

SEMPERIT AG Holding

**LETTER TO
SHAREHOLDERS**

H1

09

Success is in the details:
Fire hose by Semperit



Semperit Group at a glance

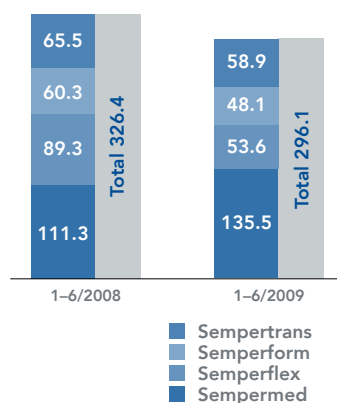
	1-6/2006	1-6/2007	1-6/2008	1-6/2009	Change 08/09 in %
Revenue in EUR million	283.9	303.6	326.4	296.1	-9.3
Earnings before tax (EBT) in EUR million	26.1	31.3	32.2	35.0	+9.0
Net profit for the period in EUR million	19.5	22.8	23.4	19.0	-19.0
Number of employees on June 30	6,623	7,058	7,093	6,682	-5.8

Dear shareholders!

Even Semperit was not able to extract itself from the global economic downturn. There were some signs that the economic crisis bottomed out and stabilised at a low level towards the end of the second quarter of 2009, however, from today's point of view, no reliable forecast can be made in respect to the point in time or the scale of a sustainable recovery. Total revenue of the Semperit Group amounted to EUR 296.1 million in the first six months of 2009 (previous year: EUR 326.4 million). Mainly due to the extremely good business development of the Sempermed division, earnings before tax rose to EUR 35.0 million (previous year: EUR 32.2 million).

Unaffected by the overall business development, the Sempermed division achieved a 21.8% growth in revenue. The Semperflex division was most strongly impacted by the economic crisis, registering a 40.0% decline in revenue against the first half-year 2008. Revenue of the Semperform division was also 20.3% below the level of the previous year. The 10.1% decrease in revenue posted by the Sempertrans division was comparatively moderate.

Revenue by division in EUR million





Stabilisation not yet on the horizon

Incipient reversal of downward price trend for raw materials

Recession in the global economy

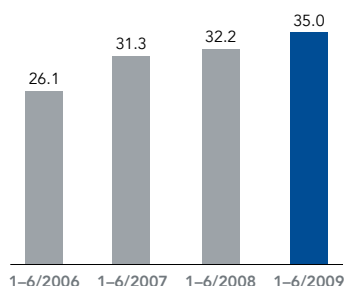
The global economy contracted in the second quarter of 2009. Leading economic research institutes assume that a recovery will only take place very slowly. There was no evidence of a sustainable improvement in the first half of the year, at least in the most important economic regions of the world. Accordingly, the order intake in most business areas was at a very low level.

In the first months of 2009, there were perceptible price declines on raw material markets. However, a slow reversal of the downward price trend was evident at the end of the second quarter. For one thing, production capacities in the chemical industry were considerably cut back. Moreover, the rising cost of oil generally leads to higher prices for synthetic rubbers and oil-based chemicals and fillers with a corresponding time delay.

Raw material costs for latex and natural rubber, which had moved slightly upwards at the beginning of 2009, declined again somewhat in the second quarter. However, the governments in Malaysia, Thailand and Indonesia have already taken measures designed to limit supplies and thus counteract this drop in prices.

BUSINESS DEVELOPMENT

EBT development in EUR million



Sempermed: significant earnings increase

Double-digit growth for surgical gloves

Profit, asset and financial position

Despite the 9.3% decline in revenue to EUR 296.1 million, earnings before interest and tax (EBIT) of the Semperit Group, at EUR 33.9 million, were 2.0% above the previous year's level. The negative development in cyclically-dependent business areas, in particular the Semperflex division, could be more than compensated for by a disproportionate earnings increase at Sempermed. Earnings before tax (EBT) rose 9.0%, to EUR 35.0 million, which is also related to the improved financial result.

Minority interests rose to EUR 7.9 million, primarily due to the high earnings contribution of the joint venture Siam Sempermed in Thailand. As a consequence, the net profit for the period of the Semperit Group was down 19.0%, to EUR 19.0 million.

