SEMPERIT AG Holding

ANNUAL REPORT

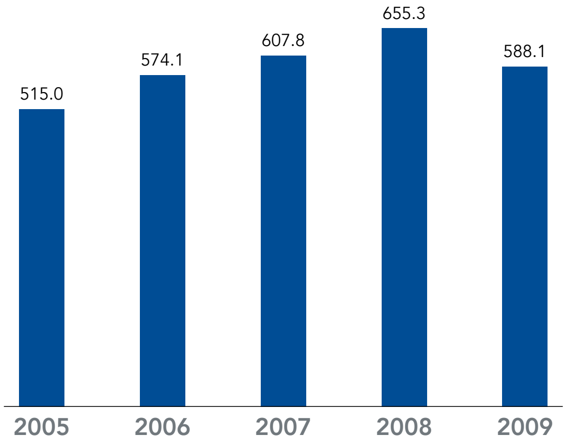
09

SEMPERIT

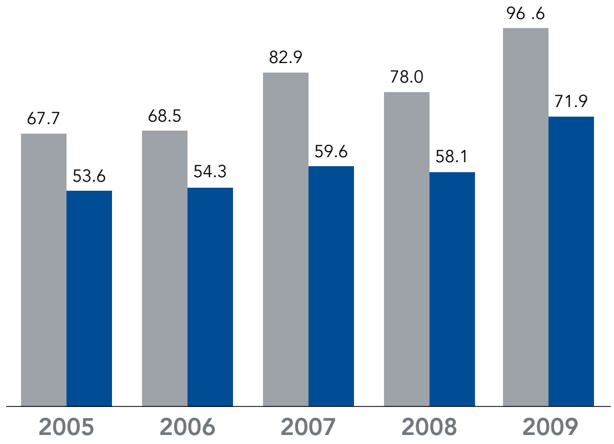
CONTENTS

SEMPERIT GROUP AT A GLANCE

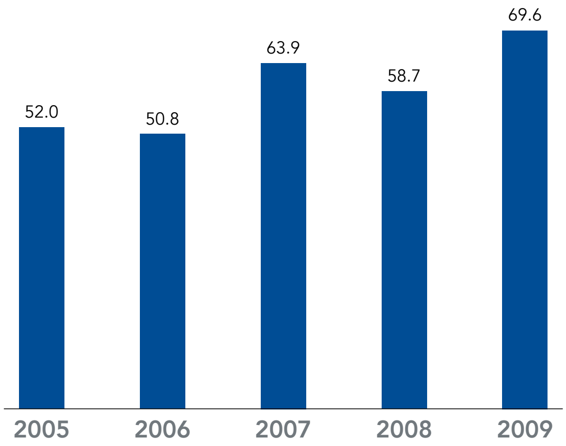
Revenue in EUR million



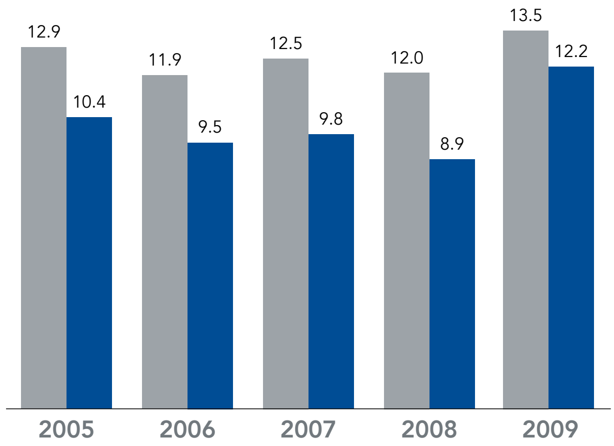
Gross cash flow in EUR million
Earnings before tax (EBT) in EUR million



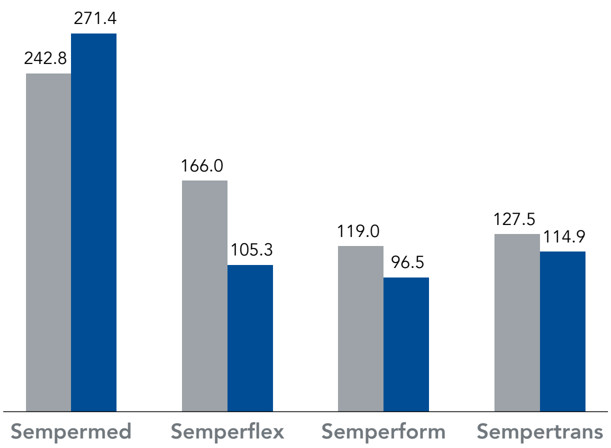
Operating profit (EBIT) in EUR million



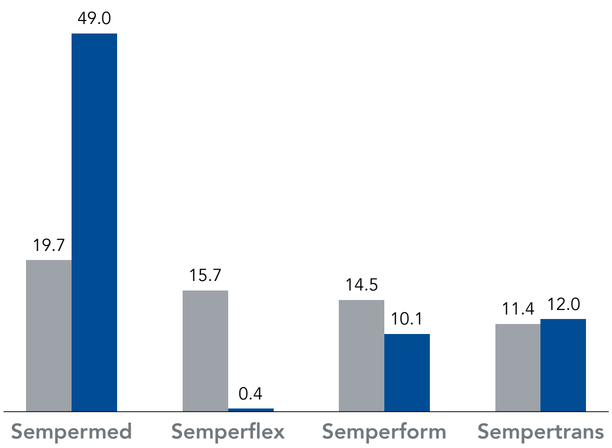
Return on assets in %
Return on revenue in %



Revenue by division in EUR million
2008 2009



Earnings before tax by division in EUR million
2008 2009



KEY FIGURES FOR THE SEMPERIT GROUP

		2005	2006	2007	2008	2009	changes 2008/2009 in %
SUMMARY BALANCE SHEET							
Assets							
Fixed assets	in EUR million	190.8	218.6	200.3	167.7	166.4	–0.8
Inventories	in EUR million	83.5	84.5	90.0	96.4	74.6	–22.6
Trade receivables	in EUR million	75.0	81.9	91.7	86.8	79.5	–8.5
Other current assets	in EUR million	65.6	70.7	94.8	134.6	211.0	56.8
Equity and liabilities							
Capital and reserves without minority interests	in EUR million	224.9	252.0	280.0	291.9	310.6	6.4
Minority interests	in EUR million	43.7	51.1	51.6	58.5	57.0	–2.6
Provisions including social capital	in EUR million	70.9	74.9	77.3	77.2	94.2	22.1
Liabilities	in EUR million	75.4	77.7	67.9	57.9	69.7	20.5
Balance sheet total	in EUR million	414.9	455.7	476.8	485.5	531.5	9.5
KEY PERFORMANCE INDICATORS							
Revenue	in EUR million	515.0	574.1	607.8	655.3	588.1	–10.3
Production	in 1,000 t	150	162	170	171	146	–14.7
Depreciation and amortisation	in EUR million	23.0	26.0	31.8	29.2	33.2	13.8
Investments in tangible and intangible assets	in EUR million	38.8	50.8	25.0	27.6	22.7	–17.6
Investments in financial assets	in EUR million	27.8	14.2	1.9	0.8	5.5	525.0
Personnel expenses	in EUR million	93.2	96.7	101.6	109.3	99.7	–8.7
Number of employees (on average)		6,185	6,689	7,118	7,064	6,649	–5.9
Gross cash flow	in EUR million	67.7	68.5	82.9	78.0	96.6	23.8
Operating profit (EBIT)	in EUR million	52.0	50.8	63.9	58.7	69.6	18.6
Earnings before tax (EBT)	in EUR million	53.6	54.3	59.6	58.1	71.9	23.8
Net profit for the year[1)]	in EUR million	36.7	40.0	44.6	37.6	38.8	3.2
PROFITABILITY INDICATORS							
Return on revenue	in %	10.4	9.5	9.8	8.9	12.2	–
Return on assets	in %	12.9	11.9	12.5	12.0	13.5	–
Return on equity	in %	20.0	17.9	18.0	16.6	19.6	–
STOCK EXCHANGE DATA							
Share price high	in EUR	27.75	28.37	34.57	31.00	28.30	–8.7
Share price low	in EUR	20.56	19.60	24.48	11.80	13.83	17.2
Share price at year-end	in EUR	20.92	28.12	25.00	11.80	26.97	128.6
Price change at year-end	in %	–9.0	+34.4	–11.1	–52.8	128.6	–
Shares outstanding	1,000 shares	20,573	20,573	20,573	20,573	20,573	0.0
Market capitalisation at year-end	in EUR million	430.4	578.5	514.3	242.8	554.9	128.6
Earnings per share	in EUR	1.79	1.95	2.17	1.83	1.89	3.3
Dividend payout per share	in EUR	0.77	0.84	0.95	1.09	1.15[2)]	5.5
Capital and reserves without minority interests per share	in EUR	10.93	12.25	13.61	14.19	15.10	6.4
P/E ratio at year-end	X	11.7	14.4	11.5	6.5	14.3	119.5

[1)] Net profit for the year = Earnings after tax attributable to shareholders of the parent company Semperit AG
[2)] Proposal to the Annual General Meeting

HIGHLIGHTS 2009

Record earnings of EUR 71.9 million despite revenue decline

High equity ratio ensures stability and focus on the operational business

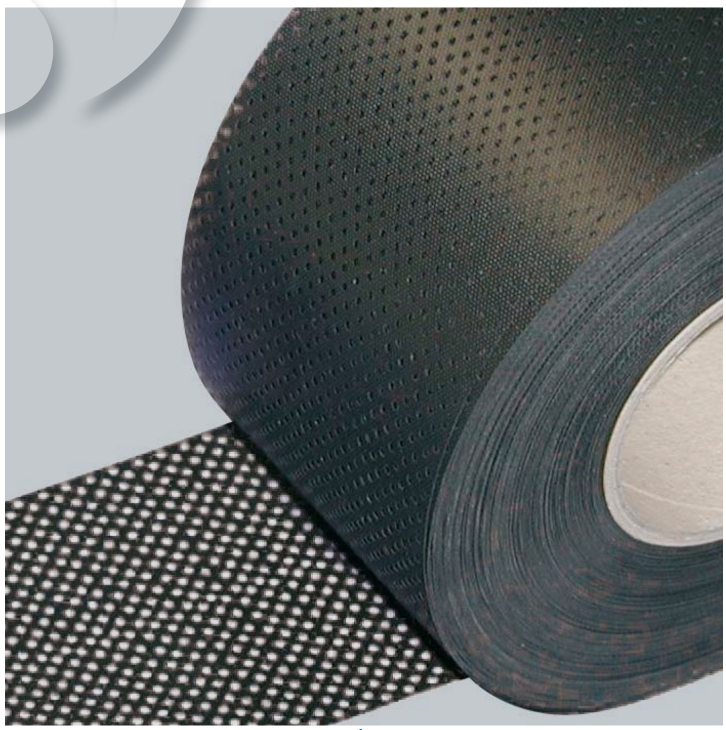
Market share gains in most segments

Successful implementation of cost adjustment programmes

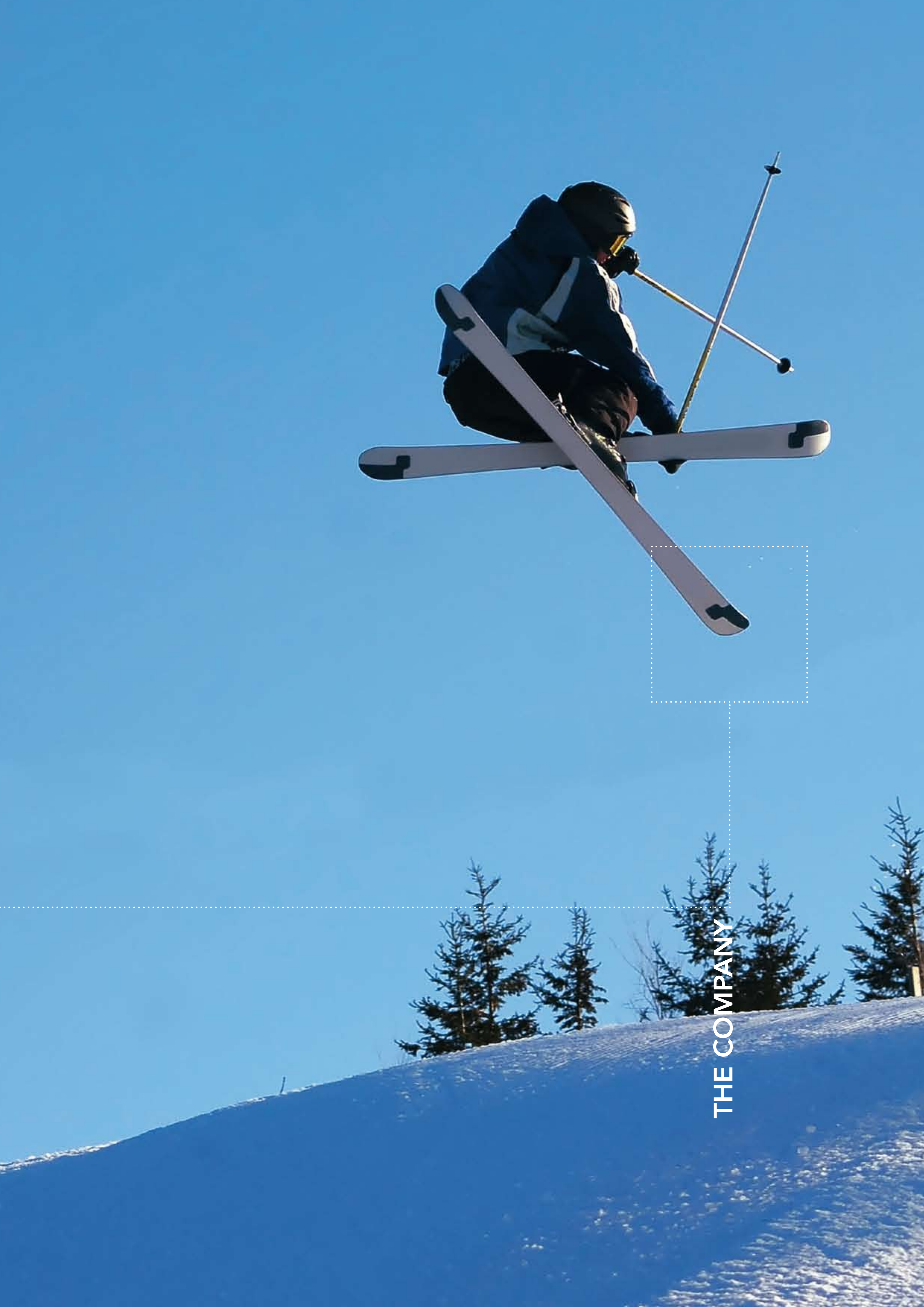
Large-scale investments in China and Thailand

Record development of the Semperit share: +128.6%

Dividend proposal to the Annual General Meeting: EUR 1.15 per share



Success is in the details:
Ski membranes by Semperit



THE COMPANY

COMPANY PROFILE

Semperit is one of the world’s leading rubber and plastics companies, and with over 180 years of experience can also look back at one of the longest traditions in the industry. The business activities of the Group are split into four divisions: Sempermed, Semperflex, Semperform and Sempertrans. The company currently operates 21 production facilities and a large number of sales offices on three continents – Europe, Asia and the Americas.

ORIGIN OF THE NAME “SEMPERIT”

The name Semperit is a combination of two Latin words, “semper” and “it” and more or less means “things will always move ahead” in the sense that “there is always a way”. The name first appeared at the beginning of the 20th century, referring to the durability of rubber products.

SEMPERIT

Milestones in the history of Semperit

1824
Johann Nepomuk Reithoffer is officially granted a concession to produce waterproof clothing from woollen fabrics

1852
Construction of a factory in Wimpassing

1890
Initial listing on the Vienna Stock Exchange

1900
The company name Semperit is used for the first time

1912
The Semperit Group is established following the merger of different manufacturing plants

1920
Start of latex glove production

1985
Tire production sold to Continental, Restructuring of the company with a focus on four clearly-defined strategic business segments

1989
Founding of the first glove factory in Thailand in cooperation with the joint venture partner Sri Trang Agro, Acquisition of a 100% shareholding in the French conveyor belt company SFBT

Factory in
Wimpassing (1852)

Start of hydraulic hose production in Thailand, First Semperit factory (handrails) commences operations in China

1996

Acquisition of Europe's largest hose factory, located in the Czech Republic

1998

Opening of a handrail plant in New Jersey, USA

1999

Acquisition of a conveyor belt factory in Poland

2000

Acquisition of a majority stake in an Indian conveyor belt facility, Purchase of an Italian hose factory

2001

Takeover of a factory for vinyl (PVC) gloves in China

2002

Opening of a new hose factory in China and transfer of handrail production to the new facilities in Shanghai

2007

Acquisition of a Brazilian sales and distribution company for medical gloves

2008

Signing of a joint venture agreement for a conveyor belt plant in China

2009

Semperit's strategic objective is to attain a leading position for its products on the international markets. A key consideration in all activities is to ensure long-term value creation and enhancement in the interests of the company's customers, shareholders and employees. In order to achieve its strategic objective, Semperit has defined three main priorities:

CONCENTRATION

The focus on four divisions enables the company to effectively align its business activities to prevailing market conditions. The bundling of resources designed to support a strategically selected product portfolio enhances the company's dynamic innovative strength and the ongoing optimisation of all value creation processes.

INTERNATIONALISATION

The ongoing expansion on existing markets and penetration of new markets serve as the basis for determinedly promoting the globalisation of the Group and the leveraging of comparative competitive advantages. Foreign business now accounts for about 95% of total revenue. The increased flexibility in procurement, production and sales flows opens up new growth potential and provides new growth impulses.

COST LEADERSHIP

Consistent cost management combined with the ongoing increase in productivity at all levels make a major contribution to the successful growth of the Semperit Group. This has enabled the Group companies to attain international cost leadership in most business segments. Only a sustainably competitive cost position can ensure the long-term growth and profitability of the Semperit Group.

SEMPERIT

Modern-day research and development centre in Wimpassing

The Semperit Group is represented by numerous subsidiaries throughout the entire world, and has gained a leading position on its core international markets in all business areas. The global business operations of the operational units are coordinated by Semperit's headquarters in Wimpassing, which is also home to the Group's research and development centre. The local distribution companies ensure optimal cooperation with customers and comprehensive service.

Semperit AG Holding

Production companies

Sempermed	Semperflex	Semperform	Sempertrans
Semperit Technische Produkte GmbH, Vienna, Austria	Semperit Technische Produkte GmbH, Vienna, Austria	Semperit Technische Produkte GmbH, Vienna, Austria	Sempertrans France Belting Technology S.A.S., Argenteuil, France
Siam Sempermed Corp. Ltd., Hatyai, Thailand	Semperflex Asia Corp. Ltd., Hatyai, Thailand	Semperit Gummiwerk Deggendorf GmbH, Deggendorf, Germany	Sempertrans Belchatow Sp. z o.o., Belchatow, Poland
Shanghai Foremost Plastic Industrial Co. Ltd., Shanghai, China	Semperflex Roiter S.r.l., Rovigo, Italy	Semperform Kft., Sopron, Hungary	Sempertrans Nirlon (P) Ltd., Roha, India
Sempermed Kft., Sopron, Hungary	Semperflex Rivalit GmbH, Waldböckelheim, Germany	Semperform Pacific Corp. Ltd., Hatyai, Thailand	Fabryka Lin "Stolin" Sp. z o.o., Belchatow, Poland
	Semperflex Optimit s.r.o., Odry, Czech Republic	Shanghai Semperit Rubber & Plastic Products Co. Ltd., Shanghai, China	Sempertrans Maintenance France Nord E.U.R.L., Argenteuil, France
	Semperflex Shanghai Ltd., Shanghai, China	Semperit Industrial Products Inc., Fair Lawn, USA	Sempertrans Best (Shandong) Belting Co. Ltd., Shandong, China
	Semperflex A.H. s.r.o., Odry, Czech Republic		

Distribution companies

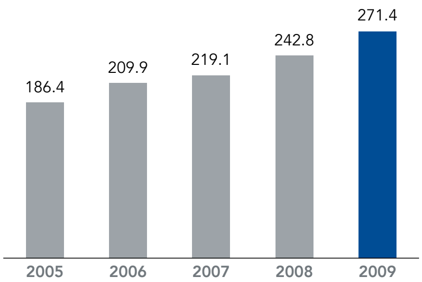
Sempermed	Semperflex	Semperform	Sempertrans
Semperit Technische Produkte GmbH, Gevelsberg, Germany	Semperit Technische Produkte GmbH, Gevelsberg, Germany	Semperit (France) S.A.R.L., Argenteuil, France	Semperit Technische Produkte GmbH, Gevelsberg, Germany
Semperit (France) S.A.R.L., Argenteuil, France	Semperit (France) S.A.R.L., Argenteuil, France	Semperit Industrial Products Inc., Fair Lawn, USA	Semperit Industrial Products Inc., Fair Lawn, USA
Semperit Industrial Products Ltd., Daventry, Great Britain	Semperit Industrial Products Inc., Fair Lawn, USA	Semperit Industrial Products Ltd., Daventry, Great Britain	Semperit Industrial Products (S) Pte Ltd., Singapore
Sempermed Magyarország Kft., Budapest, Hungary	Semperit Industrial Products Ltd., Daventry, Great Britain		
Sempermed USA Inc., Clearwater, USA	Semperit Tekniska Produkter AB, Skärholmen, Sweden		
Sempermed Brazil Comèrico Exterior Ltda., Piracicaba, Brazil	Sempermed Magyarország Kft., Budapest, Hungary		
	Semperit Ibérica S.A., Barcelona, Spain		
	Semperit Industrial Products (S) Pte Ltd., Singapore		

Sempermed

The Sempermed division is one of the world's leading suppliers of surgical and examination gloves. Whereas rubber protective gloves were originally only used for medical purposes, Semperit now manufactures products for a broad range of customers, including the chemical and food industries. The product portfolio consists of two main groups. The non-sterile examination gloves make up the largest share of glove sales, and are also used for industrial applications. The second product group is sterile surgical gloves that are solely targeted at medical customers. The product range also includes protective gloves for industry and special gloves.
Production facilities: Austria, Hungary, Thailand, China

Key business indicators		2008	2009
Revenue	EUR million	242.8	271.4
EBT	EUR million	19.7	49.0
EBT margin	in %	8.1	18.0
Investments	EUR million	7.0	10.2
Employees	annual average	3,970	4,141

Revenue in EUR million

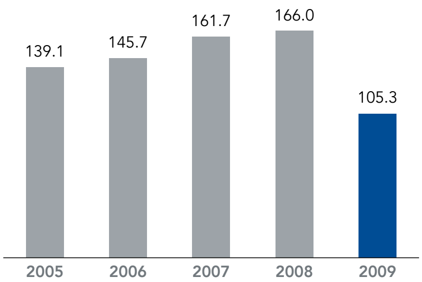


Semperflex

The Semperflex division develops, manufactures and sells hydraulic hoses, industrial hoses, elastomer sheeting and wear protection products. Hydraulic hoses produced by Semperit are specially designed to meet the demands of international customers in machine construction, mining and the manufacture of agricultural and construction machinery. They not only fulfil all generally accepted standards, but also the specific additional requirements, which are unique to the division's various market segments. Industrial hoses are popular among commercial, industrial and municipal customers for the safe and reliable transport of solid, liquid and gaseous materials. Nearly all leading European manufacturers use elastomer sheeting from Semperit as a key raw material for the production of gaskets and stamped parts. Sheeting is also a key product for many technical dealers.
Production facilities: Austria, Czech Republic, Germany, Italy, Thailand, China

Key business indicators		2008	2009
Revenue	EUR million	166.0	105.3
EBT	EUR million	15.7	0.4
EBT margin	in %	9.5	0.4
Investments	EUR million	9.2	4.4
Employees	annual average	1,529	1,058

Revenue in EUR million

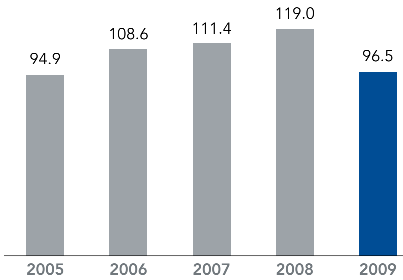


Semperform

As one of Europe's leading manufacturers of moulded and extruded rubber as well as plastic products, the Semperform division supplies customers in a wide range of industries. Special products in the railway superstructure segment ensure that passenger and metro trains weighing many tonnes travel safely and quietly. Semperit develops elastic damping elements to reduce strain and wear on key components in cooperation with the world's largest cable car manufacturers. Semperit is also a virtually exclusive supplier in the niche market for vibration-damping films for all major manufacturers of skis and snowboards. As international market leader, Semperit produces handrails on three continents for all of the world's major producers of escalators and moving sidewalks. Semperit is not only market leader in the German window and door profile segment, but has a significant share in the growth markets of Eastern Europe.
Production facilities: Austria, Germany, Hungary, USA, Thailand, China

Key business indicators		2008	2009
Revenue	EUR million	119.0	96.5
EBT	EUR million	14.5	10.1
EBT margin	in %	12.2	10.5
Investments	EUR million	5.4	2.5
Employees	annual average	731	666

Revenue in EUR million

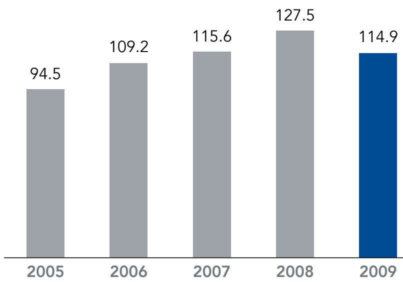


Sempertrans

The Sempertrans division ranks among the world's largest manufacturers of conveyor belts. With its range of textile carcass and steel carcass transport and conveyor belts and its heavy steel cable belts in all standard dimensions, Sempertrans covers a wide range of market segments, including industry, transport, commercial, mining and harbours. State-of-the-art development and manufacturing technologies ensure optimal performance and application flexibility. Continual optimisation at all stages of the manufacturing process guarantee maximum operating safety and long service lives. Sempertrans also offers its customers conveyor belt installation and maintenance services, as well as consulting and development services for the preparation of belt specifications.
Production facilities: Poland, France, India, China

Key business indicators		2008	2009
Revenue	EUR million	127.5	114.9
EBT	EUR million	11.4	12.0
EBT margin	in %	8.9	10.5
Investments	EUR million	5.9	5.5
Employees	annual average	809	759

Revenue in EUR million



Dear shareholders,

Difficult global environment

the global economic environment in the 2009 financial year of the Semperit Group was characterised by a gradual brightening of the gloomy economic perspectives prevailing at the beginning of the year. Business development across continents, individual markets and industries was uneven, and prevented industrialised countries from matching the GDP and economic performance achieved in the previous year.

