



[lat.] SEM|PER IT

[engl.] there is always a solution

[p.s.]
Put simply:
There is always a better solution.

Continuously improving products, a better competitive position thanks to better investment activity and better financing. And on top of that, IT also gets better and better.

As we said: With us, a little better, faster and bigger is always possible. Curious? See for yourself...

Continuation of the growth path

Semperit continues its road to success and invests massively in the expansion of its production capacities. The necessary financing is put on a broader basis in order to decrease the overall capital costs. The shareholders profit from the increase in the distribution ratio from previously 30% to approximately 50% of earnings after tax – and from the further growth potential of the Semperit Group.

EUR 1.10
ordinary dividend
+ EUR 4.90
special dividend
per share for 2014

54.0%
equity ratio
by end of 2014

EUR 104.7 m
gross cash flow 2014

Increase in
revenue reserves
by more than
EUR 100 m
from 2010 to 2014



Strong balance sheet

Despite increased shareholder remuneration the balance structure remains stable. Financing is further diversified by a new framework loan agreement of EUR 250 million and guarantees the realisation of the planned growth investments in combination with cash flow generation.

2011 – the year of stock-taking

Under the new CEO, Thomas Fahnemann, Semperit updates its corporate strategy with clear growth targets:

- Average double-digit revenue growth from 2010 to 2015
- EBIT margin in a range of 8% to 11%



2012 – acquisition of Latexx Partners, Malaysia

Largest acquisition in the 190-year company history. Strategic decision to become active in Malaysia, the world's largest producer of examination gloves.

2013 – Integration of Latexx Partners and growth in all segments

With an increase in revenue by 9.4% to EUR 906.3 million and in EBIT by 21.1% to EUR 87.8 million, Semperit reports a record year.

Strategy 2015-2020

Average double-digit growth of quantities sold

Business excellence:
harmonisation and standardisation of processes on all levels

Targeted revenue structure:
1/3 in Europe
1/3 in North and South America
1/3 in Asia

2014 – Decision for the continuation of the growth path

- Investment program adopted
- Special dividend adopted
- Modernisation of the capital structure
- Aim to realign joint venture in Thailand

Sempermed continues to grow

As the largest segment of the Semperit Group, Sempermed has produced gloves in top quality for more than 90 years. The high quality and the advanced technology as well as the excellent innovation power distinguish this segment worldwide. Sempermed continues its growth path by setting up a new gloves factory in Malaysia.

EUR 50 m
for investments
in Malaysia
from 2014 to 2016

Around **70%**
more capacity
in Malaysia by 2016

From **11.5 billion**
gloves in 2010 to
20 billion
gloves in 2014

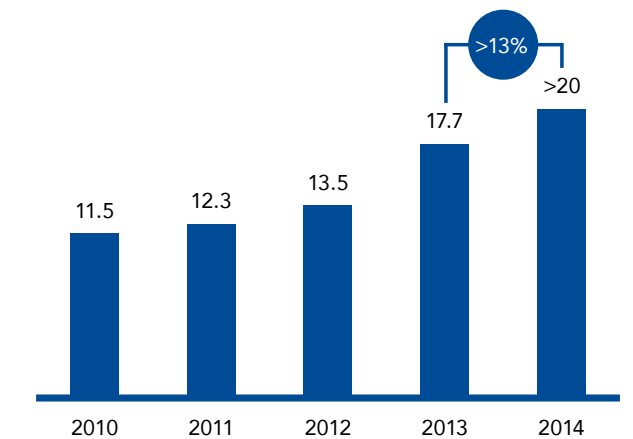


New glove factory in Kamunting, Malaysia

After the acquisition of Latexx Partners in 2012, Sempermed continues its growth strategy by setting up a hypermodern glove factory in Malaysia. Around EUR 50 million are invested in the years 2014 to 2016. This is the largest single investment of the Semperit Group to date.

Sales of examination gloves

in billion units



Double-digit growth in sales

The global market for examination and protection gloves grows by 5 to 7% per year. Sempermed has been able to increase sales by an average of nearly 15% during the last four years.

»From our Sempermed headquarters in Singapore and our sales office in Shanghai, China, we offer optimum support for the Asian-Pacific market. Participating in trade fairs is also an important factor for successful sales.«

Elaine Lee
Sempermed Sales Medical – Asia Pacific



Semperflex continues to expand

Profound engineering know-how and the long-standing tradition in the production of premium hose products characterize the Semperflex segment. Its production is located at five sites in Europe and Asia. With the continuous expansion of capacities and an increased presence in growth markets, for example through the sale of industrial hoses in Asia, Semperflex improves its global presence.

Investment of **EUR 10 m** in Odry, Czech Republic

Revenue of more than **EUR 200 m** for the first time

2.5 times per year around the Earth with Semperflex hoses

Double-digit sales growth in hydraulic hoses in 2014

From 0 to 100 in 11 months

In 2014, Semperflex produced more than 100 million meters of hoses for the first time, setting a record in the company's 190-year history. The production volume has thus been increased tenfold since the year 1996. With this record output it would be possible to go around the equator two and a half times with Semperflex hoses.



Expansion of hose production capacities

More than EUR 10 million were invested in hose production at the site in Odry, Czech Republic. The production capacity at the hose factory, which had already been the largest in Europe, increased therefore significantly.



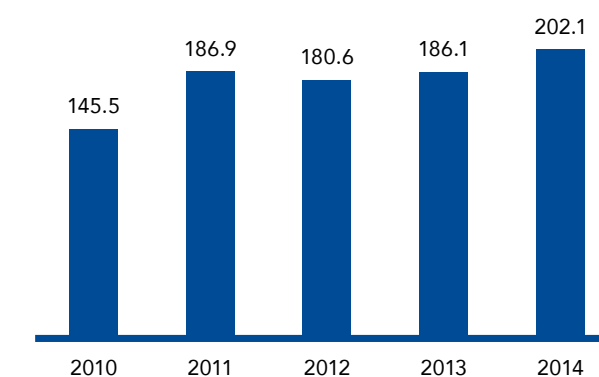
»With high-quality products and excellent customer service, we see further growth potential in the future.«

Peter Krapfenbauer
Semperflex, Commercial

Semperflex revenue

in EUR million

Ø 8.6% growth 2010 – 2014



Sempertrans satisfies demand for raw materials

With its product and service portfolio, Sempertrans benefits from the globally growing demand for energy and raw materials. Energy consumption is expected to increase by more than 35% by the year 2040. Conveyor belts are used in mining, in the steel industry, the cement industry, in power stations and in the transport industry, especially in port facilities.

4
production sites on
2
continents

EUR **40** m
for the expansion
of the site
in Bełchatów, Poland

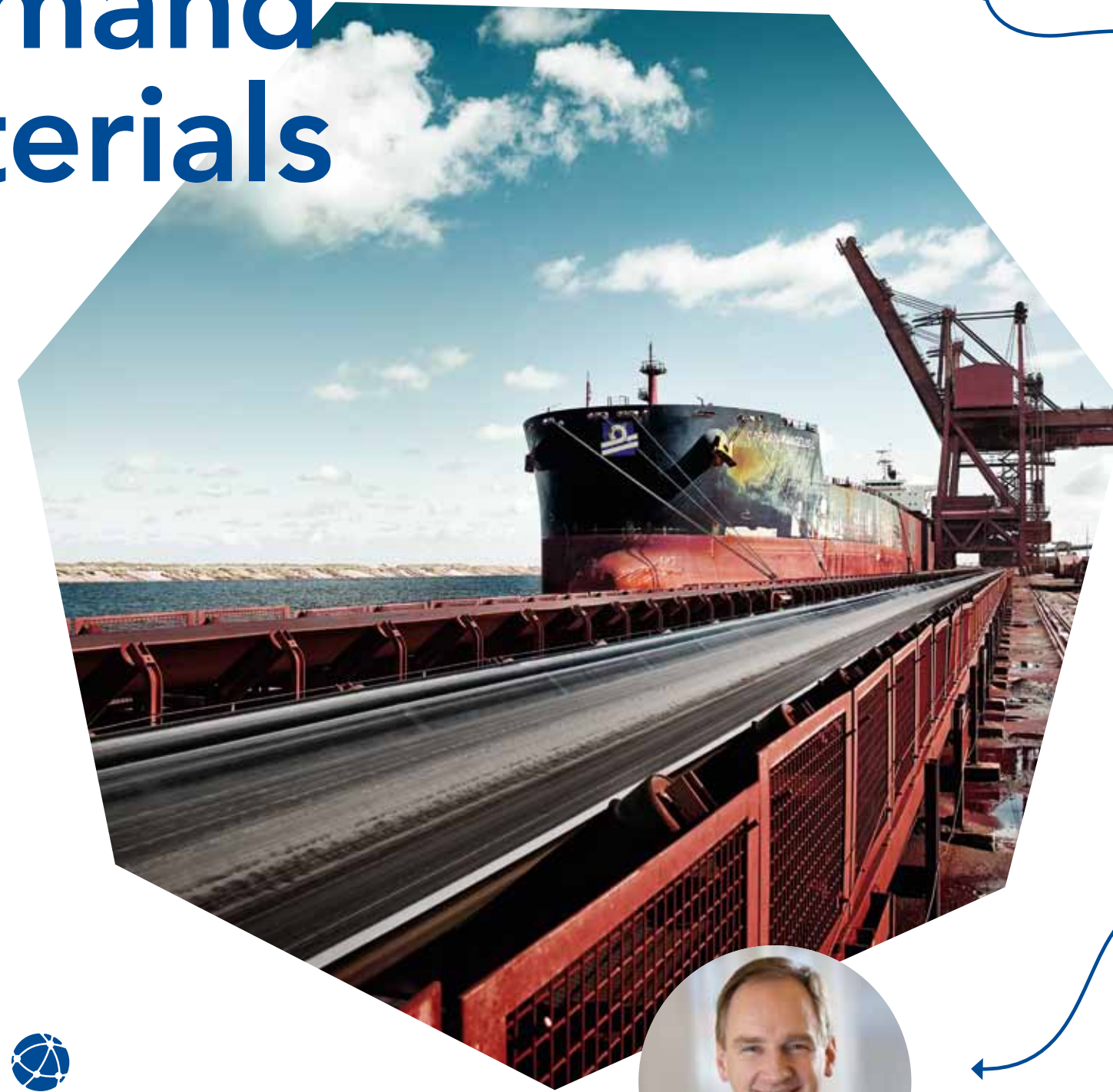
About
1/3
more capacity
starting in the second
half of 2015 due to
expansion in Poland

About
100
new jobs
in Bełchatów,
Poland



Development of new markets

Sempertrans is establishing sales organisations in Australia as well as in North and Latin America to win new customers. Another focus is on extending technical consultancy.



Main supplier for RWE

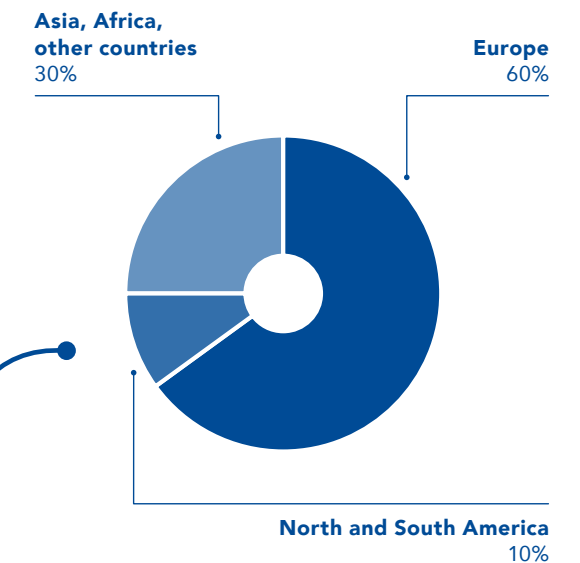
Sempertrans has been the main supplier for steel-cord conveyor belts for the German energy group RWE since 2014. Based on a multi-year contract, Sempertrans supplies about half of RWE's demand for steel-cord conveyor belts.



Global business

Conveyor belts are produced by Sempertrans in Poland, China, India and France and sold worldwide – from a copper mine in Chile to a coal mine in Germany and a port facility in Australia.

Revenue 2014 Sempertrans by region



»It is always an exciting challenge to find the optimal solution together with the customer.«

Markus Keller
Sempertrans Technical & Operations, Vienna

Semperform is always by your side

The Semperform product portfolio ranges from escalator handrails and rubber seal profiles for windows and doors to vibration-reducing ski foils as well as rail sleeper shoes and sheaves and bull wheel liners for ropeways. In the past years, the production volume has been improved equally by investments to expand production capacities and by the high level of commitment of our employees.



Semperform invests in technological progress

The Ultra High Frequency Technology (UHF) opens up new growth opportunities for Semperform. About EUR 7 million are invested in the Wimpassing plant, Lower Austria, in order to extend the product range and to address new groups of customers. When the full expansion has been completed, three production lines will turn more than 6,000 tons of rubber into rubber profiles per year.



Growing number of ropeways

Increasing population growth accelerates the use of ropeways in urban areas in many countries. Even significant altitude differences can be passed comfortably and safely with ropeways. High quality and safety standards determine the markets. This also applies to Semperform, which produces liners for sheaves and bullwheels for ropeways that are used all over the world.

EUR **7 m**
of investments
in the UHF technology
in Austria

More than
EUR 2 m
for the expansion
of the production site
in Shanghai, China

5
production sites on
3
continents

Production
of handrails for
60 years



Capacity expansion in Shanghai, China

In order to benefit from the medium to long term increasing demand for handrails, Semperform invests more than EUR 2 million in the expansion of the production capacities at the Shanghai site – thus also improving order processing.



»Thanks to our new UHF competence centre in Wimpassing we are now in the position to access new customer groups in the areas of construction, industry and railway superstructure.«

Christian Eckert
Head of Extrusion MPP, Production

*»A little better
is always possible.«*

Thomas Fahnemann,
Chief Executive Officer

Earningskey figures

in EUR million	2014	Change	2013	2012	2011 ¹⁾	2010 ¹⁾
Revenue	930.4	+2.6%	906.3	828.6	820.0	689.4
EBITDA	136.1	+2.7%	132.5	108.7	110.0	112.3
EBITDA margin	14.6%	0.0 PP	14.6%	13.1%	13.4%	16.3%
EBIT	88.5	+0.8%	87.8	72.5	80.4	82.3
EBIT margin	9.5%	-0.2 PP	9.7%	8.8%	9.8%	11.9%
Earnings after tax	49.7	-9.5%	54.9	46.2	51.8	45.4
Earnings per share (EPS) ²⁾ , in EUR	2.42	-8.7%	2.65	2.25	2.52	2.21
Gross cash flow	104.7	-9.9%	116.2	85.6	89.4	91.0
Return on equity	11.1%	-2.2 PP	13.3%	11.4%	13.6%	12.9%

Balance sheet key figures

In EUR million	2014	Change	2013	2012	2011 ¹⁾	2010 ¹⁾
Balance sheet total	831.9	-2.4%	852.1	824.5	616.7	593.5
Equity ²⁾	449.4	+9.2%	411.5	406.2	379.4	351.1
Equity ratio	54.0%	+5.7 PP	48.3%	49.3%	61.5%	59.2%
Investments in tangible and intangible assets	74.4	+49.7%	49.7	41.2	45.1	52.5
Employees (reporting date, excl. Siam Sempermed Corp. Ltd. as at year-end 2014)	6,888	-33.0%	10,276	9,577	8,025	7,019

Sector and segment key figures

In EUR million	2014	Change	2013	2012	2011 ¹⁾	2010 ¹⁾
Medical Sector = Sempermed						
Revenue	452.9	+4.1%	434.9	383.5	371.5	316.4
EBITDA	67.0	+14.1%	58.7	41.5	44.4	56.9
EBIT	41.6	+13.5%	36.6	27.6	34.4	47.1
Industrial Sector = Semperflex + Sempertrans + Semperform						
Revenue	477.5	+1.3%	471.5	445.1	448.5	373.0
EBITDA	88.1	-2.2%	90.1	80.2	73.2	60.3
EBIT	66.4	-2.0%	67.7	58.2	53.5	40.1
Semperflex						
Revenue	202.1	+8.6%	186.1	180.6	186.9	145.5
EBITDA	48.6	+17.1%	41.5	38.6	35.2	34.2
EBIT	36.9	+24.2%	29.7	27.6	24.5	24.2
Sempertrans						
Revenue	146.4	-5.3%	154.5	143.8	147.0	118.1
EBITDA	20.9	-12.6%	23.9	21.2	14.4	3.6
EBIT	16.8	-13.5%	19.4	16.0	10.8	0.0
Semperform						
Revenue	129.0	-1.4%	130.8	120.7	114.6	109.4
EBITDA	18.6	-24.6%	24.7	20.4	23.6	22.5
EBIT	12.7	-31.8%	18.6	14.6	18.2	15.9

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

1) 2011 values restated (refer to 2012 annual report, notes 2.18), values for 2010 not restated.

2) attributable to the shareholders of Semperit AG Holding

CONTENTS

Semperit Group

Interview with the Management Board	17
Corporate profile.....	24
Corporate strategy.....	34
Sempermed	40
Semperflex.....	46
Sempertrans	50
Semperperform.....	54
Corporate Center	58
Business Excellence.....	62
Research and development	66
Active cost and raw materials management	69
Corporate responsibility	73
Employees	76
Investor Relations.....	81

Corporate Governance

Corporate Governance Report.....	84
Report of the Supervisory Board	95

Group management report

Financial development.....	97
Dividend.....	100
Assets and financial position	100
Cash flow	102
Investments	103
Economic environment	103
Developments in the commodities markets.....	104
Performance of the sectors	105
Performance of the segments	105
Employees	110
Research and development	111
Environmental management.....	111
Disclosures pursuant to Section 243a Para. 1 Austrian Commercial Code (UGB).....	112
Risk report	113
Outlook	119
Events after the balance sheet date	120

Consolidated financial statements

Consolidated income statement	122
Consolidated statement of comprehensive income.....	123
Consolidated cash flow statement.....	124
Consolidated balance sheet	125
Consolidated statement of the changes in equity.....	126
Notes to the consolidated financial statements	127
General information	127
Accounting and valuation methods.....	134
Consolidated companies	147
Segment reporting.....	160
Notes to the consolidated income statement	163
Notes to the consolidated balance sheet.....	169
Notes to the consolidated cash flow statement	195
Risk management.....	196
Other commitments and risks	204
Related-party transactions with companies, individuals and co-partners	206
Events after the balance sheet date	208

Independent Auditor's Report

Financial statements Semperit AG Holding.....

Statement of all legal representatives.....

Service

Company history **215**

Glossary **216**

Index **218**

Imprint and contact **219**



»Semperit aims to continue its growth path also in the years to come.«

An interview with the Management Board



Thomas Fahnemann
Chief Executive Officer



Johannes Schmidt-Schultes
Chief Financial Officer



Richard Ehrenfeldner
Chief Technical Officer



Declan Daly
Chief Information Officer

The Management Board of Semperit AG Holding – Thomas Fahnemann, Johannes Schmidt-Schultes, Declan Daly and Richard Ehrenfeldner – in an interview about the financial year 2014, the group’s strategy until 2020 and important growth initiatives.

Let’s start with a review of 2014 – how successful was the financial year?

Fahnemann: 2014 was another good financial year for the Semperit Group. Although the general economic environment was overshadowed by a number of geopolitical events, we dealt with these conditions successfully and continued to grow Semperit’s business. At EUR 930 million, our revenue was 2.6% higher than in the previous year, and in my view, we can also be satisfied with our earnings after tax of EUR 49.7 million. By the way, 2014 was a good example of how robust Semperit’s business model is. Our production is very flexible and we offer our products around the world. If demand in one region decreases, we can usually offset this decline through other markets. This is the key benefit of our nearly global presence. And of course, such success is only possible with skilled, dedicated employees – which is why we would like to thank them very much for their commitment and efforts.

Schmidt-Schultes: I would like to add that we grew our quantities sold sharply in 2014 – at double-digit rates in the Sempermed and Semperflex segments, and at a single-digit rate in the Sempertrans and Semperform segments. Besides good products that create added value for our customers, we are increasingly winning orders thanks to our customer orientation, reliability, adherence to delivery deadlines and high quality, which are all factors that result from our effective improvement programmes. There is intense competition in our markets, so a good product alone is no longer enough.

An extensive investment programme was launched in 2014. In light of the weak economy, what was the thinking behind this decision?

Schmidt-Schultes: I would like to dwell on this point for a minute so that our motives are clear. 2012 was the year when we acquired Latexx Partners in Malaysia, 2013 was the year of integration and 2014 was the year when we were able to start the organic expansion of our production capacity. Despite the prevailing economic and political uncertainties, we decided, in close consultation with the Supervisory Board, to make these investments. Why? Because our existing capacity was almost completely utilised and indeed still is to a significant extent. In fact, we were sometimes forced to postpone customer orders because we did not have enough free capacity. Therefore these were very deliberate decisions that were taken with the necessary foresight.

What are the cornerstones of this programme?

Ehrenfeldner: The investment programme to expand capacity between 2014 and 2016 totals around EUR 100 million. Our investments in 2014 totalled nearly EUR 75 million, most of which were growth investments. The expansion of hose production in Odry, Czech Republic, with a volume of around EUR 10 million, has already been completed and placed into operation. In Bełchatów, Poland, production in the new manufacturing facility is scheduled to begin in the second half of 2015. We will continue to modernise our Wimpassing plant in Lower Austria, in part through investments in new technologies for the Semperform segment. And finally, the Sempermed segment will start producing the first gloves from the new manufacturing lines in

Kamunting, Malaysia in the fourth quarter of 2015. Capacity will then be expanded gradually in 2016. If everything goes according to plan, by the end of 2016 we will have the capacity to produce more than 10 billion units of examination and protective gloves per year in our plant in Malaysia, which is in fact fully owned by Semperit.

Despite these investments, a special dividend was announced for 2014. Why is this step being taken?

Schmidt-Schultes: In December 2014 we announced our proposal to pay a special dividend of EUR 4.90 per share in addition to the ordinary dividend of EUR 1.10. Ultimately, of course, the Annual General Meeting in April 2015 has to approve this recommendation. Interest rates on debt are currently at historically low levels, and from today's perspective, the policy of the European Central Bank in this regard is not likely to change neither quickly nor fundamentally. At the same time, the Semperit Group has an above-average amount of equity, which is a relatively expensive form of financing compared to debt. It is therefore now time to actively reflect these changed conditions in the financing structure of the Semperit Group in order to ensure that the group has an economically attractive cost of capital overall. The shift from expensive equity to cheaper debt enables us to pay a special dividend in order to return unneeded liquidity, i.e., the undistributed earnings from the last four years, to shareholders.

Fahnemann: At this point I think it is important to emphasise that Semperit intends to continue its current growth strategy over the next several years. But going forward, the financing necessary to fund this growth will be sourced more from debt than has been the case in the past. We have therefore decided to replace the current framework loan agreement, which would have expired in May 2015, with a new framework loan agreement in the amount of EUR 250 million. This agreement has attractive terms and is valid until the end of 2019 at least.

Thomas Fahnemann
Chief Executive Officer

»2014 is a good example of Semperit's robust business model.«



»We increase our payout ratio for the dividend from 30% previously to 50% of earnings after tax.«

Johannes Schmidt-Schultes
Chief Financial Officer



What impact does this have on the dividends of the following years?

Schmidt-Schultes: Assuming the group's financial performance allows, we strive to increase our payout ratio from 30% previously to 50% of earnings after tax. The ordinary dividend for 2014 of EUR 1.10 per share represents a payout ratio of 45.4%. I would also like to mention in this context that despite the planned dividend payment, the Semperit Group will have a rock-solid balance sheet with a very comfortable equity ratio.

Mr. Daly, you have worked for several years for large international corporations. What should Semperit focus on to remain successful?

Daly: Semperit is a company with a very strong brand that has not forgotten its Austrian roots. Nevertheless, it operates globally and is growing worldwide. I think one of the key factors behind the company's success is the passion, expertise and impressive vigour of our employees. And last but not least, Semperit's strategy, with a clear focus on four operating segments, makes it a special and particularly robust company.

Semperit is a global company with a 190-year history of success. Nevertheless, where is there room for improvement?

Ehrenfeldner: There are always possibilities for improvement. We aim to offer our customers the best products and services – every day of the year. Only if we succeed at doing that will we remain our customers' partner of choice. This means that we must continuously work on ourselves, scrutinise what we are doing and always be close to the customer. We have summarised this ambition under the term "business excellence". By this we mean being best-in-class in all areas of the group – whether it be purchasing, production, sales, human resources, etc. Examples of this include, for instance, incorporating the needs of our customers into our product development even more than we do today, achieving the optimal organisation of order and production processes as well as knowledge transfer across segments in order to realise synergies and learn from each other.

How important is state-of-the-art Information Technology in this context?

Daly: In my view, state-of-the-art IT is essential. Effective and robust systems and processes are crucial factors for maintaining our competitiveness. The Semperit Group has grown quite rapidly in recent years and decades through continuous acquisitions and in a decentralised organisation. It is normal in such an environment that many different systems are used in the individual countries and factories. Today, harmonisation and standardisation are now the order of the day. To that end, we have launched a project called "OPAL", which stands for "Optimisation of Process and Application Landscape". We are currently analysing every individual process to obtain complete transparency about the way we work today. Based on this analysis we will identify possibilities for improvement and implement best practices. State-of-the-art IT systems and applications will play an important role in this regard. But even the most powerful computer can only be as good as the input – the know-how and intelligence – that you "feed" into it.

Now let's briefly shed some light on the developments in the segments during 2014. What factors influenced the performance of the Sempermed segment?

Fahnemann: We achieved significantly higher sales quantities in the Medical Sector. This increase in quantity sold made it possible to offset the ongoing decline in prices due to lower raw material prices. Demand for examination gloves was especially strong in Europe. Sempermed achieved additional growth among customers in the industrial and consumer goods sectors in particular. However, we had to deal with higher energy prices in Malaysia – just like the other manufacturers. The construction of the new glove factory in Malaysia is proceeding according to plan, at the same time we are incurring the corresponding pre-production costs without having revenue – this weighs on earnings. All in all, we boosted our EBITDA margin from 13.5% in 2013 to now 14.8%, although the value of 2014 was positively affected by the change in consolidation methods that occurred in 2014.

»The investments totalled nearly EUR 75 million, most of them were growth investments.«

Richard Ehrenfeldner
Chief Technical Officer



But one challenge continues to be the relationship with the Thai joint venture partner. What are the latest developments in this regard?

Fahnemann: As we have continuously reported, the Semperit Group aims to continue growing, and believes that changes to the structures of the current joint venture, which have been in place now for over 25 years, are an important precondition for doing that. As far as transparency, corporate governance and compliance are concerned, we rigorously apply strict international standards – as we do everywhere in our group – we are neither willing nor able to compromise in this respect. However, the ongoing discussions will not prevent us from implementing our growth strategy and the projects necessary to achieve it.

Was the Industrial Sector also able to grow its quantities sold as much as the Medical Sector?

Schmidt-Schultes: In conjunction with these developments we had to change our accounting method for Siam Sempermed Corporation, the joint venture company in Thailand that produces examination and protective gloves. As of the end of the 2014 financial year we switched from the full consolidation approach to the equity method. This change will not impact the intrinsic, i.e., the actual enterprise value of the Semperit Group, although revenue and the corresponding costs must be adjusted and reported accordingly starting from the beginning of 2015. However, this change in accounting methodology will not have a significant effect on earnings after tax and the non-controlling interests of the Semperit Group, nor will it influence earnings per Semperit share or the operating activities of the affected company.

Schmidt-Schultes: It depends on the segment. We generated double-digit quantity growth in the most important business unit for the Semperflex segment, the Hydraulic Hoses unit. Quantities sold grew at a single-digit rate in the Sempertrans and Semperform segments.

Overall, the Industrial Sector performed well, despite the slowdown in the economy during the second half of the year. Semperflex was able to grow its revenue and earnings thanks to an impressive production and sales performance. Semperflex gained market share in the European and US market for hydraulic hoses. In the Sempertrans segment, the volume growth that the segment achieved was offset by declining raw material prices. Very high capacity utilisation and production efficiencies, particularly in Europe, consolidated the segment's profitability in this difficult environment. And in the Semperform segment, volume growth was offset by commodity- and currency-related price declines. The Russia crisis in particular and the resulting weak demand in East Europe weighed on performance.

»Semperit has started the year 2015 with a well filled order book.«

Thomas Fahnemann
Chief Executive Officer





»Effective and robust systems and processes are crucial factors for our competitiveness.«

Declan Daly
Chief Information Officer

Fahnemann: Looking back, the Industrial Sector has performed very well in the last several years. The increase in sales and revenue is the result of a variety of measures. For instance, we have considerably expanded our international sales of industrial hoses and conveyor belts. Or developed innovations such as the energy-efficient conveyor belt TransEvo, which has been well received in the market. And now Sempertrans is also present in Canada, Mexico, Australia and Indonesia. Our investments in all of the segments of the Industrial Sector will assure their further expansion.

The current corporate strategy focuses on the years 2010 until 2015. What is planned thereafter?

Fahnemann: In terms of quantities sold, our goal for the following years until 2020 is to achieve double-digit volume growth on average every year. In addition to further organic growth, which we aim to achieve with the investments described above, we are continuously reviewing potential acquisitions to strengthen our existing segments. But as in the past, our approach here going forward will remain very selective. The target range of 12% to 15% for the EBITDA margin and 8% to 11% for the EBIT margin remains unchanged for the time being.

What are your specific expectations for 2015?

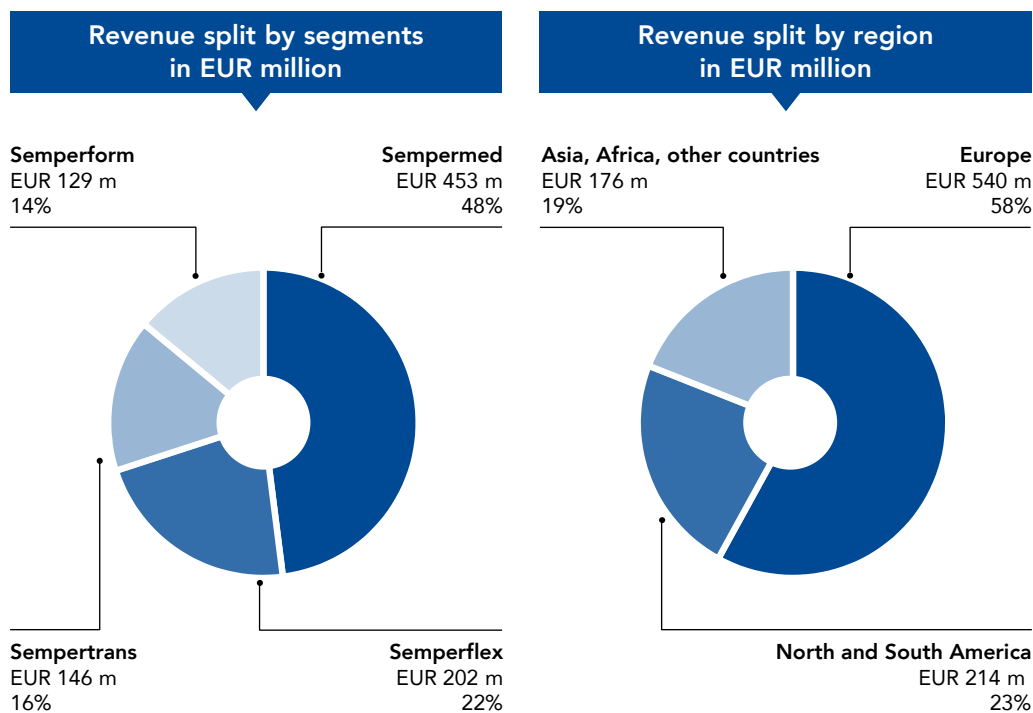
Fahnemann: Our focus in the Medical Sector is on high-quality, highly profitable growth. Our approach in the segments of the Industrial Sector is to boost the sales of our products in order to counteract market weakness. The additional capacity that was put in place during 2015 in Semperflex and Sempertrans is already well utilised. But due to the challenging economic environment and the current situation for raw material prices, as well as because of the effect from the change in consolidation, the group's revenue and earnings will not reach the levels attained in the last two years.

Overall, Semperit is starting the 2015 financial year with a strong order book. We are seeing the first signs of economic stabilisation in West Europe, and demand in America is strong. We anticipate demand in Asia will be largely flat. The recovery in the global economy that is now commencing should also impact Semperit in the second half of 2015.

SEMPERIT GROUP AT A GLANCE

The publicly listed Semperit AG Holding company is an internationally-oriented group that develops, produces and sells highly specialised rubber and plastic products for the medical and industrial sectors in more than 100 countries: In 2014 it achieved revenue of EUR 930.4 million and earnings after tax of EUR 49.7 million.

In total, the Semperit Group has 20 production facilities in 12 countries on three continents. In addition, it operates a global distribution network with branches in Asia, Europe and North and South America (for details, see the map of the world on page 28 / 29). Semperit products are sold in more than 100 countries. The group's customers include leading providers in the medical and industrial sectors, who are supplied with highly specialised rubber and plastic products. The group's most important product categories include examination and surgical gloves, hydraulic and industrial hoses, conveyor belts, escalator handrails, construction profiles, cable car rings, ski foils and products for railway superstructures.



The success of the Semperit Group is based on high and competitive quality standards, strong innovation and a clearly defined corporate strategy (see page 34). As Europe's oldest rubber manufacturer, Semperit looks back on a more than 190-year corporate history. The associated longstanding experience in the processing of rubber and polymers, in combination with ongoing product innovation and an unrelenting focus on customer and market needs, is the stable foundation for the growth strategy of the Semperit Group. This strategy focuses on profitable, expanding core segments while safeguarding high cost efficiency. The company's solid balance sheet and stable cash flow accompany all strategic plans and further steps towards internationalisation. At the same time, Semperit is firmly committed to the principles of sustainable business. It fulfils its social responsibilities and seeks to achieve the most environmentally sound handling of all types of resources.

Semperit Group				
Sector	Medical		Industrial	
Segment	Sempermed	Semperflex	Sempertrans	Semperform
				
Product groups and market position	Examination gloves	Hydraulic hoses	Conveyor belts	Handrails
				
	Globally leading position	# 3 globally/ leader in hose only	Top Tier/one of the world- wide leading suppliers	Globally leading position
	Surgical gloves	Industrial hoses	Additional products	
				
	Leading position in Europe	# 2-3 position in Europe	<ul style="list-style-type: none"> - Leading position for cable car rings and ski foils - Window profiles: European Player 	

STRUCTURE OF SEMPERIT GROUP

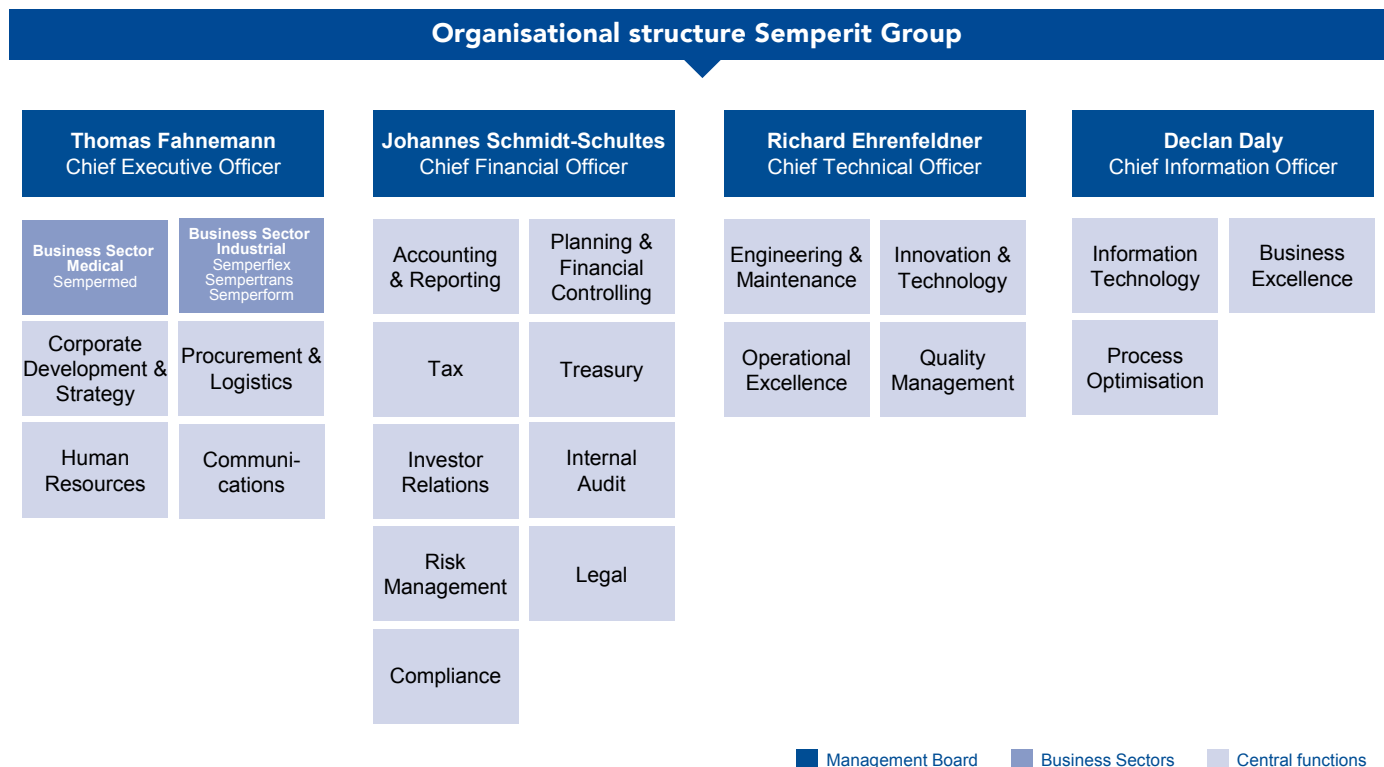
Semperit Group's operating business comprises the Medical Sector, with the Sempermed segment, and the Industrial Sector, with the Semperflex, Sempertrans and Semperform segments. Semperit has a leading global market position in all its segments.

The segment heads manage the various company units included in their segments and implement the overall strategy of the Semperit Group for their areas of responsibility. Since 2013, the Medical Sector's segment has been managed from Singapore. The management of this segment is therefore located in close proximity to the key growth market, the major Semperit production facilities in Asia and the raw materials markets.

While Sempermed's successful global position in the growth markets for examination and surgical gloves acts as a stabilising factor for the business, demand in the industrial segments is exposed to varying levels of cyclical influence and the associated growth opportunities. Moreover, due to their high level of specialisation and the successful development of attractive niche markets, the industrial segments are more profitable and dynamic than the Medical Sector.

MANAGEMENT BOARD OF THE SEMPERIT GROUP

The departmental responsibilities of the Semperit Group's Management Board as of the start of 2015 are as follows:



The Semperit Group is managed by the Management Board, which is supported with its responsibilities by the group's Executive Committee. This committee consists of the four members of the Management Board, the heads of the four segments and the heads of the central corporate units Corporate Development, Operational Excellence, Research & Development, Legal, Engineering & Maintenance, Human Resources, Procurement & Logistics and Accounting & Reporting.

To enable a constructive exchange of information between the individual segments and functions, a monthly meeting of the Management Board and the Executive Committee is planned. Business Council meetings take place on a regular basis to coordinate the operating business.

Executive Committee Semperit Group			
Thomas Fahnmann	Johannes Schmidt-Schultes	Richard Ehrenfeldner	Declan Daly
Chief Executive Officer	Chief Financial Officer	Chief Technical Officer	Chief Information Officer
Clemens Eichler	Gerfried Eder	Boris Illetschko	Michael Wolfram
Head of Sempermed	Head of Semperflex	Head of Sempertrans	Head of Semperform & Corporate Development
Thomas Cebulla	Armin Holzner	Gerhard Klingenbrunner	Franz Körbler
Head of Operational Excellence	Head of Research & Development	General Counsel	Head of Engineering & Maintenance
Berthold Stöger	Ernst Stoelzel	Clemens Taschée	
Head of Global Human Resources	Head of Global Procurement & Logistics	Head of Group Accounting & Reporting	

Global presence of Semperit Group

Sempermed

- 1 **Vienna, Austria**
Marketing and sales office
- 2 **Wimpassing, Austria**
Technology and innovation center, production of surgical gloves
- 3 **Budapest, Hungary**
Sales office
- 4 **Sopron, Hungary**
Packaging of surgical and protective gloves, quality control
- 10 **Allershausen, Germany***
Sterilisation of surgical gloves
- 12 **Levallois, France**
Sales office
- 15 **Birmingham, Great Britain**
Sales office
- 16 **Istanbul, Turkey**
Sales office
- 24 **Shanghai, China**
Quality management and sales office
- 25 **Surat Thani, Thailand***
Production of powder-free nitrile and latex exam and protective gloves
- 26 **Hat Yai, Thailand***
Production of powder-free nitrile and latex exam and protective gloves
- 27 **Kamunting, Malaysia**
Production of latex and nitrile exam gloves as well as protective gloves
- 28 **Nilai, Malaysia**
Production of porcelain dip mouldings for glove production
- 29 **Singapur**
Segment management, sales office and supply chain management
- 33 **Bridgeton, New Jersey, USA**
Distribution center
- 34 **Clearwater, Florida, USA**
Sales office and distribution center
- 35 **Coppell, Texas, USA**
Distribution center
- 36 **Ontario, California, USA**
Distribution center
- 38 **Santiago, Chile**
Sales office

Semperflex

- 2 **Wimpassing, Austria**
Technology center, production of steel-reinforced spiral hydraulic hoses, mandrel built industrial hoses, elastomer- and wear-resistant sheeting
- 5 **Odry, Czech Republic**
Production of long-length industrial hoses, steel-reinforced wire braided hydraulic and pressure washer hoses (Europe's largest manufacturer of hydraulic and industrial hoses), Hydraulic Hose Testing Center
- 6 **Rovigo, Italy**
Production of industrial hoses for special applications
- 7 **Waldböckelheim, Germany**
Sales of hydraulic hoses in Germany, expert center for complete high-pressure hose systems
- 12 **Levallois, France**
Sales office

- 18 **Mumbai, India**
Sales office, warehouse
- 24 **Shanghai, China**
Production of steel-reinforced wire braided hydraulic and pressure washer hoses for the Chinese market, Hydraulic Hose Testing Center
- 26 **Hat Yai, Thailand**
Production of steel-reinforced wire braided, spiral hydraulic and pressure washer hoses (one of the largest hose plants in Asia), Hydraulic Hose Testing Center
- 29 **Singapur**
Sales office
- 30 **Jakarta, Indonesia**
Sales office
- 32 **Fair Lawn, New Jersey, USA**
Sales office

Headquarters

- 1 **Vienna, Austria**
Corporate Headquarters
Semperit AG Holding

Sempertrans

- 1 **Vienna, Austria**
Marketing and sales office
- 2 **Wimpassing, Austria**
Technology and innovation center
- 6 **Rovigo, Italy**
Sales office
- 9 **Moers, Germany**
Application Engineering Center, sales office
- 11 **Bełchatów, Poland**
Sales and production of heavy-duty steel and textile cord belts as well as cables for conveyor belts, development center
- 12 **Levallois, France**
Sales office
- 13 **Argenteuil, France**
Production of textile and steel cord belts, focus on special belts
- 14 **Béthune, France**
Sales, installation and maintenance of conveyor belts, warehouse, sales office
- 17 **Roha, India**
Production of textile conveyor belts for the domestic and export markets
- 18 **Mumbai, India**
Sales office
- 19 **Delhi, India**
Sales office
- 20 **Kalkutta, India**
Sales office
- 21 **Chennai, India**
Sales office

Semperform

- 2 **Wimpassing, Austria**
Production of handrails, moulded parts and profiles, technology center
- 4 **Sopron, Hungary**
Production of rubber injection moulded parts

- 22 **Peking, China**
Sales office
- 23 **Shandong, China**
Production of textile and steel cord belts for the domestic and export markets
- 29 **Singapur**
Sales office
- 30 **Jakarta, Indonesia**
Sales office
- 31 **Rawdon, Canada**
Sales office
- 37 **Mexiko City, Mexiko**
Sales office
- 39 **Sydney, Australia**
Sales office

- 8 **Deggendorf, Germany**
Production of profiles for window and facade construction
- 12 **Levallois, France**
Sales office
- 15 **Birmingham, Great Britain**
Sales office
- 24 **Shanghai, China**
Production and sales of handrails
- 29 **Singapur**
Sales office
- 32 **Fair Lawn, New Jersey, USA**
Handrail splicing, warehouse, sales office

* Equity consolidation (see notes 3.2/3.3)

● Production sites
● Other sites

● Production sites
● Other sites

SEMPERIT – THERE IS ALWAYS A SOLUTION

The name “Semperit” is derived from the two Latin words “semper” and “ire” and essentially means: “there is always a solution”. In Semperit’s corporate culture, this meaning reflects both the ambition and the motivation of the company: to achieve the goal of providing customers around the world with an innovative and competitive range of products that create lasting value and enable new opportunities.

VISION AND MISSION OF SEMPERIT GROUP

With its vision for the next several years, the Semperit Group strives to be a global player with a leading market position in all of its core segments, while safeguarding its success with an efficient and performance-oriented corporate culture. This vision is based, in addition, on a geographically balanced distribution of revenue – in the long term one third of all revenue is to be generated in North and South America, one third in Europe and one third in Asia and Africa. When doing so, Semperit combines the region’s local roots with their global focus. For employees, the Semperit Group is a reliable and loyal employer that promotes both individual perspectives and entrepreneurial thinking.

Semperit operates in business-to-business markets. Business partners expect optimum quality and maximum efficiency. In both production and sales, Semperit operates globally and holds leading market positions in its fields of expertise. The group satisfies its customers with innovation, while being as pragmatic as it is experienced in finding solutions. In addition to its customer and market focus, Semperit is firmly operating profit-oriented. This is the only way the company can finance its growth targets, expand its global market positions and ensure its competitiveness in the long term.

In the interest of its customers, the Semperit Group makes valuable contributions to health care and the technical infrastructure with highly sophisticated products and services. When doing so, Semperit values longstanding partnerships characterised by mutual respect and fair treatment.

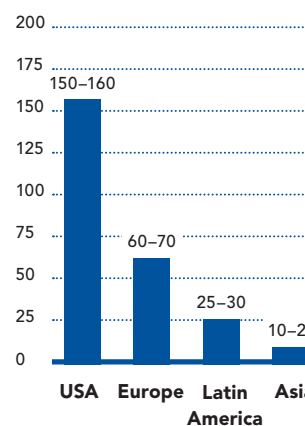
KEY FACTORS AND MEGATRENDS IN THE MEDICAL SECTOR

Demand in the Medical Sector is generally less dependent on macroeconomic conditions and cycles, but rather follows its own trends, which are listed in the following overview:

- Catch-up process in demand due to growing awareness of the importance of hygiene and increasing prosperity in the growth markets of Asia, Latin America and Africa
- Stricter hygiene regulations in food retailing, hospitality, security services and nursing care
- According to the UN, the world’s population is expected to increase from nearly 7 billion people at the moment to 7.7 billion by 2020
- Stronger demand for medical products and services due to demographic changes and longer life expectancies

During the past several years, the global demand for examination and surgical gloves has grown at an average rate of between 5% and 7% annually. Worldwide annual consumption is currently approximately 180 billion units for examination gloves and 2.0 billion units for surgical gloves. In addition to this trend in demand, our business depends to a significant extent on the evolution of raw material prices and the ability of the company to flexibly manage its production and pricing.

Consumption of examination gloves per capita per year



Source: Semperit

KEY FACTORS AND MEGATRENDS IN THE INDUSTRIAL SECTOR

The success of the Semperit Group's industrial segments is closely connected with developments and prospects in their respective customer sectors.

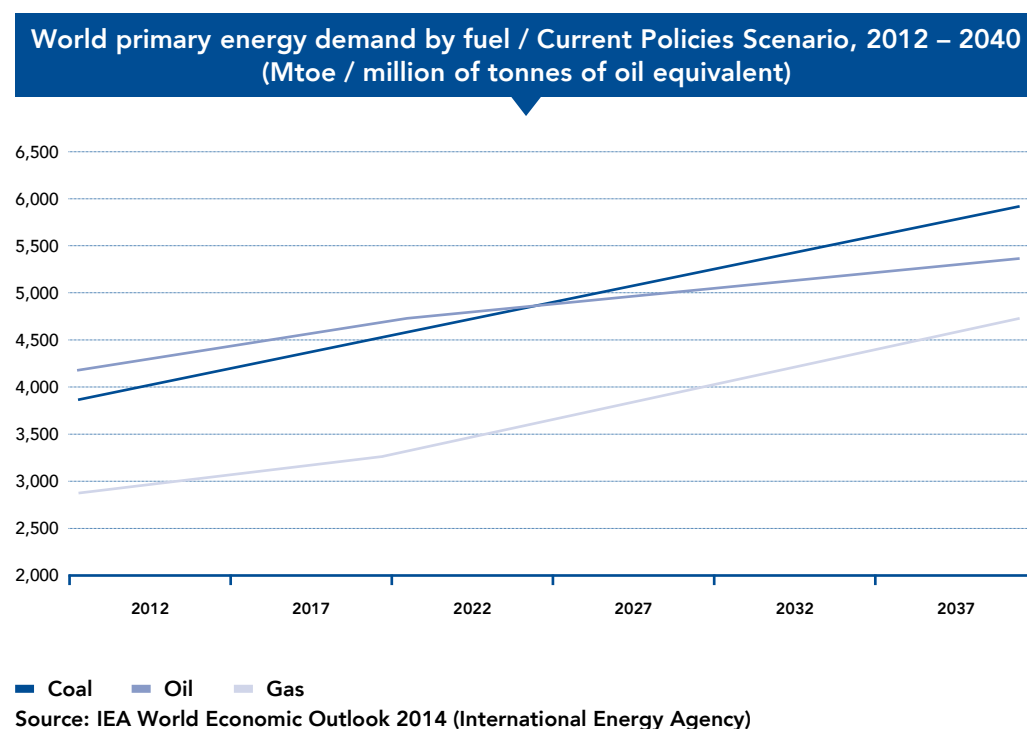
Semperflex segment

The hydraulic and industrial hoses produced in the Semperflex segment are used in the construction and transport industry; as a result, the extent of investment in infrastructure determines demand. But in addition, Semperflex products are also used in mining to extract raw materials or in agricultural machinery such as tractors, combines and harvesters, so the development and prosperity of the mining and agricultural sector influences demand, too. One factor that is particularly relevant in the agricultural sector is the catch-up process in Asia, Latin America and Africa with regard to automation through the increased use of machinery.

Sempertrans segment

A key factor influencing business in the Sempertrans segment is the global demand for raw materials extracted by mining and transported via conveyor belts. Falling prices for raw materials such as copper, iron ore and coal result in cautious decisions about new mining installations. On the other hand, when the prices of raw materials are low, attempts are made to increase output, which positively impacts the performance of the spare parts business with conveyor belts. Particularly large and efficient mines need powerful systems with high-quality conveyor belts.

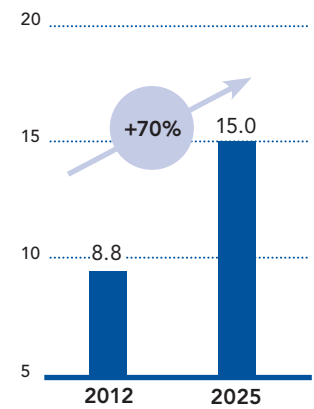
The increasing importance of coal as a primary source of energy over the next few years is just one example of the growth potential in mining. Driven primarily by growth in China and India, the global need for coal will continue to grow. In Europe, on the other hand, a decline in coal as a primary source of energy is anticipated as the use of renewable energies increases.



Semperform segment

The Semperform segment operates mainly in Europe and is successfully positioned in smaller market niches. The success of its most important product group, window profiles, depends on investments in infrastructure and business trends in the construction industry. Demand for the products of the Industrial Moulds unit is dependent on trends in the construction and industrial sectors as well as railway superstructure activity. Business in the Handrails unit, another main product of the segment, is influenced by infrastructure investment and urbanisation (department stores, subways, airports), mainly in Asia. Demand for sheaves and bullwheel liners is determined by the utilisation of existing skiing installations as well as the construction of new ones, making it ultimately impacted by the amount of snowfall in winter sport destinations. Sales of ski foils and elastomer sheeting by the Semperform segment is correlated with the sales of skis and snowboards.

Global construction market (in USD tn)



Source: Global Construction 2025

OUR VALUES

Respect, interaction, and responsibility for each other are not economic success factors that can be directly measured. Yet the way we cooperate is crucial for the success of our company. That is why we orient our daily work through the following principles:



Trust and responsibility

- We trust each other to make the right decisions and delegate responsibilities to the lowest practical level.
- We provide transparency and proactively provide information.
- We seek input and are open for constructive feedback.
- We openly talk about mistakes and learn from them.
- We provide orientation by clear target setting and foster high performance.



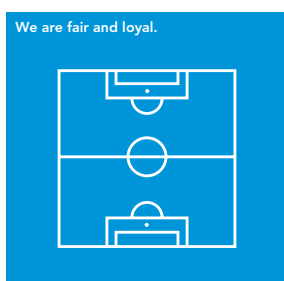
Appreciation and reliability

- We actively appreciate good performance and focus on the strengths of our employees.
- We listen to each other and respect different opinions.
- We are reliable by keeping deadlines. Priorities are mutually agreed in an open way.



Initiative and dedication

- We create an entrepreneurial environment, take initiative to maximize profit and act as a role model.
- We decide fast but also involve stakeholders in the decision making process.
- We encourage our employees to find innovative solutions and recognize their success.



Fairness and loyalty

- We are loyal by sticking to decisions and commitments.
- We give equal opportunities to employees and care about their personal development.
- We share knowledge, success and failure.



Integrity and sincerity

- We fully commit to legal compliance and live the company rules.
- We walk the talk and motivate people to speak out.
- We fully commit to fair and equal treatment.

CORPORATE STRATEGY

The Semperit Group is pursuing an ambitious growth strategy and is actively exploiting opportunities to expand its internationalisation and become more regionally diversified in both its Medical and Industrial Sectors. Besides organic growth, Semperit is also focusing on targeted acquisitions within its existing business portfolio.

The overall objective of the group's strategy is to generate a sustained and continuous increase in the company's enterprise value and strengthen its position as a successful global company in the rubber and plastics industry. The more than 190-year history of Semperit makes it a mission to develop the Group further based on a thoughtful strategy with sound judgement and decision-making.

