

SEMPERIT AG Holding
**LETTER TO
SHAREHOLDERS**

Q1
2008



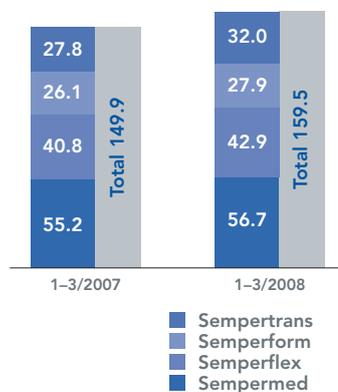
SEMPERIT

LETTER TO SHAREHOLDERS 1ST QUARTER 2008

Semperit at a glance

	1-3/2005	1-3/2006	1-3/2007	1-3/2008	Change 07/08 in %
Revenue in EUR million	124.8	141.6	149.9	159.5	+6.4
Earnings before tax (EBT) in EUR million	12.5	11.1	14.0	14.5	+3.9
Net profit for the period in EUR million	8.2	8.4	10.1	10.5	+3.8
Number of employees on March 31	5,935	6,639	7,023	7,061	+0.5

Revenue by division in EUR million



Dear shareholders,

Semperit Group continued its successful business development in the first quarter of 2008. Total revenue increased in the period January to March 2008 by 6.4% year-on-year, to EUR 159.5 million, while the earnings before interest and tax (EBIT) rose by 27.5%, to EUR 16.3 million. In the same period, earnings before tax climbed to EUR 14.5 million and therefore 3.9% above the previous year's level, although the negative developments on international financial markets required Semperit to further depreciate its financial assets. The net profit for the period after minority interest was EUR 10.5 million.

All four divisions succeeded in increasing revenue in the first quarter 2008. The Sempertrans division posted the strongest growth, with revenue rising 15.1%. Semperform reported a revenue increase amounting to 6.8%, whereas the Semperflex division expanded by 5.1%, and Sempermed climbed by 2.7%.



Clouded outlook for the global economy

Slowdown in European expansion

The business environment in the first quarter of 2008 featured an intensification of the crisis on global financial markets, a slowdown in global economic growth rooted in the USA, and unfavourable currency exchange developments. Asian markets continued to post high growth rates, whereas economic expansion in Europe has perceptibly lost momentum.

Unfavourable currency developments

Not only the further depreciation of the US dollar against the Thai baht and the euro but also the discernible appreciation of the Czech koruna and the Polish zloty were the underlying reasons behind a decline in margins at Semperit, and an intensification of competitive pressures.

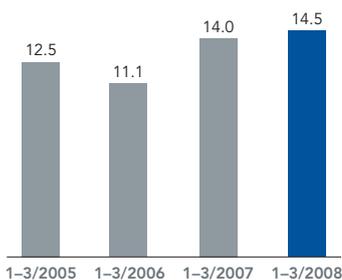
Further price rises for raw materials

Furthermore, the costs of raw materials increased once again. Accordingly, prices for natural rubber rose considerably in the first quarter of 2008, whereas prices for several types of synthetic rubber, in particular SBR and EPDM, climbed significantly. Price rises for carbon black and wires, which had become discernible at the end of 2007, continued in the first three months of 2008.



Profit, asset and financial position

EBT development in EUR million



Semperit maintained its positive earnings development in the first quarter of 2008. Earnings before interest and tax (EBIT) increased significantly more than total revenue, rising by 27.5%, to EUR 16.3 million. An increase in material and personnel expenses could be compensated by a reduction in other operating expenses and by a higher operating income. The financial result amounted to minus EUR 1.8 million, due to a further deterioration of the financial market crisis. Nevertheless, earnings before tax (EBT) totalled EUR 14.5 million, an improvement of 3.9% on the comparable period of the preceding year.

Non-current financial liabilities were reduced to EUR 3.2 million, from the previous level of EUR 4.1 million at the close of 2007, whereas current financial liabilities declined by 34.4%, to EUR 1.7 million. The equity ratio improved further to 60.1% (December 31, 2007: 58.7%).

Gross cash flow climbed against the previous year by 10.3%, to EUR 21.3 million. Cash and cash equivalents rose by EUR 5.0 million above the level at December 31, 2007, to EUR 75.3 million.

Revenue and earnings improvement

Sempermed

The Sempermed division reported a 2.7% increase in revenue in the first quarter 2008, to EUR 56.7 million, although the weak US dollar continued to result in significant currency translation losses due to the consolidation of Semperit's business in euros. Earnings before tax (EBT) of the Sempermed division improved by 23.2%, to EUR 3.6 million (previous year: EUR 2.9 million).