The economic situation deteriorated drastically for the industrial group of Semperit AG Holding during the first half of 2009. In addition, limited opportunities for companies to conclude export financing agreements or export insurance also had a negative effect on global trade.

Improved order volume in second half-year

As a result of these problems, most of our divisions were confronted with a significant decline in order volume. The order situation only improved in the course of the second half of the year, when the concerted efforts of governments implementing economic stimulus programmes helped revive the global economy.

Earnings increase despite lower revenue

Satisfactory earnings development

The unfavourable economic environment ultimately led to a decline in total revenue of the Semperit Group of 10.3% to EUR 588.1 million. At the same time, we succeeded in improving earnings before taxes (EBT) by 23.8%, to EUR 71.9 million. The Group had considerable cash and cash equivalents at its disposal at the end of 2009, and enjoyed an equity ratio (including minority interests) of about 70%.

As a result, we achieved our declared goal of having Semperit emerge strengthened from the global economic crisis. On balance, the product offering of our four divisions proved to be an extremely robust bulwark against the cyclicality of individual industrial sectors.

However, the latest earnings increase was only made possible by far-reaching and consistently implemented measures to reduce both material and personnel expenses.

Sempermed

Strong revenue and sales growth

The Sempermed division impressively demonstrated its market strength in 2009, increasing its total revenue by 11.7%. Despite the significant rise in latex prices in the course of the year, the Sempermed division generated above-average growth in its earnings before taxes, supported by effective measures to enhance efficiency. The optimal price-performance ratio of Sempermed products served as the basis for the division to exploit rising demand on international markets.

European sales of examination gloves continually rose throughout the year. Sempermed even managed to surpass its revenue and earnings targets in the USA, the world's largest market. The business with surgical gloves also developed gratifyingly, with the production plant in Wimpassing operating at full capacity.

Sempertrans

Good results despite revenue decline

Despite a difficult business environment, the Sempertrans division developed satisfactorily. Although total revenue fell almost 10% to EUR 114.9 million, Sempertrans was able to slightly improve on the good level of earnings achieved in 2008. However, our production plant in France suffered from a significant drop in revenue and orders and had to face the challenge of tough price competition, which can be attributed to the considerable decline in demand for conveyor belts in all important European markets. In contrast, capacity utilization at the manufacturing plants in Poland and India remained good throughout the entire year, but competition and price pressure increased significantly towards the end of the year.

Semperflex

Loss of revenue due to order downturn

From the beginning of 2009 onwards, the Semperflex division was the most severely affected by the global economic crisis, and faced a dramatic collapse in demand. Although the situation stabilised starting in the second quarter, total revenue in 2009 was down about 37% year-on-year, to EUR 105.3 million.

In addition to a slump in demand, the hydraulic hose segment was also faced with enormous price competition. Western European markets recovered somewhat in the second half of the year, but recessionary tendencies continued in Eastern Europe. The Asian markets recovered earlier and more strongly.

Demand in the industrial hose segment remained weak throughout the year. Initial signs of a slight recovery first became apparent only in the fourth quarter. There were no indications of an upward trend in demand for elastomer sheeting. This segment was particularly burdened by rising raw material prices in the second half of the year.

Semperform

Varied development of segments

Total revenue of the Semperform division in the 2009 financial year amounted to EUR 96.5 million, or 19% below the previous year's level. The effects of the recession varied considerably in the different product areas. There was a perceptible upturn in demand for window and door seals in Germany and other Western European countries starting in May, whereas business in Eastern Europe remained weak. Order volume for handrails improved in the second half of 2009, particularly in Asia, where our handrail plant in Shanghai profited from China's massive national infrastructure programme. Business development in the railway superstructure segment remained relatively stable in 2009 as a whole, but demand for pipe fittings and filter membranes was extremely unsatisfactory.

Investments

Investment cutback in the first half-year

Investments were intentionally cut back to the amount of EUR 23 million in the first half of 2009, due to the uncertain economic situation. The focus was on implementing measures to reduce costs and material consumption.

Renewed capacity expansion

Growth investments were once again started in the second half of the year to expand production capacity. Construction of a new compounding unit for hydraulic hose manufacturing at the Semperflex Asia facility in Thailand was put on track, and work commenced on the installation of an additional double press for handrails in Shanghai Rubber & Plastic.

In order to fulfil increasing demand for examination gloves on global markets, we not only further expanded production capacity at existing plants in Thailand by installing the next technological generation of dipping lines, but also commenced construction on a new production facility. Furthermore, a new manufacturing facility for conveyor belts was acquired in China to serve as the basis for establishing a more solid foothold to penetrate the world's largest conveyor belt market in China. All these investments are further steps in the consistent implementation of the internationalisation and growth strategy designed to sustainably secure the future success of the Semperit Group.

Research

Ongoing improvement in competitiveness

Semperit permanently strives to develop new materials, manufacturing processes and products in order to continually increase its competitiveness. The Research and Development Centre located in Wimpassing plays a major role in these efforts. For example, in 2009 the Sempertrans division worked on conveyor belts with lower rolling resistance to reduce energy costs. The Sempermed division largely completed research on a novel cross-linking system.

The Semperit share

Dividend increase to EUR 1.15

In line with the improved earnings situation, earnings per share rose from EUR 1.83 to EUR 1.89. Due to this extraordinarily positive profit development, the Management Board will propose an increase in the dividend from EUR 1.09 per share to EUR 1.15 per share. This corresponds to a respectable dividend yield of 4.3% in relation to the share price at the close of trading in 2009, or a 5.7% dividend yield taking the average share price in 2009 as a basis.

Unchanged corporate policy

Ongoing internationalisation

The gratifying development of the Semperit Group, especially during the global economic crisis, impressively reflects the success of Semperit's current corporate strategy. Accordingly, we will pursue the strategy we have laid out and continue to focus our business activities on our four divisions. A top priority is to maintain our competitive price structure, which in many areas serves as the basis for our cost leadership on world markets. This enables us to successfully overcome the challenges of price wars and cutthroat competition on international markets. Moreover, we will concentrate on expanding our global manufacturing capacities as the basis for penetrating new markets.

Outlook

It is hardly possible to make reliable forecasts for 2010 as a whole due to the unstable nature of the global economy. Based on its timely and persistent implementation of cost reduction measures and our growth-oriented investment policy, the Semperit Group considers itself to be well positioned for the ongoing difficult economic environment. For these reasons, we are confident of our ability to further increase our competitiveness and once again generate satisfactory results in 2010.

Thanks to employees, customers and shareholders

Finally, I would like to thank all employees and executives for their enormous dedication and hard work. Particularly in an economically difficult business environment, a staff which is determinedly committed to achieving our corporate goals is a decisive success factor. For this reason, extensive training and professional development programmes were carried out for our employees in 2009. We want to encourage them to continue their past good work with renewed enthusiasm and commitment in the current year. We are convinced that we will emerge even stronger from the crisis by jointly pursuing our corporate policies.

We extend our thanks to our customers for their loyalty to us and our products, and for the successful cooperation. We would also like to thank our shareholders for the confidence they place in the company, and hope they will continue to accompany us on our path.

Rainer Zellner
Chairman of the Management Board

Corporate governance report

Austrian Corporate Governance Code

Voluntary commitment to the Austrian Corporate Governance Code

The Austrian Corporate Governance Code establishes a regulatory framework for the management and monitoring of Austrian joint stock companies. This code contains internationally adopted standards, as well as significant related regulations stipulated in the Austrian Stock Corporation, Stock Exchange and Capital Markets Acts and the basic principles encompassed in the OECD Guidelines for Corporate Governance.

The rules are aimed at ensuring the responsible management and supervision of companies and corporations with the goal of achieving a sustainable and long-term creation of value.

The code helps to create a high level of transparency for all of the company's stakeholders. It creates guidelines for the equal treatment of all stakeholders, for transparency, open communication between the Management and Supervisory Boards, the avoidance of conflicts of interest between bodies and efficient checks by the Supervisory Board and auditors.

Companies voluntarily undertake to comply with the guidelines contained in the Austrian Corporate Governance Code in the current and binding version. The Austrian Corporate Governance Code was last amended in January 2010. As this is first mandatory for financial years beginning after December 31, 2009, the statements in this report are in accordance with the version from January 2009. All versions of the Austrian Corporate Governance Code are available at the website www.corporate-governance.at.

Statement on corporate governance

Compliance with the code

The Semperit Group hereby declares that it voluntarily observes the Austrian Corporate Governance Code, and also intends to observe the code in the future or justify any deviations from it. The Supervisory Board also reached a corresponding unanimous decision. Semperit AG Holding complies with all legally binding L-rules (Legal Requirement). Unless otherwise declared, the C-rules (Comply-or-Explain) will be observed by the relevant bodies and companies.

Cooperation between Management Board and Supervisory Board

Responsible corporate management

The Management Board of the Semperit Group consists of three members (see page 19). It has full responsibility to manage the company, taking account of the interests of shareholders and employees as well as the public interest. The strategic direction of the company is determined in close cooperation with the Supervisory Board and discussed in meetings held at regular intervals. The basis for corporate management is the legally binding regulations, the Articles of Association and the internal rules of procedure applying to the Supervisory Board. In addition, behavioural guidelines are also contained in the Austrian Corporate Governance Code.

The Supervisory Board determines the division of responsibilities in the Management Board, as well as those transactions requiring its authorisation. Furthermore, the Supervisory Board supports the Management Board in managing the company, particularly in the decisions of primary importance. The Supervisory Board has set up committees composed of its own members to deal with specific matters: the Executive and Remuneration Committee, Audit Committee, and the Personnel and Nominating Committee (see page 20).

Remuneration of Management Board and Supervisory Board

Variable remuneration on the basis of net profit and dividend distribution

The remuneration of the Management Board encompasses fixed and variable, performance-based salary components, as well as remuneration in kind. As in the previous years, the assessment base for the variable salary component of the Management Board is the Group net profit and the dividend amount that is distributed. The remuneration can be found on page 83 of this Annual Report in the notes to the consolidated financial statements. A contractual agreement stipulating direct retirement benefits for the Chairman of the Management Board was concluded on his initial appointment to this position. For the other members of the Management Board, the Articles of Association prescribe pension plan reinsurance in the form of a defined contribution. In the case of termination of an employment contract, the respective member of the Management Board is entitled to severance payments in accordance with the Salaried Employees Act. No share options have been granted. A Directors and Officers (D&O) insurance has been taken out for the members of the Management Board and senior executives.

Remuneration of the Supervisory Board in accordance with the Company Charter

Remuneration of the Supervisory Board is governed in Section 15 of the Articles of Association. Accordingly, each member of the Supervisory Board receives an attendance fee for each session totalling EUR 120 as compensation for expenses, as well as a fixed annual fee amounting to EUR 4,360. Both fees are linked to the consumer price index (basis: CPI 2000, annual average 2004 = 108.1) the fees for 2009 are therefore slightly higher than the aforementioned amounts. The fixed annual fee is increased by 100% for the Chairman of the Supervisory Board and 50% for the Deputy Chairman. In addition to the fixed and attendance fees, the members of the Supervisory Board as a whole (excluding employee representatives) receive 0.15% of the consolidated net profit after taxes and minority interests as a performance-based profit-sharing scheme, after the consolidated financial statements have been granted an unqualified opinion by the auditors. This profit-sharing scheme is divided among the Supervisory Board members so that each member receives an equal share, the Chairman an additional 100% of this share and the Deputy Chairman an additional 50%. Moreover, the performance-based component may not exceed 2.5 times the annual fixed fee (excluding attendance fees) for each Supervisory Board member.

Deviations from C-rules

Deviations from the following rules are explained as follows: Rule 31/51: The remuneration paid to the Management and Supervisory Boards is not disclosed separately for each member but for the boards as a whole. Publication of the individual remuneration is the personal decision of each member of the Management and Supervisory Boards and is therefore not disclosed.

Meetings of the Supervisory Board and its committees

The Supervisory Board convened for four sessions during the 2009 financial year. The Audit Committee intensified its activities in accordance with prevailing legal regulations, meeting twice and focusing on the Internal Control System (ICS). Information on the composition of the Supervisory Board, further mandates and the declarations of independence on the part of Supervisory Board members can be found on page 20. Criteria for the independence of Supervisory Board members correspond to the guidelines contained in Appendix 1 of the version of the Corporate Governance Code amended in January 2009.

Compliance Directive

Own compliance officer

Semperit has issued its own compliance guidelines designed to prevent the misuse or dissemination of insider information. Compliance is monitored and evaluated by a specially designated compliance officer reporting directly to the Management Board. The Compliance Directive has been published on the website www.semperit.at.

Female employees are a valuable asset to our company. For this reason, we have intensified our efforts to hire women in recent years, and have been able to continually increase the percentage of women in professional positions.

Director's dealings

Disclosure of Director's Dealings

In accordance with Section 48d of the Austrian Stock Exchange Act, share purchases or sales by members of the Management and Supervisory Boards must be reported to the Austrian Financial Market Authority within five working days following conclusion of the transaction, and published on its website.

Internal auditing and risk management

The Internal Auditing unit reports directly to the Management Board, and prepares an audit plans and annual activity reports for the previous financial year. The Management Board discusses these documents with the members of the Supervisory Board. The effectiveness of the company's risk management system is evaluated by the auditor on the basis of the prepared documents. This auditor's report is presented to the Management Board as well as to the Supervisory Board.

Internal control system

The internal control system established in the Semperit Group serves to ensure the effectiveness and profitability of business operations, the integrity and reliability of financial reporting and adherence to important laws and regulations. It is being continually updated and expanded by the internal auditing unit and the related departments in the company as a means of supporting the early identification and ongoing monitoring of risk. In the 2009 financial year, the ICS was subject to an external evaluation, which confirmed that it functioned effectively. A corresponding report was presented to the Supervisory Board.

Vienna, March 5, 2010

The Management Board

Rainer Zellner Chairman	Richard Ehrenfeldner	Richard Stralz

Management Board

	Year of birth	First appointed	End of current term of office	Responsibilities (main focus)	Supervisory Board positions in other companies
Rainer Zellner *Chairman*	1947	March 1, 1983 (Chairman since October 1, 1989)	May 31, 2013	Finance, Human Resources, Purchasing, Law, PR and IR, Technical Engineering	Constantia Packaging AG *Chairman (until December 31, 2009)*
Richard Ehrenfeldner	1954	October 1, 2001	May 31, 2012	Production, Quality Control, R&D	
Richard Stralz	1963	June 1, 2004	May 31, 2013	Marketing and Sales	

Rainer Zellner, Richard Stralz, Richard Ehrenfeldner (from left to right)

Supervisory Board

	Year of birth	First appointed	End of current term of office[1]	Supervisory Board positions in other companies
Shareholder representatives				
Veit Sorger[2) 3) 4) 5) 6)] *Chairman*	1942	May 26, 2004	Until the Annual General Meeting (AGM) resolving upon the 2011 financial year	*Chairman of the Supervisory Board:* Mondi AG *Member of the Supervisory Board:* Lenzing AG, GrECo
Walter Lederer[2)] *Deputy Chairman (until April 30, 2009)* *([3) 4) 5)]until April 30, 2009)*	1961	June 7, 2002	Until the AGM resolving upon the 2010 financial year	Lenzing AG, Allgemeine Baugesellschaft – A. Porr AG, UBM Realitäten-entwicklung AG, Imperial Hotels Austria AG
Winfried Braumann[2)] *Deputy Chairman (since April 30, 2009)* *([3) 4) 5)]since April 30, 2009)*	1956	May 20, 2008	Until the AGM resolving upon the 2009 financial year	*Deputy Chairman:* Lenzing AG
Martin Payer[2) 6)]	1978	May 24, 2007	Until the AGM resolving upon the 2011 financial year	Lenzing AG
Andreas Schmidradner[2)]	1961	May 20, 2008	Until the AGM resolving upon the 2009 financial year	Lenzing AG
Anton Schneider[2) 6)]	1951	April 30, 2009	Until the AGM resolving upon the 2011 financial year	*Member of the Supervisory Board:* Linz Textil AG
Employee representatives				
Alexander Hollerer[4) 5)]	1954	July 1, 1998		
Andreas Slama	1966	January 31, 2009		
Matthias Unkrig	1968	April 5, 2005		

1) One fifth of the members of the Supervisory Board automatically leave their positions every year at the end of the Annual General Meeting, pursuant to the Articles of Association.
2) Have declared their independence vis-à-vis the Supervisory Board in accordance with Rule 53 of the Austrian Corporate Governance Code.
3) Executive and Remuneration Committee
4) Audit Committee
5) Personnel and Nominating Committee
6) No representation by a shareholder over 10% (Rule 54 of the Austrian Corporate Governance Code).

Report of the Supervisory Board

The Supervisory Board held four meetings in the 2009 financial year, and carried out its legally stipulated duties imposed upon it by law and the company's statutes. In addition, two sessions of the Audit Committee took place. The Management Board also reported regularly between Supervisory Board meetings to the Executive Committee on the progress of the business and the situation of the company. The Supervisory Board and Management Board worked closely together in the 2009 financial year in accordance with the principles of good corporate governance.

The annual financial statements of Semperit AG Holding including the management report, were audited by Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, on the basis of the Group's accounts. The auditor confirmed that the annual financial statements comply with legal requirements and present a fair and accurate picture of the assets and financial position of the company as at December 31, 2009, and the earnings of the company for the financial year starting on January 1, 2009 and ending on December 31, 2009, in accordance with Austrian Generally Accepted Accounting Principles, and the management report is in agreement with the annual financial statements. Furthermore, the auditor confirmed that the corporate governance report has been drawn up. The auditor awarded an unqualified audit opinion to the annual financial statements for 2009.

Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, audited and issued an unqualified audit opinion on the consolidated financial statements that were prepared in compliance with the International Financial Reporting Standards (IFRS), as they are applied in the EU, and the consolidated management report prepared in accordance with the Austrian corporation law. The auditors confirmed that the consolidated annual financial statements present a fair and accurate picture of the asset and financial situation of the Semperit Group at December 31, 2009, as well as the earnings position and cash flows of the company for the financial year starting on January 1, 2009 and ending on December 31, 2009, and that the consolidated management report is consistent with the consolidated annual financial statements.

The Audit Committee of the Supervisory Board closely reviewed the annual financial statements, as well as the corporate governance report, the consolidated financial statements and the auditor's reports in its meeting held on March 26, 2010, and discussed the results of the audit in detail with the auditor. The Audit Committee recommended that the Supervisory Board propose the appointment of Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, again as the auditor for the 2010 financial year. The Supervisory Board agreed with this proposal.

The Supervisory Board examined the annual financial statements and the consolidated annual financial statements as well as the management report and consolidated management report, and concurs with the conclusions of the auditor. The Supervisory Board formally approves the annual financial statements for the 2009 financial year, which are consequently adopted in accordance with Section 96 (4) of the Austrian Stock Corporation Act. The management report, consolidated financial statements and the consolidated management report for the 2009 financial year, were also approved by the Supervisory Board. The Supervisory Board accepts the Management Board's proposal on the distribution of profits, according to which a dividend of EUR 1.15 per eligible share is to be paid from the reported net profit for the year amounting to TEUR 24,400.3.

Vienna, March 26, 2010

Veit Sorger m.p.
Chairman of the Supervisory Board

The Semperit share

Capital market developments

Recovery of international stock markets

At the beginning of 2009, international stock markets were still strongly impacted by the financial crisis. Starting in the second quarter, the extended economic stimulus packages initiated in 2008 as well as government guarantees helped to bring about a slight recovery on stock exchanges. The surprisingly strong performance of U.S. banks in the first quarter and the economic data that defied the negative expectations, especially from the USA and China, contributed to share price gains. Moreover, the repeated slashing of the prime lending rate by the European Central Bank (ECB) had a positive effect on stock market performance. Against this backdrop, the DJ EURO STOXX 50, a representative index for Europe, registered a 16.9% rise in value. In the Far East, the NIKKEI 225 climbed by 18.4%. Only the USA posted share price losses. Accordingly, the DOW JONES INDUSTRIAL AVERAGE 2009 reported an overall loss of 32.7%. In contrast, the Vienna Stock Exchange made up for lost ground. The Vienna benchmark index ATX (Austrian Traded Index) ended trading in 2009 at 2,495.56 points, up 42.5% from the previous year.

Performance of the Semperit share

Record development of the share

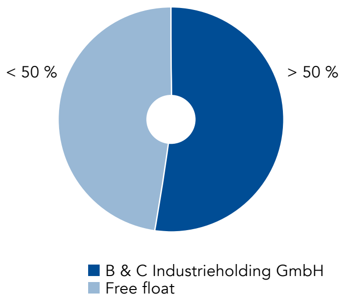
In line with the ATX benchmark index, the Semperit share started off weakly at the beginning of 2009, and was subsequently subject to a volatile development throughout the first quarter. However, this was followed by a constant upward trend featuring a rise to EUR 28.30 at the beginning of December, its highest level for the year. After two difficult stock market years, the Semperit share succeeded in matching its all-time high from 2006. On balance, the value of the Semperit share more than doubled in a year-on-year comparison, registering record gains of 128.6% and thus significantly outperforming the ATX index. Against this backdrop, market capitalisation developed gratifyingly, amounting to EUR 554.9 million at year-end 2009, up from EUR 242.8 million one year earlier.

Dividend proposal

Dividend proposal: EUR 1.15 per share

The dividend policy of the Semperit Group is oriented to ensuring the sustainable development of the company and enabling its shareholders to appropriately participate in the company's success. The Management Board will propose the distribution of a dividend of EUR 1.15 per share for the 2009 financial year to the upcoming Annual General Meeting. This corresponds to a dividend payout ratio of 61% of the Group net profit and a dividend yield of 4.3% as measured by the share price of EUR 26.97 at the close of trading in 2009 or 5.7% in relation to the average share price for 2009.

Shareholder structure



Shareholder structure

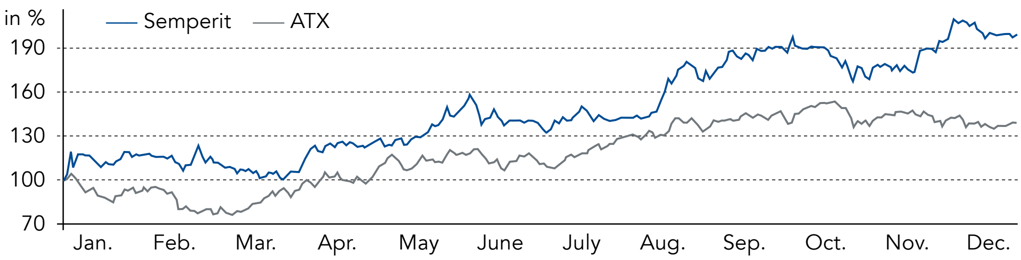
Semperit AG Holding is listed on the Prime Market of the Vienna Stock Exchange with 20,573,434 no-par-value shares. B & C Industrieholding GmbH, Vienna, is the stable core shareholder of the Semperit Group, with a stake of over 50%. The remaining shares are in free float.

