

SEMPERIT AG Holding

LETTER TO SHAREHOLDERS 3rd QUARTER 2007



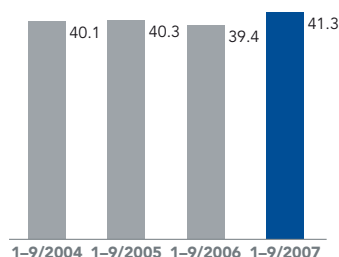
SEMPERIT

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Semperit at a glance

	1-9/2004	1-9/2005	1-9/2006	1-9/2007	Change 06/07 in %
Sales in EUR million	364.8	384.6	428.0	455.1	+6.3
Earnings before tax (EBT) in EUR million	40.1	40.3	39.4	41.3	+4.9
Net profit for the period in EUR million	24.0	26.3	29.3	29.9	+2.0
Number of employees on September 30	5,604	6,285	6,601	7,256	+9.9

**EBT development
1st to 3rd quarter
in EUR million**



Dear shareholders,

Semperit Group continued its successful business development in the third quarter of 2007. Consolidated sales increased by 6.3% in the period January to September 2007, to EUR 455.1 million, while operating profit (EBIT) rose significantly by 23.1%, to EUR 46.4 million. In the same period, earnings before tax only stood at EUR 41.3 million and therefore 4.9% above the previous year's level, due to a massive decline in the financial results caused by the crisis on global financial markets.

All four divisions succeeded in increasing sales in the third quarter. The Semperflex and Sempertrans divisions posted the strongest growth, with sales rising 13.2% and 6.7% respectively. Semperform reported a sales increase amounting to 3.1%, and the Sempermed division climbed by 3.2%.



BUSINESS ENVIRONMENT

Ongoing dynamic expansion of the global economy

Increased cyclical risks due to financial market turbulence

The global economy continued to expand strongly in the third quarter of 2007. However, developing reliable economic forecasts is difficult because of the real estate crisis in the US and the corresponding problems on global financial markets. The robust economic growth in the developing and emerging markets further accelerated during the period under review, particularly in Asia, and most perceptibly in China. In contrast, GDP growth in the industrialised countries has been restrained for quite some time.

Decline in stock prices

All major international stock markets registered a decline in share prices between mid-July and mid-August. These losses were primarily the result of a significant decline in risk-taking propensity on the part of private and institutional investors in connection with the crisis in the US mortgage market.

Price increases for several raw materials

The price situation on the global raw materials market was inconsistent in the third quarter of 2007. Whereas the price of natural rubber remained stable, prices for several types of synthetic rubber and high tension cables increased due to high demand, in part significantly. Perceptible price increases for crude oil also raised the price of carbon black. Freight rate increases for cargo shipments from Asia along with strong price rises for packaging materials also had a negative impact on business operations.



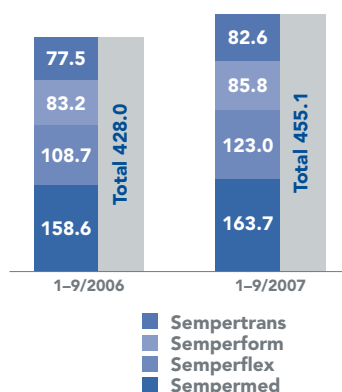
BUSINESS DEVELOPMENT

Profit, asset and financial position

EBIT margin of 10.1%

Semperit Group significantly improved earnings in the first three quarters of 2007 compared to the previous year. Based on productivity increases in all divisions, targeted price increases and consistent cost management, the EBIT margin rose to 10.1% (previous year: 8.7%). Compared to the previous year cost of materials as well as other operating expenses relating to operating revenue were reduced. Consequently, a profit improvement of 23.1% was achieved in operating activities. Despite the negative financial results totaling minus EUR 5.1 million, attributable to the depreciation of financial assets as a consequence of a marked drop in the capital markets in the third quarter, earnings before tax (EBT) rose to EUR 41.3 million (previous year: EUR 39.4 million). The net profit for the period climbed to EUR 29.9 million (previous year: EUR 29.3 million).