STRATEGIC FOUNDATIONS

Medical Sector grows independently of the economy

The development of the group's two sectors, Medical and Industrial, benefit from different global megatrends (also refer to the section "Semperit Group at a glance/Key factors and megatrends" on page 30f.). The Medical Sector benefits from the continuous growth in the demand for examination and protective gloves, which is largely independent of economic growth. During the last decade demand has grown annually by between 5% and 7%, and there is no indication that this growth will slow over the next several years.

The size of the market can be seen in the global demand for 180 billion units of examination and protective gloves in 2014. The increase compared with 2013 totalled more than 10 billion units – which is more than double the volume of incremental capacity that Semperit is currently creating through the construction of a new glove factory at its production site in Kamunting, Malaysia.

Industrial Sector benefits from several megatrends

The Industrial Sector benefits from the growth in industrialisation around the world, the associated need for energy and commodities, and the resulting investments necessary in the infrastructure. Semperit's products and services are in demand everywhere, from the extension of an existing mine, the expansion of a port, the construction business in general, filling systems in the food industry, window and door profiles for buildings, escalators at new airports or ropeways as an alternative form of public transport (see sections on individual segments/product and service portfolio starting on page 41 (Sempermed), page 47 (Semperflex), page 51 (Sempertrans), page 55 (Semperform)).

The segments in the Industrial Sector tend to grow about as fast the economic growth of the regions and individual industrial sectors in which the customers of the individual segments are served. This means that the segments are subject to the general trends in the economy – production capacities and resources therefore have to be flexibly and rapidly adapted to the respective changes in demand.

Balanced business and customer portfolio

The stability of the Medical Sector's growth path combined with the dynamic nature of the Industrial Sector forms a balanced business portfolio. The customer portfolio is just as diversified: very few Semperit customers are supplied by two different segments. This diversified product and customer portfolio makes the Semperit Group highly stable. This stability is especially apparent in times of crisis, such as during the financial crisis starting from 2008.

In addition, a significant portion of the products that Semperit produces are simply necessities in a modern service and industrial society: no one is willing or able to do without examination or protective gloves, hydraulic hoses in construction machines, conveyor belts in mines or power companies, window seals or hand rails on escalators.

STRATEGY 2020

The Semperit Group aims to continue growing over the next several years and ensuring this continued growth by completing its capacity expansions. In 2014 the group conducted a structured strategic review to formulate its strategy for the period up to and including 2020. As a result of this process, three overall strategic objectives were defined:

- True global player
- Business excellence, innovation & customer focus
- Ensuring profitability

Development and implementation of the strategy

The group-wide process to realign and specify the corporate strategy began at the end of 2010. This process led to a comprehensive set of measures in 2011 to achieve the group's growth objectives. By the end of 2014, significant milestones of this ambitious growth programme were accomplished in all of the segments and at the group holding level.

The strategic objectives are regularly reviewed and appropriately updated by the Executive Committee, which comprises not only the members of the Management Board but also the heads of the segments and the central administrative units. The Supervisory Board of Semperit AG Holding is regularly involved in this process by the Management Board. The Strategy Committee of the Supervisory Board meets once a year. The segment heads and the central administrative units are then responsible for implementing the measures agreed in this meeting. The overall strategy process is managed by the Corporate Development department, which in 2014 developed long-term strategic priorities for 2020 together with the Executive Committee and selected employees. The most important foundations of this strategy are explained below based on the three areas of action.

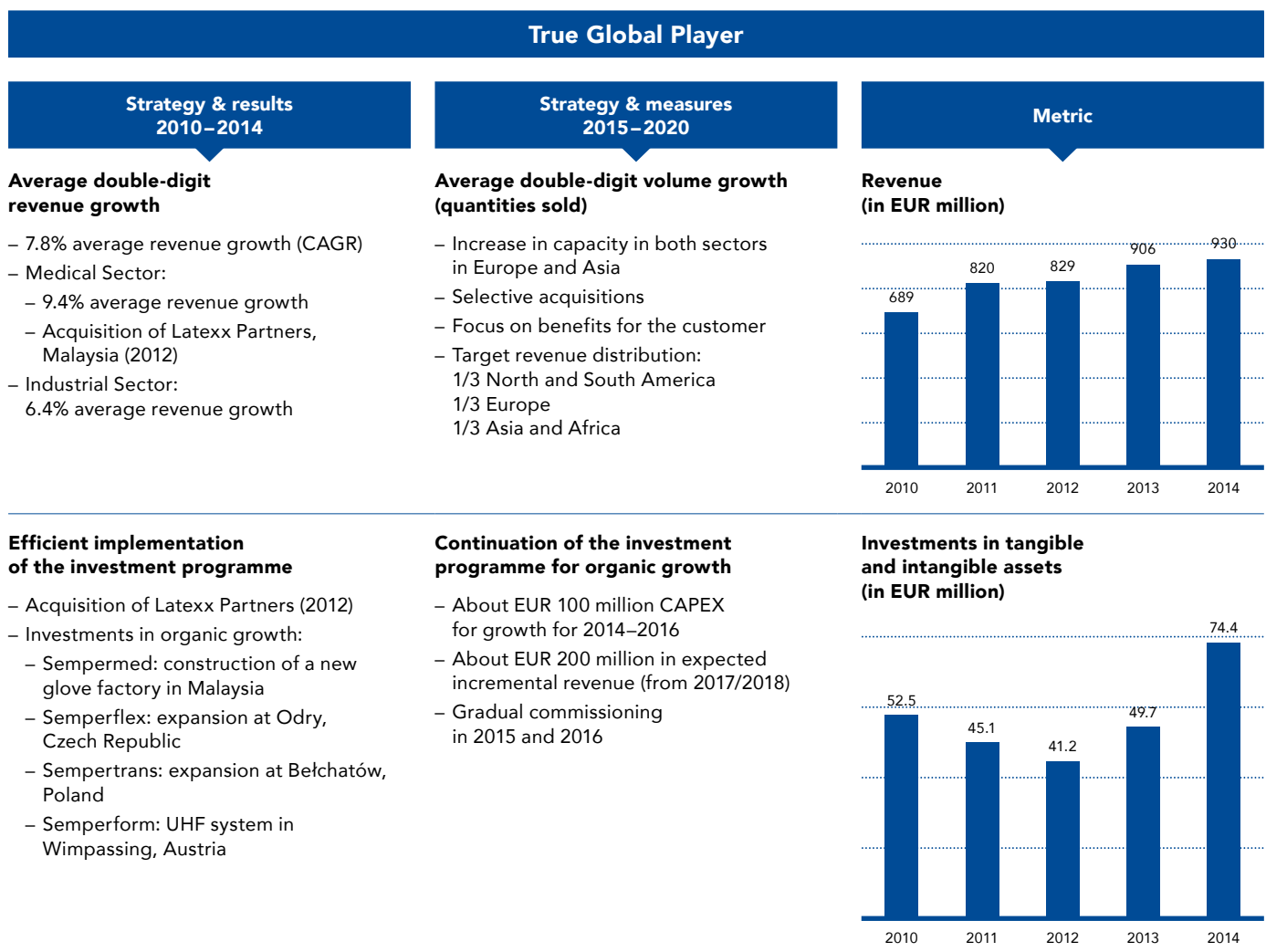
TRUE GLOBAL PLAYER

In the period between 2010 and 2014 the Semperit Group achieved average annual revenue growth of 7.8%. However, the volatility of raw materials prices distorts the assessment of this growth, because the quality of the growth is relevant, i.e. whether the amount of sales has increased.

If the raw materials prices of 2010 were used as a basis to calculate revenue, Semperit would have already achieved much more than EUR 1 billion in revenue. But as raw materials prices have fallen significantly, particularly for natural latex and rubber as well as for synthetic latex and rubber, revenue has grown not nearly as much as the total quantity sold. Similar to other companies in the rubber industry, Semperit passes on the fluctuations in raw materials prices to its customers. To exclude these price effects, the group has defined an average double-digit increase in quantities sold as a strategic objective for the period from 2015 until 2020.

Investment programme

To ensure the group's organic growth, an investment programme (CAPEX) was launched for the period from 2014 until 2016 in the amount of about EUR 100 million. Assuming the prices of raw materials remain stable, this leads to expectations of additional revenue of around EUR 200 million for the years 2017/2018. The most important investment initiatives are the construction of a new glove factory in Malaysia (Sempermed), the expansion of capacity in Odry,



Czech Republic (Semperflex), at the site in Bełchatów, Poland (Sempertrans), and the construction of the UHF system (ultra high frequency technology) in Wimpassing, Lower Austria (Semperform). These measures are intended to ensure that Semperit reaches or maintains a leading market position in all of its segments, and enable the group to achieve its goal of generating average double-digit volume growth (quantities sold).

BUSINESS EXCELLENCE, INNOVATION & CUSTOMER FOCUS

In order for Semperit to continue growing profitably, it is necessary for all functions, from procurement to production and sales, as well as human resources, accounting and other central functions, to be best-in-class. That is the basic understanding of business excellence. Innovation – which the group has been doing for more than 190 years – and a customer orientation are likewise central elements of the Semperit strategy.

Focus on market and customer relationships

The Semperit Group succeeds in more than 100 countries thanks to products that are optimised for customers and a corresponding focus on customers. A strong local presence ensures physical proximity to customers and a competitive product portfolio tailored to the needs of the local markets.

Semperit has the technical expertise first to optimally identify customer needs and then to satisfy them. This includes not only the manufacturing of products ordered by customers but also cooperation with customers far in advance of the actual production process. In many cases Semperit's engineers are technical development partners, for example when the Sempertrans segment deals with the design and specifications of conveyor belts in order to ensure that the belts are optimally utilised within the customer's overall production plant. Additionally, repair and consulting services for assembly, operation and maintenance provide valuable feedback for the ongoing enhancement of the product portfolio. Another example is the Semperform segment, where engineers partner with customers to develop new window and door profiles.

Focus on performance and organisational development

The Semperit Group believes that the commitment of its employees and a strong set of common corporate values are critical success factors for achieving its growth strategy. In order to meet the associated demands, the company offers a comprehensive range of training and continuing education opportunities. The establishment of a high performance organisation is just as important a part of the group's human resources strategy as are professional feedback meetings and tools to promote the international exchange of experience within the group and to manage internal career- and succession planning – for further details, refer to the "Human Resources" section starting on page 76f.

Standardisation and harmonisation of processes

In recent decades the Semperit Group has experienced strong growth, both organically and through acquisitions. This is why an environment has arisen in which different IT systems and processes are used in parallel to each other. On their own, these systems function well. However, standardisation and harmonisation can achieve even better quality, higher productivity and more efficiency in order to exploit the company's global production network in a targeted manner. To achieve this, the project to optimise the process and application landscape (OPAL) was launched – more information can be found on this initiative in the "Business Excellence" section starting on page 62.

Business excellence, innovation & customer focus														
Strategy and results 2010–2014	Strategy and measures 2015–2020	Metric												
<p>Conservative financing structure</p> <ul style="list-style-type: none"> – Maximum net debt to EBITDA ratio of 1.5: 0.16 as at 31 December 2014 – Active working capital management – High equity ratio: 54.0% as at 31 December 2014 	<p>Diversification of the financing structure</p> <ul style="list-style-type: none"> – Utilisation of the low level of interest rates to diversify the sources of financing – Renewal of the framework loan agreement (EUR 250 million, maturity until 2019/2021) – Equity ratio: around 40% – Net debt to EBITDA of 1.5 	<p>Equity ratio in %</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Equity ratio in %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>59.2</td> </tr> <tr> <td>2011</td> <td>61.5</td> </tr> <tr> <td>2012</td> <td>49.3</td> </tr> <tr> <td>2013</td> <td>48.3</td> </tr> <tr> <td>2014</td> <td>54.0</td> </tr> </tbody> </table>	Year	Equity ratio in %	2010	59.2	2011	61.5	2012	49.3	2013	48.3	2014	54.0
Year	Equity ratio in %													
2010	59.2													
2011	61.5													
2012	49.3													
2013	48.3													
2014	54.0													
<p>Business excellence in all corporate areas</p> <ul style="list-style-type: none"> – Professionalisation and optimisation of the organisation structure – Relocation of Sempermed's management to Singapore (2013) – Innovation in all segments 	<p>Standardisation and harmonisation of processes and applications</p> <ul style="list-style-type: none"> – Optimisation of process and application landscape (OPAL) – Operational excellence as a part of the corporate culture – Ensuring the innovative strength of the group 	<p>OPAL (Operating Processes and Application Landscape)</p>												

A team is currently working to analyse each individual business process in order to develop opportunities for improvement and best practices. Once this preliminary work is completed, the application landscape will be adjusted and harmonised, creating a future harmonised process and application landscape. The first implementation will take place for the Sempermed segment in Malaysia and Singapore.

Innovation and product development

The group-wide Semperit research and development centre in Wimpassing is responsible for the continual expansion of the product portfolio and the ongoing optimisation of production processes and resource utilisation. This means, for example, that it conducts targeted R&D activities to minimise the use of raw materials and energy, as well as to minimise waste and scrap in the manufacturing process. Decades of expertise combined with modern technology ensure the creation of innovative product solutions to meet specific market needs and customer requirements. You will find a listing of selected innovations starting on page 66 (section on research and development) of this report.

PROFITABILITY

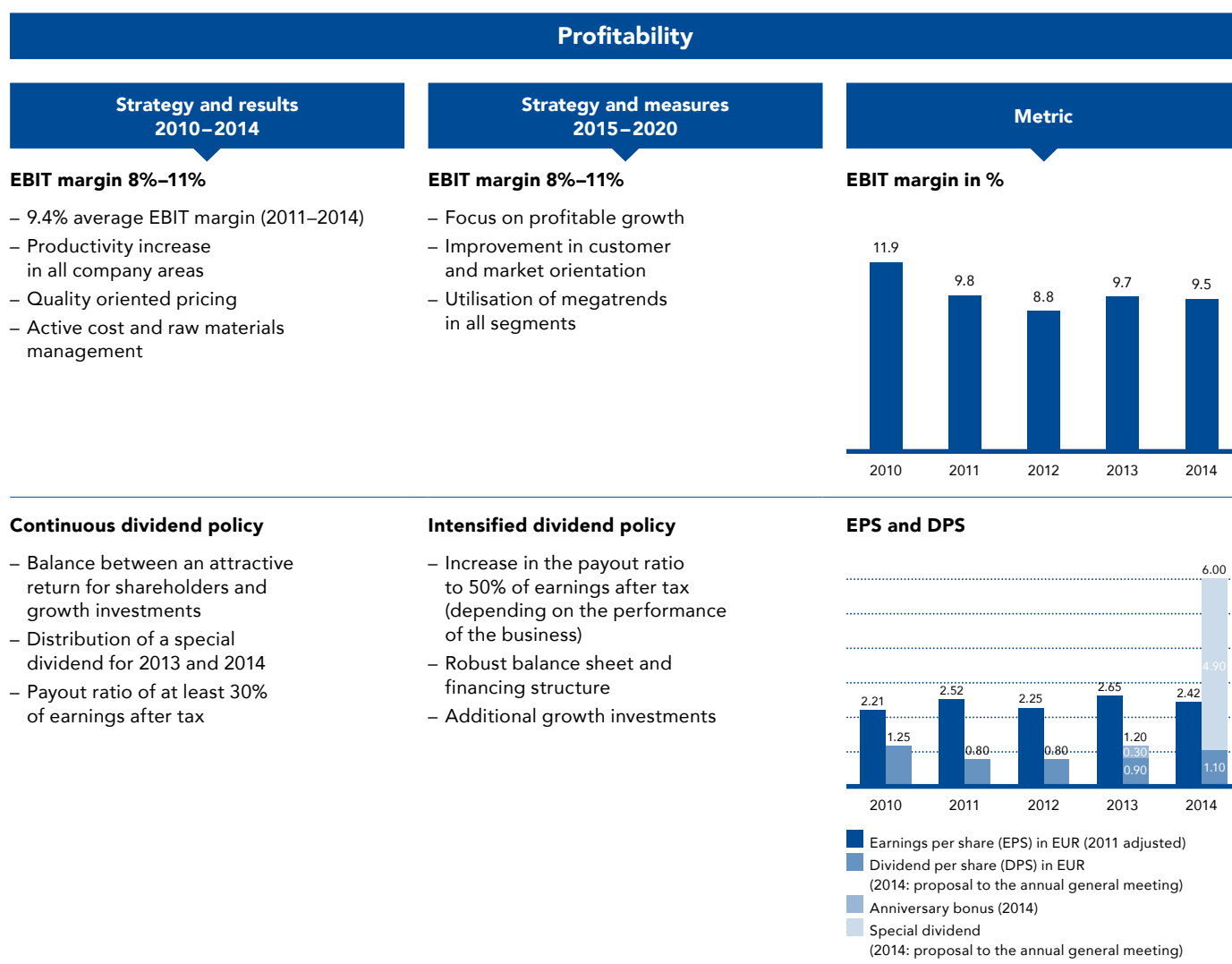
The basis for further growth is a robust balance sheet, stable cash flow generation, and secured and cost-effective financing. The Semperit Group achieved an average EBIT margin of 9.4% in the years between 2011 and 2014. The group likewise still aims to achieve an EBITDA margin of between 12% and 15% and an EBIT margin of between 8% and 11%.

Change in the dividend policy: 50% payout ratio

The Semperit Group believes there are several reasons why it is appropriate to adjust the company's dividend policy and propose for 2014 a special dividend of EUR 4.90 per share in addition to the ordinary dividend of EUR 1.10 per share. These reasons include:

- Since the end of 2010, revenue reserves have risen by around EUR 110 million to EUR 405.5 million as at 31 December 2014
- The group has cash and cash equivalents of more than EUR 100 million as at year-end 2014 – despite its organic and non-organic growth
- The group has an equity ratio of 54.0% as at 31 December 2014
- The financing of additional organic and potentially non-organic growth is ensured through a framework loan agreement for EUR 250 million
- The group can substitute expensive equity with relatively more affordable debt

The group's dividend policy will therefore be changed to increase the payout ratio from 30% previously to now 50% of earnings after tax, provided the performance and development of the company permit it. From today's perspective this new approach will not jeopardise the group's growth strategy. To increase the enterprise value of the company, Semperit will continue to implement its planned growth investments and undertake potential acquisitions.



SEMPERMED

With revenue of EUR 452.9 million, the Sempermed segment contributed nearly 50% of Semperit Group's revenue in 2014. Sempermed develops, produces and distributes a wide range of examination, protective and surgical gloves.



PRODUCT AND SERVICES PORTFOLIO

Examination and protective gloves

The Sempermed segment generates most of its revenues from the sale of examination and protective gloves. The Sempercare® brand covers the broad range of medical examination gloves for daily use in hospitals and care facilities, as well as in dental and medical practices.

Semperguard® is the brand for disposable and re-usable gloves offering protection in various areas such as in laboratories, pharmaceuticals and the food industry, as well as in professional cleaning and hygiene. Due to the increasing awareness of the importance of hygiene, the consumer market, which is supplied by retailers, is growing in significance for this product group.

Sempermed produces its examination and protective gloves for global distribution in several places: with Latexx Partners acquired in 2012, Semperit has a production site in Malaysia, which will expand capacity by about 70% as of the end of 2016. In Thailand Semperit operates two plants jointly with Sri Trang Agro-Industry: in Hat Yai, a city in southern Thailand close to the Malaysian border, and in Surat Thani which is situated around 300 km north of Hat Yai.

The technology centre in Wimpassing is responsible for the technological enhancement of all Sempermed production facilities. In addition to safeguarding and continuously improving quality standards, it focuses on improving efficiency and ensuring that all resources are used as sparingly as possible. The further automation of work processes, such as packaging, is just as important for this as are ongoing improvements to formulas and the search for product characteristics that meet customer requirements and expectations.

Surgical gloves

High-quality surgical gloves made from natural latex (powdered and powder-free) and synthetic polyisoprene are sold in different versions to medical facilities under the internationally renowned Sempermed® brand. All surgical gloves are produced in Wimpassing, Lower Austria, while labour-intensive quality control and packaging activities are carried out in Sopron, Hungary, which is located around 60 kilometres away. The surgical gloves are then sterilised in Seibersdorf, Austria and Allershausen, Germany.

MARKETS AND DISTRIBUTION

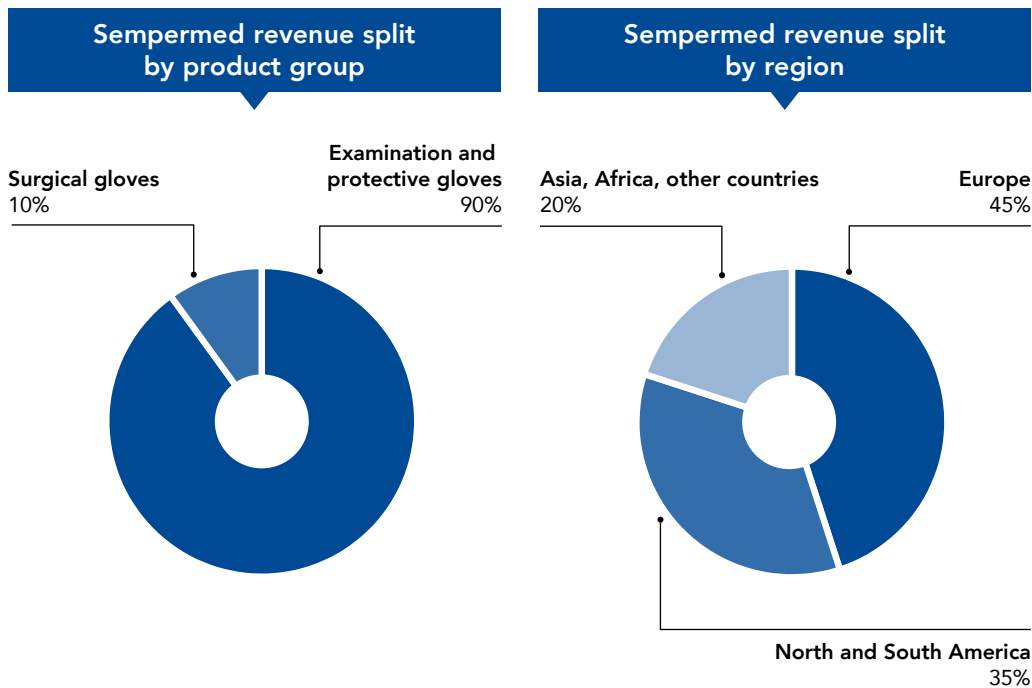
With a 45% share of Sempermed revenue, Europe is still the most important sales market for the Sempermed segment, followed by North and South America with 35%. Around 20% of the segment's revenue is generated in the Asia-Pacific region.

Sempermed (including the Thai Siam Sempermed Corp. Ltd. which reported revenue in 2014 using the full consolidation method and will switch to the equity method starting January 2015) sold more than 20 billion units of examination and protective gloves, giving it a leading position on the global market. Compared with the previous year the quantity experienced a double-digit increase.

The share of examination and protective gloves produced from the synthetic material nitrile increased by around 45%. Around another 45% of all Sempermed products contain natural latex as their basic material. The remainder is attributable to gloves from vinyl/PVC. There was thus no change from 2013.

In the considerably smaller market for surgical gloves, Sempermed sold more than 135 million pairs in 2014, a single-digit increase.

All gloves are sold via an established global network of selected distribution partners and the company's own sales branches. To support distribution activities, Sempermed uses fairs such as Medica and A+A in Düsseldorf, Germany, KIMES in Seoul, Korea or the China International Medical Equipment Fair in Shanghai, China, as a forum for showcasing the latest product developments and explaining their possible uses.



BUSINESS PERFORMANCE AND HIGHLIGHTS IN 2014

In 2014 the revenue in the Sempermed segment rose by 4.1% to EUR 452.9 million. Considerably higher sales volumes thanks to a generally good sales performance were offset by negative price effects associated with raw material prices that were lower compared with 2013, particularly for natural latex but also in part for nitrile (synthetic latex).

In 2014 the EBITDA of the Sempermed segment, at EUR 67.0 million, rose by 14.1% compared with the prior year. EBIT increased to EUR 41.6 million, up 13.5% on the EUR 36.6 million achieved in 2013. This led to an EBITDA margin of 14.8%, following 13.5% in the prior year period, and an EBIT margin of 9.2%, up from 8.4% in 2013. EBITDA and EBIT were impacted positively in the fourth quarter of 2014 by the following extraordinary effect. The change in the previous full consolidation of the 50% jointly controlled interest in Siam Sempermed Corp. Ltd. in Thailand to the equity method as at 31 December 2014 resulted in a positive extraordinary effect of EUR 13.2 million.

Sales of examination gloves increased at double-digit rates compared with 2013. Demand was particularly strong in Europe, and slightly weaker in the USA. Growth was achieved not just in the medical field; gains were also made in non-medical industries such as industrials and especially consumer goods, which are both performing better in the meantime. As in previous years, the capacity of the production facilities in Malaysia and Thailand was well utilised. Sales of surgical gloves, which are produced in Wimpassing, Austria, rose modestly in 2014 compared with 2013.

The operating activities and thus business performance in 2014 were not adversely affected by the legal disputes with the Thai partner Sri Trang Agro-Industry Public Company Limited related to the jointly controlled company Siam Sempermed Corp. Ltd. The previous full consolidation in the income statement of the 50% jointly controlled interest in Siam Sempermed Corp. Ltd. in Thailand was changed to the equity method from 2015 on. The consolidation method was changed as at 31 December 2014 in view of the legal disputes mentioned.

Key figures Sempermed

In EUR million	2014	Change	2013	2012
Revenue	452.9	+4.1%	434.9	383.5
EBITDA	67.0	+14.1%	58.7	41.5
EBITDA margin	14.8%	+1.3 PP	13.5%	10.8%
EBIT	41.6	+13.5%	36.6	27.6
EBIT margin	9.2%	+0.8 PP	8.4%	7.2%
Investments	24.1	-27.2%	33.2	20.0
Employees (reporting date, excl. Siam Sempermed Corp. Ltd. as at year-end 2014)	3,428	-51.1%	7,007	6,548

MARKET TRENDS AND POTENTIAL

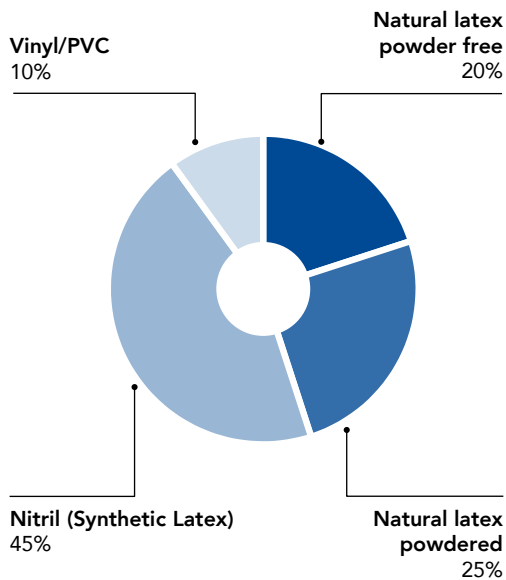
Examination and protective gloves

Global demand for examination and protective gloves has strong regional differences and peculiarities. The total market for 2014 is estimated to be around 180 billion units, with North America, Europe and Asia each accounting for about 30% and the remaining 10% attributable to Latin America and other markets. The estimated breakdown by type of raw material used indicates there is currently an even balance between the raw material natural latex and the synthetic alternatives of nitrile and vinyl/PVC. Looking forward over the coming years, the market share of nitrile and vinyl/PVC gloves is likely to continue expanding.

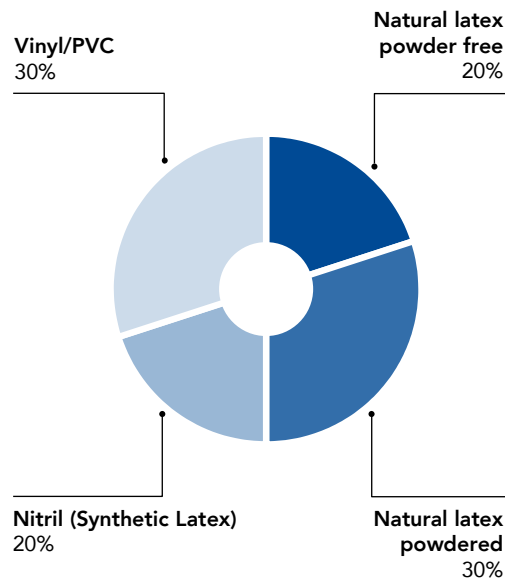
Annual per capita consumption in the USA is 150 to 160 units of gloves, about ten times more than that in Asia. The comparable amount for Europe is between 60 to 70 gloves. Due to the higher starting point in the USA and Europe, annual growth in these markets is just 4% to 6%. By contrast, growth is considerably more dynamic in Asia and the countries of Latin America. This momentum is attributable to heightened awareness of the importance of hygiene, as well as stricter rules in public medicine and the lower starting point. In total, annual global volume growth of 5% to 7% is expected over the next several years. Sempermed's objective is to grow somewhat faster than the overall market and thus gain market share. In 2014 the segment achieved this objective as in previous years.



Sempermed sold glove volume by type of raw material



Global demand for examination and protective gloves by type of raw material



Surgical gloves

Global demand for surgical gloves currently stands at about 2.0 billion pairs or 4.0 billion units and is growing by around 3% per year. Given their area of application and the resulting significant need for protection, the target customer groups are conservative and must be continually convinced of the sustained reliability of the products and future product innovations. Sempermed benefits from its strong brand and will intensify its efforts to differentiate itself from its competitors.

SEMPERFLEX

With revenue of EUR 202.1 million in 2014, Semperflex contributes a bit more than 20% to Semperit Group's revenue. Semperflex develops, produces and distributes hydraulic and industrial hoses as well as elastomer and wear-resistant sheeting.



PRODUCT AND SERVICES PORTFOLIO

Semperflex's largest business unit is the Hydraulic Hoses unit. Its hoses are used for the transmission of pressure and energy in powerful, heavy-duty machinery such as excavators and cranes. The segment's portfolio includes standard hydraulic hoses, hydraulic hoses used for modern, heavy-duty hydraulic applications and spiral hoses, which satisfy customers with their features regarding pressure, temperature and impulse resistance.

The Industrial Hoses unit covers a broad range of hose applications for industrial and technical requirements. For instance, Semperflex's industrial hoses can be found in milk collecting or sewer cleaning wagons as well as in aircraft fuelling systems, in mining, in the beverages industries, at steel mills and in the construction industry.

Elastomer and wear-resistant sheeting is a further element of Semperflex's business. Elastomer sheeting is primarily sold to punching companies and technical traders for producing all kinds of seals. Wear-resistant sheeting is used for lining, among other things, and is characterised by high workability and abrasion resistance.

PRODUCTION FACILITIES

Spiral hydraulic hoses, industrial hoses fabricated using steel spikes and elastomer and wear-resistant sheeting are produced at the Wimpassing facility in Austria. In Hat Yai, Thailand, Semperflex operates, together with Sri Trang Agro-Industry, one of the largest hose plants in Asia. A further plant for hydraulic hoses in Asia is operated in Shanghai, China.

The competence and production centre for long-length industrial hoses is based in Odry, Czech Republic. Hydraulic braid hoses are also manufactured here for the European market. In addition, in the central hydraulic hose testing centre the quality assurance for this product group is performed. Bespoke industrial hoses for individual applications are produced in Rovigo in Northern Italy.

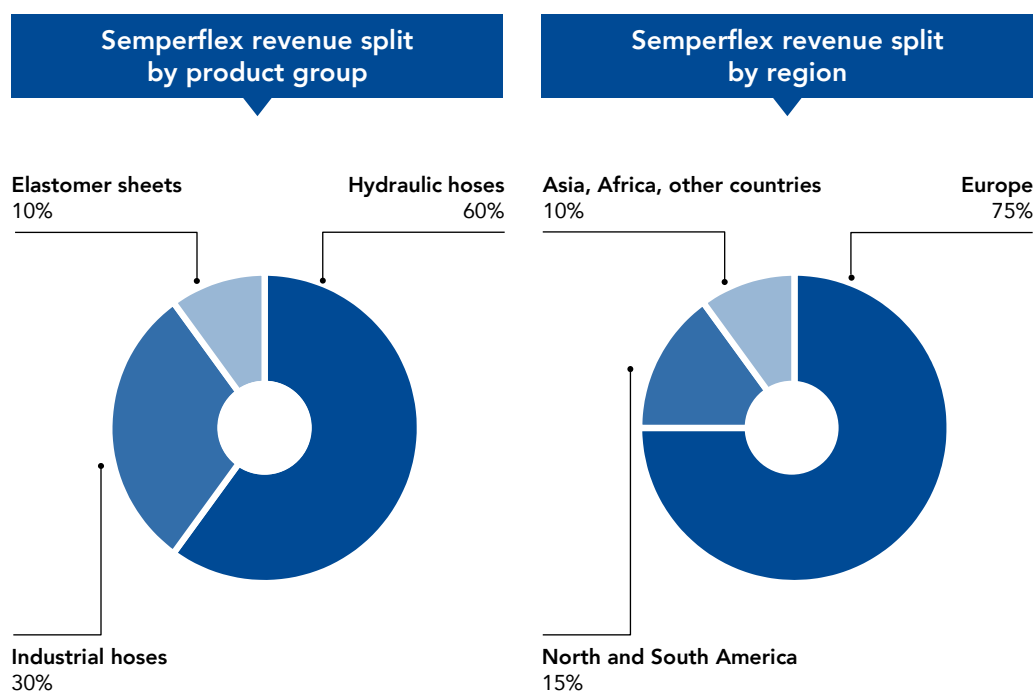
To expand its position on the global market over the long term, capacity at the facility in Odry, Czech Republic was extended for around EUR 10 million. The expansion was concluded in the first quarter of 2015.

MARKETS AND DISTRIBUTION

The customers of the Hydraulic Hose unit primarily include large, renowned companies that connect the corresponding fittings to hoses for resale, as well as dealers. 50% of the end users of hydraulic hoses are found in the construction industry (e.g., in construction machinery such as excavators), with around 30% in agriculture (e.g., in agricultural machinery such as combines) and 20% in the mining industry (e.g., special vehicles in mines). Geographically, Europe accounts for around 60% of unit sales, with the remainder divided between North and South America as well as Asia. The distribution opportunities for hydraulic hoses are broader because uniform standards make worldwide distribution easier.

Industrial hoses are sold via technical distribution partners to customers in the chemicals, gas, process and oil industries. In addition, the segment supplies customers from the food, automotive and recycling sectors. Until now, sales took place almost exclusively in Europe, where new products made it possible to increase unit sales and grow market share. In 2013 Semperflex began to strengthen its marketing of industrial hoses in Asia and the USA. This led to good utilisation of the new ribbon lap machine for industrial hoses that was installed in Wimpassing, Austria in 2013.

Elastomer and wear-resistant sheeting are used, for example, as linings in car interiors or in the food industry for processing foods or liquids. Their sales market is limited to Europe.



BUSINESS PERFORMANCE AND HIGHLIGHTS IN 2014

Of all of the group's segments, the Semperflex segment is particularly exposed to potential economic volatility. Thanks to an impressive production and sales performance, the segment's revenue rose during 2014 by 8.6% to EUR 202.1 million. The segment was able to maintain a constantly high volume of production, thereby achieving economies of scale and boosting efficiency. All in all, this led to a further improvement in profitability compared with the same period last year, with the growth in both EBITDA and EBIT, at 15% and more than 20%, respectively, considerably outpacing the increase in revenue.

In 2014 the segment's EBITDA increased by 17.1% to EUR 48.6 million, with EBIT spiking by 24.2% to EUR 36.9 million. The EBITDA margin of 24.0% was higher than the 22.3% achieved in 2013, and the EBIT margin came in at 18.3%, following 16.0% in the previous year.

In order to be able to respond flexibly to customer needs, particularly in Europe, the segment has expanded its capacity at the production site in Odry, Czech Republic. Around EUR 10 million was invested in total in an expansion that was finalised in the first quarter of 2015.

Key figures Semperflex

In EUR million	2014	Change	2013	2012
Revenue	202.1	+8.6%	186.1	180.6
EBITDA	48.6	+17.1%	41.5	38.6
EBITDA margin	24.0%	+1.7 PP	22.3%	21.4%
EBIT	36.9	+24.2%	29.7	27.6
EBIT margin	18.3%	+2.3 PP	16.0%	15.3%
Investments	18.1	> +100.0%	6.0	15.0
Employees (at balance sheet date)	1,538	+4.8%	1,467	1,315

MARKET TRENDS AND POTENTIAL

The hydraulic and industrial hoses produced in the Semperflex segment are used in the construction and transport industry; as a result, the extent of investment in infrastructure determines demand. But in addition, Semperflex products are also used in agricultural machinery such as tractors, combines and harvesters, so the development and prosperity of the agricultural sector influences demand, too. Increasing automation in Asia and Latin America through the expanded use of machines is relevant in this regard.

Sales trends varied in 2014: Demand on the overall market was strong, particularly in the USA but also in Europe. In Asia, demand was weak.

SEMPERTRANS

As one of the world's largest suppliers of technical conveyor belts, the Sempertrans segment generated revenue of EUR 146.4 million in 2014, thus contributing more than 15% to Semperit Group's revenue.



PRODUCT AND SERVICES PORTFOLIO

Sempertrans is specialised in developing, producing and distributing conveyor belts, succeeding in this business with its comprehensive and high-quality product portfolio. Conveyor belts are used in mining, the steel industry, the cement industry, in power stations as well as in civil engineering and in the transport industry (particularly for ports). The Sempertrans product range comprises both textile and steel-cord conveyor belts and is therefore optimally aligned to the requirements of the respective applications. Their core product characteristics include high resistance to abrasion, heat and oil, coupled with excellent high-strength performance. On average, a conveyor belt is used in line operations for three to seven years depending on the load. In total, every year Sempertrans plants produce conveyor belts with a total length of around 1,500 kilometres.

Sempertrans has extensive technical expertise and an Application Engineering Center to support customers with the design and configuration of conveyor belts in order to optimise the effectiveness of the customer's entire production plant. Additionally, repair and consulting services for assembly, operation and maintenance provide valuable feedback for the ongoing enhancement of the product portfolio.

With more than 50 years of experience, Sempertrans is able to offer an optimum solution for just about any application. Sempertrans' steel-cord conveyor belts are highly reliable and durable. With belt widths ranging from 500 millimetres to 3,200 millimetres, they must also satisfy a wide variety of requirements that vary depending on the specific application. Sempertrans steel-cord conveyor belts are particularly suitable for challenging conditions and wide axle distances, impressing customers with their high tensile strength.

Sempertrans produces textile conveyor belts in widths of 400 to 2,750 millimetres for transporting bulk materials of all characteristics. For example, the Transoil conveyor belt has been specifically developed for transporting products containing oil or fat, while Transflam and Transtherm offer fire and heat-resistant conveyor belts.

PRODUCTION FACILITIES

Sempertrans produces high-quality steel-cord and textile conveyor belts at its Bełchatów facility in Poland. This facility specialises in heavy-duty, high-strength wide/extra-wide steel-cord belts. Stolin, which is located at the same site, produces steel cords for internal use, thus ensuring individualised solutions and short delivery times. Located near Paris, the Argenteuil site specialises in producing technically complex textile and steel-cord conveyor belts for special uses.

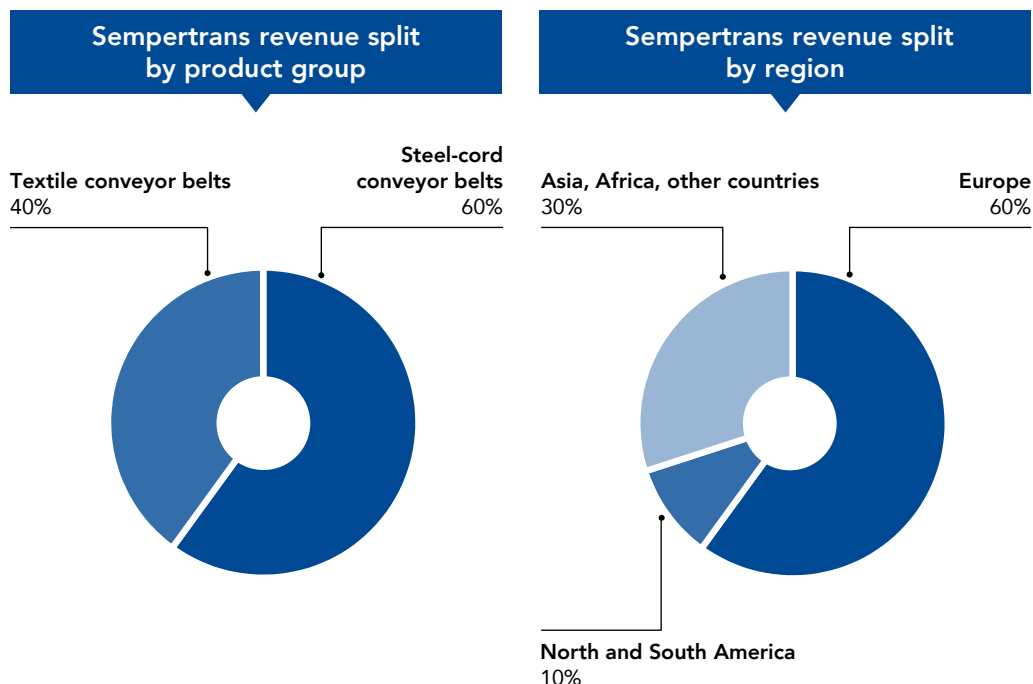
In Asia, Sempertrans has two production facilities in India and China. In India, Sempertrans Nirlon has belonged to the Semperit Group since 2000. Light and medium heavy textile conveyor belts meeting the highest possible standards of quality are produced in the city of Roha, approximately 120 kilometres south of Mumbai. Semperit acquired a majority stake in Sempertrans Best in China in 2009. Located in the province of Shandong, this production facility manufactures textile and steel-cord conveyor belts.

Considerable expansion of the plant in Bełchatów, Poland

A decision was made to expand the production of conveyor belts at the plant in Bełchatów, Poland due to strong demand for its products. In total, around EUR 40 million will be invested. This investment will lay the foundation for continuing the expansion into new markets and countries in line with the group's growth strategy. With the decision for the Bełchatów location Semperit is enlarging its strong technological position in the high-quality segment of conveyor belts and is creating additional jobs in Europe.

MARKETS AND DISTRIBUTION

Directly supplied customers primarily include companies in mining (particularly open-pit mining) and heavy-duty industry. In addition, the segment supplies plant construction companies, distributors and service providers. All customer segments are addressed by a globally active sales team and professional key account management. With Sempertrans Maintenance France Nord, global customers have access to a professional service unit with extensive skills and many years of experience in the on-site installation and maintenance of conveyor belts.



BUSINESS PERFORMANCE AND HIGHLIGHTS IN 2014

The Sempertrans segment generated good volume growth in 2014 compared with previous record year of 2013, supported by the acquisition of new customers and the expansion of sales activities into new markets and market segments. Despite declining prices for raw materials and the associated decrease in revenue, higher costs for marketing and the investments in the expansion of capacity, the segment achieved a satisfactory EBIT margin of 11.5% (12.5% in 2013). In total, revenue decreased by 5.3% to EUR 146.4 million. This decline also weighed on the development of both EBITDA, which fell by 12.6% to EUR 20.9 million, and EBIT, which at EUR 16.8 million was 13.5% below the level in 2013. Nevertheless, both the EBITDA and the EBIT margins remained in double-digit territory, at 14.3% and 11.5%, respectively.

The work to expand capacity at the Polish conveyor belt plant in Bełchatów (total investment of around EUR 40 million) is proceeding according to plan. As a result, around a third more capacity will be available starting from the second half of 2015. In addition to the gradual increase and induction of personnel for the production expansion in Bełchatów, targeted investments are also being made in personnel resources here to achieve two objectives: to position the segment as a solutions provider and to develop new markets and market segments through incremental sales personnel.

Key figures Sempertrans

In EUR million	2014	Change	2013	2012
Revenue	146.4	-5.3%	154.5	143.8
EBITDA	20.9	-12.6%	23.9	21.2
EBITDA margin	14.3%	-1.2 PP	15.5%	14.7%
EBIT	16.8	-13.5%	19.4	16.0
EBIT margin	11.5%	-1.0 PP	12.5%	11.1%
Investments	19.8	> +100.0%	6.8	1.9
Employees (at balance sheet date)	1,027	+6.1%	968	958

Major contracts in North and South America and Asia

Key major contracts in steel-cord belts were won in North and South America and Asia by strengthening key account and OEM management (original equipment manufacturers) and expanding technical consulting. Sempertrans was able to successfully maintain its solid market position despite challenging general conditions in Central and Eastern Europe.

Strategic Supplier Award from RWE

In November 2014, Sempertrans was awarded a certificate as a strategic supplier for the German energy company RWE. In 2013 Semperit won a major order from RWE, making Semperit its key supplier of conveyor belts. Sempertrans supplies about half of RWE's total need for steel-cord conveyor belts. The group's relationship with RWE, which has been in place since 2001, will therefore be considerably expanded.

MARKET TRENDS AND POTENTIAL

The rising demand for raw materials and energy are two current megatrends that will be driven in the coming years by Asia and Latin America in particular. In order to benefit from this trend, Sempertrans will strengthen its position in these regions to achieve greater market share. The segment's strategic focus remains on high-quality applications in growth markets - especially in Europe, North and South America and Asia. The group's own sales offices in Singapore and Jakarta, Indonesia are responsible for strengthening the marketing efforts in the priority market of Southeast Asia.

Due to the decline in raw material prices, mining companies have been scrutinising individual new projects in greater detail, leading recently to more cautious investment decisions and thus a slight weakening in growth. But in the medium to long term, Semperit continues to believe that the demand for conveyor belts will be good.

SEMPERFORM

As one of the leading European manufacturers of moulded and extrusion products made of rubber and plastic, the Semperform segment generated revenue of EUR 129.0 million in 2014, contributing almost 15% of Semperit Group's total revenue.



PRODUCT AND SERVICES PORTFOLIO

Semperform has a comprehensive portfolio of products and services ranging from window and door profiles, elastomer and insulation profiles, escalator handrails, through to sheaves and bull wheel liners for ropeways and rubber foils.

With about a 40% share of the segment's revenue, the Construction Profile unit is Semperform's largest business area, offering seals for windows, doors and facades. Thanks to custom-made section profiles, its rubber window seals not only ensure thermal insulation, but also provide protection between frames and window casements. Semperform is one of the market leaders in Europe in the business with seals for plastic windows. Semperform's seals for doors and gates are characterised by their special surface coating, which prevents abrasion against a sliding surface. Semperform's seals for aluminium windows and facades are used all around the world and have proven to be extremely weather resistant and durable. All of the seals are manufactured in Deggendorf, Germany, which has an annual capacity of more than 400 million metres. The main base material is EPDM (ethylene propylene diene monomer).

Injection moulding items for sealing or absorbing purposes are included in the Industrial Moulds unit, which contributes about 30% of the segment's revenue. For example, elastic mountings for sleepers are manufactured for railway-track superstructures to absorb noise (sleeper shoes), or sleepers that are used for prefabricated track parts. The portfolio also includes pipe construction, sanitary and industrial seals. The moulds are produced in Wimpassing, Austria, and in Sopron, Hungary.

The Handrails unit (about 20% of the segment's revenue) manufactures and assembles escalator handrails with varying technical specifications and characteristics at the plants in Wimpassing, Austria, Shanghai, China, and Fair Lawn, New Jersey, USA. Semperform is not only one of the market leaders in this product range in terms of volume, it has also positioned itself as a quality and technology leader. The Chinese market accounts for roughly two-thirds of the annual sales volumes of the unit. Handrails are safety components for use both indoors and outdoors and represent very sophisticated technology. The advantages of Semperit handrails lie in the high dimensional stability of the profiles and the significant tensile strength, which exceed statutory safety standards.

Special applications complete the product portfolio of Semperform, contributing about 10% of the segment's sales. One of the applications is foils used as ski foils in the products of almost every popular brand, providing stability to the ski or snowboard. Semperit is the global market leader in this niche market. Semperform ropeway rubber rings are used as sheaves liners for wearing parts such as rolls of pylons or drive wheels installations. In addition to the construction of new skiing installations, demand depends on the use of existing installations and, therefore, ultimately on the weather and snowfall in winter sports destinations.

MARKETS AND DISTRIBUTION

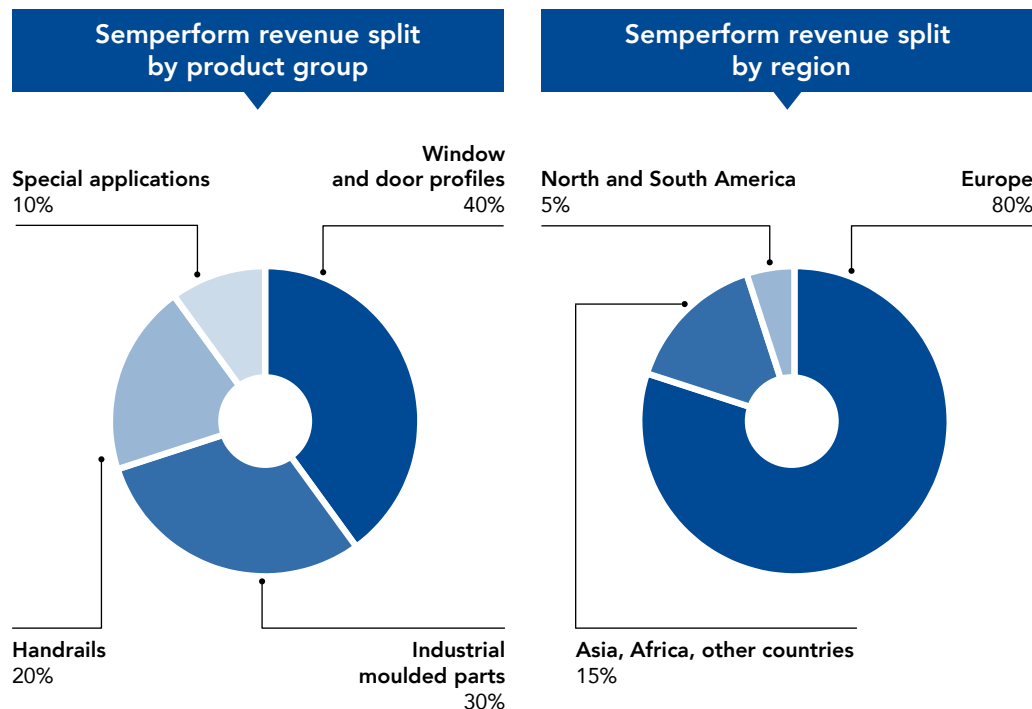
About 80% of Semperform’s products are sold in Europe, about 15% in Asia, Africa and other countries, with the remainder sold in North and South America. Although the products vary considerably, there is potential for synergies, particularly in the production of raw material mixtures and process engineering.

Seals for windows, doors and facades (Construction Profile unit) are primarily sold to system providers in these sectors. The main sales markets are West Europe (including Austria, Germany and France) and East Europe (among others, Poland, Russia and Ukraine).

The elastic rubber bearings sold by the Industrial Moulds unit are used primarily in the European railway superstructure area. The sales market for seals for pipe construction, sanitary and industrial applications is likewise Europe.

Escalator handrails, which have been produced since 1955, are sold to OEM customers (original equipment manufacturers); moreover, the after sales market is important for this unit, too. Besides the classic black, Semperit’s handrails are available in other colours as well, and are used practically everywhere in the world – particularly in department stores, public transportation infrastructure such as subway stations, railway stations or airports, and in office buildings.

The Special Applications unit has positioned itself as one of the global market leaders in the niche market for ropeway rubber rings, supplying all major manufacturers of ropeways, chairlifts, tow lifts and ropeway installations. Semperit is a leading global provider of ski and snowboard foils, too.



BUSINESS PERFORMANCE AND HIGHLIGHTS IN 2014

The Semperform segment posted revenue of EUR 129.0 million in 2014, nearly unchanged versus 2013. Volume growth in nearly all business units was offset by negative price effects, however. All in all, in 2014 the Semperform segment generated EBITDA of EUR 18.6 million versus EUR 24.7 million in the previous year. EBIT was EUR 12.7 million compared with EUR 18.6 million in 2013. These results represent declines of 24.6% and 31.8%, respectively. Compared with the segment's strong earnings in 2013, profitability in 2014 was negatively impacted by price concessions for customers from Russia (to offset the weaker rouble), the lack of earnings from the foam rubber business (production was discontinued in the first half of 2013) and uneven capacity utilisation in several business units. The EBITDA margin stood at 14.5%, following 18.9% in 2013, while the EBIT margin declined from 14.2% to now 9.9%.

In 2014 the Semperform segment invested considerably more than in 2013. The first UHF system (ultra high frequency technology) was installed in Wimpassing, Lower Austria. This newly installed production equipment is utilised to manufacture rubber profiles that are used, among other ways, with aluminium windows. In addition, the Chinese production site for handrails was expanded.

Key figures Semperform

In EUR million	2014	Change	2013	2012
Revenue	129.0	-1.4%	130.8	120.7
EBITDA	18.6	-24.6%	24.7	20.4
EBITDA margin	14.5%	-4.4 PP	18.9%	16.9%
EBIT	12.7	-31.8%	18.6	14.6
EBIT margin	9.9%	-4.3 PP	14.2%	12.1%
Investments	8.8	>+100.0%	3.1	3.8
Employees (at balance sheet date)	787	+5.9%	743	691

MARKET TRENDS AND POTENTIAL

Semperform benefits from its successful positioning in selected niche markets, which are subject to different conditions and seldom have stronger momentum than overall economic growth.

In the Construction Profile unit, Semperform's aim is to fully exploit its current market position in Europe. The focus in the Industrial Moulds unit is on the railway superstructure area.

Due to the great importance of the Chinese market for the Handrails unit, Semperform worked extensively during 2013 on a differentiated product design in order to satisfy local requirements and price expectations as best as possible. Demand for this competitively priced handrail, called the "Commercial Line", remains good. Its further commercial success depends on infrastructure investments and growing urbanisation (department stores, subways, airports), particularly in Asia.

In special applications, such as ropeway rubber rings and ski foils, Semperform's objective is to defend its international positions and selectively expand them. But as its market position is already strong, further expansion is only possible to a limited extent. Nevertheless, there is additional potential for the use of ropeway rubber rings through the expansion or new construction of urban ropeways, such as those in Medellin, Columbia.

CORPORATE CENTER

The Semperit Group pursues a clearly defined corporate strategy with ambitious growth targets. The achievement of these goals requires a robust and professional Corporate Center organisation.

