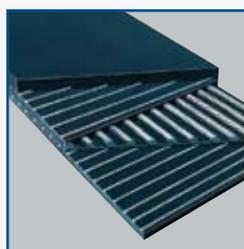


SEMPERIT AG Holding

REPORT ON 1ST – 3RD QUARTER

Q3 | 2010

SEMPERIT 





Success is in the details:
Hydraulic hose by Semperit

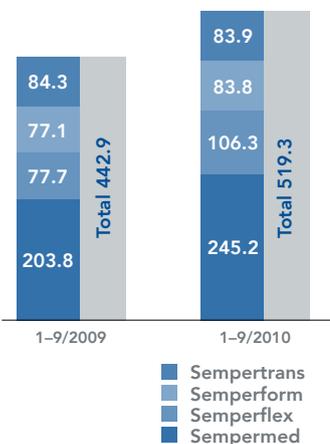
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Semperit at a glance

	1-9/2007	1-9/2008	1-9/2009	1-9/2010	Change 2009/2010 in %
Revenue in EUR million	455.1	492.0	442.9	519.3	+17.3
Earnings before tax (EBT) in EUR million	41.3	46.2	54.9	62.9	+14.6
Net profit for the period in EUR million	29.9	31.4	30.0	34.3	+14.2
Number of employees on September 30	7,256	7,111	6,521	7,127	+9.3

Revenue by division in EUR million



Dear shareholders!

The order situation in all divisions of the Semperit Group developed gratifyingly during the first nine months of 2010. The recovery in demand which became apparent in the second quarter in the cyclical business divisions should continue to ensure good capacity utilisation at all production locations. On balance, total revenue of the Semperit Group in the first three quarters of 2010 amounted to EUR 519.3 million, a rise of 17.3% from the previous year. Despite high raw material prices, earnings before tax could be increased by 14.6% to EUR 62.9 million.

The Sempermed division was once again a strong growth driver in 2010, registering a 20.3% growth in revenue to EUR 245.2 million. Following the crisis year 2009, the Semperflex division succeeded in increasing revenue by 36.8% to EUR 106.3 million. The Semperform division also posted revenue growth of 8.7% in the first nine months of 2010, to EUR 83.8 million. Revenue of the Sempertrans division was slightly below the previous year's level, amounting to EUR 83.9 million.

Business environment

With some delay compared to the USA and Asia, the euro zone experienced a strong upswing in industrial activity, profiting from the devaluation of the euro. In particular, economic growth was quite vibrant in Germany up until now, which in turn benefited neighbouring countries. Economists expect the euro zone to expand further, although economic growth is likely to slacken once again. In the USA and Asia, economic expansion is also anticipated to slow down in the second half-year 2010.

The upward price trend on raw material markets continued in the third quarter of 2010. The price rises for natural rubber and latex slowed down in recent months, but still reached record levels. Moreover, there was an extreme supply shortfall for several types of synthetic rubber, such as EPDM, CR and NBR. Against this backdrop, there was a delayed supply of rubber compounds in some cases accompanied by a considerable increase in costs. Other types of synthetic rubber as well as carbon black, chemicals, textiles and carboard packaging were also subject to further price hikes.

Business development

Total revenue of the Semperit Group rose 17.3% in the first nine months of 2010, to EUR 519.3 million. In addition to the ongoing dynamic business development in the Sempermed division, the particularly cyclically-sensitive Semperflex and Semperform divisions also reported a gratifying volume of incoming orders. Earnings before tax (EBT) further improved to EUR 62.9 million (previous year: EUR 54.9 million). The net profit for the period at EUR 34.3 million was also significantly above the prior-year level.

