SEMPERIT

Half-year financial report 2014

Highlights

- Revenue +2.9% to EUR 464.3 million
- EBITDA +4.6% to EUR 68.8 million
- EBIT +5.7% to EUR 46.2 million
- Earnings after tax -1.5% to EUR 27.8 million
- Dividend payment of EUR 24.7 million

Income statement key figures

in EUR million	H1 2014 (Jan.–Jun.)	Change	H1 2013 (Jan.–Jun.)	Q2 2014 (Apr.–Jun.)	Change	Q2 2013 (Apr.–Jun.)	2013 (Jan.–Dec.)
Revenue	464.3	+2.9%	451.4	231.6	–2.0%	236.2	906.3
EBITDA	68.8	+4.6%	65.8	35.4	–2.9%	36.4	132.5
EBITDA margin	14.8%	+0.2 PP	14.6%	15.3%	–0.1 PP	15.4%	14.6%
EBIT	46.2	+5.7%	43.7	23.9	–4.2%	24.9	87.8
EBIT margin	10.0%	+0.3 PP	9.7%	10.3%	–0.3 PP	10.6%	9.7%
Earnings after tax	27.8	–1.5%	28.2	14.7	–6.7%	15.8	54.9
Earnings per share (EPS)[1], in EUR	1.35	–0.7%	1.36	0.72	–5.6%	0.76	2.65
Gross cash flow	57.0	–2.5%	58.5	30.0	–0.9%	30.3	116.2
Return on equity[2]	13.3%	–0.3 PP	13.6%	14.1%	–1.1 PP	15.2%	13.3%

Balance sheet key figures

in EUR million	30.6.2014	Change	30.6.2013	31.3.2014	Change	31.3.2013	31.12.2013
Balance sheet total	856.9	+5.1%	815.2	866.2	–0.1%	867.4	852.1
Equity[1]	418.9	+1.9%	411.1	424.2	–0.8%	427.7	411.5
Equity ratio	48.9%	–1.5 PP	50.4%	49.0%	–0.3 PP	49.3%	48.3%
Investments in tangible and intangible assets	21.1	+6.0%	19.9	9.9	+1.0%	9.8	49.7
Employees (at balance sheet date)	11,155	+11.1%	10,039	10,788	+7.6%	10,030	10,276

Sector and segment key figures

in EUR million	H1 2014 (Jan.–Jun.)	Change	H1 2013 (Jan.–Jun.)	Q2 2014 (Apr.–Jun.)	Change	Q2 2013 (Apr.–Jun.)	2013 (Jan.–Dec.)
Medical Sector = Sempermed							
Revenue	220.6	+1.1%	218.3	106.5	–4.5%	111.6	434.9
EBITDA	29.2	+3.6%	28.2	13.5	–15.7%	16.0	58.7
EBIT	17.4	+1.6%	17.1	7.5	–25.6%	10.0	36.6
Industrial Sector = Semperflex + Sempertrans + Semperform							
Revenue	243.7	+4.5%	233.1	125.1	+0.4%	124.7	471.5
EBITDA	49.7	+10.1%	45.1	26.5	+6.5%	24.9	90.1
EBIT	39.1	+13.9%	34.3	21.1	+8.8%	19.4	67.7
Semperflex							
Revenue	106.7	+18.0%	90.4	53.8	+12.1%	48.0	186.1
EBITDA	27.6	+33.3%	20.7	14.5	+33.6%	10.8	41.5
EBIT	22.0	+48.5%	14.8	11.6	+47.7%	7.9	29.7
Sempertrans							
Revenue	71.0	–9.4%	78.4	36.0	–12.7%	41.2	154.5
EBITDA	10.2	–13.9%	11.9	5.4	–14.5%	6.3	23.9
EBIT	8.2	–16.7%	9.8	4.4	–17.4%	5.3	19.4
Semperform							
Revenue	65.9	+2.6%	64.3	35.3	–0.4%	35.4	130.8
EBITDA	11.8	–5.6%	12.5	6.6	–14.3%	7.7	24.7
EBIT	8.9	–8.1%	9.7	5.1	–17.9%	6.3	18.6

Note:
Rounding differences in the totalling of rounded amounts and percentages may arise from the use of automatic data processing.
[1] Attributable to the shareholders of Semperit AG Holding
[2] Based on a full-year projection

Revenue and earnings of Semperit Group

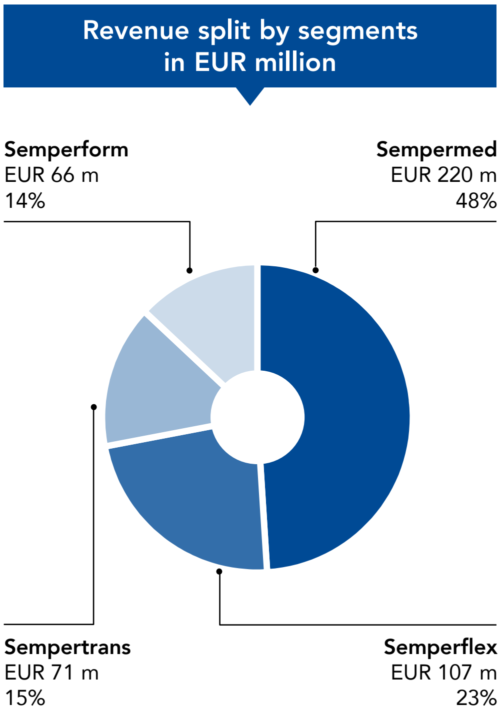
FIRST HALF OF 2014

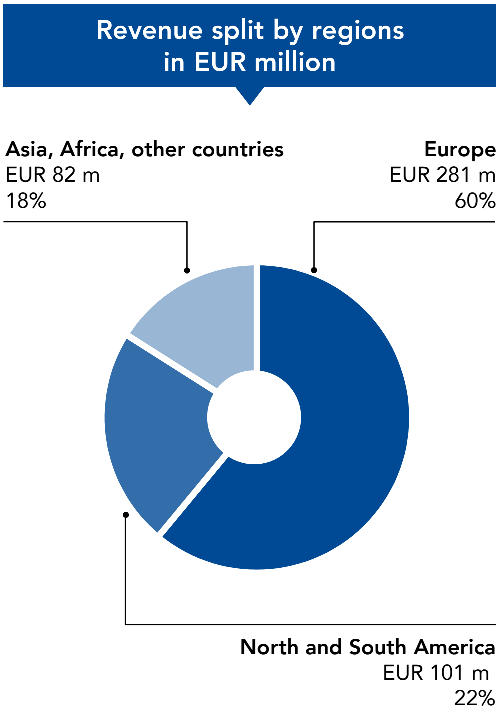
In the first half of 2014 the Semperit Group increased its revenue by 2.9% or EUR 12.9 million to EUR 464.3 million. This improvement was solely due to organic volume growth. Strong sales and good capacity utilisation more than compensated for the lower level of prices caused by declines in raw material prices.

Revenue improved in the Medical Sector, mostly as a result of positive quantity effects for examination gloves. Revenue in the Semperflex segment, with an organic increase of nearly 20%, was considerably higher year-on-year. The Semperform segment grew its revenue, too. Only the Sempertrans segment posted lower revenue due to price-related reasons.

The share of total revenue by segment in the first half of 2014 was as follows: 48% is attributable to Sempermed, 23% to Semperflex, 15% to Sempertrans and 14% to Semperform.

The regional distribution of revenue for the first half of 2014 was slightly lower for Europe with a share of 60% in contrast to the first half year of 2013 with 62%. The regions North and South America as well as Asia gained shares.





In the first half of 2014 the changes in inventories were positive at EUR 0.5 million, compared with an increase in inventories of EUR 9.9 million in the first half of 2013.

Other operating income fell slightly from EUR 12.4 million to EUR 10.3 million.

