

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

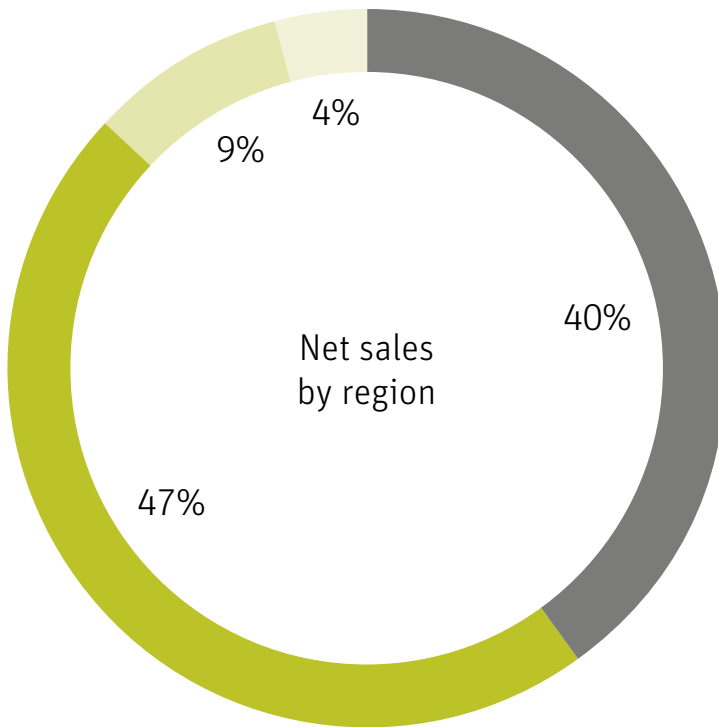
### Net sales

CHF million



### EBIT

CHF million



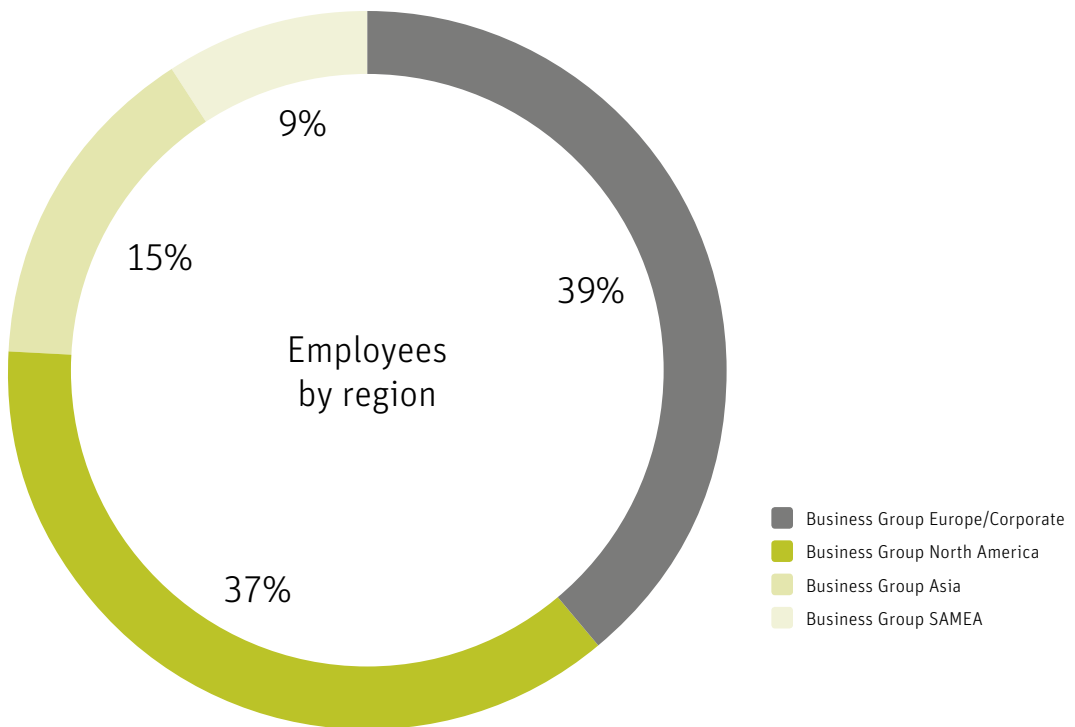
### Net profit

CHF million



### Operating cash flow

CHF million



\*before non-recurring expenses



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# Strong sales growth – further increase in profitability

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## Dear shareholders

Operational excellence, innovation leadership and the globally balanced production network of Autoneum have once again paid off in the past financial year: Despite a challenging market environment with corresponding economic headwinds triggered by a slump in demand in South America and Russia, Autoneum not only increased sales remarkably but was also operationally more profitable than ever. Notwithstanding the lower year-on-year net profit due to non-recurring expenses and a normalized tax ratio, the Board of Directors proposes an unchanged dividend of CHF 4.50 per share.

## Strong sales growth in weak market environment

With 88.6 million light vehicles produced and a growth rate of only 1.4%, the global automotive industry in 2015 recorded its weakest growth momentum since the automotive crisis of 2009. While automobile production in Europe, North America and Asia grew, production volume in South America decreased due to the economic crisis and the related drop in demand over the previous year. In this low-impulse market environment, Autoneum was able to increase net sales in local currencies by 10.6% and thus significantly exceeded global market growth thanks to a good order situation and the corre-



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



**Martin Hirzel** – Chief Executive Officer

spending utilization of production capacities. Despite the strength of the Swiss franc, net sales in the company currency rose by 6.7% from CHF 1 954.7 million to CHF 2 085.9 million. Except Business Group SAMEA (South America, Middle East and Africa), all business groups contributed to this rise in sales.

### **Profitability further increased**

Autoneum's ongoing rise in profitability also continued through 2015. EBITDA increased by CHF 21.5 million to CHF 223.0 million before non-recurring expenses in relation to the payment of CHF 31.5 million to the German Federal Cartel Office. Accordingly, the EBITDA

margin of 10.7% surpassed the previous year's already high level. EBITDA after non-recurring expenses totaled CHF 191.5 million (2014: CHF 201.6 million). EBIT before non-recurring expenses improved by CHF 22.8 million to CHF 158.0 million. The EBIT margin of 7.6% surpassed the previous year's margin by

# 7.6%

The EBIT margin before non-recurring expenses improved from 6.9% to 7.6%.

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**High capacity utilization, material efficiency and operational excellence contributed to the once again improved results.**

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0.7 percentage points and exceeded the 7% mark for the first time in company history. High capacity utilization in Europe, material efficiency in North America and Asia as well as the increased productivity thanks to operational excellence contributed to the once again improved results. EBIT after non-recurring expenses amounted to CHF 126.5 million (2014: CHF 135.1 million).

#### **Investments in expansion of global presence**

Net profit decreased on the previous year by CHF 34.1 million to CHF 68.7 million. Despite the further improved operating result, non-recurring expenses associated with the payment to the German Federal Cartel Office and a higher tax burden resulted in the lower net profit. Whereas benefits from loss carryforwards recognized in 2014 led to a disproportionately low tax ratio of 14.4%, after adjustment for non-recurring expenses in relation to the payment to the German Federal Cartel Office, the tax ratio again attained a sustainable level of 28.8%. Investments made predominantly to expand global presence, including in the US plants in Jeffersonville, Indiana, and Monroe, Ohio, and in the relocation of a Brazilian plant, amounted

to CHF 120.7 million (2014: CHF 101.9 million). Operating cash flow decreased by CHF 26.5 million to CHF 111.7 million (2014: CHF 138.2 million) due to the payment to the German Federal Cartel Office, operational losses at Business Group SAMEA and the higher net working capital at December 31, 2015.

The lower net profit also took effect on the total return on net assets (RONA), which at 17.7% before non-recurring expenses stood below the previous year's level, but again significantly exceeded the cost of capital. The equity ratio of 35.7% was unchanged compared to the prior year. The decisive cause of net debt rising to CHF 105.4 million (2014: CHF 53.9 million) was a payment of CHF 31.5 million to the German Federal Cartel Office in June 2015.

Earnings per share before non-recurring expenses were at CHF 15.92 (2014: CHF 17.03), and cash and cash equivalents on December 31, 2015, totaled CHF 78.7 million (2014: CHF 140.9 million).

#### **Dividend payout at prior year's level proposed**

Despite the lower year-on-year net profit, the Board of Directors will propose to the Annual General Meeting on March 30, 2016, the payment of an unchanged dividend of CHF 4.50 per share.

#### **Business Groups**

Net sales of Business Group Europe went up in 2015 by 13.1% in local currencies due to numerous production ramp-ups and thus significantly surpassed the already dynamic market growth in this region. Due to pronounced currency effects, net sales in Swiss francs only grew by 3.7% to CHF 833.2 million (2014: CHF 803.3 million). Crucial to the rise in EBIT of Business Group Europe from CHF 31.7 million to CHF 44.7 million was strong capacity utilization due to high-volume customer orders for models of European and Korean OEMs and gains in productivity through material efficiency, which among other things included lower scrap rates in production. The EBIT

## Financial highlights

CHF million	2015		2014		Change	Organic growth <sup>1</sup>
<b>Autoneum Group</b>						
Net sales	2 085.9	100.0%	1 954.7	100.0%	6.7%	10.6%
EBITDA	191.5	9.2%	201.6	10.3%	-5.0%	
EBITDA adjusted <sup>2</sup>	223.0	10.7%	201.6	10.3%	10.6%	
EBIT	126.5	6.1%	135.1	6.9%	-6.4%	
EBIT adjusted <sup>2</sup>	158.0	7.6%	135.1	6.9%	16.9%	
Net profit	68.7	3.3%	102.8	5.3%	-33.2%	
Net profit adjusted <sup>2</sup>	100.2	4.8%	102.8	5.3%	-2.5%	
Return on net assets in % (RONA) <sup>3</sup>	12.7%		20.3%			
Return on net assets in % (RONA) adjusted <sup>2,3</sup>	17.7%		20.3%			
Operating cash flow	111.7		138.2			
Operating cash flow adjusted <sup>2</sup>	143.2		138.2			
Investments in tangible and intangible assets	120.7	5.8%	101.9	5.2%		
Net debt at December 31	105.4		53.9			
Employees at December 31 <sup>4</sup>	11 423		10 681		6.9%	
<b>BG Europe</b>						
Net sales	833.2	100.0%	803.3	100.0%	3.7%	13.1%
EBIT	44.7	5.4%	31.7	3.9%		
<b>BG North America</b>						
Net sales	977.9	100.0%	882.7	100.0%	10.8%	8.8%
EBIT	91.7	9.4%	75.1	8.5%		
<b>BG Asia</b>						
Net sales	180.9	100.0%	145.3	100.0%	24.5%	20.6%
EBIT	25.0	13.8%	19.9	13.7%		
<b>BG SAMEA<sup>5</sup></b>						
Net sales	94.3	100.0%	123.9	100.0%	-23.9%	-5.7%
EBIT	-12.5	-13.3%	1.5	1.2%		
<b>Share AUTN</b>						
Share price at December 31 in CHF	202.40		169.50		19.4%	
Market capitalization at December 31	938.1		783.0		19.8%	
Basic earnings per share in CHF	9.12		17.03		-46.4%	
Dividend per share in CHF <sup>6</sup>	4.50		4.50			

<sup>1</sup> Change in local currencies.