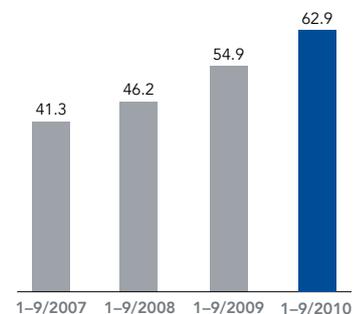
The strong investment activity also continued in the third quarter. Accordingly, investments in tangible and intangible fixed assets amounted to EUR 46.9 million in the first nine months of 2010. This figure includes expansion investments in glove production at Semperit's Thai production facilities, the purchase of machinery and buildings by the newly-acquired Chinese conveyor belt factory as well as investments designed to ensure productivity and quality improvements at almost all sites.

Against the backdrop of sales and revenue growth, inventories rose to EUR 113.5 million (December 31, 2009: EUR 74.6 million), whereas trade receivables climbed to EUR 98.9 million (December 31, 2009: EUR 79.5 million).

Upswing in industrial activity

Raw material price rises

EBT development in EUR million



Significant revenue increase	<p style="text-align: center;">Sempermed</p> <p>The Sempermed division continued its positive business development in the third quarter of 2010. In the first nine months of the year under review, revenue climbed by 20.3% to EUR 245.2 million (previous year: EUR 203.8 million). Earnings before tax only rose by 3.3% to EUR 34.9 million (previous year: EUR 33.7 million), which is primarily a consequence of the high raw material prices and the unfavourable currency situation.</p>
Good third-quarter order volume for examination gloves	<p>The business with examination gloves was successful in all markets during the reporting period. More examination gloves could be delivered in the third quarter than in the previous quarters due to the higher production capacities. Whereas sales were perceptibly higher in Europe, sales in the USA were close to previous year's level. Sempermed managed to grow sales on the Brazilian market in the reporting period. However, more intense competition led to a considerable decrease in the market price. All markets experienced a slight drop in incoming orders at the beginning of the fourth quarter. The apparent reason for the downturn in demand is the good global availability of examination gloves, which led customers to reduce their stocks.</p>
Declining demand for surgical gloves	<p>Sales in the surgical glove segment decreased slightly in the first nine months of 2010. Business with the most important customers remained stable, but new customer acquisition was hampered by lower margins and the accompanying price pressure.</p>
Positive revenue development	<p style="text-align: center;">Semperflex</p> <p>Following a positive second quarter, the business situation of the Semperflex division continued to develop gratifyingly. Revenue in the first nine months of 2010 rose by 36.8% to EUR 106.3 million (previous year: EUR 77.7 million). Earnings before tax improved to EUR 15.2 million (previous year: EUR 2.5 million) despite the considerably higher material prices. The burden of continually rising raw material costs could not be fully passed on to customers. However, the significant increase in sales volume clearly compensated for the price hikes.</p>
Full order books for hydraulic hoses	<p>The hydraulic hose segment also profited from the uninterrupted strong volume of incoming orders from all relevant markets in the third quarter, with demand in the USA developing particularly positively. All production facilities will be operating at full capacity well into the next year on the basis of the current order situation.</p>
Rising demand for industrial hoses	<p>The order situation in the industrial hose segment was also gratifying in the third quarter, although it did not reach the particularly high level achieved in 2008. For example, demand remained restrained for abrasion-resistant hydraulic hoses used in the construction industry. Nevertheless, existing capacities have been fully utilised up until now so that additional production shifts are already being planned.</p>
Price pressure for elastomer sheeting	<p>Demand for elastomer sheeting continued to improve. However, due to high raw material costs this segment faced increasing price pressure from Chinese competitors.</p>

Semperform

Revenue of the Semperform division amounted to EUR 83.8 million in the first nine months of 2010 (previous year: EUR 77.1 million). Earnings before tax rose by EUR 5.8 million to EUR 13.5 million.

Demand for window and door seal profiles developed positively in all markets. Following a significant downward trend in the previous year, business in Eastern Europe perceptibly picked up again. Accordingly, revenue and sales of this segment once again came close to reaching the good level attained in 2008. Earnings were negatively impacted by the high raw material costs, but the rising material costs could be largely compensated by higher sales volumes.