Investments in tangible and intangible assets amounted to EUR 7.4 million in the first six months of 2009 (previous year: EUR 14.0 million). Cash and cash equivalents at June 30, 2009 were up to EUR 128.7 million, an increase of 19.9% compared to the level at December 31, 2008.

Sempermed

The Sempermed division managed to significantly expand sales in the first half-year 2009. During the period under review, revenue rose 21.8%, to EUR 135.5 million. Earnings before tax improved considerably, rising to EUR 21.5 million (previous year: EUR 6.4 million). This development can be primarily attributed to successful product positioning and the pursuit of high cost targets as well as a relaxation on raw material markets.

All product groups in the surgical glove segment registered a double-digit increase in sales based on the capacity expansion programme carried out in 2008. As a result,

**Additional capacities
in Thailand for
examination gloves**

Sempermed posted market share gains for surgical gloves in all its core markets. In the second half of the year the division plans to achieve further growth by intensifying its sales efforts.

Demand for examination gloves also continued to be very good. In particular, the market for nitrile gloves in the USA posted a high growth rate. The European market was also characterised by a further shift towards synthetic examination gloves.

Production output in Thailand could once again be increased during the second quarter of 2009 by implementing optimisation measures. In order to ensure sustained growth, a new production line was put into operation at the beginning of July, with an additional one to be installed during the summer.

**Bottom may have been
reached**

Semperflex

The Semperflex division was most negatively impacted by the recession in the first half of 2009. There were signs that the downturn in order volume bottomed out towards the end of the second quarter, but at a very low level.

Earnings heavily burdened

Revenue of the Semperflex division fell by 40.0%, to EUR 53.6 million. Earnings before tax were down to EUR 1.1 million (previous year: EUR 11.3 million), despite adjustments carried out to reduce fixed costs.

**Hydraulic hoses: lower
demand**

Despite sporadic successful sales efforts, such as improved market shares for certain product groups in Europe, the hydraulic hose segment was confronted with a massive decline in demand. It was therefore necessary for Semperflex to face the aggressive price wars on the market to generate orders.

There were initial indications of a recovery in the USA and Asia, although it is still difficult to realistically assess whether the short-term improved volume of orders will be sustainable.

**Industrial hoses: small
impetus from the
construction industry**

The situation was also particularly difficult in all markets and product areas of the industrial hose segment during the second quarter of 2009. The cautious stabilisation in customer orders is primarily due to a moderate pick-up in the construction industry. In contrast, an upturn in the mechanical engineering and capital equipment industries is not yet in sight.

During the period under review, the elastomer sheeting segment also had to struggle with very low demand.

Semperform

Total revenue of the Semperform division fell by 20.3% in the first half-year 2009, to EUR 48.1 million. Earnings before tax declined by 43.8% to EUR 5.2 million.

**Slight recovery in window
and door profile market**

The second quarter of 2009 continued to be a weak one for the window and door profile segment. Nevertheless, a slight upturn in orders has been evident since the middle of May. In particular, a recovery of the market was perceptible in Eastern Europe, accompanied by a small-scale increase in the export ratio. Notwithstanding the current recessionary business climate, Semperform is moving ahead with investments designed to reduce the costs per unit at the Deggendorf plant, in order to strengthen its competitive position.

Decline in demand for handrails

The volume of incoming orders for handrails in the first half of 2009 was impacted by globally weak business with original equipment manufacturers (OEM), and declining demand in Europe for spare parts. Sales of cable car rings were down from the previous year due to the low level of new construction. Following an extremely unfavourable first quarter, there was a slight improvement in revenue in the ski membrane segment during the second quarter of 2009.

Sponge rubber sales increase slightly

The sponge rubber segment, which is highly dependent on the construction industry, profited from growing demand in June related to private house construction, following a very difficult situation prevailing in the first months of the year. In contrast, overall demand for filter membranes declined even further in the second quarter of 2009.

Sempertrans

The Sempertrans division registered a revenue decrease of 10.1%, to EUR 58.9 million, however this can be considered as satisfactory in the light of the difficult market environment. Earnings before tax were at the previous year's level at EUR 7.5 million.

