

SEMPERIT AG Holding  
**LETTER TO  
SHAREHOLDERS**

**Q1**

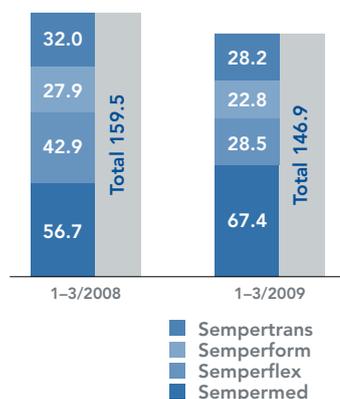
09

Success is in the details:  
Abrasion resistant conveyor  
belt by Semperit

## Semperit at a glance

	1-3/2006	1-3/2007	1-3/2008	1-3/2009	Change 08/09 in %
Revenue in EUR million	141.6	149.9	159.5	146.9	-7.9
Earnings before tax (EBT) in EUR million	11.1	14.0	14.5	14.5	-0.1
Net profit for the period in EUR million	8.4	10.1	10.5	7.8	-25.2
Number of employees on March 31	6,639	7,023	7,061	6,811	-3.5

### Revenue by division in EUR million



### Dear shareholders,

The business development of the Semperit Group in the first quarter of 2009 was satisfactory in the light of the extremely difficult business environment. Total revenue amounted to EUR 146.9 million (previous year: EUR 159.5 million).

Despite lower revenue, due to declining raw material costs on the one hand and productivity improvements on the other, earnings before tax (EBT) were at a good level, totalling EUR 14.5 million (previous year: EUR 14.5 million). The net profit for the period after deducting minority interests amounted to EUR 7.8 million (-25.2%).

The Semperflex and Semperform divisions were confronted with a drastic drop in demand, which in turn led to a corresponding decline in revenue. The Sempertrans division still benefited from a good level of orders in the first quarter of 2009. Sempermed was the only division in the Semperit Group which surpassed its previous year's performance, achieving a 18.9% growth in revenue, expanding even more strongly than the overall market.



## Global economic downturn

### Market slump

The global economic situation remained strained. The forecasts announced by economic experts and the assessments of market participants continued to deteriorate. Semperit registered a considerable decrease in order intakes in several segments. To make matters worse, some customers in individual markets already struggled with liquidity problems and thus deliveries could hardly be maintained.

### Raw material prices decline

Raw material costs fell in the first quarter of 2009. The prices of different types of synthetic rubber decreased following the immense rises recorded in the previous year. However, the downward trend has already lost momentum. Following the decline in costs for natural rubber and latex in the autumn of 2008, prices have been slowly moving upwards again since November. There was a significant drop in costs for oil-based chemicals and fillers, but there are indications that the downswing is also coming to a close, based on the slight increase in oil prices.

Downward pressure on selling prices increased based on the general price decline for many raw materials.

## BUSINESS DEVELOPMENT

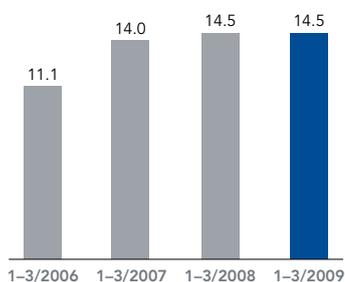
### Profit, asset and financial position

The earnings situation of the Semperit Group can be considered to be satisfactory in the first quarter of 2009, in spite of the prevailing economic crisis. Earnings before tax, at EUR 14.5 million, were also at the previous year's level, largely due to an improvement in the financial result. Higher minority interests led to a decrease in the consolidated net profit for the period to EUR 7.8 million (previous year: EUR 10.5 million).

In the first three months of 2009, investments in tangible and intangible assets amounted to EUR 3.0 million (previous year: EUR 6.1 million). In addition, financial assets amounting to EUR 5.4 million were acquired to serve as the basis for fulfilling the legally stipulated coverage requirements for future pension obligations.

Cash flow from operating activities in the first quarter of 2009 was EUR 26.7 million. Cash and cash equivalents as at March 31, 2009 rose to EUR 125.2 million, an increase of 16.6% compared to the level at December 31, 2008.