Good growth in Europe

The good revenue growth achieved in the preceding year continued in the first quarter of 2008, particularly in Europe. Sales of examination gloves rose satisfactorily. However, massive increases in raw material and transport costs make it necessary for Semperit to raise its selling prices. The continuing strong demand for surgical gloves could not be met to complete satisfaction as a result of a capacity bottleneck in packaging in Hungary. Sales of the new synthetic surgical gloves were good, in line with expectations.

On balance, the US business of the Sempermed division developed positively in the first quarter. However, competitive pressures increased somewhat, which can be attributed to the fact that competitive providers were not faced with such strong appreciation of their local currency against the US dollar as Siam Sempermed in Thailand.

Sempermed further expanded production volumes at its plant in China. Following the fires which plagued the facility in the past year, production output climbed considerably, and work is continuing on the optimisation of the entire production process.

Further rise in hose sales

Semperflex

Total revenue of the Semperflex division rose 5.1% in the first quarter, to EUR 42.9 million. Earnings before tax amounted to EUR 5.2 million, or 7.6% below the previous year's level of 5.6 million because the increase in raw material costs could not be passed on to customers.

Growth in the hydraulic hose segment was driven by the good business development in Europe, particularly in Germany, Austria, Switzerland and Scandinavia. Despite improved sales figures for hydraulic hoses on the US market, overall US revenues of the Semperflex division lagged behind the comparable results in 2007, which is mainly related to declining demand for pressure washer hoses.

The hydraulic hose segment of Semperflex continued to expand dynamically in Asia. The output of the hydraulic hose manufacturing plant in China successfully met expectations. A further expansion of this factory is in planning.

All plants in the industrial hose segment operated at full capacity. Sales growth in this field continued in the core markets of Eastern and Western Europe, although at a slower pace. The Italian plant Semperflex Roiter particularly profited from lively demand for concrete pump hoses in the first quarter. An additional hose production machine will be put into operation in May in order to meet increasing demand.

Weakening demand for elastomer sheeting

There was a decline in demand for elastomer sheeting and wear protection plates made by Semperflex in Western Europe, which can be attributed both to the economic slowdown and to massive competition from Asian producers.

Significant growth in window profile sales in Eastern Europe

Semperform

In the first quarter of 2008, total revenue of the Semperform division climbed 6.8%, to EUR 27.9 million. Earnings before tax rose 4.2%, to EUR 3.8 million (previous year: EUR 3.6 million).

In the seal profile segment for windows and doors, the decline in new residential construction in Germany had a negative impact on demand for PVC window profiles. However, the decreases in sales could be more than compensated for by a significant growth in demand in Eastern Europe. In the coming months, Semperform's efforts in Germany will focus on marketing seal profiles for the growing façade construction market.

Handrails remain growth driver

The handrail business was once again an important growth driver of the Semperform division. Whereas sales in China once again climbed in the first three months of 2008, declining demand in Europe for new handrails in the OEM business could be compensated by the good development in the business with spare parts. The railway superstructure segment continued the upward growth achieved during the past business year. There was an increase in orders from Germany and France, whereas tender contracts were further delayed in Great Britain. The special segments of cable car rings and ski membranes positively expanded, thanks to a good winter season 2007/08. Sales of moulded goods and profiles for construction and industrial applications corresponded to expectations.

Sempertrans

The Sempertrans division also expanded dynamically in the first quarter of 2008. Revenues climbed by 15.1%, to EUR 32.0 million. Earnings before tax rose from EUR 3.5 million, to EUR 4.0 million.

High demand for metal belts

In particular, demand for metal belts was lively in both Western and Eastern Europe. Rising raw material prices could be cushioned by raising selling prices at the beginning of 2008.

Competition continued to grow in the textile belt segment in the first quarter, which is chiefly related to aggressive price competition on the part of Far Eastern manufacturers. The resulting competitive pressures are not only limited to the European market, but have become perceptible in India as well. However, the Indian plant Sempertrans Nirlon, which produces only textile belts, was operating at full capacity. Business development was good, corresponding to expectations.



OUTLOOK

Growth planned for 2008

It is anticipated that the positive development of sales, revenues and earnings of the Semperit Group will continue in 2008. All four divisions are expected to improve their business results, based on the good level of orders at present.

Positive level of orders

As in previous years, currency exchange rate developments and volatile raw material prices continue to be major risk factors facing Semperit. Significant price rises for synthetic rubber took place at the beginning of the second quarter. Accordingly, the Semperit Group will aim to counteract increasing raw material prices through targeted cost optimisation efforts and selling price increases.



