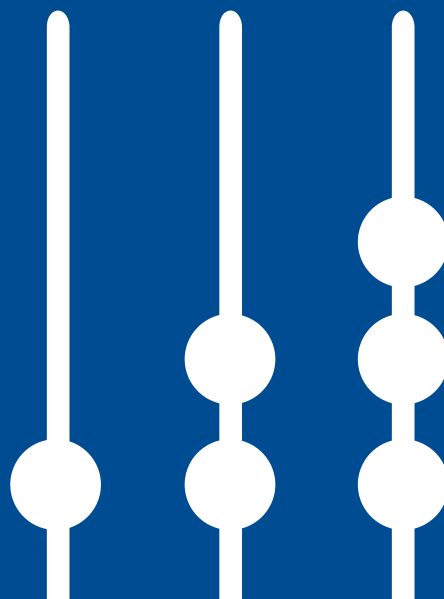


Half-year financial report 2017

Continued revenue growth,
first measures in transition phase taken

- Revenue increased by 5.2% year-on-year to EUR 461.6 million
- High growth in earnings in H1 2017: positive one-off effects from joint venture transaction in Q1 2017 more than offset negative one-off effects in Q2 2017
- First measures in transition phase taken: reduction of costs in Sempermed led to productivity gains; restructuring expenses at Sempertrans and value adjustment in IT, impairment at Sempermed
- Outlook remains suspended



Key performance figures

in EUR million	H1 2017 ¹⁾	Change	H1 2016	Q2 2017	Change	Q2 2016	2016 ¹⁾
Revenue	461.6	+5.2%	438.7	232.3	+6.0%	219.2	852.4
EBITDA	97.3	+84.4%	52.8	2.9	-88.9%	26.1	77.9
EBITDA margin	21.1%	+9.1 PP	12.0%	1.2%	-10.7 PP	11.9%	9.1%
EBIT	54.3	+49.9%	36.2	-32.0	-	17.6	27.3
EBIT margin	11.8%	+3.5 PP	8.3%	-13.8%	-21.8 PP	8.0%	3.2%
Earnings after tax	21.2	+18.8%	17.9	-41.6	-	7.7	-8.8
Earnings per share (EPS) ²⁾ , in EUR	1.03	+18.6%	0.87	-2.02	-	0.38	-0.43
Gross cash flow	48.7	+34.7%	36.2	8.2	-0.2%	8.3	48.1
Return on equity ³⁾	13.2%	+3.2 PP	10.0%	-51.7%	-60.4 PP	8.7%	-2.7%

Balance sheet key figures

in EUR million	30.6.2017	Change	30.6.2016	31.3.2017	Change	31.3.2016	31.12.2016
Balance sheet total	886.0	-9.0%	973.1	971.0	+1.1%	960.3	1,034.5
Equity ²⁾	321.9	-9.8%	356.9	380.7	+0.5%	378.8	329.3
Equity ratio	36.3%	-0.4 PP	36.7%	39.2%	-0.2 PP	39.4%	31.8%
Investments in tangible and intangible assets	35.8	+43.2%	25.0	21.7	+35.3%	16.1	65.1
Employees (at balance sheet date)	6,532	-8.5%	7,136	6,801	-2.4%	6,965	6,974

Sector and segment key figures

in EUR million	H1 2017	Change	H1 2016	Q2 2017	Change	Q2 2016	2016
Industrial Sector = Semperflex + Sempertrans + Semperform							
Revenue	280.3	+4.2%	269.0	140.1	+3.5%	135.3	506.4
EBITDA	26.4	-49.6%	52.3	9.2	-66.3%	27.2	89.5
EBIT	16.6	-61.1%	42.7	4.3	-80.9%	22.4	70.0
Semperflex⁴⁾							
Revenue	106.7	+10.4%	96.6	53.2	+9.1%	48.8	184.9
EBITDA	22.2	-8.8%	24.4	10.5	-15.8%	12.5	43.4
EBIT	18.2	-10.0%	20.2	8.6	-18.4%	10.5	35.3
Sempertrans							
Revenue	78.2	-4.2%	81.6	36.8	-5.4%	38.9	148.4
EBITDA	-8.6	-	11.4	-9.1	-	5.7	15.9
EBIT	-10.4	-	9.5	-10.0	-	4.7	12.1
Semperform⁴⁾							
Revenue	95.4	+5.1%	90.8	50.1	+5.2%	47.6	173.1
EBITDA	12.7	-22.9%	16.5	7.8	-14.4%	9.1	30.2
EBIT	8.8	-31.9%	12.9	5.8	-20.0%	7.2	22.5
Medical Sector = Sempermed							
Revenue	181.4	+6.9%	169.7	92.2	+10.0%	83.8	346.0
EBITDA	79.8	>+100.0%	7.9	1.7	-7.1%	1.8	6.6
EBIT	48.1	>+100.0%	1.2	-27.2	>+100.0%	-1.7	-23.9

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

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

²⁾ Attributable to the shareholders of Semperit AG Holding.

³⁾ Based on a full-year projection.

⁴⁾ 2016 values restated, 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 recovery of global economy continued in the first half of 2017. Therefore, the International Monetary Fund (IMF) expects an increase in global economic performance of 3.5% in the current year. According to the current IMF forecast, in the USA a GDP growth of 2.1% is expected for 2017. In the euro zone, growth is expected to be 1.9%. 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 price indices for natural rubber and natural latex as well as synthetic latex and synthetic rubber experienced another significant increase compared with the end of 2016. In the second quarter of 2017 a stabilisation and a decline of price indices were recorded, although to varying degrees depending on the raw material. The average values of price indices of the first half of 2017 were significantly – partially more than half – above the values of the first half of 2016.

Revenue and earnings of Semperit Group

First half of 2017

Revenue rose from EUR 438.7 million in the first half of 2016 to EUR 461.6 million in the first half of 2017, an increase of 5.2%. The increase in revenue was based on a strong sales performance and higher volumes sold in all segments except Sempertrans. Both the Industrial and the Medical Sectors recorded increases in revenue (for details on the performance of sectors and segments see page 7ff). The distribution of revenues remained unchanged in the first halves of 2016 and 2017. The Industrial Sector accounted for 61% and the Medical Sector for 39%.

In the first half of 2017, inventories decreased by EUR 1.3 million compared with a EUR 3.8 million decrease in the first half of 2016.

Other operating income increased from EUR 5.7 million to EUR 91.3 million in the first half 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. group ("joint venture transaction"). The one-off effects, recorded in the first quarter of 2017, totalled around EUR 88 million as other operating income, including around EUR 78 million in the Sempermed segment and around EUR 10 million in the Corporate Center 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 34.4 million or 13.9% to EUR 281.4 million, driven by higher raw material prices and higher sales volumes.

Personnel expenses increased to EUR 99.6 million due to one-time expenses and increases in salaries and wages. The one-time expenses included special compensations for employees, provisions for resigned/retired board members, executives and employees as well as a part of the restructuring expenses for the Sempertrans production site in Argenteuil, France.

Other operating expenses rose by 30.7% compared with the first half of 2016 to EUR 75.7 million, among other things due to higher legal and consulting expenses as well as derecognitions of intangible and tangible assets based on the lack of future economic usage. This item also included expenses related 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 0.2 million has not included 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 97.3 million. The calculated EBITDA margin stands at 21.1%.