The Corporate Center of the Semperit Group includes specialised departments that support the group's operational units with fundamental issues. In addition to the Communications, Corporate Development & Strategy, Investor Relations, Human Resources and Procurement & Logistics (refer to its own chapter) departments, these include Accounting & Reporting, Compliance, Internal Audit, Legal, Risk Management and Tax and Treasury. In close coordination with the Management Board, these teams of experts define the group's policies for their respective areas of responsibility. The Corporate Center is actively addressing the following challenges:

- Increasingly complex business processes
- Growing regulatory requirements
- Organic and inorganic growth of the Semperit Group

In 2014 the cooperation between the central functions and the operating business units became more efficient. This improvement was achieved, in part, by a further clarification of reporting lines and interfaces as well as an optimisation of the balance between available internal resources and externally procured services. These measures are critically important because the Semperit Group manages multiple locations on different continents, which must comply with different laws and regulations. Examples of this include the new sales offices for Sempermed in Istanbul, Turkey, or for Sempertrans in Mexico City, Mexico; Sydney, Australia; or Rawdon, Canada.

OPTIMISATION OF THE CAPITAL STRUCTURE

In 2014 a new framework loan agreement was put in place with a volume of EUR 250 million and a term of 5 years, with an option to extend the agreement by up to 2 additional years. This replaces the previous framework loan agreement for EUR 180 million, which would have continued until May 2015. In light of the European Central Bank's current policy to maintain interest rates at historically low levels for an extended period of time, it was possible for Semperit to raise debt at very favourable rates from a consortium of six Austrian and international banks. This means that the new framework loan agreement has significantly better terms and conditions than its predecessor, providing the group going forward with favourably-priced funds to finance additional organic growth initiatives and/or selective acquisitions. These measures make it possible for the Semperit Group, which until now has had above-average levels of equity, to supplement its expensive equity with relatively more affordable debt, to ensure that the group's overall cost of capital is economically attractive, and thus to optimise the group's capital structure over the medium term.

CREDIT MANAGEMENT

This Corporate Center function is responsible for the management of customer receivables. In 2014 the group began a process to standardise credit rating information throughout the group. As a result, the individual companies received access to more detailed information about Semperit Group customers than has been possible in the past. In addition, a new global agreement was put in place to introduce ongoing monitoring of customers who are either not covered or only partially covered by credit insurance.

Semperit's growth has led to growing sales of products in countries with weaker credit ratings – compared with countries in Western Europe. Despite the deterioration in the sovereign ratings of some countries, such as Russia and Ukraine, Semperit's credit insurers have maintained their credit insurance limits. This decision was also supported by the fact that from the credit insurers' perspective, Semperit has a structured receivables management programme. The long-standing relationships to customers enable a focused cooperation with the credit insurers. In order to reduce even further the internal risk for Semperit, an additional credit insurance agreement (top up cover) was concluded to supplement existing credit insurance policies.

OPTIMISATION OF THE CORPORATE LEGAL STRUCTURE

In order to reduce the complexity of the corporate group for the central functions, Semperit Group aims to continuously streamline its corporate legal structure. This involves reviewing to what extent some individual companies are still necessary in their current form or whether it would be more efficient if their activities were assumed by other corporate entities. When making these decisions, various factors are taken into account, including local and business policy aspects, taxation, human resources and treasury/financing.

TAX SUPPORT

The Semperit Group operates production or sales locations on nearly all continents. As a result, it is essential that the individual companies receive support from the group headquarters regarding taxation issues. For instance, tax implications must be taken into account not only with regard to business models and individual transactions, but also when legal entities are to be founded or reorganised, or when potential acquisitions of companies are to take place.

An important focus of the team of tax experts in 2014 was to harmonise the company's tax reporting at individual companies in order to standardise the reconciliation of the company's audited earnings from its IFRS-based financial statements into taxable earnings for the group's tax returns.

Moreover, the transfer price documentation was finalised for additional financial years. This document fulfils the OECD's standards for the documentation of transfer pricing between affiliated companies.

ENHANCEMENT OF REPORTING

Further steps were taken in 2014 to implement the SAP FC system as the group's new planning, reporting, analysis and consolidation tool and the first trial runs have been completed. This initiative also involves a group-wide standardisation of accounting processes. SAP FC will largely replace the current external and internal reporting formats in the medium term.

In order to better track the investments and operating expenses for the operation of the system, a CAPEX and OPEX spending database was developed and introduced in 2014. This database is intended not only to monitor ongoing activities but also to provide a basis for the budget process.

To ensure that there is a continuous interaction between Finance and the operating business units, Clemens Taschée was newly included in the Executive Committee at the beginning of 2014.

GROUP COMPLIANCE

The group’s Code of Conduct is binding for all employees and managers of the Semperit Group. Its most important objectives are to avoid corruption, money laundering, human rights violations and insider trading. In addition, it deals with aspects of data protection, export restrictions and the protection of the interests of all stakeholders. Employees receive practical training on these topics. These requirements are further specified in thematic compliance guidelines that are available in more than ten languages. When needed, the guidelines are adapted to national regulations and local conditions. The Group Compliance Officer reports to the Compliance Committee and the Chief Financial Officer. The Compliance Committee meets regularly twice a year and also on an ad-hoc basis.

INTERNAL AUDIT & RISK MANAGEMENT

The Internal Audit & Risk Management department is responsible for internal auditing and risk management. This includes, in particular, the central coordination and monitoring of risk management processes for the group as a whole, as well as risk assessment. The group’s internal control system (ICS) is intended to ensure the effectiveness and efficiency of business operations, the reliability of financial reporting and adherence to applicable laws and regulations. Further details can be found in the management report starting on page 97.

Area of action	Initiatives	Date	Implementation status
Group Accounting & Reporting	Implementation of SAP FC as a planning, reporting, analysis and consolidation tool	2014 / 2015	In progress
	Development of a CAPEX and OPEX spending database	2014	Implemented
	Standardisation of accounting processes in a new SAP template	2014 / 2015	In progress
Global Credit Management	Group-wide standardisation of credit checks	2014 / 2015	In progress
	Introduction of an additional credit insurance policy (top up cover)	2014	Implemented
Investor & Creditor Relations	Stronger presence in additional investor centres	2014 / 2015	Implemented & ongoing
	Addition of more content to the Investor Relations website	2015	New target
	Evaluation of corporate governance by an external auditor	2014 / 2015	Completed

Area of action	Initiatives	Date	Implementation status
Group IT	OPAL – Optimisation of Processes and Application Landscape (standardisation of global business processes – business process excellence)	2014 / 2019	Expanded scope
	Create a uniform, global communication landscape (audio/video) to enable virtual collaboration	2014	Implemented
	Increase the bandwidth and security of the group's global network	2015	New target
Group Legal Department	Adjustment of policies for the daily business	2014	Implemented
	Support of the arbitration process	2014 / 2015	Ongoing implementation
Internal Audit & Risk Management	Ongoing harmonisation of the internal control system (ICS): Rollout of group-wide minimum standards in Europe / USA in 2014 completed, finalising Asian rollout in 2015	2014 / 2015	Implemented & ongoing
	Effectiveness of the risk management system for 2014 confirmed by the group's auditor	2014	Completed
Group Tax	Transfer price study / update of the documentation	2014	Completed
	Harmonisation of tax reporting	2014 / 2015	Implemented & ongoing
Group Treasury	Conclusion of a new financing arrangement for the overall group in the amount of EUR 250 million	2014	Implemented
	Harmonisation of global cash management	2014 / 2015	Ongoing implementation
	Selection (2014) and implementation (2015) of a treasury management system	2014 / 2015	Implementation is in progress
Global Procurement & Logistics	Continuation of the build-up and expansion of strategic supplier partnerships	2014 / 2015	In progress
	Creating and publishing a supplier policy	2015	New target
Global Human Resources	Conduction of management potential analyses	2014	Completed
	Leadership & Talent Academy (incl. 360-degree feedback)	2014/2015	Implemented & ongoing
	Focus on diversity, especially on career & succession planning; establishing of a development programme for crucial areas of expertise in the company (e.g., for technical career paths, Sales Academy)	2014/2015	Implemented & ongoing
	Introduction of a global Human Resources organisation	2014/2015	Implemented & ongoing
	Implementation of a global HR IT system	2014/2015	Implemented & ongoing
Corporate Development	Establishment of a Sustainability Council to enhance the company's sustainability process, incl. the development of corresponding policies and key performance indicators	2014	Implemented / ongoing expansion
	Evaluate and approach potential acquisition targets	2014 / 2015	Ongoing implementation
Group Communications	Publication of a yearbook celebrating the 190-year anniversary of Semperit	2014	Implemented
	Introduction of a global picture database	2014	Implemented
	Introduction of the "SEMPERnet" intranet	2014 / 2015	Implemented & ongoing

BUSINESS EXCELLENCE

In order for Semperit to continue growing profitably, it is necessary for all functions, from purchasing to production and sales, as well as human resources, accounting and other central functions, to be best-in-class.

BUSINESS PROCESS EXCELLENCE

Business process excellence requires that all products, processes and decisions serve a common goal – namely to generate benefits and added value for customers. The Semperit Group's current landscape of business processes and IT solutions is characterized by island solutions that have arisen from previous growth initiatives and acquisitions. However, Semperit's further growth requires faster and more efficient processes, particularly with regard to the benefits for the customer.

The focus of improvements is to establish standardised, quick and easy-to-apply IT-supported global processes for all segments and functions, making it possible to achieve the following benefits:

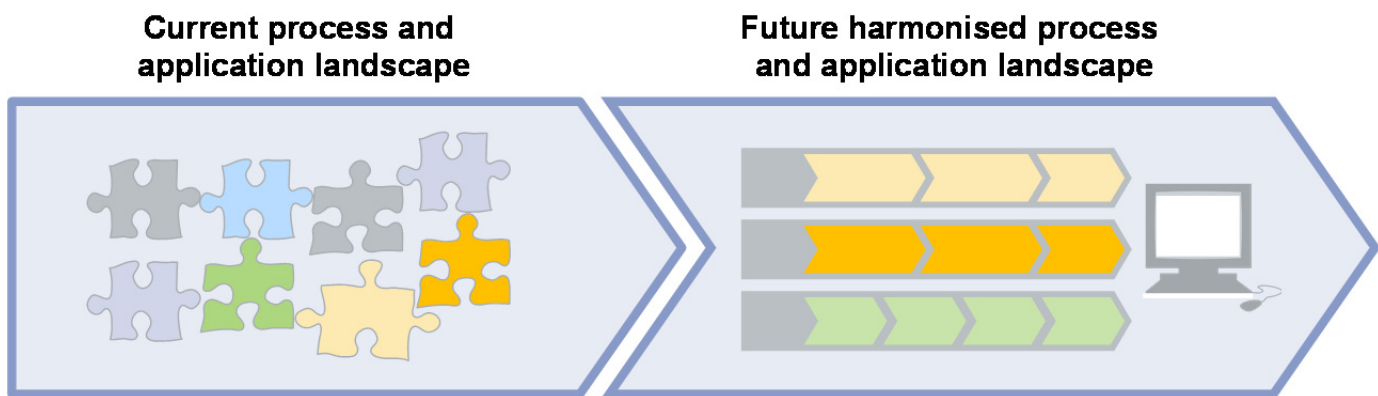
- Faster decision making
- Greater transparency thanks to targeted documentation
- More flexibility in all functions
- Simpler and easier integration of acquired companies
- Considerably shorter time period from production to customer (time to market)
- Further optimisation of existing resources
- Harmonised business processes for all segments
- Faster availability of financial information

Besides these improvements and benefits, cost savings and a reduction in working capital are targeted, too.

Optimisation of process and application landscape (OPAL)

In recent decades the Semperit Group has experienced strong growth, both organically and through acquisitions. This is why an environment has arisen in which different IT systems and processes are used in parallel to each other. On their own, these systems are working well. However, standardisation and harmonisation can achieve even better quality, higher productivity and more efficiency in order to exploit the company's global production network in a targeted manner.

Optimisation of process and application landscape (OPAL)



The first step of business process excellence is a transparent identification and analysis of all systems, business processes and procedures that are currently in use. Afterwards they are compared with best practices from both within the company and externally in order to create a model of the new global process standard at both the segment and overall company level. This standard can be used, for example, to derive production planning from a specific customer requirements plan, or at least to determine production planning in a simpler way than before. Due to more flexibility on production, customers benefit from a better respond to fluctuations in demand.

To achieve these objectives, the Semperit Group has launched the OPAL project (optimisation of process and application landscape). A team is currently working to analyse each individual process in order to develop opportunities for improvement and best practices. Once this preliminary work is completed, the application landscape will be adjusted and harmonised, creating a future harmonised process and application landscape. The first implementation will be executed for the Sempermed segment in Malaysia and Singapore.

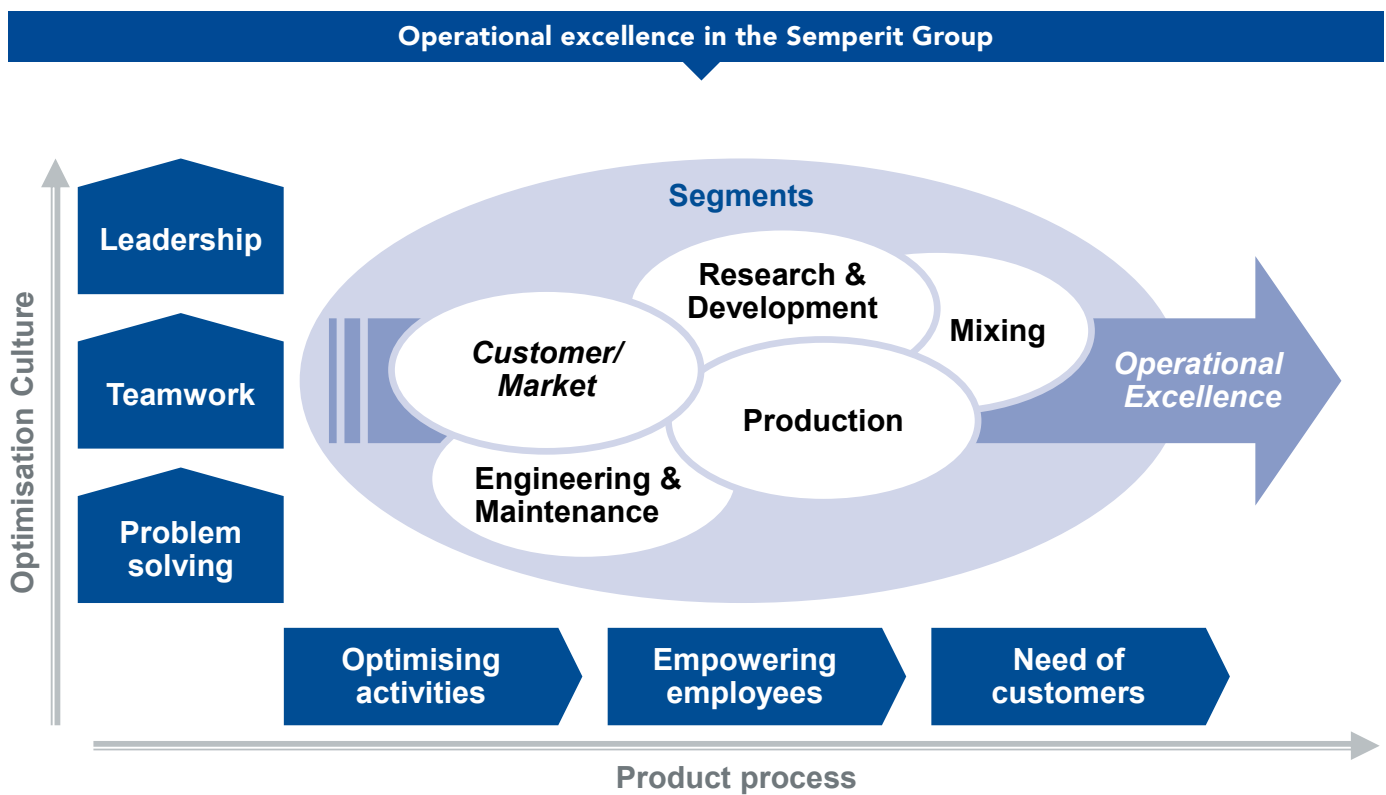
An integrated and harmonised system leads to improved transparency and eases global management. Moreover, it's enabling faster decisions not only by management but also by the employees in production, sales as well as in all other functions. Therefore, the OPAL project is an investment in the future of the Semperit Group to curb complexity and keep costs manageable, despite the group's growth.

OPERATIONAL EXCELLENCE

The objective of operational excellence at the Semperit Group is to establish a culture of continuous improvement along the entire value chain and efficiently involve all process participants with their knowledge and experience.

Based on a solid quality management system, the focus is placed on the efficiency of manufacturing processes, particularly in the areas of industrial engineering, efficient interaction between man and machine and process engineering. In connection with the segment managers opportunities for improvements will be analysed, objectives defined and in the course of projects implemented. When doing so, the entire value chain is scrutinised – from receipt of the order to raw materials and production through to packing of the goods and shipment from the factory. The current focal points are the production processes. The experiences from the projects across all of the segments are evaluated and implemented as improvement standards for the Semperit Group. Operational excellence is therefore a central building block in the group’s approach to business excellence and an operational complement to business process excellence. The exchange of information and the sharing of best practices are to be firmly anchored in the corporate culture of the Semperit Group in order to create added value for customers.

To achieve the changes that are necessary to do this, Semperit has expanded its Executive Committee by engaging Thomas Cebulla, an experienced expert in this field.



Focus on the value chain

Semperit's business model makes it possible for the individual segments to influence almost all aspects of the overall value-adding process – from the customer order (customer/market), production of specific raw materials (mixing) and efficient production, through to the finished product. The process is supported by a strong purchasing organisation, which scrutinises the market for crucial raw materials such as rubber, latex, industrial carbon blacks or chemicals (for further information, refer to the Active cost and raw materials management section on page 69). In addition, the engineering & maintenance and research & development functions in the segments work together with the respective central functions to develop and implement across the entire value creation process a product tailored to the specific needs of the individual customer.

The foundation of this effort builds the quality management system, which continuously analyses and optimises customer expectations of Semperit's products and the manufacturing processes used to produce them.

When optimising activities, the aim is to design efficient activities across the entire manufacturing process. By involving the employees in the sub-processes and providing them leeway to analyse problems and make decisions, employees will identify themselves with the improvement.

In addition, the gradual delegation of decision-making authority to our employees (empowering employees) leads to a culture of continuous optimisation (optimisation culture) that extends beyond pure problem analysis to focus on concrete solutions. Rapid and targeted improvements result in integrated handling of the needs of customers along the value chain, particularly with regard to products, quality, packaging and delivery. The value chain thus ends only when the customer receives an optimum product that they can use accordingly.

RESEARCH & DEVELOPMENT

The successful research and development work of generations of skilled engineers, chemists, physicists, basic scientists, plastics engineers and application engineers has been a major influence on the 190-year history of the Semperit Group. Today, Semperit's research and development activities focus on three foundations: enhancing ingredients (formulas and production), product development and process development.

The research and development departments of the Semperit Group are located in Malaysia, China, India, Poland, the Czech Republic, Germany and Austria, with the research and development centre in Wimpassing, Austria, coordinating all their associated activities. With more than 60 employees in research and development, the Wimpassing site is also used to coordinate work with external development partners and facilitate cross-departmental knowledge transfer and sharing of experience. More than 200 people are employed in the group in research and development worldwide. Annual R&D spending amounts to more than EUR 8 million or about 1% of revenue. Semperit's innovative capacity can also be seen in the fact that the group possesses about 50 patent families.

RESEARCH STRATEGY

The Semperit Group's research strategy is focused on the following objectives:

- Market-oriented product innovations as a basis to continue the growth strategy
- Optimising of the use of resources: the energy and materials used in the production and design of products are constantly being optimised. The resulting benefits in terms of quality help to ensure competitive advantages
- More flexible production methods enabling the group to respond rapidly to changes in raw material prices and market demand
- The transfer of knowledge as a precondition for achieving synergies

Market-oriented product innovations

Semperit's products are distributed in more than 100 countries around the world and compete with products of other global and regional suppliers. In this environment ongoing product, material and process innovations as well as the identification and development of attractive market niches are significant aspects of sustainable growth.

The time needed for the innovation process is a major competitive factor. It extends from the moment when the idea is borne, to prototype design, testing and production, all the way to the first proposals to customers. Both in the interest of customers and to benefit from rapid generation of cash receipts, this time span (the "idea to market" period) must be continuously reduced.

Optimising of the use of resources

Semperit has two key programmes to optimise the use of resources: the Waste-of-Material Programme (WOM Programme) and the Waste-of-Properties Programme (WOP Programme). The foundation of both programmes is stable and reproducible processes. To achieve such processes, it is necessary to constantly scrutinise and continuously improve not only the actual production of the products themselves, but also the key basic and auxiliary processes of the rubber processing industry such as mixing, shaping and vulcanising.

The WOM Programme focuses on reducing the amount of waste, scrap and customer complaints by improving stability and through the optimal control of processes. The contents of the programme also include the ongoing optimisation of product designs and the use of consumables in manufacturing. The WOP Programme refers to the characteristics of both raw materials and materials developed and manufactured internally. It involves critically scrutinising which end-product characteristics are actually expected by customers, and what potential efficiencies exist in this regard. In 2014 the Waste-of-Energy Programme (WOE Programme) was launched as well. This programme aims to reduce the consumption of energy at production sites with the help of structured processes.

Highlights in research and development in 2014

Sempermed	Basic research on the design of dipping lines in the new factory in Kamunting, Malaysia
Semperflex	Improvement in the impulse strength for the braid hose, new development of a flexible spiral hose
Sempertrans	Improvement in the dynamic splicing strength of steel-cord conveyor belts
Semperform	Commissioning of the UHF system (ultra high frequency technology)

More flexible production methods

In order to optimise the company's ability to respond to fluctuations in raw material prices and shifts in demand, the flexibility of production processes has high priority. This flexibility is made possible by developing procurement alternatives for strategically important raw materials that can be acquired only from a limited number of suppliers. As soon as an alternative material is found, globally identical formulas are created and the respective machines are optimally adjusted to their use in order to avoid a loss of production efficiency.

In addition to material savings and flexibility, it is also important to optimise the alignment of the materials in use to individual machine types. The more material and machine are aligned with each other, the greater the throughput speed and the higher the production quantity per hour. The interplay between materials, machines and employees, as well as proper transport and storage, are constantly under review at Semperit in order to achieve continual improvements in efficiency.

One example of these ongoing efforts to improve production methods is the realisation of new production designs using prototype lines for nitrile examination gloves at the Latexx Partners plant in Malaysia, with the focus on improving energy efficiency and increasing the level of automation in production processes.

Knowledge transfer

An important strategic foundation for research and development activities is the ongoing exchange of expertise within the Semperit Group. When doing so, strategies spanning both segments and countries are explained in order, for example, to make production methods more flexible and/or efficient. To that end, the group partnered with the University of Applied Sciences in Kapfenberg, Austria, to conduct a project for knowledge management and knowledge sharing in research & development.

In basic research Semperit Group cooperates with numerous international research institutions and universities. This cooperation covers diverse fields of research such as basic development to modify elastomer surfaces, the life expectancy of dynamically stressed objects, rheology (deformation and flow behaviour) of rubber mixtures and adhesion of elastomers with reinforcing materials such as steel. In addition, the group also conducts basic research at so-called K-plus centres, which are research facilities operated jointly by business and scientific experts for a limited period of time.

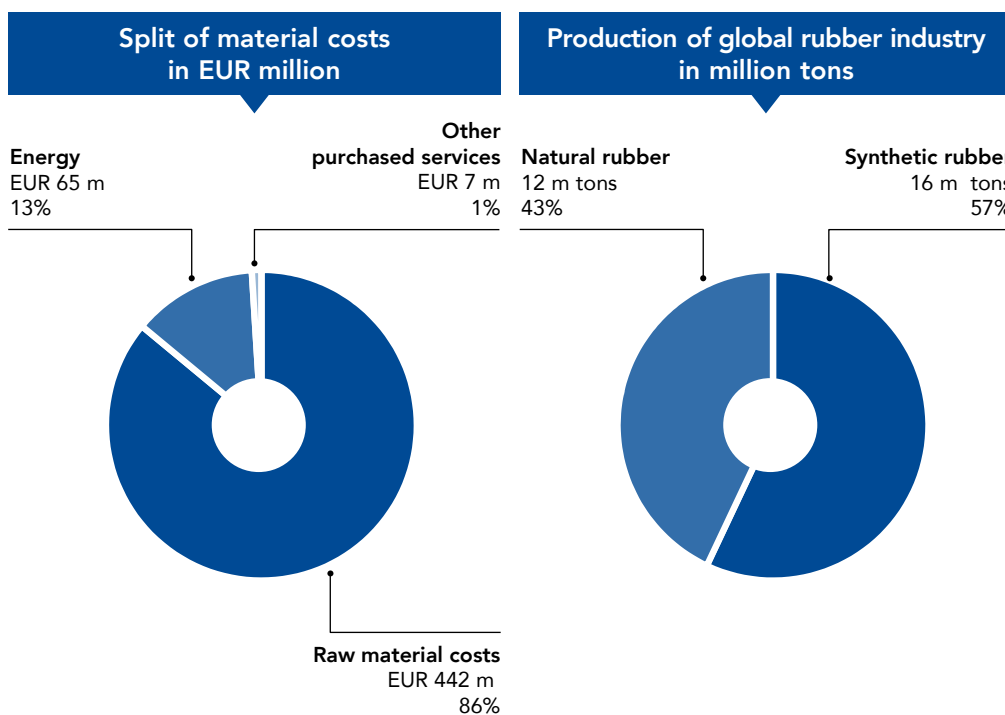
Selected research collaborations

- Technical University of Vienna, Austria
- Technical University of Graz, Austria
- Leoben University of Mining, Austria
- Polymer Competence Center, Leoben, Austria
- AC²T-Competence Centre, Wiener Neustadt, Austria
- German Institute of Rubber Technology in Hannover, Germany
- Cracow University of Technology, Poland
- University of Wroclaw, Poland
- Zlin Technical Institute, Czech Republic

ACTIVE COST AND RAW MATERIALS MANAGEMENT

Given the high percentage of raw materials in the Semperit Group's total expenditures, pursuing a proactive purchasing policy along with integrated raw materials management is strategically important.

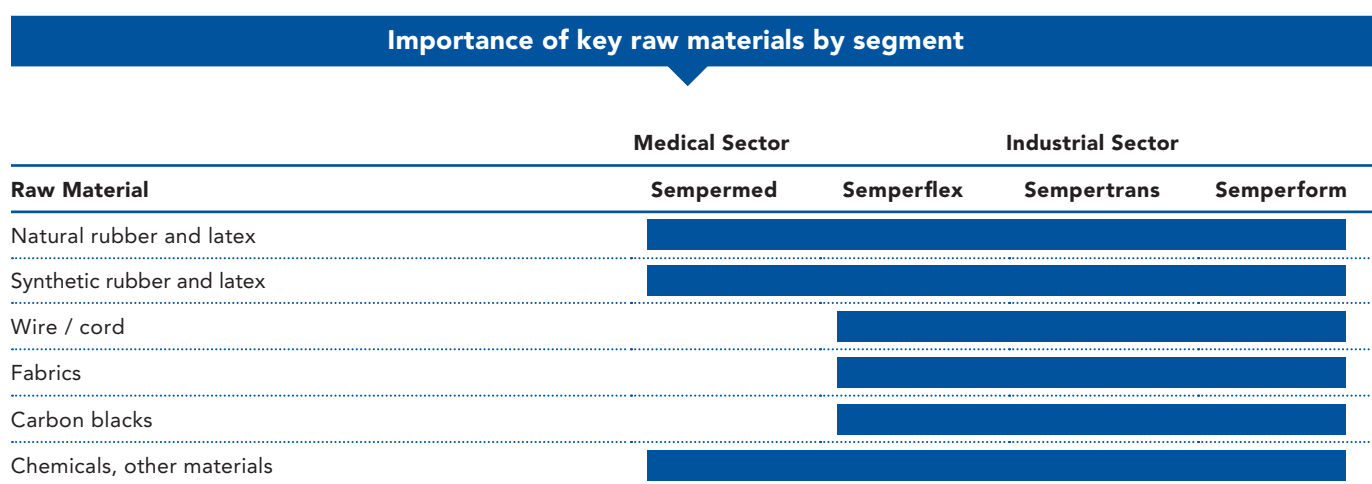
In 2014 the Semperit Group spent EUR 513.7 million for material costs and purchased services – slightly less than 60% of its revenue. Due to the product portfolio, a large part of these expenditures relates to raw materials such as latex and rubber, reinforcing materials, carbon blacks and chemicals that are required for production. As part of the group's active approach to cost and raw materials management, the risks incurred due to volatile trends in raw material costs are minimised. Detailed market analyses enable measures to be introduced in a timely manner, leading to delivery conditions that meet the needs of the market.



Thanks to the flexible design of production lines and formulas, the raw materials used can be changed quickly. Groupwide programs ensure that resource utilisation is continuously optimised (for details see page 66, Research and development).

GROUP PROCUREMENT & LOGISTICS

Due to the significance of the most critical raw materials to all segments (see table), potential synergies resulting from procurement are ensured by the central Group Procurement & Logistics department. Around 60% to 70% of the entire raw material need of the Semperit Group is covered by the procurement markets in Asia. The purchasing organisations in Singapore and at several other production sites make it possible to improve the utilisation of the procurement markets in Asia, including in Southeast Asia and China. This relates not only to raw materials, but also to capital equipment.



Supplier partnerships

As a central service provider, Group Procurement & Logistics also focuses on the continued expansion of strategic supplier partnerships for the most important raw materials and products. This involves identifying opportunities for improvement and agreeing implementation measures to achieve them. An important aspect of these partnerships is also technical collaboration. Here the group pursues the goal of operating production systems more efficiently and achieving a continuous improvement in production processes by using raw materials with a consistent level of quality.

Supply chain management

Due to the global positioning of the Semperit Group, it is highly important for the company to optimise logistics processes to enable consistently reliable delivery. Conveyor belts and hoses produced by Semperit in Europe and Asia are used around the world, just as the examination gloves produced by Semperit in Malaysia. The focus here is on a steady improvement in the group's ability to deliver by shortening order throughput times and optimising production planning. Logistics services for global production and distribution are purchased on a bundled basis. As part of the group's ongoing enhancement of its global business organisation, supply chain processes are defined at the local, regional and global levels and then anchored accordingly in the respective organisation.

Active working capital management

To minimise working capital and the financial resources invested therein, the Semperit Group uses concrete targets to actively manage the inventory levels at its production facilities and implements optimisation measures in order processing. Efforts are also constantly undertaken to improve supplier and customer payment terms.

THE RUBBER INDUSTRY AT A GLANCE

Around 28 million tons of synthetic and natural rubber are produced annually around the world, of which about 16 million are attributable to synthetic rubber and somewhat more than 12 million to natural rubber. The main consumers of this production are tyre manufacturers, accounting for between 70% and 80% of the annual volume produced. Demand for the raw material rubber is therefore strongly correlated with that for tyres of all types of motor vehicles. Nevertheless, the price of rubber is influenced not just by sales in the motor vehicle industry, but also by several other factors such as the production quantities of the raw material itself, environmental conditions (storms) – impacting natural rubber – or the price of crude oil – impacting synthetic rubber.

Natural rubber and natural latex

Slightly more than 12 million tons of natural rubber and latex are produced each year, of which roughly 30% comes from both Thailand and Indonesia, with Malaysia, Vietnam and India each producing less than 10%. The remainder is harvested in other countries. As a renewable resource, natural latex comes from rubber trees, and 80% to 90% of it is processed into rubber. 10% to 20% of natural latex is used in purified form in manufacturing, e.g., in the production of examination gloves. Rubber trees must be grown for about seven years after planting before they can be tapped for the first time with an incision in the bark. One tree can provide roughly 100 millilitres of latex daily, which corresponds to about 30 to 40 grams of solid rubber.

In the Southeast Asian countries mentioned above, the majority of the total area under cultivation is managed by so-called smallholders. The average area under cultivation is about two hectares, which can yield roughly two to three tons of solid rubber per year. These quantities are sold to intermediaries who supply the processing industry with latex or raw rubber. 80% to 90% of the processed quantities are demanded and purchased by the markets in the form of rubber. The pricing of the rubber also takes place through commodity exchanges. Due to the structure of the industry to tap latex, production can fluctuate considerably. This creates significant challenges for Semperit in both production and purchasing.

Synthetic rubber and latex

Around 16 million tons of synthetic rubber and latex are produced annually. The basic raw material is crude oil, which refineries process in several distillation steps into products such as naphtha. In subsequent stages it is manufactured at petrochemical plants into further products such as butadiene, which is the basis for most types of synthetic rubber.

DEVELOPMENTS IN THE RAW MATERIALS MARKETS

The sub-markets for the raw materials that are important for the rubber industry, such as the market for natural rubber and natural latex as well as the market for synthetic latex, experienced a decline in prices during 2014, albeit to varying degrees. The development of these markets in the natural rubber segment is influenced by production conditions, while synthetic rubber and carbon black are impacted by provider behaviour and trends in the costs for basic raw materials, which are dominated by the price of crude oil. Demand is impacted primarily by the main consumer of rubber products, the tyre and automobile industry.

Following the decline in the prices for natural rubber at the start of 2014, prices continued to decrease steadily over the course of the year due to further increases in production and high inventory levels. The average prices in 2014 were around 30% lower than the average prices in 2013. While synthetic rubber is manufactured globally, by far the largest share of natural rubber and latex is produced in Southeast Asia, above all in Thailand, Indonesia, Vietnam and Malaysia.

The markets for synthetic rubber and synthetic latex were relatively stable for large portions of 2014. The slump in the crude oil price that set in as the year progressed then resulted in sharply lower prices in the fourth quarter of 2014. The average prices in 2014 were somewhat more than 10% lower than the comparable prices for 2013.

The price for the filling material carbon black was largely stable in 2014. The collapse in the price of crude oil, which set in towards the end of the year, was not yet reflected in 2014 due to longer lead times. The prices for wire in the different regions were relatively stable in 2014.

CORPORATE RESPONSIBILITY / SUSTAINABILITY

The Semperit Group is committed to the principles of sustainable corporate management and is convinced that it can realise its ambitious growth strategy only with equal consideration of economic, social and environmental factors.

Sustainability is an integral part of Semperit's corporate strategy. In 2014 a Sustainability Council was established, consisting of managers from the segments and central functions. This creates the structural foundations to define and enhance the current and future work areas in sustainability. The Council deals with the guidelines and specific design of measures and objectives in the area of sustainability.

- Safety, health, environment
- Management of resources
- People
- Social responsibility
- Suppliers
- Sustainable innovation

Sustainability management is pursued and expanded throughout the group on an ongoing basis. This includes continuous development and expansion of the sustainability strategy and the corresponding policies as well as the definition of KPIs (key performance indicators) for the different areas. Our long-standing expertise is incorporated into developing sustainable solutions in resource management.

SAFETY, HEALTH, ENVIRONMENT

One of the first milestones in sustainability management was reached with the SHE initiative. SHE management was implemented because Semperit is aware of the special responsibility towards employees and the environment. SHE aims to, on the one hand, reduce the risks for people and the environment and, on the other, cut costs by preventing accidents and the associated production downtime. To meet this goal, active measures are being defined to continuously improve operational safety, promote human health and improve environmental performance (by lowering waste volumes, energy consumption, etc.).

Work station-specific safety training sessions are offered to improve safety. Employees attend special presentations and take part in practical exercises during this training. The training covers first aid, accident prevention and fire extinguishing drills. New employees are given an in-depth introduction to safety. To ensure the best possible accident prevention, near accidents also have to be reported to help to identify the right countermeasures. Risks are contained through regular factory tours, audits and training.

External certifications

All Semperit AG Holding production sites have been certified under ISO 9001 for many years. In addition, the Medical Sector is certified under ISO 13485. Since 2011, the Semperit Rubber & Plastic Products Co. Ltd. plant in Shanghai undergoes an external audit of its environmental system in accordance with ISO 14001. Sempertrans Best (Shandong) Belting Co. Ltd. has introduced a certified health and safety management system as per OHSAS 18001 in addition to its environmental management system.

As part of the SHE project, it is planned that all units of the Semperit Group will implement the ISO 14001¹ environmental management standard and the ISO 45001² occupational health and safety standard. All production sites are slated to be certified to these two standards by the end of 2015. In terms of ISO, the plan is to revise OHSAS 18001 and switch to the ISO standard ISO 45001.

The ISO 50001 energy standard is also scheduled to be introduced at the production facility at Deggendorf, Germany in 2015. This will ensure that a systematic and process-oriented approach is used to implement efficiency and savings measures in the area of energy.

MANAGEMENT OF RESOURCES

Due to the fact that the Semperit Group spends about 55% of its revenue for materials and purchased services, the economical use of resources has high priority for the group. The objective of the key Waste-of-Material Programme (WOM Programme) is to continuously reduce the amount of waste, scrap and customer complaints by improving production processes. Waste is recycled back into the cycle of materials wherever it's physically and commercially possible. If recycling is not possible or practical, materials are incinerated under controlled conditions by a qualified waste disposal company.

Improvement in energy efficiency

Group-wide measures are undertaken to continuously reduce energy consumption, which especially takes place at Semperit's production sites. In 2014 the Waste-of-Energy Programme (WOE Programme) was launched. This initiative examines the energy requirements chain – from generation and distribution through to the individual consumers of energy – regarding potential savings.

¹ The international ISO 14001 environmental management standard defines globally recognised requirements for an environmental management system, www.iso.org.

² The OHSAS (Occupational Health and Safety Assessment System) 18001 standard forms the basis for an occupational health and safety system which contains fixed standards and procedures, to protect health and prevent accidents in the company, www.ohsas.org.

Even though production was sharply higher between 2010 and 2014, energy consumption at the group's European plants did not increase at the same pace. In fact, in 2014 total energy consumption in Europe, at 261 GWh (gigawatt hours), was even lower than in 2013. Consumption at the group's Asian production sites (China with the Semperflex, Sempertrans and Semperform segments, and Malaysia with the glove production in the Sempermed segment) was 867 GWh in 2014.

PEOPLE

An important foundation to retain employees is a motivating, safe and healthy workplace. For this reason Semperit launched the "Brush Up Your Work" initiative in the first quarter of 2014. All locations were called up to submit their proposals to improve the work environment. These proposals were then evaluated based on the following criteria:

- Impact of the proposal on cooperation in the workplace
- Safety, health and environmental aspects
- Sustainability of the proposal

36 submissions in total met the criteria and were approved. A budget totalling EUR 800,000 was made available to realise the proposals.

SOCIAL RESPONSIBILITY

The Semperit Group feels a particular responsibility and commitment towards the people in the regions where it is located. A significant financial investment is being made in 2014 and the years thereafter to expand glove production at Latexx Partners in Malaysia. This spending will support the economic development of the region. To increase production capacity, considerable investments have also been undertaken at the group's plants in Odry, Czech Republic, Belchatów, Poland, and Wimpassing, Austria.

Social commitment

Besides providing financial support to local social projects, Semperit regularly donates examination gloves to charitable causes. In addition, since 2010 the money that had been spent on Christmas presents has instead been donated to the international charity "Médecins Sans Frontières" (Doctors Without Borders) for a mobile clinic in India.

As a long-time partner of this charity, the Semperit Group also felt it had a duty to support its efforts in 2014 against Ebola so that the epidemic can be controlled as effectively as possible. Semperit provided more than 350,000 examination and protective gloves as emergency aid. In addition, the group launched a donation campaign among employees and partners. Semperit then doubled the funds raised and additionally donated gloves for the same value.

RESPONSIBILITY FOR OUR EMPLOYEES

Professional human resource management that meets the current and future needs of the group is a high priority for implementing the growth strategy of the Semperit Group. The objective is to promote the skills and performance orientation of every employee while meeting the group’s need for specialists and managers.

HUMAN RESOURCES STRATEGY

The Semperit Group has an ambitious growth strategy that is supported by effective and modern human resources policies. The overall goals of these policies are to position the company as an attractive employer, to implement modern management tools, to promote internationality and diversity and to create the conditions for a performance-oriented and fair corporate culture with a clear set of values (see page 33).

Area of action	Initiatives	Date	Implementation status
Global leadership and performance management	Performing of management potential analyses	2014	Completed
	Leadership & Talent Academy (incl. 360-degree feedback)	2014 / 2015	Implemented & ongoing
Systems and tools for human resources management	Introduction of a global HR organisation, incl. continuous global HR benchmarking	2014 / 2015	Implemented & ongoing
	Implementation of a global HR IT system (start with personnel administration and organisation management)	2014 / 2015	Implemented & ongoing
Personal development, career and succession planning	Focus on diversity, especially on career & succession planning; establishing a development programme for crucial areas of expertise in the company (e.g., for technical career paths, Sales Academy)	2014 / 2015	Implemented & ongoing

Strategic areas of action

The emphasis in the Sourcing area of action is on recruiting regional talent and employer branding. The group aims to boost diversity among both employees and managers, especially as part of career & succession planning. There are separate development programmes for crucial areas of expertise in the company such as career paths for technicians or sales employees.

The focus in the Growing area of action is on management culture, company and employee development and skills management. Strengthening these four key elements supports the successful further development of the Semperit Group. In order to optimally support the group's growth from a human resource perspective, the implementation of a global Human Resources organisation and a global HR IT system was launched in 2014. The first deployed elements of the IT system are personnel administration and organisation management.

As far as the Performing area of action is concerned, the Semperit Group aims to live "best practices" and thus pursues the goal of establishing a high-performance organisation that operates globally to provide its customers the greatest possible added value.

English has been chosen as the corporate language in order to facilitate integration and interaction between the individual corporate units and therefore to promote, among other things, the transfer of knowledge and expertise.

360-degree feedback

The 360-degree feedback tool was introduced in 2012 to assess management regarding the jointly defined leadership principles. This initiative includes not only upper and middle management but also team leaders. The feedback process is conducted anonymously, enabling a high level of objectivity. In addition to self-assessments by the managers themselves, direct feedback is obtained from supervisors, employees and colleagues, as well as from customers and other external business partners.

Expatriates

The group's focus on growth requires investments at various locations. In order to optimally accomplish these investments in a reasonable time frame from both a technical and organisational perspective, a significant extent of knowledge and expertise transfer is also necessary at all levels of the group. Semperit therefore sends employees to other locations for a limited period of time. While there were just two expatriates in 2012, the total has risen to more than 25 in 2014. Most of these expatriates have a technical background and are employed in Malaysia to provide support with the build-up of the new glove factory, among other things.

EQUAL OPPORTUNITIES

Semperit sees itself as a fair and responsible employer, and would therefore like to offer equal opportunities to every employee. Using flexible work models such as flexitime and part-time work, as well as special parental part-time arrangements, the group aims at continuously increasing the proportion of female employees. As a traditional industrial company with a technical focus, the share of women in Austria was somewhat more than 20% at the end of 2014. The share of female employees amounted to 30% throughout Europe and to around 20% group-wide. The decline at the total group level compared with 2013 is due to the change in the method of consolidation for Siam Sempermed Corp. Ltd. in Thailand. In 2014, the share of women in management (Management Board, Executive Committee, department heads) was slightly less than 10%.

TRAINING AND PROFESSIONAL EDUCATION

Semperit Group’s management understands that the expertise and innovative strength of employees are critical success factors for expanding the company’s market positions. The group therefore offers an extensive training and professional education program to teach employees the necessary professional skills so that they are optimally prepared for their operational and strategic challenges. As part of a comprehensive training catalogue, personal development training is offered to, among other things, provide employees with skills for conflict, time and target management, as well as presentation techniques. In addition, employees have the opportunity to participate in specialised training courses.

E-Learning

In 2015 the group launched an E-Learning and Blended E-Learning pilot training programme for its English language training and selected other internal initiatives. E-Learning means “electronically supported learning via the Intranet / Internet”, whereas Blended E-Learning involves traditional learning methods supplemented with E-Learning techniques. The results of these pilot trainings are constantly evaluated and then incorporated into the planning, further implementation and expansion of the E-Learning tool.

Apprentices

14 apprentices were trained in Austria during the financial year 2014. Semperit therefore offers these young people well-founded access to the world of work, while subsequently gaining qualified specialists who are familiar with the group’s processes.



Living the spirit of responsibility for employees: Ramadan prayers in Malaysia

JOINING THE COMPANY AND ADVANCEMENT AT SEMPERIT

Onboarding Academy and mentoring programme

The Onboarding Academy is a comprehensive training programme offered to new employees (experts, managers). It provides a rapid overview of the entire group, while enabling integration into the company and international networking across all corporate divisions. In addition, technicians and chemists are offered in-depth training with specific details on their respective areas of professional expertise.

To optimally integrate employees into the company, a mentoring system is used for certain employee groups. The objective is playing the role of a mentor by an experienced employee and providing advice to the young employee (the mentee).

Personal and career planning / Performance reviews

An essential component of human resources management is successor and career planning. To identify individual potential as well as to utilise it optimally, we conduct annual institutionalised performance reviews for employees. These reviews serve to integrate and motivate employees and to foster their identification with the company. Managers participated in a management potential analysis during 2014 in order to better identify individual management skills as well as the necessary development steps to improve them.

Talent Academy

In 2012 the group commenced initiatives to define career paths, create succession planning for key positions and establish a structure for talent identification; these initiatives were successfully concluded in 2013. The Semperit Talent Academy launched its activities in the fourth quarter of 2013 with the unveiling of two development centres for 19 employees in total. These centres are intended to prepare future experts and managers for their responsibilities in the segments and in the Holding. First, employees were selected to complete an analysis of their potentials. This is followed by three modules. Around 50% of the participating employees came from Austria, with the remainder from other countries in Europe and from Asia. An additional Talent Academy with 16 employees was launched at the start of 2015. The geographic distribution of employees was similar to the first Talent Academy, and 25% of the attendees were women.

Leadership Academy

Building on the insights obtained through the 360-degree feedback programme, training priorities were created for the Semperit Leadership Academy in order to further strengthen and optimise the leadership skills of the company's management at all levels. The programme was launched in 2013 and – as well as the Talent Academy – will be continued.

Internal knowledge transfer

The Semperit Group places great importance on the exchange of knowledge and experience within the company in order to promote cross-border and cross-departmental cooperation amid the company's growing internationalisation and diversification. International meetings of technicians, sales employees, specialists in purchasing, human resources or finance as well as managers ensure the desired synergistic effects. In addition, each segment usually conducts its own Segment Day at least once a year so that managers and specialists are able to meet personally and work jointly on current projects.

The company holds town hall meetings twice a year at all locations around the world. During these meetings, members of the Management Board and other managers answer employee questions and provide first-hand information about the corporate strategy, internal programmes and organisational changes.

COLLABORATIONS AND EMPLOYER BRANDING

In order to meet the current and future need for specialists and managers, the Semperit Group supports several collaborations with technical higher education institutions, universities and technical colleges, with the aim of attracting qualified and ambitious employees. In addition, the group provides internships and support for numerous theses and dissertations that are relevant to the company. By taking part in career fairs and recruitment days, Semperit represents itself as an attractive employer with fascinating occupational fields and career opportunities. The personnel marketing and recruitment measures mentioned above focus on Austria, Poland, the Czech Republic, Malaysia and China.

NUMBER OF EMPLOYEES DECLINES

At the end of 2014 the Semperit Group employed around 6,900 people, of which about half or 3,400 employees are in the Sempermed segment, followed by the Semperflex segment with a share of more than 20%. All segments except for Sempermed increased their number of employees due to the increase in production. The 33% decline for the Semperit Group overall is solely related to the Sempermed segment (-51%), and is caused by the change in the method of inclusion for Siam Sempermed Corp. Ltd. in Thailand.

Number of employees as at year-end

	2014	% share	Change 2014 vs 2013	2013	2012	2011
Sempermed (excl. Siam Sempermed Corp. Ltd. as at year-end 2014)	3,428	49.8%	-51.1%	7,007	6,548	5,016
Semperflex	1,538	22.3%	4.8%	1,467	1,315	1,352
Sempertrans	1,027	14.9%	6.2%	968	958	942
Semperform	787	11.4%	5.9%	743	691	674
Corporate Center	108	1.6%	18.1%	91	65	41
Total	6,888	100.0%	-33.0%	10,276	9,577	8,025
Thereof in Austria	821	11.9%	11.1%	739	706	708
Of which Semperit AG Holding	97	1.4%	20.3%	80	55	38

INVESTOR RELATIONS

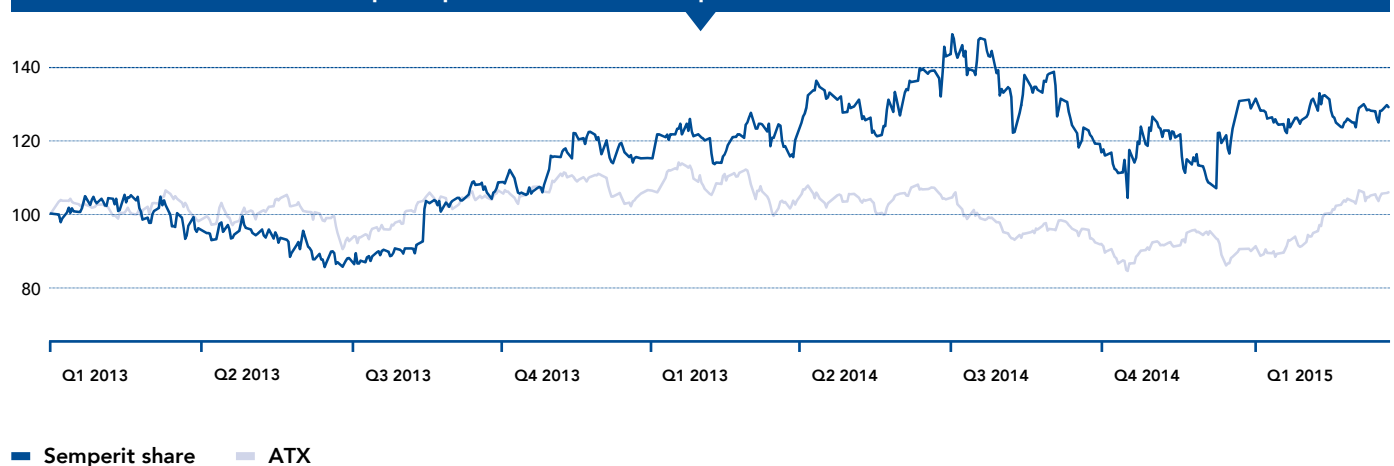
With a stock market listing that dates back to 1890, Semperit is one of the oldest stocks trading on the Vienna stock exchange. In 2014 the Semperit share increased by 11.6%, thus developing better than the ATX which dropped by 15.2%.

PERFORMANCE OF THE CAPITAL MARKETS

The ongoing international debt crisis also did not leave the global stock exchanges unscathed in 2014. This is compounded by the currently difficult geopolitical situation in Russia, the Ukraine and the Middle East. Although most stock exchanges in 2014 reported gains, prices increased modestly compared with 2013.

Despite positive performance at the start of the year, the ATX saw a decline in the second half of 2014 and finished out the year below average at 15.2% less than the international benchmark. DAX, the German equity index, only rose by 2.5% in 2014, the European stock exchange EuroStoxx 50 experienced a minimal rise of 1.2%, the most important US index Dow Jones Industrial improved by 7.5% and the Nikkei Index of the Tokyo stock exchange reported an increase of 7.1%.

Share price performance of Semperit and ATX, indexed 1.1.2013



PERFORMANCE OF THE SEMPERIT SHARE

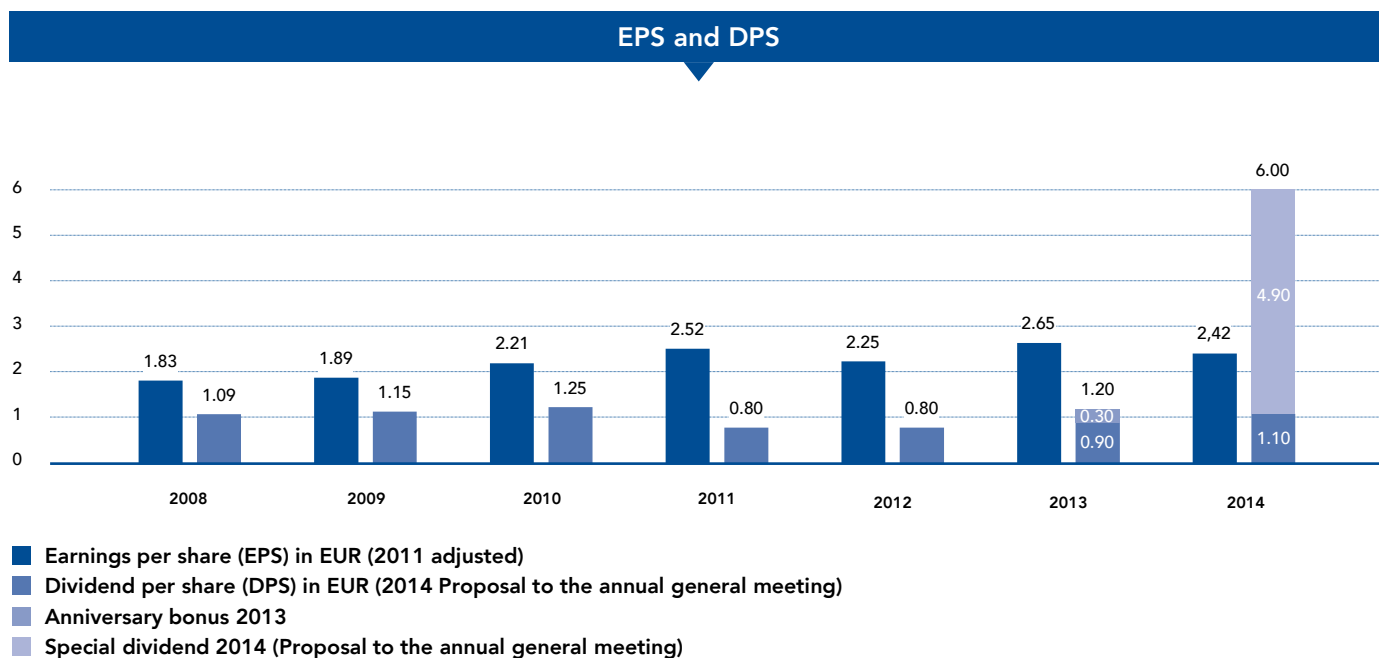
Starting from the final price of EUR 36.00 at the end of 2013, Semperit share rose steadily until the middle of July 2014. The historic high of EUR 46.40 was reached on 1 July 2014. Consistent with the ATX, the share fell starting in mid-July, reaching its lowest point of EUR 32.66 on 16 October 2014. The share went up again to more than EUR 40.00 by the end of December 2014. Overall, the Semperit share closed 2014 at a price of EUR 40.18, which represents a gain of 11.6%.

At the end of 2014 Market capitalisation totalled EUR 826.6 million, compared with EUR 740.6 million at the end of the previous year. The average daily trading volume of Semperit shares was 9,416 units or EUR 0.3 million (counted individually) during the reporting period.

