

# Half-year financial report 2012



## Highlights

- Increase in revenue to EUR 409.8 million despite difficult economic conditions
- Substantial improvement in operating earnings: EBIT margin of 10.1% in the second quarter of 2012
- Continued year-on-year profit growth in Industrial Sector
- Significantly improved profit in Medical Sector after difficult first quarter of 2012
- Slight decline in EBIT and Earnings after tax
- Equity ratio still solid at 59.0%
- Net liquidity increased to EUR 104.3 million

# Key figures

## Semperit Group

		1.1.– 30.6.2012	1.1.– 30.6.2011	Change	1.1.– 31.12.2011
<b>Key performance figures</b>					
Revenue	in EUR million	409.8	406.1	+0.9%	820.0
EBITDA	in EUR million	53.9	56.4	-4.3%	112.8
EBITDA margin	in %	13.2%	13.9%	-0.7 PP	13.8%
EBIT	in EUR million	37.5	41.8	-10.3%	83.1
EBIT margin	in %	9.2%	10.3%	-1.1 PP	10.1%
Earnings after tax	in EUR million	23.9	25.5	-6.6%	54.1
Earnings per share (EPS)	in EUR	1.16	1.24	-6.6%	2.63
Gross cash flow	in EUR million	42.1	47.6	-11.5%	89.0
Return on equity <sup>1)</sup>	in %	12.4%	15.0%	-2.6 PP	14.5%
<b>Balance sheet key figures</b>					
Balance sheet total	in EUR million	652.7	592.2	+10.2%	616.6
Equity	in EUR million	385.2	341.4	+12.8%	372.5
Equity ratio	in %	59.0%	57.6%	+1.4 PP	60.4%
Investments in tangible and intangible assets	in EUR million	16.7	22.6	-26.0%	45.1
Employees (at balance sheet date)		8,115	7,767	+4.5%	8,025
<b>Segment key figures</b>					
<b>Sempermed</b>					
Revenue	in EUR million	182.2	179.2	+1.7%	371.5
EBIT	in EUR million	12.3	19.4	-36.9%	34.5
<b>Semperflex</b>					
Revenue	in EUR million	96.0	97.6	-1.6%	186.9
EBIT	in EUR million	16.9	15.6	+8.3%	25.0
<b>Sempertrans</b>					
Revenue	in EUR million	71.3	70.0	+1.8%	147.0
EBIT	in EUR million	6.0	3.2	+86.1%	11.3
<b>Semperform</b>					
Revenue	in EUR million	60.3	59.3	+1.7%	114.6
EBIT	in EUR million	8.5	7.4	+15.3%	18.9

1) Based on full year projection

Note: Rounding differences in the totalling of rounded amounts and percentages may arise from the use of automatic data processing.

# Business performance at the Semperit Group

During the first half of 2012, the performance of the Semperit Group was influenced by two key factors: firstly, the effect of the global economic downturn in many of the Semperit Group's markets, which caused fluctuating demand among customers, and secondly, the continued volatility in raw material prices.

Further deterioration of economic conditions and volatile customer demand

In this environment Semperit's key objective was to counteract the intensified competition in the Medical Sector as well as possible; it was able to make excellent progress in this respect during the second quarter. After an extremely strong first half of 2011, Semperit managed to take advantage of the normalisation of the order situation in the Industrial Sector in order to optimise capacities and costs.

In light of the realised/planned capacity expansion in the Sempermed and Semperflex segments, the focus was on achieving volume growth in order to increase these segments' market share. The Sempertrans segment sought to further improve the quality of its earnings following the turnaround in 2011, while the Semperform segment aimed to defend its margin quality.

Capacity expansion at Sempermed and Semperflex

As a result of these efforts, consolidated revenue was up by 0.9% year-on-year in the first six months of 2012, from EUR 406.1 million to EUR 409.8 million. This meant that despite the negative impacts on global markets, the Semperit Group managed to generate revenues of over EUR 200 million during the second quarter of 2012, making it the third-strongest quarter in terms of revenue in the company's history.

0.9% rise in consolidated revenue to EUR 409.8 million

This positive development was the result of price adjustments, which became necessary due to the increase in raw material prices compared to the prior-year period. The examination gloves and surgical gloves business units in the Sempermed segment posted an increase in volume. Semperflex's Hydraulic Hoses Unit was able to keep its volume despite an overheated economy in the first half of 2011. The shift in the Sempertrans segment's portfolio away from textile conveyor belts towards increased production of higher-value metal conveyor belts continued to have a positive effect on prices.

Other operating income rose from EUR 11.6 million to EUR 17.1 million, primarily due to an increase in insurance reimbursements, foreign currency gains and subsidies.

After material costs climbed markedly over the course of 2011, their share as a percentage of operating revenue in the first half of 2012 was restricted to 60.9% thanks to active raw materials management and the realisation of economies of scale (first half 2011: 61.2%; full year 2011: 62.3%).

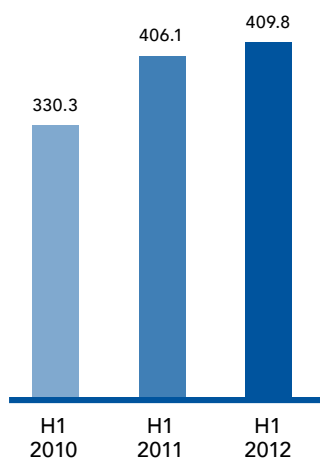
Reduction of material costs to 60.9% of operating revenue

Other operating expenses were up from EUR 57.1 million to EUR 64.0 million, primarily following an increase in foreign currency losses and customer return costs.

