

DEAR SHAREHOLDERS,

Basic global economic conditions improved noticeably in the first quarter of 2004. The economy in China veritably boomed while Japan and the United States both enjoyed healthy growth. Europe fared less well, putting in an even weaker performance than expected due to quite major slumps in economic activity in Germany, Italy, and the Netherlands.

Further Increases in Sales and Earnings

Against this backdrop, the industrial group of Semperit AG Holding continuously expanded its business in the first quarter of 2004. Consolidated sales increased on the year before by 3.1% to EUR 118.6 million while profit before tax (PBT) rose by 10.6 % to EUR 11.6 million.

Selling markets remained strained in the period under review. Despite a revival in demand, excess capacities

SEMPERIT AT A GLANCE (in EUR Million)

	1-3/2000	1-3/2001	1-3/2002	1-3/2003	1-3/2004	Diff.04 zu 03
Sales in EUR million	83,3	94,1	107,1	115,0	118,6	+ 3.1%
Profit before tax (PBT) in EUR million	8,3	9,3	10,1	10,5	11,6	+ 10.6%
Number of employees	4.676	5.467	5.560	5.818	5.679	- 2.4%

prevailed worldwide, prolonging the fierce price competition. As a result, the Group was unable to sufficiently offset the disproportionately high increases in the prices for natural rubber and other raw materials in its calculation of sales prices.

Competition was also badly distorted by highly volatile exchange rates. Given the considerable volume of Group exports to North America, business was especially hard hit by the development of the US dollar.

The Group was therefore especially pleased about achieving its targets in the period under review in two programs being pushed throughout the enterprise. The first involves optimizing and restructuring the production processes. The second is aimed at increasing productivity at all subsidiaries. Improvements were made in virtually all business divisions, in terms both of basic strategic positioning and of key performance drivers in business operations.

Sempermed Still Impaired by Weak Dollar

Sempermed operated at full capacity in the first quarter of 2004, but the key figures belie this fact. That is because the Group's price increases and cost cuts were unable to adequately offset the unfavorable development of the US dollar and the increase in raw rubber prices.

The parent factory in Wimpassing, Austria, slightly exceeded expectations. The surgical glove production unit profited from attractive large-scale contracts from the Near East. However, in deliveries to North America, the competitive disadvantage of the weak dollar made noticeable inroads. The examination and industrial glove

units reported heavy undiminished pressure on prices as well as growing sales volumes.

Siam Sempermed reported above-target sales and earnings thanks to a full utilization of capacity at its Thai factories. For the first time in quite awhile, the company was able to push through price increases partly, especially on exports to the US, to offset the persistently high raw material costs. These increases, coupled with rigorous cost-cutting, allowed Siam Sempermed to improve its earnings situation.

SSF Shanghai Foremost, the Chinese Vinyl glove production facility, worked diligently to optimize its production machinery. The high prices for raw materials and energy made substantial inroads into profits.

The US sales company Sempermed USA continued to gain market share in terms of volume and sales on the world's largest glove market.

Dynamic Growth at Semperflex

Semperflex saw its dynamic growth trend from 2003 continue undiminished into the first quarter of 2004. Hydraulic hose enjoyed a continued high level of new orders and full utilization of capacity at all production sites thanks to the revival of demand in Western Europe and in the new EU Member States Czech Republic and Poland.

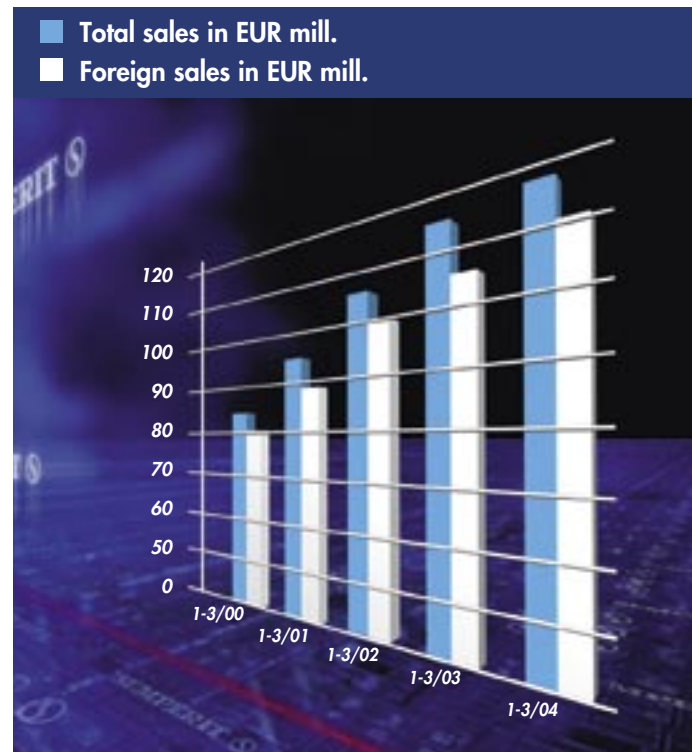
Industrial hose production at the parent factory in Wimpassing, Austria, improved its position in core European markets despite ever fiercer price competition from low-wage countries in Eastern Europe and the Far East. In elastomer sheeting, competition heated up as producers from the Far East pushed into the European market. This unit succeeded nonetheless in increasing both the volume and value of sales in the first quarter.