Although revenue grew during the reporting period compared with the previous year, there was an opposite trend in material costs, which declined by 4.8% from EUR 264.1 million to EUR 251.3 million. The Semperit Group is continuing its active approach to managing raw materials in order to be able to address the price situation in procurement markets in a flexible manner. Furthermore, generally lower price levels had a favourable impact on material costs.

Personnel expenses rose by 9.4% to EUR 83.8 million due to increased employee headcount and higher wage and salary costs. This higher employee headcount was primarily caused by the strengthening of the staff in the Sempermed, Semperflex and Semperform segments.

Compared with the first half of 2013, other operating expenses increased by 5.9% to EUR 72.0 million because of higher maintenance costs, outgoing freight charges and strategic projects.

As a consequence of the higher operating revenue (+0.8%) combined with the simultaneous decline in materials costs, EBITDA (earnings before interest, tax, depreciation and amortisation) improved in the first half of 2014 despite the higher personnel expenses and other operating expenses, rising by 4.6% from EUR 65.8 million to EUR 68.8 million. The EBITDA margin edged higher as well, advancing from 14.6% in the prior-year period to now 14.8%.

Key figures Semperit Group

in EUR million	H1 2014 (Jan.–Jun.)	H1 2013 (Jan.–Jun.)	Change relative	Change absolute	2013 (Jan.–Dec.)
Revenue	464.3	451.4	+2.9%	+12.9	906.3
EBITDA	68.8	65.8	+4.6%	+3.0	132.5
EBITDA margin	14.8%	14.6%	+0.2 PP	–	14.6%
EBIT	46.2	43.7	+5.7%	+2.5	87.8
EBIT margin	10.0%	9.7%	+0.3 PP	–	9.7%
Earnings after tax	27.8	28.2	–1.5%	–0.4	54.9
Investments in tangible and intangible assets	21.1	19.9	+6.0%	+1.2	49.7
Employees (at balance sheet date)	11,155	10,039	+11.1%	+1,116	10,276

At EUR 22.6 million, depreciation expense was up slightly by 2.4% compared with EUR 22.1 million recorded in the first half of 2013. EBIT rose from EUR 43.7 million to EUR 46.2 million (+5.7%), with the EBIT margin improving too, rising from 9.7% to 10.0%.

The negative financial result in the first half of 2014 totalled EUR 9.8 million, following EUR 7.0 million in 2013. The main reasons for this increase in the first half of 2014 were higher allocations of the group's profit to redeemable non-controlling interests as well as an increase in financial expenses of EUR 1.3 million to EUR 2.5 million, which is due to the corporate Schuldschein loan. The item "Profit/loss attributable to redeemable non-controlling interests", which is mostly related to several companies in the Sempermed segment, was higher at EUR 8.1 million.

Income tax expense rose slightly by 1.5% to EUR 8.6 million. The tax rate as a percentage of earnings before tax and redeemable non-controlling interests was marginally lower, decreasing from 19.6% to 19.3%.

Earnings after tax (profit for the period) declined by 1.5% to EUR 27.8 million. This led to earnings per share of EUR 1.35 for the first half of 2014, down from EUR 1.36 in the first half of 2013.

SECOND QUARTER 2014

Semperit Group performed well in the second quarter of 2014. Despite an increase in quantities sold, revenue was 2.0% lower at EUR 231.6 million compared with the second quarter of 2013 due to a decline in raw material prices. While the Medical Sector posted a 4.5% decrease in revenue, the Industrial Sector held its revenue steady at the level of the second quarter of 2013 thanks to a considerable increase of more than 12% in the revenue of the Semperflex segment. All in all, the Semperit Group was able to maintain its revenue nearly unchanged sequentially on the first quarter of 2014.

As a result of the lower revenue, EBITDA declined by 2.9% to EUR 35.4 million, with EBIT falling by 4.2% to EUR 23.9 million. The EBITDA and EBIT margins declined slightly as well, decreasing to 15.3% and 10.3%, respectively. At these levels, both values are in the upper third of the targeted margin range of 12% to 15% for the EBITDA margin and 8% to 11% for the EBIT margin.

Earnings after tax decreased by 6.7% to EUR 14.7 million, and earnings per share fell from EUR 0.76 in the second quarter of 2013 to now EUR 0.72 in the second quarter of 2014.

Second quarter 2014

in EUR million	Q2 2014 (Apr.–Jun.)	Q2 2013 (Apr.–Jun.)	Change relative	Change absolute	2013 (Jan.–Dec.)
Revenue	231.6	236.2	–2.0%	–4.6	906.3
EBITDA	35.4	36.4	–2.9%	–1.1	132.5
EBITDA margin	15.3%	15.4%	–0.1 PP	–	14.6%
EBIT	23.9	24.9	–4.2%	–1.0	87.8
EBIT margin	10.3%	10.6%	–0.3 PP	–	9.7%
Earnings after tax	14.7	15.8	–6.7%	–1.1	54.9
Investments in tangible and intangible assets	11.2	10.1	+10.8%	1.1	49.7

BALANCE SHEET AND FINANCIAL POSITION

Compared with the balance at 31 December 2013, the balance sheet total rose slightly in the first half of 2014 by 0.6% to EUR 856.9 million. On the asset side of the balance sheet, the main reason for this trend was primarily higher trade receivables as well as a rise in tangible assets caused also by expansion investments. These increases were offset by lower cash and cash equivalents. As far as liabilities and equity are concerned, current liabilities were higher and non-current liabilities were lower compared with the end of 2013.

Trade working capital (inventories plus trade receivables minus trade payables) rose from EUR 186.6 million at the end of 2013 to EUR 201.1 million, and therefore constituted 21.9% of the rolling 12-month revenue of EUR 919.2 million (figure at 31 December 2013: 20.6%). The increase is mostly attributable to higher trade receivables. On the contrary trade payables were higher, whereas inventories remained largely unchanged.

Cash and cash equivalents decreased since the end of 2013, falling from EUR 182.6 million to EUR 157.3 million as at 30 June 2014. The reasons for this decline are the payment of the dividend to the shareholders of Semperit AG Holding in the amount of EUR 24.7 million (previous year: EUR 16.5 million) and the payment of dividends to the non-controlling shareholders in subsidiaries in the amount of EUR 14.8 million (EUR 9.0 million in the first half of 2013).

Liabilities from the corporate Schuldschein loan and to banks total EUR 139.8 million (at the end of 2013: EUR 139.3 million), resulting in overall net liquidity of EUR 17.5 million (year-end 2013: EUR 43.3 million).

As at 30 June 2014 Semperit Group's equity (without non-controlling interests) stood at EUR 418.9 million, EUR 7.5 million higher than at the end of 2013 (EUR 411.5 million). The change resulted from earnings after tax, the distribution of the dividend to the shareholders of Semperit AG Holding and the change in the currency translation reserve.

The group's equity ratio as at 30 June 2014 amounted to 48.9% (year end 2013: 48.3%), which is still considerably above the sector average. The capital structure of the Semperit Group therefore remains very solid. The return on equity stood at 13.3%, following 13.6% in the first half of 2013. The return on equity is calculated based on the earnings after tax as extrapolated for the full year (EUR 55.6 million) in relation to the equity of EUR 418.9 million (each both in respect to the portion attributable to the shareholders of Semperit AG Holding).

Liabilities remained virtually unchanged at EUR 435.5 million compared with the end of 2013. The liabilities from redeemable non-controlling interests decreased due to dividend payments by EUR 5.4 million to EUR 97.0 million. Provisions including social capital were practically unchanged at EUR 72.9 million. Other liabilities including the corporate Schuldschein loan and deferred taxes increased slightly by EUR 3.7 million to EUR 265.6 million.

Gross cash flow was EUR 57.0 million, a slight year-on-year decline of EUR 1.4 million or 2.5%. The main reason for this was an increase in taxes paid.