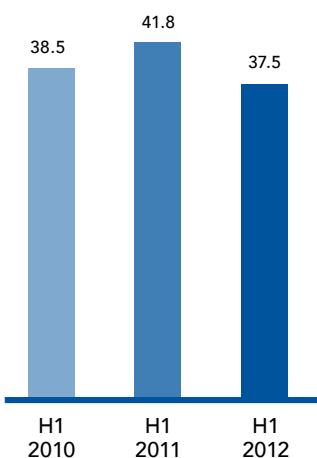
As a consequence of the above mentioned facts, EBITDA (earnings before interest, taxes, depreciation and amortisation) fell by 4.3% from EUR 56.4 million to EUR 53.9 million in the first half of 2012, while EBIT (earnings before interest and tax) decreased by 10.3% from EUR 41.8 million to EUR 37.5 million. The EBIT margin was 9.2% compared with 10.3% in the previous year.

Decrease of 4.3% in EBITDA and of 10.3% in EBIT

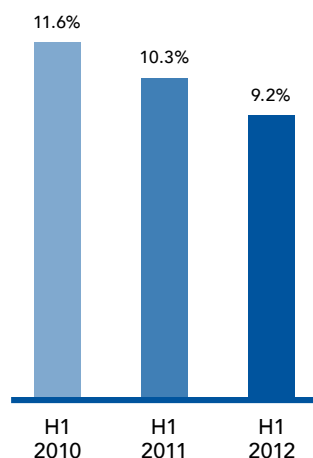
### Revenue development in EUR million



### EBIT development in EUR million



### EBIT margin in %



In the second quarter of 2012, EBITDA stood at EUR 29.6 million compared with EUR 31.1 million (down 4.9%). EBIT came to EUR 21.0 million compared with EUR 23.8 million (down 11.8%), and the EBIT margin to 10.1% (11.2% in the previous year's quarter). This means that the medium to long-term target for an EBIT margin of around 10% was achieved once again in the second quarter of 2012.

The development in the first half of 2012 was mainly influenced by the decline in the Sempermed segment's contribution to the result, which was caused by intensified competition and below-average capacity utilisation at the start of 2012. Additional costs also arose during the first quarter of 2012: energy costs due to heavy rainfall in Thailand and costs in connection with the startup phase at the new plant in Surat Thani, Thailand. Capacity utilisation was greatly improved in the second quarter of 2012, which helped significantly to increase Sempermed's contribution to the result.

All in all, earnings performance in the segments of the Industrial Sector was positive and even improved on the high level of the previous year.

The financial result improved significantly year-on-year from EUR –8.2 million to EUR –5.7 million due to a reduction in the result attributable to redeemable non-controlling shares (from EUR –8.8 million to EUR –6.4 million). This item principally relates to several companies within the Sempermed segment that made lower contributions to the result in the first half of 2012 than in the same period last year.

Improved financial result due to lower share in profit of non-controlling interests

Due to the framework loan agreement concluded in May 2012, expenses relating to this credit line were incurred for the first time in the second quarter of 2012. This credit line had not been drawn upon by the end of the second quarter.

Total income tax charges were slightly below the prior year's level in the first half of 2012. The tax rate as a percentage of earnings before tax and redeemable non-controlling shares rose from 19.1% to 20.8% following a change in the regional composition of the result.

Profit for the period under review declined by 6.6% from EUR 25.5 million to EUR 23.9 million. This led to earnings per share of EUR 1.16 for the first half of 2012, down from EUR 1.24 in the prior-year period. In the second quarter of 2012, profit for the period was reported at EUR 12.3 million, which was 14.3% or EUR 2.1 million below the prior-year quarter.

**EPS EUR 1.16, down from EUR 1.24 in the previous year**

The balance sheet total for the first half of 2012 showed an increase of 5.8% from EUR 616.7 million to EUR 652.7 million. On the assets side, this was mainly attributable to the rise in both cash and cash equivalents and trade receivables, which was offset on the liabilities side by an increase in equity and trade payables.

As of the balance sheet date of June 30, 2012, the Semperit Group's equity capital stood at EUR 385.2 million, EUR 12.7 million higher than at the end of 2011 (EUR 372.5 million). The key factors in this development were the profit for the first half of 2012 of EUR 23.9 million and the positive currency translation effects of EUR 5.3 million recognised in equity. This was reduced by the payment of dividend amounting to EUR 16.5 million in the second quarter of 2012.

The equity ratio as of June 30, 2012 was again above industry sector average at an encouraging 59.0%. The Semperit Group's capital structure therefore remains very solid. Extrapolated for the full year, return on equity for the first half of 2012 came to 12.4% (first half 2011: 15.0%).

**Solid equity ratio of 59.0%**

Despite the payment of dividend of EUR 16.5 million, cash and cash equivalents were up from EUR 97.9 million at the end of 2011 to EUR 110.7 million. Only part of the gross cash flow of EUR 42.1 million was used for investments in tangible and intangible assets. Cash and cash equivalents were offset by liabilities to banks of EUR 6.4 million. On balance therefore, the Semperit Group has maintained a very solid net liquidity of EUR 104.3 million.

**Cash and cash equivalents increased by EUR 12.8 million to EUR 110.7 million**

Trade working capital (inventories plus trade receivables minus trade payables) increased from EUR 213.1 million at the end of 2011 to EUR 217.4 million and therefore constituted 26.4% of the rolling twelve-month revenues of EUR 823.7 million. This rise was largely due to an increase in trade receivables, primarily in countries with generally longer payment terms.