<sup>2</sup> EBITDA, EBIT, Net profit, RONA and Operating cash flow are disclosed before expenses in relation to the settlement with the German Federal Cartel Office in the amount of CHF 31.5 million in 2015.

<sup>3</sup> Net profit before interest expenses in relation to average equity plus interest bearing liabilities.

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

<sup>5</sup> Including South America, Middle East and Africa.

<sup>6</sup> As proposed by the Board of Directors and subject to the approval of the Annual General Meeting.

# 2 085.9

## CHF million

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Net sales increased by 6.7% to CHF 2 085.9 million.



In 2015, nearly 89 million light vehicles were produced globally.



Earnings per share were at CHF 15.92.\*

# 11 423

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Autoneum employs more than 11 000 people worldwide.

In a weak market environment, Autoneum not only increased net sales significantly in 2015, but was also operationally more profitable than ever before.

# 7.6%

The EBIT margin reached a new peak at 7.6%.\*

# 10.6%

Autoneum achieved a double digit growth in net sales in local currencies.

# 158.0

CHF million

EBIT rose by 16.9% to CHF 158.0 million.\*

# 68.7

CHF million

Due to non-recurring expenses, net profit decreased to CHF 68.7 million.

RONA

17.7%

WACC

8.5%

The return on net assets (RONA) of 17.7% significantly surpassed the cost of capital (WACC).\*

\* before non-recurring expenses

margin accordingly reached 5.4% of net sales for the first time, surpassing the previous year's margin by 1.4 percentage points.

Business Group North America grew organically by 8.8% in the reporting year. This was the result of supply for high-volume US and Japanese models. Almost all of the 15 best-selling car models in the USA were equipped with Autoneum products. Net sales in Swiss francs rose by 10.8% to CHF 977.9 million (2014: CHF 882.7 million). EBIT increased by CHF 16.6 million to CHF 91.7 million (2014: CHF 75.1 million). The EBIT margin of 9.4% was 0.9 percentage points above that of the previous year. The result achieved in North America improved thanks to lower material costs and the further expansion of vertical integration.



Almost all of the 15 best-selling car models in the USA were equipped with Autoneum products.

Business Group Asia again reported striking sales growth of 20.6% in local currencies, achieved through extensive series start-ups for models of international and local OEMs and with Japanese customers who were overproportionately successful in China. In Swiss francs, sales improved by 24.5% to CHF 180.9 million (2014: CHF 145.3 million). EBIT of Business Group Asia rose by CHF 5.1 million to CHF 25.0 million, corresponding to a further increase in the EBIT margin to 13.8%. Material efficiency and continuous improvement of production standards contributed to the high EBIT margin.

Net sales of Business Group SAMEA were decimated by the collapse in the main market Brazil. Whereas sales in local currencies

declined by 5.7%, due to significant devaluation of the Brazilian real and Argentine peso, net sales in Swiss francs were reduced by 23.9% to CHF 94.3 million (2014: CHF 123.9 million). EBIT declined from CHF 1.5 million in the previous year to CHF -12.5 million. Burdening the result of Business Group SAMEA was the ongoing recession and associated massive drop in demand in Brazil, as well as non-recurring expenses associated with relocating a Brazilian plant. High production volumes in Turkey and South Africa were able to partly offset the declines in South American production.

### Changes to the Group Executive Board

The Board of Directors of Autoneum Holding Ltd appointed Andreas Kolf as Head of Business Group Asia and member of the Group Executive Board of Autoneum Holding Ltd as of March 1, 2016. Andreas Kolf has many years of experience as a managing director of international automotive suppliers and a profound knowledge of the Asian automotive market. He succeeds Dr Uwe Trautmann, who made a personal decision to leave the company at the end of February 2016 and return to Europe after 20 years in Asia. Uwe Trautmann headed Business Group Asia from 2007 until 2011 as a member of the Executive Committee of the Automotive Systems Division of Rieter Holding Ltd and served on the Group Executive Board of Autoneum Holding Ltd since its foundation in May 2011. The Board of Directors of Autoneum Holding Ltd and CEO Martin Hirzel regret Uwe Trautmann's resignation, thank him for his major contribution to the development of Business Group Asia and wish him all the best for this new stage in his life.

Volker Eimertenbrink, Head of Business Group SAMEA and member of the Group Executive Board of Autoneum Holding Ltd, left Autoneum at the end of 2015 to take on new professional challenges. He assumed management of the Business Group SAMEA in March 2012. From 2008 until the separation of Autoneum in 2011, Volker Eimertenbrink was



CFO and member of the Executive Committee of the Automotive Systems Division of Rieter Holding Ltd. The Board of Directors of Autoneum Holding Ltd and CEO Martin Hirzel thank Volker Eimertenbrink for the work he has done and his loyal service to the company and wish him all the best for the future. The Board of Directors has appointed Fausto Bigi as his successor and member of the Group Executive Board. Fausto Bigi has long-standing experience in the global automotive supplier industry. He was already in charge of the South American business of the Automotive Systems Division of Rieter Holding Ltd from 2008 to 2011 and following the separation additionally held office at Autoneum as Deputy Head of Business Group SAMEA until 2012. The Brazilian citizen has taken over management of Business Group SAMEA on March 1, 2016, from CFO Dr Martin Zwysig, who held charge temporarily since January 1, 2016. In order to ensure optimum control of the key SAMEA market of Brazil, the headquarters of the Business Group has been transferred from Winterthur, Switzerland, to São Paulo, Brazil.

### Outlook

In 2016, a rise in global automobile production of 3% to approximately 91 million light vehicles is anticipated. By continuing its existing successful strategy implementation, Autoneum expects to increase net sales in local currencies in line with its mid-term financial targets by 4% to 5%. The Group's 2015 operating margin should be exceeded in 2016.

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**In 2016,  
Autoneum expects to  
increase net sales  
in local currencies by  
4% to 5% and to  
exceed the Group's  
2015 operating  
margin.**

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### Thank you

On behalf of the Board of Directors and the Group Executive Board, our thanks go to all associated with Autoneum: shareholders, customers and business partners with whom we share a trusting relationship, as well as to more than 11 000 employees worldwide who made the successes of the past years possible.

Winterthur, March 2, 2016



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



**Martin Hirzel**  
Chief Executive Officer

# Shaping the future by innovation leadership

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2015 demonstrated how Autoneum's success rests on intrinsic strengths:

Innovation leadership, a broad customer base and global presence were instrumental to Autoneum and enabled it to successfully balance out a cyclically-induced decline in demand in major automotive markets. While the number of vehicles produced worldwide has hardly increased, Autoneum showed not only significant organic growth but also gained new customers and implemented a record number of successful production launches.

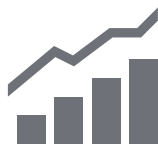


## **Expertise at the service of consumers and the environment**

2015 was focused more than ever on acoustic and thermal management for vehicles. Growth in regulation of traffic-related environmental burdens has led to continuing strong demand for lightweight components that combine noise and heat protection while reducing vehicle weight, fuel consumption and emissions. Looking ahead, demand for fuel-saving and aerodynamic Autoneum components will further intensify with the introduction of new vehicle test cycles

that take into account higher speeds and accelerations. Measurement systems developed by Autoneum based on many years of expertise are now in worldwide use by the automotive industry, enabling automobile manufacturers to reliably predict the reduction potential of parts and systems even at the predevelopment stage. Faced with continuing high demand for the Isokell measuring system, in 2015 Autoneum launched a new version that measures the airborne noise insulation and the transmission loss of flat material samples as well as of formed components such as inner dashes or carpet systems. Beyond its products, Autoneum contributes to increasing driving comfort with measuring systems such as Isokell.

There was also impressive confirmation of the company's acoustics expertise in the reporting year. Once again, Autoneum was scientific leader of the Automotive Acoustics Conference held in June at the Swiss Federal Institute of Technology (ETH) in Zurich, Switzerland. At the 2015 conference, more than 200 experts and representatives of car manufacturers, suppliers and research institutions from 20 countries discussed challenges associated with new regulations in the field of vehicle acoustics. Numerous international customers attended a regional edition of the conference held in Detroit, Michigan, USA. Autoneum mounts in-house exhibitions at automobile manufacturers to present the extensive benefits of its product innovations to existing and potential customers. In 2015 these "Innovation Days" took place at various US OEMs in China and for the first time at a leading Korean OEM in its home market. Items on show included Theta-FiberCell engine encapsulations, underbody shields made of Ultra-Silent and Clean-Tuft technology for carpets.



### Growth path continued

With a sales increase of more than 10% in local currencies, Autoneum achieved strong organic growth in 2015. Despite the strength of the Swiss franc, sales measured in the Group's reporting currency also increased clearly. This market success was achieved in particular thanks to a good order situation and correspondingly high production volumes in Europe, North America and Asia. Whereas global automotive production

provided barely any impulse with a year-on-year growth rate of only 1.4% and the automobile industry in South America and Russia experienced significant slumps in demand and production, Autoneum profited from numerous successful production ramp-ups as well as from the diverse and balanced customer base. It was broadened again in 2015 with the addition of local and international OEMs. In accordance with the strategic priority not only to generate sales but also to grow profitably, the record highs in operational profitability attained in past years were again exceeded. Thus, the EBIT margin before non-recurring expenses in relation to the payment of CHF 31.5 million to the German Federal Cartel Office reached 7.6%, surpassing the 7% mark for the first time in company history. After non-recurring expenses and due to a normalized tax ratio, net profit declined to CHF 68.7 million.



### Customer-driven expansion

Autoneum further expanded its global presence in 2015 in accordance with high demand. In Mexico, Autoneum laid the foundation for a third production site and thus strengthened its position in this important North American growth market. The plant located in San Luis Potosí, approximately 400 kilometers northwest of Mexico City, will start the production of inner dashes, floor insulators and carpet systems in early 2017. From this 26 000-square-meter facility, Autoneum is to supply US and German OEMs producing locally for the North American

market. US plants in Jeffersonville, Indiana, and Monroe, Ohio, which were newly put into operation in 2015, started the manufacturing of carpet systems and underbody shields for US and Japanese customers. Production capacities at the Chinese plants in Taicang, Shenyang and Guangzhou were further extended in order to industrialize extensive existing serial orders for European, US and Chinese customers. In order to provide internationally producing customers with the accustomed high product quality for their South American manufacturing facilities too, an existing plant within the metropolitan area of São Paulo, Brazil, was relocated and its machinery renewed in line with the latest production standards.