Semperflex Optimit, the Group's hose factory in the Czech Republic, increased its productivity on full utilization of capacity to set a new record for production output. To meet the rising demand, management is starting the further expansion of production capacity. Roiter, the Group's company in Italy, reaped the first fruits of its sales-restructuring measures.

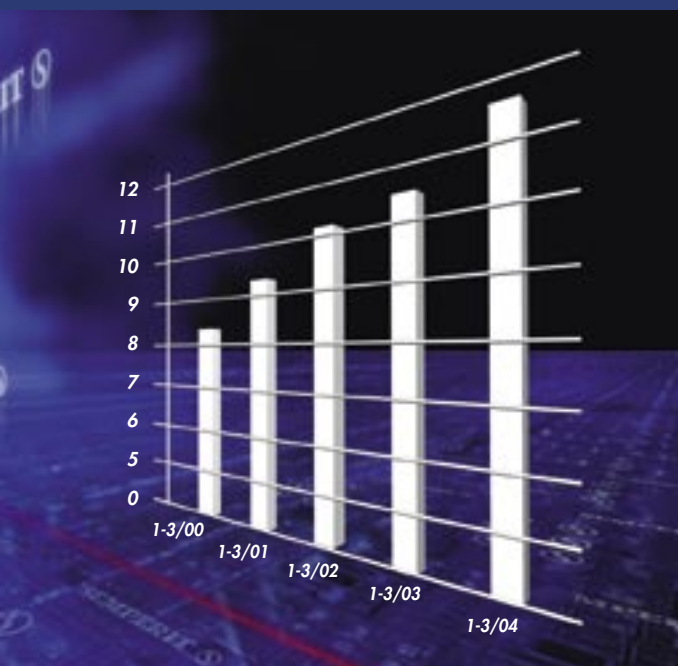
The Thai hose factory Semperflex Asia reported full use of production capacity thanks to a revival of demand in the US and Europe. However, the strained supply situation for several input materials led to bottlenecks in production. Earnings were curbed by rising raw material prices.

Full Order Books at Semperform

Growth at Semperform resulted in a marked improvement in the earnings situation and extended to all business



Profit before tax (PBT) as of the 1st Quarter in EUR mill.



locations.

At Wimpassing, Austria, the encouraging inflow of new orders brought about above-average growth for the priority segments railway superstructure and aerial ropeway rings. Sales of technical products exceeded expectations thanks to a revival in demand. Handrail production also recorded major incoming orders.

The handrail factory in Shanghai developed positively and in line with expectations, as did production operations in the US, with minor exceptions.

Semperform Hungary enjoyed strong demand in the first quarter for its products in the segments automobile supplier industry and roof window systems. This allowed it to match the previous year's level of business overall.

The German construction profile manufacturer Semperit Gummiwerk Deggendorf made another impressive showing in bucking the general trend in the German construction market to improve

its sales volume and market share and to score major successes in exports.

Continued Growth at Sempertrans

Sempertrans put in a solid performance in the first quarter, achieving satisfactory growth in both sales and earnings. The French production company Sempertrans France Belting Technology (SFBT) reported a decline in demand and inadequate prices for textile belts due to excess capacity worldwide. The weak dollar impaired sales in South America and Asia, the two key export markets.

The Polish conveyor belt manufacturer Sempertrans Belchatow topped its targets by conducting highly successful transactions involving metal belt exports to Eastern European markets and by utilizing the distribution channels of the Group's French company.

Sempertrans Nirilon, the group company in India, significantly improved productivity and optimized production while also making full use of capacities.