Depreciation slightly increased and amounted to EUR 17.0 million. In the Sempermed segment, an impairment of EUR 26.0 million was recorded in the second quarter of 2017. This decision was the consequence of an in-depth review. The Management Board concluded that the production volume sustainably achievable at the production site in Kamunting, Malaysia, is below previous assumptions. As a result, a non-cash-effective impairment had to be recorded. At EUR 54.3 million, EBIT was significantly above the level of the first half of 2016, also due to the above-mentioned one-off effects (a positive effect of EUR 84.8 million in the first quarter of 2017 as well as a negative effect of EUR 26.0 million in the second quarter of 2017). The EBIT margin amounted to 11.8%.

In addition to the aforementioned impairment in the Sempermed segment, there were further one-off effects in the second quarter of 2017, which had an impact on the EBIT: Expenses for restructuring of the Sempertrans production site in Argenteuil, France, totalling EUR 6.8 million as well as a one-off effect of EUR 4.0 million in the Corporate Center segment due to a value adjustment for already capitalised IT costs that cannot be utilised in the future.

All in all, EBIT was positively affected by EUR 48.1 million in the first half of 2017, thereof EUR 84.8 million positive one-off effects in the first quarter of 2017 and EUR 36.7 million negative effects in the second quarter of 2017. EBIT adjusted for the one-off effects amounts to EUR 6.2 million, while the adjusted EBIT margin is 1.3%.

Key figures Semperit Group

in EUR million	H1 2017	H1 2016	Change	Change in EUR million	2016
Revenue	461.6	438.7	+5.2%	+23.0	852.4
EBITDA adjusted ¹⁾	22.5	50.1	-55.0%	-27.6	74.7
EBITDA margin adjusted	4.9%	11.4%	-6.5 PP	-	8.8%
EBITDA	97.3	52.8	+84.4%	+44.5	77.9
EBITDA margin	21.1%	12.0%	+9.1 PP	-	9.1%
EBIT adjusted ²⁾	6.2	33.6	-81.6%	-27.4	41.1
EBIT margin adjusted	1.3%	7.7%	-6.4 PP	-	4.8%
EBIT	54.3	36.2	+49.9%	+18.1	27.3
EBIT margin	11.8%	8.3%	+3.5 PP	-	3.2%
Earnings after tax adjusted ³⁾	-7.9	15.5	-	-23.4	15.2
Earnings after tax	21.2	17.9	+18.8%	+3.4	-8.8
Investments in tangible and intangible assets	35.8	25.0	+43.2%	+10.8	65.1
Employees (at balance sheet date)	6,532	7,136	-8.5%	-604	6,974

¹⁾ EBITDA adjusted for the effects of the joint venture transaction in Q1 2017, one-off effects in Q2 2017 and profit contribution from SSC in 2016

²⁾ EBIT adjusted for the effects of the joint venture transaction in Q1 2017 as well as impairment and other one-off effects in Q2 2017 and earnings contribution from SSC in 2016

³⁾ Earnings after tax adjusted for effects of the joint venture transaction in Q1 2017 as well as impairment in Q2 2017 and earnings contribution from SSC in 2016

The negative financial result totalled EUR 14.6 million in the first half of 2017 after EUR 10.0 million in the previous year. Financial income increased by EUR 11.3 million compared to the previous year and amounted to EUR 21.0 million, which is primarily due to increased foreign currency gains. Financial expenses increased by EUR 16.6 million to EUR 33.2 million compared with the previous year. The reasons for this are increased foreign currency losses, repayment expenses for the acquisition of redeemable non-controlling interests, which were recognised in the item "Financial expenses" in the income statement, as well as higher interest expenses due to the changed maturity and currency structure of financial liabilities.

The item "Profit/loss attributable to redeemable non-controlling interests" improved compared with the previous year (minus EUR 2.3 million after minus EUR 3.1 million in the first half of 2016). Since the end of the first quarter of 2017, it includes only Semperflex Asia Corp. Ltd., which produces hydraulic hoses in Thailand and whose shares continue to be held jointly with the joint venture partner Sri Trang, as well as a Chinese joint venture company in the Sempertrans segment, which is operated jointly with a different joint venture partner.

Income tax expense increased by EUR 10.2 million to EUR 18.5 million. The increase resulted primarily from one-off effects related to the joint venture transaction.

Earnings after tax totalled EUR 21.2 million, resulting in earnings per share of EUR 1.03 in the first half of 2017, following EUR 0.87 in the first half of 2016. After deduction of the positive one-off effects from the joint venture transaction, totalling around EUR 64.7 million in the first quarter of 2017, as well as the negative one-off effects of EUR 36.7 million in the second quarter of 2017, adjusted earnings after tax amounted to minus EUR 7.9 million for the first half of 2017 while earnings per share are minus EUR 0.39.

Second quarter of 2017

The Semperit Group recorded an increase in revenue to EUR 232.3 million or 6.0% in the second quarter of 2017 compared with the second quarter of 2016 due to an increase in revenue in the Industrial Sector (+3.5%) as well as the Medical Sector (+10.0%). In the Industrial Sector, the Semperflex and Semperform segments increased revenues in a quarter-to-quarter comparison, while Sempertrans recorded a decrease.

Cost of material and purchased services, personnel expenses as well as other operating expenses increased. EBITDA decreased significantly to EUR 4.2 million. Depreciation rose slightly. In the second quarter, the negative one-off effects amounted to EUR 36.7 million of negative one-off effects, including EUR 26.0 million impairment in the Sempermed segment. EBIT for the second quarter of 2017 amounted to minus EUR 32.0 million. Adjusted for the negative one-off effects, EBIT totals EUR 4.6 million. Earnings after tax amounted to minus EUR 41.6 million, while the earnings per share were minus EUR 2.02. The adjusted earnings after tax were minus EUR 6.1 million, while the adjusted earnings per share were minus EUR 0,30.

Key figures Semperit Group / Second quarter

in EUR million	Q2 2017	Q2 2016	Change	Change in EUR million
Revenue	232.3	219.2	+6.0%	+13.1
EBITDA adjusted ¹⁾	12.9	25.5	-49.4%	-12.6
EBITDA margin adjusted	5.6%	11.7%	-6.1 PP	-
EBITDA	2.9	26.1	-88.9%	-23.2
EBITDA margin	1.2%	11.9%	-10.7 PP	-
EBIT adjusted ²⁾	4.6	17.1	-72.8%	-12.5
EBIT margin adjusted	2.0%	7.8%	-5.8 PP	-
EBIT	-32.0	17.6	-	-49.7
EBIT margin	-13.8%	8.0%	-21.8 PP	-
Earnings after tax adjusted ³⁾	-6.1	7.4	-	-13.5
Earnings after tax	-41.6	7.7	-	-49.3
Investments in tangible and intangible assets	14.1	9.0	+57.5%	+5.1
Employees (at balance sheet date)	6,532	7,136	-8.5%	-604

¹⁾ EBITDA adjusted for one-off effects in Q2 2017 and profit contribution from SSC in 2016

²⁾ EBIT adjusted for impairment and other one-off effects in Q2 2017 and earnings contribution from SSC in 2016

³⁾ Earnings after tax adjusted for impairment in Q2 2017 and earnings contribution from SSC in 2016

Dividend

The dividend of EUR 0.70 per share for the overall year of 2016 was agreed on at the Annual General Meeting on 23 May 2017. EUR 14.4 million were distributed in total. 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 is, in principle: 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 and the transition phase, Semperit's existing dividend policy will be subject to a review for 2017.