A variety of model ramp-ups resulted in high utilization of European, North American and Asian production capacity. Along with series production for models of European premium and volume OEMs, there was first-time supply of carpet systems, heatshields and hoodliners to a Korean OEM in Europe. In the USA, Autoneum shared in the market success of its customers, for example as evidenced by the fact that almost all of the 15 best-selling 2015 car models in the USA were fitted with products from Autoneum. New launches in China and India strengthened the market position of Autoneum at US customers, while sales to Chinese OEMs increased further through supply of heatshields.

Meanwhile, numerous large orders obtained in 2015 secure Autoneum's future sales growth. These include high-volume orders for carpet systems from a German premium manufacturer in Europe as well as orders to supply textile underbody systems to the US production plants of German and Japanese customers and to produce carpet systems, heatshields and hoodliners for a Swedish OEM as part of its expansion program in China.



### **Driving innovation in multifunctional lightweight components**

In the reporting year Autoneum again proved its innovation leadership in acoustic and thermal management with forward-looking products. With Clean-Tuft, the market leader extended its range of high-quality carpets by offering premium-quality tufted carpets for compact and mid-class vehicles, too. The innovative Clean-Tuft technology offers significant added value in terms of cleanability and durability compared to the needlepunch carpets commonly found in these classes of vehicles. With Prime-Light, an innovative quantum leap in inner dashes and floor insulators was achieved. Prime-Light marks the latest advancement of Autoneum's successful Ultra-Light technology: Compared to previous Ultra-Light variants, components made from Prime-Light are even lighter and can also be pressed into many different shapes and thicknesses. Thus they adjust perfectly to the individual body-in-white shapes and take account of increasingly complex manufacturing processes in vehicle construction. Prime-Light-based inner dashes and floor insulators are made of thermoplastic cotton felt compounds, and depending on the specific application may contain up to 50% recycled materials. Prime-Light will be produced in series for models of US OEMs in North America and China as of 2016.

To support OEMs in meeting globally increasing requirements for vehicle emissions and noise reduction, Autoneum now offers multifunctional engine covers made of Theta-FiberCell. This key technology takes into account customer-specific product requirements such as optimum noise protection and integrated thermal insulation. Compared to conventional engine covers made of plastic, Theta-FiberCell engine covers are lighter by over 50%, which

corresponds to a weight reduction of up to one kilogram per vehicle. At the same time they absorb engine noise and thus contribute to improved acoustics in the passenger compartment, less exterior noise and enhanced driving comfort. Engine covers currently manufactured in Europe will be produced in Asia and the USA in future as well.



### **Operational excellence as key success factor**

Continuous efficiency improvements are not only a central pillar of an automotive supplier's business model but also represent a decisive competitive factor. It follows that operational excellence in all business areas is indispensable. Autoneum has launched eight "Group Initiatives" encompassing various production-related topics, including recycling, maintenance and energy management and performs regular checks on their implementation at every site worldwide. One of these initiatives to implement standardized manufacturing processes in all plants is the Mizusumashi train. A Mizusumashi train is an electrically driven trolley that ensures optimal distribution of material on the shop-floor, to and from workers at their machines, in alignment with production processes. Applying this rhythm to the material flow reduces costs and energy consumption and increases production safety as well by substituting for forklifts.

Another cost-saving effect is achieved through the use of exhaust systems for production waste, which are being introduced gradually across all production sites. On the one hand,

this improves ergonomics for manufacturing staff, while on the other hand, recycling or reuse of industrial waste minimizes the environmental impact of the produced components. In addition, over 25 flawless new start-ups impressively demonstrated in 2015 the level of operational excellence that Autoneum has reached in its production processes since the separation in 2011. This was only possible due to a consistently implemented focus on process standardization and global best practice sharing. Operational excellence was also decisive in maintaining profitability of the only Swiss production site in Sevelen, which produces predominantly for the eurozone, despite the abolishment of the euro/Swiss franc minimum exchange rate in January 2015 and the currency's ensuing strength.



### **Living our values – commitment to social responsibility**

The value-based High Performance Culture introduced in 2012 is both a framework and a guideline for the daily actions of our employees. It is to be exemplified by executives of the company and adapted accordingly by staff. At the same time, the strong focus on corporate values implies particular attention to the needs of employees. Consequently, based on results of an employee satisfaction survey first conducted in 2014, concrete measures were defined and introduced in 2015. Among them was the introduction of local "Kaizen" officers to ensure the systematic collection and implementation of suggestions for improvement at their respective

Autoneum sites. Within the scope of extending the company's training and education program, executives at more than 20 plants for the first time received instruction in accordance with the "Engage Your Team" concept. In order to ensure full observance of legal and internal requirements in business transactions, Autoneum significantly expanded the 2015 course program in the area of compliance, with mandatory e-learning programs and trainings being introduced.

Recognizing their social responsibility, almost all sites ran charitable CSR (Corporate

Social Responsibility) activities in the reporting year. These included, for example, a golf tournament held annually at the Autoneum site in Bloomsburg, Pennsylvania, USA. Around 140 participants brought in more than 55 000 US dollars, which was donated to a charitable organization. On the occasion of "Breast Cancer Awareness Month" employees at the British plants and North American headquarters collected donations that went to benefit cancer research. Personnel at the Chinese plant in Guangzhou organized a charity bazaar, with proceeds going to support the fire department in Tianjin.

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# Autoneum from A to Z

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What does “Operational Excellence” mean?  
How do engine encapsulations reduce  
vehicle emissions? And how is “Kaizen” implemented?  
Discover the world of Autoneum from A to Z!



Customers of Autoneum:





# A

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## Automotive Industry

The automotive industry is a growth industry driven by innovation and one of the most important global economic sectors. As the leading supplier of acoustic and thermal management solutions and one of the world's top 100 suppliers, Autoneum produces components for almost all automobile manufacturers that make cars quieter, lighter and safer. Thanks to Autoneum, OEMs offer their customers not only driving comfort but also a sustainable driving experience.



DAIMLER



# B

## Business Groups

Autoneum is divided into four Business Groups by region: Business Group Europe, Business Group North America, Business Group Asia and Business Group SAMEA (South America, Middle East and Africa). Almost 90% of Autoneum's net sales are currently generated in Europe and North America. By 2020, the growth markets of Asia and SAMEA will already account for over 20% of the company's sales. The decisive factor here is growth with global and regional customers in Asia – not only in China as the world's largest automobile market, but also in Thailand, South Korea and India.

BG Europe



BG North America



BG Asia



BG SAMEA



# C



## CO<sub>2</sub>

CO<sub>2</sub> emissions of vehicles are subject to increasing global regulation. For example, automobile manufacturers in the European Union are being required to reduce the average CO<sub>2</sub> emissions of a vehicle from 130 grams at present to 95 grams per kilometer driven from 2021. The lightweight and aerodynamic products of Autoneum help to achieve this by reducing vehicle weight and fuel consumption, which in turn means lower emissions.

# D

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## Decibel

While until now importance was attached primarily to reducing interior vehicle noise, in future the focus will be on reduction of exterior noise. Currently, light vehicles in the European Union are allowed to be up to 74 decibels loud – from 2025 onward, the limit will be 68 decibels. This means that four cars will then only be allowed to make as much noise as a single vehicle today. In order to achieve this reduction, Autoneum's long-standing acoustics expertise is indispensable.

# E

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## EHS – Environment, Health and Safety

Whether on the shopfloor or in the office – safety always comes first at Autoneum. For this reason, training courses are held each year at all the company's 50 locations that address various aspects such as the correct and safe operation of machines or power-saving work processes. The targeted further training of internal specialists to conduct these training courses makes a decisive contribution to the high safety standards at Autoneum.



# F

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## Fibers

Autoneum uses textile fibers for the manufacture of innovative Prime-Light inner dashes and floor insulators. Fiber-based products are particularly light and at the same time absorb interior and exterior vehicle noise. Lightweight Prime-Light insulators replace insulators made of heavy layer foam, thereby facilitating a weight saving of up to 50%.



# G

## Global Presence

The global presence of Autoneum is one of the company's key success factors. With around 50 locations in over 20 countries, Autoneum stands for production in proximity to the customer and just-in-time delivery. Whether in the traditional key markets of Europe, North and South America and Asia or in growth markets such as Mexico, China and India – Autoneum is a reliable partner of automobile manufacturers throughout the world.



### Autoneum

### Locations with minority shareholders

### Investments in associates

### Licensees

### Argentina

- Córdoba

### Belgium

- Genk

### Brazil

- Betim
- Gravataí
- São Paulo
- Taubaté

### Canada

- London, Ontario
- Tillsonburg, Ontario

### China

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

### Czech Republic

- Bor
- Choceň
- Hnátnice

### France

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

### Germany

- Großostheim
- Munich
- Roßdorf-Gundernhausen
- Sindelfingen

### Great Britain

- Halesowen
- Heckmondwike
- Stoke-on-Trent

### India

- Behror
- Chennai

### Indonesia

- Jakarta

### Italy

- Santhià

### Japan

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


**Malaysia**

- Shah Alam

**Mexico**

- Hermosillo
- Silao

**Poland**

- Katowice
- Nowogard

**Portugal**

- Setúbal

**Russia**

- Ryazan

**South Africa**

- Rosslyn
- Durban

**South Korea**

- Incheon
- Daegu

**Spain**

- A Rúa
- Valldoreix

**Sweden**

- Göteborg

**Switzerland**

- Winterthur (HQ)
- Sevelen

**Taiwan**

- Taoyuan

**Thailand**

- Laem Chabang
- Chonburi

**Turkey**

- Bursa

**USA**

- Aiken, South Carolina
- Bloomsburg, Pennsylvania
- Farmington Hills, Michigan
- Jeffersonville, Indiana
- Oregon-Lallendorf, Ohio
- Oregon-Wynn, Ohio
- Chicago Heights, Illinois
- Jackson, Tennessee
- Monroe, Ohio
- Somerset, Kentucky
- Tinley Park, Illinois
- Valparaiso, Indiana





# H

## High Performance Culture

A motivating company culture that simultaneously targets employee commitment and satisfaction makes a significant contribution to long-term business success. Autoneum’s High Performance Culture is based on specific values and behaviors. The employees at all locations practice these values in their decisions and actions. This enables Autoneum to remain loyal to its overarching principles “Delight your customers”, “Enjoy your work” and “Fight for profits”.





# I

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## **Innovation Leader**

Thanks to its research expertise, Autoneum has for decades been a global leader in the development and manufacture of components and systems for noise and heat protection with its innovative multifunctional products. Autoneum's pioneering materials, technologies and products already offer OEMs today what the vehicle of tomorrow will need.