Large orders ensures good capacity utilisation in Poland

Demand for conveyor belts contracted in all important European markets, based on the situation in the cement and steel industries. As a result, the production facility in France in particular has had to cope with a massive reduction in incoming orders and business activity. In contrast, capacity utilisation at the division's manufacturing plant in Poland remains good, due to the success of Sempertrans in acquiring several new, large contract orders from the energy sector and expanding to new export markets.

Increasing price pressure in India

In the first half-year 2009, sales and revenue of Sempertrans in India surpassed the previous year's figures, in part due to additional production capacity put into operation. In spite of the more favourable overall business environment in Asia in comparison to Europe, competitive and price pressures on the Indian manufacturing facilities are rising, particularly in respect to public sector contracts. For this reason, Sempertrans Nirlon is increasingly focusing on demand from private industry.



OUTLOOK

Outlook remains clouded

Even after six months, it is still difficult to make any reliable forecasts regarding the business development of the Semperit Group for the year 2009. The Management Board assumes the Sempermed division will achieve considerably higher revenue than in the previous year. The extent to which the contraction in demand in the other divisions will impact Group revenue and earnings in the end remains unpredictable. The downturn in the Semperflex division and some segments of the Semperform division seems to have bottomed out, but one cannot presume that a sustainable turnaround is underway, or even that the volume of incoming orders will return to the level of 2008.

Semperit is therefore concentrating on carrying out measures to strengthen its competitive position, in order to be well prepared to take advantage of a future economic upswing. Accordingly, the priority will be on investments designed to improve productivity, enhance efficiency and intensify the further education and training of employees.



Balance sheet

Assets

in TEUR	31.12.2008	30.6.2009
Intangible assets	5,004.2	5,105.2
Tangible assets	157,930.6	152,011.0
Financial assets	4,735.9	9,869.1
Non-current trade receivables	4.6	13.8
Other non-current receivables	856.5	730.6
Deferred charges	456.0	413.1
Deferred taxes	9,918.1	10,587.0
Non-current assets	178,905.9	178,729.8
Inventories	96,421.1	80,235.7
Current trade receivables	86,829.2	81,481.1
Other current receivables	13,662.9	14,596.8
Cash and cash equivalents	107,330.9	128,693.7
Financial investments in securities	225.5	187.5
Deferred charges	2,166.2	1,771.3
Current assets	306,635.8	306,966.1
Assets	485,541.7	485,695.9

Equity and liabilities

in TEUR	31.12.2008	30.6.2009
Share capital	21,359.0	21,359.0
Capital reserves	21,503.2	21,503.2
Revenue reserves	250,523.5	247,048.4
Currency translation adjustments	-1,441.6	-2,439.7
Minority interest	58,544.0	60,010.9
Capital and reserves	350,488.1	347,481.8
Provisions for pensions and severance payments	44,556.2	46,807.3
Provisions for deferred taxes	2,462.0	2,442.9
Other non-current provisions	13,642.7	13,626.9
Non-current financial liabilities	5,677.8	5,653.3
Non-current trade payables	46.5	44.3
Other non-current liabilities	473.6	754.9
Deferred charges	234.4	230.7
Non-current provisions and liabilities	67,093.2	69,560.3
Current tax provisions	2,100.7	6,707.3
Other current provisions	14,408.7	17,390.9
Current financial liabilities	1,251.7	0.0
Current trade payables	30,506.2	23,865.3
Prepayments	444.9	161.0
Other current liabilities	18,660.7	20,517.3
Deferred charges	587.5	12.0
Current provisions and liabilities	67,960.4	68,653.8
Equity and liabilities	485,541.7	485,695.9

