



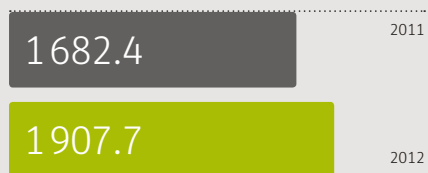
Annual Report 2012



Autoneum at a glance

Net sales

CHF million



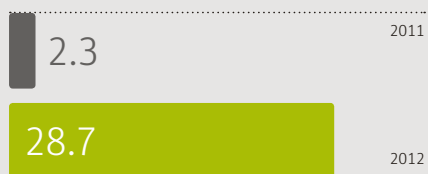
EBIT

CHF million



Net profit

CHF million



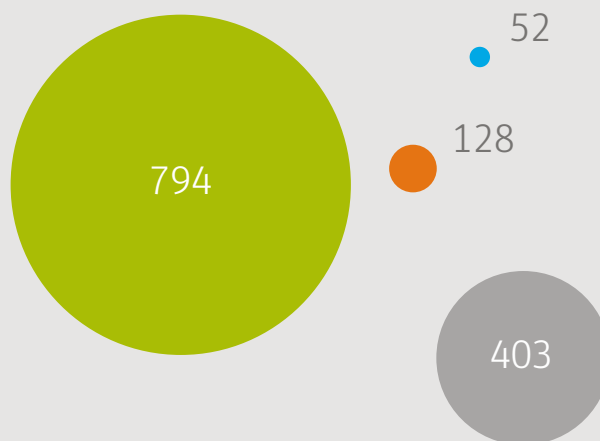
Cash flow

CHF million



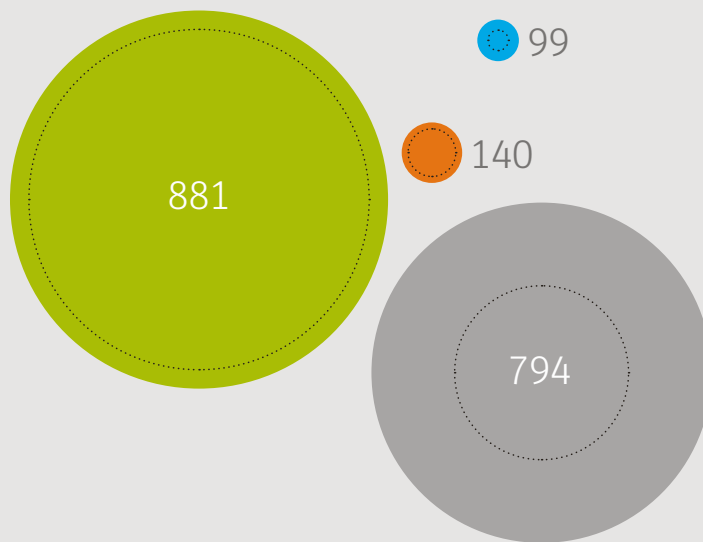
Net sales by region 2009

CHF million



Net sales by region 2012

CHF million



■ Business Group Europe
■ Business Group North America

■ Business Group Asia
■ Business Group SAMEA

Financial highlights

CHF million	2012	2011	Change in %
Autoneum Group			
Net sales	1 907.7	1 682.4	13.4
Operating result before interest, taxes, depreciation, and amortization (EBITDA)	144.6	104.2	38.8
• as a % of net sales	7.6	6.2	
Depreciation and amortization of tangible and intangible assets	69.1	69.3	
Operating result before interest and taxes (EBIT)	75.5	34.9	
• as a % of net sales	4.0	2.1	
Net profit	28.7	2.3	
• as a % of net sales	1.5	0.1	
Return on net assets in % (RONA) ¹	9.5	4.1	
Earnings per share	CHF 2.41	- 2.13	
Cash flow ²	95.2	72.9	
• as a % of net sales	5.0	4.3	
Capital expenditure on tangible and intangible assets	75.3	75.3	
Shareholders' equity	302.7	287.0	5.5
Number of employees at year end ³	9 820	9 435	4.1
Business Groups (BG)			
Segment net sales, BG Europe	880.8	888.0	- 0.8
EBIT - BG Europe	1.4	- 12.2	
• as a % of net sales	0.2	- 1.4	
Segment net sales, BG North America ⁴	794.0	571.3	39.0
EBIT - BG North America	60.1	29.9	
• as a % of net sales	7.6	5.2	
Segment net sales, BG Asia	99.4	91.8	8.3
EBIT - BG Asia	8.8	5.8	
• as a % of net sales	8.9	6.3	
Segment net sales, BG SAMEA ⁵	140.0	140.6	- 0.4
EBIT - BG SAMEA	2.8	7.2	
• as a % of net sales	2.0	5.1	
Autoneum Holding Ltd			
Share capital	0.2	0.2	
Net profit	8.2	14.2	
Number of registered shares, paid-in	4 672 363	4 672 363	
Average number of registered shares outstanding	4 661 138	4 670 696	
Number of registered shareholders on December 31	5 462	6 413	
Market capitalization on December 31	207.1	222.7	

1. Net profit before interest cost, in relation to total assets minus non-interest bearing liabilities.

2. Net profit plus depreciation and amortization (see note 30).

3. Excluding apprentices and temporary employees.

4. Including USA, Canada, and Mexico.

5. Including South America, Middle East, and Africa.

[Key figures >](#)

Autoneum is the global technology leader in acoustic and thermal management solutions for motor vehicles. The company is a partner for the major light vehicle and heavy truck manufacturers around the world. Autoneum provides innovative and cost effective solutions for noise reduction and thermal management to increase vehicle comfort and value.

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Considerable progress in a challenging environment

Autoneum's above-market growth was primarily boosted by its global presence in the automobile markets, its broad customer portfolio with attractive vehicle models, and its position as a technological leader.

38.8%

EBITDA rose by 38.8% to
144.6 million CHF.

Dear shareholders,

Autoneum successfully coped with the challenges associated with the demanding market conditions in 2012 and continued its consistent implementation of the operational improvement measures that were introduced in the second half of 2011. A volatile global economy, heterogeneous automobile markets and the sovereign debt crisis in the euro zone meant that Autoneum also had to battle economic headwinds in certain regions. It is therefore all the more encouraging that Autoneum substantially increased its sales and profitability in its first full year of independence and achieved important milestones.

Sales increased in a challenging environment

The 2012 automotive year was shaped by dynamic development in North America and the automobile growth markets as well as by enormous challenges in Europe. Seen overall, global light vehicle production grew by 6.1% to 81.5 million vehicles. Autoneum considerably raised its net sales in the reporting year by 13.4% to 1 907.7 million CHF (previous year 1 682.4 million CHF). Autoneum increased its net sales in local currencies in all regions, thereby outstripping the market development significantly in some cases. This above-market growth was primarily boosted by Autoneum's global presence in the automobile markets, its broad customer portfolio with attractive vehicle models, and its position as a technological leader. These factors all represent a distinct competitive advantage.

Operating profitability improved considerably

Earnings before interest, taxes, depreciation, and amortization (EBITDA) rose by 38.8% to 144.6 million CHF (2011 104.2 million CHF), which equals 7.6% of net sales. Earnings before interest and taxes (EBIT) improved greatly from 34.9 million CHF to 75.5 million CHF, putting the EBIT margin at 4.0% (previous year 2.1%). The decisive factors were the Operational Excellence program, the related reduction in costs and increase in productivity, and higher overall volumes. All four Business Groups reported a positive operating result (EBIT) for the reporting year.

Development of the Business Groups

In Europe, automobile production contracted in 2012 by 5.9% year-on-year to 15.8 million vehicles. In contrast, the net sales of Business Group Europe improved by 0.8% in local currencies. At 880.8 million CHF (previous year 888.0 million CHF), Autoneum generated net sales in Swiss francs just slightly down on the previous year's figure in a sagging European market. This success was mainly driven by new customer orders from premium brand manufacturers. They compensated for the contraction in sales primarily reported by Southern European manufacturers. Autoneum successfully absorbed the uneven development in the European markets and actually recorded gains in market share. The operating result (EBIT) of Business Group Europe improved significantly to 1.4 million CHF (2011 -12.2 million CHF) or 0.2% of net sales thanks to consistent exploitation of the available potential for improvement.



Martin Hirzel Chief Executive Officer

Hans-Peter Schwald Chairman of the Board

Nine out of the ten best-selling models in the US market in 2012 featured Autoneum acoustic and thermal management systems.

Automobile production in North America increased by 17.4% to 15.4 million vehicles. In the same period, the net sales of Business Group North America increased by 32.5% in local currencies and by as much as 39.0% in Swiss francs to 794.0 million CHF (previous year 571.3 million CHF). This sales growth was primarily triggered by large-volume new production start-ups and an advantageous mix of models. In this connection, nine out of the ten best-selling models in the US market in 2012 featured Autoneum acoustic and thermal management systems. EBIT doubled from 29.9 million CHF to 60.1 million CHF, which equals 7.6% of net sales (2011 5.2%). The marked increase in volumes brought the plants almost to the limit of their capacity, resulting in additional costs for overtime and special transport runs that were offset by operational progress.

In Asia (without Japan), automobile production rose by 8.1% in 2012 to 31.4 million vehicles. The net sales in Swiss francs generated in this region rose by 8.3% to 99.4 million CHF (previous year 91.8 million CHF). Even adjusted for the effects of production losses in Japan and Thailand in 2011 as a result of natural disasters, Autoneum generated volume growth. The slump in sales experienced by Japanese automobile manufacturers as a consequence of political tension between China and Japan also constrained Autoneum's sales in China. Business Group Asia managed to partly make up for these losses with new production start-ups and an increase in the volumes sold to European and American customers. EBIT increased to 8.8 million CHF (previous year 5.8 million CHF) or 8.9% of net sales (2011 6.3%).

Although automobile production in the SAMEA market region (South America, Middle East, Africa) dropped by 5.3% to 9.4 million vehicles, Business Group SAMEA's net sales in local currencies increased by 7.5% year-on-year. Sales were boosted by the growth in volumes experienced in the stronger second half of the year in South America, even though trade barriers in Argentina continue to hamper business. At 140.0 million CHF, net sales in Swiss francs were on a par with the previous year (2011 140.6 million CHF). At 2.8 million CHF, EBIT was down on the previous year (7.2 million CHF). This is primarily due to low volumes throughout the year in Brazil and the effects of high inflation in Argentina that could not be passed on to the customers in full. The EBIT margin shrank to 2.0% of net sales.

28.7 MILLION CHF

Net profit improved by 26.4 million CHF to 28.7 million CHF.

Net profit improved substantially

At 54.0 million CHF, Autoneum's net profit before taxes for 2012 was substantially better than in 2011 (12.6 million CHF). This is primarily due to the considerable improvement in the operating result. As in 2011, the financial result benefited from persistently low interest rates. Net profit increased by 26.4 million CHF to 28.7 million CHF. In spite of measures to optimize income taxes, taxes on income were still affected by the unequal distribution of pre-tax results among the subsidiaries. The return on net assets (RONA) improved to 9.5% (previous year 4.1%) and thus exceeded the weighted average cost of capital (WACC) of 8.7% (previous year 9.0%). As a result, Autoneum earned more than the cost of capital employed in 2012, thereby reaching an important financial milestone ahead of target. Thanks to the active and disciplined management of the operating assets, the balance sheet total as of December 31, 2012, was reduced noticeably in spite of the strong growth in sales. The equity



81 500 000

Global light vehicle production grew by 6.1% year-on-year.

1907.7
MILLION CHF

Autoneum considerably raised its net sales by 13.4% in 2012.



Autoneum achieved not more than 14% of net sales with one customer.

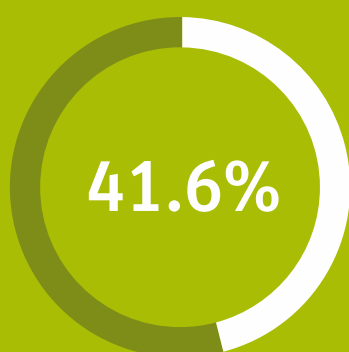
Autoneum has substantially increased its sales and profitability and achieved important milestones.

12.5%

Autoneum increased its net sales in local currencies in all regions.

75.5
MILLION CHF

Earnings before interest and taxes (EBIT) improved greatly to 75.5 million CHF – a margin of 4.0%.



The sales share of Business Group North America increased from 34.0% to 41.6%.

9.5%

The return on net assets (RONA) improved significantly.

9.5%

At 9.5%, RONA exceeded WACC of 8.7%.

What distinguishes Autoneum is its global range of lightweight products that help to reduce fuel consumption and vehicle emissions.

ratio, including subordinated loans, increased to 34.1% (2011 31.3%), cash and cash equivalents at the end of the year amounted to 75.3 million CHF (previous year 64.9 million CHF), and net debt declined by 20.5% to 123.0 million CHF (2011 154.8 million CHF). Earnings per share rose strongly to 2.41 CHF (previous year: -2.13 CHF).

Focus on core competences

Thanks to the consistent implementation of its strategy, Autoneum achieved success in all areas in the reporting year. In this way, Autoneum further expanded both its technological lead and its position as market leader in 2012. What distinguishes Autoneum is its global range of lightweight products that combine acoustic and thermal functions, thus helping to reduce fuel consumption and vehicle emissions. This makes Autoneum an important partner for automobile manufacturers when it comes to compliance with CO₂ thresholds in the EU – while the global CO₂ thresholds required by law continue to move towards the same standards. In Europe, the announced legislation on pass-by noise regulations has heightened the interest in innovative engine encapsulation solutions based on Autoneum's latest Theta-Fiber key technology. Autoneum has also used the pre-development activities mutually initiated by manufacturers as a platform to convincingly position its innovative products with the customers. Given Autoneum's focus on its core competences in acoustic and thermal management, the company decided to streamline its product portfolio and to discontinue the future development of trunk and trim systems without an acoustic function.

Profitable growth and improvement in cash flow

In addition to high production volumes, the many new production start-ups successfully managed by Autoneum in 2012 in all world regions contributed to the growth reported by the company. The focus fell on models by Japanese and US manufacturers in North America and serial production start-ups for German premium brand manufacturers in Europe and China. With the continuation of the "Operational Excellence" program, profitability was enhanced further through cost cuts initiated by, among other things, the standardization of materials, the bundling of volumes when purchasing raw materials, and the increased recycling of manufacturing waste. Disciplined inventory and receivables management substantially contributed to the improvement in cash flow.

Further expansion of partnerships with customers

Not only the ongoing successful acquisition of successor models but also order intake for new vehicle models is an important yardstick for future growth. Autoneum can look back on a successful year for acquisitions: A balanced mix of new orders from all customers was achieved for replacement as well as new business. Autoneum's global presence proved to be an advantage, as automobile manufacturers are increasingly relying on global production suppliers. The company also benefited from the rise in demand for its lightweight solutions to replace conventional technologies. The success of Autoneum's partnerships with its customers is also confirmed by the large number of customer satisfaction awards presented by automobile manufacturers. Highlights include the "Toyota Quality Alliance Gold Award" given to Autoneum North America for the fourth consecutive year, the "CO₂ Reduction Special Recognition Award" given to Autoneum Brazil by Toyota, and the "Volvo Cars Quality Through

Excellence Award” for the production plants in Katowice (Poland) and Sevelen (Switzerland).

As part of the strategy to intensify activities in the growth markets, Autoneum is expanding its local presence with a production plant in Russia. From autumn 2013, Autoneum Rus LLC will manufacture acoustic and heat protection components for the growing Russian automobile market in Ryazan in the southeast of Moscow. To ensure its continued profitable growth in Asia and to exploit the potential of the market, Autoneum is expanding its local presence with an additional location in Thailand. Capacity in the production plant in Shenyang (China), which opened in 2011, is being doubled to meet the increase in demand. Business with the Japanese automobile manufacturers is performing well, in particular in the North American market. Autoneum gained additional market shares thanks to its long-standing partnership with the Japanese supplier Nihon Tokushu Toryo (Nittoku). In addition, in the reporting year Autoneum and Nittoku entered into a strategic cooperation with the Japanese automotive supplier Toyota Boshoku Corporation to jointly develop lightweight interior systems for hybrid vehicles. Autoneum is responding to the strong growth in North America with the construction of a new production plant in Mexico.

Effective use of technological leadership

With Hybrid Acoustics, Autoneum has developed a technology that clearly optimizes automotive acoustics. Hybrid Acoustics is suitable for NVH applications (noise, vibration, harshness) in vehicle interiors, such as inner dashes and floor insulators, and offers an optimum acoustic performance to weight ratio. Compared to conventional products, Hybrid Acoustics offers up to 50% weight reduction while achieving a similar acoustic performance. A promising innovation for carpet systems was also introduced in 2012: The new generation of non-woven carpets meets the most stringent requirements for durability and esthetics while at the same time reducing carpet weight. In order to offer ever lighter products with the same or improved acoustic and thermal management performance, Autoneum invests continuously in product and technological innovation. In 2012, research and development expenses for new technologies, the renewal of the product range and the development of products ready for serial production totaled 66.4 million CHF or around 3.5% of net sales.

The market success of the Ultra Silent technology for underbody systems is confirmed by growing customer demand. Autoneum acquired additional orders from new customers in 2012. The global market launch of the new lightweight non-woven Theta-Fiber was also successful: In addition to its initial market success in Europe, customers in North America and China are also showing great interest in this key technology. Another bedrock for Autoneum’s technological leadership and competitive strength is the high level of vertical integration for core technologies. In 2012, Autoneum invested in additional facilities in order to manufacture the base material for lightweight products with a high degree of own value added. Autoneum’s investments in property, plant, and equipment such as new machines introducing more efficient processes and thus cheaper production, in new customer orders and in the expansion of its growth markets totaled 75.3 million CHF (3.9% of net sales) in the reporting year.

Autoneum’s global presence and the rise in demand for lightweight solutions to replace conventional technologies proved to be essential success factors in acquiring new orders.



Autoneum's investments amounted to 75.3 million CHF in 2012.

Bedrock for technological leadership and competitive strength is the high level of vertical integration for core technologies.

Practicing Operational Excellence

In the reporting year, Autoneum continued the implementation of fundamental measures to standardize and optimize its products and technologies. The company also started a complementary project to standardize its global business processes in 2012. All internal processes from the first inquiry to the delivery of the final product were redefined by an international team. These standardized, more efficient Autoneum processes will be implemented step by step with the help of a new ERP system.

Living a high performance culture

In the past business year, Autoneum defined a value-oriented corporate culture: The values, principles and behaviors contained in the "Book of Values" serve as a compass for responsible conduct by the employees while at the same time laying the groundwork for the sustainable development of the Autoneum Group. The central corporate values not only define a mutual identity, but also provide the foundation for the Autoneum brand, which was strengthened further with customers, suppliers, business partners, and the capital market in the reporting year.

Diversification of financing structure

By successfully placing a 125.0 million CHF bond issue, Autoneum was able to diversify its financial resources, extend the financing terms and take advantage of the favorable capital market environment just 18 months after the listing on SIX Swiss Exchange. The bond has an interest coupon of 4.375% and a term to maturity of five years.

Distribution of first dividend planned

Given the positive results, the Board of Directors decided to submit a proposal to the Annual General Meeting of April 17, 2013, to approve the first-time payment of a dividend of 0.65 CHF per share. This will allow the shareholders to participate in the financial success of Autoneum in 2012. The distribution of 3 million CHF would be made from the capital contribution reserve.

Strengthening of Group Executive Board

To strengthen its Group Executive Board, Autoneum appointed two new members in the first half of 2012. The Board of Directors appointed Volker Eimertenbrink the new Head of Business Group SAMEA as of March 1, 2012, and on April 1, 2012, Matthias Holzammer took over as the Head of Business Group Europe. Both new members of the Group Executive Board have many years of experience in production-related segments of the automobile supplier industry.

Outlook

Growth of global automobile production is likely to weaken to just 1.4% in 2013. This is explained in large measure by a further significant decline in production in Europe, which will be particularly marked in the South European countries. Substantially lower growth rates are also expected in North America. In this challenging market environment and assuming that currency exchange rates remain stable, Autoneum expects to do better than the market trend thanks to its global presence.

In 2013, the Group Executive Board and the Board of Directors will continue to focus on consistent implementation of the strategy and on a further noticeable improvement of the operating result. The adjustment of capacities in Europe due to declining demand as well as investments in the expansion of capacities in the growth markets are two key factors for the current financial year.

Thank you

On behalf of the Board of Directors and the Group Executive Board we sincerely thank our shareholders for their continuing trust. We hope we have strengthened this trust with the goals that we have already achieved. We would also like to thank our customers, suppliers and other business partners for their good cooperation based on trust in the 2012 business year and all our employees for their dedicated commitment and the high quality of their work.

Winterthur, March 19, 2013



Hans-Peter Schwald
Chairman of the Board



Martin Hirzel
Chief Executive Officer

In 2013 the focus will continue to be on the consistent implementation of the strategy and on a further noticeable improvement of the operating result.

Turning values into behaviors

Autoneum employees live these values through their decisions and actions.



At the core of Autoneum's high performance culture are a set of values which define a shared identity. This is what keeps Autoneum in line with its long-term principles: **Delight your customers. Enjoy your work. Fight for profits.**

We perform with passion

We act with accountability

We profit from innovation

We live a global spirit

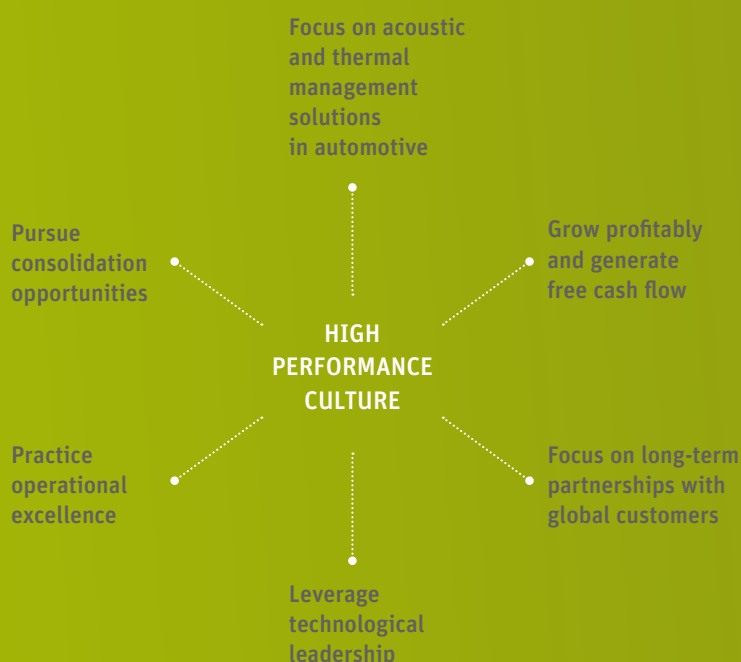
We progress through continuous improvement

We strive for simplicity

Find more information about Autoneum's values and behaviors at www.autoneum.com/about-autoneum/principles-values-behaviors/.

Strategic priorities

As the global technology leader in acoustic and thermal management solutions for motor vehicles, our company wants to establish a high performance culture.