Assets and financial position

Compared with the balance as of 31 December 2016, the balance sheet total fell by 14.4% to EUR 886.0 million in the first half 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 as well as the decline in intangible assets. This was up against an increase in tangible assets relating to expansion investments as well as an increase in trade receivables.

On the liabilities side, revenue reserves increased, while liabilities to banks significantly decreased. The amount still included in the short-term item "Liabilities from redeemable non-controlling interests" at the end of 2016 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 175.8 million, and therefore constituted 20.1% of the revenue 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 declined.

Cash and cash equivalents were EUR 189.0 million at the end of June 2017 and were therefore at the level of the end of 2016 (EUR 190.2 million).

As of 30 June 2017, the Semperit Group's equity (without non-controlling interests) stood at EUR 321.9 million, EUR 7.4 million lower than at the end of 2016 (EUR 329.3 million). On the one hand, the change resulted from an increase in revenue reserves. 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 30 June 2017 amounted to 36.3% (year-end 2016: 31.8%). The capital structure of the Semperit Group therefore remains to be solid. The return on equity stood at 13.2%, following 10.0% in the first half of 2016. The return on equity is calculated based on the earnings after tax in relation to the equity of EUR 321.9 million (each related 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 4.9%.

Debt is significantly lower at EUR 561.7 million compared with the end of 2016 at EUR 703.5 million. Liabilities from the corporate Schuldschein loan and liabilities to banks significantly decreased from EUR 420.8 million at the end of 2016 to EUR 330.4 million at the end of June 2017. Taking into consideration cash and cash equivalents, this resulted in an overall net debt of EUR 141.4 million (year-end 2016: EUR 230.6 million). The net debt/EBITDA ratio (net debt in relation to EBITDA) as of 30 June 2017 is therefore 1.15 (year-end 2016: 2.96). The liabilities from redeemable non-controlling interests decreased significantly to EUR 15.1 million due to the joint venture transaction and affected primarily Semperflex Asia Corp. Ltd. Provisions including social capital amounted to EUR 72.3 million and are therefore slightly higher than at the end of 2016. Other liabilities and deferred taxes slightly decreased to EUR 45.9 million.

Cash flow

The gross cash flow in the first half of 2017 amounted to EUR 48.7 million after EUR 36.2 million in the first half of 2016. This was caused primarily by the dividend received from SSC related to the joint venture transaction in the first quarter of 2017. Cash flow from operating activities increased to EUR 37.2 million in the first half of 2017. The cash flow from investing activities increased to EUR 107.9 million due to the incoming payments from the joint venture transaction. The cash flow from financing activities decreased to minus EUR 142.4 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

Please refer to the interim consolidated financial statements for the related-party transactions with companies and individuals.

Investments

At EUR 35.8 million, cash-relevant investments in tangible and intangible assets in the first half of 2017 were higher than in the previous year (EUR 25.0 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 site in Wimpassing, Austria, and in Germany) and Semperflex (expansion of the hose production at the plant in Odry, Czech Republic).

Employees

As at 30 June 2017, the group's total headcount stood at 6,532 employees, 8.5% below the level at 30 June 2016. The numbers of employees have decreased in all segments, in particular in the Sempermed segment. The analysis by segments shows that around 45% of the employees work in the Sempermed segment. Around 25% work in the Semperflex segment and roughly 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. Sales figures increased in all segments except Sempertrans. Revenue increased by 4.2% to EUR 280.3 million. Profitability was significantly impaired among other things due to developments in raw material prices that are unfavourable to Semperit and could only be passed on to the customer with delay. In addition to the price development for synthetic rubber, the Industrial Sector was influenced by a prolonged price increase primarily for raw materials used in the Industrial Sector. EBITDA fell by 49.6% to EUR 26.4 million, while EBIT declined by 61.1% to EUR 16.6 million. Due to restructuring expenses for the Sempertrans production site in Argenteuil, France, EBIT was impacted by a total of EUR 6.8 million (recorded in the second quarter of 2017). The Semperflex segment contributed the largest share of EBIT in the Industrial Sector, followed by Semperform, while the Sempertrans segment was negative.

In the first half of 2017 the sector's EBITDA margin stood at 9.4%, following 19.4%. The EBIT margin was 5.9%, down from 15.9% in the first half of 2016. As before, Semperflex reported the

highest EBIT margin at 17.1%, followed by Semperform with 9.2% and Sempertrans with a negative EBIT margin.

The comparison of the second quarters of 2017 and 2016 showed the same picture as in the comparison of the half years: An increase in revenue and a decrease of EBITDA and EBIT.

Key figures Industrial Sector

in EUR million	H1 2017	Change	H1 2016	Q2 2017	Change	Q2 2016	2016
Revenue	280.3	+4.2%	269.0	140.1	+3.5%	135.3	506.4
EBITDA	26.4	-49.6%	52.3	9.2	-66.3%	27.2	89.5
EBITDA margin	9.4%	-10.0 PP	19.4%	6.6%	-13.5 PP	20.1%	17.7%
EBIT	16.6	-61.1%	42.7	4.3	-80.9%	22.4	70.0
EBIT margin	5.9%	-10.0 PP	15.9%	3.1%	-13.5 PP	16.6%	13.8%
Investments in tangible and intangible assets	22.1	>+100.0%	10.3	9.1	>+100.0%	3.0	34.9
Employees (at balance sheet date)	3,519	-3.6%	3,649	3,519	-3.6%	3,649	3,637

Semperflex segment

The Semperflex segment generated ongoing good profitability and significantly increasing revenue thanks to very good production and sales performances. The values of 2016 were adjusted as per January 2017 due to the reclassification of the business unit Sheeting from the Semperflex segment to the Semperform segment providing full comparability.

Demand in the global market, particularly in China, increased. The business unit for hydraulic hoses achieved sales successes primarily in Europe and China, while the rest of Asia recorded a recovery of demand. In total, sales increased in both the hydraulic hoses and industrial hoses business units. The booking situation for the coming months is good and capacities continue to be well utilised.

The comparison with the previous year shows a significant increase in revenue. Higher raw material prices could only be passed on to customers partially and with delay and influenced EBITDA and EBIT, which were below the level of the first half of 2016.

The comparison of the second quarters of 2017 and 2016 shows an increase in revenue, while EBITDA and EBIT declined.

Sempertrans segment

The Sempertrans segment defended its position in established markets and held its market position in new regions and market segments. However, demand for investment goods in the mining industry continued to remain subdued despite indications of an increase for individual raw material prices for mining products 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 – the effects were noticed even in the second quarter of 2017. 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 capaci-

ties. These customers, however, rather have a demand in lighter belts, which had a negative effect on the total volume sold and profitability.

Considering the challenging market and competitive environment, the utilisation of production capacities was satisfying. Year-on-year, the volume sold was below previous year's level for steel cord reinforced conveyor belts, just as conveyor belts with textile carcasses. First signals of a market recovery are now showing.

