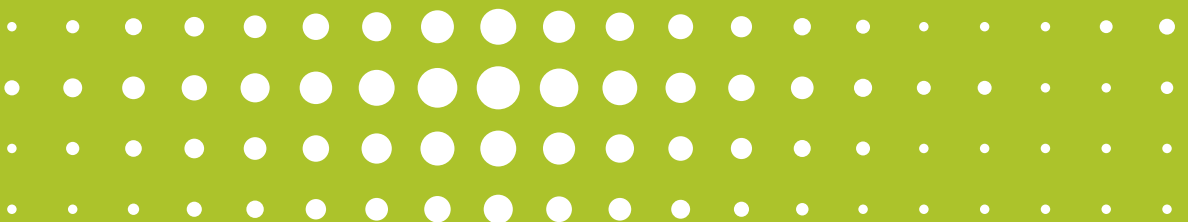


autoneum

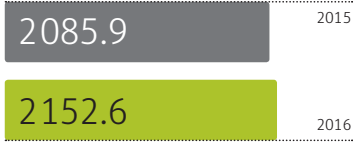
Annual Report 2016



**Autoneum** is the global market and technology leader in acoustic and thermal management for vehicles and is partner to vehicle manufacturers around the world. Autoneum develops and produces multifunctional, lightweight components for optimal protection against noise and heat. Autoneum's innovations make vehicles quieter, lighter and safer and help to reduce fuel consumption and emissions.

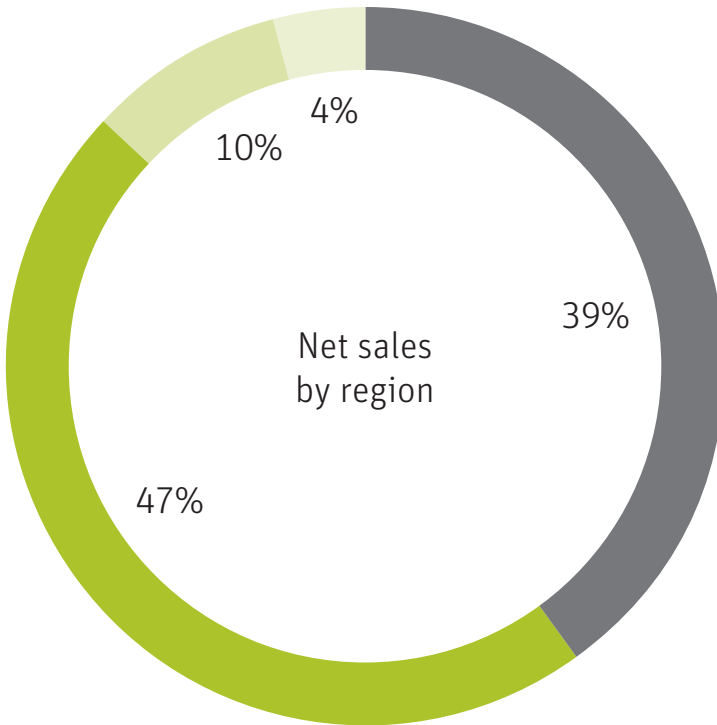
**Net sales**

CHF million



**EBIT\***

CHF million



\*Before special effects.

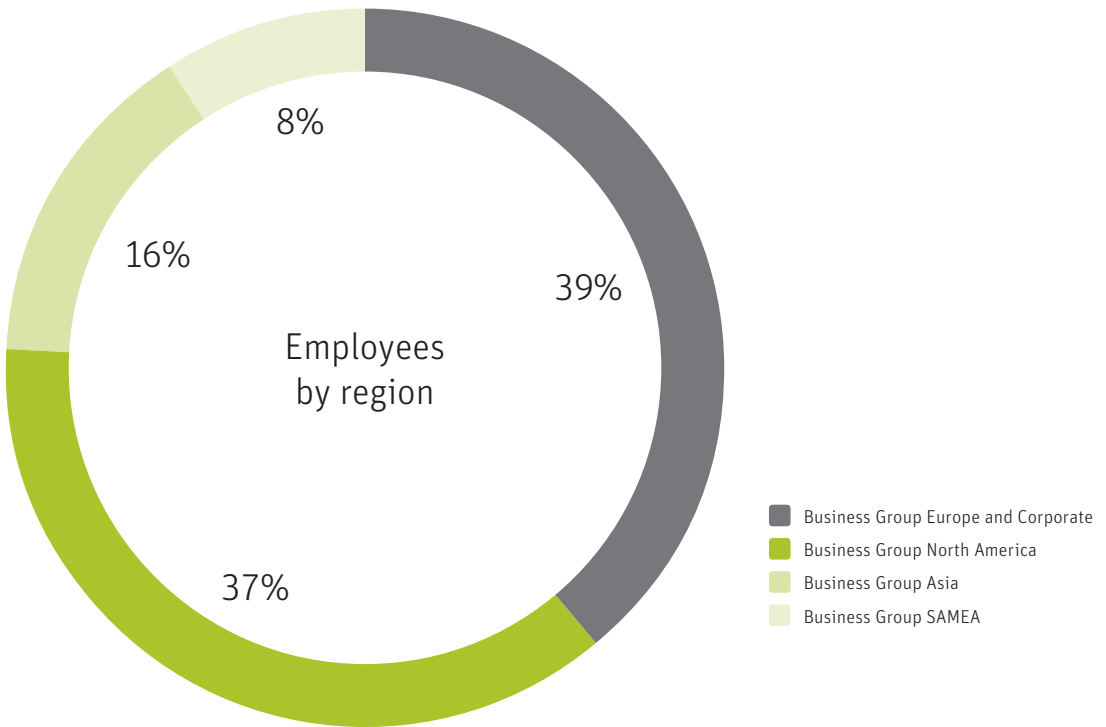
### Net profit

CHF million



### Cash flow from operating activities

CHF million





## **Group Report**

- 02 Letter to Shareholders
- 10 Business Year at a Glance
- 16 A Mobile World
- 46 Sustainability
- 48 Corporate Governance

## **Financial Report**

- 66 Consolidated Financial Statements
- 116 Remuneration Report
- 121 Financial Statements  
of Autoneum Holding Ltd
- 134 Review 2012–2016
- 136 Important Dates

# Anniversary Year with New Record Highs

---

Dear shareholders

An uncompromising focus on operational excellence enabled Autoneum to once again set new financial records in 2016: Thanks to the innovative product portfolio, efficiency enhancements in production and the globally diversified customer base, net sales and profitability reached new highs. While the growth in net sales was particularly driven by the Asia region, Business Group Europe made a significant contribution to the increase in profitability. Based on the further improvement in results compared with the previous year, the Board of Directors proposes a dividend of CHF 6.50 (2015: CHF 4.50) per share.

## Sales growth again above market level

Following a prior year lacking in momentum, the automotive industry picked up again in 2016. With 93 million light vehicles produced worldwide and growth of around 5%, an upward trend was recorded, albeit with an intensity that varied greatly from region to region. Production volumes in Eastern Europe virtually stagnated, while significant growth was recorded in Western Europe. After an already strong previous year, North America only recorded

a slight growth in volumes. Mainly driven by the growth market of China, automobile production in Asia was greater than in other regions, with gains of over 7% on 2015. Automobile manufacturers and suppliers in South America remained affected by the ongoing economic crisis in 2016, which resulted in a further year-on-year drop in vehicle production. However, thanks to high production volumes and corresponding sales increases in Asia, Autoneum was able to offset weaknesses in demand in other regions and thus increase year-on-year net sales in local currencies by 6.8% in 2016. Net sales in Swiss francs rose by 3.2% from CHF 2 085.9 million to CHF 2 152.6 million.

# 8.2%

The EBIT margin before special effects exceeded the 8% mark for the first time.



**Hans-Peter Schwald**  
Chairman of the Board

**Martin Hirzel**  
Chief Executive Officer

---

**In 2016,  
Autoneum invested  
heavily in expanding  
the capacities of  
existing facilities, in  
vertical integration  
and in the introduction  
of new technologies.**

---

**Profitability significantly increased**

With an EBITDA margin before special effects of 11.4% (2015: 10.7%) in 2016, Autoneum once again achieved a significant profitability increase compared to the previous year. EBITDA rose by 9.8% to CHF 245.0 million. EBITDA after special effects summed up to CHF 278.1 million (2015: CHF 191.5 million). EBIT also rose significantly before special effects to CHF 175.6 million, which corresponds to an EBIT margin of 8.2%. This increase of 0.6 percentage points on the previous year caused the EBIT margin to reach a new record high in a full year. Continuous efficiency increases in production, almost maximum capacity utilization in Europe and low raw material prices in Europe and Asia contributed to this further improvement in the result. EBIT after special effects amounted to CHF 204.5 million (2015: CHF 126.5 million). In 2015, a special effect amounting to CHF 31.5 million following the settlement with the German Federal Cartel Office exerted a negative impact on the result. In 2016, the gain of CHF 33.2 million from disposal of the UGN business in Chicago Heights (Illinois), USA and the impairment loss in the amount of CHF 4.3 million due to the intended adaptation of the South American production capacity influenced the result.

**High investments securing profitable growth**

Compared to 2015, net profit increased from CHF 68.7 million to CHF 133.8 million in 2016 and has thereby virtually doubled. As well as operational improvements, the aforementioned gain from disposal of the UGN business in Chicago Heights contributed to this distinctive upturn.

In order to also grow profitably in the future, Autoneum invested heavily in expanding the capacities of existing facilities, in vertical integration and in the introduction of new technologies at various sites across the world in 2016. This included, among others, a third global production line for the semi-finished material of Ultra-Silent in Gundershausen, Germany and additional carpet production lines in the USA, Mexico and China. Investments were also made in a new development center at the future North America headquarters in Novi (Michigan), USA. In 2016, the total investments of the Group amounted to CHF 138.4 million (2015: CHF 120.7 million).

Owing to the sharply improved operating performance of Business Group Europe and the special effects, the cash flow from operating activities grew by a significant CHF 82.4 million to CHF 194.1 million (2015: CHF 111.7 million). Thanks to the higher net profit, the return on net assets (RONA) before special effects came to 19.6% (2015: 17.7%) and considerably exceeded the average cost of capital of 8.5%. The equity ratio improved to 38.4% (previous year: 35.7%). Despite the high investments, net debt was reduced to CHF 57.4 million (2015: CHF 106.1 million), primarily due to the operating income and the gain from disposal of the UGN business in Chicago Heights. Earnings per share before special effects were at CHF 19.26 (2015: CHF 15.92).

## Financial highlights

CHF million	2016		2015		Change	Organic growth <sup>1</sup>
<b>Autoneum Group</b>						
Net sales	2 152.6	100.0%	2 085.9	100.0%	3.2%	6.8%
EBITDA	278.1	12.9%	191.5	9.2%	45.2%	
EBITDA adjusted <sup>2,3</sup>	245.0	11.4%	223.0	10.7%	9.8%	
EBIT	204.5	9.5%	126.5	6.1%	61.7%	
EBIT adjusted <sup>2,3,4</sup>	175.6	8.2%	158.0	7.6%	11.2%	
Net profit	133.8	6.2%	68.7	3.3%	94.8%	
Net profit adjusted <sup>2,3,4</sup>	117.0	5.4%	100.2	4.8%	16.8%	
Return on net assets (RONA) <sup>5</sup>	21.5%		12.7%			
Return on net assets (RONA) adjusted <sup>2,3,4,5</sup>	19.6%		17.7%			
Cash flows from operating activities	194.1		111.7			
Net debt at December 31	57.4		106.1			
Number of employees at December 31 <sup>6</sup>	11 725		11 423		2.6%	
<b>BG Europe</b>						
Net sales	833.4	100.0%	833.2	100.0%	–	0.8%
EBIT	58.7	7.0%	44.7	5.4%		
<b>BG North America</b>						
Net sales	1 018.7	100.0%	977.9	100.0%	4.2%	9.0%
EBIT	119.1	11.7%	91.7	9.4%		
EBIT adjusted <sup>2</sup>	85.9	8.4%	91.7	9.4%		
<b>BG Asia</b>						
Net sales	210.7	100.0%	180.9	100.0%	16.5%	20.2%
EBIT	27.7	13.1%	25.0	13.8%		
<b>BG SAMEA<sup>7</sup></b>						
Net sales	93.5	100.0%	94.3	100.0%	–0.9%	17.1%
EBIT	–13.4	–14.3%	–12.5	–13.3%		
EBIT adjusted <sup>4</sup>	–9.1	–9.8%	–12.5	–13.3%		
<b>Share AUTN</b>						
Share price at December 31 in CHF	267.25		202.40		32.0%	
Market capitalization at December 31	1 243.4		938.1		32.5%	
Basic earnings per share in CHF	20.61		9.12		126.0%	
Dividend per share in CHF <sup>8</sup>	6.50		4.50		44.4%	

<sup>1</sup> Change in local currencies, adjusted for the disposal of the UGN business in Chicago Heights (Illinois), USA.

<sup>2</sup> Before gain from disposal of the UGN business in Chicago Heights in the amount of CHF 33.2 million (CHF 21.1 million after income taxes) in 2016.

<sup>3</sup> Before expenses relating to the settlement with the German Federal Cartel Office in the amount of CHF 31.5 million in 2015.

<sup>4</sup> Before impairment loss due to the intended adaptation of the South American production capacity in the amount of CHF 4.3 million in 2016.

<sup>5</sup> Net profit before interest expenses in relation to average equity plus interest-bearing liabilities.

<sup>6</sup> Full-time equivalents including temporary employees (excluding apprentices).

<sup>7</sup> Including South America, Middle East and Africa.

<sup>8</sup> As proposed by the Board of Directors and subject to the approval of the Annual General Meeting.

**In 2016, Autoneum further expanded its market leadership and thereby achieved new financial record highs.**

**2 152.6**  
**CHF million**

---

Net sales in Swiss francs reached a new record high of more than CHF 2.15 billion.



In 2016, 93 million light vehicles were produced globally.



Earnings per share were at CHF 19.26.\*

**11 000**

---

Autoneum employs more than 11 000 people at around 50 locations worldwide.

# 8.2%

The EBIT margin exceeded the 8% mark for the first time.\*

# 6.8%

Autoneum raised its net sales in local currencies by almost 7%.



Substantial added value has been created with a return on net assets (RONA) of 19.6%.\*

# 175.6

## CHF million

EBIT rose by more than 11% to CHF 175.6 million.\*

# 133.8

## CHF million

Compared to the previous year, net profit virtually doubled to CHF 133.8 million.

\*Before special effects.

## Expansion of Board of Directors and higher dividend

Based on the positive results of the 2016 financial year, the Board of Directors of Autoneum Holding Ltd will propose to the shareholders at the Annual General Meeting on March 30, 2017 a dividend of CHF 6.50 per share. Compared with the previous year this represents an increase of CHF 2.00 per share. The disposal of the UGN business in Chicago Heights contributes CHF 1.00 to the dividend. The Board of Directors will also propose Norbert Indlekofer for election to the Board of Directors. A German citizen, Norbert Indlekofer has many years of experience in the automobile industry and valuable expertise in the areas of research, development and technology. Approval of the election proposal will expand the Board of Directors of Autoneum Holding Ltd from six to seven members.

## Business Groups

Following a year shaped by numerous production ramp-ups and strong growth, Business Group Europe showed a marginal plus in net sales of 0.8% in local currencies in 2016. Due to currency effects, net sales in Swiss francs remained practically unchanged on the previous year's level at CHF 833.4 million (2015: CHF 833.2 million). However, EBIT was increased by over 31% from CHF 44.7 million to CHF 58.7 million in the reporting year. This record result was made possible by almost maximum utilization of production capacities and simultaneous high material efficiency with

# 20.2%

Business Group Asia once again reported net sales growth of more than 20% in local currencies.

very low scrap rates as well as low purchasing prices and rigorous cost control. For the first time, the EBIT margin reached 7.0% of net sales, surpassing the previous year's margin by 1.7 percentage points.

Business Group North America achieved organic sales growth of 9.0% in 2016 and thereby significantly outperformed the market dynamics of this region. As in the previous year, the supply of high-volume US and Japanese vehicle models was crucial for the growth. The loss of sales caused by the disposal of the UGN business in Chicago Heights (Illinois), USA in early 2016 was more than offset by the higher year-on-year production volumes, above all due to gains in market shares. Net sales in Swiss francs rose by 4.2% to CHF 1 018.7 million (2015: CHF 977.9 million) and thus for the first time exceeded the one-billion mark. However, investments in capacity development and expansion weighed down on the result of Business Group North America in 2016. EBIT before special effects therefore fell to CHF 85.9 million (2015: CHF 91.7 million), which corresponds to an EBIT margin of 8.4%. EBIT after special effects rose to CHF 119.1 million.

Business Group Asia once again reported impressive double-digit sales growth of 20.2% in local currencies in 2016. The primary reasons for this were the very high production volumes for vehicles of American and Japanese customers as well as the increasing supply of local car manufacturers in China. In Swiss francs, net sales improved by 16.5% to CHF 210.7 million (2015: CHF 180.9 million). Mainly due to investments in resource development as well as higher logistic and operating expenses, the EBIT margin fell slightly to 13.1%, while EBIT rose by over 10% to CHF 27.7 million (2015: CHF 25.0 million) because of the significant growth in production volumes.

In 2016, the ongoing recession in South America, the key market of Business Group SAMEA (South America, Middle East and Africa),



continued to impair automobile demand there, thus resulting in correspondingly low production volumes. While net sales of Business Group SAMEA in local currencies increased by 17.1%, above all due to inflation-related price rises, net sales in Swiss francs stabilized at a low level at CHF 93.5 million (2015: CHF 94.3 million). Thanks to successful restructuring measures, the operating loss before special effects was reduced on the previous year. EBIT before special effects improved from CHF –12.5 million to CHF –9.1 million; the EBIT margin rose by 3.5 percentage points. EBIT after special effects in connection with the impairment loss due to the intended adaptation of the South American production capacity came to CHF –13.4 million.

#### Outlook

For 2017, Autoneum anticipates net sales growth in local currencies of 4% to 5% in line with its mid-term financial targets. This growth looks set to vary by region. While Business Group Europe is likely to exceed the mid-term target, net sales of Business Group North America should remain at the previous year's level due to softening demand. In line with the strategy, double-digit net sales growth at the high level of 2016 is expected for Business Group Asia also in 2017, thus being well above the market. The continuation of the restructuring measures in South America should lead to a further improvement in earnings of Business Group SAMEA. Despite the challenging market environment, Autoneum expects to maintain the EBIT margin achieved in 2016.

---

**In 2017, Autoneum expects to increase net sales in local currencies by 4% to 5% and to maintain the EBIT margin achieved in 2016.**

---

#### Thank you

On behalf of the Board of Directors and the Group Executive Board, we would like to thank the shareholders for their confidence in Autoneum and our customers, suppliers and business partners for the good and trustful cooperation. We would particularly like to thank more than 11 000 employees worldwide for their high level of commitment and loyalty, without which Autoneum's success would not be possible.

Winterthur, March 1, 2017



**Hans-Peter Schwald**  
Chairman of the Board



**Martin Hirzel**  
Chief Executive Officer

# Market Leadership Further Expanded

---

The year 2016 marks a special anniversary for Autoneum: five years of independence as an automobile supplier in one of the most competitive industries in the world. Autoneum's very successful performance since achieving its independence in 2011 is reflected not only in the continuous increase of the Company's profitability but also in the expansion of its innovation leadership, its global presence geared to customer demand and not least in a large number of customer and product awards.



## **Shaping the future of mobility as a technology leader**

As an innovation leader in acoustic and thermal management for vehicles, the continuous advancement of its technological expertise is a prerequisite for Autoneum's corporate success. To this end, Autoneum made future-oriented investments in 2016: In Novi (Michigan), the Company's development capacities in the USA were significantly expanded with a new technical center at the future location of the North American headquarters. As well as the development and adaption of noise- and heat-reducing vehicle components for the North American

market, vehicle predevelopment studies for customers will also be conducted at the technical and development center. Component properties as well as the best possible production process in each situation will in future be simulated and tested through the use of specially installed production lines. In 2016, in order to not only maintain its existing innovation leadership but to expand it further in a profitable manner, Autoneum likewise opened the "Competence Center for New Mobility" in Sunnyvale, California. There, Autoneum intends to join forces with new OEMs to evaluate the potential of current automotive trends such as electric mobility, autonomous drive and digitalization and how they might be implemented in new technologies and products for acoustic and thermal management. The aim is to provide established and new OEMs with the best possible range of acoustic and thermal management products for the cars of the future.

Autoneum's pioneering acoustic competence also became evident in 2016 with the upgrade of the acoustic simulation software VisualSISAB. Autoneum's multifunctional noise and heat protection components increase driving comfort and thereby also make an important contribution to vehicle quality. As these components have to fulfill a variety of complex requirements depending on where they are deployed in the vehicle, Autoneum makes use during their development of a simulation software designed especially for this purpose. VisualSISAB enables material compositions and thicknesses of components to be reviewed and adjusted if necessary by means of computer-controlled simulations. The software not only plays a decisive role in the development of new product technologies but also offers a whole range of benefits for the further development of existing components – design adjustments can be quickly reviewed in terms of possible effects on acoustic behavior, thereby reducing toolmaking and prototype costs, for instance. This allows Autoneum to support the OEM development departments in swiftly evaluating powerful, lightweight and cost-effective noise protection components.

In addition to this growth in technological expertise, numerous activities also took place in the reporting year that contributed to the expansion of market leadership. Autoneum presented a large number of product innovations to customers across the world at in-house exhibitions. These "Innovation Days" were held in 2016 at US, German and Chinese car manufacturers in Belgium, the USA and China. In particular, the award-winning Prime-Light and Hybrid-Acoustics technologies, Di-Light-based carpet systems, engine covers made of the ultralight material Theta-FiberCell and RIMIC heatshields were presented. In order to further strengthen the awareness of the Autoneum brand beyond the automotive industry, the Company launched a global image campaign in 2016 intended to portray its innovation

leadership in acoustic and thermal management in a modern way. The image campaign will be continued in 2017 as a key element of brand management.



### **New record highs in sales and profitability**

Autoneum continued to grow significantly and profitably in 2016. Thanks to a good order situation and corresponding utilization of production capacities, the Company succeeded in offsetting weak regional demand and once again considerably increased its net sales in local currencies compared with the previous year. Although after the weak growth of the previous year the automobile industry picked up again in 2016, with 93 million light vehicles produced worldwide, the intensity of the upward trend varied greatly among the market regions. At Autoneum, all four Business Groups contributed to the sales growth achieved in 2016, with three of them significantly outperforming the market. However, the positive development of the Company's financial performance was not limited to sales: With an EBIT margin of over 8%, Autoneum achieved a new profitability level in 2016. The profitability increases achieved since the spin-off in 2011 clearly reflect the successful improvement in business potential by means of consistent strategy implementation. This includes, among other things, continuous efficiency gains in production, enhanced capacity utilization particularly in Europe and flexible adjustments to the production network in line with demand.



### Investments in growth markets

A key success factor for Autoneum is the Company's global presence geared to the needs of its customers with around 50 production sites throughout the world. In 2016, Autoneum invested specifically in expanding capacities in growth markets. The Company has significantly increased its local production capacities in Mexico with a further plant in San Luis Potosí and thereby responded to the strong demand for lightweight noise and heat protection components. From early 2017, the new 27 000 square-meter plant will be supplying carpet systems, inner dashes and floor insulators to US and German OEMs producing locally for the North American market. In August 2016, due to additional high-volume orders from existing and new customers, the foundation stone was laid for a second plant at the same location. Underbody systems, carpets and heatshields for German, US and Japanese OEMs will be produced on an additional 19 000 square meters from 2018. Autoneum will have created more than 400 new jobs at these plants by 2020.

Customer demand also required a capacity expansion in the USA, as the main North American market: The floor space of the existing plant in Aiken, North Carolina, was almost doubled in size to 30 000 square meters and the entire machinery renewed on the basis of state-of-the-art production standards. Autoneum is also expanding its presence in China, the world's largest automobile market, and has started construction on a further plant for the production of lightweight components in the eastern Chinese city of Yantai in the Province of Shandong. Just-in-time delivery of carpet systems and inner dashes to vehicle manufac-

turers at their nearby production facilities will start in summer 2017. As part of the global implementation of sustainable production processes at all Autoneum sites, production waste in the form of polyester or mixed fiber fleece is to be recycled and reused in the manufacture of components at the new facility in Yantai. This investment in a further plant in China will enable customers to receive components and systems with significantly lower logistics costs. At the same time, this expansion of Chinese production capacities in line with strategy will contribute to targeted market share gains in China.

The long-term customer relationships of Autoneum are reflected in the many customer awards that the Company receives each year for its products and order implementation at the production facilities. Autoneum's position as a technology leader also received special recognition in 2016: Back in March, General Motors (GM) singled out Autoneum as the first-ever "Supplier Innovation Award" winner for Prime-Light, the latest lightweight noise-reducing technology for inner dashes and floor insulators. Only five GM suppliers among thousands globally are presented with the "Supplier Innovation Award" for innovations that particularly benefit the car manufacturer's customers. Further tokens of appreciation for Autoneum as a reliable partner of OEMs during the reporting year were the "Best Plant Award" from PSA for the Polish plant in Katowice, the "Excellence Supplier Award" from GAC Fiat for the Chinese plant in Taicang, the "Appreciation Award" from Hyundai for Autoneum Behror in India and Honda's "Honor of Distinction" award for the UGN plant in Monroe (Ohio), USA.



### **Innovations for the car of the future**

Autoneum's lightweight components not only protect against noise and heat, but also contribute through their unique material composition to lowering vehicle weight, with corresponding reductions in fuel consumption and emissions. Autoneum extended its range of lightweight aerodynamic underbody systems made of Ultra-Silent in 2016 to include a special version for sport utility vehicles (SUVs) and in doing so further expanded its position as world market leader in vehicle underbody systems. This product innovation from Autoneum supports SUV manufacturers in the development and production of lighter, quieter and more fuel-efficient models, thus also making a significant contribution toward compliance with statutory noise and emissions provisions. At the same time, Ultra-Silent underbody systems meet the high requirements of cross-country mobility and enhance the driving comfort of SUVs. Autoneum is already producing Ultra-Silent underbody systems in series for initial European SUV manufacturers.

In order to meet constantly increasing demand and profitably exploit the entire potential of the value chain in the production of the fully recyclable mono-material Ultra-Silent, Autoneum brought into operation the world's third production line for manufacturing Ultra-Silent semi-finished material at its German production site in Gundershausen in 2016. Thanks to the newly installed production line, production capacity will be increased as of 2017 by more than 50% from around 5.5 million underbody components produced per year in Europe to over eight million. This

will benefit, above all, German, British, French and Japanese OEMs. Optimum production output of the fully automatic facility is guaranteed by the monitoring of large numbers of process parameters resulting in the line being prepared for future "Industry 4.0" applications. Serial production of the semi-finished material will start in early 2017. Production in Europe of the semi-finished material for Ultra-Silent will also continue at the Swiss plant in Sevelen. Over six million vehicles of European and Japanese customers have been equipped with underbody components made of Ultra-Silent since 2009. The global market launch of Ultra-Silent outside Europe took place in 2015 in North America.

Autoneum's high degree of innovation in terms of materials, technologies and products and the significant contribution it thereby makes to sustainable mobility was recognized in the reporting year with the nomination of the Hybrid-Acoustics concept for the industry-leading "2017 PACE Award". The PACE Award, which singles out automotive suppliers for outstanding innovation, technological advancement and excellent business performance, is globally considered as the industry's innovation benchmark. The Hybrid-Acoustics technology launched by Autoneum in 2012 can be used in various vehicle components, such as inner dashes, and offers optimum noise protection through simultaneous insulation and absorption. Thanks to their high content of recycled cotton fibers, components based on Hybrid-Acoustics are not only particularly environmentally friendly but also up to 50% lighter than conventional mass-spring insulations, thereby contributing to an enhanced eco-balance of vehicles.