INVESTMENTS

At EUR 21.1 million, cash relevant investments in tangible and intangible assets in the first half of 2014 were just slightly higher than the level of the same period last year. The group's priorities were expansion and improvement investments in the segments Sempermed, Semperflex (expansion of the plant in Odry, Czech Republic) and Sempertrans (expansion of the plant in Belchatów, Poland).

EMPLOYEES

As at 30 June 2014 the group's total headcount stood at 11,155 employees, 11.1% more than at 30 June 2013 (10,039 people). This trend is primarily attributable to the build-up of staff in the Sempermed, Semperflex and Semperform segments.

Economic environment

In its assessment of the economy from June 2014, the World Bank forecasts that global economic output in 2014 will grow by 2.8%. Moreover, it anticipates a considerable increase globally of 3.4% and 3.5% for 2015 and 2016, respectively, driven primarily by momentum in developed economies.

Following a weak first quarter caused by severe weather conditions, the expectations for the USA in 2014 were lowered slightly to 2.1%, whereas growth is expected to accelerate to 3.0% in the two following years. This optimism is based on positive labour market data, an easing of fiscal policy and a recovery on the capital markets. The World Bank forecasts that economic trends in the countries of Latin America will increasingly diverge. GDP growth in China should hover around 7.6% in 2014 to 2016, despite the first signs of a slowdown.

According to the most recent assessments of the European Commission, the economy in the European Union (EU) is improving steadily thanks to positive labour market trends and stronger internal demand. In 2014 the EU's GDP is expected to grow by 1.6%, with the Eurozone expanding by 1.2%. The forecast for 2015 for the EU and the Eurozone are 2.0% and 1.7%, respectively. Following a subdued 2013, the momentum in the German economy should accelerate significantly, leading to growth in economic output of 1.8% in 2014 and 2.0% in 2015. The comparable values for Austria stand at 1.6% and 1.8%.

The business sectors of the Semperit Group react differently to current macroeconomic developments. While trends in the market for medical products are largely unaffected by the business cycle, the Industrial Sector, with the relevant industries of energy, construction, mechanical engineering and industrial equipment, is influenced by the overall economic environment.

Developments in raw materials

At the start of 2014 price trends varied in the sub-markets for the raw materials that are important for the rubber industry, such as the market for natural rubber and natural latex as well as the market for synthetic rubber. The development of these markets is influenced in part by demand from the main consumer of rubber products, the tyre and automobile industry.

Following a decline in prices for natural latex at the start of 2014, prices stabilised at a low level. The average prices during the first half of 2014 were around 10% below the level at the end of 2013 and more than 20% below the average prices in the first half of 2013. While synthetic rubber is manufactured globally, by far the largest share of natural rubber and latex is produced in Southeast Asia, above all in Thailand, Indonesia and Malaysia.

In 2014 the price of synthetic rubber consolidated somewhat at the start of the first quarter and has moved sideways since March without any meaningful volatility. The average prices in the first half of 2014 are hovering at levels unchanged versus December 2013, although they are around 20% below the comparable values from the first half of 2013.

The prices of the other important raw materials for the Semperit Group, such as the filling material carbon black and also wire and steel cord, were largely stable.

Revenue and earnings of the sectors

The Semperit Group divides its business activities into two sectors, Medical and Industrial. The Medical Sector comprises the Sempermed segment, while the Industrial Sector includes the Semperflex, Sempertrans and Semperform segments. The Semperit Group was able to boost both the revenue and the earnings of its two sectors in the first half of 2014: the Medical Sector posted a revenue increase of 1.1% to EUR 220.6 million, while the Industrial Sector was 4.5% higher at EUR 243.7 million.

EBITDA in the Medical Sector rose by 3.6% to EUR 29.2 million, and the Industrial Sector was able to grow its EBITDA by 10.1% to EUR 49.7 million. The EBITDA margin of both sectors is therefore clearly in double-digit territory: 13.3% for Medical and 20.4% for Industrial.

EBIT in the Medical Sector edged higher by 1.6% to EUR 17.4 million, whereas the Industrial Sector was 13.9% higher at EUR 39.1 million. The EBIT margin in the Medical Sector reached 7.9%, up from 7.8% in the previous year. Another positive aspect about the sector's performance in the reporting period is the double-digit growth rate in the volume of examination gloves sold, which resulted from a good sales performance.

The Industrial Sector was able to boost its profitability further and improve the EBIT margin from 14.7% in the first half of 2013 to 16.0% in the first half of 2014. All three segments in the Industrial Sector have double-digit EBIT margins. The exposed Semperflex segment managed to grow its EBIT margin from 16.4% to 20.6% thanks to very good sales and the corresponding strong utilisation of capacity, whereas the EBIT margin in the sector's other two segments was lower. Sempertrans declined from 12.5% to 11.5%, and Semperform decreased from 15.1% to 13.6%.

Performance of the segments

SEMPERMED

In the first half of 2014 the revenue in the Sempermed segment rose slightly by 1.1% to EUR 220.6 million. Considerably higher sales volumes thanks to a generally good sales performance were offset by negative price effects associated with raw material prices that are lower compared with 2013, particularly for natural latex but also for nitrile (synthetic latex).

In the first half of 2014 the EBITDA of the Sempermed segment, at EUR 29.2 million, rose by 3.6% compared with the prior year. EBIT improved marginally to EUR 17.4 million, up from 17.1 million in 2013 (+1.6%). As a result, the EBITDA margin edged higher from 12.9% to 13.3%, while the EBIT margin remained virtually unchanged at 7.9%.

A direct comparison between the second quarter in 2014 and the second quarter in 2013 shows that there was a decline in revenue, EBITDA and EBIT. Profitability in the second quarter of 2014 was adversely impacted by, among other things, an increase in electricity and gas prices in Malaysia. These incremental costs could only partially be passed on to customers due to competitive pressure. In addition, the water supply to the group's plant in Malaysia was interrupted on a daily basis due to expansion work in the local supply network, causing production downtime.

Compared with the first half of 2013 sales of examination gloves increased at double-digit rates. Demand was particularly strong in Europe, whereas the USA was weaker. Growth was achieved not just in the medical field; gains were also made in non-medical industries such as industrials and especially consumer goods, which are both developing better in the meantime. The increase in unit sales for gloves made of natural latex was stronger than for nitrile gloves (synthetic latex). As in previous quarters, the capacity of Sempermed's production facilities was well utilised.

In the first half of 2014 sales of surgical gloves hovered at nearly the same level as in the comparable period last year.

Key figures Sempermed

in EUR million	H1 2014 (Jan.–Jun.)	Change	H1 2013 (Jan.–Jun.)	Q2 2014 (Apr.–Jun.)	Change	Q2 2013 (Apr.–Jun.)	2013 (Jan.–Dec.)
Revenue	220.6	+1.1%	218.3	106.5	–4.5%	111.6	434.9
EBITDA	29.2	+3.6%	28.2	13.5	–15.7%	16.0	58.7
EBITDA margin	13.3%	+0.4 PP	12.9%	12.6%	–1.7 PP	14.3%	13.5%
EBIT	17.4	+1.6%	17.1	7.5	–25.6%	10.0	36.6
EBIT margin	7.9%	+0.1 PP	7.8%	7.0%	–2.0 PP	9.0%	8.4%
Investments	5.4	–54.4%	11.8	2.0	–62.6%	5.3	33.2

Referring to a publication by the Finnish NGO "Finnwatch", the Business Social Compliance Initiative (BSCI) performed an external, independent audit of Sempermed in Thailand during the second quarter of 2014. The good outcome of this audit confirms that Sempermed in Thailand complies with all applicable legislation. There are neither child labour, nor forced labour nor discrimination, and all employees receive a fair wage for their work.