DIVIDEND

At the Annual General Meeting on 28 April 2015, the Management Board will propose an ordinary dividend of EUR 1.10 per share, an increase of 20 cents. In addition, a proposal will be made to pay a special dividend totalling EUR 4.90. The total dividend will therefore be EUR 6.00, a gain of more than 100% versus the previous year. This means that EUR 123.4 million will be distributed overall. Based on the ordinary dividend, the dividend payout ratio¹⁾ for the financial year 2014 is therefore 45.4%, compared with 33.9% in the previous year. Given the share price of EUR 40.18 as at the end of 2014, this results in an impressive dividend yield of 14.9% for the total dividend.

Semperit is modifying its dividend policy and going forward aims to achieve a payout ratio of around 50% (instead of 30% previously) of earnings after tax – assuming continued successful performance and that no unusual circumstances occur.



¹⁾ The calculation basis for the payout ratio is earnings after tax.

SHAREHOLDER STRUCTURE

Semperit AG Holding is listed with 20,573,434 no-par value bearer shares in the Prime Market of the Vienna Stock Exchange. B & C Holding Österreich GmbH, with 54.18% (11,145,917 shares), is the majority owner and a long-term core shareholder. The owner of B & C Holding Österreich GmbH, B & C Foundation, is a private foundation which was established under Austrian law with the mission to foster Austrian entrepreneurship. More than 10% of the ordinary shares had been held by Legg Mason Inc., USA since 10 March 2011. As of 2 February 2015, the interest of Legg Mason Inc., USA, has been less than 10%. The remaining shares are diversified holdings.

COMMUNICATION WITH THE CAPITAL MARKET

The Semperit Group intends to provide current and potential shareholders with a complete picture of the company's business performance through a transparent and prompt communications policy. This should enable an accurate valuation of Semperit shares on the markets and facilitate a long-term relationship of trust with both shareholders and the general public.

The Chairman of the Management Board, the Chief Financial Officer and Investor Relations actively seek dialogue with key players in the financial markets and participated in conferences and roadshows in European financial centres as well as in New York and Boston. In addition, many institutional investors participated in meetings with the Management Board in Vienna and took advantage of the opportunity to tour the core production facility in Wimpassing. The intensity of Investor Relations activities is reflected, in part, in the number of analysts who regularly cover Semperit shares: Baader Bank, Deutsche Bank, Erste Bank, Hauck & Aufhäuser, HSBC, Kepler Cheuvreux und Raiffeisen Centrobank (RCB). The Investor Relations website plays an important role in communication. In addition to financial reports, presentations and conference calls, it also provides a share chart tool for comparing with indices and selected shares: www.semperitgroup.com/ir.

Semperit share at a glance

Key figures		2014	Change	2013	2012
Price at 31.12.	in EUR	40.18	+11.6%	36.00	31.36
Lowest price	in EUR	32.66	+21.6%	26.86	26.65
Highest price	in EUR	46.40	+21.4%	38.22	33.90
Market capitalisation at 31.12.	in EUR million	826.6	+11.6%	740.6	645.2
Number of shares issued	in unit	20,573,434	–	20,573,434	20,573,434
Price-to-earnings ratio		16.6	+21.9%	13.6	13.9
Earnings per share (EPS)	in EUR	2.42	–8.7%	2.65	2.25
Dividend per share ¹⁾	in EUR	1.10	+22.2%	0.90	0.80
Dividend payout ratio		45.4%	+11.5 PP	33.9%	35.6%
Special dividend ¹⁾ 2014 / Jubilee bonus 2013	in EUR	4.90	> +100.0%	0.30	–
Average trading volume per day ²⁾	in EUR thousand	370	+39.4%	265	264
Average traded shares per day ²⁾	in unit	9,416	+9.8%	8,578	8,727

¹⁾ Proposal to the Annual General Meeting on 28 April 2015

²⁾ Counted individually

CORPORATE GOVERNANCE REPORT

AUSTRIAN CORPORATE GOVERNANCE CODE

In 2002, the Austrian Corporate Governance Code, a regulatory framework for the management and monitoring of Austrian joint stock companies, has been established. This code contains internationally adopted, customary standards, as well as significant related regulations stipulated in the Austrian Stock Corporation-, Stock Exchange-, and Capital Markets Acts and the basic principles encompassed in the OECD Guidelines for Corporate Governance.

These rules are aimed at ensuring a responsible management and supervision of individual companies and groups, with the goal of creating sustainable and long lasting value. The code seeks to create a high level of transparency for all company stakeholders. It creates guidelines for the equal treatment of all shareholders, for transparency, open communication between the Management and Supervisory Boards, the avoidance of conflicts of interest between bodies, and for efficient monitoring and auditing as performed by the Supervisory Board and the auditor, respectively. Companies voluntarily undertake to comply with the guidelines contained in the current version of the Austrian Corporate Governance Code. The version of the Code that was applicable in 2014 was published in July 2012. The Corporate Governance Code that is applicable to this report and the updated version of the Code, issued in January 2015 can be found on the website at www.corporate-governance.at.

STATEMENT ON CORPORATE GOVERNANCE

The Semperit Group hereby declares that it will voluntarily observe the Austrian Corporate Governance Code and that it also intends to observe the Code in the future, or justify any deviating behaviour. The Supervisory Board also reached a corresponding unanimous decision. Semperit AG Holding complies with all legally binding L-rules (Legal Requirements). Unless otherwise declared, the C-rules (Comply-or-Explain) will be observed by the relevant bodies and the company.

MANAGEMENT BOARD

Composition and function of the Management Board

The Management Board leads the company and consists of four members. It has full responsibility for managing the company for the benefit of the enterprise while considering the interests of shareholders and employees as well as the public interest (L-rule 13).

Internal rules of procedure regulate the allocation of business responsibilities and cooperation between members of the Management Board. Decisions of primary importance are taken by the Board as a whole. The Management Board itself assumes communication tasks that have a significant impact on how the company is perceived by its stakeholders. Legally binding regulations, the Articles of Association, and the internal rules of procedure laid down by the Supervisory Board form the basis for corporate management. In addition, behavioural guidelines are also contained in the Austrian Corporate Governance Code.

Cooperation between the Management and Supervisory Boards

The Management Board and Supervisory Board are committed to managing the company in accordance with the principles of good corporate governance. This management takes place in open discussions between the Management Board and the Supervisory Board as well as within these corporate bodies. Among other things, the Management Board's internal rules of procedure govern the Management Board's ongoing reporting to the Supervisory Board.

The strategic direction of the company is determined in close cooperation between the Management Board and the Supervisory Board and is discussed in Supervisory Board meetings held at regular intervals. The Supervisory Board determines the allocation of departments and responsibilities in the Management Board, as well as decides those transactions requiring its explicit authorisation in accordance with statutory provisions. Furthermore, the Supervisory Board supports the Management Board in managing the company, particularly when decisions of fundamental importance are to be made.

CORPORATE BODIES OF SEMPERIT AG HOLDING: MANAGEMENT BOARD

Thomas Fahnemann

Chairman of the Management Board since 14 April 2011; previously Deputy Chairman of the Management Board since joining the company on 1 December 2010; period of office ends on 31 December 2016

Responsibilities: Medical Sector, which includes the Sempermed segment; Industrial Sector, consisting of the Semperflex, Sempertrans, and Semperform segments; Corporate Development & Strategy, Procurement & Logistics, Human Resources, Communications.

Following his studies in business administration in Mainz, Germany, Thomas Fahnemann, born in 1961, completed an Executive MBA Program at Northwestern University in Chicago. Thomas Fahnemann began his professional career with Hoechst AG in Frankfurt in 1983. He subsequently assumed several executive positions in Germany and in the USA. In 1995, he was appointed Group Department Manager for Trevira in North Carolina, USA, and starting in 1998, served as Chief Operating Officer for KoSa in Houston, USA. In 2003, he became CEO and Chairman of the Management Board of Lenzing AG in Austria. From 2009 to 2010, he was Chairman of the Management Board of RHI AG, Vienna. He holds no Supervisory Board mandates in other companies that are not included in the consolidated financial statements pursuant to C-rule 16 of the Austrian Corporate Governance Code.

Johannes Schmidt-Schultes

Member of the Management Board since 15 April 2011; Chief Financial Officer (CFO); period of office ends on 30 April 2017

Responsibilities: Accounting & Reporting, Planning & Financial Controlling, Tax, Treasury, Investor Relations, Internal Audit, Risk Management, Legal, Compliance.

Johannes Schmidt-Schultes, born in 1966, concluded his studies in economics at the University of Hanover, Germany, in 1993. In 1996, he earned a doctorate at the Ludwig Maximilian University in Munich, Germany. He studied abroad at Aston University in Birmingham, UK, as well as at the University of California in Berkeley, USA. During his tenure as a university assistant, Johannes Schmidt-Schultes worked for the strategy consultants Bain & Company in Munich. From 1996 to 1999, he served as Head of the Department of Investment Controlling and Group Development at VIAG AG in Munich, and from 1999 to 2001, he was Managing Director of Finance for Kloeckner & Co in Vienna. In 2001, he moved to Deutsche Telekom Group – first as CFO of T-Mobile Austria in Vienna and then, from 2004 to 2007, of T-Mobile UK in Hatfield, UK. From 2007 to 2011, he was Deputy Chief Financial Officer of the Australian telecommunications company Telstra Corporation in Melbourne, Australia. He holds no Supervisory Board mandates in other companies that are not included in the consolidated financial statements pursuant to C-rule 16 of the Austrian Corporate Governance Code.

Richard Ehrenfeldner

Member of the Management Board since 1 October 2001; Chief Technical Officer (CTO); period of office ends on 31 May 2018

Responsibilities: Engineering & Maintenance, Innovation & Technology, Operational Excellence, Quality Management.

After concluding his studies in process engineering (chemical plant engineering) at the Graz University of Technology, Richard Ehrenfeldner, born in 1954, commenced his professional career in 1984 with AT&S in Leoben, where he was head of the Departments of Production and Expansion with a particular focus on large investments in expanding production capabilities. In 1989, he moved to Semperit AG Holding. As Technical Manager of the Sempermed segment, he was responsible for the expansion of manufacturing facilities as well as the construction and development of new plants in Sopron, Hungary, Hatyai, Thailand, and Shanghai, China. He holds no Supervisory Board mandates in other companies that are not included in the consolidated financial statements pursuant to C-rule 16 of the Austrian Corporate Governance Code.

Declan Daly

Member of the Management Board since 1 June 2014; Chief Information Officer (CIO); period of office ends on 31 May 2017

Responsibilities: Information Technology, Business Excellence, Process Optimisation

Declan Daly, born in 1966 in Dublin, studied electrical engineering at the Dublin City University and graduated with honours. He began his professional career in 1988 in software engineering at Asea Brown Boveri (ABB), where he specialised in industrial process automation and was responsible for sales of control systems in Ireland and Austria. In 1996, he completed an MBA programme at the INSEAD Business School in Fontainebleau, France, and then worked for three years as a management consultant at Gemini Consulting in Germany. In 2000, he moved to General Electric for ten years, where, at the beginning, he headed the Corporate Initiatives Europe department. From 2002, Declan Delay worked as Chief Operating Officer for GE Money Bank in Switzerland, where he was responsible for the modernisation and reorganisation of customer service, contract processing and collections. He was appointed CEO of GE Money Bank Austria in 2006, where he contributed in this role to the strategic reorientation of the bank's activities in preparation for its sale, which took place in 2009. From 2009 until 2014, he was Vice President Europe at Western Union, an international financial services provider. He holds no Supervisory Board mandates in other companies that are not included in the consolidated financial statements pursuant to C-rule 16 of the Austrian Corporate Governance Code.

REMUNERATION OF THE MANAGEMENT BOARD

The remuneration of the Management Board consists of a fixed salary component, a short-term variable, performance-based component, and a long-term variable, performance-based component, as well as remuneration in kind. The assessment for the short-term variable, performance-based salary component of the Management Board is based on net profit (earnings after tax), the return on total assets and individual, qualitative targets.

In line with the stipulations contained in the Austrian Corporate Governance Code, a variable, performance-based salary component that is linked to the achievement of sustainable, long-term and multi-year performance criteria has been integrated into the remuneration of all Management Board members. Based on the degree of achievement of the targeted objectives, this bonus is subsequently determined for the past financial year and paid out in three equal instalments over a period of three years. If the pre-defined goals are not attained, no bonus relating to this remuneration component will be allocated, or, in the case of a premature termination of the Management Board mandate, the remaining unpaid share of the bonus will not be disbursed.

The upper limit for variable, performance-based remuneration components (short- and long-term components) is between 97% and 150% of the annual fixed remuneration. In 2014, the remuneration paid to the active members of the Management Board totalled EUR 2,907 thousand (previous year: EUR 2,062 thousand), of which EUR 1,315 thousand (previous year: EUR 942 thousand) consisted of variable salary components. As a result of changes to the composition of the Management Board during the year, comparing total compensation with the previous year amounts is of limited value.

In addition, payments amounting to EUR 149 thousand were made in 2014 to the former Management Board member Richard Stralz (EUR 271 thousand in 2013).

The remuneration paid out to the former Chairman of the Management Board Rainer Zellner in 2014 amounted to EUR 371 thousand (2013: EUR 727 thousand). Further payments totalling EUR 371 thousand were made in 2014 on termination of his employment relationship (2013: EUR 838 thousand).

Remuneration paid out to the Management Board

	2014				2013			
	Fixed remuneration (incl. Payments in kind and daily allowances)	Variable short-term remuneration	Variable long-term remuneration ("bonus bank")	Total	Fixed remuneration (incl. Payments in kind and daily allowances)	Variable short-term remuneration	Variable long-term remuneration ("bonus bank")	Total
in EUR thousand								
Thomas Fahnemann, Chairman	560	397	113	1,071	461	351	160	972
Richard Ehrenfeldner	378	371	32	781	377	248	10	635
Johannes Schmidt-Schultes	393	224	28	644	282	150	23	455
Declan Daly	261	150	0	411	–	–	–	–
Total	1,592	1,142	173	2,907	1,120	749	193	2,062

Contributions to pensions

A defined-contribution pension scheme has been established for the Management Board members Thomas Fahnemann, Johannes Schmidt-Schultes and Declan Daly. Annually, 1/14 of the respective fixed remuneration is paid into a pension fund (APK Pensionskasse AG). The amount of the pension is based on the capital available in the pension fund. The payout is made in accordance with the pension fund agreement. The Management Board member Richard Ehrenfeldner is covered by a pension scheme based on a reinsurance policy with Generali Versicherung AG, where 1/7 of the annual fixed remuneration is paid in. In addition, pension payments are made to previous Management Board members or their widows.

Contributions to pensions

in EUR thousand	2014	2013
Thomas Fahnemann	36	37
Johannes Schmidt-Schultes	25	18
Richard Ehrenfeldner	53	53
Declan Daly	19	–
Total	133	108

Termination benefits – severance payments

The Management Board members Thomas Fahnemann, Johannes Schmidt-Schultes and Declan Daly are subject to the Austrian Corporate Employee and Self-Employed Pension Act (Betriebliches Mitarbeiter- und Selbstständigenvorsorgegesetz – BMSVG). This Act stipulates that 1.53% of a covered individual's total remuneration (which includes all current remuneration, remuneration in kind and special payments) has to be paid to BONUS Vorsorgekasse AG. In total, the expenses for severance payments for these three active members of the Management Board amounted to EUR 28.2 thousand (2013: EUR 21.9 thousand). Richard Ehrenfeldner is covered by the termination benefits in accordance with statutory provisions (Section 23 of the Austrian Employees Act (Angestelltengesetz – AngG)) for employment relationships in Austria that began prior to 1 January 2003 ("Abfertigung Alt"). In 2014, allocations were made to the provision for severance payments owed to Mr Ehrenfeldner amounting to EUR 25.2 thousand (2013: EUR 32.3 thousand). The total provision for severance payments stood at EUR 665.1 thousand as of 31 December 2014 (31 December 2013: EUR 637.3 thousand).

Directors and Officers (D&O) Insurance

A Directors and Officers (D&O) insurance has been taken out for the members of the Management Board and senior executives – no deductible is due from Management Board members in the event of a claim; the company bears the related costs.

SUPERVISORY BOARD

The Supervisory Board consists of eight shareholder representatives and four employee representatives. The Supervisory Board has resolved to establish the following committees consisting of its own members to carry out specific functions: Remuneration Committee, Audit Committee, Nominating Committee, Strategy Committee and Joint Ventures Committee. The authority to make decisions and pass resolutions rests in the hands of the entire Supervisory Board. The Supervisory Board supervises the Management Board and supports it in managing the company, particularly when decisions of fundamental importance are to be made.

Meetings of the Supervisory Board and its committees

The Supervisory Board convened for six meetings during the 2014 financial year. In 2014, no member of the Supervisory Board attended less than 50% of the meetings.

The Presidium of the Supervisory Board consists of the Chairman, Veit Sorger, and his deputy, Michael Junghans.

The Audit Committee led by Veit Sorger carried out its activities in accordance with prevailing legal regulations and defined tasks (three meetings), and in particular dealt with the 2013 annual and consolidated financial statements, risk management, corporate governance, and preparation for the audit of the annual and consolidated financial statements for 2014.

The Nominating Committee, also under the chairmanship of Veit Sorger, held three meetings to deal with appointments for Supervisory Board mandates becoming vacant and regarding issues in connection with the extension of the Management Board term of Richard Ehrenfeldner and the appointment of Declan Daly.

The Strategy Committee, likewise under the chairmanship of Veit Sorger, met once to deal with fundamental questions about the strategic development of the group.

The Joint Ventures Committee, which is chaired by Veit Sorger, convened six meetings and dealt with the management of the relationship with our joint venture partner Sri Trang Agro-Industry Public Co Ltd. in Thailand as well as the associated litigation.

The Remuneration Committee, chaired by Veit Sorger, held two meetings, at which it dealt with the agreement on objectives of the members of the Management Board and the remuneration system for Management Board members as well as the extension of Richard Ehrenfeldner's employment agreement.

In the 2014 financial year, the Supervisory Board conducted a self-evaluation for the first time with the support of an external human resources management consultant; this is the third such self-evaluation that the Supervisory Board has conducted so far. This evaluation in 2014 was performed by distributing a questionnaire focused on issues such as the control function of the Supervisory Board with regards to the Management Board and the Management Board's adherence to its information-notification duties towards the Supervisory Board. An external provider performed the anonymous evaluation of the questionnaires completed by the Supervisory Board members. The results of the self-evaluation show that the activities of the Supervisory Board have been assessed as good. The Supervisory Board implemented individual suggestions for improvement from the 2013 self-evaluation process. In addition, a catalogue of measures was established aimed at achieving an even further improvement in the efficiency of the Supervisory Board's activities.

CORPORATE BODIES OF SEMPERIT AG HOLDING: SUPERVISORY BOARD

Composition of the Supervisory Board

		Year of birth	First appointed	End of current term of office ¹⁾	Supervisory board positions in other listed companies
Shareholder representatives					
Veit Sorger Chairman	^{2) 3)}	1942	26/05/2004	Until the Annual General Meeting resolving upon the 2014 financial year	Lenzing AG, Binder+Co AG
Michael Junghans Deputy Chairman	²⁾	1967	28/04/2010	Resigns the mandate on 28/04/2015 (date of the Annual General Meeting)	Lenzing AG (Chairman)
Stefan Fida Member	^{2) 3)}	1979	29/04/2014	Until the Annual General Meeting resolving upon the 2016 financial year	–
Walter Koppensteiner Member	^{2) 3)}	1959	23/04/2012	Until the Annual General Meeting resolving upon the 2014 financial year	–
Patrick Prügger Member	²⁾	1975	14/04/2011	Until the Annual General Meeting resolving upon the 2016 financial year	Lenzing AG, AMAG Austria Metall AG
Andreas Schmidradner Member	²⁾	1961	20/05/2008	Until the Annual General Meeting resolving upon the 2015 financial year	Lenzing AG
Astrid Skala-Kuhmann Member	^{2) 3)}	1953	29/04/2014	Until the Annual General Meeting resolving upon the 2016 financial year	Lenzing AG
Ingrid Wesseln Member	^{2) 3)}	1966	23/04/2012	Until the Annual General Meeting resolving upon the 2014 financial year	–
Employee representatives					
Sigrid Haipl		1960	26/03/2012	–	Chair of the Works Council – White-collar workers, Vienna, Member of the Central Works Council of Semperit AG Holding, Member of the European Works Council
Alexander Hollerer		1954	01/07/1998	–	Chairman of the European Works Council, Chairman of the Central Works Council of Semperit AG Holding, Chairman of the Works Council – White-collar workers, Wimpassing, Austria
Michaela Jagschitz		1961	29/04/2014	–	Member of the Works Council – White-collar workers, Wimpassing, Austria
Andreas Slama		1966	31/01/2009	Until 02/03/2015	
Karl Voitl		1966	20/03/2015	–	Deputy Chairman of the Central Works Council of Semperit AG Holding, Deputy Chairman of the European Works Council, Chairman of the Works Council – Blue-collar workers, Wimpassing, Austria

¹⁾ Pursuant to the Articles of Association, one fifth of the members of the Supervisory Board automatically leave their positions every year at the end of the Annual General Meeting.

²⁾ Have declared their independence vis-à-vis the Supervisory Board in accordance with C-Rule 53 of the Austrian Corporate Governance Code.

³⁾ No representation by a shareholder over 10% (C-Rule 54 of the Austrian Corporate Governance Code).

Composition of the Committees of the Supervisory Board

Committee	Members
Remuneration Committee	Veit Sorger (Chairman) Michael Junghans Stefan Fida
Audit Committee	Veit Sorger (Chairman) Michael Junghans (Deputy Chairman) Patrick Prügger Andreas Schmidradner Alexander Hollerer Karl Voitl
Nominating Committee	Veit Sorger (Chairman) Michael Junghans Stefan Fida Ingrid Wesseln Alexander Hollerer Karl Voitl
Strategy Committee	Veit Sorger (Chairman) Michael Junghans Walter Koppensteiner Andreas Schmidradner Alexander Hollerer Karl Voitl
Joint Ventures Committee	Veit Sorger (Chairman) Michael Junghans Patrick Prügger Stefan Fida Alexander Hollerer

Guidelines for the independence of Supervisory Board members

A member of the Supervisory Board shall be deemed independent if he/she has no business or personal relations with the company or its Management Board that would constitute a material conflict of interest and could thus influence the member's behaviour.

In evaluating the independence of a Supervisory Board member, the Supervisory Board uses the following guidelines, which correspond to those contained in Appendix 1 of the July 2012 version of the Austrian Corporate Governance Code:

- The Supervisory Board member shall not have been a member of the Management Board or as a managing employee of the company or one of its subsidiaries in the past five years.
- The Supervisory Board member shall not maintain or have maintained in the past year any business relations with the company or one of its subsidiaries to an extent of significance for the Supervisory Board member.
This shall also apply to business relationships with companies in which the Supervisory Board member has a considerable economic interest, but not for exercising functions in the bodies of the group. According to L-Rule 48, the approval of individual transactions by the Supervisory Board does not automatically mean that the person is qualified as not independent.
- The Supervisory Board member shall not have been the auditor of the company or have owned a share in the auditing company or have worked there as an employee in the past three years.

- The Supervisory Board member shall not be a member of the Management Board of another company in which a Management Board member of the company is a Supervisory Board member.
- The Supervisory Board member shall not serve on the Supervisory Board for more than 15 years. This limitation does not apply to Supervisory Board members who are shareholders with a direct investment in the company or who represent the interests of such a shareholder.
- The Supervisory Board member shall not be a close relative (direct offspring, spouses, life partners, parents, uncles, aunts, siblings, nieces, nephews) of a Management Board member or of persons having one of the aforementioned relations.

REMUNERATION OF THE SUPERVISORY BOARD

On 29 April 2014, the Annual General Meeting approved the remuneration structure for the members of the Supervisory Board for 2013. A Directors and Officers (D&O) insurance has been taken out for the members of the Supervisory Board; the company bears the related costs.

Remuneration paid in the 2014 financial year to shareholder representatives in the Supervisory Board¹⁾

in EUR	Base remuneration	Remuneration for membership of the committee	Attendance fee	Total
Veit Sorger	40,000	35,000	8,000	83,000
Michael Junghans	30,000	20,000	8,000	58,000
Walter Koppensteiner	20,000	0	5,500	25,500
Patrick Prügger	20,000	10,000	6,000	36,000
Andreas Schmidradner	20,000	10,000	6,000	36,000
Ingrid Wesseln	20,000	5,000	5,000	30,000
	150,000	80,000	38,500	268,500

1) Employee representatives receive no remuneration.

COMPLIANCE DIRECTIVE

In order to implement and ensure compliance with all relevant stock exchange regulations, Semperit has issued its own Compliance Policy designed to prevent the misuse or dissemination of insider information. Compliance is monitored and administered by a specially designated Compliance Officer who reports directly to the Management Board. The Compliance Directive can be viewed at the following link:

www.semperitgroup.com/en/ir/corporate-governance/compliance-code.

CODE OF CONDUCT

In order to strengthen and expand existing compliance tools beyond stock exchange compliance, a compliance organisation was implemented in 2012 that covers all corporate units. A Group Compliance Officer receives support in fulfilling his responsibilities from 15 compliance officers working in the largest subsidiaries of the Semperit Group. The Group Compliance Officer reports any incidents to the Compliance Committee and the Chief Financial Officer. The Compliance Committee meets regularly twice a year and also on an ad-hoc basis.

The Code of Conduct that was adopted in 2012 applies to all employees and managers. Its most important objectives are to avoid corruption, money laundering, human rights violations and insider trading. In addition, it deals with aspects of data protection, export restrictions and the protection of the interests of all stakeholders. These requirements for behaviour are further specified in thematic compliance guidelines that are available to all employees in more than ten languages. Employees receive an in-depth and practical training on the matters referred to in the Code of Conduct. In addition, the relevant employees are regularly updated about current issues, or when appropriate. The Code of Conduct can be viewed at the following website:

www.semperitgroup.com/en/ir/corporate-governance/code-of-conduct.

ADVANCEMENT OF WOMEN

Semperit sees itself as a fair and responsible employer, and would therefore like to offer equal opportunities to every employee. Using flexible work models such as flexitime and part-time work, as well as special parental part-time arrangements, the group aims at continuously increasing the proportion of female employees. As a traditional industrial company with a technical focus, the share of women in Austria was somewhat more than 20% at the end of 2014. The share of female employees amounted to 30% throughout Europe and to around 20% group-wide. The decline at the total group level compared with 2013 is due to the change in the method of consolidation for Siam Sempermed Corp. Ltd. in Thailand. In 2014, the share of women in management (Management Board, Executive Committee, department heads) was slightly less than 10%.

DIRECTOR'S DEALINGS

In accordance with Section 48d of the Austrian Stock Exchange Act (Börsegesetz – BörseG), share purchases or sales by members of the Management and Supervisory Boards must be reported to the Austrian Financial Market Authority within five working days following the conclusion of the transaction. They will be published on its website at:

<https://www.fma.gv.at/en/companies/issuers/directors-dealings/directorsdealings-database.html>.

INTERNAL AUDIT & RISK MANAGEMENT

The Internal Audit & Risk Management department reports directly to the Management Board and prepares an audit plan and an annual activity report for the previous financial year. The Management Board discusses these reports with the members of the Supervisory Board. In addition, the department performs risk management tasks. This includes, in particular, the central coordination and monitoring of risk management processes for the group as a whole, as well as risk assessment and comprehensive reporting to the Management and Supervisory Boards. The effectiveness of the company's risk management system is evaluated by the group's auditor on the basis of the reports and other documents provided. The auditor's report is presented to the Management Board as well as to the Supervisory Board.

The purpose of the internal control system (ICS) of the Semperit Group is to ensure the effectiveness and efficiency of business operations, the reliability of financial reporting, and adherence to applicable laws and regulations. It also supports the early recognition and monitoring of risks from inadequate monitoring systems and fraudulent actions, and is revised and expanded on an ongoing basis by the Internal Audit & Risk Management department together with the relevant specialist departments. To that end, the accounting-related processes were subject to another comprehensive, systematic review in 2013 and 2014, with Internal Audit & Risk Management taking the lead role, in order to ensure an effective ICS. All companies in the group worldwide are required to comply with the minimum standards derived from this review. First, those standards were rolled out in 2013 primarily in Europe. In 2014, the rollout of these standards took place in Asia and America. Follow up audits in Europe were undertaken to ensure a sustainable implementation of the standards.

EXTERNAL EVALUATION

In accordance with R-Rule 62 of the Austrian Corporate Governance Code, the Semperit Group engaged an external organisation in 2014 to evaluate its compliance with the stipulations contained in the Code and the accuracy of the associated public reporting for the 2013 financial year. This evaluation, which was performed by KPMG Austria GmbH Wirtschaftsprüfungs und Steuerberatungsgesellschaft, did not identify any facts inconsistent with the declaration of the Management Board and Supervisory Board found in the Corporate Governance Report 2013 of the company with respect to its compliance with the C-Rules and R-Rules of the Austrian Corporate Governance Code. In accordance with R-Rule 62, a new evaluation will take place for the 2016 financial year.

Vienna, 24 March 2015

The Management Board



Thomas Fahnemann
Chairman of the Management Board



Johannes Schmidt-Schultes
Chief Financial Officer



Richard Ehrenfeldner
Chief Technical Officer



Declan Daly
Chief Information Officer

REPORT OF THE SUPERVISORY BOARD

Dear Sir or Madam,

The Semperit Group achieved good results in 2014 despite varying degrees of regional economic and geopolitical uncertainty. Revenue increased by more than 2% thanks to very good sales and despite a decline in prices for raw materials. EBITDA and EBIT rose, too, whereas earnings after tax were lower compared to the previous reporting year. The change of the method of consolidation applied to the 50% interest in Siam Sempermed Corp. Ltd., a joint venture in Thailand, from the full consolidation method to an at-equity approach had a positive effect on EBITDA and EBIT.

The Supervisory Board held six meetings during the 2014 financial year, fulfilling its duties required by law and the company's statutes. The meetings focused primarily on business performance, the strategic further development of the group and key business events and measures.

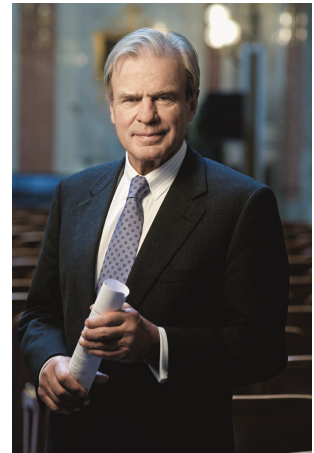
In three meetings held during the reporting year, the Audit Committee dealt in particular with the 2013 annual and consolidated financial statements, risk management, corporate governance and preparations for the 2014 audit of the annual and consolidated financial statements. Based on the efficient process with regard to the audit of the 2014 financial statements, the Supervisory Board will recommend at the Annual General Meeting that Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna be appointed as auditor for the 2015 financial year.

The Nominating Committee, under the chairmanship of Veit Sorger, held three meetings to deal with appointments for Supervisory Board mandates becoming vacant and regarding issues in connection with the extension of the Management Board term of Richard Ehrenfeldner and the appointment of Declan Daly.

The Strategy Committee met once to deal with fundamental questions about the strategic development of the group.

The Joint Ventures Committee convened six meetings and dealt with the management of the relationship with our joint venture partner Sri Trang Agro-Industry Public Co Ltd. in Thailand as well as with the associated legal proceedings.

The Remuneration Committee held two meetings, at which it discussed the agreement on objectives of the members of the Management Board and the remuneration system for Management Board members.



Veit Sorger
Chairman of the Supervisory
Board

The Management Board keeps the Supervisory Board informed of business developments, compiling a regular monthly report. Detailed documents about the group are made available in a timely manner in advance of the Supervisory Board meetings. Between these meetings, the Management Board also reports to the Presidium of the Supervisory Board regularly on the progress of the business and the overall situation of the company.

The annual financial statements of Semperit AG Holding, including the management report, were audited on the basis of the company's accounting records by the auditor Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. of Vienna, Austria. The auditor confirmed that the annual financial statements comply with statutory regulations, that they give a true and fair view of the company's assets and financial position as at 31 December 2014 and of the company's earnings for the financial year from 1 January 2014 to 31 December 2014 in compliance with generally accepted Austrian accounting principles, and that the management report is consistent with the annual financial statements. Furthermore, the auditor confirmed that a corporate governance report has been prepared. The auditor issued an unqualified audit opinion on the annual financial statements for 2014.

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. of Vienna audited the consolidated financial statements, which were prepared in compliance with International Financial Reporting Standards (IFRS) as they are applied in the EU, and the group management report which was prepared in accordance with the Austrian Commercial Code (UGB). The auditor confirmed that the consolidated financial statements give a true and fair view of the group's assets and financial position as at 31 December 2014 and of the group's earnings and cash flows for the financial year from 1 January 2014 to 31 December 2014, and that the group management report is consistent with the consolidated financial statements. The auditor issued an unqualified audit opinion on the consolidated financial statements for 2014.

In its meetings held on 17 and 24 March 2015, the Audit Committee of the Supervisory Board dealt in particular with the annual financial statements, the corporate governance report, the consolidated financial statements, and the auditor's reports. Moreover, the Committee discussed the results of the audit in detail with the auditor.

The Supervisory Board has examined the annual financial statements, the consolidated financial statements, the management report, and the group management report, and concurs with the conclusions of the auditor. The Supervisory Board formally approves the annual financial statements for the 2014 financial year, which are consequently adopted in accordance with Section 96 Para. 4 of the Austrian Stock Corporation Act. The management report, consolidated financial statements, and the group management report for 2014 have been approved by the Supervisory Board.

The Supervisory Board accepts the Management Board's proposal on the distribution of profits, according to which a dividend of EUR 6.00 (ordinary dividend of EUR 1.10 and a special dividend of EUR 4.90) per eligible share is to be paid from Semperit AG Holding's reported net profit for the period of EUR 123.572 thousand, with the remaining profit carried forward.

On behalf of the entire Supervisory Board, I would like to thank the Management Board and all members of staff for their commitment and the very good results they achieved for the financial year. I would also like to thank the shareholders and customers of the Semperit Group for the faith they have placed in the company. At the same time, they may rest assured that every effort will be made to continue the success of the company.

Vienna, 24 March 2015

Veit Sorger
Chairman of the Supervisory Board

GROUP MANAGEMENT REPORT

Revenue and earnings trends

REVENUE

In 2014 the Semperit Group increased its revenue by 2.6% or EUR 24.0 million to EUR 930.4 million. This improvement derived solely from organic volume growth. Strong sales and good capacity utilisation more than compensated for a lower level of prices caused by declines in raw material prices.

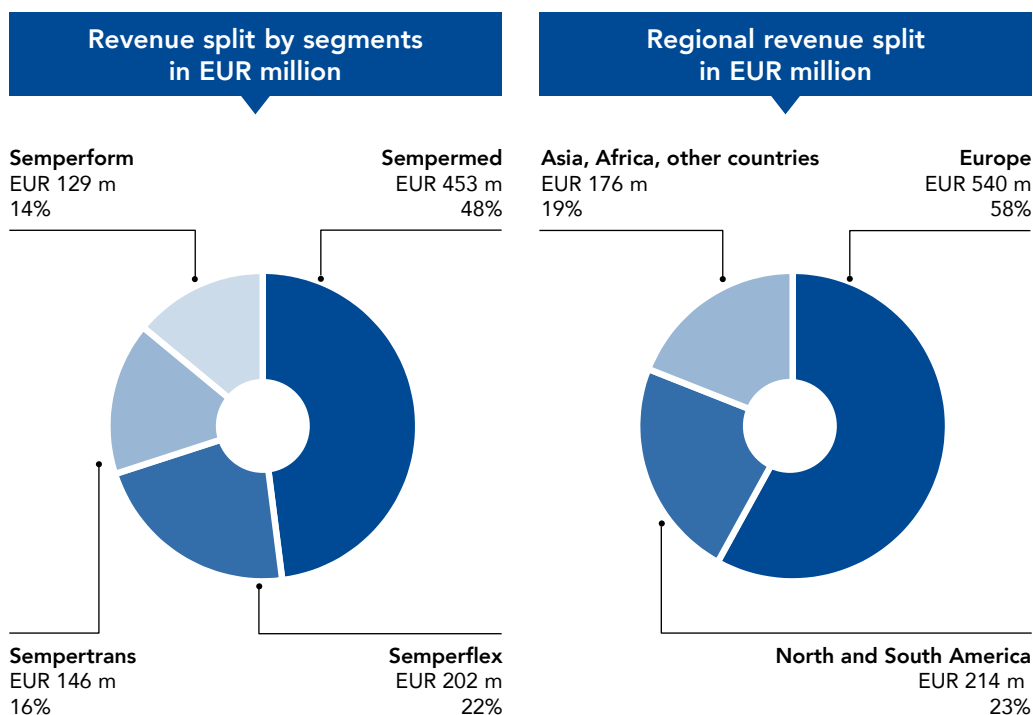
The improvement in revenue was driven by the Sempermed and Semperflex segments. Revenue in the Medical Sector was higher primarily because of positive quantity effects for examination and protective gloves. Revenue in the Semperflex segment, with an organic increase of 8.6%, was considerably higher year-on-year. The Sempertrans segment posted a decline in revenue due to pricing-related issues, while Semperform's revenue was just slightly lower compared to 2013.

Abstract from the consolidated income statement for the financial year from 1.1.2014 to 31.12.2014

in EUR million	2014	2013	Change in %	Change in EUR million
Revenue	930.4	906.3	+2.6%	+24.0
Changes in inventories	0.4	9.4	-95.9%	-9.0
Own work capitalised	3.3	1.0	> +100.0%	+2.3
Operating revenue	934.0	916.7	+1.9%	+17.3
Other operating income	34.8	24.4	+42.6%	+10.4
Cost of material and purchased services	-513.7	-510.7	+0.6%	-3.1
Personnel expenses	-167.4	-152.8	+9.5%	-14.5
Other operating expenses	-152.1	-145.8	+4.3%	-6.3
Share of profit from associated companies	0.4	0.6	-29.1%	-0.2
Earnings before interest, tax, depreciation and amortisation (EBITDA)	136.1	132.5	+2.7%	+3.6
Depreciation, amortisation and impairment of tangible and intangible assets	-47.5	-44.7	+6.4%	-2.9
Earnings before interest and tax (EBIT)	88.5	87.8	+0.8%	+0.7
Financial result	-20.1	-16.9	+19.1%	-3.2
Earnings before tax	68.4	70.9	-3.5%	-2.5
Income taxes	-18.7	-16.0	+16.9%	-2.7
Earnings after tax	49.7	54.9	-9.5%	-5.2

In 2014 there were no significant changes in the breakdown of revenue between the segments compared with 2013. Sempermed remains the largest segment accounting for nearly half of total revenue.

Regionally, Europe's share of revenue decreased in 2014, declining from 61% in 2013 to now 58%. In contrast, the regions North and South America as well as Asia posted an increase in their share.



EARNINGS POSITION

In comparison to 2013, both revenue as well as EBITDA and EBIT were higher. EBITDA climbed by EUR 3.6 million or 2.7% to EUR 136.1 million, while EBIT increased slightly by 0.8% to EUR 88.5 million. However, both EBITDA and EBIT were impacted positively in the fourth quarter of 2014 by the following extraordinary effect: The change from the previous full consolidation of the 50% joint venture interest in Siam Sempermed Corp. Ltd. in Thailand to the equity method as of 31 December 2014 resulted, among other things, in two positive effects on the consolidated financial statements for 2014. First, a revaluation gain of EUR 11.4 million was recorded from the fair value measurement. Second, the currency translation reserve of Siam Sempermed Corp. Ltd. was recycled through the income statement, contributing EUR 1.8 million to profit. In total, this extraordinary effect therefore added EUR 13.2 million to earnings.

In 2014 changes in inventories increased by EUR 0.4 million compared with an increase of EUR 9.4 million in 2013. Other operating income rose from EUR 24.4 million to EUR 34.8 million due to the aforementioned change in the method of consolidation with the associated extraordinary gain of EUR 13.2 million.

There was a disproportionately low increase in materials costs compared with the growth in revenue. These costs rose by just 0.6% to EUR 513.7 million. The Semperit Group is continuing its active approach to manage the procurement of raw materials in order to be able to address the price situation in the markets in a flexible manner. Furthermore, generally lower price levels had a favourable impact on material costs.

Personnel expenses rose by 9.5% to EUR 167.4 million due to increased employee headcount and higher wage and salary costs. This higher employee headcount was primarily caused by the strengthening of the staff in the Sempermed, Semperflex and Sempertrans segments. Including the deconsolidated Siam Sempermed Corp. Ltd. as of 31 December 2014, the number of employees in 2014 compared with 2013 rose by nearly 1,300 people to 11,548 members of staff. Without the employees of Siam Sempermed Corp. Ltd., the number of employees fell from 10,276 as at the end of 2013 to 6,888 as at the end of 2014.

Compared with 2013, other operating expenses increased by 4.3% to EUR 152.1 million because of higher maintenance costs, outgoing freight charges and strategic projects.

In 2014 EBITDA (earnings before interest, tax, depreciation and amortisation) was higher by 2.7%, rising to EUR 136.1 million. Higher operating revenue (+1.9%) and higher other operating income in particular (+42.6%) stood in contrast to higher materials costs and personnel expenses (+0.6% and +9.5%) and other operating expenses (+4.3%). As a result, the EBITDA margin remained unchanged at 14.6%.

Key figures Semperit Group

in EUR million	2014	2013	Change in %	Change in EUR million
Revenue	930.4	906.3	+2.6%	+24.0
EBITDA	136.1	132.5	+2.7%	+3.6
EBITDA margin	14.6%	14.6%	0.0 PP	–
EBIT	88.5	87.8	+0.8%	+0.7
EBIT margin	9.5%	9.7%	–0.2 PP	–
Earnings after tax	49.7	54.9	–9.5%	–5.2
Investments	74.4	49.7	+49.7%	+24.7
Sempermed (at balance sheet date, excl. Siam Sempermed Corp. Ltd. as of end of 2014)	6,888	10,276	–33.0%	–3,388

Due to the organic and non-organic growth of the Semperit Group, depreciation expense and impairment losses rose to EUR 47.5 million, an increase of 6.4% on the EUR 44.7 million in the same period last year. EBIT rose from EUR 87.8 million to EUR 88.5 million (+0.8%), while the EBIT margin decreased slightly from 9.7% to 9.5%.

The negative financial result in 2014 totalled EUR 20.1 million, following EUR 16.9 million in 2013. The main reasons for this increase in 2014 were higher allocations of the group's profit to redeemable non-controlling interests as well as an increase in financial expenses from EUR 4.0 million to EUR 5.0 million, which is attributable to the corporate Schuldschein loan and commitment fees from the framework loan agreement. The item "Profit/loss attributable to redeemable non-controlling interests", which is mostly related to several companies in the Sempermed segment, increased to EUR 16.9 million.

Income tax expense increased by 16.9% to EUR 18.7 million. The tax rate as a percentage of earnings before tax and redeemable non-controlling interests rose by 18.7% to 22.0%. The reasons for this increase were higher deferred taxes and income tax expense from previous periods. Earnings after tax (profit for the period) decreased by 9.5% to EUR 49.7 million. This led to earnings per share of EUR 2.42 for 2014, down from EUR 2.65 in 2013.

Dividend

At the Annual General Meeting on 28 April 2015 the Management Board will propose an ordinary dividend of EUR 1.10 per share, an increase of 20 cents. In addition, a proposal will be made to pay out a special dividend totalling EUR 4.90. The total dividend will therefore be EUR 6.00 per share, a fivefold increase compared to the previous year. This means that EUR 123.4 million will be distributed in total.

Based on the ordinary dividend, the dividend payout ratio¹⁾ for the financial year 2014 is therefore 45.4%, compared with 33.9% in the previous year. Given the share price of EUR 40.18 as at the end of 2014, this results in an impressive dividend yield of 14.9%.

Semperit is modifying its dividend policy and now aims to achieve a payout ratio of around 50% (instead of 30% previously) of earnings after tax – assuming continued successful performance and that no unusual circumstances occur.

Balance sheet and financial position

Compared with the balance as of 31 December 2013, the balance sheet total declined in 2014 by 2.4% to EUR 831.9 million. The main reason for this decrease on both the asset and liabilities side of the balance sheet was the change in the method of consolidation for Siam Sempermed Corp. Ltd. from full consolidation to the equity method. On the assets side, the item "Investments in joint ventures and associated companies" rose sharply to EUR 91.0 million because of the change in the method of consolidation. In contrast, the items "Tangible assets", "Inventories" and "Cash and cash equivalents" decreased.

On the liabilities side, "Liabilities from redeemable non-controlling interests" were lower due to the change in the method of consolidation. On the other hand, the item "Trade payables" was higher due to the growth of the Semperit Group.

Trade working capital (inventories plus trade receivables minus trade payables) decreased due to the aforementioned change in the method of consolidation as of the end of 2014. The decline was from EUR 186.6 million as at 31 December 2013 to now EUR 159.3 million, meaning that trade working capital constituted 17.1% of the revenue in 2014 of EUR 930.4 million (value at 31 December 2013: 20.6%). The decrease is mainly attributable to a reduction in inventories caused by the aforementioned change in the method of consolidation as well as marginally higher trade payables.

Cash and cash equivalents decreased since the end of 2013, falling from EUR 182.6 million to EUR 115.6 million as at 31 December 2014. The main reason for this decline was the aforementioned change in the method of consolidation, which led to a reduction in cash and cash equivalents of EUR 42.8 million (refer to separate item "Changes in the scope of consolidation" in the consolidated cash flow statement). Additionally, the dividend to the shareholders of Semperit AG Holding was paid in the amount of EUR 24.7 million (previous year: EUR 16.5 million), as were the dividends to non-controlling shareholders of subsidiaries in the amount of EUR 15.3 million (EUR 12.4 million in 2013).

¹⁾ The calculation basis for the payout ratio is earnings after tax.

Liabilities from the corporate Schuldschein loan and to banks total EUR 137.5 million (31 December 2013: EUR 139.3 million), resulting in overall net debt of EUR 22.0 million (31 December 2013: net liquidity of EUR 43.3 million). The net debt/EBITDA ratio at the end of 2014 is therefore 0.16.

Abstract from the consolidated balance sheet as at 31/12/2014

in EUR million	31.12.2014	31.12.2013	Change
Assets			
Assets	339.6	371.3	-8.5%
Investments in joint ventures and associated companies	91.0	1.4	> +100.0%
Inventories	127.2	148.4	-14.3%
Trade receivables	113.0	111.2	+1.6%
Other assets including Deferred taxes	161.1	219.7	-26.7%
Balance sheet total	831.9	852.1	-2.4%
Equity and liabilities			
Equity	451.6	414.2	+9.0%
Liabilities from redeemable non-controlling interests	37.3	102.4	-63.6%
Provisions including social capital	78.5	73.7	+6.6%
Corporate Schuldschein loan	127.9	125.8	+1.7%
Liabilities including deferred taxes	136.6	136.1	+0.3%
Balance sheet total	831.9	852.1	-2.4%

As at 31 December 2014, the Semperit Group's equity (without non-controlling interests) stood at EUR 449.4 million, EUR 37.9 million higher than at the end of 2013 (EUR 411.5 million). The change resulted from earnings after tax, the distribution of the dividend to the shareholders of Semperit AG Holding and the change in the currency translation reserve.

The group's equity ratio as at 31 December 2014 amounted to 54.0% (year end 2013: 48.3%), which is still considerably above the sector average. The capital structure of the Semperit Group therefore remains very solid. The return on equity stood at 11.1%, following 13.3% in 2013. The return on equity is calculated based on the earnings after tax of EUR 49.7 million in relation to the equity of EUR 449.4 million (each both in respect to the portion attributable to the shareholders of Semperit AG Holding).

Debt fell sharply from EUR 438.0 million as at 31 December 2013 to EUR 380.3 million as at 31 December 2014 because of a significant decline in liabilities from redeemable non-controlling interests. These decreased by EUR 65.1 million to EUR 37.3 million due to the change in the method of consolidation as described above. Provisions including social capital were slightly higher at EUR 78.5 million. Other liabilities including the corporate Schuldschein loan and deferred taxes increased marginally to EUR 264.5 million.

In December 2014 a new framework loan agreement was put in place with a volume of EUR 250 million and a term of 5 years, with an option to extend the agreement by up to 2 additional years. This replaces the previous framework loan agreement for EUR 180 million, which would have continued until May 2015.

Cash Flow

Gross cash flow was EUR 104.7 million, a year-on-year decline of EUR 11.5 million or 9.9%. This decrease was primarily caused by lower earnings before tax and an increase in paid income taxes. The earnings before tax shown in the cash flow statement also include a positive extraordinary effect associated with the change from the previous full consolidation of the 50% interest in Siam Sempermed Corp. Ltd., a joint venture in Thailand, to the equity method as of 31 December 2014. This effect totalled EUR 13.2 million and is deducted in the item "Effects of the change in the method of consolidation", thus offsetting the extraordinary positive effect contained in earnings before tax.

Cash flow from operating activities dropped sharply to EUR 89.2 million. Higher trade receivables as well as an increase in other receivables and assets were the primary reasons for this decline.

Abstract from the consolidated cash flow statement for the financial year from 1.1.2014 to 31.12.2014

	2014	2013	Change
Gross cash flow	104.7	116.2	-9.9%
Cash flow from operating activities	89.2	137.2	-35.0%
Cash flow from investing activities	-72.7	-47.8	+51.9%
Cash flow from financing activities	-47.9	-32.4	+48.2%
Net increase / decrease in cash and cash equivalents	-31.4	57.0	-
Cash and cash equivalents at the end of the period	115.6	182.6	-36.7%

The cash flow from investing activities amounted to EUR -72.7 million in 2014, following EUR -47.8 million in 2013. This sharp increase is due to the investment programme to boost production capacity in all segments (refer to the next section on "Investments").

The cash flow from financing activities at EUR -47.9 million (EUR -32.4 million in 2013) was impacted by the payment of the dividend to shareholders of Semperit AG Holding totalling EUR 24.7 million, the distribution of EUR 15.3 million to non-controlling shareholders of subsidiaries and repayments of financial liabilities. The change in the method of consolidation mentioned above led to a reduction in cash and cash equivalents by EUR 42.8 million (refer to separate item "Changes in the scope of consolidation" in the consolidated cash flow statement). Cash and cash equivalents as at 31 December 2014 amounted to EUR 115.6 million, a year-on-year decrease of somewhat more than EUR 65 million.

Investments

At EUR 74.4 million, cash-relevant investments in tangible and intangible assets (CAPEX) in 2014 were far higher than in 2013 (EUR 49.7 million). The ratio of CAPEX to depreciation stood at 1.6 in 2014 and was thus higher than in 2013. Around EUR 50 million of this spending is attributable to growth investments, while about EUR 25 million relates to maintenance expenditures in 2014.

The Sempermed segment is currently constructing a new factory for examination and protective gloves at its existing production site in Kamunting, Malaysia. Around EUR 50 million in total will be invested until 2016, which will expand capacity at this site by about 70% as of the end of 2016.

Around EUR 10 million was invested at the Semperflex segment's production site in Odry, Czech Republic to boost the segment's hose production capacity. The expansion was finalised in the first quarter of 2015.

A decision was made to expand the production of conveyor belts at the Sempertrans segment's plant in Belchatów, Poland due to strong demand for its products. In total, around EUR 40 million will be invested.

In the Semperform segment the first UHF system (ultra high frequency technology) was installed in Wimpassing, Lower Austria. This newly installed production equipment is utilised to manufacture rubber profiles that are used, among other ways, with aluminium windows. In addition, the Chinese production site for handrails was expanded.

Economic environment

Following a slowdown in 2013 the world economy continued to perform modestly in 2014. According to assessments by the International Monetary Fund (IMF), the global economy expanded in 2014 by 3.3% and is set to grow by 3.5% in 2015. 2014 saw economic growth of 2.4% in the US and 7.4% in China. While US growth is expected to accelerate in 2015 to 3.6%, a modest slowdown to 6.8% is anticipated for China. The economic environment in emerging and developing countries has been increasingly mixed recently. In 2014 Brazil registered growth in its gross domestic product (GDP) of just 0.1%, and the forecast for 2015 is 0.3%. India's economy was robust in 2014, with growth reaching 5.8%, and growth is forecast to accelerate in 2015. In Russia, the weak increase in GDP of 0.6% in 2014 was primarily caused by economic sanctions. The Russian economy is expected to contract sharply in 2015 by 3.0%.

Following stagnation in 2013, the most recent forecasts by the European Commission call for subdued economic growth of just 1.3% for the European Union in 2014, with growth expected to pick up in 2015 to 1.7%. Following a rebound towards the end of 2014, Germany's GDP for 2014 is forecast to grow by 1.5%, which should be attained again in 2015. Austria's economy stagnated in 2014. Despite ongoing uncertainties, its GDP is forecast to increase by 0.8% in 2015.

In addition to the sluggish implementation of reforms, uncertainties concerning Greece and the political conflict between Russia and Ukraine, the European economy was significantly influenced by the expansionary monetary policy of the European Central Bank. Europe's benchmark interest rates were reduced in June and September 2014, each time by 10 basis points, to the historic low of 0.05%.

These macroeconomic conditions have different effects on the business sectors of the Semperit Group. While the market for medical products tends to evolve largely independently of economic cycles, the energy, construction, machine-building and industrial equipment industries, which are of relevance for the Semperit Group's Industrial Sector, are more sensitive to the overall economic situation.

Developments in the raw materials markets

The sub-markets for the raw materials that are important for the rubber industry, such as the market for natural rubber and natural latex as well as the market for synthetic latex, experienced declining prices during 2014, albeit to varying degrees. The development of these markets in the natural rubber segment is influenced by production conditions, while synthetic rubber and carbon black are impacted by provider behaviour and trends in the costs for basic raw materials, which are dominated by the price of crude oil. Demand is impacted primarily by the main consumer of rubber products, the tyre and automobile industry.

Following the decline in the price for natural rubber at the start of 2014, prices continued to decline steadily over the course of the year due to further increases in production and high inventory levels. The average prices in 2014 were around 30% lower than the average prices in 2013. While synthetic rubber is manufactured globally, by far the largest share of natural rubber and latex is produced in Southeast Asia, above all in Thailand, Indonesia, Vietnam and Malaysia.

The markets for synthetic rubber and synthetic latex were relatively stable for large portions of 2014. The sharp drop in the crude oil price that set in as the year progressed then resulted in significantly lower prices in the fourth quarter of 2014. The average prices in 2014 were somewhat more than 10% lower than the comparable prices for 2013.