### EBT development in EUR million



**Revenue: +18.9%**

### **Sempermed**

The Sempermed division posted a 18.9% increase in revenue in the first quarter of 2009, to EUR 67.4 million. Earnings before tax (EBT) of the Sempermed division improved to EUR 7.8 million (previous year: EUR 3.6 million), which can be attributed to a series of successfully implemented measures designed to raise efficiency.

**Market share for surgical gloves expanded**

Semperit managed to significantly increase its European market share for surgical gloves, once again raising its overall share in the market for powder-free products. The production plants for surgical gloves operated at full capacity despite the capacity expansion programme carried out in 2008. Investments in existing facilities in the current financial year will aim at further boosting productivity and output.

There was a bottleneck in production capacity for examination gloves at the factory in Thailand due to a particularly high short-term rise in demand from North America. Measures were quickly implemented which should take effect in the second quarter and thus enable a corresponding expansion of production to meet the growing demand. The plant in China, focusing on producing PVC gloves for the global market, operated at a satisfactory level of utilisation.

**Fall in demand in all markets**

### **Semperflex**

The Semperflex division sees itself confronted by an extremely difficult market environment. On balance, total revenue declined by 33.6% in the first three months of 2009, to EUR 28.5 million, based on weak demand in all segments and in all sales markets. Accordingly, earnings before tax fell to EUR 1.5 million (previous year: EUR 5.2 million).

Capacity adjustments had to be carried out at all facilities. Shifts were removed from the production plan and the number of employees was reduced accordingly.

**Global market for hydraulic hoses shrinks**

Demand in the hydraulic hose segment from Eastern European and Asian markets declined dramatically. The global market shrank significantly, and sales of hydraulic hoses also fell in equal measure. Semperit will increasingly focus on gaining market share in the second quarter of 2009 by launching new products, even if incoming orders are expected to remain at a low level.

The cyclically dependent business in elastomer sheeting also decreased in all core markets, i.e. Germany, Austria, Great Britain and Scandinavia.

**Industrial hoses: fewer incoming orders**

On the basis of existing orders emanating during the course of the 2008 financial year, sales of industrial hoses were slightly better than in other segments of the Semperflex division. Nevertheless, demand dropped perceptibly. The poor state of the construction industry had a negative impact.

**All segments affected by crisis**

### **Semperform**

Total revenue of the Semperform division amounted to EUR 22.8 million in the first quarter of 2009, a decline of 18.1%. All segments were negatively impacted by the economic crisis, though to varying extents. Earnings before tax fell by 56.2% year-on-year, to EUR 1.6 million.

Revenue in the window and door profile segment decreased considerably. In particular, exports to Eastern Europe declined, which is also in part related to the tense financial situation in those countries. Further deliveries were restricted to some individual customers in Poland, Russia and Ukraine due to their liquidity situation.

#### Handrail revenue stable

Overall demand for handrails, especially from original equipment manufacturers (OEM), was down throughout the world. Nevertheless, revenue of the Semperform division in this segment remained stable based on market share gains for spare parts in the USA and Asia, as well as the new business generated in Asia, which partly compensated for declining demand in Europe.

The restrained development of demand in the railway superstructure segment could be cushioned by good project orders from several countries. For example, business with the French railway system continued to be good in the first quarter of the year.

New cable car projects failed to materialise due to financing problems, which led to falling demand for new equipment. In the ski industry, some companies temporarily ceased production in the first quarter, negatively affecting Semperform's business in ski membranes. Smaller segments, such as sponge rubber, pipes and filter membranes, also suffered from falling demand. In contrast, satisfactory sales were recorded with individual industrial moulded parts, such as pressure cooker gaskets.

#### Satisfactory earnings

##### Sempertrans

The Sempertrans division registered a revenue decrease of 11.8% to EUR 28.2 million. Earnings before tax were above the preceding year's level, totalling EUR 4.1 million (previous year: EUR 4.0 million).