In order to meet rising demand and boost productivity, Sempermed will increase its production capacity at the plant in Kamunting, Malaysia. A total of around EUR 50 million will be invested in the construction of a new glove factory during the period 2014 to 2016.

SEMPERFLEX

Of all of the group's segments, the Semperflex segment is particularly exposed to potential economic volatility. Thanks to an impressive production and sales performance, revenue grew in the first half of 2014 by 18.0%, i.e., by nearly a fifth, to EUR 106.7 million. The segment was able to maintain a constantly high volume of production, thereby achieving economies of scale and boosting efficiency. All in all, this led to a further improvement in profitability, with the growth in both EBITDA and EBIT, each at more than 30%, significantly outpacing the increase in revenue.

In the first half of 2014 the segment's EBITDA advanced by 33.3% to EUR 27.6 million, with EBIT spiking by 48.5% to EUR 22.0 million. The segment's profitability rose yet again too: the EBITDA margin of 25.9% was higher than the 22.9% achieved in 2013, and the EBIT margin came in at 20.6%, following 16.4% in the first half of 2013. In the second quarter of 2014 there were also significant quarter-on-quarter increases in revenue, EBITDA and EBIT compared with the same period in 2013.

Order intake in Europe and the USA has been very good, and the segment's order book is well filled until the end of 2014. All in all, this has led, to a continued capacity utilisation close to the segment's maximum. However, demand trends in the overall market have eased somewhat. The expansion of capacity at the plant in Odry, Czech Republic, for which an investment of more than EUR 10 million is planned in 2014, is proceeding according to plan. The new production capacity is set to come on line in the first quarter of 2015.

Key figures Semperflex

in EUR million	H1 2014 (Jan.–Jun.)	Change	H1 2013 (Jan.–Jun.)	Q2 2014 (Apr.–Jun.)	Change	Q2 2013 (Apr.–Jun.)	2013 (Jan.–Dec.)
Revenue	106.7	+18.0%	90.4	53.8	+12.1%	48.0	186.1
EBITDA	27.6	+33.3%	20.7	14.5	+33.6%	10.8	41.5
EBITDA margin	25.9%	+3.0 PP	22.9%	26.9%	+4.3 PP	22.6%	22.3%
EBIT	22.0	+48.5%	14.8	11.6	+47.7%	7.9	29.7
EBIT margin	20.6%	+4.2 PP	16.4%	21.6%	+5.2 PP	16.4%	16.0%
Investments	6.3	+28.5%	4.9	4.0	+34.9%	3.0	6.0

The Hydraulic Hoses business unit generated most of the segment's revenue, as it benefited from strong demand, particularly in Europe. Order intake from the USA remained good as well. Thanks to close cooperation with customers the business unit gained further market share. In Asia, trends have become more difficult overall, with demand remaining subdued throughout the region. All in all, volume grew at a double-digit rate.

Business unit sales for industrial hoses likewise increased at a double-digit pace. Despite the challenging situation in Russia and Ukraine, the business unit performed very well in Europe. The group's decision to globalise the sale of industrial hoses beyond their traditional markets in Europe has led to further success, particularly in Asia.

Revenue trends in the smallest business unit of this segment, Elastomer and Wear-Resistant Sheeting, were positive thanks to a good increase in volume.

SEMPERTRANS

Volume trends in the Sempertrans segment were good in the first half of 2014 compared with the previous year. Despite negative price effects from raw materials and the associated decline in revenue, the segment achieved a satisfactory EBIT margin of 11.5% in the first half of 2014 (12.1% in the second quarter of 2014). All in all, revenue decreased by EUR 7.3 million to EUR 71.0 million (down 9.4%). This decline also weighed on the development of both EBITDA, which fell by 13.9% to EUR 10.2 million, and EBIT, which at EUR 8.2 million was 16.7% below the level in the first half of 2013. Nevertheless, both the EBITDA and the EBIT margins remained in double-digit territory, at 14.4% and 11.5%, respectively. A comparison between the second quarter in 2014 and the previous year period shows that there was a decline in revenue, EBITDA and EBIT.

Individual new projects in both the project business and in mining continue to be scrutinised closely and order decisions are being made more slowly; in some cases, deliveries have been delayed. Also the industrial business, which includes sales to companies outside the mining sector, is stable, but still muted, with just a few isolated exceptions such as the cement industry. The performance of the replacement business has been satisfactory. Yet despite this competitive environment, the capacity of the Sempertrans segment is well utilised into the fourth quarter of 2014.

Key figures Sempertrans

in EUR million	H1 2014 (Jan.–Jun.)	Change	H1 2013 (Jan.–Jun.)	Q2 2014 (Apr.–Jun.)	Change	Q2 2013 (Apr.–Jun.)	2013 (Jan.–Dec.)
Revenue	71.0	–9.4%	78.4	36.0	–12.7%	41.2	154.5
EBITDA	10.2	–13.9%	11.9	5.4	–14.5%	6.3	23.9
EBITDA margin	14.4%	–0.8 PP	15.2%	15.1%	–0.3 PP	15.4%	15.5%
EBIT	8.2	–16.7%	9.8	4.4	–17.4%	5.3	19.4
EBIT margin	11.5%	–1.0 PP	12.5%	12.1%	–0.7 PP	12.8%	12.5%
Investments	5.3	>100%	1.0	3.1	>100%	0.8	6.8

From a geographical perspective, Western Europe has performed particularly well. Sempertrans benefits in this region from a comprehensive sales and distribution network and good market positioning. Sales in crisis regions such as Ukraine – with effects on Russia – as well as in the Middle East and North Africa were weaker. This also means that Sempertrans's competitors are switching to other markets, increasing competition in these markets as a result. On the other hand, the order situation is good in South America. In India the group gained market share, although price competition continues to prevail in this market. The plant in China has benefited from better capacity utilisation and measures to improve operating performance. But order trends in other parts of Asia are subdued.

The work to expand capacity at the Polish conveyor-belt plant in Belchatów (total investment of around EUR 40 million between 2013 and 2015) is continuing according to plan. As a result, the additional capacity will gradually become available starting at the end of the first half of 2015. In addition to the gradual increase and training of personnel for the production expansion in Bełchatów, targeted investments are also being made in personnel resources to achieve two objectives: to position the segment as a solution provider and to develop new markets and market segments through incremental sales personnel.

SEMPERFORM

In the first half of 2014 the Semperform segment posted an increase in revenue of 2.6% to EUR 65.9 million. This improvement is primarily attributable to double-digit volume growth in nearly all business units. On the other hand, price effects were negative. All in all, in the first half of 2014 the Semperform segment generated EBITDA of EUR 11.8 million versus EUR 12.5 million in the previous year. EBIT was EUR 8.9 million compared with EUR 9.7 million in 2013. These results represent declines of 5.6% and 8.1%, respectively. Compared with the segment's strong earnings in the first half of 2013, profitability in the first half of 2014 was negatively impacted by price discounts for customers from Russia (to offset the weaker rouble) and due to the lack of earnings from the sponge and foam rubber business (production was discontinued in the first half of 2013). The EBITDA margin stood at 18.0%, following 19.5% in the first half of 2013, while the EBIT margin declined from 15.1% to now 13.6%. In the second quarter of 2014, revenue, EBITDA and EBIT declined compared with the same period last year.

With its seal profiles for windows and doors, the Building Profiles business unit is the largest in the Semperform segment. Orders and also capacity utilisation are good – in part thanks to strong sales of seals for aluminium windows. However, order intake from Russia and Ukraine became more subdued towards the end of the second quarter in 2014 due to the general uncertainty in the wake of the Ukraine crisis. Still, the business unit's market share did not change as a result.

The Industrial Moulded Parts business unit posted a satisfactory performance. Business unit sales to customers in the construction and industrial industries, as well as in pipe construction, were higher, while demand in railway-track superstructures was volatile.