Due to price and margin pressures and the market situation described above, revenue, EBITDA and EBIT decreased both in a half-year comparison of 2017 and 2016 and a comparison of the second quarters of 2017 and 2016. It is important to note that the EBIT of the second quarter of 2017 was additionally burdened by restructuring expenses for the Sempertrans production site in Argenteuil, France, totalling EUR 6.8 million.

Semperform segment

The Semperform segment profited from a consistent implementation of the growth strategy and an increased demand in 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 comparative 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 increased compared with the first half of 2016.

Demand for products of the business unit Semperit Engineered Solutions was above the previous year's level. Sales of handrails increased on a year-on-year comparison, 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 was on previous year's level.

In a comparison of the first half year of 2017 with the previous year, revenue increased on segment level. Operational profitability decreased against the background of volatile raw material prices, which were only partially passed on to the customers and with a delay. The comparison of the second quarters of 2017 and 2016 shows a comparable picture.

Key figures Semperflex

in EUR million	H1 2017	Change	H1 2016 ¹⁾	Q2 2017	Change	Q2 2016 ¹⁾	2016 ¹⁾
Revenue	106.7	+10.4%	96.6	53.2	+9.1%	48.8	184.9
EBITDA	22.2	-8.8%	24.4	10.5	-15.8%	12.5	43.4
EBITDA margin	20.8%	-4.4 PP	25.2%	19.8%	-5.9 PP	25.7%	23.5%
EBIT	18.2	-10.0%	20.2	8.6	-18.4%	10.5	35.3
EBIT margin	17.1%	-3.8 PP	20.9%	16.1%	-5.4 PP	21.5%	19.1%
Investments in tangible and intangible assets	9.9	>+100.0%	4.1	5.2	>+100.0%	1.7	14.4
Employees (at balance sheet date)	1,641	-0.2%	1,645	1,641	-0.2%	1,645	1,674

¹⁾ 2016 values adjusted, there was a reclassification of the business unit Sheeting from the Semperflex segment to the Semperform segment.

Key figures Sempertrans

in EUR million	H1 2017	Change	H1 2016	Q2 2017	Change	Q2 2016	2016
Revenue	78.2	-4.2%	81.6	36.8	-5.4%	38.9	148.4
EBITDA	-8.6	-	11.4	-9.1	-	5.7	15.9
EBITDA margin	-11.0%	-25.0 PP	14.0%	-24.8%	-39.3 PP	14.5%	10.7%
EBIT	-10.4	-	9.5	-10.0	-	4.7	12.1
EBIT margin	-13.3%	-25.0 PP	11.7%	-27.3%	-39.4 PP	12.1%	8.2%
Investments in tangible and intangible assets	2.9	+88.9%	1.5	1.4	>+100.0%	0.7	6.7
Employees (at balance sheet date)	1,006	-4.7%	1,056	1,006	-4.7%	1,056	1,036

Key figures Semperform

in EUR million	H1 2017	Change	H1 2016 ¹⁾	Q2 2017	Change	Q2 2016 ¹⁾	2016 ¹⁾
Revenue	95.4	+5.1%	90.8	50.1	+5.2%	47.6	173.1
EBITDA	12.7	-22.9%	16.5	7.8	-14.4%	9.1	30.2
EBITDA margin	13.3%	-4.9 PP	18.2%	15.5%	-3.5 PP	19.0%	17.4%
EBIT	8.8	-31.9%	12.9	5.8	-20.0%	7.2	22.5
EBIT margin	9.2%	-5.0 PP	14.2%	11.5%	-3.7 PP	15.2%	13.0%
Investments in tangible and intangible assets	9.4	>+100.0%	4.7	2.5	>+100.0%	0.7	8.1
Employees (at balance sheet date)	872	-8.0%	948	872	-8.0%	948	928

¹⁾ 2016 values adjusted, 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 in the first quarter of 2017 was the event in the Sempermed segment that had a major influence on the results. It 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 (net) is posted in the Corporate segment.

The development of the Sempermed segment was characterised by a difficult market environment. The Sector's increase in revenue by 6.9% to EUR 181.4 million was dominated by a slightly positive sales performance and price increases. Price pressure remained high.

The pricing policy particularly for nitrile gloves continued to be challenging. The significant increases of raw material prices, which had been recorded since November 2016, could only partially be passed on to the customer and with a delay. Since the peak towards the end of the first quarter of 2017, the raw material prices have started to decline. Against this background, the segment's focus was on optimising the sales prices in order to improve the margins step by step.

The expansion of the new plant and with it the expansion of production capacities in Malaysia is well under way. In the current investment phase, 75% of the new plant has already been completed and is in operation. In the course of optimising existing capacities in Malaysia, a need for near-term

technical and operational improvements was identified for certain stages of the production process. Appropriate measures are currently being taken and are partially affecting the ongoing production of the third quarter of 2017.

The initiated cost-cutting programme (production, marketing, sales) for the segment continued. In a comparison of end of June 2017 with end of June 2016, the number of employees at segment level dropped significantly by slightly more than 450 persons (-14.0%)

In total, the earnings development was characterized by considerable price and margin pressure. The result was better than in the first quarter of 2017 (when eliminating the one-off effects in the first and second quarter of 2017), but was still not satisfying.

When comparing EBITDA and EBIT with the previous year, it should be noted that since the beginning of 2017 no profit contribution of Siam Sempermed Corporation Ltd. (SSC, now Sri Trang Gloves (Thailand) Co. Ltd.) has been included in the Sempermed segment. In the first half of 2016, a profit contribution of EUR 2.6 million was included. EBITDA, adjusted by the positive effects of the joint venture transaction (around EUR 78 million in the first quarter of 2017) and the profit contribution of SSC in 2016, decreased from EUR 5.3 million in the first half of 2016 to EUR 1.7 million in the same period this year. The adjusted EBIT fell to minus EUR 4.0 million compared with minus EUR 1.4 million in the first half of 2016. Without the mentioned one-off effects, EBIT was at EUR 48.1 million in the first half of 2017. For additional information on the joint venture transaction see page 23f.

In a comparison of the second quarters of 2017 and 2016, revenue increased significantly, while EBITDA and EBIT adjusted by the one-off effects improved.

The sales strategy continues to be oriented towards Sempermed brand gloves and strategic partnerships with OEM customers. The regional focus is on the core markets Europe and North America and other selected markets.

Sales of examination and protective gloves was slightly above the previous year's level. Sales of surgical gloves, which are produced in the core production facility in Wimpassing, Austria, continues to enjoy good demand in Europe and the Middle East and has developed exceptionally well compared to the previous year.