The price for the filling material carbon black was largely stable in 2014. The collapse in the price of crude oil, which set in towards the end of the year, was not yet reflected in 2014 due to longer lead times. The prices for wire in the different regions were relatively stable in 2014.

Revenue and earnings of the sectors

The Semperit Group divides its business activities into two sectors, Medical and Industrial. The Medical Sector comprises the Sempermed segment, while the Industrial Sector includes the Semperflex, Sempertrans and Semperform segments. In 2014 the Semperit Group was able to boost the revenue of its two sectors: the Medical Sector – primarily thanks to higher sales – posted a revenue increase of 4.1% to EUR 452.9 million. Despite a challenging economic environment, revenue in the Industrial Sector rose by 1.3% to EUR 477.5 million.

EBITDA in the Medical Sector rose by 14.1% to EUR 67.0 million due to the extraordinary effects described above, whereas in the Industrial Sector it fell by 2.2% to come in at EUR 88.1 million. The EBITDA margin of both sectors is therefore clearly in double-digit territory: 14.8% for Medical and 18.5% for Industrial.

While EBIT in the Medical Sector increased by 13.5% to EUR 41.6 million because of the extraordinary effects mentioned above, EBIT in the Industrial Sector declined by 2.0% to come in at EUR 66.4 million. The EBIT margin in the Medical Sector reached 9.2%, up from 8.4% in the previous year. One positive aspect about the Medical Sector's performance is the double-digit growth rate in the volume of examination gloves sold, which resulted from a good sales performance.

The Industrial Sector was able to maintain its good level of profitability nearly unchanged compared to the previous year. Its EBIT decreased by 2.0% to EUR 66.4 million. At 55%, the Semperflex segment contributed the largest share of EBIT, followed by Sempertrans with 25% and Semperform at around 20%. In 2014 the sector's EBIT margin stood at 13.9%, following 14.4% in 2013. Semperflex posted the highest EBIT margin at 18.3%, followed by Sempertrans with 11.5% and Semperform at 9.9%. The exposed Semperflex segment managed to increase its EBIT margin sharply thanks to very good sales and corresponding strong utilisation of capacity, while the EBIT margins declined in the Sempertrans and Semperform segments.

Performance of the segments

SEMPERMED

In 2014 the revenue in the Sempermed segment rose by 4.1% to EUR 452.9 million. Considerably higher sales volumes thanks to a generally good sales performance were offset by negative price effects associated with raw material prices that were lower compared with 2013, particularly for natural latex but also in part for nitrile (synthetic latex).

In 2014 the EBITDA of the Sempermed segment, at EUR 67.0 million, rose by 14.1% compared with the prior year. EBIT increased to EUR 41.6 million, up 13.5% on the EUR 36.6 million achieved in 2013. This led to an EBITDA margin of 14.8%, following 13.5% in the prior year period, and an EBIT margin of 9.2%, up from 8.4% in 2013. Compared quarter-on-quarter with the previous year, revenue, EBITDA and EBIT were all higher. EBITDA and EBIT were impacted positively in the fourth quarter of 2014 by the following extraordinary effect. The change from the previous full consolidation of the 50% joint venture interest in Siam Sempermed Corp. Ltd. in Thailand to the equity method as of

31 December 2014 resulted, among other things, in two positive effects on the consolidated financial statements for 2014: First, a revaluation gain of EUR 11.4 million was recorded from the fair value measurement. Second, the currency translation reserve of Siam Sempermed Corp. Ltd. was recycled through the income statement, contributing EUR 1.8 million to profit. In total, this extraordinary effect therefore added EUR 13.2 million to earnings.

Profitability in the third and fourth quarter of 2014 was adversely impacted by, among other things, an increase in electricity and gas prices in Malaysia during the first half of 2014. These incremental costs could not be completely passed on to customers due to competitive pressure. In addition, the water supply to the group's plant in Malaysia was interrupted for certain periods due to expansion work in the local supply network, causing production downtime in the second quarter of 2014.

Sales of examination gloves increased at double-digit rates in 2014 compared with the previous year. Demand was particularly strong in Europe, and slightly weaker in the US. Growth was achieved not just in the medical field; gains were also made in non-medical industries such as industrials and especially consumer goods, which are both growing stronger in the meantime. As in previous quarters, the capacity of Sempermed's production facilities was well utilised.

Sales of surgical gloves, which are produced in Wimpassing, Austria, rose modestly in 2014 compared with 2013.

Key figures Sempermed

in EUR million	2014	Change	2013	2012
Revenue	452.9	+4.1%	434.9	383.5
EBITDA	67.0	+14.1%	58.7	41.5
EBITDA margin	14.8%	+1.3 PP	13.5%	10.8%
EBIT	41.6	+13.5%	36.6	27.6
EBIT margin	9.2%	+0.8 PP	8.4%	7.2%
Investments	24.1	-27.2%	33.2	20.0
Sempermed (at balance sheet date, excl. Siam Sempermed Corp. Ltd. as of end of 2014)	3,428	-51.1%	7,007	6,548

External audit by the Business Social Compliance Initiative (BSCI)

Referring to a publication by the Finnish NGO "Finnwatch", the Business Social Compliance Initiative (BSCI) performed an external, independent audit of Sempermed in Thailand during the second quarter of 2014. The good outcome of this audit confirms that Sempermed in Thailand complies with all applicable legislation. There is neither child labour, nor forced labour nor discrimination, and all employees receive a fair wage for their work.

New glove factory in Malaysia

In order to satisfy growing demand and boost productivity, Sempermed is increasing its production capacity at the manufacturing plant in Kamunting, Malaysia by around 70%, or more than 4 billion units of gloves, to more than 10 billion units. A total of around EUR 50 million will be invested in the construction of this new glove factory during the period 2014 to 2016.

SEMPERFLEX

Of all of the group's segments, the Semperfex segment is particularly exposed to potential economic volatility. Thanks to an impressive production and sales performance, the segment's revenue rose during 2014 by 8.6% to EUR 202.1 million. The segment was able to maintain a constantly high volume of production, thereby achieving economies of scale and boosting efficiency. All in all, this led to a further improvement in profitability compared with the same period last year, with the growth in both EBITDA and EBIT, at 15% and more than 20%, respectively, considerably outpacing the increase in revenue.

In 2014 the segment's EBITDA advanced by 17.1% to EUR 48.6 million, with EBIT spiking by 24.2% to EUR 36.9 million. The EBITDA margin of 24.0% was higher than the 22.3% achieved in 2013, and the EBIT margin came in at 18.3%, following 16.0% in the previous year. There were decreases in revenue, EBITDA and EBIT in the fourth quarter of 2014 compared with the same period in 2013.

Demand is expected to be subdued in 2015. Semperfex is addressing this lull with focused sales work and close cooperation with customers. In order to be able to respond flexibly to customer needs, particularly in Europe, the segment has expanded its capacity at the production site in Odry, Czech Republic. Around EUR 10 million was invested in total in an expansion that was finalised in the first quarter of 2015.

The Hydraulic Hoses unit generates most of the segment's revenue. During the period under review it gained market share in terms of deliveries in both Europe and the US thanks to close cooperation with customers. Trends are still difficult in Asia, with demand remaining subdued throughout the region. All in all, sales grew at a double-digit rate.

The Industrial Hoses unit posted higher revenue, too, particularly in its European core markets, but also in Asia. The situation in East Europe, especially in Russia and Ukraine, was challenging in 2014 – the unit experienced a decline here towards the end of the year.

Revenue trends in the smallest business unit of this segment, Elastomer and Wear-Resistant Sheeting, were positive thanks to an increase in volume.

Key figures Semperfex

in EUR million	2014	Change	2013	2012
Revenue	202.1	+8.6%	186.1	180.6
EBITDA	48.6	+17.1%	41.5	38.6
EBITDA margin	24.0%	+1.7 PP	22.3%	21.4%
EBIT	36.9	+24.2%	29.7	27.6
EBIT margin	18.3%	+2.3 PP	16.0%	15.3%
Investments	18.1	> +100.0%	6.0	15.0
Employees (at balance sheet date)	1,538	+4.8%	1,467	1,315

SEMPERTRANS

The Sempertrans segment generated good volume growth in 2014 compared with the previous record year of 2013, supported by the acquisition of new customers and the expansion of sales activities into new markets and market segments. Despite declining prices for raw materials and the associated decrease in revenue, higher costs for market development and the investments in the expansion of capacity, the segment achieved a satisfactory EBIT margin of 11.5% (12.5% in 2013). In total, revenue decreased by 5.3% to EUR 146.4 million. This decline also weighed on the development of both EBITDA, which fell by 12.6% to EUR 20.9 million, and EBIT, which at EUR 16.8 million was 13.5% below the level in 2013. Nevertheless, both the EBITDA and the EBIT margins remained in double-digit territory, at 14.3% and 11.5%, respectively. There were slight decreases in revenue, EBITDA and EBIT in the fourth quarter of 2014 compared with the same period in 2013.

Individual new projects in the mining industry continue to be scrutinised closely and order decisions are being made more slowly. The industrial business, which includes sales to companies outside the mining sector, is also stable, but still muted, with just a few exceptions such as the cement industry. The performance of the spare parts business has been satisfactory. Yet despite this challenging competitive environment, the capacity of the Sempertrans segment remains well utilised until beyond the second quarter of 2015 thanks to the segment's good relationships with customers, the expansion of its technical advisory expertise and the development of new markets.

From a geographical perspective, West Europe has performed particularly well. Sempertrans benefits in this region from a comprehensive sales and distribution network, and good market positioning. Sales were weaker in crisis regions such as Ukraine – with effects on Russia – as well as in the Middle East and North Africa. This also means that Sempertrans's competitors are switching to other markets, increasing competition in these markets as a result. On the other hand, the order situation is good in South America. Price competition continues to prevail in India and China as economic growth in these countries remains subdued compared with their previous rates of growth. The plant in China has benefited from better capacity utilisation and measures to improve operating performance. Order trends in other parts of Asia are likewise muted.

Key figures Sempertrans

in EUR million	2014	Change	2013	2012
Revenue	146.4	-5.3%	154.5	143.8
EBITDA	20.9	-12.6%	23.9	21.2
EBITDA margin	14.3%	-1.2 PP	15.5%	14.7%
EBIT	16.8	-13.5%	19.4	16.0
EBIT margin	11.5%	-1.0 PP	12.5%	11.1%
Investments	19.8	> +100.0%	6.8	1.9
Employees (at balance sheet date)	1,027	+6.1%	968	958

The work to expand capacity at the Polish conveyor belt plant in Bełchatów (total investment of around EUR 40 million) is proceeding according to plan. As a result, around a third more capacity will be available starting from the second half of 2015. In addition to the gradual increase and induction of personnel for the production expansion in Bełchatów, targeted investments are also being made in personnel resources here to achieve two objectives: to position the segment as a solutions provider and to develop new markets and market segments through incremental sales personnel.

SEMPERFORM

The Semperform segment posted revenue of EUR 129.0 million in 2014, nearly unchanged versus 2013. Volume growth in nearly all business units was offset by negative price effects, however. All in all, in 2014 the Semperform segment generated EBITDA of EUR 18.6 million versus EUR 24.7 million in the previous year. EBIT was EUR 12.7 million compared with EUR 18.6 million in 2013. These results represent declines of –24.6% and –31.8%, respectively. Compared with the segment's strong earnings in 2013, profitability in 2014 was negatively impacted by price concessions for customers from Russia (to offset the weaker rouble), the lack of earnings from the foam rubber business (production was discontinued in the first half of 2013) and uneven capacity utilisation in several business units. The EBITDA margin stood at 14.5%, following 18.9% in 2013, while the EBIT margin declined from 14.2% to now 9.9%. Revenue, EBITDA and EBIT declined in the fourth quarter of 2014 compared with the same period last year.

With its seal profiles for windows and doors, the Building Profiles unit is the largest unit in the Semperform segment. Order intake and capacity utilisation were good until into the third quarter of 2014. In the third and fourth quarter of 2014, however, orders from Russia and Ukraine decreased sharply due to a general decline in demand. This downturn was caused by the economic situation in the region and the further devaluation of the rouble. Although stronger sales of seals for aluminium windows in West Europe compensated for the decline in Russia and Ukraine in the third quarter of 2014, in the fourth quarter the shortfall was only partially offset. In 2014 the first UHF system (ultra high frequency technology) was installed in Wimpassing, Austria. This newly installed production equipment is utilised to manufacture rubber profiles that are used, among other ways, with aluminium windows.

The Industrial Moulded Parts unit posted a more subdued performance compared with 2013. Industrial customers were more cautious when placing orders, which impacted overall order intake. Demand in railway-track superstructures remained volatile, and there was a global downturn in demand for filter membranes.

Key figures Semperform

in EUR million	2014	Change	2013	2012
Revenue	129.0	–1.4%	130.8	120.7
EBITDA	18.6	–24.6%	24.7	20.4
EBITDA margin	14.5%	–4.4 PP	18.9%	16.9%
EBIT	12.7	–31.8%	18.6	14.6
EBIT margin	9.9%	–4.3 PP	14.2%	12.1%
Investments	8.8	> +100.0%	3.1	3.8
Employees (at balance sheet date)	787	+5.9%	743	691

Compared with the previous year the Handrails unit registered solid volume growth worldwide in the business with original equipment manufacturers (OEMs). Demand for new escalators in the main market of China was lower in the third and fourth quarters of 2014, and demand is also not expected to recover in 2015. China, the most important OEM market, remains characterised by strong competition and high price pressure. Good progress was made in the After Sales market (ASM) globally, also in Asia. In order to address growing demand for handrails over the medium to long term, an investment of somewhat more than EUR 2 million is being made to expand the group's production site in China.

The smallest business unit, Special Applications (including ski foils and cableway rubber rings), grew modestly in 2014.

Employees

At the end of 2014 the Semperit Group employed around 6,900 people, of which about half or 3,400 employees are in the Sempermed segment, followed by the Semperflex segment with a share of more than 20%. All segments except for Sempermed increased their number of employees due to the increase in production. The 33% decline for the Semperit Group overall is solely related to the Sempermed segment (-51%), and is caused by the change in the method of consolidation for Siam Sempermed Corp. Ltd. in Thailand.

Personnel expenses (including Siam Sempermed Corp. Ltd.) rose by 9.5% to EUR 167.4 million due to increased employee headcount and higher wage and salary costs. This higher employee headcount was primarily caused by the strengthening of the staff in the Sempermed, Semperflex and Sempertrans segments. Including the deconsolidated Siam Sempermed Corp. Ltd. as of 31 December 2014, the number of employees in 2014 compared with 2013 rose by nearly 1,300 people to 11,548 members of staff. Excluding the employees of Siam Sempermed Corp. Ltd., the number of employees fell from 10,276 as at the end of 2013 to 6,888 as at the end of 2014.

The Semperit Group has an ambitious growth strategy that is supported by effective and modern human resources policies. The overall goals of these policies are to position the company as an attractive employer, to implement modern management tools, to promote internationality and diversity, and to create the conditions for a performance-oriented and fair corporate culture with a clear set of values.

Research and development

The Semperit Group's research strategy is focused on the following objectives:

- Market-oriented product innovations as a basis to continue the growth strategy
- Optimising the use of resources: the energy and materials used in the production and design of products are constantly being optimised. The resulting benefits in terms of quality help ensure competitive advantages
- More flexible production methods enable the group to respond rapidly to changes in raw material prices and market demand
- Knowledge transfer as a precondition for achieving synergies

Highlights in research and development in 2014

Sempermed	Basic research on the design of dipping lines in the new factory in Kamunting, Malaysia
Semperflex	Improvement in the impulse strength for the braid hose, new development of a flexible spiral hose
Sempertrans	Improvement in the dynamic splicing strength of steel-cord conveyor belts
Semperform	Commissioning of the UHF system (ultra high frequency technology)

Environmental management

The Semperit Group prevents pollution caused by all segments during production as far as possible by means of an effective environmental management system. This management system is based on statutory provisions and requirements. The managers of the respective production and business premises are responsible for complying with these provisions. Furthermore, there are clear regulations governing the responsibilities for environmental protection issues, such as those for waste management officers and effluent treatment managers. During the planning stage, all raw materials, mixtures and processes used for the first time are examined to evaluate their impact on the environment; then they are optimised. Appropriate goals to reduce the use of materials and energy consumption are established, periodically reviewed, and supplemented by further measures.

In 2014 a Sustainability Council was established, consisting of managers from the segments and central functions. This creates the structural foundations to define and enhance the current and future work areas in sustainability. The Council deals with the guidelines and specific design of measures and objectives in the field of sustainability.

Disclosures pursuant to Section 243a Para. 1 of the Austrian Commercial Code (UGB)

The share capital of Semperit AG Holding amounted to EUR 21,358,996.53 as at 31 December 2014 and consisted of 20,573,434 non-par-value ordinary shares, each carrying equal rights in every respect.

There are no restrictions with regard to voting rights or the transfer of shares except for provisions contained in the Austrian Stock Corporation Act (Aktengesetz – AktG).

B & C Industrieholding GmbH indirectly owned more than 50% of the shares in Semperit AG Holding as at 31 December 2014. B & C Semperit Holding GmbH directly owned more than 50% of the shares in Semperit AG Holding as at 31 December 2014. Due to a reorganisation under company law, B & C Industrieholding GmbH has been a wholly owned subsidiary of B & C Holding Österreich GmbH since 15 January 2015. Since then, B & C Holding Österreich GmbH has therefore indirectly owned more than 50% of the shares in Semperit AG Holding. More than 10% of the ordinary shares had been held by Legg Mason Inc., USA since 10 March 2011. As of 2 February 2015, the interest of Legg Mason Inc., USA, has been less than 10%. The remaining shares are in free float.

No shares were issued entitling the owners to special control rights.

Employees who own shares are entitled to exercise their right to vote at the Annual General Meeting.

The age limit for members of the Management Board is 65. The duration of their last possible term of office on the Management Board ends with the Annual General Meeting following their 65th birthday. Otherwise there are no other regulations extending beyond the legal requirements that relate to the appointment and dismissal of members of the Management Board.

The following applies with respect to the appointment and revocation of Supervisory Board members pursuant to the Articles of Association: unless a shorter term of office is specified, Supervisory Board members are elected until the end of the Annual General Meeting resolving upon the ratification of the actions of the Management and Supervisory Boards for the fourth year after the election, not including the financial year in which the election took place. However, at least one-fifth of all Supervisory Board members are required to resign each year, effective at the end of the Annual General Meeting. In cases in which the number of Supervisory Board members is greater than but not divisible by five, this number will be alternately raised and lowered to numbers divisible by five. In cases in which the number of Supervisory Board members is less than five, the number five will be used as a base only in every second year.

The selection of the members departing will be undertaken using the following procedures: those members whose terms of office expire are to be the first to depart. Should the above divisibility not be attained by this, those members are to depart whose terms of office are the longest. In cases in which this procedure yields a number of members eligible for departure that is greater than required, the selection among them will be undertaken through the drawing of lots. This procedure is also used to decide in cases in which the above rules do not suffice to determine which members will depart. Those departing are immediately eligible for re-election.

Should members – not including those cases described in the previous paragraph – depart from the board prior to the expiry of their term of office, the election held to replace them need not be held before the next Annual General Meeting. However, an election to replace them is to be held without delay via the convening of an Extraordinary General Meeting in cases in which the number of Supervisory Board members declines to less than five. These replacement elections are effective for the remaining term of office of the members who have departed. In cases in which a member is elected to the Supervisory Board by convening an Extraordinary General Meeting, the member's first year of office is deemed to conclude at the end of the next Annual General Meeting.

Any member of the Supervisory Board can resign from it even without good cause by submitting written notification of such. Should this cause the number of members of the Supervisory Board to decline to below the minimum specified number, a four-week notice period must be observed.

With regard to amendments to the Articles of Association, these are enacted with a simple majority of the share capital represented at the Annual General Meeting, inasmuch as the AktG does not stipulate any other procedure.

The Management Board has been authorised by the Annual General Meeting on 23 April 2012, subject to the agreement of the Supervisory Board, to increase the share capital in the coming five years – in several tranches – against cash and/or contributions in kind by 50% or up to around 10.3 million bearer shares. The Management Board is also authorised, subject to the agreement of the Supervisory Board, to issue convertible bonds. These can be associated with conversion or subscription rights or obligations for up to around 10.3 million bearer shares of the company (50% of the existing shares).

The Annual General Meeting on 29 April 2014 authorised the Management Board, with the consent of the Supervisory Board, to repurchase and, if applicable, retire own shares up to the legally permitted maximum of 10% of the share capital for a period of 30 months from the adoption of the resolution in the Annual General Meeting in accordance with Section 65 Para. 1 no. 8 of the AktG. At the same Annual General Meeting, the Management Board was authorised, pursuant to Section 65 Para. 1b of the AktG and with the consent of the Supervisory Board, to decide on a different method of selling shares than via the stock exchange or through a public offer and on a possible exclusion of the pre-emption rights of shareholders. There is currently no share buyback programme and the company does not hold any treasury shares.

Certain financing agreements contain contractual clauses regarding a change of control in the event of takeovers pursuant to Section 243a Para. 1 (8) of the Austrian Commercial Code (Unternehmensgesetzbuch – UGB).

There are no compensation agreements pursuant to Section 243a Para. 1 (9) of the UGB.

Risk report

RISK ENVIRONMENT

As a group with international activities, Semperit constantly has to face new challenges as a result of the current fragility of the global economy with its stark regional differences. The strategic orientation of each of Semperit's four operating segments means that their success depends to differing degrees on the general economic environment. The group's global presence helps to ensure that risks are diversified.

In the current economic environment, high volatility between the euro and the US dollar constitutes a potential threat. Moreover, rising commodity prices and energy costs may lead to a deterioration in the Semperit Group's earnings if they cannot be passed on fast enough to customers through selling prices.

Semperit is active in countries that are at different stages of their economic and social development. Adverse changes in the political and economic environment may therefore give rise to further risks. Risks such as fire and natural or environmental disasters are also associated with significant potential losses for the Semperit Group.

RISK MANAGEMENT

Semperit's objective is to minimise potential threats from future events through effective risk management and the corresponding systems. Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. has audited and certified the effectiveness of the Semperit Group's risk management system for 2014 in accordance with Rule 83 of the Austrian Corporate Governance Code.

The Management Board of Semperit AG Holding and the bodies subordinate to it undertake extensive monitoring and controlling tasks with respect to operating units in the context of an integrated control system covering all group sites. Identifying and evaluating strategic risks and opportunities and responding to them at an early stage are accordingly an important component of these units' management activity, based on a uniform group-wide system of monthly reporting. The foundation for this is a standardised, group-wide monthly reporting system. General market risks that may arise from developments in the global economy and from demand trends in the relevant regions and sectors are systematically analysed, and the results are explicitly incorporated into operational and strategic planning.

Whenever necessary, measures to reduce risks are implemented with the responsible departments and by arranging external insurance cover. Risk assessment involves evaluating the damage that an event might cause and estimating the likelihood of its occurrence, in accordance with the international COSO standards (Committee of Sponsoring Organisations of the Treadway Commission).

RISK ORGANISATION

The Internal Audit & Risk Management department is responsible for risk management. This includes, in particular, the central coordination and monitoring of risk management processes for the group as a whole, as well as risk assessment and comprehensive reporting (at least once a year) to the Management and Supervisory Boards. To strengthen the effectiveness of risk management with lasting effect, an effective risk organisation was established. The Internal Audit & Risk Management department is assisted by regional risk managers for Asia, America and Europe as well as other risk managers in the group's various units. The risk management system is optimised on an ongoing basis. Risks in defined operational and functional areas are identified in accordance with lists of criteria. The ultimate objective of these measures is to further increase the efficiency and effectiveness of risk management processes, to promote awareness of these central issues throughout the group, and to continuously grow the company's enterprise value.

SPECIFIC SIGNIFICANT RISKS

An assessment of the general market risks resulting from developments in the world economy and in the regions and industries of relevance to Semperit is made in the group management report's section "Outlook". Selected specific risks are explained below.

OPERATIONAL RISKS

Procurement risk

Semperit manages this risk category by actively steering its supplier portfolio, and through a globally oriented purchasing management system that is coordinated throughout the group. There are long-term supply contracts in place for the procurement of natural rubber. Semperit's presence in Asia, the world's most important region for rubber production, ensures proximity to producers at all points along the value chain. Long-term relationships also exist with suppliers of other important raw materials such as chemicals, bulking agents and both textile and steel reinforcing materials.

At the Semperit research and development centre in Wimpassing, Austria, interdisciplinary teams are constantly working to develop alternative formulas so that Semperit can respond quickly and with flexibility to fluctuations in commodity prices and supply bottlenecks. This adaptability is also ensured by the flexible structuring of the group's production facilities.

Sales and customer default risk

The customer structure of the Semperit Group is broad and well-balanced, thus avoiding an excessive concentration of risk from individual customers. No customer accounts for more than 10% of the group's revenue. Bad debt losses and sales losses play a minor role. Credit risks and the risk of payment default are reduced by the implementation of standardised credit checks, defined credit limits and credit insurance.

Sales risk is also reduced through active management of the product portfolio and customer relationship, as well as the ongoing development of product innovations and by tapping into new markets. Semperit handles the risk of overcapacities by evaluating market and order data on an ongoing basis in order to be able to respond quickly to changes with the appropriate measures such as temporary shutdowns and adjustments of working shifts.

Production risk

Semperit Group has established high technical and safety standards for its production sites. The risk of downtime at production plants is also reduced through regular maintenance as well as through flexible production control. Despite all those efforts, the risk of operational disruptions, accidents and damage to the environment cannot be completely eliminated. Disruptions can be caused, in particular, by natural phenomena that are beyond the control of the Semperit Group. As far as possible, the company protects itself against these types of risk with insurance to an extent that is reasonable from a commercial perspective.

Personnel risk

The business performance of the Semperit Group in the future is and will be largely determined by the commitment, expertise and productivity of its employees. Semperit competes for highly qualified specialists and executive staff by working closely with universities, colleges and advanced technical colleges, and by positioning itself as an attractive employer at trade fairs and similar events. In addition to forward-looking succession planning, the basis of human resources management is formed by attractive opportunities for individual development and performance-based remuneration systems.

FINANCIAL RISK

As required by IFRS 7.31, the financial risks are described in detail in the appendix in note 8. A summary and interpretation is provided below.

Capital risk

The goals with capital management are to ensure the company's going concern status and to enable growth-oriented organic (own business activity without acquisitions) and non-organic (acquisitions) investment activity and dividend policies based on these goals.

Against the backdrop of the group's organic and non-organic growth strategy, the Semperit Group has decided not to establish a firmly defined target capital structure because different capital structures could be needed. Management aims to ensure that the group has a sustainably robust capital structure.

Interest rate risk

Operating resources, investments and acquisitions in the group's business operations are partially financed using debt. At 31 December 2014, the group's liabilities to banks totalled EUR 9.6 million (31 December 2013: EUR 13.5 million). The amount of the corporate Schuldschein loan including accrued interest totals EUR 127.9 million. Over 95% of liabilities to banks have variable interest rates that are tied to prevailing market conditions. There are liabilities from leasing agreements totalling EUR 0.2 million (31 December 2013: EUR 3.1 million), all of which have fixed interest rates.

Liquidity risk

Cash and cash equivalents amounted to EUR 115.6 million as at 31 December 2014 (31 December 2013: EUR 182.6 million). In July 2013 a corporate Schuldschein loan totalling EUR 125.0 million was issued, with an increase of EUR 2.0 million taking place in April 2014. In December 2014 a new framework loan agreement was put in place with a volume of EUR 250 million and a term of 5 years, with an option to extend the agreement by up to 2 additional years. This replaces the previous framework loan agreement for EUR 180 million, which would have continued until May 2015. Continuous improvements to the group's treasury guidelines and information systems facilitates the early identification of financial risks and enables suitable measures to be taken in good time. The equity ratio of 54.0% as at 31 December 2014 (2013: 48.3%) demonstrates Semperit Group's solid balance sheet structure.

Default/Credit risk

Default risks of the Semperit Group with regard to securities as well as receivables and credits from banks are assessed as low given the fact that most of the contractual partners are top-rated banks with regards to solvency. Furthermore, Semperit has defined maximum amounts with each contractual partner in order to minimise risks.

Currency risk

As a result of its subsidiaries' international trading activity the Semperit Group is exposed to currency risk. In particular, there are associated transaction risks relating to subsidiaries that are not based in the Eurozone but have business relationships there, and in exchange rate fluctuations between the euro and US dollar. In the notes under point 8 "Risk management / Currency risk management" there is a listing of revenue by the major currencies as well as those currency pairs that exist versus the euro and the US dollar which pose a significant currency risk. The company protects itself against these risks with forward transactions where appropriate. No derivative financial instruments are concluded for the purpose of speculation.

RISKS IN CONNECTION WITH THE JOINT VENTURE PARTNER SRI-TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED

Since 2014, the Semperit Group has been conducting several legal proceedings at domestic courts in Thailand and at international arbitration tribunals located in Zurich based on the rules of the International Chamber of Commerce (ICC). These litigations relate in particular to the competencies and internal organisation of the Board of Directors (BoD) being the supervisory body of Siam Sempermed Corp. Ltd. (SSC), a joint venture in Thailand. They also concern the business management of SSC, SSC's business relationships with group subsidiaries of the Thai joint venture partner Sri Trang Agro-Industry Public Co Ltd. (Sri Trang), and the exclusive distribution rights of the Semperit Group. The opposing parties in the arbitration proceedings are the contracting parties in the joint venture agreements and SSC itself. In the proceedings at Thai courts, the opposing parties are the BoD members who have been nominated by Sri Trang. Semperit is the plaintiff in the ICC proceedings. The BoD members appointed by Semperit are the defendants in most of the proceedings at Thai courts.

The dispute's core issue is that the members of the SSC's BoD who have been nominated by the joint venture partner Sri Trang are currently hindering the exercise of control by Semperit. According to Sri Trang's interpretation of the law, all resolutions in the BoD can be prevented, first by preventing a quorum at meetings of the BoD through the absence of Sri Trang's nominees, and second, by convening an Annual General Meeting of the SSC to include agenda points that have already been placed on the agenda of a BoD meeting. Semperit, based on several legal assessments, believes that (i) a quorum cannot be permanently prevented since in such a case, an appropriate procedure becomes applicable allowing for a quorum of the BoD if all BoD members nominated by Semperit are present, and (ii) the Annual General Meeting is entitled to prevent BoD decisions only based on positive shareholder resolutions, which cannot, however, be taken without the involvement of Semperit. In order to clarify these issues, among other things, Semperit has referred them to the aforementioned arbitration tribunals.

Due to this inability to exercise control over SSC and the assessment of a loss of control under IFRS 10.B24, Semperit decided to change the method of consolidation for SSC as of 31 December 2014 from a full consolidation approach to the equity method in accordance with IFRS 11/IAS 28.

At present, the legal proceedings are mostly still at an early stage; the arbitrators have constituted at the start of 2015. Except for the injunctions which are being sought, a conclusion of the proceedings in the near future is unlikely.

In January 2015, a director nominated by Sri Trang for the BoD of Sempermed USA Inc. (SUSA) issued a legal challenge in Delaware, USA, against a resolution adopted by the BoD of SUSA based on the BoD's right to cast a deciding vote. The director sought an injunction against this decision. The request for an injunction was not granted by the competent court, but a hearing was ordered to deal with the lawsuit, scheduled probably sometime in the following 90 to 120 days.

The Semperit Group continues to anticipate that its interpretation of the law will be confirmed in these proceedings. The costs for the ongoing proceedings are being expensed as incurred. Appropriate provisions have been set up for the expected costs of the proceedings in which Semperit is the defendant.

INTERNAL CONTROL SYSTEM (ICS)

The Semperit Group's internal control system is designed to ensure the effectiveness and efficiency of its business activities, the reliability of its financial reporting and compliance with relevant statutory provisions. It also supports the early recognition and monitoring of risks deriving from inadequate monitoring systems and fraudulent actions and is revised and expanded on an ongoing basis by the Internal Audit & Risk Management department together with the relevant specialist departments. To that end, the accounting-related processes were subject in 2013 and 2014 to another comprehensive, systematic review of the effectiveness of the ICS, with Internal Audit & Risk Management taking the lead role, in order to derive a set of minimum standards. The rollout of these standards took place in 2013, primarily in Europe. In 2014 the rollout continued at both Asian and American locations, and follow-up audits were performed at the European locations to ensure the sustained implementation of the standards. The management of the respective business unit is responsible for implementing and monitoring the ICS and the risk management system. The Management Board of Semperit AG Holding stipulates cross-divisional framework conditions and regulations that are applicable throughout the group.

The following principles form the basis of the ICS:

- Recognition of potential operating risks and making losses visible that have already occurred
- Protection of property
- Improvement in operating effectiveness
- Ensuring the accuracy of accounting and reporting
- Compliance with internal and external laws and regulations
- Auditability by independent experts
- Ensuring adequate implementation and segregation of duties

At the time this management report was prepared, no risks could be identified in connection with future developments that could threaten the continued existence of the Semperit Group either in isolation or jointly. Adequate insurance has been taken out for specific liability risks and damages when reasonable and cost effective.

Outlook

Most observers anticipate that the global economy will recover during 2015. The International Monetary Fund (IMF) forecasts that global economic growth will increase from 3.3% in 2014 to 3.5% in 2015. The growth engine among the industrialised countries will be the US once again, where GDP is expected to rise by 3.6%. The Eurozone is likely to see growth of just 1.2%. Fears of deflation and ongoing geopolitical risks (Russia and Ukraine, Middle East) will continue to weigh on the region's economy. On the other hand, the massive decline in the price of oil and the weaker euro could act as a type of special stimulus programme, particularly for the export economy. In Asia there continues to be a lack of broad-based growth momentum coming from China.

The Semperit Group is starting the 2015 financial year with a strong order backlog. The first signs of stabilisation in West Europe and strong demand in North America are having a positive effect. However, Semperit is not able to completely avoid the downturn in the economies of Central and East Europe caused by the crisis. The group expects that market and demand trends in Asia will remain largely flat.

The Semperit Group anticipates that its business performance during 2015 will be satisfactory amid a persistently challenging environment. The effects of the emerging global economic recovery should be felt starting from the second half of 2015. Revenue and earnings should once again come in at attractive levels, although it will not be possible to reach the record results achieved in the last two years because of the current state of the economy, the price situation for raw materials and the effect of the change in the method of consolidation for a joint venture company.

The change in the accounting treatment for the 50% interest in Siam Sempermed Corp. Ltd., a joint venture in Thailand, from a full consolidation previously to the equity method as of 31 December 2014 means that starting from 2015, reported revenue will probably be around 10% lower compared to the full consolidation method. The new approach is likely to reduce EBIT by about 20% compared with previously reported figures. The change is not expected to have a significant effect on either earnings after tax and non-controlling interests or earnings per Semperit share. The impact on the income statement and thus on revenue and EBIT will be published for the first time in the interim report for the first quarter of 2015.

Semperit will continue to expand its production capacity at both its Medical and Industrial Sectors. Capital expenditure (CAPEX) of around EUR 75 million is planned for 2015 (2014: EUR 74 million), of which about EUR 50 million is intended for growth investments. The additional capacity will gradually become available during the course of 2015 and 2016, and will have a correspondingly positive effect on revenue.

Going forward, Semperit aims at achieving average double-digit volume growth (quantities sold) with attractive margins. The group likewise still aims to achieve an EBITDA margin of between 12% and 15% and an EBIT margin of between 8% and 11%.

Outlook Medical Sector

The market in the Medical Sector develops largely independent of the general trend in the economy. The Semperit Group anticipates that demand for examination and protective gloves will grow steadily. In this environment, the Semperit Group will target high-quality, highly profitable growth. The focus in 2015 will therefore be on boosting efficiency at the individual production sites, expanding lucrative customer relationships and continuing to

expand capacity in Kamunting, Malaysia. Semperit further anticipates that as in the past, the ongoing legal disputes will not impact the operating business of the joint ventures with Sri Trang Agro-Industry Public Co Ltd. (Sri Trang) in terms of quantities and quality.

Outlook Industrial Sector

Despite the weak demand from East European markets the capacity in the Industrial Sector is well utilised for the next several months. The Semperit Group is responding to this market weakness with intensive sales and marketing initiatives in other countries as well as by expanding its global customer relationships in all industrial segments.

To continue its long-term growth, the Semperit Group is implementing its investment programme in the Industrial Sector as planned. The Semperflex segment was already able to successfully conclude the expansion of its hydraulic hose production in the first quarter of 2015. The build-up of production capacity for conveyor belts at the manufacturing site in Bełchatów, Poland, for handrails in Shanghai, China and for profiles in Wimpassing, Austria continues to proceed according to plan.

Note

This outlook is based on the assessments of the Management Board as of 24 March 2015, and does not take into account the effects of possible acquisitions, divestments or other unforeseeable structural or economic changes during the further course of 2015. These assessments are subject to both known and unknown risks and uncertainties, which may result in actual events and outcomes differing from the statements made here.

Events after the balance sheet date

On 19 March 2015, Semperit finalised a purchase agreement to acquire Leeser GmbH & Co. KG ("Leeser"). Leeser is a manufacturer of high-quality rubber seals with two production sites near Düsseldorf, Germany. Currently the acquisition is subject to anti-trust approvals. The closing of the transaction is expected in the second quarter of 2015. Going forward, Leeser will be assigned to the Semperform segment.

Vienna, 24 March 2015



Thomas Fahnemann
Chairman of the Management Board



Johannes Schmidt-Schultes
Chief Financial Officer



Richard Ehrenfeldner
Chief Technical Officer



Declan Daly
Chief Information Officer

Consolidated financial statements and notes

Consolidated income statement

for the financial year from 1.1.2014 to 31.12.2014

in EUR thousand	Note	2014	2013
Revenue	5.1.	930,350	906,342
Changes in inventories		383	9,412
Own work capitalised		3,303	966
Operating revenue		934,036	916,720
Other operating income	5.2.	34,766	24,385
Cost of material and purchased services	5.3.	-513,733	-510,667
Personnel expenses	5.4.	-167,351	-152,802
Other operating expenses	5.5.	-152,089	-145,776
Share of profit from associated companies	3.2.	425	599
Earnings before interest, tax, depreciation and amortisation (EBITDA)		136,054	132,458
Depreciation, amortisation and impairment of tangible and intangible assets	5.6.	-47,526	-44,669
Earnings before interest and tax (EBIT)		88,528	87,789
Financial income	5.7.	1,799	1,941
Financial expenses	5.7.	-5,040	-4,037
Profit/loss attributable to redeemable non-controlling interests	6.10.	-16,860	-14,776
Financial result		-20,101	-16,872
Earnings before tax		68,426	70,917
Income taxes	5.8.	-18,730	-16,020
Earnings after tax		49,697	54,898
thereof attributable to the shareholders of Semperit AG Holding	6.9.	49,859	54,598
thereof attributable to non-controlling interests	6.9.	-163	300
Earnings per share in EUR (diluted and undiluted)¹⁾	5.9.	2.42	2.65

¹⁾ Attributable to the shareholders of Semperit AG Holding

Consolidated statement of comprehensive income

for the financial year from 1.1.2014 to 31.12.2014

in EUR thousand	Note	2014	2013
Earnings after tax according to the consolidated income statement		49,697	54,898
Other comprehensive income			
Amounts that will not be recognised through profit and loss in future periods			
Remeasurements of defined benefit plans (IAS 19)	6.11.	-6,577	-2,632
Related deferred taxes	6.8.	1,667	660
		-4,910	-1,972
Amounts that will potentially be recognised through profit and loss in future periods			
Available-for-sale financial assets			
Revaluation gains/losses for the period	5.7.	397	-100
Reclassification to profit and loss for the period	5.7.	135	114
		532	14
Cash flow Hedge			
Revaluation gains/losses for the period	8.	-1,460	-100
Reclassification to profit and loss for the period		166	0
		-1,294	-100
Currency translation differences			
Currency translation differences for the period		20,175	-30,743
Reclassification to profit and loss for the period		-1,787	0
		18,388	-30,743
Related deferred taxes	6.8.	191	21
		17,816	-30,808
Other comprehensive income		12,905	-32,780
Total recognised comprehensive income		62,602	22,118
thereof on earnings attributable to the shareholders of Semperit AG Holding		62,586	21,642
thereof on earnings attributable to non-controlling interests		16	475

Consolidated cash flow statement for the financial year from 1.1.2014 to 31.12.2014

in EUR thousand	Note	2014	2013
Earnings before tax		68,426	70,917
Depreciation, amortisation, impairment and write-ups	6.1. / 6.2.	47,335	44,629
Profit and loss from disposal of assets (including current and non-current financial assets)		349	460
Change in non-current provisions		3,177	-1,893
Share of profit of associated companies	3.2.	-425	-599
Dividend received from associated companies		162	205
Effects of the change in the method of consolidation		-13,190	0
Profit/loss attributable to redeemable non-controlling interests	6.10.	16,860	14,776
Net interest income (including income from securities)		1,812	872
Interest paid		-3,501	-1,625
Interest received		1,881	2,147
Taxes paid on income		-18,157	-13,706
Gross cash flow		104,732	116,185
Change in inventories		-4,341	-5,956
Change in trade receivables		-13,135	8,940
Change in other receivables and assets		-6,144	770
Change in trade payables		-1,196	15,645
Change in other liabilities and current provisions		2,366	8,668
Changes in working capital resulting from currency translation adjustments		6,924	-7,088
Cash flow from operating activities		89,205	137,166
Proceeds from sale of tangible and intangible assets		661	478
Proceeds from sale of current and non-current financial assets		2,000	2,053
Investments in tangible and intangible assets	6.1. / 6.2. / 7.	-74,404	-49,716
Investments in current and non-current financial assets		-947	-661
Cash flow from investing activities		-72,690	-47,847
Cash receipts from current and non-current financing liabilities		2,000	124,567
Repayment of current and non-current financing liabilities		-9,509	-108,378
Dividend to shareholders of Semperit AG Holding	6.9.	-24,688	-16,459
Dividends to non-controlling shareholders of subsidiaries	6.10.	-15,270	-12,391
Acquisition of non-controlling interests		-479	-19,500
Capital payments to non-controlling shareholders of subsidiaries	6.10.	0	-199
Cash flow from financing activities		-47,947	-32,360
Net increase / decrease in cash and cash equivalents		-31,432	56,959
Effects resulting from currency translation		7,248	-7,726
Changes in the scope of consolidation		-42,796	0
Cash and cash equivalents at the beginning of the period		182,554	133,322
Cash and cash equivalents at the end of the period		115,574	182,554

Consolidated balance sheet

as at 31.12.2014

in EUR thousand	Note	31.12.2014	31.12.2013
ASSETS			
Non-current assets			
Intangible assets	6.1.	112,414	106,826
Tangible assets	6.2.	220,017	256,628
Investments in joint ventures and associated companies	3.2.	91,043	1,419
Other financial assets	6.5.	8,544	9,043
Other assets	6.6.	4,274	3,982
Deferred taxes	6.8.	19,526	15,733
		455,818	393,630
Current assets			
Inventories	6.3.	127,196	148,428
Trade receivables	6.4.	112,965	111,230
Other financial assets	6.5.	3,469	1,518
Other assets	6.6.	11,624	11,408
Current tax receivables		5,269	3,350
Cash and cash equivalents	6.7.	115,574	182,554
		376,096	458,488
TOTAL ASSETS		831,914	852,118
EQUITY AND LIABILITIES			
Equity			
	6.9.		
Share capital		21,359	21,359
Capital reserves		21,503	21,503
Revenue reserves		405,509	385,793
Currency translation reserve		1,005	-17,204
Equity attributable to the shareholders of Semperit AG Holding		449,377	411,451
Non-controlling interests		2,211	2,702
		451,587	414,153
Non-current provisions and liabilities			
Provisions for pension and severance payments	6.11.	43,939	39,248
Other provisions	6.12.	15,051	12,071
Liabilities from redeemable non-controlling interests	6.10.	37,303	101,928
Corporate Schuldschein loan	6.13.	126,615	124,539
Liabilities to banks	6.14.	0	128
Other financial liabilities	6.15.	2,138	5,798
Other liabilities	6.16.	704	658
Deferred taxes	6.8.	9,998	6,684
		235,748	291,054
Current provisions and liabilities			
Provisions for pension and severance payments	6.11.	2,676	3,248
Other provisions	6.12.	16,835	19,095
Liabilities from redeemable non-controlling interests	6.10.	0	481
Corporate Schuldschein loan	6.13.	1,335	1,225
Liabilities to banks	6.14.	9,581	13,403
Trade payables		80,829	73,067
Other financial liabilities	6.15.	15,944	17,532
Other liabilities	6.16.	12,955	11,337
Current tax liabilities		4,424	7,524
		144,579	146,912
EQUITY AND LIABILITIES		831,914	852,118

Consolidated statement of changes in equity

for the financial year from 1.1.2014 to 31.12.2014

in EUR thousand	Note	Revenue reserves					Currency translation reserve	Total equity attributable to the shareholders of Semperit AG Holding	Non-controlling interests	Total equity
		Share capital	Capital reserves	Re-valuation reserves	Other revenue reserves	Total revenue reserves				
As at 1.1.2013		21,359	21,503	-125	349,786	349,661	13,715	406,238	21,755	427,993
Earnings after tax		0	0	0	54,598	54,598	0	54,598	300	54,898
Other comprehensive income		0	0	10	-2,047	-2,037	-30,919	-32,956	176	-32,780
Total recognised comprehensive income		0	0	10	52,551	52,561	-30,919	21,642	475	22,118
Dividend	6.9.	0	0	0	-16,459	-16,459	0	-16,459	0	-16,459
Acquisition of non-controlling interests	3.5.	0	0	0	29	29	0	29	-19,529	-19,500
As at 31.12.2013		21,359	21,503	-115	385,907	385,793	-17,204	411,451	2,702	414,153
As at 1.1.2014		21,359	21,503	-115	385,907	385,793	-17,204	411,451	2,702	414,153
Earnings after tax		0	0	0	49,859	49,859	0	49,859	-163	49,697
Other comprehensive income		0	0	399	-5,881	-5,482	18,209	12,727	178	12,905
Total recognised comprehensive income		0	0	399	43,978	44,377	18,209	62,586	16	62,602
Dividend	6.9.	0	0	0	-24,688	-24,688	0	-24,688	0	-24,688
Acquisition of non-controlling interests	3.5.	0	0	0	28	28	0	28	-507	-479
As at 31.12.2014		21,359	21,503	284	405,225	405,509	1,005	449,377	2,211	451,587

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Semperit Aktiengesellschaft Holding (hereinafter Semperit AG Holding), a joint stock company according to Austrian law, is an internationally operating industrial group headquartered at Modecenterstrasse 22, 1031 Vienna, Austria. B & C Semperit Holding GmbH is the direct majority shareholder of Semperit AG Holding, and B & C Privatstiftung is the dominant legal entity. The activities of the group are divided into four strategic business segments: Sempermed, Semperflex, Sempertrans and Semperform.

1.1. PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements as at 31 December 2014 were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and in conjunction with Section 245a of the Austrian Company Code (UGB). The financial year covers the period starting 1 January and ending 31 December.

The reporting currency is the euro, in which case figures are rounded off to thousands of euros unless specified otherwise. Rounding differences in the totalling of rounded amounts and percentages may arise from the automatic processing of data.

The present consolidated financial statements were prepared by the Management Board of Semperit AG Holding on 24 March 2015, signed and approved for forwarding to the Supervisory Board. The Supervisory Board is responsible for reviewing the consolidated financial statements and stating whether it approves them.

1.2. ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

First-time adoption of standards

The following new or revised standards and interpretations were applied for the first time in the financial year 2014.

First-time adoption of standards		Effective date ¹⁾	Endorsement
New Standards and Interpretations			
IFRS 10	Consolidated Financial Statements	1.1.2014	December 2012
IFRS 11	Joint Arrangements	1.1.2014	December 2012
IFRS 12	Disclosure of Interests in Other Entities	1.1.2014	December 2012
Amended Standards and Interpretations			
IFRS 10, 11, 12	Changes: Transitional Provisions	1.1.2014	April 2013
IFRS 10, 12, IAS 27	Changes: Investment Entities	1.1.2014	November 2013
IAS 27	Separate Financial Statements (revised 2011)	1.1.2014	December 2012
IAS 28	Investments in Associates and Joint Ventures (revised 2011)	1.1.2014	December 2012
IAS 32	Financial Instruments: Presentation - Amendments: Offsetting Financial Assets and Financial Liabilities	1.1.2014	December 2012
IAS 39	Financial Instruments: Recognition and Measurement – Changes: Novation of Derivatives and Continuation of Hedge Accounting	1.1.2014	December 2013

¹⁾ According to the Official Journal of the EU, the standards are obligatory for financial years commencing on or after the effective date.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation Special Purpose Entities. The new standard redefines the concept of control uniformly for all companies, including special purpose entities. Under IFRS 10 a parent entity controls an investment entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 further goes into detail on the evaluation of potential voting rights and joint decision-making and protective rights of non-controlling interests, and constellations characterised by delegated or reserved decision-making rights or de facto control. Control depends on a holistic evaluation (which is therefore a matter of judgement) of the power of the parent over the investment entities. The group of subsidiaries previously fully consolidated in the consolidated financial statements of Semperit Group has changed with regard to Siam Sempermed Corp. Ltd (SSC), Thailand, inasmuch as the increasing blockage by the joint venture partner in the period ending 31 December 2014 means that the group cannot exercise control, giving rise to a joint venture which must be included in the consolidated financial statements under the equity method.

In contrast to the comparable period shown, the assets and liabilities of SSC as at 31 December 2014 are prorated in accordance with the share in the joint venture calculated under the equity method. As the loss of control took place on 31 December 2014, the consolidated income statement for the current period still includes all expenses and income of SSC as a fully-consolidated company. The result of the change in the method of consolidation is recognised in other operating income.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Consolidated and Separate Financial Statements and SIC 13 Consolidation Special Purpose Entities. IFRS 11 classifies joint arrangements in two groups, joint ventures and joint operations. A joint operation is a joint arrangement in which the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the ar-

rangement. Under IFRS 11 a party to a joint operation must account for the assets and liabilities (and corresponding revenues and expenses) relating to its interest in the joint operation. A party to a joint venture must recognise its investment using the equity method under IAS 28, Investments in Associates and Joint Ventures. For the effects relating to SSC on the first-time adoption of the new standard, see the comments on IFRS 10, Consolidated Financial Statements.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 contains the disclosures required in the notes on investments in subsidiaries, joint arrangements, associated companies and, if applicable, structured entities. The standard replaces the disclosure requirements contained in IAS 27 Consolidated and Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The new standard resulted in an expansion of the disclosures in the notes to the Semperit Group consolidated financial statements.

IAS 28 Investments in Associates and Joint Ventures (revised 2011)

IAS 28 was revised in conjunction with the publication of IFRS 10, 11 and 12 and has been adapted in line with the new standards. The amended standard has no significant effect on the consolidated financial statements of the Semperit Group.

No other amended standards had any effect on the consolidated financial statements of the Semperit Group.

Standards that have already been published but are not yet effective

The application of the following new or amended standards and interpretations that had already been published when the consolidated financial statements were prepared was not mandatory for financial years starting on or before 1 January 2014, nor were they applied voluntarily. The Semperit Group plans to apply these amendments for the first time once it becomes mandatory to apply them.

Standards and interpretations that are not yet effective		Effective date ¹⁾	Endorsement
New Standards and Interpretations			
IFRS 9	Financial Instruments	1.1.2018	
IFRS 14	Regulatory Deferred Items	1.1.2016	
IFRS 15	Revenue from Contracts with Customers	1.1.2017	
IFRIC 21	Taxes	1.1.2014 ²⁾	June 2014
Amended Standards and Interpretations			
IFRS 11	Joint Arrangements – Amendments: Acquisition of Interests in Joint Operations	1.1.2016	
IFRS 10, IAS 28	Consolidated Financial Statements and Investments in Associates and Joint Ventures – Amendments: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1.1.2016	
IFRS 10, 12, IAS 28	Investment Entities - Amendments: Application of the Exception to Consolidation	1.1.2016	
IAS 1	Changes: Results of the Disclosure Initiative	1.1.2016	
IAS 19	Employee Benefits – Amendments: Employee Contributions	1.7.2014 ³⁾	December 2014
IAS 27	Separate Financial Statements - Amendments: Equity Method in Separate Financial Statements	1.1.2016	
IAS 16, 38	Property, Plant and Equipment and Intangible Assets – Amendments: Clarification of Acceptable Depreciation and Amortisation Methods	1.1.2016	
IAS 16, 41	Property, Plant and Equipment and Agriculture – Amendments: Bearer Plants	1.1.2016	
Misc.	Improvements to IFRS 2010-2012	1.7.2014 ³⁾	December 2014
Misc.	Improvements to IFRS 2011-2013	1.7.2014 ⁴⁾	December 2014
Misc.	Improvements to IFRS 2012-2014	1.1.2016	

¹⁾ In accordance with the provisions of the IASB on entry into force, the standards are obligatory for financial years commencing on or after the effective date.

²⁾ The new / amended standards are obligatory for financial years commencing on or after 17 June 2014.

³⁾ The new / amended standards are obligatory for financial years commencing on or after 1 February 2015.

⁴⁾ The new / amended standards are obligatory for financial years commencing on or after 1 January 2015.

IFRS 9 Financial Instruments

IFRS regulates the classification and measurement of financial assets and creates a new form of categorisation for financial instruments. The standard was further amended with regard to hedge accounting. IFRS 9 is to be applied by companies whose financial years start on or after 1 January 2018. The standard has not yet been adopted by the EU. Amendments must be applied retrospectively. The anticipated amendments mainly relate to the measurement and presentation of changes in the value of financial assets in the income statement or under other comprehensive income and measurement of the effectiveness of existing hedging relationships. The standard will not have any significant effect on the consolidated financial statements of the Semperit Group.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 18 Revenue and IAS 11 Construction Contracts. The distinction between types of contract and types of goods and services no longer applies. Uniform criteria are established for contract performance with respect to dates and periods. The effects of the new standard on Semperit Group consolidated financial statements are currently being investigated.

No other amended standards are relevant to the Semperit Group or are expected to have any significant effects on the consolidated financial statements.

1.3. PRINCIPLES AND METHODS OF CONSOLIDATION, BUSINESS COMBINATIONS

The consolidated financial statements include the financial statements of the parent company and the financial statements of the companies under its control, i.e. the subsidiaries of the parent. The group controls a company when it is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. The financial statements of subsidiaries are included in the consolidated financial statements from the time at which control begins to the time at which control ends.

On the assessment whether the definition of control within the meaning of IFRS 10 is met where the group's de facto shareholding is either 50% or 41.43%, see the comments in 3.1.

As at 31 December 2014 the method of consolidation for the company Siam Sempermed Corp. Ltd was changed from full consolidation under IFRS 10 to the equity method according to IFRS 11 and IAS 28. This is explained in detail in 3.3.