### **Operational excellence as a competitive advantage**

As a prerequisite for profitable growth, operational excellence was key to corporate activities in 2016. One way of increasing profitability is to standardize processes through the associated use of synergy effects. As a global company, Autoneum is particularly affected by cyclical developments in the markets in which it is active. In order to be able to respond quickly and flexibly to a changed market environment and factors such as cyclical fluctuations, recessions and significant falls in demand brought about by these, the Company in 2016 defined criteria and measures at Group, Business Group and plant level to take effect in the event of corresponding external developments. This means that the consequences of events potentially impacting Autoneum's course of business can be minimized as far as possible.

Process standardization in the reporting year was not limited to business processes: As a globally producing company, Autoneum continuously standardizes its production processes and procedures. In 2016, Autoneum developed and implemented a modular-based carpet conversion system that facilitates a wide range of processes. Not only do the efficiency enhancements achieved by process standardization significantly contribute to improving the Company's profitability, but standardizations also increase work safety in production. Autoneum launched two leadership training programs dedicated to work safety in 2016. One training program introduced as a pilot project in Europe aims to enhance leadership expertise, to show how to set an example in terms of appropriate behavior with regard to

work safety. In doing so the program contributes to changing the behavior of employees. The "SafeStart" training program implemented in North America is also explicitly aimed at production staff. The focus here is on certain types of at-risk behaviors and core types of safe behavior that decisively influence work safety in production. As part of the program, employees learn to become consciously aware of these types of behavior and in doing so to channel appropriate reflex actions. Both training programs are to be gradually introduced at all the Company's locations in 2017.

A further measure launched in 2016 for increasing work safety comprises the implementation of safety boxes in production. The boxes include occupational safety utensils such as gloves, safety belts and protective goggles and also a PC terminal that employees can use to find out about production-specific requirements and risks in specially designed e-learning programs. Every Autoneum plant is to be equipped with appropriate safety boxes in 2017.



### Focus on employees

As a company committed to a clearly defined set of values, Autoneum places a particular focus on social sustainability. Within the Company this especially includes supporting the development of employees with training and development programs. The existing broad range of development programs was therefore extended in the reporting year to include training courses on products, technologies and complex production processes for employees from different departments of the Company. In addition to this regular dissemination of knowledge on specific topics, continuous knowledge transfer and the global networking of experts on the basis of state-of-the-art digital forms of communication have been a corporate standard since 2016. With the “Digital Network Autoneum” launched in the fall, the Company has created a system-integrating online workplace that ensures the global and cross-functional knowledge transfer and exchange of experts. In-house innovation management was also significantly advanced in 2016 with the launch of a digital innovation program. “Wave” comprises a Group-wide and cross-functional platform in which the generation of ideas for future product innovations is bundled and structured in a large number of process parameters. The aim is to collect, evaluate and potentially bring employees’ product ideas to market. Beyond development and production expertise, this newly implemented form of innovation management supports the targeted expansion of Autoneum’s existing technology leadership.

Be it work ethics or product quality – Autoneum is committed to the highest standards at all times. Specific guidelines on ethical

practices at the workplace are set out in the Company’s Code of Conduct that was revised and expanded in 2016. The Code of Conduct is based on Autoneum’s values and principles and clearly illustrates the obligations of each individual toward the Company, colleagues, business partners and the social environment. However, the Code of Conduct cannot answer every question arising in a highly competitive business environment. It is for this reason that a “Speak Up Line”, a web-based application, was introduced in 2016 to create the appropriate structure for the reporting and sanctioning of infringements of the Code of Conduct. The “Speak Up Line” enables employees, customers and suppliers of Autoneum, as well as all other external stakeholders of the Company throughout the world, to report infringements of the Code of Conduct securely, confidentially and on request anonymously. By setting up the “Speak Up Line”, Autoneum has created an effective and indispensable reporting channel in the reporting year.







# A Mobile World

---

The automobile connects people around  
the globe. Autoneum helps them  
to reach their destination more quietly,  
safely and comfortably.

Switzerland



# 1 415 km

---

Despite its length of just  
1 415 kilometers, Switzerland  
has the densest motorway  
network in the world.





An aerial photograph of a winding asphalt road that curves through a dense, green forest on a hillside. The road is light-colored with white dashed lines. The forest is thick and vibrant green, covering the entire landscape. The lighting suggests a bright day, with some shadows cast across the trees.

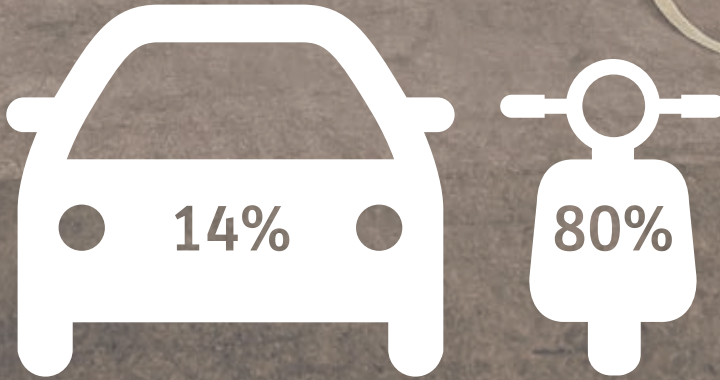
5%

---

Around 5% of Autoneum's over 11 000 global employees are located at the Group's headquarters and research center in Winterthur and the Swiss plant in Sevelen.



India



In India, passenger cars make up only 14% of all forms of motorization. Motorcycles account for 80% of motorized private transport.

Canada



20 000 m<sup>2</sup>

In a production area of 20 000 square meters at the Canadian plants in London and Tillsonburg, Autoneum manufactures carpet systems, inner dashes and floor insulators for Chrysler, Ford and General Motors.



Brazil



# 1925

The first vehicle to roll off the assembly line of an international automobile manufacturer in Brazil was a Chevrolet in the year 1925.





An aerial photograph of a road with yellow cars and palm trees. The road has a decorative pattern of semi-circles in the center. Three yellow cars are visible on the road. In the foreground, there are two palm trees in square planters. The background shows a road with a decorative pattern of semi-circles.

# 502

---

In Brazil, 502 employees at the regional development center and plants in São Paulo, Taubaté, Gravataí and Betim ensure that automobile manufacturers in the land of the Sugar Loaf Mountain also profit from the Company's customary high product quality.



Belgium



**68 dB**

---

According to the European Union regulation on pass-by noise, passenger cars' noise emission within the EU may not exceed 68 decibels as of 2025. Autoneum produces the acoustic components required to comply with the regulation in the Belgian city of Genk.



An aerial photograph of a city intersection. A multi-lane road with white directional arrows is visible. A zebra crossing with white stripes crosses the road. Several cars are present: a black car with a yellow roof rack, a silver sedan, a red car, and another silver car. The scene is surrounded by lush green trees.

Argentina



77%

---

Last year, 77% of Argentina's vehicle exports were registered in neighboring Brazil. The Autoneum plant in Córdoba has been producing components primarily for export vehicles for 20 years.



China



# 27 million

---

With over 27 million light vehicles produced in 2016, China is the world's largest automobile market. To meet further increase in demand, Autoneum will be opening a seventh plant in the eastern Chinese city of Yantai in 2017.



Only one in ten Chinese currently owns a motor vehicle. In contrast, around 80% of the US population possess a vehicle.







France



Since Autoneum was founded in 2011, the experts at the regional development center in Aubergenville have developed 485 carpet systems.





An aerial photograph of a wide, busy Parisian street, likely the Champs-Élysées, showing heavy traffic and pedestrians. A large green circle is overlaid on the left side of the image, containing the text '+7%' and a paragraph about the increase in light vehicle production in France in 2016.

**+7%**

The number of light vehicles produced in France rose by a remarkable 7% in 2016.



Russia



# 17 075 200 km<sup>2</sup>

With over 17 million square kilometers, Russia tops the ranking of all countries in terms of size, but still has some way to go in terms of motorization. At around 44 million, the number of registered passenger cars is equivalent to that of Germany, which is 48 times smaller.





# 1 850 000

---

In 2016, 1.85 million heatshields were produced in Rosslyn, Autoneum's South African joint venture site. German and Japanese automobile manufacturers are among Autoneum's long-standing customers in South Africa.



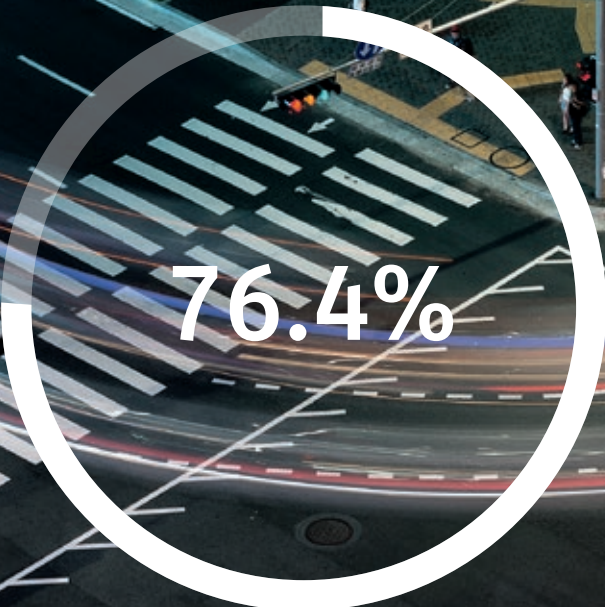


Spain

6

Autoneum supplies six customers from the two Spanish plants in Valldoreix and A Rúa, including leading German, French, Japanese and US vehicle manufacturers.





With its brands Hyundai and Kia, Korean automobile manufacturer Hyundai Motor Group dominates its home market with a market share of over 76%.



Germany



# 808 000

---

Figures reflect the importance of the automobile industry for the home of the “German Autobahn”: More than 800 000 people have jobs that revolve around cars, including over 300 000 employed at suppliers.







# 958 billion

---

The car is Germany's number one means of transport. Accordingly, last year an impressive 958 billion passenger kilometers were traveled by car.



Poland



# 1 102

---

At the Polish Autoneum plants in Katowice and Nowogard, around 1 100 employees see to it that car models from customers at home and abroad provide state-of-the-art noise and heat protection.



Turkey



# 9.4 million

---

In 2016, the joint venture plant in Bursa produced around 9.4 million heatshields, inner and outer dashes and hoodliners.





Great Britain



5585 km



Strung together, all the vehicle carpets produced in 2016 at the British Autoneum plant in Heckmondwike would cover the distance from London to New York.





# 8 400 000

---

In Thailand, the current vehicle population of a mere 8.4 million cars in relation to the country's 68 million inhabitants illustrates a major growth potential that Autoneum will increasingly exploit in future through various joint ventures.





Mexico



Only 24 months elapsed between the decision to expand production capacity in Mexico and the first delivery of parts from the new plant in San Luis Potosí.





**+40%**

Almost five million light vehicles  
are expected to be produced  
in Mexico in 2020 –  
40% more than in 2016.



Czech Republic



The tools produced in the Czech village of Hnátnice are being used in conversion presses at a total of 14 Autoneum plants in Europe and Turkey.

# 14





Portugal



# 1970

Production at the plant in Setúbal began in 1970. Today, customers of Autoneum Portugal include various European car manufacturers.



USA



# 8·2·1

---

Eight plants, two development centers and the headquarters of Business Group North America are domiciled in the USA.





# 121 000 000

Over 121 million passenger cars are registered in the USA, making it the world's most motorized country.

# Working Together to Ensure Environmentally Friendly Mobility

---

For Autoneum, sustainable conduct is not just an environmental and social obligation but also an opportunity to generate corporate added value – for instance with innovative products and technologies that contribute to environmentally friendly mobility. Autoneum focuses on the careful use of environmental resources, eco-efficient manufacturing processes and a responsible working culture to ensure sustainable business success.

As a globally active company, Autoneum is dependent on using raw materials and resources across the world for its production. Autoneum therefore endeavors to reduce the impact of raw material utilization in the manufacturing process and continuously strives toward enhancing production facilities, implementing efficiency guidelines for the procurement of machines and materials and pushing ahead with the utilization of recycled materials and closed material cycles at the production facilities.

In order to ensure the greatest possible eco-efficiency of its production processes, Autoneum has set itself the target of gradually reducing the materials and resources used in production. In 2016, the Company therefore launched several pilot projects at over 20 production sites with the aim of implementing corresponding improvement and cost-saving

measures for energy and water consumption, waste recycling, greenhouse gas emissions and acidification potential at all its production sites as of 2017.

## **Higher energy and resource efficiency**

Measures implemented for the first time in 2016 at the production facility in A Rúa, Spain, serve to exemplify the eco-efficiency program. The focus here lies on heat recovery through steam that is released in the thermoplastic hot molding process (THM). Before releasing the steam into the atmosphere, it is used to heat up tools for the manufacture of foam-based products. The energy required for this process was previously gained with heating the water by electricity. The newly recovered heat reduces electricity consumption for heating water by 98%. Further savings have been achieved through the

installation of LED lighting. The electricity consumption of lights in which LED, presence detectors and light intensity detectors are used has been reduced by 65% in A Rúa. These lights have accordingly also been installed since 2016 at various plants in Portugal, Russia and China and are gradually being deployed globally at production sites of all four Business Groups.

In addition to the long-term reduction of energy consumption, Autoneum is seeking to implement closed material loops by fully recycling the raw materials and resources used in the production process. This includes the systematic recycling of production waste within and outside the production sites. For example, Autoneum has launched a program at the Swiss plant in Sevelen for the reuse of production waste from the manufacture of the PET-based mono-material Ultra-Silent. The waste is almost entirely returned into the production process. At the British plant in Stoke-on-Trent, fiber waste from carpet production is used by an external partner for the manufacture of equestrian surfaces for horse racing.



Autoneum is implementing closed material loops by fully recycling the raw materials and resources used in the production process.

### Sustainable products for humans and the environment

In addition to resource-saving production processes, Autoneum's multifunctional components in particular contribute to environmentally friendly mobility. They not only reduce vehicle noise but thanks to their lightweight construction also contribute decisively to lower vehicle weight and corresponding reductions in fuel consumption and emissions. Autoneum components therefore make a significant contribution to compliance with statutory noise and emission targets. As market and technology leader, Autoneum accordingly makes continuous investments in the further development of its product portfolio. In 2016, the Company launched an aerodynamic underfloor system made of Ultra-Silent that was especially developed for sport utility vehicles (SUVs). With its lightweight components, Autoneum supports SUV manufacturers in the development and production of environmentally friendly vehicle models.

### Social responsibility

Autoneum aims to promote responsible conduct not only by setting specific performance targets. The Company also expects its employees to align with the value-based corporate culture and develop an awareness of social responsibility in their daily work. This means that in addition to social responsibility towards all stakeholders, the Company and its employees have a responsibility for protecting the environment. For Autoneum this means safe-guarding ethical business conduct, creating a trustful working environment and investing in the safety of its employees – by, among other things, improving health protection at the workplace. The applicable instructions are set out in the Company's Code of Conduct, which was updated in 2016 and is binding for all employees.



# Corporate Governance

Autoneum is committed to creating long-term value. As such, it considers high standards of Corporate Governance of utmost importance. A policy of transparent information to the Company's various stakeholder groups creates the basis for mutual trust.

The rules and regulations of Corporate Governance are laid out in numerous Autoneum documents, in particular the Articles of Association<sup>1</sup>, the Organizational Regulations<sup>2</sup> and the Board Committee Regulations. The content and structure of this report conform to the Corporate Governance Directive (DCG) and the related commentaries published by the SIX Swiss Exchange.

Unless stated otherwise, the data pertains to December 31, 2016. Some information will be updated regularly on [www.autoneum.com/investor-relations](http://www.autoneum.com/investor-relations). For some information it is referred to the financial section of this Annual Report. The Remuneration Report can be found from page 116 onwards.

## 1 Group structure and shareholders

### Group structure

Autoneum Holding Ltd is a company incorporated under Swiss law, with its registered offices in Winterthur. Its shares are listed on the SIX Swiss Exchange (securities code 12748036, ISIN CH0127480363, symbol AUTN). Market capitalization as of December 31, 2016 was CHF 1 243.4 million.

Autoneum Group consists of the four Business Groups Europe, North America, Asia and SAMEA (South America, Middle East and Africa), the Group Finance department and those cross functions that report directly to the CEO. It includes all companies controlled by Autoneum Holding Ltd.

Within the framework of internal regulations, the Business Groups are responsible for the profitability of each individual company with the exception of those business activities and companies that report directly to the CEO.

Each Business Group has been established for a clearly defined and demarcated specific market region. Each of these Business Groups conducts its business within the framework of the Organizational Regulations<sup>2</sup> and under the leadership of the Business Group Head, who reports directly to the CEO of the Autoneum Group. The segment reporting information can be found on pages 84–86.

The Group Finance department and those cross functions that report directly to the CEO support the CEO, the Business Group Heads and the Board of Directors in their management and supervisory functions, and are responsible for the activities outside the Business Groups

<sup>1</sup> [www.autoneum.com/investor-relations/corporate-governance](http://www.autoneum.com/investor-relations/corporate-governance)

<sup>2</sup> [www.autoneum.com/about-autoneum](http://www.autoneum.com/about-autoneum)



such as management of holding companies and pension funds. Subsidiary companies are founded based on legal, business and financial considerations. One responsible person (Head of Legal Unit) is appointed for each company. He or she is responsible for local financial management as well as for compliance with national laws and regulations and internal guidelines.

Companies with participation of further shareholders are principally managed as described above and according to the respective agreements.

38 companies worldwide belonged to the Autoneum Group as of December 31, 2016. An overview on subsidiaries comprising the names, domiciles and share capital of the subsidiaries and the voting rights held by the Autoneum Group can be found on page 111. The management organization of the Autoneum Group is independent of the legal structure of the Group and the individual companies.

**Significant shareholders**

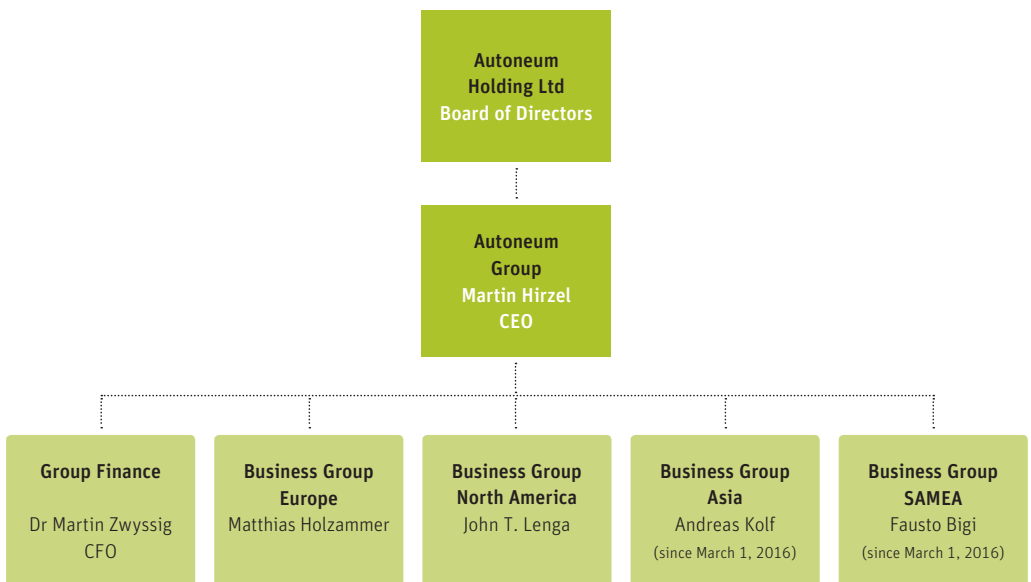
As of December 31, 2016, Autoneum was aware of the following shareholders with 3% or more of all voting rights in the Company:

- Artemis Beteiligungen I Ltd; Centinox Holding Ltd; Michael Pieper, Hergiswil, Switzerland
- PCS Holding Ltd, Warth-Weiningen; Peter Spuhler, Weiningen, Switzerland
- Norges Bank (the Central Bank of Norway), Oslo, Norway

All notifications of shareholders with 3% or more of all voting rights in the Company have been reported to the Disclosure Office of the SIX Swiss Exchange in accordance with Art. 120 of the Financial Market Infrastructure Act (FMIA) and published via its electronic publication platform on [www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html](http://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html), where further details can also be found.

**Organization**

As of December 31, 2016



As of December 31, 2016, Autoneum Holding Ltd held 0.42% of the share capital (19 828 shares).

### **Cross-holdings**

The Company has no information about cross-holdings of capital or voting shares exceeding the limit of 5%.

## **2 Capital structure**

### **Share capital**

On December 31, 2016, the share capital of Autoneum Holding Ltd totaled CHF 233 618.15. It was divided into 4 672 363 fully paid up registered shares with a par value of CHF 0.05 each. The shares are listed on the SIX Swiss Exchange (securities code 12748036, ISIN CH0127480363, symbol AUTN).

### **Authorized share capital**

There is no authorized share capital available at Autoneum Holding Ltd.

### **Contingent capital for issuing convertible and/or warranty bonds or granting shareholder options**

The share capital may be increased by up to 700 000 fully paid up registered shares with a nominal value of CHF 0.05 each in an amount not to exceed CHF 35 000 through the voluntary or mandatory exercise of conversion rights and/or warrants granted in connection with the issuance of bonds or similar financial instruments by the Company or one of its Group companies on national or international capital markets, and/or through the exercise of option rights granted to the shareholders. The preemptive rights of the shareholders on the issuance of bonds or other financial instruments with which conversion rights and/or warrants are connected shall be excluded. The then current owners of conversion rights and/or warrants shall be entitled to subscribe to the new shares. The conditions of the conversion rights and/or

warrants shall be determined by the Board of Directors. The acquisition of shares through the voluntary or mandatory exercise of conversion rights and/or warrants as well as each subsequent transfer of shares are subject to the restrictions in §4 of the Articles of Association<sup>3</sup>.

In connection with the issuance of bonds or similar financial instruments with which conversion rights and/or warrants are connected, the Board of Directors is empowered to restrict or exclude the advance subscription rights of shareholders if (1) such instrument is issued for the financing or refinancing of the acquisition of corporations, parts thereof, equity holdings or investments or if (2) such instrument is issued (i) on national or international capital markets or (ii) to one or more financial investors. If the advance subscription rights are restricted or excluded by the Board of Directors, the following shall apply: the issuance of such instrument shall be made at prevailing market conditions, and the new shares shall be issued pursuant to the relevant conditions of that financial instrument. Conversion rights may be exercised during a maximum ten-year period, and warrants may be exercised during a maximum seven-year period, in each case from the date of the respective issuance. The issuance of the new shares upon voluntary or mandatory exercise of conversion rights and/or warrants shall be made at conditions taking into account the market price of the shares and/or comparable instruments with a market price at the time of issuance of the relevant financial instrument.

### **Contingent capital for employee participation shares**

The share capital may be increased by a maximum of CHF 12 500 through the issuance of up to 250 000 fully paid up registered shares with a par value of CHF 0.05 each to employees of the Company or its Group companies. The preemptive rights of the shareholders shall be excluded in connection with the issuance of convertible or warrant-bearing

<sup>3</sup> [www.autoneum.com/investor-relations/corporate-governance](http://www.autoneum.com/investor-relations/corporate-governance)



---

## There have been no changes to the share capital of Autoneum Holding Ltd since the Company's founding on December 2, 2010.

---

bonds or similar financial instruments. The issuance of these shares to employees will be in accordance with one or more regulations issued by the Board of Directors and will take appropriate account of employee performance, position and degree of responsibility and economic viability criteria subject to §24 of the Articles of Association<sup>4</sup>. Shares or options may be issued to employees at a price lower than that quoted on the stock exchange. The acquisition of shares within the framework of the employee participation plan, as well as every subsequent transfer of these shares, is subject to the limitations set forth in §4 of the Articles of Association<sup>4</sup>.

### Changes in share capital

There have been no changes to the share capital of Autoneum Holding Ltd since the Company's founding on December 2, 2010. The General Meeting of March 22, 2011, adopted a contingent share capital of CHF 35 000 (see page 50) and a contingent share capital of CHF 12 500 (see pages 50 and 51). The authorized share capital of CHF 47 500 adopted at the same General Meeting of March 22, 2011, expired after two years on March 22, 2013, without being utilized. It was not extended, and there is therefore no authorized share capital available at Autoneum Holding Ltd.

### Participation and dividend-right certificates

Autoneum Holding Ltd has issued neither participation certificates nor dividend-right certificates.

### Shares

Autoneum Holding Ltd has issued 4 672 363 fully paid up registered shares with a nominal value of CHF 0.05 each. Each registered share is entitled to dividends and entitles the holder to one vote at General Meetings of Autoneum Holding Ltd shareholders. The Board of Directors maintains a share register in which the owners and usufructuaries are registered with name/company name and address with the following conditions. Only those persons listed in the share register will be recognized as company shareholders or usufructuaries. Any changes of name or address must be communicated to the Company. Those who acquire registered shares must make written application for entry in the share register. The Company can refuse such entry to parties who do not expressly declare that they have acquired and will hold these registered shares in their own names and for their own account. If persons fail to expressly declare in their registration applications that they hold the shares for their own account ("nominees"), the Board of Directors shall enter such persons in the share register with the right to vote, provided that the nominee has entered into an agreement with the Company concerning his or her status, and further provided that the nominee is subject to a recognized bank or financial market supervision. After hearing the registered shareholder or nominee, the Board of Directors may cancel any registration in the share register made based on incorrect information with retroactive effect as of the date of registration. The relevant shareholder or nominee must be informed immediately of the cancellation. The Board of Directors regulates the details and issues the instructions necessary for compliance with the provisions set forth above. In special cases, the Board of Directors

<sup>4</sup> [www.autoneum.com/investor-relations/corporate-governance](http://www.autoneum.com/investor-relations/corporate-governance)

may grant exemptions from the rule concerning nominees and may delegate its duties.

The Company only recognizes one proxy per share. Voting rights and associated rights may only be exercised in relation to the Company by a shareholder, usufructuary or nominee entered in the share register as having the right to vote.

The registered shares of Autoneum Holding Ltd are issued in the form of securities and registered as book-entry securities (in the sense of the Book-Entry Securities Act) at SIX SIS Ltd.

Book-entry securities with underlying shares of the Company may not be transferred by way of assignment. Security interests for these book-entry securities cannot be granted by means of assignment. The Company is entitled to convert at any time and without the approval of shareholders shares issued in the form of uncertificated securities into individual share certificates or global share certificates. Shareholders are not entitled to have shares issued in one particular form transformed into another form. Any shareholder is, however, entitled to request at any time that the Company issues a certificate stating the number of shares registered in his or her name.

### **Restrictions on share transfers and nominee registrations**

Those persons entered in the shareholders' register are recognized as voting shareholders. Autoneum shares can be bought and sold without any restrictions. In accordance with §4 of the Articles of Association<sup>5</sup>, entry in the register of shareholders can be denied in the absence of an explicit declaration that the shares are held in the applicant's own name and for the applicant's own account. There are no other registration restrictions.

Shares held in a fiduciary capacity are not principally entered in the shareholders' register. However, as an exception to this rule, a nominee is entered in the register if the nominee in question has concluded a nominee agreement

with Autoneum and is subject to a recognized bank or financial supervisory authority. The nominee exercises voting rights at the Annual General Meeting of shareholders. At the request of Autoneum Holding Ltd, the nominee is obliged to disclose the name of the person on whose behalf it holds shares.

A resolution of the General Meeting approved by the absolute majority of the voting shares represented is required in order to cancel the restrictions on share transfers.

### **Convertible bonds and options**

Autoneum Holding Ltd has no convertible bonds or options outstanding.

## **3 Board of Directors**

---

The composition, general rights, duties and responsibilities of the Board of Directors of Autoneum Holding Ltd are pursuant to the Swiss Code of Obligations and the Autoneum Holding Ltd Articles of Association<sup>5</sup> and Organizational Regulations<sup>6</sup>.

### **Board membership**

Pursuant to the Articles of Association<sup>5</sup>, the Board of Directors of Autoneum Holding Ltd consists of no less than three and no more than nine members. As of December 31, 2016, the Board of Directors comprised six members, none of whom performed executive duties. The functions of Chairman of the Board and CEO are separated in order to ensure a good balance between the company management and supervisory bodies.