Investments were down significantly year-on-year from EUR 22.6 million to EUR 16.7 million in the first half of 2012. Investment activities were focused on continuing to expand the new examination glove factory in Thailand and on replacement and expansion investments at the Semperflex segment's locations in the Czech Republic, Thailand and China.

**Decrease in investments by 26.0% to EUR 16.7 million**

As of June 30, 2012, the total headcount came to 8,115 employees, 4.5% more than in the same period last year. This development was primarily due to the Sempermed segment's expansion of its capacities in Thailand.

## Economic environment

In its economic forecast issued in June 2012, the World Bank stated that the European debt crisis was having an increasingly debilitating effect on the global economy. It continues to predict global economic growth of 2.5% for 2012 and 3.0% for 2013, assuming that the situation does not escalate.

Global economic growth continues to be driven by emerging markets and developing countries with growth estimate of 5.3% for 2012 and 5.9% for 2013. The estimates for India (6.6% and 6.9%) and China (8.2% and 8.6%) are slightly below the growth rates for these two countries in previous years. The US economy is recovering slowly, with its GDP expected to increase by 2.25% in 2012. Given the required budget spending cuts and impending expiry of tax breaks, an economic slowdown in 2013 cannot be ruled out at present.

**Emerging markets as drivers of growth**

After stagnating in the first quarter, economic output in the Eurozone is expected to decline by 0.3% for 2012 as a whole. In terms of specific countries, the differences between the Eurozone's economies continue. While Germany and France are set to post growth in 2012, economic output in Spain and Italy is set to decline significantly. Ongoing uncertainties over future economic performance have resulted in a huge drop in investments and acquisitions by European companies. The wide-ranging consolidation measures for public finances are also having a negative effect on economies, particularly in the crisis countries.

**Ongoing uncertainties in the Eurozone**

In a forecast issued in June 2012, the Austrian National Bank announced that it expects the Austrian economy to grow by 0.9% in 2012 and 1.7% in 2013.

Macroeconomic conditions are having different effects on the various business areas of the Semperit Group. The market for medical products tends to evolve largely independently of economic cycles, but the markets for energy, construction, machine-building and industrial equipment, which are more relevant for the Semperit Group's Industrial Sector, are more subject to general economic conditions.

## Volatile trends in the commodity markets

In the commodity markets relevant to the rubber industry, the first half of 2012 was characterised by different trends in individual sub-markets and by persistently high levels of volatility. A slight downward trend has recently begun. The supply shortages that had such a major effect on procurement and prices in 2011 have, however, been completely resolved.

High volatility on commodity markets, slight downward trend identified

After the prices of almost all raw materials of significance to the Semperit Group either stabilised or fell in the second half of 2011, the first quarter of 2012 saw some significant price rises in a number of important sub-markets, which levelled out again during the second quarter. Overall industry demand was modest due to the gloomy situation for the economy as a whole.

Slight rise in prices at start of 2012, recent flattening however

After exhibiting a downward trend for three consecutive quarters, natural rubber prices climbed sharply at the start of 2012, a trend which was largely attributable to the Thai government's announcement that it would intervene in the market. However, due to lower demand, prices once again fell in the second quarter. This meant that towards the end of the second quarter of 2012, price levels were slightly below the values at the end of 2011.

Recent price decline for natural rubber

In the synthetic rubber market, the price correction that began after the highs of the third quarter of 2011 lasted only until the end of 2011, at which point the trend reversed temporarily, with prices rising by around 20% – this was again corrected by the middle of 2012. Price levels at the end of June 2012 were roughly the same as at the end of 2011.

Average price for synthetic rubber at 2011 level

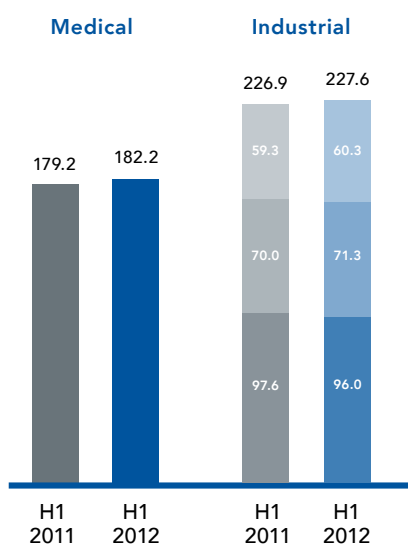
Carbon black, an important filling material used in the rubber industry, was available in sufficient quantities in the first half of 2012 due to a decline in demand. While price levels rose slightly with a time delay due to rising oil prices, these are expected to relax somewhat in the third quarter. The market for wires and steel cord, which are processed in the Semperflex and Sempertrans segments, experienced a slight easing of the price situation.