Comprehensive information for investors

Investor relations

Communications of the Semperit Group with shareholders and the general public is based on long-term trust. Semperit is one of the oldest shares listed on the Vienna Stock Exchange, featuring an initial listing dating back to the year 1890. All important up-to-date information and news for shareholders and analysts is published on the website at www.semperit.at as the basis for transparency, service and timeliness. The objective of Semperit's communications policy is to provide shareholders and the international financial community with a true and accurate picture of the Semperit Group and its business performance. This approach is designed to enable a correct evaluation of the Semperit share on the stock exchanges. The investor relations activities are coordinated by a separate staff unit in the finance department. The primary instruments used in Semperit's investor relations work include the annual report, quarterly reports, regular press releases and discussions held with domestic and foreign investors, also within the context of road shows.

Performance comparison Semperit/ATX 2009



Stock exchange data		2005	2006	2007	2008	2009
Share price high	in EUR	27.75	28.37	34.57	31.00	28.30
Share price low	in EUR	20.56	19.60	24.48	11.80	13.83
Share price at year-end	in EUR	20.92	28.12	25.00	11.80	26.97
Price change at year-end	in %	–9.0	+34.4	–11.1	–52.8	128.6
Shares outstanding	1,000 shares	20,573	20,573	20,573	20,573	20,573
Market capitalisation at year-end	in EUR million	430.4	578.5	514.3	242.8	554.9
Earnings per share	in EUR	1.79	1.95	2.17	1.83	1.89
Dividend per share	in EUR	0.77	0.84	0.95	1.09	1.15[1)]
Dividend yield	in %	3.68	2.99	3.80	9.24	4.26
Dividend payout ratio	in %	43.1	43.2	43.8	59.6	61.0
Capital and reserves without minority interests per share	in EUR	10.93	12.25	13.61	14.19	15.10
P/E ratio at year-end	X	11.7	14.4	11.5	6.5	14.3

[1)] Proposal to the Annual General Meeting

Success is in the details:
Fire hose by Semperit

CONSOLIDATED MANAGEMENT REPORT

Serious recession

In 2009, the global economy suffered from the worst recession since 1945. The real gross domestic product of the euro zone contracted by 3.9% on a year-on-year basis. The Central and Eastern European countries were also confronted with the negative effects of the global economic crisis in 2009, due to their close economic and financial ties to Western Europe. The eight new EU member states posted a negative GDP growth rate of about 3.8% in 2009. Only Poland was able to increase its GDP in the period under review. The economic stimulus package in the USA was more far-reaching than those enacted in the EU. Against the backdrop, the economic downturn in the USA was slightly less severe, with GDP down only 2.5%. In contrast, China and India succeeded in defying the crisis and once again achieved strong growth at 8.6% and 5.9% respectively.

Stabilisation in the course of the year

A cautious reversal of the downward trend was perceptible starting in the middle of the year, driven by expansive budgetary policies around the world. Accordingly, following a constant GDP decline since the second quarter of 2008, the euro zone once again posted a positive economic growth rate of 0.4% in the third quarter of 2009 compared to the previous quarter. Far-reaching economic stimulus packages enacted by governments as well as the expansive monetary policy pursued by the European Central Bank (ECB) made decisive contributions to the economic turnaround. A slight economic recovery was also perceptible in the USA and Japan in the third quarter of the year.

Development of raw material markets

Decline in prices in the first half-year

The reversal of the trend on raw material markets, which became apparent at the end of 2008, continued at the beginning of 2009 and was characterised by a further decline in prices. Overly high inventories along the entire value chain of the chemical industry led to reduced raw material prices, which continued until the middle of 2009. In this period, the material consumption of the Semperit Group also decreased.

Renewed price surge from mid-year

Many manufacturers of rubber, carbon black and chemicals reacted to weak demand with plant shutdowns or by reducing production capacity. As a consequence, rising demand as of the middle of 2009 caused raw material prices to climb once again.

Latex prices up to 2008 level at year's end

Latex is the single most important raw material used by the Semperit Group, and comprises the highest share in material costs by far in the Sempermed division. Latex prices reached their lowest point shortly before the beginning of 2009, subsequently climbed slightly on Asian commodities exchanges and then rose strongly from the beginning of the fourth quarter onwards, and at year's end matched the high price level of the spring and early fall of 2008.

Synthetic rubber prices climb as of mid-year

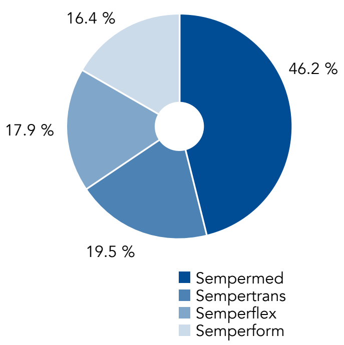
In the first half of 2009, the Semperit Group profited from extremely weak demand for synthetic rubber. With the exception of the Sempermed division, synthetic rubber is one of the most important raw materials in Semperit's rubber production. Although the strongly reduced prices for raw materials essential to making synthetic rubber continually increased starting at the beginning of 2009, synthetic rubber prices moved in the opposite direction until mid-year. Factory shutdowns on the part of different manufacturers ultimately reduced the supply of synthetic rubber as of mid-2009. The ongoing rise in demand throughout the summer led to ongoing price hikes as of the middle of 2009. The development of technical carbon black and oil prices had already reflected the increasing costs of crude oil earlier in the year. Reinforcing materials, particularly steel wires, were subject to a surge in prices in the second half of 2009.

Condensed consolidated income statement for the 2009 financial year starting January 1, 2009 and ending December 31, 2009

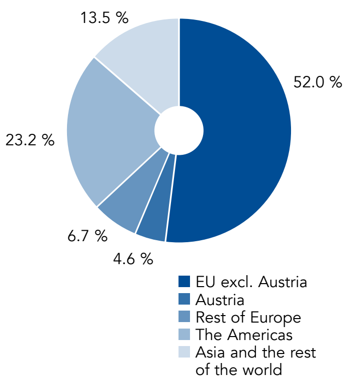
in EUR million	2008	2009	Change in %
Revenue	**655.3**	**588.1**	**–10.3**
Changes in inventories	5.0	–9.8	–295.4
Own work capitalised	1.4	0.9	–35.5
Operating revenue	**661.7**	**579.2**	**–12.5**
Other operating income	25.1	22.5	–10.2
Cost of materials	–381.9	–297.0	–22.2
Personnel expenses	–109.3	–99.7	–8.7
Depreciation and amortisation	–29.2	–33.2	+13.8
Other operating expenses	–107.7	–102.2	–5.1
Earnings before interest and tax (EBIT)	**58.7**	**69.6**	**+18.6**
Financial results	**–0.6**	**2.3**	**+502.2**
Earnings before tax (EBT)	**58.1**	**71.9**	**+23.8**
Income taxes	–13.2	–17.7	+34.1
Earnings after tax	**44.9**	**54.2**	**+20.8**
Minority interests[1]	7.3	15.4	+111.8
Net profit for the year[2]	**37.6**	**38.8**	**+3.2**

[1] Minority interests = Earnings after tax attributable to the non-controlling shareholders of subsidiaries
[2] Net profit for the year = Earnings after tax attributable to shareholders of the parent company Semperit AG

Revenue by division



Revenue by region



Revenue

Due to the cyclically-related downturn in demand in almost all segments, with the exception of Sempermed, total revenue of the Semperit Group was down 10.3%, to EUR 588.1 million.

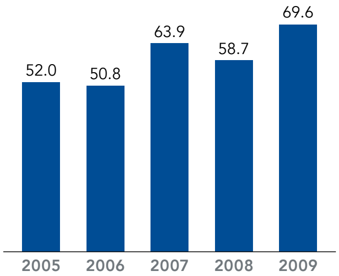
Demand for surgical and examination gloves was not impacted by the economic crisis. For this reason, the Sempermed division managed to increase revenue by 11.7%, to EUR 271.4 million. Under the given circumstances, the Sempertrans division developed solidly, generating revenue of EUR 114.9 million (–9.8%). The Semperflex division was confronted with a considerable drop in revenue of minus 36.5% to EUR 105.3 million, as was the Semperform division, which reported a revenue decline of 19.0%, to EUR 96.5 million.

With a 46.2% share of total revenue, business with medical and industrial gloves (Sempermed) continued to make the biggest contribution to revenue of the Semperit Group. The share of revenue generated by Sempertrans remained at the previous year's level of 19.5%. Semperflex accounted for 17.9% of total revenue, followed by Semperform with 16.4%.

From a regional perspective, Semperit achieved a solid growth in revenue in the Americas, which can be attributed to the positive business development of Sempermed in North America and the newly acquired subsidiary in Brazil. Asia and the rest of the world remained at the level of the previous year, while revenue declined in all other regions. This led to the following change in contribution to Group revenue on a regional basis: Europe accounted for 63.3% of Group revenue in 2009 (previous year: 68.5%). The Americas generated about 23.2% of total revenue (previous year: 19.2%), whereas the remaining 13.5% of revenue can be attributed to Asia and the rest of the world (previous year: 12.3%).

Significant EBIT increase

Operating profit (EBIT) in EUR million



Material cost ratio down to 51.3%

Increase in minority interests

Earnings

Despite the difficult economic environment, Semperit succeeded in considerably improving earnings during the period under review. Earnings before interest and tax (EBIT) rose 18.6%, to EUR 69.6 million. The EBIT margin in relation to revenue also increased to 11.8%, up from 9.0% in the previous year. Earnings before tax (EBT) amounted to EUR 71.9 million, a rise of 23.8% from 2008. These earnings before tax represent a return on sales of 12.2% (previous year: 8.9%), a return on equity of 19.6% (previous year: 16.6%), and a return on assets of 13.5% (previous year: 12.0%).

Despite lower revenue in some cases, earnings of the individual divisions were satisfactory in light of the current environment. The Sempermed division strongly improved its earnings before tax by 148.6%, to EUR 49.0 million. This can be attributed to the advantageous development of raw material prices in the first half-year as well as improvements to productivity and material usage. Sempertrans improved earnings before tax to EUR 12.0 million (previous year: EUR 11.4 million). Earnings at Semperform fell by EUR 4.4 million to EUR 10.1 million. Despite a massive drop in revenue, Semperflex managed to generate positive earnings before tax of EUR 0.4 million (previous year: EUR 15.7 million).

In 2009, the cost of materials in the Semperit Group decreased by 22.2%, to EUR 297.0 million. This positive development was not only related to lower prices for key raw materials in the first half of the year, but also to the determined implementation of Group-wide projects to reduce material consumption. As a result, the ratio of the cost of materials to operating revenues fell to 51.3%, compared to 57.7% in 2008.

Semperit was forced to adjust staff as a response to the economic downturn. The average annual number of employees totalled 6,649 people, a decrease of 415 employees. Personnel expenses could be reduced by 8.7%, to EUR 99.7 million, but they still rose as a share of operating revenues to 17.2%, above the 2008 level of 16.5%.

Depreciation and amortisation climbed 13.8%, to EUR 33.2 million. The decline in other operating income and in other operating expenses is mainly related to the decline in revenue.

The financial result improved considerably to EUR 2.3 million (previous year: minus EUR 0.6 million).

The effective tax burden of the Semperit Group rose to 24.6%, up from 22.8% in 2008. Earnings after tax rose 20.8% year-on-year, to EUR 54.2 million. The net profit attributable to non-controlling shareholders of subsidiaries more than doubled to EUR 15.4 million. Subsequently, consolidated net profit for the year attributable to shareholders of the parent company Semperit AG reached EUR 38.8 million.

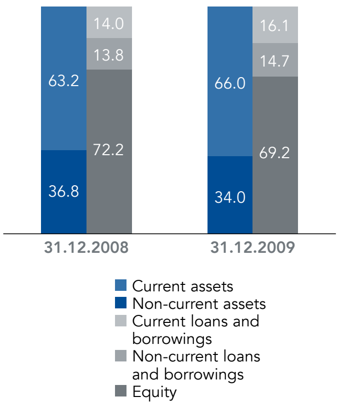
The share capital of Semperit AG Holding amounts to EUR 21,358,996.53, and is divided into 20,573,434 non-par-value bearer shares, each of which represents an equal interest in the equity capital. Earnings per share in 2009 rose from EUR 1.83 to EUR 1.89.

Dividend proposal to the Annual General Meeting: EUR 1.15

The Management Board will propose a dividend increase to the Annual General Meeting to EUR 1.15 per share. As a consequence, the dividend payout ratio will improve to 61%. The dividend yield amounts to 4.3% based on a share price of EUR 26.97 at the end of December 2009 or 5.7% in relation to the average share price for 2009.

Profit, asset and financial position

Balance sheet structure in %



During the year under review, the balance sheet total of the Semperit Group rose by 9.5%, to EUR 531.5 million. Tangible assets, which includes prepayments and assets under construction in the amount of EUR 8.9 million, declined to EUR 151.6 million (previous year: EUR 157.9 million) as a consequence of the company's cautious investment policy in the first half-year. Financial assets rose to EUR 9.3 million in 2009 from the previous year's level of EUR 4.7 million. Newly received securities relate exclusively to Austrian federal bonds. Current assets improved by 14.9% to EUR 365.2 million. Working capital, which consists of inventories plus accounts receivable less trade payables, was down by 18.7% to EUR 124.1 million. Measures designed to reduce working capital led to a 22.6% decline in inventories, to EUR 74.6 million. Trade receivables were down 8.5%, to EUR 79.5 million. Information on the allocated emission certificates can be found in the notes to the consolidated financial statements on page 65. Cash and cash equivalents amounted to EUR 185.8 million at the balance sheet date, an increase of 73.1% year-on-year. Thus the Semperit Group has a good liquidity basis for further investment and acquisition projects.

Capital and reserves without minority interests totalling EUR 310.6 million (+6.4%) includes inflows of capital from the consolidated net profit for the year of EUR 38.8 million, outflows for dividend payments to shareholders of EUR 22.4 million, and currency translation differences of EUR 2.2 million. The equity ratio of the Semperit Group without minority interests as a benchmark of the Group's financial autonomy was 58.4% (previous year: 60.1%). Equity capital covers Semperit Group's tangible assets by 186.7% (previous year: 174.1%). Liabilities amounted to EUR 69.8 million in 2009, a rise of 20.5% from 2008. Accordingly, cash and cash equivalents exceeded financial liabilities by EUR 180.2 million (previous year: EUR 100.4 million).

Events after the balance sheet date

Sempertrans Best (Shandong) Belting Co. Ltd. commenced operational activity on March 1, 2010.

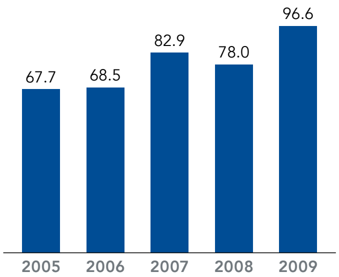
Condensed consolidated balance sheet as at December 31, 2009

in EUR million	31.12.2008	31.12.2009	Change in %
Assets			
Tangible assets	167.7	166.4	–0.8
Inventories	96.4	74.6	–22.6
Trade receivables	86.8	79.5	–8.5
Other current assets including deferred taxes	134.6	211.0	+56.8
Total assets	**485.5**	**531.5**	**+9.5**
Equity and liabilities			
Capital and reserves without minority interests	291.9	310.6	+6.4
Minority interests	58.5	57.0	–2.6
Provisions including social capital	77.2	94.2	+22.1
Liabilities	57.9	69.7	+20.5
Total equity and liabilities	**485.5**	**531.5**	**+9.5**

Cash flow

Gross cash flow improved by 23.8% in 2009, to EUR 96.6 million. Cash flow from operating activities almost tripled to EUR 144.9 million (previous year: EUR 56.1 million), due to the strong decline in working capital. Cash flow from investing activities amounted to minus EUR 26.4 million in 2009. Replacement, expansion and rationalisation investments in tangible and intangible assets totalled EUR 20.9 million. The net flows from the changes in marketable securities led to a capital inflow of EUR 0.2 million.

Gross cash flow in EUR million



The cash flow from financing activities amounting to minus EUR 40.6 million primarily comprises the dividend payment of EUR 22.4 million for the 2008 financial year, and the dividend share of minority shareholders of EUR 16.8 million. Cash and cash equivalents at the balance sheet date of December 31, 2009, which takes exchange rate changes into consideration, totalled EUR 185.8 million, or EUR 78.4 million higher than in the previous year.

As an indicator of the company's ability to finance investments and thus future growth from its own income, the cash flow ratio is calculated as the proportion of the gross cash flow to revenue. The Semperit Group achieved a cash flow ratio of 16.4% in 2009 (previous year: 11.9%).

Condensed consolidated cash flow statement for the 2009 financial year starting January 1, 2009 and ending December 31, 2009

in EUR million	2008	2009	Change in %
Gross cash flow	78.0	96.6	+23.8
Cash flow from operating activities	56.1	144.9	+158.4
Cash flow from investing activities	2.7	–26.4	–
Cash flow from financing activities	–20.1	–40.6	+101.9
Change in cash and cash equivalents	38.6	77.9	+101.5
Cash and cash equivalents at the end of the period	107.3	185.8	+73.1

Investments

Increased investments

In 2009, the Semperit Group invested EUR 28.2 million in intangible, tangible and financial assets. The investments were predominantly for expanding capacity as well as for rationalisation and modernisation projects. Of the total investments, EUR 10.2 million can be attributed to the Sempermed division, EUR 4.4 million to Semperflex, EUR 2.5 million to Semperform and EUR 5.5 million to the Sempertrans division.

The investment in a new conveyor belt plant is not included in these figures as the cash outflow will first be effected in 2010.

Disclosures pursuant to Section 243a Para. 1 Austrian Enterprise Code

The company's share capital amounted to EUR 21,358,996.53 and consisted of 20,573,434 no-par-value ordinary bearer shares, each carrying equal rights in every respect. There are no restrictions with regard to voting rights except for provisions contained in the Austrian Stock Corporation Act.

B & C Industrieholding GmbH owned more than 50% of the shares in Semperit AG Holding as at December 31, 2009. The remaining shares are in free float. No shares were issued entitling the owners to special control rights.

Employees owning shares are entitled to exercise their right to vote at the Annual General Meeting.

There are no other regulations extending beyond legal requirements that relate to the appointment and revocation of members of the Managing Board. The clause pertaining to the appointment and revocation of the members of the Supervisory Board is in accordance with prevailing legal regulations, and can be downloaded at www.semperit.at. With regard to amendments made to the Articles of Association, these are enacted with a simple majority of the share capital represented at the Annual General Meeting, inasmuch as the Austrian Stock Corporation Act does not stipulate any other procedure.

The authorisation granted to the Management Board by the 120th Annual General Meeting held on April 30, 2009 pursuant to Section 65 Para. 1 (8) of the Austrian Stock Corporation Act to repurchase shares comprising up to 5% of the share capital applies for a maximum period of 30 months from the date the resolution was approved, and is limited to a price range of EUR 10 – EUR 25 per share. The Management Board has not issued a decision on a buyback programme to date. In addition, the Managing Board has no powers within the meaning of Section 243a (7), Austrian Enterprise Code. The company has not concluded any agreements in respect to a potential change of controlling interest in the case of takeovers. No compensation agreements pursuant to Section 243a (9) of the Austrian Enterprise Code.

Sempermed

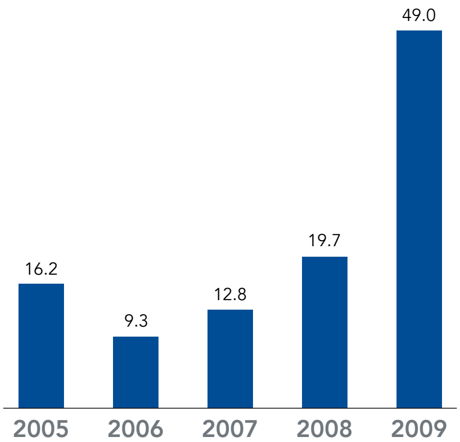
Significant earnings improvement

The Sempermed division once again reported record revenue and earnings in the 2009 financial year. During the period under review, total revenue was EUR 271.4 million, up 11.7% year-on-year. As a supplier of quality products, Semperit also profited from the uninterruptedly high demand for premium examination and surgical gloves. Additional impetus was provided by the increased level of orders for examination gloves in connection with the new type of flu, as well as stricter quality demands imposed by the Brazilian government. Semperit emerged as one of the very first manufacturers in this country to fulfil these requirements.

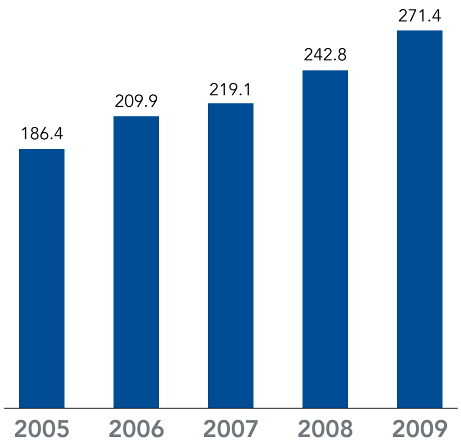
Earnings up 148.6%

The strong international market position of the Sempermed division, combined with further cost savings, resulted in an above-average increase in earnings before tax to EUR 49.0 million (previous year: EUR 19.7 million). The positive earnings situation was accompanied by a favourable situation on raw material markets in the first half-year. However, as of the middle of 2009, prices climbed upwards once again due to rising demand.

EBT development in EUR million



Revenue development in EUR million



Business development in the segments

Ongoing upturn in the examination glove segment

During the course of the year, the business with examination gloves developed consistently positively. This favourable trend applied to the European market, which posted a sustainable rise in sales, as well as the USA, where Sempermed even managed to outperform its revenue and earnings targets on the basis of ongoing strong demand for synthetic gloves.

Additional demand for examination gloves resulted in all markets from the increased level of orders in connection with the new type of flu, so that market requirements in this segment sometimes exceeded the quantities that could be supplied. Production capacity in Thailand was further increased in order to counter the capacity bottlenecks.

Strong growth in Brazil

The Brazilian market also developed well. Semperit was one of the first manufacturers to react quickly to the higher quality demands imposed by the government and thus succeeded in significantly raising revenue and earnings. However, selling prices stabilised in the course of the year following booming demand at the beginning of the year.

Sales growth for surgical gloves

Sempermed achieved a further growth in sales of surgical gloves, particularly for premium powder-free products. Projects designed to expand production and packaging capacities were concluded, laying the groundwork for further growth and market share gains.

Investments

Additional capacity in Thailand

Sempermed successively started up two prototype lines featuring new technologies in 2009, and additional production lines of the same design will be completed at its existing plant by the first quarter of 2010. Moreover, works to build a new manufacturing facility in Surat Thani were started, which will provide additional production capacity of about 3 million pieces annually in the final phase. The investment volume for the new plant, which will be integrated into the existing joint venture Siam Sempermed, will amount to approximately EUR 25 million.

Semperflex

Heavily burdened by the recession

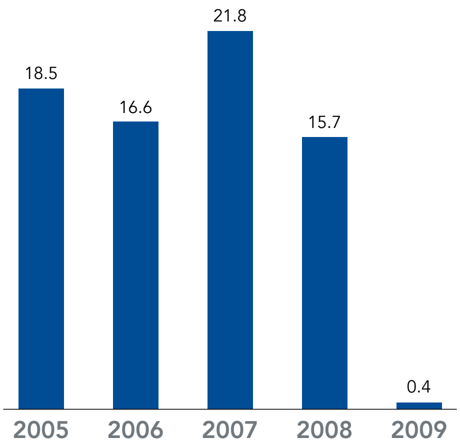
The Semperflex division was the most severely affected by the economic crisis, with revenue down 36.5% to EUR 105.3 million. The cyclically-related decline in demand impacted all segments within the division. This negative situation was aggravated by massive inventory destocking on the part of customers.

Nevertheless, Semperflex succeeded in cushioning the impact of the revenue decline on earnings by quickly adjusting production capacity and carrying out drastic cost reduction measures. As a result, earnings before tax amounted to EUR 0.4 million, despite the unfavourable market and economic conditions.