Key figures Semperform

in EUR million	H1 2014 (Jan.–Jun.)	Change	H1 2013 (Jan.–Jun.)	Q2 2014 (Apr.–Jun.)	Change	Q2 2013 (Apr.–Jun.)	2013 (Jan.–Dec.)
Revenue	65.9	+2.6%	64.3	35.3	–0.4%	35.4	130.8
EBITDA	11.8	–5.6%	12.5	6.6	–14.3%	7.7	24.7
EBITDA margin	18.0%	–1.5 PP	19.5%	18.7%	–3.0 PP	21.7%	18.9%
EBIT	8.9	–8.1%	9.7	5.1	–17.9%	6.3	18.6
EBIT margin	13.6%	–1.5 PP	15.1%	14.6%	–3.1 PP	17.7%	14.2%
Investments	3.2	+72.8%	1.8	1.8	+88.6%	0.9	3.1

The Handrails business unit posted solid volume growth worldwide in the business with original equipment manufacturers (OEMs). China, the most important OEM market, remains characterised by strong competition and high price pressure. Efficiency improvements in production and product developments helped to offset this price pressure. Good progress was made in the After Sales market (ASM) in the USA and Europe. In order to address growing demand for handrails, an investment of somewhat more than EUR 2 million will be made to expand the group's production site in China.

The smallest business unit, Special Applications, posted lower sales. This decline was caused in part by the mild winter, which led to less demand for cable car rings and ski foils.

Outlook

For the remainder of 2014 Semperit Group expects the present trend for incoming orders to continue and a satisfying performance in both revenue and earnings compared with 2013. Globally, however, more cautious developments of markets and demands are noted.

The Medical Sector has a growth dynamic that is largely independent from the general trend in the economy. Capacity in the Industrial Sector is well utilised for the next several months. However, geopolitical crises and the economic sanctions against Russia are leading to uncertainty in some sales markets. This also means, among other things, that Semperit's competitors are switching to other markets, increasing competition in these markets as a result. A further economic slowdown in Russia and Eastern Europe would probably impact local demand for products of some business units negatively.

The Sempermed segment continues to focus on improving efficiency as well as targeting new customer segments. The Semperit Group anticipates that global demand for examination and protective gloves will continue to grow. In order to take advantage of this market growth, Sempermed is expanding production capacity at its plant in Kamunting, Malaysia. A total of around EUR 50 million will be invested in the construction of a new glove factory during the period 2014 to 2016.

With regard to potential volume increases in the Industrial Sector it should be noted that capacities in all three segments are well utilised. As a result, the Group has decided to expand its manufacturing capacities for hydraulic and industrial hoses in Odry, Czech Republic, for conveyor belts at the plant in Belchatów, Poland, and for handrails in Shanghai, China. However, these additional capacities will be available step by step in the course of 2015.

For the year 2014 the group expects to invest around EUR 50–60 million (CAPEX), compared to EUR 49.7 million in 2013. Of this amount, around EUR 25 million is intended for the maintenance of existing facilities.

Semperit reaffirms its previous growth targets, namely to achieve double-digit revenue growth on average in the years from 2010 to 2015 inclusive. It still aims to achieve an EBITDA margin of between 12% and 15% and an EBIT margin of between 8% and 11%.

Note

This outlook is based on the assessments of the Management Board as of 14 August 2014 and does not take into account the effects of possible acquisitions, divestments or other structural changes during the remainder of 2014. 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.

Events after the balance sheet date

In July 2014 Semperit AG Holding announced that it is striving to achieve a realignment of its 50/50 joint venture with the Sri Trang Agro-Industry Group (Sri Trang) of Thailand. Discussions with Sri Trang with respect to restructuring the partnership between the two companies have not led to results so far. Recently, decisions regarding the company's business practices, which were made by the Board of Directors of Siam Sempermed Corporation (SSC), the joint subsidiary of Semperit and Sri Trang, have been contested in a Thai court by a Non-Executive Director nominated by Sri Trang. Therefore, the Management Board of Semperit resolved to initiate all the legal steps necessary to uphold Semperit's rights as a shareholder in the joint venture SSC.

Vienna, 14 August 2014

Thomas Fahnemann
Chief Executive Officer
Chairman

Johannes Schmidt-Schultes
Chief Financial Officer

Richard Ehrenfeldner
Chief Technical Officer

Declan Daly
Chief Information Officer

Interim consolidated financial statements and notes

Consolidated income statement

in EUR thousand	1.1.– 30.6.2014	1.1.– 30.6.2013	1.4.– 30.6.2014	1.4.– 30.6.2013
Revenue	464,294	451,400	231,600	236,216
Changes in inventories	505	9,872	2,636	1,652
Own work capitalised	659	499	240	262
Operating revenue	**465,458**	**461,771**	**234,476**	**238,130**
Other operating income	10,256	12,442	3,933	5,878
Cost of material and purchased services	–251,308	–264,062	–127,083	–133,148
Personnel expenses	–83,796	–76,580	–42,778	–39,261
Other operating expenses	–72,028	–67,995	–33,291	–35,350
Share of profit from associated companies	204	174	102	174
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**68,786**	**65,750**	**35,359**	**36,423**
Depreciation, amortisation and impairment of tangible and intangible assets	–22,584	–22,051	–11,464	–11,490
Earnings before interest and tax (EBIT)	**46,202**	**43,699**	**23,895**	**24,933**
Financial income	756	849	353	395
Financial expenses	–2,459	–1,331	–1,255	–618
Profit/loss attributable to redeemable non-controlling interests	–8,112	–6,523	–3,879	–3,756
Financial result	**–9,815**	**–7,004**	**–4,781**	**–3,979**
Earnings before tax	**36,388**	**36,695**	**19,114**	**20,954**
Income taxes	–8,588	–8,464	–4,386	–5,176
Earnings after tax	**27,799**	**28,231**	**14,728**	**15,779**
of which attributable to the shareholders of Semperit AG Holding	27,857	27,985	14,768	15,642
of which attributable to non-controlling interests	–58	246	–40	136
Earnings per share (diluted and undiluted)[1)]	**1.35**	**1.36**	**0.72**	**0.76**

[1)] Attributable to the shareholders of Semperit AG Holding

Consolidated statement of comprehensive income

in EUR thousand	1.1.– 30.6.2014	1.1.– 30.6.2013	1.4.– 30.6.2014	1.4.– 30.6.2013
Earnings after tax according to the consolidated income statement	**27,799**	**28,231**	**14,728**	**15,779**
Other comprehensive income				
Amounts that will potentially be recognised through profit and loss in future periods				
Available-for-sale financial assets				
Revaluation gains/losses for the period	377	–55	240	–31
Reclassification to profit and loss for the period	77	72	0	0
	453	17	240	–31
Cash flow Hedge				
Revaluation gains/losses for the period	–1,150	0	–628	0
Reclassification to profit and loss for the period	43	0	0	0
	–1,107	0	–628	0
Currency translation differences				
Currency translation differences for the period	4,850	–6,111	5,016	–15,505
Related deferred taxes	164	–4	97	8
	4,360	**–6,098**	**4,725**	**–15,528**
Other comprehensive income	**4,360**	**–6,098**	**4,725**	**–15,528**
Total recognised comprehensive income	**32,159**	**22,133**	**19,453**	**251**
of which on earnings attributable to the shareholders of Semperit AG Holding	32,132	21,336	19,419	–99
of which on earnings attributable to non-controlling interests	28	797	34	350

