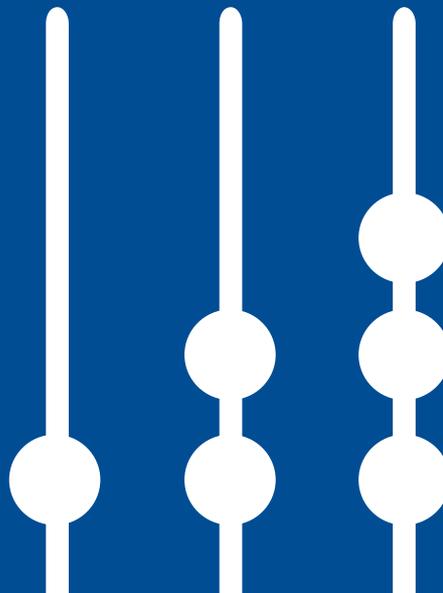


# Report on the first quarter of 2017

## High growth in earnings due to one-off effects

- Revenue in Q1 2017 increased by 4.5% to EUR 229.3 million
- High growth in earnings due to successful termination of joint venture transaction
- Development of earnings without one-off effects burdened by higher raw material prices
  - Transitional phase started to enhance profitability; outlook remains suspended



## Key performance figures

in EUR million	Q1 2017 <sup>1)</sup>	Change	Q1 2016	2016 <sup>1)</sup>
Revenue	229.3	+4.5%	219.5	852.4
EBITDA	94.4	>+100.0%	26.7	77.9
EBITDA margin	41.2%	+29.0 PP	12.2%	9.1%
EBIT	86.4	>+100.0%	18.6	27.3
EBIT margin	37.7%	+29.2 PP	8.5%	3.2%
Earnings after tax	62.8	>+100.0%	10.1	-8.8
Earnings per share (EPS) <sup>2)</sup> , in EUR	3.06	>+100.0%	0.49	-0.43
Gross cash flow	28.4	+60.2%	17.7	48.1
Return on equity <sup>3)</sup>	66.0%	+55.3 PP	10.7%	-2.7%

## Balance sheet key figures

in EUR million	31.03.2017	Change	31.03.2016	31.12.2016
Balance sheet total	971.0	+1.1%	960.3	1,034.5
Equity <sup>2)</sup>	380.7	+0.5%	378.8	329.3
Equity ratio	39.2%	-0.2 PP	39.4%	31.8%
Investments in tangible and intangible assets	21.7	35.3%	16.1	65.1
Employees (at balance sheet date)	6,801	-2.4%	6,965	6,974

## Sector and segment key figures

in EUR million	Q1 2017	Change	Q1 2016	2016
<b>Industrial Sector = Semperflex + Sempertrans + Semperform</b>				
Revenue	140.1	+4.9%	133.6	506.4
EBITDA	17.2	-31.4%	25.1	89.5
EBIT	12.3	-39.2%	20.3	70.0
<b>Semperflex<sup>4)</sup></b>				
Revenue	53.5	+11.8%	47.8	202.3
EBITDA	11.7	-1.4%	11.8	48.0
EBIT	9.6	-1.0%	9.7	39.5
<b>Sempertrans</b>				
Revenue	41.3	-3.1%	42.6	148.4
EBITDA	0.6	-90.3%	5.8	15.9
EBIT	-0.3	-	4.8	12.1
<b>Semperform<sup>4)</sup></b>				
Revenue	45.3	+5.0%	43.2	155.7
EBITDA	5.0	-33.2%	7.4	25.6
EBIT	3.0	-47.1%	5.7	18.3
<b>Medical Sector = Sempermed</b>				
Revenue	89.2	+3.9%	85.9	346.0
EBITDA	78.1	>+100.0%	6.1	6.6
EBIT	75.4	>+100.0%	2.9	-23.9

Note: Rounding differences in the totalling of rounded amounts and percentages may arise from the use of automatic data processing.

<sup>1)</sup> Values adjusted for one-off effects, see table on page 4 in this report.

<sup>2)</sup> Attributable to the shareholders of Semperit AG Holding.

<sup>3)</sup> Based on a full-year projection.

<sup>4)</sup> 2016 values restated (only Q1 2016 shown with restated figures); there was a reclassification of the business unit Sheeting from the Semperflex segment to the Semperform segment.

## Economic environment and developments in the raw material markets

The modest recovery of global economy continued in the first months of 2017. In April 2017, the International Monetary Fund (IMF) therefore slightly increased its forecast for growth of global economy. Global economic performance is expected to expand by 3.5% in the current year (previous forecast 3.4%). The outlook for the USA remained unchanged at a growth rate of 2.3% for 2017. The values for the euro zone were slightly adjusted upwards from 1.6% to 1.7%. Despite the improved growth prospects for the coming months, the IMF continues to forecast uncertainties for global economy due to the currently prevailing political framework conditions.

In the first two months of 2017, the prices for natural rubber and natural latex as well as synthetic latex and synthetic rubber experienced another significant increase compared with the end of 2016. As of the end of February/beginning of March 2017, prices declined step by step. For most raw materials, the level at the end of March 2017 was more or less the same again as the level at the beginning of 2017. The average prices of the first quarter of 2017 increased significantly compared with the first quarter of 2016.

## Revenue and earnings of Semperit Group

### First quarter of 2017

Revenue rose from EUR 219.5 million in the first quarter of 2016 to EUR 229.3 million in the first quarter of 2017, an increase of 4.5%. The increase in revenue was based on a strong sales performance and higher volumes sold in all segments. Both the Industrial and the Medical Sectors recorded increases in revenue (for details on the development of sectors and segments see page 7ff). The distribution of revenues remained unchanged in comparison of the first quarters of 2016 and 2017. The Industrial Sector accounted for 61% and the Medical Sector for 39%.

In the first quarter of 2017, inventories decreased by EUR 1.9 million compared with a EUR 0.9 million decrease in the first quarter of 2016.

Other operating income increased from EUR 1.7 million to EUR 89.9 million in the first quarter of 2017 due to positive one-off effects relating to the termination of almost all joint business activities with the Thai joint venture partner Sri Trang Agro-Industry Public Co Ltd. Gruppe ("joint venture transaction"). The one-off effects totalled around EUR 85 million as other operating income, including around EUR 78 million in the Sempermed segment and around EUR 10 million in the Corporate segment. These positive one-off effects were up against transaction-related legal and consulting expenses of around EUR 3 million, which were included in other operating expenses.

Cost of materials increased by EUR 13.7 million or 11.0% to EUR 137.5 million, supported by higher raw material prices and higher sales volumes.

Personnel expenses increased to EUR 49.9 million due to one-time expenses and increases in salaries and wages. The one-time expenses included special compensations for employees as well as provisions for resigned/retired board members, executives and employees.

Other operating expenses rose by 22.8% compared with the first quarter of 2016 to EUR 36.7 million, among other things due to higher legal and consulting expenses. This item also included expenses relating to the closing of the joint venture transaction amounting to approximately EUR 3 million.

Since the beginning of January 2017, the item "Share of profits from joint ventures and associated companies" at EUR 0.1 million did not include the earnings contribution of the glove production joint venture in Thailand any more, but only the amount of the incomparably smaller company Synergy Health Allershausen GmbH, which is headquartered in Germany and sterilises surgical gloves.

Hence, EBITDA (earnings before interest, tax, depreciation and amortisation) totalled EUR 94.4 million. The calculated EBITDA margin stands at 41.2%. Without the above-mentioned one-off effects from the joint venture transaction, the adjusted EBITDA totalled EUR 9.6 million; the EBITDA margin was 4.2%.

Depreciation was almost the same and amounted to EUR 8.1 million.

At EUR 86.4 million, EBIT was significantly above the level of the first quarter of 2016, also due to the above-mentioned one-off effects. The EBIT margin amounted to 37.7%. EBIT adjusted for the one-off effects amounts to EUR 1.5 million, while the adjusted EBIT margin is 0.7%.