At the beginning of the 2009 financial year, the level of global orders for Sempertrans products was still good. However, a slow decline in demand set in, driven by the downturn on European markets. Accordingly, the business situation for the Sempertrans division is likely to be more difficult in the upcoming quarters.

#### Fewer incoming orders

Considering the different product groups, business with metal belts was satisfactory. In particular, Sempertrans won major contracts in the energy sector, which will serve as the basis to ensure good capacity utilisation at the division's production facility in Poland in the next few months. In contrast, the textile belt market was restrained. Global demand collapsed, above all in the cement and steel industries. A reduction in orders has also been registered even in India since April 2009, where business had been very good in the first quarter.



## OUTLOOK

### Outlook clouded for 2009 as a whole

#### Demand further subdued

The business environment for the Semperit Group deteriorated in the first quarter of 2009. Against this backdrop, business in all segments in which Semperit operates is expected to decline, with the exception of the Sempermed division. Nevertheless, Semperit aims to cushion the revenue decrease by increasing its market shares. On the earnings side, Semperit is working to achieve further process optimisation and cost saving. Investments in existing facilities as a means of furthering increasing efficiency are designed to strengthen Semperit's overall competitive position.



## Balance sheet

### Assets

in TEUR	31.12.2008	31.3.2009
Intangible assets	5,004.2	4,960.3
Tangible assets	157,930.6	154,338.7
Financial assets	4,735.9	9,818.6
Non-current trade receivables	4.6	0.0
Other non-current receivables	856.5	760.7
Deferred charges	456.0	459.2
Deferred taxes	9,918.1	10,189.0
<b>Non-current assets</b>	<b>178,905.9</b>	<b>180,526.5</b>
Inventories	96,421.1	90,805.0
Current trade receivables	86,829.2	83,738.0
Other current receivables	13,662.9	13,593.9
Cash and cash equivalents	107,330.9	125,191.5
Financial investments in securities	225.5	179.1
Deferred charges	2,166.2	1,912.6
<b>Current assets</b>	<b>306,635.8</b>	<b>315,420.1</b>
<b>Assets</b>	<b>485,541.7</b>	<b>495,946.6</b>

### Equity and liabilities

in TEUR	31.12.2008	31.3.2009
Share capital	21,359.0	21,359.0
Capital reserves	21,503.2	21,503.2
Revenue reserves	250,523.5	258,294.1
Currency translation adjustments	-1,441.6	-5,465.8
Minority interest	58,544.0	65,181.0
<b>Capital and reserves</b>	<b>350,488.1</b>	<b>360,871.5</b>
Provisions for pensions and severance payments	44,556.2	44,755.0
Provisions for deferred taxes	2,462.0	2,370.0
Other non-current provisions	13,642.7	13,676.1
Non-current financial liabilities	5,677.8	5,996.6
Non-current trade payables	46.5	46.2
Other non-current liabilities	473.6	530.0
Deferred charges	234.4	236.5
<b>Non-current provisions and liabilities</b>	<b>67,093.2</b>	<b>67,610.4</b>
Current tax provisions	2,100.7	1,764.1
Other current provisions	14,408.7	17,732.7
Current financial liabilities	1,251.7	542.3
Current trade payables	30,506.2	26,896.2
Prepayments	444.9	228.0
Other current liabilities	18,660.7	20,292.4
Deferred charges	587.5	9.0
<b>Current provisions and liabilities</b>	<b>67,960.4</b>	<b>67,464.7</b>
<b>Equity and liabilities</b>	<b>485,541.7</b>	<b>495,946.6</b>