Increase in price of carbon black, slight decline for wires and steel cord

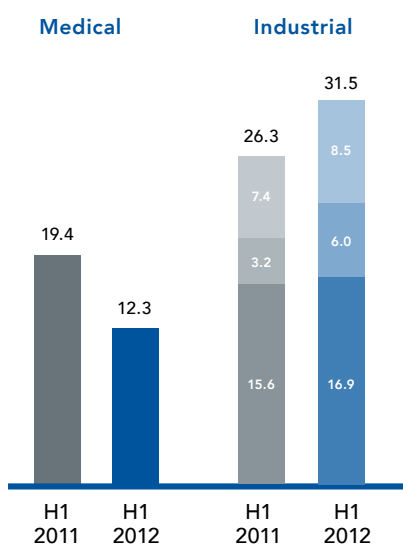
# Performance of the segments

The Semperit Group is divided into two sectors, Medical and Industrial. The Medical Sector comprises the Sempermed segment, while Industrial includes the Semperflex, Sempertrans and Semperform segments. In the first half of 2012, both sectors contributed to growth in revenue. Revenue in the Medical Sector rose by 1.7% to EUR 182.2 million, and in the Industrial Sector by 0.3% to EUR 227.6 million. The lower EBIT from the Medical Sector was at least partially offset by the excellent performance of the Industrial Sector.

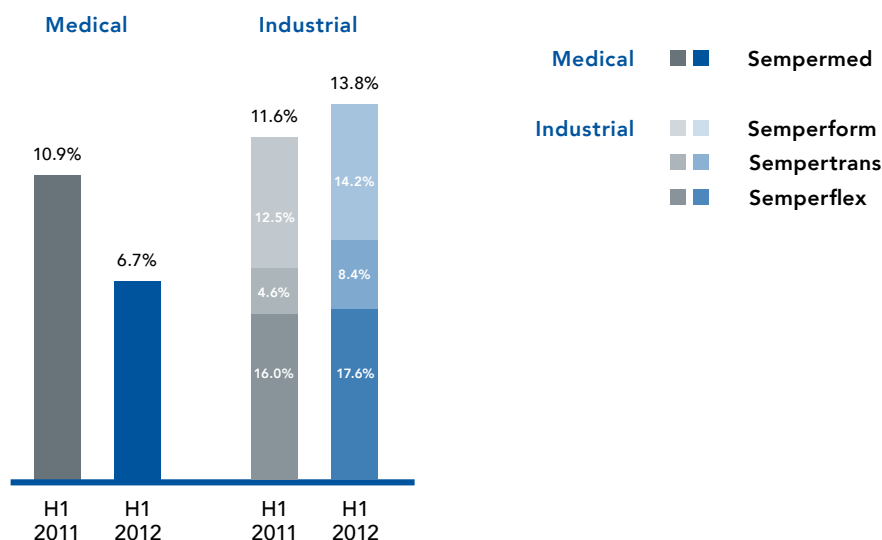
## Revenue performance by sectors in EUR million



## EBIT performance by sectors in EUR million



## EBIT margin by sectors in %





# Sempermed

Revenue in the Sempermed segment rose by 1.7% to EUR 182.2 million in the first half of 2012. The main contributing factor was a higher sales volume of examination gloves. Rising raw material prices – primarily for natural latex – had a negative effect on prices.

**1.7% rise in segment revenue to EUR 182.2 million**

The second quarter of 2012 saw strong demand from the US and growth in Brazil and Asia. The EUR 8.6 million EBIT posted in the second quarter was more than twice the level of the first quarter. The main factor behind this was the optimisation of sales prices, as well as lower energy costs and the absence of startup costs for the new Thai production facilities in Surat Thani. At the start of 2012 the below-average capacity of around 80% also had a negative impact. In contrast, there was a return to full capacity in the second quarter. This saw an improvement in the EBIT margin from 4.2% in the first quarter to 9.2% in the second quarter of 2012. Year-on-year, EBIT for the first half-year at EUR 12.3 million was significantly below the 2011 figure of EUR 19.4 million and the EBIT margin fell from 10.9% to 6.8%. Despite the positive earnings performance in the second quarter of 2012, price pressure remains high due to global overcapacity and visibility is lower than in 2011.

**Improvement of EBIT margin in second quarter to 9.1%**

Compared to the first half of 2011, there was an increase of approx. 7% in the total volume of examination gloves sold. The strongest growth was posted in the US, followed by Brazil and Asia. In Europe, demand remained at the prior-year level. In the medium term, the global market for examination gloves is expected to grow by 6-7% per year on average. Competition is expected to remain fierce despite this market potential due to newly available production capacity (mainly for nitrile gloves). An aggressive pricing policy on the part of individual competitors is expected to continue.

**Rise of around 7% in volume for examination gloves**

At the new Sempermed plant in Surat Thani, Thailand, lines are operating at full capacity to produce powder-free natural latex (NRL) examination gloves and are meeting the quality requirements in place. The annual capacity of these lines is almost 1.5 billion units. In the third quarter of 2012, additional lines will become fully operational and produce nitrile examination gloves. Expansion is currently being planned which will bring total capacity to almost 3 billion units of examination gloves. At the end of June 2012, the total capacity of Semperit in the Hatyai and Surat Thani plants was around 12 billion units.

**Current capacity of almost 1.5 billion units at new facility in Surat Thani, Thailand**

Compared to the previous year, demand for surgical gloves was slightly higher in the first half of 2012. There was a shift within the product range to higher-quality products (natural powder-free latex and synthetic latex), causing a slight increase in revenue. Utilisation of the Wimpassing plant in Austria was satisfactory and even slightly higher than in the first quarter of 2012. The conversion of the packaging capacity at the Hungarian plant was implemented as planned in the second quarter.

## Semperflex

Revenue in the Semperflex segment declined by 1.6% to EUR 96.0 million in the first half of 2012 as a result of the weakening global economy. Thanks to improvements in the product portfolio and cost savings, EBIT improved by 8.3% from EUR 15.6 million to EUR 16.9 million, with an EBIT margin for the first half of 2012 of 17.6% compared to 16.0% in the same period in 2011.