### **Independence of non-executive members**

The Board of Directors consists of non-executive members, and none of the members has exercised any operational activities for Autoneum in the three financial years preceding the reporting period. The members of the Board of Directors and the companies

<sup>5</sup> [www.autoneum.com/investor-relations/corporate-governance](http://www.autoneum.com/investor-relations/corporate-governance)

<sup>6</sup> [www.autoneum.com/about-autoneum](http://www.autoneum.com/about-autoneum)



represented by them do not have any significant business relationships with companies of the Autoneum Group (but see page 109).

### **Permissible activities outside the Autoneum Group**

According to §20 of the Articles of Association<sup>7</sup>, no member of the Board of Directors may assume more than fifteen additional mandates and no more than five of these may be held with listed companies. This restriction does not apply to (a) mandates held with companies that control or are controlled by Autoneum Holding Ltd; (b) mandates assumed by a member of the Board of Directors by order of Autoneum Holding Ltd or companies under its control; (c) mandates held with companies that do not qualify as companies within the meaning of Art. 727, para. 1, clause 2 of the Swiss Code of Obligations; (d) mandates held with nonprofit organizations and foundations as well as pension funds. The number of mandates pursuant to (c) and (d) is limited to a total of 20.

Mandates held with various legal entities that are under joint control or controlled by the same beneficial owner count as one mandate. Mandates held with the supreme management or administrative body of a legal entity that is required to be registered in the commercial register or an equivalent register abroad count as mandates.

### **Election and term of office, principles of the election procedure**

The Chairman and the other members of the Board are elected individually by the General Meeting and for a one-year term of office, running from one Annual General Meeting to the next.

Board members can be reelected. They retire at the Annual General Meeting following their 70<sup>th</sup> birthday, unless the Board of Directors has lifted the age limit in individual cases. For Michael Pieper, the Board of Directors has made this limit void and proposed him to the share-

holders for reelection in view of his outstanding personal commitment and significant shareholding in the Company, which is obviously supporting the further development of Autoneum.

Nominations for election to the Board of Directors are made with due regard for the balanced composition of this body, taking industrial and international management experience and specialist knowledge into account.

### **Internal organization**

The Board of Directors is responsible for the business strategy and the overall management of the Autoneum Group and Group companies. It exercises a supervisory function over the persons who have been entrusted with the business management.

The Board of Directors is responsible for all transactions that are not explicitly reserved for the General Meeting or other bodies according to the law, the Articles of Association<sup>7</sup> and the Organizational Regulations<sup>8</sup>. It prepares the Annual General Meeting and makes the necessary arrangements for implementing resolutions adopted by the Annual General Meeting. The Board of Directors has the following decision-making authority:

- composition of the business portfolio and strategic direction of the Group;
- definition of the Group structure;
- appointment and dismissal of the members of the Group Executive Board;
- definition of the authority and duties of the Chairman and the committees of the Board of Directors as well as the CEO and CFO of the Autoneum Group and the Business Group Heads;
- organization of accounting, financial control and financial planning; the budget and the Annual Report with business review, financial statements, consolidated financial statements and Remuneration Report;
- principles of financial and investment policy, personnel and social policy, management and communications;

<sup>7</sup> [www.autoneum.com/investor-relations/corporate-governance](http://www.autoneum.com/investor-relations/corporate-governance)

<sup>8</sup> [www.autoneum.com/about-autoneum](http://www.autoneum.com/about-autoneum)

## Board of Directors





**Hans-Peter Schwald (1959)**

Chairman  
Swiss national

**First elected to the Board** Board member and Chairman since 2011  
**Educational and professional background** lic. iur. HSG, lawyer; Chairman of the Board of Directors of the legal practice of Staiger, Schwald & Partner Ltd, Zurich . **Other activities and interests** Chairman of the Board of Directors of Ruag Holding Ltd, Bern; Vice Chairman of the Board of Directors, Stadler Rail Ltd, Bussnang; Board member, Rieter Holding Ltd, Winterthur; Chairman, AVIA Association of Independent Importers of Petroleum Products, Zurich; Board member of other Swiss joint stock companies  
**Committees** Chairman of the Strategy Committee; Member of the Audit, the Compensation and the Nomination Committee . **Non-executive**

**Rainer Schmückle (1959)**

Vice Chairman  
German national

**First elected to the Board** Board member and Vice Chairman since 2011  
**Educational and professional background** Dipl. Wirtsch.-Ing. University of Karlsruhe; from 1984 to 1997 various positions at the Daimler Group, including CFO and Senior Vice President IT of Freightliner LLC; from 1998 to 2000 first CFO and then CEO of Adtranz LLC; from 2001 to 2005 President and CEO of Freightliner LLC; from 2005 to 2010 COO of Mercedes Car Group; from 2010 to 2011 Operating Partner of Advent International; from 2011 to 2014 Chief Operating Officer and President Seating Components, Johnson Controls Inc.; from 2014 to 2015 CEO of MAG Group . **Other activities and interests** Member of the Board of Directors of Dometic Group Ltd, member of the Board of Directors of a privately held company  
**Committees** Chairman of the Audit Committee; Member of the Strategy Committee .  
**Non-executive**

**Michael Pieper (1946)**

Board member  
Swiss national

**First elected to the Board** Board member since 2011 . **Educational and professional background** lic. oec. HSG; owner and CEO of Artemis Holding Ltd . **Other activities and interests** Member of the Board of Directors of various Artemis and Franke subsidiaries worldwide; Board member, Berenberg Bank (Switzerland) Ltd, Zurich; Hero Ltd, Lenzburg; Forbo Holding Ltd, Baar; Adval Tech Holding Ltd, Niederwangen; Rieter Holding Ltd, Winterthur; Arbonia Ltd, Arbon . **Non-executive**

**This E. Schneider (1952)**

Board member  
Swiss national

**First elected to the Board** Board member since 2011 . **Educational and professional background** lic. oec. HSG; from 1991 to 1993 Chairman and CEO of listed company SAFAA, Paris; from 1994 to 1997 member of the Executive Board, Valora Group, as Managing Director of the Canteen and Catering Division; from 1997 to 2002 Executive Chairman and CEO of the Selecta Group; from 2004 until March 2014 Executive Chairman and CEO, Forbo Group; since 2014 Executive Chairman of the Board of Directors of Forbo Group  
**Other activities and interests** Board member, Galenica SA, Bern; Rieter Holding Ltd, Winterthur . **Committees** Chairman of the Compensation and the Nomination Committee . **Non-executive**

**Peter Spuhler (1959)**

Board member  
Swiss national

**First elected to the Board** Board member since 2011 . **Educational and professional background** Majority shareholder and CEO of Stadler Rail Ltd, Bussnang . **Other activities and interests** Chairman of the Board, Stadler Rail Ltd, Bussnang, and of several other companies of the Stadler Rail Group, Aebi-Schmidt Holding Ltd, Burgdorf, and PCS Holding Ltd, Warth-Weiningen. Board member, Walo Bertschinger Central Ltd, Zurich; Allreal Holding Ltd, Baar; Rieter Holding Ltd, Winterthur; DSH Holding Ltd, Warth-Weiningen; Wohnpark Promenade Ltd, Frauenfeld; Vice Chairman of ZLE Betriebs Ltd, Zurich . Member of the National Council of the Swiss Parliament from 1999 to 2012 . **Non-executive**

**Ferdinand Stutz (1957)**

Board member  
Swiss national

**First elected to the Board** Board member since 2011 . **Educational and professional background** Dipl. Giesserei-Ing. University of Duisburg; from 1982 to 1989 Operations Manager and Deputy Manager Foundry for Rieter Ltd, Winterthur; from 1989 to 1994 Department Manager and as of 1994 co-partner and Executive Director of Schubert & Salzer; from 1995 to 1997 Executive Director of Georg Fischer Eisenguss GmbH, Leipzig; from 1998 to 2009 member of the Management Board of Georg Fischer Ltd and CEO of GF Automotive; since 2009 owner and founder of Stutz Improvement Ltd  
**Other activities and interests** Member of the Advisory Board of Halder Beteiligungsgesellschaft GmbH, Frankfurt; member of the Board of Directors or Advisory Board of other joint stock companies . **Committees** Member of the Audit, the Strategy, the Compensation and the Nomination Committee . **Non-executive**

- signature regulations and allocation of authority of Autoneum Holding Ltd;
- principles of internal audit;
- principles of compliance management
- decisions on investment projects involving expenditure in excess of CHF 10 million;
- issuance of bonds and other significant financial market transactions;
- incorporation, purchase, sale and liquidation of subsidiaries.

The Board of Directors comprises the Chairman, the Vice Chairman and the other members. The Chairman of the Board of Directors and the members of the Compensation Committee are elected for a one-year term of office by the Annual General Meeting. Apart from this, the Board of Directors is self-constituting. The Board of Directors appoints a secretary who need not to be a member of the Board of Directors. The Vice Chairman deputizes for the Chairman in his absence. The Board of Directors has a quorum if the majority of members are present or if the Board members are able to communicate with each other by telephone, video conference, Internet or other electronic means. Motions of the Board of Directors are approved by a simple majority of the votes of the members present. In the case of a tie, the Chairman has the casting vote.

---

## Once a year the Board of Directors carries out a self-assessment.

---

In 2016, the members of the Board of Directors met for five regular meetings, each of which lasted around half a day. One visit was held abroad and was followed by a visit to a production plant. The attendance rate was 97%. In

addition, four telephone conferences were held. The agendas for the Board meetings are drawn up by the Chairman. Any member of the Board can also propose items for inclusion on the agenda. Board meetings are generally also attended by the CEO and the CFO, while the other members of the Group Executive Board attend as necessary regarding business matters concerning them. They give an overview of the results, outlook and budget of their operating units, and present those projects requiring the approval of the Board of Directors.

Once a year the Board of Directors reviews its performance, internal working methods and cooperation with the Group Executive Board. This takes the form of a self-assessment and includes an assessment of the state of information of Board members with regard to the Group and its business development.

Should there be a conflict of interest in the course of making decisions on business matters and items on the agenda, the respective Board member must stand aside prior to discussion of the matter in question and abstain from voting when passing a resolution.

### Committees

Besides the Compensation Committee, the Board of Directors appoints an Audit, a Nomination and a Strategy Committee from among its members in order to assist it in its duties. The committees are fundamentally advisory and preparatory bodies and have no decision-making powers; resolutions are passed by the Board as a whole. Each committee has written terms of reference specifying its tasks and responsibilities. The members of the Compensation Committee are elected by the Annual General Meeting. The Chairman and further members of the other committees are elected by the Board of Directors. The committees meet regularly and are required to develop recommendations for the Board of Directors and to prepare minutes of their meetings.



The **Audit Committee** currently consists of three members of the Board. Its Chairman is Rainer Schmückle; the other members are Hans-Peter Schwald and Ferdinand Stutz. In the 2016 financial year none of the members of the Audit Committee performed executive duties. The Chairman is elected for one year. The Audit Committee meets at least twice each financial year. The meetings are also attended by the Head of Internal Audit, representatives of the statutory and Group auditors, the CEO and the CFO, and other members of the Group Executive Board and management as appropriate. The main duties of the Audit Committee are:

- elaborating principles for external and internal audits for submission to the Board of Directors, and providing information on their implementation;
- assessing the work of the external and internal auditors as well as their mutual cooperation and reporting to the Board of Directors;
- assessing the reports submitted by the statutory auditors as well as the invoiced costs;
- overall supervision of risk management and acceptance of the Group Executive Board's risk report addressed to the Board of Directors;
- assisting the Board of Directors in nominating the statutory auditors and the Group auditors for submission to the Annual General Meeting;
- scrutinizing the results of internal audits, approving the audit schedule for the following year and nominating the Head of Internal Audit.

The Audit Committee met for two regular meetings in 2016. The meetings lasted three to four-and-a-half hours. All committee members attended these meetings and received regular written reports from the internal auditors. In addition, the Audit Committee held a meeting of one hour together with the Compensation Committee with participation of all Committee members.

The **Compensation Committee** consists of three members. The Chairman of this committee is This E. Schneider. The other members are Hans-Peter Schwald and Ferdinand Stutz. The committee meets whenever the need arises, but at least twice a year. It draws up the principles for the remuneration of members of the Board of Directors, the Group Executive Board and senior management within the Autoneum Group, in particular bonus programs and share allocation plans (LTI), as well as the Remuneration Report and the proposals concerning the total maximum remuneration amount for the Board of Directors and Group Executive Board to be submitted annually by the Board of Directors for approval by the shareholders at the Annual General Meeting.

The **Nomination Committee** consists of three members. The Chairman is This E. Schneider, the other members are Hans-Peter Schwald and Ferdinand Stutz. The committee meets whenever necessary, but at least twice a year. This committee stipulates the profile of requirements and the principles for selecting members of the Board of Directors and prepares the election of new members of the Group Executive Board and their terms of employment. It is also briefed on succession plans for the Board of Directors, Group Executive Board and senior management and the relevant development plans.

The members of the Compensation and the Nomination Committee held three regular meetings in 2016. Each meeting lasted three to four-and-a-half hours. All committee members attended all meetings. In addition, the Compensation Committee held a meeting of one hour together with the Audit Committee with participation of all Committee members.

The **Strategy Committee** consists of three members: Hans-Peter Schwald is Chairman; Rainer Schmückle and Ferdinand Stutz are the other members. The Strategy Committee meets

at least twice a year. The meetings are also attended by the CEO and the CFO, and other members of the Group Executive Board and management as appropriate. The main duties of the strategy committee are:

- supporting and assisting the Board of Directors in strategic planning, especially in assessing market changes and developments affecting the Group;
- assessing Autoneum's short- and long-term strategic orientation, in particular with regard to markets, customers, competitors, products and technologies;
- support of strategically important projects.

The Strategy Committee met in 2016 for one regular meeting and a two-day strategy workshop with the entire Group Executive Board. The regular meeting lasted half a day. All committee members attended the meeting and the strategy workshop.

---

## The Strategy Committee met in 2016 for one regular meeting and a two-day strategy workshop with the entire Group Executive Board.

---

### Allocation of authority

The Board of Directors delegates operational business management to the CEO. The members of the Group Executive Board report to the CEO. The allocation of authority between the Board of Directors and the CEO is stipulated in the Organizational Regulations<sup>9</sup>, while details of the tasks reserved for the Board of Directors can be found on pages 53–56 (“Internal Organization”). The cooperation between the

Board of Directors, the CEO and the Business Groups is stipulated in the Group's Organizational Regulations<sup>9</sup>, which include the following: The CEO draws up the strategic and financial planning statements and the budget with the Group Executive Board and submits them to the Board of Directors for approval. He reports regularly on the course of business as well as on risks and changes in personnel at the management level. In addition to periodic reporting, he is obliged to inform the Board of Directors immediately about any business transactions of fundamental importance.

### Information and control instruments regarding the Group Executive Board

The Board of Directors receives a written monthly report on the key figures of the Group and the Business Groups from the Group Executive Board. This provides information on the balance sheet, cash flow and income statements as well as capital expenditure. The figures are compared with the budget and with the previous year. The Board of Directors is also informed at each meeting about the course of business, important projects and risks, as well as ongoing earnings and liquidity planning. Should the Board of Directors have to rule on major projects according to the Organizational Regulations<sup>9</sup>, a written request is submitted prior to the meeting.

The projects approved by the Board of Directors are monitored within the context of a special project controlling submitted to the Board of Directors every quarter. Once a year, the Board of Directors discusses and decides on the strategic plans drawn up by the Group Executive Board and the financial plan. Financial statements for publication are drawn up twice a year. Furthermore, the Chairman of the Board of Directors has a regular monthly meeting with the CEO and the CFO with respect to all major issues of corporate policy.

The Board of Directors has initiated and implemented a comprehensive internal control

<sup>9</sup> [www.autoneum.com/about-autoneum](http://www.autoneum.com/about-autoneum)



system for risk monitoring in connection with business activities, which covers risk identification, analysis and control as well as risk reporting. Refer to pages 79–83 for details on this risk management process and on financial risk management.

The members of the Audit Committee, the CEO, the CFO and appointed members of the management receive the internal audit reports. Internal audit conducted twelve regular audits in 2016. The results were discussed in detail with the Business Groups and the companies concerned, and appropriate measures have been initiated and monitored accordingly.

### **Compliance Program and Code of Conduct**

The Compliance Program of Autoneum is aimed at steering compliance with laws and regulations in order to ensure a proper management of the Group and initiates measures for avoidance and early detection of infringements. The Code of Conduct is an integral part of the employment contract of each employee. Further information on compliance and the Code of Conduct can be found at [www.autoneum.com/en/about-autoneum/compliance](http://www.autoneum.com/en/about-autoneum/compliance).

## **4 Group Executive Board**

The Group Executive Board had six members on December 31, 2016: the CEO, the CFO and the four Business Group Heads. For additional information about the Group Executive Board members please refer to pages 60 and 61.

### **Permissible activities outside the Autoneum Group**

According to §20 of the Articles of Association<sup>10</sup>, no member of the Group Executive Board may assume more than four additional mandates and no more than two of these may be held with listed companies that are to be approved by the Board of Directors prior to the acceptance. This restric-

tion does not apply to (a) mandates held with companies that control or are controlled by Autoneum Holding Ltd; (b) mandates assumed by a member of the Group Executive Board by order of Autoneum Holding Ltd or companies under its control; (c) mandates held with companies that do not qualify as companies within the meaning of Art. 727, para. 1, clause 2 of the Swiss Code of Obligations; (d) mandates held with non-profit organizations and foundations as well as pension funds. The number of mandates pursuant to (c) and (d) is limited to a total of 20. Mandates held with various legal entities that are under joint control or controlled by the same beneficial owner count as one mandate. Mandates held with the supreme management or administrative body of a legal entity that is required to be registered in the commercial register or an equivalent register abroad count as mandates.

### **Management contracts**

There are no management contracts between Autoneum Holding Ltd and third parties.

## **5 Remuneration, shareholdings and loans**

The content and process for determining remuneration and equity participation programs as well as information on the remuneration, shareholdings and loans of the Board of Directors and the Group Executive Board can be found in the Remuneration Report from page 116 onwards.

## **6 Shareholders' participatory rights**

### **Voting restrictions**

Autoneum Holding Ltd imposes no voting restrictions.

### **Statutory quorum**

General Meetings of Shareholders adopt resolutions with the absolute majority of represented voting shares unless the law or Articles of Association<sup>10</sup> stipulate otherwise.

<sup>10</sup> [www.autoneum.com/investor-relations/corporate-governance](http://www.autoneum.com/investor-relations/corporate-governance)

## Group Executive Board



Martin Hirzel

Dr Martin Zwyszig



John T. Lenga

Andreas Kolf



Matthias Holzammer

Fausto Bigi



**Martin Hirzel (1970)**  
Chief Executive Officer (CEO)  
Swiss national

**Member of the Group Executive Board since 2011 . Educational and professional background** Degree in business administration (HWV); General Management Program at Harvard Business School; from 1989 to 1994 Business Unit Controller of IBM (Switzerland) Ltd; from 1997 to 1999 Chief Controller International of Division Textile Systems for Rieter Holding Ltd; from 2000 to 2007 General Manager China of Rieter Holding Ltd; from 2007 to 2011 Head Business Group SAMEA, member of the Executive Committee of the Division Automotive Systems of Rieter Holding Ltd; in the current function since 2011

**Andreas Kolf (1962)**  
Head Business Group Asia  
German national

**Member of the Group Executive Board since 2016 . Educational and professional background** Lawyer; from 1995 to 2001 various Management functions at Tiger Wheels Holding, South Africa; from 2002 to 2004 CEO Federal-Mogul Gorzyce S.A., Poland; from 2004 to 2005 Managing Director, Borbet Thüringen GmbH, Germany; from 2005 to 2006 Global Sales Director, Federal-Mogul GmbH, Germany; from 2006 to 2011 Executive Director Operations, Federal-Mogul India; from 2011 to 2013 Director Operations Federal-Mogul Asia Pacific, China; from 2013 to 2016 Vice President and Managing Director Federal-Mogul India; in the current function since March 1, 2016

**Dr Martin Zwysig (1965)**  
Chief Financial Officer (CFO)  
Swiss national

**Member of the Group Executive Board since 2014 . Educational and professional background** Master in Accounting and Finance, Dr oec. HSG, University of St. Gallen; from 1995 to 1997 Controller Swiss Bank Corporation; from 1997 to 2001 Division Controller Sarna Kunststoff Holding Ltd; from 2001 to 2002 Senior Vice President Finance & Controlling EMS-TOGO Group; from 2003 to 2008 Group CFO Schaffner Holding Ltd; from 2008 to 2013 Group CFO Ascom Holding Ltd; in the current function since 2014 . **Other activities and interests** Member of the Board of Directors of Belimo Holding Ltd

**Matthias Holzammer (1965)**  
Head Business Group Europe  
German national

**Member of the Group Executive Board since 2012 . Educational and professional background** Degree in business engineering; from 1993 to 2009 leading functions in operations, plant management and general management at Brose Fahrzeugteile GmbH & Co. KG, Faurecia Sitztechnik GmbH & Co. KG and at Beru Ltd; from 2009 to 2011 Managing Director Production for Keiper GmbH & Co. KG (later Johnson Controls), last assignment as General Manager of the Product Business Unit "Metal Region Europe"; in the current function since 2012

**John T. Lenga (1970)**  
Head Business Group North America . US national

**Member of the Group Executive Board since 2015 . Educational and professional background** Master in Arts, Bowling Green State University, USA; from 1994 to 1997 Financial Analyst at Ford Motor Company; from 1997 to 1999 Principal Business Analyst to the CEO for Little Caesar's Enterprises; from 1999 to 2003 Financial Planning and Operational Analysis Leader US/ Canada Tower Automotive; from 2003 to 2005 Director of Financial Planning and Operational Analysis; from 2005 to 2007 Business Group Controller of Business Group North America, Rieter Holding Ltd; from 2007 to 2015 Chief Financial Officer Business Group North America, Rieter Holding Ltd/Autoneum Holding Ltd; in the current function since 2015

**Fausto Bigi (1959)**  
Head Business Group SAMEA  
Brazilian national

**Member of the Group Executive Board since 2016 . Educational and professional background** Master in Business Administration, INSEAD, France and Graduation in Mechanical Engineering, Brazil; from 1986 to 1993 Senior Manager at Itautec Informatica, Brazil; from 1993 to 2006 various Management functions at Valeo Automotive Systems, last assignment as Branch Marketing Director Division Lighting, France; from 2006 to 2008 Purchasing Director South America, Faurecia, Brazil; from 2008 to 2011 Head South America, Rieter Holding Ltd, Brazil; from 2011 to 2012 Deputy Head Business Group SAMEA, Autoneum Holding Ltd, Brazil; from 2012 to 2016 CEO Correias Mercúrio S.A., Brazil; in the current function since March 1, 2016

Remuneration is approved with the majority of votes cast regardless of potential abstentions.

### **Convocation of General Meeting, agenda publication, voting proxies**

General Meetings of Shareholders are called through publication in the Swiss Commercial Gazette by the Board of Directors at least 20 days prior to the event, with details of the agenda, pursuant to §8 of the Articles of Association<sup>11</sup>. Pursuant to §9 of the Articles of Association<sup>11</sup>, shareholders representing shares with a par value of at least CHF 20 000 can request the inclusion on the agenda of an item for discussion, with details of the relevant motions, by a closing date published by the Company. Shareholders who do not attend General Meetings personally can arrange to be represented by another shareholder by written power of attorney or by the independent voting proxy by issuing written power of attorney and instructions pursuant to the signed registration form or electronically via the platform at <https://autoneum.shapp.ch>. The independent voting proxy is elected annually by the Annual General Meeting. Lic. iur. Ulrich B. Mayer, Attorney-at-Law, shall hold office as independent voting proxy until the closure of the 2017 Annual General Meeting.

### **Entries in the shareholders' register**

In order to ensure an orderly procedure, the Board of Directors fixes the reference date shortly before the shareholders' meeting, by which time shareholders need to be entered in the share register in order to exercise their participation rights at the meeting. This reference date is published in the Swiss Commercial Gazette together with the invitation to the General Meeting.

## **7 Change of control and defensive measures**

### **Change of control clauses**

There are no change of control clauses in Autoneum contracts of employment and office. In the event of a change of control, all shares blocked within the framework of the Executive Bonus Plan are vested.

### **Obligation to submit an offer**

The legal provisions according to Art. 135 of the Financial Market Infrastructure Act (FMIA) are applicable. This states that a shareholder or a group of shareholders acting in concert who hold more than 33% of all shares must submit a takeover offer to the other shareholders.

## **8 Statutory auditors**

### **Duration of mandate and term of office of the lead auditor**

KPMG AG, Zurich, has been the statutory and Group auditor of Autoneum Holding Ltd and the Autoneum Group since the financial year 2011. Kurt Stocker, licensed audit expert, has been lead auditor for the Autoneum mandate at KPMG since the financial year 2011. The term of office of the lead auditor is limited to seven years.

### **Audit fees and additional fees**

KPMG charged Autoneum approximately CHF 0.8 million for the 2016 financial year for services in connection with auditing the annual financial statements of Group companies, the consolidated Autoneum Group accounts and the Remuneration Report. KPMG also charged Autoneum approximately CHF 0.1 million for additional services in the year under review, mainly for tax advisory services. Additional auditors received from Autoneum approximately CHF 0.4 million for the 2016 financial year for services in connection with auditing the annual financial statements of Group companies. They also received approximately CHF 0.2 million for

<sup>11</sup> [www.autoneum.com/investor-relations/corporate-governance](http://www.autoneum.com/investor-relations/corporate-governance)



additional services in the year under review, mainly for tax advisory services.

### **Information instruments of the external auditors**

The external auditor informs the Audit Committee in writing and verbally at every meeting about relevant auditing activities and other important facts and figures related to the Company. Representatives of the external and internal auditors attend Audit Committee meetings to explain their activities and answer questions. The statutory auditors have access to the minutes of the meetings of the Board of Directors.

The Audit Committee of the Board of Directors makes an annual assessment of the performance, fees and independence of the statutory and Group auditors. It submits a proposal to the Board of Directors regarding who should be proposed for election as statutory auditors at the General Meeting. In addition, the Audit Committee reviews the scope of external auditing, the auditing plans and relevant procedures annually, and discusses auditing results with the external auditors in each case.

Report and Semi-Annual Report, the Annual General Meeting and at least one media and financial analysts conference each year.

Reporting on the 2016 financial year includes the Annual Report, a media release and a presentation. The Annual Report can be ordered by shareholders using the form enclosed with the invitation to the Annual General Meeting. It is also available for perusal at the Company's headquarters no later than 20 days prior to the Annual General Meeting. At the Annual General Meeting, the Board of Directors and the Group Executive Board provide information on the annual accounts and the course of business and answer shareholders' questions.

---

## **Representatives of the external and internal auditors attended Audit Committee meetings.**

---

### **9 Information policy**

---

Autoneum maintains regular, open communication with all stakeholders and relevant parties, in particular with investors, financial analysts and representatives of banks and the media. Communication takes place through the Annual

## Sources of information

Autoneum provides extensive information to all interested parties. This is available online via the following links:

- Articles of Association Autoneum Holding Ltd: [www.autoneum.com/investor-relations/corporate-governance](http://www.autoneum.com/investor-relations/corporate-governance)
- Organizational Regulations: [www.autoneum.com/about-autoneum](http://www.autoneum.com/about-autoneum)
- Download of Annual Reports incl. Financial Report: [www.autoneum.com/investor-relations/reports](http://www.autoneum.com/investor-relations/reports)
- Order of Annual Reports incl. Financial Report (printed version): [www.autoneum.com/communication-order](http://www.autoneum.com/communication-order)
- Corporate Governance: [www.autoneum.com/investor-relations/corporate-governance](http://www.autoneum.com/investor-relations/corporate-governance)
- Sustainability: [www.autoneum.com/about-autoneum/corporate-social-responsibility-csr/sustainability](http://www.autoneum.com/about-autoneum/corporate-social-responsibility-csr/sustainability)
- Share price: [www.autoneum.com/investor-relations/share](http://www.autoneum.com/investor-relations/share)
- Presentations: [www.autoneum.com/investor-relations/presentations](http://www.autoneum.com/investor-relations/presentations)
- Media releases: [www.autoneum.com/investor-relations/media-releases](http://www.autoneum.com/investor-relations/media-releases)
- Subscription to media releases: [www.autoneum.com/media/subscription](http://www.autoneum.com/media/subscription)
- Contact: [www.autoneum.com/contact](http://www.autoneum.com/contact)

Shareholders and the capital market are informed by media releases of significant changes and developments in the Company. Share-price-relevant events are published in accordance with the ad hoc publicity requirements of the SIX Swiss Exchange. In addition, Autoneum maintains communication with investors, financial analysts and representatives of the media at corresponding events.