## Cash flow statement

in TEUR	1.1.–31.3.2008	1.1.–31.3.2009
Earnings after tax	11,548.0	11,738.1
Depreciation/write-ups of non-current assets	9,422.2	6,843.5
Profit and loss from asset disposal	33.6	62.1
Changes in non-current provisions	160.4	140.4
Changes in non-cash items resulting from currency translation adjustments, changes in minority interests and other	172.4	-1,198.0
<b>Gross cash flow</b>	<b>21,336.6</b>	<b>17,586.1</b>
Increase/decrease in inventories	-1,059.2	5,616.2
Increase/decrease in trade receivables	-3,591.2	3,095.8
Increase/decrease in other receivables and deferred charges	-2,610.3	144.3
Increase/decrease in trade payables and prepayments	-3,781.1	-3,827.2
Increase/decrease in other liabilities, current provisions and deferred charges	2,463.7	4,098.9
<b>Cash flow from operating activities</b>	<b>12,758.5</b>	<b>26,714.1</b>
Proceeds from the sale of assets	23.8	184.3
Investments in tangible and intangible assets	-6,118.2	-3,022.5
Investments in financial assets	208.9	-5,449.0
Net proceeds from the sale of financial investments in securities	-47.1	46.4
<b>Cash flow from investing activities</b>	<b>-5,932.6</b>	<b>-8,240.8</b>
Net redemption of current and non-current financial liabilities	-1,822.5	-390.6
Dividends	0.0	0.0
Dividends to minority interest	0.0	0.0
Changes in financial liabilities resulting from currency translation adjustments	242.0	-350.0
Proceeds from capital increases	0.0	0.0
Other	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-1,580.5</b>	<b>-740.6</b>
<b>Change in cash and cash equivalents</b>	<b>5,245.4</b>	<b>17,732.7</b>
Effects of exchange rate fluctuations on cash and cash equivalents	-201.0	127.9
Cash and cash equivalents at the beginning of the period	70,284.4	107,330.9
<b>Cash and cash equivalents at the end of the period</b>	<b>75,328.8</b>	<b>125,191.5</b>

## Consolidated income statement

in TEUR	1.1.–31.3.2008	1.1.–31.3.2009
<b>Revenue</b>	<b>159,473.2</b>	<b>146,915.1</b>
Changes in inventories	5,025.1	-688.0
Own work capitalised	328.9	199.4
<b>Operating revenue</b>	<b>164,827.2</b>	<b>146,426.5</b>
Other operating income	4,913.1	8,625.8
Cost of materials	-93,706.5	-80,027.9
Personnel expenses	-27,967.1	-27,117.2
Depreciation and amortisation	-6,869.1	-6,741.8
Other operating expenses	-24,860.3	-27,116.8
<b>Earnings before interest and tax (EBIT)</b>	<b>16,337.3</b>	<b>14,048.6</b>
Income from participations	0.0	0.0
Interest result	657.2	629.9
Other financial results	-2,446.2	-149.0
<b>Financial results</b>	<b>-1,789.0</b>	<b>480.9</b>
<b>Earnings before tax (EBT)</b>	<b>14,548.3</b>	<b>14,529.5</b>
Income taxes	-3,000.3	-2,791.4
<b>Earnings after tax</b>	<b>11,548.0</b>	<b>11,738.1</b>
thereof minority interest	-1,060.3	-3,895.7
thereof Semperit AG shareholders (net profit for the period)	10,487.7	7,842.4
<b>Earnings per share in EUR</b>	<b>0.51</b>	<b>0.38</b>
Average number of outstanding shares	20,573,434	20,573,434

## Statement of comprehensive income of the Semperit Group pursuant to IFRS

in TEUR	1.1.–31.3.2008	1.1.–31.3.2009
<b>Earnings after tax</b>	<b>11,548.0</b>	<b>11,738.1</b>
<b>Other comprehensive income (reported in equity)</b>		
"Available for sale" financial assets	51.5	-71.9
Currency translation	971.8	-1,282.8
<b>Total other comprehensive income, net of tax (reported in equity)</b>	<b>1,023.3</b>	<b>-1,354.7</b>
<b>Total recognised comprehensive income</b>	<b>12,571.3</b>	<b>10,383.4</b>
thereof minority interest	-274.1	-6,637.1
thereof Semperit AG shareholders	12,297.2	3,746.3