Record Earnings Targeted in 2004

The further development of the global economic situation is overshadowed by four major uncertainties: the precarious political situation in the Middle East, the high oil price, the expectation of growth-hindering policies in China, and anxieties about interest rates in the financial markets. Nonetheless, the Semperit management expects both sales and profits for 2004 as a whole to improve further and hit new record levels for the four-

teenth consecutive year. The persisting volatility of the US dollar and other key currencies make it difficult to forecast exactly how high those sales and earnings increases will be.

The Sempermed production locations will further increase their output again this year. At the Thai factories, the plan is to have the output top the mark of 6 million units of examination gloves for the first time. This will be done by dramatically improving productivity. The Group plans to increase its market share in Europe and the USA, but, in a repeat of 2003, the figures will be distorted by the foreign exchange shifts.

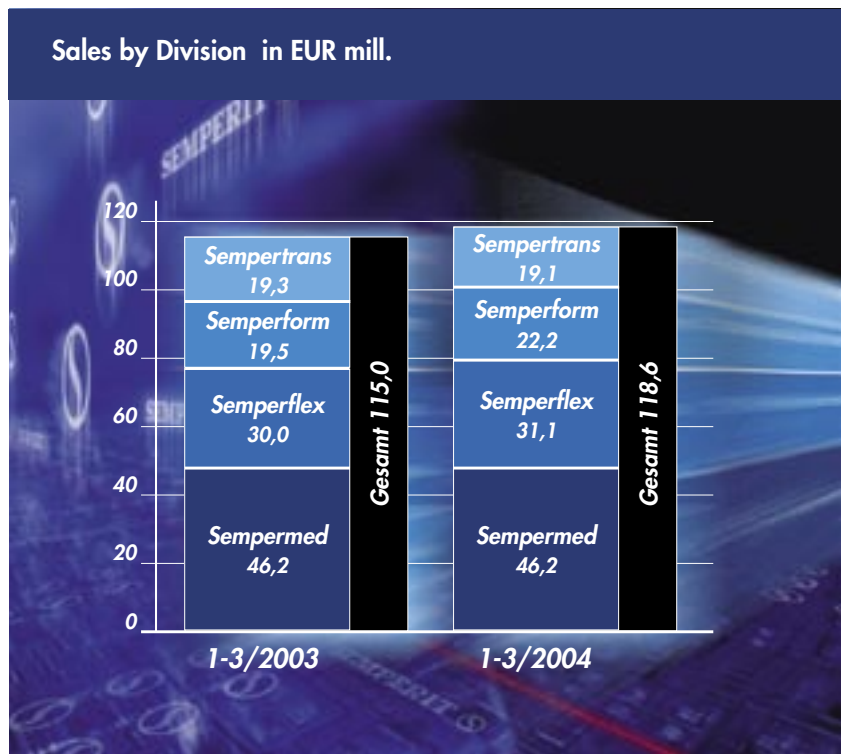
At Semperflex the heavy inflow of orders bodes well for the continuation of above-average business growth especially in the hydraulic hose segment. Satisfactory increases in sales are planned for industrial hose and elastomer sheeting.

Business at Semperform is also expected to expand at a sufficiently dynamic pace in nearly all areas as well.

Sempertrans products are well-positioned on the market in terms of their quality and the prices obtained for them. However, textile belts are facing fiercer competition on all export markets whereas Sempertrans has had no problems being competitive with its metal belts produced in Poland.

Increase in Semperit Share Price

The steady and solid development of the Semperit Group under these tough economic conditions was positively reflected again this year in the share price trend. After closing 2003 at 13.37 EUR, Semperit shares were trading 20% higher by the end of March at 16.08 EUR on a rising trend. In line with the continued improvement in earnings in 2003, the profit distribution will be increased from 41 cent per share to 54 cent per share, upon approval by the Annual General Shareholder's meeting.



BALANCE SHEET

Assets

in TEUR	31.12.2003	31.3.2004
Intangible assets	-2,980.7	-3,318.1
Property, plant and equipment	117,737.8	116,757.0
Financial assets	25,592.0	24,207.5
FIXED AND FINANCIAL ASSETS	140,349.1	137,646.4
Inventories	58,668.4	62,869.9
Trade receivables	67,443.5	75,964.9
Other receivables	14,957.7	17,191.2
Cash and cash equivalents	40,301.4	49,989.0
Prepaid expenses and deferred charges	630.2	1,649.0
CURRENT ASSETS	182,001.2	207,664.0
Deferred tax	11,570.6	11,886.6
ASSETS	333,920.9	357,197.0