#### Key figures Semperit Group

in EUR million	Q1 2017	Q1 2016	Change	Change in EUR million	2016
Revenue	229.3	219.5	+4.5%	+9.8	852.4
EBITDA adjusted after one-off effects and without profit contribution from SSC in FY 2016	9.6	24.6	-61.1%	-15.0	74.7
EBITDA margin adjusted	4.2%	11.2%	-7.0 PP	-	8.8%
EBITDA	94.4	26.7	>+100.0%	+67.7	77.9
EBITDA margin	41.2%	12.2%	+29.0 PP	-	9.1%
EBIT adjusted after one-off effects and without profit contribution from SSC in FY 2016	1.5	16.5	-90.7%	-15.0	41.1
EBIT margin adjusted	0.7%	7.5%	-6.8 PP	-	4.8%
EBIT	86.4	18.6	>+100.0%	+67.8	27.3
EBIT margin	37.7%	8.5%	+29.2 PP	-	3.2%
Earnings after tax adjusted after one-off effects and without profit contribution from SSC in FY 2016	-2.0	8.1	-	-10.1	15.2
Earnings after tax	62.8	10.1	>+100.0%	+52.7	-8.8
Investments in tangible and intangible assets	21.7	16.1	+35.3%	+5.7	65.1
Employees (at balance sheet date)	6,801	6,965	-2.4%	-164	6,974

The negative financial result totalled EUR 8.0 million in the first quarter of 2017 after EUR 5.9 million in the previous year. Financial income, which now also includes foreign exchange gains, increased by EUR 0.4 million compared to the previous year and amounted to EUR 9.1 million. Financial expenses, which also include foreign exchange losses, increased by EUR 2.7 million compared to the previous year to EUR 15.8 million. The reasons for this are primarily repayment expenses for the acquisition of redeemable non-controlling interests, which was recognised in profit or loss in the item "Financial expenses". In addition, further charges resulted from higher interest expenses due to additional borrowings, while foreign exchange losses were lower than in the previous year.

The item "Profit/loss attributable to redeemable non-controlling interests" remained largely unchanged compared with the previous year (minus EUR 1.4 million after minus EUR 1.5 million in the first quarter of 2016). As of the second quarter of 2017, it includes only Semperflex Asia Corp. Ltd, which produces hydraulic hoses in Thailand and continues to be operated with the joint venture partner Sri Trang, as well as a Chinese joint venture company in the Sempertrans segment, which is operated with a different joint venture partner.

Income tax expense increased by EUR 12.9 million to EUR 15.5 million. The increase resulted from one-off effects relating to the joint venture transaction.

Earnings after tax totalled EUR 62.8 million, resulting in earnings per share of EUR 3.06 in the first quarter of 2017, following EUR 0.49 in the first quarter of 2016. After deduction of the one-off effects from the joint venture transaction totalling around EUR 65 million, earnings after tax amount to minus EUR 2.0 million while earnings per share are minus EUR 0.10.

## Dividend

The Management Board will propose a dividend of EUR 0.70 per share for the overall year of 2016 at the Annual General Meeting on 23 May 2017. This means that EUR 14.4 million will be distributed in total in the event of approval by the Annual General Meeting. The dividend pay-out ratio for the financial year 2016 is therefore 62.3% (based on adjusted earnings after tax) after 53.2% in 2015. Given the share price of EUR 25.75 as at the end of 2016, this results in a dividend yield of 2.7%. Semperit's dividend policy remains unchanged: the pay-out ratio is around 50% of earnings after tax – assuming continued successful performance and that no unusual circumstances occur. Due to one-off effects, Semperit's existing dividend policy will be subjected to a review for 2017.

## Assets and financial position

Compared with the balance as of 31 December 2016, the balance sheet total fell by 6.1% to EUR 971.0 million in the first quarter of 2017. The main reasons for this decrease was derecognition of the item "Non-current assets held for sale" relating to the joint venture transaction. This was up against an increase in cash and cash equivalents due to the inflow of cash and cash equivalents from the joint venture transaction, an increase in trade receivables and an increase in tangible assets relating to expansion investments.

On the liabilities side, revenue reserves increased due to good results, while liabilities to banks significantly decreased. The amount still included in the item "Liabilities from redeemable non-controlling interests" was derecognised after the closing of the joint venture transaction.

Trade working capital (inventories plus trade receivables minus trade payables) increased from EUR 145.4 million at the end of 2016 to EUR 168.9 million, and therefore constituted 19.6% of the revenues of the last four quarters (year-end 2016: 17.1%). The change is attributable to an increase in trade receivables as well as inventories, while trade payables rose only slightly.

Cash and cash equivalents increased from EUR 190.2 million by the end of 2016 to EUR 243.1 million as of 31 March 2017, primarily due to the joint venture transaction. However, it should be taken into account that a considerable part of cash and cash equivalents from the joint venture transaction included in mid-March 2017 was used for prompt repayment of liabilities to banks.

As of 31 March 2017, the Semperit Group's equity (without non-controlling interests) stood at EUR 380.7 million, EUR 51.4 million higher than at the end of 2016 (EUR 329.3 million). On the one hand, the change resulted from an increase in revenue reserves which grew thanks to excellent results. On the other hand, the item "Reserves, which are classified as non-current assets held for sale" was derecognised due to the joint venture transaction.

The group's reported equity ratio as of 31 March 2017 amounted to 39.2% (year-end 2016: 31.8%). The significant increase results from the increase of equity on the one hand and the reduction of the balance sheet total on the other hand. The capital structure of the Semperit Group therefore remains to be solid. The return on equity stood at 66.0%, following 12.3% in the first quarter of

2016. The return on equity is calculated based on the earnings after tax in relation to the equity of EUR 380.7 million (each both in respect to the portion attributable to the shareholders of Semperit AG Holding). After deduction of the mentioned one-off effects, the return on equity was minus 2.1%.

Debt is significantly lower at EUR 587.8 million compared with the end of 2016. Liabilities from the corporate Schuldschein loan and liabilities to banks totalled EUR 337.0 million (year-end 2016: EUR 420.8 million). Taking into consideration cash and cash equivalents, this resulted in an overall net debt of EUR 93.8 million (year-end 2016: EUR 230.6 million). The net debt/EBITDA ratio (net debt in relation to EBITDA) as of 31 March 2017 is therefore 0.64 (year-end 2016: 2.96). The liabilities from redeemable non-controlling interests decreased significantly to EUR 15.0 million due to the joint venture transaction and affected primarily Semperflex Asia Corp. Ltd. Provisions including social capital amounted to EUR 73.8 million and are therefore slightly higher than at the end of 2016. Other liabilities and deferred taxes slightly decreased to EUR 48.0 million.

## Cash Flow

The gross cash flow in the first quarter of 2017 amounted to EUR 28.4 million after EUR 17.7 million. This was caused primarily by the dividend received from the SSC relating to the joint venture transaction. This was up against income taxes paid as a negative effect. Cash flow from operating activities increased to EUR 31.1 million in the first quarter of 2017. The cash flow from investing activities increased to EUR 147.0 million due to the incoming payments from the joint venture transaction. The cash flow from financing activities decreased to EUR minus 125.8 million due to the repayment of liabilities to banks as well as payments for acquisition of redeemable non-controlling interests.

## Related-party transactions with companies and individuals

With regard to the related-party transactions with companies and individuals please refer to the interim consolidated financial statements and notes.

## Investments

At EUR 21.7 million, cash-relevant investments in tangible and intangible assets in the first quarter of 2017 were higher than in the previous year (EUR 16.1 million). The investment priorities were on expansion and improvement in the segments Sempermed (expansion of the glove production in Kamunting, Malaysia), Semperform (expansion of the sites in Wimpassing, Austria, and in Germany) and Semperflex (expansion of the hose production at the plant in Odry, Czech Republic).

## Employees

As of 31 March 2017, the number of employees was 6,801, which is 2.4% below the level of 31 December 2016. The employee headcount fell in the Sempermed and Semperform segments, while it rose in the Semperflex segment and remained unchanged in the Sempertrans segment. The analysis by segments shows that slightly less than half of the employees work in the Sempermed segment. Around 25% work in the Semperflex segment and less than 15% in the Sempertrans and Semperform segments respectively.

## Performance of the sectors and segments

### Industrial Sector

The Industrial Sector comprises the segments Semperflex, Sempertrans and Semperform and developed in a differentiated way. However, sales figures increased in all segments. Revenue increased by 4.9% to EUR 140.1 million. Profitability was significantly impaired due to developments in raw material prices that are unfavourable to Semperit and passing them on to the customers with a delay. EBITDA fell by 31.4% to EUR 17.2 million, while EBIT declined by 39.2% to EUR 12.3 million. With almost 80%, the Semperflex segment contributed the largest share of EBIT in the Industrial Sector, followed by Semperform with around 20%, while the Sempertrans segment was slightly negative.

