

## Press Release

### **Semperit Initiates Further Expansion Phase in Europe's Largest Hose Plant**

- Investments of approx. EUR 15 million until 2016
- Industrial hose production to increase by about 40%
- Additional hydraulic hose capacities already well utilised

Vienna, April 13, 2015 – The Semperit Group is investing approximately EUR 15 million to further expand its hose production at the Semperflex facility in Odry, Czech Republic. The investment programme launched now will increase production capacities of industrial hoses by about 40% by the second quarter of 2016. Even after the recent coming on stream of additional hydraulic hose production capacities, Semperit is quickly progressing with the expansion of Europe's largest hose plant.

“We succeeded in significantly increasing sales volumes in recent years and gained additional market shares in spite of the weak economy”, says Thomas Fahnemann, Chief Executive Officer of Semperit AG Holding. “The hydraulic hose capacities put into operation in January 2015 are already well utilised. We are further expanding production in Odry in order to continue on our growth path and satisfy the strong demand for industrial hoses”.

#### **Expansion of industrial hose production**

The investments are designed to extend production capacities for industrial hoses by the middle of 2016. Capacity for mandrel built industrial hoses utilised mainly by the construction, oil and transport industries, will be increased by more than half. Production capacity for extruded long length industrial hoses, used by the welding and mechanical engineering industries and for automobile manufacturing, amongst other purposes, will be raised by about one-third at the turn of the year 2015/16. The new industrial hose production process will be even more efficient and of superior quality thanks to the application of state-of-the-art robot technology.

#### **New hydraulic hose capacities are already being well utilised**

In 2014 Semperit invested more than EUR 10 million to expand hydraulic hose production in Odry. As a result the production capacity available to Semperflex in the Czech Republic climbed by about 30%. These additional capacities have already been in operation since January 2015, and are already well booked with customer orders.

Against the backdrop of the current challenging business environment, medium to long-term demand for hoses is expected to be positive. Demand will be driven by long-term global growth in the mechanical engineering and construction industries as well as in mining. In particular, emerging markets catching up with developed countries and infrastructure expansion will ensure ongoing demand for hydraulic and industrial hoses integrated into construction and agricultural machinery.

The outlook for capital expenditure (CAPEX) of the Semperit Group in 2015 is planned at about EUR 75 million (2014: EUR 74 million), of which approximately EUR 50 million relates to growth investments.

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**About Semperit**

The publicly listed company Semperit AG Holding is an internationally-oriented group that develops, produces, and sells in more than 100 countries highly specialised rubber and plastic products for the medical and industrial sectors: examination and surgical gloves, hydraulic and industrial hoses, conveyor belts, escalator handrails, construction profiles, cable car rings, and products for railway superstructures. The headquarters of this long-standing Austrian company, which was founded in 1824, are located in Vienna, and the global R & D centre is in Wimpassing, Lower Austria. The Semperit Group employs about 6,900 people worldwide, including close to 4,100 in Asia and more than 800 in Austria (Vienna and production site in Wimpassing, Lower Austria). The Group has 20 manufacturing facilities worldwide and numerous sales offices in Europe, Asia, and America. In 2014 the group generated sales of EUR 930 million and an EBITDA of EUR 136 million.

**About Semperflex**

The Semperflex segment of the Semperit Group develops, manufactures and markets worldwide hydraulic hoses, industrial hoses, elastomer sheeting and abrasion protection. Production at sites in Austria, Czech Republic, Italy, Germany, China and Thailand takes place in line with the highest quality standards. Semperflex plans to further strengthen its leading market position by continually expanding production capacities and increasing its presence on growth markets. In 2014 the Semperflex segment generated revenue of EUR 202 million and an EBITDA of EUR 49 million.

**About Semperflex Optimit**

Semperflex Optimit is the largest producer of hydraulic and industrial hoses in Europe with an export rate of about 90%. The factory located in the east of the Czech Republic is part of the Semperit Group since 1998 and with more than 600 employees on of the largest employers in the region.