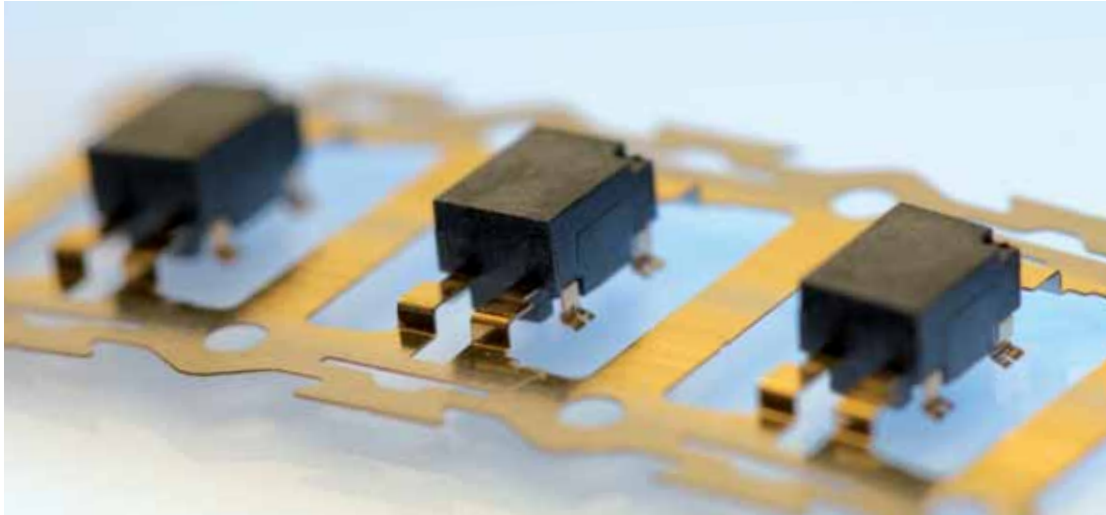
ProRegio Mittelstandsfinanzierungs AG

In the course of the former HTP's new orientation, the ProRegio Mittelstandsfinanzierungs AG has been integrated. Within the HTI, the ProRegio will be responsible for the identification, evaluation, judgement and realisation of acquisition projects in the three defined industrial core businesses and further constitutes a platform for minority interests.



The company
HTP High Tech Plastics AG

HTP High Tech Plastics AG



The HTP High Tech Plastics is an internationally operating Group of companies specialised in plastic injection molding and it manufactures products mainly for the automotive, electronics and aircraft industries. With the acquisition of the HTP Motion in April, the Group could expand its business to the medical technology, packaging and computer industries.

HTP High Tech Plastics AG's core competence is the development and the production of plastic products and components, which combine plastics with other materials such as metal. Most of the highest precision molds are developed, engineered and produced internally. Subsequently, serial parts are molded on highly automated production lines and then are delivered via sophisticated logistics systems to HTP's customers.

Each product is developed in close co-operation with the customers. Complex performance requirements are jointly analysed, solved and realised. Customer oriented project teams coordinate all involved processes. Development and sales engineers are already taking part in the design processes of new customer product developments. The HTP focuses on quality assured processes and procedures, starting from the mold service over the production up to on time delivery to its customers.

Our vision for the plastics segment:

- **Our target markets are the automotive, electronics, packaging, medical technology and aircraft industries**
- **Customer relationship is our main focus**
- **We strive to further strengthen our major competitive edges, the mastery of different technologies and production procedures**
- **All Group sites are understood as „Europa AG“ and make joint use of resources, handle projects at the best suitable location and are self-supporting, always with the aim to achieve the optimum result for the customer**
- **We focus on the European market**

Markets and products

Due to the material's versatility, the plastics market is a strongly growing market. In 1990, the worldwide consumption amounted to 86 million tons and until 2010 it is expected to increase to 258 million tons. In Europe and North America, the per-capita consumption increase by 4 % annually. The most important growth rates are recorded in Eastern Europe (8.5 % annually) and in South East Asia (7 % annually).

With its sites in Austria, Germany, Great Britain and Slovakia, geographically, the HTP focuses on Central Europe. The US location basically delivers to customers of the North American automotive industry.

HTP High Tech Plastics AG counts globally acting companies of different industries among its customers. Traditionally, HTP's most important sales markets are the automotive and the electronics industries. Beside the aircraft industry, which the HTP entered a few years ago, the medical technology and the packaging industry gain more and more importance.

Automotive

Our automotive division's key success factor is the long-term co-operation with our customers, which for many projects goes far beyond the production of plastic parts and covers the entire chain from product design over engineering and mold service up to serial production and surface finishing.

The wide range of HTP's products for the automotive application includes different mesh structures, interior and exterior parts. Most of these parts are built into the automotive industry's premium classes.

Mesh structures

Since many years, the HTP is known as specialist for loudspeaker grilles and other mesh structures such as e.g. ventilation grilles. Supported by state-of-the art computer technology, the Company develops and engineers prototype molds, realises pre-serial samples, manufactures highest precision serial molds and produces serial parts on individually optimised machinery. In close co-operation with automotive designers, we conceive visually attractive solutions. Starting from simple round-hole patterns over mesh designs up to complex diamond mesh optic as well as exceptional colour and form requests, we realise any customer demand.

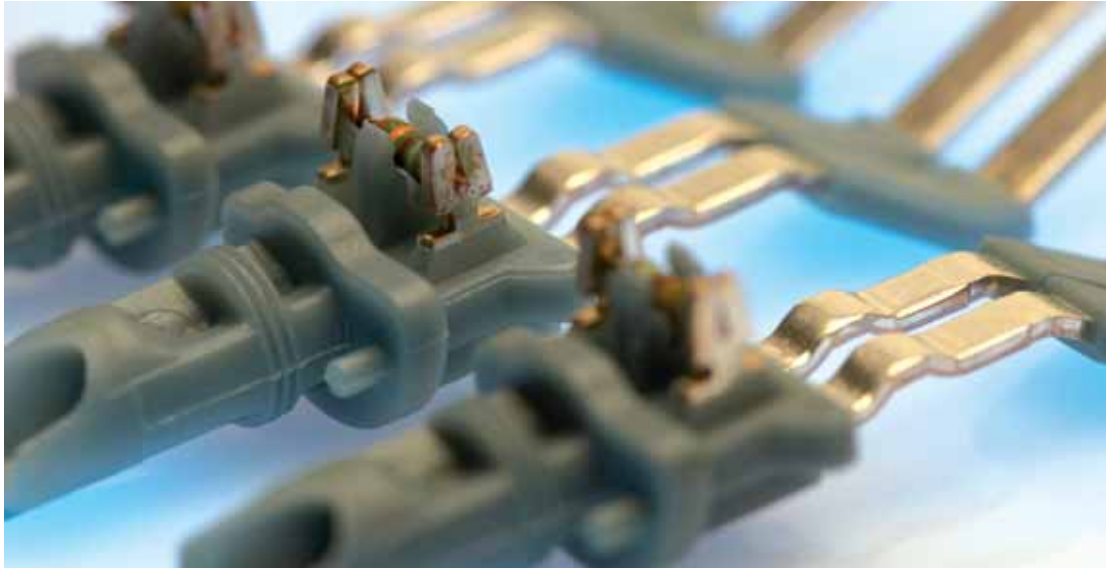
Interior parts

The design of vehicle interiors is one of the most dominating subjects for designers and engineers of the automotive industry. HTP meets these high requirements on individuality, modularity and surface finishing by most up-to-date mold service and injection molding technologies. The finishing of plastics surfaces by lacquering, patterning, chromium-plating or printing and textile back injection molding gives A, B, and C pillars, doors and seat trims, unlatching handles, covers and similar products an appealing appearance and haptic.

Exterior parts

For the automotive exterior, HTP develops, engineers and produces visually attractive solutions combined with perfect functionality and highest quality standard. Among other parts, this includes covers for headlights, entrance bars, front grilles, function and styling parts, etc. With its state-of-the art technologies such as multi-material and multi-component technologies, HTP offers product solutions starting from

Markets and products



the development and engineering through mold service up to serial production - all from one single source.

The continuous further development of process engineering enables us to respond quickly to new trends and changes and at the same time we focus on decisive quality criteria such as precision and surface finishing.

Aircraft

Already during the development and design phase, one of HTP's residential engineers supports the aircraft customers on the spot in defining the appropriate material and

in designing the required parts. Here, we make use of our injection molding know-how from the production of interior parts for the automotive industry.

Mainly due to its high competence in the processing of high temperature thermoplastics, some time ago, the HTP succeeded in entering this demanding market. The most important requirements on the product are low weight and the observance of strict safety standards. Certified according to the international admission of the "Commercial and Government Entity Code" (CAGE) as original equipment manufacturer (OEM) of aircraft parts for airlines worldwide, HTP produces interior window units and luggage rack closing mechanisms for the new airbus models.

Electronics

In its electronics division, the HTP applies state-of-the-art technologies such as insert technology and micro-injection molding.

The insert technology injection-molds around wires, stamping parts and strips or other components and thus eliminates costly assembly steps. Injection-molding around wire inserts, stamping and strip inserts by reel-to-reel technology, metal insert technology and wire insert technology are fully automated and process controlled by most modern measuring instruments.

The miniaturisation requirements are met with our micro-injection molding technology. It allows the production of extremely small parts of highest precision. Our in-house mold service, which realises and makes the most complex solutions possi-

ble, form the basis for consistent top quality of the produced parts.

Product example for the electronics business are high-temperature resistant SMD-modules, plugs for fibre glass cables or the motor management, coils, precision components for DVD players or modern MID parts.

Medical technology

Beside the optimum care, functionality, design and equipment play a central role in medicine. Innovations in this field are the producers' responsibility.

The HTP manufactures products, which are applied in dental medicine, in dialysis and in other interesting fields of medical technology. Depending on the product requirements, the appropriate production technology is applied. Based on the extensive know-how of its engineers and the convincing and appreciated process management, the HTP Motion could build up decisive competitive advantages.

Packaging

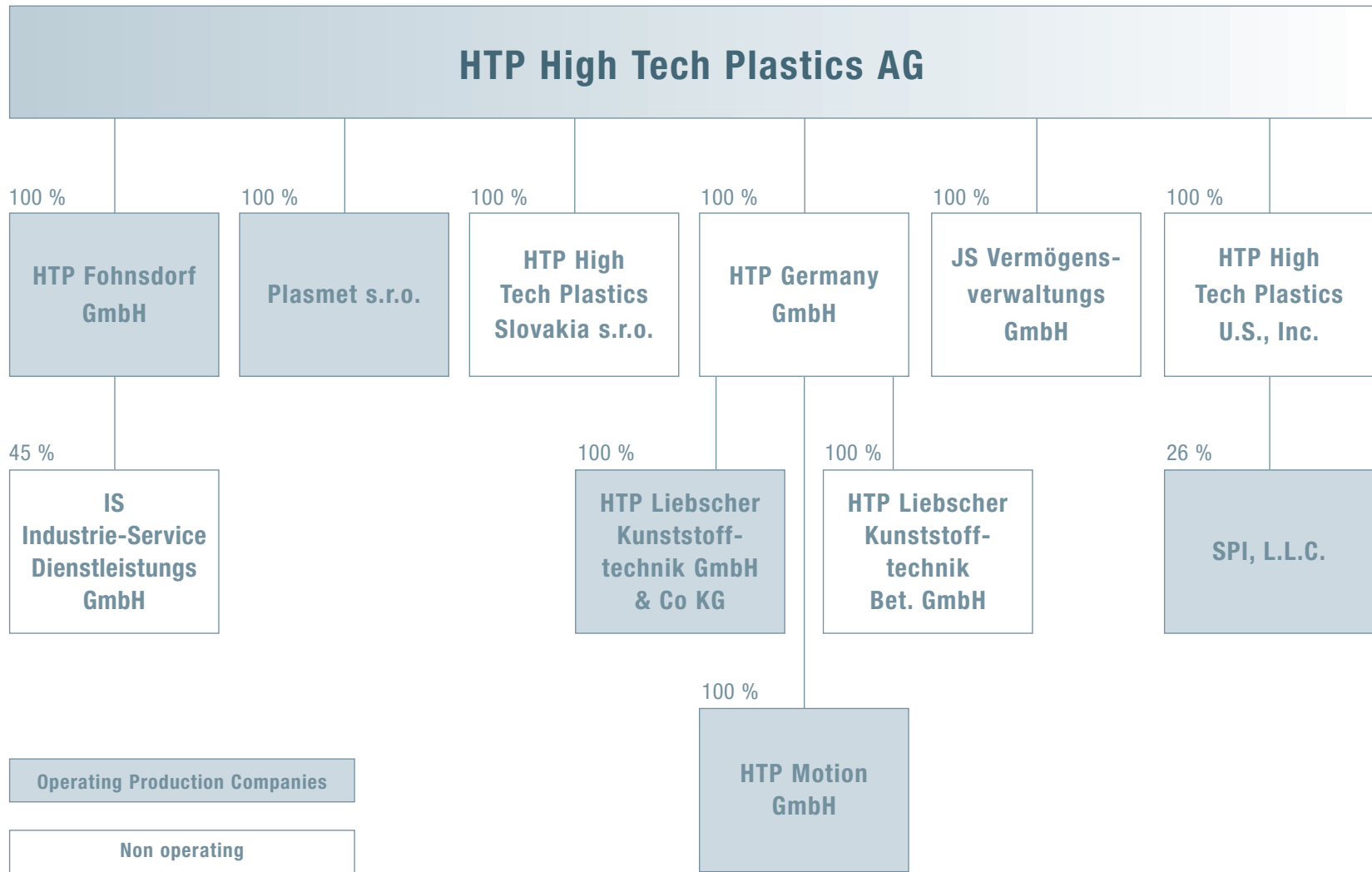
In the packaging business, HTP supports its customers already during the development phase and thus provides a valuable contribution to innovations for the packaging technology. Beside the excellent quality of tools, production on most modern injection molding machines and a far-reaching quality assurance are the basic prerequisite for the translation of new ideas into market-oriented products. The appli-

cation of injection molding for packaging is extensive. The HTP manufactures products, which are used in different areas - from the building industry to dental medicine. Recently, the HTP Motion could contribute to a development of the building industry, which allows the realisation of injection anchoring with two component reactive mortar in concrete, light concrete, bricks and gutter tiles with no outward radial force applicable in fresh and saltwater.