Focus on acoustic and thermal management solutions in automotive

- Global tier-1 automotive suppliers
- Global production footprint plus network with Joint Ventures and licence partners

Grow profitably and generate free cash flow

- Profitable growth in all regions
- Cash flow optimization in focus

Focus on long-term partnerships with global customers

- Broad customer portfolio
- Development partner to OEMs

Leverage technological leadership

- Innovation leader with diverse product portfolio
- Vertical integration for cost competitiveness

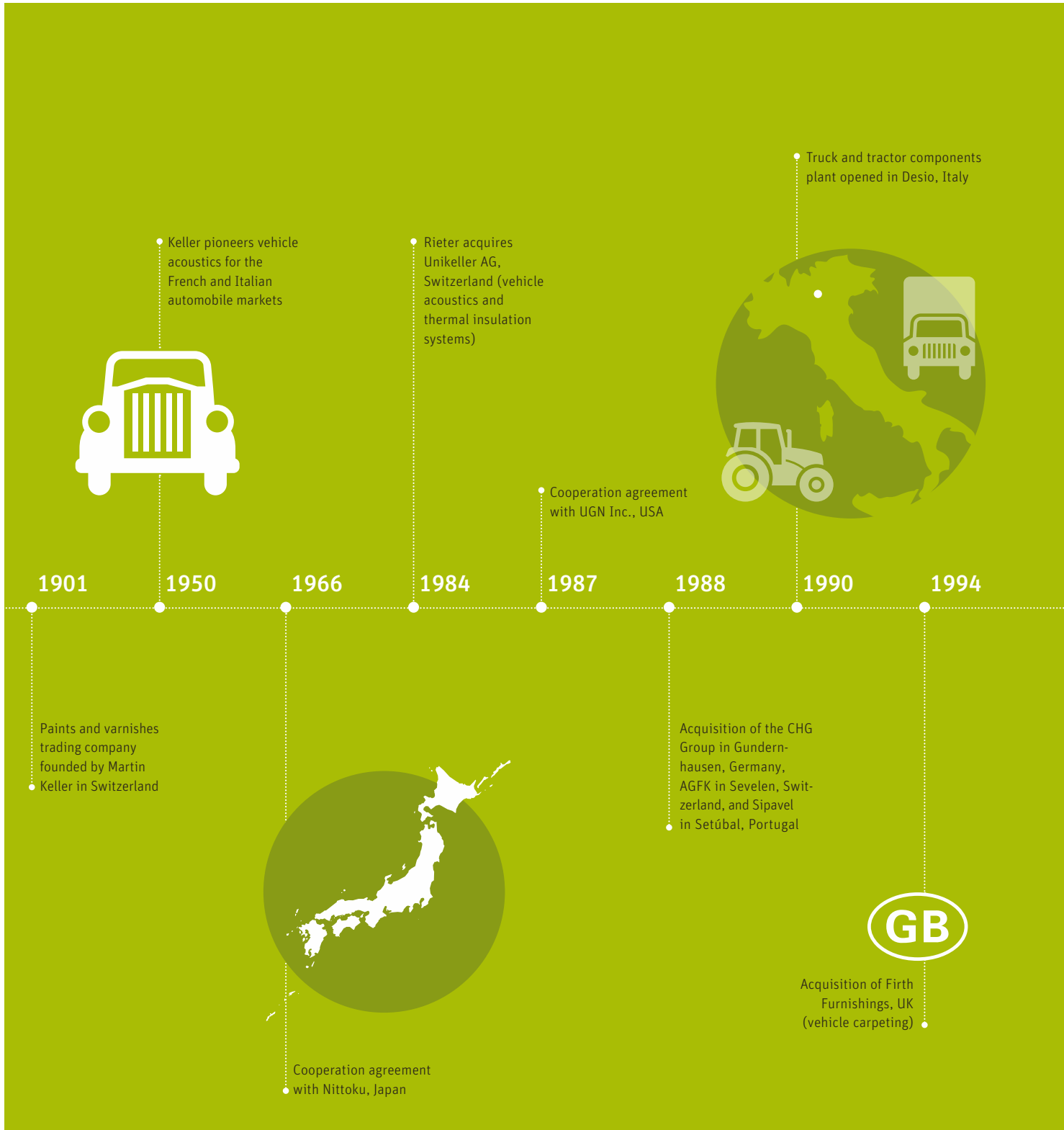
Practice operational excellence

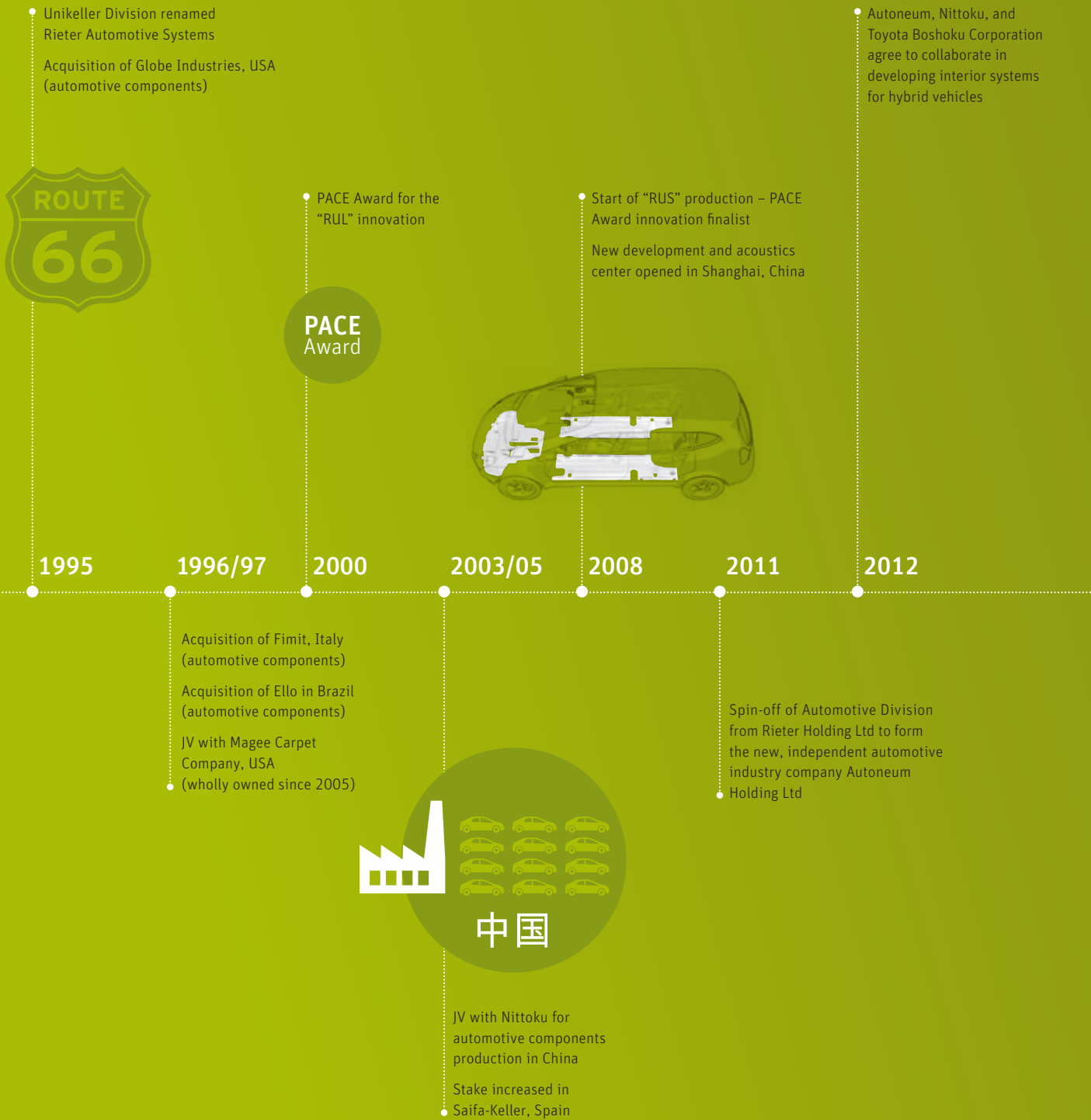
- Standardized global business processes
- Lean structures with speedy decision-making

Pursue consolidation opportunities

- Screening of potential partners globally
- Review opportunities of consolidation options

A century-old history

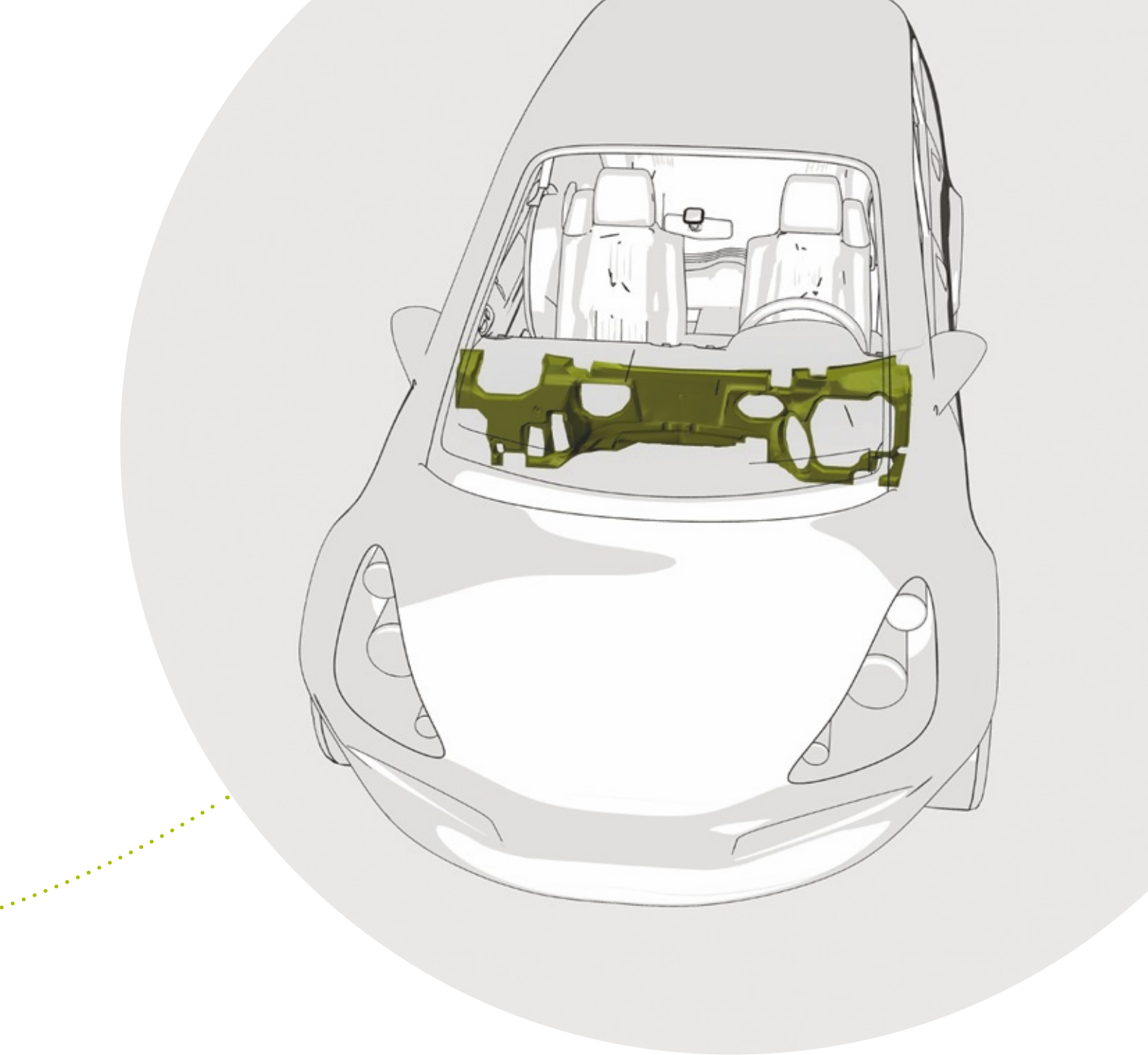




IFP-R2

IFP-R2 is the second generation of the “rotating injection fiber” process. Making use of its fiber know-how, Autoneum has designed a new, compact machine that produces customized felt blanks for components used in floor and dash applications. In addition, the machine uses recycled fibers, minimizes waste and recycles the residual material, thereby lowering the environmental impact at the production stage.



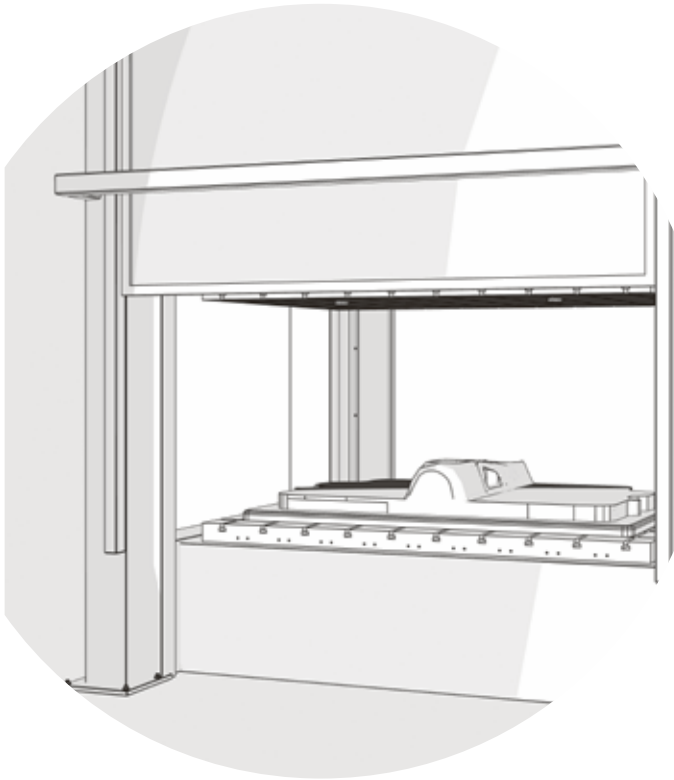
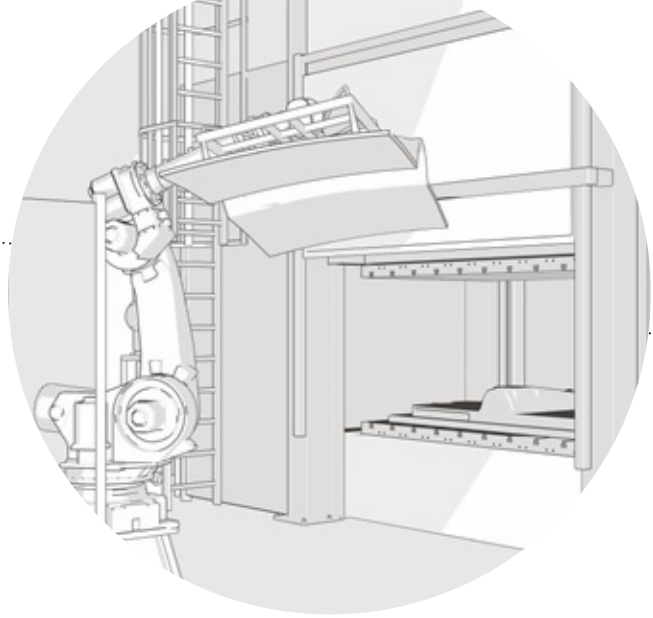


Autoneum's processes >

Autoneum's leading position as a supplier of integrated solutions for acoustic and thermal management is also based on its advanced know-how in materials and processes. Using two vertically integrated production processes as examples, it is demonstrated how the use of innovative materials and material combinations as well as mastery of the production processes enable Autoneum to perfectly control the entire supply chain – from raw material to finished product – from a single source. In this way, we are able to supply innovative, cost- and energy-efficient vehicle components to the customer.

4

Molding The intermediate fiber cake is accurately located in the molding tool and formed into the shape required for manufacturing the final part. Here, fine control over thickness and three-dimensional shape are achieved.

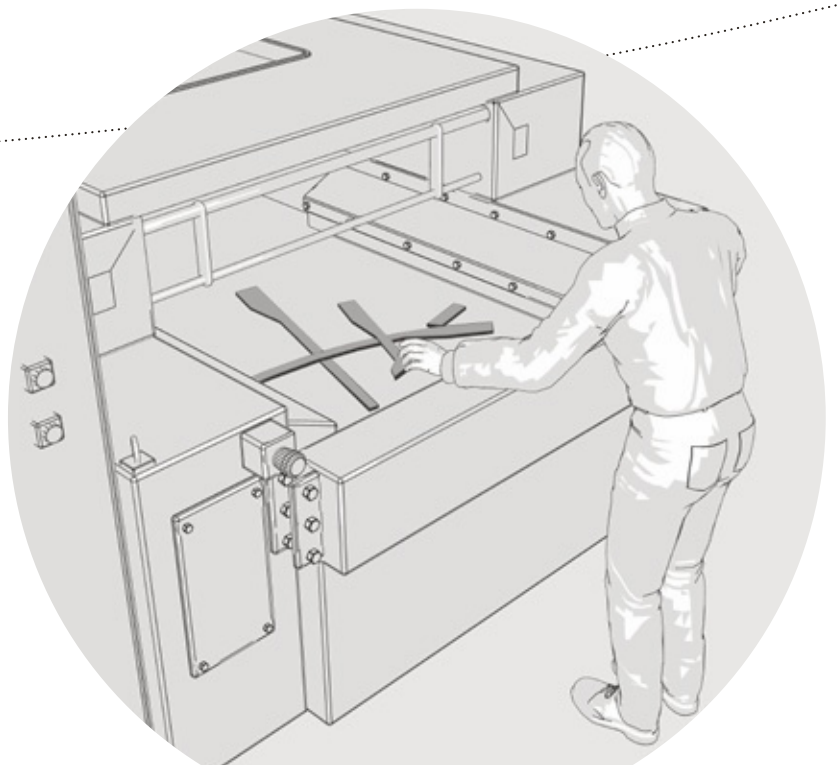


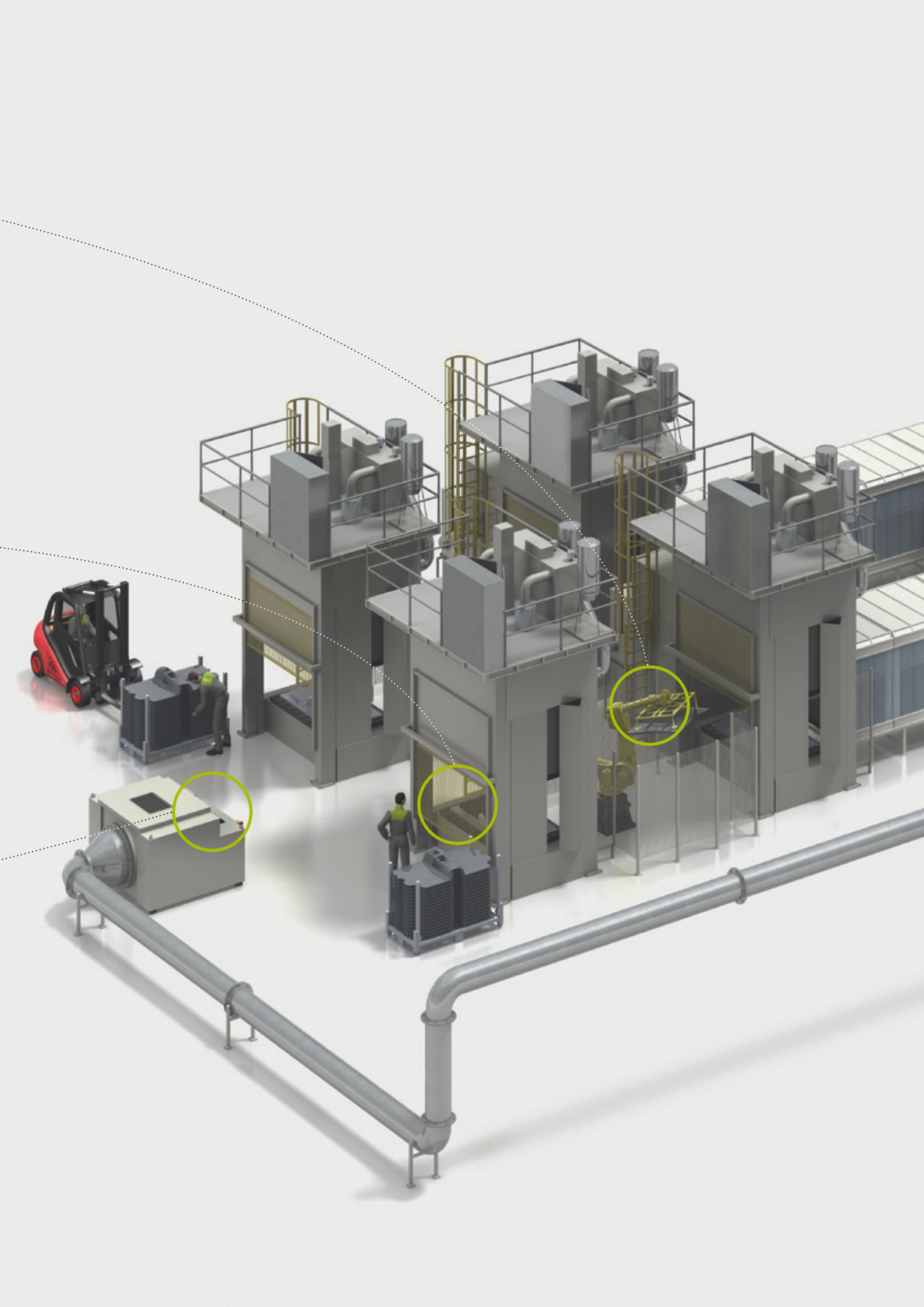
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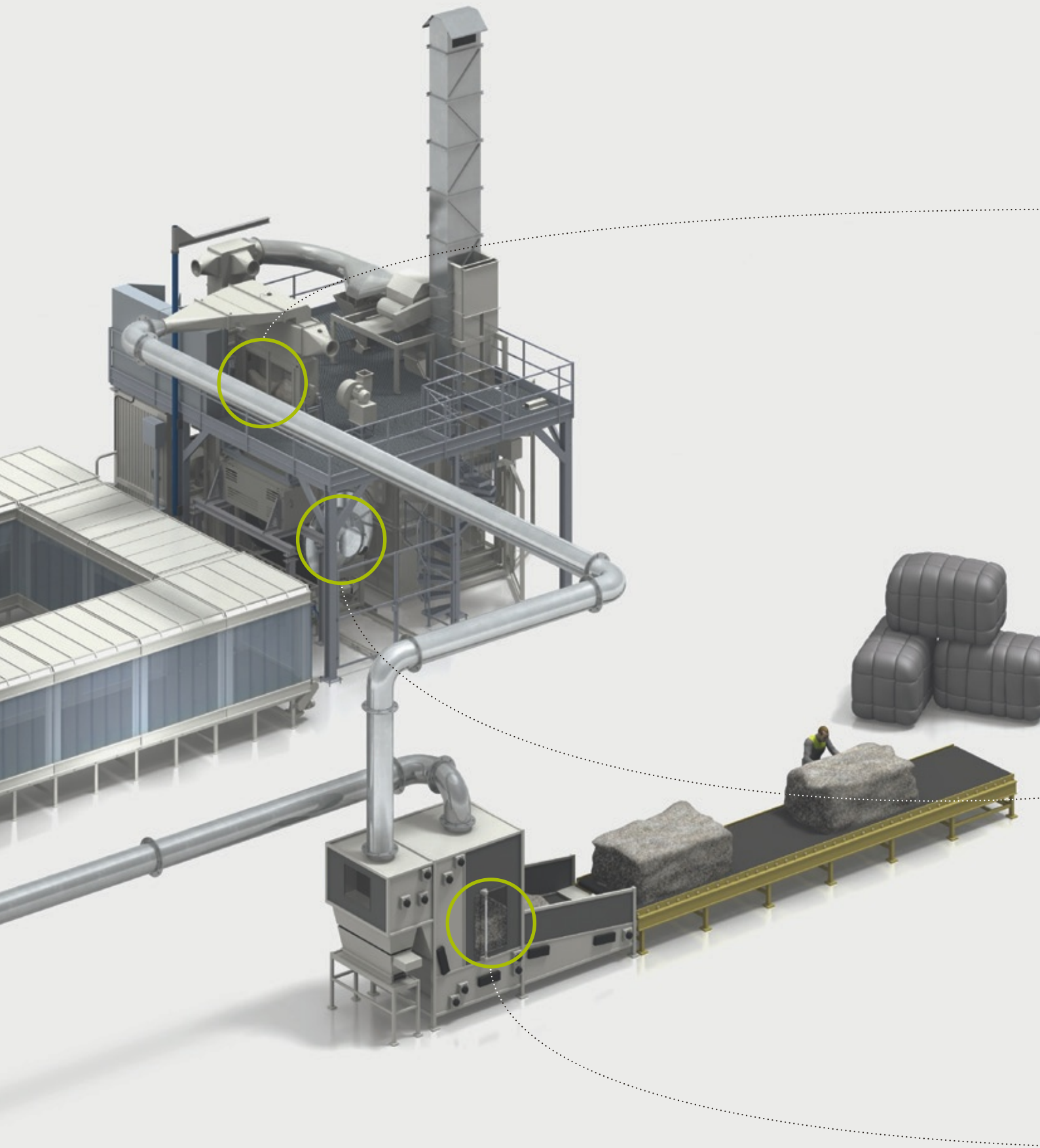
Cutting An accurate and rapid cutting press cuts the precise shape of the final part including complex internal cut-out areas.

6

Recycling All the waste produced in the cutting step is processed back to fiber and then reintroduced into the bale opener. In this way high material efficiency is ensured.



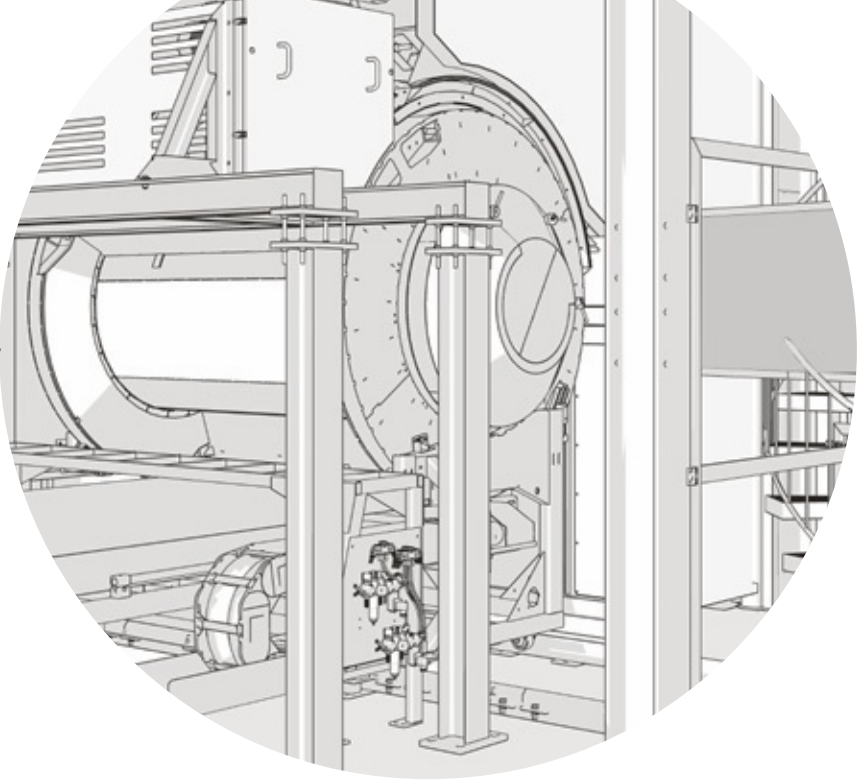




Injection-Fiber-Process (IFP)

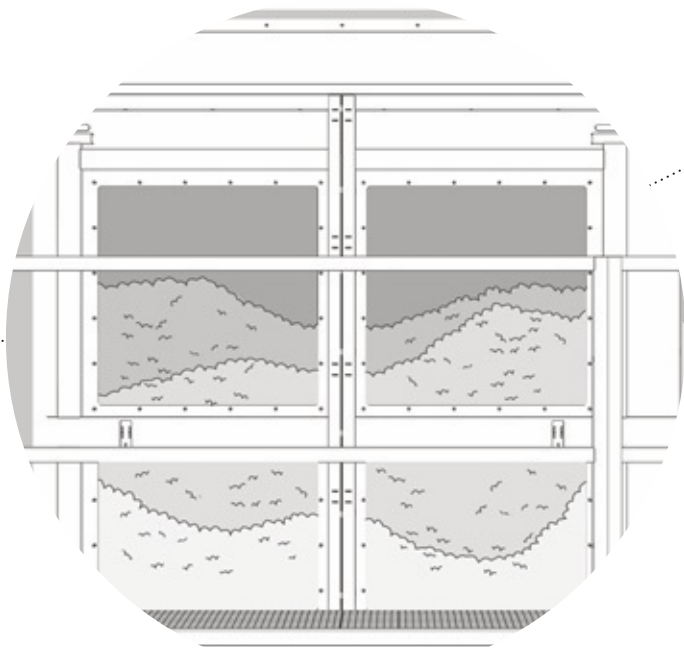
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IFP-R2 fiber cake The fibers are applied in a predetermined pattern. This ensures a stable intermediate product with the required fiber distribution for optimal acoustic performance of the final part.



