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EANS-Adhoc: Semperit AG Holding / Semperit and Sri Trang sign an agreement on the demerger of the joint venture Siam Sempermed // Significant one-time accounting effects in 2016/2017

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Joint Ventures/Cooperation/Collaboration
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- * Semperit will take over the joint Sempermed distribution company in the USA as well as production companies of the Industrial Sector in China
- * Sri Trang will take over the joint glove production in Thailand
- * The Semperflex joint venture in Thailand will be continued
- * Semperit will receive a compensation payment amounting to USD 167.5 million (approx. EUR 157 million) before taxes
- * Together with the demerger, there will be a settlement of the arbitration proceedings and the legal disputes by mutual agreement
- * There will be negative special effects of approx. EUR 30 to 40 million in the consolidated financial statement of 2016
- * There will be positive special effects of approx. EUR 100 to 115 million at closing in 2017

The Austrian Semperit Group ("Semperit") and the Thai Sri Trang-Agro Industry Public Co Ltd Group ("Sri Trang") have agreed on the termination of almost all joint business activities. An appropriate agreement was signed today. It provides for the takeover of the joint distribution company in the USA (Sempermed USA) by Semperit. In addition, Semperit will take over the previous Sempermed joint venture companies in Singapore, China and Brazil as well as the majority interest in the Malaysian Formtech (producer of ceramic moulds for the glove production). The Sempermed brands will continue to be owned solely by Semperit.

Sri Trang will take over the glove production of Siam Sempermed Corporation Ltd (SSC) in Thailand, which has been operated jointly to date.

In the Industrial Sector, Semperit will fully take over Semperflex Shanghai with a hydraulic hose production site in China. With regard to the Semperform business activities in China, Semperit will increase its share from 90% to 100%. In Thailand, the joint venture Semperflex Asia (SAC) will be continued. Here, Semperit on the one hand and Sri Trang together with further partners on the other hand each hold an unchanged share of 50% of the production for hydraulic hoses in Hatyai/Thailand. Semperit will receive an option to take over the remaining 50% of SAC for USD 60 million (approx. EUR 57 million) from the joint venture partners.

Within the framework of the termination of the joint ventures, Semperit will receive a one-time compensation payment amounting to USD 167.5 million (approx. EUR 157 million) before taxes. Immediately prior to closing, SSC will declare a dividend equivalent to around USD 118.2 million and SAC a dividend equivalent to USD 30 million. From SSC's dividend Semperit will receive around USD 51 million (approx. EUR 48 million) before taxes in cash, the rest of Semperit's share of SSC's dividend will be set-off as part of the overall transaction.

Semperit will unabatedly continue its growth path in both the Industrial and the Medical Sectors.

The transaction is subject to the approval of the Supervisory Board of Semperit, a corresponding resolution passed at the Extraordinary General Meeting of Sri Trang as well as closing conditions. The closing of the transaction is expected for March 2017.

In case of a successful closing, all pending arbitration and civil proceedings between the Semperit Group on one hand and the Sri Trang Group and SSC on the other hand will be settled by mutual consent. Common break-up fees were agreed in case of failure.

From today's point of view, a successful closing of the transaction would lead to positive special effects in Semperit's Group results amounting to around EUR

100 to 115 million in the financial year 2017. This is up against negative special effects in the Group's result of 2016 amounting to around EUR 30 to 40 million mainly due to non-cash effective value adjustments and deferred taxes. These adjustments will be necessary relating to the planned termination of the joint venture combined with the development in the Sempermed segment, which is weaker than expected. Due to these expected special effects, the existing dividend policy of Semperit has to be evaluated for the years 2016 and 2017.

Note: The transaction will principally be settled in US Dollars so that the mentioned Euro amounts may still be subject to exchange rate fluctuations.

This document has been made up in German which is the official version. In case of discrepancies with the English translation, the German version shall prevail.

About Semperit

The publicly listed company Semperit AG Holding is an internationally-oriented group that develops, produces, and sells highly specialised rubber and plastic products in more than 100 countries for the medical and industrial sectors: examination and surgical gloves, hydraulic and industrial hoses, conveyor belts, escalator handrails, construction profiles, cable car rings, and products for railway superstructures. The headquarters of this traditional Austrian company, which was founded in 1824, are located in Vienna. The Semperit Group employs more than 7,000 people worldwide, including close to 4,100 in Asia and more than 800 in Austria (Vienna and production site in Wimpassing, Lower Austria). The group has 22 manufacturing facilities worldwide and numerous sales offices in Europe, Asia, America and Australia. In 2015, the group generated sales of EUR 915 million and EBITDA of EUR 96 million.

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