Key figures Sempermed

in EUR million	H1 2017	Change	H1 2016	Q2 2017	Change	Q2 2016	2016
Revenue	181.4	+6.9%	169.7	92.2	+10.0%	83.8	346.0
EBITDA adjusted ¹⁾	1.7	-67.9%	5.3	1.7	+29.2%	1.3	3.4
EBITDA margin adjusted	0.9%	-2.2 PP	3.1%	1.9%	+0.3 PP	1.6%	1.0%
EBITDA	79.8	>+100.0%	7.9	1.7	-7.1%	1.8	6.6
EBITDA margin	44.0%	+39.3 PP	4.7%	1.9%	-0.3 PP	2.2%	1.9%
EBIT adjusted ²⁾	-4.0	>+100.0%	-1.4	-1.2	-42.9%	-2.2	-10.1
EBIT margin adjusted	-2.2%	-1.4 PP	-0.8%	-1.3%	+1.3 PP	-2.6%	-2.9%
EBIT	48.1	>+100.0%	1.2	-27.2	>+100.0%	-1.7	-23.9
EBIT margin	26.5%	+25.8 PP	0.7%	-29.5%	-27.5 PP	-2.0%	-6.9%
Investments in tangible and intangible assets	13.2	+16.0%	11.3	4.6	+3.0%	4.5	25.7
Employees (at balance sheet date)	2,871	-14.0%	3,337	2,871	-14.0%	3,337	3,183

¹⁾ EBITDA adjusted for effects of the joint venture transaction in Q1 2017 and profit contribution from SSC in 2016

²⁾ EBIT adjusted for effects of the joint venture transaction in Q1 2017 as well as impairment in Q2 2017 and profit contribution from SSC in 2016

Outlook

We continue to have limited visibility during our transition phase while, at the same time, volatility in raw materials prices makes any attempt to provide reasonable guidance for the financial year 2017 even more difficult.

The adjusted EBIT (without positive and negative one-off effects) for the 2017 financial year will therefore be significantly below the adjusted EBIT of 2016 (EUR 41 million after deduction of the profit contribution from the former Thai SSC/Siam Sempermed Corporation Ltd.). The outlook remains suspended for the financial year 2017.

The Management Board will continue to identify and execute measures to achieve a turnaround and ultimately enhance profitability. This might also lead to further one-off charges in the next reporting periods.

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 16 August 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, 16 August 2017

The Management Board



Martin Füllenbach
Chairman



Frank Gumbinger
Finance



Michele Melchiorre
Operations

Interim consolidated financial statements and notes

Consolidated income statement

in EUR thousand	1.1.- 30.6.2017	1.1.- 30.6.2016	1.4.- 30.6.2017	1.4.- 30.6.2016
Revenue	461,639	438,678	232,299	219,159
Changes in inventories	-1,268	-3,759	661	-2,891
Own work capitalised	2,085	2,210	899	887
Operating revenue	462,456	437,129	233,860	217,156
Other operating income	91,320	5,670	1,403	4,002
Cost of material and purchased services	-281,422	-247,037	-143,897	-123,186
Personnel expenses	-99,553	-87,893	-49,624	-44,504
Other operating expenses	-75,722	-57,935	-39,010	-28,045
Share of profits from joint ventures and associated companies	221	2,825	153	639
Earnings before interest, tax, depreciation and amortisation (EBITDA)	97,300	52,761	2,884	26,062
Depreciation and amortisation of tangible and intangible assets	-17,007	-16,522	-8,957	-8,447
Impairment of tangible and intangible assets	-25,976	-12	-25,976	0
Earnings before interest and tax (EBIT)	54,317	36,227	-32,049	17,615
Financial income	20,960	9,699	11,812	939
Financial expenses	-33,204	-16,594	-17,406	-3,476
Profit / loss attributable to redeemable non-controlling interests	-2,306	-3,100	-925	-1,577
Financial result	-14,550	-9,995	-6,518	-4,115
Earnings before tax	39,767	26,232	-38,567	13,500
Income taxes	-18,519	-8,342	-3,022	-5,757
Earnings after tax	21,247	17,890	-41,589	7,743
thereof attributable to the shareholders of Semperit AG Holding	21,233	17,902	-41,624	7,755
thereof attributable to non-controlling interests	14	-12	35	-12
Earnings per share in EUR (diluted and undiluted)¹⁾	1.03	0.87	-2.02	0.38

¹⁾ Attributable to the shareholders of Semperit AG Holding.

Consolidated statement of comprehensive income

in EUR thousand	1.1.- 30.6.2017	1.1.- 30.6.2016	1.4.- 30.6.2017	1.4.- 30.6.2016
Earnings after tax according to the consolidated income statement	21,247	17,890	-41,589	7,743
Other comprehensive income				
Amounts that will not be recognised through profit and loss in future periods				
Remeasurements of defined benefit plans (IAS 19)	8	-4,281	17	-4,281
Related deferred taxes	-60	467	-37	467
	-52	-3,814	-20	-3,814
Amounts that will potentially be recognised through profit and loss in future periods				
Available-for-sale financial assets				
Revaluation gains / losses for the period	-106	296	22	111
Cash flow hedges				
Revaluation gains / losses for the period	175	-1,338	91	-1,340
Reclassification to profit and loss for the period	-185	0	-84	0
	-10	-1,338	7	-1,340
Other comprehensive income from joint ventures / non-current assets held for sale				
Currency translation differences for the period	0	1,072	0	2,289
Reclassification to profit and loss for the period	-14,033	0	0	0
	-14,033	1,072	0	2,289
Currency translation differences				
Currency translation differences for the period	-137	4,106	-2,828	-2,448
Related deferred taxes	27	239	-9	288
	-14,258	4,375	-2,808	-1,100
Other comprehensive income	-14,310	561	-2,828	-4,914
Total recognised comprehensive income	6,937	18,451	-44,417	2,829
thereof on earnings attributable to the shareholders of Semperit AG Holding	6,976	18,349	-44,399	2,852
thereof on earnings attributable to non-controlling interests	-39	102	-17	-23

Consolidated cash flow statement

in EUR thousand	1.1.- 30.6.2017	1.1.- 30.6.2016
Earnings before tax	39,767	26,232
Depreciation, amortisation, impairment and write-ups of tangible and intangible assets	42,983	16,534
Profit / loss from disposal of assets (including current and non-current financial assets)	4,748	6
Change in non-current provisions	-1,330	-880
Share of profits from joint ventures and associated companies	-221	-2,825
Dividends received from non-current assets held for sale	47,751	0
Profit / loss attributable to redeemable non-controlling interests	2,306	3,100
Earnings from sale of non-current assets held for sale and repayment of non-controlling interests	-75,368	0
Net interest income (including income from securities)	3,575	2,465
Interest paid	-2,407	-1,177
Interest received	432	489
Taxes paid on income	-13,510	-7,767
Gross cash flow	48,726	36,177
Change in inventories	-3,422	5,476
Change in trade receivables	-13,414	-8,728
Change in other receivables and assets	2,181	505
Change in trade payables	-13,913	-13,726
Change in other liabilities and current provisions	14,934	-3,594
Changes in working capital resulting from currency translation adjustments	2,114	-485
Cash flow from operating activities	37,207	15,625
Proceeds from sale of tangible and intangible assets	171	69
Proceeds from sale of current and non-current financial assets	6	0
Investments in tangible and intangible assets	-35,838	-25,022
Proceeds from sale of non-current assets held for sale	168,627	0
Taxes in connection with disposal of non-current assets held for sale	-25,078	0
Cash flow from investing activities	107,887	-24,954
Cash receipts from current and non-current financing liabilities	0	41,927
Repayment of current and non-current financing liabilities	-87,232	-85
Dividend to shareholders of Semperit AG Holding	-14,401	-24,688
Dividends to non-controlling shareholders of subsidiaries	-14,897	0
Cash outflow for purchased non-controlling interests in subsidiaries	-25,842	0
Acquisition of non-controlling interests	-23	-28
Cash flow from financing activities	-142,395	17,126
Net increase / decrease in cash and cash equivalents	2,698	7,797
Effects resulting from currency translation	-3,862	-1,263
Cash and cash equivalents at the beginning of the period	190,208	126,430
Cash and cash equivalents at the end of the period	189,044	132,964

