

Press Release**Semperit impacted by weak market environment and one-off effects in 2016**

- Revenue at EUR 852.4 million (-6,8%) below prior-year's level
- Earnings development in 2016 impacted by one-off effects
- Largely stable sales development and significantly positive one-off effects through joint venture transaction expected for 2017
- Operational earnings development without one-off effects impacted by increase in raw material prices and elimination of earnings contribution of Siam Sempermed in 2017

Vienna, 10 March 2017 – In 2016, the business development of the publicly listed Semperit Group was characterised by a persistently difficult market environment in the Industrial and Medical Sectors. While the Industrial Sector performed well contrary to the market trend, one-off effects relating to the planned termination of the joint ventures with the Thai Sri Trang-Agro Industry Public Co Ltd Group ("joint venture transaction") and high margin pressure burdened the earnings development. In 2017, high positive one-off effects from this transaction are expected in return.

In the financial year 2016, the group's revenue of EUR 852.4 million was 6.8% below the previous year's value of EUR 914.7 million. The adjusted EBITDA (without one-off effects) declined by 14.1% to EUR 82.6 million (after EUR 96.2 million). The adjusted EBIT at EUR 49.0 million also showed a downward trend compared to the previous year at EUR 66.7 million. The adjusted EBITDA margin was 9.7% (after 10.5%) and the adjusted EBIT margin was 5.7% (after 7.3%). The adjusted earnings after tax declined from EUR 46.4 million to EUR 23.1 million due to negative foreign currency effects and higher interest expenses. The adjusted earnings per share fell accordingly to EUR 1.12 (after EUR 2.26).

The non-cash one-off effects relating to the joint venture transaction totalled EUR -31.9 million. Considering these one-off effects, EBITDA was EUR 77.9 million and EBIT EUR 27.3 million. Earnings after tax amounted to EUR -8.8 million and earnings per share to EUR -0.43.

In 2016, Semperit invested a total of EUR 65.1 million (after EUR 71.8 million) to expand and modernise its production plants. With an equity ratio of 31.8% (31 December 2015: 38.7%), Semperit continued to have a solid capital structure at the reporting date. Despite high investments, cash and cash equivalents increased to EUR 190.2 million at the end of 2016 after EUR 126.4 million at the end of 2015.

The Management Board will propose a dividend of EUR 0.70 per share (2015: EUR 1.20 per share) for 2016 to the Annual General Meeting. This dividend proposal is based on the assumption that there will be a closing of the joint venture transaction. If the transaction fails to be closed, the Management Board reserves the right to propose a resolution to the Annual General Meeting that deviates from this dividend proposal.

Industrial Sector: solid development in difficult markets

The Industrial Sector (Semperflex, Sempertrans and Semperform segments) developed better than the market despite a weak economic environment. Volume growth and market share gains were achieved in almost all product areas. All production sites were well utilised. Revenue of the Industrial Sector declined only slightly in 2016 from EUR 521.0 million to EUR 506.4 million (-2.8%) despite partially significantly declining sales markets. EBITDA fell

by 4.2% to EUR 89.5 million.

Medical Sector burdened by margin pressure and one-off effects

The Medical Sector (Sempermed segment) was burdened by increased margin pressure and one-off effects of the joint venture transaction. In addition, start-up costs relating to the ongoing capacity expansion in Malaysia had a negative effect on earnings. Semperit counteracted with comprehensive efficiency and cost optimisation programmes as well as a focused marketing and sales strategy. With the planned joint venture transaction an overall realignment of the Sector was introduced. Revenue of the Medical Sector decreased in 2016 by 12.1% to EUR 346.0 million. EBITDA declined to EUR 6.6. million (after EUR 29.4 million).

Outlook 2017

After having reached the lowest point in 2016 in the sales markets that are relevant for Semperit, the company expects a moderate improvement of market conditions in the course of 2017. Due to the rising trend of raw material prices as well as better economic forecasts, the generally low demand in the industrial field is likely to recover slowly. Demand in the medical field, which is largely independent of economic cycles, is expected to continue to increase in 2017. On the supply side, the glove market continues to face overcapacities, which leads to further price and margin pressures.

For 2017, Semperit expects a largely stable sales development with good capacity utilisation and positive one-off effects on earnings in connection with the joint venture transaction. The expected closing of the joint venture transaction – taking into account a non-cash reduction of goodwill – will have positive one-off effects amounting to EUR 85-95 million on the EBITDA and EBIT bases as well as around EUR 65-75 million of earnings after tax.

Semperit continues to expect a cash inflow from the joint venture transaction of around USD 200 million (around EUR 187 million) before taxes, of which a major part has been hedged against currency fluctuations. Semperit thus strengthens its capital base and promotes investments for further growth. From today's perspective, the adjusted EBIT (without one-off effects from the joint venture transaction) for the financial year 2017 will be below the adjusted EBIT of 2016 (EUR 49 million). The main reason for this are increasing raw material prices, which in both Sectors can probably only be passed on to the customers with a delay, and the elimination of the earnings contribution of Siam Sempermed Corporation Ltd. caused by the joint venture transaction. Furthermore, the currently high utilisation of production capacities reduces the positive effects of the expected market recovery on the sales development in the Industrial Sector.

The strategic orientation will remain unchanged in 2017. Semperit will continue to focus on organic growth as well as operational earnings improvements in the Medical Sector. Investments in the expansion of capacities will be continued. In the Industrial Sector, the production capacities for hoses in Odry, Czech Republic, for conveyor belts in Bełchatów, Poland, as well as for window and door profiles in Germany will be expanded. In the Medical Sector, the focus is on the expansion of the factory in Malaysia as well as cost savings and efficiency enhancements. Total capital expenditures (CAPEX) of around EUR 80-90 million (2016: EUR 65 million) have been planned for 2017.

The Annual report 2016 will be available at www.semperitgroup.com/ir.

Photo download: <https://semperitgroup.picturepark.com/Go/wPXX3GzO>

Contact:

Martina Büchele
Group Communications Manager
+43 676 8715 8621
martina.buechele@semperitgroup.com

Stefan Marin
Head of Investor Relations
+43 676 8715 8210
stefan.marin@semperitgroup.com

www.semperitgroup.com
www.facebook.com/SemperitAGHolding
<https://twitter.com/semperitgroup>

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 around 7,000 people worldwide, including close to 3,900 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, Australia and America. In 2016, the group generated sales of EUR 852 million and EBITDA of EUR 78 million.