**Increased earnings despite decline in revenue**

The positive trend in revenue and earnings was achieved in a market environment that was more challenging overall than in the first half of 2011. Given the current economic uncertainty, customers were more cautious. In view of the extraordinarily strong demand for Semperflex products in the first half of 2011, the result for the first half of 2012 was very satisfactory. However, the size of the order book for the second half of 2012 is less than that of 2011 and requires short lead times in production control.

With the exception of Southern Europe, large areas of the European market, as well as North America, were still positive in the second quarter of 2012. While South America was able to meet expectations, performance in Asia was below original forecasts. Industrial and construction demand in China was less than satisfactory.

**Positive demand in Europe and the US, caution in Asia**

The Hydraulic Hoses Business Unit posted revenues for the first half of 2012 at almost the level of the same period in the prior year. The main reason for this was the positive revenue performance in Europe and the US. Investments were made in additional capacity for hydraulic hoses in the Czech Republic, Thailand and China.

**Revenue for hydraulic hoses almost at prior-year level**

The Industrial Hoses Business Unit saw a slight decrease in revenue in comparison to the very strong first half of 2011. However, improvements in the product portfolio and cost savings kept results stable. Business met expectations in most European markets, although demand was significantly more modest in Southern Europe.

**Stable contribution despite slight decline in revenue for industrial hoses**

Due to the lower demand in their main Western European markets, revenue in the Elastomer and Wear-resistant Sheeting Business Unit, the segment's smallest, fell in the first half of 2012.

## Sempertrans

Revenue in the Sempertrans segment rose by 1.8% to EUR 71.3 million in the first half of 2012. This development was mainly driven by price effects resulting from a rearrangement of the product mix to include fewer standard textile conveyor belts and more higher-value special textile and steel conveyor belts, as well as increased volume at the Polish plant. Due to these changes, a comparison of sales volumes would not be meaningful. EBIT rose significantly by 86.1%, or EUR 2.8 million, to EUR 6.0 million. This saw an improvement in the EBIT margin from 4.6% in the first half of 2011 to 8.4%, with the Sempertrans segment confirming its regained earnings power.

**Increase in EBIT margin from 4.6% to 8.4%**

All in all, demand trends in the first half of 2012 were satisfactory, with positive momentum coming primarily from Europe, South America and Africa. Although orders from Africa have been low compared to other markets in absolute terms, they are becoming increasingly significant. The volume of steel conveyor belts sales rose significantly. Owing to the shift in focus toward high-quality special textile and steel conveyor belts and the reduction in production volumes brought about by the strike in India, unit sales of textile conveyor belts declined by more than a third. However, there were positive price effects in

both areas. Due to the different ratio of unit sales volume to revenue, however, the effects of these developments were felt in different ways. In terms of products, Sempertrans continues to focus on achieving further growth with higher-value conveyor belts.

**Brisk demand from Europe, South America and Africa**

Demand for custom-built products and product innovations such as extra-wide, oil-resistant and flame-proof conveyor belts was positive during the period under review. The medium-term goal for these product types is still to grow significantly faster than the overall market.

Capacity was well utilised in the first half of 2012 in spite of relatively short-term order intakes. The slowdown experienced by resellers and service providers was more than offset by the project business. The European plants in Poland and France were very well utilised and will remain so over the coming months. Significant technical improvements were made at the site in China, thus optimising the product range in terms of client requirements. In India, one of the lines returned to operation at the end of April, meaning that Indian key customers can now place larger orders that will be fulfilled by the Indian plant.

**Satisfying capacity utilisation**

## Semperform

Semperform, the smallest segment of the Semperit Group, increased its revenue by 1.7% to EUR 60.3 million in the first half of 2012. This development was the result of positive price effects, which more than compensated for the decline in volume brought about by selective order acceptance. This strategy was also reflected in the EBIT development, which improved by 15.3% to EUR 8.5 million. This also saw an improvement in the EBIT margin from 12.5% in the prior-year period to 14.2%.

**Very good EBIT margin of 14.2%**

With its seal profiles for windows and doors, the Building Profiles Business Unit is the largest in the Semperform segment. The sales volume for the first half of 2012 was roughly in line with that of 2011. Positive price effects resulted in an increase in revenue.

In the Industrial Moulded Parts Business Unit, demand remained modest, with the exception of a short boost in orders in spring 2012. This was a result of the weaknesses in the European industrial economy. While demand volume was satisfactory in the general construction and industry areas, as well as in pipe construction, there was below-average demand in the railway superstructure area.

**Differing trends in market segments**

There was a slight increase in sales in the Handrails Business Unit, which was also a result of the new economical handrails that are performing well in Asia. The Chinese market remains subject to above-average levels of competition. There are no signs of easing price pressure, in particular for orders from original equipment manufacturers (OEM business).

The smallest business unit, Special Applications, ran at high capacities in the first half of 2012, but posted a slight decline in revenue due to overall economic conditions.

# Outlook

Given the current global economic situation, a significant improvement in general conditions is not expected for the rest of 2012. On a full-year basis, positive momentum for macroeconomic development is first expected in 2013.

**Economic situation remains tense**

In this environment, the Semperit Group does not expect any significant increase in demand for the rest of the current year, with orders continuing at the level of the first half of 2012.