In the first quarter of 2017 the sector's EBITDA margin stood at 12.3%, following 18.7%. The EBIT margin was 8.8%, down from 15.2% in the first quarter of 2016. As before, Semperflex reported the highest EBIT margin at 18.0%, followed by Semperform with 6.6% and Sempertrans with a slightly negative EBIT margin of 0.8%.

### Key figures Industrial Sector

in EUR million	Q1 2017	Change	Q1 2016	2016
Revenue	140.1	+4.9%	133.6	506.4
EBITDA	17.2	-31.4%	25.1	89.5
EBITDA margin	12.3%	-6.4 PP	18.7%	17.7%
EBIT	12.3	-39.2%	20.3	70.0
EBIT margin	8.8%	-6.4 PP	15.2%	13.8%
Investments in tangible and intangible assets	13.0	+80.2%	7.2	34.9
Employees (at balance sheet date)	3,648	+3.1%	3,540	3,637

### Semperflex segment

The Semperflex segment generated further high profitability and significantly increasing revenue thanks to very good production and sales performances. The values of 2016 were adjusted due to the reclassification of the business unit Sheeting from the Semperflex segment to the Semperform segment providing full comparability. With the reclassification, the focus will now be exclusively on production and sales of hydraulic and industrial hoses.

The business unit for hydraulic hoses achieved sales successes primarily in Europe, but also in North America and China, while the rest of Asia recorded weaker demand. In total, sales of hydraulic hoses increased significantly, while the booking situation for the coming months is good.

All capacities were, and still are, well utilised due to strategic partnerships with key customers, while sales of industrial hoses also increased.

The comparison of the first quarter of 2017 and the previous year shows a significant increase in revenue. Despite the increased raw material prices as well as only partially passing them on to customers and with a delay, EBITDA and EBIT were almost in line with the values of 2016.

### **Sempertrans segment**

The Sempertrans segment defended its position in established markets and held its market position in new regions and market segments. This was achieved against the background of a stabilisation of raw material prices for mining products. However, demand for investment goods in the mining industry continued to remain subdued despite indications of a price increase for individual raw materials in recent months. Therefore, this also applied to the procurement of conveyor belts by customers who continued to be selective.

Following a period of low raw material prices that were relevant for production, the price level for raw materials started to increase sharply as of November 2016. These high increases could only partially be passed on to the customer and with a delay. Combined with competitive pressures of other manufacturers, price pressures continued to be high. Due to lower demand in the mining industry, Sempertrans has opened up other customer segments such as harbours, steel and cement factories to fully utilise its production capacities. These customers, however, rather have a demand in lighter belts, which has a negative effect on the total volume sold.

Considering the challenging market and competitive environment, the utilisation of production capacities was satisfying. However, year-on-year, the volume sold was above previous year's level for steel cord reinforced conveyor belts, just as conveyor belts with textile carcasses. Visibility of demand continued to be low and was characterised by prolonged uncertainty. Therefore, it was necessary to react flexibly to market requirements. An important market with a now increased focus is North America. There is already a sales operation in the US state of Georgia.

In total, revenue as well as EBITDA and EBIT decreased due to price and margin pressure and the market situation described above.

### **Semperform segment**

The Semperform segment profited from a consistent implementation of the growth strategy and an increased demand in almost all business units associated with it. The strategy is based among other things on globally oriented sales and on development partnerships with customers. Since January 2017, the business unit Sheeting has been part of the Semperform segment (so far Semperflex segment). The figures of 2016 were adjusted accordingly.

Thanks to an increased expansion into the segment for aluminium windows especially in Europe as well as the market entry in the USA, sales of window and door profiles were increased compared with the first quarter of 2016. First positive market signals come from Russia, which have not been reflected in an increased order volume yet.

Demand for products of the business unit Semperit Engineered Solutions was above the previous year's level. Sales of handrails increased year-on-year since Semperform gained market shares particularly in the after sales market (ASM) and expanded supply shares in a slightly declining OEM business (original equipment manufacturer). The business unit Sheeting recorded increased sales due to higher market demands. The business unit Special Applications showed a slight decline in sales.

In an overview of all business units, revenue increased. Operational profitability decreased against the background of rising raw material prices and only partially passing them on to the customers and with a delay.

### Key figures Semperflex

in EUR million	Q1 2017	Change	Q1 2016 <sup>1)</sup>	2016 <sup>1)</sup>
Revenue	53.5	+11.8%	47.8	202.3
EBITDA	11.7	-1.4%	11.8	48.0
EBITDA margin	21.8%	-2.9 PP	24.7%	23.7%
EBIT	9.6	-1.0%	9.7	39.5
EBIT margin	18.0%	-2.4 PP	20.4%	19.5%
Investments in tangible and intangible assets	4.6	+92.7%	2.4	14.4
Employees (at balance sheet date)	1,697	+11.3%	1,525	1,674

<sup>1)</sup> 2016 values restated (only Q1 2016 shown with restated figures), there was a reclassification of the business unit Sheeting from the Semperflex segment to the Semperform segment.

### Key figures Sempertrans

in EUR million	Q1 2017	Change	Q1 2016	2016
Revenue	41.3	-3.1%	42.6	148.4
EBITDA	0.6	-90.3%	5.8	15.9
EBITDA margin	1.4%	-12.2 PP	13.6%	10.7%
EBIT	-0.3	-	4.8	12.1
EBIT margin	-0.8%	-12.1 PP	11.3%	8.2%
Investments in tangible and intangible assets	1.5	+73.1%	0.9	6.7
Employees (at balance sheet date)	1,035	-3.0%	1,067	1,036

### Key figures Semperform

in EUR million	Q1 2017	Change	Q1 2016 <sup>1)</sup>	2016 <sup>1)</sup>
Revenue	45.3	+5.0%	43.2	155.7
EBITDA	5.0	-33.2%	7.4	25.6
EBITDA margin	10.9%	-6.3 PP	17.2%	16.4%
EBIT	3.0	-47.1%	5.7	18.3
EBIT margin	6.6%	-6.5 PP	13.1%	11.8%
Investments in tangible and intangible assets	6.9	+74.2%	4.0	8.1
Employees (at balance sheet date)	916	-3.4%	948	928

<sup>1)</sup> 2016 values restated (only Q1 2016 shown with restated figures), there was a reclassification of the business unit Sheeting from the Semperflex segment to the Semperform segment.

### Medical Sector: Sempermed segment

The termination of the joint venture for the glove production in Thailand was the event in the Sempermed segment that had a major influence on the results. It also caused a one-off effect amounting to EUR 78 million which is included in the results of the first quarter of 2017. Another positive effect from the joint venture transaction totalling around EUR 7 million is posted in the Corporate segment.

The development of the Sempermed segment was characterised by a difficult market environment. The pricing policy particularly for nitrile gloves continued to be challenging – also due to overcapacities in the market. On the raw material side, prices increased particularly for natural latex. Since the beginning of November 2016 there has been another strong increase of raw material prices. So far, these significant increases could only partially be passed on to the customer and with a certain delay. Since the second half of February 2017, raw material prices fell significantly. This development made pricing on a satisfactory level difficult.

Relating to the joint venture transaction and the related realignment of the Sempermed segment as well as considering the unsatisfying price situation, Sempermed focused on the core markets Europe and North America as well as selected markets in Asia (Japan and South Korea). The overall focus is on sales of Sempermed brand gloves.

The expansion of the plant and the optimisation of existing capacities in Malaysia were continued. The initiated cost-cutting programme (production, marketing, sales) for the segment was further pushed. In total, due to considerable price and margin pressure, the earnings development was not satisfying.

Revenue of the Sector increased by 3.9% to EUR 89.2 million was characterised by a slightly positive sales development, which was up against the high price pressure.

In the comparison of EBITDA and EBIT with the previous year, it should be noted that since the beginning of 2017 no earnings contribution of Siam Sempermed Corporation Ltd. (SSC, now Sri Trang Gloves (Thailand) Co. Ltd.) has been included in the Sempermed segment. In the first quarter of 2016, an earnings contribution of EUR 2.1 million was included. EBITDA, adjusted by the positive effects of the joint venture transaction in 2017 and the earnings contribution of SSC in 2016, decreased from EUR 4.0 million in the first quarter of 2016 to zero in the same period this year. The adjusted EBIT fell to minus EUR 2.8 million compared with EUR 0.8 million in the first quarter of 2016. Without the mentioned one-off effect in the first quarter of 2017, EBIT was at EUR 75.4 million.