Sales by division
1st to 3rd quarter
in EUR million



Total assets of Semperit Group increased by 2.8%, to EUR 468.5 million. As a consequence of loan redemption payments, non-current liabilities due to banks declined by 30.9%, to EUR 4.2 million, and current liabilities due to banks fell by 56.1%, to EUR 7.4 million. The equity ratio improved over the previous fiscal year from 55.3% to 56.1%.

The cash flow from operating activities developed positively, rising to EUR 54.3 million in the first three quarters of 2007 compared to EUR 44.2 million in the previous year. As the focus during the period under review was on achieving full utilisation of product capacities created in 2006 and optimising related processes, investments in tangible and intangible fixed assets decreased to EUR 17.9 million from EUR 37.5 million in the preceding year.

Sempermed

Sales and earnings improvement

The Sempermed division reported a 3.2% increase in sales in the first three quarters, to EUR 163.7 million, although the weak US dollar continued to result in currency translation losses. Earnings before tax improved compared to the previous year by 51.0%, to EUR 9.1 million (previous year: EUR 6.0 million).

There was ongoing growth in the area of surgical gloves, both for standard as well as premium products. In line with the perceptible market trend towards synthetic surgical gloves and powder-free latex gloves, the decision was made to further expand this segment in the upcoming years.

Production launch of synthetic surgical gloves in Wimpassing

Since the third quarter of 2007, Sempermed has been manufacturing synthetic surgical gloves at the Austrian parent plant in Wimpassing. The continuous expansion of production will make it necessary to install additional capacity. A new production line will be put into operation next year. The investment volume of EUR 2.0 million represents a sustainable strengthening of the production location in Austria, ensuring further growth in the premium quality surgical glove segment.

Demand for examination gloves rose satisfactorily in Europe and in the USA. However, sales were only slightly above last year's level, as the further weakening of the US dollar resulted in currency translation losses. Nevertheless, the market situation generally improved in the USA, where larger quantities of premium products were sold. The production facility in Thailand managed to improve earnings as the result of material savings, a further optimisation in processing and a quicker reaction to changes in costs.

Semperflex

Sales of the Semperflex division rose 13.2% in the first three quarters of 2007, to EUR 123.0 million. In the same period, earnings before tax amounted to EUR 16.1 million, an increase of 17.4% year-on-year (previous year: EUR 13.7 million).

Production increase in Thailand

Global orders for hydraulic hoses were very satisfactory in the first three quarters of 2007. An upturn in sales was not only perceptible in Europe, as there was a further increase in demand on the US market, particularly in the third quarter. The manufacturing facility in Thailand, which supplies hydraulic hoses to the Asian and US markets, managed to post a marked increase in sales and earnings growth based on an optimisation of production processes and an improved product mix.

Capacity expansion in China proceeding on schedule

Expansion of capacity at the new hydraulic hose production facility in China continued to proceed on schedule in the third quarter. For this reason, the company increased the number of employees involved in sales and marketing.

The dynamic business expansion in the industrial hose segment also continued in the third quarter, with all plants operating at full capacity. As in the past, growth drivers were the core markets of Western and Eastern Europe. The third quarter of 2007 was also characterised by an upturn in sales in priority segments in South European markets, driven by a new sales and distribution structure.

Rising cost pressure for elastomer sheeting

The positive development in sales of elastomer sheeting continued once again in the third quarter of 2007. However, this business area is subject to increasing cost pressure, primarily due to high oil prices and an ongoing scarcity of the main raw materials used in production.

Semperform

In the third quarter of 2007, sales of the Semperform division climbed 3.1%, to EUR 85.8 million, with earnings before tax amounting to EUR 13.4 million from EUR 11.9 million in the preceding year.

Positive development of handrail sales in China

The handrail business in China developed better than expected. Subsequently, the next phase of the expansion programme to increase production capacity in Shanghai was launched. The business in the after-sales market in Europe remained at last year's level, whereas demand for new handrails in the OEM business declined.