# J

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## Joint Venture

In addition to its own numerous production facilities, Autoneum also successfully participates in joint ventures. Autoneum operates six joint ventures around the world with its long-standing Japanese partner and automobile supplier Nittoku for the supply of Japanese OEMs in North America and Asia. In addition, Autoneum cooperates with local partners in growth markets such as Turkey, South Africa, Thailand and South Korea, thereby ensuring optimum global presence as well as further growth.

# K

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## 改善

## Kaizen

The term “Kaizen” originates from Japanese and means “change for the better”. Kaizen is based on the principle of continuous progress by means of a large number of individual measures. In 2015, Autoneum’s employees around the world submitted more than 10 000 improvement proposals including, among others, optimization possibilities for production processes.

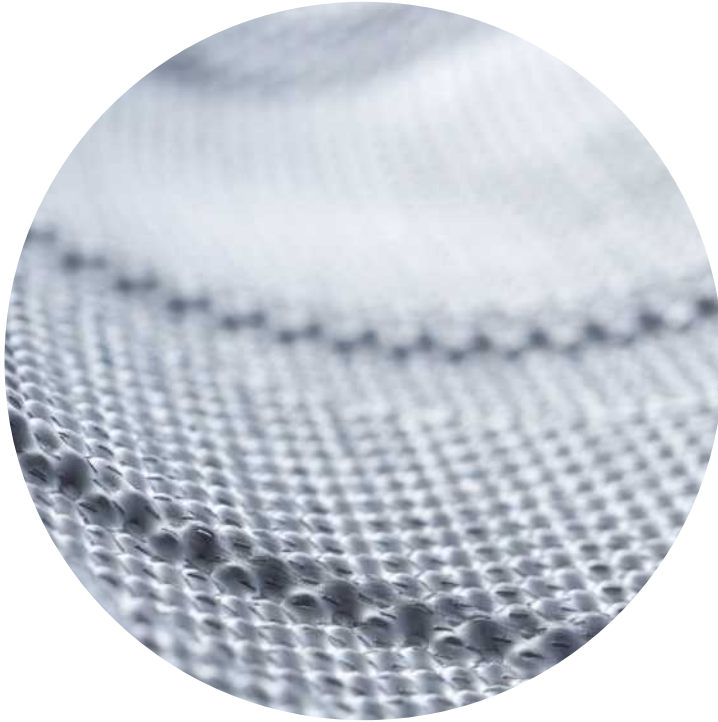




# L

## Lightweight

Lightweight construction has today become an indispensable component of automotive development. Autoneum not only has implemented this trend at an early stage but also played a pioneering role in shaping it. Thanks to its lightweight products, fuel consumption and vehicle emissions are reduced – with both automobile manufacturers and consumers benefiting from this.



# M

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## **Multifunctional**

Autoneum's products ideally combine vehicle noise and heat protection. While noise reduction contributes to enhanced driving comfort and a reduced environmental impact, sensitive components are simultaneously protected against heat. In addition, the products are recyclable. One product – multiple benefits!

# N

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## **Non-Woven Carpets**

Autoneum's non-woven carpets contribute to enhanced driving comfort by reducing the level of road noise penetrating the passenger compartment. Moreover, they are also dirt-resistant, easy to clean and visually appealing. Non-woven carpets such as Di-Light are largely used in compact and mid-range cars. For higher vehicle classes, Autoneum additionally offers multifunctional tufted carpets.



# O

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## Operational Excellence

Operational excellence is practiced on a daily basis by our global workforce of over 11 000 employees. Whether best practice sharing, standardization of business and production processes, implementation of the Autoneum Production System (APS) or general efficiency and productivity enhancements – operational excellence is pursued throughout Autoneum.

# P

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## Profitable Growth

Autoneum focuses constantly on profitable growth as one of its six strategic priorities. Thanks to the selective acceptance of orders, operational excellence and the expansion of vertical integration, the company not only has continuously increased sales since the separation back in 2011, but with an operating margin of 7.6% is also an above-average successful automotive supplier.

# Q

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## Quality

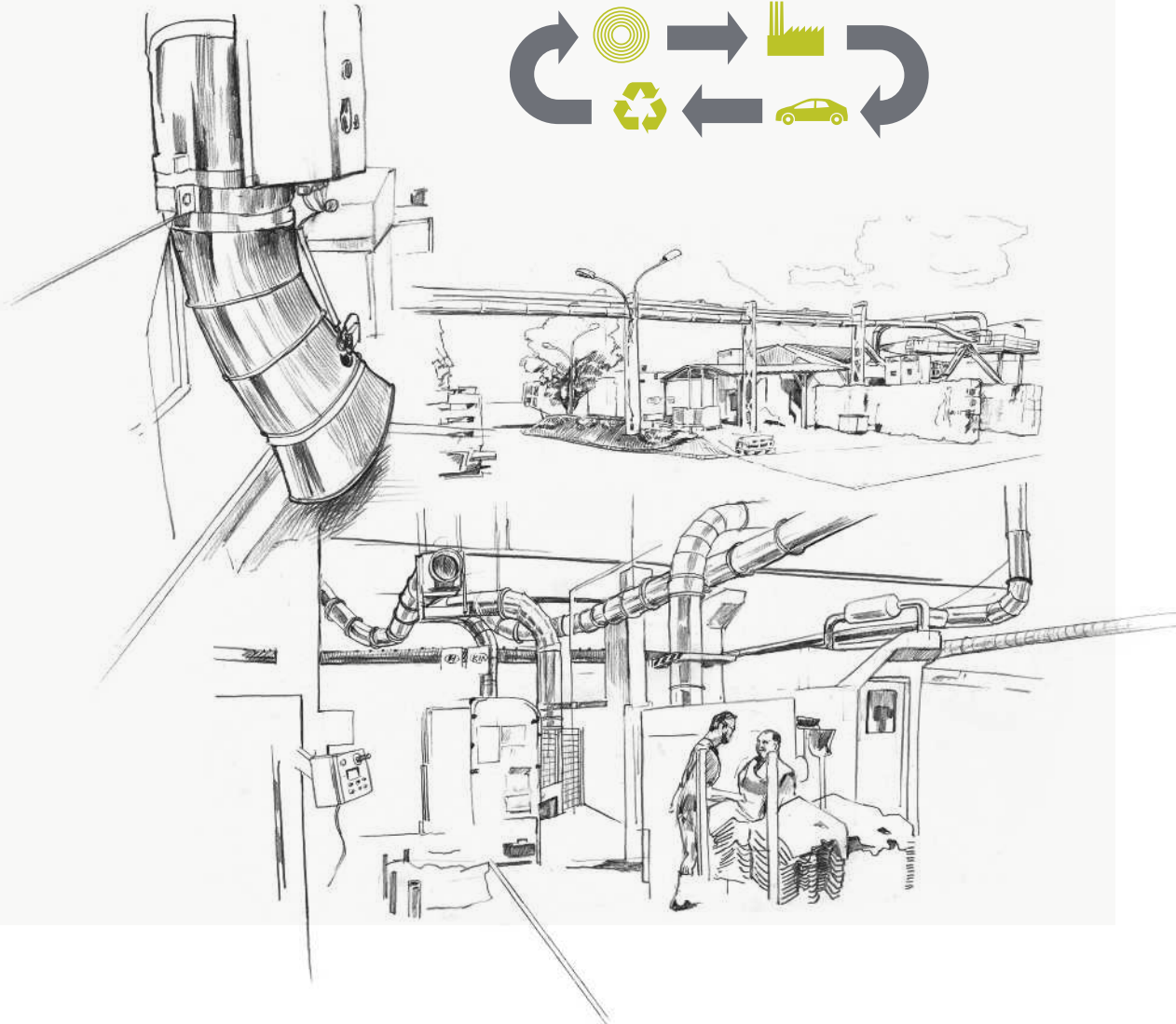
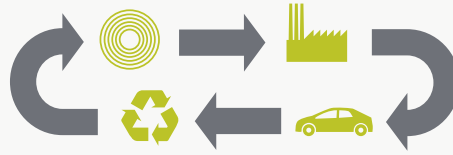
Quality orientation is the prerequisite for business success – this particularly also applies to automotive suppliers as their components must satisfy the highest quality requirements of vehicle manufacturers. The quality of parts and systems is measured in “parts per million” (ppm). “Ppm” refers to the number of faulty parts (error rates) in component production. This means that out of a million produced parts only a given very small number may be defective.



# R

## Recycling

Autoneum keeps the environmental impact of its products as low as possible. To this end, the company focuses on production processes that facilitate a more efficient processing of the deployed raw materials and return production waste to the manufacturing cycle. At the same time, the application of reusable basic materials contributes to making a large share of the end products recyclable.





# S

## Simulation

In order to support customers in the design phase of new models and in the further development of existing vehicles, Autoneum makes use of self-developed simulation software programs. This software serves to optimize the NVH (noise, vibration, harshness) performance of vehicles. The products and systems developed on the basis of these simulations are tested by means of specially designed measurement systems.







# T

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## **Theta-FiberCell**

With Theta-FiberCell, Autoneum has developed a key technology for engine encapsulations. Engine encapsulations keep the engine warm over a longer period. This means less fuel consumption and therefore lower CO<sub>2</sub> emissions at the next cold start. The fiber-foam combination withstands temperatures of up to 200°C and reduces engine noise.