Sales of examination and protective gloves was slightly above previous year's level. Sales of surgical gloves, which are produced in the core production facility in Wimpassing, Austria, showed an exceptionally good development thanks to higher demand in the core markets compared to the previous year.

For further information on the joint venture transaction please refer to page 20f.

**Key figures Sempermed**

in EUR million	Q1 2017	Change	Q1 2016	2016
Revenue	89.2	+3.9%	85.9	346.0
EBITDA adjusted after one-off effects and without profit contribution from SSC in FY 2016	0.0	–	4.0	3.4
EBITDA margin adjusted	0.0%	–4.6 PP	4.6%	1.0%
EBITDA	78.1	>+100.0%	6.1	6.6
EBITDA margin	87.5%	+80.5 PP	7.0%	1.9%
EBIT adjusted after one-off effects and without profit contribution from SSC in FY 2016	–2.8	–	0.8	–10.1
EBIT margin adjusted	–3.1%	–4.0 PP	0.9%	–2.9%
EBIT	75.4	>+100.0%	2.9	–23.9
EBIT margin	84.5%	+81.2 PP	3.3%	–6.9%
Investments in tangible and intangible assets	8.5	+24.6%	6.8	25.7
Employees (at balance sheet date)	3,004	–6.2%	3,201	3,183

## Outlook

Due to the very high volatility in the development of raw material prices, Semperit continues to have a limited visibility for operational business. Semperit assumes that the weak market development of the first quarter of 2017 might partially continue in the upcoming reporting periods, so that considerable negative effects on operational results in comparison with the previous year must be expected.

The adjusted EBIT (without one-off effects from the joint venture transaction) for the 2017 financial year will therefore be significantly below the adjusted EBIT of 2016 (EUR 41 million after deduction of the earnings contribution from the Thai SSC/Siam Sempermed Corporation Ltd. at that time).

As communicated in the ad hoc information of 10 April 2017, the long-term earnings outlook for the Sempermed segment (Medical Sector) must be subjected to a critical review, which might result in a significant impairment in this segment.

At the same time, the Management Board has initiated further measures to increase profitability and review the IT strategy. This might also lead to significant one-off charges in the next reporting periods.

During this transitional phase, the Management Board will focus primarily on increasing profitability. This shall be achieved by the above-mentioned measures in addition to a focus on cost reduction and efficiency enhancement in all segments and on the corporate level.

Due to limited visibility, an outlook for the financial year 2017 is still not possible.

Semperit continues to focus on organic growth. Investments in the expansion of capacities will be continued. Total capital expenditures (CAPEX) of around EUR 80-90 million (2016: EUR 65 million) have been planned for 2017.

### Note

This outlook is based on the assessments of the Management Board as of 15 May 2017 and does not take into account the effects of possible acquisitions, divestments or other unforeseeable structural or economic changes during the further course of 2017. These assessments are subject to both known and unknown risks and uncertainties, which may result in actual events and outcomes differing from the statements made here.

Vienna, 15 May 2017

The Management Board



**Frank Gumbinger**  
Finance



**Michele Melchiorre**  
Technic

# **Interim consolidated financial statements and notes**

**Consolidated income statement**

in EUR thousand	1.1.- 31.3.2017	1.1.- 31.3.2016
Revenue	229,340	219,518
Changes in inventories	-1,930	-868
Own work capitalised	1,186	1,323
<b>Operating revenue</b>	<b>228,596</b>	<b>219,973</b>
Other operating income	89,918	1,668
Cost of material and purchased services	-137,525	-123,851
Personnel expenses	-49,929	-43,389
Other operating expenses	-36,712	-29,890
Share of profits from joint ventures and associated companies	68	2,187
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>94,416</b>	<b>26,699</b>
Depreciation, amortisation and impairment of tangible and intangible assets	-8,050	-8,087
<b>Earnings before interest and tax (EBIT)</b>	<b>86,366</b>	<b>18,612</b>
Financial income	9,147	8,760
Financial expenses	-15,798	-13,118
Profit / loss attributable to redeemable non-controlling interests	-1,381	-1,523
<b>Financial result</b>	<b>-8,032</b>	<b>-5,881</b>
<b>Earnings before tax</b>	<b>78,334</b>	<b>12,731</b>
Income taxes	-15,498	-2,585
<b>Earnings after tax</b>	<b>62,836</b>	<b>10,147</b>
thereof attributable to the shareholders of Semperit AG Holding	62,857	10,147
thereof attributable to non-controlling interests	-21	0
<b>Earnings per share in EUR (diluted and undiluted)<sup>1)</sup></b>	<b>3.06</b>	<b>0.49</b>

<sup>1)</sup> Attributable to the shareholders of Semperit AG Holding.

## Consolidated statement of comprehensive income

in EUR thousand	1.1.- 31.3.2017	1.1.- 31.3.2016
<b>Earnings after tax according to the consolidated income statement</b>	<b>62,836</b>	<b>10,147</b>
<b>Other comprehensive income</b>		
<b>Amounts that will not be recognised through profit and loss in future periods</b>		
Remeasurements of defined benefit plans (IAS 19)	-9	0
Related deferred taxes	-23	0
	-32	0
<b>Amounts that will potentially be recognised through profit and loss in future periods</b>		
Available-for-sale financial assets		
Revaluation gains / losses for the period	-128	185
Cash flow hedges		
Revaluation gains / losses for the period	84	2
Reclassification to profit and loss for the period	-101	0
	-17	2
Other comprehensive income from joint ventures / non-current assets held for sale		
Currency translation differences for the period	0	-1,217
Reclassification to profit and loss for the period	-14,033	0
	-14,033	-1,217
Currency translation differences		
Currency translation differences for the period	2,691	6,555
Related deferred taxes	36	-49
	<b>-11,450</b>	<b>5,475</b>
<b>Other comprehensive income</b>	<b>-11,482</b>	<b>5,475</b>
<b>Total recognised comprehensive income</b>	<b>51,354</b>	<b>15,622</b>
thereof on earnings attributable to the shareholders of Semperit AG Holding	51,375	15,497
thereof on earnings attributable to non-controlling interests	-21	125

**Consolidated cash flow statement**

in EUR thousand	1.1.- 31.3.2017	1.1.- 31.3.2016
Earnings before tax	78,334	12,731
Depreciation, amortisation, impairment and write-ups of tangible and intangible assets	8,050	8,087
Profit / loss from disposal of assets (including current and non-current financial assets)	-87	-10
Change in non-current provisions	-385	33
Share of profits from joint ventures and associated companies	-68	-2,187
Dividends received from non-current assets held for sale	47,751	0
Profit / loss attributable to redeemable non-controlling interests	1,381	1,523
Earnings from sale of non-current assets held for sale and repayment of redeemable non-controlling interests	-75,113	0
Net interest income (including income from securities)	2,084	1,191
Interest paid	-953	-540
Interest received	111	211
Taxes paid on income	-32,689	-3,296
<b>Gross cash flow</b>	<b>28,418</b>	<b>17,743</b>
Change in inventories	-6,935	1,562
Change in trade receivables	-19,033	-10,441
Change in other receivables and assets	5,324	571
Change in trade payables	7,199	-10,706
Change in other liabilities and current provisions	13,802	-54
Changes in working capital resulting from currency translation adjustments	2,345	-841
<b>Cash flow from operating activities</b>	<b>31,119</b>	<b>-2,168</b>
Proceeds from sale of tangible and intangible assets	97	44
Proceeds from sale of current and non-current financial assets	6	0
Investments in tangible and intangible assets	-21,738	-16,071
Proceeds from sale of non-current assets held for sale	168,627	0
<b>Cash flow from investing activities</b>	<b>146,991</b>	<b>-16,026</b>
Cash receipts from current and non-current financing liabilities	167	14,823
Repayment of current and non-current financing liabilities	-85,021	-45
Dividends to non-controlling shareholders of subsidiaries	-15,002	0
Cash outflow for purchased non-controlling interests in subsidiaries	-25,842	0
Acquisition of non-controlling interests	-57	-25
<b>Cash flow from financing activities</b>	<b>-125,754</b>	<b>14,753</b>
<b>Net increase / decrease in cash and cash equivalents</b>	<b>52,356</b>	<b>-3,441</b>
Effects resulting from currency translation	550	-1,667
Cash and cash equivalents at the beginning of the period	190,208	126,430
<b>Cash and cash equivalents at the end of the period</b>	<b>243,114</b>	<b>121,322</b>

