



SEMPERIT AG Holding
**LETTER TO
SHAREHOLDERS**

Q3 2008



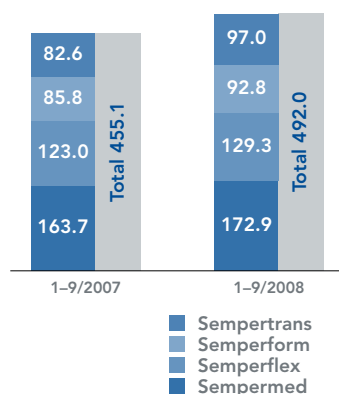
SEMPERIT

LETTER TO SHAREHOLDERS 1ST-3RD QUARTER 2008

Semperit at a glance

	1-9/2005	1-9/2006	1-9/2007	1-9/2008	Change 07/08 in %
Revenue in EUR million	384.6	428.0	455.1	492.0	+8.1
Earnings before tax (EBT) in EUR million	40.3	39.4	41.3	46.2	+12.0
Net profit for the period in EUR million	26.3	29.3	29.9	31.4	+5.1
Number of employees on September 30	6,285	6,601	7,256	7,111	-2.0

Revenue by division in EUR million



Dear shareholders,

The perceptible slowdown in the world economy and the ongoing significant price rises on global raw material markets have led to a considerable deterioration of the conditions under which Semperit operates. Despite this difficult business environment, Semperit once again succeeded in increasing total revenue. Earnings were negatively affected, in particular by the high costs of raw materials, in the third quarter.

In the period January-September 2008, total revenue rose 8.1% year-on-year, to EUR 492.0 million. Earnings before interest and tax (EBIT) climbed by 1.4%, to EUR 47.0 million, and earnings before tax (EBT) also improved, rising 12.0%, to EUR 46.2 million. Accordingly, the net profit for the period increased by 5.1% compared to the first three quarters of the previous year, to EUR 31.4 million.

All four divisions contributed to this growth, with Sempertrans showing the greatest improvement with an increase of 17.5%, to EUR 97.0 million. Semperform reported a revenue increase of 8.1%, followed by the Sempermed division, which expanded by 5.7%. Feeling the effects of the economic downturn following last year's boom period, the Semperflex division only increased revenue by 5.1%.



Global economic slowdown

Significant weakening of economic growth

The economic slowdown, which was initially experienced by individual markets, spread to large portions of Europe during the third quarter of 2008 and is also affecting emerging markets such as China and India. On balance, the entire global economy lost considerable momentum. Nevertheless, demand for Semperit products remained robust in many areas. The situation, however, was already very difficult for cyclically dependent segments in individual markets such as Italy, Great Britain, Spain and Russia.

Drastic price increases for raw materials

Prices for the key raw materials required by Semperit climbed significantly in the third quarter of 2008, and many raw materials were traded at record prices. In particular, there was an unprecedented price rise for oil-based rubber during the period under review, and a reversal of the trend was not in sight as of the end of October.

The ongoing downward price trend for oil will first translate into lower costs after a significant delay. Only the price of latex declined following a rapid wave of price increases in the first half of 2008. Accordingly, the latex price at the end of the third quarter was just 25% above the 2007 level.



Profit, asset and financial position

In the first three quarters of 2008, total revenue amounted to EUR 492.0 million, a rise of 8.1% from the previous year. This increase is chiefly related to higher sales levels and also in part to selling price increases.

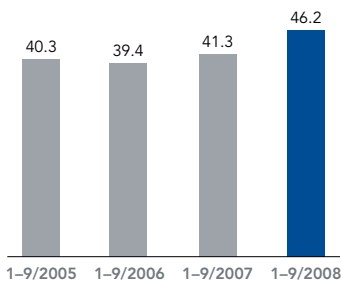
Earnings before interest and tax (EBIT) improved by 1.4% in the period January-September 2008, to EUR 47.0 million. However, due to rapid price increases for raw materials, third-quarter EBIT was lower than the comparable figure of the preceding year. Higher costs could only be partially passed on to customers, and with a time delay.

Earnings before tax climbed by 12.0% above last year's level, to EUR 46.2 million, as a consequence of the improved financial result. Net profit for the period was up 5.1%, to EUR 31.4 million.

Gross cash flow increased against the previous year by 15.5%, to EUR 65.6 million. Cash and cash equivalents rose by EUR 28.0 million above the level at December 31, 2007, to EUR 98.3 million.

In addition to high liquidity, Semperit also has a very solid equity base. The equity ratio improved against the level at December 31, 2007 to 59.3%.