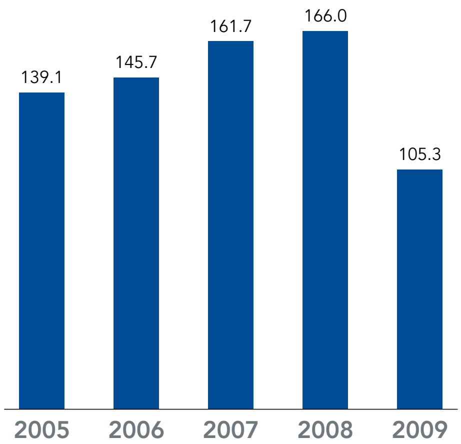
Higher order volume as of the third quarter

The restrained economic recovery and the renewed increase of stock levels by customers led to a slight growth in demand starting in the third quarter of 2009. As a consequence, the Semperflex plants were once again used to full capacity, but at a reduced level. At the same time, declining volume development could be partially compensated by new market share gains. This development provides a good basis for future volume growth.

EBT development in EUR million



Revenue development in EUR million



Business development in the segments

Strong downturn at Semperflex Hydraulics

The hydraulic hose segment registered a massive decrease in revenue in the 2009 financial year, particularly in the Scandinavian countries as well as in the USA. Eastern European markets were also strongly impacted by the economic crisis, and business in Russia and the Ukraine virtually came to a complete standstill. Although there was a perceptible drop in demand on Asian markets in the first half-year, positive signals emerged from this region at an early stage. Intensified market development efforts led to market share gains in Asia.

High utilization of reduced capacities

Drastic capacity cutbacks were carried out at all manufacturing plants in 2009. Semperit utilized this phase of weak demand during the period under review to modernise and upgrade its facility in Wimpassing, particularly in the spiral hose segment. The reduced capacities in the Czech Republic and Thailand were once again fully utilized in the second half of the year. In the fourth quarter some of the closed lines could be put back into operation.

Declining revenue with elastomer sheeting

The elastomer sheeting segment was massively affected by the economic slump. However, Semperflex managed to cushion the earnings downswing somewhat by quickly making downward adjustments to production capacities and persistently implementing far-reaching cost reduction measures.

Semperflex Industrial significantly below 2008 performance

The year 2009 was also very difficult for the industrial hose segment, which suffered considerably from the cyclically-related decline in demand, which was intensified by the high inventory levels on the part of customers. The economic downswing negatively affected all markets and regions, with Eastern Europe hit more severely by the crisis than the Western European market. However, demand in this segment also climbed slightly as of the fourth quarter of 2009.

Investments

Investments: EUR 4.4 million

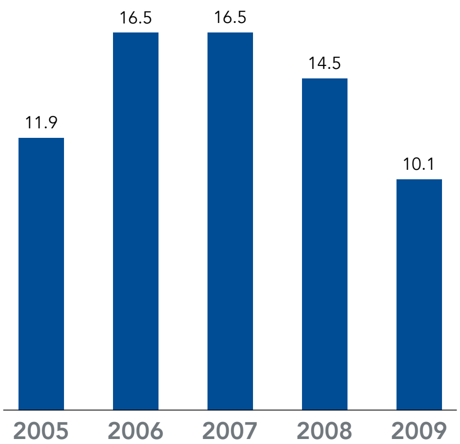
Investment activity by the Semperflex division slowed down considerably due to the generally difficult economic situation. The Wimpassing plant invested in a new production line. A new tape winding machine not only improves the quality of the hoses but also opens up opportunities for further capacity increases. On balance, the Semperflex division invested a total of EUR 4.4 million in the 2009 financial year.

Semperform

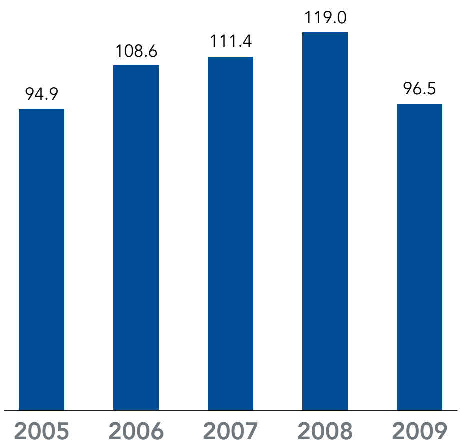
Revenue and earnings decline

Total revenue of the Semperform division declined to EUR 96.5 million in the past financial year, a drop of 19.0% from the previous year's level. Thus Semperform was massively affected by the global economic crisis, similar to the Semperflex division. However, the earnings decline was not as dramatic as at Semperflex, thanks to extensive cost cutting measures, which successively reduced both personnel expenses and material costs. Earnings before tax were down to EUR 10.1 million in 2009 (previous year: EUR 14.5 million).

EBT development in EUR million



Revenue development in EUR million



Business development in the segments

Cyclical weakness impacts profile business

In 2009, revenue from seal profiles for windows and doors was significantly below the level of 2008. The Russian market was responsible for half of the sales collapse. In contrast, revenue rose in Germany and other core European markets following a weak first half-year. With the exception of Russia, Poland and Ukraine, Semperform succeeded in expanding its market share, though at a lower overall volume. This development could not compensate for the revenue losses in the first half of 2009. Nevertheless, the earnings situation improved on the basis of the more advantageous raw material prices, which prevailed until the third quarter of the year. However, the prices for raw materials had come close by year's end to matching the high levels of the previous year. The consistent reduction of production costs per unit at the Deggendorf plant based on automation and material savings also made a positive contribution to earnings.

Slightly recovery in demand for handrails

In the handrail segment, the trend towards transferring original equipment manufacturing to Asia continued in 2009. As a result of this development, sales volumes in China were at approximately the same level as in 2008, whereas demand declined in Europe and the USA. On the other hand, the global spare parts business developed satisfactorily. Semperit registered growth in the spare parts market for handrails in the USA and China, and maintained its market share in Europe.

Solid business with cable car rings

Business with cable car rings in 2009 did not develop uniformly. Order volume for the original equipment manufacturers sector declined, but was compensated by higher demand for spare parts. On balance, sales were at the same level as in 2008.

Downward trend for ski membranes and sponge rubber

The business development of Semperform was not immune to the consequences arising from the dramatic collapse of ski sales. However, despite a strong volume decline, Semperform was able to maintain its market share in the ski membrane segment. Demand in the sponge rubber business, which is highly dependent on the construction industry, rose once again in the fourth quarter of 2009, but was still below the previous year's level.

Stable development in the railway superstructure segment

The positive trend in France's railway superstructure segment in the previous year continued in 2009. Semperform generated sales growth and market share gains in France, whereas business was stable or declined slightly in other markets.

The filter membrane segment was hit hardest by the crisis. After the order backlog at the beginning of 2009 was fulfilled, demand slumped in the second half of the year. In the light of the weak economy, sales of pipe and sanitary fittings were significantly below the comparable figures for 2008.

Investments

Capacity increases begin in China

The Semperform division invested EUR 2.5 million in the 2009 financial year to increase quality and productivity and modernise its facilities. The project to install a new press in the handrail plant in Shanghai, China, was started as well.

Sempertrans

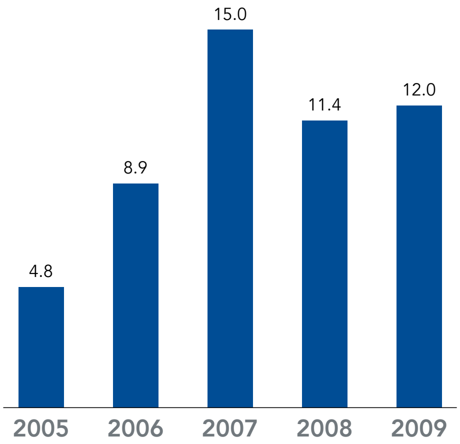
Revenue decrease

The Sempertrans division registered a revenue decrease of 9.8% during the period under review, to EUR 114.9 million, as a result of the negative economic environment. European markets suffered the biggest decline. However, the downturn in Europe was at least partially compensated by the good development of business in North Africa and Asia.

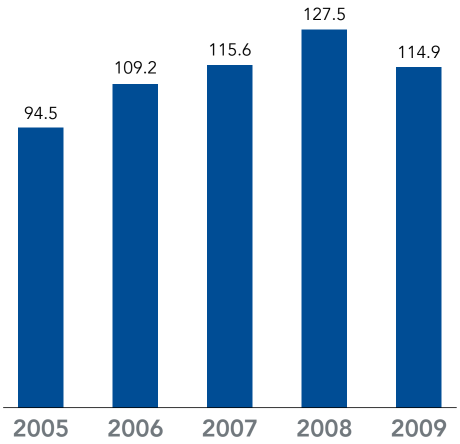
Good margin development in the first half-year

Against the backdrop of lower raw material prices in the first half-year, earnings before tax of the Sempertrans division amounted to EUR 12.0 million, slightly above the value of 2008. However, margins were burdened in the second half of 2009 due to increasing procurement costs.

EBT development in EUR million



Revenue development in EUR million



Business development in the segments

Downward trend in Europe

From a regional perspective, developments at the production plants of the Sempertrans divisions varied considerably. The good order volume at the beginning of the year ensured that the facilities were operating at full capacity up until the second quarter. In the course of the year, the generally unfavourable economic situation had a negative impact on the division, especially on the manufacturing plant in France. Two large contract orders placed by the energy sector were the basis for the good capacity utilization at the Polish plant throughout the reporting period.

Difficult situation in France

The Sempertrans production facility in France had to face the challenge of significant under-utilization, which can be attributed to weakened demand for conveyor belts in all important European markets. Despite a slight pickup in business in the fourth quarter, demand in 2009 as a whole was down considerably from the previous year. Moreover, it was hardly possible to flexibly adjust production capacity due to prevailing legal regulations in France.

Good capacity utilization in India

The situation of Sempertrans in India perceptibly improved compared to the preceding year. Production capacities were successively increased and capacity utilization was good up until year's end. Against this backdrop, sales and revenue of Sempertrans in India were significantly higher than in 2008. However, competitive pressures intensified starting in the third quarter.

Investments

Joint venture in China

In December 2009, Semperit signed a joint venture agreement with the Chinese Wang Chao Coal & Electricity Group to take over the activities of a conveyor belt plant in Shandong province. The factory had been put into operation rather recently and is equipped with state-of-the-art production facilities. With this expansion step, the Semperit Group has expanded its product portfolio to include PVC/PVG belts, which are primarily used in the underground mining industry. Based on an investment volume of EUR 16 million, Semperit holds an 80% shareholding in the new company.

Risk management

Identification and analysis

The basis for the risk management policy of Semperit is the early identification and evaluation of risks and opportunities. The company only takes risks if the perceived benefits clearly outweigh risks. This is made possible in particular by focusing on the core business activities of the Semperit Group, long-term experience in the field and the significant market position achieved by Semperit in its markets.

Management of risks

Risk policy comprises a core component of Semperit's corporate management. Accordingly, the management of earnings and risks in all business areas is closely interrelated to each other. The Management Board decides on the process to be applied in order to monitor risks. The implementation of risk management is coordinated by the responsible managers, who report directly to the Management Board. Based on this information, the management evaluates the current risk situation, taking into consideration the risk-bearing capacity and the corresponding risk limits.

Evaluation by auditors

The top priority of Semperit's risk management is to prevent dangers from occurring and to cushion against their impact while simultaneously exploiting the company's earnings potential. If economically feasible, suitable hedging instruments are implemented or Group-wide insurance policies concluded to cover risks. The effectiveness of the risk management system in respect to the consolidated financial statements was evaluated by the auditor on the basis of the prepared documents and was reported to the Management Board as well as to the Supervisory Board.

Risk management at Semperit is subject to guidelines, which stipulate goals, underlying principles, responsibilities and competencies. In accordance with these binding guidelines, the operational risk management is delegated to each organisational unit to which the respective risk is assigned.

Existing risks

Semperit is subject to a broad variety of risks. In addition to economic risks, the company is affected by external factors such as political conditions and natural events. The primary risks faced by the company are identified and evaluated once a year within the context of normal planning processes.

Market risk

On the basis of the diversification in four divisions and a broad geographical distribution of business operations featuring production facilities on three continents, specific market and product risks never threaten the entire Group, but only parts of it. This enables Semperit to naturally compensate for market risks.

Global economic risks always exist. However, the Group's differentiated structure based on four divisions significantly reduces this risk, especially in times of weak economic activity. The favourable cost structure and a solid equity base also serve to ensure competitiveness.

Procurement risk

As a production company, Semperit is dependent on the availability of required raw materials at the right time and in the desired quality. Otherwise, the consequence would be production interruptions. Semperit purchases large quantities of natural and synthetic rubber, fillers, chemicals and reinforcing materials made of textiles and steel. The company boasts a broad spectrum of suppliers due to its longstanding experience in the rubber industry. In addition to reliability and quality, price is the most important criteria in selecting suppliers. For this reason, Semperit's procurement departments continually search for alternative providers. Semperit counteracts the risk of an insufficient supply of individual raw materials by working to develop cost-effective alternatives within the context of its research and development work.

Credit risk

Semperit has a diversified and geographically spread customer base, which excludes concentration risk with individual customers. No customer accounts for more than 2% of total Group sales. Default risk in which the counterparty to a transaction is unable to meet its contractually stipulated payment obligations is limited by ongoing evaluations of a customer's creditworthiness, as well as credit insurance on trade receivables. Bank guarantees are required in some cases.

Currency risk

Semperit is subject to currency risks as a result of its internationally-oriented business operations. Currency risks are continually evaluated and hedged by appropriate financial instruments within the framework of a centralised foreign exchange risk management. The most important currencies requiring hedging against currency fluctuations are the US dollar, Thai baht, British pound sterling, the Polish zloty, Czech koruna and the Hungarian forint. Semperit does not make use of any derivative financial instruments for speculative purposes.

Reporting on the main features of the internal control and risk management system with regard to the financial reporting process

Section 267 Austrian Enterprise Code

Pursuant to Section 267 Para. 3b in connection with Section 243a Para. 2 Austrian Enterprise Code in the version stipulated in the Corporate Law Amendment Act 2008, the Management Report of companies whose shares are traded in a regulated market must describe the most important features of the internal control and risk management system with regard to the financial reporting process. In line with the internationally recognised COSO framework to structure a risk management system, the internal control system is to be considered as an integral part of a company-wide risk management system. The Semperit Group orients its operations to this COSO framework.

Responsibility for the implementation and monitoring of the internal control and risk management system for the respective business process lies with the management in charge of this process. Valid cross-divisional, Group-wide framework conditions and regulations are centrally defined by the Management Board. Line management is responsible for implementing these guidelines in the respective business processes.

Control measures are integrated into business processes. This means that no separate or isolated system exists. The following principles comprise the foundation of the internal control system:

- Risk-oriented approach
- Clearly-structured organization and clearly-defined responsibilities
- Standardised procedures to prepare financial reporting (documentation, control, approval)
- Separation of duties (four-eyes principle)
- Analyses and plausibility checks
- IT process controls
- Integration of divisions and departments
- IT General Controls

The implemented controls are also reviewed at regular intervals in order to monitor the effectiveness of the internal control system. Comprehensive reporting ensures the Group-wide dissemination of information.

The focus of research and development (R&D) within the Semperit Group is continuously achieving further advances with regards to the development of materials, manufacturing processes and product quality to the benefit of customers, the environment and the company. The business areas are thereby supported in achieving their operational targets and implementing high quality standards.

Cost reduction measures

One important goal of Semperit's R&D activities is the ongoing and sustainable reduction of production costs. For this reason, Semperit strives to optimise process technologies, material consumption and material design. Another important task is the development of innovative solutions to fulfil specific market and customer requirements.

The worldwide R&D centre of the Semperit Group located at the Wimpassing site serves as the hub of all Group companies, and coordinates the ongoing exchange of know-how and experiences among the individual production plants. During the period under review, Semperit launched or intensively pursued numerous research and development projects.

Sempermed: new process for the online production of powder-free natural rubber and synthetic latex gloves

Significant product development results

During 2009, R&D activities within the Sempermed division once again provided significant results. One of the main achievements was the development of an immersion process to enable the online production of powder-free natural rubber and synthetic latex gloves.

The research project "Novel Curing System" was concluded to a large extent. Furthermore, Sempermed succeeded in stabilising the new process design concept for the production of PVC examination gloves and developing innovative solutions for the automation of the surgical glove packaging process. Moreover, greater use was made in 2009 of the potential derived from the WOM (Waste of Material) initiative for surgical and examination gloves.

Semperflex: Savings based on optimised production processes

Improved process control

Process engineering projects designed to improve process control were carried out in the Semperflex division in 2009. The minimisation of tolerances served as the basis for optimising production processes. Material development projects completed in the field of hydraulic and pressure washer hoses will be applied at all production sites. The range of industrial hoses was supplemented by new products designed to meet customer stipulations. In addition, synergies were exploited by harmonising the materials and processes used at different manufacturing facilities. The potential identified by the WOM project was also implemented throughout the Group.

Finally, Semperflex completed fundamental tests on cost-effective production technologies for long length industrial hoses. These findings will already be integrated into the production process in 2010.

Semperform: new products for individual customer requirements

Expanded product offering

The Semperform division is systematically expanding and upgrading its product portfolio. Accordingly, in the railway superstructure segment, work continued on sleeper shock absorption elements. Initial products in this field were already manufactured in the second half of 2009 on the basis of an innovative new process. The Semperit Group is also exploiting further potential within the framework of the WOM initiative by redesigning elastomer and plastic products for the railway superstructure segment.

New process engineering projects to reduce vulcanisation times for the injection moulding process in the field of pipe construction were completed. The results were already integrated in manufacturing some products, and the roll out of the new application to other products will take place in 2010.

Moreover, the Semperit Group implemented projects in all segments to fulfil special customer requirements, and carried out material and process development work on behalf of customers. At the same time, projects were intensified to realise potential cost savings identified by feasibility studies.

Sempertrans: Expansion of product portfolio to meet new standards

The Semperit Group worked on concluding its work on developing conveyor belts with lower rolling resistance to reduce energy costs, comprising a further expansion and rounding off of its product portfolio.

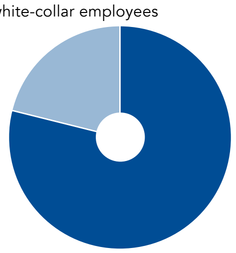
Numerous new development projects designed to fulfil specific customer requirements or standard stipulations in the underground mining and above ground mining sectors were implemented or partially completed.

The Sempertrans division pushed ahead with the continuous improvement process in the production of steel rope and textile conveyor belts, which has been pursued in recent years, focusing on the reduction of vulcanisation times. Within the framework of the WOM project, the company also realised additional savings with regard to the consumption of materials, material costs and manufacturing processes.

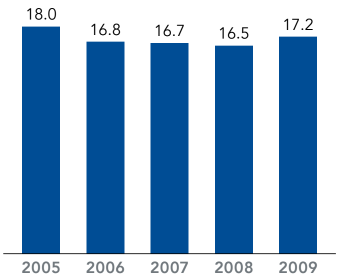
Basic research projects in cooperation with external institutions

Semperit has been collaborating with national and international research institutions, particularly in the field of basic research. In addition to the cooperation with universities, the K*plus* centres also play a major role. K*plus* centres are research facilities operated jointly by business and scientific experts for a limited period of time. For example, within the framework of this model, studies were carried out to predict the durability and life span of dynamically stressed products.

Split blue-collar/ white-collar employees



Personnel expenses as a % of operating revenues



In the 2009 financial year, the Semperit Group employed an average of 6,649 employees worldwide (previous year: 7,064), of which 5,269 were blue-collar and 1,380 white-collar employees. The Semperit Group was forced to significantly reduce the total number of staff in its cyclically dependent business areas during the course of the year, particularly in the Semperflex and Semperform divisions, against the backdrop of the economic downturn and the related decline in demand. Production capacity in all business areas was correspondingly adjusted with the exception of the production facility in France. The ratio of personnel expenses to operating revenues in the 2009 financial year was 17.2%. Despite the revenue decline, productivity was only slightly below the previous year's level, due to the implementation of rationalisation measures. In addition to the necessary personnel cutbacks, extensive retraining programmes were initiated for the production plants in Austria and the Czech Republic which were most severely impacted by the downsizing of staff. These measures will be extended to Germany and Poland in 2010. The aim of these retraining measures was to deepen the workplace-specific know-how and skills, provide an insight into upstream and downstream workflows and basic knowledge about raw materials and specific production technologies. In addition to improving the professional qualifications and specialised expertise of employees, the quality offensive succeeded in focusing attention on future perspectives, tasks and market challenges, thus increasing the motivation level and efficiency of the current staff, even in these economically difficult times.

Employees as a success factor

Customised training and continuing education

Competent and motivated employees are essential factors in the successful business development of the Semperit Group, especially in a difficult business environment. Their expertise, commitment and hard work serve as the basis for the sustainable success of the company. Against this backdrop, Semperit focuses on promoting its own human resources. As a consequence, a broad offering of training and continuing education courses are made available to employees, which not only provide specialised training but also promote social competencies. Individual further education requirements are fulfilled on the basis of appropriate internal and external trainings.

Advanced training programme for young graduates

Semperit launched the "XPERIENCE XCHANGE" programme, an initiative designed to provide opportunities for young graduates to experience international know-how transfer on an informal level. Targeted input from executives and a lively exchange of experience form the basis for promoting networking among young employees. In turn, this will have sustainable and positive effects on the future success of the Semperit Group.

Cooperation with international exchange of experience

Early contact with high potentials

The Semperit Group cooperates with universities of applied sciences and colleges in Austria and other countries in order to get in touch with graduates at an early stage. The aim is to arouse interest in Semperit as a potential employer, and attract highly qualified and promising people to the company. Plant tours were organised for professors and students, assistance was provided to students on their dissertations, and presentations were held at universities. In this way, Semperit established contact early on with executives of the future.

International exchange of know-how and experience

Development of best practices

The internationalisation of Semperit's business operations has made the ongoing exchange of know-how and experience increasingly important throughout the Group. International projects, training and communications measures continued to promote more extensive networking within the Group. As a result, efficiency improvements could be achieved in all relevant operational processes.

Efficient use of resources

The production of Semperit products automatically entails waste emissions in air and water and waste materials to an extent that is customary in the sector. Semperit attaches particular importance to the economical and prudent use of natural resources in all aspects of its business operations in the light of the company's corporate social responsibility to people and the environment. The company generally promotes technologies to reduce resource consumption, and continuously invests in the modernisation and automation of its facilities. Measures designed to minimise the environmental impact are locally managed by the respective production plants. In recent years, the Semperit Group has succeeded in exploiting cost savings potential, for example based on the reduction of specific raw material and energy consumption. A key focal point of all expansion and modernisation investments carried out by the Semperit Group is the minimisation of resource use and the optimisation of all required production processes.

Promotion of energy management

During the period under review, Semperit moved ahead determinedly with the implementation of its energy management programme. In order to more effectively use natural resources and to correspondingly generate a positive effect on waste emissions, energy consumption is continuously evaluated. Organisational and technical improvement measures are subsequently carried out. The energy management programme encompasses existing production plants and facilities as well as acquisitions. The construction of new plants is also based on the principle of ensuring maximum energy efficiency. For example, the new factory in Thailand will incorporate an energy supply based on a combined cycle heat and power facility for the first time, in order to achieve the highest possible level of energy efficiency.

Focus on WOM projects

The multi-year WOM (Waste of Material) project was once again remarkably successful in 2009. In the light of declining sales and a difficult earnings situation, attention was directed to the persistent implementation of projects within the framework of the WOM initiative, which particularly focused on increasing and safeguarding manufacturing process capabilities. Each employee assumes greater responsibility for complying with guidelines in his particular area of work.

Responsible environmental behaviour

In order to minimise the burden on the environment, Semperit places great importance on the proper selection of raw materials and supplies. No forbidden materials are used in any part of the production process. The Semperit Group supports the REACH guidelines (Registration, Evaluation and Authorisation of Chemicals) which took effect in 2007, and which are designed to promote the responsible use of chemical substances.

Semperit also attaches considerable import to responsible stewardship of the environment in its waste management policy. The company not only focuses on the environmentally-compatible disposal of waste but preventing or reducing waste as much as possible.

All the wastewater arising from Semperit's production processes is disposed of in accordance with prevailing local regulations. If necessary, the company has installed its own wastewater plants, which operate in line with valid regulatory requirements. Any dirt residues are subject to professional waste disposal.

Weak growth in industrialised countries

Even if a slight economic recovery was perceptible at the end of 2009, forecasting of future business developments remains difficult. As a consequence of the financial market crisis and the restrictive economic policies expected to prevail as of 2011, the Austrian Institute of Economic Research (WIFO) predicts a relatively weak average growth rate of 2.1% p.a. for industrialised countries over the next five years. In contrast, the dynamic expansion of the economies in the emerging markets of China and India is expected to continue unabatedly, posting annual GDP growth of over 8%. The economic recovery in Austria is also likely to be sustained in the months to come, with real GDP growth of 1.5% expected (WIFO).