The handrail business in Asia developed particularly well in the third quarter, whereas revenue development remained constant in Europe and the USA. In order to strengthen its market position as the world's largest handrail manufacturer, Semperform acquired the technology and machinery required for the production of plastic handrails from the German company Comprise Tec. At present, the product design and the machinery transferred to the Wimpassing site are being adapted to conform to Semperit standards.

Business with ski membranes improved compared to the previous year. Sales of cable car rings also developed gratifyingly. Incoming orders in the sponge rubber segment stabilised at a low level.

Demand declined somewhat in the railway superstructure segment. One reason for this development was the delay or cancellation of planned construction on new railway lines in some countries, for instance Spain and France. The order intake for filter membranes as well as moulded parts for industry and the construction sector remained constant in the third quarter of 2010, but forecast a slight decline in the fourth quarter of the year.

Sempertrans

Revenue of the Sempertrans division totalled EUR 83.9 million in the period under review, approximately the same level as in the previous year (EUR 84.3 million). However, the strong rise in raw material costs significantly burdened earnings. This was accompanied by one-off effects such as a large-scale customer return and start-up losses at Sempertrans Best in China. Against this backdrop, earnings before tax declined to EUR -1.1 million (previous year: EUR 10.5 million).

On balance, the order situation developed positively. As a consequence, production facilities at all sites were being utilised to capacity. However, the operating margin situation has suffered as a consequence of the fierce price war with other market players, the increasing trend in Europe towards purchasing standard conveyor belts imported from Asia and the longer cycle time for orders, particularly in the project business.

The Chinese conveyor belt factory Sempertrans Best now produces in accordance with Semperit's own standards. Due to the fact that the expansion of Semperit's business on the Chinese market is only in its initial phase, the manufactured goods have been primarily exported.

Improved revenue and earnings

Window and door seal profiles: Upturn in Eastern Europe

Handrails: Expanded product portfolio

Good business with ski membranes and cable car rings

Decreased demand in the railway superstructure segment

Stable revenue but negative EBT

Good order situation

Stable production in China

Satisfactory revenue and earnings development expected

Outlook

Semperit expects a satisfactory revenue and earnings development for the entire year 2010 on the basis of the good order volume at the end of the third quarter. However, Semperit continues to face an instable economic situation. In addition, the availability of several raw materials and accompanying strong price rises pose major challenges. Nevertheless, the flexibility of Semperit's production sites enables the company to quickly adapt to different economic conditions and fluctuating market requirements.

Consolidated balance sheet

Assets		
in TEUR	31.12.2009	30.9.2010
Intangible assets	5,450.7	5,783.6
Tangible assets	151,631.7	187,445.3
Financial assets	8,906.0	11,171.6
Investments in associated companies	397.5	560.0
Non-current trade receivables	0.0	0.0
Other non-current receivables and assets	1,029.9	1,340.1
Deferred taxes	13,114.2	14,499.1
Non-current assets	180,530.0	220,799.7
Inventories	74,616.2	113,461.9
Current trade receivables	79,493.9	98,945.4
Other current receivables and assets	11,135.6	20,317.2
Cash and cash equivalents	185,756.2	114,916.9
Current assets	351,001.9	347,641.4
Assets	531,531.9	568,441.1
Equity and liabilities		
in TEUR	31.12.2009	30.9.2010
Share capital	21,359.0	21,359.0
Capital reserves	21,503.2	21,503.2
Revenue reserves	266,902.8	277,698.1
Currency translation adjustments	792.5	16,033.1
Equity attributable to shareholders of the parent company Semperit AG	310,557.5	336,593.4
Equity attributable to non-controlling shareholders of subsidiaries	57,032.1	71,341.0
Capital and reserves	367,589.6	407,934.4
Provisions for pension and severance payments	42,821.9	42,267.6
Deferred taxes	4,616.0	4,591.3
Other non-current provisions	20,385.7	20,286.3
Non-current liabilities to banks	5,540.2	5,865.1
Non-current trade payables	0.0	0.0
Other non-current liabilities	4,523.4	4,414.8
Non-current provisions and liabilities	77,887.2	77,425.1
Current tax provisions	7,731.6	2,907.3
Other current provisions	18,649.0	25,076.2
Current liabilities to banks	0.1	0.0
Current trade payables	30,002.0	39,192.5
Prepayments	295.6	414.8
Other current liabilities	29,376.8	15,490.8
Current provisions and liabilities	86,055.1	83,081.6
Equity and liabilities	531,531.9	568,441.1