Should shareholders and other interested parties wish to automatically receive the media releases, they may register at [www.autoneum.com/media/subscription](http://www.autoneum.com/media/subscription).



**Financial Report**

66	Consolidated Financial Statements
116	Remuneration Report
121	Financial Statements of Autoneum Holding Ltd
134	Review 2012–2016

## Consolidated income statement

CHF million	Notes	2016		2015	
Net sales	(4)	2 152.6	100.0%	2 085.9	100.0%
Material expenses		-1 003.8	46.6%	-998.1	47.8%
Employee expenses	(5)	-569.8	26.5%	-545.2	26.1%
Other expenses	(6)	-352.6	16.4%	-366.6	17.6%
Other income	(7)	51.8	2.4%	15.5	0.7%
<b>EBITDA</b>		<b>278.1</b>	<b>12.9%</b>	<b>191.5</b>	<b>9.2%</b>
Depreciation, amortization and impairment	(8)	-73.6	3.4%	-65.1	3.1%
<b>EBIT</b>		<b>204.5</b>	<b>9.5%</b>	<b>126.5</b>	<b>6.1%</b>
Financial income	(9)	2.1		0.9	
Financial expenses	(10)	-15.5		-20.2	
Share of profit of associated companies	(15)	3.1		1.9	
<b>Profit before taxes</b>		<b>194.2</b>	<b>9.0%</b>	<b>109.2</b>	<b>5.2%</b>
Income taxes	(11)	-60.4		-40.5	
<b>Net profit</b>		<b>133.8</b>	<b>6.2%</b>	<b>68.7</b>	<b>3.3%</b>
Attributable					
to shareholders of Autoneum Holding Ltd		95.8		42.2	
to non-controlling interests		38.0		26.5	
Basic earnings per share in CHF	(12)	20.61		9.12	
Diluted earnings per share in CHF	(12)	20.58		9.10	

## Consolidated statement of comprehensive income

CHF million	2016	2015
<b>Net profit</b>	<b>133.8</b>	<b>68.7</b>
Currency translation adjustment	6.5	-30.6
Changes in fair value of financial instruments available for sale	13.3	5.2
Income taxes	-	-
<b>Total items that will be reclassified to income statement</b>	<b>19.8</b>	<b>-25.4</b>
Remeasurement of defined benefit pension plans	-5.1	-3.5
Income taxes	1.0	0.7
<b>Total items that will not be reclassified to income statement</b>	<b>-4.2</b>	<b>-2.8</b>
<b>Other comprehensive income</b>	<b>15.6</b>	<b>-28.3</b>
<b>Total comprehensive income</b>	<b>149.4</b>	<b>40.4</b>
Attributable		
to shareholders of Autoneum Holding Ltd	111.2	16.0
to non-controlling interests	38.2	24.4

The accompanying notes on pages 70–111 are part of the consolidated financial statements.



## Consolidated balance sheet

CHF million	Notes	31.12.2016	31.12.2015
<b>Assets</b>			
Tangible assets	(13)	500.0	433.5
Intangible assets	(14)	8.8	9.8
Investments in associated companies	(15)	11.0	8.3
Financial assets	(16)	43.5	35.3
Deferred income tax assets	(11)	35.2	31.7
Employee benefit assets	(25)	3.4	1.0
Other assets	(17)	46.0	33.7
<b>Non-current assets</b>		<b>648.0</b>	<b>553.6</b>
Inventories	(18)	148.2	130.9
Trade receivables	(19)	276.1	254.9
Current income tax receivables		8.9	7.4
Other assets	(17)	63.3	77.4
Financial assets	(16)	1.9	0.8
Cash and cash equivalents	(20)	149.8	78.7
Assets of disposal group classified as held for sale	(21)	1.6	11.0
<b>Current assets</b>		<b>649.8</b>	<b>561.1</b>
<b>Assets</b>		<b>1 297.8</b>	<b>1 114.7</b>
<b>Shareholders' equity and liabilities</b>			
Equity attributable to shareholders of Autoneum Holding Ltd	(22)	394.3	301.3
Equity attributable to non-controlling interests	(23)	104.7	96.2
<b>Total shareholders' equity</b>		<b>499.0</b>	<b>397.5</b>
Borrowings	(24)	78.4	170.9
Deferred income tax liabilities	(11)	10.7	10.8
Employee benefit liabilities	(25)	37.0	28.8
Provisions	(26)	63.3	54.4
Other liabilities	(27)	31.5	19.9
<b>Non-current liabilities</b>		<b>220.7</b>	<b>284.8</b>
Borrowings	(24)	130.3	14.0
Current income tax liabilities		15.1	10.0
Provisions	(26)	13.7	14.8
Trade payables		253.8	243.3
Other liabilities	(27)	164.5	148.1
Liabilities of disposal group classified as held for sale	(21)	0.7	2.2
<b>Current liabilities</b>		<b>578.1</b>	<b>432.3</b>
<b>Liabilities</b>		<b>798.8</b>	<b>717.1</b>
<b>Shareholders' equity and liabilities</b>		<b>1 297.8</b>	<b>1 114.7</b>

The accompanying notes on pages 70–111 are part of the consolidated financial statements.

## Consolidated statement of changes in equity

CHF million	Attributable to the shareholders of Autoneum Holding Ltd						Total	Attributable to non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserves	Available for sale reserves	Retained earnings	Currency transl. adjustm.			
<b>At December 31, 2014</b>	<b>0.2</b>	<b>-6.1</b>	<b>238.3</b>	<b>5.3</b>	<b>68.2</b>	<b>-2.5</b>	<b>303.5</b>	<b>89.0</b>	<b>392.5</b>
Net profit	-	-	-	-	42.2	-	42.2	26.5	68.7
Other comprehensive income	-	-	-	5.2	-2.8	-28.5	-26.2	-2.1	-28.3
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.2</b>	<b>39.4</b>	<b>-28.5</b>	<b>16.0</b>	<b>24.4</b>	<b>40.4</b>
Capital increase	-	-	-	-	-	-	-	0.1	0.1
Dividends paid <sup>1</sup>	-	-	-20.8	-	-	-	-20.8	-17.3	-38.1
Purchase of treasury shares	-	-0.1	-	-	-	-	-0.1	-	-0.1
Share-based remuneration	-	1.9	-	-	0.9	-	2.8	-	2.8
<b>Total transactions with owners</b>	<b>-</b>	<b>1.7</b>	<b>-20.8</b>	<b>-</b>	<b>0.9</b>	<b>-</b>	<b>-18.2</b>	<b>-17.2</b>	<b>-35.4</b>
<b>At December 31, 2015</b>	<b>0.2</b>	<b>-4.3</b>	<b>217.5</b>	<b>10.5</b>	<b>108.5</b>	<b>-31.1</b>	<b>301.3</b>	<b>96.2</b>	<b>397.5</b>
Net profit	-	-	-	-	95.8	-	95.8	38.0	133.8
Other comprehensive income	-	-	-	13.3	-4.2	6.3	15.4	0.2	15.6
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.3</b>	<b>91.6</b>	<b>6.3</b>	<b>111.2</b>	<b>38.2</b>	<b>149.4</b>
Capital increase	-	-	-	-	-	-	-	0.1	0.1
Dividends paid <sup>1</sup>	-	-	-	-	-20.9	-	-20.9	-29.8	-50.8
Purchase of treasury shares	-	-0.1	-	-	-	-	-0.1	-	-0.1
Share-based remuneration	-	2.1	-	-	0.7	-	2.8	-	2.8
<b>Total transactions with owners</b>	<b>-</b>	<b>2.0</b>	<b>-</b>	<b>-</b>	<b>-20.3</b>	<b>-</b>	<b>-18.3</b>	<b>-29.8</b>	<b>-48.0</b>
<b>At December 31, 2016</b>	<b>0.2</b>	<b>-2.4</b>	<b>217.5</b>	<b>23.8</b>	<b>179.9</b>	<b>-24.7</b>	<b>394.3</b>	<b>104.7</b>	<b>499.0</b>

<sup>1</sup> Autoneum Holding Ltd paid a dividend of CHF 4.50 per share in 2016 (2015: CHF 4.50) as approved by the Annual General Meeting.

The accompanying notes on pages 70–111 are part of the consolidated financial statements.

## Consolidated statement of cash flows

CHF million	Notes	2016	2015
Net profit		133.8	68.7
Dividend income		-0.4	-0.1
Interest income	(9)	-1.5	-0.7
Interest expenses	(10)	12.5	12.3
Income tax expenses	(11)	60.4	40.5
Depreciation, amortization and impairment	(8)	73.6	65.1
Share of profit of associated companies	(15)	-3.1	-1.9
Gain and loss from disposal of tangible assets, net		-2.8	-
Other non-cash income and expenses		9.8	3.6
Change in net working capital		2.5	-48.7
Change in post-employment benefit assets and liabilities		0.3	-0.1
Change in non-current provisions		7.5	11.2
Change in operating receivables within other non-current assets		-3.9	4.3
Change in operating liabilities within other non-current liabilities		2.9	3.1
Gain from disposal of subsidiary or business	(3)	-33.2	-
Dividends received		0.4	0.1
Interest received		1.5	0.7
Interest paid		-11.3	-12.0
Income taxes paid		-54.9	-34.4
<b>Cash flows from operating activities</b>		<b>194.1</b>	<b>111.7</b>
Investments in tangible assets	(13)	-137.5	-119.1
Investments in intangible assets	(14)	-0.9	-1.5
Investments in associated companies	(15)	-	-0.5
Investments in non-current financial assets		-2.5	-2.3
Investments in current financial assets		-1.2	-
Proceeds from disposal of tangible assets		6.2	0.8
Proceeds from disposal of subsidiary or business, net of cash disposed of <sup>1</sup>	(3)	43.2	-0.5
<b>Cash flows used in investing activities</b>		<b>-92.8</b>	<b>-123.1</b>
Dividends paid to shareholders of Autoneum Holding Ltd		-20.9	-20.8
Dividends paid to non-controlling interests		-29.8	-17.3
Proceeds from capital increase		0.1	0.1
Purchase of treasury shares		-0.1	-0.1
Proceeds from borrowings		102.3	10.7
Repayment of borrowings		-80.1	-16.0
<b>Cash flows used in financing activities</b>		<b>-28.6</b>	<b>-43.5</b>
Currency translation adjustment		-1.6	-7.3
<b>Change in cash and cash equivalents</b>		<b>71.1</b>	<b>-62.2</b>
Cash and cash equivalents at beginning of the year		78.7	140.9
<b>Cash and cash equivalents at end of the year</b>	(20)	<b>149.8</b>	<b>78.7</b>

<sup>1</sup> Includes the proceeds from the disposal of the UGN business in Chicago Heights (Illinois), USA as disclosed in note 3 on page 84 and a deferred purchase price payment in the amount of CHF 0.8 million (2015: CHF -0.5 million) from a transaction in 2014.

The accompanying notes on pages 70–111 are part of the consolidated financial statements.



## Notes to the consolidated financial statements

### 1 Significant accounting policies

#### 1.1 Basis of preparation

Autoneum Holding Ltd (“the Company”) was incorporated on December 2, 2010, as a Swiss corporation domiciled in Winterthur. The Company has been listed on the SIX Swiss Exchange (AUTN, ISIN: CH0127480363) since May 13, 2011. Autoneum Holding Ltd together with its subsidiaries will henceforth be referred to as “Autoneum Group”, “Group” or “Autoneum”. A list of subsidiaries, associated companies and non-consolidated investments of Autoneum Group can be found in note 36 on page 111.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements are based on historic cost, with the exception of specific financial instruments, which are measured at fair value. The consolidated financial statements were authorized for issue by the Board of Directors on March 1, 2017, and are subject to approval by the Annual General Meeting of shareholders on March 30, 2017.

The consolidated financial statements are published exclusively in English. Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

#### 1.2 Significant accounting judgments, estimates and assumptions

The preparation of the Group’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of

revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods. Other disclosures relating to the Group’s exposure to risks and uncertainties includes the risk management process (refer to note 2, page 79) and the sensitivity analyses of defined benefit plans (refer to note 25, page 101).

#### Judgments

In the process of applying the Group’s accounting policies, management has made the following judgment in connection with the consolidation of entities in which the Group holds less than the majority of voting rights.

Assessing whether Autoneum has control over an entity includes all facts and circumstances that may indicate that the Group is able to direct the relevant activities and key decisions. Autoneum concludes that it has control over certain entities in which it holds 50% or more (refer to note 23, page 99), based on specific rights allocated. Facts and circumstances indicating that Autoneum controls an entity may change and lead to a reassessment of the management’s conclusion.

#### Estimates and assumptions

Key assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending December 31, 2016, include the following:

Impairment losses on tangible assets are assessed based on estimated cash flows, which may vary from actual cash flows. Important assumptions to consider are useful lives, growth rates, achievable margins as well as discount rates (refer to note 13, page 91).

Development costs must meet several criteria to be recognized as an intangible asset. Technical and financial resources must be available to ensure the completion of the development, and the costs attributed to the development must be reliably measured. Due to rapid technological changes, the required proof of future economic benefits could not be sufficiently supported and therefore no development costs could be capitalized as intangible assets in the reporting period. The assessment of whether these recognition criteria are met requires significant management judgment.

When assessing inventories, estimates for their recoverability based on the expected consumption of the corresponding item are considered. The valuation adjustments for inventories are determined for each item using a coverage analysis. The parameters are checked annually and modified if necessary. Changes in sales or other circumstances can accordingly lead to an adjustment of the book value (refer to note 18, page 94).

For defined benefit plans, actuarial valuations which are the basis for the employee benefit assets and liabilities in the balance sheet are carried out regularly. These calculations are based on statistical and actuarial assumptions. In particular, the present value of the defined benefit obligation is affected by assumptions such as discount rate, expected future salary growth and the life expectancy. Other assumptions for the valuation are derived from statistical data such as mortality tables and staff turnover rates. Actuaries are independent from Autoneum. Assumptions may differ significantly from actual results. These deviations can ultimately have an effect on the employee benefit assets or liabilities in future periods (refer to note 25, page 101).

In the course of the ordinary operating activities of Autoneum Group, obligations from guarantee and warranty, litigation and tax risk,

and environmental risk can arise. Provisions for these obligations are measured on the basis of estimated future cash outflow. The outcome of these business transactions may result in claims against Autoneum that may be below or above the related provisions. Provisions for obligations from guarantee and warranty are recognized when damage has occurred and the related cash outflow can be estimated reliably, but a material uncertainty concerning the kind of damage and the kind of compensation exists. Provisions for litigation and tax risk comprise complex cases that include material uncertainties. Environmental provisions are recognized for the expected costs for the clean-up and reconstruction of contaminated sites that are interdependent of many uncertainties, such as Autoneum's share of the cost or the applicable approach for determining these costs. The financial impact of these cases for future periods can only be estimated, because uncertainties relating to amount and date of cash outflow exist (refer to note 26, page 106).

Assumptions in relation to income taxes include interpretations of the tax regulations in place in the relevant countries. The adequacy of these interpretations is assessed by the tax authorities. This can result, at a later stage, in changes in the income tax expenses. To determine whether a deferred income tax asset on tax loss carryforwards may be recognized requires judgment in assessing whether there will be future taxable profits against which these tax loss carryforwards can be offset (refer to note 11, page 89).

### **1.3 Scope and methods of consolidation**

The consolidated financial statements of Autoneum Holding Ltd include the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involve-

ment with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control is lost. Acquisitions are accounted for using the acquisition method. Intercompany transactions are eliminated.

If Autoneum does not have control over entities but significant influence, which is usually the case if Autoneum holds interests of between 20% and 50%, these investments are classified as associated companies and accounted for using the equity method. Interests of less than 20% where Autoneum does not have significant influence are classified as non-consolidated investments and are accounted for at fair value. The subsidiaries, associated companies and non-consolidated investments are listed in note 36 on page 111.

#### 1.4 Foreign currency translation

Items included in the financial statements of each Group company are measured using the currency of the primary economic environment in which the company operates ("functional currency"). The consolidated financial statements are prepared in Swiss francs, which is the functional currency and the reporting currency of Autoneum Holding Ltd.

Transactions in foreign currencies are translated into the functional currency by applying the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

For consolidation purposes, items in the balance sheet of foreign subsidiaries are translated at year-end exchange rates, while income

statement items are translated at average rates for the period. The resulting currency translation differences are recognized in other comprehensive income and, in the event of a disposal of a foreign operation, transferred to the income statement as part of the gain or loss from disposal.

#### 1.5 Tangible assets

Tangible assets are stated at historical cost less accumulated depreciation, which is recognized on a straight-line basis over the estimated useful life of the asset. Historical cost includes expenditures that are directly attributable to the acquisition of the assets. Useful life is determined according to the expected utilization of each asset. The relevant ranges are as follows:

Buildings	20–50 years
Machinery and plant equipment	5–15 years
Data processing equipment	4–8 years
Vehicles and furniture	3–10 years

Components of certain assets with different useful lives are depreciated separately. Gains or losses arising from the disposal of tangible assets are recognized in the income statement. Costs of maintenance and repair are charged to the income statement as incurred. The residual values and useful lives of tangible assets are reviewed, and adjusted if appropriate, at each balance sheet date.

#### 1.6 Leases

Leased assets where Autoneum substantially bears all the risks and rewards of ownership (finance leases) are capitalized. Assets held under such finance leases are depreciated over the shorter of their estimated useful life or the lease term. The corresponding lease obligations, excluding finance charges, are included in borrowings. Lease installments are divided into an interest and a principal component.



All other leases are classified as operating leases. Payments in respect of operating leases are charged to the income statement on a straight-line basis over the duration of the lease.

### **1.7 Intangible assets**

Intangible assets such as product licenses, patents and trademark rights as well as software acquired from third parties are included in the balance sheet at acquisition cost and are amortized on a straight-line basis over a period of up to eight years. The residual values and useful lives of intangible assets are reviewed, and adjusted if appropriate, at each balance sheet date. Autoneum has neither in the current reporting period nor in the prior period intangible assets that have an indefinite useful life recorded in the balance sheet. Autoneum has no goodwill capitalized in the balance sheet.

### **1.8 Impairment of assets**

Tangible assets and intangible assets are tested for impairment if there are indications that, due to changed circumstances, their carrying value may no longer be fully recoverable. If such a situation arises, the recoverable amount is determined. This is the higher of its value in use and its fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount is below the carrying amount, a corresponding impairment loss is recognized in the income statement. Where the recoverable amount cannot be determined for an individual asset, it is determined for the cash-generating unit to which the asset belongs. To determine the value of an asset, estimates of the expected future cash flows from both usage and disposal are made.

### **1.9 Research and development**

Research costs are recognized in the income statement when incurred. Development costs for major projects are capitalized as intangible assets if the cost can be measured reliably, if it can be demonstrated that the project is technically feasible and is expected to generate future economic benefits, and if Autoneum plans to provide sufficient resources in order to complete the development and to use or sell the intangible asset.

### **1.10 Financial instruments**

All financial assets not carried at fair value through profit or loss are initially recognized at fair value plus transaction costs. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement.

Subsequent valuation depends on the category into which the financial assets are classified. Autoneum distinguishes between the following categories:

Financial assets at fair value through profit or loss include financial assets held for trading and those that are designated as such at inception. Assets in this category are presented as current assets if they are either held for trading or are expected to be realized within twelve months after the balance sheet date. For subsequent valuation, changes in fair value are recognized in the income statement. Derivative financial instruments with positive replacement value and marketable securities are assigned to this category.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, in which case they are

presented as non-current assets. Subsequently, they are valued at amortized cost less impairment losses.

Available for sale financial assets are non-derivative financial assets that are either classified as such or not assigned to any of the above categories. They are measured at market value as of the balance sheet date. Changes in the value are recorded in other comprehensive income prior to sale, and reclassified to the income statement when they are sold. Any impairment is charged to the income statement immediately. They are included in non-current assets unless management intends the disposal within twelve months after the balance sheet date.

Autoneum has no financial instruments that are classified as held-to-maturity.

Financial liabilities at fair value through profit or loss are either held for trading purposes or designated as such. At their initial recognition and subsequently, financial liabilities at fair value through profit or loss are measured at fair value. Transaction costs directly identifiable to the purchase of these liabilities are immediately expensed. Derivative financial instruments with negative replacement values are assigned to this category.

All other financial liabilities are measured at amortized cost. Mainly trade payables, borrowings and other liabilities are assigned to this category. They are recognized initially at fair value, net of transaction costs incurred. Subsequently, these financial liabilities are stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the obligation using the effective interest method.

### 1.11 Inventories

Raw material, consumables and purchased parts are valued at the lower of average cost or net

realizable value. Semi-finished goods and finished goods are valued at the lower of manufacturing cost or net realizable value. Valuation adjustments are made for obsolete materials and excess stock.

### 1.12 Trade receivables

Trade receivables are classified as “loans and receivables” and are stated at amortized cost, which usually equals the original invoice value less any impairment loss. The loss is measured as the difference between the invoiced amount and the expected payment. The allowances are established based on maturity structure and identifiable solvency risks.

### 1.13 Cash and cash equivalents

Cash and cash equivalents include bank accounts and time deposits with original maturities from the date of acquisition of up to three months.

### 1.14 Equity

Ordinary shares are classified as equity since the shares are non-redeemable and any dividends are discretionary.

When shares are repurchased, the amount of the consideration paid is recognized as a deduction from equity and presented as a separate component in equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is recognized in retained earnings.

### 1.15 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably esti-

mated. Provisions are discounted if the impact is significant.

### 1.16 Income taxes

---

Income taxes comprise both current and deferred income taxes. Normally income taxes are recognized in the income statement, unless they are linked to a position that is recognized directly in equity or in other comprehensive income. In this case, the income taxes are also recognized directly in equity or in other comprehensive income.

Current income taxes are calculated and accrued on the basis of taxable income for the year. Deferred income taxes on temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and amounts determined for local tax purposes are calculated using the liability method. Deferred income taxes are measured at the tax rate expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. Deferred income tax assets and liabilities are offset to the extent that an entity has a legally enforceable right to offset current income taxes, and the deferred income taxes relate to income taxes levied by the same taxation authority and relate to the same taxable entity.

Temporary differences resulting from investments in Group companies are not considered if Autoneum is able to control the timing of the reversal of the temporary differences and if it is probable that these temporary differences will not reverse in future.

The tax impact of losses and deductible temporary differences is capitalized to the extent it appears probable that such losses will be offset in the future by taxable income.

### 1.17 Employee benefits

---

Employee pension plans are operated by certain subsidiaries, depending upon the level of coverage provided by the government pension facilities in the various countries in which they are present. Some are provided by independent pension funds. If there is no independent pension fund, the respective obligations are shown in the balance sheet under employee benefit liabilities. As a rule, pensions are funded by employees' and employer's contributions. Pension plans exist on the basis of both defined contribution and defined benefit.

Pension liabilities arising from defined benefit plans are calculated annually by independent actuaries using the projected unit credit method. The discount rate used for the calculation is based on interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Remeasurement gains or losses are recognized in other comprehensive income. Pension costs relating to services rendered in the reporting period are recognized in the income statement as current service costs. Pension costs relating to services rendered in previous periods as a result of new or amended pension benefits are recognized in the income statement as past service costs. The net interest expenses or income on the net defined benefit liability or asset for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. The net interest expenses or income is recognized in financial expenses or income. The fair value of plan assets is deducted from the defined benefit



obligations. Any asset resulting from this calculation is only capitalized up to an amount not exceeding benefits from future contribution reductions or refunds.

In the case of defined contribution plans, the contributions are recognized as expense in the period in which they incurred.

### **1.18 Share-based payments**

Share-based payments to members of the Board of Directors, the Executive Board and senior management are measured at fair value at the grant date, and recognized in the income statement over the vesting period. The fair value is assessed based on the current market price and taking into account a discount for dividends that will not be collected by the beneficiary because the transfer of the shares is deferred. For share-based payments that are settled with equity instruments, a corresponding increase in equity is recognized.

### **1.19 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

**Sales of goods:** Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have

passed to the buyer, usually on delivery of the goods. Goods include mainly produced components and systems for optimal protection against noise and heat sold to customers. Revenue is recorded based on the price specified in the sales contracts, net of estimated discounts, sales tax or value-added tax as well as credit notes for goods returned. Accumulated experience is used to estimate and provide for the discounts and returns.

**Rendering of services:** The Group is involved in the design phase of new models and in the further development of existing vehicles and therefore performs simulations and tests for its customers. Revenue from rendering of services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

### **1.20 Financing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualified asset are capitalized as a part of the acquisition costs of the qualified asset. All other financing costs are recognized directly in the income statement.

### **1.21 Definition of non-GAAP measures**

EBIT as a subtotal includes all operating income and expenses before addition/deduction of financial income, financial expenses and income taxes.

EBITDA as a subtotal includes EBIT before deduction of depreciation and impairment of tangible assets as well as amortization and impairment of intangible assets.

## **1.22 Changes in accounting policies**

### **Adopted changes in accounting policies**

The adoption of new and revised standards had no effect on the consolidated financial statements 2016.

### **Future changes in accounting policies**

The following new and revised standards and interpretations have been issued, but are not yet effective. They have not been applied early in these consolidated financial statements. However, a preliminary assessment has been conducted by Group Management, and the expected impact of each standard and interpretation is presented in the table below.

IFRS 9 “Financial Instruments” includes revised guidance on the classification and measurement of financial assets and financial liabilities, including a new expected credit loss model for calculating impairment, and supplements the new general hedge accounting requirements published in 2013. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Group expects no material impact on the consolidated financial statements.

IFRS 15 “Revenue from Contracts with Customers” establishes a comprehensive framework for determining whether, how much and when revenue is recognized based on a five-step approach. Under IFRS 15, an entity recognizes revenue when control of the promised goods and services is transferred to the customer at an amount that reflects the consideration to which the entity expects to be entitled. It replaces existing revenue recognition guidance, including IAS 18, IAS 11 and IFRIC 13.

IFRS 16 “Leases” brings most leases on the balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. For lessors, however, the accounting remains largely unchanged. Under IFRS 16, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if this rate can be readily determined. If the rate cannot be readily determined, the lessee’s incremental borrowing rate should be used. IFRS 16 supersedes IAS 17 “Leases” and related interpretations. The Group expects that the application of IFRS 16 will result in an increase in assets and liabilities.

	Effective date	Planned application by Autoneum
<b>New standards and interpretations</b>		
IFRS 15 Revenue from Contracts with Customers and Clarifications to IFRS 15 Revenue from Contracts with Customers <sup>1</sup>	January 1, 2018	January 1, 2018
IFRS 9 Financial Instruments <sup>3</sup>	January 1, 2018	January 1, 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration <sup>3</sup>	January 1, 2018	January 1, 2018
IFRS 16 Leases <sup>1</sup>	January 1, 2019	January 1, 2019
<b>Revisions and amendments of standards and interpretations</b>		
Annual Improvements to IFRS Standards 2014–2016 Cycle <sup>3</sup>		
– Amendments to IFRS 12 Disclosure of Interests in Other Entities	January 1, 2017	January 1, 2017
– Amendments to the Basis for Conclusion on IFRS 1 First-time Adoption of International Financial Reporting Standards	January 1, 2018	January 1, 2018
– Amendments to IAS 28 Investments in Associates and Joint Ventures	January 1, 2018	January 1, 2018
Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12) <sup>3</sup>	January 1, 2017	January 1, 2017
Disclosure Initiative (Amendments to IAS 7) <sup>2</sup>	January 1, 2017	January 1, 2017
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2) <sup>3</sup>	January 1, 2018	January 1, 2018
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4) <sup>3</sup>	January 1, 2018	January 1, 2018
Transfer of Investment Property (Amendments to IAS 40) <sup>3</sup>	January 1, 2018	January 1, 2018

<sup>1</sup> The impact on the consolidated financial statements cannot yet be determined with sufficient reliability.