Significantly rising raw material prices

Raw material prices rose considerably, reflecting the pickup of the global economy. As production capacities were cut back starting in the beginning of 2009, the upward trend in demand led to increased procurement prices as of mid-year. The high latex and natural rubber prices intensified this development even more. The Semperit Group expects prices to continue their upward climb in 2010. The company also expects increased costs for reinforcing and packaging materials as well as transport costs.

Cautious forecasts for the Semperit Group

Against this backdrop, predicting the company's future development remains difficult. With the exception of the Sempermed division, the Semperit Group will be confronted with excess production capacity in some segments along with uncertain demand. Moreover, the increased prices for raw materials will intensify competitive pressures.

Investments

Continuation of internationalisation strategy

The consistent internationalisation policy comprises a key factor underlying the success of the Semperit Group, particularly in economically difficult times. For this reason, capacities will be further expanded in 2010. The focus will be on the modernisation and optimisation of existing facilities as well as generating external growth through acquisitions. The excellent liquidity situation of the company provides a solid basis for pursuing this strategy.

Outlook for divisions

Sempermed: Further growth

The Sempermed division expects ongoing good demand for surgical and examination gloves in 2010. Thus it will focus on a consistent increase in production capacity, based on the expansion of existing plants as well as the completion of the new production facility Surat Thani. The new Thai factory is expected to be put into operation in the second half of 2010. In addition, Semperit is planning another acquisition in China to strengthen its market position in the vinyl examination glove segment. The overall strategy is to continue expanding market shares and ensure a good earnings situation in the 2010 financial year in the light of rising raw material costs.

Slight improvement at Semperflex

The slight economic recovery at the end of 2009 had a positive effect on order volume, both in the hydraulic hose and industrial hose segments. With this development in mind, Semperflex is in the process of increasing output at plants, which are already operating at their current full capacity by putting decommissioned production lines back into operation. In the light of the extensive price rises for raw materials and increasing competition, the Semperflex division will be faced with extensive cost pressure in 2010. In particular, the material-intensive production of elastomer sheeting is strongly impacted by price rises. In this case, the challenge will be to withstand competitive pressures in Asia and defend existing market shares.

Difficult situation at Semperform

Semperform continues to anticipate restrained business development in the railway superstructure, pipe construction and industrial moulded parts segments. Demand is expected to stabilise, but a sustainable recovery is not yet on the horizon. Slight growth is predicted for the construction industry and handrails. A key focal point of Semperform's activities in 2010 will be on the persistent implementation of the cost reduction programme, which has proven its success up until now.

Sempertrans faced with tougher competition

The Sempertrans division perceived a slight rise in demand at the beginning of the year. However, competitive pressure is also intensifying. The focus of the division's internal efforts will be to integrate the new plant in China and expand its position on the Chinese market. Quality improvement and capacity expansion investments are planned for the production facilities in Poland and India.

Satisfactory results expected in 2010

On balance, the outlook for the Semperit Group in 2010 continues to be subject to cyclically-related uncertainties, aggravated by the above-mentioned renewed significant upturn in raw material prices. In the light of this situation, the company will continue consistently implementing measures to enhance profitability by reducing variable and fixed costs, increase productivity and further optimise processes. Moreover, Semperit aims to strengthen its competitive position in order to gain additional market share in difficult times and be well prepared to take advantage of a future economic upswing. All in all, the Semperit Group expects a satisfactory earnings development in 2010 as well.

Vienna, March 5, 2010

The Management Board

Rainer Zellner Chairman	Richard Ehrenfeldner	Richard Stralz

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2009

Assets

in TEUR	Note	31.12.2008	31.12.2009
Intaingible assets	(4.1)	5,004.2	5,450.7
Tangible assets	(4.1)	157,930.6	151,631.7
Financial assets	(4.1)	4,352.0	8,906.0
Investments in associated companies	(3.2)	383.9	397.5
Non-current trade receivables	(4.3)	4.6	0.0
Other non-current receivables and assets	(4.3)	1,312.5	1,029.9
Deferred taxes	(4.5)	9,902.1	13,114.2
Non-current assets		**178,889.9**	**180,530.0**
Inventories	(4.2)	96,421.1	74,616.2
Current trade receivables	(4.3)	86,829.2	79,493.9
Other current receivables and assets	(4.3)	16,054.6	11,135.6
Cash and cash equivalents	(4.4)	107,330.9	185,756.2
Current assets		**306,635.8**	**351,001.9**
Assets		**485,525.7**	**531,531.9**

Equity and liabilities

in TEUR	Note	31.12.2008	31.12.2009
Share capital		21,359.0	21,359.0
Capital reserves		21,503.2	21,503.2
Revenue reserves		250,507.5	266,902.8
Currency translation adjustments		–1,441.6	792.5
Equity attributable to shareholders of the parent company Semperit AG		291,928.1	310,557.5
Equity attributable to non-controlling shareholders of subsidiaries		58,544.0	57,032.1
Capital and reserves	(4.6)	**350,472.1**	**367,589.6**
Provisions for pensions and severance payments	(4.7)	44,556.2	42,821.9
Provisions for deferred taxes	(4.5)	2,462.0	4,616.0
Other non-current liabilities	(4.7)	13,642.7	20,385.7
Non-current liabilities to banks	(4.8)	5,677.8	5,540.2
Non-current trade payables		46.5	0.0
Other non-current liabilities		708.0	4,523.4
Non-current provisions and liabilities		**67,093.2**	**77,887.2**
Current tax provisions	(4.7)	2,100.7	7,731.6
Other current provisions	(4.7)	14,408.7	18,649.0
Current liabilities to banks	(4.8)	1,251.7	0.1
Current trade payables		30,506.2	30,002.0
Prepayments		444.9	295.6
Other current liabilities		19,248.2	29,376.8
Current provisions and liabilities		**67,960.4**	**86,055.1**
Equity and liabilities		**485,525.7**	**531,531.9**

The following notes to the consolidated financial statements comprise an integral part of this consolidated balance sheet.

CONSOLIDATED INCOME STATEMENT

FOR THE 2009 FINANCIAL YEAR STARTING JANUARY 1, 2009
AND ENDING DECEMBER 31, 2009

in TEUR	Note	2008	2009
Revenue	(5.1)	**655,292.0**	**588,083.6**
Changes in inventories		5,025.6	–9,819.6
Own work capitalised		1,364.3	879.8
Operating revenue		**661,681.9**	**579,143.8**
Other operating income	(5.2)	25,101.3	22,537.6
Cost of materials	(5.3)	–381,929.4	–296,985.6
Personnel expenses	(5.4)	–109,287.8	–99,729.7
Depreciation and amortisation		–29,179.8	–33,193.4
Other operating expenses	(5.5)	–107,699.3	–102,179.4
Earnings before interest and tax (EBIT)		**58,686.9**	**69,593.3**
Income from participations		108.4	122.0
Financial income		5,137.1	2,906.2
Financial expense		–5,829.7	–678.8
Financial results	(5.6)	**–584.2**	**2,349.4**
Earnings before tax (EBT)		**58,102.7**	**71,942.7**
Income taxes	(5.7)	–13,225.4	–17,731.2
Earnings after tax		**44,877.3**	**54,211.5**
thereof:			
non-controlling shareholders of subsidiaries		7,269.4	15,399.6
Shareholders of the parent company Semperit AG		37,607.9	38,811.9
Earnings per share EUR (undiluted)	(4.6)	1.83	1.89
Earnings per share in EUR (diluted)		1.83	1.89
Paid or proposed dividends per share		1.09	1.15

The following notes to the consolidated financial statements comprise an integral part of this consolidated income statement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 2009 FINANCIAL YEAR STARTING JANUARY 1, 2009
AND ENDING DECEMBER 31, 2009

in TEUR	2008	2009
Earnings after tax	**44,877.3**	**54,211.5**
Other comprehensive income (reported in equity)		
"Available for sale" financial assets	31.3	10.6
thereof deferred taxes	–8.0	–2.0
thereof currency translation	–5,593.9	3,954.2
Total other comprehensive income, net of tax (reported in equity)	**–5,570.6**	**3,962.8**
Total recognised comprehensive income	**39,306.7**	**58,174.3**
thereof:		
non-controlling shareholders of subsidiaries	7,814.1	17,119.7
Shareholders of the parent company Semperit AG	31,492.6	41,054.6

The following notes to the consolidated financial statements comprise an integral part of this statement of comprehensive income.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE 2009 FINANCIAL YEAR STARTING JANUARY 1, 2009
AND ENDING DECEMBER 31, 2009

in TEUR	Note	2008	2009
Earnings after tax		44,877.3	54,211.5
Depreciation/write-ups of non-current assets		31,510.7	33,099.9
Profit and loss from asset disposal		3,329.1	213.3
Changes in non-currrent provisions	(4.7)	2,670.0	7,162.7
Changes in non-cash items resulting from currency translation adjustments, changes in minority interests and other		–4,360.1	1,910.1
Gross cash flow		**78,027.0**	**96,597.5**
Increase/decrease in inventories	(4.2)	–5,606.1	21,805.0
Increase/decrease in trade payables	(4.3)	2,379.4	7,340.0
Increase/decrease in other receivables and assets	(4.3)	–4,555.6	1,800.9
Increase/decrease in trade payables and prepayments	(4.8)	–10,213.2	–700.0
Increase/decrease in other liabilities and current provisions	(4.7+4.8)	–3,957.8	18,031.0
Cash flow from operating activities		**56,073.7**	**144,874.4**
Proceeds from the sale of assets		28,286.8	1,699.6
Investments in tangible and intangible assets		–27,576.8	–20,947.7
Investments in financial assets		–765.7	–5,449.6
Acquisition of subsidiaries less net cash and cash equivalents		801.7	–1,874.8
Net proceeds from the change of financial investments in securities		1,948.8	204.5
Cash flow from investing activities		**2,694.8**	**–26,368.0**
Net redemption of current and non-current financial liabilities	(4.8)	–234.9	–1,389.2
Dividends		–19,544.8	–22,425.0
Dividends to non-controlling shareholders of subsidiaries		–2,558.5	–16,802.9
Changes in financial liabilities resulting from currency translation adjustments		–157.1	–11.4
Proceeds from capital increases		2,364.8	0.0
Other		8.9	0.0
Cash flow from financing activities		**–20,121.6**	**–40,628.5**
Change in cash and cash equivalents		**38,646.9**	**77,877.9**
Effects of exchange rate fluctuations on cash and cash equivalents		–1,600.4	547.4
Cash and cash equivalents at the beginning of the period		70,284.4	107,330.9
Cash and cash equivalents at the end of the period		**107,330.9**	**185,756.2**

Cash and cash equivalents correspond to the liquid funds available to the company.
Interest expense is presented in the notes to the consolidated financial statements under point 5.6.
Income tax is presented in the notes to the consolidated financial statements under point 5.7.
The following notes to the consolidated financial statements comprise an integral part of this consolidated cash flow statement.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 2009 FINANCIAL YEAR STARTING JANUARY 1, 2009
AND ENDING DECEMBER 31, 2009

in TEUR	Share capital reserves	Capital reserves	Revenue reserves	Revaluation reserves	Currency translation	Semperit AG shareholders	Shares of non-controlling shareholders of subsidiaries	**Total**
Balance at 31.12.2007	**21,359.0**	**21,503.2**	**232,626.6**	**–214.3**	**4,697.0**	**279,971.5**	**51,576.2**	**331,547.7**
Total recognised profit and loss	0.0	0.0	37,607.9	23.3	–6,138.6	31,492.6	7,814.1	39,306.7
Additions to non-controlling shareholders of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0	1,712.2	1,712.2
Dividends	0.0	0.0	–19,544.8	0.0	0.0	–19,544.8	–2,558.5	–22,103.3
Other	0.0	0.0	8.9	0.0	0.0	8.9	0.0	8.9
Balance at 31.12.2008	**21,359.0**	**21,503.2**	**250,698.6**	**–191.0**	**–1,441.6**	**291,928.2**	**58,544.0**	**350,472.2**
Total recognised profit and loss	0.0	0.0	38,811.9	8.6	2,234.1	41,054.6	17,119.7	58,174.3
Additions to non-controlling shareholders of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0	–1,828.7	–1,828.7
Dividends	0.0	0.0	–22,425.0	0.0	0.0	–22,425.0	–16,802.9	–39,227.9
Other	0.0	0.0	–0.3	0.0	0.0	–0.3	0.0	–0.3
Balance at 31.12.2009	**21,359.0**	**21,503.2**	**267,085.2**	**–182.4**	**792.5**	**310,557.5**	**57,032.1**	**367,589.6**

The following notes to the consolidated financial statements comprise an integral part of this consolidated statement of changes in equity.

Acquisition/construction costs

in TEUR	Balance at 1.1.2008	Change in the consoli-dation range	Currency translation differences	Additions	Disposals	Transfers	**Balance at 31.12.2008**
I. Intangible assets							
Software licenses, industrial property rights and similar rights	10,467.3	1,302.6	–24.1	555.1	–28.3	245.7	12,518.3
Goodwill	2,090.9	787.8	12.9	0.0	0.0	0.0	2,891.6
Prepayments	94.9	0.0	4.1	19.4	0.0	–4.3	114.1
	12,653.1	**2,090.4**	**–7.1**	**574.5**	**–28.3**	**241.4**	**15,524.0**
II. Tangible assets							
Land and buildings, including buildings on land owned by third parties	121,044.9	0.0	–993.7	1,401.6	–235.2	1,220.6	122,438.2
Machinery and equipment	278,843.3	0.0	–3,088.9	9,471.8	–3,559.3	15,122.0	296,788.9
Fixtures, fittings, tools and equipment	68,321.8	96.4	–272.1	3,337.8	–2,269.4	–3,118.4	66,096.1
Prepayments and assets under construction	8,361.9	0.0	–125.9	12,791.1	–22.9	–13,465.6	7,538.6
	476,571.9	**96.4**	**–4,480.6**	**27,002.3**	**–6,086.8**	**–241.4**	**492,861.8**
III. Financial assets							
Investments in subsidiaries	403.9	0.0	0.0	0.0	0.0	0.0	403.9
Investments in associated companies	275.5	0.0	0.0	108.4	0.0	0.0	383.9
Other investments	72.7	0.0	–55.5	0.0	–17.2	0.0	0.0
Securities	38,632.2	0.0	2.6	763.2	–33,577.5	0.0	5,820.5
Loans granted	84.9	0.0	–0.5	2.5	–2.4	0.0	84.5
	39,469.2	**0.0**	**–53.4**	**874.1**	**–33,597.1**	**0.0**	**6,692.8**
	528,694.2	**2,186.8**	**–4,541.1**	**28,450.9**	**–39,712.2**	**0.0**	**515,078.6**

Note: Rounding differences may arise from the automatic processing of data.
The changes in consolidated fixed and financial assets comprise an integral part of the notes to the consolidated financial statement.

Depreciation/write-ups									Book value	
Balance at 1.1.2008	Currency translation differences	Change in the consoli-dation range	Deprecia-tion for the year 2008	Disposals	Transfers	Write-ups for the year 2008	Changes not recognised in the income statement	**Balance at 31.12.2008**	Carrying amount at 31.12.2008	Carrying amount at 31.12.2007
9,997.2	–32.9	0.0	442.1	–28.3	47.0	0.0	0.0	10,425.1	2,093.2	470.1
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,891.6	2,090.9
90.6	4.1	0.0	0.0	0.0	0.0	0.0	0.0	94.7	19.4	4.3
10,087.8	**–28.8**	**0.0**	**442.1**	**–28.3**	**47.0**	**0.0**	**0.0**	**10,519.8**	**5,004.2**	**2,565.3**
63,636.0	–922.0	0.0	3,527.8	–103.1	0.0	0.0	0.0	66,138.7	56,299.5	57,408.9
202,262.1	–3,254.0	0.0	19,930.4	–3,177.6	0.0	0.0	0.0	215,760.9	81,028.0	76,581.2
50,111.2	–283.4	49.7	5,227.9	–2,220.9	–47.0	0.0	0.0	52,837.5	13,258.6	18,210.6
132.3	12.1	0.0	51.7	–2.0	0.0	0.0	0.0	194.1	7,344.5	8,229.6
316,141.6	**–4,447.3**	**49.7**	**28,737.8**	**–5,503.6**	**–47.0**	**0.0**	**0.0**	**334,931.2**	**157,930.6**	**160,430.3**
369.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	369.0	34.9	34.9
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	383.9	275.5
72.7	11.1	0.0	0.0	–17.2	0.0	–66.6	0.0	0.0	0.0	0.0
1,694.9	2.6	0.0	2,397.5	–2,547.0	0.0	0.0	–31.3	1,516.7	4,303.8	36,937.3
71.7	–0.5	0.0	0.0	0.0	0.0	0.0	0.0	71.2	13.3	13.2
2,208.3	**13.2**	**0.0**	**2,397.5**	**–2,564.2**	**0.0**	**–66.6**	**–31.3**	**1,956.9**	**4,735.9**	**37,260.9**
328,437.7	**–4,462.9**	**49.7**	**31,577.4**	**–8,096.1**	**0.0**	**–66.6**	**–31.3**	**347,407.9**	**167,670.7**	**200,256.5**

Acquisition/construction costs

in TEUR	Balance at 1.1.2009	Change in the consoli-dation range	Currency translation differences	Additions	Disposals	Transfers	Balance at 31.12.2009
I. Intangible assets							
Software licenses, industrial property rights and similar rights	12,518.3	0.0	376.2	122.2	–1,043.0	614.6	12,588.3
Goodwill	2,891.6	0.0	–7.2	0.0	0.0	0.0	2,884.4
Prepayments	114.1	0.0	–2.2	2.8	0.0	–19.4	95.3
	15,524.0	**0.0**	**366.8**	**125.0**	**–1,043.0**	**595.2**	**15,568.0**
II. Tangible assets							
Land and buildings, including buildings on land owned by third parties	122,438.2	4,000.0	395.6	2,255.7	–1,874.1	648.5	127,863.9
Machinery and equipment	296,788.9	0.0	1,799.4	5,105.0	–4,828.3	8,405.7	307,270.7
Fixtures, fittings, tools and equipment	66,096.1	0.0	860.3	2,897.5	–2,368.0	1,196.7	68,682.6
Prepayments and assets under construction	7,538.6	0.0	74.6	12,348.7	–17.9	–10,846.0	9,098.0
	492,861.8	**4,000.0**	**3,129.9**	**22,606.9**	**–9,088.3**	**–595.2**	**512,915.1**
III. Financial assets							
Investments in subsidiaries	403.9	0.0	0.0	0.0	–403.9	0.0	0.0
Investments in associated companies	383.9	0.0	0.0	13.6	0.0	0.0	397.5
Other investments	0.0	0.0	0.0	0.6	0.0	0.0	0.6
Securities	5,820.5	0.0	23.9	5,449.0	–1,900.3	0.0	9,393.1
Loans granted	84.5	0.0	–0.2	0.0	–5.3	0.0	79.0
	6,692.8	**0.0**	**23.7**	**5,463.2**	**–2,309.5**	**0.0**	**9,870.2**
	515,078.6	**4,000.0**	**3,520.4**	**28,195.1**	**–12,440.8**	**0.0**	**538,353.3**

Note: Rounding differences may arise from the automatic processing of data.
The changes in consolidated fixed and financial assets comprise an integral part of the notes to the consolidated financial statement.

Depreciation/write-ups									Book value	
Balance at 1.1.2009	Currency translation differences	Change in the consolidation range	Depreciation for the year 2009	Disposals	Transfers	Write-ups for the year 2009	Changes not recognised in the income statement	**Balance at 31.12.2009**	Carrying amount at 31.12.2009	Carrying amount at 31.12.2008
10,425.1	13.7	0.0	629.1	–1,043.0	0.0	0.0	0.0	10,024.9	2,563.4	2,093.2
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,884.4	2,891.6
94.7	–2.3	0.0	0.0	0.0	0.0	0.0	0.0	92.4	2.9	19.4
10,519.8	**11.4**	**0.0**	**629.1**	**–1,043.0**	**0.0**	**0.0**	**0.0**	**10,117.3**	**5,450.7**	**5,004.2**
66,138.7	211.1	0.0	4,584.8	–1,304.7	0.0	0.0	0.0	69,629.9	58,234.0	56,299.5
215,760.9	1,083.5	0.0	22,192.2	–4,532.2	0.0	0.0	0.0	234,504.4	72,766.3	81,028.0
52,837.5	666.8	0.0	5,779.0	–2,331.6	0.0	0.0	0.0	56,951.7	11,730.9	13,258.6
194.1	–4.9	0.0	8.3	0.0	0.0	0.0	0.0	197.5	8,900.5	7,344.5
334,931.2	**1,956.5**	**0.0**	**32,564.3**	**–8,168.5**	**0.0**	**0.0**	**0.0**	**361,283.4**	**151,631.7**	**157,930.6**
369.0	0.0	0.0	0.0	–369.0	0.0	0.0	0.0	0.0	0.0	34.9
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	397.5	383.9
0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.6	0.0	0.0
1,516.7	23.9	0.0	24.5	–947.2	0.0	–118.7	–4.1	495.1	8,898.0	4,303.8
71.2	–0.2	0.0	0.0	0.0	0.0	0.0	0.0	71.0	8.0	13.3
1,956.9	**23.7**	**0.0**	**25.1**	**–1,316.3**	**0.0**	**–118.7**	**–4.1**	**566.6**	**9,303.5**	**4,735.9**
347,407.9	**1,991.5**	**0.0**	**33,218.6**	**–10,527.8**	**0.0**	**–118.7**	**–4.1**	**371,967.4**	**166,385.9**	**167,670.7**

Strategic areas (primary segments)

in TEUR	Sempermed	Semperflex	Semperform	Sempertrans	Other and Group eliminations	Group
2009						
Revenue[1]	271,371.8	105,337.3	96,470.7	114,903.8	0.0	588,083.6
Earnings before tax (EBT) = segment result	48,966.0	372.1	10,137.7	12,024.0	442.9	71,942.7
Depreciation and amortisation	–9,666.1	–14,693.2	–5,180.4	–3,602.3	–51.4	–33,193.4
Segment assets	193,648.2	132,837.6	81,466.5	104,562.6	19,017.0	531,531.9
Segment liabilities	57,942.4	22,492.0	23,340.8	34,900.3	25,266.8	163,942.3
Investments in tangible and intangible assets	10,211.2	4,443.9	2,537.6	5,486.7	52.5	22,731.9
Employees	4,141	1,058	666	759	25	6,649
2008						
Revenue[1]	242,839.2	165,953.4	119,041.3	127,458.1	0.0	655,292.0
Earnings before tax (EBT) = segment result	19,694.5	15,718.0	14,535.9	11,394.7	–3,240.4	58,102.7
Depreciation and amortisation	–9,074.4	–11,971.7	–5,307.0	–2,786.9	–39.8	–29,179.8
Segment assets	152,634.2	142,957.8	73,138.4	88,545.4	28,249.9	485,525.7
Segment liabilities	36,929.6	25,259.2	23,879.6	23,935.5	25,049.7	135,053.6
Investments in tangible and intangible assets	6,950.2	9,218.0	5,422.8	5,894.6	91.2	27,576.8
Employees	3,970	1,529	731	809	25	7,064

IFRS 8 applies to annual periods begining on or after January 1, 2009 and replaces IAS 14. Pursuant to the "management approach" stipulated in IFRS 8, companies are required to provide financial information and verbal explanations in respect to their reportable segments based on the internal management of the company. The breakdown of the individual segments is based on product categories.

Information on business developments in the individual divisions is included in the Management Report. The allocation of assets, liabilities, borrowed capital, financial results and revenue has already been adjusted for consolidation on the business division level.

The segment result for Sempermed includes income from associated companies totaling TEUR 122.0 (previous year: TEUR 108.4).

Regions (secondary segments)

	2008			2009		
in TEUR	Non-current assets[2) 3)]	Investments	Revenue[1]	Non-current assets[2) 3)]	Investments	Revenue[1]
Austria	30,412.2	8,981.3	34,518.8	28,766.6	5,901.1	27,160.7
EU excluding Austria	62,326.7	9,556.1	360,158.2	56,778.8	5,981.2	305,787.1
Total EU	92,738.9	18,537.4	394,677.0	85,545.4	11,882.3	332,947.8
Rest of Europe	0.0	0.0	53,997.1	0.0	0.0	39,145.6
Total Europe	92,738.9	18,537.4	448,674.1	85,545.4	11,882.3	372,093.4
The Americas	3,532.3	69.6	126,037.6	3,652.4	154.9	136,607.9
Asia and the rest of the world	67,980.7	8,969.8	80,580.3	68,914.5	10,694.7	79,382.3
Group	**164,251.9**	**27,576.8**	**655,292.0**	**158,112.3**	**22,731.9**	**588,083.6**

The segment reporting comprises an integral part of the notes to the consolidated financial statements.
1) After elimination of intercompany sales
2) Consolidation entries are assigned to the regions whenever possible
3) Non-current assets does not include deferred tax assets, financial instruments, payments rendered after termination of employment.