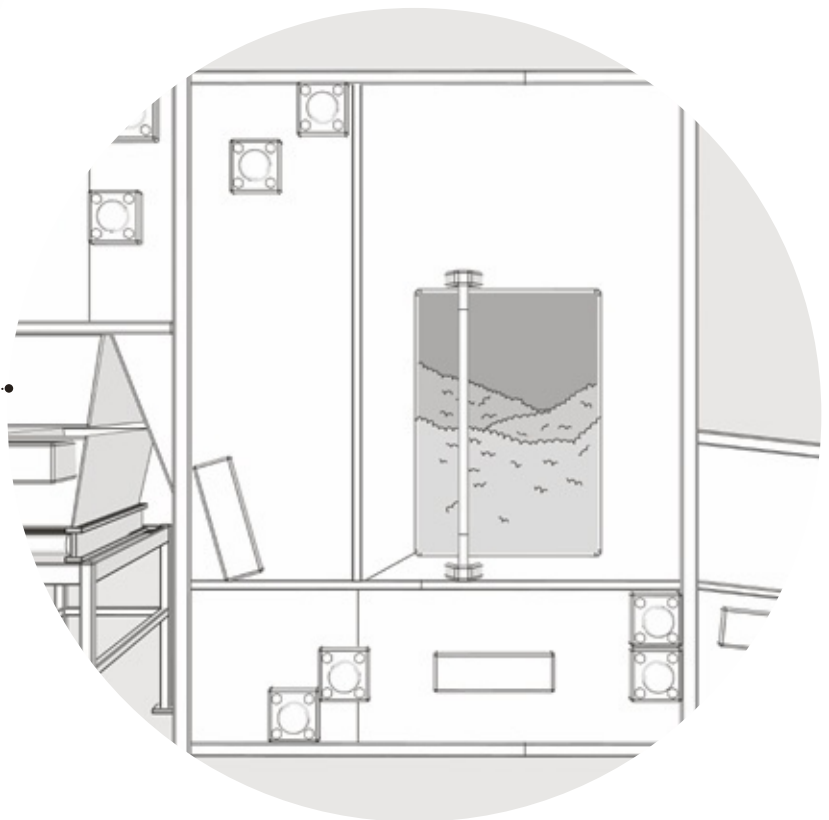
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IFP-R2 tower The fiber blend is transported to the tower, where it is again blended to ensure consistent quality. In a next step the quantity of fiber is dispensed for the production of each part.



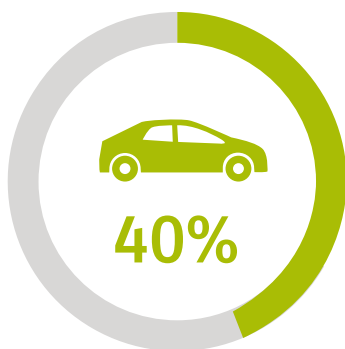
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Bale opener First a blend of virgin and reclaimed fibers is prepared and mixed with material reclaimed from the process. Then the blend is tailored to provide the correct balance between density and acoustic performance.



The future of the automobile industry

Prof Dr Bernd Gottschalk is Managing Partner of the management consultancy AutoValue GmbH, which has its headquarters in Frankfurt. Among other things, he has been a Member of the Board of Management of Mercedes-Benz AG, where he was responsible for Mercedes-Benz commercial vehicle business worldwide. He was also the long-standing President of the Association of the German Automobile Industry (VDA) and of the International Organization of Motor Vehicle Manufacturers (OICA) as well as the Vice-President of the Federation of German Industry (BDI).



In 2020, 40% of passenger cars will be registered in the new growing markets.

How do you assess the development of the automobile sector in 2012?

2012 was a year with two faces for the automobile sector: On the surface, it brought further growth, high-level employment and revenues which were on the whole acceptable. In the second semester, however, things weren't nearly as good. The "second face" was actually the most formative of the two: 2012 was a year of divided markets. Europe lost against Asia and the US, Southern Europe lost against the rest of Europe, volume manufacturers lost against premium ones, etc. The only manufacturers to have had a good year were those who had the right customer in the right geographical location. The development has seldom been so complex.

What challenges are facing the supply industry?

The challenges are greater than many people realize, especially considering that we are still in uncertain waters at present. The change in the geographical footprint must be mastered and financed, technologies and processes must be "world-class", quality is now taken for grant-

ed, and the fight for the best talents has long since broken out. You need the right "customer profile", and presiding over everything is "Rule No. 1: Keep your spending in check!" Even squaring the circle seems child's play in comparison.

So is it still possible to make money as a supplier in Europe?

Of course you can still make money as a supplier in Europe, but now the disciplines to be mastered in the auto sector resemble a decathlon more than a pentathlon as before. Two indispensable conditions for growth and profitability override everything else: You have to meet the benchmark in products, production and processes, and you have to be present with the customers and on the markets where the growth is happening.

Does this mean that efforts are to be focused increasingly on Asia?

There's no way of getting around China. Customers who invest in "emerging markets" want the suppliers to follow them. After all, higher local content means higher competi-

tiveness. In other countries, too, the customers will “reward” suppliers who follow them into other countries by giving them orders. Asia is turning into a crystallization point for a wide range of activities: sales in the largest market in the world, factories of its own, joint ventures, purchasing, etc. At the same time, Chinese investors are starting to invest in traditional suppliers. The automobile world is becoming more varied, and competition goes on increasing. All this forces those involved to be watchful on a global scale.

What is the situation on the established market of North America and in South America?

The North American market is one of the most important ones – it always was, and it always will be. The market follows laws of its own, with premium car manufacturers also profiting from its surprisingly strong recovery. Also, the “Detroit Three” have become the “Big Three” again. Latin America is first and foremost Brazil. The country is on the way to turning from an “emerging country” into an industrialized nation. We will be seeing a second wave of new factories there.

Will suppliers have to be more internationally minded in future? Yes, absolutely. In the threshold countries, the demand for individual mobility is growing, and vehicle production is increasing disproportionately. In the year 2000, three-quarters of the global production of passenger cars were coming from the triad markets and only 7% from the BRIC countries. In 2020, 35% will still be coming from the traditional markets, but by then over 40% will be coming from the new ones. The supply industry has to adapt to the trend too. It has to extend its local value chain, purchase globally, bring in its technological know-how –

while safeguarding it at the same time – and build up an efficient global development and production network.

How do you assess alliances? Do they offer growth potential for suppliers? The demands made on the suppliers are larger than their potential to do everything on their own. For this reason, alliances and cooperation are a good way of expanding technologically, geographically, or in terms of products. Now everything is dominated by the search for scale effects. Win-win situations are aimed at to enabling both partners to reap the cost benefits resulting from larger series. Alliances don’t work by themselves, however.

The trend is still towards innovation and cost-efficient technologies for acoustic and thermal management which increase comfort and value.

What trends do you see in the field of the interior in particular? First of all: The interior is favored by the trend – i.e. individualization, communication, or information – and it is not endangered by the still open question as to future drive alternatives. Vehicles are getting safer and more comfortable, by means of assistance systems for example, and on the other hand the pressure for CO₂ and weight reduction is increasing constantly. The trend is still towards innovation and cost-efficient technologies for acoustic and thermal management, which increase comfort and value.

What opportunities do you see for Autoneum? The core areas of acoustic and thermal management have great

future potential – this is also shown by the cooperation agreed upon with Nittoku and Toyota Boshoku for the joint development of lightweight interior systems. And with innovations such as Theta-Fiber or Hybrid Acoustics, the company is offering something which will be in demand in future too: lightweight construction combined with reduced fuel consumption – and with it reduced CO₂ emissions.

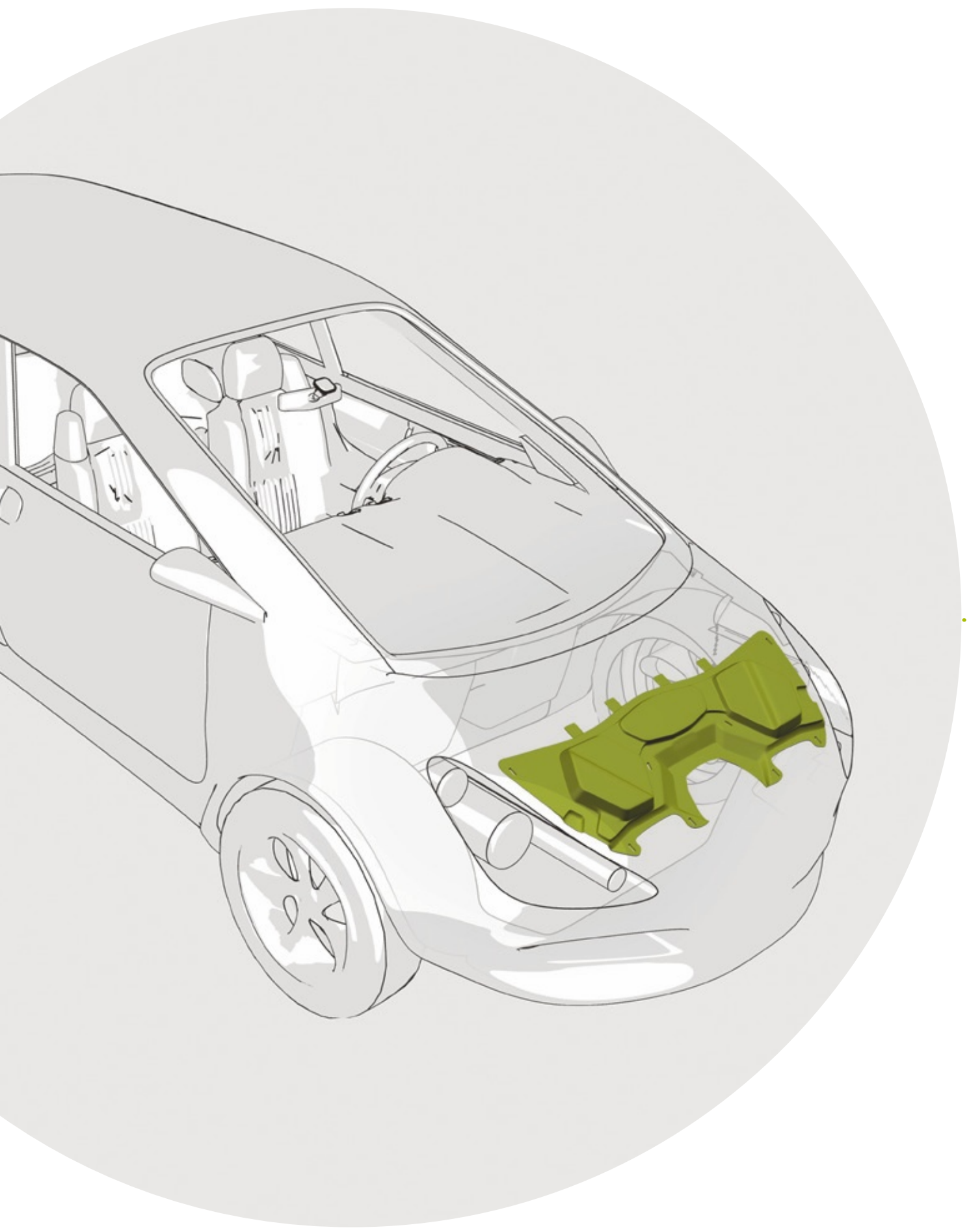
What is your initial estimation of how the automobile market will develop in 2013?

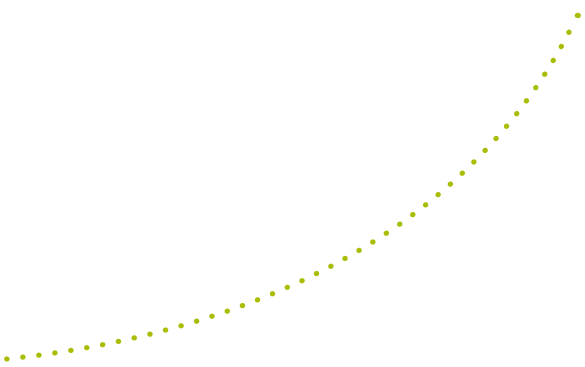
We will have to go a long way to generate growth again in 2013. Worldwide, new car registrations will increase by a good 3%, but the growth will not be on our own doorstep – i.e. in Europe. The same markets which “pulled” us in 2012 will be equally dynamic in 2013: China will grow by at least 5%, the 15 million mark will be exceeded in the USA, Russia will grow again, and so will India. Brazil will be like it was in the “good years” again, too. Our problem in 2013 is clearly Europe, and within Europe the southern countries will still be the ones to remain on a low level. In the case of France, the motto is “cross your fingers”, for the risks are growing. In this situation, it is all the more important that countries like Germany or Great Britain remain stable on a high level.

Prof Dr Gottschalk, thank you for talking to us.

15 000 000

Over 15 million light vehicles are expected to be sold in North America in 2013.



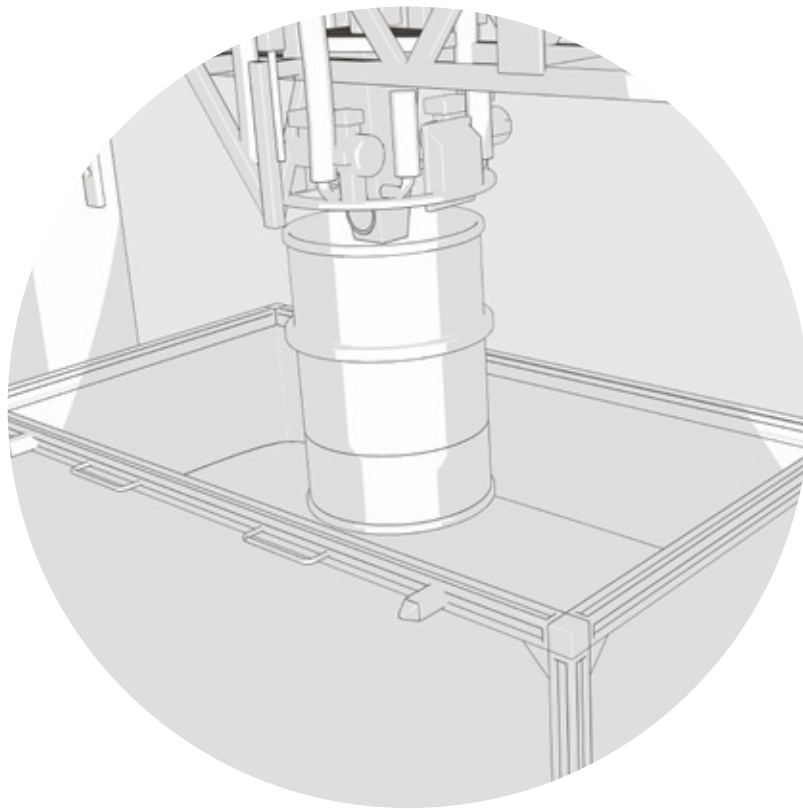
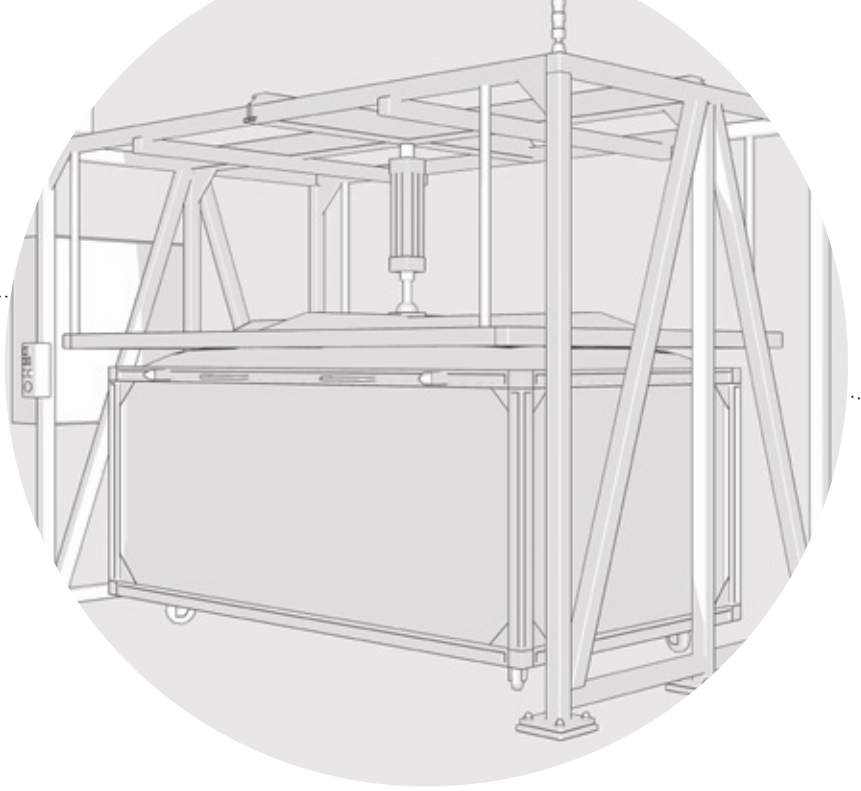


Theta-FiberCell

Theta-FiberCell is a technical combination of moldable felt and PU foam (Polyurethane) for automotive engine bay applications with excellent acoustic and thermal properties. The semi-structural material technology is a key enabler for substituting heavy solid plastic combined with acoustic absorbers. For engine top cover applications it achieves up to 50% weight reduction compared to injection molding parts. Thanks to its high thermo-acoustic performance Theta-FiberCell is also suitable for engine encapsulation concepts. Its glass-polyamide base allows for a lifetime performance of engine bay applications with long-term temperature stability of 160 °C and peak resistance of up to 200 °C.

3

Foaming In a chemical reaction, the foam expands to fill the box and solidifies.



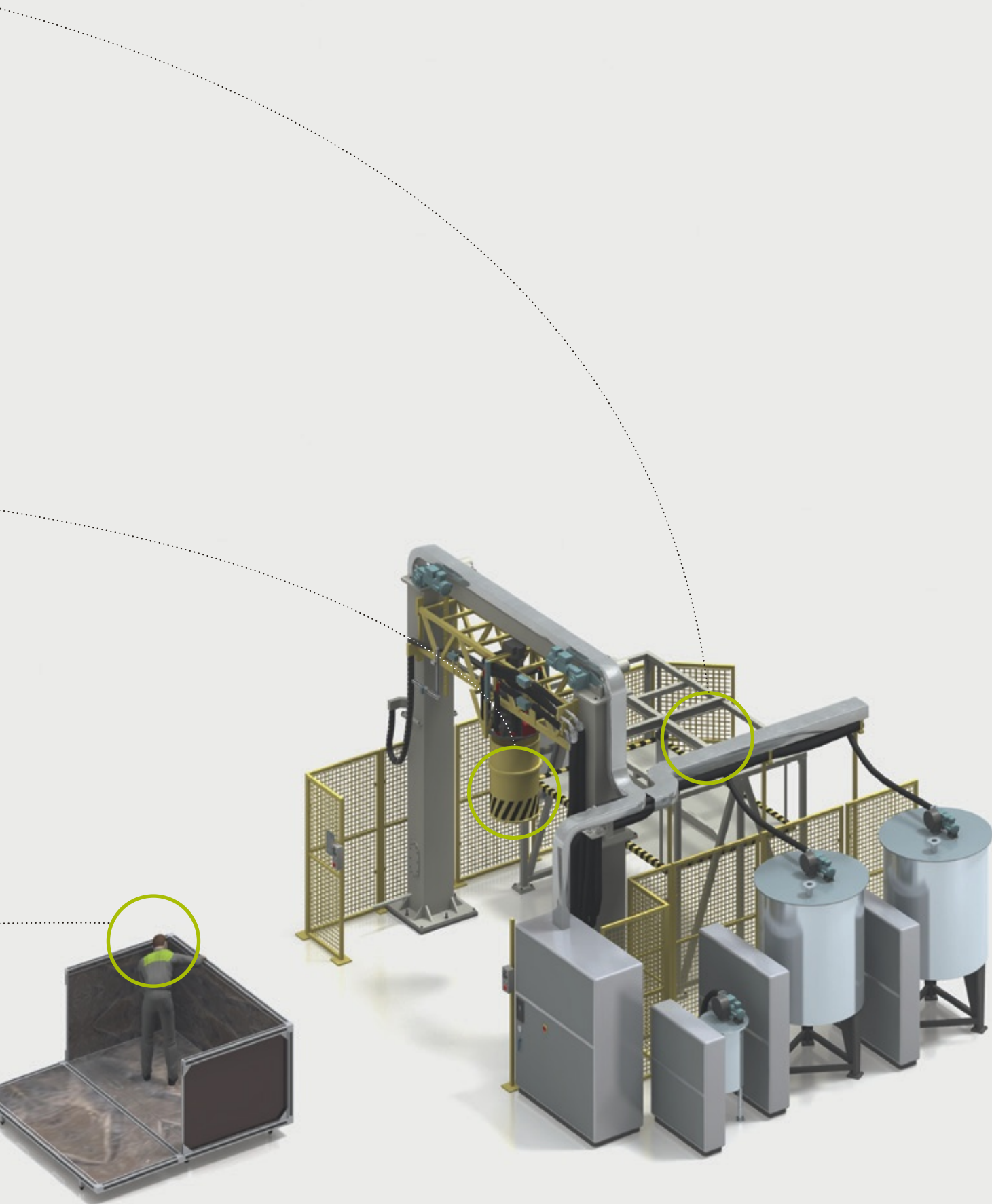
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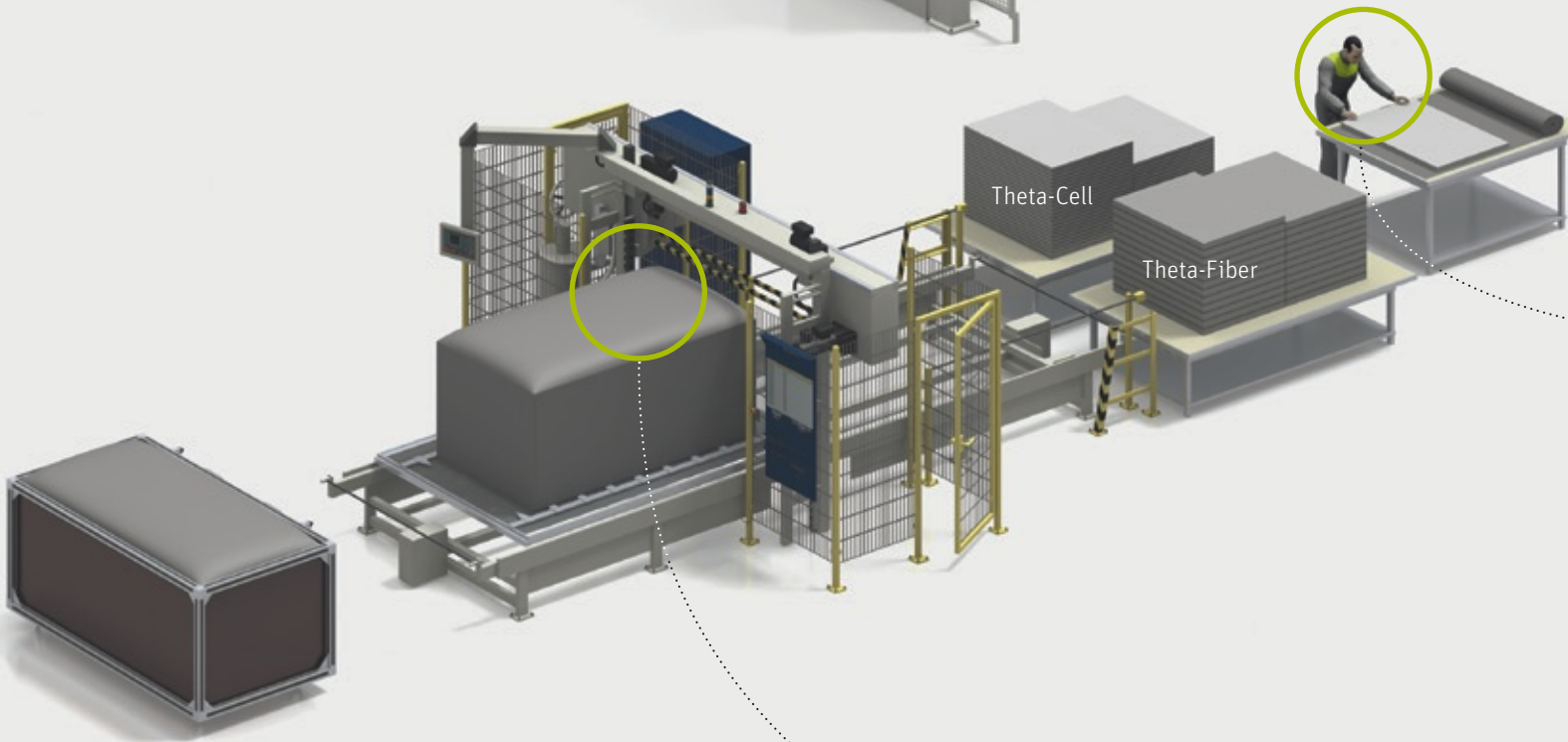
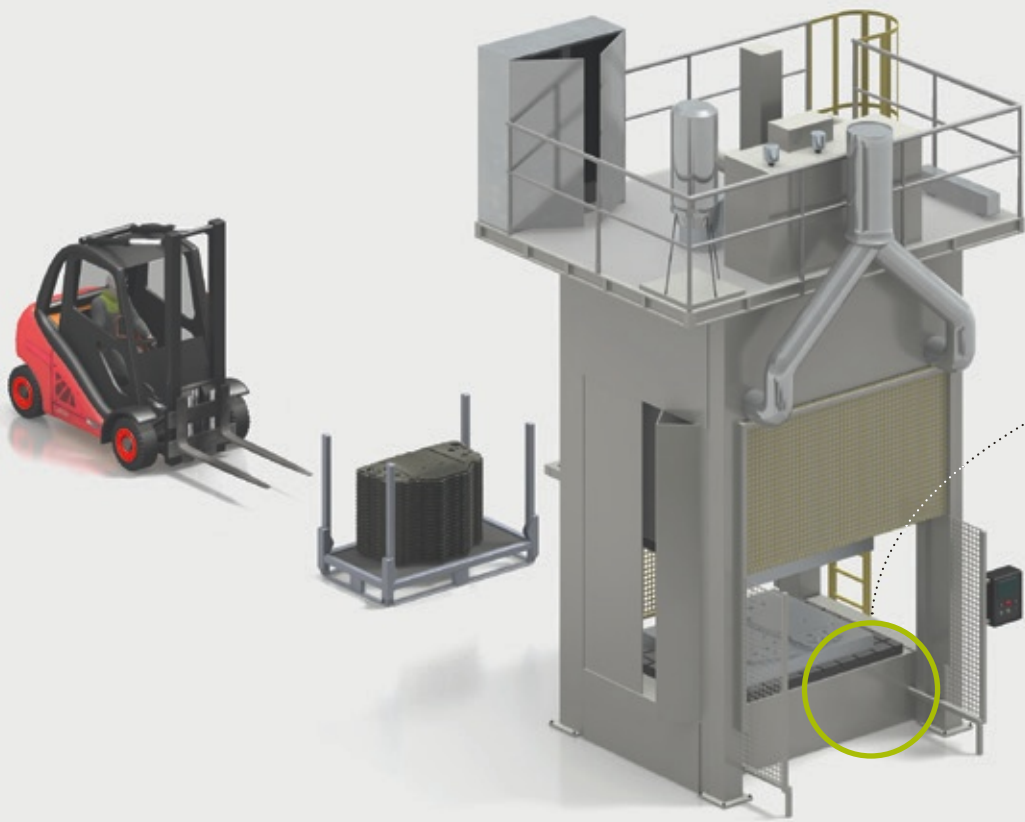
Foaming station The box is moved to the foaming station. After the required amount of chemicals is dispensed into the mixing bucket, the final mix is released into the box.