Consolidated cash flow statement

in EUR thousand	1.1.–30.6.2014	1.1.–30.6.2013
Earnings before tax	36,388	36,695
Depreciation/write-ups of tangible and intangible assets	22,584	22,051
Profit and loss from disposal of assets (including current and non-current financial assets)	110	228
Changes in non-current provisions	318	–2
Share of profit from associated companies	–204	–174
Dividend received from associated companies	162	205
Profit/loss attributable to redeemable non-controlling interests	8,112	6,523
Net interest income (including income from securities)	908	211
Interest paid	–938	–1,061
Interest received	836	1,052
Taxes paid on income	–11,304	–7,263
Other non-cash expense/income	49	0
Gross cash flow	**57,020**	**58,464**
Increase/decrease in inventories	991	–11,725
Increase/decrease in trade receivables	–19,474	–11,686
Increase/decrease in other receivables and assets	–2,819	312
Increase/decrease in trade payables	–804	13,905
Increase/decrease in other liabilities and current provisions	1,763	3,936
Changes in working capital resulting from currency translation adjustments	396	–603
Cash flow from operating activities	**37,074**	**52,602**
Proceeds from sale of tangible and intangible assets	254	112
Proceeds from sale of current and non-current financial assets	1,000	1,051
Investments in tangible and intangible assets	–21,092	–19,905
Cash flow from investing activities[1)]	**–19,838**	**–18,741**
Cash receipts from current and non-current financing liabilities	2,000	62
Repayments of current and non-current financing liabilities	–5,508	–12,437
Dividend to shareholders of Semperit AG Holding	–24,688	–16,459
Dividends to non-controlling shareholders of subsidiaries	–14,760	–9,005
Acquisition of non-controlling interests	0	–16,400
Cash flow from financing activities[1)]	**–42,955**	**–54,238**
Net increase/decrease in cash and cash equivalents	**–25,720**	**–20,377**
Effects resulting from currency translation	452	–1,072
Cash and cash equivalents at the beginning of the period	182,554	133,322
Cash and cash equivalents at the end of the period	**157,287**	**111,873**

[1)] Figures for the prior-year period are adjusted (for an explanation see notes to the consolidated financial statements, page 21)

Consolidated balance sheet

in EUR thousand	30.6.2014	31.12.2013
ASSETS		
Non-current assets		
Intangible assets	108,397	106,826
Tangible assets	263,535	256,628
Investments in associated companies	1,461	1,419
Other financial assets	8,242	9,043
Other assets	4,435	3,982
Deferred taxes	15,888	15,733
	401,959	**393,630**
Current assets		
Inventories	147,437	148,428
Trade receivables	130,704	111,230
Other financial assets	3,884	1,518
Other assets	11,580	11,408
Current tax receivables	4,085	3,350
Cash and cash equivalents	157,287	182,554
	454,978	**458,488**
TOTAL ASSETS	**856,937**	**852,118**
EQUITY AND LIABILITIES		
Equity		
Share capital	21,359	21,359
Capital reserves	21,503	21,503
Revenue reserves	388,487	385,793
Currency translation reserve	–12,440	–17,204
Equity attributable to the shareholders of Semperit AG Holding	**418,909**	**411,451**
Non-controlling interests	2,516	2,702
	421,426	**414,153**
Non-current provisions and liabilities		
Provisions for pension and severance payments	39,269	39,248
Other provisions	12,391	12,071
Liabilities from redeemable non-controlling interests	97,004	101,928
Corporate Schuldschein loan	126,577	124,539
Liabilities to banks	0	128
Other financial liabilities	2,877	5,798
Other liabilities	567	658
Deferred taxes	6,108	6,684
	284,792	**291,054**
Current provisions and liabilities		
Provisions for pension and severance payments	2,970	3,248
Other provisions	18,236	19,095
Liabilities from redeemable non-controlling interests	0	481
Corporate Schuldschein loan	1,955	1,225
Liabilities to banks	11,234	13,403
Trade payables	77,017	73,067
Other financial liabilities	16,500	17,532
Other liabilities	16,430	11,337
Current tax liabilities	6,376	7,524
	150,719	**146,912**
EQUITY AND LIABILITIES	**856,937**	**852,118**

Consolidated statement of changes in equity

in EUR thousand	Share capital	Capital reserves	Revenue reserves: Re-valuation reserves	Revenue reserves: Other revenue reserves	Revenue reserves: Total revenue reserves	Currency translation reserve	Total equity attributable to the share-holders of Semperit AG Holding	Non-control-ling interests	Total equity
As at 1.1.2013	**21,359**	**21,503**	**–125**	**349,786**	**349,661**	**13,715**	**406,238**	**21,755**	**427,993**
Earnings after tax	0	0	0	27,985	27,985	0	27,985	246	28,231
Other comprehensive income	0	0	13	0	13	–6,661	–6,649	551	–6,098
Total recognised comprehensive income	0	0	13	27,985	27,997	–6,661	21,336	797	22,133
Dividend	0	0	0	–16,459	–16,459	0	–16,459	0	–16,459
Acquisition of non-controlling interests	0	0	0	35	35	0	35	–16,434	–16,400
As at 30.6.2013	**21,359**	**21,503**	**–112**	**361,346**	**361,234**	**7,053**	**411,150**	**6,118**	**417,268**
As at 1.1.2014	**21,359**	**21,503**	**–115**	**385,907**	**385,793**	**–17,204**	**411,451**	**2,702**	**414,153**
Earnings after tax	0	0	0	27,857	27,857	0	27,857	–58	27,799
Other comprehensive income	0	0	–490	0	–490	4,764	4,275	85	4,360
Total recognised comprehensive income	0	0	–490	27,857	27,367	4,764	32,132	28	32,159
Dividend	0	0	0	–24,688	–24,688	0	–24,688	0	–24,688
Acquisition of non-controlling interests	0	0	0	15	15	0	15	–213	–198
As at 30.6.2014	**21,359**	**21,503**	**–604**	**389,091**	**388,487**	**–12,440**	**418,909**	**2,516**	**421,426**

Notes to the interim consolidated financial statements

ACCOUNTING POLICIES

The interim consolidated financial statements as at 30 June 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS) and IAS 34 Interim Financial Reporting. No material changes have been made to the accounting policies used. For more information on accounting policies, please see the consolidated financial statements as at 31 December 2013, which form the basis for these interim financial statements.

Similar to the consolidated financial statements as at 31 December 2013, the acquisition of non-controlling interests in Latexx Partners Berhad, Kamunting, Malaysia, is presented in the consolidated cash flow statement as a cash flow from financing activities because of the financing nature of the transaction. The comparable period from 1 January to 30 June 2013 was adjusted accordingly (reclassification of the payment for the "acquisition of non-controlling interests" in the amount of EUR 16,400 thousand from cash flows from investing activities to cash flows from financing activities).

These interim consolidated financial statements of the Semperit Group have neither been audited nor reviewed by an auditor.

ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

The following new or amended standards and interpretations were applied for the first time in the reporting period from 1 January to 30 June 2014:

First-time adoption of standards and interpretations		**Effective date[1]**	**Endorsement**
New standards and interpretations			
IFRS 10	Consolidated Financial Statements	1.1.2014	December 2012
IFRS 11	Joint Arrangements	1.1.2014	December 2012
IFRS 12	Disclosure of Interests in Other Entities	1.1.2014	December 2012
Amended standards and interpretations			
IAS 27	Separate Financial Statements (revised 2011)	1.1.2014	December 2012
IAS 28	Investments in Associates and Joint Ventures (revised 2011)	1.1.2014	December 2012
IAS 32	Financial Instruments: Presentation – Amendment: Offsetting Financial Assets and Financial Liabilities	1.1.2014	December 2012
IAS 39	Financial Instruments: Recognition and measurement – Changes: Novation of Derivatives and Continuation of Hedge Accounting	1.1.2014	December 2013
IFRS 10.11,12	Amendment: Investment Entities	1.1.2014	November 2013

[1] **According to the Official Journal of the EU, the standards are obligatory for financial years commencing on or after the effective date.**

IFRS 10 replaces IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation Special Purpose Entities. By providing a modified definition of the term "control," the new standard creates a uniform basis for defining the scope of consolidation and contains comprehensive application examples covering issues not previously regulated, such as protective rights and the principal/agent relationship. The standard has no effect on the interim consolidated financial statements or the consolidated financial statements of the Semperit Group.