<sup>2</sup> The impact on the consolidated financial statements is expected to result in additional disclosures or changes in presentation.

<sup>3</sup> No impact or no significant impact is expected on the consolidated financial statements.



## 2 Risk management

Autoneum maintains an Internal Control System with the objective of ensuring effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The Internal Control System is an important part of the risk management system.

The process of risk management is governed by the regulation "Autoneum risk management system", which was adopted by the Board of Directors. The regulation defines the main categories of risk, which serve as a basis of the risk management, and the bodies that deal within the Group with the various risk. In addition, the regulation defines the procedures for detecting, reporting and managing risk and the criteria for qualitative and quantitative risk assessment.

The regulation defines the following main risk categories: strategic risk, operational risk, financial risk, capital risk, litigation and other risk (e.g. political, legal, organizational, environmental and work safety risk).

Besides the financial and capital risk (refer to paragraphs 2.1 and 2.2 respectively), the following risks within the main risk categories are a focus of Autoneum:

- Strategic risk: This risk results on the one hand from different markets in which Autoneum is operating (local aspects, legal regulations, degree of maturity of markets). On the other hand, it results from the share of the customers in Autoneum's sales, as well as from the technical and regulatory requirements on Autoneum products.
- Operational risk: This risk results from the technical development of orders until end of production, from the need for cost-efficient production and the possibility of interruptions in production.
- Environmental and work safety risk.

Strategic risk resulting from developments in the relevant markets and of the products offered therein is assessed as part of the strategic planning and the financial planning processes. Strategic risk and operational risk are regularly reviewed at the monthly meetings within the Business Groups and with the CEO and the CFO of the Group. These meetings also deal with other risks impacting actual performance against budget, in order to identify and implement corrective measures.

Risks resulting from acquisitions, divestments or other major projects are monitored at Group level within the framework of competencies and approvals for the respective project. Quarterly review reports were prepared for the attention of the Board of Directors.

Specific risks are addressed by periodic reports in dedicated bodies. Such reports cover environmental and work safety risk at the various sites, treasury risk and risk from legal actions and compliance.

An aggregate review of all identified risks and of the instruments and measures to address them is performed on a semi-annual basis by the Risk Council, consisting of representatives of all Business Groups and corporate functions. The review results are reported to the Board of Directors and Group Executive Board.

### 2.1 Financial risk

As a result of its worldwide activities, Autoneum is exposed to various financial risks, such as credit risk, liquidity risk and market risk (foreign exchange risk, interest rate risk and price risk). Autoneum's financial risk management aims to minimize the potential adverse impact of the development of the financial markets on the Group's financial performance and to secure its financial stability. This may include the use of derivative financial instruments to hedge certain risk exposures.

Financial risks are identified primarily locally and evaluated and managed centrally by Group Treasury in close cooperation with the Group's legal units.

### **Credit risk**

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as from exposures to customers, including outstanding receivables and committed transactions. Credit risk may result in a financial loss if one party in a transaction is unable or unwilling to meet its obligations. It is Autoneum's objective to limit the impact of a default. The maximum risk of these positions corresponds to the book values of loans and receivables and derivative financial instruments and is disclosed in note 30 on page 108.

Credit risk of financial counterparties is monitored centrally by Group Treasury. Significant relationships with banks and financial institutions are basically only entered into with counterparties rated no lower than "A" (according to Standard & Poor's). At the date of reporting, management does not expect any losses from non-performance by financial institutions where funds are invested.

Autoneum maintains business relationships with all significant automotive manufacturers and, compared to the industry sector, has a geographically broad, diversified customer portfolio. No customer accounted for more than 19.2% (2015: 20.0%) of Autoneum's net sales. The Group monitors the creditworthiness of its key customers by using independent ratings (if available) and by taking into account their financial position, past experience and other factors. The related credit risk is considered as low at the date of reporting.

The credit quality of financial assets that are neither past due nor impaired at the balance

sheet date can be assessed by reference to external credit ratings, if available, or to historical information about counterparty default rates (refer to note 19, page 94).

### **Liquidity risk**

The objective of liquidity risk management is to ensure that sufficient financial resources are available at any point in time in order to be able to completely and timely fulfill all payment obligations of the Group. As part of an integral budgeting and forecasting process, Group Treasury centrally monitors the planned liquidity position of the Group. Group Treasury compares the planned liquidity requirements with the available funds to detect shortages in a timely manner. The liquidity risk management of Autoneum includes the maintenance of sufficient liquidity reserves and the availability of funding through an adequate amount of credit lines.

Beside several smaller bilateral credit facilities with banks Autoneum maintains a credit agreement for the medium- and long-term financing with a group of banks in the amount of CHF 150.0 million, which expires in December 31, 2019. Furthermore, a bond in the amount of CHF 125.0 million with maturity as of December 14, 2017, and a bond in the amount of CHF 75.0 million with maturity as of July 4, 2023, have been issued, both of which are listed at the SIX Swiss Exchange (refer to note 24, page 100).

The following table shows the contractual maturities of Autoneum's financial liabilities (including interest).

Financial liabilities at December 31, 2016	Carrying amount	Contractual undiscounted cash flows			
		Less than 1 year	1 to 5 years	More than 5 years	Total cash flow
CHF million					
Bonds	199.5	131.3	3.4	76.7	211.4
Bank debts	7.1	5.6	1.6	–	7.2
Other borrowings	2.1	0.2	1.6	1.0	2.8
Trade payables	253.8	253.8	–	–	253.8
Accrued expenses	52.3	52.3	–	–	52.3
Other payables	35.4	24.2	11.3	–	35.4
<b>Total</b>	<b>550.2</b>	<b>467.4</b>	<b>17.9</b>	<b>77.6</b>	<b>563.0</b>

Financial liabilities at December 31, 2015	Carrying amount	Contractual undiscounted cash flows			
		Less than 1 year	1 to 5 years	More than 5 years	Total cash flow
CHF million					
Bonds	124.6	5.5	130.5	–	136.0
Bank debts	58.3	17.3	46.5	–	63.8
Finance leasing obligations	0.5	0.5	–	–	0.5
Other borrowings	1.5	0.1	1.8	–	1.8
Trade payables	243.3	243.3	–	–	243.3
Accrued expenses	50.1	50.1	–	–	50.1
Other payables	24.4	23.0	1.4	–	24.4
<b>Total</b>	<b>502.7</b>	<b>339.7</b>	<b>180.2</b>	<b>–</b>	<b>519.9</b>



## Foreign exchange risk

Due to the global nature of its activities, the Group is exposed to foreign exchange risk. Foreign exchange risk arises from investments in foreign subsidiaries (translation risk) as well as from transactions and financial assets or financial liabilities that are denominated in a currency other than the functional currency of a legal unit (transaction risk). In order to hedge transaction risk that cannot be eliminated through offsetting transactions in the same foreign currency (natural hedging), subsidiaries may use forward contracts, which are usually traded with banks via Group Treasury. The transaction risk from foreign currencies is monitored periodically.

The subsidiaries' cash holdings with banks are denominated mostly in the functional currency of the subsidiary. The majority of the business transacted in Autoneum's subsidiaries is also in their functional currency. At the reporting date, the Group held financial instruments which were denominated in currencies other than the functional currency of the respective Group company as follows:

CHF million	Assets 31.12.2016	Liabilities 31.12.2016	Assets 31.12.2015	Liabilities 31.12.2015
EUR	40.5	24.6	37.9	23.0
USD	23.2	19.5	18.6	18.6
Other	0.7	2.3	1.4	1.2
<b>Total</b>	<b>64.4</b>	<b>46.4</b>	<b>57.8</b>	<b>42.8</b>

The Group is exposed to foreign exchange risk mostly against the euro and the US dollar. The currency-related sensitivity of the Group against these two currencies is shown in the following table:

CHF million	Reasonable shift	Impact on net result	Impact on equity
<b>December 31, 2016</b>			
EUR/CHF	+/-2%	+/-0.6	+/-1.3
USD/CHF	+/-2%	+/-0.8	+/-5.8
<b>December 31, 2015</b>			
EUR/CHF	+/-15%	-/+1.0	+/-9.3
USD/CHF	+/-5%	+/-2.1	+/-8.3

The impact on net result is mainly due to foreign exchange gains and losses on trade receivables and trade payables as well as the translation of the profit or loss of foreign subsidiaries into Swiss francs for consolidation purposes. The impact on equity additionally includes currency translation adjustments arising from the translation of the net investment in foreign subsidiaries.

### Interest rate risk

The interest rate risk of the Group relates to interest-bearing assets and liabilities. Floating interest rate positions are subject to cash flow interest risk. Fixed-interest positions are subject to fair value interest risk if measured at fair value. In general, Autoneum aims to maintain, in consideration of seasonal fluctuations, a balanced relation between fixed and floating interest-bearing financial liabilities as disclosed in note 24 on page 100. The two bonds issued at fixed interest rates are not subject to any interest rate risk, whereas the long-term credit agreement with floating interest rates is subject to a cash flow interest risk.

The Group analyzes the interest rate risk on a net basis. No hedging of the interest rate risk was performed in the reporting period or in the prior period. Based on the interest-bearing assets and liabilities existent at December 31, 2016, a 100 base point higher level of the money market interest rates would lead to a CHF 0.1 million (2015: CHF 0.2 million) lower net result as well as equity of the Group on an annual basis. A 100 base point lower level of the money market interest rates would impact neither net result nor equity of the Group on an annual basis in both the reporting year and the prior year.

### Price risk

Holding marketable securities exposes Autoneum to a risk of price fluctuation. Since Autoneum held neither significant amounts of shares (except for treasury shares) nor options at the end of the reporting period, no sensitivity analysis of fair value risk is prepared.

## 2.2 Capital risk

---

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders, and to maintain an optimally leveraged capital structure in order to reduce the cost of capital. Autoneum aims to maintain a stable investment grade rating as perceived by bank partners and debt investors.

Autoneum Group therefore targets a healthy balance sheet with an adequate portion of equity. Autoneum aims for an equity ratio that does not fall below 30% over a longer period. As of December 31, 2016, the equity ratio equaled 38.4% (2015: 35.7%). For the next few years, the dividend policy will depend on a number of factors, such as net profit and the financial situation of the Group, the demand for capital and liquidity, the general business environment as well as legal and contractual restrictions. Subject to the foregoing, the Group intends to distribute at least 30% of its net profit attributable to shareholders of Autoneum Holding Ltd. Dividends, if any, are expected to be declared and paid in Swiss francs.

### 3 Change in scope of consolidation and significant transactions

Autoneum's US subsidiary UGN Inc. sold its business in Chicago Heights (Illinois), USA, to an affiliate of Angeles Equity Partners, LLC, headquartered in Los Angeles (California), USA, on February 2, 2016. With this transaction, UGN Inc. adjusted its product portfolio in the USA. In 2015, the business disposed of contributed third-party net sales in the amount of CHF 56.0 million.

The initial purchase price of CHF 44.7 million was received in cash at the closing date of the transaction and the post-closing purchase price adjustment of CHF 0.4 million was settled in the reporting period. The gain from disposal of business in the amount of CHF 33.2 million is recorded in 2016, whereas directly attributable costs in the amount of CHF 0.3 million were recorded already in 2015. Details of the transaction are disclosed below:

CHF million	February 2, 2016
Tangible assets	5.8
Inventories	1.2
Trade receivables and other assets	4.0
Trade payables and other liabilities	-1.8
<b>Net assets disposed of</b>	<b>9.2</b>
Initial purchase price	44.7
Post-closing purchase price adjustment	-0.4
Net assets disposed of	-9.2
Directly attributable costs	-2.0
<b>Gain from disposal of subsidiary or business</b>	<b>33.2</b>
<b>Proceeds from disposal of subsidiary or business</b>	<b>42.4</b>

In 2016, the company Autoneum (Shanghai) Management Co. Ltd., Shanghai, China was established.

### 4 Segment information

Segment information is based on Autoneum Group's internal organization and management structure as well as on the internal financial reporting to the Group Executive Board and the Board of Directors. Chief operating decision maker is the CEO.

Autoneum is the globally leading automobile supplier in acoustic and thermal management for vehicles. Autoneum develops and produces multifunctional and lightweight components and systems for noise and heat protection and thereby enhances vehicle comfort.

The reporting is based on the following four reportable segments (Business Groups): BG Europe, BG North America, BG Asia and BG SAMEA (South America, Middle East and Africa). Corporate and elimination include Autoneum Holding Ltd and the corporate center with its respective legal entities, an operation that produces parts for Autoneum's manufacturing lines, investments in associates, and inter-segment elimination. Transactions between the Business Groups are made on the same basis as with independent third parties.



## Segment information 2016

CHF million	BG Europe	BG North America	BG Asia	BG SAMEA	Total segments	Corporate and elimination	Total Group
Third-party net sales	824.5	1 018.0	210.5	92.8	2 145.8	6.8	2 152.6
Inter-segment net sales	9.0	0.7	0.1	0.7	10.5	-10.5	-
Net sales	833.4	1 018.7	210.7	93.5	2 156.3	-3.7	2 152.6
EBITDA <sup>1</sup>	84.2	148.7	36.1	-4.9	264.0	14.1	278.1
as a % of net sales	10.1%	14.6%	17.1%	-5.3%	12.2%	n/a	12.9%
Depreciation, amortization and impairment	-25.4	-29.6	-8.4	-8.4	-71.9	-1.7	-73.6
EBIT <sup>1,2</sup>	58.7	119.1	27.7	-13.4	192.1	12.4	204.5
as a % of net sales	7.0%	11.7%	13.1%	-14.3%	8.9%	n/a	9.5%
Assets at December 31 <sup>3</sup>	425.8	583.6	155.4	74.1	1 238.9	58.9	1 297.8
Liabilities at December 31	325.6	266.3	68.1	49.7	709.7	89.1	798.8
Investments in tangible and intangible assets	32.7	74.7	19.0	6.5	132.9	5.5	138.4
Employees at December 31 <sup>4</sup>	4 082	4 340	1 848	1 005	11 275	450	11 725

<sup>1</sup> EBITDA and EBIT in BG North America include the gain from disposal of the UGN business in Chicago Heights (Illinois), USA in the amount of CHF 33.2 million.

<sup>2</sup> EBIT in BG SAMEA includes an impairment loss in the amount of CHF 4.3 million due to the intended adaptation of the South American production capacity.

<sup>3</sup> Assets in Corporate and elimination include investments in associated companies in the amount of CHF 11.0 million. In 2016, Autoneum did not increase its investments in associated companies, refer to note 15, page 93.

<sup>4</sup> Full-time equivalents including temporary employees (excluding apprentices).

## Segment information 2015

CHF million	BG Europe	BG North America	BG Asia	BG SAMEA	Total segments	Corporate and elimination	Total Group
Third-party net sales	825.9	977.9	180.2	93.4	2 077.5	8.4	2 085.9
Inter-segment net sales	7.3	-	0.7	0.9	8.9	-8.9	-
Net sales	833.2	977.9	180.9	94.3	2 086.4	-0.5	2 085.9
EBITDA <sup>1</sup>	70.6	117.8	32.8	-8.8	212.5	-20.9	191.5
as a % of net sales	8.5%	12.1%	18.1%	-9.3%	10.2%	n/a	9.2%
Depreciation, amortization and impairment	-25.9	-26.1	-7.8	-3.7	-63.5	-1.5	-65.1
EBIT <sup>1</sup>	44.7	91.7	25.0	-12.5	148.9	-22.5	126.5
as a % of net sales	5.4%	9.4%	13.8%	-13.3%	7.1%	n/a	6.1%
Assets at December 31 <sup>2</sup>	406.4	474.3	140.1	60.9	1 081.7	33.0	1 114.7
Liabilities at December 31	330.9	172.9	58.3	36.4	598.5	118.6	717.1
Investments in tangible and intangible assets	27.5	61.2	14.4	13.2	116.3	4.4	120.7
Employees at December 31 <sup>3</sup>	3 955	4 243	1 744	1 055	10 996	427	11 423

<sup>1</sup> EBITDA and EBIT in Corporate and elimination include expenses relating to the settlement with the German Federal Cartel Office in the amount of CHF 31.5 million.

<sup>2</sup> Assets in Corporate and elimination include investments in associated companies in the amount of CHF 8.3 million.

In 2015, Autoneum increased its investments in associated companies in the amount of CHF 0.5 million, refer to note 15, page 93.

<sup>3</sup> Full-time equivalents including temporary employees (excluding apprentices).

**Net sales and non-current assets by country**

CHF million	Net sales 2016	Net sales 2015	Non-current assets 31.12.2016	Non-current assets 31.12.2015
USA	748.7	745.3	213.4	180.1
China	195.4	162.2	53.1	43.8
Germany	183.0	198.6	19.4	9.1
Great Britain	179.0	183.5	13.8	17.0
Canada	163.5	133.1	10.2	9.6
Spain	146.3	144.5	13.0	12.1
France	130.5	135.8	22.4	24.6
Mexico	104.7	99.5	22.9	7.7
Switzerland <sup>1</sup>	3.0	2.3	46.9	46.1
Remaining countries	298.5	281.1	104.8	101.6
<b>Total</b>	<b>2 152.6</b>	<b>2 085.9</b>	<b>519.9</b>	<b>451.7</b>

<sup>1</sup> Domicile of Autoneum Holding Ltd.

Net sales are disclosed by location of customers. Non-current assets consist of tangible assets, intangible assets and investments in associated companies.

The following customers accounted for more than 10% of annual net sales in 2016 or in 2015:

## Net sales with major customers

CHF million	2016	2015
Ford	412.3	416.7
Honda	245.7	223.6

Information on net sales by product group is not available. The major customers generate net sales in all geographic segments.

**5 Employee expenses**

CHF million	2016	2015
Wages and salaries	434.6	415.2
Social security expenses	89.6	82.3
Pension expenses for defined contribution plans	12.4	11.8
Pension expenses for defined benefit plans	4.9	5.8
Other personnel expenses	28.4	29.9
<b>Total</b>	<b>569.8</b>	<b>545.2</b>

Autoneum started a long-term incentive plan (LTI) for the management in 2012. Part of Autoneum's net profit is allocated to beneficiaries defined in advance by granting them shares of Autoneum Holding Ltd. The shares become property of the beneficiaries after a vesting period of 35 months,

if the beneficiaries are then still employed by an Autoneum company. Immediate vesting occurs in case of death or retirement of the beneficiary. In case of employment termination, shares not yet vested lapse without compensation. Exceptions are possible at the discretion of the Nomination and Compensation Committee. The first vesting date was in spring 2015. Employee expenses resulting from share-based compensation in course of the LTI are recognized over the vesting period. 4 109 shares (2015: 3 783 shares) valued at CHF 224.50 (2015: CHF 213.60) were granted in 2016, and expenses of CHF 0.8 million (2015: CHF 0.6 million) were recognized in wages and salaries.

Members of the Board of Directors receive part of their remuneration in Autoneum shares. 2 848 shares (2015: 3 311 shares) valued at CHF 198.04 (2015: CHF 182.84) were granted in 2016, and expenses of CHF 0.6 million (2015: CHF 0.6 million) were recognized in wages and salaries.

Members of the Group Executive Board receive part of their remuneration in Autoneum shares. 5 801 shares (2015: 6 423 shares) valued at a weighted average share price of CHF 266.30 (2015: CHF 191.60) were granted in 2016, and expenses of CHF 1.5 million (2015: CHF 1.2 million) were recognized in wages and salaries.

## 6 Other expenses

CHF million	2016	2015
Energy, maintenance and repairs	156.6	148.8
Marketing and distribution costs	55.7	63.0
Operating leasing expenses	37.9	32.6
Audit and consulting expenses	22.5	20.9
IT and office expenses	20.1	16.9
Insurance and other charges	13.9	16.3
Settlement with the German Federal Cartel Office	-	31.5
Miscellaneous expenses	45.8	36.5
<b>Total</b>	<b>352.6</b>	<b>366.6</b>

## 7 Other income

CHF million	2016	2015
Gain from disposal of subsidiary or business	33.2	-
Gain from disposal of tangible assets	2.9	-
Rental income	1.1	0.8
Miscellaneous income	14.6	14.7
<b>Total</b>	<b>51.8</b>	<b>15.5</b>

Miscellaneous income contains mainly income generated with by-products arising during the manufacturing process.



## 8 Depreciation, amortization and impairment

CHF million	2016	2015
Depreciation of tangible assets	66.7	62.2
Impairment of tangible assets	0.7	1.3
Amortization of intangible assets	1.9	1.7
Impairment of assets of disposal group classified as held for sale <sup>1</sup>	4.3	-
<b>Total</b>	<b>73.6</b>	<b>65.1</b>

<sup>1</sup> Refer to note 21, page 96.

## 9 Financial income

CHF million	2016	2015
Interest income	1.5	0.7
Other financial income	0.6	0.3
<b>Total</b>	<b>2.1</b>	<b>0.9</b>

## 10 Financial expenses

CHF million	2016	2015
Interest expenses	10.8	11.1
Amortization of transaction costs	0.8	0.3
Interest expenses for defined benefit pension plans	0.9	0.9
Net foreign exchange losses	2.8	7.5
Other financial expenses	0.2	0.4
<b>Total</b>	<b>15.5</b>	<b>20.2</b>

## 11 Income taxes

CHF million	2016	2015
Current income taxes	63.3	39.6
Deferred income taxes	-2.9	0.8
<b>Total</b>	<b>60.4</b>	<b>40.5</b>

Reconciliation between expected and actual income tax expenses:

CHF million	2016	2015
Profit before taxes	194.2	109.2
Expected average income tax rate	29.8%	30.4%
<b>Expected income tax expenses</b>	<b>57.8</b>	<b>33.2</b>
Non-taxable income and non-deductible expenses	0.4	4.7
Current income taxes from prior periods	0.5	4.4
Current year losses for which no deferred tax assets were recognized	8.3	12.4
Utilization of previously unrecognized tax loss carryforwards	-4.1	-8.6
Change in unrecognized tax losses and deductible temporary differences	-8.6	-1.4
Non-recoverable withholding taxes	5.3	1.4
Income taxes at other income tax rates or taxable base	1.2	-6.3
Impact of changes in income tax rates	0.2	0.8
Other effects	-0.6	-0.1
<b>Actual income tax expenses</b>	<b>60.4</b>	<b>40.5</b>

The change in the expected average income tax rate is mainly due to the different geographic composition of profit or loss before taxes.

Deferred income tax assets and liabilities pertain to the following balance sheet line items:

CHF million	Deferred income tax assets 31.12.2016	Deferred income tax liabilities 31.12.2016	Deferred income tax assets 31.12.2015	Deferred income tax liabilities 31.12.2015
Tangible assets	1.8	-16.7	3.4	-16.0
Inventories	5.9	-0.8	5.4	-0.8
Other assets	4.3	-11.5	2.5	-3.2
Employee benefit liabilities	9.4	-	1.8	-
Provisions	3.6	-1.3	3.7	-1.5
Other liabilities	5.6	-5.4	5.0	-6.4
Tax loss carryforwards and tax credits	29.7	-	27.0	-
<b>Subtotal</b>	<b>60.2</b>	<b>-35.7</b>	<b>48.8</b>	<b>-27.9</b>
Offsetting	-25.0	25.0	-17.1	17.1
<b>Total</b>	<b>35.2</b>	<b>-10.7</b>	<b>31.7</b>	<b>-10.8</b>

The increase in the net deferred income tax assets by CHF 3.5 million (2015: decrease by CHF 1.1 million) relates to the deferred income tax income recognized in the consolidated income statement of CHF 2.9 million (2015: deferred income tax expense of CHF 0.8 million), to the deferred income tax income recognized in other comprehensive income of CHF 1.0 million (2015: income tax income of CHF 0.7 million) and to a currency translation adjustment of CHF –0.4 million (2015: CHF –1.0 million).

No deferred income tax assets have been recognized from deductible temporary differences in the amount of CHF 66.4 million (2015: CHF 101.0 million). At the reporting date, no tax loss carry-forwards (2015: 0.2 million) are recognized for Group companies that incurred losses in 2016 or 2015 (2015 or 2014) supported by increased future profitability and synergies as a result of restructuring.

The table below discloses tax loss carryforwards and tax credits by their year of expiry:

CHF million	Recognized <sup>1</sup>	Non-recognized <sup>2</sup>	Recognized <sup>1</sup>	Non-recognized <sup>2</sup>
	31.12.2016	31.12.2016	31.12.2015	31.12.2015
Less than 3 years	–	1.6	0.3	2.8
In 3 to 7 years	9.1	8.4	8.7	19.4
Thereafter	57.3	289.2	66.9	300.3
<b>Total</b>	<b>66.5</b>	<b>299.2</b>	<b>75.9</b>	<b>322.5</b>

<sup>1</sup> Tax loss carry forwards and tax credits for which deferred income tax assets were recognized.

<sup>2</sup> Tax loss carry forwards and tax credits for which no deferred income tax assets were recognized.

The tax loss carryforwards for which no deferred income tax assets were recognized originate from countries with a deferred income tax rate between 17% and 35% (2015: between 18% and 35%).

## 12 Earnings per share

		2016	2015
Profit attributable to shareholders of Autoneum Holding Ltd <sup>1</sup>	CHF million	95.8	42.2
Average number of shares outstanding	Number of shares	4 648 581	4 627 120
Average number of shares outstanding diluted	Number of shares	4 654 735	4 637 259
Basic earnings per share	CHF	20.61	9.12
Diluted earnings per share	CHF	20.58	9.10

<sup>1</sup> The LTI does not lead to a dilution effect in profit attributable to shareholders of Autoneum Holding Ltd.

The average number of shares outstanding is calculated based on the number of shares issued less the weighted average number of treasury shares held. The consideration of shares granted but not yet vested in the course of the management's long-term incentive plan (LTI) leads to a diluted average number of shares outstanding.