Consolidated balance sheet

in EUR thousand	30.6.2017	31.12.2016
ASSETS		
Non-current assets		
Intangible assets	20,943	53,396
Tangible assets	331,343	313,560
Investments in joint ventures and associated companies	2,829	2,608
Other financial assets	13,729	13,170
Other assets	3,372	4,404
Deferred taxes	21,604	18,846
	393,820	405,984
Current assets		
Inventories	141,526	138,105
Trade receivables	132,258	118,844
Other financial assets	4,063	7,698
Other assets	15,941	14,121
Current tax receivables	9,383	6,842
Cash and cash equivalents	189,044	190,208
	492,217	475,817
Non-current assets held for sale	0	152,684
	492,217	628,501
ASSETS	886,036	1,034,485
EQUITY AND LIABILITIES		
Equity		
Share capital	21,359	21,359
Capital reserves	21,503	21,503
Revenue reserves	290,822	284,079
Currency translation reserve	-11,754	-11,670
Reserves, which are classified as non-current assets held for sale	0	14,033
Equity attributable to the shareholders of Semperit AG Holding	321,930	329,304
Non-controlling interests	2,410	1,675
	324,340	330,979
Non-current provisions and liabilities		
Provisions for pension and severance payments	37,278	40,066
Other provisions	17,842	16,384
Liabilities from redeemable non-controlling interests	15,146	14,319
Corporate Schuldschein loan	270,727	275,578
Liabilities to banks	51,366	136,421
Other financial liabilities	943	796
Other liabilities	723	832
Deferred taxes	3,961	17,836
	397,987	502,231
Current provisions and liabilities		
Provisions for pension and severance payments	2,500	2,612
Other provisions	14,695	7,676
Liabilities from redeemable non-controlling interests	0	37,506
Corporate Schuldschein loan	3,837	1,969
Liabilities to banks	4,465	6,814
Trade payables	97,981	111,569
Other financial liabilities	15,345	15,576
Other liabilities	21,226	13,349
Current tax liabilities	3,660	4,203
	163,710	201,275
EQUITY AND LIABILITIES	886,036	1,034,485

Consolidated statement of the changes in equity

in EUR thousand	Revenue reserves					Currency translation reserve ²⁾	Total equity attributable to the share-holders of Semperit AG Holding	Non-controlling interests	Total equity
	Share capital	Capital reserves	Revaluation reserves	Other revenue reserves ¹⁾	Total revenue reserves				
As at 1.1.2016	21,359	21,503	200	317,533	317,733	2,664	363,260	1,924	365,183
Earnings after tax	0	0	0	17,902	17,902	0	17,902	-12	17,890
Other comprehensive income	0	0	222	-4,840	-4,617	5,064	447	114	561
Total recognised comprehensive income	0	0	222	13,063	13,285	5,064	18,349	102	18,451
Dividend	0	0	0	-24,688	-24,688	0	-24,688	0	-24,688
Acquisition of non-controlling interests	0	0	0	2	2	0	2	-29	-28
As at 30.6.2016	21,359	21,503	423	305,909	306,332	7,728	356,922	1,997	358,919
As at 1.1.2017	21,359	21,503	209	283,870	284,079	2,363	329,304	1,675	330,979
Earnings after tax	0	0	0	21,233	21,233	0	21,233	14	21,247
Other comprehensive income	0	0	-79	-61	-141	-14,117	-14,257	-53	-14,310
Total recognised comprehensive income	0	0	-79	21,172	21,092	-14,117	6,976	-39	6,937
Dividend	0	0	0	-14,401	-14,401	0	-14,401	0	-14,401
Acquisition of non-controlling interests	0	0	0	52	52	0	52	-75	-23
Reclassifications and other	0	0	0	0	0	0	0	848	848
As at 30.6.2017	21,359	21,503	130	290,692	290,822	-11,754	321,930	2,410	324,340

¹⁾ As of 1 January 2017 includes reserves which are classified as non-current assets held for sale.

²⁾ As of 1 January 2017 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 totaling 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 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 half of 2017 an increase of the consolidated group holdings of several subsidiaries was performed (please refer to chapter Changes in the scope of consolidation).

Material assumptions and estimates

Due to the change of estimates regarding the useful lives of certain intangible assets (for one entity of the Semperit Group), these assets have been adjusted effective as of 1 January 2017. In accordance with IAS 8.32, this adjustment was made prospectively, therefore a retrospective change of previous reporting periods has not been made. Due to this change in accounting estimates, depreciation in the first half of 2017 increased by EUR 667 thousand. The whole amount is related to the capitalised IT-costs. This adjustment of the useful lives will lead to an increase of the depreciation of approximately EUR 1,334 thousand for the financial year 2017.

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 30 June 2017.

IFRS 9 Financial Instruments

IFRS regulates the classification and measurement of financial assets and creates a new form of categorisation for financial instruments. The standard was further amended with regard to hedge accounting. IFRS 9 is to be applied by companies whose financial years start on or after 1 January 2018. The standard has been adopted by the EU in November 2016. Amendments must be applied retrospectively. The anticipated amendments mainly relate to the measurement and presentation of changes in the value of financial assets in the consolidated income statement or under other comprehensive income, and to the measurement of the effectiveness of existing hedging relationships.

The standard will not have any significant effect on the consolidated financial statements of the Semperit Group.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 18 Revenue and IAS 11 Construction Contracts. The new regulations are to be applied for financial years commencing on or after 1 January 2018.

The distinction between types of contract and types of goods and services no longer applies. When applying this standard an entity must implement a 5-step model that focuses in particular on the interpretation of contracts with customers. Standard criteria are stipulated defining the performance obligations as well as the point in time or time period when the performance obligations are satisfied.

In order to evaluate the effects of the new standard on the consolidated financial statements of the Semperit Group, an initial analysis was conducted based on interviews with the segment heads and sales managers. Based on this analysis further investigations are currently ongoing, if actions are needed, at the business-unit level. The results of the initial analysis are summarised below.

The greatest need for adjustments is anticipated in the Semperform segment. The reason why changes are particularly likely here is because the segment's business model is highly diversified and considerably more complex compared with the other segments. Under the 5-step model of IFRS 15 the initial application of the standard requires that the individual performance obligations in the contract are identified (step 2) and the transaction price for these obligations is determined (step 3). The determined transaction price is then allocated to the individual performance obligations in the contract (step 4). This step is where the greatest potential for investigation has been identified in the Semperform segment compared with the other segments. Its customer contracts usually include a broad spectrum of performance obligations, including not only the sale of the produced goods but also their installation (particularly for hand rails). In addition, the effects and volumes of non-refundable upfront fees must be investigated.

In Sempertrans segment a more detailed analysis have been carried out as well. Contracts in this segment regularly include the delivery of the agreed quantities of produced goods, installation of the goods and warranty services. In this respect the requirements set out under step 4 must be investigated and the corresponding effects for the Sempertrans segment need to be taken into account.

For the Sempermed and Semperflex segments analyses will be carried out as well, however the potential impacts of IFRS 15 on these Segments are expected to be less extensive. This is because the performance obligations under their contracts with customers are usually less differentiated and their business models are not as complex.