u

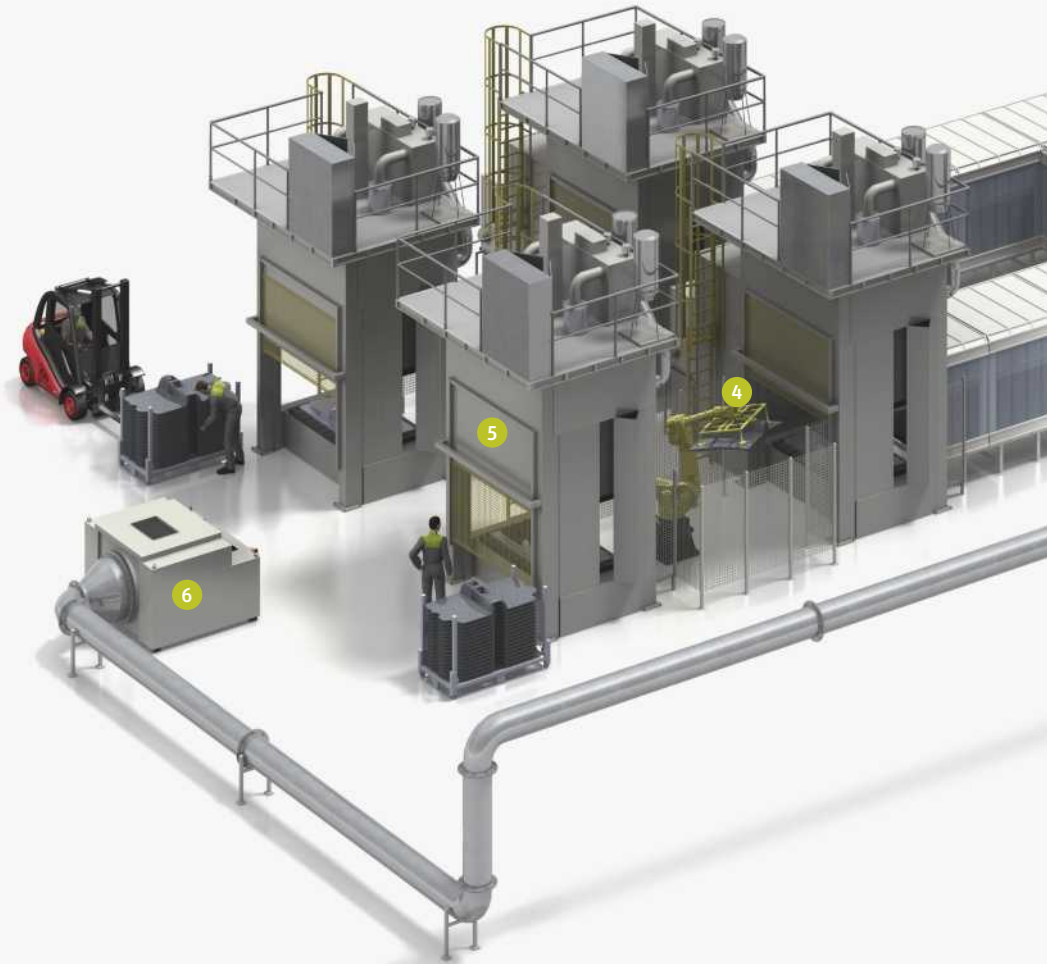
## Underbody Systems

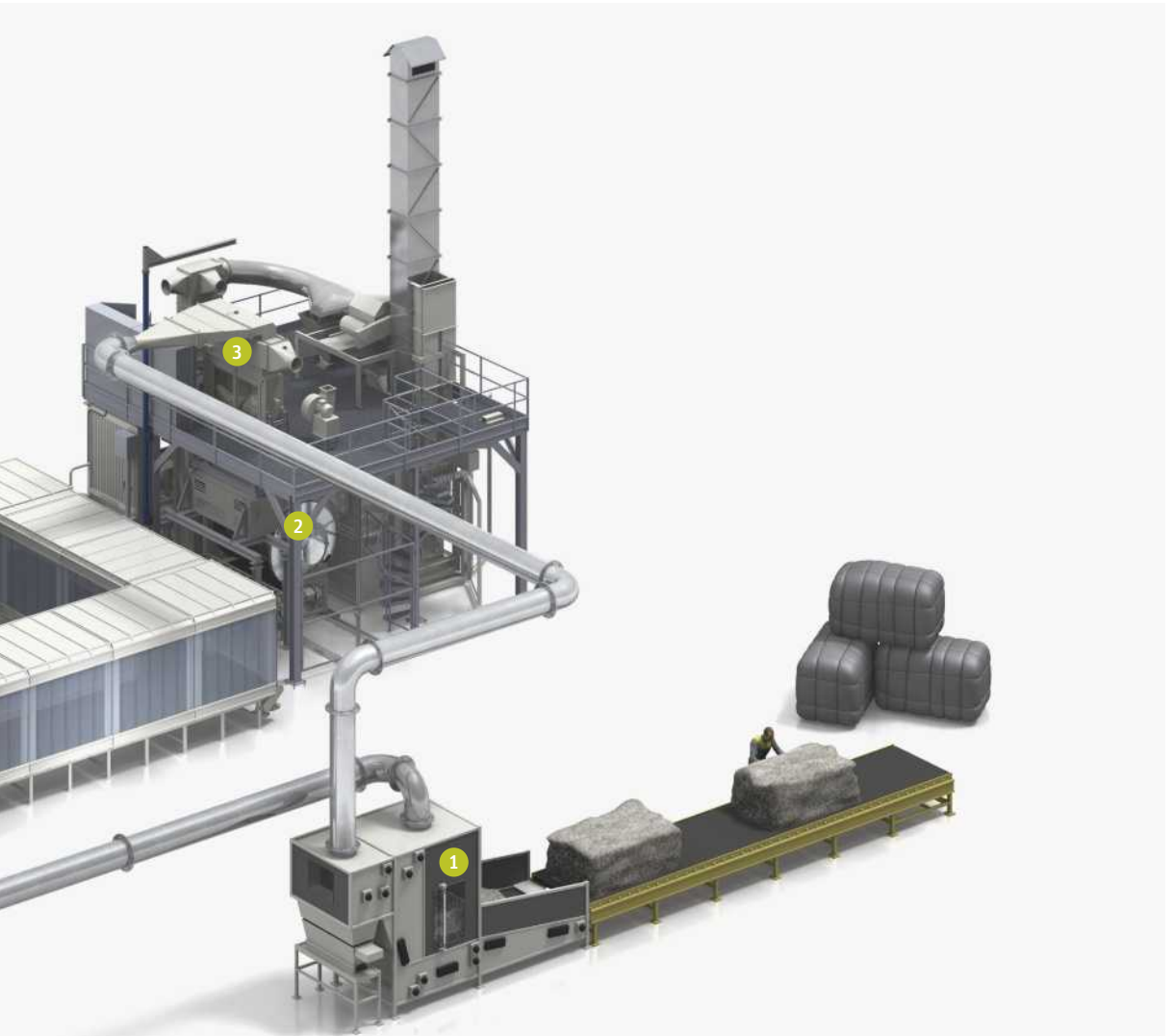
Underbody systems reduce the drag of cars, thereby enhancing their aerodynamics. Autoneum's Ultra-Silent underbody shields consist of textile fibers and offer various benefits compared with conventional underbody components made of plastic. They weigh only half as much as plastic parts and offer optimum stone chip protection. In addition, as a textile material Ultra-Silent absorbs interior and exterior vehicle noise much more effectively than hard plastic.



**Vertical Integration  
as implemented in the  
Injection-Fiber-Process (IFP-R2)**

- 1 Bale opener
- 2 IFP-R2 tower
- 3 IFP-R2 fiber cake
- 4 Molding
- 5 Cutting
- 6 Recycling





# V

## Vertical Integration

An important success factor for Autoneum is the expansion of vertical integration. Specifically, this means to increase the vertical range of manufacture by enhancing the in-house production of basic materials. This enables the entire potential of the value chain – from the basic materials to the final component – to be optimally utilized.

# W

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## Winterthur

Autoneum's corporate headquarters and the research center are located in Winterthur, Switzerland, in the canton of Zurich.







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**MMXI**

With the separation and the going public of Autoneum, the year 2011 marks the starting point of the market leader's growth path. Since then the company has consistently implemented its guiding principle of "continuous improvement", enhanced its global presence, acquired new customers and in doing so multiplied its profitability.

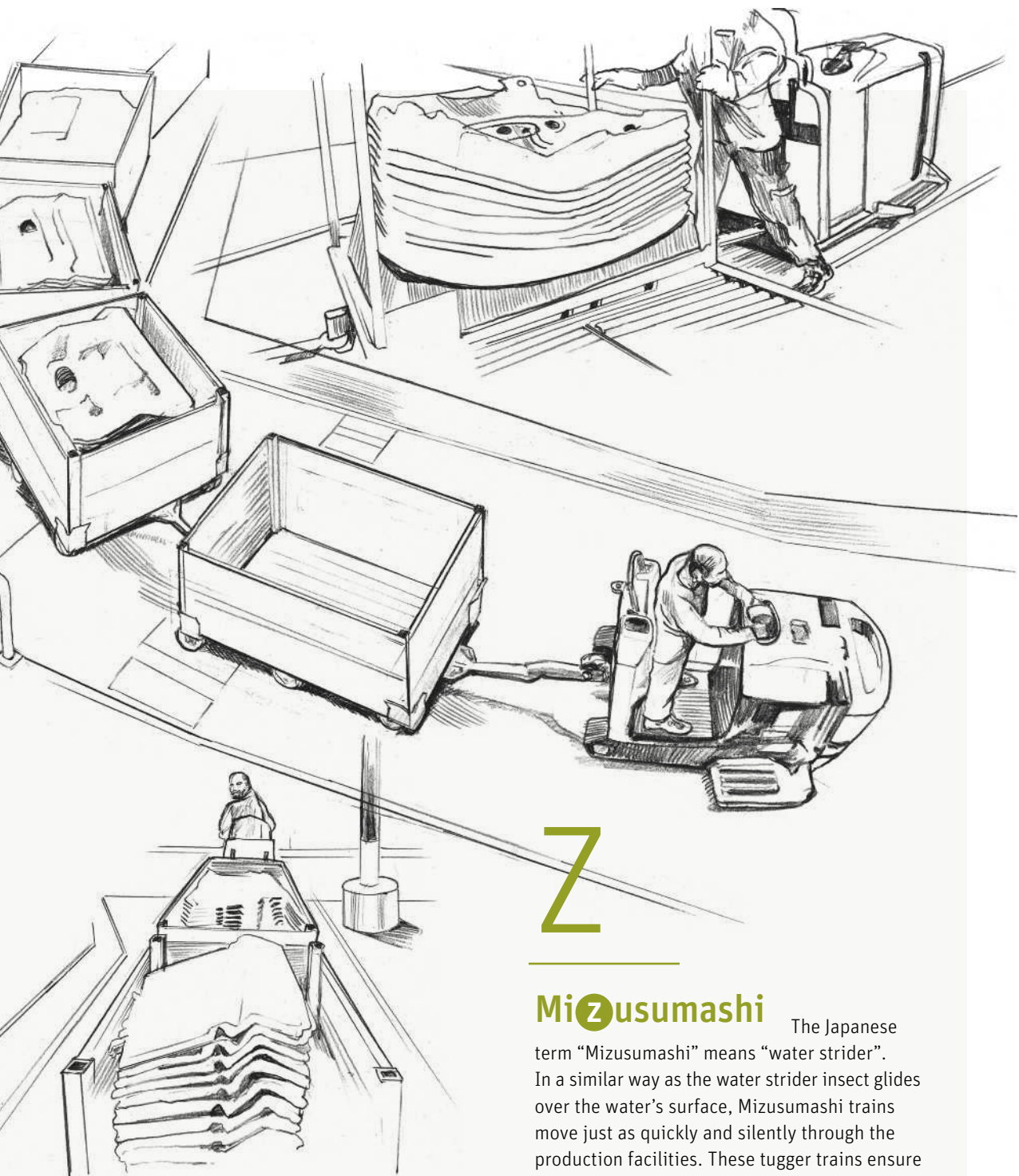


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**Yuan**

The Yuan, officially also called renminbi, is the currency of world's largest automobile market: Over 23 million light vehicles were produced in China in 2015, and an increase to 30 million vehicles is forecast by 2020. Autoneum has therefore expanded its presence in this Asian growth market in recent years and today operates five production facilities in China.