## Statement of changes in equity

in TEUR	Share capital	Capital reserves	Revenue reserves	Revaluation reserve	Currency translation	Semperit AG share-holders	Minority interest	Total
<b>Balance at 31.12.2007</b>	<b>21,359.0</b>	<b>21,503.2</b>	<b>232,626.6</b>	<b>-214.3</b>	<b>4,697.0</b>	<b>279,971.5</b>	<b>51,576.2</b>	<b>331,547.7</b>
Total recognised profits and losses			10,487.7	51.5	1,758.0	12,297.2	274.1	12,571.3
Dividends						0.0		0.0
<b>Balance at 31.3.2008</b>	<b>21,359.0</b>	<b>21,503.2</b>	<b>243,114.3</b>	<b>-162.8</b>	<b>6,455.0</b>	<b>292,268.7</b>	<b>51,850.3</b>	<b>344,119.0</b>
<b>Balance at 31.12.2008</b>	<b>21,359.0</b>	<b>21,503.2</b>	<b>250,698.6</b>	<b>-175.0</b>	<b>-1,441.6</b>	<b>291,944.2</b>	<b>58,543.9</b>	<b>350,488.1</b>
Total recognised profits and losses			7,842.4	-71.9	-4,024.2	3,746.3	6,637.1	10,383.4
Dividends						0.0		0.0
<b>Balance at 31.3.2009</b>	<b>21,359.0</b>	<b>21,503.2</b>	<b>258,541.0</b>	<b>-246.9</b>	<b>-5,465.8</b>	<b>295,690.5</b>	<b>65,181.0</b>	<b>360,871.5</b>



### Accounting and valuation methods

These interim financial statements as at March 31, 2009 have been 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. As a consequence of revisions made to IAS 1, Presentation of Financial Statements, the different parts of the financial statements have been newly structured and the titles have been changed. Income and expenses recognised directly in equity, termed "other comprehensive income" in the revised version of IAS 1 from the year 2007, will no longer be reported in the consolidated statement of changes in equity, but in a separate statement of comprehensive income. Above and beyond this, no major changes have been made in the accounting and valuation methods applied by the Semperit Group. For more detailed information on the accounting and valuation methods applied, readers are referred to the consolidated annual financial statements for the year ending December 31, 2008, which are the basis for these interim statements.

### Associated companies (equity method)

The net book value of Isotron Deutschland GmbH on March 31, 2009 was TEUR 383.9 (December 31, 2008: TEUR 383.9).

### Purchase and sale of tangible and intangible fixed assets

In the first three months of 2009, the Semperit Group purchased tangible and intangible fixed assets amounting to TEUR 3,022.5 (previous year: TEUR 6,118.2). In contrast, tangible and intangible fixed assets with a net book value of TEUR 89.3 (previous year: TEUR 14.6) were disposed of.

### Dividend payments

Year	Number of shares	Total dividend in TEUR	Dividend per share in EUR
2009	20,573,434	22,425.0	1.09
2008	20,573,434	19,544.8	0.95

### 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 Privatstiftung has a dominating influence over the company. For this reason, B & C Privatstiftung 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

In April the Semperit Group acquired the remaining 26% of shares in the Indian Sempertrans Nirlon (P) Ltd., becoming the sole owner of the company.

### 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 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, May 11, 2009

The Management Board

Rainer Zellner  
Chairman

Richard Ehrenfeldner

Richard Stralz



## SEMPERIT SHARE INFORMATION

International Securities Identification Number (ISIN)	AT0000785555
Share price low Q1 2009 in EUR	13.83
Share price high Q1 2009 in EUR	16.98
Share price at March 31, 2009 in EUR	14.60
Market capitalisation at March 31, 2009 in EUR million	300.4
Earnings per share Q1 2009 in EUR	0.38

## FINANCIAL CALENDAR

1 <sup>st</sup> half-year report 2009	August 14, 2009
3 <sup>rd</sup> quarter report 2009	November 20, 2009

**Contact:**  
Sybille Bernhardt  
Investor Relations  
Tel.: +43 1 79 777-210  
Fax: +43 1 79 777-602  
E-mail: [sybille.bernhardt@semperit.at](mailto:sybille.bernhardt@semperit.at)

[www.semperit.at](http://www.semperit.at)