However, adjustments in the financial reporting will be necessary for all of the Semperit Group's segments in order to ensure compliance with the requirement for more detailed disclosures in the notes.

The Semperit Group will apply the regulations of IFRS 15 by selecting the modified retrospective approach with effect as of 1 January 2018. The cumulative effect of initially applying this standard will therefore be recognised without restating the comparable periods.

IFRS 16 Leases

On 13 January 2016 the International Accounting Standards Board (IASB) published IFRS 16, the successor standard to IAS 17 Leases. The new regulations are to be applied for financial years commencing on or after 1 January 2019. Early application is permitted in connection with the application of IFRS 15 Revenue from Contracts with Customers.

The new standard no longer distinguishes between operating leases and finance leases for lessees. Apart from a limited number of exceptions, lessees are required to recognise in the balance sheet the leases and the associated rights and obligations. This will lead to an increase in assets and liabilities. In addition, the recognition of assets will cause higher depreciation and a corresponding interest expense for the lease liability. Consequently, this shift will change key figures. The exceptions to the requirement to recognise leases in the balance sheet include low value and short-term leases.

The Semperit Group has initiated the first analyses to determine the effects on the consolidated financial statements. Material effects in the consolidated financial statements could result from the requirement to capitalise operating leases and rental agreements involving buildings, office equipment and vehicles. These effects will result from an increase in the balance sheet total and restatements in the income statement. The initial application will shift other operating expenses to depreciation and interest expense and thereby have a positive impact on the key figures EBITDA and EBIT. In addition, the shift of rent and lease payments to interest and principal payments will improve operating cash flow.

The Semperit Group anticipates at present that it will apply the regulations of IFRS 16 with effect as of 1 January 2019. The current planning foresees that the modified retrospective approach will be selected for the first-time application. The cumulative effect of initially applying this standard will therefore be recognised as an adjustment to the opening balance of the reporting period, without restating the comparable period. The leasing liability is to be capitalised at the present value of the remaining lease payments. The right-of-use assets are to be recognised either at the value which would have resulted under retrospective accounting, or alternatively in the amount of the recognised leasing liability. When selecting this method the lessee must provide additional information in the notes.

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 supervisory board of Semperit AG Holding and the shareholder assembly 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 Brasil Promoção de Vendas Ltda. (Brazil) (previously: Sempermed Brazil Comércio Exterior Ltda.) – Sempermed segment
- Semperflex Shanghai Ltd. (China) – Semperflex segment
- Shanghai Semperit Rubber & Plastic Products Co. Ltd. (China) – Sempermed 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 first half of 2017 an additional 0.07% interest in Latexx Partners Berhad was acquired for EUR 23 thousand. As of 30 June 2017 the group's interest totaled 98.61%, up from 98.55% as of 31 December 2016. In the first half of 2016 a 0.02% interest was acquired for EUR 28 thousand, increasing the group's total interest to 98.52% as of 30 June 2016.

The transactions in the first half of 2017 and in the first half 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	30.6.2017	31.12.2016
Joint ventures		
Siam Sempermed Corp. Ltd., Hat Yai, Thailand	0	0
Associated companies		
Synergy Health Allershausen GmbH, Allershausen, Germany	2,829	2,608
	2,829	2,608

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

in EUR thousand	1.1.- 30.6.2017	1.1.- 30.6.2016	1.1.- 31.12.2016
As at 1.1.	2,608	102,670	102,670
Proportionate period result and intercompany elimination results	221	2,825	8,370
Currency translation	0	1,072	4,884
Revaluation of defined benefit obligation	0	0	7
Reclassification to non-current assets held for sale	0	0	-113,323
As at 30.6. / 31.12.	2,829	106,567	2,608

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 half of 2016:

in EUR thousand	1.1.- 30.6.2017	1.1.- 30.6.2016
Revenue	0	1,239
Other operating income	0	245
Cost of material and purchased services	0	77,714
	30.6.2017	31.12.2016
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 totaled EUR 2,829 thousand as of 30 June 2017 (31 December 2016: EUR 2,608 thousand). As of 30 June 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 half of 2017 and 2016:

in EUR thousand	1.1.- 30.6.2017	1.1.- 30.6.2016
Other operating expenses	194	188
Financial income	3	3
	30.6.2017	31.12.2016
Other financial assets	566	569
Trade payables	19	32

Segment Reporting

in EUR thousand	Sempermed	Semperflex ¹⁾	Sempertrans	Semperperform ¹⁾	Corporate Center and Group eliminations	Group
1.1.-30.6.2017						
Revenue	181,388	106,705	78,167	95,380	0	461,639
EBITDA	79,806	22,218	-8,560	12,713	-8,877	97,300
EBIT = segment result	48,137	18,198	-10,389	8,783	-10,412	54,317
Depreciation and amortisation of tangible and intangible assets	-5,694	-4,020	-1,829	-3,930	-1,535	-17,007
Impairment of tangible and intangible assets	-25,976	0	0	0	0	-25,976
1.1.-30.6.2016						
Revenue	169,726	96,620	81,566	90,766	0	438,678
EBITDA	7,900	24,364	11,448	16,484	-7,435	52,761
EBIT = segment result	1,202	20,231	9,541	12,898	-7,644	36,227
Depreciation and amortisation of tangible and intangible assets	-6,697	-4,122	-1,908	-3,586	-209	-16,522
Impairment of tangible and intangible assets	0	-12	0	0	0	-12

¹⁾ 2016 values restated, the business unit Sheeting was reclassified from segment Semperflex to segment Semperperform.

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 half of 2017 impairment on tangible or intangible assets in the Sempermed segment totaling EUR 25,976 thousand has occurred. In the first half of 2016 the result of the segment Semperflex was affected by an impairment of EUR 12 thousand due to the impairment of land.

Indicator-based Impairment Test Sempermed

Due to the fact that, based on an extensive examination, the sustainably achievable volumes of production at the site in Kamunting in Malaysia are below previous assumptions. Therefore, Semperit performed an indicator-based impairment test of the Sempermed segment as of 30 June 2017.

As of 30 June 2017 the recoverable amount of the Sempermed segment is based on its value in use, which is calculated using the segment's discounted future cash flows. These forecasted cash flows were determined using the budgets for the 2017 financial year that were approved by the Management Board and the Supervisory Board. In addition, an organic (growth from own business activity without acquisitions) medium-term plan covering the next five years was taken into account as well. For Sempermed segment a financial haircut due to historical planning mismatches was also taken into account. The planning is based on assumptions made by segment management on the development of their markets, the market share of their segments and specific business initiatives.

Key assumptions in the plan are unit sales and EBIT margins, which are determined in medium-term planning in coordination with strategic product and customer initiatives.

These assumptions are subject to forecasting uncertainty. Corporate planning in this regard assumes, in principle, that measures will be taken in the future to expand the segment's capacity and improve its infrastructure. The planned cash flows from these measures were eliminated from the impairment test if the implementation of these measures had not begun as at the reporting date. The change in working capital is derived from internally defined targets for the Sempermed segment.

A constant long-term growth rate of 0.75% (31 December 2016: 0.75%) is used for the period after the detailed planning time period in the Sempermed segment. This is based on market growth expected in the long term, allowing for forecast expectations in inflation.