The railway superstructure segment developed favourably in the third quarter, achieving sales growth compared to the previous year. The business in seal profiles for windows and facades made by the Deggendorf plant was once again quite good in the third quarter of 2007, although the previous dynamic increase in demand recently slackened off considerably.

Decline in demand for ski membranes

The problems facing the ski industry also had a negative impact on sales of ski membranes. However, in comparison to the overall ski market, there was only a moderate decline in demand for ski membranes. The snow-poor winter of 2006/07 also negatively influenced the after-sales business for cable car equipment. Nevertheless, on balance, this segment posted good results and surpassed last year's performance.

Sempertrans

Full order books at Sempertrans

The level of orders in the Sempertrans division continued to develop favourably in the third quarter of 2007, which was also characterised by ongoing lively demand. Accordingly, sales in the first three quarters climbed by 6.7%, to EUR 82.6 million, and earnings before tax of the Sempertrans division rose from EUR 7.1 million to EUR 8.8 million.

Industrial output of the French subsidiary SFBT fulfilled expectations, providing the basis to continue the consolidation drive. During the year to date, the Polish production facility developed as planned. Nevertheless there is still considerable potential to further raise production figures without the necessity of large-scale investments.

The plant in India will install a new press line at the end of the fourth quarter of 2007 in order to further increase capacity.



OUTLOOK

Semperit maintains growth forecasts for 2007

It is anticipated that the positive development of sales and earnings of the Semperit Group during the first three quarters will continue for the year 2007 as a whole. From today's point of view, all four divisions will once again make an important contribution to growth.

In addition, the high level of volatility relating to some raw materials as well as the uncertainty surrounding the currency exchange rates of the US dollar and the Thai baht continue to be major risk factors facing Semperit. Due to the gradual increase in oil prices, further price increases, above all for synthetic rubbers, are anticipated. Based on the good level of orders, the management of the Semperit Group remains confident that the Semperit Group will further increase sales and profits in the 2007 financial year.



INTERIM FINANCIAL STATEMENTS

Balance sheet

Assets

in TEUR	31.12.2006	30.9.2007
Intangible assets	3,029.8	2,546.8
Property, plant and equipment	169,504.2	163,650.8
Financial assets	46,084.2	38,391.6
Non-current trade receivables	29.6	5.4
Other non-current receivables	809.0	810.4
Deferred charges	577.7	519.8
Deferred tax	8,096.0	9,324.0
Non-current assets	228,130.5	215,248.8
Inventories	84,549.5	89,024.4
Current trade receivables	81,889.0	90,931.6
Other current receivables	9,759.8	11,399.7
Cash and cash equivalents	49,895.3	58,616.6
Marketable securities	31.3	2,115.7
Deferred charges	1,435.6	1,175.5
Current assets	227,560.5	253,263.5
Total assets	455,691.0	468,512.3

Equity and liabilities

in TEUR	31.12.2006	30.9.2007
Issued capital	21,359.0	21,359.0
Share premium	21,503.2	21,503.2
Retained earnings	205,237.2	217,831.1
Currency translation	3,918.1	2,143.4
Minority interest	51,070.6	52,361.9
Equity	303,088.1	315,198.6
Provisions for pensions and severance payments	44,374.3	43,013.1
Provisions for deferred taxes	2,793.5	2,496.0
Other non-current provisions	12,939.0	14,224.8
Non-current liabilities due to banks	6,115.0	4,227.2
Non-current trade payables	20.6	16.5
Other non-current payables	1,164.6	1,138.5
Deferred charges	292.0	216.8
Non-current provisions and liabilities	67,699.0	65,332.9
Provisions for current taxes	1,221.9	4,120.0
Other current provisions	13,585.7	19,140.5
Current liabilities due to banks	16,781.8	7,364.7
Current trade payables	34,424.9	37,089.1
Prepayments	238.1	798.6
Other current payables	18,538.1	19,424.9
Deferred charges	113.4	43.0
Current provisions and liabilities	84,903.9	87,980.8
Equity and liabilities	455,691.0	468,512.3

