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EANS-Adhoc: Semperit AG Holding / Satisfactory Business Development in 2014 despite Weak Economic Environment

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Financial Figures/Balance Sheet

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- Revenue up 2.6% to EUR 930.4 million
- Improved EBITDA and EBIT
- Dividend proposal: basic dividend of EUR 1.10 per share plus a one-time special dividend of EUR 4.90 per share
- Satisfactory business development expected in 2015 against the backdrop of an ongoing challenging business environment

The publicly listed Semperit Group showed a satisfactory revenue and earnings development in 2014 in spite of a weak economic climate. Revenue rose 2.6% year-on-year to EUR 930.4 million. This growth can be attributed to strong sales performances and high capacity utilisation in both the Medical and Industrial Sectors. This more than compensated for negative price effects related to the ongoing low raw material prices. Double-digit sales growth was generated once again in the Medical Sector, whereas the revenue increase in the more cyclically-dependent Industrial Sector was driven by the strong development of the Semperflex segment.

With respect to earnings indicators, Semperit showed an improvement in EBITDA and EBIT. The Group's consolidated EBITDA rose 2.7% from the prior-year level to EUR 136.1 million. EBIT was up slightly by 0.8% to EUR 88.5 million. This growth was due to higher revenue as well as a positive effect relating to the change in consolidation of the Thai joint venture company Siam Sempermed Corp. Ltd. (SSC) from full to at-equity consolidation. The EBITDA margin of 14.6% (2013: 14.6%) and the EBIT margin of 9.5% (2013: 9.7%) remained at a solidly high level. Semperit achieved a net result (earnings after tax) of EUR 49.7 million in 2014, down from EUR 54.9 million in 2013, which is attributable to a higher income tax expense from prior periods as well as tax postings related to the previously mentioned change in consolidation.

"We started the year 2011 with the goal of accelerating Semperit's growth. Today we can report that we raised sales volumes by up to 80% in the period 2010 to 2014, and substantially increased revenue in spite of the drastic drop in raw material prices. We strengthened our sales performance, successfully implemented acquisitions and launched the biggest investment programme in the company's history. We are well on track even if important stages in the growth of the company are still ahead of us. As a result, we are very well positioned to grow further in the years ahead even when faced with a difficult economic environment. We proved this to be true in 2014", says Semperit CEO Thomas Fahnenmann, commenting on the company's business results.

Semperit invested a total of EUR 74.4 million in 2014 (2013: EUR 49.7 million) to expand and modernise its production plants. This represents the highest investment volume to date in the company's history. Semperit continues to boast a sound capital basis as reflected by its equity ratio of 54.0% at the reporting date of December 31, 2014 (December 31, 2013: 48.3%). Cash and cash equivalents amounted to EUR 115.6 million compared to EUR 182.6 million at the end of 2013. "We still have a high level of liquidity despite our dynamic growth. Over the past four years we have been able to increase revenue reserves by EUR 109.9 million to a total of EUR 405.5 million. Our shareholders should profit from this development in the form of a special dividend, given the fact that we do

not plan any major acquisitions for the time being and are going to optimise our capital structure", states Semperit CFO Johannes Schmidt-Schultes. As already announced, the Management Board will propose a basic dividend of EUR 1.10 per share to the Annual General Meeting for 2014 along with a one-time special dividend of EUR 4.90 per share compared to a basic dividend of EUR 0.90 per share and an anniversary bonus of EUR 0.30 per share for the 2013 financial year.

Medical Sector: Organic growth in a challenging year

The Medical Sector (Sempermed segment) generated substantially higher sales volumes in 2014. Therefore, the ongoing negative price effects caused by the lower raw material prices could be offset. Demand for examination gloves was strong, especially in Europe. Sempermed also reported further growth in the industrial and consumer goods sectors. In contrast, the higher energy prices and upfront investment costs related to the capacity expansion drive initiated in Malaysia had an adverse effect on the Medical Sector's performance. Capacity utilisation remained high at all Sempermed production plants.