In the Medical Sector Semperit expects that the measures initiated in production and distribution will continue to have an impact in the second half of 2012 and will help to maintain the level of earnings posted in the second quarter. The focus will remain on optimising pricing and capacity utilisation, with additional far-reaching measures to improve productivity and efficiency and to gain market share. In parallel, excess capacity for examination glove production and an ongoing aggressive pricing policy by several competitors are expected to continue.

**Medical Sector aims to continue earnings improvement**

In the Industrial Sector, business is expected to continue in the second half of 2012 as it has in 2012 thus far. It is unlikely that any economic stimulus will boost demand directly. Also a short to medium-term decline in public orders cannot be ruled out at present. Besides optimising costs in the use of materials, the focus will be on selective order management to exploit short-term sales opportunities and on flexible adjustment of production capacity. The new capacity in the Semperflex segment for hydraulic hoses production in the Czech Republic, Thailand and China is operational and is set to run at optimised capacity in the second half of the year.

**Medium-term growth potential intact thanks to boom in infrastructure, energy and commodities**

Significant stimulus for growth in the Industrial Sector segments is expected in the medium term from the markets in Asia and Latin America, as well as from the infrastructure area, the boom in the energy and raw material sectors, and concentration on selected niche markets.

The Semperit Group is confirming its mid-term growth targets, with double-digit revenue growth on average in the period from 2010 up to 2015, and with EBIT margin continuing at approx. 10%.

**Unchanged mid-term outlook**

Given the operational uncertainty, which is primarily due to volatile customer demand, and the uncertain predictions regarding the economic environment, it is not possible at present to make a reliable forecast for the 2012 business year.

**Uncertainty makes outlook difficult to forecast for the rest of 2012**

This is based on the assessment of the Management Board as of August 10, 2012, and does not take into account the effects of possible acquisitions, divestments or other structural changes in 2012.

These assessments are subject to both known and unknown risks and uncertainties, which may result in the actual outcome differing from the statements made here.

# **Interim consolidated financial statements and notes**

## Consolidated income statement

in TEUR	1.1.– 30.6.2012	1.1.– 30.6.2011	1.4.– 30.6.2012	1.4.– 30.6.2011
<b>Revenue</b>	<b>409,768</b>	<b>406,089</b>	<b>207,971</b>	<b>212,425</b>
Changes in inventories	8,585	9,670	8,562	2,345
Own work capitalised	381	394	191	178
<b>Operating revenue</b>	<b>418,735</b>	<b>416,153</b>	<b>216,723</b>	<b>214,948</b>
Other operating income	17,142	11,618	6,701	6,205
Material costs	-255,204	-254,715	-130,646	-131,509
Personnel expenses	-62,726	-59,579	-32,742	-30,582
Other operating expenses	-64,020	-57,100	-30,473	-27,975
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>53,927</b>	<b>56,377</b>	<b>29,564</b>	<b>31,086</b>
Depreciation and amortisation of tangible and intangible assets	-16,424	-14,582	-8,592	-7,310
<b>Earnings before interest and tax (EBIT)</b>	<b>37,503</b>	<b>41,795</b>	<b>20,972</b>	<b>23,777</b>
Interest and other financial income	974	765	491	395
Expenses on financial assets	0	-8	0	-5
Interest and other financial expenses	-262	-82	-189	-31
Profit/loss attributable to redeemable non-controlling shares	-6,408	-8,837	-4,593	-5,203
<b>Financial result</b>	<b>-5,697</b>	<b>-8,161</b>	<b>-4,291</b>	<b>-4,843</b>
<b>Earnings before tax (EBT)</b>	<b>31,806</b>	<b>33,634</b>	<b>16,681</b>	<b>18,933</b>
Income taxes	-7,947	-8,097	-4,402	-4,603
<b>Earnings after tax</b>	<b>23,859</b>	<b>25,537</b>	<b>12,279</b>	<b>14,330</b>
<b>Earnings per share (diluted and undiluted)</b>	<b>1.16</b>	<b>1.24</b>	<b>0.60</b>	<b>0.70</b>

## Consolidated statement of comprehensive income

in TEUR	1.1.– 30.6.2012	1.1.– 30.6.2011	1.4.– 30.6.2012	1.4.– 30.6.2011
<b>Earnings after tax</b>	<b>23,859</b>	<b>25,537</b>	<b>12,279</b>	<b>14,330</b>
<b>Other comprehensive income</b>				
"Available for sale" financial assets	-3	-111	-59	41
thereof deferred taxes	1	28	15	-10
Currency translation differences for the period	5,334	-9,410	1,802	-2,482
Reclassification to net profit	0	21	0	7
	<b>5,332</b>	<b>-9,472</b>	<b>1,757</b>	<b>-2,444</b>
<b>Total recognised comprehensive income</b>	<b>29,191</b>	<b>16,065</b>	<b>14,037</b>	<b>11,886</b>