Cash flow statement

in TEUR	1.1.–30.9.2006	1.1.–30.9.2007
Profit after tax	30,506.8	32,516.7
Depreciation and amortisation/write ups of fixed assets	17,369.7	25,731.5
Changes in non-current provisions	389.8	–1,482.8
Changes in non-cash items resulting from currency translation differences, changes in minority interests and others	3,259.1	75.3
Gross cash flow	51,525.4	56,840.7
Increase/decrease in inventories	–2,510.9	–4,474.9
Increase/decrease in trade receivables	–13,324.1	–9,018.5
Increase/decrease in other receivables and deferred charges	–1,463.4	–2,551.3
Increase/decrease in trade payables and prepayments	3,166.6	3,222.3
Increase/decrease in other liabilities, current provisions and deferred charges	6,756.5	10,276.3
Cash flow from operating activities	44,150.1	54,294.6
Proceeds from the sale of assets	13,166.0	3,240.8
Purchase of tangible and intangible fixed assets	–37,489.3	–17,853.3
Investments in financial assets	–4,926.4	–1,643.6
Net flows from changes in marketable securities	6,677.3	–2,084.4
Cash flow from investing activities	–22,572.4	–18,340.5
Net redemption of short-term and long-term borrowings	1,724.3	–11,304.9
Dividends	–15,841.5	–17,281.7
Changes in financial liabilities resulting from currency translation differences	0.0	864.9
Capital increases	0.0	759.9
Cash flow from financing activities	–14,117.2	–26,961.8
Changes in cash and cash equivalents	7,460.5	8,992.3
Effect of exchange rate fluctuations on cash and cash equivalents	–781.5	–271.0
Cash and cash equivalents at the beginning of the period	36,574.2	49,895.3
Cash and cash equivalents at the end of the period	43,253.2	58,616.6

Profit and loss account

in TEUR	3 rd quarter		1 st to 3 rd quarter	
	1.7.–30.9.2006	1.7.–30.9.2007	1.1.–30.9.2006	1.1.–30.9.2007
Sales	144,026.7	151,547.7	427,962.3	455,111.2
Differences between opening and closing stocks	1,296.8	–375.8	4,417.8	2,170.9
Own work capitalised	229.8	299.9	639.6	500.0
Operating revenues	145,553.3	151,471.8	433,019.7	457,782.1
Other operating income	1,521.3	1,903.5	7,239.8	8,355.7
Cost of materials	–83,812.1	–85,266.9	–243,676.1	–253,843.7
Personnel expenses	–22,926.3	–24,102.5	–71,576.1	–76,139.2
Depreciation	–6,422.5	–6,632.4	–18,380.2	–20,444.0
Other operating expenses	–21,260.0	–20,553.8	–68,935.4	–69,324.7
Operating profit (EBIT)	12,653.7	16,819.7	37,691.7	46,386.2
Income from companies in which the Group has a participating interest	39.2	0.0	39.2	0.0
Interest results	51.4	180.8	–95.4	349.8
Other financial results	557.4	–7,026.2	1,731.2	–5,446.0
Financial results	648.0	–6,845.4	1,675.0	–5,096.2
Earnings before tax (EBT)	13,301.7	9,974.3	39,366.7	41,290.0
Taxes on income	–3,335.2	–1,505.2	–8,859.9	–8,773.3
Earnings after tax	9,966.5	8,469.1	30,506.8	32,516.7
Minority interest	–167.0	–1,415.7	–1,187.5	–2,616.8
Net profit for the period	9,799.5	7,053.4	29,319.3	29,899.9
Earnings per share in EUR	0.48	0.34	1.43	1.45
Weighted average number of shares	20,573,434	20,573,434	20,573,434	20,573,434