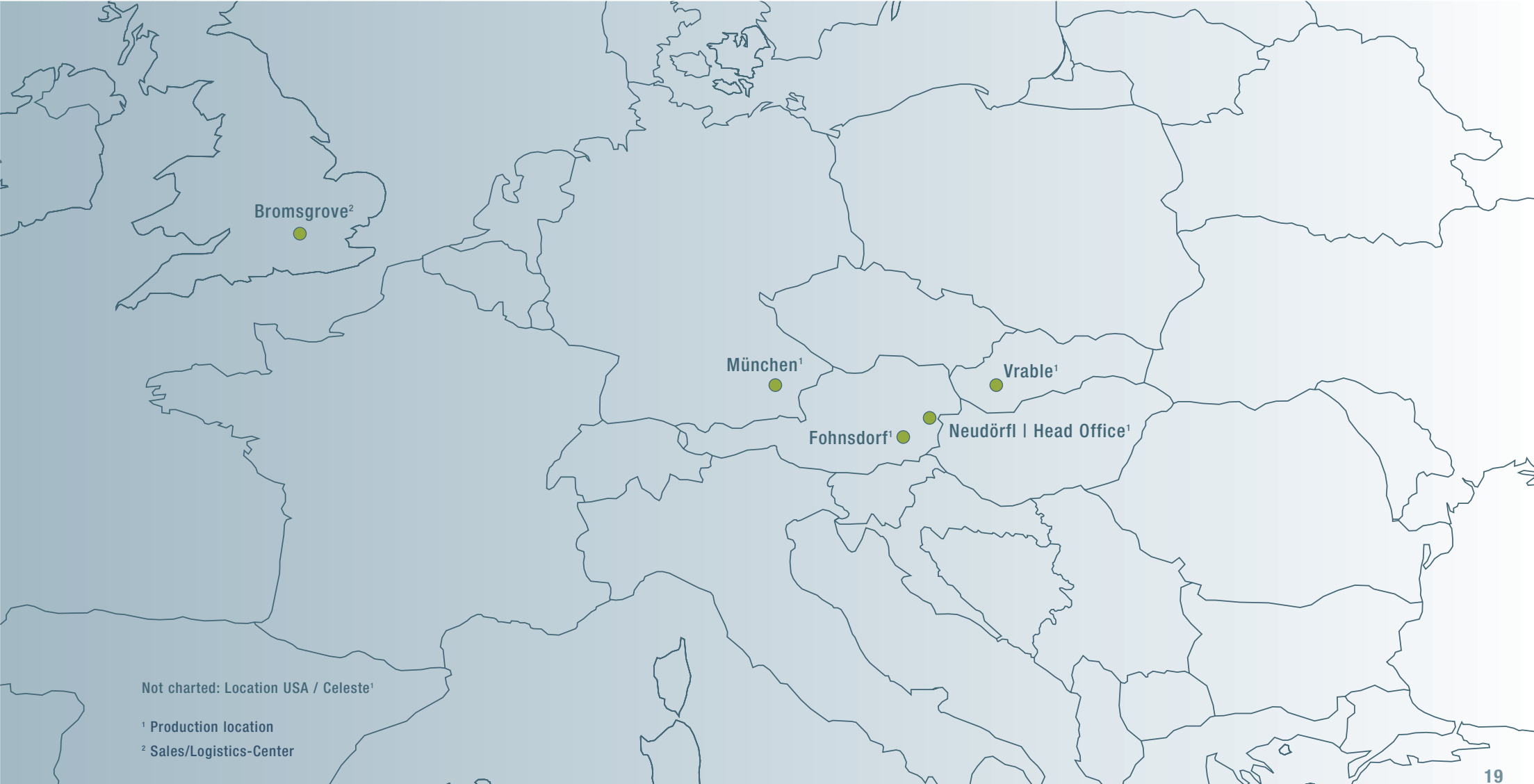
Company history

- 1950 *Foundation of the plastics company (longstanding experience in plastics)*
- 1998 *Transformation into an AG*
- 1999 *Stock listing in Frankfurt*
- 2000 *First foreign investments in Slovakia and Germany*
- 2001 *Expansion by an additional Austrian site - Fohnsdorf*
- 2004 *New ownership structure - new Management after severe economic problems*
- 2005 *Restructuring of the Group*
- 2006 *Completion of the restructuring – First expansion steps (HTP Motion)*
- 2007 *New strategic orientation: HTP becomes part of a medium-sized industrial holding*

Group structure as of December 31, 2006



Locations worldwide



Strategy of the plastics segment

As a producer of high precision plastic parts, HTP operates in a dynamic and growing market. The substitution of traditional materials is still going on. Since years, the trend goes to function-integrated multi-component elements and complex injection molding processes and from experts' point of view this trend will further increase over the coming years.

Based on longstanding experience and ongoing innovation, HTP built up its leading market position as innovative supplier of high-tech plastic parts. The Company's long-term target is to achieve a significant market position in a strongly fragmented market. Thus, in the medium-term, we consider necessary the implementation of the following key elements of the Company strategy:

Focus on the core competences

In the last year, the HTP has completed its concentration process in its core competences of plastics processing. Non-central activities were closed or were adapted to own requirements.

In the future, the HTP will focus on the following core activities:

- **Parts with complex surfaces and mesh structures,**
- **Technically demanding insert-technology parts,**
- **Parts of high-temperature plastics for the aircraft industry**
- **Parts for new markets such as medical technology and packaging industry**

We strive to further improve the HTP's market position in these fields. Our longstanding experience with complex parts and materials and the mastery and application

of all relevant technologies provides the basis for this. Main emphasis is put on state-of-the-art injection molding technologies such as multi-component injection molding, insert technology and micro-injection molding and beyond this, surface finishing is of decisive importance for interior parts.

Growth course after consolidation phase

After completion of the restructuring measures, which resulted in the consolidation of sales, priority is now given to new growth.

In the plastics segment, the HTP strives for an organic growth of about 10 % annually on average. Target markets for acquisitions and co-operations are companies in Eastern Europe or enterprises being active in interesting markets such as packaging or medical technology.

Use of location advantages

Within the plastic segment, HTP will further expand the achieved advantages, which are resulting from the good strategic positioning. Austria and Germany act as centres for high complex technologies whereas mainly parts requiring more manual processing are produced in Slovakia. One of the competitive edges of all locations is their proximity to the customer, which allows a quick and flexible response on customer requirements. When choosing new locations for the Group's further growth, we will focus on the Eastern European market.

The HTP share

HTP share / Vienna stock market / 1.1.2006 to 21.3.2007



Development of the share at the Vienna stock market

The last business year 2006 has been a relatively turbulent year for the HTP share. After a plus of 23.6 % in the previous year, the share opened at EUR 3.88 in 2006. In April, the share prices increased sharply to its preliminary high of EUR 5.25. The share could not maintain this price and lost in value and eventually dropped to its low at EUR 3.30 at the end of October. Since then, the share price recovered to the level of the beginning of the year and closed at EUR 3.79 at the end of 2006. Since January 1, 2007, the share - spurred by positive company news - gained another 6.3 % to EUR 4.03 (situation on March 3, 2007).



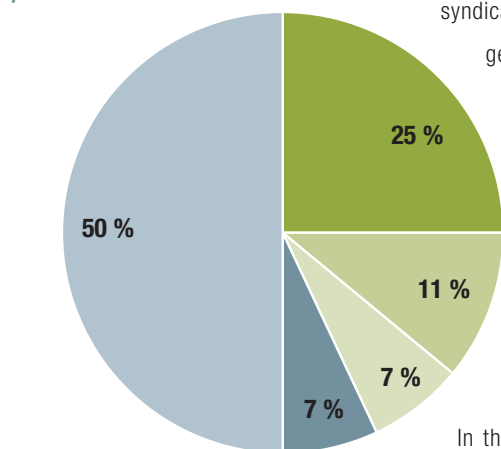
The HTP AG's stock year 2006 was influenced by the capital increase in June. Two million shares bearer shares were issued at a price of EUR 4.0. Consequently, the number of shares increased to 10.5 million. At the end of the year, the market capitalisation amounted to EUR 40 million and thus exceeds the previous year's value by EUR 7 million.

Since the initial listing at the Vienna stock in June 2005, the Capitalbank acts as specialist. As market maker, the Frankfurter Concord Effekten AG provides for additional liquidity.

The HTP share

Shareholders' structure

Shareholders' structure per 31.12.2006



- Astor & ProRegio
- Hofmann PS
- Dörflinger PS
- Androsch PS
- Freefloat

The capital increase in June, at which the share capital increased by EUR 2 million to EUR 10.5 million, led to a further change in the shareholders' structure. The syndicated companies Astor and ProRegio with 25 % are still the biggest shareholder. The shares of Androsch and Dörflinger Privatstiftungen dropped to 7 % each. The voting rights of the Hofmann Privatstiftung, which still holds 11 % of the shares are exercised by an Austrian Bank. After the capital increase, shares on free float increased to 50 %.

Investor Relations

In the past financial year 2006, the Management of the HTP AG participated in different investors' conferences and held numerous one-on-one conversations with investors. The Management Board explained the Company's strategy to interested parties and reported about the progress in the restructuring process.

In the sense of high transparency towards all target groups of the financial community, results and relevant events were published in prompt press-releases. On request, presentations with following discussions or conference calls were held for analysts and investors.

HTP share data

Quotation	Amtlicher Handel, Wien
Market segment	Standard Market Continuous
ISIN	AT 0000764626
Reuters-Code	HTPV.VI

For current analyses, all publications of the year as well as interesting information with regard to the share, please see our homepage www.htp.at under Investor Relations/News /share.

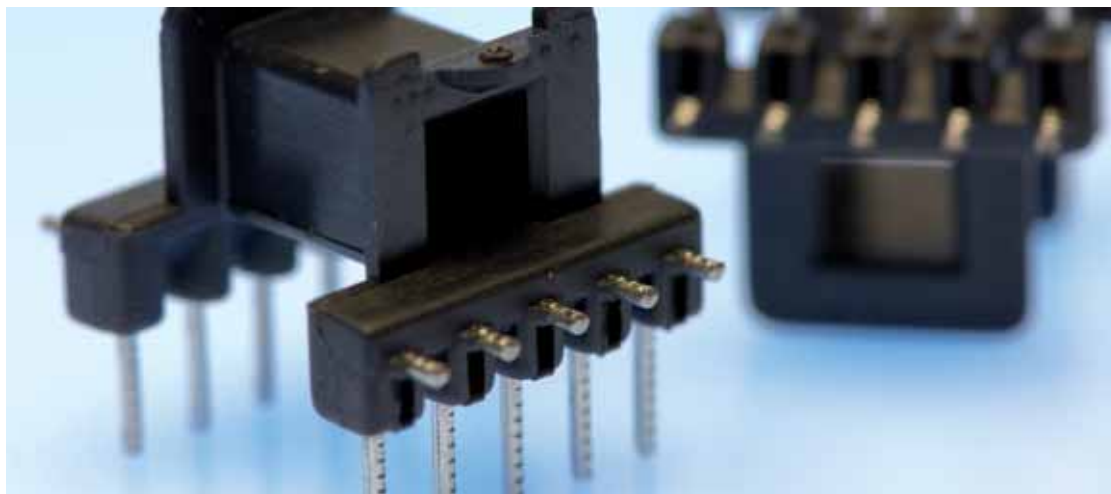
Financial calendar 2007

May 14	General Meeting
May 14	First quarter report
August 8	Half-yearly report
November 14	Third quarter report



Status report

Status report



Economic environment

In 2006, exports and investments were the mainstay for Austria's high and above-average economic growth. With a real GDP growth (gross domestic product) of 3.2 % Austria is clearly ahead of Germany (2.5 %), Italy (1.8 %) and the entire euro-zone (2.7 %).

Worldwide, the economy grew by 3.7 % in 2006. In Eastern Europe, Slovakia, where the HTP AG is doing business since many years, with a real GDP growth of 7.8 % belongs to the strongest growing countries. In 2006, the European automotive industry, HTP's most important market, could report a slight increase in the registration of new cars. In Europe, the new car registrations increased by 0.9 % to 15.4 million passenger cars. The EU-15 gained 0.7 % and came to 14.2 million passen-

ger cars. The development of the individual countries was quiet different. Germany and Italy showed a clear plus of more than 3 %, whereas France and Great Britain recorded a minus of more than 3 %. In total, the new EU countries report an increase of 2.2 % to 0.74 million passenger cars. Slovakia (3.8 %) and the Baltic states (39.5 %) achieved above-average growth rates.