I. General information

Semperit Aktiengesellschaft Holding, a joint stock company according to Austrian law, is an internationally operating industrial group headquartered at the address Modecenterstrasse 22, 1031 Vienna, Austria. The activities of the Group are divided into four strategic business divisions:

– Sempermed (medical gloves, industrial gloves)
– Semperflex (hydraulic and industrial hoses, elastomer sheeting)
– Semperform (escalator handrails, elastomer profiles, moulded articles)
– Sempertrans (conveyor belts)

Rounding differences in the totalling of rounded amounts and percents may arise from the automatic processing of data.

The financial statements of all major or fully consolidated companies in Austria and abroad that are subject to statutory audits were audited by independent auditors and were awarded unqualified opinions. The statutory transition of commercial balance sheets to individual IFRS financial statements was also certified by local auditors.

1.1 General principles

Reporting in accordance with International Financial Reporting Standards (IFRS)
These consolidated financial statements as at December 31, 2009 were prepared in accordance with the principles set forth by the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). Pursuant to Section 245a of the Austrian Enterprise Code in connection with Article 4 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council from July 19, 2002, all listed companies are required to prepare their financial statements in accordance with IFRS for all financial years starting after December 31, 2004. The consolidated financial statements are presented in thousands of euros (TEUR).

Newly applied standards and interpretations
The following standards and interpretations had a material influence on the figures reported in the consolidated financial statements of the Semperit Group:

IFRS 8 Operating Segments
IFRS 8 replaces IAS 14. IFRS 8 requires reporting in the form of financial information and verbal explanations with regard to reportable segments. A key aspect is the identification of operating segments based on the internal management of the company (management approach). The application of IFRS 8 led to slight changes in the information contained in Semperit's segment reporting.

IAS 1 Presentation of Financial Statements
The most important change contained in IAS 1 is the presentation of income and expenses recognised directly in equity (future name: "other comprehensive income", OCI). Furthermore, IAS 1 stipulates that all changes in equity based on transactions with the owners must be separately disclosed from all other transactions leading to changes in equity which are not concluded with the owners.

IFRS 7 Amendments – Financial Instruments: Disclosures
The changes in IFRS 7 impacted the information contained in the notes to the consolidated financial statements for the 2009 financial year.

Standards and interpretations whose application does not affect the consolidated financial statements

IFRS 2 Amendments: Share-based Payment

IFRS 2 clarifies vesting conditions such as service and performance conditions for share-based payments, as well as guidelines on the accounting treatment of cancellations.

IAS 23 Borrowing Costs

The change made to IAS 23 eliminates the option enabling borrowing costs directly assigned to the acquisition, construction or production of so-called qualified assets to be recognised immediately as an expense. Accordingly, such borrowing costs must be recognised as part of the acquisition or production costs of the qualified assets. The standard must be initially applied to borrowing costs for qualified assets that are to be capitalised on or after January 1, 2009.

IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements

The revisions stipulate the different accounting treatment between equity and borrowed capital in respect to puttable financial instruments and obligations arising on liquidation.

IAS 39 Financial Instruments: Recognition and Measurement and IFRIC 9 Reassessment of Embedded Derivatives

The revisions stipulate that a revaluation focusing on whether the derivative is to be separated from the host contract is to be carried out when the contract, which was originally accounted for at fair value through profit or loss, is assigned to another category. This is in addition to the previous stipulations relating to significant changes in contractual conditions and the resulting payment flows.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

IFRIC 16 clarifies what is to be considered a risk in hedging a net investment in a foreign operation, and where this hedging instrument may be applied within a corporate group to reduce this risk. The application of IFRIC 16 will not have any effects on the Semperit Group, due to the fact that the Group does not hedge foreign currency risks relating to investments in foreign companies at the present time.

Improvements to IFRS (Changes made in 2008)

Adjustments focused on changes relating to presentation, recognition and measurement, as well as new terms or editorial changes. The revisions primarily apply to annual periods beginning or after January 1, 2009, and will not have a material impact on the consolidated financial statements of the Semperit Group.

Standards, revisions and interpretations which are not applied because they are not yet binding or lack EU approval

IFRS 3 Business Combinations and IAS 27 Consolidated and Separate IFRS Financial Statements

The main changes in relation to the previous version of IFRS 3 primarily affects the accounting treatment for business combinations achieved in stages and the measurement of minority interests, as well as the accounting treatment for ancillary acquisition costs and contingent consideration relating to the business combination.

The new version of IFRS 3 includes the option to measure minority interests either at fair value or the proportionate share of identifiable net assets.

For business combinations in stages, a revaluation of existing shares in the acquired company with recognition to profit or loss is carried out at the date in which a controlling interest is obtained. Goodwill is recognised as the difference between the revalued carrying amount of the shareholding plus purchase price payments for the acquisition of new shares plus minority interests less the acquired net assets. Furthermore, ancillary acquisition costs are to be recognised as an expense in the periods in which they are incurred. Contingent consideration is measured at fair value at the time of the business combination. Post-acquisition changes are principally recognised in profit or loss.

According to the latest version of IRFS 3, the effects of pre-existing contractual relationships before the time of the business combination must be accounted for separately and are not to be included in settling the amount of the consideration transferred to the acquiree for the business combination. Compared to the previous version, IFRS 3 now stipulates the recognition and measurement of rights granted to another company before the business combination, and which are to be economically recovered within the context of the business combination.

IFRS 3 is to be applied for annual periods beginning or after July 1, 2009, and will not be applied by the Semperit Group ahead of schedule. The standard is only to be used on a prospective basis. For this reason, it will only have an effect on future acquisitions.
The main changes to IAS 27 compared to the previous version can be summarised as follows: changes to the shareholding in a subsidiary in which control is retained may only be recognised as equity transactions. If the changes result in a loss of a controlling influence in the subsidiary, the consolidated assets and liabilities must be derecognised from the accounts. The residual holding in a previous subsidiary must be initially reported at fair value, and the resulting differences are to be recognised in profit or loss.
The new standard is binding for annual periods beginning or after July 1, 2009, but may be applied ahead of schedule. Applying one of the two revised standards ahead of time requires the simultaneous early application of the other standard.

IAS 28 Investments in Associates
The basic principle underlying the revisions to IAS 27 is that a loss in the controlling influence is to be reported as a disposal, and the residual shares are to be recognised at fair value. This led to subsequent changes in IAS 28. If an investor loses significant influence of an associate, it recognises the residual shares in the previous associate at fair value, in which case the resulting gains or losses are to be recognised in profit or loss of the respective period. The revisions are valid for annual periods beginning on or after July 1, 2009, and will not be applied by the Semperit Group ahead of schedule.

IFRS 9 Financial Instruments
IFRS 9 regulates the classification and measurement of financial assets. It stipulates a new categorisation of financial instruments in "at amortised cost" and "at fair value". Whether or not a financial instrument can be classified as "at amortised cost" depends on the business model of the company and the contractually related payment flows of the individual financial instruments. The changes must be applied retroactively for annual periods beginning on or after January 1, 2013.

IAS 32 Amendments – Financial Instruments: Presentation
In line with this amendment, rights (options, subscription rights) to the acquisition of a fixed number of the entity's own equity instruments for a fixed amount of currency are to be classified as equity instruments if offered pro rata to all existing shareholders of the entity. The change is to be applied for annual periods beginning on or after February 1, 2010, and will not have any effect on the consolidated financial statements of the Semperit Group.

IAS 39 Amendments – Financial Instruments: Recognition and Measurement
The revisions clarified two aspects of the accounting treatment of hedging instruments. For one thing, inflation is identified as a hedgable risk portion. In addition, the accounting treatment of hedging with options is also dealt with. The change is valid for annual periods beginning on or after July 1, 2009, and is not expected to have any effect on the Semperit Group.

IFRIC 14 Amendments: Voluntary Prepaid Contributions under a Minimum Funding Requirement
The change to IFRIC 14 allows voluntary prepayments for minimum funding contributions to be recognised as an asset. The change is valid for annual periods beginning on or after January 1, 2011, and will probably not have any effect on the consolidated financial statements of the Semperit Group.

IFRIC 15 Agreements for the Construction of Real Estate
IFRIC 15 standardises accounting practice across jurisdictions for the recognition of revenue by real estate developers for sales of units, such as apartments or houses "off plan" i.e. before construction is complete.

IFRIC 17 Distributions of Non-cash Assets to Owners
This interpretation regulates the presentation of distributions of non-cash assets to owners, and applies to annual periods beginning on or after July 1, 2009, and is not expected to have any effect on the consolidated financial statements of the Semperit Group.

IFRIC 18 Transfers of Assets from Customers
According to IASB, IFRIC 18 is particularly relevant for the energy sector. It clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant or equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods and services. IFRIC 18 also deals with cases in which an entity receives cash from a customer that must be used only to acquire or construct the aforementioned assets.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
The interpretation published in November 2009 stipulates that an entity's own equity instruments used to extinguish financial liabilities, initially recognised at fair value, represent "consideration paid" in accordance with IAS 39.41. This interpretation applies to annual periods beginning on or after July 1, 2010, and will not likely have an effect on the consolidated financial statements of the Semperit Group.

Improvements to IFRS (Changes made in 2009)
Adjustments focused on changes relating to presentation, recognition and measurement, as well as new terms or editorial changes. The revisions primarily apply to annual periods beginning or after January 1, 2010, and are not expected to have a material impact on the consolidated financial statements of the Semperit Group.

1.2 Consolidation principles and methods

The consolidated financial statements of the Semperit Group include the financial statements of the parent company and the financial statements of the individual companies (subsidiaries) in which the parent company exercises control on the basis of a dominant influence. Exercising control entails the possibility to determine the financial and business policy of a company in order to benefit from its activities.

The financial statements of the individual companies included in Austria and abroad were drawn up as at the consolidated balance sheet date of December 31, 2009. Where required the financial statements of the subsidiaries have been adapted to the accounting and valuation methods applied within the Group.

Items 3.1 and 3.2 of the notes to the financial statements provide an overview of the fully consolidated companies and companies included at equity.

Capital consolidation involves offsetting the acquisition costs (carrying amount) of the participatory shares against the revalued proportional shareholders' equity of the subsidiaries on the date of acquisition.

Business combinations are accounted for in accordance with the acquisition method, which stipulates that identifiable assets and liabilities which are acquired as well as contingent liabilities at the date of acquisition are to be recognised at fair value at this acquisition date. The difference between the acquisition costs and the assignable share of the measured net assets, inasmuch as they are asset items, are to be recognised as goodwill, which is not subject to amortisation but to an annual impairment test. If the difference is negative, this is immediately recognised in profit or loss of the period and included as other operating income.

In the course of debt consolidation, receivables and liabilities between companies included in full in the consolidated accounts are fully netted off. Inter-company profits from intra-Group deliveries of non-current assets and inventories are eliminated by means of a surcharge method if they are not of immaterial significance.

In the course of expenses and income elimination, all inter-company income and expenses that arise from the sale of goods or services between Group companies are eliminated.

The shares held by shareholders who do not exercise a controlling influence on subsidiaries (non-controlling interests) are reported separately in equity from the shares in these subsidiaries owned by shareholders of the parent company. The non-controlling interests are initially capitalised at a proportionate share of the entire value of the identifiable assets recognised at fair value less the identifiable liabilities recognised at fair value, namely the ratio of the stake held by these shareholders in proportion to the equity of the subsidiary. On subsequent balance sheet dates, the carrying amounts of the non-controlling interests are carried forward, adjusted to reflect the changes in equity assignable to the non-controlling interests. However, losses assignable to non-controlling interests may only be deducted as long as no negative value arises. Any additional losses are completely deducted from the shares held by owners of the parent.

The individual financial statements of the subsidiaries included in the consolidated financial statements are prepared in the currency of the economic region in which the company primarily operates, thus in its functional currency. For all companies included in consolidation, the functional currency is the currency of the country in which the respective company operates. The individual financial statements included in consolidation which are not reported in euros, the currency used as the basis for the consolidated financial statements of the Semperit Group, must be translated into euros. Assets and liabilities of these companies, including goodwill, and any adjustments made to the fair values originally reported at the acquisition date, are translated at the reference exchange rate on the balance sheet date. Items in the income statement and other results are translated as the arithmetic mean of the average reference rates determined using the weekly rates for the financial year in question. These average reference rates led to accumulated amounts in euros, which do not materially differ from the accumulated amounts which would have arisen when translating the transactions at the reference exchange rate at the date of transaction. The accumulated foreign currency translation differences resulting from the conversion of the individual financial statements of subsidiaries for the purpose of consolidation are recognised in the other results, and reclassified at the disposal or other method of deconsolidation of the respective subsidiary in profit or loss.

Gains or losses resulting from exchange rate changes derived from transactions of consolidated companies in a currency other than the functional currency are recognised in profit or loss in the period in which they arise. Monetary items of the consolidated companies denominated in foreign currency and not in the functional currency are converted into the respective functional currency at the reference exchange rate on the balance sheet date, and also recognised in profit or loss.

II. Accounting and valuation methods

With the exception of the revaluation of specified financial instruments, the consolidated financial statements are prepared on the basis of the historical cost of acquisition or production. The historical cost of acquisition or production is generally based on the fair value of the service rendered in exchange for the asset.

2.1 Date of revenue and profit realisation

Revenue and income are generally considered realised upon transfer of risk (at transfer date of risks and utilization or provision of service). Interest income is realised pro rata temporis taking into account the effective rate. Licences and rental revenues are treated in the same way. Income from services is recognised to the degree of their completion.

2.2 Tangible and intangible fixed assets

Goodwill is not subject to amortisation but is subject to an impairment test at least once annually or more frequently if there are indications of a potential impairment. For the purpose of the impairment test, goodwill is assigned to cash generating units or groups of cash generating units which are expected to benefit from the synergies arising from business combinations. Principally speaking, the beneficiary is the acquired subsidiary. Indications of a potential impairment exist when the recoverable amount of the cash generating unit to which the goodwill was assigned is lower than the carry amount of this cash generating unit, including the goodwill. As a rule, the recoverable amount of the cash generating unit is considered to be equal to the present value in use of the projected discounted cash flows generated by the cash generating unit in the future. Taking the results for the current year, the expected discounted cash flows of the cash generating unit is determined on the basis of multi-period calculations using projections of the future development of the business. The expected business development for each of the cash generating units is ascertained on the basis of the market-specific conditions as well as on the basis of the individual cost structure and the development of the relevant raw material prices. The discount rate is determined using the weighted average cost of capital (WACC) on the basis of the expected target capital structure and the associated capital costs, taking into account an adequate risk premium.

Acquired intangible assets are capitalised at acquisition cost, which are subsequently subject to scheduled depreciation according to their expected useful lives. Scheduled depreciation is done on the basis of the straight line method. The expected useful life is usually considered to be in the range of four to ten years. Moreover, an extraordinary write-down takes place in the case of impairment.

An internally generated intangible asset arising from the development phase of an internal project shall be recognised if, and only if, an entity can demonstrate
- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention and possibility to complete the intangible asset and use or sell it, and that the Group also has the required technical, financial and other resources to complete the development and to use or sell the intangible asset;
- that the respective intangible asset will generate probable future economic benefits, for example the existence of a market for the output of the intangible asset or the intangible asset itself, or, if it is to be used internally, the usefulness of the intangible asset, and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Only expenditures arising in connection with the development of the respective intangible asset incurred from the date when all the recognition criteria have been fulfilled are capitalised as costs of construction. This means that expenditures cannot be reinstated and retroactively recognised as costs of construction if the recognition criteria are first met at a later date.

With regard to the scheduled and extraordinary depreciation necessitated as a result of impairment, the same applies analagously as for the aforementioned acquired intangible assets.

Tangible fixed assets are valued at their cost of acquisition or production less scheduled depreciation. Costs of production in the case of assets generated by the company itself included pro rated overhead costs in addition to the direct costs. Scheduled depreciation by the straight-line method is calculated on the basis of the useful lives specified in the following table:

	Useful life in years
Buildings	20–50
Outdoor plants	10
Technical equipment, plants and machinery	5–10
Office furniture	5–10
Office equipment	5–10
IT hardware	3–5
Storage and workshop equipment	5–10
Vehicles	4–5

Depreciation is calculated from the date the asset is put into initial operation.

Intangible and tangible fixed assets are subject to an impairment test where there are indications that an asset is impaired. In this case, assets are assigned to cash generating units, groups of assets on the lowest possible level, independent of other assets or other groups of assets, which generate separately identifiable cash flows. In the Semperit Group, the individual production locations are generally defined as cash generating units. The impairment test is carried out on the basis of a comparison of the recoverable amount for the respective cash generating unit with the carrying amount. The recoverable amount corresponds to the higher of the fair value less cost to sell (net selling price) and the value in use. If the recoverable amount is lower than the carrying amount, an extraordinary write-down amounting to the difference between the two is carried out. In respect to determining the value in use, the same method applies analogously as used to determine impairment on goodwill.

If the reasons for impairment no longer apply, the write-down is reversed, but this reversal may not exceed the amount which would have arisen had the cash generating unit not been subject to an extraordinary write-down.

2.3 Investments in associated companies

An associated company is a company over which the Group has a significant influence, but which comprises neither a subsidiary nor a joint venture. Significant influence means the possibility to take part in the decision-making process determining the company's financial and business policies.

Investments in associates are reported using the equity method, according to which the proportionate net profit or loss of the subsidiary is recognised in the profit and loss account and by increasing or decreasing the investment's carrying value by this amount.

2.4 Emission certificates

In accordance with the Emission Certificate Act, a total of 26,592 emission certificates were allocated to Semperit Technische Produkte GmbH and Semperflex Optimit s.r.o. at no charge in the 2009 financial year. The certificates are not reported in the balance sheet (net method). The companies used 19,944 emission certificates in the 2009 financial year, and did not purchase or sell any additional certificates. A total of 12,096 emission certificates were unused as at December 31, 2009.

2.5 Inventories

Inventories are valued at their cost of acquisition or manufacture, taking into account the lower of cost or market value. Adequate write-downs are taken into consideration for inventory risks resulting from duration of storage or impaired usability. The valuation is generally based on the moving average method.

Manufacturing costs encompass direct expenses as well as all variable and fixed overheads incurred by production.

2.6 Financial assets

The recognition and deconsolidation of financial assets whose purchase or sale occurs at standard market conditions is performed as of the date of fulfilment. Initial recognition occurs at current market value plus costs of transaction. The exceptions are those financial assets categorized as being at "fair value through profit and loss". In such cases, the costs of transaction are not initially recognised.

Their natures and purposes are used to categorise newly-acquired financial assets as being:

- financial assets at fair value through profit or loss
- held to maturity financial investments
- available for sale financial assets
- loans and receivables

The financial assets at fair value through profit or loss primarily comprise financial assets held for trading purposes. Derivatives are always defined as belonging to this class of trading assets, with the exception of those depicting a financial guarantee or those designated to be a hedge. Financial assets at fair value through profit and loss are recognised at their fair value. As is the case for earnings from interest or from dividends stemming from these financial instruments, each expenditure or income resulting from the subsequent measurement of the asset is reported in the income statement compiled for the respective period. Comprised in these are earnings or expenditures from the measurement of such derivative financial instruments as forward exchange transactions, with this reporting occurring as other operating income or other operating expense items, and, additionally, earnings and expenditures resulting from the measurement of available for sale financial assets. This also includes the earnings from interest and dividends stemming from such financial investments, with these being reported in the interest earnings and other earnings from financial investments and the expenditures for financial investments items respectively.

Shares in funds held by the Group and equity instruments in other companies held as financial investments are categorised as being available for sale financial assets. They are measured at fair value. Profits and losses resulting from fluctuations in fair value are reported in other earnings and in the revaluation reserves. Earnings from interest and from dividends and losses from value impairments are, on the other hand, reported in the earnings from interest and other earnings from financial investments or expenditures for financial investments items respectively in the period's income statement. The sale of such a financial asset or the determination of its being value impaired causes the cumulative earnings or expenditures reported in the revaluation reserves being reclassified to the income statement.

Trade accounts receivable, loans and other receivables featuring preset or determinable payments and which are not listed on an active market are categorised as being loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any value impairment. This method is used to report interest earnings, with the exception of short-term receivables, in which interest plays a negligible role.

Financial assets are evaluated as of every balance sheet date for indications of value impairment. Accounts receivable whose value impairments cannot clearly be determined on an individual basis are also to be examined for such impairments on the portfolio level. In cases in which a financial asset is first recognised as having undergone a value impairment and then experiences an appreciation in value in one of the following reporting periods which is objectively attributable to an event which occurred subsequently to the recognition of value impairment, the value impairment is to be reversed using the income statement compiled for the period in which the appreciation took place. The exception to this rule is constituted by available for sale equity instruments in which value impairments were reported in the income statement. In such cases, appreciations in value are not reported in the period's income statement but rather in other operating results.

2.7 Provisions

Provisions are formed to the amount of and/or the maturity of uncertain present obligations on the part of the Group resulting from past obligating events, the settlement of which is expected to lead to the outflow of resources of economic value. These obligations can involve legal or de facto obligations. The provision is allocated to the amount corresponding to the best possible estimate to settle the obligation. If the obligation is not likely to be settled in the near future, the present value of the probable amount required to settle the obligation is recognised. If it can be assumed that the amount required to settle the obligation will be completely or partially reimbursed by a third party, the reimbursement is only to be recognised separately only when it is virtually certain that payment will be received if the entity settles the obligation.

A provision for restructuring costs is only recognised if the Group has developed a formal plan for the restructuring, which has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. The provision only includes direct costs for the restructuring i.e. only those expenses which were caused by the restructuring and are not related to the continuing operations of the Group.

2.8 Retirement benefit costs

Contributions to defined contribution pension plans are only recognised as an expense if the employee has actually rendered the service obliging the company to make this contribution.

The costs for defined benefit pension plans are calculated according to the project unit credit method, in which an actuarial assessment is carried out on each balance sheet date. Actuarial gains and losses are immediately recognised in profit or loss in the period in which they are incurred.

Pension provisions are allocated on the balance sheet in line with the services to be rendered by an employee within the context of a pension plan. They correspond to the present value of the defined benefit obligation as at the balance sheet date i.e. the benefits accrued by the employee reduced by the fair value of the plan assets required to settle the obligation at the balance sheet date.

2.9 Equity and debt capital instruments issued by the Group

In respect to the financial instruments issued by the Group, the contractual contents are classified as being financial liabilities or equity.

An equity instrument is a contract giving rise to a residual claim on the assets of a company once all debts have been subtracted. Equity instruments are reported as the sum of revenues of issuance minus directly attributable costs of issuance. These, in turn, are those which would not have been incurred had the equity instrument not been issued.

Financial liabilities are categorised as being financial liabilities at fair value through profit or loss or as other financial liabilities.

Financial liabilities are categorised as being those at fair value through profit or loss in cases in which
– they are held for trading purposes. Derivatives are always defined as belonging to this class of trading assets, with the exception of those depicting a financial guarantee or those designated to be a hedge.
– they are designated as being at fair value through profit or loss. This can be important in those cases in which the respective financial liability is part of a contractual agreement featuring an embedded derivative.

Financial liabilities at fair value through profit and loss are recognised at their fair value. As is the case for earnings from interest or dividends stemming from these financial instruments, each expenditure or income resulting from the subsequent measurement of the asset is reported in the income statement compiled for the respective period. Comprised in these are earnings or expenditures from the measurement of such derivative financial instruments as forward exchange transactions, with this reporting occurring in the other operating income or other operating expenses items. Earnings and expenditures resulting from the measurement of liabilities used for financing and expenditures for interest resulting from such liabilities are reported under costs of financing.

Other financial liabilities, with these including loans secured, are initially recognised at fair value minus transaction costs. They are then subsequently measured using the effective interest method at amortised costs.

2.10 Borrowing costs

Borrowing costs which are directly linked to the purchasing or creation of qualified assets – those whose production takes a considerable length of time and which has been undertaken for utilization or sale – are to be capitalised as components of procurement or production costs. This is to be performed until the time at which the assets are essentially ready to be used or sold in the intended way. Borrowing costs are to be reported in the income statement compiled for the period in which they are incurred.