Capital and reserves

in TEUR	Issued capital	Share premium	Retained earnings	Revaluation provision	Currency translation	Minority interest	Total
Balance at 31.12.2005	21,359.0	21,503.2	180,596.5	124.4	1,335.4	43,736.0	268,654.5
Net profit			29,319.3			1,187.5	30,506.8
Valuation gains/losses for financial assets				–4.3			–4.3
New minority interest						3,526.6	3,526.6
Dividends			–15,841.5				–15,841.5
Currency translation adjustments					–650.4	157.7	–492.7
Balance at 30.9.2006	21,359.0	21,503.2	194,074.3	120.1	685.0	48,607.8	286,349.4
in TEUR	Issued capital	Share premium	Retained earnings	Revaluation provision	Currency translation	Minority interest	Total
Balance at 31.12.2006	21,359.0	21,503.2	205,292.6	–55.4	3,918.1	51,070.6	303,088.1
Net profit			29,899.9			2,616.8	32,516.7
Valuation gains/losses for financial assets				–24.3			–24.3
New minority interest						759.9	759.9
Dividends			–17,281.7				–17,281.7
Currency translation adjustments					–1,774.7	–2,085.4	–3,860.1
Balance at 30.9.2007	21,359.0	21,503.2	217,910.8	–79.7	2,143.4	52,361.9	315,198.6



NOTES TO THE INTERIM FINANCIAL STATEMENTS

Accounting and valuation methods

These interim financial statements as at September 30, 2007 were prepared in keeping with the principles set forth by the International Financial Reporting Standards, as stipulated in the guidelines contained in IAS 34, Interim Financial Reporting. The accounting and valuation methods are essentially the same as those applied as at December 31, 2006. For more detailed information on the accounting and valuation methods applied, readers are referred to the consolidated annual financial statements for the year ending December 31, 2006, which are the basis for these interim statements.

Associated companies (equity method)

The net book value of Isotron Deutschland GmbH on September 30, 2007 was TEUR 192.1 (December 31, 2006: TEUR 289.5).

Purchase and sale of tangible and intangible fixed assets

In the first three quarters of 2007, the Semperit Group purchased tangible and intangible fixed assets amounting to TEUR 17,853.3 (previous year: TEUR 37,489.3). In contrast, tangible and intangible fixed assets with a net book value of TEUR 991.1 (previous year: TEUR 185.6) were disposed of.

Contingent liabilities

There were no material changes in respect to contingent liabilities since the last balance sheet date.

Transactions with related parties and individuals

B & C Holding GmbH has a dominating influence over the company. For this reason, B & C Holding and its associated companies are in a group relationship with the Semperit Group. The companies in Thailand and China, which are fully consolidated in the financial statements, undertake business transactions with our joint venture partner Sri Trang Agro Plc, in accordance with established market conditions. Furthermore, insignificant business transactions were carried out with related parties and individuals at prevailing market rates.

Significant events after the balance sheet date

No significant events that require disclosure took place between the balance sheet date as at September 30, 2007 and the publication approval on November 15, 2007.

Statement by the Management Board

The Management Board certifies, to the best of its knowledge, that the consolidated interim financial statements of the Semperit Group for the first three quarters of 2007 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. The interim financial statements of the Semperit Group for the first three quarters of 2007 were neither audited nor subject to an auditor's review.

Vienna, November 15, 2007

The Management Board

Rainer Zellner
Chairman

Richard Ehrenfeldner
Member of the Board

Richard Stralz
Member of the Board

Semperit share information

International Securities Identification Number (ISIN)	AT0000785555
Share price low Q1–3 2007 in EUR	27.75
Share price high Q1–3 2007 in EUR	34.57
Share price at September 28, 2007 in EUR	30.85
Market capitalisation at September 28, 2007 in EUR million	634.70
Earnings per share Q1–3 2007 in EUR	1.45

Financial calendar 2008

Preliminary results 2007	February 28, 2008
Annual Report 2007	April 29, 2008
119 th Annual General Meeting	May 20, 2008
1 st quarter report 2008	May 20, 2008
Ex-dividend day	May 26, 2008
Dividend payout	May 30, 2008
1 st half-year report 2008	August 22, 2008
3 rd quarter report 2008	November 21, 2008

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