1

Box preparation The box is cleaned and prepared for the next foaming.







Theta-FiberCell-Process

6

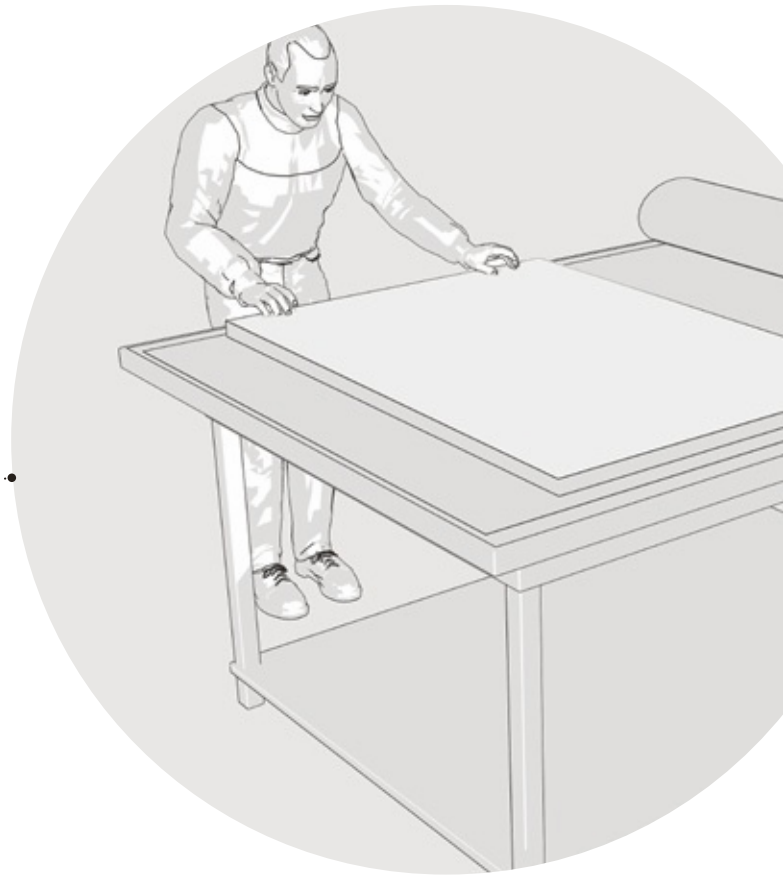
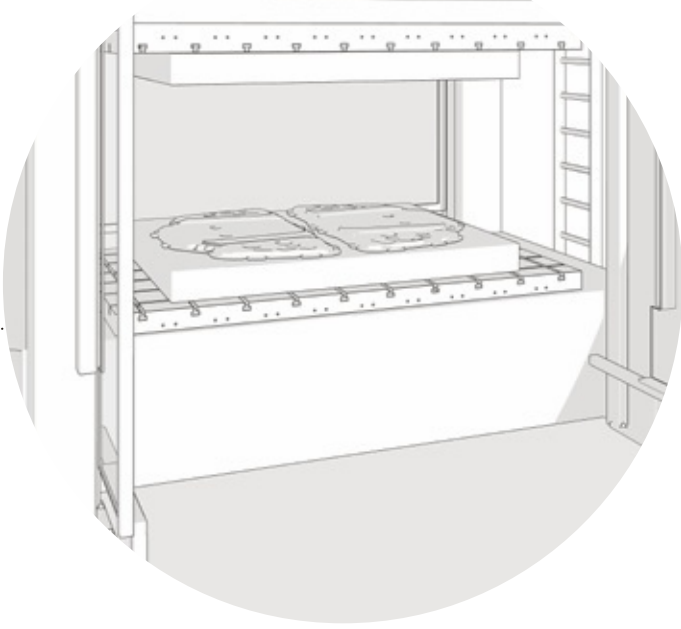
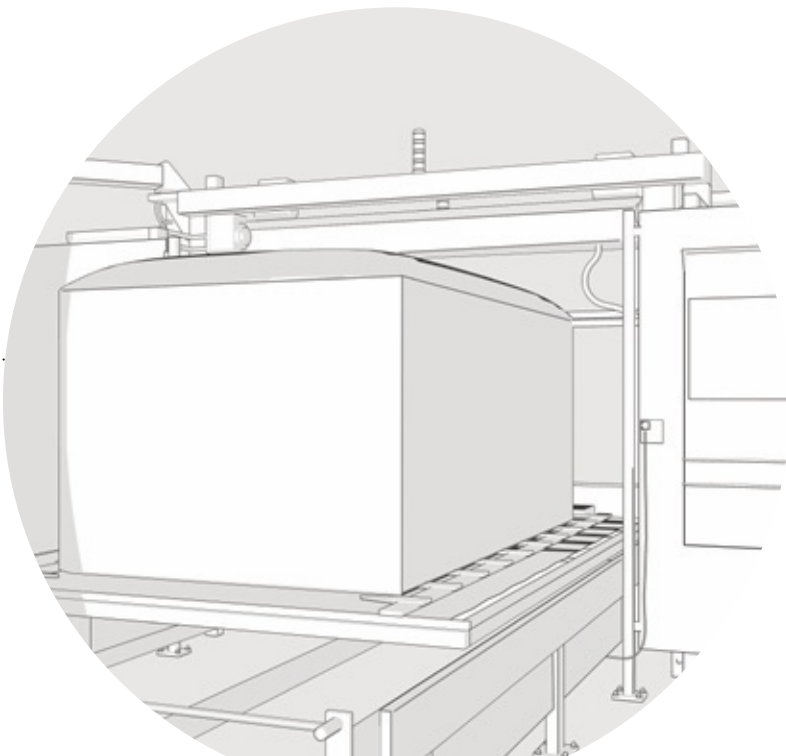
Molding The sheets are accurately placed into the molding tool and molded to final shape.

5

Preparation table The Theta-FiberCell composition is covered with scrim.

4

Cutting After the foam block has finished curing it is cut into sheets according to the acoustic requirements of the final part.



Sustainability

Autoneum offers a wide range of innovative products and technologies to help automobile manufacturers meet their targets for weight reduction, environmental compatibility, acoustic and thermal insulation.

The trend towards individual mobility continues unabated, with the number of motor vehicles rising strongly as a result – particularly in new markets such as China and India and in newly industrialized and developing countries. How are car manufacturers and suppliers dealing with associated challenges here – such as the reduction of fuel consumption and CO₂ emissions – so that natural resources are conserved and the quality of life is maintained? How can the Autoneum Group contribute to the promotion of sustainable, responsible, and environmentally compatible development through its actions, products, and technological know-how?

In order to meet these challenges, Autoneum places great importance on a management structure that is geared towards sustainability with profitable growth. At Autoneum, sustainability means the balanced perception of economic, ecological, and social responsibility. A key element of Autoneum's commitment to responsible behavior is the Code of Conduct, which is an integral part of the employment contract. Other cornerstones include Autoneum's values and basic principles, together with management and EHS guidelines. For several years, Autoneum has also been one of the few car suppliers to take part in the Carbon Disclosure Project (CDP) (www.cdproject.net).

Ecological responsibility

Autoneum makes great efforts to preserve resources and minimize the emission of pollutants throughout the entire value creation process. This focuses on the following areas:

- The use of reusable raw materials in order to manufacture end products with high levels of recyclability
- The recycling of production waste back into the production process in order to reduce landfill waste
- The optimization of production processes to achieve a more effective use of raw materials and increased energy efficiency
- The development of innovative, weight-optimized acoustic and thermal management solutions: Autoneum thus supports car manufacturers in the construction of lighter vehicles that use less fuel and thus have lower CO₂ emissions

For example, up to five grams of CO₂ per vehicle and kilometer can be saved through the installation of an Autoneum engine encapsulation system. For the number of vehicles produced worldwide in one year, this would mean a saving of five million tons in CO₂ emissions.

In the energy efficiency field, Autoneum started a global training program for production employees in 2012 and also introduced a control system which disconnects all machines automatically from the power supply as soon as they are no longer in use. Thanks to this energy management program, there was a significant reduction in global energy consumption while achieving the same production volumes. The goal is to introduce the new ISO standard 50001 for energy management systems worldwide, which should help the company to reduce energy costs, greenhouse gases, and other environmental effects. This expands upon the existing standards ISO/TS 16949

(quality management systems) and ISO 14001 (environmental management systems), which are already implemented at 90% (ISO 14001) or up to 100% (ISO/TS 16949) at Autoneum.

An external certification company has carried out an energy audit at the German plants in Gundershausen and Großostheim. Both Autoneum plants are among the first in Germany to be awarded ISO 50001 certification for energy management.

In 2012, Autoneum successfully introduced a new concept for reducing waste and recycling production waste back into the production process. One of these was at Onsen-Bray in France, where 85% of thermoplastic felt waste could be reused. In the Czech plant at Choceň, a figure of 100% was even achieved. In this way, 10 000 tons of waste generated during production should be recycled worldwide by the end of 2013.

Social responsibility

Safety at work is a top priority at Autoneum. Regular safety trainings for production employees and daily checks of their own workplace by plant employees themselves are both obligatory. Additionally, internal production audits with a focus on safety are carried out twice a year. Checks are made here as to whether all necessary information and safety equipment are available at the workplace for employees and whether workplace risk assessments are carried out regularly according to guidelines. Thanks to the audits, targeted improvements in safety and ergonomics in the workplace were able to be implemented.

Autoneum revised its existing corporate principles in the year under review in order to implement a value-oriented corporate culture. With the help of intercultural work groups and following many individual discussions with employees from all business regions and management levels, six central corporate values were identified and validated as a guideline for all employees and external stakeholders. The Book of Values has been translated into ten languages and – together with management training – has the goal of anchoring these values as a fundamental part of corporate philosophy. Autoneum also started a pilot project for a new Leadership Model, which integrates the implementation of values into annual employee meetings. The corporate values and principles are published online at <https://www.autoneum.com/en/about-autoneum/>, as is the Autoneum Code of Conduct for regulating relationships with all internal and external stakeholders.

A function for systematic salary checking has been added to the in-house online information platform, which ensures uniform global processes for employee assessment and career development.

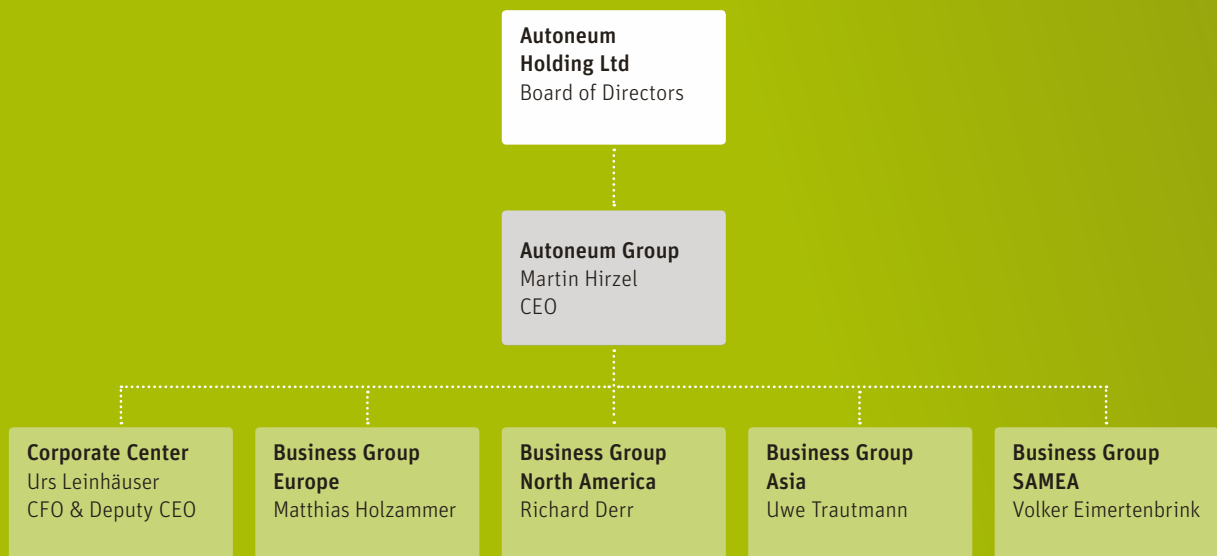
The European works council founded in 2011 for the representation of European locations met in its entirety for the first time in 2012 and signed a new contract detailing the cooperation with Autoneum.



Up to five grams of CO₂ per vehicle and kilometer can be saved with an Autoneum engine encapsulation system.

Corporate Governance

As a globally oriented corporate group committed to creating long-term values, Autoneum maintains high standards of Corporate Governance and pursues a transparent information policy towards its stakeholders to uphold mutual confidence.



As per December 31, 2012

The rules and regulations of Corporate Governance are established in numerous Autoneum documents, in particular the Articles of Association¹, the Management Regulations² and the Board Committee Regulations. The structure of this report conforms to the Corporate Governance guidelines issued by the SIX Swiss Exchange and the pertinent commentaries. Unless otherwise stated, the data refer to December 31, 2012.

All information will be updated regularly on www.autoneum.com/investor-relations. Some data refer to the financial section of this Annual Report. The compensation report can be found from page 94 of the financial report.

1. Group structure and shareholders

Group structure

Autoneum Holding Ltd is a company incorporated under Swiss law, with registered offices in Winterthur. The shares are listed on the SIX Swiss Exchange, Zurich, securities code 12748036; ISIN CH0127480363; symbol AUTN. Market capitalization was 207.1 million CHF as of December 31, 2012.

The Autoneum Group consists of the four Business Groups Europe, North America, Asia, and SAMEA (South America, Middle East and Africa), the Corporate Center with its Group functions and the Group functions directly reporting to the CEO. It comprises all companies controlled by Autoneum Holding Ltd.

The Business Groups are responsible within the framework of the internal regulations for the profitability of each company except those business activities and companies directly reporting to the Corporate Center.

The Business Groups are formed for specific market regions that are clearly defined and demarcated from each other. Each of these Groups conducts its business within the framework of the Autoneum Management Regulations² under the leadership of the Business Group Head, who reports directly to the CEO of the Autoneum Group.

Detailed segment information can be found on pages 66 to 67.

The Corporate Center is led by the CFO, who is also deputy to the CEO. It supports the Board of Directors, the CEO, and the Business Group Heads in their management and supervisory functions. The Corporate Center comprises all central Group functions not directly reporting to the CEO. Corporate Center assures financial stability and is responsible for the financial management and reporting systems, legal compliance, corporate communications, and the legal, tax, and insurance departments. Together with the Group functions directly reporting to the CEO, the Corporate Center is responsible for elaborating the corporate strategy, for strategic planning, and for the preparation and execution of company acquisitions and disposals.

Subsidiary companies are founded on the basis of legal, business, and financial considerations. For each company the responsible Business Group or the Corporate

Autoneum Holding Ltd
is listed on the SIX Swiss
Exchange.

1 www.autoneum.com/investor-relations/corporate-governance/

2 www.autoneum.com/about-autoneum/

32

32 companies worldwide
belonged to the Autoneum Group
as of December 31, 2012.

Center appoints a head of legal unit who is responsible for local financial controlling as well as for compliance with the national laws and regulations and the internal guidelines.

Activities not assigned to the Business Groups, such as holding companies and pension funds, are allocated to Corporate Center.

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

32 companies worldwide belonged to the Autoneum Group as of December 31, 2012. A list of the affiliates can be found on page 85. The management organization of the Autoneum Group is independent of the legal structure of the Group and the individual companies.

Significant shareholdings

As of December 31, 2012, Autoneum was aware of the following shareholders with more than 3% of all voting rights in the company:

- Artemis Beteiligungen I AG / Michael Pieper, Hergiswil, Switzerland
- PCS Holding Ltd / Peter Spuhler, Warth-Weiningen, Switzerland
- Capital Group Companies, Inc. (CGC), Los Angeles, USA
- First Eagle Overseas Fund, New York, USA
- ID Sparinvest A/S, Randers, Denmark

All notifications of shareholders with more than 3% of all voting rights in the company have been reported to the Disclosure Office of the SIX Swiss Exchange in accordance with Art. 20 SESTA (Swiss Stock Exchanges and Securities Trading Act) and published via its electronic publication platform at: http://www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_de.html.

Refer to page 93 for details of these shareholdings and disclosure information.

In connection with the separation from Rieter Group the two principal Autoneum shareholders PCS Holding Ltd and Artemis Beteiligungen I AG signed a lock-up agreement and engaged (i) for six months after the first trading day of Autoneum shares on May 13, 2011 ("first lock-up period"), (ii) for thirty months after the first lock-up period ("second lockup period") and (iii) from the end of the second lock-up period until complete fulfillment of all Autoneum obligations according to credit agreement of April 12, 2011, with a bank consortium ("third lock-up period"), not to sell any Autoneum shares held by the two principal shareholders per first Autoneum trading day except: (i) during the first lock-up period for Autoneum employee participation plans, as long as the shareholdings of neither PCS Holding Ltd nor Artemis Beteiligungen I AG fall below 10% of the Autoneum share capital, (ii) during the second lock-up period, as long as the shareholdings of neither PCS Holding Ltd nor Artemis Beteiligungen I AG fall below 10% of the Autoneum share capital, and (iii) during the third lock-up period, provided that the Autoneum equity ratio is at least 35% in the quarter immediately prior to such share sales.

Cross-holdings

Autoneum has no information about cross-holdings of capital or voting shares exceeding the limit of 3%.

2 Capital structure

Share capital

On December 31, 2012, the share capital of Autoneum Holding Ltd totaled 233 618.15 CHF. This is divided into 4 672 363 fully paid up registered shares with a par value of 0.05 CHF each. The shares are listed on the SIX Swiss Exchange, securities code 12748036; ISIN CH0127480363; symbol AUTN.

Authorized share capital

The Board of Directors is empowered to authorize at any time until March 22, 2013, a share capital increase of up to 47 500 CHF by issuing no more than 950 000 fully paid up registered shares with a par value of 0.05 CHF each. Share capital may be increased in stages. Subscription and acquisition of the new shares as well as each subsequent transfer of shares are subject to the restrictions in § 4 of the Articles of Association³ (see p. 36, "Restrictions on share transfers and nominee registrations").

The Board of Directors shall determine the issue price, the kind of contribution, the date of issuance, the prerequisites for the exercise of pre-emptive rights and the start date of the dividend entitlement. The Board of Directors may issue new shares through firm underwriting by a bank or a third party with a subsequent offering to the current shareholders. Further, the Board of Directors shall be entitled to limit or to exclude the trading with pre-emptive rights. The Board of Directors may forfeit non-exercised pre-emptive rights of these shares; it is entitled to place them, or shares for which pre-emptive rights have been granted but not exercised, at market conditions or otherwise in the interest of the Company. Furthermore, the Board of Directors shall be authorized to limit or exclude the pre-emptive rights of the current shareholders and to allocate them to third parties in the case of appropriation of the shares: (a) for the acquisition of corporations, parts thereof or of equity holdings, or for financing or refinancing such transactions or the financing of new investment plans by the company; or (b) for the purpose of broadening the shareholder constituency in certain finance or investor markets, to enable the participation of strategic partners, or in connection with a listing of the shares on domestic or foreign stock exchanges.

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

The share capital may also be increased by up to 700 000 fully paid registered shares with a nominal value of 0.05 CHF each in an amount not to exceed 35 000 CHF 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 pre-emptive rights of the shareholders on the issuance of bonds or similar financial



The share capital of Autoneum Holding Ltd is divided into 4 672 363 fully paid up registered shares.

3 www.autoneum.com/investor-relations/corporate-governance/

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 for the new shares. The conditions of the conversion rights and/or warrants shall be determined by the Board of Directors. The acquisition of shares as well as each subsequent transfer of shares are subject to the restrictions in § 4 of the Articles of Association⁴.

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 (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 furthermore be increased by a maximum of 12 500 CHF through the issuance of up to 250 000 fully paid up registered shares with a par value of 0.05 CHF each to employees of the company and its subsidiaries. The preemptive rights and the advance subscription rights of the shareholders shall be excluded. The issuance of these shares to employees will be in accordance with one or more regulations issued by the Board of Directors and take appropriate account of employee performance, position and degree of responsibility, and economic viability criteria. Shares or options can be issued to employees at a price lower than 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, are subject to the limitations set forth in § 4 of the Articles of Association⁴.

Changes in share capital

There have been no changes to the share capital of Autoneum Holding Ltd since the company founding on December 2, 2010. The General Meeting of March 22, 2011, adopted an authorized share capital of 47 500 CHF (see p. 33), a contingent share capital of 35 000 CHF (see p. 33), and a contingent share capital of 12 500 CHF (see above).

⁴ www.autoneum.com/investor-relations/corporate-governance/

Participation and dividend-right certificates

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

Shares

Autoneum Holding Ltd has issued 4 672 363 fully paid up registered shares with a nominal value of 0.05 CHF 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 surname, first name/company name, and address under 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 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 (the “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, with retroactive effect as of the date of registration, which was made based on incorrect information. The relevant shareholder or nominee must be immediately informed 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, it may grant exemptions from the rule concerning nominees. The Board of Directors 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 AG. 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 shares issued in the form of uncertificated securities into individual share certificates or global share certificates without the approval of shareholders. 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 issue a certificate stating the number of shares registered in his or her name.

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

Autoneum Holding Ltd has no convertible bonds or options outstanding.

Restrictions on share transfers and nominee registrations

Those persons who are entered in the shareholders' register are recognized as voting shareholders. Autoneum shares can be bought and sold without any restrictions. In terms of § 4 of the Articles of Association⁵, 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. As an exception to this rule, nominee companies are entered in the register if the company in question has concluded a nominee agreement with Autoneum and is subject to a recognized bank or financial supervisory authority. The nominee company exercises voting rights at the Annual General Meeting of shareholders. At request of Autoneum Holding Ltd, the nominee is obliged to disclose the name of the person on whose behalf it holds shares.

To cancel the restrictions on share transfers, a resolution of the General Meeting approved by the absolute majority of the voting shares represented is required.

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 Autoneum Holding Ltd Board of Directors are pursuant to the Swiss Code of Obligations⁵ and the Autoneum Holding Ltd Articles of Association and Management Regulations⁶.

Board membership

Pursuant to the Articles of Association⁵, the Board of Directors of Autoneum Holding Ltd consists of no less than three and no more than nine members. Per December 31, 2012, 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.

Election and term of office, principles of the election procedure

Members of the Board of Directors are individually elected by the General Meeting for a one to three-year term of office, with the interval between two Annual General Meetings being deemed a year for this purpose. With regard to the legally independent status of the Autoneum Group, all the current Board members of Autoneum Holding Ltd were elected in March 2011 for a three-year term of office. In future the individual terms of office of Board members are expected to be staggered so that about one third of the Board membership is renewed or reelected each year.

While Board members can be reelected, they retire at the Annual General Meeting following their 70th birthday. Nominations for election to the Board of Directors are

⁵ www.autoneum.com/investor-relations/corporate-governance/

⁶ www.autoneum.com/about-autoneum/

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 supervisory management of the Autoneum Group and group companies. It exercises a supervisory function over the persons who have been entrusted with the business management. It takes decisions on all transactions assigned to it by law, by the Articles of Association⁷ and by the Management Regulations⁸. It draws up the Annual Report, prepares the Annual General Meeting and makes the necessary arrangements for implementing the resolutions adopted by the Annual General Meeting. The Board of Directors has the following decision-making authority:

- Composition of the business portfolio, and strategic thrust 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 & Deputy CEO of the Autoneum Group and the Business Group Heads
- Organization of the accounting, financial control, and financial planning
- Approval of strategic and financial planning, the budget, the annual financial statements and the Annual Report
- Principles of financial and investment policy, personnel and social policy, management and communications
- Signature regulations and allocation of authority
- Principles of internal auditing
- Decisions on investment projects involving expenditure exceeding 10 million CHF.
- Issuance of bonds and other financial market transactions
- Incorporation, purchase, sale, and liquidation of subsidiaries

The Board of Directors comprises the Chairman, the Vice Chairman, and the other members. It is self-constituting and appoints a secretary who need not be a member of the Board of Directors. The vice chairman acts as chairman if the Chairman is not present. The Board of Directors has a quorum if a majority of members are present, also if the Board members can 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. In the event of a tie, the Chairman has the casting vote.

In 2012, the Board of Directors met for six regular meetings, one of which lasted a whole day and five lasted half a day. In total, attendance of the board was 86%. 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 attended by the CEO and the CFO & Deputy CEO, while the other members of the Group Executive Board attend as necessary with regard to business matters concerning them. They present the results, outlook and budget of their operating units, and projects requiring the approval of the Board of Directors.

Per December 31, 2012, 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.