**Consolidated balance sheet**

in EUR thousand	31.3.2017	31.12.2016
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	52,275	53,396
Tangible assets	324,612	313,560
Investments in joint ventures and associated companies	2,677	2,608
Other financial assets	12,868	13,170
Other assets	4,489	4,404
Deferred taxes	22,196	18,846
	<b>419,116</b>	<b>405,984</b>
<b>Current assets</b>		
Inventories	145,040	138,105
Trade receivables	137,878	118,844
Other financial assets	3,799	7,698
Other assets	12,815	14,121
Current tax receivables	9,257	6,842
Cash and cash equivalents	243,114	190,208
	<b>551,902</b>	<b>475,817</b>
<b>Non-current assets held for sale</b>	<b>0</b>	<b>152,684</b>
	<b>551,902</b>	<b>628,501</b>
<b>ASSETS</b>	<b>971,019</b>	<b>1,034,485</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	21,359	21,359
Capital reserves	21,503	21,503
Revenue reserves	346,801	284,079
Currency translation reserve	-8,979	-11,670
Reserves, which are classified as non-current assets held for sale	0	14,033
<b>Equity attributable to the shareholders of Semperit AG Holding</b>	<b>380,684</b>	<b>329,304</b>
Non-controlling interests	2,494	1,675
	<b>383,178</b>	<b>330,979</b>
<b>Non-current provisions and liabilities</b>		
Provisions for pension and severance payments	39,708	40,066
Other provisions	16,357	16,384
Liabilities from redeemable non-controlling interests	15,035	14,319
Corporate Schuldschein loan	275,346	275,578
Liabilities to banks	51,394	136,421
Other financial liabilities	998	796
Other liabilities	828	832
Deferred taxes	3,879	17,836
	<b>403,545</b>	<b>502,231</b>
<b>Current provisions and liabilities</b>		
Provisions for pension and severance payments	2,506	2,612
Other provisions	15,272	7,676
Liabilities from redeemable non-controlling interests	0	37,506
Corporate Schuldschein loan	3,241	1,969
Liabilities to banks	6,976	6,814
Trade payables	114,009	111,569
Other financial liabilities	17,579	15,576
Other liabilities	17,947	13,349
Current tax liabilities	6,767	4,203
	<b>184,296</b>	<b>201,275</b>
<b>EQUITY AND LIABILITIES</b>	<b>971,019</b>	<b>1,034,485</b>

## Consolidated statement of the changes in equity

in EUR thousand	Revenue reserves					Currency translation reserve <sup>2)</sup>	Total equity attributable to the shareholders of Semperit AG Holding	Non-controlling interests	Total equity
	Share capital	Capital reserves	Re-valuation reserves	Other revenue reserves <sup>1)</sup>	Total revenue reserves				
<b>As at 1.1.2016</b>	<b>21,359</b>	<b>21,503</b>	<b>200</b>	<b>317,533</b>	<b>317,733</b>	<b>2,664</b>	<b>363,260</b>	<b>1,924</b>	<b>365,183</b>
Earnings after tax	0	0	0	10,147	10,147	0	10,147	0	10,147
Other comprehensive income	0	0	139	-1	138	5,212	5,350	125	5,475
Total recognised comprehensive income	0	0	139	10,146	10,285	5,212	15,497	125	15,622
Acquisition of non-controlling interests	0	0	0	3	3	0	3	-28	-25
<b>As at 31.3.2016</b>	<b>21,359</b>	<b>21,503</b>	<b>339</b>	<b>327,681</b>	<b>328,021</b>	<b>7,876</b>	<b>378,759</b>	<b>2,021</b>	<b>380,780</b>
<b>As at 1.1.2017</b>	<b>21,359</b>	<b>21,503</b>	<b>209</b>	<b>283,870</b>	<b>284,079</b>	<b>2,363</b>	<b>329,304</b>	<b>1,675</b>	<b>330,979</b>
Earnings after tax	0	0	0	62,857	62,857	0	62,857	-21	62,836
Other comprehensive income	0	0	-96	-45	-141	-11,341	-11,482	0	-11,482
Total recognised comprehensive income	0	0	-96	62,812	62,716	-11,341	51,375	-21	51,354
Acquisition of non-controlling interests	0	0	0	5	5	0	5	-9	-4
Reclassifications and other	0	0	0	0	0	0	0	848	848
<b>As at 31.3.2017</b>	<b>21,359</b>	<b>21,503</b>	<b>113</b>	<b>346,687</b>	<b>346,801</b>	<b>-8,979</b>	<b>380,684</b>	<b>2,494</b>	<b>383,178</b>

<sup>1)</sup> Includes reserves which are classified as non-current assets held for sale.

<sup>2)</sup> Includes currency translation reserves which are classified as non-current assets held for sale.

## Notes to the interim consolidated financial statements

### Preparation and presentation of the interim consolidated financial statements

These interim consolidated financial statements have been prepared in accordance with the Prime Market rules of the Vienna Stock Exchange and with International Financial Reporting Standards (IFRS) as well as IAS 34 for interim financial statements.

For more information on accounting and valuation methods, please see the consolidated financial statements as of 31 December 2016, which in this regard form the basis for these interim financial statements.

The reporting currency is the Euro, in which case figures are rounded off to thousands of Euros, unless specified otherwise. Rounding differences in the totalling of rounded amounts and percentages may arise from the automatic processing of data.

These interim consolidated financial statements of the Semperit Group have not been audited or reviewed by the group's auditor.

### Principles and methods of consolidation

The consolidated financial statements include the financial statements of the parent company and the financial statements of the companies under its control, i.e. the subsidiaries of the parent. The group controls a company when it is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. The financial statements of subsidiaries are included in the consolidated financial statements from the time at which control begins until the time at which control ends.

On the assessment whether the definition of control within the meaning of IFRS 10 is met where the group's de facto shareholding in subsidiaries is or was either 50% or 41.43%, please refer to the consolidated financial statements as of 31 December 2016, note 3.1., page 97f. In the first quarter of 2017 an increase of the consolidated group holdings of several subsidiaries was performed (please refer to chapter Changes in the scope of consolidation).

### Adoption of new and amended accounting standards

There are no new or amended standards applicable for the first time in the reporting period from 1 January until 31 March 2017.

### Changes in the scope of consolidation

On 18 January 2017, Semperit and the Thai company Sri Trang Agro-Industry Public Co Ltd. Group (Sri Trang) signed an agreement to terminate nearly all of their joint business activities. The transaction (joint venture transaction) was successfully executed after the approval of the shareholder assembly of Semperit AG Holding and the management board of Sri Trang Group on 15 March 2017. Siam Sempermed Corporation Ltd (SSC) was sold to Sri Trang per the agreement. After the closing of the transaction SSC was thereafter renamed Sri Trang Gloves (Thailand) Co. Ltd. In exchange, Semperit acquired Sri Trang's respective shares in the following joint venture companies:

- Sempermed USA Inc. (USA) – Sempermed segment
- Shanghai Sempermed Glove Sales Co. Ltd. (China) – Sempermed segment
- Sempermed Singapore Pte. Ltd. (Singapore) – Sempermed segment
- Formtech Engineering (M) Sdn Bhd (Malaysia) – Sempermed segment
- Sempermed Brazil Comércio Exterior Ltda. (Brazil) – Sempermed segment
- Semperflex Shanghai Ltd. (China) – Semperflex segment
- Shanghai Semperit Rubber & Plastic Products Co. Ltd. (China) – Semperflex segment

Furthermore, as part of the joint venture transaction, Semperit received a one-time compensation payment of USD 167.5 million before taxes. In addition, immediately prior to the closing of the transaction and thus, the complete transfer of SSC to Sri Trang, SSC paid a dividend to Semperit in the amount of USD 51.0 million before taxes.