The annual financial statements of the individual domestic and international companies that are fully consolidated were prepared for the period ending 31 December 2014, the balance sheet date of the consolidated financial statements. If required, the annual financial statements of the subsidiaries are adjusted in accordance with the accounting and valuation methods applied by the Semperit Group.

Items 3.1. and 3.2. of the notes to the financial statements provide an overview of the fully consolidated companies and companies included at equity.

Capital is consolidated by offsetting the acquisition costs of the holding in the subsidiary and the equity of the respective subsidiary attributable to the holding.

Business combinations are accounted for in accordance with the acquisition method. This method stipulates that identifiable assets and liabilities, including contingent liabilities, are to be recognised at their fair values as at the acquisition date. The exceptions to this requirement are deferred tax assets or deferred tax liabilities, the recognition of which is defined in IAS 12 Income Taxes, as well as the accounting treatment for liabilities or provisions for commitments to employees, for which IAS 19 Employee Benefits is applicable.

If the value of the consideration recognised at fair value plus the value of non-controlling interests exceeds the value of the identifiable assets and liabilities acquired by the Semperit Group (net assets recognised at fair value), the difference is recognised as goodwill. If this consideration is below the fair value of the net assets, the difference is recognised in the consolidated income statement under "other operating income". Incidental acquisition costs are included in profit or loss in the period in which they arise.

If a business combination has not finally yet been accounted for by the subsequent balance sheet date following the date of acquisition, preliminary values are recognised in the consolidated financial statements. These preliminary values are adjusted within one year following the date of acquisition on the basis of circumstances that were already present on the acquisition date but which were not yet known on the balance sheet date.

In the course of debt consolidation, receivables and liabilities between companies included in full in the consolidated accounts are fully netted.

In the course of expense and income elimination, all income and expenses resulting from intragroup transactions, such as the sale of goods or services, group financing or dividend pay-outs, are eliminated.

In addition, interim profits or losses from the sale of goods and services between companies in the group are eliminated.

The shares held by shareholders who do not exercise a controlling influence on subsidiaries (non-controlling interests), provided they are equity interests, are reported separately in equity from the shares in these subsidiaries owned by shareholders of Semperit AG Holding (the parent company).

These non-controlling interests are initially recognised either

- a) At a proportionate share of the net value of the identifiable assets and the recognised total for the acquired liabilities and contingent liabilities on the date of acquisition or
- b) At fair value (limited to business combinations as of 1 January 2010).

This recognition option relating to business combinations as of 1 January 2010 can be exercised differently for each transaction. As at the end of subsequent reporting periods, the carrying amounts of the non-controlling interests are carried forward and adjusted to reflect the changes in equity assignable to the non-controlling interests, even if the carrying amount of the non-controlling interests comprises a negative value.

Transactions resulting in the alteration of interest held by the group in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the value by which the carrying amounts of the non-controlling interests in subsidiaries are adjusted and the fair value of the assignable consideration paid or received is recognised directly in equity less tax effects.

If the non-controlling shareholder of a subsidiary is entitled to an unconditional right of termination or if the company in which the non-controlling shareholder is involved has a fixed term, there is a liability of the group towards this non-controlling shareholder.

For such interests the "anticipated acquisition approach" is assumed, in which the group is considered to have already acquired these shares or the scheduled time has elapsed and is only obliged to compensate non-controlling shareholders for their shares. If a liability to a non-controlling shareholder exists, the proportionate share of net assets held by the non-controlling shareholder of the respective subsidiary is not reported in equity as "equity attributable to non-controlling shareholders of subsidiaries". The financial liabilities associated with such an interest are recognised under "liabilities from redeemable non-controlling interests". For further notes on accounting and valuation methods, see 2.12.

1.4. CURRENCY TRANSLATION

The separate financial statements of the subsidiaries included in the consolidated financial statements are prepared in the currency of the economic region in which the company primarily operates, thus in its functional currency. For all companies included in consolidation, the functional currency is the currency of the country in which the respective company operates, with the exception of Sempermed Singapore Pte Ltd., Sempermed Kft. and Semperit Investments Asia Pte Ltd. The currency of the primary business environment in which Sempermed Singapore Pte Ltd., Sempermed Kft. and Semperit Investments Asia Pte Ltd. operate is the US dollar or the euro.

The separate financial statements included in consolidation which are not reported in euros, the currency used as the basis for the consolidated financial statements, must be translated into euros. Assets and liabilities of these companies, including goodwill, are translated at the mid-rate on the reporting date. Items in the consolidated income statement and other comprehensive income are translated at the average rate for the financial year, which corresponds to the arithmetic mean of the mid-rates on the Fridays of the financial year. These average reference rates led to accumulated amounts in euros, which do not materially differ from the accumulated amounts which would have arisen when translating the transactions at the reference exchange rate at the date of transaction.

The foreign currency differences resulting from the conversion of the individual financial statements of subsidiaries for the purpose of consolidation are recognised in other comprehensive income, and reclassified into profit or loss upon disposal or other event leading to deconsolidation of the respective subsidiary.

Gains or losses resulting from exchange rate fluctuations derived from transactions of consolidated companies in a currency other than the functional currency are recognised in profit or loss in the period in which they arise. Monetary items of the consolidated companies denominated in foreign currency other than the functional currency are translated into the respective functional currency at the mid-rate on the balance sheet date, and any gains or losses resulting from the translation are also recognised in profit or loss.

The following key exchange rates vis-à-vis the euro were applied:

FX-rate for 1 EUR	Average rate		Rate on balance sheet date	
	2014	2013	2014	2013
US dollar	1.33	1.33	1.21	1.38
Thai baht	42.86	40.35	40.55	44.72
Polish zloty	4.19	4.20	4.27	4.15
Czech koruna	27.53	25.90	27.74	27.40
Hungarian forint	308.64	296.91	315.54	297.00
British pound sterling	0.81	0.85	0.78	0.83
Brazilian real	3.12	2.85	3.22	3.25
Chinese renminbi	8.18	8.16	7.54	8.32
Indian rupee	81.09	76.93	76.72	84.96
Malaysian ringgit	4.35	4.17	4.25	4.52

2. Accounting and valuation methods

2.1. VALUATION PRINCIPLES

With the exception of the valuation of specified financial instruments and provisions, the consolidated financial statements are prepared on the basis of the amortised cost of acquisition or production. The historical cost of acquisition or production is generally based on the fair value of the service rendered in exchange for the asset. Financial assets and liabilities available-for-sale and held for trading are valued at their fair value. The value of provisions corresponds to the best possible estimate of the outflows required to settle the obligations at the balance sheet date.

2.2. RECOGNITION AND MEASUREMENT OF REVENUE AND OTHER INCOME

Revenue and other income are recognised at the fair value of the underlying service rendered, in which case deductions are carried out for probable returns, discounts, rebates, cash discounts and similar applicable reductions in the proceeds received.

Revenue and income from deliveries is generally considered realised upon transfer of risk (at transfer date of risks and utilisation or provision of service). Interest income is realised pro rata temporis taking into account the effective rate.

Income from services is recognised to the degree of their completion. After expiry, licence and rental revenues are realised pro rata temporis on a straight line basis over the contract term. Licence income measured according to other parameters is measured and recognised in accordance with these underlying parameters.

2.3. EARNINGS PER SHARE

Earnings per share are determined in accordance with IAS 33 Earnings Per Share. The undiluted earnings per share are calculated by dividing the share of earnings after taxes attributable to shareholders of Semperit AG Holding by the weighted average number of shares outstanding during the financial year. The diluted earnings per share are calculated by adjusting the share of earnings after taxes attributable to shareholders of Semperit AG Holding and the number of shares outstanding for all dilution effects of potential ordinary shares. No dilution effects were taken into account as at 31 December 2013 and 31 December 2014.

2.4. INTANGIBLE AND TANGIBLE ASSETS

Acquired intangible assets

Acquired intangible assets are recognised at acquisition cost, which is subsequently subject to amortisation on a straight-line basis according to their expected useful lives. The expected useful life is usually considered to be in the range of four to ten years.

Internally generated intangible assets

An internally generated intangible asset arising from the development phase of an internal project shall be recognised if, and only if, an entity can demonstrate

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention and ability to complete the intangible asset and use or sell it, and that the group also has the required technical, financial and other resources to complete the development and to use or sell the intangible asset;
- That the respective intangible asset will generate future economic benefits, for example, the existence of a market for the output of the intangible asset or the intangible asset itself, or, if it is to be used internally, the usefulness of the intangible asset; and
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Only expenses arising in connection with the development of the respective intangible asset incurred from the date when all the recognition criteria have been fulfilled are capitalised as production costs. This means that expenditures cannot be reinstated and retroactively recognised as production costs if the recognition criteria are first met at a later date.

With regard to the scheduled amortisation, the same applies analogously as for the aforementioned acquired intangible assets.

In the Semperit Group development costs are capitalised only to a limited extent taking into account the aforementioned recognition criteria.

Intangible assets acquired in the course of business combinations

Intangible assets acquired in the course of a business combination and recognised separately from any acquired goodwill are reported at the fair value of the acquisition costs at the time of acquisition.

Goodwill

Goodwill is not subject to amortisation but is subject to an impairment test annually or more frequently if there are indications of a potential impairment.

For the purpose of the impairment test, goodwill is assigned to cash generating units or groups of cash generating units which are expected to benefit from the synergies arising from the business combination. In the Semperit Group the segments represent the lowest level at which goodwill is monitored for internal management purposes.

Indications of a potential impairment exist when the recoverable amount of the cash generating unit to which the goodwill was assigned is lower than the carrying amount of this cash generating unit, including the goodwill.

As a rule, the recoverable amount of the cash generating unit is considered to be equal to the present value of the projected discounted cash flows generated by the cash generating unit in the future (value in use). Taking the results for the current year, the expected discounted cash flows of the cash generating unit are determined on the basis of multi-period calculations using projections of the expected future development of the business. The expected business development for each of the cash generating units is ascertained on the basis of market-specific conditions as well as on the basis of the individual cost structure and the development of the relevant raw material prices.

For discounting future cash flows, a cost of capital is derived which is market-based and adjusted for the specific risks of the Medical sector (Sempermed segment) and Industrial sector (Semperflex, Sempertrans, Semperform).

If an impairment of the cash generating unit including goodwill is determined in this manner, the goodwill assigned to this cash generating unit is subsequently written down. An impairment exceeding the carrying amount of the goodwill is then assigned to the other assets of the cash generating unit in proportion to their carrying amounts.

Tangible assets

Tangible assets with the exception of commercial properties are valued at their cost of acquisition or production starting at the date in which the assets are put into initial operation and depreciated according to the straight-line method, taking into account their probable useful lives. Costs of production in the case of assets generated by the company itself also include pro-rated overhead costs in addition to the direct costs, and also borrowing costs in the case of qualified assets (see note 2.15.).

The following table shows the assumed probable useful lives of the asset by investment category or the range per investment category within the assumed probable useful lives:

	Useful life in years
Buildings	
Technical plant	20–50
Other company buildings	5–10
Technical equipment, plant and machinery	5–10
Office furniture and equipment	3–10
Vehicles	4–5

Finance leases

Assets used under the terms of rental agreements or leases are accounted for as assets if the rental agreement or lease stipulates that all material risks and opportunities arising from the use of the leased asset are transferred to the Semperit Group (finance lease). Assets are valued upon completion of the agreement at the lower of its fair value and the present value of the future minimum leasing payments. A finance lease liability is recognised in the same amount. Depreciation is carried out over the asset's useful life or, if shorter, over the term of the lease. If it is reasonably certain that ownership will be transferred at the end of the lease, depreciation is carried out over the asset's useful life.

Impairment

The above comments apply to goodwill. Other intangible and tangible fixed assets are subject to an impairment test where there are indications that they may be impaired. The impairment test is carried out on the basis of a comparison of the recoverable amount for the specific asset or for the respective cash generating unit with its carrying amount, whereby the recoverable amount is the higher of its fair value less disposal costs and its value in use. If the recoverable amount is lower than the carrying amount, a corresponding impairment is recognised. In respect of determining the value in use, the same method applies as used to determine impairment on goodwill.

Reversal of impairment

In the case of tangible and intangible assets with the exception of goodwill, if the reasons for impairment no longer apply, the impairment is reversed, but this reversal may not exceed the amount which would have arisen had the cash generating unit not been subject to an extraordinary impairment.

Derecognition of tangible and intangible assets

The carrying amount of a tangible or intangible asset is derecognised if the respective asset is disposed of or if no further economic benefit is to be expected from its use or its disposal. The gains or losses resulting from its derecognition, calculated as the difference between the proceeds from the sale and the residual carrying amount, are recognised in profit or loss in the period in which the respective asset is derecognised.

2.5. INVESTMENTS IN JOINT VENTURES AND ASSOCIATED COMPANIES

The group's share in financial assets accounted for by the equity method includes investments in joint ventures and investments in associated companies.

An associated company is a company over which the group has a significant influence, but which comprises neither a subsidiary nor a jointly controlled company. Significant influence means the ability to take part in the decision-making process determining the company's financial and business policies.

A joint venture is an arrangement under which the group exercises joint control and has rights in the net assets, instead of rights in the assets and obligations for the liabilities.

Investments in joint ventures and associated companies are reported using the equity method. According to this method, the interest in an associated company is first reported at the cost of acquisition, which is then increased or decreased by the proportionate share of the net profit or loss of the associated company. Shares in the profit or loss of an associated company are recognised in profit or loss, whereas the proportionate share of the other comprehensive income of the associated company is recognised in other comprehensive income. Dividends the group receives from investments accounted for by the equity method reduce the carrying amount of the investment.

2.6. FINANCIAL ASSETS

The recognition and derecognition of financial assets whose purchase or sale occurs at standard market conditions is performed as at the date of fulfilment. Initial recognition occurs at fair value plus costs of transaction. The exceptions are those financial assets categorised as being at "fair value through profit or loss". In such cases, the costs of transaction are not initially recognised and are directly reported as profit or loss.

Categories of financial assets

When acquired, financial assets are allocated to the following categories based on their type and purpose:

- Financial assets at fair value through profit or loss (FAFVTPL)
- Held to maturity financial investments (HTM)
- Available-for-sale financial assets (AFS)
- Loans and receivables (LAR)

Financial assets at fair value through profit or loss

The financial assets at fair value through profit or loss primarily comprise financial assets held for trading. Derivatives are always defined as belonging to this class of trading assets, with the exception of those representing a financial guarantee or those designated as a hedge.

Financial assets at fair value through profit or loss are recognised at their fair value as at the balance sheet date. As is the case for interest income or dividends stemming from these financial instruments, any expense or income resulting from the subsequent measurement of the asset is reported through profit or loss for the respective period.

Income and expense from the measurement of foreign exchange transactions are reported within other operating income or other operating expenses, as the case may be, as these financial instruments are employed to limit and manage currency risks arising from operations.

Income arising from the measurement of other financial assets held for trading is also recognised like interest income and dividend from such financial assets in the consolidated income statement as “financial income” or “financial expenses”.

Held to maturity financial investments

The Semperit Group does not hold any financial assets classified as “held to maturity financial investments”.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are determined as available-for-sale and cannot be allocated to any other category. Federal bonds and shares in funds held by the Semperit Group as well as equity instruments held in other companies as financial investments, are categorised as being available-for-sale financial assets and recognised at fair value. Profits and losses resulting from fluctuations in fair value are recognised in the revaluation reserves under other comprehensive income. Interest income, dividends received and losses arising from impairments are, on the other hand, recognised through profit or loss for the period under “financial income” or “financial expenses”. The sale of such a financial asset or the determination of its value being impaired causes the cumulative income or expenses reported in the revaluation reserves to be reclassified to profit or loss.

Loans and receivables

Trade receivables, loans and other receivables, featuring pre-set or determinable payments and which are not listed on an active market, are categorised as being loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Impairment

Financial assets with the exception of those assets recognised at fair value through profit or loss are evaluated at the end of every reporting period for indications of impairment. Trade receivables, whose impairments cannot clearly be determined on an individual basis, are also to be examined for such impairments at the portfolio level. An impairment with respect to a financial asset or group of financial assets is assumed and recognised, if there is objective evidence of impairment as the result of one or more events which occurred since initial operation of the respective asset or group of assets, and this event or these events impacted or will impact the probable future cash flow of the respective asset or group of assets.

With respect to available-for-sale equity instruments, an ongoing reduction in their fair value, which is of material importance or covers a longer period of time to a value below the cost of acquisition, is considered to constitute objective evidence of impairment.

With respect to financial assets stated at amortised cost, the figure to be recognised as impairment corresponds to the difference between the carrying amount of the respective asset using the effective interest method and the present value of the estimated future cash flows of the asset. In principle, in case of impairment the carrying amount of the respective financial asset is directly reduced with the exception of impairments relating to trade receivables, which are recognised in an allowance account. Trade receivables are considered not recoverable if the loss of a receivable is finally established, and the receivables are derecognised based on the previously recognised allowances.

Reversal of impairment

In cases in which a financial asset is first recognised as having undergone impairment and then experiences an appreciation in value in one of the following reporting periods, which is objectively attributable to an event which occurred subsequently to the recognition of impairment, the impairment is to be reversed through profit or loss for the period in which the appreciation took place, with the exception of impairment losses relating to the disposal of available-for-sale equity instruments.

With respect to available-for-sale equity instruments in which impairments were carried out in the past and reported in the income statement, appreciation in value is not reported in the period's profit and loss but rather in the revaluation reserves under other comprehensive income.

Derecognition

A financial asset is derecognised upon expiry of the contractually-stipulated entitlement to the cash flow or if the financial asset and more or less all the rights to its related risks and rewards related to this asset are transferred to a third party.

2.7. INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Adequate allowances are taken into account for stock risks resulting from the duration of storage or impaired usability. Valuation is generally based on the weighted average method. Manufacturing costs encompass direct expenses as well as all variable and fixed overheads incurred by production. Interim profits or losses from intra-group deliveries of inventories are eliminated unless they are of immaterial significance.

2.8. EMISSION CERTIFICATES

Two companies in the Semperit Group (Semperit Technische Produkte Gesellschaft m.b.H. and Semperflex Optimit s.r.o.) are subject to the Emission Certificate Act in Austria and the Czech Republic and receive emission certificates free of charge from public authorities. These emission certificates are not reported in the balance sheet using the net method. In the 2014 financial year 17,656 certificates (previous year: 11,412) were allocated to the Semperit Group free of charge and no additional certificates were purchased (previous year: 18,212). 18,303 certificates (previous year: 19,746) were used. There were no sales. A total of 43,872 emission certificates were unused as at 31 December 2014 (previous year: 44,519).

2.9. EQUITY AND DEBT INSTRUMENTS ISSUED BY THE GROUP

The contents of their respective contracts dictate whether financial instruments issued by the group are classified as being financial liabilities or equity.

An equity instrument is a contract giving rise to a residual claim on the assets of a company once all debts have been subtracted. Equity instruments are recognised in the amount of the issue proceeds minus directly attributable costs of issuance. Attributable costs of issuance are those which would not have been incurred had the equity instrument not been issued.

Profit or loss derived from the issuance, sale, buy-back or termination of equity instruments are neither recognised through profit or loss nor in other comprehensive income, but rather directly in equity, less any tax effects.

2.10. RETIREMENT BENEFIT EXPENSES, PROVISIONS FOR PENSIONS AND SEVERANCE PAYMENTS

Contributions to defined contribution plans are recognised as an expense if the employees have actually completed the service obliging the company to make this contribution.

In the case of defined benefit plans, the cost of providing the benefit is calculated using the Projected Unit Credit Method; for this purpose, an actuarial assessment is carried out at each balance sheet date. All remeasurements, especially actuarial gains and losses, are not recognised through profit or loss, but rather are reported under other comprehensive income in accordance with IAS 19 (2011).

The provision recognised in the balance sheet for defined benefit plans equals the present value of the benefits accruing to the employees as at the balance sheet date, less the fair value of the plan assets required to settle the obligation as at the balance sheet date. Further particulars concerning provisions for retirement benefits and severance payments can be found in note 6.11.

2.11. OTHER PROVISIONS

Provisions are recognised for the group's present obligations of an uncertain amount and/or timing resulting from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits. These obligations may be of a legal or constructive nature. The recognised amount of the provision is determined on the basis of the best possible estimate to settle the obligation. If the obligation is not likely to be settled in the near future, the present value of the probable amount required to settle the obligation is recognised.

If it can be assumed that the amount required to settle the obligation will be completely or partially reimbursed by a third party, this reimbursement claim is recognised if and to the extent that it is virtually certain that such reimbursement will be received and its amount can be estimated reliably.

Provisions for long-service bonuses are calculated using the Projected Unit Credit Method in accordance with IAS 19, based on an actuarial assessment. Remeasurements (actuarial gains and losses) are reported in the consolidated income statement for the period as personnel expenses. This is explained further in note 6.12.

2.12. LIABILITIES FROM REDEEMABLE NON-CONTROLLING INTERESTS

Redeemable or temporary interests held by non-controlling shareholders of subsidiaries are considered as financial liabilities and are recognised as "liabilities under redeemable non-controlling interests".

They are recognised as current liabilities if they are due for settlement within one year after the balance sheet date or if the group has no unconditional right to delay payment for at least twelve months after the balance sheet date, and otherwise as non-current liabilities.

If the right to redeem is triggered by an event which cannot be influenced by the group, the liability is classified as current if the occurrence of the triggering event has taken place as of the balance sheet date, notwithstanding the fact whether the group considers it to be improbable that the non-controlling shareholder will exercise the right of redemption within a twelve month period following the balance sheet date.

If the non-controlling shareholder exercises its right to redeem its interest or that right to redeem expires within the agreed period, the result would be the liquidation of the company. The non-controlling shareholder must be compensated from the liquidation proceeds. However, if the non-controlling shareholder exercises its right to redeem, the group may prevent the liquidation of the company by acquiring the interest from the non-controlling shareholder in return for the pro-rata share of the enterprise value attributable to its interest. However, acquisition of the interest in such event is solely at the group's discretion.

The liability is initially recognised at its fair value, which as a rule equals the fair value of the non-controlling shareholder's interest at the time of the investment.

As IFRS does not provide any guidance on the subsequent measurement of such an obligation, a method has been determined pursuant to IAS 8 which takes into account the information requirements of the users of the financial statements and which presents a true and fair view of the assets, liabilities, financial position, cash flows and profit and loss of the group, and is neutral, i.e. does not contain any distorting influences and is prudent and free of any material omissions. Thus, for the purposes of subsequent measurement at amortised cost, the amount of the liability initially recognised is increased by the share in profit or

reduced by the share in loss accruing as of measurement date in accordance with the possibility described in the statement issued by the Institute of Public Auditors in Germany on individual issues relating to the recognition of financial instruments pursuant to IAS 32 (IDW RS HFA 45). In this connection, this share of profit or loss also includes the share in other comprehensive income. In addition, any amounts reported directly in equity are included in the measurement of the liability. Dividends distributed to non-controlling shareholders are deducted from the liability.

The interests of the non-controlling shareholders (in the subsidiary's comprehensive income and any amounts recognised directly in equity), which is to be subsequently remeasured, are recognised in the consolidated income statement and constitute financial expense for the group, which is disclosed separately as "results attributable to redeemable non-controlling interests".

2.13. OTHER FINANCIAL LIABILITIES

Other financial liabilities are categorised as financial liabilities at fair value through profit and loss or as other financial liabilities.

Financial liabilities at fair value through profit and loss

Financial liabilities are recognised at fair value through profit and loss (FLFVTPL) if:

- They are held for trading; for this purpose, derivative financial instruments (with the exception of those which constitute a financial guarantee or are designated as hedges and are effective as such) are always deemed to be held for trading, or
- They have been designated as "financial liabilities at fair value through profit and loss", which may be of significance, particularly if the financial liability in question forms part of a contract in which a derivative is embedded.

Financial liabilities at fair value through profit and loss are recognised at their fair value. As with interest expenses arising from these financial instruments, any expense or income resulting from the subsequent measurement of the asset is reported through profit or loss for the respective period.

Income and expense from the measurement of foreign exchange transactions are reported under "other operating income" or "other operating expenses", as the case may be, as these instruments are employed to effectively hedge currency risks arising from operations. Income and expenses arising from the measurement of financial liabilities, as is the case with interest expense arising from such liabilities, are recognised as "financial income" or "financial expenses".

There are currently no financial liabilities in the Semperit Group designated as measured at fair value through profit or loss.

Other financial liabilities

Other financial liabilities, including loans raised, are initially recognised at their fair value net of transaction costs. They are then subsequently measured at amortised cost in accordance with the effective interest method.

The effective interest rate is the interest rate which, when used to discount the payments expected to settle the respective financial liability, results in a present value that exactly matches the carrying amount of the financial liability at the time of initial recognition.

Derecognition

A financial liability is derecognised if, and to the extent that, the underlying obligation has been settled, terminated or has expired.

2.14. DERIVATIVE FINANCIAL INSTRUMENTS

In addition to operating measures, individual derivative financial instruments, particularly forward foreign exchange transactions, are used to hedge currency risks. Hedge accounting, as defined in IAS 39, is not applied to forward foreign exchange transactions as the conditions for this are not satisfied. They are therefore recognised as financial instruments held for trading and are measured at their current fair value. This corresponds to the value that the respective company would achieve or would have to pay, should the business be disposed of at the end of the reporting period. Positive market values as of the balance sheet date are recognised under "other financial assets" and negative market values under "other financial liabilities."

In order to hedge interest rate risks, interest rate swaps are used for portions of the balance related to variable-interest liabilities. In these situations, the Semperit Group pays a fixed rate of interest and receives in return a variable rate of interest. These interest rate swaps, which are designated as hedges in accordance with IAS 39, are accounted for as cash flow hedges if the retrospective and prospective effectiveness measurements and the documentation of the hedging strategy are fulfilled as required by IAS 39.

Derivatives designated as hedging instruments are likewise accounted for at fair value. The effective portion of unrealised gains and losses (as per the effectiveness measurement) is recognised in other comprehensive income. The ineffective portion is recognised in profit and loss of the period as "financial income" or "financial expense". As soon as the hedged transaction is realised (e.g. an interest payment), the amount recognised in other comprehensive income is reclassified to the consolidated income statement.

2.15. BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets, the acquisition, construction or production of which, entail a substantial period of time for their intended use or sale, are included in the cost of such assets up until the date on which they become chiefly available for their intended use or sale. Otherwise, incidental borrowing costs are recognised in profit or loss as "financial expense" of the period in which they are incurred.

2.16. INCOME TAXES

The income taxes recognised in the consolidated income statement represent the sum arising from current and deferred tax expense/tax income. As a matter of principle, current and deferred income taxes are reported as expense or income through profit or loss for the period. The tax effect of items recognised in other comprehensive income or directly under equity, are also recognised in other comprehensive income or directly under equity. Similarly, in a business combination, the tax effect arising from the measurement of the assets and liabilities is not recorded in profit and loss, but included in the business combination accounting.

Current income tax expense is calculated on the basis of the taxable profit for the period in question. The taxable profit differs from the earnings before tax listed in the consolidated income statement. This difference is caused by expenses and income which are either recognised for tax purposes in a period after the balance sheet date, or are never taxable or tax-deductible.

Deferred taxes are recognised for temporary differences between the carrying amount of an asset or liability in the consolidated financial statements and the tax base of such asset or liability, equalling the expected future tax charge or refund.

Deferred tax assets are recognised if and to the extent that future taxable profit will be available and can be offset against the deductible temporary differences. Similarly, deferred tax assets are recognised for advantages arising from carryforwards of tax losses if, and to the extent that, it is sufficiently certain that future taxable profit will be available against which the tax losses carried forward can be utilised.

However, the recognition of deferred taxes does not apply to temporary differences arising from the initial recognition of goodwill or an asset or liability arising from a transaction, with the exception of a business combination which at the time of the transaction does not affect either earnings before tax or taxable earnings.

Deferred tax effects of taxable temporary differences in connection with investments in subsidiaries, joint ventures and associated companies are furthermore accrued unless the group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future. The future tax effects of deductible temporary differences involving investments held in subsidiaries, joint ventures and associated companies are only accrued if, and to the extent that, it is probable that sufficient future taxable profit will be available against which these tax-deductible temporary differences can be utilised and it can be assumed that these deductible temporary differences will be reversed in the foreseeable future.

The carrying amount of deferred tax assets as at the balance sheet date is impaired if, and to the extent that, it is no longer probable that sufficient taxable profit will be available against which the tax asset can be utilised.

Deferred tax assets and liabilities are determined using the tax laws and rates prevailing or substantively enacted as at the balance sheet date and which will be applicable as of the probable date of reversal of the differences. The measurement of deferred income tax assets and liabilities also reflects the tax consequences that arise from the manner in which the group expects to recover or settle the carrying amount of its assets and liabilities from which the underlying temporary difference is derived.

Deferred tax assets and liabilities of the same taxable entity are offset if they relate to income taxes levied by the same taxation authority and the entity has a legally enforceable right to set off the recognised amounts. The tax group formed in Austria in accordance with Section 9 of the Corporation Tax Act is deemed to constitute a taxable entity for this purpose.

2.17. MATERIAL ASSUMPTIONS AND ESTIMATES

The preparation of the consolidated financial statements calls for estimates and assumptions to be made by management concerning the future. They may affect the assets and liabilities recognised in the balance sheet, the disclosure of other obligations as at the end of the reporting period and the recognition of income and expenses during the year. The actual amounts recorded may differ from amounts based on the assumptions and estimates made.

The fair value for initial recognition of the investment in joint ventures of the 50% holding in Siam Sempermed Corp. Ltd., Thailand, was based on forward-looking assumptions such as company planning, the growth rate and the discount rate, with markdowns which a market participant would make in accordance with IFRS 13. Any changes in these assumptions may result in impairments in future periods.

The recoverability of the carrying amount of goodwill is determined once a year and when there are impairment indicators. The recoverability of the carrying amount of tangible assets must be investigated upon any evidence of impairment indicators. Recoverability of the carrying amount is determined on the basis of forward-looking assumptions such as company planning, future inflation, growth and exchange rates, as well as assumptions about specific market, sector and company discount rates. Any changes in these assumptions may result in impairments in future periods (for carrying amounts and specific assumptions, see note 6.1.).

Assumptions and estimates also have to be made when determining the useful life of intangible assets with a finite useful life as well as tangible assets (for carrying amounts - see notes 6.1. and 6.2.).

The recognition of deferred tax assets is based on the assumption that there will be sufficient taxable profit against which deductible temporary differences and/or tax loss carry forwards can be offset in the future. If actual future taxable profit differs from assumptions, this may render the utilisation of deferred income tax assets unlikely and result in an impairment of these assets (for carrying amounts - see note 6.8.).

When calculating the net realisable values in the course of inventory valuation at the balance sheet date, the group's management is required to make estimates about pricing and developments in the market (see notes 2.7. and 6.3.).

When subsequently measuring receivables as at the balance sheet date, assumptions regarding the probability of default are made (for carrying amounts - see note 6.4.).

The actuarial assumptions underlying the measurement of the provisions for retirement benefits and severance payments are based on estimates concerning interest rates, salary increases, employee turnover, retirement ages and life expectancy. Any changes in these assumptions may result in a substantially different valuation (for carrying amounts, specific assumptions and sensitivity analysis - see note 6.11.).

For the calculation of other provisions, estimates must be made as to the probability of utilisation and the expected cash outflow. These estimates may be subject to changes that result in substantially different amounts being recognised at the end of future reporting periods (for carrying amounts see note 6.12.).

For measuring financial instruments for which no active market is available, alternative valuation techniques are used. The parameters relevant to valuation for determining fair value are based in part on forward-looking assumptions. Determination of the fair value of the liability from the corporate Schuldschein loan is based on an estimate, made by management, of the Semperit Group rating.

The estimates and underlying assumptions are reviewed regularly and, where necessary, adjusted.

3. Consolidated companies

3.1. SUBSIDIARIES (FULLY CONSOLIDATED)

	31.12.2014				31.12.2013		
	Currency	Authorised share capital in '000s	Direct Holding in %	Group holding in %	Authorised share capital in '000s	Direct Holding in %	Group holding in %
Europe							
Semperit Aktiengesellschaft Holding, Wien, Austria	EUR	21,359			21,359		
Semperit Technische Produkte Gesellschaft m.b.H., Wien, Austria	EUR	10,901	100.00	100.00	10,901	100.00	100.00
Semperit Import und Services GmbH (previously Arcit Handelsgesellschaft m.b.H.), Wien, Austria	EUR	36	100.00	100.00	36	100.00	100.00
PA 82 WT Holding GmbH, Wien, Austria	EUR	35	100.00	100.00	35	100.00	100.00
Semperflex Rivalit GmbH, Waldböckelheim, Germany	EUR	1,281	100.00	100.00	1,281	100.00	100.00
Semperit Gummiwerk Deggendorf GmbH, Deggendorf, Germany	EUR	2,050	100.00	100.00	2,050	100.00	100.00
Semperit (France) S.A.R.L., Levallois Perret, France	EUR	495	100.00	100.00	495	100.00	100.00
Sempertrans France Belting Technology S.A.S., Argenteuil, France	EUR	3,165	100.00	100.00	3,165	100.00	100.00
Sempertrans Maintenance France Nord E.U.R.L., Argenteuil, France	EUR	176	100.00	100.00	176	100.00	100.00
Semperit Industrial Products Ltd., Birmingham, Great Britain	GBP	750	100.00	100.00	750	100.00	100.00
Semperflex Roiter S.r.l., Rovigo, Italy	EUR	750	100.00	100.00	750	100.00	100.00
Semperit Ibèrica S.A., Barcelona, Spain	EUR	–	–	–	256	100.00	100.00
Sempertrans Bełchatów Sp. z o.o., Bełchatów, Poland	PLN	7,301	100.00	100.00	7,301	100.00	100.00
Fabryka Lin „Stolin” Sp. z o.o., Bełchatów, Poland	PLN	800	100.00	100.00	800	100.00	100.00
Semperit Tekniska Produkter Aktiebolag, Skärholmen, Sweden	SEK	800	100.00	100.00	800	100.00	100.00
Semperflex Optimit s.r.o., Odry, Czech Republic	CZK	470,318	100.00	100.00	470,318	100.00	100.00
Semperflex A.H. s.r.o., Odry, Czech Republic	CZK	100	100.00	100.00	100	100.00	100.00
Sempermed Kft., Sopron, Hungary	EUR	3,680	100.00	100.00	3,680	100.00	100.00
Semperform Kft., Sopron, Hungary	HUF	243,000	100.00	100.00	243,000	100.00	100.00
Sempermed Magyarország Kft., Budapest, Hungary	HUF	3,000	100.00	100.00	3,000	100.00	100.00
Wohlfahrtseinrichtung für die Arbeiter und Angestellten der Semperit GmbH, Wien, Austria	EUR	36	100.00	100.00	^{2) 4)} 36	100.00	100.00 ²⁾

¹⁾ The investments of other shareholders are reported as redeemable non-controlling interests.

²⁾ Not consolidated due to a lack of materiality.

³⁾ For further explanation, see section 3.3.

⁴⁾ Since 10 March 2015 Sempertrans Conveyor Belt Solutions GmbH, Wien, Austria

	31.12.2014				31.12.2013			
	Currency	Authorised share capital in '000s	Direct Holding in %	Group holding in %	Authorised share capital in '000s	Direct Holding in %	Group holding in %	
The Americas								
Sempermed Brazil Comércio Exterior Ltda. Piracicaba, Brazil	BRL	12,547	100.00	50.00	¹⁾ 12,547	100.00	50.00	¹⁾
Semperit Brasil Produtos Técnicos Ltda., Sao Paulo, Brazil	BRL	411	100.00	100.00	411	100.00	100.00	
Sempermed USA Inc., Clearwater, Florida, USA	USD	4,000	75.00	50.00	¹⁾ 4,000	75.00	50.00	¹⁾
Semperit Industrial Products Inc., Fair Lawn, New Jersey, USA	USD	1	100.00	100.00	1	100.00	100.00	
Semperit Productos Técnicos SpA, Santiago de Chile, Chile	CLP	46,000	100.00	100.00	46,000	100.00	100.00	
Asia								
Semperflex Shanghai Ltd., Shanghai, China	USD	15,000	50.00	50.00	¹⁾ 15,000	50.00	50.00	¹⁾
Semperit (Shanghai) Management Co. Ltd., Shanghai, China	USD	2,000	100.00	100.00	2,000	100.00	100.00	
Sempertrans Best (Shandong) Belting Co. Ltd., Shandong, China	EUR	20,000	80.00	80.00	¹⁾ 20,000	80.00	80.00	¹⁾
Shanghai Semperit Rubber & Plastic Products Co. Ltd., Shanghai, China	EUR	2,471	90.00	90.00	¹⁾ 2,471	90.00	90.00	¹⁾
Shanghai Sempermed Glove Sales Co Ltd., Shanghai, China	USD	1,000	100.00	50.00	¹⁾ 1,000	100.00	50.00	¹⁾
Sempertrans India Pte. Ltd. (previously Sempertrans Nirlon Pte. Ltd.), Roha, Maharashtra, India	INR	230,769	100.00	100.00	230,769	100.00	100.00	
FormTech Engineering (M) Sdn Bhd, Nilai, Malaysia	MYR	7,000	82.86	41.43	¹⁾ 7,000	82.86	41.43	¹⁾
Latexx Partners Berhad, Kamunting, Malaysia	MYR	137,859	98.46	98.46	119,536	98.11	98.11	
Latexx Manpower Services Sdn Bhd, Kamunting, Malaysia	MYR	0.002	100.00	98.46	0.002	100.00	98.11	
Latexx Manufacturing Sdn Bhd, Kamunting, Malaysia	MYR	3,000	100.00	98.46	3,000	100.00	98.11	
Medtexx Manufacturing Sdn Bhd, Kamunting, Malaysia	MYR	5,000	100.00	98.46	5,000	100.00	98.11	
Total Glove Company Sdn Bhd, Kamunting, Malaysia	MYR	10	50.01	49.24	10	50.01	49.06	
Worldmed Manufacturing Sdn Bhd, Kamunting, Malaysia	MYR	500	100.00	98.46	500	100.00	98.11	
Semperit Engineering Technology Asia Sdn Bhd, Penang, Malaysia	MYR	600	100.00	100.00	–	–	–	
Semperit Industrial Products Singapore Pte Ltd., Singapore	SGD	591	100.00	100.00	191	100.00	100.00	
Semperit Investments Asia Pte Ltd., Singapore	EUR	159,000	100.00	100.00	154,000	100.00	100.00	
Sempermed Singapore Pte Ltd., Singapore	USD	8,000	50.00	50.00	¹⁾ 8,000	50.00	50.00	¹⁾
Semperflex Asia Corp. Ltd., Hat Yai, Thailand	THB	380,000	50.00	50.00	¹⁾ 380,000	50.00	50.00	¹⁾
Siam Sempermed Corp. Ltd., Hat Yai, Thailand	THB	–	–	–	³⁾ 200,000	50.00	50.00	¹⁾

¹⁾ The investments of other shareholders are reported as redeemable non-controlling interests.

²⁾ Not consolidated due to a lack of materiality.

³⁾ For further explanation, see section 3.3.

⁴⁾ Since 10 March 2015 Sempertrans Conveyor Belt Solutions GmbH, Wien, Austria

The Semperit Group regards the following subsidiaries in which the group has a de facto shareholding between 50% and 41.43% as meeting the requirement for control within the meaning of IFRS 10:

- Sempermed USA Inc., Clearwater, Florida, USA
- Sempermed Brazil Comércio Exterior Ltda. Piracicaba, Brazil
- Semperflex Shanghai Ltd., Shanghai, China
- Shanghai Sempermed Glove Sales Co Ltd., Shanghai, China
- Sempermed Singapore Pte Ltd., Singapore
- Semperflex Asia Corp. Ltd., Hat Yai, Thailand
- FormTech Engineering (M) Sdn Bhd, Nilai, Malaysia
- Total Glove Company Sdn Bhd, Kamunting, Malaysia

As at 31 December 2014, the Semperit Group carried out a thorough analysis of the above mentioned subsidiaries, regarding their inclusion in the consolidated financial statement through full consolidation to IFRS 10, in particular due to the loss of control in Siam Sempermed Corp. Ltd. (SSC). This analysis is based on professional judgement and opinions on corporate law and IFRS.

In light of the conclusions of the analysis the Semperit Group remains of the opinion that the requirements for control under IFRS 10 are still met, given the underlying agreements, the investigation of the relevant activities and the facts and circumstances relating to the above companies.

The following key arguments were evaluated for the individual companies:

Sempermed USA Inc.

- the deciding vote for the chairman of the Board of Directors, who is appointed by the group
- resolution in 2014 financial year as a result of this deciding vote and subsequent implementation
- independent, professional management which at the same time has no organ function on the Board of Directors and is bound by instructions
- sales management in the framework of the Sempermed segment
- use of the Sempermed brand in the company name and distribution

This subsidiary is a 50% subsidiary of SSC and another 25% is held by Semperit Technische Produkte Gesellschaft m.b.H. In January a director nominated for the Board of Directors by the Thai joint venture partner Sri Trang Agro-Industry Public Co Ltd. (Sri Trang) opposed a resolution of the Board of Directors taken with the deciding vote of the chairman, and applied for an injunction.

The request for an injunction was not granted by the relevant court, but a hearing was ordered to deal with the lawsuit, scheduled probably sometime in the next 90 to 120 days.

The Semperit Group expects that firstly, the contractual rights (including validity of the deciding vote and permissibility of a second meeting of the Board of Directors) will be confirmed in the proceedings. Secondly, that the company management will continue to comply with the resolutions of the Board of Directors.

Sempermed Brazil Comércio Exterior Ltda.

- chairman of the parent entity's Board of Directors (Sempermed Singapore Pte Ltd.) has the right to cast the deciding vote
- resolution in 2014 financial year as a result of this deciding vote in process
- independent, professional management, which at the same time has no organ function on the Board of Directors and is bound by instructions
- use of the Sempermed brand in the company name

This group subsidiary currently has no operating business. The material activity is the successful handling of several tax cases which local management is pursuing in consultation with legal advisors and Semperit Group head office departments.

Semperflex Shanghai Ltd.

- the deciding vote for the chairman of the Board of Directors, who is appointed by the group
- resolution in 2014 financial year as a result of this deciding vote and subsequent implementation
- independent, professional management which at the same time has no organ function on the Board of Directors and is bound by instructions
- purchasing, production and sales management within the framework of the Semperflex segment
- use of the Semperflex brand in the company name and the Semperit and Semperflex brands in sales
- complete integration within the group's organisational structure

Shanghai Sempermed Glove Sales Co Ltd.

- the deciding vote for the chairman of the Board of Directors, who is appointed by the group
- independent, professional management which at the same time has no organ function on the Board of Directors and is bound by instructions
- quality control for gloves within the framework of the Sempermed segment (as material activity)
- use of the Sempermed brand in the company name

This subsidiary is a wholly-owned subsidiary of SSC. The group does not have any direct holding in this company. The members of SSC's Board of Directors are nominated through a motion by shareholders Semperit or Sri Trang. Given the fact that the members of the Board of Directors are appointed for an unlimited term, the management is appointed by the group and no decisions can be made contrary to the group's opinion, the group believes there is control under IFRS 10.

Sempermed Singapore Pte Ltd.

- the deciding vote for the chairman of the Board of Directors, who is appointed by the group
- resolution in 2014 financial year as a result of this deciding vote in process
- management of the holding functions by the group
- use of the Sempermed brand in the company name
- appointment of a member of the Board of Directors nominated by the group as shareholder representative for Sempermed Brazil Comércio Exterior Ltda.

This subsidiary has no operating business and functions as a holding company for Sempermed Brazil Comércio Exterior Ltda. and FormTech Engineering (M) Sdn Bhd.

Semperflex Asia Corp. Ltd.

- the deciding vote for the chairman of the Board of Directors, who is appointed by the group
- purchasing, production and sales management within the framework of the Semperflex segment
- use of the Semperflex brand in the company name and the Semperit and Semperflex brands in distribution

These subsidiaries are subject to similar statutory and contractual general conditions as SSC (see note 3.3.). Currently, there are no indications that the joint venture partner Sri Trang will exercise control in a similar way as SSC. In the future, such a development could lead to a different evaluation of control under IFRS 10.

FormTech Engineering (M) Sdn Bhd

- chairman of the parent entity's Board of Directors (Sempermed Singapore Pte Ltd) has the right to cast the deciding vote
- ability to appoint the majority of the members of the FormTech Board of Directors
- independent, professional management by the two shareholders, who act as CEO and CFO to manage the company and have holdings of 17.14%

Total Glove Company Sdn Bhd

The de facto shareholding of the group in the subsidiary Total Glove Company Sdn Bhd is below 50%. Due to the control exercised by Latexx Partners Berhad (98.46%), the Semperit Group regards the facts and circumstances as sufficient for control within the framework of IFRS 10.

Significant non-controlling interests

The following table shows information on subsidiaries of the group with significant non-controlling interests. These significant non-controlling interests represent redeemable or temporary interests held by non-controlling shareholders of subsidiaries and are recognised as "liabilities under redeemable non-controlling interests" in the consolidated balance sheet.

Significant non-controlling interests as at 31.12.2014

in EUR thousand	Siam Sempermed Corp. Ltd.	Semperflex Asia Corp. Ltd.	Sempermed USA Inc.	Semperflex Shanghai Ltd.	Sempertrans Best (Shandong) Belting Co. Ltd.
Non-controlling interests in %	50.0%	50.0%	50.0%	50.0%	20.0%
Non-current assets ¹⁾	77,829	11,693	2,023	12,607	10,661
Current assets	104,592	23,263	31,777	6,167	8,825
Non-current provisions and liabilities	2,082	216	123	2,654	2,590
Current provisions and liabilities	24,421	4,316	18,081	2,351	1,594
Net assets	155,918	30,425	15,595	13,769	15,302
Redeemable non-controlling interests – non-current	n/a	15,212	7,797	6,885	3,060
Redeemable non-controlling interests – current	n/a	0	0	0	0
Revenue	248,650	38,819	95,605	12,573	17,698
thereof revenue within the group	154,665	28,779	0	7,056	15,928
thereof revenue with third-parties	93,985	10,039	95,605	5,517	1,770
Earnings after tax	23,043	9,079	1,646	-444	335
Other comprehensive income (currency translation differences)	15,057	2,717	1,792	1,304	1,435
Comprehensive income	38,100	11,795	3,437	860	1,770
Profit/loss attributable to redeemable non-controlling interests	11,521	4,539	823	-222	67
Other comprehensive income attributable to redeemable non-controlling interests	7,528	1,358	896	652	287
Dividends paid to redeemable non-controlling interests	11,667	3,115	0	0	0
Cash flow from operating activities	35,387	9,537	6,737	1,538	-453
Cash flow from investing activities	-6,298	-487	-108	-155	-452
Cash flow from financing activities (including dividends)	-23,334	-6,229	-3,011	-2,783	0
Net increase / decrease in cash and cash equivalents	5,754	2,821	3,619	-1,400	-905

¹⁾ Non-current assets do not include the investments themselves, in fully consolidated subsidiaries.

Significant non-controlling interests as at 31.12.2013

in EUR thousand	Siam Sempermed Corp. Ltd.	Semperflex Asia Corp. Ltd.	Sempermed USA Inc.	Semperflex Shanghai Ltd.	Sempertrans Best (Shandong) Belting Co. Ltd.
Non-controlling interests in %	50.0%	50.0%	50.0%	50.0%	20.0%
Non-current assets ¹⁾	75,190	12,353	1,767	13,279	10,134
Current assets	88,620	17,185	32,117	6,427	6,063
Non-current provisions and liabilities	1,609	159	135	0	1,596
Current provisions and liabilities	21,050	4,521	21,591	6,796	1,069
Net assets	141,152	24,858	12,158	12,910	13,532
Redeemable non-controlling interests – non-current	70,576	12,429	6,079	6,455	2,706
Redeemable non-controlling interests – current	0	0	0	0	0
Revenue	234,183	35,093	114,346	7,815	11,588
thereof revenue within the group	175,480	23,660	0	2,804	9,990
thereof revenue with third-parties	58,702	11,433	114,346	5,012	1,598
Earnings after tax	25,847	6,633	1,973	-801	-3,004
Other comprehensive income (currency translation differences)	-17,290	-2,755	-514	-57	-30
Comprehensive income	8,557	3,878	1,459	-859	-3,034
Profit/loss attributable to redeemable non-controlling interests	12,923	3,317	986	-401	-601
Other comprehensive income attributable to redeemable non-controlling interests	-8,645	-1,378	-257	-29	-6
Dividends paid to redeemable non-controlling interests	9,913	2,478	0	0	0
Cash flow from operating activities	48,470	8,477	51	1,238	1,547
Cash flow from investing activities	-12,500	-746	-47	-223	-216
Cash flow from financing activities (including dividends)	-19,934	-4,957	0	0	0
Net increase / decrease in cash and cash equivalents	16,035	2,774	4	1,015	1,330

¹⁾ Non-current assets do not include the investments themselves, in fully consolidated subsidiaries.

3.2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATED COMPANIES

The interests in joint ventures and associated companies comprise the following:

in EUR thousand	31.12.2014	31.12.2013
Joint ventures		
Siam Sempermed Corp. Ltd., Hat Yai, Thailand	89,361	0
Associated companies		
Synergy Health Allershausen GmbH, Allershausen, Germany	1,682	1,419
	91,043	1,419

Investments in joint ventures

Since the criteria for full consolidation of the 50% holding in Siam Sempermed Corp. Ltd. (SSC) (joint production of examination and protective gloves in Thailand) are not met as at 31 December 2014, the assets and liabilities, which had previously been included in the consolidated financial statements of Semperit AG Holding through full consolidation, were derecognised. In accordance with the continuing joint influence of Semperit Group over SSC the pro-rated net assets were measured at fair value at the time of loss of control and included in the consolidated financial statements for the first time under the equity method. The fair value of the consolidated shareholding, using the equity method as at 31 December 2014, was EUR 89,631 thousand. The effect on comprehensive income of revaluation, at the time of the change is EUR 11,402 thousand, and was recognised as other revenue in the consolidated income statement. The effect of recycling the currency translation reserve was EUR 1,787 thousand.

The fair value of the consolidated shareholding, using the equity method was determined using the DCF method and allocated to the total identifiable net assets. The fair value of the investment in joint ventures, in excess of the fair value of the identifiable assets and liabilities, is recognised as goodwill.

The fair value of tangible assets (and the associated deferred tax assets and liabilities) were provisionally measured pending independent valuations.

The fair value of the joint venture SSC breaks down as follows:

in EUR thousand	31.12.2014
Non-current assets ¹⁾	77,829
Current assets	104,592
Non-current provisions and liabilities	2,082
Current provisions and liabilities	24,421
Identifiable net assets 100% - preliminary	155,918
Identifiable net assets 50% - preliminary	77,959
Goodwill – preliminary	11,402
Fair value of investments in joint ventures	89,361

¹⁾ Non-current assets presented above do not include the investments in still fully consolidated subsidiaries.

Current assets include cash and cash equivalents of EUR 42,796 thousand. Current provisions and liabilities include current financial liabilities with the exception of trade payables of EUR 980 thousand.

Goodwill results primarily from the logistical advantages of the locations, structural advantages of the energy provider, access to the favourable labour market in Thailand and the know-how of the employees. None of the goodwill is expected to be deductible for tax purposes.

Investments in associated companies

Foreign	Currency	Nominal capital in thousand	Group holding in %
Synergy Health Allershausen GmbH, Allershausen, Germany	EUR	512	37.5

The company is included in the consolidated financial statements using the equity method. The group's investment and the nominal capital of the company remained unchanged in the financial year 2014.

The carrying amount of the investment in this associated company as at 31 December 2014 is EUR 1,682 (previous year: EUR 1,419 thousand). A share in the profit totalling EUR 425 thousand was recognised in the consolidated income statement (previous year: EUR 599 thousand). No other comprehensive income attributable to the associated company had to be taken into account.

The balance sheet date of the company is 31 March. The update to 31 December is based on the company's internal reporting, which is then submitted for the consolidated financial statements of the Semperit Group. Further figures are omitted for immateriality.

3.3. CHANGE IN THE METHOD OF CONSOLIDATION FOR SIAM SEMPERMED CORP. LTD. (SSC)

As at 31 December 2014 the company Siam Sempermed Corp. Ltd. (SSC) was changed from full consolidation under IFRS 10 to the equity method in accordance with IFRS 11 and IAS 28.

The group is still of the opinion, like on previous reporting dates, that on the one hand, management of the relevant activities is reserved for the SSC's Board of Directors (and not the shareholders' meeting) and on the other hand, that the chairman of the Board of Directors appointed by Semperit has the right to cast a deciding vote as agreed in the joint venture agreements. This makes it possible to determine the financial and business policies of SSC.

Opinions on corporate law confirm this evaluation. The fact that certain decisions are reserved for the shareholders' meeting of SSC does not affect this evaluation. Such decisions are not day-to-day business decisions involved in running the company; instead, they are important decisions subject to corporate law for which a higher majority or unanimity is often required. The underlying interpretation of the law is that the shareholders' meeting cannot, under the contractual agreements between the shareholders, take control of day-to-day business decisions against the wishes of Semperit Group.

Semperit Group is currently conducting several proceedings regarding the decision-making rights of the Board of Directors of SSC, the business management of SSC and SSC's business relationships with group subsidiaries of the joint venture partner Sri Trang. The members of the Board of Directors of SSC appointed by Sri Trang are continuously preventing Semperit from exercising control.

Under the legal interpretation of Sri Trang, the SSC shareholders' meeting can render ineffective the right of the chairman of the Board of Directors, who is appointed by Semperit, to cast a deciding vote. Semperit takes the view, which is supported by several legal opinions, that the shareholders' meeting is not entitled to this right, and has accordingly submitted the issues for arbitration in Zurich. The Semperit Group anticipates that its interpretation of the law will be confirmed in these proceedings.

The joint venture partner Sri Trang is further preventing control by the Semperit Group during the second half of the year 2014. This was exercised through limiting access to the Hat Yai and Surt Thani production facilities with the exception of meetings of the Board of Directors, providing less comprehensive information relating to SSC, and proceeding against decisions taken in the meetings of the Board of Directors in local Thai courts.

The illegal behaviour of the joint venture partner Sri Trang has continued since the beginning of 2015. There were no recognisable signs, in the mediation proceedings on 13 February 2015, initiated by a Thai court, that Sri Trang will end this behaviour in the near future.