⁷ www.autoneum.com/investor-relations/corporate-governance/

⁸ www.autoneum.com/about-autoneum/

Board of Directors



Michael Pieper

This E. Schneider

Rainer Schmücke

Hans-Peter Schwald

Ferdinand Stutz

Peter Spuhler

Hans-Peter Schwald (1959)

Chairman . Swiss national

First elected to the Board Board member and Chairman since 2011 . **Term of office expires in 2014** . **Educational and professional background** Lic. iur. HSG, lawyer; Chairman and Managing Partner in the legal practice of Staiger, Schwald & Partner AG, Zurich, Berne, and Basel . **Other activities and interests** Vice Chairman of the Board, Stadler Rail AG, Bussnang, and Ruag Holding Ltd, Berne; 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 Committee and of the Personnel, Compensation and Nomination Committee . **Non-executive**

This E. Schneider (1952)

Board member . Swiss national

First elected to the Board Board member since 2011 . **Term of office expires in 2014** . **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; since 2004 Executive Chairman and CEO, Forbo Group . **Other activities and interests** Board member, Galenica SA, Berne; Vice Chairman of the Board, Rieter Holding Ltd, Winterthur . **Committees** Chairman of the Personnel, Compensation and Nomination Committee . **Non-executive**

Rainer Schmückle (1959)

Vice Chairman . German national

First elected to the Board Board member and Vice Chairman since 2011 . **Term of office expires in 2014** . **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. Since November 1, 2011, Chief Operating Officer and President Seating Systems of Johnson Controls . **Other activities and interests** Member of the Board of Directors or Advisory Board of other privately held companies . **Committees** Chairman of the Audit Committee; Member of the Strategy Committee . **Non-executive**

Peter Spuhler (1959)

Board member . Swiss national

First elected to the Board Board member since 2011 . **Term of office expires in 2014** . **Educational and professional background** Majority shareholder and CEO of Stadler Rail AG, Bussnang **Other activities and interests** Chairman of the Board, Stadler Rail AG, Bussnang; Stadler Bussnang AG, Bussnang, and of several other companies of the Stadler Rail Group; Aebi-Schmidt Holding Ltd, Burgdorf, and PCS Holding AG, Board member, Walo Bertschinger Central AG, Zurich, Rieter Holding Ltd, Winterthur, DSH Holding AG, Warth-Weiningen, and Wohnpark Promenade AG, Frauenfeld. Member of the National Council of the Swiss Parliament from 1999 to 2012 . **Non-executive**

Michael Pieper (1946)

Board member . Swiss national

First elected to the Board Board member since 2011 . **Term of office expires in 2014** . **Educational and professional background** Lic. oec. HSG; owner and Chief Executive Officer of the Franke Artemis Group . **Other activities and interests** Chairman of the Board, Artemis Holding Ltd, Hergiswil, and its subsidiaries, and of the subsidiaries of Franke worldwide; Board member, Berenberg Bank (Schweiz) AG, Zurich; Hero AG, Lenzburg; Forbo Holding Ltd, Baar; Adval Tech Holding Ltd, Niederwangen; Rieter Holding Ltd, Winterthur . **Non-executive**

Ferdinand Stutz (1957)

Board member . Swiss national

First elected to the Board Board member since 2011 . **Term of office expires in 2014** . **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 Copartner 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 AG and CEO of GF Automotive; since 2009 owner and founder of Stutz Improvement AG . **Other activities and interests** Member of the Advisory Board of Eisenwerke Brühl GmbH, Brühl; member of the Advisory Board of Halder Beteiligungsgesellschaft GmbH, Frankfurt; member of the Board of Directors or Advisory Board of other private stock companies . **Committees** Member of the Audit and the Strategy Committee and of the Personnel, Compensation and Nomination Committee . **Non-executive**

Once a year the Board of Directors holds a special meeting to review its performance, internal working methods, and cooperation with the Group Executive Board in the context of a self-assessment.

Once a year the Board of Directors holds a special meeting to review its performance, internal working methods, and cooperation with the Group Executive Board in the context of a self-assessment. This includes assessing the state of information of Board members with regard to the Group and its business development. The first self-assessment meeting since Autoneum became an independent company was held in April 2012.

When reaching decision on business matters and items on the agenda where there is a risk of conflicting interests, the respective Board member must stand aside prior to discussion of the matter in question and abstain from voting when passing resolution on the same.

Committees

To provide assistance in its duties, the board has appointed an Audit Committee, a Personnel, Compensation and Nomination Committee and a Strategy Committee from among its members. The committees are advisory bodies and have no decision-making powers; resolutions are passed by the Board as a whole. Written terms of reference specify the tasks and responsibilities of each committee. The Chairman and other members of each committee are elected by the Board of Directors. The committees meet regularly and are required to prepare minutes of their meetings and recommendations for perusal at the regular meetings of the Board of Directors.

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 2012 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 per full financial year. The meetings are also attended by the Head of Internal Audit, representatives of the statutory and Group auditors KPMG, the CEO and the CFO & Deputy CEO, 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, nominating the Head of Internal Audit
- The Chairman of the Audit Committee is responsible for accepting complaints (whistle-blowing) in connection with the code of conduct (regulations regarding conduct in business relationships).

The Audit Committee met for two regular meetings in 2012 and for a joint meeting with the Personnel, Compensation and Nomination Committee. All meetings lasted half a day. All committee members attended this meeting and regularly received the written reports of the internal auditors.

The **Personnel, Compensation and Nomination Committee** consists of three members: Mr. This E. Schneider as Chairman, 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 establishes the principles for the remuneration of members of the Autoneum Group Board of Directors, Executive Committee and senior management, especially bonus programs and share purchase plans. It is also briefed on succession plans for the Board of Directors, Group Executive Board and senior management, and the relevant development plans.

The Personnel, Compensation and Nomination Committee held six regular meetings and one joint meeting with the Audit Committee in 2012. Each meeting lasted one to three hours. All committee members attended all the meetings.

The **Strategy Committee** consists of three members: Hans-Peter Schwald as Chairman, Rainer Schmückle and Ferdinand Stutz.

In the 2012 financial year none of the members of the Strategy Committee performed executive duties. The Strategy Committee meets at least twice a year. The meetings are also attended by the CEO and the CFO & Deputy CEO, 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, particularly in assessing market changes and developments affecting the Group, and assessing the Group's short and long term strategic orientation, in particularly with regard to markets, customers, competitors, products and technologies, and support with strategically important projects.

The strategy committee met in 2012 for two regular meetings and a one and a half day strategy workshop with the entire Group Executive Board. Each of the regular meetings lasted four to five hours depending on the agenda. All committee members attended all these meetings.

Allocation of authority

The Board of Directors delegates operational business management to the Chief Executive Officer of the Autoneum Group. The members of the Group Executive Board report to the CEO. The CFO acts as deputy to the CEO. The allocation of authority between the Board of Directors and the CEO is stipulated in the Management Regulations⁹, while details of the tasks reserved for the Board of Directors can be found on p. 37 "Internal Organization". The cooperation between the Board of Directors, the CEO, the Business Groups, and the Corporate Center is stipulated in the Group's Management Regulations⁹,

⁹ www.autoneum.com/about-autoneum/

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 management level. In addition to periodic reporting, he is obliged to inform the Board of Directors immediately about business transactions of fundamental importance.

Information and control instruments regarding the Group Executive Board

The Board of Directors receives from the Group Executive Board a written monthly report on the key figures of the Group and the Business Groups that 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 budget planning. If the Board of Directors has to rule on major projects according to the Management Regulations¹⁰, a written request is submitted to directors prior to the meeting. The projects approved by the Board of Directors are monitored in the context of a special project controlling submitted to the Board of Directors every quarter. Once a year the Board of Directors discusses 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 meets on a fixed day every month with the CEO and the CFO & Deputy CEO with respect to all major issues of corporate policy.

The Code of Conduct
is an integral part of every
contract of employment.

The Board of Directors has initiated and implemented a comprehensive internal control system for risk monitoring in connection with business activities, which covers risk identification and analysis, control and reporting. Refer to pages 62–64 for details of this risk management process and on financial risk management.

The members of the Audit Committee, the CEO, the CFO & Deputy CEO and appointed members of the management receive the internal audit reports. Internal audit conducted sixteen audits in 2012. The results were discussed in detail with the companies and Business Groups concerned, and appropriate measures have been initiated accordingly. The statutory auditors have access to the minutes of the meetings of the Board of Directors.

Code of Conduct

The Code of Conduct is an integral part of every contract of employment. The Code of Conduct is explained to employees in the individual units, and compliance with the same is verified regularly in the context of internal audits and by additional audits. This code can be accessed on the Internet at www.autoneum.com/en/about-autoneum/codeof-conduct/

¹⁰ www.autoneum.com/about-autoneum/

4 Group Executive Board

The Group Executive Board had six members on December 31, 2012: the CEO, the CFO & Deputy CEO, and the four Business Group Heads.

Management contracts

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

5 Remuneration report

Content and process for determining remuneration and equity participation programs as well as information on the remuneration of the Board of Directors and the Group Executive Board can be found in the remuneration report starting on page 94.

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 voting shares represented. In any case the legally applicable quorums apply.

Convocation of General Meetings, agenda publication, voting proxies

General Meetings of shareholders are called in writing 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 Association¹¹, and are published in the company's official publication medium (Swiss Official Commercial Gazette). Pursuant to § 9 of the Articles of Association¹¹, 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 their legal representative, by another shareholder, by the company or by the independent voting proxy.

Entries in the shareholders' register

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

¹¹ www.autoneum.com/investor-relations/corporate-governance/

Group Executive Board



Volker Eimertenbrink

Uwe Trautmann

Martin Hürzel

Richard Derr

Matthias Holzammer

Urs Leinhäuser

Martin Hirzel (1970)

Chief Executive Officer (CEO)
Swiss national

Member of the Group Executive Board since 2011

Educational and professional background Dipl. Betriebsökonom HWV; General Management Program at Harvard Business School; from 1989 to 1994 Business Unit Controller of IBM (Switzerland) AG; from 1997 to 1999 Chief Controller International of Division Textile Systems for Rieter Holding Ltd; from 2000 to 2005 General Manager of Rieter Textile Systems China; from 2005 to 2007 Head of Business Unit China of Rieter Automotive Systems; from 2007 to 2011 as Head Business Group SAMEA a member of the Executive Committee of the Division Automotive Systems of Rieter Holding Ltd; in the current function since 2011.

Urs Leinhäuser (1959)

Chief Financial Officer (CFO)
and Deputy CEO . Swiss national

Member of the Group Executive Board since 2011

Educational and professional background Dipl. Betriebsökonom HWV; Senior Executive Program at IMD in Lausanne; from 1995 to 1999 Georg Fischer AG, most recently as Head of Finance and Controlling, Division Piping Systems; from 1999 to 2003 member of the Group Executive Committee of Mövenpick-Holding as Chief Financial Officer; from 2003 to 2011 member of Group Executive Committee of Rieter Holding Ltd as CFO and Head of the Corporate Center; in the current function since 2011 . **Other activities and interests** Board member, Burckhardt Compression Holding Ltd, Winterthur.

Matthias Holzammer (1965)

Head Business Group Europe
German national

Member of the Group Executive Board since 2012

Educational and professional background Dipl. Wirtschaftsingenieur FH; from 1993 to 2009 Brose Fahrzeugteile GmbH & Co. KG; Faurecia Sitztechnik GmbH & Co. KG and Beru AG in leading functions in manufacturing and logistics; from 2009 to 2011 Managing Director Production for Keiper GmbH & Co. KG (later Johnson Controls); most recently as General Manager of the Product Business Unit "Metal Region Europe"; in the current function since April 1, 2012.

Richard Derr (1952)

Head Business Group North America
US-American national

Member of the Group Executive Board since 2011

Educational and professional background MBA from Harvard Graduate School of Business; from 1979 to 1995 in the Automotive business of the US-company Allied Signal, most recently as Group Director, Finance-Safety Restraints; from 1995 to 2000 at Solvay Automotive Inc. and its successor, Inergy Automotive Systems (USA) LLC, most recently as CFO and Vice President Program Management; from 2000 to 2001 Vice President Finance, US and Canada, of the US-company Tower Automotive; from 2002 to 2004 initially as CFO and from 2004 to 2011 as Head Business Group North America a member of the Executive Committee of the Division Automotive Systems of Rieter Holding Ltd; in the current function since 2011.

Uwe Trautmann (1957)

Head Business Group Asia
German national

Member of the Group Executive Board since 2011

Educational and professional background Dipl. Maschinenbauingenieur, Dipl. Wirtschaftswissenschaftler Technische Hochschule Zwickau; from 1992 to 1997 responsible for the regional operations of the German company Aesculap AG in Penang, Malaysia; from 1997 to 2004 responsible for the Asian operations of the German company ZF Lenksysteme GmbH in Malaysia as well as in Shanghai as of 2002; from 2004 to 2007 CEO China operations of the German company Hella KGaA in Shanghai; from 2007 to 2011 as Head Business Group Asia a member of the Executive Committee of the Division Automotive Systems of Rieter Holding Ltd; in the current function since 2011.

Volker Eimertenbrink (1959)

Head Business Group SAMEA
German national

Member of the Group Executive Board since 2012

Educational and professional background Dipl. Wirtschaftsingenieur FH; from 1985 to 1995 as production/value engineer and design engineer for Fr. Buschjost GmbH & Co. and Hymmen GmbH; from 1995 to 2008 at Faurecia Autositze GmbH in various leading positions in controlling and engineering; from 2008 to 2011 CFO Automotive Systems Division of the Rieter Group; in the current function since March 1, 2012.

7 Change of control and defensive measures

Obligation to submit an offer

The legal provisions in terms of Article 22 SESTA are applicable. This states that a shareholder or a group of shareholders acting in concert who hold more than 33 $\frac{1}{3}$ % of all shares must submit a takeover offer to the other shareholders.

Change of control clauses

There are no change of control clauses in Autoneum contracts of employment and office, except for the CEO, whose contract is valid until the end of April 2014 at least, and for the Head Business Group Europe, whose contract is valid until March 31, 2015, at least. In the event of a change of control all shares blocked in the context of the share purchase plan are released.

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 is lead auditor for the Autoneum mandate at KPMG. The term of office of the lead auditor is limited to seven years.

Audit fees and additional fees

KPMG and other auditors charged Autoneum Holding Ltd approximately 1.2 million CHF for services in connection with auditing the annual financial statements of the Group companies and the consolidated Autoneum Group accounts in the financial year 2012. KPMG and other auditors also charged Autoneum approximately 0.2 million CHF for additional services in the year under review, mainly for tax advisory services.

Supervisory and monitoring instruments regarding the auditors

Prior to every meeting, the external auditor informs the Audit Committee in writing 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 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 Annual General Meeting regarding who should be proposed for election as statutory auditors at the General Meeting. In addition the Audit Committee annually reviews the scope of external auditing, the auditing plans and relevant procedures, and discusses auditing results with the external auditors in each case. Further information on auditing can be found in section 3.

9 Information policy

Autoneum maintains regular, open communication with all stakeholders and relevant parties, in particular with investors, financial analysts, banks, and representatives of the media. Communication takes place through the Annual Report and Semi-Annual Report, the General Meeting, and at least one media and analyst conference each year.

Reporting on the financial year 2012 includes the Annual Report with review of the year, the annual and consolidated financial statements, the Corporate Governance report, a media release, and a slide presentation. The Annual Report can be ordered by shareholders with form enclosed with invitation to the General Meeting. It is also available no later than 20 days prior to the General Meeting for perusal at company headquarters. At the Annual General Meeting the Board of Directors and the Group Executive Board provide information on the annual accounts and the course of company business and answer the shareholders' questions.

Autoneum maintains regular, open communication with all stakeholders and relevant parties. Communication includes the Annual Report and Semi-Annual Report, the General Meeting, and at least one media and analyst conference each year.

Sources of information

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

- **Articles of Association Autoneum Holding AG:** www.autoneum.com/corporate-governance/
- **Management Regulations:** www.autoneum.com/about-autoneum/
- **Current Annual Report:** www.autoneum.com/investor-relations/reports/
- **Current and past Annual Reports:** www.autoneum.com/investor-relations/reports/
- **Share price:** www.autoneum.com/investor-relations/share/
- **Presentations:** www.autoneum.com/investor-relations/presentations/
- **Media releases:** www.autoneum.com/investor-relations/media-releases/
- **Subscription to media releases:** www.autoneum.com/news-subscription/
- **Sustainability:** www.autoneum.com/about-autoneum/sustainability/
- **Contact:** 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 publicized in accordance with the ad-hoc publicity requirements of the Swiss Exchange (SWX).

In addition, Autoneum maintains communication with investors, banks, and representatives of the media at special events.

Shareholders and other interested parties may add their names to a mailing list available at www.autoneum.com/news-subscription/ to automatically receive the media releases.

Important dates

- Annual General Meeting 2013: April 17, 2013
- Semi-Annual Report 2013: July 26, 2013
- Annual General Meeting 2014: April 16, 2014

For investors and financial analysts

Urs Leinhäuser
CFO & Deputy CEO
Phone +41 52 244 82 82
investor@autoneum.com

For the media

Dr. Anahid Rickmann
Head Corporate Communications
Phone +41 52 244 83 88
media@autoneum.com

Mailing address

Autoneum Holding Ltd
Schlosstalstrasse 43
P. O. Box
CH-8406 Winterthur

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Consolidated income statement

CHF million	Notes	2012	% ¹	2011	% ¹
Net sales		1 907.7	100	1 682.4	100
Change in semi-finished and finished goods		0.6		-1.4	
Material costs		-984.7	51.6	-876.7	52.1
Employee costs	(5)	-519.8	27.2	-466.7	27.7
Other operating expenses	(6)	-268.8	14.1	-243.1	14.4
Other operating income		9.6	0.5	9.7	0.6
Operating result before interest, taxes, depreciation, and amortization (EBITDA)		144.6	7.6	104.2	6.2
Depreciation and amortization	(7)	-69.1	3.6	-69.3	4.1
Operating result before interest and taxes (EBIT)		75.5	4.0	34.9	2.1
Financial income	(8)	1.1		2.0	
Financial expenses	(9)	-22.6		-24.3	
Profit before taxes		54.0	2.8	12.6	0.7
Income taxes	(10)	-25.3		-10.3	
Net profit		28.7	1.5	2.3	0.1
Attributable:					
- to shareholders of Autoneum Holding Ltd		11.2		-10.0	
- to non-controlling interests		17.5		12.3	
Earnings per share (in CHF) ²	CHF				
Average number of registered shares outstanding: 4 661 138 (4 670 696 in 2011)	(20)	2.41		-2.13	

1. As a % of net sales.
 2. No dilution effect.

Consolidated statement of comprehensive income

CHF million	2012	2011
Net profit	28.7	2.3
Currency effects	-4.7	-5.4
Change in fair value of financial instruments available-for-sale	0.3	-0.8
Total other comprehensive income	-4.4	-6.2
Total comprehensive income	24.3	-3.9
Thereof attributable:		
- to shareholders of Autoneum Holding Ltd	8.2	-16.4
- to non-controlling interest	16.1	12.5

The accompanying notes (pages 55 to 85) are part of the consolidated financial statements.

Consolidated balance sheet

CHF million	Notes	December 31, 2012	December 31, 2011
Assets			
Tangible fixed assets	(12)	382.1	381.9
Intangible assets	(13)	2.8	0.4
Other non-current assets	(14)	46.6	37.5
Deferred tax assets	(10)	10.9	10.4
Non-current assets		442.4	430.2
Inventories	(15)	112.2	130.1
Trade receivables	(16)	256.7	297.1
Advance payments to suppliers		11.8	8.1
Other receivables	(17)	61.3	57.0
Marketable securities and time deposits	(18)	0.2	9.0
Cash and cash equivalents	(19)	75.3	64.9
Current assets		517.5	566.2
Assets		959.9	996.4
Shareholders' equity and liabilities			
Share capital		0.2	0.2
Reserves and other equity items		240.2	230.4
Equity attributable to shareholders of Autoneum Holding Ltd	(20)	240.4	230.6
Equity attributable to non-controlling interests	(21)	62.3	56.4
Total shareholders' equity		302.7	287.0
Subordinated shareholder loans	(22)	25.0	25.0
Long-term financial debt	(22)	130.9	121.7
Deferred tax liabilities	(10)	5.8	7.8
Provisions	(23)	55.6	56.8
Other non-current liabilities		0.5	0.6
Non-current liabilities		217.8	211.9
Short-term financial debt	(22)	42.6	83.1
Advance payments from customers		29.0	46.0
Current tax liabilities		18.0	10.8
Provisions	(23)	20.6	21.0
Other current liabilities	(24)	84.3	82.5
Trade payables		244.9	254.1
Current liabilities		439.4	497.5
Liabilities		657.2	709.4
Shareholders' equity and liabilities		959.9	996.4

The accompanying notes (pages 55 to 85) are part of the consolidated financial statements.

Changes in consolidated equity

CHF million	Share capital	Own shares	Capital reserves	Retained earnings
At December 31, 2010	0.2	0.0	192.4	0.0
Net result	0.0	0.0	0.0	- 10.0
Total other comprehensive income	0.0	0.0	0.0	0.0
Total comprehensive income	0.0	0.0	0.0	- 10.0
Capital increases by Rieter Group ¹	0.0	0.0	55.0	0.0
Dividends to non-controlling interests	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	- 1.0	0.0	0.0
At December 31, 2011	0.2	- 1.0	247.4	- 10.0
Net profit	0.0	0.0	0.0	11.2
Total other comprehensive income	0.0	0.0	0.0	0.0
Total comprehensive income	0.0	0.0	0.0	11.2
Dividends to non-controlling interests	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	- 0.1	0.0	0.0
Share based payment	0.0	1.0	0.0	0.7
At December 31, 2012	0.2	- 0.1	247.4	1.9

1. See note 20.

The accompanying notes (pages 55 to 85) are part of the consolidated financial statements.

Reserves for available- for-sale financial instruments	Cumulative translation adjustments	Attributable to shareholders of Autoneum Holding Ltd	Attributable to non-controlling interests	Total equity
-0.1	0.5	193.0	55.1	248.1
0.0	0.0	-10.0	12.3	2.3
-0.8	-5.6	-6.4	0.2	-6.2
-0.8	-5.6	-16.4	12.5	-3.9
0.0	0.0	55.0	0.0	55.0
0.0	0.0	0.0	-11.2	-11.2
0.0	0.0	-1.0	0.0	-1.0
-0.9	-5.1	230.6	56.4	287.0
0.0	0.0	11.2	17.5	28.7
0.3	-3.3	-3.0	-1.4	-4.4
0.3	-3.3	8.2	16.1	24.3
0.0	0.0	0.0	-10.2	-10.2
0.0	0.0	-0.1	0.0	-0.1
0.0	0.0	1.7	0.0	1.7
-0.6	-8.4	240.4	62.3	302.7

Consolidated statement of cash flows

CHF million	Notes	2012	2011
Net profit		28.7	2.3
Dividend income		-0.2	0.0
Interest income	(8)	-0.6	-1.4
Interest expenses	(9)	19.9	20.3
Income taxes	(10)	25.3	10.3
Depreciation and amortization of tangible and intangible fixed assets	(7)	69.1	69.3
Other non-cash income and expenses		-2.6	1.3
Change in inventories		16.0	2.0
Change in trade receivables		37.6	-40.8
Change in advance payments to supplier		-4.0	-1.1
Change in trade payables		-6.2	52.3
Change in advance payments from customers		-16.7	12.5
Change in provisions		-0.7	-22.9
Change in other receivables		-4.2	-27.3
Change in other non-current assets – operating receivables		-9.4	1.3
Change in other liabilities		4.2	-10.4
Dividends received		0.2	0.0
Interest received		0.6	1.4
Interest paid		-19.6	-19.8
Taxes paid		-22.5	-13.7
Net cash from operating activities		114.9	35.6
Capital expenditure on tangible assets	(12)	-72.6	-74.9
Investments in other non-current assets		-0.6	-0.5
Investment in intangible assets	(13)	-2.7	-0.4
Proceeds from disposal of tangible assets	(12)	0.3	1.1
Sale/Purchase of marketable securities and deposits		8.8	-7.8
Net cash used by investing activities		-66.8	-82.5
Dividends to non-controlling interests		-10.2	-11.2
Acquisition of own shares		-0.1	-1.0
Repayments of short-term financial debt – Rieter Group		0.0	50.9
Repayments of/proceeds from short-term financial debt		-38.2	22.2
Netting proceeds from short-term financial debt – Rieter Group		0.0	-193.1
Proceeds from subordinated shareholder loans	(22)	0.0	25.0
Repayments of long-term financial debt		-111.9	-71.5
Proceeds from long-term financial debt		0.0	168.1
Proceeds from bond		124.0	0.0
Net cash used by financing activities		-36.4	-10.6
Currency effects on cash and cash equivalents		-1.3	-1.0
Change in cash and cash equivalents		10.4	-58.5
Cash and cash equivalents at beginning of the year	(19)	64.9	123.4
Cash and cash equivalents at end of the year	(19)	75.3	64.9

The accompanying notes (pages 55 to 85) are part of the consolidated financial statements.

Notes to the consolidated financial statements

1 Significant accounting policies

Separation and listing on the SIX Swiss Exchange

The separation was decided when the shareholders at the Annual General Meeting of Rieter Holding Ltd on April 13, 2011, agreed to distribute the issued shares of its Automotive Systems division (Autoneum Holding Ltd) as a special dividend to the shareholders of Rieter Holding Ltd. The shares of Autoneum Holding Ltd have been listed and traded on the SIX Swiss Exchange since May 13, 2011, the first trading day.

As a part of the separation and listing on the SIX Swiss Exchange on May 13, 2011, all the receivables and liabilities due to Rieter Holding Ltd were repaid, and new financing was put in place (see note 22). Prior to the separation the following transactions were completed:

- Rieter Holding Ltd waived 55.0 million CHF of the Company's obligations (non-cash transaction), which increased the equity of Autoneum Holding Ltd and the Group accordingly.
- Termination of the cash pooling arrangements between Rieter Holding Ltd and its subsidiaries, with Autoneum Holding Ltd and its subsidiaries.

Autoneum Holding Ltd ("the Company") together with their subsidiaries will henceforth be referred to as "Autoneum Group" or "Autoneum". The list of principal subsidiaries of Autoneum Group is on page 85.

The consolidated financial statements are published in both German and English. The German version prevails.

Summary of significant accounting policies

The principal accounting policies applied in preparing these consolidated financial statements are noted below. These policies have been consistently applied to all of the reporting periods presented, unless otherwise stated.

In the current year, the Company discontinued disclosing gross sales as well as corporate output in the income statement, because as in the prior period, the financial ratios are calculated based on net sales. The prior year disclosures in the notes 3 and 4 have been adjusted accordingly.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements are based on historical cost, with the exception of certain financial instruments, which are measured at fair value. The consolidated financial statements were approved by the Board of Directors on March 19, 2013, and are subject to approval by the Annual General Meeting of shareholders on April 17, 2013.

The application of the new and revised standards and interpretations had no material impact on the consolidated financial statements.

Assumptions and estimates

Financial reporting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, contingent assets and contingent liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. When such estimates and assumptions deviate from the actual circumstances, the estimates and assumptions are updated in the reporting period in which the circumstances changed. The estimates and assumptions relate primarily to the areas of fixed asset impairment, inventories, employee benefits, provisions and income taxes. The corresponding book values are included in the notes.