Equity and liabilities

Issued capital	21,359.0	21,359.0
Share premium	21,503.2	21,503.2
Retained earnings	128,484.8	135,049.7
Treasury shares	-2,460.0	-2,460.0
Currency translation reserve	-13,685.0	-11,769.3
EQUITY	155,202.0	163,682.6
MINORITY INTEREST	34,427.7	37,366.3
Provisions for pensions and severance payments	54,231.2	54,404.4
Provisions for deferred taxes	746.2	816.1
Provisions for current taxes	4,679.4	6,502.4
Other provisions	27,846.1	30,151.5
PROVISIONS	87,502.9	91,874.4
Liabilities due to banks	16,811.8	19,089.5
Trade payables	24,104.3	25,773.6
Prepayments	526.5	631.3
Other liabilities	14,701.2	17,799.5
Prepaid expenses and deferred charges	644.5	979.8
LIABILITIES	56,788.3	64,273.7
EQUITY AND LIABILITIES	333,920.9	357,197.0

STATEMENT OF CASH FLOWS

in TEUR	1.1. - 31.3.2003	1.1. - 31.3.2004
Cash-flow from result	10,643.0	14,734.4
Changes in working capital	1,968.4	-6,391.3
Cash-flow from operating activities	12,611.4	8,343.1
Cash-flow from investing activities	-9,872.9	-1,334.8
Cash-flow from financing activities	2,573.2	2,679.3
CHANGES IN CASH AND CASH EQUIVALENTS	5,311.7	9,687.6
Cash and cash equivalents at the beginning of the 1 st quarter	18,981.7	40,301.4
Cash and cash equivalents at the end of the 1 st quarter	24,293.4	49,989.0

PROFIT AND LOSS ACCOUNT

in TEUR	1.1.-31.3.2003	1.1.-31.3.2004
SALES	115,040.3	118,628.5
Differences between opening and closing stocks	107.5	2,694.6
Own work capitalised	150.4	49.6
OPERATING REVENUES	115,298.2	121,372.7
Other operating income	2,346.3	3,478.3
Cost of materials	-58,825.2	-59,519.3
Staff costs	-22,448.5	-24,038.6
Depreciation	-5,583.9	-5,549.9
Other operating expenses	-19,673.1	-24,479.6
OPERATING PROFIT (EBIT)	11,113.8	11,263.6
Income from companies in which group has a participating interest	138.8	89.7
Investment results	-88.5	41.7
Other financial results	-684.7	194.6
FINANCIAL RESULTS	-634.4	326.0
PROFIT BEFORE TAX (PBT)	10,479.4	11,589.6
Taxes on income	-2,991.8	-3,187.8
PROFIT AFTER TAX	7,487.6	8,401.8
Minority interests	-1,731.7	-1,836.9
NET PROFIT FOR THE PERIOD	5,755.9	6,564.9
Earnings per share in EUR	0.28	0.32
Weighted average number of shares	20,348.434	20,348.434

CAPITAL AND RESERVES

in TEUR	Issued capital	Share premium	Retained earnings	Treasury shares	Currency transl. reserve	Total
Balance on 31.12.2002	21,359.0	21,503.2	109,914.5	-2,460.0	-1,770.6	148,546.1
Net profit			5,755.9			5,755.9
Dividend						0.0
Currency translation adjustments					-5,200.7	-5,200.7
Balance on 31.03.2003	21,359.0	21,503.2	115,670.4	-2,460.0	-6,971.3	149,101.3

in TEUR	Issued capital	Share premium	Retained earnings	Treasury shares	Currency transl. reserve	Total
Balance on 31.12.2003	21,359.0	21,503.2	128,484.8	-2,460.0	-13,685.0	155,202.0
Net profit			6,564.9			6,564.9
Dividend						0.0
Currency translation adjustments					1,915.7	1,915.7
Balance on 31.03.2004	21,359.0	21,503.2	135,049.7	-2,460.0	-11,769.3	163,682.6


FINANCIAL CALENDER 2004

Quarterly reports 2004
2nd quarter: 27. 08. 2004
3rd quarter: 26. 11. 2004

Preliminary results 2004
9th week of 2005

For more information on the Semperit Group,
please contact:

Semperit Aktiengesellschaft Holding
Wolfgang Hampel
Modecenterstraße 22, 1030 Wien.
Tel.: 0043/1/79 777 – 300, Fax: 0043/1/79 777 – 602
e-mail: investors@semperit.at
www.semperit.at

SEMPERIT 

Letter to Shareholders 1st Quarter 2004

SEMPERIT  Aktiengesellschaft Holding

2004