Cash flow statement

in TEUR	1.1.-30.6.2008	1.1.-30.6.2009
Earnings after tax	24,923.5	26,867.9
Depreciation/write-ups of non-current assets	14,582.7	13,613.3
Profit and loss from asset disposal	3,266.5	13.8
Changes in non-current provisions	664.5	2,216.3
Changes in non-cash items resulting from currency translation adjustments. changes in minority interests and other	512.5	-314.6
Gross cash flow	43,949.7	42,396.7
Increase/decrease in inventories	-5,862.3	16,185.4
Increase/decrease in trade receivables	-9,319.3	5,338.9
Increase/decrease in other receivables and deferred charges	-2,125.8	-1,039.1
Increase/decrease in trade payables and prepayments	-5,727.8	-6,927.0
Increase/decrease in other liabilities, current provisions and deferred charges	5,243.2	9,147.4
Cash flow from operating activities	26,157.7	65,102.3
Proceeds from the sale of assets	27,155.4	514.0
Investments in tangible and intangible assets	-14,013.4	-7,364.2
Investments in financial assets	-818.7	-5,449.0
Acquisition of subsidiaries less net cash and cash equivalents ¹⁾	0.0	-1,850.7
Net proceeds from the sale of financial investments in securities	1,953.6	38.0
Cash flow from investing activities	14,276.9	-14,111.9
Net redemption of current and non-current financial liabilities	-152.8	-1,276.1
Dividends	-19,544.8	-22,425.0
Dividends to minority interest	-2,517.7	-5,912.6
Changes in financial liabilities resulting from currency translation adjustments	282.7	-69.3
Proceeds from capital increases	0.0	0.0
Other	8.9	0.0
Cash flow from financing activities	-21,923.7	-29,683.0
Change in cash and cash equivalents	18,510.9	21,307.4
Effects of exchange rate fluctuations on cash and cash equivalents	369.0	55.4
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	89,164.3	128,693.7

¹⁾ Increase in shareholding of Sempertans Nirlon

Consolidated income statement

in TEUR	2 nd quarter		1 st half-year	
	1.4.-30.6.2008	1.4.-30.6.2009	1.1.-30.6.2008	1.1.-30.6.2009
Revenue	166,884.8	149,181.8	326,358.0	296,096.9
Changes in inventories	-900.1	-7,172.9	4,125.0	-7,860.9
Own work capitalised	483.7	170.8	812.6	370.2
Operating revenue	166,468.4	142,179.7	331,295.6	288,606.2
Other operating income	2,758.8	4,709.3	7,671.9	13,335.1
Cost of materials	-92,083.1	-68,806.2	-185,789.6	-148,834.1
Personnel expenses	-27,892.2	-27,558.9	-55,859.3	-54,676.1
Depreciation and amortisation	-6,804.7	-6,993.7	-13,673.8	-13,735.5
Other operating expenses	-25,579.4	-23,703.6	-50,439.7	-50,820.4
Earnings before interest and tax (EBIT)	16,867.8	19,826.6	33,205.1	33,875.2
Income from participations	0.0	0.0	0.0	0.0
Interest results	840.5	356.1	1,497.7	986.0
Other financial results	-95.9	334.1	-2,542.1	185.1
Financial results	744.6	690.2	-1,044.4	1,171.1
Earnings before tax (EBT)	17,612.4	20,516.8	32,160.7	35,046.3
Income taxes	-4,236.9	-5,387.0	-7,237.2	-8,178.4
Earnings after tax	13,375.5	15,129.8	24,923.5	26,867.9
thereof minority interest	-446.3	-4,007.1	-1,506.6	-7,902.8
thereof Semperit AG shareholders (net profit for the period)	12,929.2	11,122.7	23,416.9	18,965.1
Earnings per share in EUR	0.63	0.54	1.14	0.92
Average number of outstanding shares	20,573,434	20,573,434	20,573,434	20,573,434

Statement of comprehensive income of the Semperit Group pursuant to IFRS

in TEUR	1.4.-30.6.2008	1.4.-30.6.2009	1.1.-30.6.2008	1.1.-30.6.2009
Earnings after tax	13,375.5	15,129.8	24,923.5	26,867.9
Other comprehensive income (reported in equity)				
"Available for sale" financial assets	-71.8	56.6	-20.3	-15.3
Currency translation	1,064.9	-238.5	2,036.7	-1,521.3
Total other comprehensive income, net of tax (reported in equity)	993.1	-181.9	2,016.4	-1,536.6
Total recognised comprehensive income	14,368.6	14,947.9	26,939.9	25,331.3
thereof minority interest	-1,391.2	-742.5	-1,665.3	-7,379.6
thereof Semperit AG shareholders	12,977.4	14,205.4	25,274.6	17,951.7