The most significant elements of estimates and assumptions are as follows:

Tangible fixed 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 on the basis of expected future cash flows, corresponding to either the discounted value of expected future net cash flows or fair value less cost to sell. 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 for an asset, estimates of the expected future cash flows from both usage and disposal are made. Actual cash flows may vary significantly from estimated cash flows which are based on assumptions. Important assumptions to consider are useful lives, growth rates, achievable margins as well as discount rates. The corresponding book values are included in the notes.

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 lead to the book value having to be adjusted accordingly.

For defined benefit plans, actuarial valuations are done regularly, which are the basis for the pension assets and liabilities in the balance sheet. These calculations are based on statistical and actuarial assumptions. In particular the net present value of the defined benefit liability is affected by assumptions such as discount rate, future salary increases and increases in benefits paid to employees. Other assumptions for the valuation are derived from statistical data such as mortality tables and staff turn-over rates. Actuaries are independent from Autoneum. Assumptions made by actuaries may dif-

fer significantly to actual results. These deviations can ultimately have an effect on the pension assets or liabilities in future periods.

In the course of the ordinary operating activities of Autoneum Group, obligations from guarantee and warranty, legal claims and claims related to environmental risks can arise. Provisions for these obligations are measured on the basis of estimates of the expected cash outflow as of the balance sheet date. 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 a 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 legal claims 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 for future periods cannot be predicted, because uncertainties relating to amount and date of cash outflow exist.

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 tax expense. To determine whether tax loss carry-forwards may be capitalized as an asset requires judgment in assessing whether there will be future taxable profits against which to offset these loss carry-forwards.

Scope and methods of consolidation

The financial statements of Autoneum Holding Ltd and those Group companies over which it has control are fully consolidated. Control refers to the power to determine the financial and operating policies of a company, and thus obtains benefits from its activities. This is normally the case when more than 50% of the voting rights are owned, either directly or indirectly or when the financial and operating policies can be determined otherwise. Changes in the Group structure are recognized at the date of acquisition or at the date of loss of control of the business. Acquisitions are accounted for using the acquisition method. Intercompany transactions are eliminated.

Holdings of 20% to 49% are accounted for using the equity method. Holdings of less than 20% are accounted for at fair value. The principal subsidiaries are listed on page 85.

Changes in consolidation scope

In 2012, the companies Autoneum (Shenyang) Sound-Proof Parts Co. Ltd (China) and Autoneum Rus LLC (Russia) were established.

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 an entity’s deconsolidation, transferred to the income statement as part of the gain or loss of the entity’s divestment or liquidation.

Tangible fixed 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:

Factory buildings	20–50 years
Machinery and plant equipment	5–15 years
Tools/IT equipment/furniture	3–10 years
Vehicles	3–5 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Where components of certain assets have differing useful lives, these are depreciated separately. All gains or losses arising from the disposal of tangible fixed assets are recognized in the income statement. Costs of maintenance and repair are charged to the income statement as incurred.

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 either short-term or long-term financial debt. 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.

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.

Research and development

Research costs are recognized in the income statement when they are 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.

Goodwill

Autoneum has neither in the current reporting period, nor in the prior period, goodwill capitalized on the balance sheet.

Impairment of non-financial assets

Autoneum has neither in the current reporting period, nor in the prior period, material intangible assets that have an indefinite useful life recorded on the balance sheet.

Financial assets

The first time recognition of financial assets occurs at its market value and in case of a financial asset that does not classify as “at fair value through profit or loss”, the transaction costs are included.

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, which includes financial assets held for trading and those which are designated as such at inception. Derivatives are also assigned to this category. 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 of the balance sheet date. They are measured at fair value and changes in fair value are recognized in the income statement.

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. 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 equity prior to sale, and recognized in the income statement when they are sold. Any impairment in the value is charged to income. They are included in non-current assets unless management intends to dispose of them within twelve months of the balance sheet date.

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

Derivative financial instruments

Foreign currency risks can be hedged using forward foreign exchange contracts and currency options. Hedge accounting within the definition of IAS 39 is not applied.

Derivatives are initially recognized at fair value on the date a derivative contract is entered. Reviews are made with respect to the fair value. The resulting gains and losses are recognized directly in the income statement. The corresponding positive and negative fair values are recognized on the balance sheet as “Other receivables” and “Other current liabilities”, respectively.

Inventories

Raw materials, operating materials, purchased items, and trade 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.

Trade receivables

Trade receivables belong to the class of financial assets called “loans and receivables” and are stated at amortized cost, which is usually the original invoice value less an adjustment. The adjustment is made for the difference between the invoiced amount and the expected payment. The allowances are established based on maturity structure and identifiable solvency risks.

Cash and cash equivalents

Cash and cash equivalents include bank accounts and short-term time deposits with original maturities up to three months.

Financial debt

Financial debt is recognized initially at fair value, net of transaction costs incurred. Financial debt is subsequently 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.

Provisions

As a result of past events or legal or de facto obligations, provisions are made where it is probable that an outflow of resources will be required to settle an obligation and the amount can be reliably estimated. Provisions will be discounted if the impact is significant.

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 which is recognized directly in equity or in other comprehensive income. In this case, the current and deferred taxes are also recognized directly in equity or in other comprehensive income.

The expected tax charge is calculated and accrued on the basis of taxable income for the year.

Deferred taxes on differences in amounts reported for Group purposes and amounts determined for local tax purposes are calculated using the liability method; current local tax rates valid in the period when the asset is realized or the liability is settled are applied for this purpose. Deferred tax assets and liabilities are offset to the extent that this is permitted by law, insofar as any offset relates to the same taxable entity and is collected by the same taxation authority.

Temporary differences resulting from investments in group companies are not considered, if it is probable that these temporary differences will not reverse in future.

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

Pension funds

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 operate. Some of these are provided by independent pension funds. If there is no independent pension fund, the respective obligations are shown in the balance sheet under pension provisions. 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 according to the projected unit credit method and are usually appraised annually by independent actuaries. The discount rate used for the calculation is based on the returns of high quality corporate bonds with maturity dates the same as the obligations. Actuarial gains and losses in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation at the end of the previous reporting period are charged or credited to income over the employees' expected average remaining working lives. Pension costs relating to work performed in the reporting period are recognized in profit or loss. Pension costs relating to work performed in previous periods as a result of new or amended pension benefits are recognized as employee benefit costs on a straight-line basis until the time when entitlement to the benefits arises. The fair value of plan assets, actuarial gains and losses not yet recognized and past service costs not yet recognized are deducted or added respectively to the pension obligation. Any asset resulting from this calculation is only capitalized up to an amount not exceeding the sum of the actuarial unrecognized past service cost, unrecognized actuarial losses and benefits from future contribution reductions or refunds.

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

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. Share based payments that are settled with equity instruments are recognized directly in equity.

Revenue recognition

Sales resulting from business activities are disclosed as revenue. Autoneum recognizes revenue at the moment when the significant risks and rewards of ownership of the goods have passed to the customer. Revenues arising from services are recorded based on the stage of completion of the services. In net sales, credits, discounts, and rebates are already deducted.

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 financial costs are recognized in the income statement.

Future changes in accounting policies

The following new standards have been published by the International Accounting Standards Board (IASB) and will be implemented by January 1, 2013:

IFRS 10 "Consolidated Financial Statements"
IFRS 11 "Joint Arrangements"
IFRS 12 "Disclosure of Interests in other Entities"
IFRS 13 "Fair Value Measurement"
IAS 1 (revised) "Presentation of Financial Statements"
IAS 19 (revised) "Employee Benefits"

Autoneum expects, that the impact of these new and revised standards and interpretations will not have a material impact on earnings or on the financial status of the Group in 2013. An exception is the implementation of IAS 19 (revised) "Employee Benefits", which will be implemented retrospectively as of January 1, 2012.

The main changes in the revised IAS 19 affect as follows:

Autoneum has actuarial gains and losses resulting from periodic recalculations charged to the income statement on a straight line basis over the average remaining service period, to the extent that 10% of the higher of plan assets or defined benefit obligation are exceeded (corridor method). With the elimination of the corridor method, from January 1, 2013,

actuarial gains and losses are recognized directly in equity as other comprehensive income. Had Autoneum early adopted IAS 19 revised, the disclosed equity would have decreased (before deferred tax) by the actuarial gains and losses in the amount of 33.3 million CHF (December 31, 2011: 38.2 million CHF). Thus, a higher volatility in pension assets and obligations as well as in equity is expected.

The previous approach, assessing the expected return on plan assets based on an estimated return on assets is replaced by using the same discount rate that is used for calculating the present value of the defined benefit obligation. Costs resulting from the interest yield of the pension assets and liabilities will be disclosed in the financial result. So far these costs were included in employee expense. Due to this and due to the omission of amortisation of actuarial gains and losses it is expected, that EBIT as well as financial expense will marginally raise, but net profit will not be affected significantly.

The IASB has additionally published changes in IFRS 9 "Financial Instruments". The effective date for the first time application is set to 2015.

Autoneum is currently assessing the possible impact of this new standard, as well as the other new and revised standards and interpretations, that will be effective as of January 1, 2014 or later, and have not been early adopted by Autoneum. Based on an analysis, it is not expected that these changes will have a material impact on the result or the financial status of Autoneum.

2.1 Risk management process

Autoneum maintains an Internal Control System (ICS) 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 a material part of the risk management system.

The process of risk management is governed by the directive "Autoneum Risk Management System", which was adopted by the Board. The directive defines the main categories of risks, which serves as a basis of the risk management, and the bodies which deal within the group with the various risks. In addition, the policy defines the procedures for detecting, reporting, and managing risks, the criteria for qualitative and quantitative risk assessment as well as limits for reporting identified risks to the appropriate management levels.

The directive defines the following higher risk category: strategic risks, operational risks, financial risks, other risks (political, legal, organisational, environmental and work safety risks).

Besides the financial risks (refer to paragraph 2.2), the following risks within the higher risk categories are of focus by Autoneum:

- Strategic market and product risks: these risks result on the one hand from different markets, in which Autoneum is operating (local aspects, legal regularisations, degree of maturity of markets). On the other hand, the risks result from the dimension of the customers in relation to Autoneum, as well as from the technical and regulatory requirements on Autoneum products.
- Operational risks: these risks result from the technical development of orders until production, from the requirement of a cost efficient production, and the possibility of interruptions in production.
- Environmental and work safety risks

Market and business risks resulting from developments in the relevant markets and of the products offered therein are assessed as part of the strategic planning and the financial planning processes. On the other hand, these risks, as well as operational risks, were regularly reviewed at the monthly meetings within the Business Groups and with the CEO and the CFO of the Group. As a part of these meetings, other risks impacting actual performance against budget were also dealt with, in order to identify and implement corrective measures. Significant individual risks were included in the monthly reports to the attention of the CEO.

Risks resulting from acquisitions or other major projects are monitored at the corporate level within the framework of competencies and approvals for the respective project. Such projects are reviewed in the monthly meetings of the CEO and CFO with the Business Groups. Quarterly review reports were prepared for the attention of the Board of Directors.

Specific risks were addressed by periodic reports. Such reports cover environmental and work safety risks at the various sites, treasury risks, and risks from legal actions and legal compliance.

An aggregate review of all identified risks and of the instruments and measures to address these risks is performed on a semi-annual basis. The review results are summarized to the attention of the Board of Directors.

2.2 Financial risk management

Financial risk factors

As a result of its worldwide activities, Autoneum is exposed to various financial risks (fluctuations in exchange rates, interest rates, and stock market prices), credit risks, and liquidity risks. Autoneum's financial risk management has the aim 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 includes the use of derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out centrally for the Group, in accordance with the Board of Directors and the Executive Committee's adopted directives. Financial risks are identified primarily locally and evaluated centrally and are managed in close cooperation with the Group's operating units.

Foreign exchange risk

Foreign currency risks arise from investments in foreign subsidiaries (translation risk), and when future commercial transactions or recognized assets or liabilities are denominated in a currency other than the functional currency of the Company (transaction risk). For transaction risks which cannot be reduced through offsetting transactions in the same foreign currency (natural hedging), subsidiaries can use forward contracts and currency options, which are usually completed with the corporate headquarters and from the latter by trading with banks.

The majority of the business transacted in Autoneum's foreign subsidiaries is in local currency. Nevertheless, the Group is exposed to currency risks, mostly against the euro. Assuming that the euro against the Swiss franc as at December 31, 2012, would have been 5% stronger, and all other parameters remained the same, the net result after tax would have been 0.6 million CHF higher (2010: 0.9 million CHF). In the opposite case, the net result after tax would have been reduced to the same extent. This would mainly have been due to exchange gains/losses on trade accounts receivable and payable.

The companies' cash holdings with banks are denominated mostly in the relevant local currency. The currency risks of the cash positions in foreign currencies are reviewed periodically.

Interest rate risk

The interest risks of the Group relate to interest bearing assets and liabilities. Assets and liabilities with fluctuating interests result in cash flow risks, while fixed interest bearing assets and liabilities lead to a fair value interest risk. Autoneum maintains, in consideration of seasonal fluctuations, a balanced relation between fixed interest bearing financial liabilities and fluctuating interest bearing financial liabilities.

Cash flow sensitivity analysis: the Group analyzes the interest risk on a net basis. A 1% higher interest rate would have reduced the net result of the group by 2.2 million CHF (previous year: 1.9 million CHF).

No hedging of the interest rate was performed in the reporting period or in the prior period.

Price risk

Holding marketable securities exposes Autoneum to a risk of price fluctuation. Since Autoneum held no significant shares or options at the end of the reporting period, no sensitivity analysis of fair value risk is prepared.

Credit risk

Credit risks arise from deposits and financial derivatives held with financial institutions and from trade receivable accounts, other receivables and marketable securities and deposits. The maximum risk of these positions corresponds to the book values and can be found in the balance sheet or in the relevant notes. Significant relationships with financial institutions are basically only entered into with counterparties rated no lower than "A" (according to S&P). Autoneum maintains business relationships with all significant automotive manufacturers and, compared to the industry sector, has a geographically broad, diversified customer portfolio. Relevant risks of loss are assessed as being low based on historical data. No customer accounted for more than 14% (13% prior year) of Autoneum's sales.

Liquidity risk

The liquidity risk management of Autoneum includes the maintenance of sufficient reserves of cash and time deposits and the availability of funding through an adequate amount of credit lines. Due to the dynamic business environment in which the Group operates, it is the aim of the Group to ensure the financial stability and to maintain the necessary flexibility in funding by generating sufficient free cash flow and holding a reasonable amount of unused credit lines. To this end in April 2011 Autoneum completed a credit agreement for the medium- and long-term financing of Autoneum with a group of banks and with two shareholders, each with a subordinated loan agreement in the amount of 12.5 million CHF. Furthermore in December 2012 a bond in the amount of 125.0 million CHF with maturity as of December 14, 2017 was issued on the Swiss Stock Exchange.

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

Financial liabilities December 31, 2012	Carrying amount	Contractual cash flows			Total cash flow
		Within 1 year	In 1 to 5 years	In 5 or more years	
CHF million					
Subordinated shareholder loans	25.0	1.5	26.5	0.0	28.0
Bond	124.0	5.5	146.9	0.0	152.4
Bank debt	45.4	42.6	5.9	0.0	48.5
Finance leasing obligations	2.1	0.7	1.5	0.0	2.2
Other financial liabilities	2.0	2.1	0.0	0.0	2.1
Trade payables	244.9	244.9	0.0	0.0	244.9
Other liabilities	70.1	70.1	0.0	0.0	70.1
Total	513.5	367.4	180.8	0.0	548.2

Financial liabilities December 31, 2011	Carrying amount	Contractual cash flows			Total cash flow
		Within 1 year	In 1 to 5 years	In 5 or more years	
CHF million					
Subordinated shareholder loans	25.0	1.5	29.0	0.0	30.5
Bank debt	189.9	91.4	114.8	0.0	206.2
Finance leasing obligations	2.6	0.8	2.0	0.0	2.8
Other financial liabilities	12.3	1.1	4.8	15.7	21.6
Trade payables	254.1	254.1	0.0	0.0	254.1
Other liabilities	71.3	71.3	0.0	0.0	71.3
Total	555.2	420.2	150.6	15.7	586.5

Capital management

Autoneum Group maintains a healthy balance sheet with an adequate portion of equity, which is also aspired for the future, whereas the part of equity of the balance sheet shall not fall below 30% over a longer period. As of December 31, 2012, the share capital quota equalled to 31.5%.

For the next few years the dividend policy will depend of a number of factors, including net income and the financial situation of the Group, plus 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 of up to 30% of annual profits.

Dividends, if any, are expected to be declared and paid in Swiss francs. If possible, dividends are taken from the reserve from paid-in capital.

3 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 Executive Committee, the Board of Directors and the Chief Operating Decision Maker. The role of Chief Operating Decision Maker is taken by the CEO.

The reporting is based on the four following reportable segments (Business Groups): BG Europe, BG North America (the USA, Canada, and Mexico), BG Asia and BG SAMEA (South America, the Middle East, and Africa). These are not further divided into additional operating segments. In Corporate, besides inter-segment eliminations is Autoneum Holding Ltd and the corporate center with its respective legal entities and functions. Autoneum Group develops, produces, and sells components, modules and integrated systems in order to provide acoustic and thermal comfort in motor vehicles. Transactions between the Business Groups are made on the same basis as with independent third parties.

Segment information 2012

CHF million	Total Group	BG Europe	BG North America	BG Asia	BG SAMEA	Corporate ¹
Third party net sales	1 907.7	872.9	794.0	99.1	139.3	2.4
Inter-segment net sales	0.0	7.9	0.0	0.3	0.7	-8.9
Net sales	1 907.7	880.8	794.0	99.4	140.0	-6.5
EBITDA	144.6	35.8	84.1	15.4	5.8	3.5
Depreciation and amortization of tangible and intangible assets	-69.1	-34.4	-24.0	-6.6	-3.0	-1.1
EBIT	75.5	1.4	60.1	8.8	2.8	2.4
Assets	959.9	519.8	341.0	91.6	69.3	-61.8 ²
Liabilities	657.2	478.5	178.4	41.2	51.8	-92.7 ²
Capital expenditures on tangible and intangible assets	75.3	27.9	28.2	7.5	8.6	3.1
Number of employees	9 820	4 202	3 196	1 000	1 271	151 ³

Segment information 2011

CHF million	Total Group	BG Europe	BG North America	BG Asia	BG SAMEA	Corporate ¹
Third party net sales	1 682.4	876.1	571.3	91.8	140.6	2.6
Inter-segment net sales	0.0	11.9	0.0	0.0	0.0	-11.9
Net sales	1 682.4	888.0	571.3	91.8	140.6	-9.3
EBITDA	104.2	24.8	52.7	11.2	10.5	5.0
Depreciation and amortization of tangible and intangible assets	-69.3	-37.0	-22.8	-5.4	-3.3	-0.8
EBIT	34.9	-12.2	29.9	5.8	7.2	4.2
Assets	996.4	562.1	342.2	95.4	67.7	-71.0 ²
Liabilities	709.4	521.4	214.1	57.0	61.2	-144.3 ²
Capital expenditures on tangible and intangible assets	75.3	33.2	26.7	10.8	3.5	1.1
Number of employees	9 435	4 202	2 814	1 054	1 216	149 ³

1. The column Corporate contains besides the values from the segment corporate the eliminations between the segments.

2. The Business Groups contain total assets and total liabilities as well as intercompany eliminations, whereas the segment Corporate additionally contains effects from consolidation.

The prior year figures are adjusted, because operating assets and operating liabilities were disclosed in the prior year.

3. Excluding apprentices and temporary employees.

Net sales and non-current assets by country

CHF million	Net sales 2012 ¹	Net sales 2011 ¹	Non-current assets 2012 ²	Non-current assets 2011 ²
Switzerland (domicile of Autoneum Holding Ltd)	0.0	4.5	35.4	31.6
Foreign countries	1 907.7	1 677.9	349.5	350.7
Total Group	1 907.7	1 682.4	384.9	382.3
The following countries accounted for more than 10% of net sales or non-current assets:				
USA	589.3	404.6	110.3	108.4
Germany	230.7	198.7	6.8	8.4
France	131.1	130.5	40.1	42.2

1. By location of customers.
2. Tangible fixed assets and intangible assets.

Net sales to major customers

CHF million	Sales 2012	Sales 2011
The following customers accounted for more than 10% of annual net sales:		
Ford	258.8	196.2
BMW	212.5	172.3

In the prior period, Renault and Nissan were due to their strategic partnership combined for the disclosure of net sales (217.8 million CHF) and treated as one customer. Because Autoneum manages both automobile manufacturers in general separately, and because of their legal and economic independency, the disclosure of the combined net sales has been omitted.

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

4 Changes in net sales compared to the previous year

CHF million	2012	2011
Change in net sales due to volume and price, BG Europe	7.2	89.0
Change in net sales due to volume and price, BG North America	185.9	130.1
Change in net sales due to volume and price, BG Asia	2.5	27.7
Change in net sales due to volume and price, BG SAMEA	10.6	15.5
Impact from changes in the scope of consolidation	0.0	- 10.1
Currency effects	19.1	- 247.3
Total changes in net sales	225.3	4.9

5 Employee costs

CHF million	2012	2011
Wages and salaries	411.3	392.4
Social security and other personnel expenses	108.5	74.3
Total	519.8	466.7

Autoneum started a long term incentive plan (LTI) for the upper management in 2012. Shares granted in 2012 to those entitled will vest in spring 2015, if the entitled are still with an Autoneum entity at this point in time. Otherwise, the respective allocations will expire.

Employee costs resulting from share based compensation is recognized over the vesting period. A proportionate share of cost of 0.1 million CHF was recognized in 2012.

6 Other operating expenses

Other operating expenses include mainly maintenance and energy costs and expenses for operating leases (see note 28).

7 Depreciation and amortization

CHF million	2012	2011
Tangible fixed assets	68.8	69.3
Intangible assets	0.3	0.0
Total	69.1	69.3

8 Financial income

CHF million	2012	2011
Interest income – Rieter Group	0.0	0.1
Interest income – third	0.6	1.3
Total interest income	0.6	1.4
Other financial income	0.5	0.6
Total financial income	1.1	2.0

9 Financial expenses

CHF million	2012	2011
Interest cost – Rieter Group	0.0	4.5
Interest cost – third	19.9	15.8
Total interest cost	19.9	20.3
Foreign exchange differences, net	1.7	4.0
Other financial expenses	1.0	0.0
Total financial expenses	22.6	24.3

10 Income taxes

CHF million	2012	2011
Current income tax expense	27.8	16.0
Deferred income tax expense	-2.5	-5.7
Total	25.3	10.3

Reconciliation of expected and actual tax expenses:

CHF million	2012	2011
Expected tax expenses on pre tax results of 54.0 million CHF (12.6 million CHF in 2011) at an average rate of 27.7% (27.8% in 2011)	15.0	3.5
Impact of non tax-deductible income/expenses	-3.4	-2.1
Impact of tax losses for which no deferred income tax assets were recognized	14.6	14.3
Impact of utilisation of previously unrecognized tax loss carry-forwards	-0.6	-3.8
Other effects	-0.3	-1.6
Total	25.3	10.3

The change in the expected average tax rate is due to the different geographic composition of earnings before tax.

Deferred income taxes

Deferred tax assets and liabilities result from the following balance sheet items:

CHF million	Deferred tax assets 2012	Deferred tax liabilities 2012	Deferred tax assets 2011	Deferred tax liabilities 2011
Tangible fixed assets	26.2	-5.3	29.1	-6.6
Inventories	2.7	-0.6	1.8	-0.9
Other assets	8.8	-2.8	9.5	-5.0
Provisions	2.5	-1.7	4.9	-1.4
Other liabilities	4.7	-0.5	4.7	-3.3
Valuation adjustments on deferred tax assets	-35.9		-38.7	
Tax assets from tax loss carry-forwards and other tax receivables	7.0		8.5	
Total	16.0	-10.9	19.8	-17.2
Offsetting	-5.1	5.1	-9.4	9.4
Deferred tax assets / liabilities	10.9	-5.8	10.4	-7.8

Capitalized and non-capitalized tax assets resulting from tax loss carry-forwards and other tax receivables, shown by year of expiry:

CHF million	Capitalized 2012	Non capitalized 2012	Total 2012	Total 2011
Expiry in 1 to 3 years	0.8	8.7	9.5	5.7
3 to 7 years	2.2	20.9	23.1	30.2
7 or more years	4.0	151.3	155.3	132.1
Total	7.0	180.9	187.9	168.0

The unused tax losses for which no deferred tax assets have been recognized originate primarily from countries with a tax rate between 22% and 40%.

11 Research and development

In 2012, 66.4 million CHF was spent on research and development (58.2 million CHF prior year).

Autoneum Group invests in new production techniques and materials to improve product quality and thereby allow customers cost savings and product improvements (acoustic and thermal insulation). The focus in 2012 and 2011 was the development of acoustic solutions, underbody components, and carpets for new models and customer specific requests from automobile manufacturers in Europe, America, and Asia.

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. Although for all major development projects in 2012 and 2011 this was the case, and the intention and ability to complete the projects was confirmed by the management, no development costs could be capitalized as intangible assets during the reporting year as in the previous year. IAS 38 paragraph 57d requires proof of future economic benefits, which due to rapid technological changes, could not be sufficiently supported.

12 Tangible fixed assets

CHF million	Land and buildings	Machinery and tools	Data processing equipment	Vehicles and furniture	Tangibles under construction	Total tangible fixed assets
Net book value at January 1, 2011	117.5	209.5	1.9	2.7	56.8	388.4
Reclassification	9.4	45.5	0.6	-0.1	-55.4	0.0
Additions	2.4	14.6	1.2	0.4	56.3	74.9
Other disposals	-0.6	-0.5	0.0	0.0	0.0	-1.1
Depreciation	-8.8	-58.4	-1.1	-1.0	0.0	-69.3
Currency effects	-4.4	-5.6	-0.1	-0.1	-0.8	-11.0
Net book value at December 31, 2011	115.5	205.1	2.5	1.9	56.9	381.9
Cost at December 31, 2011	246.5	958.0	21.9	19.3	56.9	1 302.6
Accumulated depreciation at December 31, 2011	-131.0	-752.9	-19.4	-17.4	0.0	-920.7
Net book value at December 31, 2011	115.5	205.1	2.5	1.9	56.9	381.9
Reclassification	2.5	49.1	0.2	0.6	-52.4	0.0
Additions	2.4	17.3	1.0	1.2	50.7	72.6
Other disposals	-0.1	0.0	0.0	-0.1	-0.1	-0.3
Depreciation	-9.3	-57.5	-1.3	-0.7	0.0	-68.8
Currency effects	-0.3	-2.2	0.0	-0.1	-0.7	-3.3
Net book value at December 31, 2012	110.7	211.8	2.4	2.8	54.4	382.1
Cost at December 31, 2012	249.8	995.7	22.6	18.4	54.4	1 340.9
Accumulated depreciation at December 31, 2012	-139.1	-783.9	-20.2	-15.6	0.0	-958.8
Net book value at December 31, 2012	110.7	211.8	2.4	2.8	54.4	382.1

The book value of the tangible fixed assets financed by long-term leasing contracts is 1.3 million CHF (prior year: 2.4 million CHF). At December 31, 2011, land and buildings with a net book value of 15.3 million CHF were used as collateral for credit facilities with financing banks. With the modification of financing in 2012, the banks released these collaterals. In both the reporting year and the prior year no borrowing costs were capitalized.