In these circumstances the group has, in consideration of IFRS 10 B24 which requires rights to be currently exercisable, decided to change the method of consolidation of SSC as at 31 December 2014. Current exercise of rights must be de facto rather than based on a strict interpretation of the reporting date principle, although IFRS 10 sets time limits to de facto exercise of control. The timing of the loss of control was determined by several factors including issues in implementing control, duration of legal proceedings in court and the development of the legal disputes in January and February 2014 as well as a resolution-free mediation process as at 13 February 2015, between group representatives and Sri Trang. At that time it was clear to Semperit management that Sri Trang will not end its illegal behaviour in the near future. In light of this management decided as a matter of judgement that it cannot fully exercise its influence on SSC as of 31 December 2014 and will accordingly include SSC in the consolidated financial statements as a joint venture.

Since 26 August 2014 a ruling has been sought from the Austrian Financial Market Authority (FMA) under an administrative procedure on the question of including the SCC in the Semperit AG Holding consolidated financial statements. The outcome of this official review could result in a judgment on the nature and timing of the consolidation of SSC which differs from that of management. This may include a decrease in revenue, EBITDA and EBIT; a change in the amount recognised through the effects of the change in the method of consolidation in the consolidated income statement as well as the recognised fair value of the investment in the joint venture.

Due to the significant influence of the Semperit Group on the Board of Directors, shareholders' meeting and relevant activities of SCC, SCC is classified as a joint venture within the meaning of IFRS 11.

The Board of Directors believes that the complaint filed by Semperit in this connection before an arbitration tribunal in Zurich will be successful. If Semperit prevails in the arbitration, it can again exercise its contractual control options de facto. On recognition of international arbitration rulings in Thailand the Semperit Group expects appropriate implementation, with a positive effect on the results of the local Thai proceedings.

As a result of the change in the consolidation method for SSC the following net assets were derecognised.

in EUR thousand	31.12.2014
Non-current assets	
Intangible assets	247
Tangible assets	76,458
Other financial assets	261
Deferred taxes	864
	77,829
Current assets	
Inventories	25,574
Trade receivables	33,798
Other financial assets	110
Other assets	2,315
Cash and cash equivalents	42,796
	104,592
Non-current provisions and liabilities	
Provisions for pension and severance payments	2,082
Liabilities from redeemable non-controlling interests	77,959
	80,041
Current provisions and liabilities	
Other provisions	1,842
Trade payables	16,823
Other financial liabilities	980
Other liabilities	122
Income tax liabilities	4,654
	24,421
Derecognised net assets as a result of the change in the method of consolidation	77,959

The excess resulting from the change in the consolidation method for SSC is recognised in the consolidated income statement in other income.

in EUR thousand	31.12.2014
Fair value of the investment in joint ventures recognised (see 3.2.)	89,361
Derecognised net assets as a result of the change in the method of consolidation	-77,959
Reclassification of the cumulated currency translation reserve from equity to the consolidated income statement	1,787
Profit as a result of the change in the method of consolidation (non-cash)	13,190

Following the loss of control and change in the method of consolidation, it was necessary to recognise deferred tax liabilities on the entire prorated net profit eligible for distribution ("outside-basis-differences") in what is now the joint venture SSC, as the parent company is no longer in a position to manage the timing of liquidation of these temporary differences (see note 5.8.).

3.4. OTHER CHANGES IN THE SCOPE OF CONSOLIDATION

Changes in the scope of consolidation in the 2014 financial year

In January 2014 the group acquired a shell company in Malaysia which was renamed in March 2014 to Semperit Engineering Technology Asia Sdn Bhd, Penang, Malaysia, The company provides intragroup engineering services in Asia.

The Spanish subsidiary Semperit Ibèrica S.A., Barcelona was liquidated as at 22 April 2014.

Changes in the scope of consolidation in the 2013 financial year

In January 2013 Semperit Productos Técnicos, SpA, Chile was founded. This company is responsible for the sale of medical gloves.

The company Semperform Pacific Corp. Ltd., Thailand (group share 50%) was liquidated on 5 November 2013.

The French company Sempertrans Maintenance France Mediteranée E.U.R.L. was merged in 2013 with its direct parent company Sempertrans France Belting Technology S.A.S., France.

In addition, in 2013 the German company Semperit Technische Produkte Gesellschaft m.b.H. merged with the company Semperflex Rivalit GmbH, Germany.

3.5. EQUITY TRANSACTIONS

In the 2014 financial year a 0.35% interest in Latexx Partners Berhad was acquired for EUR 479 thousand. As at 31 December 2014, the group's interest totalled 98.46%, up from 98.11% as at 31 December 2013. In the 2013 financial year, a 12.17% interest was acquired for EUR 19,500 thousand, increasing the group's total interest to 98.11% as at 31 December 2013.

These transactions were recognised in 2013 and 2014 as equity transactions. The difference between the derecognition of the carrying amount of the non-controlling interests (EUR 506 thousand, previous year EUR 19,529 thousand) and the fair value of the consideration paid (EUR 479 thousand, previous year EUR 19,500 thousand) was minus EUR 28 thousand (previous year EUR 29 thousand). This difference was recognised directly in equity and is presented in the consolidated statement of changes in equity as a change in the position "other revenue reserves".

4. Segment reporting

The segment report is prepared in accordance with IFRS 8 using the “management approach” and is based on the internal reports submitted to the Management Board of Semperit AG Holding in its capacity as the chief operating decision maker on the allocation of resources to the segments.

The segments have been defined by product group. They are managed separately and correspond to the Semperit Group’s divisions.

The Semperit Group thus comprises four reportable segments:

- Sempermed
- Semperflex
- Sempertrans
- Semperform

The **Sempermed** segment produces gloves by means of an immersion technology and sells these gloves throughout the world. The product portfolio encompasses examination, protective and surgical gloves.

The **Semperflex** segment sells low-pressure and high-pressure hoses. These hoses are reinforced with textiles (industrial hoses) or metal wires (hydraulic hoses).

The **Sempertrans** segment focuses on the manufacturing and marketing of transport and conveyor belts, which are reinforced with either textile or steel carcasses.

Semperform produces and markets moulded goods; the focus of its business activities is in Europe. Rubber and plastics serve as the main raw materials. The individual product groups are manufactured on the basis of various technologies.

The accounting and measurement methods used in determining segment earnings, assets and liabilities are identical to those described in Section 2. Segment earnings comprise EBIT and are derived in the same manner as EBIT in the consolidated income statement. This is the figure reported to the Management Board for purposes of resource allocation and performance measurement.

Segment reporting by division

The segment reporting by division is based on internal management and reporting.

2014 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-form	Corporate Center and inter-company transactions	Group
Revenue	452,885	202,110	146,381	128,974	0	930,350
EBITDA	66,952	48,583	20,913	18,640	-19,034	136,054
EBIT = segment result	41,609	36,900	16,765	12,714	-19,460	88,528
Depreciation and amortisation of tangible and intangible assets	-25,343	-11,660	-4,148	-5,926	-426	-47,503
Impairments of tangible and intangible assets	0	-24	0	0	0	-24
Reversal of impairments of property, plant and equipment	0	191	0	0	0	191
Trade Working Capital	58,913	43,975	41,571	19,625	-4,752	159,332
Segment assets	394,434	168,063	131,546	85,503	52,369	831,914
Segment liabilities	90,552	57,228	42,757	30,920	158,870	380,327
Cash-effective investments in tangible and intangible assets	24,122	18,139	19,830	8,770	3,543	74,404
Investments in joint ventures and associated companies	91,043	0	0	0	0	91,043
Employees (at balance sheet date)	3,428 ¹⁾	1,538	1,027	787	108	6,888

¹⁾ The Employees of Siam Sempermed Corp. Ltd. are no longer included in the figures as at 31 December 2014.

2013 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-form	Corporate Center and inter-company transactions	Group
Revenue	434,885	186,137	154,514	130,806	0	906,342
EBITDA	58,663	41,471	23,920	24,710	-16,307	132,458
EBIT = segment result	36,647	29,718	19,386	18,636	-16,598	87,789
Depreciation and amortisation of tangible and intangible assets	-21,597	-11,754	-4,174	-5,733	-291	-43,549
Impairments of tangible and intangible assets	-419	0	-359	-342	0	-1,120
Reversal of impairments of property, plant and equipment	40	0	0	0	0	40
Trade Working Capital	91,743	42,563	40,265	18,071	-6,051	186,591
Segment assets	432,055	164,264	128,932	84,880	41,988	852,118
Segment liabilities	170,250	52,252	34,695	27,452	153,316	437,966
Cash-effective investments in tangible and intangible assets	33,154	5,984	6,776	3,106	697	49,716
Investments in associated companies	1,419	0	0	0	0	1,419
Employees (at balance sheet date)	7,007	1,467	968	743	91	10,276

The income and expenses of companies involved in production and distribution in more than one segment are subdivided and allocated to the appropriate segments so that no further eliminations are necessary. The Corporate Center consists of Semperit AG Holding, which is not involved in operating activities, and those portions of a management company in China and a service company in Singapore that are allocated to the Corporate Center. Internal charging and allocations of Corporate Center costs are already allocated to the

segments as far as possible. All group assets are allocated to segments, with the exception of the assets of Semperit AG Holding as non-operating parent company, as well as the assets of a management company in China and a service company in Singapore, which are allocated to the Corporate Center. A large percentage of the assets can be clearly assigned to the respective segments as the companies operate in only one segment. The cash and cash equivalents of Semperit Technische Produkte Gesellschaft m.b.H. are assigned in equal portions to the segments in which the company is active. The assets of the sales companies are classified according to the revenue which is generated.

All group liabilities are allocated to segments, with the exception of the liabilities of Semperit AG Holding as non-operating parent company, as well as the liabilities of a management company in China and a service company in Singapore, which are allocated to the Corporate Center. A large percentage of the liabilities can be clearly assigned to the respective segments as the companies operate in only one segment. Liabilities of Semperit Technische Produkte Gesellschaft m.b.H. are assigned in equal portions to the segments in which the company is active. Liabilities held by sales companies are classified according to the revenue which is generated.

Segment reporting by region

Group activities are primarily conducted in Europe, Asia and the Americas.

Pursuant to IFRS 8, information on revenue is presented depending on the location of the customers. Details on non-current assets and investments are based on the respective locations of the different companies belonging to the Semperit Group.

Semperit does not depend on any one customer for more than 10% of its total revenue.

in EUR thousand	2014			2013		
	Non-current assets ^{2) 3)}	Cash-effective Investments	Revenue ¹⁾	Non-current assets ^{2) 3)}	Cash-effective Investments	Revenue ¹⁾
Austria	46,630	17,997	33,870	41,256	12,528	34,135
EU excluding Austria	94,631	35,317	442,186	68,731	11,599	445,602
Total for EU	141,261	53,314	476,056	109,987	24,127	479,737
Rest of Europe	0	0	64,456	0	0	75,365
Total for Europe	141,261	53,314	540,512	109,987	24,127	555,103
Asia	191,196	20,981	154,463	253,569	25,516	128,124
The Americas	6,193	109	214,153	5,645	73	196,137
Rest of the world	0	0	21,222	0	0	26,979
Group	338,649	74,404	930,350	369,201	49,716	906,342

¹⁾ After eliminating internal revenue.

²⁾ Consolidation entries are assigned to the regions whenever possible.

³⁾ Non-current assets do not include deferred income tax assets, financial investments and shares in joint ventures and associates.

5. Notes to the consolidated income statement

5.1. REVENUE

Detailed information on the revenues of the various divisions and regions is provided in the segment reporting.

5.2. OTHER OPERATING INCOME

in EUR thousand	2014	2013
Exchange rate gains	13,986	15,814
Income from the sale of property, plant and equipment	218	279
Insurance claims	609	2,707
Income from forward exchange transactions	1,016	1,670
Reversal of impairments of property, plant and equipment	191	40
Sale of by-products and waste materials	1,301	844
Rental income	340	322
Income from changes in the method of consolidation	13,190	0
Other	3,917	2,707
	34,766	24,385

5.3. COST OF MATERIALS AND PURCHASED SERVICES

in EUR thousand	2014	2013
Cost of materials	441,633	440,015
Purchased services	72,100	70,652
	513,733	510,667

5.4. PERSONNEL EXPENSES

Personnel expenses include the following items:

in EUR thousand	2014	2013
Wages	63,204	55,269
Salaries	73,400	69,376
Severance payments	1,878	1,883
Retirement benefit expenses	1,349	1,361
Statutory social security expenses and other compulsory wage-related payments	24,857	22,304
Other social security expenses	2,664	2,611
	167,351	152,802

The average number of people employed by the Semperit Group is as follows:

	2014	2013
Blue-collar workers	8,721	7,827
White-collar workers	2,401	2,172
	11,122	9,999

The average number of employees in Austria totalled 774 (previous year: 721).

In the 2014 financial year, the remuneration paid to the active members of the Management Board totalled EUR 2,907 thousand (previous year: EUR 2,062 thousand), of which EUR 1,315 thousand (previous year: EUR 942 thousand) consisted of variable salary components. As a result of changes to the composition of the Management Board during the year, comparing total compensation with the previous year is of limited value.

In addition, payments amounting to EUR 149 thousand were made to the former member of the Management Board Richard Stralz (previous year: EUR 271 thousand).

The remuneration paid to the former chairman of the Management Board Rainer Zellner in 2014 amounted to EUR 371 thousand (previous year: EUR 727 thousand). Furthermore payments totalling EUR 371 thousand (previous year: EUR 838 thousand) were made in the financial year 2014 on termination of his employment relationship.

The expenses for pensions and severance payments for the active Management Board members amounted to EUR 186 thousand (previous year: EUR 114 thousand). Of this amount, EUR 108 thousand (previous year: EUR 82 thousand) is attributable to contribution-based severance and pension commitments.

5.5. OTHER OPERATING EXPENSES

Other operating expenses comprise the following:

in EUR thousand	2014	2013
Maintenance and services	41,706	38,826
Outgoing freight	27,182	23,885
Exchange rate losses	9,740	15,229
Commission and advertising costs	10,490	8,446
Legal, consulting and auditing fees	14,133	12,204
Travel expenses	10,769	9,772
Insurance premiums	5,201	4,618
Other taxes	4,142	3,216
Rental and leasing expenses	5,621	4,780
Communications	2,353	2,457
Bank expenses	749	815
Fees, subscriptions and donations	1,529	831
Expenses from currency forwards	839	1,852
Training and education expenditures	1,884	1,598
Specific valuation allowance	1,649	303
Other	14,102	16,945
	152,089	145,776

The expenses for the auditors of the consolidated financial statements, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. Wien, are as follows:

in EUR thousand	2014	2013
Auditing of consolidated and separate financial statements	187	187
Other valuation and certification services	15	50
Other services	128	138
	330	375

5.6. DEPRECIATION, AMORTISATION AND IMPAIRMENTS ON TANGIBLE AND INTANGIBLE ASSETS

in EUR thousand	2014	2013
Depreciation and amortisation	47,503	43,549
Impairments	24	1,120
	47,526	44,669

Impairments relate to a building as well as to technical equipment, plant and machinery in the Semperflex segment (see section 6.2.).

5.7. FINANCIAL RESULT

in EUR thousand	2014	2013
Financial income		
Income from securities	315	278
Interest and related income	1,484	1,664
	1,799	1,941
Financial expenses		
Losses on the disposal of securities	-156	-153
Other expenses from securities	0	-92
Interest and other financial expenses	-4,884	-3,792
	-5,040	-4,037
Profit/loss attributable to redeemable non-controlling interests	-16,860	-14,776
Financial result	-20,101	-16,872

Net income from available-for-sale financial assets breaks down as follows:

in EUR thousand	2014	2013
Net income recognised directly in profit and loss		
Income from available-for-sale financial assets	315	278
Losses on the disposal of securities	-156	-153
	159	125
Net income/expenses recognised in other comprehensive income		
Revaluation gains/losses for the period	397	-100
Reclassification to profit and loss for the period	135	114
	532	14
Net income from available-for-sale financial assets	691	139

Net income from loans and receivables (excluding currency gains and losses) breaks down as follows:

in EUR thousand	2014	2013
Interest income from loans and receivables	1,484	1,664
Impairments of loans and receivables	-1,649	-303
Net income from loans and receivables	-165	1,361

Foreign exchange gains from loans and receivables amount to EUR 12,168 thousand. These foreign exchange gains are offset by foreign exchange losses from loans and receivables of EUR 7,268 thousand.

Impairment losses arising from loans and receivables are summarised under other operating expenses.

Net income resulting from held for trading financial instruments (derivatives) is as follows:

in EUR thousand	2014	2013
Income from foreign exchange transactions	1,016	1,670
Expenses from foreign exchange transactions	-839	-1,852
Net income from financial instruments held for trading	177	-182

Income and expenses from foreign exchange transactions are included in the other operating income and expenses and relate exclusively to foreign exchange forward transactions. No foreign exchange options were entered into in the financial years 2014 and 2013.

Interest expense and other financial expenses included in the financial result amount to EUR 4,884 thousand (previous year: EUR 3,792 thousand), of which EUR 3,573 thousand (previous year: EUR 2,968 thousand) are attributable to liabilities valued at amortised cost. Liabilities from redeemable non-controlling interests correspond to the result shown in the consolidated income statement amounting to EUR 16,860 thousand (previous year: EUR 14,776 thousand) and represent the effective interest expense.

5.8. INCOME TAXES

Income tax expense recognised in the financial year includes current and deferred income tax for the individual companies calculated on the basis of taxable income and the applicable tax rate in the relevant countries.

in EUR thousand	2014	2013
Current tax expense (+) / tax income (-)		
for the current period	16,304	16,559
for previous periods	1,800	-42
	18,104	16,517
Deferred tax expense (+) / tax income (-)		
from the origination or reversal of temporary differences	-1,213	812
from value adjustment of tax loss carryforwards and temporary differences	271	2,808
other deferred tax effects	1,568	-4,117
	626	-497
	18,730	16,020

The effective tax rate in the 2014 financial year, i.e. the tax expense in relation to the earnings before tax and before deduction of profit or loss attributable to redeemable non-controlling interests, was 22.0% (previous year: 18.7%). The group tax rate is a weighted average of the local income tax rates of all consolidated subsidiaries.

The following table shows the reconciliation from earnings before tax to income tax expense reported in the consolidated income statement:

in EUR thousand	2014	2013
Earnings before tax	68,426	70,917
Tax expense / income (-/+) at 25 %	-17,107	-17,729
Tax rates in other countries	3,911	4,228
Share of profit of associated companies	66	98
Profit/loss attributable to redeemable non-controlling interests	-4,215	-3,694
Effects of the change in the method of consolidation	3,297	0
Non-deductible expenses	-2,535	-1,677
Non-taxable income, tax exemptions and tax deductibles	4,432	5,960
Tax credits and tax concessions usable in future periods	257	1,514
Reduction of current tax expenses on the basis of yet unused tax loss carryforwards	393	87
Non-recognised deferred tax assets on new losses carryforwards and temporary differences in the financial year	-170	-852
Value adjustment of deferred tax assets from loss carryforwards or temporary differences arising and recognised in previous years	-494	-2,043
Change to outside-basis-differences	-3,905	-81
Tax effects on write-downs on holdings of fully consolidated companies	501	0
Withholding taxes	-947	-803
Tax arrears from previous periods	-1,800	42
Tax rate changes	0	-332
Other	-414	-737
Income taxes according to the consolidated income statement	-18,730	-16,020

For further information regarding the effects resulting from the change in the method of consolidation for Siam Sempermed Corp. Ltd. (SSC), please refer to the comments in note

3.3. The reported tax effect in the amount of EUR 3,297 thousand results from the fact that this situation does not have a tax impact on the group's earnings before tax.

The change in the outside-basis differences in the amount of EUR 3,905 thousand also relates primarily to the effects from the change in the method of consolidation. As the parent company is no longer in the position to manage the timing of the reversal of these temporary differences, deferred tax liabilities must be recognised on the entire amount of the proportionate share of the distributable retained earnings of the present joint venture SSC (previously subsidiary); this results in a corresponding increase in tax expense.

in EUR thousand	2014	2013
Earnings before tax	68,426	70,917
Profit/loss attributable to redeemable non-controlling interests	16,860	14,776
	85,286	85,693
Income taxes according to the consolidated income statement	18,730	16,020
Effective tax rate in %	22.0%	18.7%

5.9. EARNINGS PER SHARE

in EUR		2014	2013
Earnings after taxes attributable to the shareholders of Semperit AG Holding	in EUR	49,859,295	54,598,022
Average number of shares issued	in units	20,573,434	20,573,434
Earnings per share (diluted and undiluted)	in EUR	2.42	2.65

There were no dilution effects as at 31 December 2013 and 31 December 2014.

6. Notes to the consolidated balance sheet

6.1. INTANGIBLE ASSETS

in EUR thousand	Software licences, industrial property rights and similar rights	Goodwill	Prepayments	Total
Acquisition costs				
As at 1.1.2013	27,333	98,076	120	125,529
Currency translation differences	-1,676	-10,154	-1	-11,831
Additions	8,190	0	817	9,006
Disposals	-2,396	0	-100	-2,497
Transfers	109	0	-27	83
As at 31.12.2013	31,559	87,923	809	120,290
Currency translation differences	803	5,401	0	6,204
Additions	745	0	3,711	4,455
Disposals	-29	0	0	-29
Changes in the scope of consolidation	-891	0	0	-891
Transfers	626	0	-336	290
As at 31.12.2014	32,812	93,324	4,184	130,320
Depreciation / write-ups / impairment				
As at 1.1.2013	12,655	0	101	12,756
Currency translation differences	-450	0	0	-450
Depreciation and amortisation	3,007	0	0	3,007
Impairments	629	0	0	629
Disposals	-2,391	0	-101	-2,491
Transfers	13	0	0	13
As at 31.12.2013	13,464	0	0	13,464
Currency translation differences	220	0	0	220
Depreciation and amortisation	4,894	0	0	4,894
Disposals	-29	0	0	-29
Changes in the scope of consolidation	-644	0	0	-644
As at 31.12.2014	17,905	0	0	17,905
Carrying amount				
Carrying amount 1.1.2013	14,677	98,076	19	112,773
Carrying amount 31.12.2013	18,095	87,923	808	106,826
Carrying amount 31.12.2014	14,907	93,324	4,183	112,414

Note: Rounding differences may occur through the use of automated calculations.

The scheduled depreciation, amortisation and impairments are recognised in the consolidated income statement under the item "depreciation, amortisation and impairment of tangible and intangible assets". No impairments were necessary in 2014. In the 2013 financial year there were impairments on the Brazilian customer base of EUR 419 thousand and

property rights of EUR 210 thousand due to strategic reorientation away from abandoned products and markets. There was no reversal of impairments in the two financial years.

The reported goodwill is distributed to the cash-generating units (CGU) as follows:

Cash generating unit in EUR thousand	31.12.2014	31.12.2013
Segment Sempermed	91,559	86,159
Segment Semperflex	1,693	1,693
Segment Sempertrans	71	71
	93,324	87,923

The impairment testing of goodwill was performed as at 31 December 2014 at the respective segment level. The recoverable amount of the respective segment is based on its value in use, which is calculated using the segment's discounted future cash flows. These forecasted cash flows were determined using the budgets for the 2015 financial year that were approved by the Management Board and the Supervisory Board. In addition, an organic (growth from own business activity without acquisitions) medium-term plan covering the next five years was taken into account as well. The planning is based on assumptions made by segment management on the development of their markets, the market share of their segments and specific business initiatives. Key assumptions in the plan are unit sales and EBIT margins, which are determined in medium-term planning in coordination with strategic product and customer initiatives.

These assumptions are subject to forecasting uncertainty. Corporate planning in this regard assumes, in principle, that measures will be taken in the future to expand the segment's capacity and improve its infrastructure. The planned cash flows from these measures were eliminated from the impairment test if the implementation of these measures had not begun as at the reporting date. The change in working capital is derived from internally defined targets for the respective segment.

A constant long-term growth rate of 1.5% (previous year: 1.5%) is used for the period after the detailed planning time period in all CGUs. This is based on market growth expected in the long term, allowing for forecast expectations in inflation.

The discount rate used is the weighted average cost of capital (WACC) as derived in the capital asset pricing model. When determining this rate, a separate peer group is assumed for the Medical Sector (equivalent to the Sempermed segment) and the Industrial Sector (includes the Semperflex, Sempertrans and Semperform segments). The pre-tax discount rate, which was determined for each segment individually, was 8.8% (previous year: 9.4%) for the Sempermed segment, 11.3% (previous year: 14.1%) for the Sempertrans segment, and 10.9% (previous year: 14.1%) for the Semperflex segment.

The impairment tests confirmed the recoverability of the recognised goodwill. The recoverable amount that was determined for the CGU totalled more than the carrying amount, therefore no impairment existed.

The value in use is largely determined using the end value (present value of a perpetual annuity), which is especially sensitive to changes in assumptions regarding free cash flow, long-term growth rates and the discount rate. Management regards the following negative changes in parameters as possible.

Change in parameters	2014	2013
Discount rate (WACC)	+ 1 percentage point	+ 1 percentage point
Long-term growth rate	-1 percentage point	-1 percentage point
Change in free cash flows	-10%	-10%

In the sensitivity analyses the individual parameters were changed in isolation, without consideration of simultaneous change in the other parameters.

In the Sempermed segment the recoverable amount exceeds the carrying amount by EUR 48,837 thousand (previous year: EUR 113,334 thousand). As a result of the change in the consolidation of Siam Sempermed Corp. Ltd., Thailand, as at 31 December 2014, a change which management believes is possible in the parameters which management regards as critical could lead to an increase in carrying amount over the recoverable amount. In the previous year, a change in parameters regarded as possible resulted in an impairment charge. The following table shows the amount by which these parameters would have to change in order to make the estimated recoverable amount as at 31 December 2014 equal to the carrying amount.

Change in parameters	2014
Discount rate (WACC)	+0.74 percentage points
Long-term growth rate	-0.99 percentage points
Change in free cash flows	-13.35 percentage points

In the Semperflex and Sempertrans segments the sensitivity analysis showed that there is no change in parameters regarded as possible by management which results in impairment.

No impairment test was performed for the Semperform CGU, which does not contain any goodwill or intangible assets with indefinite useful lives, because there was no indication that an impairment was present.

Besides goodwill, the Semperit Group has no other intangible assets with an indefinite useful life.

6.2. TANGIBLE ASSETS

in EUR thousand	Land and buildings, including on land owned by third parties	Technical equipment and machinery	Other equipment, office furniture and equipment	Prepayments and assets under construction	Total
Acquisition costs					
As at 1.1.2013	168,414	425,437	96,144	11,985	701,980
Currency translation differences	-8,896	-21,859	-5,775	-1,369	-37,899
Additions	2,166	15,674	4,671	25,469	47,979
Disposals	-1,709	-3,573	-4,443	-753	-10,478
Transfers	3,813	13,851	-4,955	-12,792	-83
As at 31.12.2013	163,788	429,530	85,642	22,540	701,500
Currency translation differences	5,779	15,924	4,515	396	26,614
Additions	4,792	18,497	6,191	41,221	70,701
Disposals	-273	-5,723	-3,007	-240	-9,243
Changes in the scope of consolidation	-40,257	-107,523	-34,934	-5,594	-188,308
Transfers	2,746	11,131	2,478	-16,645	-290
As at 31.12.2014	136,575	361,836	60,885	41,678	600,973
Depreciation / write-ups / impairment					
As at 1.1.2013	78,393	282,857	72,091	746	434,086
Currency translation differences	-3,284	-13,045	-4,086	0	-20,416
Depreciation and amortisation	5,728	27,274	7,539	0	40,542
Impairments	0	490	0	0	491
Write-ups	-40	0	0	0	-40
Disposals	-1,686	-3,045	-4,301	-745	-9,778
Transfers	0	6,608	-6,621	0	-13
As at 31.12.2013	79,111	301,139	64,622	0	444,873
Currency translation differences	1,666	8,881	3,335	0	13,882
Depreciation and amortisation	5,905	28,851	7,853	0	42,608
Impairments	22	2	0	0	24
Write-ups	-191	0	0	0	-191
Disposals	-254	-5,397	-2,738	0	-8,388
Changes in the scope of consolidation	-15,222	-70,239	-26,389	0	-111,851
Transfers	0	37	-37	0	0
As at 31.12.2014	71,036	263,275	46,646	0	380,957
Carrying amount					
Carrying amount 1.1.2013	90,021	142,580	24,053	11,239	267,894
Carrying amount 31.12.2013	84,677	128,390	21,020	22,540	256,627
Carrying amount 31.12.2014	65,539	98,561	14,239	41,678	220,017

Note: Rounding differences may occur through the use of automated calculations.

Of the carrying amount recognised for land and buildings, including land owned by third parties is EUR 9,719 thousand (previous year: EUR 12,730 thousand). Of the carrying amount recognised for prepayments and assets under construction, EUR 27,788 thousand (previous year: EUR 17,194 thousand) is attributable to assets under construction.

In the financial years 2014 and 2013, no borrowing costs were capitalised as part of the production costs of qualified assets.

The depreciation, amortisation and impairments are recognised in the consolidated income statement under the item "depreciation, amortisation and impairment of tangible and intangible assets". Write-ups in value are included in the consolidated income statement in the item "other operating income".

In the 2014 financial year impairments totalling EUR 24 thousand related primarily to land and buildings. This was due to changes in the possible uses of a building in the Semperflex segment. In financial year 2013 there were impairments on technical equipment, plant and machinery in the amount of EUR 491 thousand. They resulted from changes in the strategic focus of discontinued products in the Semperform segment and in the reduced technical functionality of machines in the Sempertrans segment.

In the financial year 2014 there were write-ups in value amounting to EUR 191 thousand (previous year: EUR 40 thousand), because the reasons for the impairments were no longer present.

As at 31 December 2014, tangible assets with a carrying amount of EUR 297 thousand (previous year: EUR 3,362 thousand) are pledged as collateral for liabilities to banks and liabilities from finance leases.

As at 31 December 2014, there are contractual obligations to acquire tangible assets totalling EUR 32,412 thousand (previous year: EUR 38,919 thousand). The contractual obligations arise from the commencement of investment projects to expand capacity in Poland, Malaysia and the Czech Republic.

In addition to operating leases, the Semperit Group also makes use of finance leases. Finance lease agreements have been concluded in Semperit for various production machinery and vehicles. The agreements are generally structured so that ownership of the asset transfers to the group at the end of the agreement term. The leased assets serve as security for the leasing obligations. The assets associated with these agreements are depreciated over the asset's expected useful life and not over the shorter term of the leasing agreement. The agreements typically do not contain an option to extend the lease or a specially agreed purchase option.

The tangible assets include the following assets from finance lease agreements:

in EUR thousand	Acquisition costs	Accumulated depreciation	31.12.2014 Carrying amount	Acquisition costs	Accumulated depreciation	31.12.2013 Carrying amount
Technical equipment, plant and machinery	0	0	0	12,630	2,240	10,390
Other equipment, office furniture and equipment	523	225	297	628	380	247
	523	225	297	13,257	2,620	10,637

In addition, the Semperit Group rents a number of storage and office facilities based on operating leases. Most of these leasing relationships have a remaining term of less than 5 years. The agreements are normally designed so that an extension is possible. An option to purchase the assets at market prices is also included in several individual agreements.

Moreover, when needed, leasing agreements are concluded for company cars, IT equipment as well as machines and office equipment. As at the reporting date, the remaining term of these agreements is generally less than 5 years. Individual agreements include an option to

extend the term and/or a purchase option at market prices at the end of the agreement term.

As at the balance sheet date, the future minimum leasing payments from non-terminable tenancies, operating and other leases total as follows:

in EUR thousand	31.12.2014	31.12.2013
Within the following year	1,825	859
Within the following 2 to 5 years	4,038	1,494
More than 5 years	1,502	543

The cost of rent and leases from operating lease agreements amounted to EUR 5,621 thousand in the financial year 2014 (previous year: EUR 4,780 thousand).

6.3. INVENTORIES

The balance sheet item "inventories" comprises the following:

in EUR thousand	31.12.2014	31.12.2013
Raw materials and supplies	31,266	43,568
Work in progress	19,253	24,235
Finished goods and merchandise	76,137	79,308
Prepayments	240	1,073
Services not yet billable	300	243
	127,196	148,428

in EUR thousand	31.12.2014	31.12.2013
Inventories		
thereof at acquisition / production costs	112,354	132,041
thereof at their net realisable value	14,841	16,387
	127,196	148,428

The allowances for inventories recognised as an expense totalled EUR 3,944 in the year under review (previous year: EUR 3,652 thousand).

6.4. TRADE RECEIVABLES

"Trade receivables" are assigned to the category "loans and receivables" and are therefore recognised at amortised cost. Impairments to trade receivables are indirectly recognised in allowance accounts.

Trade receivables comprise the following:

in EUR thousand	31.12.2014			31.12.2013		
	Gross	Allowances	Net	Gross	Allowances	Net
Receivables not yet due	90,331	-1,208	89,123	91,376	0	91,376
Up to 1 month overdue	16,639	-228	16,411	15,317	-416	14,901
1 to 3 months overdue	6,563	-813	5,750	3,615	-297	3,318
3 to 6 months overdue	2,076	-621	1,454	1,869	-250	1,620
6 to 12 months overdue	194	-15	178	474	-459	15
More than 12 months overdue	736	-687	49	1,705	-1,705	0
	116,538	-3,573	112,965	114,356	-3,127	111,230

Trade receivables which are already due, but have not been subject to valuation adjustments, total EUR 23,842 thousand as at 31 December 2014 (previous year: EUR 19,854 thousand).

The typically stipulated terms of payment range between 14 and 90 days. In addition to receivables which are classified as non-performing due to an individual assessment of the respective customers, and have been written down to the likely recoverable amount, valuation adjustments are also carried out in part on overdue receivables based on country-specific empirical values. Experience-based allowances also apply to receivables not covered by credit insurance at all or with regard to the portion on credit-insured receivables that the entity has to pay.

The overdue receivables are largely covered by credit insurance. With regard to Semperit's portfolio of overdue trade receivables, there is no indication that the debtors will not be able to fulfil their contractual payment obligations.

The receivables not covered by credit insurance exist primarily at subsidiaries in India, USA and China. With respect to non-insured receivables and the portion on insured receivables, there is no significant concentration of credit risk due to the company's diversified customer base.

Impairments on trade receivables are usually indirectly recognised in allowance accounts. Allowances changed as follows:

in EUR thousand	2014	2013
As at 1.1.	3,127	3,695
Release	-773	-1,086
Currency translation difference	84	-183
Written down due to irrecoverability	-1,287	-1,062
Additions	2,422	1,762
As at 31.12.	3,573	3,127

The allowances at the end of the financial year include specific valuation allowances for receivables based on an individual assessment of the respective customers. These specific allowances totalled EUR 2,237 thousand (previous year: EUR 1,873 thousand). They are primarily allocated on the basis of insolvency proceedings over the assets of the affected customers. The remaining carrying amounts after deduction of the allowances are the amounts likely to be recoverable in the insolvency proceedings. The other allowances were made on a portfolio basis.

6.5. OTHER FINANCIAL ASSETS

The carrying amounts of the other financial assets break down as follows:

in EUR thousand	Total 31.12.2014	Thereof non-current	Thereof current	Total 31.12.2013	Thereof non-current	Thereof current
Securities available-for-sale						
Federal bonds	0	0	0	2,021	2,021	0
Shares in funds, shares, other securities	6,599	6,599	0	5,256	5,256	0
	6,599	6,599	0	7,277	7,277	0
Financial assets recognised at fair value through profit or loss – held for trading						
Derivatives	2	0	2	219	0	219
Loans and receivables recognised at amortised cost						
Loans to associated companies	563	563	0	563	563	0
Other loans	6	1	5	6	1	5
Other financial assets	4,843	1,381	3,462	2,497	1,203	1,294
	5,411	1,945	3,467	3,065	1,766	1,299
	12,013	8,544	3,469	10,561	9,043	1,518

Federal bonds issued by the Austrian government with a nominal value of EUR 2,000 thousand were redeemed during the financial year 2014.

The funds comprise 97,500 units (previous years: 83,500 units) in PIA-Toprent, a bond fund suitable for funding pension provisions. The fund consists primarily of fixed-income and floating-rate eurozone government bonds.

The carrying amount of the available-for-sale financial assets amounts to EUR 6,599 thousand (previous year: EUR 7,277 thousand) corresponds to the fair value.

The loan to associated companies, amounting to EUR 563 thousand (previous year: EUR 563 thousand) bears a standard market rate of interest of 1.27% (previous year: 1.62%), and is to Synergy Health Allershausen GmbH, which is included in the consolidated financial statements in accordance with the equity method.

No allowances were necessary for the loans and receivables recognised at amortised cost.

The part of the item "other financial assets" shown as current includes receivables from employees of EUR 1,039 thousand (previous year: EUR 399 thousand).

6.6. OTHER ASSETS

The carrying amounts of the “other financial assets” comprise the following:

in EUR thousand	Total 31.12.2014	Thereof non- current	Thereof current	Total 31.12.2013	Thereof non- current	Thereof current
Accrued expenses	3,271	19	3,252	2,932	126	2,806
Prepayments	648	0	648	545	0	545
Tax receivables	7,485	0	7,485	7,739	0	7,739
Other non-financial receivables	4,494	4,255	239	4,173	3,855	317
	15,898	4,274	11,624	15,389	3,982	11,408

The non-current non-financial receivables include claims for reimbursement from recourse against insurance companies and third parties of EUR 3,610 thousand (previous year: EUR 1,791 thousand).

6.7. CASH AND CASH EQUIVALENTS

in EUR thousand	31.12.2014	31.12.2013
Cash on hand	30	42
Cheques	0	5
Cash deposits in banks	115,543	152,901
Short-term deposits	0	29,606
	115,574	182,554

The term to maturity of all short-term deposits at the time of the investment was less than three months. The cash and cash equivalents correspond to the liquid funds in the consolidated cash flow statement.

6.8. DEFERRED TAXES

Tax deferrals recognised in the balance sheet after temporary differences comprise the following:

in EUR thousand	31.12.2014		31.12.2013	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	573	2,237	0	2,588
Tangible assets	563	5,673	334	5,179
Financial assets	774	0	797	0
Inventories	4,553	31	4,691	31
Receivables	1,014	1,783	1,046	1,932
Other assets	18	55	23	179
Provisions for personnel	7,247	0	5,845	0
Other provisions	2,883	0	2,713	0
Trade payables	186	2	16	3
Other liabilities	1,014	320	990	278
Temporary differences in connection with shares in subsidiaries (outside-basis-differences)	0	5,954	0	2,049
Tax loss carryforwards and as yet unused tax credits	12,620	0	10,118	0
Total deferred tax assets and liabilities	31,444	16,054	26,573	12,240
Valuation allowance for deferred tax assets	-5,862	0	-5,285	0
Offset of deferred tax assets and liabilities	-6,056	-6,056	-5,555	-5,555
Net deferred tax assets	19,526		15,733	
Net deferred tax liabilities		9,998		6,684

Allowances for deferred tax assets of EUR 5,862 thousand (previous year: EUR 5,285 thousand) include allowances for deferred tax assets on temporary differences of EUR 1,671 thousand (previous year: EUR 1,359 thousand) and for deferred tax assets on loss carryforwards of EUR 4,190 thousand (previous year: EUR 3,926 thousand).

Deferred tax, after taking into account allowances for deferred tax assets and before netting off, relates to the following differences between the financial statements for tax purposes and IFRS:

in EUR thousand	31.12.2014		31.12.2013	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Different acquisition and production costs of intangible and tangible assets, elimination of intercompany profits	708	4,080	240	3,548
Different useful lives of intangible and tangible assets	168	1,329	6	1,429
Valuation of assets acquired in business combinations	0	2,386	0	2,689
Tax valuation differences in valuation adjustments of receivables	439	1,602	365	1,772
Tax valuation differences of inventories, elimination of intercompany profits	4,272	31	4,387	31
Differing tax recognition of personnel provisions	6,817	0	5,444	0
Differing tax recognition of other provisions	2,568	0	2,466	0
Differences in foreign currency valuation of assets and liabilities at the balance sheet date	522	241	434	250
Deferred tax assets on loss carryforwards	5,738	0	3,607	0
Deferred tax assets on tax assets and tax concessions usable in future periods	1,329	0	1,418	0
Impairments of investments not yet taxed	1,363	0	1,166	0
Temporary differences in connection with shares in subsidiaries (outside-basis-differences)	0	5,954	0	2,049
Other differences	1,658	432	1,754	472
Total	25,583	16,054	21,288	12,240

The change in the deferred taxes recognised in the balance sheet is as follows:

in EUR thousand	2014	2013
Net deferred taxes as at 1.1.	9,049	7,648
Deferred taxes in profit or loss for the financial year	-626	497
Deferred taxes in other comprehensive income for the financial year	1,970	903
Changes in the scope of consolidation	-864	0
Net deferred taxes as at 31.12.	9,529	9,049

The change in the deferred taxes recognised in other comprehensive income for the period is as follows:

in EUR thousand	2014	2013
Amounts that will not be recognised through profit and loss in future periods		
Deferred taxes related to remeasurements of defined benefit plans (IAS 19)	1,667	660
Amounts that will potentially be recognised through profit and loss in future periods		
Deferred taxes related to available-for-sale financial assets	-133	-4
Deferred taxes related to cash flow hedges	324	25
Currency translation differences related to deferred taxes	112	222
	303	243
	1,970	903

The currency translation differences of EUR 112 thousand (previous year: EUR 222 thousand) are included in the consolidated statement of comprehensive income under the heading "currency translation differences" for the period".

For temporary differences in connection with shares in subsidiaries, deferred tax liabilities amounting to EUR 5,954 thousand (previous year: EUR 2,049 thousand) were recognised. For further information concerning the effects of the change in the method of consolidation please see note 5.8.

In addition there are taxable temporary differences of EUR 57,457 thousand (previous year: EUR 189,366 thousand) and deductible temporary differences of EUR 913 thousand (previous year: 2,258 thousand) in connection with investments in subsidiaries, for which deferred tax liabilities of EUR 10.885 thousand (previous year: EUR 39,266 thousand) and deferred tax assets of EUR 189 thousand (previous year: EUR 511 thousand) were not recognised. This is because the parent is able to manage the timing of the offset of the temporary difference, and it is probable at the balance sheet date that the temporary differences will not be offset in the foreseeable future.

The temporary differences in connection with shares in subsidiaries can arise either from the withholding tax on the distribution of dividends or from the tax obligation of the holding. Depending on the specifics of the transaction leading to the reversal of the differences, there may be tax consequences of various types at the different participation levels in the group. Due to the additional complexity of the participation relationship, temporary differences in connection with shares in subsidiaries and joint ventures were calculated using a simplified procedure without taking into account tax effects outside the relevant group level.

At the reporting date there are further deductible temporary differences of EUR 5,501 thousand (previous year: EUR 4,240 thousand) and unused tax losses of EUR 15,540 thousand (previous year: EUR 14,272 thousand), for which no deferred tax assets were recognised. Of these unused tax losses, EUR 14,762 thousand (previous year: EUR 12,519 thousand) expire within five years. Otherwise these losses and deductible temporary differences can be carried forward without limit.

The total amount of recognised deferred tax assets for tax jurisdictions in which a tax loss has been incurred either in the current period or in the previous period is EUR 14,056 thousand (previous year: EUR 9,896 thousand). Deferred tax assets are recognised based on the assumption that there will be sufficient taxable profit in the coming years. Recognition also

requires that the incurred tax losses were attributable to non-recurring effects and that concrete organisational measures have been undertaken which indicate that the planned improvement in pre-tax profit can be expected.

6.9. EQUITY

Changes in shareholders' equity are presented in detail in the consolidated statement of changes in equity.

As at 31 December 2014, Semperit AG Holding's share capital was unchanged at EUR 21,358,997. It is divided into 20,573,434 fully paid in no-par-value ordinary shares. Each share represents an equal interest in the share capital. It entitles the holder to one vote and dividends.

Capital reserves are primarily formed by issuing shares above and beyond the proportional amount of share capital (premium). As in the previous year, a total of EUR 21,503 thousand of the capital reserves are appropriated reserves. These may only be released to compensate for a net loss for the year as reported in the annual financial statements of the parent company Semperit AG Holding if no free reserves are available to cover the loss.

The revaluation reserve accrues gains and losses from fluctuations in the fair value measurement of available-for-sale financial assets until the respective assets are disposed of or until an impairment of the respective assets has been determined.

The currency translation reserve is the result of currency translation differences involved in the conversion of the annual financial statements of group subsidiaries from the functional currency to euros until the disposal or other derecognition reasons of the respective subsidiary.

The other revenue reserves encompass the statutory reserves of Semperit AG Holding totalling EUR 999 thousand (previous year: EUR 999 thousand), the free reserves of Semperit AG Holding amounting to EUR 32,300 thousand (previous year: EUR 33,400 thousand), the net profit for the period of Semperit AG Holding amounting to EUR 123,572 thousand (previous year: EUR 24,754 thousand), the untaxed reserves less the deduction of deferred taxes of the subsidiaries included in the consolidated financial statements, the retained earnings of subsidiaries since the date of acquisition and the effects of the first-time adjustment of the annual accounts of the consolidated companies (recognised and measured according to the accounting policies of the group). In addition, the item includes remeasurements from defined benefit plans (IAS 19) and the cash flow hedge reserve (IAS 39).

The non-controlling interests as well as their corresponding portion of earnings after tax and comprehensive income relate exclusively to Latexx Partners Berhad, the company acquired in 2012, and its subsidiaries.

Dividend and treasury shares

The shareholders are entitled to a distribution of Semperit AG Holding's net profit for the year. The statutory reserves of Semperit AG Holding may only be released to compensate for a net loss for the year as reported in its annual financial statements if no free reserves are available to cover the loss.

For the past financial year, the Management Board proposes a dividend distribution of EUR 6.00 per share (basic dividend of EUR 1.10 a share plus special dividend of EUR 4.90 a share), totalling EUR 123,444 thousand, which will have to be voted on at the annual general meeting and is accordingly not yet recognised as a liability in the present financial statements. The payment of the dividend has no tax consequences for the Semperit Group.

Semperit AG Holding has no treasury shares as at 31 December 2014.

6.10. LIABILITIES FROM REDEEMABLE NON-CONTROLLING INTERESTS

Shares of subsidiaries' net assets held by non-controlling shareholders are recognised as liabilities from redeemable non-controlling interests provided the respective shareholder has an unconditional termination right or a termination right linked to conditions, the fulfilment or non-fulfilment of which lies outside the control of the Semperit Group, or if the company in which the non-controlling shareholder owns an interest has a limited life span.

Liabilities from redeemable interests of non-controlling shareholders changed as follows:

in EUR thousand	2014	2013
As at 1.1.	102,409	110,083
Capital payment from liquidation	0	-199
Dividends	-15,270	-12,391
Share of annual income after tax	16,860	14,776
Currency translation differences	11,161	-9,859
Changes in the scope of consolidation	-77,959	0
Other changes	102	0
As at 31.12.	37,303	102,409

Liabilities from redeemable non-controlling interests are all non-current as at 31 December 2014 (previous year: non-current EUR 101,928 thousand, current EUR 481 thousand). The profit / loss attributable to the redeemable, non-controlling shares is reported separately in the financial result in the consolidated income statement.

6.11. PROVISIONS FOR PENSION AND SEVERANCE PAYMENTS

Pension plans – defined benefit plans

Pension commitments

In accordance with the Austrian Corporate Pension Statute of 1997, employees who joined their companies prior to 1 January 1991 are granted occupational pensions. Beneficiaries thus receive a fixed amount that depends on an employee's length of service. The statute stipulates that only retired former employees or their surviving dependants are entitled to these pensions. In accordance with this statute, these obligations are not funded by plan assets.

A number of former members of the Board of Directors were granted pensions under individual pension agreements. These liabilities are also not covered by pension plan assets.

One member of the Board of Directors and selected executives were granted pensions which are covered by reinsurance policies, whereupon the pension entitlement matches the amount covered by the reinsurance. The reinsurance policies meet the requirements in IAS 19 for recognition as plan assets. The reinsurance policies are pledged to secure the pension rights of the beneficiaries, so that in the event of insolvency the creditors of pension granting companies cannot access the reinsured amount.

Severance payment commitments

Depending on their length of service, essentially employees in Austria, France, Italy and Thailand are legally entitled to a one-off payment on retirement, regardless of whether the employment relationship has been terminated by the employer (in whatever form) or the employee. One Management Board member is contractually entitled to a severance payment in accordance with the Austrian Employee Act on termination of their service on the Management Board. The benefits due on retirement are considered to be payments due following termination of the employment relationship in accordance with IAS 19. These obligations are not funded by plan assets.

Actuarial assumptions

The most important actuarial parameters for the defined benefit pension and severance plans are as follows:

Discount rate p.a. in %	31.12.2014	31.12.2013
Austria – pensions	1.75%	3.25%
Austria – severance payments	1.75%	3.25%
Germany – pensions	1.75%	3.25%
Other countries – severance payments		
France	1.75%	3.25%
Italy	1.75%	3.25%
Poland	2.75%	4.00%
India	8.00%	8.20%
Thailand	3.60%	4.30%

Salary increases p.a. in %	31.12.2014	31.12.2013
Austria – pensions	0% / 2%	0% / 2%
Austria – severance payments	4.5%	4.5%
Germany – pensions	1.8% / 3,4%	2% / 3,4%
Other countries – severance payments		
France	2% –3%	2% –3%
Italy	1.5%	1.5%
Poland	2% / 3.5%	2%
India	5% / 10%	5% / 8%
Thailand	3% / 7%	3% / 7%

Salary increases were determined in the individual countries by the relevant benefit plan and, if relevant, separately for wage-earning and salaried employees.

Fluctuation deductions p.a. in %	31.12.2014	31.12.2013
Austria – pensions	n/a	n/a
Austria – severance payments	0% –9%	0% –13%
Germany – pensions	0%	0%
Other countries – severance payments		
France	0% –7%	0% –7%
Italy	5%	5%
Poland	0% –8%	3%
India	2%	2%
Thailand	0% –30%	0% –30%

Fluctuation deductions were taken into account depending on the length of service of the employees.

The retirement age was set either in accordance with the individual regulations of the specific plan or, in the absence of such, at the earliest possible statutory retirement age of the country concerned.

The following biometric parameters and assumptions were used.

- Austria: AVÖ 2008-P ANG
- Germany: Heubeck 2005G
- France: TH 00-02 / TF 00-02
- Italy: RG48 (Ragioneria Generale dello Stato)
- Poland: Polish Life Length Table 2013
- India: LIC (1994-96) ultimate / Mortality (2006-08) (modified) Ult.
- Thailand: Thailand TM008

Balance sheet figures

The provisions for pensions and severance payments comprise the following:

in EUR thousand	Total 31.12.2014	Thereof non-current	Thereof current	Total 31.12.2013	Thereof non-current	Thereof current
Provisions for pensions	21,141	19,213	1,928	18,695	16,900	1,796
Provisions for severance payments	25,475	24,726	749	23,801	22,348	1,452
	46,616	43,939	2,676	42,496	39,248	3,248

Provisions for pensions

The provisions for the group's obligations arising from defined benefit pension plans are as follows:

in EUR thousand	31.12.2014	31.12.2013
Present value of funded defined benefit obligations	7,427	6,601
Fair value of the plan assets	–4,435	–4,374
Deficit	2,993	2,227
Present value of unfunded defined benefit obligations	18,148	16,468
Plan deficit = provision	21,141	18,695

The present value of the obligations arising from defined benefit pension plans changed as follows:

in EUR thousand	2014	2013
Present value of the obligations (DBO) as at 1.1.	23,070	25,087
Current service costs	283	342
Interest expense	699	808
Total expenses for pensions	982	1,151
Remeasurements	3,345	-476
Payments/Transfers	-1,821	-2,692
Present value of the obligations (DBO) as at 31.12.	25,575	23,070

The expenses shown in the table are recognised as "pension expenses" under personnel expenses in the consolidated income statement (see note 5.4.).

Plan assets measured at fair value consist of the following:

in EUR thousand	31.12.2014	31.12.2013
Cash funds	147	308
Reinsurance policies	3,365	3,141
Other receivables	923	925
Fair value of the plan assets as at 31.12.	4,435	4,374

There are no prices quoted on an active market for the components of the plan assets.

Plan assets changed as follows:

in EUR thousand	2014	2013
Fair value of the plan assets as at 1.1.	4,374	5,825
Interest income from plan assets	62	158
Remeasurements of plan assets	-14	-749
Contributions of the employer	264	267
Payments/Transfers	-251	-1,127
Fair value of the plan assets as at 31.12.	4,435	4,374

Interest income from plan assets is recognised as "pension expenses" under personnel expenses in the consolidated income statement. The remeasurements of plan assets are recognised in accordance with IAS 19 (2011) under other comprehensive income.

For the following year, a similar amount of contributions is expected to be paid out as in the current financial year.

Provisions for severance payments

in EUR thousand	2014	2013
Present value of the obligations (DBO) as at 1.1.	23,801	22,114
Current service costs	686	655
Past service costs	0	70
Interest expense	773	703
Total expenses for severance payments	1,460	1,428
Remeasurements	3,219	2,359
Payments	-1,113	-1,879
Currency translation differences	191	-221
Changes in the scope of consolidation	-2,082	0
Present value of the obligations (DBO) as at 31.12.	25,475	23,801

The expenses shown in the table are recognised as "severance expenses" under personnel expenses in the consolidated income statement (see note 5.4.).

Remeasurements

The remeasurements recognised under other comprehensive income in accordance with IAS 19 (2011) comprise the following:

in EUR thousand	2014	2013
Pensions		
Remeasurements of the obligation		
from changes to demographic assumptions	0	778
from changes to financial assumptions	-2,887	-2
Experience adjustments	-457	-300
	-3,345	476
Remeasurements of plan assets	-14	-749
	-3,358	-273
Severance payments		
Remeasurements of the obligation		
from changes to demographic assumptions	1,334	15
from changes to financial assumptions	-4,198	-2,450
Experience adjustments	-354	76
	-3,219	-2,359
Total remeasurements	-6,577	-2,632

Sensitivity analysis

Sensitivity analyses were performed for pension and severance plans regarding the effect of significant actuarial assumptions. A change of one percentage point in each of these parameters has the following impact on the present value of pension obligations totalling EUR 25,575 thousand (previous year: EUR 23,070 thousand) and on the present value of severance payment liabilities amounting to EUR 25,475 thousand (previous year: EUR 23,801 thousand)

In EUR thousand	Change in parameter	Present value of obligation (DBO) 31.12.2014		Present value of obligation (DBO) 31.12.2013	
		Increase in parameter	Decrease in parameter	Increase in parameter	Decrease in parameter
Pensions					
Interest rate	+/-1 percentage point	23.547	28.008	21.399	25.041
Increases in salaries	+/-1 percentage point	26.903	24.477	24.111	22.181
Life expectancy	+/-1 percentage point	26.464	24.740	-	-
Severance payments					
Interest rate	+/-1 percentage point	22.547	28.645	20.496	26.167
Increases in salaries	+/-1 percentage point	28.381	22.708	25.979	20.599

Average duration

The average weighted duration of defined benefit pension and severance liabilities, presented in years:

Weighted average duration	31.12.2014	31.12.2013
Austria – pensions	10.0	9.2
Austria – severance payments	12.5	13.6
Germany – pensions	11.1	10.2
Other countries – severance payments		
France	10.7	10.4
Italy	15.7	13.7
Poland	11.8	13.0
India	8.0	8.0
Thailand	18.0	17.0

Maturity analysis

The following table shows the maturities of the expected benefit payments:

in EUR thousand	Severances	Pensions
under 1 year	749	1,928
1 to 5 years	4,747	6,714
6 to 10 years	7,554	6,735
over 10 years	25,725	16,332

Pension plans – defined contribution plans

Semperit AG Holding is required to contribute to a pension fund for three members (previous year: two members) of the Management Board. Annually, 1/14 of the respective fixed remuneration is paid into a pension fund (APK Pensionskasse AG). In 2014, the expense for Semperit's contributions amounted to EUR 80 thousand (previous year: EUR 60 thousand).