# Consolidated cash flow statement

in TEUR	1.1.– 30.6.2012	1.1.– 30.6.2011
Earnings after tax	23,859	25,537
Depreciation/write-ups of tangible and intangible assets	16,393	14,582
Profit and loss from disposal of assets	-45	-127
Changes in non-current provisions	-4,525	-2,267
Profit/loss attributable to redeemable non-controlling shares	6,408	8,837
Other non-cash expense/income	0	992
<b>Gross cash flow</b>	<b>42,091</b>	<b>47,554</b>
Increase/decrease in inventories	-3,499	-38,572
Increase/decrease in trade receivables	-11,313	-32,565
Increase/decrease in other receivables and assets	-2,047	2,600
Increase/decrease in trade payables	8,978	9,881
Increase/decrease in other liabilities and current provisions	8,666	813
Changes in working capital resulting from currency translation adjustments	3,066	-4,158
<b>Cash flow from operating activities</b>	<b>45,942</b>	<b>-14,447</b>
Proceeds from sale of tangible and intangible assets	65	954
Proceeds from sale of current and non-current financial assets	0	2,000
Investments in tangible and intangible assets	-16,740	-22,617
Investments in current and non-current financial assets	0	-1,110
<b>Cash flow from investing activities</b>	<b>-16,675</b>	<b>-20,773</b>
Changes in current and non-current financing liabilities	-27	106
Dividends to shareholders of Semperit AG Holding	-16,459	-25,717
Dividends to non-controlling shareholders of subsidiaries	-603	-1,185
<b>Cash flow from financing activities</b>	<b>-17,089</b>	<b>-26,796</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>12,179</b>	<b>-62,016</b>
Effects resulting from currency translation	629	-4,630
Cash and cash equivalents at the beginning of the period	97,892	139,186
<b>Cash and cash equivalents at the end of the period</b>	<b>110,699</b>	<b>72,541</b>

# Consolidated balance sheet

## ASSETS

in TEUR	30.6.2012	31.12.2011
<b>Non-current assets</b>		
Intangible assets	5,581	5,615
Tangible assets	223,150	216,720
Investments in associated companies	767	767
Other financial assets	11,444	11,884
Other assets	396	310
Deferred taxes	9,747	8,772
	<b>251,084</b>	<b>244,068</b>
<b>Current assets</b>		
Inventories	141,094	137,595
Trade receivables	125,643	114,329
Other financial assets	5,340	3,695
Other assets	12,048	11,390
Current tax receivables	6,802	7,681
Cash and cash equivalents	110,699	97,892
	<b>401,626</b>	<b>372,582</b>
<b>TOTAL ASSETS</b>	<b>652,710</b>	<b>616,650</b>



**EQUITY AND LIABILITIES**

in TEUR	30.6.2012	31.12.2011
<b>Equity</b>		
Share capital	21,359	21,359
Capital reserves	21,503	21,503
Revenue reserves	324,273	316,875
Currency translation adjustments	18,050	12,716
	<b>385,186</b>	<b>372,453</b>
<b>Non-current provisions and liabilities</b>		
Provisions for pension and severance payments	35,184	36,924
Other provisions	14,337	17,084
Liabilities from redeemable non-controlling shares	104,359	97,292
Other financial liabilities	3,026	3,074
Other liabilities	193	200
Deferred taxes	2,142	2,178
	<b>159,241</b>	<b>156,751</b>
<b>Current provisions and liabilities</b>		
Other provisions	26,432	20,561
Liabilities from non-redeemable non-controlling shares	1,265	0
Liabilities to banks	6,374	6,178
Trade payables	49,290	38,815
Other financial liabilities	11,595	8,816
Other liabilities	6,926	7,084
Current tax liabilities	6,401	5,991
	<b>108,283</b>	<b>87,445</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>652,710</b>	<b>616,650</b>

## Consolidated statement of the changes in equity

in TEUR	Share capital	Capital reserves	Revenue reserves	Revaluation reserves	Currency translation	Total
<b>Balance at 31.12.2010</b>	<b>21,359</b>	<b>21,503</b>	<b>288,811</b>	<b>-198</b>	<b>19,590</b>	<b>351,065</b>
Total recognised comprehensive income	0	0	25,537	-83	-9,389	16,065
Dividends	0	0	-25,717	0	0	-25,717
<b>Balance at 30.6.2011</b>	<b>21,359</b>	<b>21,503</b>	<b>288,632</b>	<b>-281</b>	<b>10,200</b>	<b>341,413</b>
<b>Balance at 31.12.2011</b>	<b>21,359</b>	<b>21,503</b>	<b>317,172</b>	<b>-297</b>	<b>12,716</b>	<b>372,453</b>
Total recognised comprehensive income	0	0	23,859	-2	5,334	29,191
Dividends	0	0	-16,459	0	0	-16,459
<b>Balance at 30.6.2012</b>	<b>21,359</b>	<b>21,503</b>	<b>324,572</b>	<b>-299</b>	<b>18,050</b>	<b>385,186</b>

# Notes to the interim financial statements

## Accounting policies

The interim financial statements as at June 30, 2012 have been drawn up in accordance with International Financial Reporting Standards (IFRS) and IAS 34 Interim Financial Reporting. No material changes have been made to the accounting policies used. For more information on accounting policies please see the consolidated financial statements as at December 31, 2011, which form the basis for these interim financial statements.

This interim report of the Semperit Group has not been audited or reviewed.

## Associates (equity method)

The consolidated carrying amount of Synergy Health Allershausen GmbH (previously: Isotron Deutschland GmbH) as at June 30, 2012 was TEUR 767 (December 31, 2011: TEUR 767).

As at June 30, 2012, the Semperit Group had extended loans of TEUR 563 (December 31, 2011: TEUR 563) to this associate.

## Investments in tangible and intangible assets

In the first six months of 2012, Semperit acquired tangible and intangible assets for the amount of TEUR 16,740 (previous year: TEUR 22,617).

Tangible and intangible assets with a net carrying amount of TEUR 80 (previous year: TEUR 824) were sold.

## Dividend

A dividend of EUR 0.80 per share was paid out on May 2, 2012.