IFRS 12 contains the disclosures required in the notes on investments in subsidiaries, joint arrangements, associated companies and, if applicable, structured entities. The standard replaces the disclosure requirements previously contained in IAS 27 Consolidated and Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The new standard will result in an increase in the notes required in the consolidated financial statements of the Semperit Group, but this will not have an effect on the interim consolidated financial statements.

Other amended or new standards and interpretations are not relevant to the Semperit Group or have no material impact on the interim consolidated financial statements and consolidated financial statements.

CHANGES IN THE SCOPE OF CONSOLIDATION

In January 2014 the group acquired a shell company in Malaysia. This company, which was renamed in March 2014 to Semperit Engineering Technology Asia Sdn Bhd, Kamunting, Malaysia, provides intergroup engineering services in Asia.

The Spanish subsidiary Semperit Ibérica S.A., Barcelona was liquidated as at 22 April 2014.

EQUITY TRANSACTIONS

A 0.14% interest in Latexx Partners Berhad was acquired for EUR 198 thousand during the first half of 2014. The corresponding payment was made in July 2014. As at 30 June 2014, the group's interest totalled 98.25%, up from 98.11% as at 31 December 2013. In the first half of 2013 a 10.08% interest was acquired for EUR 16,400 thousand, thereby increasing the group's total interest to 96.02% as at 30 June 2013.

These transactions in the first half of 2013 and the first half of 2014 were each 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 2013.

ASSOCIATED COMPANIES (EQUITY METHOD)

The consolidated carrying amount of the investment in Synergy Health Allershausen GmbH totalled EUR 1,461 thousand as at 30 June 2014 (31 December 2013: EUR 1,419 thousand). Furthermore, as at 30 June 2014 the Semperit Group has extended a loan totalling EUR 563 thousand to this associated company (31 December 2013: EUR 563 thousand).

SEGMENT REPORTING

in EUR thousand	Sempermed	Semperflex	Sempertrans	Semperform	Corporate Center and Group eliminations	Group
1.1.–30.6.2014						
Revenue	220,617	106,725	71,039	65,913	0	464,294
EBITDA	29,244	27,609	10,242	11,839	–10,148	68,786
EBIT = segment result	17,393	22,002	8,162	8,945	–10,300	46,202
1.1.–30.6.2013						
Revenue	218,317	90,428	78,384	64,271	0	451,400
EBITDA	28,223	20,714	11,895	12,536	–7,618	65,750
EBIT = segment result	17,127	14,818	9,798	9,733	–7,776	43,699

The income and expenses of companies involved in production and distribution in more than one segment are subdivided and allocated to the appropriate segments 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.

There were no impairments on tangible and intangible assets in the first half of 2014. In the first half of 2013 the profit of the Sempermed segment was negatively impacted by an impairment charge of EUR 560 thousand on the Brazilian customer base.

INVESTMENTS IN AND DISPOSALS OF TANGIBLE AND INTANGIBLE ASSETS

In the first half of 2014 the Semperit Group made investments in tangible and intangible assets totalling EUR 21,092 thousand (previous year: EUR 19,905 thousand). In contrast, tangible and intangible assets with a net carrying amount of EUR 291 thousand (previous year: EUR 268 thousand) were sold.

OBLIGATIONS TO ACQUIRE TANGIBLE ASSETS

As at 30 June 2014 the group has contractual obligations to acquire tangible assets totalling EUR 48,206 thousand (31 December 2013: EUR 38,919 thousand). The increase on the previous year is due to the start of investment projects to expand production capacity.

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 30.6.2014	Carrying amount 31.12.2013
Trade receivables	Loans and receivables	130,704	111,230
Other financial assets			
Securities	Available-for-sale	6,580	7,277
Loans to associated companies	Loans and receivables	563	563
Other loans	Loans and receivables	6	6
Derivative financial instruments	Held for trading	324	219
Remaining other financial assets	Loans and receivables	4,655	2,497
Cash and cash equivalents			
Cash on hand, cheques and cash deposits in banks	–	153,443	152,948
Short-term investments	Loans and receivables	3,844	29,606

Liabilities

in EUR thousand	Valuation category IAS 39	Carrying amount 30.6.2014	Carrying amount 31.12.2013
Corporate Schuldschein loan	Liabilities at amortised cost	128,531	125,764
Liabilities from redeemable non-controlling interests	Liabilities at amortised cost	97,004	102,409
Trade payables	Liabilities at amortised cost	77,017	73,067
Liabilities to banks	Liabilities at amortised cost	11,234	13,530
Other financial liabilities			
Derivative financial liabilities	Held for trading	25	177
Derivative financial liabilities	Designated as a hedging instrument	1,343	196
Liabilities from finance leases	Liabilities at amortised cost	173	3,131
Other financial liabilities	Liabilities at amortised cost	17,835	19,826

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 in the market

Level 3: measurement based on models with significant input factors that are not observable in the market

In the first half of 2014 there were no reclassifications of financial instruments between the individual 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 30.6.2014	Fair value 31.12.2013	Level
Assets				
Securities	Available-for-sale	6,430	7,277	1
Derivative financial instruments	Held for trading	303	219	2
Liabilities				
Derivative financial liabilities	Held for trading	154	177	2
Derivative financial liabilities	Designated as a hedging instrument	675	196	2

The fair values of available-for-sale securities are determined using publicly available prices.

The derivative financial instruments held for trading purposes are forward foreign exchange transactions. Their fair values are determined using generally accepted financial valuation models (e.g., determination of the present value of expected future cash flows based on current foreign exchange rates and yield curves).

The derivative financial instruments designated as hedges are interest rate swaps. Their fair value is determined using generally accepted financial valuation models, in which future cash flows are simulated using the yield curves published at the balance sheet date. In addition, the carrying amount is adjusted to take into account the credit risk of the respective counterparty. When doing so, measurements are made of the positive exposures associated with the default risk of the counterparty and the negative exposures associated with 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 30.6.2014	Fair value 31.12.2013	Level
Liabilities				
Corporate Schuldschein loan	Liabilities at amortised cost	134,773	132,990	3
Liabilities from finance leases	Liabilities at amortised cost	1,452	3,215	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 similar maturities and then adjusted for current risk and liquidity costs that are observable in the market. These comparable interest rates were derived based on management's current assessment of the rating of the Semperit Group. The difference between the fair value as at 30 June 2014 and the fair value as at 31 December 2013 is the result of two factors. First, credit risk costs have declined during the first half of 2014, and second, an additional corporate Schuldschein loan totalling EUR 2 million has been issued.

For existing fixed-interest finance lease liabilities, current customary arms-length interest rates were identified and then compared with the contractual interest rates. As a result, the difference between the carrying amount and the fair value shows the margin between the contractually agreed historical interest rate and the rate currently available on the market. The finance lease liabilities are shown under the item "Other financial liabilities."

Regarding the measurement of liabilities from redeemable non-controlling interests, please refer to the explanations in the consolidated financial statements as at 31 December 2013. The fair value can only be calculated at a disproportionately high cost and is thus not disclosed.

CORPORATE SCHULDSCHEIN LOAN

In July 2013 Semperit AG Holding issued a corporate Schuldschein loan totalling EUR 125 million. In the second quarter of 2014 there was an increase of EUR 2 million associated with the issuance of another corporate Schuldschein loan at the same conditions. This issue was made to the "Privatstiftung zur Förderung der Gesundheit von Beschäftigten der Semperit AG Holding" (Private Foundation for the Promotion of the Health of Semperit AG Holding's Employees). This means that the total nominal volume now amounts to EUR 127 million.