Semperit also received a call option for the Thai joint venture company Semperflex Asia Corp. Ltd. (SAC). This option may be exercised between the middle of 2019 and the middle of 2021 at a fixed price to acquire the remaining 50% interest in SAC. Modifications have been made to the SAC joint venture agreement in order to strengthen Semperit's control rights. Moreover, a joint dividend policy has been agreed for SAC for 2017 and subsequent years. Immediately before the closing of the joint venture transaction a dividend payment for 2017 in the amount of USD 15.0 million was made to the joint venture partner.

After the successful closing of the joint venture transaction, the termination agreement stipulates that all pending arbitration and civil proceedings between Semperit Group and Sri Trang Group or SSC will be or were settled.

The aforementioned transaction has resulted in the following material effects in these financial statements:

- Disposal of SSC as non-current assets held for sale according to IFRS 5 and release of the reserves attributable to SSC (currency translation reserves).
- De-recognition of material parts of liabilities from redeemable non-controlling interests due to the acquisition by Semperit.
- Recognition of the gain on the disposal of SSC in the consolidated income statement as other operating income.
- Recognition of the transaction related taxes in the consolidated income statement as income taxes.
- Recognition of the expense related to the repayment of the liabilities from redeemable non-controlling interests in the consolidated income statement as financial expense.
- Recognition of the dividends for SSC and SAC in the consolidated cash flow statement under the respective positions.

### Equity transactions

In the first quarter of 2017 an additional 0.01% interest in Latexx Partners Berhad was acquired for EUR 4 thousand. As of 31 March 2017 the group's interest totalled 98.56%, up from 98.55% as of 31 December 2016. In the first quarter of 2016 a 0.02% interest was acquired for EUR 24 thousand, increasing the group's total interest to 98.52% as of 31 March 2016.

The transactions in the first quarter of 2017 and in the first quarter of 2016 were accounted for as equity transactions. For further information, please refer to the explanations on the principles and methods of consolidation in the consolidated financial statements as of 31 December 2016.

### Investments in joint ventures and associated companies (equity method)

The investments in joint ventures and associated companies are comprised as follows:

in EUR thousand	31.3.2017	31.12.2016
<b>Joint ventures</b>		
Siam Sempermed Corp. Ltd., Hat Yai, Thailand	0	0
<b>Associated companies</b>		
Synergy Health Allershausen GmbH, Allershausen, Germany	2,677	2,608
	<b>2,677</b>	<b>2,608</b>

The change in the investments in joint ventures and associated companies is as follows:

in EUR thousand	1.1.- 31.3.2017	1.1.- 31.3.2016	1.1.- 31.12.2016
As at 1.1.	2,608	102,670	102,670
Proportionate period result and intercompany elimination results	68	2,187	8,370
Currency translation	0	-1,217	4,884
Revaluation of defined benefit obligation	0	0	7
Reclassification to non-current assets held for sale	0	0	-113,323
<b>As at 31.3. / 31.12.</b>	<b>2,677</b>	<b>103,639</b>	<b>2,608</b>

### Investments in joint ventures

The investment in the joint venture in Siam Sempermed Corp. Ltd. (SSC) was reclassified in the annual report of 2016 according to IFRS 5, to non-current assets held for sale amounting to EUR 113,323 thousand. As a result, there are no transactions with the joint venture in the financial year 2017. Furthermore there was no recognition of the proportionate period result of SSC until the time of sale. As of 31 December 2016 the following assets and liabilities existed against the joint venture, and the following income and expenses resulted in the first quarter 2016:

in EUR thousand	1.1.- 31.3.2017	1.1.- 31.3.2016
Revenue	0	201
Other operating income	0	121
Cost of material and purchased services	0	31,624
Other operating expenses	0	0
	<b>31.3.2017</b>	<b>31.12.2016</b>
Inventories	0	20,112
Trade receivables	0	1,930
Trade payables	0	27,447

### Investments in associated companies

The consolidated carrying amount of the investment in Synergy Health Allershausen GmbH totalled EUR 2,677 thousand as of 31 March 2017 (31 December 2016: EUR 2,608 thousand). As of 31 March 2017 group companies conducted transactions that resulted in the following assets and liabilities against the associated company, and their business relationships resulted in the following income and expenses in the first quarter 2017 and 2016:

in EUR thousand	1.1.- 31.3.2017	1.1.- 31.3.2016
Other operating expenses	121	35
Financial income	3	3
	<b>31.3.2017</b>	<b>31.12.2016</b>
Other financial assets	566	569
Trade payables	43	32

## Segment Reporting

in EUR thousand	Sempermed	Semperflex <sup>1)</sup>	Sempertrans	Semperform <sup>1)</sup>	Corporate Center and Group eliminations	Group
<b>1.1.-31.3.2017</b>						
Revenue	89,207	53,485	41,332	45,316	0	229,340
EBITDA	78,090	11,669	562	4,959	-864	94,416
EBIT = segment result	75,355	9,647	-345	3,001	-1,292	86,366
<b>1.1.-31.3.2016</b>						
Revenue	85,892	47,823	42,633	43,171	0	219,518
EBITDA	6,053	11,833	5,797	7,421	-4,405	26,699
EBIT = segment result	2,860	9,748	4,833	5,670	-4,498	18,612

<sup>1)</sup> 2016 values restated, the business unit Sheeting was reclassified from segment Semperflex to segment Semperform.

The income and expenses of companies involved in production and distribution in more than one segment are subdivided and allocated to the appropriate segments accordingly, so that no further eliminations are necessary. The Corporate Center consists of Semperit AG Holding, which is not involved in operating activities, and those portions of a management company in China and a service company in Singapore that are allocated to the Corporate Center. Internal charging and the allocation of Corporate Center costs have already been made to the segments as far as possible.

In the first quarter of 2017 there were no impairments on either tangible or intangible assets. In the first quarter of 2016 the result of the segment Semperflex was affected by an impairment of EUR 12 thousand due to the impairment of land.

### Investments in and disposals of tangible and intangible assets

In the first quarter of 2017 the Semperit Group made investments in tangible and intangible assets totalling EUR 21.738 thousand (previous year: EUR 16.071 thousand). In contrast, tangible and intangible assets with a net carrying amount of EUR 185 thousand (previous year: EUR 35 thousand) were sold.

### Obligations to acquire tangible assets

As of 31 March 2017 the group has contractual obligations to acquire tangible assets totalling EUR 49,919 thousand (31 December 2016: EUR 53,214 thousand). The decrease compared to the previous year is due to the completion of investment projects to expand production capacities.

## Disclosures on financial instruments

The following tables show the carrying amounts of the individual financial assets and liabilities classified in accordance with the valuation categories stipulated in IAS 39.9.

### Assets

in EUR thousand	Valuation category IAS 39	Carrying amount 31.3.2017	Carrying amount 31.12.2016
Trade receivables	Loans and receivables	137,878	118,844
Other financial assets			
Securities	Available-for-sale	6,371	6,498
Loans to associated companies	Loans and receivables	563	563
Other loans	Loans and receivables	7	13
Derivative financial instruments	Held for trading	4,517	4,396
Derivative financial instruments	Designated as a hedging instrument	361	415
Other financial assets	Loans and receivables	4,848	8,984
Cash and cash equivalents			
Cash on hand, cheques and cash deposits in banks	–	243,114	190,208

### Liabilities

in EUR thousand	Valuation category IAS 39	Carrying amount 31.3.2017	Carrying amount 31.12.2016
Corporate Schuldschein loan	Liabilities at amortised cost	278,586	277,547
Liabilities from redeemable non-controlling interests	Liabilities at amortised cost	15,035	51,825
Trade payables	Liabilities at amortised cost	114,009	111,569
Liabilities to banks	Liabilities at amortised cost	58,370	143,236
Other financial liabilities			
Derivative financial liabilities	Held for trading	48	171
Liabilities from finance leases	Liabilities at amortised cost	22	30
Remaining other financial liabilities	Liabilities at amortised cost	18,507	16,172

### Fair value

The three levels in the fair value hierarchy are defined as follows:

Level 1: measurement based on quoted prices on an active market for a specific financial instrument

Level 2: measurement based on quoted market prices for similar instruments or on the basis of valuation models based exclusively on input factors that are observable on the market

Level 3: measurement based on models with significant input factors that are not observable on the market

In the first quarter of 2017 there were no reclassifications of financial instruments between the above mentioned levels.