EBT development in EUR million



Sempermed

The Sempermed division reported a 5.7% increase in revenue in the first nine months of 2008, to EUR 172.9 million. The improvement achieved in the third quarter is related, among other reasons, to selling price increases being made effective and the relatively strong US dollar, which had a positive effect due to the consolidation of Semperit's business in euros. Earnings before tax (EBT) of the Sempermed division improved by 24.8%, from EUR 9.1 million in the previous year to EUR 11.3 million in the first three quarters of 2008.

Good demand for surgical and examination gloves

Third-quarter demand for surgical gloves continued to be strong. As a result, the production facility in Wimpassing operated at full capacity. Furthermore, total output of this plant once again increased thanks to the installation of a new product line for surgical gloves. Subsequently, a new packaging machine will be put into operation in Hungary. Sales of examination gloves were also good during the period under review, with Sempermed improving sales both in Europe and the USA.

Acquisition of a Brazilian distributor

At the end of October 2008, Sempermed announced the purchase of a sales and distribution company for medical gloves in Brazil. The acquisition is designed to further expand Sempermed's market share in Brazil, and to comprehensively penetrate the growth region of South America in a structured manner.

Semperflex

Growth slowdown

Growth of the Semperflex division slowed down in the first three quarters of 2008 as a response to global economic trends. On balance, total revenue rose by EUR 6.4 million, to EUR 129.4 million. Earnings before tax totalled 13.9 million, 13.3% below the previous year's level of EUR 16.1 million.

Revenue for hydraulic hoses stable

The hydraulic hose segment of the Semperflex division reported slight sales growth in Europe, and stood its ground despite the difficult economic situation prevailing in Great Britain, Spain and Italy. However, the challenging business environment was already reflected in a significantly declining level of orders. Sales in the USA improved during the third quarter. The corresponding figures for Asian markets were significantly above the previous year's level.

Stagnating demand for elastomer sheeting

In the first three quarters of 2008, sales of elastomer sheeting and wear protection plates, which are exclusively distributed in Western Europe, developed according to plan. However, there were also indications of weakening demand in this segment.

Moderate growth of the industrial hose segment

The industrial hose segment operated at full production capacity during the reporting period, registering moderate growth compared to the preceding year. Due to the difficult economic environment, Spain and Great Britain reported a decline in sales.

Semperform

In the first nine months of 2008, total revenue of the Semperform division amounted to EUR 92.8 million, an increase of 8.1%. Earnings before tax fell by 3.4% year-on-year, to EUR 12.9 million (previous year: EUR 13.4 million).

Satisfactory sales of moulded goods

Despite the weakening economic growth, sales of moulded goods rose slightly compared to the preceding year's figures. On balance, business in the railway superstructure segment was good. In September, two new injection moulding machines commenced operations at the Wimpassing production plant, and an additional machine will be installed in the fourth quarter.

Handrails: very good business with spare parts in Europe

The handrail segment continued to show strong growth, particularly in China, whereas the OEM business with handrails declined somewhat in Europe due to the relocation of production facilities to Asia by escalator manufacturers. Nevertheless, Semperform registered an increase in total revenue for handrails in Europe compared to the preceding year, thanks to the very good sales growth for spare parts.

Rising sales for ski membranes

Sales of ski membranes developed more favourably than in the comparable period of 2007, which is chiefly related to increasing demand for high quality skis. In contrast, sales of cable car rings were below the previous year's level, which is the result of the declining volume of new cable car facilities.

Profiles: Growth in Eastern Europe

Demand for window and door profiles continued to decline in Germany. However, there was still a rise in total revenue in the window and door profile segment thanks to increased sales in Eastern Europe.

Sempertrans

The Sempertrans division posted strong growth in the first three quarters, with revenue climbing by 17.5%, to EUR 97.0 million. Earnings before tax rose by EUR 1.6 million, to EUR 10.4 million (previous year: EUR 8.8 million).

Good capacity utilisation at all production plants

Based on good demand in the mining sector, all production facilities of the Sempertrans division were operating at full capacity during the first nine months of 2008. Sales of textile and metal belts were satisfactory. Output of higher quality metal bands was continually raised in Poland. In summer, a second press line was installed at the Indian plant, an additional calendar machine was put into operation in the fourth quarter.

Burden on earnings

The profitability of Sempertrans was negatively impacted in the third quarter by the rapid raw material increases, which could only be partially passed on to customers, and with some delay.



OUTLOOK

Outlook for 2008 challenging

Fewer incoming orders

The international economic environment deteriorated dramatically as a consequence of the financial crisis. For this reason, a considerable decline in demand for Semperit products is expected in Europe and the USA in cyclical business areas. Significant losses in incoming orders have already been acknowledged in those segments that serve the construction and investment goods industries. However, the less cyclical business segment Sempermed has yet been unaffected.