13 Intangible assets

CHF million	2012	2011
Net book value at January 1	0.4	0.0
Additions	2.7	0.4
Amortization	-0.3	0.0
Currency effects	0.0	0.0
Net book value at December 31	2.8	0.4
Cost at December 31	4.4	1.7
Accumulated amortization at December 31	-1.6	-1.3
Net book value at December 31	2.8	0.4

The additions comprise investments in software.

14 Other non-current assets

CHF million	2012	2011
Investments in non-consolidated companies	8.7	8.5
Long-term interest-bearing receivables	0.6	0.0
Pension assets	9.6	11.2
Other non-current receivables	27.7	17.8
Total	46.6	37.5

15 Inventories

CHF million	2012	2011
Raw materials and consumables	45.9	42.5
Purchased parts and goods for resale	2.6	1.8
Semi-finished and finished goods	34.7	33.4
Work in progress	33.2	56.4
Allowance	-4.2	-4.0
Total	112.2	130.1

16 Trade receivables

CHF million	2012	2011
Trade receivables	261.7	301.9
Allowance for doubtful receivables	-5.0	-4.8
Total	256.7	297.1

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

CHF million	2012	2011
Allowance for doubtful receivables at January 1	-4.8	-5.1
Increase charged to income statement	-3.1	-2.2
Utilization or reversal	2.8	2.4
Currency effects	0.1	0.1
Allowance for doubtful receivables at December 31	-5.0	-4.8

The collectability of receivables is monitored. An allowance for doubtful receivables is recorded, which is calculated from the difference between the invoiced amount and the expected payment.

Trade receivables include amounts denominated in the following major currencies:

CHF million	2012	2011
CHF	1.6	3.2
EUR	135.4	176.9
USD	66.0	52.6
GBP	4.8	10.4
Other	48.9	54.0
Total	256.7	297.1

The following table sets forth the aging of trade accounts receivable, showing amounts that are not yet due as well as an analysis of overdue amounts:

CHF million	2012	2011
Not due	239.6	278.4
Past due less than 3 months	16.9	18.1
Past due 3 to 6 months	2.0	2.2
Past due 6 months to 1 year	0.6	1.9
Past due 1 to 5 years	2.6	1.3
Past due 5 and more years	0.0	0.0
Trade receivables	261.7	301.9
Allowance for doubtful receivables	-5.0	-4.8
Total	256.7	297.1

At December 31, 2012, trade receivables with a book value of 3.8 million CHF (prior year: 6.2 million CHF) were used as collateral for credit facilities with financing banks. In addition, trade receivables with a book value of 12.9 million CHF were sold to third parties based on factoring agreements. No material risks remain at Autoneum.

17 Other receivables

CHF million	2012	2011
Prepaid expenses and deferred charges	16.7	14.9
Other short-term receivables	44.6	41.8
Fair value of derivative financial instruments	0.0	0.3
Total	61.3	57.0

18 Marketable securities and time deposits

CHF million	2012	2011
Securities held for trading	0.0	1.7
Time deposits with original maturities between 3 and 12 months	0.2	7.3
Total	0.2	9.0

19 Cash and cash equivalents

CHF million	2012	2011
Cash and banks	61.2	51.2
Time deposit with original maturities up to 3 months	14.1	13.7
Total	75.3	64.9

20 Shareholders' equity

Before the separation, the equity of Autoneum Holding Ltd was increased by 55.0 million CHF (non-cash movement), as a result of Rieter Holding Ltd waiving a loan of the same value.

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 0.05 CHF per share. The share capital amounts to 233 618 CHF and is as follows:

		2012	2011
Shares outstanding	Number of shares	4 669 913	4 652 363
Own shares	Number of shares	2 450	20 000
Shares issued	Number of shares	4 672 363	4 672 363
Nominal value per share	CHF	0.05	0.05
Share capital	CHF	233 618	233 618

The Board is authorized to increase the share capital in the context of authorized capital. For the issuance of bonds and/or grant of shareholder options and respectively issuing shares to employees of the Company and its subsidiaries, the share capital may be increased in terms of conditional capital (see Autoneum Holding Ltd, note 6).

21 Non-controlling interests

The most significant non-controlling interests are in Autoneum Nittoku (Guangzhou) Sound-Proof Co. Ltd. (China), Tianjin Autoneum Nittoku Sound-Proof Co. Ltd. (China), Autoneum Erkurt Otomotive AS (Turkey), and UGN Inc. (USA).

22 Financial debt

CHF million	Duration less than 1 year	Duration 1 to 5 years	Duration 5 and more years	Total
Bond	0.0	124.0	0.0	124.0
Bank debt	39.9	5.5	0.0	45.4
Subordinated shareholder loans	0.0	25.0	0.0	25.0
Finance lease obligations	0.7	1.4	0.0	2.1
Other financial debt	2.0	0.0	0.0	2.0
Total 2012	42.6	155.9	0.0	198.5
Total 2011	83.1	136.6	10.1	229.8

On December 14, 2012, Autoneum Holding Ltd issued a fixed rate bond with a nominal value of 125.0 million CHF, which is traded on the SIX Swiss Exchange. The bond carries a coupon rate of 4.375%, and has a term of five years with a final maturity on December 14, 2017. The proceeds from the bond issue were used to repay existing bank debt and allowed Autoneum to diversify its financial resources, to extend the maturity of the financing and take advantage of the favorable capital environment. On December 31, 2012, the market value of the bond is 126.0 million CHF.

At the same time as the bond issue, the long-term credit agreement of 285.0 million CHF, which was finalized on April 12, 2011 between Autoneum Holding Ltd and certain of its subsidiaries with a syndicate of banks in connection with the separation, has been amended in various ways: among other things, the credit agreement is modified to 130.0 million CHF and consists of a line of credit, which is also sometimes used as a guarantee facility. Moreover, recent sureties (mortgages on properties in Switzerland and Germany, the deposit of shares of individual subsidiaries, assignment of claims of Autoneum Holding Ltd from intercompany loans, and guarantees of individual subsidiaries) of the lending banks were released in full. The final maturity of the credit agreement is unchanged until December 31, 2014 and the interest rate remains based on the Libor rate plus an applicable margin, which is measured by the ratio of gross debt to EBITDA.

The maintenance of the credit agreement is dependent on complying with minimum financial requirements, regarding, among other things equity, debt, and other financial ratios (financial covenants). Compliance was checked half-yearly in 2011 and from 2012 onwards quarterly and reported to the banking syndicate. In fiscal years 2011 and 2012, the minimum financial requirements were met at all times.

Also in connection with the separation on May 13, 2011, two shareholders of Autoneum Holding Ltd have provided subordinated shareholder loans. These are described in note 27.

In addition to the aforementioned loan, the long-term credit agreement and the subordinated shareholder loans, local credit limits and borrowing exist in several countries with individual, customary market conditions.

The financial debt is denominated in the following currencies:

CHF million	2012	2011
CHF	149.3	131.0
EUR	21.8	27.6
USD	10.7	27.2
Other	16.7	44.0
Total	198.5	229.8

23 Provisions

CHF million	Guarantee and warranty provisions	Environment provisions	Pension provisions	Restructuring provisions	Other provisions	Total provisions
Provisions at December 31, 2011	4.7	9.9	17.3	16.3	29.6	77.8
Reclassification	-0.5	0.0	-0.2	0.0	-0.8	-1.5
Utilization	-1.9	-0.2	-2.5	-6.2	-5.0	-15.8
Release	-0.1	0.0	0.0	0.0	-2.7	-2.8
Additions	7.5	0.0	0.6	0.0	11.3	19.4
Currency effects	-0.1	0.0	0.0	0.0	-0.8	-0.9
Provisions at December 31, 2012	9.6	9.7	15.2	10.1	31.6	76.2
Thereof non-current	4.8	9.7	15.2	0.0	25.9	55.6
Thereof current	4.8	0.0	0.0	10.1	5.7	20.6

Guarantee and warranty provisions are related to the production and supply of goods or services and are based on experience. The increase 2012 is particularly based on single events and the respective claims for indemnification. The long-term guarantee and warranty provisions of 4.8 million CHF are expected to be used over a period of one to two years on average.

Environmental provisions contain the estimated costs for the clean-up of contaminated sites due to past industrial operations as well as to a small extent the costs for the ongoing surveillance of less affected sites. The majority of provisions stems from legal entities within Business Group Europe. The majority of the long-term environmental provisions are expected to be used over the next two to three years.

Pension provisions include liabilities related to defined benefit pension plans (see note 26) and other long-term employee benefits (December 31, 2012: 1.6 million CHF).

Restructuring provisions comprise the remaining legal and factual liabilities from the ongoing restructuring program. In connection with this program, a total of twelve business units or plants were closed or sold. During the reporting period further 6.2 million CHF was used mainly in Western Europe for structural and capacity adjustments. The remaining restructuring provisions of 10.1 million CHF substantially relate to the remaining restructuring activities for one subsidiary in Western Europe.

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. This category includes provisions for expected costs resulting from investigations and proceedings of government agencies that are conducted to enforce the abidance by the law, which were more common in the previous years, as well as court cases. This category also includes provisions for actions brought by workers who claim damages from a health or accident-related claim. The majority of the other long-term provisions are expected to be used within the next two to three years.

24 Other current liabilities

CHF million	2012	2011
Accrued holidays	14.2	11.2
Other accrued expenses	29.1	29.2
Other short-term liabilities	41.0	42.1
Total	84.3	82.5

25 Financial instruments

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

CHF million	2012	2011
Securities held for trading ¹	0.0	1.7
Fair value of derivative financial instruments ²	0.0	0.3
Total financial assets at fair value through profit or loss	0.0	2.0
Cash	61.2	51.2
Time deposits with original maturities up to 3 months	14.1	13.7
Time deposits with original maturities between 3 and 12 months	0.2	7.3
Trade receivables	256.7	297.1
Other short-term receivables	61.3	56.7
Long-term interest-bearing receivables	0.6	0.0
Other long-term receivables	27.7	17.8
Total loans and receivables	421.8	443.8
Investments in non-consolidated companies ¹	7.7	7.4
Total available-for-sale financial assets	7.7	7.4
Total financial assets and derivatives	429.5	453.2

CHF million	2012	2011
Long-term financial debt	155.9	146.7
Other non-current liabilities	0.5	0.6
Short-term financial debt	42.6	83.1
Trade payables	244.9	254.1
Other current financial liabilities	70.1	71.3
Total financial liabilities at amortized cost	514.0	555.8
Fair value of derivative financial instruments ²	0.0	0.0
Total financial debt and derivatives	514.0	555.8

1. Measured at fair values which are based on quoted prices in active markets (level 1 according to IFRS 7.27a).

2. Measured at fair values which are calculated based on observable market data (level 2 according to IFRS 7.27a).

The long-term financial debt comprise the bond with a net book value of 124.0 million CHF and a fair value of 126.0 million CHF (see note 22). The book value of other financial instruments correspond to the fair value.

26 Pension plans

The cost for pensions are charged to employee costs and for the current reporting year totalled 12.8 million CHF (prior year: 9.8 million CHF).

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

Due to the separation in 2011, also the defined benefit liabilities as well as the plan assets had to be separated and the defined benefit expense were reassessed. The corresponding figures were disclosed in 2011 as an increase in the defined benefit plans and included in pension costs.

Defined contribution plans

The expenses for defined contribution plans totalled to 4.2 million CHF in the current reporting year (prior year: 3.8 million CHF).

Defined benefit plans

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

CHF million	2012	2011
Actuarial present value of defined benefit obligation		
• Unfunded plans	- 10.5	- 11.4
• Funded plans	- 172.5	- 162.1
Defined benefit obligation at December 31	- 183.0	- 173.5
Fair value of plan assets	145.7	134.0
Deficit at December 31	- 37.3	- 39.5
Unrecognized actuarial gains or losses	33.3	38.2
Net liability at December 31	- 4.0	- 1.3
Recognized in the balance sheet		
• as pension assets (within other non-current assets)	9.6	11.2
• as pension provisions (within provisions)	- 13.6	- 12.5

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

CHF million	2012	2011
Defined benefit obligation at January 1	173.5	112.4
Increase due to separation	0.0	45.6
Plan amendment	0.9	0.0
Current service cost	5.8	4.7
Interest cost	5.8	5.7
Employee contributions	3.3	2.8
Actuarial gains or losses	4.8	8.7
Benefits paid	- 10.0	- 6.1
Currency effects	- 1.1	- 0.3
Defined benefit obligation at December 31	183.0	173.5

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

CHF million	2012	2011
Fair value of plan assets at January 1	134.0	80.9
Addition due to separation	0.0	46.7
Expected return on plan assets	6.6	6.0
Actuarial gains or losses	4.9	- 4.8
Employer contributions	7.6	8.7
Employee contributions	3.3	2.8
Benefits paid	- 10.0	- 6.1
Currency effects	- 0.7	- 0.2
Fair value of plan assets at December 31	145.7	134.0

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

in %	2012	2011
Equity	46	41
Debt	27	31
Real estate	14	11
Other	13	17

Pension costs of defined benefit plans:

CHF million	2012	2011
Current service cost	5.8	4.7
Interest cost	5.8	5.7
Expected return on plan assets	-6.6	-6.0
Recognized actuarial gains or losses	2.7	1.6
Past service cost	0.9	0.0
Pension costs of defined benefit plans	8.6	6.0

The expected contributions for the Group's defined benefit pension plans amount to 7.6 million CHF for 2013 (prior year 6.3 million CHF). During the year the actual return on plan assets amounted to 11.5 million CHF (prior year 1.2 million CHF).

Actuarial assumptions

Weighted average in %	2012	2011
Discount rate	3.0	3.2
Expected return on plan assets	5.1	4.8
Expected future wage growth	0.2	0.5
Expected future pension growth	0.1	0.3

Additional disclosure

CHF million	2012	2011	2010	2009	2008
Defined benefit obligation	-183.0	-173.5	-112.4	-113.5	-103.9
Plan assets	145.7	134.0	80.9	78.9	67.6
Deficit	-37.3	-39.5	-31.5	-34.6	-36.3
Experience adjustment on plan liabilities	-0.3	1.5	-2.5	0.7	1.5
Experience adjustment on plan assets	4.9	-4.8	0.5	6.3	-18.4

27 Related parties

Related parties are members of the Board of Directors and the Executive Board, pension funds, associated companies as well as companies controlled by significant shareholders. Until the separation on May 13, 2011 Autoneum Group was owned by Rieter Group. Consequently, transactions with Rieter Group, which took place before the separation, are reported as transactions with related parties. The compensation paid to former members of the Board of Directors and the Group Executive Board of the former Automotive Systems division were up to the date of the separation paid in the form of management fees to Rieter Group.

The following transactions were carried out with related parties:

CHF million	2012	2011
Management and trademark fees paid to Rieter Group ¹	0.0	3.4
Interest received from Rieter Group ²	0.0	0.1
Interest paid to Rieter Group ³	0.0	4.5
Interest paid to shareholders on shareholder loans	1.5	1.0

1. Included in other operating expenses.

2. Included in financial income.

3. Included in financial expenses; in 2011 short- and long-term debt from Rieter Group bore interest at rates between 2% and 12% and were not secured.

Since the separation in May 2011, total compensation to the Board of Directors and to the Group Executive Board was as follows:

CHF million	2012	2011
Cash compensation	3.8	2.4
Share based compensation	1.4	0.0
Employee benefit contributions	0.2	0.2
Social security	0.2	0.2

The remuneration report and the compensation of the Board of Directors and the Group Executive Board in compliance with Swiss law are disclosed in the financial statements of Autoneum Holding Ltd on pages 94 to 98.

Members of the Group Executive Board can postpone payment of a part of their cash compensation and can deposit this part as a receivable due from Autoneum Management Ltd. The interest rate of these deposits is in line with market conditions.

In 2011, two shareholders who are members of the Board of Directors of Autoneum Holding Ltd, each granted a subordinated loan of 12.5 million CHF. The interest rate on these loans is 6% per annum. The loans are due after written notification of the creditors of the company, but not before the credit facilities of the bank syndicate are fully repaid. They rank after the claims of any unsubordinated creditors of the company and certain of its subsidiaries, and prior to the claims of other subordinated creditors with no fixed maturity.

Year-end balances were as follows:

CHF million	2012	2011
Payables due to employees	1.9	2.1
Subordinated shareholder loans	25.0	25.0

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 as follows:

CHF million	2012	2011
Up to 1 year	22.9	13.8
1 to 5 years	45.7	24.3
5 and more years	13.4	5.1
Total	82.0	43.2

In the reporting period, 31.2 million CHF was charged to the income statement under operating leases (prior year 28.5 million CHF). At year end, open commitments for large investments summed up to 4.3 million CHF.

29 Contingent liabilities

There are no contingent liabilities known, which could have a material effect on the financial situation of the Autoneum Group, which go beyond the provisions made in the balance sheet (see note 23).

30 Cash flow

CHF million	2012	2011
Net profit	28.7	2.3
Depreciation and amortization of tangible and intangible assets	69.1	69.3
Other non-cash income and expenses	-2.6	1.3
Cash flow	95.2	72.9
Change in non-current provisions	-0.8	-22.9
Net cash flow	94.4	50.0
Change in net working capital and in non-current operating receivables	20.5	-14.4
Capital expenditure on tangible and intangible assets, net	-75.0	-74.2
Investments in non-current assets, net	-0.6	-0.5
Change in holdings of marketable securities	8.8	-7.8
Free cash flow	48.1	-46.9

31 Net debt

On December 31, net debt was as follows:

CHF million	2012	2011
Cash and cash equivalents	75.3	64.9
Marketable securities and time deposits	0.2	9.0
Short-term financial receivables	0.0	1.1
Short-term financial debt	-42.6	-83.1
Long-term financial debt	-130.9	-121.7
Subordinated shareholder loans	-25.0	-25.0
Net debt	-123.0	-154.8

32 Exchange rates for currency translation

		Average annual rates		Year-end rates	
		2012	2011	2012	2011
1 CHF					
Argentina	1 ARS	0.20	0.21	0.19	0.22
Brazil	1 BRL	0.48	0.53	0.45	0.50
Canada	1 CAD	0.93	0.90	0.92	0.92
China	100 CNY	14.79	13.71	14.68	14.90
Czech Republic	100 CZK	4.79	5.02	4.80	4.71
Euro countries	1 EUR	1.20	1.23	1.21	1.22
Great Britain	1 GBP	1.48	1.42	1.48	1.46
India	100 INR	1.75	1.91	1.66	1.77
Poland	100 PLN	28.91	30.04	29.63	27.27
USA	1 USD	0.93	0.89	0.92	0.94

33 Events after balance sheet date

There were no events between December 31, 2012 and March 19, 2013 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.

34 Approval for publication of the consolidated financial statements

The consolidated financial statements were approved for publication by the Board of Directors on March 19, 2013. They are subject to approval by the Annual General Meeting of shareholders.

Subsidiaries and associated companies

			Capital in million	Group interest Capital and voting rights	Research & development	Sales/trading	Production	Services/financing
Switzerland	Autoneum Holding AG, Winterthur	CHF	0.2	100%				•
	Autoneum Switzerland AG, Sevelen	CHF	0.3	100%	•		•	
	Autoneum Management AG, Winterthur	CHF	1.3	100%	•			•
	Autoneum International AG, Winterthur	CHF	5.0	100%				•
Argentina	Autoneum Argentina S.A., Córdoba	ARS	38.2	100%		•	•	
Belgium	Autoneum Belgium NV, Genk	EUR	8.0	100%		•	•	
Brazil	Autoneum Brasil Têxteis Acústicos Ltda., São Bernardo do Campo	BRL	109.9	100%	•	•	•	
China	Autoneum (Chongqing) Sound-Proof Parts Co. Ltd., Chongqing	CHF	7.6	100%		•	•	
	Autoneum (Shenyang) Sound-Proof Parts Co. Ltd., Shenyang	EUR	6.0	100%		•	•	
	Autoneum Nittoku (Guangzhou) Sound-Proof Co. Ltd., Guangzhou	USD	9.3	51%		•	•	
	Tianjin Autoneum Nittoku Sound-Proof Co. Ltd., Tianjin	USD	5.7	51%		•	•	
Germany	Autoneum Germany GmbH, Rossdorf	EUR	11.2	100%		•	•	
France	Autoneum Holding France SASU, Aubergenville	EUR	0.1	100%				•
	Autoneum France SASU, Aubergenville	EUR	8.0	100%	•	•	•	
United Kingdom	Autoneum Great Britain Ltd., Stoke-on-Trent	GBP	41.8	100%		•	•	
India	Autoneum India Pvt. Ltd., New Delhi	INR	293.6	100%		•	•	
	Autoneum Nittoku Sound Proof Products India Pvt. Ltd., Chennai	INR	220.0	51%		•	•	
Italy	Autoneum Italy S.p.A., Turin	EUR	8.4	100%	•	•	•	
Canada	Autoneum Canada Ltd., Tillsonburg	CAD	5.9	100%			•	
Korea	SHN CO., Ltd., Daegu	KRW	2 640.0	49%		•	•	
Mexico	Autoneum Mexico, S. de R.L. C.V., Hermosillo	MXN	0.0	100%		•	•	
Netherlands	Autoneum Netherland B.V., Weert	EUR	2.0	100%				•
Poland	Autoneum Poland Sp.z.o.o., Katowice	PLN	20.8	100%	•		•	
Portugal	Autoneum Portugal Lda., Setúbal	EUR	1.2	86%			•	
Russia	Autoneum Rus LLC, Ryazan	RUB	0.8	100%		•	•	
Spain	Autoneum Spain S.A.U., Terrassa	EUR	10.8	100%		•	•	
	Autoneum Spain Northwest S.L.U., A Rúa	EUR	4.9	100%			•	
South Africa	Autoneum Feltex (Pty) Ltd., Durban	ZAR	11.1	51%		•	•	
Thailand	SRN Sound Proof Co., Ltd., Chonburi	THB	100.0	30%		•	•	
Czech Republic	Autoneum CZ s.r.o., Choceň	CZK	206.2	100%	•	•	•	
Turkey	Autoneum Erkurt Otomotive Yan Sanayi ve Ticaret AS, Bursa	TRY	2.4	51%	•	•	•	
USA	Autoneum America Corporation, Farmington Hills	USD	0.1	100%				•
	Autoneum North America Inc., Farmington Hills	USD	0.1	100%	•	•	•	
	UGN Inc., Tinley Park	USD	1.0	50%	•	•	•	



**Report of the statutory auditor on the consolidated financial statements
to the General Meeting of Shareholders of Autoneum Holding Ltd, Winterthur**

As statutory auditor, we have audited the consolidated financial statements of Autoneum Holding Ltd, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement, and notes on pages 50 to 85 for the year ended December 31, 2012.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing, and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2012 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and 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 19, 2013

Income statement of Autoneum Holding Ltd

For the period from January 1 to December 31

CHF million	Notes	2012	2011
Income			
Income from investments		5.6	10.7
Licence income		5.5	0.0
Financial income	(2)	16.9	16.2
Other income		1.5	0.0
Total income		29.5	26.9
Expenses			
Financial expenses	(3)	16.4	11.3
Administration expenses		4.9	1.4
Total expenses		21.3	12.7
Net profit		8.2	14.2

Balance sheet of Autoneum Holding Ltd

At December 31, before appropriation of profit

CHF million	Notes	2012	2011
Assets			
Investments in subsidiaries	(4)	218.8	183.4
Loans due from subsidiaries		330.4	327.1
Non-current assets		549.2	510.5
Accruals and prepayments		1.9	0.5
Receivables due from subsidiaries		109.0	113.3
Own shares	(5)	0.1	1.0
Liquid funds		12.6	4.3
Current assets		123.6	119.1
Total assets		672.8	629.6
Shareholders' equity and liabilities			
Share capital	(6)	0.2	0.2
Legal reserves			
• General reserve		294.7	293.8
• Reserve for own shares	(6)	0.1	1.0
• Reserve from paid-in capital	(6)	85.0	85.0
Retained earnings			
• Balance brought forward		6.1	-8.1
• Net profit		8.2	14.2
Shareholders' equity		394.3	386.1
Subordinated shareholder loans	(7)	25.0	25.0
Bond	(8)	124.0	0.0
Liabilities due to banks	(9)	0.0	96.0
Provisions		46.0	46.0
Non-current liabilities		195.0	167.0
Liabilities due to banks	(9)	0.0	10.0
Liabilities due to subsidiaries		81.3	64.2
Accruals		2.2	2.3
Current liabilities		83.5	76.5
Liabilities		278.5	243.5
Total shareholders' equity and liabilities		672.8	629.6

Notes to the financial statements of Autoneum Holding Ltd

1 Founding of the Company

On December 2, 2010 Autoneum Holding Ltd (formerly Unikeller Holding AG), a Swiss corporation headquartered in Winterthur, was established. With the separation from Rieter on May 13, 2011 through the listing of Autoneum Holding Ltd on the SIX Swiss Exchange the Company became independent.

2 Financial income

Financial income comprises primarily of interest income from loans and receivables due from Group companies.

3 Financial expenses

Financial expenses comprise primarily of interest expenses from bank loans, subordinated shareholder loans, and liabilities due to Group companies.

4 Investments

Autoneum Holding Ltd recapitalized subsidiaries by converting loans into equity in 2012 and 2011. Participation levels were increased accordingly. The subsidiaries are listed on page 85. They are owned directly or indirectly by Autoneum Holding Ltd.

5 Own shares

At December 31, 2012 the Company held 2 450 shares (2011: 20 000) that were purchased in the years 2012 and 2011 at an average market price of 49.49 CHF per share. In 2012 the Company transferred 19 495 share (2011: 0) to members of the Board of Directors at an average share price of 42.41 CHF. The own shares were valued at the lower of cost or market value. At December 31, 2011 the shares were valued at market value of 44.35 CHF per share.