Balance sheet

Assets

in TEUR	31.12.2007	31.3.2008
Intangible assets	2,565.3	2,415.8
Tangible assets	160,430.3	160,568.4
Financial assets	37,260.9	34,511.8
Non-current trade receivables	7.2	0.0
Other non-current receivables	919.1	813.1
Deferred charges	496.1	448.1
Deferred taxes	9,109.5	8,745.6
Non-current assets	210,788.4	207,502.8
Inventories	89,966.4	91,025.7
Current trade receivables	91,681.1	95,279.4
Other current receivables	10,378.5	13,231.0
Cash and cash equivalents	70,284.4	75,328.8
Financial investments in securities	2,174.3	2,221.4
Deferred charges	1,571.3	1,847.1
Current assets	266,056.0	278,933.4
Assets	476,844.4	486,436.2

Equity and liabilities

in TEUR	31.12.2007	31.3.2008
Share capital	21,359.0	21,359.0
Capital reserves	21,503.2	21,503.2
Revenue reserves	232,412.3	242,951.5
Currency translation adjustments	4,697.0	6,455.0
Minority interest	51,576.2	51,850.3
Capital and reserves	331,547.7	344,119.0
Provisions for pensions and severance payments	43,820.6	44,129.9
Provisions for deferred taxes	2,274.3	2,022.0
Other non-current provisions	11,895.9	11,999.4
Non-current financial liabilities	4,106.9	3,159.6
Non-current trade payables	184.9	70.1
Other non-current liabilities	616.3	518.3
Deferred charges	258.4	11.0
Non-current provisions and liabilities	63,157.3	61,910.3
Current tax provisions	3,922.4	3,356.6
Other current provisions	15,399.8	18,380.7
Current financial liabilities	2,546.4	1,671.2
Current trade payables	40,098.7	36,544.7
Prepayments	904.1	791.7
Other current liabilities	19,045.3	19,417.4
Deferred charges	222.7	244.6
Current provisions and liabilities	82,139.4	80,406.9
Equity and liabilities	476,844.4	486,436.2

Cash flow statement

in TEUR	1.1.–31.3.2007	1.1.–31.3.2008
Earnings after tax	10,699.1	11,548.0
Depreciation/write-ups of non-current assets	5,791.6	9,422.2
Changes in non-current provisions	-184.6	160.4
Changes in non-cash items resulting from currency translation adjustments, changes in minority interests and other	3,042.9	206.0
Gross cash flow	19,349.0	21,336.6
Increase/decrease in inventories	-2,371.7	-1,059.2
Increase/decrease in trade receivables	-7,932.9	-3,591.2
Increase/decrease in other receivables and deferred charges	-3,419.5	-2,610.3
Increase/decrease in trade payables and prepayments	6,407.8	-3,781.1
Increase/decrease in other liabilities, current provisions and deferred charges	3,954.7	2,463.7
Cash flow from operating activities	15,987.4	12,758.5
Proceeds from the sale of assets	364.9	23.8
Investments in tangible and intangible assets	-7,096.5	-6,118.2
Investments in financial assets	58.6	208.9
Net proceeds from the sale of financial investments in securities	-1,988.8	-47.1
Cash flow from investing activities	-8,661.8	-5,932.6
Net redemption of current and non-current financial liabilities	-553.4	-1,822.5
Changes in financial liabilities resulting from currency translation adjustments	-1,152.6	242.0
Cash flow from financing activities	-1,706.0	-1,580.5
Change in cash and cash equivalents	5,619.6	5,245.4
Effects of exchange rate fluctuations on cash and cash equivalents	253.3	-201.0
Cash and cash equivalents at the beginning of the period	49,895.3	70,284.4
Cash and cash equivalents at the end of the period	55,768.2	75,328.8

Income statement

in TEUR	1.1.–31.3.2007	1.1.–31.3.2008
Revenue	149,925.2	159,473.2
Changes in inventories	4,938.3	5,025.1
Own work capitalised	121.0	328.9
Profit from operations	154,984.5	164,827.2
Other operating income	3,235.2	4,913.1
Cost of materials	-87,401.7	-93,706.5
Personnel expenses	-25,786.1	-27,967.1
Depreciation and amortisation	-6,837.5	-6,869.1
Other operating expenses	-25,377.2	-24,860.3
Earnings before interest and tax (EBIT)	12,817.2	16,337.3
Income from associates	0.0	0.0
Interest results	33.4	657.2
Other financial results	1,156.6	-2,446.2
Financial results	1,190.0	-1,789.0
Earnings before tax (EBT)	14,007.2	14,548.3
Income taxes	-3,308.1	-3,000.3
Earnings after tax	10,699.1	11,548.0
thereof minority interest	-597.7	-1,060.3
thereof Semperit AG shareholders (net profit for the period)	10,101.4	10,487.7
Earnings per share in EUR	0.49	0.51
Average number of outstanding shares	20,573,434	20,573,434