Substantial legal and economic influencing factors

In the business year under review, the favourable economic conditions in HTP's most important market were subdued by the ongoing cost pressure of the automotive industry and the difficulties of the aircraft manufacturer Airbus.

In order to reduce the dependence on individual industries, in the last year, the HTP AG has established the basis for the further expansion to other business fields. The capital increase in June 2006 set the financial course (see Notes point 18). The HTP Motion GmbH was one of the first acquisitions through which the HTP Group succeeded in entering the medical technology business and the packaging industry.

Share capital

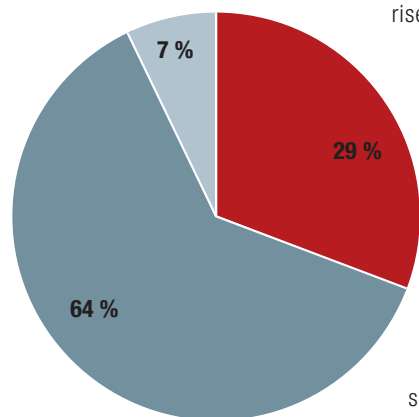
On December 31, 2006, the share capital amounts to TEUR 10.500 and is divided into 10.500.000 no-par shares. The shares are bearer shares. In 2006, the Company's share capital has been increased by TEUR 2.000 according to the resolution passed at the extraordinary shareholders' meeting on May 15, 2005. The extraordinary shareholders' meeting on December 6, 2005 passed a resolution concer-

Earnings and balance sheet analysis

Key figures – Income statement

	2006	2005
Total sales in TEUR	78,725	72,937
EBIT in TEUR	2,119	441
EBIT-margin in %	2.7	0.6
EBT in TEUR	304	-1,249
EBT-margin in %	0.4	-1.7
Consolidated earnings in TEUR (2005 adjusted by banks' contribution of TEUR 10.000)	111	-2,520
Consolidated earnings margin in %	0.1	-3.5

Sales per region



■ Austria ■ EU
■ other countries

ning authorised capital. The Management Board, with consent of the Supervisory Board, is authorised to increase the capital within 5 years by TEUR 4.250 by issuing new shares at a minimum price of EUR 1.

Earnings and balance sheet analysis

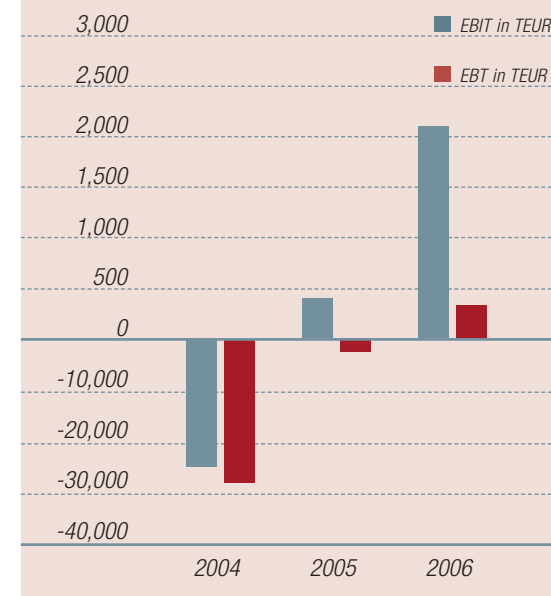
In the business year 2006, the HTP Group's sales amounted to TEUR 78.725. Compared to the previous year, this is an increase of 7.9 %, and basically due to the postponement of expected orders from the aircraft industry, sales remain slightly

below budget. Advanced services for these long-term orders manifest in relatively high inventory changes and higher amounts of own expenses capitalised. Thus, compared to the prior year, total gross income rose by 9.9 % to TEUR 85.840.

Despite the acquisition of the HTP Motion GmbH, personnel expenses increased only by 2.5 % to TEUR 23.782 in the financial year 2006. Accordingly, the personnel tangent dropped from 31.8 % in the past year to 30.2 %. The disproportional increase in material expenses of 14.7 % to TEUR 37.501 results on the one hand from the additional purchase of merchandise after the shut-down of the mold service in Fohnsdorf in the previous year and on the other hand from advanced services for the Airbus orders. After consideration of other operating expenses, which mainly due to the already completed reconstruction measures in Slovakia and process adaptations in the production, increased by 15.8 % to TEUR 15.763, the EBITDA comes to TEUR 8.794 (prior year: TEUR 8.582).

After depreciation and amortisation on intangible and tangible fixed assets, earnings before interest and tax (EBIT) come to TEUR 2.119. This corresponds to an increase of 380 % compared to the previous year's result. The net financial result dropped by 7.4 % to TEUR -1.815 after TEUR -1.690. Subsequently, earnings from ordinary business activities turned positive from TEUR -1.249 to TEUR 304.

Turnaround completed in 2006



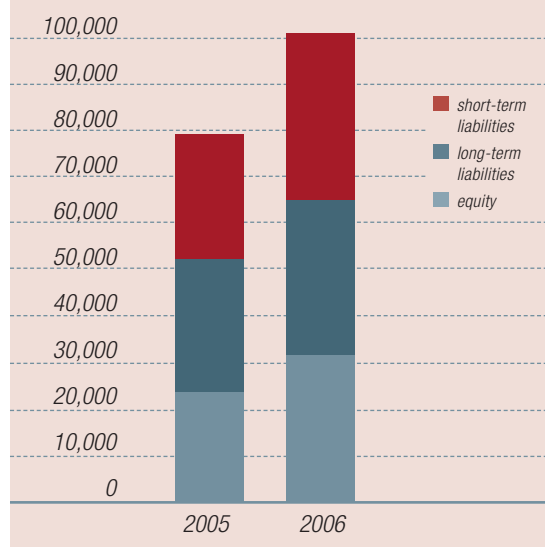
Earnings and balance sheet analysis



Balance sheet structure as of December 31, 2006

TEUR	2006	2005	Change
Balance sheet total	101,821	79,389	28.3%
thereof			
long-term assets	61,328	41,830	46.6%
short-term assets	38,977	37,559	3.8%
assets available for sale	1,516	0	-
thereof			
equity	31,177	23,692	31.6%
long-term liabilities	33,846	27,878	21.4%
short-term liabilities	36,798	27,819	32.3%

Equity ratio increased to 31 % in 2006



After consideration of non-recurring expenses related to the staff reduction in the context of the restructuring program, which amounted to TEUR 1.469 (previous year: 1.160), income taxes of TEUR 1.377 (prior year: TEUR -66) and after deduction of minority interests at the amount of TEUR 101, the consolidated result comes to TEUR 111. In the previous year, the result has been positively influenced by the banks restructuring contribution of TEUR 10.000 and thus came to TEUR 7.480. Adjusted by the banks' amount, the consolidated result im-

proved by TEUR 2.631 from TEUR - 2.520 in the last year to TEUR + 111.

The Company's balance sheet total rose by 28 % to TEUR 101.821. The main reasons for this development were the acquisitions of the properties in Fohnsdorf and of the HTP Motion GmbH. On the liabilities' side equity improved by 32 % to TEUR 31.177. On the balance sheet date, the equity ratio of 31 % thus exceeded the previous year's value by one percent.

The new building in Slovakia as well as the acquisition of the HTP Motion GmbH were basically financed by bank credits. This results in an increase in net debt of 31 % to TEUR 23.486. Due to an improved equity situation, the gearing ratio remains on a low level of 75 % (previous year 76 %).

Sales development per segment

TEUR	2006	2005	Change
Total sales	78,725	72,937	7.9%
thereof PIM	52,232	49,878	4.7%
IT	26,493	17,537	51.1%
MS	0	5,353	-100.0%
Others	0	169	-100.0%
thereof Austria	12,891	21,513	-40.1%
EU	59,792	46,661	28.1%
Other countries	6,042	4,763	26.9%



Business divisions

As a result of the shut-down of the mold service in Fohnsdorf in 2005, the MS Mold Service business division lost considerably of importance within the Group and therefore was closed down. In the business year under review, the HTP Group's activities were pooled in the business divisions PIM Precise Injection Molding and IT Insert Technology (see page 42). Compared to the previous year, the PIM Precise Injection Molding division improved its sales only by 4.7 % to TEUR 52.232 and generated two third of consolidated sales. Sales to the aircraft industry remained behind the expectations and thus are the reason for this only minor increase. Earnings before interest and tax slightly improved by 4.7 % to TEUR 929. However, due to the ongoing cost pressure of the automotive industry, the margin of 1.8 % is still not sa-

tisfying. The HTP Group achieved significantly higher growth rates and better results in its IT Insert Technology division. The segment's sales - partly because of the acquisition of the HTP Motion GmbH - grew by 51 % to TEUR 26.493. With an EBIT margin of 4.5 %, the Company realised earnings before interest and tax of TEUR 1.190, which is a plus of 145 % in comparison with the last year's value. The IT Insert Technology division generated one third of total sales and shall further be pushed in the future.

Research and development

The fields of application of plastics, one of the world's most innovative and versatile material has undergone a continuous development. Due to its unique properties and the compatibility with other materials such as metal, glass or wood, its applications are almost unlimited. Particularly because of the low weight of plastic parts compared to metal parts and thus lower energy consumption, in the last years, plastics experienced a triumph in the automotive and aircraft industries. Beside the low weight, the easy handling of plastic products is an important issue in the decision for the use of plastics. Especially in the medical technology and for packaging solutions plastics are more and more discovered as ideal material.

In order to further expand its market position in the key markets and to secure its technological leadership, every year, the HTP Group spends a lot of time, energy and money in research projects with external partners as for example the Polymer Competence Center Leoben or the Fotec GmbH as well as in the further development of existing technologies through own engineering teams at the different sites.

R & D is managed centrally, but implemented mainly locally at the different sites. In 2006, expenses for research and development amounted to TEUR 1.996 after TEUR 1.280 in the previous year.

Main focus of R & D is on the optimisation of raw the material charge, the process automation, the reduction of production steps as well as on the further reduction of weight to lower the use of energy.

The HTP could achieve considerable success in the application and the further development of multi-component and internal gas pressure injection molding. Innovative surface finishing improves the haptic and the visual appeal of plastic parts.

During the last years, R & D activities went far beyond plastics technology and have been expanded to other areas. With the powder injection molding technology, a method to inject metal parts, the Company works on the development of a lower cost alternative to traditional metal cutting technologies of the metal processing industry.

The HTP Group's priority target is to maintain and to further strengthen the technological lead through continuous performance, efficiency and quality improvement in the production processes and of the products.

Beside the commitment in research and development, the attention is given to the efficient exchange of information and experience between the individual sites of the Group. With the aid of site related project plans, processes and formats have been standardised in accordance with the certification TS 16949 and thus meet highest quality requirements.

Risk management

Activities as leading producer of plastic parts and precision molds for the automotive, electronics and aircraft industry expose the HTP High Tech Plastics AG to a variety of risks. Risks and their potential effects are raised and analysed in the context of risk management and handled on the basis of a group wide policy. The risk analysis process identified 11 major risks for the HTP.

- **technological changes and process development**
- **high competition risk due to a strongly fragmented market**
- **industrial risks and economic dependence**
- **dependence on raw material prices**
- **contract arrangements**
- **dependence on qualified personnel**
- **customer concentration**
- **growth projects**
- **product deficiencies and delivery reliability**
- **risks in the context of international activities**
- **credit risks of customers**

In order to avoid and manage risks, the local companies deliberately take on risks only as part of their operating activities in the production and sales of products. These risks are always evaluated in relation to potential gains and opportunities. Risks beyond the scope of operating activities, such as financial risks, are monitored and hedged by HTP AG as the parent company of the Group. The local companies support this function by supplying information.

In addition to operating risks, the Group only incurs risks outside the scope of normal business activities in conjunction with acquisitions, financing and existing investments in non-core areas. All other risks are avoided or hedged.

The most important instruments for the monitoring and management of risk are planning and controlling processes, group guidelines and regular reporting. In the monitoring and control of risks associated with normal business operations, reporting plays a major role. Information on indicators that point to a major potential risk and that are not included in the formal reporting procedure is passed on to the next higher management level without delay.

Risk management represents an integral part of all decisions and business practices and, as such, is integrated in organisational processes and procedures. The overall responsibility for risk management at group level lies with the Management Board. Operating risks are handled by the local management while specific individual risks (e.g. foreign exchange risks) are monitored by service units at Group level.

Compliance with the regulations and the supervision of employees in their interaction with risks is a basic responsibility of all managers within the Group. Group guidelines, instructions and manuals are designed to guarantee uniform and safe actions, and are binding for all employees. HTP locations are certified according to the strict standard TS 16949 of the automotive industry.

Employees



For HTP's employees, the business year 2006 was marked by the establishment of the new organisational structure, which became necessary as a result of the reorganisation of the entire company according to the principle of the "fractal factory" (see annual report 2005).