# Z

## Mi**Z**usumashi

The Japanese term “Mizumashi” means “water strider”. In a similar way as the water strider insect glides over the water’s surface, Mizumashi trains move just as quickly and silently through the production facilities. These tuggy trains ensure the continuous supply of shopfloor workers with materials and parts at their workstations. Compared with forklifts, Mizumashi trains increase the cycle times of the material flow and facilitate more efficient and safer production.

# Sustainable action for long-term success

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Entrepreneurial activity significantly impacts developments in society. With its comprehensive sustainability management, Autoneum contributes to shaping society sustainably while ensuring long-term corporate success at the same time. Ecological, economic and social aspects are all integral to corporate development.

Autoneum pursues the principle of responsible action consistently and across all its sites. Prudent management of employees and open dialogue with the public is just as much part of it as the careful use of natural resources. Accordingly, the company strives to minimize the environmental impact of its manufacturing processes. So in 2015, Autoneum implemented production-related measures to increase efficiency worldwide, in particular through cutting down consumption of energy and water as well as reducing waste. Thus, various sites of all four Business Groups increased the reuse of internal production scrap from the manufacture of damping materials and pieces of felt. In addition, heavy foam production waste from European plants has been centrally recycled in Roßdorf-Gundernhausen, Germany, since 2015.

For long-term reductions in energy consumption, systems for monitoring and analyzing electricity consumption have been installed at several production sites in China. Improvements at the Chongqing plant alone led to a 10% decrease in consumption. Adjustments to production processes and equipment in Poland, Canada, China and the USA resulted in less water being consumed.

## **Eco-efficient products**

In addition to Autoneum's resource-saving production processes, its products also contribute to the sustainable protection of the environment: On the one hand, their lightweight construction reduces vehicle weight, resulting in lower fuel consumption and correspondingly lower CO<sub>2</sub> emissions. On the other hand, they reduce the

environmental impact of traffic by lessening the interior and exterior noise of vehicles. So for example, textile underbody shields made of Ultra-Silent decrease interior noise by up to two decibels and exterior noise by up to one decibel.

Autoneum is the market leader for lightweight underbody systems; its Ultra-Silent fiber technology was developed with this specific approach in mind. In the past, this technology has been available only in Europe. In the reporting year Autoneum introduced Ultra-Silent in the North American market, responding to big demand from international OEMs. Its launch in China is planned for 2017.

### **Focus on occupational safety**

The eco-efficiency of production sites is evaluated on a monthly basis according to specific indicators (KPIs). This data is also used to document compliance with customers' sustainability requirements. Social criteria are recorded as well, including KPIs that quantify the level of occupational safety. Autoneum aims to ensure the best possible safety conditions at all sites and constantly strives to prevent accidents at the workplace.

Numerous training courses and audits ensured that further extensions to the company's environmental, health and safety management system, which were defined and implemented at all production sites in 2014, were indeed applied according to specifications.

### **Intensified knowledge management**

In line with its value of "continuous improvement", in all areas of business Autoneum strives to further expand innovation leadership in the field of vehicle acoustics and thermal management. This calls for knowledge management within the company, an important part of this being regular transfer of know-how between specialists at different locations on specific products, technologies and production processes. In order to intensify this structured exchange of experience, existing expert networks dedicated to products such as tufted carpets and heatshields were augmented in 2015 by some expert networks focused on production processes. In these global committees, experts in the fields of research & development, technology and manufacturing discuss the latest in-house research findings, develop optimized production flows and evaluate global trends as they relate to the respective expert networks.




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In 2015, Autoneum implemented worldwide measures to increase efficiency and hence reduce consumption of energy and water.

# Corporate Governance

Autoneum is a globally oriented company that is committed to creating long-term value. As such, it considers high standards of Corporate Governance of utmost importance. A policy of transparent information provision to its various stakeholder groups creates a basis for mutual trust.

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

Unless stated otherwise, the data pertain to December 31, 2015. Information will be updated regularly on [www.autoneum.com/investor-relations](http://www.autoneum.com/investor-relations). Some data refer to the financial section of this Annual Report. The Remuneration report can be found from page 104 onwards.

## 1 Group structure and shareholders

### Group structure

Autoneum Holding Ltd is a company incorporated under Swiss law, with its registered offices in Winterthur. Its shares are listed on the SIX Swiss Exchange (securities code 12748036, ISIN CH0127480363, symbol AUTN). Market

capitalization as of December 31, 2015, was CHF 938.1 million.

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

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

Each Business Group has been established for a clearly defined and demarcated specific market region. Each of these Business Groups conducts its business within the framework of the Organizational Regulations<sup>2</sup> and under the leadership of the Business Group Head, who reports directly to the CEO of the Autoneum Group. The segment reporting information can be found on pages 78–80.

The Corporate Finance department and those cross functions that report directly to the CEO support the CEO, the Business Group

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

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

Heads, and the Board of Directors in their management and supervisory functions, and are responsible for the activities outside the Business Groups such as management of holding companies and pension funds. Subsidiary companies are founded based on legal, business and financial considerations. One responsible person (Head of Legal Unit) is appointed for each company. He is responsible for local financial management as well as for compliance with national laws and regulations and internal guidelines.

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

40 companies worldwide belonged to the Autoneum Group as of December 31, 2015. An overview on affiliates comprising the names, domiciles and share capital of the affiliates and the voting rights held by the Autoneum Group can be found on page 102. The manage-

ment organization of the Autoneum Group is independent of the legal structure of the Group and the individual companies.

**Significant shareholders**

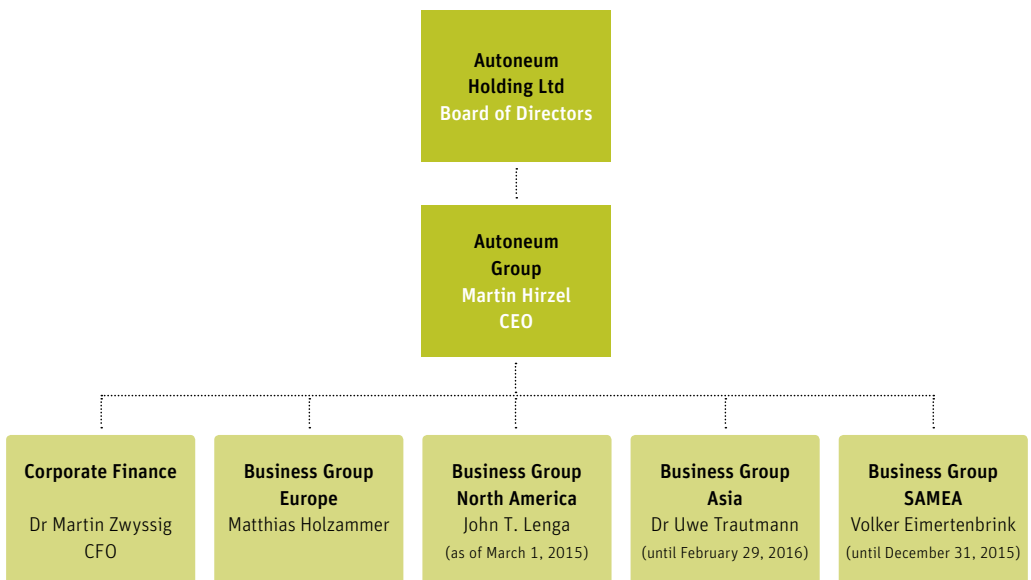
As of December 31, 2015, Autoneum was aware of the following shareholders with 3% or more of all voting rights in the company:

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

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

**Organization**

As per December 31, 2015



regulation.com/en/home/publications/significant-shareholders.html, where also further details can be found.

As of December 31, 2015, Autoneum Holding Ltd held 0.8% of the share capital (37 612 shares).

### **Cross-holdings**

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

## **2 Capital structure**

### **Share capital**

On December 31, 2015, the share capital of Autoneum Holding Ltd totaled CHF 233 618.15. This was divided into 4 672 363 fully paid up registered shares with a par value of CHF 0.05 each. The shares are listed on the SIX Swiss Exchange (securities code 12748036, ISIN CH0127480363, symbol AUTN).

### **Authorized share capital**

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

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

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

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

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

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

The share capital may be increased by a maximum of CHF 12 500 through the issuance of up to 250 000 fully paid up registered shares

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

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

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with a par value of CHF 0.05 each to employees of the company or one of its Group companies. The preemptive rights of the shareholders shall be excluded in connection with the issuance of convertible or warrant-bearing bonds or similar financial instruments. The issuance of these shares to employees will be in accordance with one or more regulations issued by the Board of Directors and will take appropriate account of employee performance, position and degree of responsibility, and economic viability criteria subject to §24 of the Articles of Association<sup>4</sup>. Shares or options may be issued to employees at a price lower than that quoted on the stock exchange. The acquisition of shares within the framework of the employee participation plan, as well as every subsequent transfer of these shares, is subject to the limitations set forth in §4 of the Articles of Association<sup>4</sup>.

### Changes in share capital

There have been no changes to the share capital of Autoneum Holding Ltd since the company's founding on December 2, 2010. The General Meeting of March 22, 2011, adopted a contingent share capital of CHF 35 000 (see page 46) and a contingent share capital of CHF 12 500 (see pages 46 and 47). The authorized share capital of CHF 47 500 adopted at the same General Meeting of March 22, 2011, expired after two years on March 22, 2013, without being utilized. It was not extended, and there

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

### Participation and dividend-right certificates

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

### Shares

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

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



and issues the instructions necessary for compliance with the provisions set forth above. In special cases, the Board of Directors may grant exemptions from the rule concerning nominees and may delegate its duties.

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

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

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

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

Shares held in a fiduciary capacity are not principally entered in the shareholders' register. However, as an exception to this rule,

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

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

### **Convertible bonds and options**

Autoneum Holding Ltd has no convertible bonds or options outstanding.

## **3 Board of Directors**

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

### **Board membership**

Pursuant to the Articles of Association<sup>5</sup>, the Board of Directors of Autoneum Holding Ltd consists of no less than three and no more than nine members. As of December 31, 2015, the Board of Directors comprised six members, none of whom performed executive duties. The functions of Chairman of the Board and CEO are separated in order to ensure a good balance between the company management and supervisory bodies.

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

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

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

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



ing the reporting period. The members of the Board of Directors and the companies represented by them do not have any significant business relationships with companies of the Autoneum Group (but see page 100).

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

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

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

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

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

Board members can be reelected. They retire at the Annual General Meeting following their 70<sup>th</sup> birthday, although the Board of Directors can lift the age limit in individual

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

### **Internal organization**

The Board of Directors is responsible for the business strategy and 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.