Statement of changes in equity

in TEUR	Share capital	Capital reserves	Revenue reserves	Revaluation reserve	Currency translation	Semperit AG share-holders	Minority interest	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 profits and losses			23,416.9	-20.3	5,208.6	28,605.2	-1,665.3	26,939.9
Dividends			-19,544.8			-19,544.8	-2,517.7	-22,062.5
Other			8.9			8.9		8.9
Balance at 30.6.2008	21,359.0	21,503.2	236,507.6	-234.6	9,905.6	289,040.8	47,393.2	336,434.0
Balance at 31.12.2008	21,359.0	21,503.2	250,698.6	-175.0	-1,441.6	291,944.2	58,543.9	350,488.1
Total recognised profits and losses			18,965.1	-15.3	-998.1	17,951.7	7,379.6	25,331.3
Dividends			-22,425.0			-22,425.0	-5,912.6	-28,337.6
Other						0.0		0.0
Balance at 30.6.2009	21,359.0	21,503.2	247,238.7	-190.3	-2,439.7	287,470.9	60,010.9	347,481.8



Accounting and valuation methods

These interim financial statements as at June 30, 2009 have been prepared in keeping with the principles set forth by the International Financial Reporting Standards (IFRS) as stipulated in the guidelines contained in IAS 34, Interim Financial Reporting. As a consequence of revisions made to IAS 1, Presentation of Financial Statements, the different parts of the financial statements have been newly structured and the titles have been changed. Income and expenses recognised directly in equity, termed "other comprehensive income" in the revised version of IAS 1 from the year 2007, will no longer be reported in the consolidated statement of changes in equity, but in a separate statement of comprehensive income. Above and beyond this, no major changes have been made in the accounting and valuation methods applied by the Semperit Group. For more detailed information on the accounting and valuation methods applied, readers are referred to the consolidated annual financial statements for the year ending December 31, 2008, which are the basis for these interim statements.

Associated companies (equity method)

The net book value of Isotron Deutschland GmbH on June 30, 2009 was TEUR 383.9 (December 31, 2008: TEUR 383.9).

Purchase and sale of tangible and intangible fixed assets

In the first six months of 2009, the Semperit Group purchased tangible and intangible fixed assets amounting to TEUR 7,364.2 (previous year: TEUR 14,013.4). In contrast, tangible and intangible fixed assets with a net book value of TEUR 106.2 (previous year: TEUR 342.3) were disposed of.

Transactions with related parties and individuals

B & C Privatstiftung GmbH has a dominating influence over the company and along with its associated companies is in a group relationship with Semperit. 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.

Changes in the consolidation range

In April the Semperit Group acquired the remaining 26% of shares in Sempertrans Nirlon (P) Ltd.

Change in the Supervisory Board

The 120th Annual General Meeting re-elected Veit Sorger to the Supervisory Board for a period of three years, and also confirmed his position as Chairman of the Supervisory Board. The Supervisory Board session elected Winfried Braumann to serve as Deputy Chairman of the Supervisory Board. In addition, Anton Schneider, Partner at Nordwind Capital, was elected to the Supervisory Board for the first time for a three-year period.

Authorisation to repurchase own shares

The Management Board of Semperit AG was authorised by the Annual General Meeting to repurchase, with the approval of the Supervisory Board, shares in the company within a maximum period of 30 months from the date on which the corresponding resolution was passed, in accordance with § 65 Sect. 1 (8) of the Austrian Stock Corporation Act, comprising a volume of up to 5% of the share capital, and to determine the repurchase conditions.

Significant events after the balance sheet date

There were no significant events requiring disclosure between the balance sheet date of June 30, 2009 and publication approval of this interim report.

Statement by the Management Board

The Management Board certifies, to the best of its knowledge, that the consolidated interim financial statements of the Semperit Group have been prepared in accordance with the International Financial Reporting Standards (IFRS), and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Semperit Group. The interim financial statements of the Semperit Group for the first half of 2009 were neither audited nor subject to an auditor's review.

Vienna, August 10, 2009

The Management Board

Rainer Zellner
Chairman

Richard Ehrenfeldner

Richard Stralz



SEMPERIT SHARE INFORMATION

International Securities Identification Number (ISIN)	AT0000785555
Share price low H1 2009 in EUR	13.83
Share price high H1 2009 in EUR	21.57
Share price at June 30, 2009 in EUR	19.06
Market capitalisation at June 30, 2009 in EUR million	392.1
Earnings per share H1 2009 in EUR	0.92

FINANCIAL CALENDAR

3rd quarter report 2009

November 20, 2009

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