2.11 Income taxes

Income taxes are the sum of current and deferred taxation. Current and deferred taxes are reported as either expenditure or earnings in, as a basic rule, the period's income statement. Tax-related effects of items which are not reported in the period's income statement but rather in the other results item, or directly in the equity, are, however, not reported in the period's income statement but also in the other results item, or directly in equity. Tax effects resulting from the revaluation of assets and liabilities triggered by mergers are also not to be reported in the income statement, but rather in the merger's accounting.
Expenditure for current taxation is calculated using the tax-liable profits achieved during the applicable period. The tax-liable profit does, however, differ from the earnings before tax listed in the consolidated income statement. This difference is caused by expenditures and earnings which will be tax-liable in a period following the one concluding with the balance sheet date, or which will never be the subject of a tax return, or which are tax-deductible.
Deferred taxes are determined to be the foreseeable tax burden or relief resulting from the differences arising on a temporary basis between the rates of valuation contained in the consolidated financial statements and those used in calculating taxation. An asset resulting from this deferral is only recognised in cases in which the tax-liable earnings are available for offsetting against tax-deductible temporary differences. Advantages resulting from tax losses carried forward and from tax deferrals are also recognised, in cases in which their realisation is a matter of adequate probability. Excluded from tax deferral are temporary differences resulting from the initial recognition of goodwill or of an asset or liability associated with a transaction, and which does not impact upon earnings before tax or the tax-liable income as of the time of transaction.

Future tax effects resulting from the tax-liable differences involving shares held in subsidiaries and in associates are also tax-deferred, except in those cases in which the Group is capable of controlling the course of the temporary differences, and in which it is probable that these differences will not disappear in the foreseeable future. The future tax effects of deductible temporary differences involving shares held in subsidiaries and in associates are deferred only in those cases in which it is probable that the tax-liable profits will be available for offsetting against these tax-deductible temporary differences, and in which it is possible to assume that these differences will disappear in the foreseeable future.

The carrying amount of a deferred tax asset as of the balance sheet date is examined on an annual basis, and is reduced in those cases in which it is no longer probable that the tax-liable profits will suffice for the asset's realisation.

The tax deferrals are calculated using the tax laws and rates which are applicable or basically promulgated on the balance sheet date and which will be employed as of the probable date of the liquidation of the differences. The valuation also comprises the tax-impacting consequences resulting from the forecast rendered by the group as to how the asset or liability upon which the temporary difference is based will be realised or fulfilled.

Deferred tax claims and liabilities resulting from a single object of taxation are offset against each other in cases in which they involve income taxes levied by the same tax authorities, and in which they give rise to a legally-enforceable claim for offsetting current tax debts and claims. A tax group is constituted in accordance with Section 9 of Austria's Corporate Tax Code.

2.12 Other

Earnings per share are based on Group profit attributable to shareholders of the parent company Semperit AG, divided by the weighted number of outstanding shares (less own shares).

If required, estimations are made for the consolidated annual financial statements that influence the assets and liabilities reported in the balance sheet, the reporting of other obligations on the balance sheet date and the reporting of earnings and expenditures during the period under review. The actual amounts may diverge from these estimations.

III. Consolidation range

3.1 Subsidiaries (fully-consolidated)

	Currency	Authorised share capital in TEUR	Investment in %
Domestic			
Semperit AG Holding, Vienna	EUR	21,359.0	–
Semperit Technische Produkte GmbH, Vienna	EUR	10,900.9	100
Arcit HandelsgmbH, Vienna	EUR	36.3	100
PA 82 WT Holding GmbH, Vienna	EUR	35.0	100
Foreign			
Semperflex A.H. s.r.o., Odry, Czech Republic	CZK	100.0	100
Semperflex Optimit s.r.o., Odry, Czech Republic	CZK	470,318.0	100
Semperit Ibèrica S.A., Barcelona, Spain	EUR	156.0	100
Semperflex Roiter S.r.l., Rovigo, Italy	EUR	750.0	100
Semperflex Rivalit GmbH, Waldböckelheim, Germany	EUR	1,281.3	100
Sempermed Kft., Sopron, Hungary	EUR	3,680.0	100
Semperit (France) S.A.R.L., Argenteuil, France	EUR	495.0	100
Semperit Gummiwerk Deggendorf GmbH, Deggendorf, Germany	EUR	2,050.0	100
Semperit Technische Produkte GmbH, Gevelsberg, Germany	EUR	50.0	100
Sempertrans France Belting Technology S.A.S., Argenteuil, France	EUR	3,165.0	100
Sempertrans Maintenance France Méditeranée E.U.R.L., Port de Bouc, France	EUR	165.0	100
Sempertrans Maintenance France Nord E.U.R.L., Argenteuil, France	EUR	176.0	100
Shanghai Semperit Rubber & Plastic Products Co. Ltd., Shanghai, China	EUR	2,471.0	90
Sempertrans Best (Shandong) Belting Co. Ltd., Shandong, China	EUR	20,000.0	80
Semperit Conveyor Services Ltd., Walsall, Great Britain	GBP	100.0	100
Semperit Industrial Products Ltd., Daventry, Great Britain	GBP	750.0	100
Semperform Kft., Sopron, Hungary	HUF	243,000.0	100
Sempermed Magyarország Kft., Budapest, Hungary	HUF	3,000.0	100
Sempertrans Nirlon (P) Ltd., Maharashtra, Roha, India	INR	230,769.0	100
Fabryka Lin "Stolin" Sp. z o.o., Belchatow, Poland	PLN	800.0	100
Sempertrans Belchatow Sp. z o.o., Belchatow, Poland	PLN	7,300.5	100
Semperit Tekniska Produkter AB, Skärholmen, Sweden	SEK	800.0	100
Semperit Industrial Products Singapore Pte Ltd., Singapore	SGD	190.8	100
Semperflex Asia Corp. Ltd., Hatyai, Thailand	THB	380,000.0	50[1)]
Semperform Pacific Corp. Ltd., Hatyai, Thailand	THB	60,000.0	50[1)]
Siam Sempermed Corp. Ltd., Hatyai, Thailand	THB	200,000.0	50[1)]
Shanghai Foremost Plastic Industrial Co Ltd., Shanghai, China	USD	6,000.0	100[2)]
Sempermed USA Inc., Clearwater, Florida, USA	USD	4,000.0	75[2)]
Semperit Industrial Products Inc., Fair Lawn, New Jersey, USA	USD	1.0	100
Semperflex Shanghai Ltd., Shanghai, China	USD	15,000.0	50[1)]
Sempermed Singapore Pte Ltd., Singapore	USD	6,000.0	50[1)]
Sempermed Brazil Comèrcio Exterior Ltda, Piracicaba, Brazil	BRL	12,546.6	100[2)]

[1)] Due to the tie-breaking vote exercised by the Semperit Group, the Group has a controlling influence over the company.
[2)] The de facto shareholding of Semperit amounts to 50%. Due to the tie-breaking vote exercised by the Semperit Group, the Group has a controlling influence over the company.

3.2 Associated companies (equity method)

Foreign	Currency	Authorised share capital in TEUR	Investment in %
Isotron Deutschland GmbH, Allershausen, Germany	EUR	511.6	37.5

The net book value of Isotron Deutschland GmbH at the balance sheet date of December 31, 2009 amounted to TEUR 397.5 (previous year: TEUR 383.9).

Associated companies are included at equity in the consolidated accounts if the Semperit Group holds between 20% and 50% of the shares and these companies are material for an accurate representation of the asset, financial and earnings situation.

The company is included in the consolidated financial statements according to the equity method with the following values (100%):

in TEUR	31.3.2008	31.3.2009
Assets		
Non-current assets	4,625.4	4,600.4
Current assets	506.6	426.2
	5,132.0	**5,026.6**
Equity and liabilities		
Equity	1,023.0	1,348.3
Non-current provisions	280.8	271.4
Non-current liabilities	1,500.0	1,500.0
Current provisions	167.2	183.1
Current liabilities	2,161.0	1,723.8
	5,132.0	**5,026.6**
	2007/08	**2008/09**
Revenue	2,712.1	2,793.9
Earnings after tax	289.0	325.2

3.3 Changes in the consolidation range

The following companies were included in the consolidated financial statements of the Semperit Group for the first time in 2009:
Sempertrans Best (Shandong) Belting Co., Ltd., Shandong, China
This company is a newly-created joint venture with the Wang Chao Coal & Electricity Group, China, in which Semperit AG Holding has an 80% stake.

The effects of the initial consolidation of this company on the consolidated balance sheet as at December 31, 2009 are presented below:

in TEUR	31.12.2009
Assets	
Non-current assets	9,781.6
Current assets	12,000.0
	21,781.6
Equity and liabilities	
Equity	20,041.6
Non-current liabilities	28.8
Current liabilities	1,711.2
	21,781.6

Effective March 1, 2010, Sempertrans Best (Shandong) Belting Co. Ltd. acquired the activities of a conveyor belt factory in China with modern production facilities, which had commenced operations a short time earlier, within the framework of an asset deal.

On April 16, 2009, the shareholding in the Indian company Sempertrans Nirlon (P) Ltd., Maharashtra, Roha was increased from 74% to 100%. This resulted in a negative goodwill of TEUR 87.2, which was immediately recognised in profit or loss.

The following chart shows the balance sheet as at March, 31 2009:

in TEUR	**31.3.2009**
Assets	
Non-current assets	5,083.4
Current assets	6,621.3
	11,704.7
Equity and liabilities	
Equity	7,205.8
Non-current liabilities	2,236.6
Current liabilities	2,262.3
	11,704.7

The subsidiary "DOM" Sp. z o.o. in Belchatow, Poland was liquidated as at January 20, 2009.

IV. Notes to the balance sheet

4.1 Fixed and financial assets

The composition of fixed assets is shown under the item "Changes in consolidated fixed and financial assets".

Land with buildings includes real estate assets totalling TEUR 10,587.3 (previous year: TEUR 7,105.2).

Depreciation for the 2009 financial year includes extraordinary depreciation of the value of use of tangible fixed assets amounting to TEUR 5,060.6 (previous year: TEUR 443.0). This occurred primarily in the Semperflex division totalling TEUR 3,906.0 (previous year: TEUR 336.2) and the Sempertrans division totalling TEUR 973.3 (previous year: TEUR 38.6).

The following obligations apply as a result of non-terminable tenancies or leases resulting from the use of assets not reported in the balance sheet:

in TEUR	2008	2009
Within 1 year	712.2	557.6
Within 2–5 years	831.2	639.1
More than 5 years	400.5	405.6

4.2 Inventories

The balance sheet item "Inventories" is comprised of the following:

in TEUR	2008	2009
Raw materials and supplies	31,610.3	26,260.1
Work in progress	10,484.4	8,718.8
Finished goods	52,126.2	39,602.5
Services not yet invoiced	58.2	7.4
Prepayments	2,142.0	27.4
	96,421.1	**74,616.2**

4.3 Receivables and other assets

The required specific valuation adjustments are made to all receivables. Receivables from associated companies totalling TEUR 562.5 (previous year: TEUR 577.1) result from loans and the provision of goods and services. Receivables to the amount of TEUR 4,818.8 (previous year: TEUR 3,017.4) are secured by bills of exchange.

in TEUR	2008			2009		
	Total	of which less than 1 year to run	of which more than 1 year to run	Total	of which less than 1 year to run	of which more than 1 year to run
Trade receivables	86,833.8	86,829.2	4.6	79,493.9	79,493.9	0.0
Receivables from associated companies (equity method)	577.1	14.6	562.5	562.5	0.0	562.5
Other receivables	13,526.6	13,232.6	294.0	8,851.7	8,435.1	416.6
Other assets	2,622.2	2,166.2	456.0	2,554.2	2,503.4	50.8
Current financial investments	225.5	225.5	0.0	21.0	21.0	0.0
Derivative financial instruments	415.7	415.7	0.0	176.1	176.1	0.0
	104,200.9	**102,883.8**	**1,317.1**	**91,659.4**	**90,629.5**	**1,029.9**

The above-mentioned other receivables include receivables from tax authorities amounting to TEUR 5,840.0 (previous year: TEUR 11,691.5). Also included is the stake held in the "Wohlfahrtseinrichtung für die Arbeiter und Angestellten der Semperit GmbH", a social welfare facility for the workers and salaried employees of Semperit, amounting to TEUR 34.9 (previous year: TEUR 34.9).

The following chart presents an analysis of the due dates of trade receivables:

in TEUR					
Net amount	of which not overdue	of which overdue			
		Up to 3 months	3–6 months	6–12 months	More than 12 months
2009					
79,493.9	65,016.2	13,561.6	351.5	119.6	445.0
2008					
86,833.8	53,240.6	32,061.5	905.6	244.3	381.8

The overdue receivables are largely covered by credit insurance. In regards to Semperit's portfolio of overdue trade receivables, there is no indication that the debtors will not be able to fulfil their contractual payment obligations.

The receivables not covered by credit insurance primarily consist of claims against customers in Poland, the USA and China. In respect to non-insured receivables and the deductible on insured receivables, there is no concentration of credit risk worth mentioning due to the company's diversified customer base.

4.4 Cash and cash equivalents

in TEUR	2008	2009
Cash on hand	124.4	83.8
Checks	3.4	1.8
Bank balances	101,679.5	145,488.0
Short-term deposits	5,523.6	40,182.6
	107,330.9	**185,756.2**

The maturity period of all short-term deposits at the time of the investment was less than three months. The liquid funds correspond to the cash and cash equivalents at the end of period, as depicted in the consolidated cash flow statement.

4.5 Deferred taxes

Tax deferments are calculated using the balance sheet liability method for all temporary differences between the valuations of the balance sheet items in the IFRS Group financial statements and the tax values at the individual companies. Furthermore, the tax advantage that can probably be realised from existing loss carry forwards is included in the calculation. Exceptions to this comprehensive tax deferment are non-tax-deductible goodwill and temporary differences relating to equity interests. Deferred tax assets are not reported if it is unlikely that the tax advantage they include can be realised. Deferred taxes for the 2009 financial year were calculated using the tax rate of 25% applicable in Austria.

in TEUR	2008		2009	
	Assets	Equity and liabilities	Assets	Equity and liabilities
Intangible assets	53.4	–80.1	0.0	–606.6
Tangible assets	281.1	–1,815.8	300.7	–1,844.5
Financial assets	140.1	–45.8	113.9	–4.5
Inventories	1,416.6	–20.7	2,781.1	–21.0
Receivables	1,720.0	–321.0	2,092.9	–178.6
Other assets	3.9	–158.2	0.4	–237.4
Untaxed reserves	0.0	–140.8	0.0	–241.1
Provisions for personnel	4,967.6	0.0	4,604.7	0.0
Other provisions	2,150.0	–106.4	4,571.8	–58.0
Trade payables	58.6	–6.7	138.1	–0.1
Other liabilities	749.4	–1.4	502.7	–1,796.5
Tax loss carry forwards	247.1	0.0	691.5	0.0
Total deferred tax assets and liabilities	**11,787.8**	**–2,696.9**	**15,797.8**	**–4,988.3**
Valuation allowance for deferred tax assets	–1,651.2	0.4	–2,311.8	0.5
Offset of deferred tax assets and liabilities	–234.5	234.5	–371.8	371.8
Net deferred tax assets	**9,902.1**		**13,114.2**	
Net deferred tax liabilities		**–2,462.0**		**–4,616.0**

4.6 Equity

The development of shareholders' equity is presented in detail in the consolidated financial statements.

The share capital of Semperit AG Holding amounts to EUR 21,358,996.53 and is divided into 20,573,434 shares, the same as at the previous balance sheet date on December 31, 2008. Each share represents an equal interest in the equity capital, is entitled to one vote and dividends.

Capital reserves are primarily formed by issuing shares above and beyond the proportional amount of share capital (agio). A total of TEUR 21,503.2 of the capital reserves are appropriated reserves which may only be dissolved to compensate for a net loss for the year as reported in the annual financial statements of the parent company Semperit AG Holding, inasmuch as free reserves are not available to cover the loss.

The revaluation reserve accrues gains and losses from fluctuations in the fair value measurement of available for sale financial assets until the respective assets are disposed of or until an impairment of the respective assets has been determined. The foreign currency translation reserve is the result of differences from currency translation in the conversion of the annual financial statements of Group subsidiaries from the functional currency into euros until the disposal of the respective subsidiary.

The revenue reserves encompasses the statutory reserves of Semperit AG Holding totalling TEUR 999.3, the net profit for the period of Semperit AG Holding amounting to TEUR 24,400.3, the untaxed reserves less the deduction of deferred taxes of the subsidiaries included in the consolidated financial statements, the retained earnings of subsidiaries since the date of acquisition and the effects of adjusting the annual accounts of the companies included in the consolidated financial statements to the valuation and accounting policies of the Group. The shareholders are entitled to a distribution of the net profit for the year of Semperit AG Holding. The statutory reserve of Semperit AG Holding may only be released to compensate for a net loss for the year reported in the annual financial statements. In this case, dissolving the statutory reserve to compensate for the loss is not in contradiction to the fact that free reserves are available to offset the loss.

For the 2009 financial year, the Management Board will propose to distribute a total dividend of TEUR 23,659.4, or EUR 1.15 per share, which will have to be resolved upon by the Annual General Meeting. For this reason, the dividend has not yet been recognised as a liability in these consolidated financial statements. The payment of the dividend has no consequences on the taxes to be paid by the Semperit Group.

4.7 Provisions

Provisions for pensions primarily take into account pension commitments resulting from individual contracts and the pension rules and regulations of the Austrian companies. These were adopted in 1997 and define the obligation of granting company pensions to employees who began employment before January 1, 1991 or their surviving dependents.

Severance payments: depending on their length of employment, Austrian and French employees are generally legally entitled to a lump-sum payment upon retirement or dismissal by the employer.

Provisions were formed for these future obligations.

in TEUR	1.1.2009	Currency translation differences	Release	Use	Addition	31.12.2009
Severance payments	22,879.9	18.4	0.0	–2,926.5	1,663.4	21,635.2
Pensions	21,676.3	0.0	0.0	–489.6	0.0	21,186.7
Deferred taxes	2,462.0	6.5	0.0	–352.1	2,499.6	4,616.0
Current taxes	2,100.7	–1.8	0.0	–2,100.7	7,733.4	7,731.6
Other	28,051.4	53.9	–2,510.8	–8,035.4	21,475.6	39,034.7
	77,170.3	**77.0**	**–2,510.8**	**–13,904.3**	**33,372.0**	**94,204.2**

The other provisions are comprised as follows:

in TEUR	1.1.2009	Currency translation differences	Release	Use	Addition	31.12.2009
Changes in structure	4,234.6	0.0	0.0	0.0	2,686.1	6,920.7
Jubilee bonuses	3,750.1	0.0	0.0	–491.2	16.8	3,275.7
Unused vacations	2,949.9	0.0	0.0	–1,854.6	1,493.8	2,589.1
Warranties	7,344.9	0.0	–222.4	–244.4	5,347.3	12,225.4
Bonuses	1,434.0	0.0	0.0	–834.3	431.0	1,030.7
Other	8,337.9	53.9	–2,288.4	–4,610.9	11,500.6	12,993.1
	28,051.4	**53.9**	**–2,510.8**	**–8,035.4**	**21,475.6**	**39,034.7**

The other miscellaneous provisions mainly consist of various personnel provisions. Provisions for warranties are largely based on an evaluation of individual risks. In addition, provisions are allocated on a portfolio basis and on empirical values derived by taking the revenue of the previous financial year as a basis.

The following chart shows the residual maturity of provisions:

in TEUR	2008			2009		
	Total	of which less than 1 year to run	of which more than 1 year to run	Total	of which less than 1 year to run	of which more than 1 year to run
Severance payments	22,879.9	0.0	22,879.9	21,635.2	0.0	21,635.2
Pensions	21,676.3	0.0	21,676.3	21,186.7	0.0	21,186.7
Deferred taxes	2,462.0	0.0	2,462.0	4,616.0	0.0	4,616.0
Current taxes	2,100.7	2,100.7	0.0	7,731.6	7,731.6	0.0
Changes in structure	4,234.6	0.0	4,234.6	6,920.7	0.0	6,920.7
Jubilee bonuses	3,750.1	0.0	3,750.1	3,275.7	0.0	3,275.7
Unused vacations	2,949.9	2,949.9	0.0	2,589.1	2,589.1	0.0
Warranties	7,344.9	2,135.3	5,209.6	12,225.4	3,321.8	8,903.6
Bonuses	1,434.0	1,434.0	0.0	1,030.7	1,030.7	0.0
Other	8,337.9	7,889.5	448.4	12,993.1	11,707.5	1,285.6
	77,170.3	**16,509.4**	**60,660.9**	**94,204.2**	**26,380.7**	**67,823.5**

4.8 Liabilities

The residual maturity of liabilities to banks is as follows:

		2008				2009			
		Nominal TEUR	Nominal TUSD	Book value TEUR	Of which collater-alised	Nominal TEUR	Nominal TUSD	Book value TEUR	Of which collater-alised
Up to 1 year	**fixed interest**	712.5	0.0	712.5	712.5	0.1	0.0	0.1	0.0
	variable interest	28.1	692.4	539.2	0.0	0.0	0.0	0.0	0.0
Longer than 3 years and up to 4 years	**fixed interest**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	variable interest	0.0	0.0	0.0	0.0	0.0	8,000.0	5,540.2	0.0
Longer than 4 years and up to 5 years	**fixed interest**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	variable interest	0.0	8,000.0	5,677.8	0.0	0.0	0.0	0.0	0.0
Total		**740.6**	**8,692.4**	**6,929.5**	**712.5**	**0.1**	**8,000.0**	**5,540.3**	**0.0**

Because fair market interest rates are applied, it can be assumed that the book values of the liabilities to banks correspond to their fair values.

The residual terms to maturity relating to trade payables, other liabilities and derivative financial instruments are presented as follows:

in TEUR	Total	of which less than 1 year to run	of which 1–5 years to run	of which more than 5 years to run
2009				
Trade payables	30,002.0	30,002.0	0.0	0.0
Prepayments	295.6	295.6	0.0	0.0
Liabilities to associates (equity method)	76.1	76.1	0.0	0.0
Other liabilities	33,641.3	29,117.9	339.5	4,183.9
Derivative financial instruments	182.8	182.8	0.0	0.0
	64,197.8	59,674.4	339.5	4,183.9
2008				
Trade payables	30,552.7	30,506.2	46.5	0.0
Prepayments	444.9	444.9	0.0	0.0
Liabilities to associates (equity method)	0.0	0.0	0.0	0.0
Other liabilities	17,823.4	17,115.4	657.0	51.0
Derivative financial instruments	2,132.8	2,132.8	0.0	0.0
	50,953.8	50,199.3	703.5	51.0

The current trade payables include TEUR 23.5 (previous year: TEUR 11.5) payable to affiliated companies.

Other liabilities with a residual term to maturity of longer than five years primarily consist of the 20% stake of the Wang Chao Coal & Electricity Group in the Sempertrans Best joint venture, which is recognised as a liability based on the stipulations contained in the joint venture agreement.

V. Notes to the income statement

5.1 Revenue

Detailed information on the revenues of the various divisions and regions is provided in the segment reporting.

5.2 Other operating income

in TEUR	2008	2009
Exchange rate gains	13,796.3	12,842.8
Rental income	339.7	347.4
Reversal of value adjustments	396.8	1,388.4
Insurance claims	1,201.7	1,923.3
Other operating income	9,366.8	6,035.7
	25,101.3	**22,537.6**

Other operating income mainly includes various repayments (energy, taxes), the sale of by-products and waste materials and the release of provisions.

5.3 Cost of materials

in TEUR	2008	2009
Cost of materials	345,313.1	261,301.5
Third party services	36,616.3	35,684.1
	381,929.4	**296,985.6**

5.4 Personnel expenses

Personnel expenses include the following items:

in TEUR	2008	2009
Wages	46,950.7	37,786.6
Salaries	35,888.8	38,363.0
Severance payments	1,863.0	2,643.0
Pension payments	2,929.3	1,598.6
Statutory social security contributions and other compulsory wage-related payments	20,267.0	17,671.2
Other social security contributions	1,389.0	1,667.3
	109,287.8	**99,729.7**

Severance payment provisions are created for legal and contractual claims and correspond to actuarially calculated provision requirements according to the projected unit credit method based on a standard national rate of interest of 4.0% and an appropriate staff turnover deduction in compliance with IAS 19. Expected salary increases are reported at a rate of 3.4% p.a. Actuarial gains and losses are reported in the profit and loss account for the period in which they are incurred.