Cyclical effects hard to predict

Duration and intensity of the economic slowdown's impact on Semperit and the resulting drop in demand cannot yet be accurately assessed from today's perspective. Furthermore, the situation in regards to some crucial raw materials will remain strained in the fourth quarter. The high volatility of exchange rates represents an additional uncertainty factor. The main challenge in the upcoming months will be to quickly adapt to the changes in economic conditions.

Up until now, Semperit has managed to successively maintain its competitiveness and continues to be confident that total revenue will increase for the 2008 financial year. Earnings are expected to develop in a manner satisfactory for current business environment.



Balance sheet

Assets

in TEUR	31.12.2007	30.9.2008
Intangible assets	2,565.3	2,666.8
Tangible assets	160,430.3	167,592.1
Financial assets	37,260.9	5,552.4
Non-current trade receivables	7.2	49.9
Other non-current receivables	919.1	662.9
Deferred charges	496.1	497.9
Deferred taxes	9,109.5	9,094.3
Non-current assets	210,788.4	186,116.3
Inventories	89,966.4	100,256.2
Current trade receivables	91,681.1	100,787.5
Other current receivables	10,378.5	17,461.9
Cash and cash equivalents	70,284.4	96,620.7
Financial investments in securities	2,174.3	1,857.9
Deferred charges	1,571.3	2,336.6
Current assets	266,056.0	319,320.8
Assets	476,844.4	505,437.1

Equity and liabilities

in TEUR	31.12.2007	30.9.2008
Share capital	21,359.0	21,359.0
Capital reserves	21,503.2	21,503.2
Revenue reserves	232,412.3	244,322.4
Currency translation adjustments	4,697.0	12,692.3
Minority interest	51,576.2	53,934.6
Capital and reserves	331,547.7	353,811.5
Provisions for pensions and severance payments	43,820.6	45,303.2
Provisions for deferred taxes	2,274.3	2,333.1
Other non-current provisions	11,895.9	12,163.9
Non-current financial liabilities	4,106.9	5,564.1
Non-current trade payables	184.9	9.8
Other non-current liabilities	616.3	426.6
Deferred charges	258.4	233.6
Non-current provisions and liabilities	63,157.3	66,034.3
Current tax provisions	3,922.4	4,750.2
Other current provisions	15,399.8	17,139.9
Current financial liabilities	2,546.4	708.6
Current trade payables	40,098.7	41,468.5
Prepayments	904.1	935.8
Other current liabilities	19,045.3	20,577.3
Deferred charges	222.7	11.0
Current provisions and liabilities	82,139.4	85,591.3
Equity and liabilities	476,844.4	505,437.1

Cash flow statement

in TEUR	1.1.–30.9.2007	1.1.–30.9.2008
Earnings after tax	32,516.7	35,308.1
Depreciation/write-ups of non-current assets	25,731.5	22,048.1
Changes in non-current provisions	-1,482.8	1,809.4
Changes in non-cash items resulting from currency translation adjustments, changes in minority interests and other	75.3	6,460.2
Gross cash flow	56,840.7	65,625.8
Increase/decrease in inventories	-4,474.9	-10,289.7
Increase/decrease in trade receivables	-9,018.5	-9,149.0
Increase/decrease in other receivables and deferred charges	-2,551.3	-7,579.1
Increase/decrease in trade payables and prepayments	3,222.3	1,226.4
Increase/decrease in other liabilities, current provisions and deferred charges	10,276.3	3,673.8
Cash flow from operating activities	54,294.6	43,508.2
Proceeds from the sale of assets	3,240.8	28,273.0
Investments in tangible and intangible assets	-17,853.3	-23,366.2
Investments in financial assets	-1,643.6	-763.2
Net proceeds from the sale of financial investments in securities	-2,084.4	1,960.7
Cash flow from investing activities	-18,340.5	6,104.3
Net redemption of current and non-current financial liabilities	-11,304.9	-380.6
Dividends	-17,281.7	-19,544.8
Dividends to minority interest	0.0	-2,509.0
Changes in financial liabilities resulting from currency translation adjustments	864.9	-90.2
Proceeds from capital increases	759.9	0.0
Other	0.0	8.9
Cash flow from financing activities	-26,961.8	-22,515.7
Change in cash and cash equivalents	8,992.3	27,096.8
Effects of exchange rate fluctuations on cash and cash equivalents	-271.0	883.8
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	58,616.6	98,265.0