Consolidated income statement

in TEUR	3 rd quarter		1 st -3 rd quarter	
	1.7.-30.9.2009	1.7.-30.9.2010	1.1.-30.9.2009	1.1.-30.9.2010
Revenue	146,800.9	188,940.0	442,897.8	519,253.3
Changes in inventories	-1,813.2	4,457.6	-9,674.1	15,101.8
Own work capitalised	174.3	215.8	544.5	600.4
Operating revenue	145,162.0	193,613.4	433,768.2	534,955.5
Other operating income	3,032.0	4,550.7	16,367.1	14,645.8
Cost of materials	-74,242.1	-117,416.9	-223,076.2	-307,016.5
Personnel expenses	-24,789.9	-26,174.9	-79,466.0	-78,982.4
Depreciation and amortisation	-7,861.2	-6,887.0	-21,596.7	-21,756.9
Other operating expenses	-22,373.3	-25,000.2	-73,193.7	-80,682.2
Earnings before interest and tax (EBIT)	18,927.5	22,685.1	52,802.7	61,163.3
Income from participations	122.0	162.5	122.0	162.5
Financial income	791.0	326.2	2,248.1	1,815.9
Financial expense	44.4	-39.3	-241.7	-202.3
Financial results	957.3	449.4	2,128.4	1,776.1
Earnings before tax (EBT)	19,884.8	23,134.5	54,931.1	62,939.4
Income taxes	-4,615.2	-4,716.6	-12,793.6	-13,136.8
Earnings after tax	15,269.6	18,417.9	42,137.5	49,802.6
thereof:				
Non-controlling shareholders of subsidiaries	4,213.9	6,082.6	12,116.7	15,516.2
Shareholders of the parent company Semperit AG	11,055.7	12,335.3	30,020.8	34,286.4
Earnings per share (undiluted)	0.54	0.60	1.46	1.67
Average number of outstanding shares	20,573,434	20,573,434	20,573,434	20,573,434

Consolidated statement of comprehensive income pursuant to IFRS

in TEUR	3 rd quarter		1 st -3 rd quarter	
	1.7.-30.9.2009	1.7.-30.9.2010	1.1.-30.9.2009	1.1.-30.9.2010
Earnings after tax	15,269.6	18,417.9	42,137.5	49,802.6
Other comprehensive income (reported in equity)				
"Available for sale" financial assets	165.6	91.6	145.2	224.4
thereof deferred taxes	-41.4	-22.9	-36.3	-56.1
thereof currency translation	1,043.8	-7,987.3	-477.5	23,518.5
Other comprehensive income, net of tax (reported in equity)	1,168.0	-7,918.6	-368.6	23,686.8
Total recognised comprehensive income	16,437.6	10,499.3	41,768.9	73,489.4
thereof:				
Non-controlling shareholders of subsidiaries	2,882.4	2,408.9	10,262.0	23,794.1
Shareholders of the parent company Semperit AG	13,555.2	8,090.4	31,506.9	49,695.3