### Assets and liabilities at fair value

Financial instruments at fair value include securities and derivative financial instruments.

in EUR thousand	Valuation category IAS 39	Fair Value 31.3.2017	Fair Value 31.12.2016	Level
<b>Assets</b>				
Securities	Available-for-sale	6,371	6,498	1
Derivative financial instruments	Held for trading	4,517	4,396	2
Derivative financial instruments	Designated as a hedging instrument	361	415	2
<b>Liabilities</b>				
Derivative financial liabilities	Held for trading	48	171	2

The fair values of available-for-sale securities are determined using publicly available prices.

The derivative financial instruments held for trading purposes are foreign exchange forward contracts, a cross currency swap and an interest floor.

The derivative financial instruments designated as hedges are cross currency swaps.

Their fair values of the cross currency swaps are determined using generally accepted financial valuation models, in which future cash flows are simulated using the yield curves published on the closing date. In addition, the carrying amount is adjusted to take into account the credit risk of the respective counterparty. When doing so, positive exposures are measured considering the default risk of the counterparty, while negative exposures are measured considering the group's own default risk.

### Assets and liabilities not measured at fair value

The fair value of all other financial assets and liabilities, except for the following items and liabilities from redeemable non-controlling interests, corresponds to their carrying amount.

in EUR thousand	Valuation category IAS 39	Fair Value 31.3.2017	Fair Value 31.12.2016	Level
<b>Liabilities</b>				
Corporate Schuldschein loan	Liabilities at amortised cost	289,707	291,537	3
Liabilities from finance leases	Liabilities at amortised cost	22	44	3

The fair value of the corporate Schuldschein loan was determined by discounting the contractual payment streams with current interest rates. The comparable interest rates as at the reporting date were derived from capital market yields with matching maturities and then adjusted for current risk and liquidity costs that are observable on the market. These comparable interest rates were derived based on management's current assessment of the rating of the Semperit Group.

For existing fixed-interest finance lease liabilities, current third-party interest rates were queried and then compared with the contractually agreed interest rates. As a result, the difference between the carrying amount and the fair value shows the margin between the contractually agreed historical return and the return currently available on the market. The finance lease liabilities are shown under the item other financial liabilities.

For information on the valuation of liabilities from redeemable non-controlling interests, please refer to the explanations in the consolidated financial statements as of 31 December 2016. The calculation of the fair value would require a disproportionately high effort and is thus not disclosed in this report.

### Debt capital structure of the Semperit Group

Since 2015 the Semperit Group has used increasingly financial debt instruments for its financing purposes. On the one hand, these financial debt instruments include a term loan of EUR 50 million and a revolving credit line up to EUR 150 million out of a syndicated loan facility / Rahmenkreditvertrag (SLF/RKV 2014). The cash inflow from the joint venture transaction was mainly use for the repayment of liabilities to banks.

On the other hand, Semperit Group has issued three corporate Schuldschein loans (SSD 2013, SSD 2015 and SSD 2016) with a nominal value of EUR 58 million (SSD 2013), EUR 75 million (SSD 2015) and EUR 141 million (SSD 2016) respectively. The corporate Schuldschein loan from 2016 was issued in US Dollar, Polish Zloty and Czech Koruna.

### Corporate Schuldschein loan and interest rate swaps

In July 2013 Semperit AG Holding issued a corporate Schuldschein loan totalling EUR 125 million with partially fix and partially variable interest. In the second quarter of 2014 and in the first quarter of 2015, additional corporate Schuldschein loans amounting to EUR 5 million with the same conditions as the 10-year fixed-interest tranche of the original corporate Schuldschein loan were issued to "Privatstiftung zur Förderung der Gesundheit von Beschäftigten der Semperit AG Holding" (in English: Private Foundation to Promote the Health of the Employees of Semperit AG Holding). This means that the total notional volume amounted to EUR 130 million.

In 2015 Semperit AG Holding redeemed the variable five- and seven-year tranches (notional volume EUR 36,500 thousand and EUR 35,500 thousand) of the existing corporate Schuldschein loan. In July 2015 these two variable tranches of the corporate Schuldschein loan from July 2013 were repaid. At the same time in July 2015, Semperit AG Holding issued a new corporate Schuldschein loan for a total amount of EUR 75,000 thousand in order to take advantage of the decline in financing costs. This corporate Schuldschein loan consists of three fixed-interest tranches with durations of seven, ten and fifteen years. The average interest rate of the issue is 2.16%. The loan was placed primarily in Austria and Germany. The cash inflows were primarily used to repay the variable tranches of the corporate Schuldschein loan from July 2013.

In November 2016 Semperit AG Holding issued additional corporate Schuldschein loans with a total volume of EUR 139 million (SSD 2016), which are denominated in US Dollar (approx. 63%), in Polish Zloty (approx. 23%) and in Czech Koruna (approx. 14%). By using these additional corporate Schuldschein loans, Semperit Group further optimizes its financing structure as well as its foreign exchange exposure management. Primarily, the proceeds from the SSD 2016 transaction are intended to be used to reduce Semperit's current long-term borrowings provided by the revolving credit facility.

in EUR thousand	31.3.2017	Thereof non-current	Thereof current	31.12.2016	Thereof non-current	Thereof current
Corporate Schuldschein loan	278,586	275,346	3,241	277,547	275,578	1,969
Liabilities to banks	58,370	51,394	6,976	143,236	136,421	6,814
	<b>336,957</b>	<b>326,740</b>	<b>10,217</b>	<b>420,782</b>	<b>411,999</b>	<b>8,783</b>

The corporate Schuldschein loans 2016 are composed of various long-term tranches with fixed and also variable interest rates with a maturity inbetween three and seven years. The average interest rate of these Schuldschein offerings was 1.10% up to 3.22% depending on their underlying currencies and durations. These corporate Schuldschein loans were primarily placed in Austria, in Germany, in the Netherlands as well as in various countries in Asia.

As of 31 March 2017 accrued interest amounting to EUR 3,241 thousand is recognised with the current liabilities section. The differences between the carrying amounts excluding interest (clean prices) and the nominal amounts are the transaction cost of the Schuldschein offerings in July 2013, July 2015 and November 2016. These differences are allocated over the terms of the corporate Schuldschein tranches in accordance with the effective interest rate method.

In October 2013, Semperit entered into two interest rate swaps (hedged notional volume of EUR 30,240 thousand) to hedge the variable-interest-rate tranches of the corporate Schuldschein loan from 2013. As a result, a part of the variable-interest-rate tranche was converted into a fixed one. Both interest rate swaps were accounted for as cash flow hedges in accordance with IAS 39. When the variable tranches of the corporate Schuldschein loan were redeemed in July 2015, both interest rate swaps were settled as well and the hedge accounting relationships were terminated.

#### **Cross currency swaps and foreign exchange forward contracts**

In order to hedge Semperit's financing to a subsidiary company issued in Malaysian Ringgit, Semperit AG Holding entered into a cross currency swap in April 2015. On the one hand, the cross currency swap causes the variable refinancing to be converted into fixed interest rates, on the other hand, the exchange rate of the Euro and the Malaysian Ringgit was fixed. According to IAS 39 the cross currency swap was classified as a cash flow hedge (regarding interest rate risk) and as a fair value hedge (regarding the foreign exchange risk) too. In total, the derivative was accounted for at fair value. As of 31 December 2015 the requirements for hedge accounting in accordance with IAS 39 were no longer met. Since then, all fair value changes are recognised completely through profit and loss within the financial result section of the consolidated income statement. Considering also the ongoing negative EURIBOR, an interest rate floor was added to the existing cross currency swap on 30 September 2016 with the intention to increase the effectiveness of these counter-balancing fair value changes.

In order to hedge Semperit's further financing to a subsidiary company issued in Malaysian Ringgit, Semperit AG Holding entered into two additional cross currency swaps in March 2016 and in August 2016. On the one hand, the cross currency swaps again caused the variable refinancing to be converted into fixed interest rate, on the other hand, the exchange rates of the Euro and the Malaysian Ringgit were fixed. According to IAS 39 these cross currency swaps are also classified as cash flow hedges (regarding interest rate risk) and as fair value hedges (regarding the foreign exchange risk). In total, these derivatives are also accounted for at fair value. In the first quarter of 2017 the effective portion of this cash flow hedge of EUR 84 thousand was recognised in other comprehensive income and EUR -101 thousand were reclassified in the consolidated income statement. As of 31 March 2017 the cash flow hedge reserve from both cross currency swaps amount to EUR -17 thousand (31 December 2016: EUR 15 thousand).