The discount rate used is the weighted average cost of capital (WACC) as derived in the capital asset pricing model. When determining this rate, a separate peer group is assumed for the Medical Sector (equivalent to the Sempermed segment). The pre-tax discount rate, which was determined for the Sempermed segment individually, is 8.1% (31 December 2016: 8.7%).

For the Sempermed segment the recoverable amount for the cash generating unit (CGU) totaled to EUR 173,956 thousand and therefore was below the book value (EUR 199,932 thousand) which resulted in the necessity for an impairment of EUR 25,976 thousand. Due to this fact the Sempermed related goodwill write-off totaled EUR 25,165 thousand. According to the IAS 36 the residual amount of EUR 811 thousand has been assigned to Sempermed related non-current assets.

Investments in and disposals of tangible and intangible assets

In the first half of 2017 the Semperit Group made investments in tangible and intangible assets totaling EUR 35,838 thousand (previous year: EUR 25,022 thousand). In contrast, tangible assets with a net carrying amount of EUR 315 thousand (previous year: EUR 76 thousand) were sold. Tangible and intangible assets with a net carrying amount of EUR 4,604 thousand (previous year: EUR 0) have been de-recognized.

Obligations to acquire tangible assets

As of 30 June 2017 the group has contractual obligations to acquire tangible assets totaling EUR 40,961 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.

Financial implications of cost-saving/restructuring measures in the Sempertrans segment

In the first half of 2017 Semperit Group has recognized restructuring charges totaling EUR 6,764 thousand in connection with announced cost-saving/restructuring measures in relation to the production site of its subsidiary Sempertrans France Belting Technology S.A.S. in Argenteuil, France.

Thereof, EUR 4,579 thousand have been recognized for provision for social plan and advisory costs (after deduction of an existing provision for severance payments), EUR 1,319 thousand for de-recognition of tangible assets due to the missing future economic benefit and EUR 866 thousand for valuation adjustment of inventory.

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 30.6.2017	Carrying amount 31.12.2016
Trade receivables	Loans and receivables	132,258	118,844
Other financial assets			
Securities	Available-for-sale	6,399	6,498
Loans to associated companies	Loans and receivables	563	563
Other loans	Loans and receivables	7	13
Derivative financial instruments	Held for trading	5,210	4,396
Derivative financial instruments	Designated as a hedging instrument	784	415
Other financial assets	Loans and receivables	4,830	8,984
Cash and cash equivalents			
Cash on hand, cheques and cash deposits in banks	–	189,044	190,208

Liabilities

in EUR thousand	Valuation category IAS 39	Carrying amount 30.6.2017	Carrying amount 31.12.2016
Corporate Schuldschein loan	Liabilities at amortised cost	274,564	277,547
Liabilities from redeemable non-controlling interests	Liabilities at amortised cost	15,146	51,825
Trade payables	Liabilities at amortised cost	97,981	111,569
Liabilities to banks	Liabilities at amortised cost	55,831	143,236
Other financial liabilities			
Derivative financial liabilities	Held for trading	108	171
Derivative financial liabilities	Designated as a hedging instrument	297	0
Liabilities from finance leases	Liabilities at amortised cost	14	30
Remaining other financial liabilities	Liabilities at amortised cost	15,870	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 half 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 30.6.2017	Fair Value 31.12.2016	Level
Assets				
Securities	Available-for-sale	6,399	6,498	1
Derivative financial instruments	Held for trading	5,210	4,396	2
Derivative financial instruments	Designated as a hedging instrument	784	415	2
Liabilities				
Derivative financial liabilities	Held for trading	108	171	2
Derivative financial liabilities	Designated as a hedging instrument	297	0	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 foreign exchange forward and 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 30.6.2017	Fair Value 31.12.2016	Level
Liabilities				
Corporate Schuldschein loan	Liabilities at amortised cost	286,138	291,537	3
Liabilities from finance leases	Liabilities at amortised cost	14	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

Semperit Group has increasingly used 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).

On the other hand, Semperit Group has issued three corporate Schuldschein loans (SSD 2013, SSD 2015 and SSD 2016) with a total nominal value of EUR 274 million. The corporate Schuldschein loans from 2013 and 2015 were issued in EUR. 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	30.6.2017	Thereof non-current	Thereof current	31.12.2016	Thereof non-current	Thereof current
Corporate Schuldschein loan	274,564	270,727	3,837	277,547	275,578	1,969
Liabilities to banks	55,831	51,366	4,465	143,236	136,421	6,814
	330,395	322,093	8,302	420,782	411,999	8,783

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 30 June 2017 accrued interest amounting to EUR 3,837 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.

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 half of 2017 the effective portion of this cash flow hedge of EUR 175 thousand was recognised in other comprehensive income and EUR - 185 thousand were reclassified in the consolidated income statement. As of 30 June 2017 the cash flow hedge reserve from both cross currency swaps amount to EUR 5 thousand (31 December 2016: EUR 15 thousand).

Dividend and treasury shares

On 23 May 2017 the Annual General Meeting adopted a dividend of EUR 0.70 per share, for the year 2016. A total of EUR 14.4 million. was distributed.

Semperit AG Holding has no treasury stock as of 30 June 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 half of 2017 the group conducted transactions with unit-it GmbH in the amount of EUR 240 thousand (previous year: EUR 225 thousand). This is related to the maintenance of SAP licences and was conducted at arm's length conditions. As of 30 June 2017 there are no unpaid liabilities to the company (31 December 2016: EUR 0).

In the first half of 2017 the group conducted transactions with Grohs Hofer Rechtsanwälte GmbH & Co KG in the amount of EUR 1,216 thousand (previous year: EUR 186 thousand). These transactions relate to consulting services and were conducted at arm's length conditions. As of the reporting date there are no unpaid liabilities to the company (31 December 2016: EUR 251 thousand).

In the first half of 2017 the group conducted transactions with B&C Industrieholding GmbH in the amount of EUR 77 thousand (previous year: EUR 14 thousand). These transactions relate to management and other services and were conducted at arm's length conditions. As of the reporting date there are no unpaid liabilities to the company (31 December 2016: EUR 28 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. Andreas Schmidradner has resigned his mandate on 23 May 2017 (date of Annual General Meeting). The Annual General Meeting on 23 May 2017 elected Petra Preining and Klaus F. Erkes into the Supervisory Board. Stefan Fida, Patrick Prügger und Astrid Skala-Kuhmann have been re-elected into the Supervisory Board. In the subsequent Supervisory Board meeting Veit Sorger has been re-elected as Chairman of the Supervisory Board. Patrick Prügger has been elected as his first and Stefan Fida as his second deputy.

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 consists 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 as of now expected during the third 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 of 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 as of now expected during the second 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 further events resulting disclosure occurred between 30 June 2017, the balance sheet date, and 16 August 2017, the date on which this report was approved for publication.

Vienna, 16 August 2017

The Management Board



Martin Füllenbach
Chairman



Frank Gumbinger
Finance



Michele Melchiorre
Operations

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 30 June 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 six months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Vienna, 16 August 2017

The Management Board



Martin Füllenbach
Chairman



Frank Gumbinger
Finance



Michele Melchiorre
Operations

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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: 16 August 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

17.08.2017	Half-year financial report 2017
16.11.2017	Report on the first three quarters 2017