Provisions for current pensions and anticipated pensions are created along actuarial lines according to the projected unit credit method in accordance with IAS 19. Calculations are based on an interest rate of 4.0%. Anticipated salary increases of 3.4% p.a. are taken into account for the valuation of pension commitments. Pension obligations are based on written individual contracts with board members and senior executives as well as on the statutory pension rules and regulations. Contractual valorisations are taken into account. Actuarial gains and losses are reported in the profit and loss account for the period in which they are incurred.

Company pension obligations for the Chairman of the Management Board take the form of a direct contractual pension payment commitment entered into upon appointment as Chairman. This obligation is also not covered by plan assets. Pension benefit plans exist for the other Management Board members and senior executives. These commitments are covered by pension re-insurance policies, in which case the pension obligations correspond to the reinsured amount. The pension re-insurance policies are used as collateral to cover the entitlements to pensions by the respective beneficiaries.

Upon leaving the Management Board, existing board members are awarded severance pay in accordance with the Austrian Employee Act.

Provisions for liabilities similar to severance payments are created for jubilee bonuses. Provisions are calculated according to actuarial principles according to the projected unit credit method in accordance with IAS 19 using a standard national rate of interest of 4.0% and an appropriate staff turnover deduction.

Employees whose employment contracts are subject to Austrian regulations and who started working after December 31, 2002 are not entitled to severance payments from the respective employers. For these employees, a total of 1.53% of their wages or salaries is paid into a staff provision fund. Semperit's contributions amounted to TEUR 133.6 in 2009 (previous year: TEUR 145.1).

The employees of the Semperit Group are also entitled to country-specific government-managed pension plans, which are usually financed by pay-as-you-go systems. The obligations of the Group are limited to paying contributions when due. There is no legal or de facto obligations with regard to future benefits.

Obligations for pensions, severance payments and jubilee bonuses developed as follows in 2009:

in TEUR	2008	2009
Pensions without plan assets		
Present value of the obligations (DBO) as at January 1	20,672.7	21,676.3
Entitlements acquired in the financial year	312.9	43.0
Imputed interest expense on existing obligations	788.4	824.2
Actuarial gains/losses	1,828.0	450.2
Total pension expenses	2,929.3	1,317.4
Payments	–1,925.7	–1,807.0
Present value of the obligation (DBO) as at December 31	21,676.3	21,186.7
Pensions with plan assets		
Present value of the obligations (DBO) as at January 1	1,900.9	2,353.4
Entitlements acquired in 2009 and actuarial gains	410.1	391.5
Imputed interest expense on existing obligations	76.0	94.1
Total pension expenses	486.1	485.6
Payments	–33.6	–32.8
Present value of the obligation (DBO) as at December 31	2,353.4	2,806.2
Present value of the plan assets as at January 1	1,900.9	2,353.4
Contributions	389.7	426.2
Payments	–33.6	–32.8
Proceeds from plan assets less administrative costs	96.4	59.4
Fair value of the plan assets as at December 31	2,353.4	2,806.2
Present value of the unfunded obligations as at January 1	0.0	0.0
Entitlements acquired in 2009 and actuarial gains	410.1	391.5
Imputed interest expense on existing obligations	76.0	94.1
Proceeds from plan assets less administrative costs	–96.4	–59.4
Contributions	–389.7	–426.2
Present value of the unfunded obligation as at December 31	0.0	0.0
Severance payments		
Present value of the obligations (DBO) as at January 1	23,147.9	22,879.9
Entitlements acquired in the financial year	721.4	1,526.9
Imputed interest expense on existing obligations	771.1	779.0
Actuarial gains/losses	370.5	–38.0
Total severance expenses	1,863.0	2,267.9
Payments	–2,131.0	–3,512.6
Present value of the obligation (DBO) as at December 31	22,879.9	21,635.2
Jubilee bonuses		
Present value of the obligations (DBO) as at January 1	3,974.9	3,750.1
Entitlements acquired in the financial year	206.0	239.1
Imputed interest expense on existing obligations	148.6	146.9
Actuarial gains/losses	–210.4	–608.3
Total jubilee bonus expenses	144.2	–222.3
Payments	–369.0	–252.1
Present value of the obligation (DBO) as at December 31	3,750.1	3,275.7

	Severance payments	Pensions
2009		
Actuarial gains	–38.0	450.2
of which experience adjustments	–38.0	450.2
of which effects of changes in actuarial assumptions	0.0	0.0
2008		
Actuarial gains	370.5	1,828.0
of which experience adjustments	422.4	921.5
of which effects of changes in actuarial assumptions	–51.9	906.5
2007		
Actuarial gains	1,548.7	–991.8
of which experience adjustments	1,548.7	–991.8
of which effects of changes in actuarial assumptions	0.0	0.0

Actuarial gains and losses are recognised in the year in which they are incurred. Changes to provisions are reported under item 4.7.

The average number of employees in the Semperit Group can be broken down as follows:

in TEUR	2008	2009
Blue-collar employees	5,637	5,269
White-collar employees	1,427	1,380
	7,064	6,649

The average number of staff employed in Austria totalled 709 (previous year: 836).

The Management Board's remuneration amounted to TEUR 2,275.6 (previous year: TEUR 2,233.0) in the 2009 financial year, which included TEUR 1,231.1 (previous year: TEUR 1,201.6) in variable salary components. The level of the variable salary component is determined on the basis of the net profit for the year and the dividend distributed to the shareholders. Former members of the Management Board and their surviving dependents received TEUR 392.1 during the year under review. Severance and pension expenses for members of the Management Board in 2009 amounted to TEUR 558.5.

5.5 Other operating expenses

Other operating expenses include the following items:

in TEUR	2008	2009
Outgoing freight	22,681.1	15,511.7
Maintenance and third-party services	28,883.0	24,401.2
Commission and advertising costs	7,396.7	7,349.3
Exchange rate losses	13,458.6	13,032.9
Travel expenses	4,885.2	4,686.8
Insurance premium	2,281.3	2,573.0
Cost of rents and lease	2,457.1	2,471.7
Other taxes	1,888.2	5,445.5
Guarantees	332.7	470.3
Auditing and consultancy fees	2,406.5	2,976.1
Fees, subscriptions and donations	1,067.0	917.3
Losses of trade receivables	3,382.5	2,424.8
Other	16,579.4	19,918.8
	107,699.3	102,179.4

The following expenses were invoiced by the auditors of the consolidated financial statements:

in TEUR	2008	2009
Audit (for consolidated financial statement)	25.6	21.5
Other valuation and certification services	56.4	57.5
Tax advisory services	0.0	2.2
Other services	3.5	2.1
	85.5	**83.3**

The Supervisory Board received remuneration totalling TEUR 87.6 in 2009 (previous year: TEUR 97.7).

5.6 Financial results

in TEUR	2008	2009
Income from associated companies	108.4	122.0
Income from participations	**108.4**	**122.0**
Income from other securities and loans	1,456.1	342.2
Write-ups on financial assets	66.6	118.7
Profit on the disposal of financial assets	53.3	396.7
Interest and related income	3,561.1	2,048.6
Financial income	**5,137.1**	**2,906.2**
Loss on the disposal of financial assets	–3,086.1	–7.8
Write-downs on financial assets	–2,397.5	–25.1
Other expenses on financial assets	0.0	–43.6
Interest and related expenses	–346.1	–602.3
Financial expenses	**–5,829.7**	**–678.8**
	–584.2	**2,349.4**

Income from other securities and loans include dividends received from securities ("available for sale") totalling TEUR 145.3 (previous year: 159.5). Net interest income in 2009 amounted to TEUR 1,275.0 in cash inflow (previous year: TEUR 2,469.5).

5.7 Income taxes

Income tax expenses reported for the financial year include income tax for the individual companies calculated on the basis of taxable income and the applicable tax rate in the relevant countries ("current tax"), as well as the changes to tax deferments.

in TEUR	2008	2009
Current tax expense	13,848.8	18,771.4
Deferred tax expense	–623.4	–1,040.2
	13,225.4	**17,731.2**

The cash outflow for income taxes in 2009 amounted to TEUR 6,148.8 (previous year: TEUR 12,601.5).

The effective tax rate in the reporting year was 24.6% (previous year: 22.8%). The Group tax ratio is a weighted average of the local income tax rates of all consolidated subsidiaries. The transition of the profit before tax to the current Group tax expenses from income and earnings is as follows:

in TEUR	2008	2009
Earnings before tax	58,102.7	71,942.7
Theoretical tax expense of 25% according to the Austrian corporate tax law	–14,525.7	–17,985.7
Different tax rates in other countries	–260.6	–2,065.8
Non-temporary differences and tax exemptions	1,732.0	5,668.4
Value adjustments for non-deferred taxes on losses, loss carry forwards and tax credits not applied to deferred tax	91.8	–1,743.1
Deferred tax assets recognised for the first time	0.0	2,016.0
Withholding taxes	–17.5	–2,375.0
Tax arrears from previous periods	–185.0	–1,187.8
Tax rate changes	–60.4	–58.2
Effective tax expense	**–13,225.4**	**–17,731.2**
Effective tax rate in %	22.8	24.6

VI. Risk management and financial instruments

The aims of capital management are to secure the continuation of the company, to make possible investment activities that will aid the company's growth and ensure a continuous dividend policy.

The globalisation of Semperit's business operations understandably has an inherent dimension of risk to which the Group is paying increased attention. The most significant market risks for the Semperit Group primarily arise from potential exchange rate changes, and interest rates. Furthermore, the default risk of a business partner or customer presents a risk of loss for the Group. At Semperit, risk management in the treasury department ensures that possible risks are identified as quickly as possible and reduced by taking appropriate measure.

Interest rate risk

Within the framework of the company's business activities, it is necessary to finance working capital and investments with borrowed capital of little account. At present, interest on this capital is charged by means of variable interest rates, and are thus subject to the typical interest rate risk on the marketplace. Due to the small amounts, the interest rate risk is generally considered to be minimal. Cash and cash equivalents that have been invested are subject to interest rate risk.

Default/credit risk

Credit risk arises when the counterparty to a transaction is not able to meet its contractually stipulated obligations, and thus the company is subject to financial loss. Default risk on financial assets is taken into consideration by means of value adjustments.

The risk of customers defaulting on payments is small, as the creditworthiness of customers is constantly being checked, and the broad customer base avoids risk being concentrated on individual customers. Furthermore, the risk of default is extensively limited by taking out credit insurance as well as by obtaining collateral.

Default risk with regard to liquid funds is low, due to the fact that the contractual parties primarily comprise banks with excellent credit ratings from international credit rating agencies. Maximum amounts per contractual partner have been defined in order to further minimise risk.

Foreign exchange risk

The exchange rates of the most important currencies for the Semperit Group against the euro in 2009 are as follows:

FX rates for EUR 1	2008	2009	2008	2009
	Average rate		Rate on balance sheet date	
US dollar	1.47	1.39	1.41	1.44
Thai baht	48.86	47.50	48.88	47.46
Polish zloty	3.52	4.31	4.19	4.13
Czech koruna	24.97	26.41	26.50	26.48
Hungarian forint	250.54	279.63	265.55	271.50
British pound sterling	0.80	0.89	0.96	0.89

If required, financial instruments in the form of derivative financial instruments are used to limit the foreign exchange risk posed by the different accounting currencies used throughout the Group. Financial management also works hard to avoid foreign exchange risks by controlling payment streams wherever possible.

The management of financial risk is regulated by Group guidelines. An internal controlling system has been established in order to monitor and steer existing financial risks according to the needs of the Group.

IFRS distinguishes between primary financial instruments and derivative financial instruments.

6.1 Primary financial instruments

Primary financial instruments held by the Group are shown on the balance sheet. The amounts stated represent both the maximum credit risk and default risk.

The non-current securities are comprised of the following:

	2008			2009		
	Book value in TEUR	Market value in TEUR	Effective interest rate in %	Book value in TEUR	Market value in TEUR	Effective interest rate in %
Shares, funds, portfolios	4,303.8	4,303.8	–10.8	8,898.0	8,898.0	4.8
	4,303.8	**4,303.8**		**8,898.0**	**8,898.0**	

The item shares, funds and portfolios include Austrian federal bonds at a nominal value of EUR 5.0 million, at interest rates ranging from 3.8% to 5.25%, with terms to maturity in the period 2011 to 2014. Available for sale securities are primarily used to cover obligations from social capital.

The Semperit Group had the following financial liabilities on the balance sheet date:

	Currency	Nominal value in TEUR	Book value in TEUR	Effective interest rate in %
Loans	USD	8,000.0	5,540.2	1.2
			5,540.2	
Other	EUR		0.1	
			5,540.3	

6.2 Derivative financial instruments

In individual cases, foreign exchange risk is counteracted by forward exchange agreements. The derivatives are recognised as independent transactions and not as hedging transactions. As the relevant criteria are not met, hedge accounting is not applied in accordance to IAS 39.85 – IAS 39.102.

The following chart shows the derivative financial instruments acquired to hedge foreign exchange risk, broken down per company, type of forward contract, and the hedged currency. This refers exclusively to forward sales.

Company	Country	Type of transaction	Currency	Hedged amount [1]	Hedging rate [2]	Fair Value in TEUR 31.12.2009
Semperflex Optimit s.r.o.	Czech Republic	Forward exchange	EUR	960,000	25.85	–23.2
Sempertrans Belchatow Sp. z o.o.	Poland	Forward exchange	EUR	7,000,000	4.23	175.3
Semperit Technische Produkte GmbH	Austria	Forward exchange	GBP	1,700,000	0.89	–12.6
Semperit Technische Produkte GmbH	Austria	Forward exchange	HUF	177,000,000	273.41	–12.0
Siam Sempermed Corp. Ltd.	Thailand	Forward exchange	USD	15,064,126	33.17	–126.1
Semperflex Asia Corp. Ltd.	Thailand	Forward exchange	USD	300,000	32.12	–8.1

[1] Refers to the total amount of all existing derivative financial instruments at the balance sheet date.
[2] Refers to the weighted average rate derived from all existing derivative financial instruments at the balance sheet date.

The derivative financial instruments are recognised at market value. The market value corresponds to the value that the respective company would receive or have to pay to conclude the transaction on the balance sheet date.

6.3 Distribution of financial instruments in categories and classes pursuant to IAS 39

	trading/at fair value through profit or loss	AFS at fair value/ not affecting net income	L&R amortised costs	Carrying amount on 31.12.2009
Assets				
Financial assets	5,502.0	3,404.0	0.0	8,906.0
Trade receivables	0.0	0.0	79,493.9	79,493.9
Receivables from associated companies	0.0	0.0	562.5	562.5
Other receivables	0.0	0.0	8,851.7	8,851.7
Derivative financial instruments	176.1	0.0	0.0	176.1
Current financial investments	21.0	0.0	0.0	21.0
Equity and liabilities				
Liabilities to banks	0.0	0.0	5,540.3	5,540.3
Trade payables	0.0	0.0	30,002.0	30,002.0
Other liabilities	4,008.3	0.0	29,709.1	33,717.4
Derivative financial liabilities	182.8	0.0	0.0	182.8

	trading/at fair value through profit or loss	AFS at fair value/ not affecting net income	L&R amortised costs	Carrying amount on 31.12.2008
Assets				
Financial assets	952.1	3,399.9	0.0	4,352.0
Trade receivables	0.0	0.0	86,833.8	86,833.8
Receivables from associated companies	0.0	0.0	577.1	577.1
Other receivables	0.0	0.0	13,526.6	13,526.6
Derivative financial instruments	415.7	0.0	0.0	415.7
Current financial investments	225.5	0.0	0.0	225.5
Equity and liabilities				
Liabilities to banks	0.0	0.0	6,929.5	6,929.5
Trade payables	0.0	0.0	30,552.7	30,552.7
Other liabilities	0.0	0.0	17,823.4	17,823.4
Derivative financial liabilities	2,132.8	0.0	0.0	2,132.8

VII. Other information

7.1 Transactions with related parties and individuals

Balances and transactions between Semperit AG Holding and its subsidiaries are eliminated within the context of consolidation and are not further described here.

B & C Industrieholding GmbH has a dominating influence over the company. B & C Industrieholding GmbH and its associated companies are therefore in a group relationship with the Semperit Group.

The following fully-consolidated companies – Semperflex Asia Corp. Ltd., Semperform Pacific Corp. Ltd., Siam Sempermed Corp. Ltd., Shanghai Semperit Rubber & Plastic Products Co. Ltd., Shanghai Foremost Plastic Industrial Co. Ltd. and Semperflex Shanghai Ltd. – undertake business transactions with our joint venture partner Sri Trang Agro Plc under established market conditions. The company Sempertrans Best (Shandong) Belting Co. Ltd., which was consolidated in the financial statements of the Semperit Group in 2009 for the first time, undertakes business transactions with the new joint venture partner Wang Chao Coal & Electricity Group under established market conditions. Furthermore, insignificant business transactions were carried out with related parties and individuals at prevailing market rates.

Related parties and individuals also include the members of the Management and Supervisory Boards and their close relatives. Information with regard to the remuneration paid to the Management Board is contained in point 5.4. The remuneration for the Supervisory Board for the 2009 financial years consists of fixed and variable components. The Supervisory Board received remuneration amounting to TEUR 87.6 (previous year: TEUR 97.7) in the reporting period. There are no further business relationships with these individuals.

7.2 Environment

The Semperit Group operates an internal management system in its subsidiaries to monitor and ensure compliance with all legal environmental protection requirements. All preventive measures and investments required for this are completed on the basis of evaluations. This also ensures that all Semperit Group plants comply with all applicable regulations and laws in this area.

7.3 Other

Effective March 1, 2010, Sempertrans Best (Shandong) Belting Co. Ltd. acquired the activities of a conveyor belt factory in China with modern production facilities, which had commenced operations a short time earlier, within the framework of an asset deal.

Vienna, March 5, 2010

The Management Board

Rainer Zellner Chairman	Richard Ehrenfeldner	Richard Stralz

STATEMENT BY THE MANAGEMENT BOARD

Balance sheet oath pursuant to Section 82 (4) Austrian Stock Exchange Act

The Management Board of Semperit AG Holding certifies, to the best of its knowledge, that the consolidated financial statements for the 2009 financial year have been prepared in accordance with the International Financial Reporting Standards (IFRS), and present a fair and accurate picture of the profit, asset and financial position of the Semperit Group and all the companies that have been included in consolidation.
The Management Board further certifies, to the best of its knowledge, that the Group Management Report presents the business development, earnings and the overall situation of the Semperit Group and all the companies that have been included in consolidation, in such a manner as to provide a fair and accurate picture of the profit, asset and financial position of the Group, and that it also describes the most important risks and uncertainties facing the company.

Vienna, March 5, 2010

Rainer Zellner Chairman (Finance, Human Resources, Purchasing, Law, PR and IR, Technical Engineering)	Richard Ehrenfeldner Member of the Management Board (Production, Quality Control, R&D)	Richard Stralz Member of the Management Board (Marketing and Sales)

AUDITOR'S REPORT (REPORT OF THE INDEPENDENT AUDITOR)

We have audited the accompanying consolidated financial statements of Semperit Aktiengesellschaft Holding Vienna, for the financial year from January 1, 2009 to December 31, 2009. These consolidated financial statements comprise the consolidated balance sheet as at December 31, 2009, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ending December 31, 2009, as well as the summary of significant accounting and valuation policies and notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements and Accounting

The legal representatives of the company are responsible for Group accounting as well as the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of the Type and Scope of the Statutory Audit of the Annual Financial Statements

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with binding legal regulations and principles for proper auditing in Austria, and with the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants.

These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. Based on the results of our audit, the consolidated financial statements, do, in our opinion, correspond to prevailing legal regulations and give a true and fair view, in all material respects, of the financial position of the Group as of December 31, 2009, and of its financial performance and cash flows for the financial year from January 1, 2009 to December 31, 2009 in accordance with International Financial Reporting Standards (IFRS) as adopted in the EU.

Comments on the Group Management Report

Laws and regulations applicable in Austria require us to perform audit procedures whether the consolidated management report is consistent with the consolidated financial statements and whether the other disclosures made in the consolidated management report do not give rise to misconception of the position of the group. The auditor's report also has to contain a statement as to whether the Group management report is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a of the Austrian Enterprise Code are appropriate.

In our opinion, the Group management report is consistent with the consolidated financial statements and the disclosures are in accordance with Section 243a of the Austrian Enterprise Code.

Vienna, March 5, 2010

Deloitte Audit
Wirtschaftsprüfungs GmbH

Leopold Fischl m.p.	Martin Rosner m.p.
Certified Public Accountant	Certified Public Accountant

Any publication or distribution of the consolidated annual financial statements containing our audit opinion may only be done in the form of the version that was audited by us. This audit opinion exclusively refers to the complete, German-language version of the consolidated financial statements and notes along with the Group management report. In case of deviations, the regulations stipulated in Section 281 (2) Austrian Enterprise Code apply.

Success is in the details:
Examination gloves by Semperit

FINANCIAL STATEMENTS OF SEMPERIT AG HOLDING

Assets

in TEUR	31.12.2008	31.12.2009
Intangible assets	48.8	42.8
Tangible assets	94.3	101.4
Financial assets	42,636.2	66,386.8
Non-current assets	**42,779.3**	**66,531.0**
Receivables from affiliated companies	28,202.9	33,743.2
Other receivables and assets	3,310.9	3,887.8
Current financial investments	20,000.0	0.0
Cash in banks	11.3	122.0
Current assets	**51,525.1**	**37,753.0**
Deferred charges	176.0	189.9
Assets	**94,480.4**	**104,473.9**

Equity and liabilities

in TEUR	31.12.2008	31.12.2009
Share capital	21,359.0	21,359.0
Capital reserves	21,539.5	21,539.5
Statutory retained earnings	999.3	999.3
Net retained earnings	22,970.1	24,400.3
Equity	**66,867.9**	**68,298.1**
Untaxed reserves	**0.0**	**1.4**
Provisions	**27,147.5**	**31,092.9**
Trade payables	190.7	233.8
Liabilities to affiliated companies	18.6	4,028.1
Other liabilities	255.7	819.6
Liabilities	**465.0**	**5,081.5**
Equity and liability	**94,480.4**	**104,473.9**
Bank guarantees and other contractual obligations	2,137.0	1,389.9

in TEUR	2008	2009
Revenue	**7,181.1**	**7,037.4**
Other operating income	526.6	774.8
Cost of materials	–17.5	–14.4
Personnel expenses	–7,269.4	–6,055.5
Depreciation and amortisation	–39.8	–51.4
Other operating expenses	–2,720.5	–4,951.4
Earnings before interest and tax (EBIT)	**–2,339.8**	**–3,260.5**
Income from participations	22,495.1	26,729.8
Interest results	905.4	202.9
Other financial results	679.4	197.1
Financial results	**24,079.9**	**27,129.8**
Earnings before tax (EBT)	**21,740.1**	**23,869.3**
Income taxes	–31.1	–12.6
Profit for the year	**21,709.0**	**23,856.7**
Release of revenue reserves	8.8	0.0
Allocations to untaxed reserves	0.0	–1.4
Profit carried forward	1,252.3	545.0
Net profit	**22,970.1**	**24,400.3**

The annual financial statements of Semperit AG Holding, prepared in accordance with Austrian accounting principles and granted an unqualified opinion by Deloitte Audit Wirtschaftsprüfungs GmbH, as well as the accompanying documentation will be submitted to the Commercial Register of the Vienna Commercial Court under the commercial register number 112544 g. The annual financial statements can be requested from Semperit Aktiengesellschaft Holding, Modecenterstraße 22, 1030 Vienna at no charge, and are also available at the Annual General Meeting.

The Management Board proposes to the Annual General Meeting that a dividend of EUR 1.15 per share is to be distributed from the balance sheet profit of TEUR 24,400.3, and that the remaining amount is to be carried forward.

Vienna, March 5, 2010

The Management Board

Rainer Zellner
Chairman

Richard Ehrenfeldner

Richard Stralz

Imprint
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We have prepared this Annual Report and verified the information contained in it 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. As is true of all forward-looking statements, these statements are subject to risk and uncertainties. As a result, the 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.

Statements referring to people are valid for both men and women.
This Annual Report was prepared in German and English. In case of doubt, the German version shall take precedence.

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Information on the Semperit share

International Securities Identification Number (ISIN)	AT0000785555
Share price low 2009 in EUR	13.83
Share price high 2009 in EUR	28.30
Share price at December 31, 2009 in EUR	26.97
Market capitalisation as at December 31, 2009 in EUR million	554.9
Earnings per share 2009 in EUR	1.89

Financial calendar

121th Annual General Meeting	April 28, 2010
Ex-dividend day	May 4, 2010
Dividend payment	May 7, 2010
1st quarter report 2010	May 11, 2010
1st half-year report 2010	August 10, 2010
3rd quarter 2010	November 16, 2010

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