Year	Number of shares	Dividend payment in TEUR	EUR per share
Dividend paid in 2012 for financial year 2011	20,573,434	16,459	0.80
Dividend paid in 2011 for financial year 2010	20,573,434	25,717	1.25

## Contingent liabilities

There have been no material changes in contingent liabilities since the last reporting date of December 31, 2011.

## Related-party transactions

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

B&C Semperit Holding GmbH is the direct majority shareholder of Semperit Aktiengesellschaft Holding and B&C Privatstiftung is the dominant legal entity. B&C Industrieholding GmbH is the shareholder holding an indirect majority stake. It draws up and publishes consolidated financial statements in which the Semperit Group is consolidated. Under IAS 24, B&C Privatstiftung and its subsidiaries, joint ventures and associated companies are related parties of the Semperit Group.

Related parties of the Semperit Group include the members of the Management and Supervisory Boards of Semperit Aktiengesellschaft Holding, the managing directors and Supervisory Board members of all companies which directly or indirectly hold a majority stake in Semperit Aktiengesellschaft Holding, the members of the Management Board of B&C Privatstiftung and close family members of these Management and Supervisory Board members and managing directors.

The level of transactions with associated companies and other related parties is low, and they are conducted under normal business terms and conditions.

#### **Transactions with co-partners**

The fully consolidated companies Semperflex Asia Corp. Ltd., Siam Sempermed Corp. Ltd., Shanghai Semperit Rubber & Plastic Products Co. Ltd. and Semperflex Shanghai Ltd. conduct business with the non-controlling co-partner of these companies, Sri Trang Agro-Industry Plc, under established market conditions. Sempertrans Best (Shandong) Belting Co. Ltd. conducts business with Wang Chao Coal & Electricity Group, the non-controlling co-partner of this company, under established market conditions.

#### **Changes in the scope of consolidation**

Semperit (Shanghai) Management Co. Ltd, China, began operating in the first half of 2012. The company provides management, finance, human resource and purchasing functions on the Chinese market.

#### **Events after the balance sheet date**

No significant events occurred between June 30, 2012 and the date this report was approved for publication on August 10, 2012.

# Statement of all legal representatives

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Vienna, August 10, 2012

The Management Board



Thomas Fahnemann  
**Chairman**



Johannes Schmidt-Schultes  
**Chief Financial Officer**



Richard Ehrenfeldner  
**Member of the  
Management Board**



Richard Stralz  
**Member of the  
Management Board**

## Semperit share

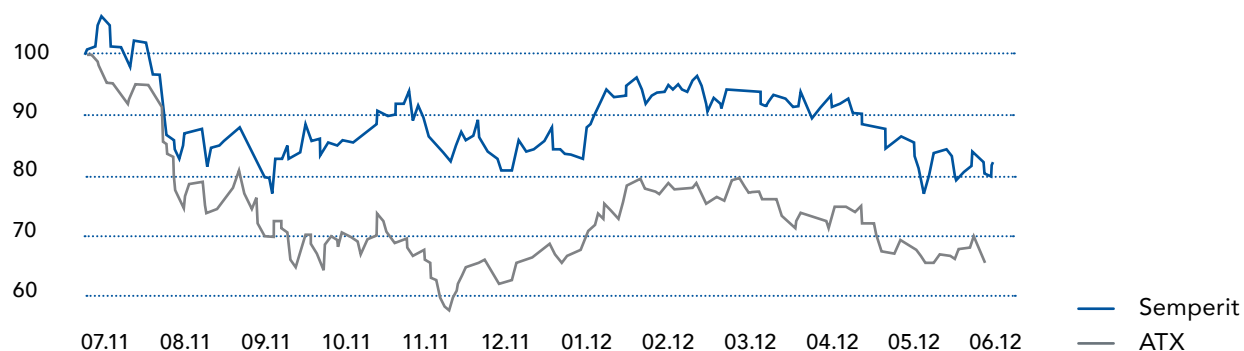
		1.1.– 30.6.2012
<b>Key figures</b>		
Lowest price	in EUR	27.10
Highest price	in EUR	33.90
Price at 30.6.	in EUR	28.80
Market capitalisation at 30.6.	in EUR million	592.50
Number of shares issued	in Thousand units	20,573
Price-to-earnings ratio <sup>1)</sup>		11.7
Earnings per share (EPS)	in EUR	1.16

1) Based on full year projection

The 123<sup>rd</sup> Annual General Meeting took place on April 23, 2012 in Wimpassing, Austria. All resolutions of the Annual General Meeting can be viewed on [www.semperit.at/ir/en](http://www.semperit.at/ir/en). The Annual General Meeting agreed to the Management Board's proposal to pay a dividend of EUR 0.80 per eligible share. The dividend was paid on May 2, 2012, the Ex-dividend day was April 26, 2012.

### Share price performance

Semperit/ATX, indexed 1.7.2011



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## Financial Calendar 2012

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November 13, 2012 Report on the first three quarters of 2012

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## Financial Calendar 2013

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March 21, 2013 Publication of 2012 annual financial statements  
and press conference

May 14, 2013 Report on the first quarter of 2013

August 13, 2013 Half-year financial report 2013

November 12, 2013 Report on the first three quarters of 2013

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The dates for Annual General Meeting, Ex-dividend day and Dividend payment day will be announced later.

## Imprint

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## Disclaimer

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

We have prepared this quarterly 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 (editorial deadline: August 10, 2012). 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 half-year financial report has been produced in German and English. In case of doubt, the German version shall take precedence.

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