### 13 Tangible assets

CHF million	Land and buildings	Machinery and plant equipment	Data processing equipment	Vehicles and furniture	Tangible assets under construction	Total
Cost at January 1, 2016	233.0	909.9	12.0	16.1	98.3	1 269.3
Additions	1.2	12.4	0.7	0.4	122.7	137.5
Disposals	-6.4	-21.5	-1.1	-0.7	-	-29.7
Reclassification	13.8	78.3	0.9	1.7	-94.8	-
Reclassification to assets of disposal group	-1.1	-7.6	-0.1	-0.1	-0.3	-9.2
Currency translation adjustment	0.1	7.0	-	0.1	-1.0	6.2
<b>Cost at December 31, 2016</b>	<b>240.6</b>	<b>978.5</b>	<b>12.5</b>	<b>17.5</b>	<b>124.9</b>	<b>1 374.1</b>
Accumulated depreciation at January 1, 2016	-128.0	-686.8	-9.3	-11.7	-	-835.8
Depreciation	-8.0	-56.3	-1.2	-1.3	-	-66.7
Impairment	-	-0.7	-	-	-	-0.7
Disposals	5.2	21.3	1.1	0.7	-	28.2
Reclassification	-	-	-	-	-	-
Reclassification to assets of disposal group	0.7	3.4	0.1	0.1	-	4.2
Currency translation adjustment	-0.2	-3.1	-	-	-	-3.2
<b>Acc. depreciation and impairment at December 31, 2016</b>	<b>-130.4</b>	<b>-722.1</b>	<b>-9.3</b>	<b>-12.3</b>	<b>-</b>	<b>-874.1</b>
Net book value at January 1, 2016	105.0	223.1	2.7	4.4	98.3	433.5
<b>Net book value at December 31, 2016</b>	<b>110.2</b>	<b>256.4</b>	<b>3.2</b>	<b>5.2</b>	<b>124.9</b>	<b>500.0</b>

CHF million	Land and buildings	Machinery and plant equipment	Data processing equipment	Vehicles and furniture	Tangible assets under construction	Total
Cost at January 1, 2015	237.6	934.4	11.8	16.2	87.1	1 287.1
Additions	0.9	20.3	0.8	0.4	96.6	119.1
Disposals	-0.8	-9.2	-0.4	-0.3	-	-10.7
Reclassification	19.5	58.4	1.2	1.0	-80.0	-
Reclassification to assets of disposal group	-9.3	-31.8	-	-	-0.9	-42.0
Currency translation adjustment	-14.9	-62.2	-1.4	-1.2	-4.5	-84.2
<b>Cost at December 31, 2015</b>	<b>233.0</b>	<b>909.9</b>	<b>12.0</b>	<b>16.1</b>	<b>98.3</b>	<b>1 269.3</b>
Accumulated depreciation at January 1, 2015	-133.5	-721.7	-9.8	-12.4	-	-877.5
Depreciation	-8.7	-51.4	-1.0	-1.0	-	-62.2
Impairment	-0.6	-0.6	-	-	-	-1.3
Disposals	0.7	8.5	0.4	0.2	-	9.8
Reclassification	-2.4	1.8	-	0.6	-	-
Reclassification to assets of disposal group	8.0	28.4	-	-	-	36.4
Currency translation adjustment	8.5	48.3	1.2	1.0	-	58.9
<b>Acc. depreciation and impairment at December 31, 2015</b>	<b>-128.0</b>	<b>-686.8</b>	<b>-9.3</b>	<b>-11.7</b>	<b>-</b>	<b>-835.8</b>
Net book value at January 1, 2015	104.1	212.7	2.0	3.8	87.1	409.6
<b>Net book value at December 31, 2015</b>	<b>105.0</b>	<b>223.1</b>	<b>2.7</b>	<b>4.4</b>	<b>98.3</b>	<b>433.5</b>

Additions in tangible assets comprise mainly investments in production facilities. In both the reporting year and the prior year no tangible assets were financed by long-term leasing contracts and no borrowing costs were capitalized.

Tangible assets in the amount of CHF 0.6 million (2015: CHF 2.3 million) are pledged as security for financial liabilities.

## 14 Intangible assets

CHF million	2016	2015
Cost at January 1	14.0	12.7
Additions	0.9	1.5
Currency translation adjustment	-0.1	-0.3
<b>Cost at December 31</b>	<b>14.7</b>	<b>14.0</b>
Accumulated amortization at January 1	-4.1	-2.6
Amortization	-1.9	-1.7
Currency translation adjustment	0.1	0.2
<b>Accumulated amortization at December 31</b>	<b>-5.9</b>	<b>-4.1</b>
Net book value at January 1	9.8	10.0
<b>Net book value at December 31</b>	<b>8.8</b>	<b>9.8</b>

Intangible assets comprise mainly investments in a new ERP system.

No development costs were capitalized in 2016 and 2015. In 2016, an amount of CHF 64.5 million was spent on research and development (2015: CHF 60.7 million). In an increasingly cost-competitive environment, the Autoneum Group invests in innovative materials and products, and in new efficient production technologies to support vehicle manufacturers in meeting challenging targets in acoustic comfort, fuel consumption and environmental emissions. The focus of the Group is in the development of lightweight and acoustically efficient solutions for vehicle engine bay, underbody, interior floor and body treatment.

## 15 Investments in associated companies

Investments in associated companies comprise the 49% share in SHN CO., Ltd., Daegu, Korea, the 30% share in SRN Sound Proof Co., Ltd., Chonburi, Thailand, and the 25% share in Wuhan Nittoku Autoneum Sound-Proof Co. Ltd., Wuhan, China. The investments are measured using the equity method. The net book value of investments in associated companies changed as follows:

CHF million	2016	2015
Net book value at January 1	8.3	6.4
Additions	–	0.5
Share of profit	3.1	1.9
Dividends received	–0.4	–
Currency translation adjustment	–0.1	–0.4
<b>Net book value at December 31</b>	<b>11.0</b>	<b>8.3</b>

## 16 Financial assets

CHF million	31.12.2016	31.12.2015
Investments in non-consolidated companies	34.4	21.1
Loans	5.7	7.1
Other financial assets	3.4	7.2
<b>Total non-current portion</b>	<b>43.5</b>	<b>35.3</b>
Loans	0.5	0.7
Marketable securities	–	0.1
Time deposits with original maturities between 3 and 12 months	1.5	–
<b>Total current portion</b>	<b>1.9</b>	<b>0.8</b>

## 17 Other assets

CHF million	31.12.2016	31.12.2015
Other receivables	46.0	33.7
<b>Total non-current portion</b>	<b>46.0</b>	<b>33.7</b>
Non-income tax receivables	29.0	26.1
Deferred expenses and accrued income	6.5	9.9
Advance payments to suppliers	4.6	5.3
Fair value of derivative financial instruments	0.3	0.7
Other receivables	22.8	35.3
<b>Total current portion</b>	<b>63.3</b>	<b>77.4</b>



## 18 Inventories

CHF million	31.12.2016	31.12.2015
Raw materials and consumables	30.1	31.3
Purchased parts	1.6	2.4
Semi-finished and finished goods	40.2	40.0
Work in progress	79.5	60.9
Allowance	-3.2	-3.7
<b>Total</b>	<b>148.2</b>	<b>130.9</b>

## 19 Trade receivables

CHF million	31.12.2016	31.12.2015
Trade receivables nominal	286.4	264.7
Allowance for doubtful trade receivables	-10.3	-9.8
<b>Total</b>	<b>276.1</b>	<b>254.9</b>

The following table summarizes the movement in the allowance for doubtful trade receivables:

CHF million	2016	2015
Allowance at January 1	-9.8	-7.5
Additions and release	-1.6	-3.5
Utilization	1.4	0.5
Reclassification to assets of disposal group	-	0.5
Currency translation adjustment	-0.3	0.2
<b>Allowance at December 31</b>	<b>-10.3</b>	<b>-9.8</b>

The collectability of trade receivables is monitored on an ongoing basis. The allowance that is recorded for doubtful trade receivables is calculated from the difference between the invoiced amount and the expected payment.

The table below sets forth the aging of trade receivables and the allowance for doubtful trade receivables, showing amounts that are not yet due as well as an analysis of overdue amounts. Trade receivables that are neither due nor impaired are expected to be settled within the agreed payment terms.

CHF million	Nominal 31.12.2016	Allowance 31.12.2016	Nominal 31.12.2015	Allowance 31.12.2015
Not due	253.6	-7.6	238.5	-9.2
Overdue 1 to 89 days	29.1	-0.8	19.4	-0.1
Overdue 90 to 179 days	1.0	-0.3	2.4	-0.1
Overdue 180 to 359 days	1.0	-0.3	3.9	-0.2
Thereafter	1.7	-1.4	0.5	-0.2
<b>Total</b>	<b>286.4</b>	<b>-10.3</b>	<b>264.7</b>	<b>-9.8</b>

Trade receivables comprise receivables due from customers with the following credit rating (Standard & Poor's long-term issuer rating):

CHF million	31.12.2016	31.12.2015
A- or higher	76.4	72.4
BBB- to BBB+	101.5	89.3
BB+ or lower	87.1	84.3
Not rated	11.1	8.8
<b>Total</b>	<b>276.1</b>	<b>254.9</b>

At December 31, 2016, no trade receivables are pledged as security for financial liabilities (2015: CHF 0.9 million). Trade receivables with a book value of CHF 0.5 million (2015: CHF 2.5 million) were sold to third parties based on factoring agreements and no material risks remain with Autoneum.

## 20 Cash and cash equivalents

CHF million	31.12.2016	31.12.2015
Cash at banks	148.6	77.1
Time deposits with original maturities up to 3 months	1.2	1.6
<b>Total</b>	<b>149.8</b>	<b>78.7</b>

## 21 Assets and liabilities of disposal group classified as held for sale

Autoneum's US subsidiary UGN Inc. sold its business in Chicago Heights (Illinois), USA, to an affiliate of Angeles Equity Partners, LLC, headquartered in Los Angeles (California), USA, on February 2, 2016. With this transaction, UGN Inc. adjusted its product portfolio in the USA. The related assets and liabilities were classified as held for sale as of December 31, 2015.

Autoneum intends to adapt its South American production capacity to demand. The related assets and liabilities were classified as held for sale as of December 31, 2016. In the reporting period, an impairment loss of CHF 4.3 million for write-downs of the disposal group to the lower of its carrying amount and its fair value less cost to sell has been included in line item depreciation, amortization and impairment (refer to note 8, page 88). The impairment loss has been applied to reduce the carrying amount of tangible assets within the disposal group.

The disposal group consists of the assets and liabilities listed below. Those assets and liabilities were reclassified to assets of disposal group classified as held for sale and liabilities of disposal group classified as held for sale at the respective reporting date.

CHF million	31.12.2016	31.12.2015
Tangible assets	0.7	5.6
Other assets	–	0.3
<b>Non-current assets</b>	<b>0.7</b>	<b>5.9</b>
Inventories	0.3	1.1
Trade receivables	0.7	3.8
Other assets	–	0.2
<b>Current assets</b>	<b>0.9</b>	<b>5.1</b>
<b>Assets of disposal group classified as held for sale</b>	<b>1.6</b>	<b>11.0</b>
Other liabilities	–	0.1
<b>Non-current liabilities</b>	<b>–</b>	<b>0.1</b>
Trade payables	0.5	1.9
Other liabilities	0.1	0.1
<b>Current liabilities</b>	<b>0.7</b>	<b>2.0</b>
<b>Liabilities of disposal group classified as held for sale</b>	<b>0.7</b>	<b>2.2</b>

There are no cumulative income or expenses included in other comprehensive income relating to the assets and liabilities of the disposal group classified as held for sale.



## 22 Shareholders' equity

Since the founding of Autoneum Holding Ltd on December 2, 2010, the number of registered shares has remained unchanged at 4 672 363, each with a nominal value of CHF 0.05 per share. The share capital amounts to CHF 233 618 and is as follows:

		31.12.2016	31.12.2015
Shares outstanding	Number of shares	4 652 535	4 634 751
Treasury shares	Number of shares	19 828	37 612
<b>Total shares issued</b>	Number of shares	<b>4 672 363</b>	<b>4 672 363</b>
Nominal value per share	CHF	0.05	0.05
<b>Share capital</b>	CHF	<b>233 618</b>	<b>233 618</b>

### Share capital

The holders of shares are entitled to receive dividends and are entitled to one vote per share at general meetings of the Company.

### Conditional share capital

For issuing convertible bonds, warranty bonds, and for granting shareholder options, the share capital can be increased by a maximum of 700 000 fully paid up registered shares with a par value of CHF 0.05 up to a maximum value of CHF 35 000. Furthermore, for the issuance of shares to employees of subsidiaries, the share capital can be increased by a maximum of 250 000 fully paid up registered shares with a par value of CHF 0.05 up to a maximum value of CHF 12 500.

### Treasury shares

The following transactions with treasury shares were performed during the financial year:

	2016 in shares	2016 in CHF million	2015 in shares	2015 in CHF million
Treasury shares at January 1	37 612	4.3	53 180	6.1
Purchase of treasury shares	530	0.1	634	0.1
Transfer of treasury shares	-18 314	-2.1	-16 202	-1.9
<b>Treasury shares at December 31</b>	<b>19 828</b>	<b>2.4</b>	<b>37 612</b>	<b>4.3</b>

### Capital reserves

Capital reserves originate from the contribution of the Autoneum companies to the Group in the course of the separation in 2011 as well as capital contributions from non-controlling interests.

### Available for sale reserves

The available for sales reserves contain changes in the fair value of non-consolidated investments. The reserves will be reclassified to the income statement at disposal.

## Retained earnings

Retained earnings include accumulated earnings since the Group was established in December 2010.

## Currency translation adjustment

The currency translation adjustment comprises all foreign exchange differences arising from the translation of the financial statements of foreign entities included in the consolidated financial statements.

## Changes resulting from other comprehensive income

The table below discloses changes resulting from other comprehensive income to each component of equity:

### Other comprehensive income 2016

CHF million	Available for sale reserves	Retained earnings	Currency transl. adjustm.	Total	Attributable to non-controlling interests	Total equity
Currency translation adjustment	-	-	6.3	6.3	0.2	6.5
Changes in fair value of financial instruments available for sale	13.3	-	-	13.3	-	13.3
Income taxes	-	-	-	-	-	-
<b>Total items that will be reclassified to income statement</b>	<b>13.3</b>	<b>-</b>	<b>6.3</b>	<b>19.6</b>	<b>0.2</b>	<b>19.8</b>
Remeasurement of defined benefit pension plans	-	-5.1	-	-5.1	-	-5.1
Income taxes	-	1.0	-	1.0	-	1.0
<b>Total items that will not be reclassified to income statement</b>	<b>-</b>	<b>-4.2</b>	<b>-</b>	<b>-4.2</b>	<b>-</b>	<b>-4.2</b>
<b>Total</b>	<b>13.3</b>	<b>-4.2</b>	<b>6.3</b>	<b>15.4</b>	<b>0.2</b>	<b>15.6</b>

### Other comprehensive income 2015

CHF million	Available for sale reserves	Retained earnings	Currency transl. adjustm.	Total	Attributable to non-controlling interests	Total equity
Currency translation adjustment	-	-	-28.5	-28.5	-2.1	-30.6
Changes in fair value of financial instruments available for sale	5.2	-	-	5.2	-	5.2
Income taxes	-	-	-	-	-	-
<b>Total items that will be reclassified to income statement</b>	<b>5.2</b>	<b>-</b>	<b>-28.5</b>	<b>-23.4</b>	<b>-2.1</b>	<b>-25.4</b>
Remeasurement of defined benefit pension plans	-	-3.5	-	-3.5	-	-3.5
Income taxes	-	0.7	-	0.7	-	0.7
<b>Total items that will not be reclassified to income statement</b>	<b>-</b>	<b>-2.8</b>	<b>-</b>	<b>-2.8</b>	<b>-</b>	<b>-2.8</b>
<b>Total</b>	<b>5.2</b>	<b>-2.8</b>	<b>-28.5</b>	<b>-26.2</b>	<b>-2.1</b>	<b>-28.3</b>

## 23 Non-controlling interests

The non-controlling interests derive from UGN Inc., USA, Autoneum Erkurt Otomotive AS, Turkey, Tianjin Autoneum Nittoku Sound-Proof Co. Ltd., China, Autoneum Nittoku (Guangzhou) Sound-Proof Co. Ltd., China, Autoneum Nittoku Sound Proof Products India Pvt. Ltd., Autoneum Feltex (Pty) Ltd., South Africa, Autoneum Portugal Lda. and Autoneum Korea Ltd. Due to disclosure restrictions in shareholder agreements, information on significant non-controlling interests is only disclosed on an aggregated level.

The table below sets out aggregated financial information of the subsidiaries with non-controlling interests:

CHF million	31.12.2016	31.12.2015
Non-current assets	184.2	158.7
Current assets	171.3	166.6
Non-current liabilities	-36.7	-35.5
Current liabilities	-104.0	-90.4
<b>Net assets</b>	<b>214.7</b>	<b>199.4</b>
Thereof non-controlling interests	104.7	96.2
	<b>2016</b>	<b>2015</b>
Net sales	564.6	540.0
Net profit	79.7	55.3
Other comprehensive income	0.3	-5.0
<b>Total comprehensive income</b>	<b>80.0</b>	<b>50.4</b>
Thereof non-controlling interests	38.0	24.4
Cash flows from operating activities	71.8	68.5
Cash flows used in investing activities	2.8	-35.8
Cash flows used in financing activities	-68.4	-43.6
<b>Net change in cash and cash equivalents</b>	<b>6.2</b>	<b>-10.9</b>



## 24 Borrowings

CHF million	Duration less than 1 year	Duration 1 to 5 years	Duration 5 and more years	Total
Bonds	124.8	-	74.7	199.5
Bank debts	5.5	1.6	-	7.1
Other borrowings	-	1.4	0.7	2.1
<b>Total at December 31, 2016</b>	<b>130.3</b>	<b>3.0</b>	<b>75.4</b>	<b>208.7</b>

CHF million	Duration less than 1 year	Duration 1 to 5 years	Duration 5 and more years	Total
Bonds	-	124.6	-	124.6
Bank debts	13.4	44.9	-	58.3
Finance lease obligations	0.5	-	-	0.5
Other borrowings	0.1	1.4	-	1.5
<b>Total at December 31, 2015</b>	<b>14.0</b>	<b>170.9</b>	<b>-</b>	<b>184.9</b>

On December 14, 2012, Autoneum Holding Ltd issued a fixed-rate bond with a nominal value of CHF 125.0 million, which is listed on the SIX Swiss Exchange (AUT12, ISIN: CH0196770439). The bond carries a coupon rate of 4.375%, and has a term of five years with a final maturity on December 14, 2017. On December 31, 2016, the market value of the bond was CHF 129.6 million (2015: CHF 132.0 million).

On July 4, 2016, Autoneum Holding Ltd issued a fixed-rate bond with a nominal value of CHF 75.0 million, which is listed on the SIX Swiss Exchange (AUH16, ISIN: CH0326213904). The bond carries a coupon rate of 1.125%, and has a term of seven years with a final maturity on July 4, 2023. On December 31, 2016, the market value of the bond was CHF 75.4 million.

Autoneum maintains a long-term credit agreement with a banking syndicate in the amount of CHF 150.0 million, whereof nil was drawn at year-end (2015: CHF 40.0 million). The line of credit may partly be used as a guarantee facility. The final maturity date is December 31, 2019. The interest rate is based on the LIBOR rate plus an applicable margin, which is determined based on the ratio of net debt to EBITDA. The credit agreement contains customary financial covenants, which include the ratio of net debt to EBITDA and a minimum economic equity. Compliance with financial covenants is checked quarterly and reported to the banking syndicate. In fiscal years 2016 and 2015, the financial covenants were met at all times.

In addition to the aforementioned bonds and the long-term credit agreement, local credit limits and borrowings with individual customary market conditions exist in several countries.

The borrowings are denominated in the following currencies:

CHF million	31.12.2016	31.12.2015
CHF	199.1	164.1
USD	4.7	8.2
BRL	–	7.8
Other	4.9	4.8
<b>Total</b>	<b>208.7</b>	<b>184.9</b>

## 25 Employee benefits

CHF million	31.12.2016	31.12.2015
Post-employment benefit liabilities	34.7	27.7
Other long-term employee benefits	2.3	1.1
<b>Employee benefit liabilities</b>	<b>37.0</b>	<b>28.8</b>

In the reporting period, total expenses for pensions in the amount of CHF 18.1 million have been recognized as employee expenses and interest expenses (2015: CHF 18.5 million).

Some employees participate in defined contribution plans whose insurance benefit results solely from the paid contributions and the return on investment on the plan asset. The other employees participate in defined benefit plans that are based upon direct benefits of the Autoneum Group.

### Defined contribution plans

The expenses for defined contribution plans totaled CHF 12.4 million in the current reporting period (2015: CHF 11.8 million).

### Defined benefit plans

Autoneum maintains defined benefit pension plans in Switzerland, Great Britain, the USA, Canada and the Netherlands. The most significant pension plans are those in Switzerland and the USA. Those plans sum up to 79.3% (2015: 81.7%) of the Group's defined benefit obligation and to 79.4% (2015: 81.0%) of the Group's plan assets.

The status of the defined benefit plans at year-end was as follows:

CHF million	2016	2015
<b>Switzerland</b>		
Fair value of plan assets at December 31	113.9	116.5
Present value of defined benefit obligation at December 31	-121.6	-122.3
<b>Deficit at December 31</b>	<b>-7.6</b>	<b>-5.9</b>
<b>USA</b>		
Fair value of plan assets at December 31	30.8	30.1
Present value of defined benefit obligation at December 31	-48.0	-47.2
<b>Deficit at December 31</b>	<b>-17.1</b>	<b>-17.1</b>
<b>Other countries</b>		
Fair value of plan assets at December 31	37.7	34.3
Present value of defined benefit obligation at December 31	-44.1	-38.0
<b>Deficit at December 31</b>	<b>-6.5</b>	<b>-3.7</b>
<b>Total deficit at December 31</b>	<b>-31.2</b>	<b>-26.7</b>
Recognized in the balance sheet		
as employee benefit assets	3.4	1.0
as employee benefit liabilities	-34.7	-27.7

### Swiss pension plans

Pension plans are governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). The Group's pension plans are administered by separate legal foundations, which are funded by regular employee and company contributions. Plan participants are insured against the financial consequences of old age, disability and death. The most senior governing body of the pension plan is the Board of Trustees. The Board of Trustees is responsible for the investment of the plan assets. All investment decisions made by the Board of Trustees need to conform to the guidelines set out in a long-term investment strategy. This strategy is based on legal requirements, expected future contributions and expected future obligations and is reassessed at least once a year. All governing and administration bodies have an obligation to act in the interests of the plan participants. The final benefit is contribution-based with certain minimum guarantees. Due to these minimum guarantees, the Swiss plans are treated as defined benefit plans for the purposes of these IFRS financial statements, although they have many characteristics of defined contribution plans. Retirement benefits are based on the accumulated savings capital, which can either be drawn as a lifelong pension or as a lump-sum payment. The pension is calculated by multiplying the balance of the savings capital with the applicable conversion rate. The plan is exposed to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk. In case of an underfunding, the Board of Trustees is required to take the necessary measures to ensure that full funding can be expected to be restored within a reasonable period. The measures may include increasing employee and company contributions, lowering the interest rate on retirement account balances or reducing prospective benefits.



## US pension plans

Autoneum maintains five defined benefit pension plans in the USA. Four of those plans are funded and one plan is unfunded. The defined benefit plans in the USA have been closed to new members. New employees in the USA now join defined contribution plans. The defined benefit plans are subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), which defines minimum standards such as the statutory minimum funded status.

## Pension plans in other countries

Autoneum maintains defined benefit plans in Canada, Great Britain and in the Netherlands. The pension plan in Canada is open for all Canadian employees. The plan is funded, and the majority of the contributions are paid by the employer. The pension plan in Great Britain is funded and has been closed to new members. New employees join a defined contribution plan. The plan in the Netherlands is funded and has been closed to new members.

The movement in the defined benefit obligation over the year was as follows:

CHF million	2016	2015
Defined benefit obligation at January 1	207.6	205.0
Current service cost	6.9	6.3
Past service cost	-2.1	-0.6
Interest expenses	4.5	4.6
Remeasurement gains and losses	7.5	4.4
Employee contributions	3.2	3.0
Settlements	-3.8	-
Benefits paid	-12.2	-8.9
Currency translation adjustment	2.0	-6.2
<b>Defined benefit obligation at December 31</b>	<b>213.7</b>	<b>207.6</b>

The movement in the fair value of plan assets over the year was as follows:

CHF million	2016	2015
Fair value of plan assets at January 1	180.9	181.1
Interest income	3.6	3.7
Return on plan assets excluding interest income	2.4	0.9
Employer contributions	6.6	6.8
Employee contributions	3.2	3.0
Settlements	-3.8	-
Benefits paid	-12.2	-8.9
Currency translation adjustment	1.8	-5.7
<b>Fair value of plan assets at December 31</b>	<b>182.4</b>	<b>180.9</b>

The major categories of plan assets as a percentage of total plan assets were as follows:

in %	31.12.2016	31.12.2015
Equity	43	44
Debt	34	33
Real estate	13	10
Cash	5	6
Other	5	7

All equity and debt instruments are listed on a stock exchange.

The amounts recognized in the income statement were as follows:

CHF million	2016	2015
Current service cost	6.9	6.3
Past service cost	-2.1	-0.6
Net interest expenses	0.9	0.9
<b>Pension expenses for defined benefit plans</b>	<b>5.7</b>	<b>6.6</b>
Recognized in the income statement:		
as employee expenses	4.9	5.8
as interest expenses	0.9	0.9

Past service cost stems from amendments of Swiss pension plans. The amounts recognized in the income statement result from plans in the following regions:

CHF million	2016	2015
Expense from defined benefit plans in Switzerland	2.8	4.2
Expense from defined benefit plans in the USA	1.5	1.4
Expense from defined benefit plans in other countries	1.4	1.1
<b>Total</b>	<b>5.7</b>	<b>6.6</b>

The expected employer contributions for the Group's defined benefit pension plans for 2017 amount to CHF 6.4 million. The expected benefit payments for 2017 are CHF 5.8 million.

The effect from remeasurement of the defined benefit pension plans recognized in other comprehensive income is as follows:

CHF million	2016	2015
Remeasurement gains and losses		
from changes in demographic assumptions	2.1	1.0
from changes in financial assumptions	-9.0	-
from experience adjustment	-0.6	-5.4
Return on plan assets excluding interest income	2.4	0.9
<b>Total</b>	<b>-5.1</b>	<b>-3.5</b>

The table below discloses the main actuarial assumptions at year-end:

Weighted average of all pension plans		31.12.2016	31.12.2015
Discount rate	in %	2.0	2.2
Expected future salary growth	in %	0.6	0.6
Expected future pension growth	in %	0.1	0.1
Life expectancy for females at age of 65	in years	23.4	23.4
Life expectancy for males at age of 65	in years	21.4	21.1

At December 31, 2016, the weighted average duration of the defined benefit obligation was 16.7 years (2015: 16.2 years).

The table below shows the results of the sensitivity analysis. It was analyzed how expected changes in the discount rate, in future salary and pension growth, and in the life expectancy would impact the defined benefit obligation. Changes in these parameters would have the following effect on the defined benefit obligation:

CHF million	31.12.2016	31.12.2015
Increase in discount rate by 0.25 percentage point	-8.6	-8.2
Decrease in discount rate by 0.25 percentage point	9.2	8.7
Increase in future salary growth by 0.5 percentage point	3.2	2.1
Decrease in future salary growth by 0.5 percentage point	-3.2	-2.2
Increase in future pension increase by 0.25 percentage point	3.0	3.0
Decrease in future pension increase by 0.25 percentage point	-2.8	-2.7
Increase in life expectancy by one year	5.5	5.2
Decrease in life expectancy by one year	-5.1	-4.8

## 26 Provisions

CHF million	Guarantee and warranty	Litigation and tax risk	Environmental	Other	Total
Provisions at January 1, 2016	2.4	37.0	10.3	19.4	69.1
Additions	2.4	10.6	0.9	8.4	22.2
Utilization	–	–0.5	–0.1	–6.1	–6.8
Release	–0.4	–4.9	–	–2.8	–8.1
Reclassification	–	–0.2	–	0.2	–
Currency translation adjustment	–	0.4	–0.1	0.1	0.5
<b>Provisions at December 31, 2016</b>	<b>4.4</b>	<b>42.4</b>	<b>11.0</b>	<b>19.2</b>	<b>77.0</b>
Thereof non-current	2.0	39.0	11.0	11.4	63.3
Thereof current	2.4	3.4	–	7.8	13.7

Guarantee and warranty provisions are related to the production and supply of goods or services and are based on experience. The non-current guarantee and warranty provisions are expected to be used in one to two years.

Litigation and tax risk provisions comprise provisions for expected costs resulting from investigations and proceedings of government agencies, provisions for court cases, such as claims brought up by workers for health- or accident-related incidents, and provisions for tax risks. The majority of litigation and tax risk provisions are expected to be used within the next two to three years.

Environmental provisions contain the estimated costs for the cleanup of contaminated sites due to past industrial operations. The majority of provisions stem from legal entities within Business Group Europe. Long-term environmental provisions are expected to be used mainly over the next five to ten years.

Other provisions are made for contracts where the unavoidable costs to fulfill the obligation are greater than the expected economic benefits, as well as for other constructive or legal liabilities of Group companies. The majority of other non-current provisions are expected to be used in two to three years.