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

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

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

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

## Board of Directors



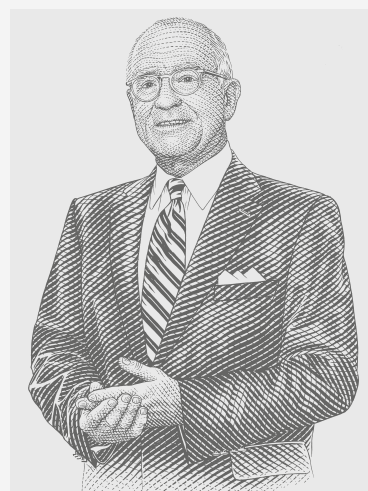
**Hans-Peter Schwald (1959)**  
Chairman  
Swiss national

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



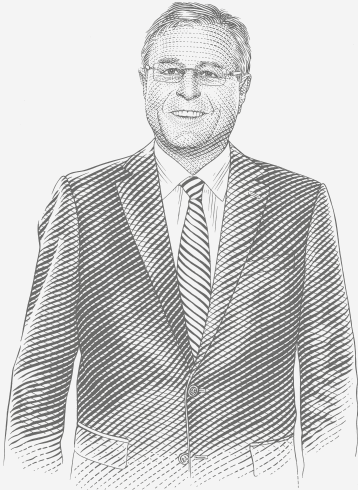
**Rainer Schmückle (1959)**  
Vice Chairman  
German national

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



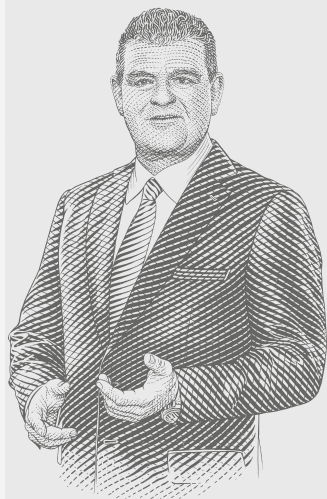
**Michael Pieper (1946)**  
Board member  
Swiss national

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



**This E. Schneider (1952)**  
Board member  
Swiss national

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



**Peter Spuhler (1959)**  
Board member  
Swiss national

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



**Ferdinand Stutz (1957)**  
Board member  
Swiss national

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

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

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

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

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In 2015, the members of the Board of Directors met for five regular meetings. They all lasted around half a day, one of which was held abroad followed by a visit of a production plant. The attendance rate was 93%. In addition, four telephone conferences were held.

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

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

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

### Committees

Besides the Compensation Committee the Board of Directors has appointed an Audit, a Nomination and a Strategy Committee from among its members in order to assist it in its duties. The committees are fundamentally advisory and preparatory bodies and have no decision-making powers; resolutions are passed by the Board as a whole. Each committee has written terms of reference specifying its tasks and responsibilities. The members of the Compensation Committee have been elected by the Annual General Meeting. The Chairman and further members of the other committees are elected by the Board of Directors. The committees meet regularly and are required to 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 2015 financial year none of the members of the Audit Committee performed executive duties. The Chairman is elected for one year. The Audit Committee meets at least twice each financial year. The meetings are also attended by the Head of Internal Audit, representatives of the statutory and Group auditors, the CEO and the CFO, and other members of the Group Executive Board and management as appropriate. The main duties of the Audit Committee are:

- elaborating principles for external and internal audits for submission to the Board of Directors, and providing information on their implementation;
- assessing the work of the external and internal auditors as well as their mutual cooperation and reporting to the Board of Directors;
- assessing the reports submitted by the statutory auditors as well as the invoiced costs;
- overall supervision of risk management and acceptance of the Group Executive Board's risk report addressed to the Board of Directors;
- assisting the Board of Directors in nominating the statutory auditors and the Group auditors for submission to the Annual General Meeting;
- scrutinizing the results of internal audits, approving the audit schedule for the following year and nominating the Head of Internal Audit;
- the Chairman of the Audit Committee is responsible for accepting complaints (whistle-blowing) in connection with the Code of Conduct<sup>9</sup>.

The Audit Committee met for two regular meetings in 2015. Both meetings lasted three to four-and-a-half hours. All committee members attended these meetings and received regular written reports from the internal auditors.

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

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

The members of the Compensation and the Nomination Committee held four regular meetings in 2015. Each meeting lasted one to four hours. All committee members attended all meetings.

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

The Strategy Committee meets at least twice a year. The meetings are also attended by the CEO and the CFO, and other members of

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

the Group Executive Board and management as appropriate.

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

The Strategy Committee met in 2015 for one regular meeting and a two-day strategy workshop with the entire Group Executive Board. The regular meeting lasted four hours. All committee members attended the meeting, in the strategy workshop one member could not participate.

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## The Strategy Committee met in 2015 for one regular meeting and a two-day strategy workshop with the entire Group Executive Board.

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### Allocation of authority

The Board of Directors delegates operational business management to the CEO. The members of the Group Executive Board report to the CEO. The allocation of authority between the Board of Directors and the CEO is stipulated in the Organizational Regulations<sup>10</sup>, while details of the tasks reserved for the Board of Directors can be found on pages 49–52 (“Internal Organization”). The cooperation between the Board of Directors, the CEO and the Business Groups is stipulated in the Group's Organizational

Regulations<sup>10</sup>, which include the following: The CEO draws up the strategic and financial planning statements and the budget with the Group Executive Board and submits them to the Board of Directors for approval. He reports regularly on the course of business as well as on risks and changes in personnel at the management level. In addition to periodic reporting, he is obliged to inform the Board of Directors immediately about any business transactions of fundamental importance.

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

The Board of Directors receives a written monthly report on the key figures of the Group and the Business Groups from the Group Executive Board. This provides information on the balance sheet, cash flow and income statements as well as capital expenditure. The figures are compared with the budget and with the previous year. The Board of Directors is also informed at each meeting about the course of business, important projects and risks, as well as ongoing earnings and liquidity budget planning. Should the Board of Directors have to rule on major projects according to the Organizational Regulations<sup>10</sup>, a written request is submitted prior to the meeting.

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

The Board of Directors has initiated and implemented a comprehensive internal control system for risk monitoring in connection with business activities, which covers risk identifi-

<sup>10</sup> [www.autoneum.com/about-autoneum/](http://www.autoneum.com/about-autoneum/)



cation, analysis and control as well as risk reporting. Refer to pages 74–77 for details of this risk management process and on financial risk management.

The members of the Audit Committee, the CEO, the CFO and appointed members of the management receive the internal audit reports. Internal audit conducted twelve regular audits in 2015. The results were discussed in detail with the Business Groups and the companies concerned, and appropriate measures have been initiated and monitored accordingly.

### **Code of Conduct**

The Code of Conduct is an integral part of every employment contract of every employee. 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. The Code of Conduct can be found at [www.autoneum.com/en/about-autoneum/code-of-conduct/](http://www.autoneum.com/en/about-autoneum/code-of-conduct/).

## **4 Group Executive Board**

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The Group Executive Board had six members on December 31, 2015: the CEO, the CFO and the four Business Group Heads. For additional information about the Group Executive Board members please refer to pages 56 and 57.

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

According to §20 of the Articles of Association<sup>11</sup>, no member of the Group Executive Board may assume more than four additional mandates and no more than five of these may be held with listed companies which are to be approved by the Board of Directors prior to the acceptance. This restriction does not apply to (a) mandates held with companies that control or are controlled by Autoneum Holding Ltd; (b) mandates assumed by a member of the

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

### **Management contracts**

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

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

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The content and process for determining remuneration and equity participation programs as well as information on the remuneration, shareholdings and loans of the Board of Directors and the Group Executive Board can be found in the Remuneration report on page 104.

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

## Group Executive Board



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

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



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

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

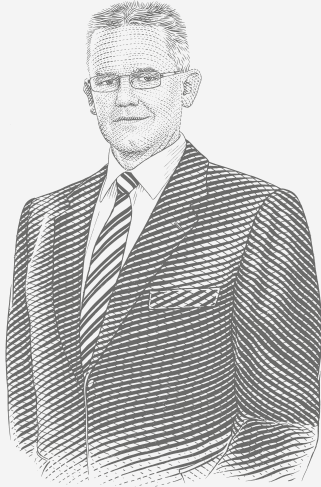


**Dr Uwe Trautmann (1957)**  
 Head Business Group Asia\*  
 German national

**Member of the Group Executive Board since 2011 . Educational and professional background** Degree in mechanical engineering, Dr oec. Technische Hochschule Zwickau; from 1992 to 1997 responsible for the regional operations of the German company Aesculap Ltd 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 KGaA Hella & Co. in Shanghai; from 2007 to 2011 Head Business Group Asia, member of the Executive Committee of the Division Automotive Systems of Rieter Holding Ltd; in the current function since 2011 .

\*until February 29, 2016





**Volker Eimertenbrink (1959)**  
Head Business Group SAMEA  
German national

**Member of the Group Executive Board since 2012 . Educational and professional background** Degree in business engineering; from 1985 to 1995 production/value engineer and design engineer for Hymmen GmbH and Fr. Buschjost GmbH & Co.; 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 Rieter Holding Ltd; from 2011 to 2012 Head Corporate Controlling and Deputy CFO of Autoneum Management Ltd; in the function as Head Business Group SAMEA from 2012 to December 31, 2015 .



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

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



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

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

\*as of March 1, 2015

## 6 Shareholders' participatory rights

### Voting restrictions

Autoneum Holding Ltd imposes no voting restrictions.

—  
**Autoneum Holding Ltd  
 imposes no  
 voting restrictions.**  
 —

### Statutory quorum

General Meetings of Shareholders adopt resolutions with the absolute majority of represented voting shares unless the law or Articles of Association<sup>12</sup> stipulate otherwise. Remuneration is approved with the majority of votes cast regardless of potential abstentions.

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

General Meetings of Shareholders are called through publication in the Swiss Commercial Gazette by the Board of Directors at least 20 days prior to the event, with details of the agenda, pursuant to §8 of the Articles of Association<sup>12</sup>. Pursuant to §9 of the Articles of Association<sup>12</sup>, shareholders representing shares with a par value of at least CHF 20 000 can request the inclusion on the agenda of an item for discussion, with details of the relevant motions, by a closing date published by the company. Shareholders who do not attend General Meetings personally can arrange to be represented by another shareholder by written power of attorney or by the independent voting proxy by issuing written power of attorney and instructions pursuant to the signed registration form or electronically via the platform at <https://autoneum.shapp.ch>. The independent voting proxy is elected annually by the Annual

General Meeting. Lic. iur. Ulrich B. Mayer, Attorney-at-Law, shall hold office as independent voting proxy until the closure of the 2016 Annual General Meeting.

### Entries in the shareholders' register

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

## 7 Change of control and defensive measures

### Change of control clauses

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

### Obligation to submit an offer

The legal provisions according to Art. 22 of SESTA are applicable. This states that a shareholder or a group of shareholders acting in concert who hold more than 33% of all shares must submit a takeover offer to the other shareholders.