### Dividend and treasury shares

At the Annual General Meeting on 23 May 2017, the Management Board will propose a dividend of EUR 0.70 per share for the entire year 2016. In the event of the approval by the Annual General Meeting, EUR 14.4 million will be distributed on 1 June 2017.

Semperit AG Holding has no treasury stock as of 31 March 2017.

### Contingent liabilities

There were no material changes in contingent liabilities since the last reporting date as of 31 December 2016.

### Related-party transactions with companies and individuals

Outstanding balances and transactions between Semperit AG Holding and its subsidiaries were eliminated in the course of consolidation and are not further discussed here.

B & C Semperit Holding GmbH is the direct majority shareholder of Semperit AG Holding, and B & C Privatstiftung is the dominant legal entity. B & C Holding Österreich GmbH is the shareholder holding an indirect majority stake which draws up and publishes consolidated financial statements in which the Semperit Group is consolidated. Under IAS 24, B & C Privatstiftung and all its subsidiaries, joint ventures and associated companies are related parties of the Semperit Group. Regarding the reorganisation of the B & C Group, we refer to voting rights notification as of 5 Mai 2017.

Related parties of the Semperit Group include the members of the Management and Supervisory Boards of Semperit AG Holding, the managing directors and supervisory board members of all companies which directly or indirectly hold a majority stake in Semperit AG Holding, and finally the members of the Management Board of B & C Privatstiftung and the close family members of these management and supervisory board members and managing directors.

With the other related parties mentioned below the group has the following transactions:

In the first quarter of 2017 the group conducted transactions with unit-it GmbH in the amount of EUR 120 thousand (previous year: EUR 112 thousand). This is related to the maintenance of SAP licences and was conducted at arm's length conditions. As of 31 March 2017 there are no unpaid liabilities to the company (previous year: EUR 0 thousand).

In the first quarter of 2017 the group conducted transactions with Grohs Hofer Rechtsanwälte GmbH and Grohs Hofer Rechtsanwälte GmbH & Co KG in the amount of EUR 1,192 thousand (previous year: EUR 107 thousand). These transactions relate to legal consulting services and were conducted at arm's length conditions. As of the reporting date there are unpaid liabilities of EUR 1,229 thousand to these companies (previous year: EUR 49 thousand).

The remaining level of transactions with associated companies and other related parties is low, and they are conducted on normal business terms and conditions.

### Transactions with co-partners

The fully consolidated company Semperflex Asia Corp. Ltd. has a business relationship with the non-controlling co-partner of this subsidiary, Sri Trang Agro-Industry Public Co Ltd.

In addition, Sempertrans Best (Shandong) Belting Co. Ltd. conducts business with Wang Chao Coal & Electricity Group, the non-controlling co-partner of this subsidiary.

### Supervisory Board matters

Stephan B. Tanda has resigned his mandate on 1 February 2017.

### Management Board matters

Thomas Fahnemann informed the Chairman of the Supervisory Board on 15 March 2017 about his immediate resignation from his position as Chairman of the Management Board. Fahnemann explained his step with seeking new professional challenges after the successful termination of the joint venture transaction and the related realignment of Semperit.

On 27 March 2017, the Nominating Committee of Semperit AG Holding decided unanimously to propose Martin Füllenbach as the company's new Chairman of the Management Board (CEO) to the Supervisory Board. The appointment of Martin Füllenbach as CEO for a term from 1 June 2017 to 31 December 2020 was confirmed by the Supervisory Board on 26 April 2017.

The Supervisory Board and the long-standing Chief Technology Officer of the Company, Richard Ehrenfeldner, have commonly agreed to terminate his Management Board activities as of 15 April 2017.

As of 1 June 2017, the Management Board of Semperit AG Holding will consist of Martin Füllenbach (Chairman of the Management Board, CEO), Frank Gumbinger (CFO) and Michele Melchiorre (CTO).

### Legal disputes involving the Siam Sempermed Corp. Ltd. joint venture

Since 2014, the Semperit Group was involved in several legal proceedings including domestic courts in Thailand and with international arbitration tribunals seated in Zurich administered by of the International Chamber of Commerce (ICC). These proceedings related in particular to the competencies and internal organisation of the Board of Directors (BoD) being the management body of Siam Sempermed Corp. Ltd. (SSC), a joint venture in Thailand. They also concerned the business conduct of SSC, SSC's business relationships with group subsidiaries of the Thai joint venture partner, Sri Trang Agro-Industry Public Co Ltd. (Sri Trang), and the exclusive distribution rights of the Semperit Group.

The opposing parties in the arbitration proceedings were the contracting parties in the joint venture agreements and SSC itself. In the Thai courts proceedings, the opposing parties were BoD members who were nominated by Sri Trang.

#### ICC Cases

After the successful closing of the joint venture transaction, all pending arbitration proceedings between the Semperit Group and the Sri Trang Group or SSC were settled.

#### Thailand Cases

As a result of the successful closing of the joint venture transaction, the Thai Court proceedings are in the process of settlement. The completion of the settlement process is expected for the second quarter of 2017.

#### BWB Case

In October 2015, the Austrian Federal Competition Authority (BWB) – acting on a petition from Sri Trang companies, which are Semperit's joint venture partners in SSC – commenced a proceeding against Semperit and Sri Trang companies with the antitrust court in Vienna. The proceeding relates to exclusive distribution rights in Europe. In December 2015, Semperit submitted extensive briefs to defend its legal position. In the first quarter 2016, a court hearing was held and Semperit submitted additional briefs. By the end of June 2016, the antitrust court in Vienna determined in a partial ruling the incompatibility of the exclusive distribution rights with the legal regulations of the EU Competition Law. In July 2016, Semperit filed an appeal with the Austrian Supreme Court. Semperit also proposed that this legal issue be decided by the European Court of Justice because there has so far been no ruling in similar cases on the prohibition of distribution regulations. A decision is still expected during the first half of 2017.

The Semperit Group continues to anticipate that its interpretation of the law will be confirmed in the BWB case. Appropriate provisions have been set up for the expected costs of the proceeding.

### Events after the reporting period

No significant events resulting disclosure occurred between 31 March 2017, the balance sheet date, and 15 Mai 2017, the date on which this report was approved for publication.

Vienna, 15 May 2017

The Management Board



**Frank Gumbinger**  
Finance



**Michele Melchiorre**  
Technic

## Statement of all legal representatives

### Pursuant to Section 87 (1) line 3 of the Austrian Stock Exchange Act

We confirm to the best of our knowledge that the condensed interim consolidated financial statements as at 31 March 2017 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and that the group management report gives a true and fair view of important events that have occurred during the first three months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining nine months of the financial year and of the major related party transactions to be disclosed.

Vienna, 15 May 2017

The Management Board



**Frank Gumbinger**  
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### Disclaimer

The terms "Semperit" or "Semperit Group" in this report refer to the group; "Semperit AG Holding" or "Semperit Aktiengesellschaft Holding" is used to refer to the parent company (individual company).

We have prepared this report and verified the information it contains with the greatest possible care. In spite of this, rounding, typesetting and printing errors cannot be ruled out. Rounding of differences in the totalling of rounded amounts and percentages may arise from the automatic processing of data.

The forecasts, plans and forward-looking statements contained in this report are based on the knowledge and information available and the assessments made at the time that this report was prepared (editorial deadline: 15 Mai 2017). As is true of all forward-looking statements, these statements are subject to risk and uncertainties. As a result, actual events may deviate significantly from these expectations. No liability whatsoever is assumed for the accuracy of projections or for the achievement of planned targets or for any other forward-looking statements.

All references to people are gender neutral.

This report has been produced in German and English. In case of doubt, the German version shall take precedence.

### Financial Calendar 2016

16.05.2017	Report on the first quarter of 2017
23.05.2017	Annual General Meeting, Vienna
29.05.2017	Last possible day to purchase shares entitled to receive the dividend
30.05.2017	Dividend ex day
31.05.2017	Dividend record date (= day at the end of which CSD Austria determines the securities entitled to receive the dividend)
01.06.2017	Dividend payment day
17.08.2017	Half-year financial report 2017
16.11.2017	Report on the first three quarters 2017