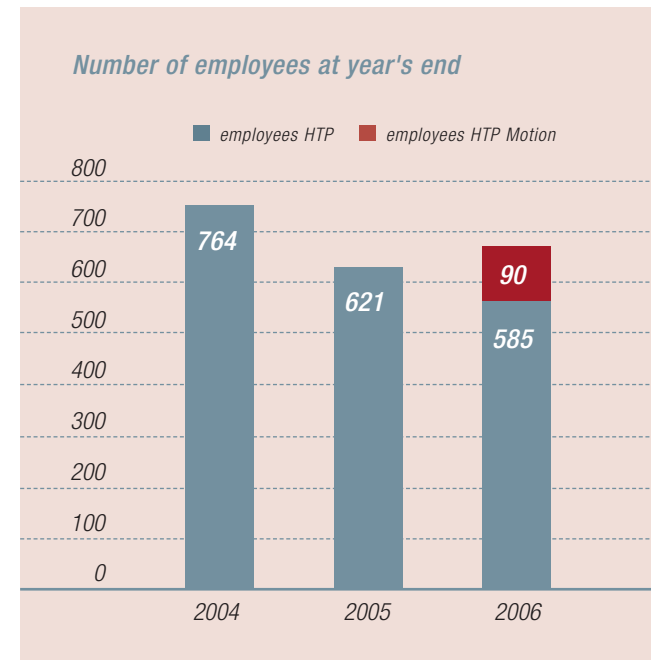
Supported by external specialists, management teams of all operating units have jointly worked out a new corporate image which defines the major targets. The HTP employees have created a team manual which determines the code of conduct and which they considered necessary as basis for the success of their team work.

After the reduction in personnel, the number of employees took again a positive development in 2006. At the end of 2006 the company employed 675 people. This is

a plus of 54 staff members compared to 2005 and is mainly resulting from the consolidation of the German HTP Motion which occupies 90 employees.

In Germany, the number of staff increased by 95 to 173 persons. In 2006, the Austrian sites employed 383 people and thus 48 less than in the previous year. Slovakia engaged 7 additional staff members and consequently the number increased to 119. More than 56 % of all employees are occupied in Austria. The share of German staff grew to a quarter and about 17 % of the Group's staff is based in Slovakia.

The ratio between workers and employee remains unchanged in comparison with the previous year. 71 % of the employed staff are blue collar workers and 29 % are white collar workers. On Group level, 14 apprentices were attending HTP's education program as tool maker, plastic molder and plastic engineer and tooling mechanist.



Corporate responsibility

Sustainability report

Being a high-tech company with long-term project and development cycles, HTP feels obliged to the principle of a sustainable company management. Numerous initiatives in different business fields prove this fundamental orientation. In this context, following, some relevant aspects and initiatives shall be portrayed:

Plastics – Material with environmental advantages

Beside specific product advantages and from an environmental and natural resources point of view, plastics - organic materials structured as macromolecules and resulting from the transformation of natural products or by synthesis of primary elements (oil, gas, coal) - offer a wide range of advantages. Low raw material consumption, high environmental compatibility, long lifetime as well as the precise processability without any waste and secondary finishing are all factors that speak in favour of the use of plastics. Special material characteristics such as high absorption and insulation values are additional positive aspects of the environmental friendly use of plastics.

These advantages gain more and more importance, especially against the background of the climate protection conferences and the required „sustainable development“. The conferences sought to achieve a reorientation of production technologies and particularly a considerable reduction of material and energy usage. Because they allow a long-term combination of economic, ecologic and social requi-

rements, plastics will play a leading role compared to other materials. Building insulations, solar installations, light vehicles, wind energy installations, photovoltaic and fuel cells are only a few application fields that offer enormous future potential for the innovative utilisation of polymer materials.

The HTP is facing this trend by pushing the substitution of metallic materials. Based on the achievable weight reduction and the benefit for automotive and aircraft parts, the fuel consumption can be reduced significantly. Another focus is on the application of possible combinations of different materials. Multi-component injection parts combining hard and soft plastics such as housings with integrated gaskets avoid subsequent bonding steps and consequently save energy and costs. The combination of wood and plastics links the specific characteristics of a renewable raw material and the functional advantages of plastics. From a technical and economical point of view, both advantages form the basis for new product generations.

Environmental friendly painting line

For the coating of plastic parts, HTP exclusively applies water-based and thus environmental friendly lacquers. Thanks to the full automation of the coating process and the closed material circuit, a reduction of the wastewater emission to zero and a significant reduction of the impact on the employees were achieved. The realisation of new multi-layer water based coating systems brings additional competitive advantages in design and product properties, especially for demanding vehicle interior components.

Corporate responsibility

Regular emission measurements of volatile hydrocarbon and dust proved that with this new painting line, HTP does not only observe the emission limits preset by the EU but even is falling considerably below them. Beside this environmental protection, the new painting line also offers economic advantages. Thanks to the utilisation of water-based painting systems, former investments in necessary exhaust air decontamination has become obsolete.

Recycling of plastic waste

In the last year, quality control circuits were installed at all HTP sites. As a result of the immediate reaction on non-conformities and the ongoing process improvement, the quantity of plastic waste was reduced considerably. Plastic waste, which is produced during the injection molding process (sprue) is recycled and can be used within the company. The remaining - already relatively small - quantities are disposed of through the ARA system and finally only a minimum is deposited.

Energy saving through waste heat recovery

By recovering the waste heat from the production machinery, HTP is using the thermal energy resulting from the production process for the energy supply of its pro-

duction buildings. Most of the waste heat is reused for heating purposes and the rest for air-conditioning. As a result, emission may not only be avoided but also expenses for energy may be reduced.

Initiatives for the staff

Employees' health is an important concern to HTP and therefore the Company is supporting the well-being of its staff by different preventive measures. The HTP is regularly offering medical checks such as x-ray of the lungs or eye tests. Numerous initiatives consider the safety at work. Beside permanent trainings, the Group is focusing on the optimum workplace layout as well as the use of personal safety equipments. All sites are equipped with complete fire protection and first aid kits. Regular internal and external controls of the safety system - fire barriers, fire extinguishers, escape route illumination, cranes and lifting devices - round off these activities. Detected deficiencies are eliminated quickest possible and likewise the investigation about accidents or near-accidents contributes to a continuous improvement of the safety level.

Significant events occurring after the balance sheet date

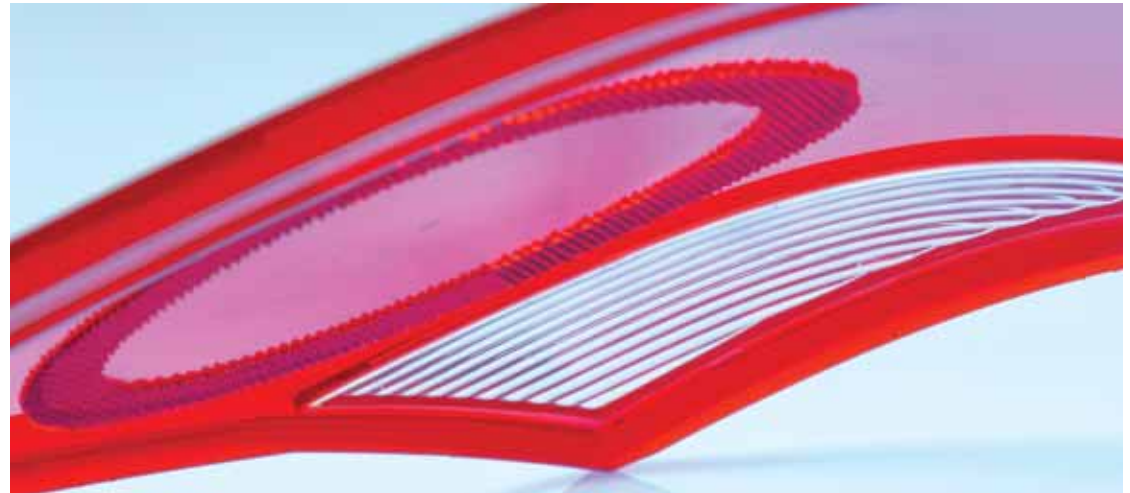
HTP becomes HTI

On January 31, 2007, the Management Board of the HTP AG has announced the Company's strategic new orientation (see also pages 10-12). After the successful reorganisation of the HTP, which is specialised in plastics processing, the Company will now be transformed into a medium-sized industrial holding and will expand its activities to other industries through acquisitions.

The Company, which in the future will operate under the name of HTI, will specialise in the acquisition and the active restructuring of medium-sized industrial companies undergoing changes.

The Company's main focus will be on three industrial core businesses. Beside the already existing segment of plastics processing, the Management defines metal processing and mechanical engineering as strategic business fields and future company segments. First acquisition targets in the new business field were already identified in 2006 and the corresponding company take-overs were successfully completed at the beginning of 2007.

The Gruber & Kaja Druckguss-und Metallwarenfabrik GmbH, which is based in Traun and Nettingsdorf in Upper Austria has been entirely taken over to form the core of the new metal processing segment "metal". The company is specialised in the production of complex, pressure tight and high-quality die-cast parts and is a well established and renowned supplier for the automotive and utility vehicle industry. In 2006, the company, existing since 1950, generated sales of EUR 74 million with its 440 employees.



At the same time, the entry to the engineering segment "engineering" was made by the contribution of the BBG Baugeräte GmbH. This niche supplier of pneumatic tools for the construction industry and special machinery for the pig iron and steel industry is based in Kapfenberg, Styria and with its 70 employees generated sales of EUR 17 million in 2006.

In the course of the HTP's new orientation the ProRegio Mittelstandsfinanzierungs AG was integrated. The previous owners - basically private investors with industrial background - converted their ProRegio shares into new HTP shares. In the future, the ProRegio will be responsible for the identification, evaluation, judgement and realisation of acquisition projects in the three defined industrial core businesses and further constitutes a platform for minority interests.

Outlook



Foreseeable development of the Company

The new Group with its 1400 employees will generate sales of about EUR 164 million in 2007. Until 2010, the Management intends to increase the Group's total sales to EUR 500 million through further acquisitions and organic growth of the existing companies.

The Management pursues different strategies for the individual core business segments:

In the plastics processing segment - the former HTP - efficiency increases through a higher level of automation and the optimised use of sites shall be achieved and thus shall lead to the cost leadership. Expansion is planned in the fields of packaging and medical technology, the businesses with the highest growth rates.

In the new core business segment of metal processing, the Gruber & Kaja will concentrate the production on its modern site in Nettingsdorf and focus on the further expansion to increase production and efficiency. As a result of the integration into the HTI Group, synergies with other segments of the HTI shall be used. Additional acquisitions in this segment are planned in order to enlarge the technology competence in profitable business segments.

In the current year, the BBG Baugeräte GmbH - the core of the engineering segment - will push its market presence in the Eastern European countries. Here, the competence in vibration and noise reduction shall further be improved. Other niche suppliers in the field of mechanical and plant engineering are targets for future acquisitions.



Consolidated financial statements

Consolidated income statement

TEUR	Notes	2006	2005
Sales	1	78,725	72,937
Changes in finished goods and work in progress		1,809	-227
Own expenses capitalised		1,599	972
Other operating income	5	3,707	4,419
Total gross income		85,840	78,101
Cost of materials	2	-37,501	-32,710
Personnel expenses	3	-23,782	-23,194
Other operating expenses	5	-15,763	-13,615
Earnings before non-recurring items, interest, tax, depreciation and amortisation (EBITDA)		8,794	8,582
Depreciation on intangible and tangible fixed assets	4	-6,675	-8,141
Earnings before interest and tax (EBIT)		2,119	441
Net interest result	6	-2,117	-1,813
Other net financial result	7	302	123
Net financial result		-1,815	-1,690
Earnings before tax and non-recurring items (EBT)		304	-1,249
Banks' restructuring contribution		0	10,000
Non-recurring expenses	9	-1,469	-1,160
Earnings before tax and after non-recurring items		-1,165	7,591
Income tax	8	1,377	-66
Annual result		212	7,525
Minority interests		-101	-45
Net result		111	7,480
Earnings per share (in EUR) non-diluted		0.01	1.07
Earnings per share (in EUR) diluted		0.01	1.07
Proposed or paid dividend per share in EUR		0	0
Weighted average number of shares		9,552,055	6,972,194

Consolidated balance sheet

TEUR	Notes	31.12.2006	31.12.2005
ASSETS			
Intangible assets		4,471	2,585
Goodwill		1,865	645
Property, plant and equipment	10	45,170	33,071
Shares in associated companies		893	986
Other financial assets	11	276	571
Other long-term receivables	14	3,079	318
Deferred tax assets	12	5,574	3,654
Long-term assets		61,328	41,830
Inventories	13	17,277	13,919
Trade receivables	14	11,370	12,868
Securities held as short-term assets	15	859	830
Cash and cash equivalents	16	6,884	6,364
Other short-term receivables and assets	14	2,587	3,578
Short-term assets		38,977	37,559
Assets for disposal	17	1,516	0
Total assets		101,821	79,389

TEUR	Notes	31.12.2006	31.12.2005
SHAREHOLDERS' EQUITY AND LIABILITIES			
Issued capital	18	10,500	8,500
Share premium	18	40,878	35,715
Retained earnings		-24,897	-25,160
Secondary loan funds	18	4,696	4,696
Minority interests		0	-59
Equity	18	31,177	23,692
Long-term pension and personnel provisions	19	1,838	1,932
Other long-term provisions	20	1,395	1,092
Long-term interest bearing borrowings	21	12,583	11,164
Other long-term liabilities	22	18,030	13,690
Long-term liabilities		33,846	27,878
Short-term interest bearing borrowings	21	17,788	13,184
Trade payables and payments received	22	8,279	6,814
Tax and other short-term provisions	20	2,927	2,750
Other short-term liabilities	22	7,804	5,071
Short-term liabilities		36,798	27,819
Total shareholders' equity and liabilities		101,821	79,389