Consolidated cash flow statement

in TEUR	1.1.–30.9.2009	1.1.–30.9.2010
Earnings after tax	42,137.5	49,802.6
Depreciation/write-ups of non-current assets	21,372.3	21,800.1
Profit and loss from asset disposal	-245.2	118.6
Changes in non-current provisions	2,093.2	-678.3
Changes in non-cash items resulting from currency translation adjustments, changes in minority interests and other	1,013.8	1,305.0
Gross cash flow	66,371.6	72,348.0
Increase/decrease in inventories	21,267.8	-38,845.7
Increase/decrease in trade receivables	9,331.2	-19,451.5
Increase/decrease in other receivables and assets	4,164.8	-10,733.4
Increase/decrease in trade payables and prepayments	-4,411.0	9,329.3
Increase/decrease in other liabilities and current provisions	8,750.3	-12,411.4
Cash flow from operating activities	105,474.7	235.3
Proceeds from sale of assets	1,207.9	206.4
Investments in tangible and intangible assets	-12,815.2	-46,916.3
Investments in financial assets	-5,449.0	-2,035.7
Acquisition of subsidiaries less net cash and cash equivalents	-1,874.8	0.0
Net proceeds from the change of financial investments in securities	46.7	-143.3
Cash flow from investing activities	-18,884.4	-48,888.9
Net redemption of current and non-current financial liabilities	-1,477.3	324.8
Dividends	-22,425.0	-23,659.4
Dividends to non-controlling shareholders of subsidiaries	-5,848.0	-9,485.2
Changes in financial liabilities resulting from currency translation adjustments	702.7	-324.9
Proceeds from capital increase	0.0	0.0
Other	0.0	0.0
Cash flow from financing activities	-29,047.6	-33,144.7
Change in cash and cash equivalents	57,542.7	-81,798.3
Effects of exchange rate fluctuations on cash and cash equivalents	-1,323.7	10,959.0
Cash and cash equivalents at the beginning of the period	107,330.9	185,756.2
Cash and cash equivalents at the end of the period	163,549.9	114,916.9

Consolidated statement of changes in equity

in TEUR	Share capital	Capital reserves	Revenue reserves	Revaluation reserves	Currency translation	Semperit AG shareholders	Shares of non-controlling subsidiaries	Total
Balance at 31.12.2008	21,359.0	21,503.2	250,698.6	-191.0	-1,441.6	291,928.2	58,544.0	350,472.2
Total recognised comprehensive income	0.0	0.0	30,020.8	108.9	1,377.2	31,506.9	10,262.0	41,768.9
Dividends	0.0	0.0	-22,425.0	0.0	0.0	-22,425.0	-5,848.0	-28,273.0
Balance at 30.9.2009	21,359.0	21,503.2	258,294.4	-82.1	-64.4	301,010.1	62,958.0	363,968.1
Balance at 31.12.2009	21,359.0	21,503.2	267,085.2	-182.4	792.5	310,557.5	57,032.1	367,589.6
Total recognised comprehensive income	0.0	0.0	34,286.4	168.3	15,240.6	49,695.3	23,794.1	73,489.4
Dividends	0.0	0.0	-23,659.4	0.0	0.0	-23,659.4	-9,485.2	-33,144.6
Balance at 30.9.2010	21,359.0	21,503.2	277,712.2	-14.1	16,033.1	336,593.4	71,341.0	407,934.4

Notes to the interim financial statements

Accounting and valuation methods

These interim financial statements as at September 30, 2010 have been prepared in keeping with the principles set forth by the International Financial Reporting Standards (IFRS) as contained in IAS 34, Interim Financial Reporting. There have been no major changes made in the accounting and valuation methods applied by the Semperit Group. For more detailed information on the accounting and valuation methods applied, readers are referred to the consolidated annual financial statements for the year ending December 31, 2009, which are the basis for these interim statements.

This interim report of the Semperit Group has neither been audited nor subject to an auditor's review.