Statement of changes in equity

in TEUR	Share capital	Capital reserves	Revenue reserves	Revaluation reserve	Currency translation	Semperit AG shareholders	Minority interest	Total
Balance at 31.12.2006	21,359.0	21,503.2	205,292.6	-55.4	3,918.1	252,017.5	51,070.6	303,088.1
Net profit			10,101.4			10,101.4	597.7	10,699.1
Valuation gains/losses for financial assets not recognised in profit or loss				-4.0		-4.0		-4.0
Currency translation adjustments					2,165.2	2,165.2	3,169.5	5,334.7
Total of recognised profits and losses	0.0	0.0	10,101.4	-4.0	2,165.2	12,262.6	3,767.2	16,029.8
New minority interest						0.0	380.0	380.0
Balance at 31.3.2007	21,359.0	21,503.2	215,394.0	-59.4	6,083.3	264,280.1	55,217.8	319,497.9
Balance at 31.12.2007	21,359.0	21,503.2	232,626.6	-214.3	4,697.0	279,971.5	51,576.2	331,547.7
Net profit			10,487.7			10,487.7	1,060.3	11,548.0
Valuation gains/losses for financial assets not recognised in profit or loss				51.5		51.5		51.5
Currency translation adjustments					1,758.0	1,758.0	-786.2	971.8
Total of recognised profits and losses	0.0	0.0	10,487.7	51.5	1,758.0	12,297.2	274.1	12,571.3
New minority interest						0.0		0.0
Balance at 31.3.2008	21,359.0	21,503.2	243,114.3	-162.8	6,455.0	292,268.7	51,850.3	344,119.0



Accounting and valuation methods

These interim financial statements as at March 31, 2008 were prepared in keeping with the principles set forth by the International Financial Reporting Standards (IFRS) as stipulated in the guidelines contained in IAS 34, Interim Financial Reporting. The accounting and valuation methods are essentially the same as those applied as at December 31, 2007. 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, 2007, which are the basis for these interim statements.

Associated companies (equity method)

The net book value of Isotron Deutschland GmbH on March 31, 2008 was TEUR 275.5 (March 31, 2007: TEUR 275.5).

Purchase and sale of tangible and intangible fixed assets

In the first three months of 2008, the Semperit Group purchased tangible and intangible fixed assets amounting to TEUR 6,118.2 (previous year: TEUR 7,096.5). In contrast, tangible and intangible fixed assets with a net book value of TEUR 14.6 (previous year: TEUR 398.2) 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

B & C Holding GmbH has a dominating influence over the company. For this reason, B & C Holding and its associated companies are in a group relationship with the Semperit Group. The companies in Thailand and China, which are fully consolidated in the financial statements, undertake business transactions with our joint venture partner Sri Trang Agro Plc, in accordance with established market conditions. Furthermore, insignificant business transactions were carried out with related parties and individuals at prevailing market rates.

Significant events after the balance sheet date

No significant events that require disclosure took place between the balance sheet date as at March 31, 2008 and the publication approval of this report on May 13, 2008.

Statement by the Management Board

The Management Board certifies, to the best of its knowledge, that the consolidated interim financial statements of the Semperit Group for the first quarter of 2008 have been prepared in accordance with the International Financial Reporting Standards (IFRS), and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Semperit Group. The interim financial statements of the Semperit Group for the first quarters of 2008 were neither audited nor subject to an auditor's review.

Vienna, May 13, 2008

The Management Board

Rainer Zellner
Chairman

Richard Ehrenfeldner

Richard Stralz

Semperit share information

International Securities Identification Number (ISIN)	AT0000785555
Share price low Q1 2008 in EUR	20.65
Share price high Q1 2008 in EUR	26.43
Share price at March 31, 2008 in EUR	24.90
Market capitalisation at March 31, 2008 in EUR million	512.3
Earnings per share Q1 2008 in EUR	0.51

Financial calendar 2008

Ex-dividend day	May 26, 2008
Dividend payout	May 30, 2008
1 st half-year report 2008	August 22, 2008
3 rd quarter report 2008	November 21, 2008

Contact

Sybille Bernhardt
Investor Relations
Tel.: +43 1 79 777-210
Fax: +43 1 79 777-602
E-mail: sybille.bernhardt@semperit.at

www.semperit.at