Consolidated cash flow statement

TEUR	2006	2005
Earnings before tax	-1,165	7,591
Depreciation on long-term assets	6,675	8,141
Depreciation on securities held as long-term and short-term assets	15	0
Changes in long-term provisions	209	-447
Losses / proceeds from sale of long-term assets	0	-233
Other non-cash relevant income/expenses	1,361	-68
Taxes	7	1
Gross cash flow	7,102	14,985
Inventories	-2,263	1,378
Receivables and prepaid expenses	-1,209	247
Changes in short-term provisions	-1,325	-5,918
Changes in trade liabilities	506	-3,277
Changes in other liabilities	-3,154	-2,368
Changes related to foreign currency conversion	255	0
Cash flow from operating activities	-88	5,047

TEUR	2006	2005
Proceeds from disposal of assets	709	2,810
Purchase of property, plant and equipment and intangible assets	-8,059	-7,816
Payments for investments in financial assets	-105	0
Changes in securities held as short-term assets	-29	0
Changes related to foreign currency conversion	-204	-237
Acquisition of affiliated companies	-4,667	0
Net investing cash flow (ICF)	-12,355	-5,243
Changes in interest bearing debt	5,796	-8,499
Payments in the course of capital increases	7,163	7,357
Net financing cash flow (FCF)	12,959	-1,142
Influence of changes in exchange rates on cash and cash equivalents	4	0
Changes in cash and cash equivalents	520	-1,338
Cash and cash equivalents at beginning of period	6,364	7,702
Cash and cash equivalents at end of period	6,884	6,364
Changes	520	-1,338

Consolidated statement of shareholders' equity

TEUR	Issued capital	Share premium	Retained earnings	Retained earnings	Secondary loan funds	Minorities	Total
Status as of January 1, 2006	8,500	35,715	25,153	-7	4,696	-59	23,692
Consolidated result	-	-	111	-	-	101	212
Capital increase	2,000	-	-	-	-	-	2,000
Agio	-	6,000	-	-	-	-	6,000
Costs of capital increase	-	-837	-	-	-	-	-837
Currency translation adjustments	-	-	-	152	-	-	152
Acquisition / disposal minority interests	-	-	-	-	-	-42	-42
Status as of December 31, 2006	10,500	40,878	-25,042	145	4,696	0	31,177
TEUR							
Status as of January 1, 2005	5,500	31,357	-32,631	32	5,000	-99	9,159
Consolidated result	-	-	7,480	-	-	-	7,480
Capital increase	3,000	-	-	-	-	-	3,000
Agio	-	4,200	-	-	-	-	4,200
Costs of capital increase	-	-841	-	-	-	-	-841
Sale of own stock	-	999	-	-	-	-	999
Currency translation adjustments	-	-	-2	-39	-	-	-41
Other changes	-	-	-	-	-304	-	-304
Acquisition / disposal minority interests	-	-	-	-	-	40	40
Status as of December 31, 2005	8,500	35,715	-25,153	-7	4,696	-59	23,692

Assets analysis

TEUR	Costs of acquisition on Jan. 1, 2006	Foreign exchange incr/decr.	Change in the consolidation range	Transfers	Acquisitions	Disposals	Costs of acquisition on Dec. 1, 2006
<i>Goodwill</i>	6,615	0	1,220	0	0	0	7,835
<i>Concessions, trademark rights, licences</i>	3,959	4	1,000	0	138	203	4,898
<i>Development costs</i>	1,694	0	0	0	1,745	0	3,439
<i>Intangible assets</i>	12,268	4	2,220	0	1,883	203	16,172
<i>Property, buildings and constructions on third party land</i>	11,824	113	11,502	662	822	143	24,780
<i>Technical equipment and machinery</i>	45,491	246	1,730	87	2,317	3,502	46,369
<i>Other equipment and operating and business equipment</i>	17,661	2	0	109	855	364	18,263
<i>Vehicles</i>	1,161	3	0	(30)	92	407	819
<i>Prepayments made and assets under construction</i>	1,106	16	0	(828)	2,091	25	2,360
<i>Property, plant and equipment</i>	77,243	380	13,232	0	6,177	4,441	92,591
<i>Shares in affiliated companies</i>	0	0	0	0	105	0	105
<i>Shares in associated companies</i>	1,000	(103)	0	0	0	0	897
<i>Equity interests</i>	23	0	5	0	0	0	28
<i>Securities held as long-term assets</i>	576	0	0	0	0	390	186
<i>Financial assets</i>	1,599	(103)	5	0	105	390	1,216
	91,110	281	15,457	0	8,165	5,034	109,979

<i>Accumulated depreciation on Jan. 1, 2006</i>	<i>Foreign exchange incr/decr.</i>	<i>Transfers</i>	<i>Acquisitions</i>	<i>Disposals</i>	<i>Accumulated depreciation on Dec. 1, 2006</i>	<i>Remaining book value on Dec. 31, 2006</i>	<i>Remaining book value on Jan. 1, 2006</i>
5,970	0	0	0	0	5,970	1,865	645
2,509	3	0	350	203	2,659	2,239	1,450
559	0	0	648	0	1,207	2,232	1,135
9,038	3	0	998	203	9,836	6,336	3,230
4,115	26	0	434	11	4,564	20,216	7,709
26,832	145	(14)	3,503	1,855	28,611	17,758	18,659
12,619	2	44	1,610	461	13,814	4,449	5,042
606	3	(30)	130	277	432	387	555
0	0	0	0	0	0	2,360	1,106
44,172	176	0	5,677	2,604	47,421	45,170	33,071
0	0	0	0	0	0	105	0
14	0	0	(23)	(13)	4	893	986
0	0	0	0	0	0	28	23
28	0	0	6	(9)	43	143	548
42	0	0	(17)	(22)	47	1,169	1,557
53,252	179	0	6,658	2,785	57,304	52,675	37,858

Segment report

Segments 2006

TEUR	PIM	IT	MS	Other	Total
Sales	52,232	26,493	0	0	78,725
EBITDA	4,832	3,962	0	0	8,794
Capital expenditure	5,026	3,033	0	0	8,059
Depreciation / amortisation	3,903	2,772	0	0	6,675
EBIT	929	1,190	0	0	2,119
EBT	131	173	0	0	304
Segment assets	86,388	15,433	0	0	101,821
Segment liabilities	60,814	9,830	0	0	70,644

Segments 2005

TEUR	PIM	IT	MS	Other	Total
Sales	49,878	17,537	5,353	169	72,937
EBITDA	5,736	3,124	-565	287	8,582
Capital expenditure	5,044	2,572	0	200	7,816
Depreciation / amortisation	4,849	2,639	388	265	8,141
EBIT	887	485	-953	22	441
EBT	-54	683	-1,886	8	-1,249
Segment assets	52,071	13,453	8,902	4,963	79,389
Segment liabilities	42,296	8,143	5,258	0	55,697

(MS includes only the closed mold service)

Information by geographic segment 2006

TEUR	Austria	EU	Other countries	Total
Sales	12,891	59,792	6,042	78,725
Assets per segment	78,498	22,180	1,143	101,821
Capital expenditure	4,460	3,599	0	8,059

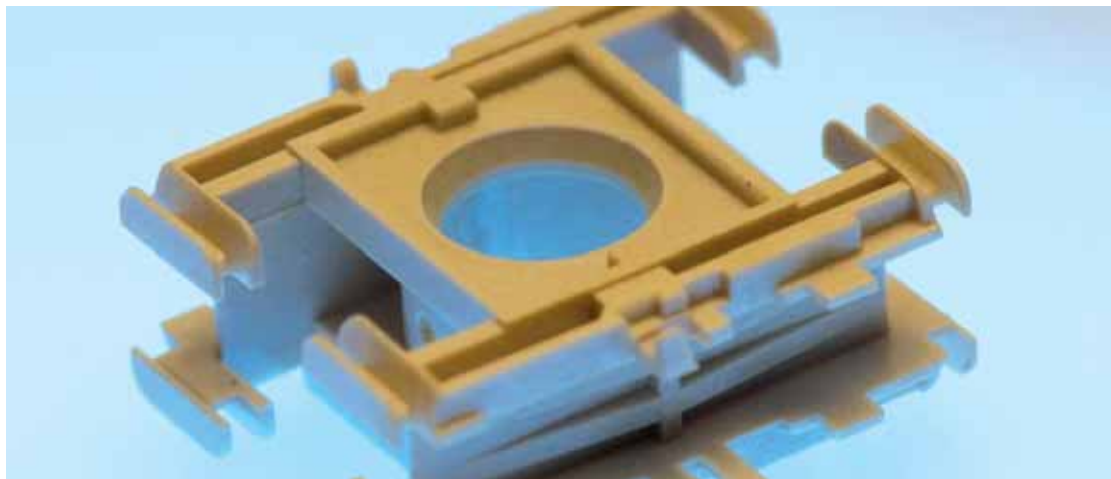
Information by geographic segment 2005

TEUR	Austria	EU	Other countries	Total
Sales	21,513	46,661	4,763	72,937
Assets per segment	66,395	11,791	1,203	79,389
Capital expenditure	6,632	1,184	0	7,816

A close-up photograph of a blue industrial machine with several large, tightly wound copper coils. The coils are arranged in a row, and the blue metal housing of the machine is visible. The lighting is bright, highlighting the metallic sheen of the copper.

Notes to the consolidated
financial statements

I. Business description and group structure



The HTP High Tech Plastics AG is a leading producer of plastic products and precise tools for the automotive, electronics and aircraft industries with its parent company based in Neudörfel, Austria. The business activities are subdivided in the two divisions PIM Precise Injection Molding and IT Insert Technology.

HTP High Tech Plastic AG's consolidated financial statements for the financial year 2006 were compiled in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

The present financial statements of the HTP High Tech Plastics AG (also "HTP AG") or "HTP Group") were prepared in accordance with the guidelines set forth in the EU version (EU-IFRS) of the International Financial Reporting Standards (IFRS) and the

Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), which were in effect as at the balance sheet date. Pursuant to § 245a HGB (Austrian Commercial Code) these consolidated statements discharge the Group from its duty to compile accounts pursuant to the Austrian Commercial Code.

II. Scope of consolidation and principles of consolidation

In addition to the HTP AG, the financial statements comprise Austrian and foreign subsidiaries, in which the HTP AG directly or indirectly exerts a majority influence.

The HTP Liebscher Kunststofftechnik GmbH & Co KG is included in the consolidated financial statements of the HTP High Tech Plastics AG and pursuant to § 264b released from disclosure.

Compared to the previous year, the scope of consolidation changed as follows: As of April 1, the German HTP Motion GmbH, which is owned to 100 % by the HTP Group, has been included in the scope of consolidation. The JS Vermögensverwaltung GmbH and the Verwaltungsobjekt Eumigstraße 6 of JS Vermögensverwaltungs GmbH & Co KEG are fully consolidated since December 1, 2006. Since October 1, 2006 all voting rights in the HTP Liebscher Kunststofftechnik GmbH & Co KG and in the HTP Liebscher Kunststofftechnik Beteiligungsgesellschaft mbH are controlled by the HTP Group. Thus, minority interests are reported only for the first nine months.

II. Scope of consolidation and principles of consolidation

The consolidated financial statements were prepared in euros. Numerous figures and percentages have been rounded in the consolidated financial statements, meaning that totals may deviate from the amounts shown. The consolidated income statement was compiled according to the total cost method. To simplify presentation, certain items to the balance sheet, the income statement and the cash flow statement were grouped together. The Notes provide detailed information on all such items.

Principles of consolidation

Individual financial statements of the Austrian and foreign companies were compiled as of the balance sheet date, audited by independent auditors and consolidated according to IFRS under the fiction of a legal unit.

For subsidiaries consolidated for the first time, assets and debts were included on the basis of historic acquisition and production costs. Purchase costs were set off against the proportionate equity of the subsidiary. Any remaining differences are reported under goodwill. In accordance with the rules set forth in IFRS 3, goodwill is at least once a year or if there are any signs of impairment, subject to an impairment test. In case, the determined use or sale value is lower than the book value it is written down to the lower of the two values.

In the context of debt consolidation, trade receivables, loans and other receivables with corresponding liabilities and provisions between subsidiaries included in the consolidated financial statement are set off. Within the framework of expenditure and income consolidation, all expenses and income from deliveries and services between

the consolidated companies are netted out. Resulting intermediate revenue is eliminated. Deferred taxes are recorded to reflect the income tax effect of consolidation entries charged to the income statement.

The acquisition method was applied to the capital consolidation of fully consolidated associated companies. Companies bought or sold during the year under review are included in the consolidated financial statements until their date of sale respectively as of their date of acquisition, as the case may be.

Shares in affiliated companies are carried at equity. If there is any evidence of impairment of assets or an impairment of assets affecting net income in former years does no longer exist, the Company estimates the individual value of its shares in associated companies.

Foreign currency translation

The accounts of foreign companies are translated into euro, based on the functional currency method. The relevant local currency is the functional currency in all cases since these companies operate independently from a financial, economic and organisational standpoint. With exception of equity items, all balance sheet positions are translated using the closing rate on December 31, 2006. Expense and revenue items are translated at the average exchange rate of the year.

III. Accounting and valuation principles

Financial statements of the companies included in the consolidated financial statements are based on consistent accounting and valuation principles.

Profit realisation

Revenues arising from the provision of goods or services are realised when all major risks and opportunities arising from the delivered object have been transferred to the buyer. Operating expenses are recognised when a service is rendered or a delivery is received or at the point such liability is incurred.

Intangible and fixed assets

Purchased intangible assets are recorded at acquisition or at production costs less straight-line and any unscheduled depreciation.