Associated companies (equity method)

The net book value of Isotron Deutschland GmbH on September 30, 2010 amounted to TEUR 560.0 (December 31, 2009: TEUR 397.5).

Purchase and sale of tangible and intangible fixed assets

In the first nine months of 2010, the Semperit Group purchased tangible and intangible fixed assets amounting to TEUR 46,916.3 (previous year: TEUR 12,815.2). In contrast, tangible and intangible fixed assets with a net book value of TEUR 324.9 (previous year: TEUR 123.2) were disposed of.

Contingent liabilities

There were no material changes in respect to contingent liabilities since the last balance sheet date.

Transactions with related parties and individuals

Balances and transactions between Semperit AG Holding and its subsidiaries are eliminated within the context of consolidation and are not further described here.

B & C Industrieholding GmbH has a dominating influence over the company. B & C Industrieholding GmbH and its associated companies are therefore in a group relationship with the Semperit Group.

The following fully-consolidated companies – Semperflex Asia Corp. Ltd., Semperform Pacific Corp. Ltd., Siam Sempermed Corp. Ltd., Shanghai Semperit Rubber & Plastic Products Co. Ltd., Shanghai Sempermed Gloves Co. Ltd. and Semperflex Shanghai Ltd. – undertake business transactions with our joint venture partner Sri Trang Agro Plc under established market conditions. The company Sempertrans Best (Shandong) Belting Co. Ltd., which was consolidated in the financial statements of the Semperit Group in 2009 for the first time, undertakes business transactions with the new joint venture partner Wang Chao Coal & Electricity Group under established market conditions. Furthermore, insignificant business transactions were carried out with related parties and individuals at prevailing market rates. Related parties and individuals also include the members of the Management and Supervisory Boards and their close relatives. No further business ties exist above and beyond the employment relationships to these individuals.

Significant events after the balance sheet date

At a meeting held on October 21, 2010, the Supervisory Board unanimously resolved to appoint Thomas Fahnemann as Deputy Chairman of the Management Board of Semperit AG Holding, effective December 1, 2010. This decision settled the issue of who will succeed Rainer Zellner as CEO and Chairman of the Management Board. Following an appropriate transitional period, Thomas Fahnemann will succeed Rainer Zellner as CEO on the occasion of the Annual General Meeting scheduled for April 2011.

At the beginning of November, flooding in Southern Thailand led to a suspension of production for hydraulic hoses and examination gloves. Initial cleanup efforts and a comprehensive inspection of all facilities began immediately. According to the information available at the editorial deadline for this interim report, production is expected to recommence in the middle of November. Flood damage to buildings, machinery, inventories and business interruption are covered by an extensive insurance program.

STATEMENT BY THE MANAGEMENT BOARD

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

Vienna, November 10, 2010

The Management Board



Rainer Zellner
Chairman



Richard Ehrenfeldner



Richard Stralz

SEMPERIT SHARE INFORMATION

International Securities Identification Number (ISIN)	AT0000785555
Share price low 1 st –3 rd Quarter 2010 in EUR	25.93
Share price high 1 st –3 rd Quarter 2010 in EUR	32.06
Share price at September 30, 2010 in EUR	28.04
Market capitalisation at September 30, 2010 in EUR million	576.9
Earnings per share 1 st –3 rd Quarter 2010 in EUR	1.67

FINANCIAL CALENDAR

Financial statement press conference (preliminary results 2010)	17.2.2011
Annual Report 2010	22.3.2011
Investor Conference RCB, Zürs	7.–8.4.2011
Annual General Meeting	14.4.2011
Ex-dividend day	19.4.2011
Dividend payment	22.4.2011
Report on 1 st Quarter 2011	10.5.2011
Half-year financial report 2011	9.8.2011
Report on 1 st –3 rd Quarter 2011	15.11.2011

As a result of the use of automatic calculating machines, differences derived from rounding may occur in the addition of rounded sums and percentage values.

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