Revenue of the Medical Sector rose 4.1% in 2014 to EUR 452.9 million. EBITDA climbed 14.1% to EUR 67.0 million. The main reason was the positive one-off effect within the context of the change in consolidation for SSC. The EBITDA margin improved to 14.8% from 13.5% in the previous year.

Industrial Sector: Solid development despite strong headwinds

The Industrial Sector (the Semperflex, Sempertrans and Semperform segments) showed a solid development despite an economic slowdown in the second half of 2014.

The Semperflex segment generated a rise in revenue and earnings thanks to significant production and sales successes. The hydraulic hose business of Semperflex showed delivery share gains in Europe and the USA. The declining raw material prices more than offset the volume increases generated in the Sempertrans segment. However, very high capacity utilisation and production efficiency, particularly in Europe, strengthened profitability in this difficult business environment. The cyclically-related moderate volume growth in the Semperform segment was in contrast to the raw material-driven and currency-related decreases in selling prices. In particular, the business development of the Semperform segment was negatively impacted by the Russia crisis and the accompanying weak demand in Eastern Europe.

Driven by the strong development of the Semperflex segment, revenue of the Industrial Sector rose 1.3% in 2014 to EUR 477.5 million. EBITDA at EUR 88.1 million was close to the outstanding prior-year figure of EUR 90.1 million. The EBITDA margin remained at a high level of 18.5% compared to 19.1% in 2013.

Outlook 2015 and multi-year targets

The Semperit Group started 2015 with well-filled order books. Initial stabilisation tendencies in Western Europe and strong demand in North America have a positive impact. However, Semperit is not immune to the effects of the economic slowdown in Central and Eastern Europe. Demand in Asia is expected to be flat for the most part in 2015.

The Semperit Group anticipates a satisfactory business development for the entire year 2015 against the backdrop of an ongoing challenging business development. The incipient recovery of the global economy should be perceptible starting in the second half of the year. Revenue and earnings should remain at an attractively high level but will not match the performance of the past two years as a result of the current economic and raw material price situation as well as the effect of the change in consolidation in 2014.

Due to the conversion of the previously full consolidation of the 50% joint venture investment at Siam Sempermed Corp. Ltd., Thailand to the "at equity" method as at December 31, 2014, the revenue recognised will likely be 10% lower compared to full consolidation and EBIT 20% lower than reported in the past. No significant effects are expected with respect to the earnings after tax and minorities of the Semperit Group as well as on the earnings per Semperit share. The changed reporting of consolidation will first be published in the interim report for the first quarter of 2015.

Semperit is continuing the expansion of its production capacities in both the Medical Sector and Industrial Sector. CAPEX of approximately EUR 75 million is planned for 2015 (2014: EUR 74 million), of which about EUR 50 million relates to growth investments. The additional capacities will gradually become available in the course of the years 2015 and 2016 with correspondingly positive effects on the Group's revenue development.

In the future Semperit is striving to achieve double-digit growth of sales volumes on average as well as attractive earnings margins. For the time being, it confirms its targeted EBITDA margin of between 12% and 15% and an EBIT margin of between 8% and 11%.

The results for FY 2014 are available for download at
http://www.semperitgroup.com/investor-relations/Results_FY_2014.pdf

The Annual Report 2014 will be available for download at
www.semperitgroup.com/ir as of April 2, 2015.

About Semperit

The publicly listed company Semperit AG Holding is an internationally-oriented group that develops, produces, and sells in more than 100 countries highly specialised rubber and plastic products 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 long-standing Austrian company, which was founded in 1824, are located in Vienna, and the global R & D centre is in Wimpassing, Lower Austria. The Semperit Group employs about 6,900 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 20 manufacturing facilities worldwide and numerous sales offices in Europe, Asia, and America. In 2014 the group generated sales of EUR 930 million and an EBITDA of EUR 136 million.

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