## 27 Other liabilities

CHF million	31.12.2016	31.12.2015
Advance payments from customers	20.2	18.5
Other payables	11.3	1.4
<b>Total non-current portion</b>	<b>31.5</b>	<b>19.9</b>
Advance payments from customers	55.4	44.3
Accrued holidays and overtime	13.3	10.4
Accrued expenses	52.3	50.1
Non-income tax payables	19.3	18.5
Fair value of derivative financial instruments	–	1.8
Other payables	24.2	23.0
<b>Total current portion</b>	<b>164.5</b>	<b>148.1</b>

## 28 Other commitments

Some Group companies rent factory and office space under operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future, cumulated minimum lease payments for operating leases are due as follows:

CHF million	31.12.2016	31.12.2015
Less than 1 year	29.2	24.8
1 to 5 years	74.4	70.4
Thereafter	69.8	59.8
<b>Total</b>	<b>173.4</b>	<b>154.9</b>

In the reporting period, CHF 37.9 million was charged to the income statement as operating leasing expenses (2015: CHF 32.6 million).

At year-end, open commitments for large investments in tangible assets summed up to CHF 38.2 million (2015: CHF 29.3 million).

## 29 Contingent liabilities

There are no single matters pending that Autoneum expects to be material in relation to the Group's business, financial position or results of operations.

### 30 Financial instruments

The following tables summarize all financial instruments classified by categories according to IAS 39:

CHF million	31.12.2016	31.12.2015
Marketable securities <sup>1</sup>	–	0.1
Fair value of derivative financial instruments <sup>2</sup>	0.3	0.7
<b>Total financial assets at fair value through profit or loss</b>	<b>0.3</b>	<b>0.9</b>
Cash at banks	148.6	77.1
Time deposits with original maturities up to 3 months	1.2	1.6
Time deposits with original maturities between 3 and 12 months	1.5	–
Loans	6.1	7.7
Trade receivables	276.1	254.9
Other receivables	68.9	69.1
Other financial assets	3.4	7.2
<b>Total loans and receivables</b>	<b>505.8</b>	<b>417.5</b>
Investments in non-consolidated companies <sup>1</sup>	34.4	21.1
<b>Total available-for-sale financial assets</b>	<b>34.4</b>	<b>21.1</b>
<b>Total</b>	<b>540.5</b>	<b>439.5</b>

CHF million	31.12.2016	31.12.2015
Borrowings	208.7	184.9
Trade payables	253.8	243.3
Accrued expenses	52.3	50.1
Other payables	35.4	24.4
<b>Total financial liabilities at amortized cost</b>	<b>550.2</b>	<b>502.7</b>
Fair value of derivative financial instruments <sup>2</sup>	–	1.8
<b>Total financial liabilities at fair value through profit or loss</b>	<b>–</b>	<b>1.8</b>
<b>Total</b>	<b>550.2</b>	<b>504.5</b>

<sup>1</sup> Measured at fair values that are based on quoted prices in active markets (level 1).

<sup>2</sup> Measured at fair values that are calculated based on observable market data (level 2).

Borrowings comprise two bonds with a total net book value of CHF 199.5 million (2015: CHF 124.6 million) and a total fair value of CHF 204.9 million (2015: CHF 132.0 million) based on quoted prices in active markets. Refer to note 24 on page 100 for further information. The book values of other financial instruments measured at amortized cost correspond to their fair values.

### 31 Related parties

Related parties are members of the Board of Directors and the Executive Board or close members of that person's family, pension funds, associated companies as well as companies controlled by significant shareholders. At December 31, 2016, Artemis Beteiligungen I Ltd, Hergiswil, Switzerland, Centinox Holding Ltd, Hergiswil, Switzerland, and Michael Pieper held 20.29% (2015: 20.28%) of the shares of the Company and PCS Holding Ltd, Warth-Weiningen, Switzerland, and Peter Spuhler held 17.18% (2015: 17.18%) of the shares of the Company.

The following transactions were carried out with related parties:

CHF million	2016	2015
Fees paid to the law firm of the Chairman of the Board of Directors	0.1	0.1
<b>Total</b>	<b>0.1</b>	<b>0.1</b>

The total remuneration to the Board of Directors and to the Group Executive Board was as follows:

CHF million	2016	2015
Short-term benefits	4.9	5.3
Share-based payments	2.5	2.1
Post-employment benefits	0.1	0.2
<b>Total</b>	<b>7.5</b>	<b>7.6</b>

The compensation of the Board of Directors and of the Group Executive Board is disclosed in the Remuneration Report on pages 116–119. Members of the Group Executive Board can deposit part of their cash remuneration as a receivable due from Autoneum Management Ltd. The interest rate of these deposits is in line with market conditions.

Year-end balances were as follows:

CHF million	31.12.2016	31.12.2015
Bonus accruals for Group Executive Board	2.4	2.2
Liabilities due to Group Executive Board	–	0.1
<b>Total</b>	<b>2.4</b>	<b>2.3</b>

### 32 Net debt

CHF million	31.12.2016	31.12.2015
Cash and cash equivalents	–149.8	–78.7
Time deposits with original maturities between 3 and 12 months	–1.5	–
Marketable securities	–	–0.1
Borrowings	208.7	184.9
<b>Net debt</b>	<b>57.4</b>	<b>106.1</b>

The calculation of net debt was redefined in 2016. Net debt comprises total borrowings less cash and cash equivalents, time deposits with original maturities between 3 and 12 months, and marketable securities. The prior year figure was adjusted accordingly.

### 33 Exchange rates for currency translation

CHF	ISO code	Units	Average rate 2016	Average rate 2015	Year-end rate 2016	Year-end rate 2015
Argentine peso	ARS	100	6.70	10.41	6.42	7.64
Brazilian real	BRL	1	0.28	0.30	0.31	0.25
Canadian dollar	CAD	1	0.75	0.76	0.76	0.71
Chinese yuan	CNY	100	14.89	15.38	14.67	15.25
Czech koruna	CZK	100	4.03	3.94	3.97	4.00
Euro	EUR	1	1.09	1.07	1.07	1.08
Pound sterling	GBP	1	1.34	1.48	1.25	1.47
Indian rupee	INR	100	1.47	1.50	1.50	1.49
Mexican peso	MXN	100	5.32	6.09	4.93	5.73
Polish zloty	PLN	100	25.01	25.64	24.35	25.51
United States dollar	USD	1	0.99	0.97	1.02	0.99

### 34 Events after balance sheet date

There were no events between December 31, 2016, and March 1, 2017, which would necessitate adjustments to the book value of the Group's assets or liabilities, or which require additional disclosure in the consolidated financial statements.

### 35 Proposal of the Board of Directors

For the year ended December 31, 2016, the Board of Directors proposes to the Annual General Meeting on March 30, 2017, a dividend of CHF 6.50 per share entitled to dividends. This represents a total distribution up to CHF 30.4 million. In 2016, a total dividend of CHF 20.9 million (CHF 4.50 per share entitled to dividends) was distributed to the shareholders of Autoneum Holding Ltd.



### 36 Subsidiaries, associated companies and non-consolidated investments

			Nominal capital in million	Subsidiaries	Associated companies	Non-cons. investments	Voting & capital rights	Research & developm.	Sales/trading	Production	Service/financing
<b>Switzerland</b>	Autoneum Holding Ltd, Winterthur	CHF	0.2	•			100%				•
	Autoneum International Ltd, Winterthur	CHF	7.0	•			100%				•
	Autoneum Management Ltd, Winterthur	CHF	1.3	•			100%	•			•
	Autoneum Switzerland Ltd, Sevelen	CHF	0.3	•			100%	•		•	
<b>Argentina</b>	Autoneum Argentina SA, Córdoba	ARS	22.5	•			100%	•	•		
<b>Belgium</b>	Autoneum Belgium N.V., Genk	EUR	8.0	•			100%	•	•		
<b>Brazil</b>	Autoneum Brasil Têxteis Acústicos Ltda., São Paulo	BRL	201.6	•			100%	•	•	•	
<b>Canada</b>	Autoneum Canada Ltd., Tillsonburg	CAD	–	•			100%			•	
<b>China</b>	Autoneum (Chongqing) Sound-Proof Parts Co. Ltd., Chongqing	CNY	49.3	•			100%	•	•	•	
	Autoneum (Shenyang) Sound-Proof Parts Co. Ltd., Shenyang	CNY	49.2	•			100%		•	•	
	Autoneum (Shanghai) Management Co. Ltd., Shanghai <sup>1</sup>	CNY	13.2	•			100%				•
	Autoneum Nittoku (Guangzhou) Sound-Proof Co. Ltd., Guangzhou	CNY	75.8	•			51%		•	•	
	Tianjin Autoneum Nittoku Sound-Proof Co. Ltd., Tianjin	CNY	47.2	•			51%		•	•	
	Wuhan Nittoku Autoneum Sound-Proof Co. Ltd., Wuhan	CNY	76.9	•	•		25%		•	•	
<b>Czech Republic</b>	Autoneum CZ s.r.o., Choceň	CZK	206.2	•			100%	•	•		
<b>France</b>	Autoneum Holding France SAS, Lyon	EUR	39.8	•			100%				•
	Autoneum France SAS, Aubergenville	EUR	8.0	•			100%	•	•	•	
<b>Germany</b>	Autoneum Germany GmbH, Rossdorf	EUR	11.2	•			100%	•	•	•	
<b>Great Britain</b>	Autoneum Great Britain Ltd., Stoke-on-Trent	GBP	41.8	•			100%	•	•		
<b>India</b>	Autoneum India Pvt. Ltd., New Delhi	INR	571.4	•			100%	•	•		
	Autoneum Nittoku Sound Proof Products India Pvt. Ltd., Chennai	INR	220.0	•			51%		•	•	
<b>Indonesia</b>	PT Tuffindo Nittoku Autoneum, Jakarta	IDR	90 370.0	•	•		9%		•	•	
<b>Italy</b>	Porfima Uno S.r.l., Torino	EUR	–	•			100%				•
<b>Japan</b>	Nihon Tokushu Toryo Co. Ltd., Tokyo	JPY	4 753.0	•	•		9%	•	•	•	•
<b>Korea</b>	SHN CO., Ltd., Daegu	KRW	2 640.0	•			49%	•	•		
	Autoneum Korea Ltd., Incheon	KRW	264.0	•			60%	•			
<b>Mexico</b>	Autoneum Mexico, S. de R.L. de C.V., Hermosillo	MXN	–	•			100%	•	•		
	Autoneum Mexico Operations, S. de R.L. de C.V., San Luis Potosí	MXN	131.9	•			100%			•	
	Autoneum Mexico Servicios, S. de R.L. de C.V., San Luis Potosí	MXN	0.1	•			100%	•			
	UGN de Mexico, S. de R.L. de C.V., Silao	MXN	0.1	•			50%	•	•		
	Servicios de Acoustical Solutions, S. de R.L. de C.V., Silao	MXN	0.1	•			50%	•			
<b>Netherlands</b>	Autoneum Netherland B.V., Weert	EUR	–	•			100%				•
<b>Poland</b>	Autoneum Poland Sp.z.o.o., Katowice	PLN	20.8	•			100%	•		•	
<b>Portugal</b>	Autoneum Portugal Lda., Setúbal	EUR	0.6	•			87%			•	
<b>Russia</b>	Autoneum Rus LLC, Ryazan	RUB	0.8	•			100%	•	•		
<b>South Africa</b>	Autoneum Feltex (Pty) Ltd., Durban	ZAR	–	•			51%	•	•		
<b>Spain</b>	Autoneum Spain S.A.U., Terrassa	EUR	5.8	•			100%	•	•		
	SRN Sound Proof Co., Ltd., Chonburi	THB	100.0	•			30%	•	•		
	Summit & Autoneum (Thailand) Co., Ltd., Chonburi	THB	10.0	•			51% <sup>2</sup>	•	•		
<b>Turkey</b>	Autoneum Erkurt Otomotive AS, Bursa	TRY	2.5	•			51%	•	•		
<b>USA</b>	Autoneum America Corporation, Farmington Hills	USD	–	•			100%				•
	Autoneum North America Inc., Farmington Hills	USD	–	•			100%	•	•	•	
	UGN Inc., Tinley Park	USD	–	•			50%	•	•	•	

<sup>1</sup> The company was established in 2016.

<sup>2</sup> Autoneum has 49% of the capital rights.



# Statutory Auditor's Report

To the General Meeting of Autoneum Holding Ltd, Winterthur

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Autoneum Holding Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2016, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 66 to 111) give a true and fair view of the consolidated financial position of the Group as at December 31, 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

### Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters



**Disposal of the UGN's business in Chicago Heights, Illinois, USA**



**Deferred Tax Assets**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## Disposal of the UGN's business in Chicago Heights, Illinois, USA

### Key Audit Matter

The Group's US-American subsidiary UGN sold its business in Chicago Heights, Illinois, USA, on February 2, 2016. The disposal assets had been classified as assets held for sale as of December 31, 2015.

The initial purchase price of CHF 44.7 million was received in cash at the closing date of the transaction and the post-closing purchase price adjustment of CHF 0.4 million was settled in the reporting period. The sale resulted in a gain of CHF 33.2 million and the transaction is material to the consolidated financial statements.

For further information on the disposal of the UGN's business in Chicago Heights, Illinois, USA, refer to the following:

- Note 3, Change in scope of consolidation and significant transaction

### Our response

Our audit procedures included evaluating whether the Group's methodology for separating the disposed from the retained business properly reflected the respective sale and purchase agreement.

We critically assessed the accuracy of the separation accounting, including directly attributable costs and the likelihood of warranties.

Furthermore, we evaluated the appropriateness of the disclosures and the presentation of the transaction in the consolidated financial statements.



## Deferred Tax Assets

### Key Audit Matter

The deferred tax assets recorded by the Group amounted to CHF 35.2 million as of December 31, 2016. The tax loss carryforwards not recognized as deferred tax assets amount to CHF 299.2 million.

The recognition of deferred tax assets depends on several assumptions and estimates in respect of the probability of sufficient future taxable profits, future reversals of existing taxable temporary differences, tax rates and the ongoing tax planning strategies.

### Our response

Our audit procedures included, amongst others, challenging the Group's assumptions, including evaluating the tax planning strategies and the availability of future taxable profits. In this context, we involved our own local and international tax specialists.

We compared key inputs used by the Group in forecasting future profits to externally available data, such as economic forecasts. We also analyzed the accuracy of the Group's own historical forecast data and performance and assessed the sensitivity of the outcomes to reasonably possible changes in assumptions. We paid particular attention to the tax planning strategies and to forecasts of future profitability in those jurisdictions with the most significant tax loss carryforwards.

Furthermore, we assessed whether the Group's disclosures appropriately reflect its tax position.

For further information on deferred tax assets refer to the following:

- Significant accounting judgments, estimates and assumptions relating to income taxes, Note 1.2
- Significant accounting policies, Note 1.16 Income taxes
- Note 11, Income taxes

## Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG



Kurt Stocker  
Licensed Audit Expert  
Auditor in Charge



Kathrin Schünke  
Licensed Audit Expert

Zurich, March 1, 2017

KPMG AG, Badenerstrasse 172, PO Box, CH-8036 Zurich

KPMG AG is a subsidiary of KPMG Holding AG, which is a member of the KPMG network of independent firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss legal entity. All rights reserved.

## Remuneration Report

### Authority and definition process

The basic features of the remuneration policy are elaborated by the Compensation Committee (COC) and approved by the Board of Directors, which also approves the executive bonus plan and the long-term incentive plan (LTI). The Board of Directors fixes annually the remuneration of the Directors and of the members of the Group Executive Board, based on suggestions of the COC and within the limits approved by the shareholders. The Directors, whose remuneration is decided on, also participate in the meeting. The Board of Directors reviews annually the main features of the remuneration policy, approves the fixed portion of the remuneration of the Group Executive Board members and defines the targets for the executive bonus plan as well as the parameters for the LTI. The Board of Directors has not engaged third-party consultants for the elaboration of the salary policy or of compensation programs. The Board of Directors annually submits the proposal for the maximum aggregate total compensation of the members of the Board of Directors and the Group Executive Board to the Annual General Meeting for prospective approval by the shareholders. For a detailed description of the rules on the vote on pay at the Annual General Meeting, reference is made to §14 of the Articles of Association ([www.autoneum.com/investor-relations/corporate-governance](http://www.autoneum.com/investor-relations/corporate-governance)).

For the rules in the Articles of Association on the principles applicable to performance-related pay and to the allocation of equity securities as well as the additional amount for payments to new members of the Group Executive Board appointed after the vote on pay at the Annual General Meeting as well as on loans, credit facilities and post-employment benefits for members of the Board of Directors and the Group Executive Board, reference is made to §24 of the Articles of Association.

### Remuneration of the Board of Directors

The remuneration of the Board of Directors consists of the annual fee and compensation for representation expenses. The remuneration is determined at the discretion of the Board of Directors, taking into consideration the remuneration at companies with comparable size, industry and globalization.

The members of the Board of Directors may opt to obtain all or part of their remuneration in cash or in Autoneum shares. The cash component is paid out in December of the related business year. The shares are delivered in the respective year and blocked for three years. The share price applicable for the conversion of the remuneration into shares is based on the average trading price of the ten trading days following the dividend payment, discounted to reflect a three-year blocking period.

### Remuneration of the Group Executive Board

Remuneration of the Group Executive Board consists of a fixed component, a performance-related bonus and the participation in the long-term incentive plan (LTI). Remuneration is determined at the discretion of the Board of Directors, taking into consideration function, responsibility and experience, as well as remuneration at comparable industrial companies for which information is publicly available or known to the Directors from their experience or office at similar companies. Industrial

companies are considered comparable with Autoneum if they are similar in terms of business sector, structure, size and international activity.

The Board of Directors may define an additional portion of the basic salary which shall be paid in Autoneum shares. The number of shares is calculated considering the average trading price of the first ten trading days of the respective year. The granted shares are delivered in December of the respective year and blocked for three years.

The members of the Group Executive Board may reach a performance-related remuneration of up to 80% of their basic salary, subject to the achievement or exceeding of defined minimum profitability and liquidity targets of the Group or of the Business Groups (BG), as well as to the achievement of agreed individual targets. The targets for the CEO and the CFO refer to the Group net profit margin (weighted with 52.5%), Group RONA (22.5%) and individual targets (25%). For the heads of the BG<sup>1</sup> the targets refer to the Group net profit margin (17.5%), Group RONA (7.5%), BG EBIT margin (35%), BG free cash flow (15%) and individual targets (25%). Minimum and maximum limits are defined for the weighted targets. Achievement of the minimum limit is a condition for the bonus, while maximum bonus is achieved at the maximum limit. Bonus develops linearly between the two limits. Irrespective of the other targets, a bonus is only earned in case of a positive Group net profit. At least 40% of the bonus is paid in shares of Autoneum.<sup>2</sup> Each member of the Group Executive Board can opt for receiving up to 100% of the bonus in shares and for receiving either restricted shares with a blocking period of three years or an entitlement to shares with a deferred transfer after a period of three years. The calculated bonus is multiplied by 1.4 and then converted into shares considering the average trading price of the first ten trading days in January of the following year.

The long-term incentive plan (LTI) allows the Board of Directors to allocate part of the Group's net profit to the beneficiaries defined in advance. Beneficiaries are the upper management of the Group, including the Group Executive Board.<sup>3</sup> An allocation is only granted if Group net profit is positive and exceeds a defined threshold. The total amount of Group net profit dedicated to the LTI is converted into Autoneum shares and the shares are allocated to the beneficiaries at fixed percentage rates, corresponding to the internal function levels. The shares become property of the beneficiaries after a vesting period of 35 months, if the beneficiaries are then still employed by an Autoneum company. Due to the 35 month vesting period, the value of the LTI is in strong correlation to the Autoneum share price performance. Immediate vesting occurs in case of death or retirement of a beneficiary. In case of employment termination, shares not yet vested lapse without compensation. Exceptions are possible at the discretion of the COC. For the year 2016, 1% of Group net profit has been allocated (2015: 1%).

There are no share options or share purchase plans.

<sup>1</sup> For 2016, the targets for the Head Business Group SAMEA refer to the Group net profit margin (weighted with 52.5%), Group RONA (22.5%) and individual targets (25%).

<sup>2</sup> For 2016, the full bonus of the Head of Business Group SAMEA is paid out in cash.

<sup>3</sup> For 2016, the Head Business Group SAMEA and the Head Business Group Asia are not entitled to a LTI.

**Remuneration to the members of the Board of Directors and Group Executive Board in 2016**

CHF	Fixed remuneration		Other <sup>2</sup>	Total
	in cash	in shares <sup>1</sup>		
<b>Board of Directors</b>				
Hans-Peter Schwald, Chairman	–	280 000	49 848	329 848
Rainer Schmückle, Vice Chairman	120 000	70 000	25 000	215 000
Michael W. Pieper	–	100 000	25 108	125 108
This E. Schneider	–	130 000	29 387	159 387
Peter Spuhler	100 000	–	27 371	127 371
Ferdinand Stutz	120 000	50 000	32 119	202 119
<b>Total</b>	<b>340 000</b>	<b>630 000</b>	<b>188 833</b>	<b>1 158 833</b>

CHF	Fixed remuneration		Variable remuneration		LTI <sup>5</sup>	Other <sup>6</sup>	Total
	in cash	in shares <sup>3</sup>	in cash	in shares <sup>4</sup>			
<b>Group Executive Board</b>							
All members	2 570 480	32 081	911 739	1 512 729	160 295	924 996	6 112 319
Thereof Martin Hirzel, CEO	668 000	32 081	163 800	535 121	70 079	150 551	1 619 630

<sup>1</sup> The applicable share price (average trading price during the defined period, less 16% for the three-year blocking period) was CHF 198.04. The transfer took place after deduction of applicable social security contributions and withholding taxes.

<sup>2</sup> Other remuneration includes the employer's portion of social insurance contributions as well as lump-sum remuneration for representation expenses.

<sup>3</sup> The applicable share price during the defined period was CHF 192.10.

<sup>4</sup> The part of the bonus opted to be paid out in shares (at least 40%) is multiplied by the factor 1.4 and then converted into shares using the average trading price for the first ten days in January 2017 (CHF 268.50).

<sup>5</sup> The rights allocated in April 2017 will vest end of February 2020.

<sup>6</sup> Other remuneration includes the employer's portion of social insurance contributions, the employer's portion of contributions to pension funds and other fringe benefits.

Total remuneration to the Group Executive Board contains remuneration to Dr Uwe Trautmann, who resigned from the Group Executive Board in 2016 and had the bonus settled in cash.

At the Annual General Meeting 2015 a total remuneration to the Board of Directors of CHF 1 450 000 and a total remuneration to the Group Executive Board of CHF 6 900 000 was approved for the financial year 2016. The total remuneration to the Board of Directors and to the Group Executive Board for 2016 is within the approved limit.

**Remuneration to former members of the Board of Directors and of the Group Executive Board**

A total remuneration of CHF 90 356 was paid to Richard Derr who resigned from the Group Executive Board in 2015. There has been no remuneration to former members of the Board of Directors.

**Directorships at other companies**

The Board of Directors decides on directorships of members of the Group Executive Board or senior management at other companies. When the directorship is exercised outside the contractual working time, the director's remuneration received must not be surrendered to Autoneum.



**Remuneration to the members of the Board of Directors and Group Executive Board in 2015**

CHF	Fixed remuneration		Other <sup>2</sup>	Total
	in cash	in shares <sup>1</sup>		
<b>Board of Directors</b>				
Hans-Peter Schwald, Chairman	-	280 000	49 800	329 800
Rainer Schmückle, Vice Chairman	190 000	-	25 000	215 000
Michael W. Pieper	-	100 000	25 239	125 239
This E. Schneider	-	130 000	29 591	159 591
Peter Spuhler	-	100 000	27 396	127 396
Ferdinand Stutz	120 000	50 000	32 310	202 310
<b>Total</b>	<b>310 000</b>	<b>660 000</b>	<b>189 336</b>	<b>1 159 336</b>

CHF	Fixed remuneration		Variable remuneration <sup>4</sup>		LTI <sup>6</sup>	Other <sup>7</sup>	Total
	in cash	in shares <sup>3</sup>	in cash	in shares <sup>5</sup>			
<b>Group Executive Board</b>							
All members	3 274 004	32 108	989 824	1 198 512	206 892	773 743	6 475 083
Thereof Martin Hirzel, CEO	668 000	32 108	225 176	315 236	70 117	148 937	1 459 574

<sup>1</sup> The applicable share price (average trading price during the defined period, less 16% for the three-year blocking period) was CHF 182.84. The transfer took place after deduction of applicable social security contributions and withholding taxes.

<sup>2</sup> Other remuneration includes the employer's portion of social insurance contributions as well as lump-sum remuneration for representation expenses.

<sup>3</sup> The applicable share price during the defined period was CHF 174.50.

<sup>4</sup> For the bonus calculation, the net profit has been adjusted for the settlement with the German Federal Cartel Office in the amount of CHF 31.5 million in 2015.

<sup>5</sup> The part of the bonus opted to be paid out in shares (at least 40%) is multiplied by the factor 1.4 and then converted into shares using the average trading price for the first ten days in January 2016 (CHF 192.10).

<sup>6</sup> The rights allocated in April 2016 will vest end of February 2019.

<sup>7</sup> Other remuneration includes the employer's portion of social insurance contributions, the employer's portion of contributions to pension funds and other fringe benefits.

Total remuneration to the Group Executive Board in 2015 includes remuneration to Volker Eimertenbrink (Head Business Group SAMEA until December 31, 2015), payable in 2016. Richard Derr, who resigned from the Group Executive Board in 2015, had the bonus settled in cash.

**Loans to directors or officers**

No loans have been granted to members of the Board of Directors or the Group Executive Board.

**Other remuneration and payments to related parties**

There have been no further payments or remuneration to members of the Board of Directors or Group Executive Board in 2016 or in 2015. In 2016, CHF 67 415 (2015: CHF 86 678) of fees were paid to the law firm managed by the Chairman of the Board of Directors, for legal services provided.



# Report of the Statutory Auditor

To the General Meeting of Autoneum Holding Ltd, Winterthur

## Report on the Audit of the Remuneration Report

We have audited the accompanying remuneration report of Autoneum Holding Ltd for the year ended December 31, 2016.

The audit was limited to the information according to articles 14 – 16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies contained in the tables “Remuneration to the members of the Board of Directors and Group Executive Board in 2016” and “Remuneration to the members of the Board of Directors and Group Executive Board in 2015” on pages 118 to 119 of the remuneration report.

### Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

### Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Opinion

In our opinion, the remuneration report for the year ended December 31, 2016, of Autoneum Holding Ltd complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Kurt Stocker  
Licensed Audit Expert  
Auditor in Charge

Kathrin Schünke  
Licensed Audit Expert

## Income statement of Autoneum Holding Ltd

CHF million	Notes	2016	2015
<b>Income</b>			
Dividend income		67.8	25.3
Other financial income	(2)	14.6	10.4
License income		6.0	5.6
<b>Total income</b>		<b>88.4</b>	<b>41.3</b>
<b>Expenses</b>			
Financial expenses	(3)	21.7	16.6
Administration expenses		4.7	4.7
Taxes		0.2	0.2
<b>Total expenses</b>		<b>26.6</b>	<b>21.4</b>
<b>Net profit for the year</b>		<b>61.8</b>	<b>19.8</b>

## Balance sheet of Autoneum Holding Ltd

CHF million	Notes	31.12.2016	31.12.2015
<b>Assets</b>			
Cash and cash equivalents		19.9	1.9
Loans and receivables due from subsidiaries	(4)	54.0	146.5
Loans and receivables due from third parties		0.4	0.6
Accruals due from subsidiaries		6.7	5.9
Accruals due from third parties		0.8	1.7
<b>Current assets</b>		<b>81.8</b>	<b>156.5</b>
Loans due from subsidiaries	(4)	253.0	175.0
Loans due from third parties		5.7	6.3
Investments	(5)	361.9	332.5
<b>Non-current assets</b>		<b>620.5</b>	<b>513.8</b>
<b>Total assets</b>		<b>702.3</b>	<b>670.3</b>
<b>Liabilities and shareholders' equity</b>			
Financial liabilities due to subsidiaries	(6)	48.5	95.9
Bond	(7)	125.0	-
Accruals due to subsidiaries		2.4	2.0
Accruals due to third parties		3.4	4.7
<b>Current liabilities</b>		<b>179.2</b>	<b>102.6</b>
Bond	(7)	75.0	125.0
Financial liabilities due to banks	(8)	-	37.4
<b>Non-current liabilities</b>		<b>75.0</b>	<b>162.4</b>
<b>Liabilities</b>		<b>254.2</b>	<b>265.1</b>
Share capital	(9)	0.2	0.2
Legal capital reserves	(9)	350.0	350.0
Retained earnings			
Balance brought forward		38.5	39.5
Net profit for the year		61.8	19.8
Treasury shares	(9)	-2.4	-4.3
<b>Shareholders' equity</b>		<b>448.1</b>	<b>405.2</b>
<b>Total liabilities and shareholders' equity</b>		<b>702.3</b>	<b>670.3</b>



## Notes to the financial statements of Autoneum Holding Ltd

### 1 Principles

---

#### General

Autoneum Holding Ltd was incorporated on December 2, 2010, as a Swiss corporation domiciled in Winterthur. The Company does not have any employees.

The financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32<sup>nd</sup> title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

#### Loans

Loans granted in foreign currencies are translated at the rate at the balance sheet date, whereby unrealized losses are recorded but unrealized profits are not recognized. In the case where the currency effect of loans is hedged, both unrealized losses and profits are recognized.

#### Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a sale, the gain or loss is recognized in the income statement as financial income or financial expenses.

#### Bonds and financial liabilities due to banks

Financial liabilities are recognized in the balance sheet at nominal value. The issue costs for the bonds and for finance agreements are recognized as accruals due from third parties and amortized on a straight-line basis over the maturity period.

#### Investments

Investments are valued using the single-item approach.

## 2 Other financial income

CHF million	2016	2015
Interest income	14.0	10.3
Other financial income	0.7	0.1
<b>Total</b>	<b>14.6</b>	<b>10.4</b>

## 3 Financial expenses

CHF million	2016	2015
Interest expenses	8.1	7.3
Net foreign exchange losses	5.3	8.6
Other financial expenses	8.3	0.7
<b>Total</b>	<b>21.7</b>	<b>16.6</b>

## 4 Loans and receivables due from subsidiaries

Loans due from subsidiaries in current assets contain both current loans and cash pool receivables. The split at year-end is as follows:

CHF million	31.12.2016	31.12.2015
Current loans	34.7	118.9
Cash pool receivables	19.3	27.6
<b>Total</b>	<b>54.0</b>	<b>146.5</b>

Non-current loans due from subsidiaries in the amount of CHF 10.6 million (2015: CHF 10.6 million) are subordinated.

## 5 Investments

The subsidiaries, associated companies and investments are listed in note 13 on page 128. They are owned directly or indirectly by Autoneum Holding Ltd.

## 6 Financial liabilities due to subsidiaries

Financial liabilities due to subsidiaries in current liabilities contain both short-term loans and cash pool liabilities. The split at year-end is as follows:

CHF million	31.12.2016	31.12.2015
Current loans	–	59.1
Cash pool liabilities	48.5	36.8
<b>Total</b>	<b>48.5</b>	<b>95.9</b>

## 7 Bonds

On December 14, 2012, Autoneum Holding Ltd issued a fixed rate bond with a nominal value of CHF 125.0 million, which is listed on the SIX Swiss Exchange (AUT12, ISIN: CH0196770439). The bond carries a coupon rate of 4.375%, and has a term of five years with a final maturity on December 14, 2017.

On July 4, 2016, Autoneum Holding Ltd issued a fixed rate bond with a nominal value of CHF 75.0 million, which is listed on the SIX Swiss Exchange (AUH16, ISIN: CH0326213904). The bond carries a coupon rate of 1.125%, and has a term of seven years with a final maturity on July 4, 2023.

## 8 Financial liabilities due to banks

Autoneum maintains a long-term credit agreement with a banking syndicate in the amount of CHF 150.0 million, whereof nil was drawn at year-end (2015: CHF 37.4 million). The line of credit may partly be used as a guarantee facility. The final maturity date is December 31, 2019. The interest rate is based on the LIBOR rate plus an applicable margin, which is determined based on the ratio of net debt to EBITDA. The credit agreement contains customary financial covenants, which include the ratio of net debt to EBITDA and a minimum economic equity. Compliance with financial covenants is checked quarterly and reported to the banking syndicate. In fiscal years 2016 and 2015, the financial covenants were met at all times.

## 9 Shareholders' equity

### Share capital

The share capital amounts to CHF 233 618.15. It is divided into 4 672 363 fully paid registered shares with a par value of CHF 0.05 each.

### Conditional share capital

For issuing convertible bonds, warranty bonds and for granting shareholder options, the share capital can be increased by a maximum of 700 000 fully paid up registered shares with a par value of CHF 0.05 up to a maximum value of CHF 35 000. Furthermore, for the issuance of shares to employees of subsidiaries, the share capital can be increased by a maximum of 250 000 fully paid up registered shares with a par value of CHF 0.05 up to a maximum value of CHF 12 500.

### Legal capital reserves

These reserves include an amount of CHF 0.1 million (2015: CHF 0.1 million) whose distribution as dividends is not subject to income taxes in Switzerland and can be effected free of Swiss withholding tax. The remaining part of the legal capital reserve does not benefit from the Swiss capital contribution principle.

### Treasury shares

The following transactions with treasury shares were performed during the financial year:

	2016 in shares	2016 in CHF million	2015 in shares	2015 in CHF million
Treasury shares at January 1	37 612	4.3	53 180	6.1
Purchase of treasury shares	530	0.1	634	0.1
Sale of treasury shares	-15 466	-1.8	-12 891	-1.5
Transfer of treasury shares	-2 848	-0.3	-3 311	-0.4
<b>Treasury shares at December 31</b>	<b>19 828</b>	<b>2.4</b>	<b>37 612</b>	<b>4.3</b>



## 10 Guarantees and collateral provided

Autoneum Holding Ltd has guaranteed CHF 19.4 million (2015: CHF 27.2 million) to financial institutions for granting credit facilities to direct and indirect subsidiaries and CHF 26.9 million (2015: CHF 28.1 million) to other third parties for securing transactions they entered into with direct and indirect subsidiaries and other third parties. No financing commitment was given in favor of subsidiaries (2015: CHF 12.2 million).

## 11 Shares allocated to the Board of Directors

Part of the remuneration of the Board of Directors is paid in shares of Autoneum Holding Ltd. In 2016, 2 848 shares (2015: 3 311 shares) with a total value of CHF 630 000 (2015: CHF 660 000) were allocated.

## 12 Shares held by the members of the Board of Directors or Group Executive Board

The following shares were held by members of the Board of Directors or the Group Executive Board, including parties related to them (Art. 663c Swiss Code of Obligations):

Number of shares	31.12.2016	31.12.2015
Hans-Peter Schwald, Chairman	36 500	35 000
Rainer Schmückle, Vice Chairman	1 136	2 171
Michael Pieper	948 251	947 768
This E. Schneider	4 789	4 338
Peter Spuhler	802 871	802 871
Ferdinand Stutz	2 349	2 113
<b>Total Board of Directors</b>	<b>1 795 896</b>	<b>1 794 261</b>
Martin Hirzel, CEO	7 578	9 796
Dr Martin Zwyszig	1 472	780
Matthias Holzammer	3 312	3 650
John T. Lenga	902	170
Andreas Kolf	–	n/a
Dr Uwe Trautmann	n/a	2 575
Fausto Bigi	–	n/a
Volker Eimertenbrink	n/a	2 565
<b>Total Group Executive Board</b>	<b>13 264</b>	<b>19 536</b>

### 13 Subsidiaries, associated companies and investments

			Nominal capital in million	Directly owned	Indirectly owned	Voting & capital rights	Research & developm.	Sales/trading	Production	Service/financing
<b>Switzerland</b>	Autoneum International Ltd, Winterthur	CHF	7.0	•		100%				•
	Autoneum Management Ltd, Winterthur	CHF	1.3	•		100%	•			•
	Autoneum Switzerland Ltd, Sevelen	CHF	0.3	•		100%	•		•	
<b>Argentina</b>	Autoneum Argentina SA, Córdoba	ARS	22.5	•		100%		•	•	
<b>Belgium</b>	Autoneum Belgium N.V., Genk	EUR	8.0	•		100%		•	•	
<b>Brazil</b>	Autoneum Brasil Têxteis Acústicos Ltda., São Paulo	BRL	201.6	•		100%	•	•	•	
<b>Canada</b>	Autoneum Canada Ltd., Tillsonburg	CAD	-	•		100%				•
<b>China</b>	Autoneum (Chongqing) Sound-Proof Parts Co. Ltd., Chongqing	CNY	49.3	•		100%	•	•	•	
	Autoneum (Shenyang) Sound-Proof Parts Co. Ltd., Shenyang	CNY	49.2	•		100%		•	•	
	Autoneum (Shanghai) Management Co. Ltd., Shanghai <sup>1</sup>	CNY	13.2	•		100%				•
	Autoneum Nittoku (Guangzhou) Sound-Proof Co. Ltd., Guangzhou	CNY	75.8	•		51%		•	•	
	Tianjin Autoneum Nittoku Sound-Proof Co. Ltd., Tianjin	CNY	47.2	•		51%		•	•	
	Wuhan Nittoku Autoneum Sound-Proof Co. Ltd., Wuhan	CNY	76.9	•		25%		•	•	
<b>Czech Republic</b>	Autoneum CZ s.r.o., Choceň	CZK	206.2	•		100%		•	•	
<b>France</b>	Autoneum Holding France SAS, Lyon	EUR	39.8	•		100%				•
	Autoneum France SAS, Aubergenville	EUR	8.0	•		100%	•	•	•	
<b>Germany</b>	Autoneum Germany GmbH, Rossdorf	EUR	11.2	•		100%	•	•	•	
<b>Great Britain</b>	Autoneum Great Britain Ltd., Stoke-on-Trent	GBP	41.8	•		100%		•	•	
<b>India</b>	Autoneum India Pvt. Ltd., New Delhi	INR	571.4	•		100%		•	•	
	Autoneum Nittoku Sound Proof Products India Pvt. Ltd., Chennai	INR	220.0	•		51%		•	•	
<b>Indonesia</b>	PT Tuffindo Nittoku Autoneum, Jakarta	IDR	90 370.0	•		9%		•	•	
<b>Italy</b>	Porfima Uno S.r.l., Torino	EUR	-	•		100%				•
<b>Japan</b>	Nihon Tokushu Toryo Co. Ltd., Tokyo	JPY	4 753.0	•		9%	•	•	•	•
<b>Korea</b>	SHN CO., Ltd., Daegu	KRW	2 640.0	•		49%		•	•	
	Autoneum Korea Ltd., Incheon	KRW	264.0	•		60%		•		
<b>Mexico</b>	Autoneum Mexico, S. de R.L. de C.V., Hermosillo	MXN	-	•		100%		•	•	
	Autoneum Mexico Operations, S. de R.L. de C.V., San Luis Potosí	MXN	131.9	•		100%				•
	Autoneum Mexico Servicios, S. de R.L. de C.V., San Luis Potosí	MXN	0.1	•		100%			•	
	UGN de Mexico, S. de R.L. de C.V., Silao	MXN	0.1	•		50%		•	•	
	Servicios de Acoustical Solutions, S. de R.L. de C.V., Silao	MXN	0.1	•		50%		•		
<b>Netherlands</b>	Autoneum Netherland B.V., Weert	EUR	-	•		100%				•
<b>Poland</b>	Autoneum Poland Sp.z.o.o., Katowice	PLN	20.8	•		100%	•		•	
<b>Portugal</b>	Autoneum Portugal Lda., Setúbal	EUR	0.6	•		87%				•
<b>Russia</b>	Autoneum Rus LLC, Ryazan	RUB	0.8	•		100%		•	•	
<b>South Africa</b>	Autoneum Feltex (Pty) Ltd., Durban	ZAR	-	•		51%		•	•	
<b>Spain</b>	Autoneum Spain S.A.U., Terrasa	EUR	5.8	•		100%		•	•	
<b>Thailand</b>	SRN Sound Proof Co., Ltd., Chonburi	THB	100.0	•		30%		•	•	
	Summit & Autoneum (Thailand) Co., Ltd., Chonburi	THB	10.0	•		51% <sup>2</sup>		•	•	
<b>Turkey</b>	Autoneum Erkurt Otomotive AS, Bursa	TRY	2.5	•		51%		•	•	
<b>USA</b>	Autoneum America Corporation, Farmington Hills	USD	-	•		100%				•
	Autoneum North America Inc., Farmington Hills	USD	-	•		100%	•	•	•	
	UGN Inc., Tinley Park	USD	-	•		50%	•	•	•	

<sup>1</sup> The company was established in 2016. No other changes in voting or capital rights took place.

<sup>2</sup> Autoneum has 49% of the capital rights.

## 14 Significant shareholders

At December 31, Autoneum knew that the following shareholders had more than 3% of the Company voting rights (in accordance with Art. 663c of the Swiss Code of Obligations):

	31.12.2016	31.12.2015
Artemis Beteiligungen I Ltd, Hergiswil, Switzerland, Centinox Holding Ltd, Hergiswil, Switzerland, and Michael Pieper <sup>1</sup>	20.29%	20.28%
PCS Holding Ltd, Warth-Weiningen, Switzerland, and Peter Spuhler <sup>1</sup>	17.18%	17.18%
Norges Bank (the Central Bank of Norway), Oslo, Norway <sup>2</sup>	3.00%	3.00%

<sup>1</sup> Voting rights according to the Company's records at December 31.

<sup>2</sup> Voting rights according to last notification via SIX Swiss Exchange, published on May 5, 2015.

Details of the disclosures can be found at:

[www.six-exchange-regulation.com/de/home/publications/significant-shareholders.html](http://www.six-exchange-regulation.com/de/home/publications/significant-shareholders.html)

## 15 Events after balance sheet date

There were no events between December 31, 2016, and March 1, 2017, that would necessitate adjustments to the book value of the Company's assets or liabilities, or that require additional disclosure in the financial statements.

## Dividend proposal

### for the appropriation of available earnings

CHF	2016
Balance brought forward	38 450 671
Net profit for the year	61 835 096
<b>At the disposal of the Annual General Meeting</b>	<b>100 285 767</b>
<b>Proposal</b>	
Distribution of a dividend <sup>1</sup>	30 370 360
Carried forward to new account	69 915 407
	<b>100 285 767</b>

<sup>1</sup> Shares held by Autoneum Holding Ltd at the time of dividend distribution are not entitled to dividends. The amount distributed will be reduced accordingly at the time of distribution.

The Board of Directors proposes that a dividend of CHF 6.50 be paid per registered share entitled to dividends.





# Statutory Auditor's Report

To the General Meeting of Autoneum Holding Ltd, Winterthur

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Autoneum Holding Ltd, which comprise the balance sheet as at December 31, 2016, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 121 to 129) for the year ended December 31, 2016, comply with Swiss law and the company's articles of incorporation.

### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority



#### Investments and loans due from subsidiaries

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## Investments and loans due from subsidiaries

### Key Audit Matter

The financial statements of Autoneum Holding Ltd as at December 31, 2016, include investments in the amount of CHF 361.9 million, current loans due from subsidiaries in the amount of CHF 34.7 million and non-current loans due from subsidiaries in the amount of CHF 253.0 million (thereof CHF 10.6 million subordinated). The company annually reviews investments and loans due from subsidiaries for impairment on an individual basis.

The impairment assessment of investments and loans due from subsidiaries requires significant management judgment, in particular in relation to the forecast earnings and growth rates as well as discount rates, and is therefore a key area that our audit was concentrated on.

### Our response

Our audit procedures included, amongst others, evaluating the methodical and mathematical accuracy of the model used for the impairment tests as well as the appropriateness of management's assumptions.

This comprised:

- Agreeing forecasts used in the impairment tests to current expectations of management.
- Challenging the robustness of key assumptions on a sample basis, based on our understanding of the commercial prospects of the respective entities.

In relation to evaluating the discount rates used, our internal valuation specialists assisted us by comparing the relevant inputs to industry and economic forecasts.

For further information on investments and loans due from subsidiaries refer to the following:

- Note 4, Loans and receivables due from subsidiaries
- Note 5, Investments

### Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG



Kurt Stocker  
Licensed Audit Expert  
Auditor in Charge



Kathrin Schünke  
Licensed Audit Expert

Zurich, March 1, 2017

KPMG AG, Badenerstrasse 172, PO Box, CH-8036 Zurich

KPMG AG is a subsidiary of KPMG Holding AG, which is a member of the KPMG network of independent firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss legal entity. All rights reserved.

## Review 2012–2016

### Consolidated income statement

CHF million	2016	2015	2014 <sup>1</sup>	2013	2012 <sup>1</sup>
Net sales	2 152.6	2 085.9	1 954.7	2 053.3	1 940.9
BG Europe	833.4	833.2	803.3	901.6	901.2
BG North America	1 018.7	977.9	882.7	892.4	800.0
BG Asia	210.7	180.9	145.3	128.3	101.4
BG SAMEA <sup>2</sup>	93.5	94.3	123.9	138.4	144.7
EBITDA	278.1	191.5	201.6	184.3	146.4
as a % of net sales	12.9%	9.2%	10.3%	9.0%	7.5%
EBIT	204.5	126.5	135.1	79.2	77.3
as a % of net sales	9.5%	6.1%	6.9%	3.9%	4.0%
Net profit	133.8	68.7	102.8	36.2	29.6
as a % of net sales	6.2%	3.3%	5.3%	1.8%	1.5%
Return on net assets in % (RONA)	21.5%	12.7%	20.3%	10.3%	10%
Return on equity in % (ROE)	29.9%	17.4%	29.6%	12.5%	11.1%

### Consolidated balance sheet at December 31

Non-current assets	648.0	553.6	536.2	440.7	434.4
Current assets	649.8	561.1	563.0	549.9	517.5
Equity attributable to shareholders of AUTN	394.3	301.3	303.5	232.9	213.2
Equity attributable to non-controlling interests	104.7	96.2	89.0	69.1	62.3
Total shareholders' equity	499.0	397.5	392.5	302.0	275.5
Non-current liabilities	220.7	284.8	276.8	234.9	237.0
Current liabilities	578.1	432.3	430.0	453.8	439.4
Total assets	1 297.8	1 114.7	1 099.3	990.6	951.9
Net debt	57.4	106.1	54.6	92.9	122.9
Shareholders' equity in % of total assets	38.4%	35.7%	35.7%	30.5%	28.9%

### Consolidated statement of cash flows

Cash flows from operating activities	194.1	111.7	138.2	165.7	114.9
Cash flows used in investing activities	-92.8	-123.1	-108.8	-98.6	-66.8
Cash flows used in financing activities	-28.6	-43.5	-15.0	-20.7	-36.4

Employees at December 31 <sup>3</sup>	11 725	11 423	10 681	10 816	10 799
---------------------------------------	--------	--------	--------	--------	--------

<sup>1</sup> Restated.

<sup>2</sup> Including South America, Middle East and Africa.

<sup>3</sup> Full-time equivalents including temporary employees (excluding apprentices).



**Information for investors**

CHF million	2016	2015	2014	2013	2012
Number of issued shares	4 672 363	4 672 363	4 672 363	4 672 363	4 672 363
Share capital of Autoneum Holding Ltd	0.2	0.2	0.2	0.2	0.2
Net profit of Autoneum Holding Ltd	61.8	19.8	11.9	13.4	8.2
Market capitalization at December 31	1 243.4	938.1	783.0	633.3	207.1
as a % of net sales	57.8%	45.0%	40.1%	30.8%	10.7%
as a % of equity attr. to shareholders of AUTN	315.4%	311.3%	258.0%	271.9%	97.2%

**Data per share (AUTN)**

CHF	2016	2015	2014	2013	2012	
Basic earnings per share	20.61	9.12	17.03	3.12	2.61	
Dividend per share <sup>1</sup>	6.50	4.50	4.50	1.30	0.65	
Shareholders' equity per share <sup>2</sup>	84.74	65.01	65.71	50.24	45.65	
Share price at December 31	267.25	202.40	169.50	136.60	44.35	
Share price development during the year	High	290.00	226.40	209.30	140.00	57.95
	Low	185.00	148.40	129.10	43.30	36.00

<sup>1</sup> As proposed by the Board of Directors and subject to the approval of the Annual General Meeting.

<sup>2</sup> Equity attributable to shareholders of Autoneum Holding Ltd per share outstanding at December 31.

## Important Dates

- Annual General Meeting 2017: March 30, 2017
- Semi-Annual Report 2017: July 25, 2017
- Annual General Meeting 2018: March 28, 2018

## Investors and Financial Analysts

Dr Martin Zwyszig

CFO

T +41 52 244 82 82

investor@autoneum.com

## Media

Dr Anahid Rickmann

Head Corporate Communications

T +41 52 244 83 88

media@autoneum.com

All statements in this report which do not refer to historical facts are forecasts for the future that offer no guarantee whatsoever with respect to future performance; they embody risks and uncertainties which include – but are not confined to – future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors and other factors that are outside the Company's control.

March 2017

This is a translation of the original German text.

© Autoneum Holding Ltd, Winterthur, Switzerland

Text:  
Autoneum Management Ltd, Winterthur

Design:  
atelier MUY, Zurich

Photography:  
flashpoint studio, Freiburg i. Br.

Publishing System:  
Multimedia Solutions AG, Zurich

Printing:  
Druckmanufaktur, Urdorf

Autoneum

Locations with minority shareholders

Associated companies and investments

Licenseses

## Business Group Europe

### Belgium

- Genk

### Czech Republic

- Bor
- Choceň
- Hnátnice

### France

- Aubergenville
- Blainville
- Lachapelle-aux-Pots
- Moissac
- Ons-en-Bray

### Germany

- Grossostheim
- Munich
- Rossdorf-Gundernhausen
- Sindelfingen

### Great Britain

- Halesowen
- Heckmondwike
- Stoke-on-Trent

### Italy

- Santhià

### Poland

- Katowice
- Nowogard

### Portugal

- Setúbal

### Russia

- Ryazan

### Spain

- A Rúa
- Valldoreix

### Sweden

- Gothenburg

### Switzerland

- Winterthur (HQ)
- Sevelen

# Global presence

## Business Group North America

### Canada

- London, Ontario
- Tillsonburg, Ontario

### Mexico

- Hermosillo
- San Luis Potosí
- Silao

### USA

- Aiken, South Carolina
- Bloomsburg, Pennsylvania
- Jeffersonville, Indiana
- Novi, Michigan
- Oregon-Lallendorf, Ohio
- Oregon-Wynn, Ohio
- Sunnyvale, California
- Jackson, Tennessee
- Monroe, Ohio
- Somerset, Kentucky
- Tinley Park, Illinois
- Valparaiso, Indiana

## Business Group SAMEA

### Argentina

- Córdoba

### Brazil

- Betim
- Gravataí
- São Paulo
- Taubaté

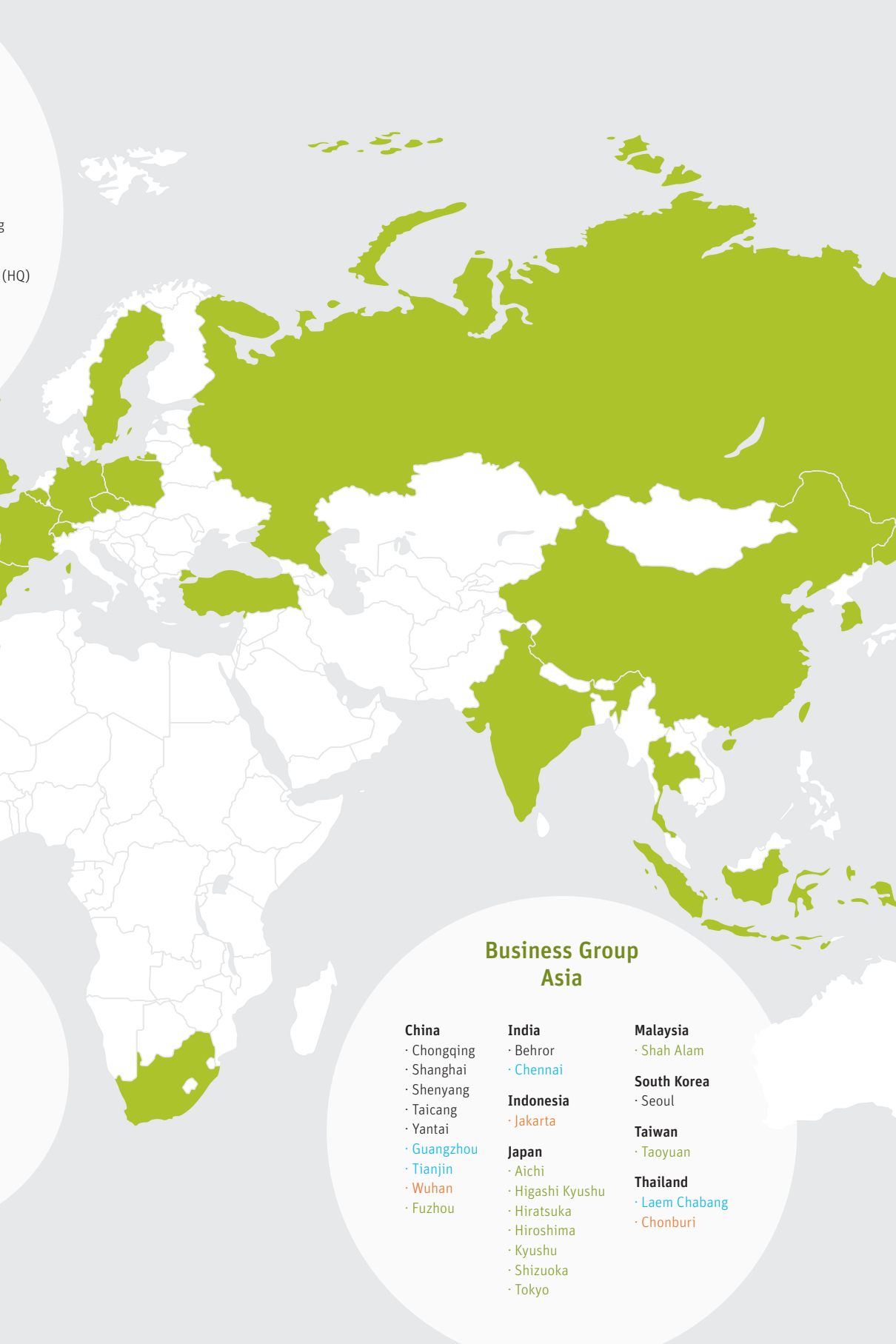
### South Africa

- Rosslyn
- Durban

### Turkey

- Bursa

B  
(HQ)



## Business Group Asia

### China

- Chongqing
- Shanghai
- Shenyang
- Taicang
- Yantai
- Guangzhou
- Tianjin
- Wuhan
- Fuzhou

### India

- Behror
- Chennai

### Indonesia

- Jakarta

### Japan

- Aichi
- Higashi Kyushu
- Hiratsuka
- Hiroshima
- Kyushu
- Shizuoka
- Tokyo

### Malaysia

- Shah Alam

### South Korea

- Seoul

### Taiwan

- Taoyuan

### Thailand

- Laem Chabang
- Chonburi





---

**March** General Motors honors Autoneum with its "Supplier Innovation Award" for Prime-Light.



---

**December** Capacity expansion in Asia with a new plant in Yantai, China.



---

**May** Market launch of SUV-specific underbody systems based on Ultra-Silent technology.

## Highlights 2016



---

**November** Expansion of vertical integration by new production line for Ultra-Silent semi-finished material in Gundershausen, Germany.



---

**August** Inauguration of new site and groundbreaking of second plant in San Luis Potosí, Mexico.

**Autoneum. Mastering sound and heat.**

**Autoneum Management Ltd**

Dr Anahid Rickmann

Head Corporate Communications

T +41 52 244 83 88

[media@autoneum.com](mailto:media@autoneum.com)

[www.autoneum.com](http://www.autoneum.com)