Income statement

in TEUR	3 rd quarter		1 st -3 rd quarter	
	1.7.-30.9.2007	1.7.-30.9.2008	1.1.-30.9.2007	1.1.-30.9.2008
Revenue	151,547.7	165,684.3	455,111.2	492,042.3
Changes in inventories	-375.8	2,072.8	2,170.9	6,197.8
Own work capitalised	299.9	271.1	500.0	1,083.7
Profit from operations	151,471.8	168,028.2	457,782.1	499,323.8
Other operating income	1,903.5	4,380.5	8,355.7	12,052.4
Cost of materials	-85,266.9	-100,059.5	-253,843.7	-285,849.1
Personnel expenses	-24,102.5	-27,056.7	-76,139.2	-82,916.0
Depreciation and amortisation	-6,632.4	-6,966.5	-20,444.0	-20,640.3
Other operating expenses	-20,553.8	-24,500.4	-69,324.7	-74,940.1
Earnings before interest and tax (EBIT)	16,819.7	13,825.6	46,386.2	47,030.7
Interest results	180.8	899.8	349.8	2,397.5
Other financial results	-7,026.2	-649.0	-5,446.0	-3,191.1
Financial results	-6,845.4	250.8	-5,096.2	-793.6
Earnings before tax (EBT)	9,974.3	14,076.4	41,290.0	46,237.1
Income taxes	-1,505.2	-3,691.7	-8,773.3	-10,928.9
Earnings after tax	8,469.1	10,384.7	32,516.7	35,308.2
thereof minority interest	-1,415.7	-2,378.8	-2,616.8	-3,885.4
thereof Semperit AG shareholders (net profit for the period)	7,053.4	8,005.9	29,899.9	31,422.8
Earnings per share in EUR	0.34	0.39	1.45	1.53
Average number of outstanding shares	20,573,434	20,573,434	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			29,899.9			29,899.9	2,616.8	32,516.7
Valuation gains/losses for financial assets not recognised in profit or loss				-24.3		-24.3		-24.3
Currency translation adjustments					-1,774.7	-1,774.7	-2,085.4	-3,860.1
Total of recognised profits and losses	0.0	0.0	29,899.9	-24.3	-1,774.7	28,100.9	531.4	28,632.3
New minority interest						0.0	759.9	759.9
Dividends			-17,281.7			-17,281.7		-17,281.7
Other						0.0		0.0
Balance at 30.9.2007	21,359.0	21,503.2	217,910.8	-79.7	2,143.4	262,836.7	52,361.9	315,198.6
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			31,422.8			31,422.8	3,885.4	35,308.2
Valuation gains/losses for financial assets not recognised in profit or loss				23.2		23.2		23.2
Currency translation adjustments					7,995.3	7,995.3	982.0	8,977.3
Total of recognised profits and losses	0.0	0.0	31,422.8	23.2	7,995.3	39,441.3	4,867.4	44,308.7
New minority interest						0.0		0.0
Dividends			-19,544.8			-19,544.8	-2,509.0	-22,053.8
Other			8.9			8.9		8.9
Balance at 30.9.2008	21,359.0	21,503.2	244,513.5	-191.1	12,692.3	299,876.9	53,934.6	353,811.5



Accounting and valuation methods

These interim financial statements as at September 30, 2008 were prepared in keeping with the principles set forth by the International Financial Reporting Standards 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 September 30, 2008 was TEUR 275.5 (December 31, 2007: TEUR 275.5).

Purchase and sale of tangible and intangible fixed assets

In the first nine months of 2008, the Semperit Group purchased tangible and intangible fixed assets amounting to TEUR 23,366.2 (previous year: TEUR 17,853.3). In contrast, tangible and intangible fixed assets with a net book value of TEUR 541.4 (previous year: TEUR 991.1) 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

At the end of October, the Semperit Group purchased Fenix Comercio Exterior Ltda., a Brazilian sales and distribution company for medical gloves. The acquired company operating under the name Sempermed Brazil Comercio Exterior Ltda. will primarily market Sempermed's examination gloves in South America. Sempermed Brazil will operate as a subsidiary of the newly-established company Sempermed Singapore Pte Ltd., a joint venture with Semperit's long-established joint venture partner Sri Trang Agro Plc. Semperit and Sri Trang Agro Plc will each hold a 50% stake in Sempermed Singapore Pte Ltd.

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 three quarters 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 half of 2008 were neither audited nor subject to an auditor's review.

Vienna, November 17, 2008

The Management Board

Rainer Zellner
Chairman

Richard Ehrenfeldner

Richard Stralz

Semperit share information

International Securities Identification Number (ISIN)	AT0000785555
Share price low Q1–3 2008 in EUR	20.65
Share price high Q1–3 2008 in EUR	31.00
Share price at September 30, 2008 in EUR	20.90
Market capitalisation at September 30, 2008 in EUR million	430.0
Earnings per share Q1–3 2008 in EUR	1.53

Financial calendar

Preliminary results 2008	February 20, 2009
Annual Report 2008	April 6, 2009
Annual General Meeting	April 30, 2009
Ex-dividend day	May 6, 2009
Dividend payment	May 11, 2009
1 st quarter report 2009	May 15, 2009
1 st half-year report 2009	August 14, 2009
3 rd quarter report 2009	November 20, 2009

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