Pursuant to IAS 38, an intangible asset from development (or the development phase) is shown if the technical feasibility, the intention and the possibility exist to economically use or sell the intangible asset, sales are likely to be realised, resources to finish the development are available and the development expenses are attributable. Self-created intangible assets are capitalised at production costs and are written down on a straight-line basis over their useful life.

Acquisition costs comprise the purchase price including import customs and non-

refundable taxes as well as direct costs incurred with ensuring that the asset reaches the location at which it is to be used and making it available for its intended use. Repairs that do not increase the presumed useful life of assets are charged to the current expenses.

Beside individual costs, production costs include proportionate material costs and factory overheads. Administration and distribution overhead costs are not capitalised. Depreciation charges depend on the operating useful life or the respective asset.

According to the benchmark method, costs of debt are immediately expensed.

There are no intangible assets with indeterminable useful life.

Ordinary straight-line depreciation is calculated on the basis of the following useful lives:

	<i>Useful life in years</i>
<i>Intangible assets</i>	<i>3-10</i>
<i>Buildings</i>	<i>20-50</i>
<i>Technical equipment and machinery</i>	<i>3-15</i>
<i>Tools, office and business equipment and vehicles</i>	<i>3-10</i>

In accordance with IFRS 5, shutdown or abandoned assets held for sale are stated under a separate item at the lower of book value and present value less costs of sale. Their depreciation is discontinued.

Low value assets are fully amortised in the year of addition. Maintenance and repair costs are charged to current expenses. Renewal and maintenance costs are only capitalised if they contribute to an essential increase in possibilities of use of the asset.

In accordance with IAS 17, leased fixed assets, which economically represent purchases financed with non-current funds (finance leases) are reported at the price, which would have been paid if the asset had been purchased. Amortisation is calculated over the lesser of the useful life of the asset or the term of the lease. Obligations arising from future lease payments are shown as liabilities.

Subsidies and investment incentives are recorded as liabilities and released in keeping with the useful life of the relevant asset.

Gains from sale and lease back transactions are carried over the term of the lease under other operating income. Losses from sale and lease back transactions are immediately charged to other operating expenditure as of the date when they arise.

In accordance with IAS 36, assets are written down to the higher value of value in use or market value if there is evidence of impairment and the present value (discounted at a WACC rate of 9.0 %) of future cash flows is less than the book value.

In the HTP Group, cash-generating units (CGU) generally represent groupings of plants.

The major factor for determining the value in use is formed by assumptions for the future development of the local market and sales volumes. The value in use is based on conclusions about market growth rates as well as business forecasts. Cost structure forecasts use short-term planning data of the CGUs as a base for extrapolation.

If the reason for impairment ceases to exist, the carrying value of the relevant fixed asset is increased to its recoverable amount. In accordance with IFRS 3, no write-ups are made to goodwill that was subject to an impairment write-down in the past.

Let assets from all other leasing contracts are considered as operating-leasing and are attributed to the lessor. Lease payments are reported as expenses.

Financial investments

Investments in affiliated companies as far as they are not fully consolidated as well as other investments in companies are valued at their acquisition cost or their fair lower values. Write-downs and write-ups are shown under the financial result.

Investments in associated companies are stated at equity unless these investments

III. Accounting and valuation principles

are immaterial. Investments in other companies are valued at acquisition costs or at stock quote on the balance sheet date. A write-down is made if there are signs of a lasting impairment. Write-downs and write-ups are shown under the financial result.

Securities held-to-maturity are stated at their updated acquisition costs. All other securities are classified as available-for-sale. Their valuation is reported at the date of addition at acquisition cost, in following periods at the respective current market or exchange rate on the balance sheet date. Changes in value are shown in the income statement.

Securities are reported at their respective date of fulfilment.

Inventories

Inventories are stated at the lower of cost or net realisable value. Costs include direct expenses, allocated fixed and variable overheads and depreciation based on normal capacity usages. Interest charges and selling and administrative expenses are not included in the production cost of current assets. Risks resulting from length of storage or other impairments in value are reflected in appropriate write-downs.

Receivables

Receivables and other assets are stated at acquisition cost. Individually identifiable risks are reflected in specific provisions. Non-interest bearing receivables with a

remaining term of more than one year are recorded at the discounted present value. Foreign exchange receivables in individual company accounts are translated at the average exchange rate on the balance sheet date.

Marketable securities

Securities available-for-sale are recorded at purchase price as of the date of acquisition and are stated at fair value in subsequent periods based on stock exchange quotations as of the balance sheet date. Fluctuations in fair value are recognised to the income statement and included under the financial result. Financial assets are recorded as of the value date.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances as well as short-term receivables (cash equivalents) due within one month and free of any risk of impairment.

Impairment in value

On each balance sheet date it is reviewed if there is any evidence for an impairment of assets (except inventories and deferred tax assets). The goodwill impairment test is performed without any evidence shortly before every balance sheet date.

The impairment test defines the realisable sales price for the asset. It corresponds to the higher amount of use value or net sales price. If the realisable amount is lower than the asset's book value, impairment expenses corresponding to balance amount are charged to the income statement.

The use value of an asset corresponds to the cash value of the estimated future cash flow from its continued use and its sale at the end of useful life on the basis of a usual and to the specifics risks of the asset's value adapted interest rate before tax. If no cash flow can be determined for an individual asset, the determination of the use value is based on the next bigger unit to which the asset belongs and for which a separate cash flow can be defined (cash generating unit).

The net sales price is equal to the asset obtainable revenue for the asset less sales costs.

If an impairment ceases to exist - except for goodwill - this leads to a write-up to the lower value of updated initial acquisition or production costs and use value.

Liabilities to employees

Austrian group companies set provisions aside due to the fact that Austrian employees with a service contract dated before January 1, 2003 are legally entitled to a lump-sum payment in case of termination of the employment contract by the employer or at retirement. The severance payment depends on the length of service and the applicable remuneration.

On the balance sheet date, provisions for severance payments are determined according to the projected-unit-credit method using a interest rate of 4.5 % (prior year: 3.5 %) and considering a salary increase of 1 % (previous year: 1 %) as well as the legal retirement age (60 years for women and 65 years for men). As in the prior year, labour turnover rate has been graduated on the basis of existing statistics.

The employer pays monthly contributions to an external employees pension fund for employees whose employment started after January 1, 2003. There is no further legal obligation with regard to severance payments in case of resignation of the employee. Thus, no provisions for this contributory pension model are set aside.

According to employment agreements, at certain service anniversaries, anniversary payments will be made to the employees. Provisions were determined according to IAS 19 using a discount rate of 4.5 % (3.5 % in the previous year) and applying the unit credit method. Determination of provisions is based on a salary increase of 1 % (1 % in the previous year). As in the prior year, labour turnover has been graduated on the basis of existing statistics.

Provisions

Provisions are set at the amount, which according to commercial evaluation is necessary on the balance sheet date in order to cover future financial obligations, re-

III. Accounting and valuation principles

cognisable risks and uncertain obligations of the Group, which are resulting from an event in the past. The amount recognised as the provision should be the best estimate of the expenditure required to settle the obligation.

If the cash value of the provision, which is based on a usual interest rate differs considerably from the nominal value, the cash value of the liability is reported.

Provisions for deferred taxes

Deferred taxes are recognised for all temporary valuation and accounting differences between the tax balance sheet and the IFRS balance sheet of the different companies as well as for consolidation operations from which taxable temporary differences are resulting. Pursuant to IAS 12, the deferred tax is determined according to the balance sheet liability method.

Deferred tax assets are set aside insofar as a use can be expected within a reasonable period of time. The calculation of deferred tax is based on the usual income tax rate of the respective country at the time of expected reversal of the difference in value. Future changes of tax rates are only considered if these changes are already applicable or announced on the balance sheet date.

Liabilities

Financial liabilities are stated at the actual amount received. Any premium, discount or other difference between the amount received and the repayment amount is distributed over the term of the liability and recorded under financial results.

The valuation of trade payables is recognised at the current market value of the received service when such liability arises. Subsequently, these liabilities are valued at continued acquisition costs. Other liabilities not resulting from obtained services are stated at the amount to be repaid.

Derivative financial instruments

At the contract date, forward exchange contracts, currency options, CAPs and interest swaps are reported at acquisition costs, in following periods they are stated at their current market value. The determination of the market value of the derivative financial instrument results exclusively from the valuation through banks.

Changes of the market value are reported in the income statement. Derivative financial instruments are exclusively used for security purposes.

Estimates

In preparing the Group's financial statements it is necessary to estimate certain figures and make assumptions that influence the recording of assets and liabilities, the declaration of the obligations as of the balance sheet date and the recording of revenues and expenses during the reporting period. The actual figures, which become known at a later date may differ from these estimates.

Estimates and uncertainties in case of judgemental evaluations and assumptions

Uncertainty of estimates particularly exists with regard to:

- intangible and tangible assets,
- the valuation of receivables,
- the statement and valuation of long-term liabilities to employees and provisions as well as
- the valuation of realisability of deferred tax assets.

The reporting of intangible and fixed assets on the one hand is related to estimates concerning the expected useful life of the asset, on the other hand it is based on valuations by the Management with regard to the value respectively the existence of impairments. Lower net payment flow than expected or changes in discounting rates may lead to an impairment. For the different methods of evaluation of the value of assets please see explanations under point III.

The valuation of receivables is influenced by the estimation of collectibility. As basis for the estimation of collectibility the Management uses the customers' credit standing, maturity structure of receivables, experiences with regard to write-offs in the past and changes in payment conditions. In case of deterioration of customers' financial situation actual write-offs may exceed the expected write-offs.

Expenses for long-term liabilities to employees (from severance and semi-retirement obligations and rights to anniversary payments) are determined in accordance with actuarial procedures, which are based on estimates concerning discount rate, life expectancy, salary increases as well as fluctuation rates. In case these parameters change considerably compared to the estimates, this may have consequences on the future amounts of obligations.

With regard to provisions, uncertainties of estimates exist mainly for provisions for impending losses. Provisions are based on the current estimations of the Management.

Deferred tax assets are carried to the extent to which it is probable that they may be used. For the valuation of probability of future usability, factors such as earnings' situation in the past, operational planning, loss carry forward periods and tax planning strategies are taken into account. If the actual results deviate negatively from the estimates, this may result in depreciation of deferred tax assets in the income statement.

III. Accounting and valuation principles



Earnings per share

Earnings per share are calculated on the basis of the Group profit after tax less minority interest, divided by the weighted number of shares in circulation (issued shares less treasury stock).

Segment reporting

For management purposes the Group is subdivided in main divisions. These strategic divisions form the basis for the Group's primary segment reporting. There are no material activities between the divisions. All consolidated entries are contained in the division to which they relate. Inter-company prices are usual market prices.

Since the mold service segment lost in importance after the shut-down of the large mold service in 2005, a change in segmentation became necessary. In 2006, the Group's so far biggest segment dropped considerably below 10 % of consolidated sales and thus was abandoned.

Segment reporting refers to the remaining segments „PIM Precise Injection Molding“ and „IT Insert Technology“. Sales from the production of molds were assigned to the profit centres for which they are produced and were integrated in the PIM and IT segments. Last year's figures were adjusted accordingly in order to make them comparable.

IV. Notes to the consolidated income statement

The consolidated income statement was compiled in accordance with the total cost method.

1. Revenues

Revenues comprise the following regions:

<i>in TEUR</i>	2006	2005
<i>Austria</i>	12,891	21,513
<i>EU</i>	59,792	46,661
<i>Other countries</i>	6,042	4,763
	78,725	72,937

Consolidated sales climbed by 7.9 % to TEUR 78.725. Losses in sales of the mold service in the previous year were compensated by increased revenues of the core business. The remaining sales growth results from the initial consolidation of the current business year's acquisitions.

2. Material expenses

<i>in TEUR</i>	2006	2005
<i>Material expenses (including merchandise)</i>	29,087	25,062
<i>Expenses for services bought</i>	8,414	7,648
	37,501	32,710

The relative rise of material expenses is resulting from increased expenses for merchandise after the shut-down of the large mold service in Fohnsdorf and from advanced performances related to the airbus orders.

3. Personnel expenses

<i>in TEUR</i>	2006	2005
<i>Wages</i>	11,002	12,183
<i>Salaries</i>	7,496	6,603
<i>Severance payments and payments to employee provision funds (Mitarbeiterversorgungskassen)</i>	293	467
<i>Social-security and salary-related levies</i>	4,793	3,749
<i>Other social security-related expenditure</i>	198	192
	23,782	23,194

4. Depreciation

Expenses for depreciation in the amount of TEUR 6.675 (previous year: TEUR 8.105) include only ordinary depreciation of plant, property and equipment and amortisation of intangible assets. The subdivision of amortisation of each asset is included in the changes in fixed and financial assets (see pages 40 and 41).

IV. Notes to the consolidated income statement

5. Other operating expenses and income

<i>Other operating income</i>		
<i>in TEUR</i>	2006	2005
<i>Income from disposal of assets excluding financial assets</i>	60	888
<i>Income from reversal of provisions</i>	1,237	1,035
<i>Other</i>	2,410	2,496
	3,707	4,419

Other operating income includes subsidies of TEUR 771 (previous year: TEUR 1.088).

<i>Other operating expenses</i>		
<i>in TEUR</i>	2006	2005
<i>Operating expenses</i>	6,596	6,497
<i>Distribution expenses</i>	2,947	2,938
<i>Administration expenses</i>	6,220	4,180
	15,763	13,615

6. Net interest result

Interest expenses and income are mainly resulting from business relations with banks. Interest expenses amounting to TEUR 616 include the interest portion from leasing agreements (prior year TEUR 609).