6 Equity

Share capital

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

Authorized share capital

The Board of Directors is authorized to increase the share capital by a maximum of 47 500 CHF by issuing 950 000 paid registered shares each with a par value of 0.05 CHF until March 22, 2013.

Conditional share capital

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

Reserve from paid-in capital

Prior to the separation, the equity of Autoneum Holding Ltd was increased by 55.0 million CHF (non-cash movement) by Rieter Holding Ltd who issued a waiver for a loan in the same amount.

Reserve for own shares

For own shares, an acquisition-cost valued reserve of 0.1 million CHF (2011: 1.0 million CHF) was created. This reserve was transferred from the general reserve.

7 Subordinated shareholder loans

In 2011, two shareholders who are members of the Board of Directors of Autoneum Holding Ltd, each granted a subordinated loan of 12.5 million CHF. The interest rate on these loans is 6% per annum. The loans are due after written notification of the creditors of the Company, but not before the credit facilities of the bank syndicate are fully repaid. They rank after the claims of any unsubordinated creditors of the company and certain of its subsidiaries, and prior to the claims of other subordinated creditors with no fixed maturity.

8 Bond

On December 14, 2012, Autoneum Holding Ltd issued a fixed rate bond with a nominal value of 125.0 million CHF, which is traded on the SIX Swiss Exchange. The bond carries a coupon rate of 4.375%, and has a term of five years with a final maturity on December 14, 2017. The proceeds from the bond issue were used to repay existing bank debt and allowed Autoneum to diversify its financial resources, to extend the maturity of the financing and take advantage of the favorable capital environment.

9 Bank debt

At the same time as the bond issue, the long-term credit agreement of 285.0 million CHF, which was finalized on April 12, 2011 between Autoneum Holding Ltd and certain of its subsidiaries with a syndicate of banks in connection with the separation, was amended in various ways: among other things, the credit agreement was modified to 130.0 million CHF and consists of a line of credit, which is also sometimes used as a guarantee facility. Moreover, recent sureties (mortgages on properties in Switzerland and Germany, the deposit of shares of individual subsidiaries, assignment of claims of Autoneum Holding Ltd from intercompany loans and guarantees of individual subsidiaries) of the lending banks were released in full. The final maturity of the credit agreement remains December 31, 2014 and the interest rate remains based on the Libor rate plus an applicable margin, which is measured by the ratio of gross debt to EBITDA.

The maintenance of the credit agreement is dependent on complying with minimum financial requirements, regarding, among other things equity, debt, and other financial ratios (financial covenants). Compliance was checked half-yearly in 2011 and from 2012 onwards quarterly and reported to the banking syndicate. In fiscal years 2011 and 2012, the minimum financial requirements were met at all times.

10 Guarantees

Autoneum Holding Ltd has guaranteed 28.6 million CHF (2011: 49.5 million CHF) to financial institutions for granting credit facilities to direct and indirect subsidiaries. Further a financing commitment in the amount of 7.2 million CHF (2011: 7.3 million CHF) was given in favor of a subsidiary.

To guarantee the long-term credit agreement, shares from Group companies amounting to a book value of 183.4 million CHF were pledged to the banking syndicate and the claims of Autoneum Holding Ltd from intergroup loans were transferred to the banks in 2011. These securities were released by the banking syndicate in 2012.

11 Significant shareholders

At December 31, Autoneum knew that the following shareholders had more than 3% of the Company voting rights (in accordance with article 663c CO):

	2012	2011
Artemis Beteiligungen I AG, Hergiswil, Switzerland, and M. Pieper	20.14%	14.08%
PCS Holding AG, Weiningen, Switzerland, and P. Spuhler	19.23%	19.14%
Capital Group Companies, Inc. (CGC), Los Angeles, USA	5.07%	5.07%
First Eagle Overseas Fund, New York, USA	5.06%	5.06%
ID Sparinvest A/S, Randers, Danmark	3.88%	4.27%
Swiss & Global Asset Management AG, Zurich, Switzerland	n/a	3.01%

In the period from January 1, 2012 to December 31, 2012, Autoneum received the following disclosures from shareholders:

- Swiss & Global Asset Management AG disclosed as of January 3, 2012, a decrease in participation to 2.95%.
- Michael Pieper reported as of June 6, 2012, that Artemis Beteiligungen I AG holds a participation of 3.01% (additionally to the 11.51% that are held under the lock up commitment as of Mai 13, 2011).
- Michael Pieper reported as of August 9, 2012, that Artemis Beteiligungen I AG holds a participation of 5.51% (additionally to the 11.51% that are held under the lock up commitment as of Mai 13, 2011).
- ID Sparinvest A/S reported as of November 12, 2012 a participation of 3.88% (previously held by Sparinvest Fondsmæglersekskab A/S and transferred to ID Sparinvest A/S by merger of Sparinvest Fondsmæglersekskab A/S and ID-Sparinvest A/S).

In the period from May 13, 2011 to December 31, 2011 Autoneum received the following disclosures from shareholders:

- Peter Spuhler and Michael Pieper reported that PCS Holding AG and Artemis Beteiligungen I AG as at May 13, 2011 gave a lock-up commitment concerning 30.65% of the affected capital and voting rights.
- Investeringsforeningen Sparinvest and Investeringsforeningen Sparinvest SICAV disclosed as of May 13, 2011 a stake of 4.27%.
- First Eagle Overseas Fund disclosed as of May 13, 2011 a stake of 4.22% and on August 12, 2011 an increase in the stake to 5.06%.
- Capital Group Companies, Inc. disclosed on August 3, 2011 a stake of 3.27% and as of September 16, 2011 an increase in the stake to 5.07%.
- Swiss & Global Asset Management AG disclosed as of December 13, 2011, a participation of 3.01%.

Details of the disclosures can be found at:

www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_en.html.

12 Risk management

Risk management in Autoneum Group is based primarily on the management structure. The Company participates in this risk management process which is described in the consolidated financial statements of Autoneum Holding Ltd on pages 62 to 65.

13 Remuneration report and disclosure of payments to the Board of Directors and to the Group Executive Board according to the SIX Corporate Governance-Guideline and article 633b^{bis} of the Swiss Code of Obligations

Components and specification process for compensation and equity participation plans

Competence and specification process

The basic features of the remuneration policy are elaborated by the Compensation and Nominations Committee (NCC) and approved by the Board of Directors, who is also in charge of the approval of the Group bonus plan and of the long term incentive plan which was started in 2012. The Board of Directors fixes the remuneration of the Board of Directors and of the Group Executive Board, based on suggestions of the NCC. The members of the Board of Directors, about whose remuneration is decided, are eligible and entitled to vote. The Board of Directors reviews annually the main features of the remuneration policy, rules the fixed portion of the remuneration of the Group Executive Board, and defines the targets for the Group bonus plan, as well as the key parameters for the share allocation plan. The Board of Directors has not engaged third-party consultants for the elaboration of the salary policy or of compensation programs.

Remuneration of the Board of Directors

The remuneration of the Board of Directors consists of the fee and the compensation of representation expenses. The remuneration is determined at the discretion of the Board of Directors, considering comparable companies in reference to size, industry, and internationality.

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 share price applicable for the conversion of the remuneration into shares is based on the average trading price of the ten trading days between July 30 and August 13, 2012. The shares are delivered at tax values and are restricted to sell for three years following the fixing day. The tax value is consistent with the above described average trading price, which is discounted to reflect the three year restriction 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.

The basic salary is derived from salaries paid for comparable positions in the market relevant for Autoneum (comparable automotive suppliers). The assessment of the basic salaries is determined at the discretion of the Board of Directors, considering salaries of known competitors with international activity.

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 and exceedence respectively of defined minimum profitability and liquidity targets of the Group or the Business Groups (BG), as well as to the achievement of individually agreed targets.

The targets for the CEO and the CFO refer to net profit margin (weighted with 52.5%), RONA (22.5%) and individual targets (25%). For the heads of the BG the targets refer to net profit margin (17.5%), Group-RONA (7.5%), BG-EBIT margin (35%), BG-free cash flow (15%) and individual targets (25%). Lower and upper limits are defined for the weighted targets. Achievement of the lower limit is a condition for the bonus, while maximum bonus is achieved at the upper 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 result.

At least half of the bonus is not paid in cash, but in shares of Autoneum. Each member of the Group Executive Board can opt for receiving up to 100% of the bonus in shares. The calculated bonus is converted into an amount of shares considering the closing rate of the last ten days in March 2013 multiplied by factor 1.4. Shares obtained by this bonus are blocked for three years.

The long term incentive plan allows the Board of Directors to allocate part of the Group net profit to persons that were previously entitled. Entitled persons are the upper management of the Group, including the Group Executive Board. The assessment of the allocation is based on the total allocated net profit that is converted into shares of Autoneum. Shares are allocated to the entitled persons corresponding their management level. Shares granted based on this allocation plan are transferred to the entitled after a vesting period of three years, and only if they are still with an Autoneum entity at this point in time. In 2012, the Board of Directors allocated CHF 0.5 million to entitled persons of the LTI. This corresponds to 9 578 shares, whereof 2 127 are allocated to members of the Group Executive Board. For 2012, it is envisaged allocating 3% of net profit for the remuneration based on the LTI.

There are no share options or share purchase plans. The share purchase plan that existed in 2011 was discontinued in 2012.

The employment contract of the CEO cannot be terminated before April 30, 2014, and the employment contract of the Head BG Europe cannot be terminated before March 31, 2015.

Remuneration to the members of the Board of Directors and of the Group Executive Board in 2012

The financial year 2012 is the first complete business year of Autoneum following the separation from the Rieter Group on May 13, 2011. Only limited comparison of 2012 remuneration can be made with 2011 remuneration – which only comprised eight months.

CHF	Remuneration in cash		Shares instead of cash		Total
	Fixed, net		Number	Value ¹	
Board of Directors					
Hans-Peter Schwald, Chairman	0		7 199	280 000	280 000
Rainer Schmückle, Vice-Chairman	150 000		771	40 000	190 000
Michael W. Pieper	0		2 450	100 000	100 000
This E. Schneider	65 000		1 569	65 000	130 000
Peter Spuhler	0		2 416	100 000	100 000
Ferdinand Stutz	170 000		0	0	170 000
Total	385 000		14 405	585 000	970 000

CHF	Remuneration in cash		Shares (from bonus plan)		Total
	Fixed net	Variable net	Number	Value ²	
Group Executive Board					
All members	3 170 508	707 888	0	832 097	4 710 493
Thereof Martin Hirzel, Chief Executive Officer	625 500	174 645	0	205 290	1 005 435

1. The applicable share price (average trading price during the defined period, less 16% for the three years restriction on sale) was CHF 38.89. The transfer took place in consideration of possible social security contributions and withholding taxes.

2. 50% of the bonus is converted into shares by multiplying the relevant share price (average trading price during the defined period, less 16% for the three years restriction on sale) by factor 1.4. The applicable share price was not yet available by the closing of the financial statements 2012.

Remuneration to the members of the Board of Directors and of the Group Executive Board in 2011

The first reporting period of Autoneum following the separation of Rieter Group comprises the time from May 13 to December 31, 2011. For reporting convenience, it has been agreed with Rieter to allocate remuneration to the persons concerned to April 30, 2011, to Rieter, and remuneration after April 30, 2011, to Autoneum.

CHF	Remuneration in cash		Shares instead of cash		Total
	Fixed, net			Value ¹	
Board of Directors					
Hans-Peter Schwald, Chairman	186 666		0		186 666
Rainer Schmückle, Vice-Chairman	126 667		0		126 667
Michael W. Pieper	0			66 667	66 667
This E. Schneider	43 333			43 333	86 666
Peter Spuhler	0			66 667	66 667
Ferdinand Stutz	83 333			30 000	113 333
Total	439 999			206 667	646 666

1. The applicable share price (average trading price during the defined period, less 16% for the three years restriction on sale) was not yet available by the closing of the financial statements.

CHF	Remuneration in cash		Shares (from shares purchase plan)		Total
	Fixed net	Variable net	Number	Value ¹	
Group Executive Board					
All members	1 763 543	0	0	0	1 763 543
Thereof Martin Hirzel, Chief Executive Officer	582 400	0	0	0	582 400

1. Shares have been valued with 6.48 CHF per share (difference between the purchase price [= 53.97 CHF] and the average trading price July 15 to August 15, 2011, less 16% for the three years restriction on sale [= 60.45 CHF]).

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

There has been no remuneration to former members of the Board of Directors or of the Group Executive Board.

Directorships at other companies

The Board of Directors decides on directorships of members of the Group Executive Board or other members of 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.

Loans to directors or officers

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

Other remunerations and payments to related parties

No other remunerations or payments have been made to members of the Board of Directors or of the Group Executive Board in 2012 or 2011.

Shares held by the Board of Directors or by the Group Executive Board (incl. parties related to them) as of December 31 (article 663c Swiss Code of Obligations)

Number of Shares	2012	2011
Hans-Peter Schwald, Chairman	22 663	10 000
Rainer Schmückle, Vice-Chairman	1 771	0
Michael W. Pieper	941 203	657 650
This E. Schneider	2 725	242
Peter Spuhler	898 288	894 465
Ferdinand Stutz	633	0
Total Board of Directors	1 867 283	1 562 357
Martin Hirzel	2 041	2 010
Urs Leinhäuser	2 439	2 429
Matthias Holzammer	1 000	n/a ¹
Charles Fäh	1 466	750
Richard Derr	60	60
Uwe Trautmann	1 211	1 200
Volker Eimertenbrink	305	n/a ²
Total Group Executive Board	8 522	6 449

1. Matthias Holzammer was appointed as member of the Group Executive Board as of April 1, 2012.
 2. Volker Eimertenbrink was appointed as member of the Group Executive Board as of March 1, 2012.

Proposal of the Board of Directors

for the appropriation of profit (financial year 2012)

CHF	2012
Net profit according to income statement	8 228 249
Balance brought forward	6 042 001
Reversal of reserve from paid-in capital ¹	3 037 036
At the disposal of the Annual General Meeting	17 307 286
Proposal	
Distribution of a dividend ¹	3 037 036
Carried forward to new account	14 270 250
	17 307 286

1. Shares held by Autoneum Holding Ltd. at the time of dividend distribution are not entitled to dividend. The amount distributed as well as the reversal of reserve from paid-in capital will be reduced accordingly at the time of distribution.

The Board of Directors proposes that a dividend of 0.65 CHF is paid per registered share, which will be taken from the reserve from paid-in capital. As a consequence, the dividend distribution will be effected without the 35% deduction for withholding tax (as stipulated in article 5 paragraph 1^{bis} of the Swiss Federal Law on Withholding Tax [VStG]).



Report of the statutory auditor on the financial statements to the General Meeting of Shareholders of Autoneum Holding Ltd, Winterthur

As statutory auditor, we have audited the financial statements of Autoneum Holding Ltd, which comprise the balance sheet, income statement, and notes on pages 88 to 99 for the year ended December 31, 2012.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the Company's articles of incorporation. This responsibility includes designing, implementing, and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended December 31, 2012 comply with Swiss law and the Company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and 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 19, 2013

Review 2008 – 2012

Consolidated income statement

CHF million	2012	2011	2010 ⁶	2009 ⁶	2008 ⁶
Net sales	1 907.7	1 682.4	1 677.5	1 386.6	1 960.2
• BG Europe	880.8	888.0	897.1	794.2	1 221.7
• BG North America ¹	794.0	571.3	548.9	403.1	514.1
• BG Asia	99.4	91.8	76.7	52.0	45.4
• BG SAMEA ²	140.0	140.6	149.5	127.6	149.2
Operating result before interest, taxes, depreciation, and amortization (EBITDA)	144.6	104.2	107.2	- 21.5	78.9
• as a % of net sales	7.6	6.2	6.4	- 1.6	4.0
Operating result before interest and taxes (EBIT) ³	75.5	34.9	22.3	- 115.8	- 265.2
• as a % of net sales	4.0	2.1	1.3	- 8.4	- 13.5
Net result	28.7	2.3	- 41.3	- 147.2	- 326.7
• as a % of net sales	1.5	0.1	- 2.5	- 10.6	- 16.7
Return on net assets (RONA, in %)	9.5	4.1	- 0.5	- 22.2	- 41.7

Consolidated balance sheet

Non-current assets	442.4	430.2	432.1	499.3	536.5
Current assets	517.5	566.2	590.3	598.5	641.2
Equity attributable to shareholders of Autoneum Holding AG	240.4	230.6	193.0	- 157.7	- 29.4
Equity attributable to non-controlling interests	62.3	56.4	55.1	52.4	52.8
Total shareholders' equity	302.7	287.0	248.1	- 105.3	23.4
Non-current liabilities	217.8	211.9	187.0	461.9	506.7
Current liabilities	439.4	497.5	587.3	741.2	647.6
Total assets	959.9	996.4	1 022.4	1 097.8	1 177.7
Shareholders' equity in % of total assets	31.5	28.8	24.3	n/a	2.0

Consolidated statement of cash flows

Net cash from operating activities	114.9	35.6	6.9	- 11.0	7.8
Net cash used for investing activities	- 66.8	- 82.5	- 72.0	- 54.5	- 78.0
Net cash from financing activities	- 36.4	- 10.6	125.6	67.8	82.4
Net debt	- 123.0	- 154.8	- 151.0	- 528.6	- 478.9
Employees at the end of the year⁴	9 820	9 435	8 409	8 600	9 319

Information for investors

CHF million	2012	2011	2010	2009	2008
Share capital of Autoneum Holding AG	0.2	0.2	0.2	n/a	n/a
Net result of Autoneum Holding AG	8.2	14.2	-8.1	n/a	n/a
Market capitalization (at December 31)	207.1	228.6	n/a	n/a	n/a
• as a % of net sales	10.9	13.6	n/a	n/a	n/a
• as a % of equity attributable to Autoneum shareholders	86.2	99.1	n/a	n/a	n/a

Data per share (AUTN)

CHF		2012	2011	2010	2009	2008
Earnings per share		2.41	-2.13	n/a	n/a	n/a
Shareholders' equity per share ⁵		51.48	49.38	n/a	n/a	n/a
Tax value per share (as of December 31)		44.35	48.95	n/a	n/a	n/a
Share price development on the SIX Swiss Exchange	Highest	57.95	119.00	n/a	n/a	n/a
	Lowest	36.00	43.75	n/a	n/a	n/a

1. Including USA, Canada, and Mexico.
2. Including South America, Middle East, and Africa.
3. EBIT in 2008 includes CHF 243.7 million for restructuring program and goodwill impairment.
4. Excluding apprentices and temporary employees.
5. Equity attributable to shareholders of Autoneum Holding Ltd per share outstanding at December 31.
6. According to historical combined financial statements.

Global footprint of Autoneum



Argentina

– Córdoba

Belgium

– Genk

Brazil

– Betim
 – Gravataí
 – São Bernardo do Campo
 – Taubaté

Canada

– London, Ontario
 – Tillsonburg, Ontario

China

– Chongqing
 – Shanghai
 – Shenyang
 – Taicang
 – Guangzhou
 – Tianjin
 – Fuzhou

Czech Republic

– Bor
 – Choceň
 – Hnátovice

France

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

Germany

– Böblingen
 – Großostheim
 – Munich
 – Roßdorf-Gundernhausen

Great Britain

– Halesowen
 – Heckmondwike
 – Stoke-on-Trent

India

– Behror
 – New Delhi
 – Chennai

Indonesia

– Jakarta

Italy

– Desio
 – Leini
 – Pignataro
 – Santhià
 – Vicolungo

Japan

– Aichi
 – Higashi Kyushu
 – Hiratsuka
 – Hiroshima
 – Ibaraki
 – Tokyo
 – Shizuoka

Korea

– Daegu

Malaysia

– Shah Alam

Mexico

– Hermosillo
 – Silao

Poland

– Katowice
 – Nowogard

Portugal

– Setúbal

Russia

– Ryazan

South Africa

– Rosslyn
 – Durban

Spain

– A Rúa
 – Valldoreix

Sweden

– Göteborg

Switzerland

– Winterthur (HQ)
 – Sevelen

Taiwan

– Tao Yuan Hsien

Thailand

– Chonburi
 – Samutprakarn

Turkey

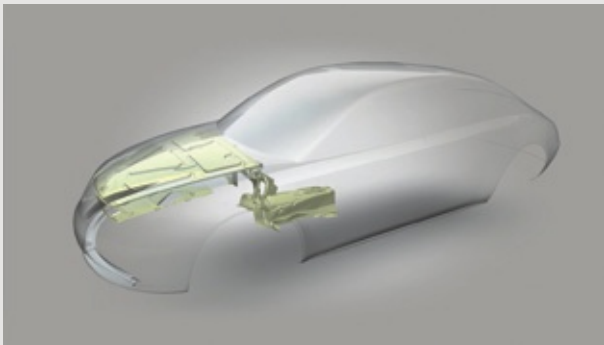
– Bursa
 – Bursa

USA

– Aiken, South Carolina
 – Bloomsburg, Pennsylvania
 – Farmington Hills, Michigan
 – Oregon, Ohio
 – Chicago Heights, Illinois
 – Jackson, Tennessee
 – Somerset, Kentucky
 – Tinley Park, Illinois
 – Valparaiso, Indiana

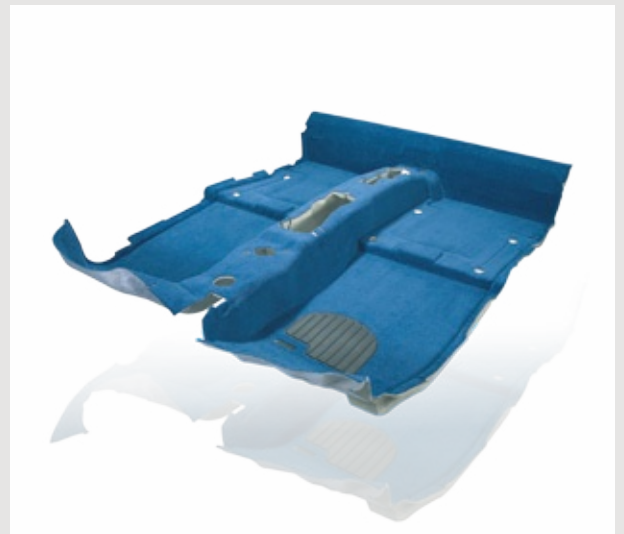
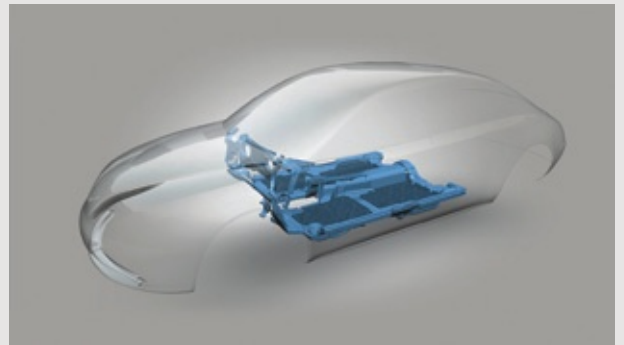
Our product range

Engine Bay



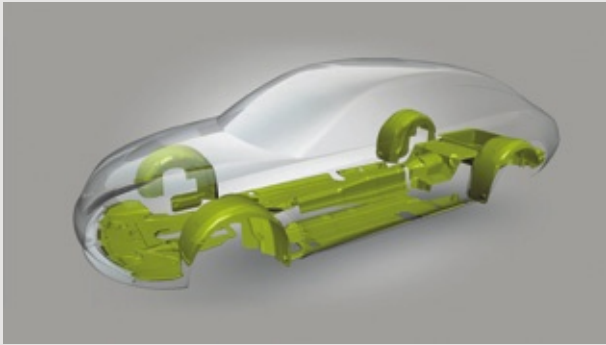
- Engine Covers
 - Hoodliners
 - Outer Dashes
 - Water Box Shields
-

Interior Floor

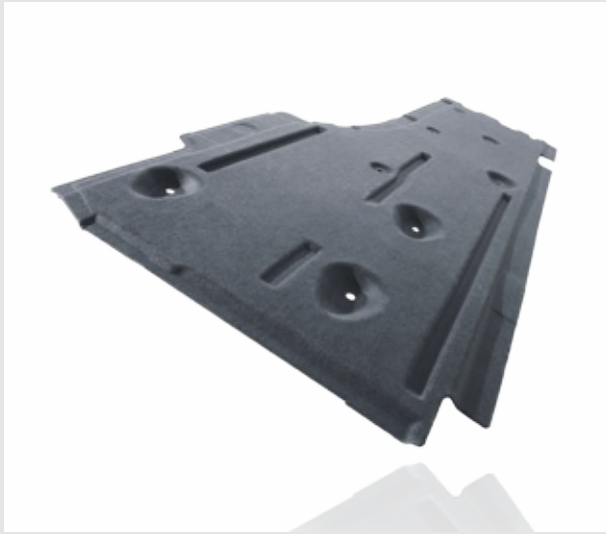
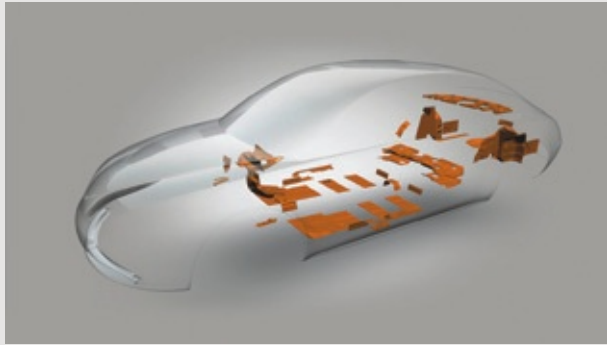


- Inner Dashes
 - Non-woven Carpets
 - Tufted Carpets
 - Floor Insulators
 - Floor Mats
 - Spacers/Crash Pads
-

Underbody



Body Treatment



- Underbody Shields
 - Floor Pans
 - Heatshields
 - Wheelhouse Outer Liners
-

- Dampers/Stiffeners
 - Sealants
 - Other Acoustic Parts
-

All statements in this report which do not refer to historical facts are forecasts for the future which 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 which are outside the company's control.

March 2013

This is a translation of the original German text.

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Autoneum Holding Ltd
CH-8406 Winterthur
T +41 52 244 82 82
F +41 52 244 83 37

Investor Relations
Urs Leinhäuser
CFO & Deputy CEO
T +41 52 244 82 82
F +41 52 244 83 37
investor@autoneum.com

Corporate Communications
Dr. Anahid Rickmann
Head Corporate Communications
T +41 52 244 83 88
F +41 52 244 83 36
media@autoneum.com

www.autoneum.com