In the first half of 2014 the group paid interest totalling EUR 684 thousand. As at 30 June 2014 interest of EUR 1,955 thousand was accrued on a pro rata basis and reported as a current liability. The difference between the carrying amount of EUR 126,577 thousand (excluding interest) and the notional amount is the transaction costs of the issue in July 2013, which are distributed rateably over the term of the corporate Schuldschein loan based on the effective interest method.

Similar to the balance as at 31 December 2013, the hedged notional amount stands at EUR 30,240 thousand. This hedging of the variable-interest tranches of the corporate Schuldschein loan was undertaken in October 2013 by means of interest rate swaps, which converted a portion of the variable-interest tranches into fixed interest payments. The interest rate swaps are accounted for as cash flow hedges in accordance with IAS 39. Based on this measurement principle, in the first half of 2014 the effective portion of the cash flow hedge totalling EUR –1,050 thousand (31 December 2013: EUR –100 thousand) was recognised in other comprehensive income and EUR 43 thousand was reclassified to the income statement. As a result, the cash flow hedge reserve changed by EUR –1,006 thousand to EUR –1,106 thousand (31 December 2013: EUR –100 thousand).

DIVIDEND AND TREASURY SHARES

On 29 April 2014, the Annual General Meeting approved the payment of an increased ordinary dividend of EUR 0.90 per share for the 2013 financial year (previous year: EUR 0.80 per share) and a one-time anniversary bonus of EUR 0.30 in celebration of the group's 190-year anniversary. A total of EUR 24,688 thousand was distributed on 8 May 2014 (previous year: EUR 16,459 thousand).

The Annual General Meeting also adopted a resolution authorising the Management Board for a period of 30 months to repurchase, and, if appropriate, retire treasury shares up to the legally permitted limit of 10% of the share capital.

CONTINGENT LIABILITIES

There were no material changes in contingent liabilities since the last reporting date of 31 December 2013.

RELATED-PARTY TRANSACTIONS WITH COMPANIES AND INDIVIDUALS

The outstanding balances and transactions between Semperit Aktiengesellschaft Holding and its subsidiaries were eliminated in the course of consolidation and are not discussed here.

B & C Semperit Holding GmbH is the direct majority shareholder of Semperit Aktiengesellschaft Holding, and B & C Privatstiftung is the dominant legal entity. B & C Industrieholding GmbH is a shareholder holding an indirect majority stake. It prepares 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.

The related parties of the Semperit Group include the members of the Management and Supervisory Boards of Semperit Aktiengesellschaft Holding, the managing directors and supervisory board members of all companies which directly or indirectly hold a majority stake in Semperit Aktiengesellschaft 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.

A long-term loan was granted to the associated company Synergy Health Allershausen GmbH, which as at 30 June 2014 totalled EUR 563 thousand (31 December 2013: EUR 563 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 companies Semperflex Asia Corp. Ltd., Siam Sempermed Corp. Ltd., Shanghai Semperit Rubber & Plastic Products Co. Ltd. and Semperflex Shanghai Ltd. conduct business with the non-controlling co-partner of these subsidiaries, Sri Trang Agro-Industry Plc. Sempertrans Best (Shandong) Belting Co. Ltd. conducts business with Wang Chao Coal & Electricity Group, the non-controlling co-partner of this company.

SUPERVISORY BOARD MATTERS

On 29 April 2014 the Annual General Meeting elected Dr. Stefan Fida and Dr. Astrid Skala-Kuhmann to join the Supervisory Board; in addition, Patrick Prügger was re-elected.

At the constituent meeting of the Supervisory Board that followed the Annual General Meeting, Dr. Veit Sorger and Dr. Michael Junghans were reappointed as Chairman and Deputy Chairman, respectively, of the Supervisory Board. Furthermore, Michaela Jagschitz from the Works Council was appointed as an additional member of the Supervisory Board. In total, the Supervisory Board therefore now comprises 12 members (previously 9 members).

MANAGEMENT BOARD MATTERS

In March 2014 the Supervisory Board appointed Declan Daly to be a member of the Management Board of Semperit AG Holding for a three year period; his mandate began on 1 June 2014. Mr. Daly is responsible for all IT issues, general process optimisation and business excellence within the Semperit Group.

EVENTS AFTER THE BALANCE SHEET DATE

In July 2014 Semperit AG Holding announced that it is striving to achieve a realignment of its 50/50 joint venture with the Sri Trang Agro-Industry Group (Sri Trang) of Thailand. Discussions with Sri Trang with respect to restructuring the partnership between the two companies have not led to results so far. Recently, decisions regarding the company's business practices, which were made by the Board of Directors of Siam Sempermed Corporation (SSC), the joint subsidiary of Semperit and Sri Trang, have been contested in a Thai court by a Non-Executive Director nominated by Sri Trang. Therefore, the Management Board of Semperit resolved to initiate all the legal steps necessary to uphold Semperit's rights as a shareholder in the joint venture SSC.

Vienna, 14 August 2014

The Management Board

Thomas Fahnemann
Chief Executive Officer
Chairman

Johannes Schmidt-Schultes
Chief Financial Officer

Richard Ehrenfeldner
Chief Technical Officer

Declan Daly
Chief Information Officer

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 2014 prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) give a true and fair view of the group's net assets, financial position and results of operations, and that the half-year group management report gives a true and fair view of the net assets, financial position and results of operations in respect to 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, 14 August 2014

The Management Board

Thomas Fahnemann
Chief Executive Officer
Chairman

Johannes Schmidt-Schultes
Chief Financial Officer

Richard Ehrenfeldner
Chief Technical Officer

Declan Daly
Chief Information Officer

The Semperit share

The 125th Annual General Meeting took place on 29 April 2014 in Vienna, Austria. All resolutions of this Annual General Meeting can be viewed at www.semperitgroup.com/ir under “annual general meeting”. The Annual General Meeting approved the Management Board's proposal to distribute a total dividend of EUR 1.20 per share (increased ordinary dividend of EUR 0.90 plus an anniversary bonus of EUR 0.30 in celebration of Semperit's 190-year anniversary). The dividend was paid on 8 May 2014, the ex-dividend day was 6 May 2014.

Key figures Semperit share

Key figures		1.1.– 30.6.2014	1.1.– 31.12.2013
Price at balance sheet date	in EUR	44.75	36.00
Lowest price	in EUR	35.51	26.86
Highest price	in EUR	45.37	38.22
Market capitalisation at balance sheet date	in EUR million	920.7	740.6
Number of shares issued	in unit	20,573,434	20,573,434
Price-to-earnings ratio[1]		16.6	13.6
Earnings per share (EPS)[2]	in EUR	1.35	2.65

[1] Based on a full-year projection
[2] Attributable to the shareholders of Semperit AG Holding

Share price performance of Semperit and ATX, indexed 1.1.2013

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Financial Calendar 2014	
19.8.2014	Half-year financial report 2014
18.11.2014	Report on the first three quarters of 2014

Financial Calendar 2015	
26.3.2015	Publication of 2014 annual financial statements and press conference
28.4.2015	Annual General Meeting
5.5.2015	Ex-dividend day
8.5.2015	Dividend payment day
19.5.2015	Report on the first quarter of 2015
18.8.2015	Half-year financial report 2015
17.11.2015	Report on the first three quarters of 2015

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DISCLAIMER

In this report the terms "Semperit" or the "Semperit Group" refers to the group; "Semperit AG Holding" or "Semperit Aktiengesellschaft Holding" is used to refer to the parent company (individual company).

This report of the Semperit Group has neither been audited nor reviewed by an auditor.

We have prepared this quarterly report and verified the information contained therein 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: 14 August 2014). 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.

Photos: www.pinckers.com

www.semperitgroup.com/en