<i>in TEUR</i>	2006	2005
<i>Interest and similar expenses</i>	-2,437	-2,572
<i>Interest and similar income</i>	320	759
	-2,117	-1,813

7. Other net financial result

<i>in TEUR</i>	2006	2005
<i>Equity valuation from associated companies</i>	23	-4
<i>Income from equity interests</i>	0	0
<i>Income from sale of equity interests</i>	0	23
<i>Income from equity interests</i>	23	19
<i>Income from other securities held as financial and short-term assets</i>	36	32
<i>Income from sale of securities held as financial and short-term assets</i>	0	252
	249	-176
<i>Gains / losses on exchange</i>	-6	-4
<i>Expenses for securities</i>	279	104
<i>Other net financial result</i>	302	123

V. Notes to the consolidated balance sheet

8. Income tax

The item income tax includes income taxes paid or owed by Group companies as well as deferred taxes.

<i>in TEUR</i>	2006	<i>2005</i>
<i>Current tax</i>	7	<i>1</i>
<i>Deferred tax</i>	1,370	<i>-67</i>
	1,377	<i>-66</i>

The difference between the expected current Austrian corporate tax rate of 25% and the shown tax expenses are due to the following reasons:

<i>in TEUR</i>	2006	<i>2005</i>
<i>Profit before tax</i>	-1,165	<i>7,591</i>
<i>Tax expense at tax rate of 25 %</i>	291	<i>-1,898</i>
<i>Reduction in tax expense through:</i>		
<i>Change in value allowance for loss carry forwards</i>	767	<i>1,620</i>
<i>Research and investment promotion</i>	29	<i>7</i>
<i>Tax credits for previous years</i>	8	<i>34</i>
<i>Non-taxable income</i>	282	<i>172</i>
<i>Increase in tax expense through:</i>		
<i>Higher tax rates for foreign subsidiaries</i>	0	<i>-1</i>
<i>Effective tax expense</i>	1,377	<i>-66</i>

9. Restructuring result

<i>in TEUR</i>	2006	<i>2005</i>
<i>Material expenses</i>	0	<i>-161</i>
<i>Personnel expenses</i>	-1,469	<i>-959</i>
<i>Other operating expenses</i>	0	<i>-40</i>
	-1,469	<i>-1,160</i>

The restructuring result of TEUR -1.469 (previous year: TEUR -1.160) as well as the banks' restructuring contribution amounting to TEUR 10.000 consist of non-recurring items. Non-recurring personnel expenses include severance payments and other payments resulting from the reduction in personnel.

10. Intangible assets and property, plant and equipment

A detailed breakdown of intangible assets and property, plant and equipment included in the consolidated balance sheet and their development in the business years 2006 and 2005 is reported in the changes in fixed and financial assets (pages 40 and 41). The HTP Group does not hold any investment properties.

The HTP has assumed various financial leasing agreements for machinery, buildings and other assets as a lessee. Leased tangible assets of material importance, which are classed as assets with long-term financing (finance leasing) are recognised at their market value at the commencement of the lease or the lower cash value of the

V. Notes to the consolidated balance sheet

minimum-leasing instalment pursuant to IAS 17. Depreciation charges are taken on a scheduled basis over the expected useful life of the asset. Liabilities under financial lease are carried at the cash value of the minimum-leasing instalment pursuant to IAS 17.

Capitalised cash values and the corresponding accumulated depreciation charges are as follows:

<i>in TEUR</i>	31.12.2006	31.12.2005
<i>Buildings</i>	15,704	5,476
<i>Technical equipment and machinery</i>	13,642	15,972
<i>Office and business equipment</i>	397	423
<i>Vehicles</i>	489	756
Total purchase expenditure	30,232	22,627
<i>Accumulated depreciation</i>	-6,974	-7,140
Book value	23,258	15,487

Future minimum leasing payments from finance lease contracts from non-terminable leases are as follows:

<i>in TEUR</i>	31.12.2006	31.12.2005
<i>Next year</i>	4,883	3,591
<i>1 - 5 years</i>	9,728	6,941
<i>More than 5 years</i>	2,793	630
Future minimum leasing payments	17,404	11,162
<i>Less interests</i>	-4,287	-2,066
Cash value of future minimum leasing payments	13,117	9,096
<i>Thereof next year</i>	3,894	3,013
<i>Thereof in 1 - 5 years</i>	7,165	5,787
<i>Thereof in more than 5 years</i>	2,058	296

Within the operating leasing, rental and leasing expenses at the amount of TEUR 23 (previous year 0 TEUR) were arising for the use of fixed assets not stated in the balance sheet. The reported expenses do not include any contingent rental payments or payments from sub-tenancies.

In the business year, there were neither extraordinary depreciations nor additions from write-ups.

The building on third party land EZ 1605 in 30110 Neudörfel is secured by mortgage in favour of Bank für Kärnten und Steiermark Aktiengesellschaft.

11. Interests and Securities

The item "interests and securities" includes:

<i>in TEUR</i>	31.12.2006	31.12.2005
<i>Equity interests</i>	1,025	1,009
<i>Securities held as long-term assets</i>	143	548
<i>Thereof held-to-maturity</i>	143	548
<i>Thereof available-for-sale</i>	0	0
	1,168	1,557

Limitations with respect to right of disposition for securities held as long-term assets exist at the amount of TEUR 143.

Detailed information about the Group's interests is given in the summary of interests (Group members) on page 66.

12. Deferred taxes assets and liabilities

According to the asset and liability method for the calculation of deferred taxes pursuant to IFRS, deferred tax assets and liabilities for the major balance sheet items are as follows:

<i>in TEUR</i>	31.12.2006	<i>31.12.2005</i>
Deferred tax assets		
<i>assets</i>		
<i>Other assets</i>	0	33
<i>Liabilities:</i>		
<i>Other liabilities</i>	5,187	979
<i>Loss carry forward</i>	5,574	3,654
<i>Netting off deferred tax assets and liabilities</i>	-5,187	-1,012
	5,574	3,654
Deferred tax liabilities		
<i>Assets</i>		
<i>Property, plant and equipment</i>	-6,087	-1,207
<i>Other assets</i>	-416	-503
<i>Liabilities:</i>		
<i>Provisions</i>	-79	-148
<i>Other liabilities</i>	0	0
<i>Netting off deferred tax assets and liabilities</i>	5,187	1,012
	-1,395	-846

Based on the prevailing regulations it is to be assumed that differences resulting from retained earnings between the fiscal investment and the proportionate equity of subsidiaries included in the consolidated balance sheet are basically tax exempt. Thus there is no deferral of tax.

From total loss-carry forwards amounting to TEUR 46.874 (previous year: TEUR 42.265) deferred tax are only reflected at the amount of TEUR 5.574 (TEUR 3.654 in the prior year) since on the basis of planning, a use by netting off with future taxable profits is likely to this extent.

During the financial year deferred taxes changed as follows:

<i>in TEUR</i>	2006	<i>2005</i>
<i>Deferred tax (net) as of January 1</i>	2,808	2,875
<i>Deferred tax reported in the income statement</i>	1,370	-67
Deferred tax (net) as of December 31	4,178	2,808

Pursuant to IAS 12.39, no deferred tax accruals were made for temporary differences related to shares in subsidiaries.

V. Notes to the consolidated balance sheet

13. Inventories

The item inventories is subdivided as follows:

<i>in TEUR</i>	31.12.2006	<i>31.12.2005</i>
<i>Raw materials and supply</i>	7,028	5,955
<i>Work in progress</i>	4,245	3,182
<i>Finished goods and merchandise</i>	5,973	4,782
<i>Prepayments made</i>	31	0
	17,277	13,919

14. Trade and other receivables

The item "trade and other receivables" includes the following assets:

<i>in TEUR</i>	31.12.2006	<i>31.12.2005</i>
<i>Forderungen aus Lieferungen und Leistungen</i>	11,370	12,868
<i>davon über ein Jahr</i>	0	0
<i>Forderungen gegenüber assoziierten Unternehmen</i>	265	0
<i>davon über ein Jahr</i>	0	0
<i>Sonstige Forderungen und Vermögensgegenstände</i>	5,401	3,896
<i>davon über ein Jahr</i>	3,079	318
	17,036	16,764

All receivables reported under trade receivables are due in less than one year. The item other receivables and assets includes receivables at the amount of TEUR 3.079 (prior year: TEUR 318) being due in more than one year.

The shown trade receivables of are adjusted in value of TEUR 1.056 (TEUR 823 in the previous year). Other receivables basically include leasing deposits, deposit payments, supplier credits and tax credits.

Assignment agreements are available for receivables in the amount of TEUR 8.463 (previous year: TEUR 10.412).

15. Securities held as short-term assets

Securities held as short-term assets include medium-term bonds amounting to TEUR 727 (prior year: TEUR 727).

16. Cash and cash equivalents

At the balance sheet date, the company's cash and cash equivalents amount to TEUR 6.884 (TEUR 6.364 in the previous year). Pledges exist on the time deposit account with HYPO-Bank Burgenland Aktiengesellschaft at the amount of TEUR 267 (prior year: TEUR 1.767), on the current account with Raiffeisenbank Niederösterreich-Wien totalling TEUR 947 (prior year: TEUR 920) and the current account with Bank Austria amounting to TEUR 403 (prior year: TEUR 0).

17. Assets for sale

Tangible assets at the amount of TEUR 1.516 from the mold service in Fohnsdorf are intended for sale and will be sold within the next six months.

18. Equity

The development of capital and reserves during 2006 and 2005 is shown on page 39. In the General Meeting of December 6, 2005, the Management Board, with consent of the Supervisory Board, was authorised to increase the capital within 5 years by 4.250.000 shares with a nominal of EUR 1.

In a first step in June 2006, 2.000.000 new shares were issued at a price of EUR 4.00. Expenditure directly related to the capital increase amounted to TEUR 837 and were netted off against equity. The capital market transaction led to a net cash inflow of TEUR 7.163.

The issued capital of HTP High Tech Plastics AG now equals TEUR 10.500 and is divided into 10.500.000 shares with zero par value.

Retained earnings include loss carry forward from the previous year amounting to TEUR -25.153 and the Group's profit of the current year of TEUR 111.

In the context of the banks agreement in 2005, the banks dedicated credit liabilities amounting to TEUR 5.000 as secondary loan fund. Generally, subordination is unlimited and only expires if the Company's equity ratio (before secondary loan funds) exceeds 25 %. Until the repayment of secondary debts, dividends may not be

distributed as far as the equity ratio (secondary capital not included) does not drop below 25 % after repayment. On the balance sheet date, secondary credit liabilities amounted to TEUR 4.696.

Considering the granted waivers at the amount of TEUR 10.000 and the subordination of TEUR 5.000, the HTP is committed to pay an amendment amount of TEUR 2.500 after the repayment of subordinated capital if HTP AG's equity ratio exceeds 25 %. Further, the banks are granted an option to acquire 1 million bearer shares against contribution in kind of receivables amounting to TEUR 2.000. The option ends on December 16, 2010. With the subscription of shares, the banks waive the agreed amount.

HTP High Tech Plastics AG's major shareholders are the two syndicated companies Astor and ProRegio, which together hold 25 % of the share capital. The part of the Hofman Privatstiftung decreased to 11 %. Voting rights for these shares are exercised by an Austrian Bank. The Androsch and Dörflinger Privatstiftungen hold 7 % each. Shares on free float come to 50 % of the share capital.

19. Obligations to employees

Obligations to employees refer to:

<i>in TEUR</i>	31.12.2006	<i>31.12.2005</i>
<i>Provisions for severance payments</i>	1,601	<i>1,809</i>
<i>Provisions for anniversary bonuses</i>	149	<i>123</i>
<i>Provisions for other personnel related obligations</i>	88	<i>0</i>
	1,838	1,932

V. Notes to the consolidated balance sheet

Provisions for severance and anniversary payments included in the consolidated balance sheet were developing as follows:

<i>in TEUR</i>	<i>Severance payments</i>		<i>Anniversary bonuses</i>	
	2006	2005	2006	2005
<i>Provisions as at January 1</i>	1,809	2,228	123	206
<i>Changes in provisions</i>	-208	-419	26	-83
<i>Provisions as at December 31</i>	1,601	1,809	149	123

In 2006, the actual payments came to TEUR 782 (prior year: TEUR 1.442).

The essential actuarial parameters and the relevant consolidation principles are explained under point III.

Expenses reported in the income statement include the following items:

<i>in TEUR</i>	<i>Severance payments</i>		<i>Anniversary bonuses</i>	
	2006	2005	2006	2005
<i>Performance related plans</i>				
<i>Service time expenses</i>	250	335	23	19
<i>Interest expenses</i>	60	107	4	4
<i>Actual payments</i>	-782	-1,442	0	0
<i>Actuarial gain / loss</i>	264	581	-1	-106
	-208	-419	26	-83

There was no actuarial gain / loss neither in the current business year nor in the previous year.

20. Provisions

<i>in TEUR</i>	1.1.2006	<i>Reversal</i>	<i>Use</i>	<i>Addition</i>	31.12.2006
<i>Long-term provisions</i>					
<i>Deferred tax provisions</i>	846	-20	0	569	1,395
<i>Other long-term provisions</i>	246		-246		
	1,092	-20	-246	569	1,395
<i>Short-term provisions</i>					
<i>Other short-term provisions</i>	2,750	-1.033	-481	1.691	2,927

Other short-term provisions basically include provisions for unused vacation days, threat of loss and risks of litigation.