Employees whose employment is subject to Austrian law and who entered into this employment relationship after 31 December 2002 are not entitled to severance payments from their employer. For these employees and three members (previous year: two members) of the Management Board, contributions amounting to 1.53% of their wages or salaries are paid into a staff pension fund. In 2014, the expense for Semperit's contributions amounted to EUR 421 thousand (previous year: EUR 332 thousand). It is expected that a similar amount of contributions will be paid out in the following year.

For employees in the USA, contributions amounting to a fixed percentage of the annual salary are paid into a pension fund. In 2014, the expense for these contributions amounted to EUR 124 thousand (previous year: EUR 129 thousand).

Semperit Group employees are also entitled to country-specific state pension plans, which are usually financed on a pay-as-you-go (unfunded) basis. The obligations of the group are limited to paying contributions when they are due. There is no legal or de facto obligation with regard to future benefits.

6.12. OTHER PROVISIONS

The carrying amounts of the other provisions are as follows:

in EUR thousand	Total 31.12.2014	Thereof non-current	Thereof current	Total 31.12.2013	Thereof non-current	Thereof current
Long-service bonuses	3,969	3,822	147	3,918	3,656	263
Guarantees	7,797	2,800	4,997	9,965	2,394	7,571
Bonuses and other personnel provisions	11,164	1,638	9,525	11,515	534	10,981
Other	8,957	6,791	2,166	5,769	5,487	282
	31,887	15,051	16,835	31,166	12,071	19,095

The other provisions changed as follows:

in EUR thousand	1.1.2014	Change in the scope of consolidation	Currency differences	Release	Use	Additions	31.12.2014
Long-service bonuses	3,918	0	-1	-93	-227	372	3,969
Guarantees	9,965	0	-127	-610	-2,940	1,510	7,797
Bonuses and other personnel provisions	11,515	-1,842	393	-165	-10,241	11,503	11,164
Other	5,769	0	243	-48	-429	3,422	8,957
	31,166	-1,842	509	-916	-13,837	16,807	31,887

The timing of the expected payment streams from other provisions is as follows:

31.12.2014 in EUR thousand	Total	under 1 Jahr	1 to 5 years	More than 5 years
Long-service bonuses	9,814	158	946	8,709
Guarantees	7,859	4,997	2,862	0
Bonuses and other personnel provisions	11,164	9,525	1,166	472
Other	9,745	2,166	7,398	180

Provisions for long-service bonuses are established for employees in Austria, Germany and in the Czech Republic. They are entitled to long-service bonuses based on collective bargaining agreements. The valuation was carried out based on the same actuarial assumptions used to value the provisions for pensions and severance payments (see note 6.11.). Remeasurements (actuarial gains and losses) are recognised under personnel expenses. The average weighted duration of the present value of the long-service bonus obligations is around 11 years (previous year: 10 years).

The provisions for warranties are based largely on a case-by-case assessment of the risks. In addition, provisions are allocated on a portfolio basis and according to experience, based on the revenue of the previous financial year. Claims against the group resulting from these risks are considered to be likely, and the amount recognised corresponds to a best possible estimate of the value of the claims that can be expected. Since these claims may involve long negotiations as well as legal disputes, it is not possible to accurately predict when payments will actually have to be made.

The most significant item in the remaining other provisions is an amount of EUR 5,960 thousand) for other tax payments expected to be made in 2015 at the earliest. The provision is offset by claims for reimbursement from recourse against insurance companies and third parties of EUR 3,610 thousand (previous year: EUR 1,791 thousand), which are recognised in other assets.

6.13. CORPORATE SCHULDSCHEIN LOAN

In July 2013, Semperit AG Holding issued a corporate Schuldschein loan totalling EUR 125 million with an average issue yield of 2.35%. The loan was placed primarily in Austria and Germany. The resulting cash inflows were primarily used to refinance the acquisition of Latexx Partners Berhad, Malaysia, which was acquired in 2012. In addition, the note provided additional liquidity for the ongoing growth strategy of the Semperit Group.

In the second quarter of 2014, another corporate Schuldschein loan amounting to EUR 2 million was issued, comprising the same conditions as the 10-year fixed-interest tranche of the first corporate Schuldschein loan to "Privatstiftung zur Förderung der Gesundheit von Beschäftigten der Semperit AG Holding". This means that the total nominal volume now amounts to EUR 127 million.

The first corporate Schuldschein loan consisted of several tranches, the loan to the "Privatstiftung zur Förderung der Gesundheit von Beschäftigten der Semperit AG Holding" of one tranche. Both corporate Schuldschein loans have the following features:

Tranche	Nominal value in EUR thousand	Carrying amount (clean price) 31.12.2014 ¹⁾ in EUR thousand	Accrued interests 31.12.2014 in EUR thousand	Carrying amount total 31.12.2014 in EUR thousand	Interest rate 31.12.2014 in %	Maturity	Hedged amounts in EUR thousand
5-year fixed interest	13,500	13,461	147	13,608	2.50%	25.7.2018	-
5-year variable interest	36,500	36,396	275	36,671	1.57%	25.7.2018	15,330
7-year fixed interest	27,500	27,412	368	27,780	3.07%	24.7.2020	-
7-year variable interest	35,500	35,387	299	35,686	1.77%	24.7.2020	14,910
10-year fixed interest	14,000	13,959	246	14,205	3.65%	25.7.2023	-
	127,000	126,615	1,335	127,950			30,240

¹⁾ excluding accrued interest

Tranche	Nominal value in EUR thousand	Carrying amount (clean price) 31.12.2013 ¹⁾ in EUR thousand	Accrued interests 31.12.2013 in EUR thousand	Carrying amount total 31.12.2013 in EUR thousand	Interest rate 31.12.2013 in %	Maturity	Hedged amounts in EUR thousand
5-year fixed interest	13,500	13,451	141	13,592	2.50%	25.7.2018	-
5-year variable interest	36,500	36,368	263	36,631	1.74%	25.7.2018	15,330
7-year fixed interest	27,500	27,398	352	27,750	3.07%	24.7.2020	-
7-year variable interest	35,500	35,368	286	35,654	1.94%	24.7.2020	14,910
10-year fixed interest	12,000	11,954	183	12,137	3.65%	25.7.2023	-
	125,000	124,539	1,225	125,764			30,240

¹⁾ excluding accrued interest

To hedge interest rate risk resulting from the corporate Schuldschein loan, interest rate swaps were concluded for a portion of the variable tranches (see note 8 Risk management - Interest rate risk management). As at 31 December 2014, the hedged nominal amounts total EUR 30,240 thousand (previous year: EUR 30,240 thousand).

The interest for the corporate Schuldschein loan, payable in January 2015 (payable semi-annually), was accrued on a pro-rata basis for EUR 1,335 thousand (previous year: EUR 1,225 thousand) and recognised in the consolidated balance sheet as current liabilities from the corporate Schuldschein loan. The difference between the carrying amount excluding interest (clean price) and the nominal amount is the transaction costs of the issue. This difference

is then allocated over the term of the corporate Schuldschein loan in accordance with the effective interest rate method.

6.14. LIABILITIES TO BANKS

The liabilities to banks are recognised at amortised cost and consist of the following:

	Effective interest rate	Currency	Nominal value in local currency	Carrying amount in EUR thousand	Thereof non-current	31.12.2014 Thereof current
Variable-interest liabilities to banks	0.9 –1.0%	USD thousand	4,000	3,295	0	3,295
	3.0 –5.0%	MYR thousand	26,652	6,275	0	6,275
	0%	GBP thousand	9	11	0	11
				9,581	0	9,581

	Effective interest rate	Currency	Nominal value in local currency	Carrying amount in EUR thousand	Thereof non-current	31.12.2013 Thereof current
Fixed-interest liabilities to banks	3.2 –3.3%	MYR thousand	1,214	269	128	141
Variable-interest liabilities to banks	0.9 –2.0%	USD thousand	11,535	8,373	0	8,373
	1.0 –5.0%	MYR thousand	22,068	4,888	0	4,888
				13,261	0	13,261
				13,530	128	13,402

In December 2014, a framework loan agreement for EUR 250,000 thousand with a term of five years was concluded with a consortium of six banks. At the reporting date no use had yet been made of this framework loan agreement.

6.15. OTHER FINANCIAL LIABILITIES

The carrying amounts of the other financial assets break down as follows:

in EUR thousand	Total 31.12.2014	Thereof non-current	Thereof current	Total 31.12.2013	Thereof non-current	Thereof current
Loans from non-controlling shareholders of subsidiaries	141	0	141	1,668	0	1,668
Liabilities from finance leases	199	98	101	3,131	1,525	1,606
Derivatives	1,999	1,289	710	373	113	260
Personnel liabilities	4,305	0	4,305	4,484	0	4,484
Accruals and deferrals	4,171	0	4,171	3,876	0	3,876
Remaining other financial liabilities	7,267	751	6,516	9,798	4,160	5,639
	18,082	2,138	15,944	23,330	5,798	17,532

The item "other financial liabilities" includes current liabilities from acquisition of exclusive rights of representation of EUR 2,510 thousand (previous year: non-current EUR 2,510 thousand, current EUR 2,510 thousand).

The liabilities from finance leases as at 31 December 2014 break down as follows:

in EUR thousand	31.12.2014			31.12.2013		
	Term to maturity of under 1 year	Term to maturity of 1 to 5 years	Term to maturity of over 5 years	Term to maturity of under 1 year	Term to maturity of 1 to 5 years	Term to maturity of over 5 years
Total future minimum leasing payments	108	103	0	1,780	1,582	0
Interest portion	-7	-4	0	-174	-57	0
Present value of the minimum leasing payments	101	98	0	1,606	1,525	0

6.16. OTHER LIABILITIES

The carrying amounts of the other liabilities break down as follows:

in EUR thousand	31.12.2014			31.12.2013		
	Total	Thereof non-current	Thereof current	Total	Thereof non-current	Thereof current
Liabilities from taxes and social security contributions	5,879	0	5,879	4,833	0	4,833
Prepayments received	1,471	0	1,471	1,288	0	1,288
Accrued income	202	164	38	213	176	37
Unused holidays and overtime balances	4,989	223	4,765	4,187	180	4,008
All other liabilities	1,117	317	801	1,475	303	1,172
	13,659	704	12,955	11,995	658	11,337

6.17. DISCLOSURES ON FINANCIAL INSTRUMENTS

The following tables show the carrying amounts of the individual financial assets and liabilities classified in accordance with the valuation categories stipulated in IAS 39.9.

Assets

in EUR thousand	Valuation category IAS 39	Carrying amount	Carrying amount
		31.12.2014	31.12.2013
Trade receivables	Loans and receivables	112,965	111,230
Other financial assets			
Securities	Available-for-sale	6,599	7,277
Loans to associated companies	Loans and receivables	563	563
Other loans	Loans and receivables	6	6
Derivative financial instruments	Held for trading	2	219
Other financial assets	Loans and receivables	4,843	2,497
Cash and cash equivalents			
Cash on hand, cheques and cash deposits in banks	-	115,574	152,948
Short-term investment	Loans and receivables	0	29,606

Liabilities

in EUR thousand	Valuation category IAS 39	Carrying amount 31.12.2014	Carrying amount 31.12.2013
Corporate Schuldschein loan	Liabilities at amortised cost	127,950	125,764
Liabilities from redeemable non-controlling interests	Liabilities at amortised cost	37,303	102,409
Trade payables	Liabilities at amortised cost	80,829	73,067
Liabilities to banks	Liabilities at amortised cost	9,581	13,530
Other financial liabilities			
Derivative financial liabilities	Held for trading	359	177
Derivative financial liabilities	Designated as a hedging instrument	1,640	196
Liabilities from finance leases	Liabilities at amortised cost	199	3,131
Other financial liabilities	Liabilities at amortised cost	15,884	19,826

Fair value

The three levels in the fair value hierarchy are defined as follows:

Level 1: measurement based on quoted prices on an active market for a specific financial instrument.

Level 2: measurement based on quoted market prices for similar instruments or on the basis of valuation models based exclusively on input factors that are observable on the market.

Level 3: measurement based on models with significant input factors that are not observable on the market.

In 2014 there were no reclassifications of financial instruments between the above mentioned levels.

Assets and liabilities at fair value

Financial instruments at fair value include securities and derivative financial instruments.

in EUR thousand	Valuation category IAS 39	Fair value 31.12.2014	Fair value 31.12.2013	Level
Assets				
Securities	Available-for-sale	6,599	7,277	1
Derivative financial instruments	Held for trading	2	219	2
Liabilities				
Derivative financial liabilities	Held for trading	359	177	2
Derivative financial liabilities	Designated as a hedging instrument	1,640	196	2

The fair values of available-for-sale securities are determined using publicly available prices.

The derivative financial instruments held for trading purposes are forward foreign exchange transactions. Their fair values are determined using generally accepted financial valuation models (e.g. determination of the present value of expected future cash flows based on current foreign exchange rates and yield curves).

The derivative financial instruments designated as hedges are interest rate swaps. Their fair value is determined using generally accepted financial valuation models, in which future cash flows are simulated using the yield curves published at the balance sheet date. In addition, the carrying amount is adjusted to take into account the credit risk of the respective counterparty. When doing so, positive exposures are measured considering the default risk of the counterparty, while negative exposures are measured considering the group's own default risk.

Assets and liabilities not measured at fair value

The fair value of all other financial assets and liabilities, except for the following items and liabilities from redeemable non-controlling interests, corresponds to their carrying amount.

In EUR thousand	Valuation category IAS 39	Fair value 31.12.2014	Fair value 31.12.2013	Level
Liabilities				
Corporate Schuldschein loan	Liabilities at amortised cost	141.227	132.990	3
Liabilities from finance leases	Liabilities at amortised cost	195	3.215	3

The fair value of the corporate Schuldschein loan was determined by discounting the contractual payment streams with current interest rates. The comparable interest rates as at the reporting date were derived from capital market yields with similar maturities and then adjusted for current risk and liquidity costs that are observable on the market. These comparable interest rates were derived based on management's current assessment of the rating of the Semperit Group. The difference between carrying value and fair value is, on the one hand, the result of a very significant decrease since the issue of the corporate Schuldschein loan in the banks' refinancing costs (as part of the cost of corporate financing through banks) due to the measures taken by the ECB, such as medium-term refinancing tenders for banks at a current interest rate of 0.05% p.a. and the significant decrease in risk premiums in the course of the ECB's quantitative easing measures. On the other hand, the positive wording of several clauses in the corporate Schuldschein loan contract, which deviate from a standard loan, is in Semperit's favour.

For existing fixed-interest finance lease liabilities, current third-party interest rates were queried and then compared with the contractually agreed interest rates. As a result, the difference between the carrying amount and the fair value shows the margin between the contractually agreed historical return and the return currently available on the market. The finance lease liabilities are shown under the item "other financial liabilities."

For information on the valuation of redeemable non-controlling interests, see note 2.12. The calculation of the fair value would require a disproportionately high effort and is thus not disclosed in this report.

7. Consolidated cash flow statement

The consolidated cash flow statement is created using the indirect method and shows how the cash and cash equivalents of the Semperit Group changed in the course of the financial year. Cash and cash equivalents correspond to those recognised in the consolidated balance sheet (see note 6.7.).

Investments in tangible and intangible assets recognised in the consolidated cash flow statement are cash-effective investments in the 2014 financial year. These include investments from the previous year amounting to EUR 6,648 thousand (previous year: 2,121 thousand) which became cash-effective in the 2014 financial year.

The additions in the statement of changes in tangible and intangible assets (see notes 6.1. and 6.2.) amounting to EUR 75,156 thousand (previous year: EUR 56,985 thousand) include investments totalling EUR 7,400 thousand (previous year: EUR 9,391 thousand) that did not result in cash outflows in the 2014 financial year.

The investments in tangible and intangible assets were made to expand production capacities, particularly in the Sempermed and Semperflex segments, and to modernise existing facilities.

Cash flow from financing activities includes an inflow of EUR 2,000 thousand from the issue of a new corporate Schuldschein loan in the second quarter of 2014 (see note 6.13.), an outflow from the repayment of financial liabilities totalling EUR 9,509 thousand from Sempermed USA Inc. and the Latexx Group (see note 6.14.) and the dividend paid out in the 2014 financial year to the shareholders of Semperit AG Holding of EUR 1.20 per share, totalling EUR 24,688 thousand.

There was also an outflow of funds due to distribution of dividends to non-controlling interests in subsidiaries amounting to EUR 15,270 thousand (previous year: EUR 12,391 thousand).

Cash flow from financing activities also contains the cash outflows associated with the acquisition of an additional investment in Latexx Partners Berhad totalling EUR 479 thousand (see note 3.5.).

8. Risk management

The internationalisation of Semperit's business has naturally caused the risk potential to grow. Consequently, this is an issue on which the group has increased its focus. The most important market risks for the group are associated, above all, with the possibility of changes to exchange rates and interest rates. In addition, the risk of a business partner or customer defaulting also represents a risk of loss for the group.

As a group with international activities, Semperit is affected by macroeconomic developments such as general economic trends, tax legislation, environmental regulations and other factors influencing the economies in which the group is active. Unfavourable developments affecting some of these factors can have a negative impact on demand for the group's products, its sales volume and price level. Fluctuations in demand involve the risk of excess capacity, which can put increased pressure on prices and result in uncovered costs and diminishing margins. Consequently, production capacities are constantly compared against market data and order levels and adjusted by means of medium-term measures (such as temporary shutdowns or adjustment of shift schedules).

As a multinational corporation, the Semperit Group has business activities in countries at various stages of economic and social development. Risks can thus develop as a result of unfavourable changes to the political and economic situation. Risks resulting from changes to tax and labour legislation, more rigorous statutory requirements with regard to the use of raw materials and environmental standards, and risks associated with the coordination of international activities resulting from linguistic and cultural differences can have a considerable impact on the group's business activities.

Financial risk management is implemented according to group directives. There is an internal control system in place that meets the requirements of the industrial group and which is suitable for monitoring and managing existing financial risks. The main risk management task at Semperit is to recognise emerging risks in a timely manner and take countermeasures quickly. However, the possibility cannot be ruled out that risks are not detected early, resulting in negative consequences for the Semperit Group's finances, assets and earnings.

Capital risk management

The goals of capital management are to ensure the company's continued existence and to enable growth-oriented organic (own business activity without acquisitions) and non-organic (acquisitions) investment activity and dividend policies based on these goals.

The total capital of the Semperit Group consists of equity, including non-controlling interests in subsidiaries (if they relate to equity instruments), liabilities from redeemable non-controlling interests and net financial debt.

To calculate net financial debt, the balance of cash, cash equivalents and available-for-sale securities is deducted from the balance of interest-bearing financial liabilities (corporate Schuldschein loan, liabilities to banks, loans from non-controlling shareholders from subsidiary companies, liabilities from finance leases).

As at 31 December 2014 net financial debt was EUR 15,698 thousand. Semperit Group had net financial liquidity at 31 December 2013 totalling EUR 45,737 thousand.

The group is not subject to any statutory requirements with regard to a minimum level of equity, a minimum equity ratio or a maximum level of gearing.

The group is subject to certain loan agreement requirements related to the consolidated financial statements. These requirements include a minimum equity ratio and a maximum level of indebtedness. As at 31 December 2014, the corresponding requirements were complied with.

Given the group's organic and non-organic growth strategy, the Semperit Group has decided not to establish a firmly defined target capital structure because different capital structures could be needed. Management aims to ensure that the group has a sustainably robust capital structure.

Interest rate risk management

In the course of the company's business operations, equipment, investments and acquisitions are funded using interest bearing liabilities. Due to the increased need for financing because of the successful expansion steps that have been undertaken so far, changes in interest rates have greater effect on the financial result, cash flows and the measurement of financial liabilities within the Semperit Group. The risk related to fixed-interest financial instruments is that the market value will be negatively impacted in the event of interest rate changes. In the case of variable-interest financial instruments, the risk is that fluctuations in cash flows can adversely affect the balance of cash and cash equivalents, and the planning of future cash flows.

In order to minimise the cash flow risk associated with financial liabilities, interest rate swaps were undertaken in the previous year that hedge a portion of the variable-interest components of the corporate Schuldschein loan raised in the previous year into fixed-interest tranches. Based on these hedging measures, unforeseen negative effects on the financial result and interest payments are limited.

As at 31 December 2014, the interest rate swaps had the following values:

Hedged variable-interest bond tranches	Hedged amounts in EUR thousand	Fair value 31.12.2014 in EUR thousand	Accrued interests 31.12.2014 in EUR thousand	Total fair market value 31.12.2014 in EUR thousand	Variable interest rate in %	Fixed interest rate in %
5 years until 25.7.2018	15,330	-495	-68	-563	0.31%	1.31%
7 years until 24.7.2020	14,910	-984	-93	-1,077	0.31%	1.71%
	30,240	-1,479	-161	-1,640		

Hedged variable-interest bond tranches	Hedged amounts in EUR thousand	Fair value 31.12.2013 in EUR thousand	Accrued interests 31.12.2013 in EUR thousand	Total fair market value 31.12.2013 in EUR thousand	Variable interest rate in %	Fixed interest rate in %
5 years until 25.7.2018	15,330	-53	-37	-90	0.24%	1.31%
7 years until 24.7.2020	14,910	-60	-46	-106	0.34%	1.71%
	30,240	-113	-83	-196		

The fair value including accrued interest is reported in the consolidated balance sheet in the item "other financial liabilities".

The variable interest rates of the interest rate swaps and the variable-interest tranches of the corporate Schuldschein loan are based on 6-month EURIBOR.

The interest rate swaps are accounted for as cash flow hedges in accordance with IAS 39. In order to apply hedge accounting in accordance with IAS 39, the hedging strategy must be documented and the effectiveness of the hedges must be measured both retrospectively and prospectively. The prospective test was successful because of the counteracting variable-interest conditions of the corporate Schuldschein loan tranches versus the interest rate swaps. The retrospective effectiveness test was performed based on the dollar-offset method using a hypothetical derivative calculation. In determining the fair value of the interest rate derivatives the default risk of the Semperit Group and the counterparty were also taken into account using DVA (debit value adjustment) and CVA (credit value adjustment).

The effective part of the cash flow hedge amounting to EUR 1,460 thousand (previous year: EUR 100 thousand) was recognised in "other comprehensive income". The ineffective portion in the amount of EUR 85 thousand (previous year: EUR 13 thousand) was recognised in profit and loss, and is reported in the consolidated income statement under "financial expenses".

The current balance of interest rate risks is derived from the interest-bearing financial instruments as at the balance sheet date, taking into account hedging using interest rate derivatives. The interest rate profile of the group's interest-bearing financial instruments is shown below:

in EUR thousand	31.12.2014		31.12.2013	
	Fixed interest	Variable interest	Fixed interest	Variable interest
Financial assets	27,726	70,909	82,515	77,962
Financial liabilities	85,580	51,330	88,308	55,021
	113,306	122,239	170,824	132,983

The focal point of the interest rate sensitivity analysis is the risk arising from variable-interest financial instruments. It is assumed that the variable-interest assets and liabilities have been outstanding for a full year at the reporting date. When performing this analysis, an increase and a decrease in interest rates of 100 basis points are simulated. The resulting effects on the financial result are shown below:

in EUR thousand	Balance	31.12.2014 Sensitivity to changes in interest rates by		Balance	31.12.2013 Sensitivity to changes in interest rates by	
		+100 basis points	-100 basis points ¹⁾		+100 basis points	-100 basis points ¹⁾
Variable-interest financial assets	70,909	709	-182	77,962	780	-342
Variable-interest financial liabilities	51,330	-513	451	55,021	-550	545
	122,239	196	269	132,983	229	203

¹⁾ For interest rates below 1%, negative interest rates are not taken into account.

In addition to the variable-interest financial instruments, a shift in the yield curve also had an effect on the interest rate derivatives that were acquired to hedge portions of the fixed-interest tranches of the corporate Schuldschein loan. As these interest rate swaps are designated as cash flow hedges, any remeasurement gains and losses, if they are effective, must be disclosed in equity. A shift in the yield curve by +100 basis points would have resulted in an increase in equity by EUR 1,307 thousand (previous year: EUR 1,537 thousand).

Liquidity risk management

The monitoring and management of financial risks are important components of Semperit's group-wide controlling and accounting system.

The ongoing improvement of treasury guidelines and information systems helps Semperit to identify financial risks at a very early stage and, if necessary, ensure that countermeasures are initiated. The liquidity situation is monitored by means of weekly and monthly analysis of transactions of payments and by planning future income and expenditure. The net liquidity thus calculated forms the basis for the planning of investment decisions and the associated capital commitment.

Liquidity not needed in the short term is invested at low risk (fixed deposits). Nevertheless, developments in the financial markets can have a negative impact on the prices of securities in which Semperit has invested – even to the extent that they are no longer tradable. This, in turn, can have a negative impact on earnings and equity as a result of the devaluations or allowances that have to be made.

The maturities of the undiscounted contractual cash flows from financial liabilities break down as follows:

31.12.2014 in EUR thousand	Total	Up to 1 month	2 to 3 months	4 to 12 months	1 to 5 years	Over 5 years
Corporate Schuldschein loan	144,009	1,437	0	1,437	60,593	80,543
Liabilities to banks	10,021	2,103	7,478	439	0	0
Trade payables	80,186	48,807	28,298	2,541	89	451
Derivatives	2,524	212	379	224	1,475	234
Liabilities from finance leases	211	8	24	72	106	0
Other financial liabilities	15,892	6,718	5,095	3,328	717	35

31.12.2013 in EUR thousand	Total	Up to 1 month	2 to 3 months	4 to 12 months	1 to 5 years	Over 5 years
Corporate Schuldschein loan	144,931	1,468	0	1,468	61,745	80,249
Liabilities to banks	14,310	3,778	9,590	87	590	264
Trade payables	73,088	32,772	34,666	5,273	87	290
Derivatives	373	186	72	2	53	60
Liabilities from finance leases	3,304	177	354	1,209	1,564	0
Other financial liabilities	20,391	6,779	2,236	6,906	3,514	956

Default / Credit risk management

Credit risks arise when the other parties to transactions do not meet their obligations, resulting in a financial loss for the group. Semperit's internal financial and treasury directives impose strict requirements with regard to financial partners' creditworthiness. Credit risks and the risk of parties to a contract delaying payment or defaulting are checked both when business relationships are entered into and during ongoing business relationships by means of credit checks, credit limits and audit routines.

In addition, the default risk is largely limited by credit insurance and in certain cases through bank collateral (bank guarantees). If credit limits are exceeded or payments delayed, deliveries are halted and only resumed once specific conditions are met and on the order of authorised individuals specified in Semperit Group directives. Since there are also credit risks for financial partners with excellent creditworthiness, developments in the financial markets are monitored continuously and the credit limits are adjusted accordingly.

The default risk associated with receivables from customers is assessed as low since their creditworthiness is monitored continuously. Furthermore, the diversified customer structure means that risk is not concentrated on individual customers. The maximum default risk, considering for credit insurance agreements, is EUR 40,190 thousand, and the ratio to the carrying amount is unchanged from the previous year:

The default risk associated with liquid funds is low, since the group's contracting parties are largely banks with very good credit ratings from international credit rating agencies. To further minimise the risk, defined maximum amounts are set for each contracting party.

The credit default risk associated with financial assets is taken into account by means of allowances.

Without taking into account the risk minimisation strategy described above, the group's maximum default risk corresponds to the carrying amount of its recognised financial assets, which can be broken down into the valuation categories in IAS 39.

Currency risk management

There are also currency risks associated with Semperit's operational activities. These risks arise from financial instruments that are denominated in a currency that is different to the functional currency of the respective company. In addition to operational measures, derivative financial instruments – foreign exchange forward transactions in particular – are employed to limit and manage these risks.

The translation of foreign separate financial statements into the euro as the reporting currency results in foreign currency translation differences (translation risk) of EUR 18,388 thousand, which was reported in "other comprehensive income". This includes non-controlling interests of EUR 178 thousand. This led to a change in the foreign currency translation reserve from EUR -17,204 thousand as at 31 December 2013 to EUR 1,005 thousand as at 31 December 2014. The carrying amounts of assets and liabilities belonging to subsidiaries not based in the Eurozone and the contribution of these subsidiaries to the earnings of the group depend to a significant degree on the exchange rate between the euro and the functional currency used by these subsidiaries. Translation risk is not taken into account in the following disclosures under IFRS 7.

The following breakdown of the Semperit Group's revenue into key currencies (as a percentage of overall revenue) shows that in 2014, 50.6% (previous year: 46.8%) of sales was realised in a foreign currency.

in % of Group's revenue	2014	2013
EUR	49.4%	53.2%
USD	30.7%	31.5%
THB	10.4%	6.7%
CNY	2.2%	2.3%
GBP	2.2%	1.8%
INR	1.8%	1.8%
PLN	1.4%	0.5%
MYR	0.5%	0.7%
Other	1.4%	1.4%

A significant portion of the group's earnings is generated by subsidiaries that are not headquartered in the eurozone.

The group's financial management is committed to avoiding currency risks as much as possible by coordinating payment flows.

The table below shows the derivative financial instruments used to hedge against currency risk by company, type of forward transaction and hedged currency. These are exclusively forward sales.

31.12.2014	Country	Type of transaction	Currency	Hedge amount ¹⁾	Hedge rate ²⁾	Fair value in EUR thousand 31.12.2014	Range of remaining days to maturity in days
Semperflex Optimit s.r.o.	Czech Republic	Forward exchange	EUR	2,378,000	27.72	-7	9-44
Sempertrans Bełchatów Sp. z o.o.	Poland	Forward exchange	EUR	26,000,000	4.24	-302	2-176
Semperit Technische Produkte GmbH	Austria	Forward exchange	GBP	900,000	0.80	-32	15-43
Semperit Technische Produkte GmbH	Austria	Forward exchange	HUF	150,000,000	317.06	1	15-36
Latexx Partners Berhad	Malaysia	Forward exchange	USD	1,000,000	3.50	0	16-30
Semperflex Asia Corp. Ltd.	Thailand	Forward exchange	USD	811,220	32.08	-17	20

¹⁾ Refers to the total amount of all existing derivative financial instruments as at the end of the reporting period.

²⁾ Refers to the weighted average rate derived from all existing derivative financial instruments as at the end of the reporting period.

31.12.2013	Country	Type of transaction	Currency	Hedge amount ¹⁾	Hedge rate ²⁾	Fair value in EUR thousand 31.12.2013	Range of remaining days to maturity in days
Semperflex Optimit s.r.o.	Czech Republic	Forward exchange	EUR	4,334,000	27.36	-9	8-50
Sempertrans Bełchatów Sp. z o.o.	Poland	Forward exchange	EUR	18,000,000	4.22	211	2-120
Semperit Technische Produkte GmbH	Austria	Forward exchange	GBP	1,900,000	0.85	-36	16-107
Semperit Technische Produkte GmbH	Austria	Forward exchange	HUF	400,000,000	299.36	-6	9-120
Latexx Partners Berhad	Malaysia	Forward exchange	USD	13,300,000	3.25	-87	2-58
Siam Sempermed Corp. Ltd.	Thailand	Forward exchange	USD	2,092,877	32.49	-28	132-155
Semperflex Asia Corp. Ltd.	Thailand	Forward exchange	USD	50,000	31.41	-2	122

¹⁾ Refers to the total amount of all existing derivative financial instruments as at the end of the reporting period.

²⁾ Refers to the weighted average rate derived from all existing derivative financial instruments as at the end of the reporting period.

The derivatives are reported as instruments held for trading rather than as hedges because the prerequisites for hedge accounting in accordance with IAS 39 are not met. The fair values are reported in the consolidated balance sheet as "other financial assets" or "other financial liabilities".

In terms of currency risk, sensitivity analyses of monetary items that deviate from the functional currency are prepared for measurement at the reporting date. When doing so, the effects on profit are determined based on hypothetical changes in exchange rates for each currency pair. The basis takes into account the receivables and liabilities in the currency pair in question at the reporting date and the currency derivatives. A uniform change in the range of price fluctuation was not assumed; instead, the appropriate fluctuation ranges for each currency pair were determined based on historical fluctuations during the year.

The following table shows the effects of currency appreciation and devaluation of the major currencies versus the euro.

Change in currency to EUR	Calculated fluctuation range	Impact on profit from price increase in EUR thousand	2014 Impact on profit from price decrease in EUR thousand	Calculated fluctuation range	Impact on profit from price increase in EUR thousand	2013 Impact on profit from price decrease in EUR thousand
	in %			in %		
USD	9%	361	-361	4%	-252	252
THB	8%	56	-56	8%	209	-209
PLN	2%	-114	114	3%	88	-88
CZK	1%	31	-31	4%	-110	110
HUF	2%	9	-9	4%	-55	55
GBP	4%	248	-248	3%	-192	192
CNY	9%	229	-229	3%	-71	71
INR	7%	-185	185	14%	-262	262
MYR	7%	-78	78	7%	-32	32
SGD	6%	5	-5	4%	21	-21

Change in currency to USD	Calculated fluctuation range	Impact on profit from price increase in EUR thousand	2014 Impact on profit from price decrease in EUR thousand	Calculated fluctuation range	Impact on profit from price increase in EUR thousand	2013 Impact on profit from price decrease in EUR thousand
	in %			in %		
THB	2%	127	-127	6%	915	-915
PLN	8%	516	-516	5%	181	-181
CZK	8%	70	-70	4%	-8	8
BRL	10%	6	-6	12%	3	-3
CNY	2%	54	-54	2%	29	-29
INR	3%	0	0	12%	-27	27
MYR	5%	362	-362	5%	78	-78

9. Other commitments and risks

CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

There are only contractual-performance, warranty and advance-payment guarantees that are normal in the industry or business.

In addition, there are liabilities from the use of tangible assets not reported in the balance sheet that are based on tenancy or lease agreements, as well as liabilities related to the acquisition of tangible assets based on contractually binding investment projects involving tangible assets (see note 6.2.).

LEGAL DISPUTES

Various companies in the group are the defendant in cases in which the plaintiffs claim to have incurred damages caused by products of the defendant. The Semperit Group rejects all of these claims as being unjustified. None of the cases is currently at a stage at which the outcome can be estimated with a sufficient degree of probability. The management of the Semperit Group does not expect these cases to significantly impair the asset, financial and earnings position, also because of the insurance cover that is in place.

One group company is involved in unfair competition proceedings. The case is currently not at a stage at which the outcome can be estimated with a sufficient degree of probability. The case is being heard before the authorities in consultation with local specialists. The subsidiary is cooperating with the competent authorities and is providing every assistance required. The management of the Semperit Group does not expect these cases to significantly impair the asset, financial and earnings position. Appropriate provision has been made for the anticipated costs. The amount is reviewed periodically for any need for adjustment.

Detailed information on the specific financial effects would seriously weaken the position of the Semperit Group in asserting its interests in the current legal proceedings, and is therefore omitted in application of IAS 37.92.

LEGAL DISPUTES WITH THE JOINT VENTURE PARTNER SRI TRANG AGRO-INDUSTRY PUBLIC CO LTD.

Since 2014, the Semperit Group has been conducting several legal proceedings at domestic courts in Thailand and at international arbitration tribunals located in Zurich based on the rules of the International Chamber of Commerce (ICC). These litigations relate in particular to the competencies and internal organisation of the Board of Directors (BoD) being the supervisory body of Siam Sempermed Corp. Ltd. (SSC), a joint venture in Thailand. They also concern the business management of SSC, SSC's business relationships with group subsidiaries of the Thai joint venture partner Sri Trang Agro-Industry Public Co Ltd. (Sri Trang), and the exclusive distribution rights of the Semperit Group. The opposing parties in the arbitration proceedings are the contracting parties in the joint venture agreements and SSC itself. In the proceedings at Thai courts, the opposing parties are the BoD members who have been nominated by Sri Trang. Semperit is the plaintiff in the ICC proceedings. The BoD members appointed by Semperit are the defendants in most of the proceedings at Thai courts.

The dispute's core issue is that the members of the SSC's BoD who have been nominated by the joint venture partner Sri Trang are currently hindering the exercise of control by Semperit. According to Sri Trang's interpretation of the law, all resolutions in the BoD can be prevented, first by preventing a quorum at meetings of the BoD through the absence of Sri Trang's nominees, and second, by convening an Annual General Meeting of the SSC to include agenda points that have already been placed on the agenda of a BoD meeting. Semperit, based on several legal assessments, believes that (i) a quorum cannot be permanently prevented since in such a case, an appropriate procedure becomes applicable allowing for a quorum of the BoD if all BoD members nominated by Semperit are present, and (ii) the Annual General Meeting is entitled to prevent BoD decisions only based on positive shareholder resolutions, which cannot, however, be taken without the involvement of Semperit. In order to clarify these issues, among other things, Semperit has referred them to the aforementioned arbitration tribunals.

Due to this inability to exercise control over SSC and the assessment of a loss of control under IFRS 10.B24, Semperit decided to change the method of consolidation for SSC as of 31 December 2014 from a full consolidation approach to the equity method in accordance with IFRS 11/IAS 28.

At present, the legal proceedings are mostly still at an early stage; the arbitrators have constituted at the start of 2015. Except for the injunctions which are being sought, a conclusion of the proceedings in the near future is unlikely.

In January 2015, a director nominated by Sri Trang for the BoD of Sempermed USA Inc. (SUSA) issued a legal challenge in Delaware, USA, against a resolution adopted by the BoD of SUSA based on the BoD's right to cast a deciding vote. The director sought an injunction against this decision. The request for an injunction was not granted by the competent court, but a hearing was ordered to deal with the lawsuit, scheduled probably sometime in the following 90 to 120 days.

The Semperit Group continues to anticipate that its interpretation of the law will be confirmed in these proceedings. The costs for the ongoing proceedings are being expensed as incurred. Appropriate provisions have been set up for the expected costs of the proceedings in which Semperit is the defendant.

Detailed information on the specific financial effects would seriously weaken the position of the Semperit Group in asserting its interests in the current legal proceedings, and is therefore omitted in application of IAS 37.92.

10. Related-party transactions with companies, individuals and co-partners

10.1. RELATED-PARTY TRANSACTIONS WITH COMPANIES AND INDIVIDUALS

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

B & C Semperit Holding GmbH is the direct majority shareholder of Semperit AG Holding, and B & C Privatstiftung is the dominant legal entity. B & C Industrieholding GmbH is the shareholder holding an indirect majority stake which draws up and publishes consolidated financial statements in which the Semperit Group is consolidated. Under IAS 24, B & C Privatstiftung and all 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 AG Holding, the managing directors and Supervisory Board members of all companies which directly or indirectly hold a majority stake in Semperit AG Holding, and finally the members of the Management Board of B & C Privatstiftung and the close family members of these management and Supervisory Board members and managing directors.

Compensation paid to members of the Management Board is shown in note 5.4. The Supervisory Board compensation for the 2014 financial year consists of basic compensation, compensation for the members for each committee, and an attendance fee for each meeting. In the 2014 financial year, the remuneration paid to members of the Supervisory Board amounted to EUR 269 thousand (previous year: EUR 205 thousand).

Business to a total value of EUR 558 thousand was conducted with unit-it GmbH (an indirect investment of B & C Industrieholding GmbH) in the 2014 financial year. This related to the purchase and maintenance of SAP licences and was conducted at arms-length conditions. As at 31 December 2014 there are not outstanding liabilities to the company.

A long-term loan was granted to the associated company Synergy Health Allershausen GmbH, which as at 31 December 2014 totalled EUR 563 thousand (previous year: EUR 563 thousand).

Several fully-consolidated subsidiaries maintain business relationships with the joint venture Siam Sempermed Corp. Ltd. As at 31 December 2014 there were trade receivables of EUR 859 thousand and trade payables of EUR 21,539 thousand. There are no financing agreements.

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

10.2. TRANSACTIONS WITH CO-PARTNERS

The fully consolidated companies Semperflex Asia Corp. Ltd., Shanghai Semperit Rubber & Plastic Products Co. Ltd. and Semperflex Shanghai Ltd. conduct business with the non-controlling co-partner of these subsidiaries, Sri Trang Agro-Industry Public Co Ltd., at customary 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 customary market conditions.

10.3. MANAGEMENT BOARD MATTERS

In March 2014 the Supervisory Board appointed Declan Daly to be a member of the Management Board of Semperit AG Holding for a three year period; his mandate began on 1 June 2014. Mr Daly is responsible for all IT-related issues, general process optimisation and business excellence within the Semperit Group.

The Management Board mandate of Richard Ehrenfeldner as CTO was extended by the Supervisory Board from December 2014 to 31 May 2018.

11. Events after the balance sheet date

On 19 March 2015, Semperit finalised a purchase agreement to acquire Leeser GmbH & Co. KG (Leeser). Leeser is a manufacturer of high-quality rubber seals with two production sites near Düsseldorf, Germany. The acquisition is subject to anti-trust approvals. The closing of the transaction is expected in the second quarter of 2015. Going forward, Leeser will be assigned to the Semperform segment.

Vienna, 24 March 2015

The Management Board



Thomas Fahnemann
Chairman of the Management Board



Johannes Schmidt-Schultes
Chief Financial Officer



Richard Ehrenfeldner
Chief Technical Officer



Declan Daly
Chief Information Officer

AUDITOR'S REPORT¹⁾

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Semperit Aktiengesellschaft Holding, Vienna, for the fiscal year from 1 January 2014 until 31 December 2014. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2014, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year ended 31 December 2014, as well as a summary of the significant accounting and valuation principles applied and other disclosures.

Management's responsibility for the consolidated financial statements and for the accounting system

The Company's management is responsible for the group accounting system and for the preparation of a true and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and description of type and scope of the statutory audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and in accordance with International Standards on Auditing (ISA), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

¹ Publication of the consolidated financial statements together with our auditor's opinion may only be made if the consolidated financial statements and the consolidated management report are identical with the audited version attached to this report.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as at 31 December 2014 and of its financial performance and its cash flows for the fiscal year from 1 January 2014 to 31 December 2014 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

COMMENTS ON THE CONSOLIDATED MANAGEMENT REPORT

Pursuant to statutory provisions, the consolidated management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the consolidated management report is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the consolidated management report is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 24 March 2015

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Ms. Gerhard Schwartz m.p.
Certified Auditor

Ms. Hans-Erich Sorli m.p.
Certified Auditor

Balance sheet of Semperit AG Holding

as at 31.12.2014

in EUR thousand	31.12.2014	31.12.2013
ASSETS		
Fixed assets		
Intangible assets	3,975	893
Tangible assets	997	730
Financial assets	183,103	188,801
	188,076	190,425
Current assets		
Receivables from affiliated companies	141,406	42,411
Receivables from joint ventures	129	0
Other receivables	4,481	3,012
Cash on hand, bank deposits	27,461	22,998
	173,477	68,421
Accruals and deferrals	419	407
ASSETS	361,972	259,253
LIABILITIES		
Equity		
Share capital	21,359	21,359
Capital reserves	21,540	21,540
Revenue reserves	33,299	34,399
Net profit for the period	123,572	24,754
	199,770	102,052
Untaxed reserves	1	1
Provisions		
Provisions for severance payments	2,502	2,352
Provisions for pensions	17,231	15,532
Tax provisions	1,071	1,071
Other provisions	9,358	8,634
	30,163	27,590
Liabilities		
Corporate Schuldschein loan	128,335	126,225
Trade payables	2,036	2,431
Liabilities to affiliated companies	497	599
Other liabilities	1,171	356
	132,039	129,611
LIABILITIES	361,972	259,253
Contingent liabilities	863	1,416

Income statement of Semperit AG Holding

for the financial year from 1.1.2014 to 31.12.2014

in EUR thousand	2014	2013
Revenue	12,941	9,916
Other own work capitalised	424	0
Other operating income	3,094	2,319
Personnel expenses	-17,939	-14,192
Depreciation and amortisation of tangible and intangible assets	-424	-254
Other operating expenses	-23,601	-19,909
Earnings before interest and tax (EBIT)	-25,505	-22,121
Income from investments	150,093	50,136
Income from other securities of financial assets	224	202
Interest and related income	5,008	2,184
Gains from the sale and disposal of investments	3	163
Expenses from financial assets	-5,008	-133
Interest and related expenses	-4,942	-2,535
Financial result	145,378	50,018
Result from ordinary business activities	119,873	27,897
Income taxes	2,533	3,275
Earnings after tax	122,405	31,172
Allocation of other reserves	0	-6,900
Release of other reserves	1,100	0
Profit carried forward from the previous year	66	482
Net profit for the period	123,572	24,754

The annual financial statements 2014 of Semperit AG Holding, which were prepared according to Austrian accounting standards and awarded an unqualified audit opinion by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna, were submitted together with all the relevant documentation to the commercial register of the Vienna Commercial Court under the commercial register number 112544 g. These financial statements are included in the Annual Financial Report 2014 in German, which is available for download from the homepage www.semperitgroup.com/ir.

The Management Board proposes to the Annual General Meeting to distribute a dividend of EUR 6.00 per share (basic dividend of EUR 1.10 per share plus a special dividend of EUR 4.90 per share) from the net profit for the period of EUR 123,572 thousand and to carry forward the remaining earnings to the new accounts.

Vienna, 24 March 2015

The Management Board



Thomas Fahnemann
Chairman of the Management Board



Johannes Schmidt-Schultes
Chief Financial Officer



Richard Ehrenfeldner
Chief Technical Officer



Declan Daly
Chief Information Officer

Statement of all legal representatives

PURSUANT TO SECTION 82 (4) LINE 2 OF THE AUSTRIAN STOCK EXCHANGE ACT

We confirm to the best of our knowledge that the consolidated financial statements as at 31 December 2014 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) 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 the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

We confirm to the best of our knowledge that the separate financial statements of Semperit Aktiengesellschaft Holding as at 31 December 2014 prepared in accordance with the Austrian Company Code (UGB) give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, 24 March 2015

The Management Board



Thomas Fahnemann
Chairman of the Management Board



Johannes Schmidt-Schultes
Chief Financial Officer



Richard Ehrenfeldner
Chief Technical Officer



Declan Daly
Chief Information Officer

Group's history

- 1824** Johann Nepomuk Reithoffer awarded patent for "making woollen fabric for clothing watertight"
- 1852** Factory built in Wimpassing, Austria
- 1890** Company listed on the Vienna stock exchange for the first time
- 1900** The "Semperit" name mentioned for the first time
- 1912** Semperit Group established following the merger of several factories
- 1920** Production of latex gloves commenced
- 1985** Group reorganised to concentrate on four business segments
Tire production business sold to Continental
- 1989** First glove factory established in Thailand
Conveyor belt company acquired in France
- 1996** Hydraulic hose production commenced in Thailand
First production facility in China built (handrails)
- 1998** Europe's largest hose factory acquired in the Czech Republic
- 1999** Handrail factory opened in New Jersey, USA
- 2000** Conveyor belt factory acquired in Poland
- 2001** Majority interest acquired in an Indian conveyor belt factory
Hose factory bought in Italy
- 2007** New hose factory opened in China
- 2008** Handrail production relocated in Shanghai, China
Distribution company for medical gloves bought in Brazil
- 2009** Joint venture established for a conveyor belt factory in China
- 2010** New glove factory built in Thailand
Distribution company for hydraulic hoses established in Brazil
- 2011** Porcelain mould production facility established in a joint venture in Malaysia
- 2012** Largest acquisition in the company's history carried out with the purchase of Latexx Partners, a producer of gloves in Malaysia
- 2013** Start of the largest organic investment in the company's history at the conveyor belt plant in Bełchatów, Poland
Semperit becomes the main supplier of conveyor belts to the German energy company RWE
- 2014** Decision and start on a growth investment programme totalling EUR 100 million for 2014-2016

Glossary

A

ATX (Austrian Traded Index)

Leading index of the Vienna Stock Exchange

B

Butadiene

Organic, two-fold unsaturated chemical polymer used in the manufacture of synthetic latex, among other things.

A petrochemical by-product

C

CAGR (Compound Annual Growth Rate)

Average annual growth rate over a specific period of time

Compliance

Conformity with regulations; adherence to rules, guidelines and voluntary codes within a company

Corporate Governance

Rules for the responsible management and control of a company; laid out in the Austrian Corporate Governance Code

D

DAX

German equity index comprising the 30 largest companies

Director's Dealings

Share transactions conducted by the management of exchange-listed companies in the companies' own shares

Directors and Officers (D&O) Insurance

Liability insurance taken out by a company for its boards and executives

Dividend ex day

The day on which the amount of the dividend is deducted from the share price.

Dividend payout ratio

Distribution ratio, share of the profit that is distributed to shareholders in the form of dividends

E

EBIT (Earnings Before Interest and Tax)

Earnings before interest and tax, operating result

EBIT margin

EBITDA in relation to revenue

EBITDA (earnings before interest, tax, depreciation and amortisation)

Earnings before interest, tax, depreciation and amortisation

EBITDA margin

EBITDA in relation to revenue

Elastomer

Form stable but elastically deformable plastics

EPDM (ethylene propylene diene monomer)

Synthetic rubber

Equity ratio

The ratio of shareholders' equity to total assets

Equity consolidation

Joint ventures and associated companies are accounted for using the equity method.

The share in earnings after tax prorated according to the investor's share is disclosed in the income statement under the item "investments in joint ventures and associated companies".

F

Full consolidation

All assets and liabilities, expenses and income of the subsidiaries are included in full in the consolidated financial statements.

If the shareholding is less than 100% the share in equity not attributable to the group is reported either in equity under

non-controlling interests or in debt under redeemable non-controlling interests.

I

IFRS (International Financial Reporting Standards)

Accounting standards developed by the International Accounting Standards Board (IASB). In addition to the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) of the IASB, it also incorporates the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Interpretations of the Standing Interpretations Committee (SIC).

Industrial Sector

The Industrial Sector comprises the Semperflex, Sempertrans and Semperform segments

ISO (International Organization for Standardization)

Institute responsible for coordinating standards worldwide

K

Key Account Management

A type of marketing organisation. Preferred treatment of buyers that hold a key position in relation to a company's success

M

Market capitalisation

Number of shares multiplied by the share price; market value of a company in absolute terms.

Medical Sector

The Medical Sector consists of the segment Sempermed.

N

Natural latex

Milky juice of the rubber tree that is obtained by grazing the bark

Nitrile

Comprehensive term for a group of chemical compounds – basic material for Semperit's synthetic gloves

O

Organisation for Economic Cooperation and Development (OECD)

An organisation of 30 industrial states aiming to promote economic growth and global trade

P

Payout ratio

See dividend payout ratio

Polypropylene (PP)

Thermoplastic weldable polymers made of carbon and hydrogen atoms. They are defined by their great hardness, rigidity and heat resistance and can be disposed of in an environmentally safe manner.

Price-earnings ratio

Share price divided by profit per share.

Provisions

Accounting provisions for future obligations, the extent and maturity of which cannot be determined explicitly.

R

Return on equity

The return on equity in terms of earnings after tax

V

Vinyl

Thermoplastic polymer such as polyvinylchloride (PVC)

Index

B

Balance sheet **101, 125, 169**

C

Cash flow **102, 124, 195**

Corporate Center **58**

Corporate Governance **84, 95, 206**

D

Development of results **97, 122, 123**

Dividend **19, 39, 82**

E

Employees **76, 110**

Environmental management **71, 109**

Equity **100, 126, 169**

F

Financial position **100, 125, 126, 169**

G

Geographical presence **28, 162**

Group companies **147**

I

Income statement **122, 163**

K

Key figures Semperit Group **15**

L

Latexx Partners **41, 75, 148, 159, 190**

M

Management Board **17, 85**

N

Notes **122**

O

Outlook **23, 119**

P

Proposal on the appropriation of profit **213**

R

Raw material costs **64, 69**

Research and development **66, 111**

Revenue **97, 122, 163**

Risk management **113, 196**

S

Sectors **105**

Semperflex **46, 107, 160**

Semperform **54, 109, 160**

Sempermed **40, 105, 160**

Sempertrans **50, 108, 160**

Share price **81, 82**

Shareholder's structure **83**

Strategy **23, 34, 119**

Supervisory Board **89, 95**

Sustainability **73, 111**

CONTACT

Semperit AG Holding

Modecenterstrasse 22
1031 Vienna, Austria
Tel.: +43 1 79 777 0
Fax: +43 1 79 777 600
www.semperitgroup.com/en

Investor Relations

Tel.: +43 1 79 777 210
investor@semperitgroup.com
www.semperitgroup.com/en/ir

Financial Calendar 2015

26.3.2015	Publication of 2014 annual result and press conference
28.4.2015	Annual General Meeting, Vienna
4.5.2015	Record date for dividend payout
5.5.2015	Dividend ex day
8.5.2015	Dividend payment day
19.5.2015	Report on the first quarter of 2015
18.8.2015	Half-year financial report 2015
17.11.2015	Report on the first three quarters of 2015

ADDRESSES OF SEMPERIT GROUP

www.semperitgroup.com/en/contact

IMPRINT

Ownership and publisher: Semperit Aktiengesellschaft Holding, Modecenterstrasse 22, 1031 Vienna, Austria
Produced in-house with FIRE.sys.
Concept, consulting, project management: Mensalia Unternehmensberatungs GmbH, 1070 Vienna
This annual report was prepared by Mensalia (www.mensalia.at) on behalf of Semperit.

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 report and verified the information it contains 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: 24 March 2015). As is true of all forward-looking statements, these statements are subject to risk and uncertainties. As a result, 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.

All references to people are gender neutral.

This report has been produced in German and English. In case of doubt, the German version shall take precedence.

Photos: www.andreas-hofer-fotograf.at, www.ludwigschedl.com, www.pinckers.com, www.vyhnalek.com, www.felixfoto.at, www.istockphoto.com

Authors: Martina Büchele, Manuela Eggenberger-Polt, Stefan Marin, Arjana Morina, Doris Pint, Katharina Rüdener, Harald Riegler, Clemens Taschée, Robert Zeitelhofer