21. Financial liabilities

The item "financial debts" is subdivided as shown opposite.

Securities held as long-term assets were mainly pledged as securities for liabilities. In addition, the HTP AG has signed a global assignment covering trade receivables. Furthermore, pledges exist on the time deposit account with HYPO-Bank Burgenland Aktiengesellschaft at the amount of TEUR 267 (previous year: TEUR 1.767), on the current account with Raiffeisenlandesbank Niederösterreich-Wien AG totalling TEUR 947 (prior year: TEUR 920) and on the current account with Bank Austria amounting to TEUR 403 (TEUR 0 in the past year).

VI. Financial instruments and financial risks

The building on third party land (EZ 1605 in 30110 Neudörfel) is secured by mortgage in favour of Bank für Kärnten und Steiermark Aktiengesellschaft.

<i>in TEUR</i>	31.12.2006	31.12.2005
Long-term financial liabilities (remaining term > 1 Year):		
<i>Liabilities to banks</i>	12,583	11,164
<i>thereof with a remaining term of more than 5 years</i>	1,126	161
<i>Liabilities from finance lease</i>	18,030	6,083
<i>thereof with a remaining term of more than 5 years</i>	7,774	296
	30,613	17,247
<i>thereof with a remaining term of more than 5 years</i>	8,900	457

<i>in TEUR</i>	31.12.2006	31.12.2005
Short-term financial liabilities (remaining term < 1 year):		
<i>Liabilities to banks</i>	17,783	13,179
<i>Bonds</i>	5	5
<i>Liabilities from finance lease</i>	4,384	3,013
	22,172	16,197

22. Other liabilities

On the balance sheet date the following other liabilities, not included in financial liabilities, were existing:

<i>in TEUR</i>	31.12.2006	31.12.2005
Long-term liabilities (remaining term > 1 year):		
<i>Other long-term liabilities</i>	0	7,607
<i>thereof with a remaining term of more than 5 years</i>	0	0
Short-term liabilities (remaining term < 1 year):		
<i>Trade payables</i>	8,041	6,545
<i>Prepayments received</i>	238	269
<i>Other liabilities and accruals</i>	3,420	2,058
	11,699	8,872

Other liabilities basically refer to taxes, social security contributions and liabilities from lease-purchase.

23. Financial risks

In the context of its global activities, the HTP Group is exposed to a number of risks, which may have an influence on the financial and earnings situation:

Foreign currency risks are of minor importance, however they are subject to hedging transactions. As of the balance sheet date, there were no outstanding hedging transactions.

VI. Financial instruments and financial risks

Liquidity risks arise if customers are not able to meet their obligations within the usual payment periods. To address this issue, the Group regularly monitors its customers' solvency. The Group's parent company ensures that sufficient liquidity is available and that the necessary finance under credit facilities is available to meet its financial obligations. Liquidity not required in the short-term is parked in short-term investments.

Credit risks or the risk of payment default on the part of partners are mitigated by credit checks and limits as well as examination routines. To reduce the risk of payment defaults, the company receives government export guarantees or guarantees from similar private organisations. The credit risk tied with investments in cash and cash equivalents and securities are limited as the Group only works with financial partners with good credit standing. As allowances are made for all existing risks, management is of the opinion that no other credit risks will arise.

The Company considers the risk of changes in interest rates on financial assets and liabilities to be minimal. Accordingly, hedging instruments are only used to a minor extent.

24. Original financial instruments

Existing original finance instruments are basically financial assets, trade receivables and liabilities, cash, financial receivables and financial debt.

The amount of original financial instruments is reported in the consolidated balance sheet.

Valuation of financial instruments: Cash and cash equivalents as well as other financial assets are valued at market prices. The market value of listed securities is based on current market prices. With respect to all other instruments for which there are no official prices, the market price is determined on the basis of the expected cash flow or the underlying net asset value. The Group's securities are considered as financial assets held for disposal and are carried at the market price on the balance sheet date. Securities held as long-term and short-term assets serve as securitisation of severance payment provisions.

<i>TEUR</i>	31.12.2006	31.12.2005
<i>Securities held as long-term assets</i>	143	548
<i>Securities held as short-term assets</i>	859	830
	1,002	1,378

Interest-bearing debt primarily comprises current-account loans granted by banks at variable and fixed interest rates. In 2006, the weighted capital interest rate for working capital loans was 6.0 % (previous year 5.9 %), for short-term debt 3.1 % (prior year 2.7 %) and 4.2 % for long-term debt (2.8 % in the past year).

Due to their short-term, short-term liabilities to banks are stated at their market value. The market value of long-term loans and other liabilities with variable interest rates roughly accords with the corresponding book value.

Other information

25. Derivative financial instruments

For protection against interest-rate risks, the Company records and uses interest swaps. This constitutes an evaluation unit with existing credits. Thus no market value was recorded in the balance sheet. Interest swaps are of minor importance to the Group.

VII. Consolidated cash flow statement

Means of payment comprise cash holdings, cheques and bank balances. Securities held as short-term assets and short-term liabilities to banks are not part of the payment means.

On the balance sheet date there are no essential limitations with regard to availability of means of payment.

26. Consolidated cash-flow from operating activities

The consolidated cash flow from operating activities includes the following interest and tax payments:

<i>in TEUR</i>	2006	2005
<i>Interest income</i>	320	759
<i>Interest payments</i>	-2,437	-2,572
<i>Tax payments</i>	-7	-1

VIII. Segment reporting

For detailed segment reporting please see page 42.

IX. Other information

27. Contingent liabilities, guarantees and other financial liabilities

<i>in TEUR</i>	31.12.2006	31.12.2005
<i>Bill commitments</i>	0	1,500

28. Research and development

In the financial year 2006, total capital expenditure in research and development amounted to TEUR 1.996 (TEUR 1.280 in the previous year). TEUR 251 (prior year: TEUR 145) were recorded under other operating expenditure.

29. Other liabilities

There are only marginal commitments under contract concerning investments in tangible assets.

Other information

30. Earnings per share

In June 2006, the HTP AG realised a capital increase and issued 2 million new shares. Currently the number of issued shares comes to 10.5 million bearer shares. The weighted average number of shares for the calculation of earnings per share totalled 9.552.055.

31. Recommendation for the distribution of profits

The Managing Board recommends that the General Meeting approves the carry forward of the balance sheet profit.

32. Events occurring after the balance sheet date

The companies Gruber & Kaja Druckguss- und Metallwarenfabrik GmbH, BBG Baugeräte GmbH and ProRegio Mittelstandsfinanzierungs AG have been acquired as of February 1, 2007. With these acquisitions, the business division's metal processing, mechanical engineering and other (in form of ProRegio) have been added to the Group's existing plastics processing segment. The HTP High Tech Plastics AG will be transformed into an industrial medium-sized holding and will operate under the name of HTI High Tech Industries AG in the future. For further details please see the chapter "Significant events occurring after the balance sheet date" of the status report.

Approval of the annual financial statements is expected at the Supervisory Board Meeting on April 23, 2007.

33. Related party disclosures

<i>In TEUR</i>	<i>Receivables</i>		<i>Liabilities</i>	
	2006	<i>2005</i>	2006	<i>2005</i>
<i>Scherbaum / Seebacher Rechtsanwälte GmbH</i>	0	<i>0</i>	2	<i>0</i>
	0	<i>0</i>	2	<i>0</i>

During the business year, the following essential expenses for and income from related parties were made or realised:

<i>in TEUR</i>	<i>Expenses</i>		<i>Income</i>	
	2006	<i>2005</i>	2006	<i>2005</i>
<i>ProRegio Mittelstandsfinanzierungs AG</i>	19	<i>15</i>	0	<i>0</i>
<i>Scherbaum / Seebacher Rechtsanwälte GmbH</i>	2	<i>0</i>	0	<i>0</i>
	21	15	0	0

34. Information about the executive bodies and employees

Remuneration paid to the Management Board came to TEUR 403 (prior year TEUR 244).

<i>Average number of staff members</i>	2006	<i>2005</i>
<i>Employees</i>	193	<i>195</i>
<i>Workers</i>	476	<i>488</i>
	669	683

Management Board

Mag. Kurt Helletzgruber

Mag. Birgit Hochenegger-Stoier

Dr. Thomas Vondrak

Dipl.-Ing. Peter Glatzmeier, since February 1, 2007

Supervisory Board

Mag. Dr. Gerd-Dieter Mirtl / Chairman

Dr.-Ing. Fritz Kretz / Deputy chairman

Dipl.-Ing. Peter Glatzmeier / Member from May 15, 2006 to January 31, 2007

Mag. Franz Rossler / Member

Dr. Norbert Scherbaum / Member since May 15, 2006

Dipl.-Ing. Herbert Paierl / Member until November 20, 2006

In the financial year 2006, the members of the Supervisory Board received compensation of TEUR 23 (prior year: TEUR 24). There are no outstanding credits or guarantees for loans by companies of the HTP Group to members of the Management and Supervisory Boards.

Neudörf, March 13, 2007

Mag. Kurt Helletzgruber / Mag. Birgit Hochenegger-Stoier / Dr. Thomas Vondrak

Group members

Company	Head office	Country	Currency	Nominal capital in thousand in local currency	Shares of group in %	Type of consolidation
1. Shares in affiliated companies						
<i>(fully consolidated companies)</i>						
Plasmet, spol.s.r.o.	Vrable	SVK	SKK	97,534	100	VK
HTP High Tech Plastics Slovakia	Vrable	SVK	SKK	200	100	VK
HTP Germany GmbH	Meinerzhagen-Valbert	D	EUR	26	100	VK
HTP Liebscher Kunststofftechnik GmbH & CoKG	Straßlach	D	EUR	1,249	100	VK
HTP Liebscher Kunststofftechnik BeteiligungsgesmbH	Straßlach	D	EUR	26	100	VK
HTP Motion GmbH	Türkheim	D	EUR	25	100	VK
HTP Fohnsdorf GmbH	Fohnsdorf	A	EUR	2,750	100	VK
JS Vermögensverwaltung GmbH	Fohnsdorf	A	EUR	18	100	VK
Verwaltungsobjekt Eumigstraße 6 der						
JS Vermögensverwaltungs GmbH & Co KEG	Fohnsdorf	A	EUR	10	100	VK
HTP High Tech Plastics U.S. Inc.	Detroit	USA	USD	1	100	VK
2. Shares in associated companies						
<i>(equity method)</i>						
S.P.I. LLC	Detroit	USA	USD	1,000	26	EQ
3. Non-consolidated companies						
IS Industrie-Service Dienstleistungs GmbH	Fohnsdorf	A	EUR	50	45	NK
HTP Automotive GmbH	Neudörfel	A	EUR	35	100	NK
HTP Electronics GmbH	Neudörfel	A	EUR	35	100	NK
HTP Aircraft GmbH	Neudörfel	A	EUR	35	100	NK

VK – fully consolidated / EQ – equity consolidation / NK – non consolidated

Conclusion and auditor's report

Group accounting

During the audit we confirmed the observance of the principles of proper accounting with regard to the reporting of consolidation relevant processes.

Consolidated financial statements

Applying mutatis mutandis the provisions concerning the audit report pursuant to § 273 UGB we conclude:

The consolidated financial statements and the status report comply with the legal regulations.

Concerning the classifications and explanations of individual items of the consolidated financial statements as well as changes in the financial situation compared to the opening balance we refer to the corresponding notes to the consolidated financial statements compiled by the Company.

These present consolidated financial statements compiled in accordance with the internationally recognised accounting principles, pursuant to § 245a Abs 1 UGB release the Company from the application of §§ 249 to 266 UGB, with exception of the provisions of the §§ 265 Abs 2 to 4 and 266 Z 4,5 and 7 of UGB.

Clarifications and evidence

The Management Board provided the required clarifications and evidence to an adequate extent.

Reporting pursuant to § 273 UGB

In the performance of our duties as auditors we did not identify any facts, which could threaten the audited Group or which could interfere substantially with its development or which reveal serious violations of laws, company agreements or statutes by the Management Board.

Qualified Audit Opinion (Independent Auditor's Report)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **HTP High Tech Plastics AG, Neudörfel** for the financial year from 1 January to 31 December 2006. Those financial statements comprise the balance sheet as at 31 December 2006, the income statement, the cash flow statement and the statement of changes in equity for the year ended 31 December 2006, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and International Standards on Auditing (ISAs), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of mate-

rial misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Qualified audit opinion

As in the prior year, the consolidated equity as at 31 December 2006, includes subordinated debts amounting to KEUR 4.696, which have to be presented as long-term liabilities. Concerning the credit terms we refer to point 18 of the notes to the consolidated financial statements.

With the qualification that the amendment in presentation described in the above paragraph has not been considered, the consolidated financial statements present fairly, in all material respects, the financial position of the group as at 31 December 2006 as well as the results and the cash flows for the financial year ended in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on Other Legal Requirements

Law and regulation applicable in Austria require us to perform audit procedures whether the group management report is consistent with the consolidated financial statements and whether the other disclosures made in the group management report do not give rise to misconception of the position of the group.

In our opinion, the Group Management Report is consistent with the consolidated financial statements.

Linz, 13 March 2007

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Cäcilia Gruber
Austrian Certified Public Accountant

Dr. Helge Löffler
Austrian Certified Public Accountant

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