## 8 Statutory auditors

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

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

<sup>12</sup> [www.autoneum.com/investor-relations/corporate-governance/](https://www.autoneum.com/investor-relations/corporate-governance/)

**Audit fees and additional fees**

KPMG and other auditors charged Autoneum Holding Ltd approximately CHF 1.1 million in the financial year 2015 for services in connection with auditing the annual financial statements of the Group companies, the consolidated Autoneum Group accounts and the Remuneration report. KPMG and other auditors also charged Autoneum approximately CHF 0.5 million for additional services in the year under review, mainly for tax advisory services.

**Information instruments of the external auditors**

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

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

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

annually, and discusses auditing results with the external auditors in each case.

**9 Information policy**

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

Reporting on the financial year 2015 includes the Annual Report with review of the year, the annual and consolidated financial statements, the Corporate Governance report and Remuneration report, a media release as well as a presentation. The Annual Report can be ordered by shareholders using the form enclosed with the invitation to the General Meeting. It is also available for perusal at company headquarters no later than 20 days prior to the General Meeting. At the Annual General Meeting, the Board of Directors and the Group Executive Board provide information on the annual accounts and the course of company business and answer shareholders' questions.

## Sources of information

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

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

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

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



## Consolidated income statement

CHF million	Notes	2015		2014	
Net sales	(4)	2 085.9	100.0%	1 954.7	100.0%
Material expenses		-998.1	47.8%	-964.5	49.3%
Employee expenses	(5)	-545.2	26.1%	-499.8	25.6%
Other expenses	(6)	-366.6	17.6%	-305.3	15.6%
Other income	(7)	15.5	0.7%	16.5	0.8%
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>		<b>191.5</b>	<b>9.2%</b>	<b>201.6</b>	<b>10.3%</b>
Depreciation and amortization	(8)	-65.1	3.1%	-66.5	3.4%
<b>Earnings before interest and taxes (EBIT)</b>		<b>126.5</b>	<b>6.1%</b>	<b>135.1</b>	<b>6.9%</b>
Financial income	(9)	0.9		1.0	
Financial expenses	(10)	-20.2		-16.4	
Share of profit of associated companies	(15)	1.9		0.4	
<b>Profit before taxes</b>		<b>109.2</b>	<b>5.2%</b>	<b>120.1</b>	<b>6.1%</b>
Income taxes	(11)	-40.5		-17.3	
<b>Net profit</b>		<b>68.7</b>	<b>3.3%</b>	<b>102.8</b>	<b>5.3%</b>
Attributable					
to shareholders of Autoneum Holding Ltd		42.2		78.9	
to non-controlling interests		26.5		23.9	
Basic earnings per share in CHF	(12)	9.12		17.03	
Diluted earnings per share in CHF	(12)	9.10		16.97	

## Consolidated statement of comprehensive income

CHF million	2015	2014
<b>Net profit</b>	<b>68.7</b>	<b>102.8</b>
Currency translation adjustment	-30.6	18.6
Changes in fair value of fin. instruments available for sale	5.2	2.8
Income taxes	-	-
<b>Total items that will be reclassified to income statement</b>	<b>-25.4</b>	<b>21.4</b>
Remeasurement of defined benefit pension plans	-3.5	-18.8
Income taxes	0.7	5.3
<b>Total items that will not be reclassified to income statement</b>	<b>-2.8</b>	<b>-13.5</b>
<b>Other comprehensive income</b>	<b>-28.3</b>	<b>8.0</b>
<b>Total comprehensive income</b>	<b>40.4</b>	<b>110.8</b>
Attributable		
to shareholders of Autoneum Holding Ltd	16.0	79.5
to non-controlling interests	24.4	31.4

The accompanying notes on pages 66–102 are part of the consolidated financial statements.

## Consolidated balance sheet

CHF million	Notes	31.12.2015	31.12.2014
<b>Assets</b>			
Tangible assets	(13)	433.5	409.6
Intangible assets	(14)	9.8	10.0
Investments in associated companies	(15)	8.3	6.4
Financial assets	(16)	35.3	31.2
Deferred income tax assets	(11)	31.7	32.0
Employee benefit assets	(25)	1.0	6.2
Other assets	(17)	33.7	40.9
<b>Non-current assets</b>		<b>553.6</b>	<b>536.2</b>
Inventories	(18)	130.9	130.5
Trade receivables	(19)	254.9	220.3
Current income tax receivables		7.4	4.7
Other assets	(17)	77.4	65.9
Financial assets	(16)	0.8	0.9
Cash and cash equivalents	(20)	78.7	140.9
Assets of disposal group classified as held for sale	(21)	11.0	-
<b>Current assets</b>		<b>561.1</b>	<b>563.0</b>
<b>Assets</b>		<b>1 114.7</b>	<b>1 099.3</b>
<b>Shareholders' equity and liabilities</b>			
Equity attributable to shareholders of Autoneum Holding Ltd	(22)	301.3	303.5
Equity attributable to non-controlling interests	(23)	96.2	89.0
<b>Total shareholders' equity</b>		<b>397.5</b>	<b>392.5</b>
Borrowings	(24)	170.9	175.3
Deferred income tax liabilities	(11)	10.8	9.9
Employee benefit liabilities	(25)	28.8	31.7
Provisions	(26)	54.4	42.8
Other liabilities	(27)	19.9	17.1
<b>Non-current liabilities</b>		<b>284.8</b>	<b>276.8</b>
Borrowings	(24)	14.0	20.4
Current income tax liabilities		10.0	8.5
Provisions	(26)	14.8	11.7
Trade payables		243.3	250.4
Other liabilities	(27)	148.1	139.0
Liabilities of disposal group classified as held for sale	(21)	2.2	-
<b>Current liabilities</b>		<b>432.3</b>	<b>430.0</b>
<b>Liabilities</b>		<b>717.1</b>	<b>706.8</b>
<b>Shareholders' equity and liabilities</b>		<b>1 114.7</b>	<b>1 099.3</b>

The accompanying notes on pages 66–102 are part of the consolidated financial statements.

## Consolidated statement of changes in equity

CHF million	Attributable to the shareholders of Autoneum Holding Ltd						Total	Attributable to non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserves	Available for sale reserves	Retained earnings	Currency transl. adjustm.			
<b>At December 31, 2013</b>	<b>0.2</b>	<b>-2.3</b>	<b>244.4</b>	<b>2.5</b>	<b>1.8</b>	<b>-13.7</b>	<b>232.9</b>	<b>69.1</b>	<b>302.0</b>
Net profit	-	-	-	-	78.9	-	78.9	23.9	102.8
Other comprehensive income	-	-	-	2.8	-13.4	11.2	0.6	7.5	8.0
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.8</b>	<b>65.5</b>	<b>11.2</b>	<b>79.5</b>	<b>31.4</b>	<b>110.8</b>
Capital increase	-	-	-	-	-	-	-	4.8	4.8
Dividends paid <sup>1</sup>	-	-	-6.0	-	-	-	-6.0	-16.3	-22.3
Purchase of treasury shares	-	-4.7	-	-	-	-	-4.7	-	-4.7
Share-based remuneration	-	0.9	-	-	0.9	-	1.9	-	1.9
<b>Total transactions with owners</b>	<b>-</b>	<b>-3.7</b>	<b>-6.0</b>	<b>-</b>	<b>0.9</b>	<b>-</b>	<b>-8.9</b>	<b>-11.5</b>	<b>-20.4</b>
<b>At December 31, 2014</b>	<b>0.2</b>	<b>-6.1</b>	<b>238.3</b>	<b>5.3</b>	<b>68.2</b>	<b>-2.5</b>	<b>303.5</b>	<b>89.0</b>	<b>392.5</b>
Net profit	-	-	-	-	42.2	-	42.2	26.5	68.7
Other comprehensive income	-	-	-	5.2	-2.8	-28.5	-26.2	-2.1	-28.3
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.2</b>	<b>39.4</b>	<b>-28.5</b>	<b>16.0</b>	<b>24.4</b>	<b>40.4</b>
Capital increase	-	-	-	-	-	-	-	0.1	0.1
Dividends paid <sup>1</sup>	-	-	-20.8	-	-	-	-20.8	-17.3	-38.1
Purchase of treasury shares	-	-0.1	-	-	-	-	-0.1	-	-0.1
Share-based remuneration	-	1.9	-	-	0.9	-	2.8	-	2.8
<b>Total transactions with owners</b>	<b>-</b>	<b>1.7</b>	<b>-20.8</b>	<b>-</b>	<b>0.9</b>	<b>-</b>	<b>-18.2</b>	<b>-17.2</b>	<b>-35.4</b>
<b>At December 31, 2015</b>	<b>0.2</b>	<b>-4.3</b>	<b>217.5</b>	<b>10.5</b>	<b>108.5</b>	<b>-31.1</b>	<b>301.3</b>	<b>96.2</b>	<b>397.5</b>

<sup>1</sup> Autoneum Holding Ltd paid a dividend of CHF 4.50 per share in 2015 (2014: CHF 1.30) as approved by the Annual General Meeting. The accompanying notes on pages 66–102 are part of the consolidated financial statements.



## Consolidated statement of cash flows

CHF million	Notes	2015	2014
Net profit		68.7	102.8
Dividend income		-0.1	-0.2
Interest income	(9)	-0.7	-0.8
Interest expenses	(10)	12.3	13.8
Income tax expenses	(11)	40.5	17.3
Depreciation and amortization	(8)	65.1	66.5
Share of profit of associated companies	(15)	-1.9	-0.4
Other non-cash income and expenses		3.6	-4.8
Change in net working capital		-48.7	-12.0
Change in post-employment benefit assets and liabilities		-0.1	-2.4
Change in non-current provisions		11.2	9.2
Change in operating receivables within other non-current assets		4.3	-9.8
Change in operating liabilities within other non-current liabilities		3.1	-0.5
Gain from disposal of subsidiary or business	(3)	-	-1.8
Dividends received		0.1	0.2
Interest received		0.7	0.8
Interest paid		-12.0	-13.8
Income taxes paid		-34.4	-25.9
<b>Cash flows from operating activities</b>		<b>111.7</b>	<b>138.2</b>
Investments in tangible assets	(13)	-119.1	-98.7
Investments in intangible assets	(14)	-1.5	-3.1
Investments in non-current financial assets		-1.5	-1.2
Proceeds from disposal of tangible assets		0.8	3.1
Proceeds from disposal of subsidiary or business, net of cash disposed of	(3)	-0.5	-8.0
Investments in associated companies	(15)	-0.5	-0.6
Investments in non-consolidated companies		-0.7	-0.8
Investments in current financial assets		-	-0.5
Proceeds from sale of current financial assets		-	1.1
<b>Cash flows used in investing activities</b>		<b>-123.1</b>	<b>-108.8</b>
Dividends paid to shareholders of Autoneum Holding Ltd		-20.8	-6.0
Dividends paid to non-controlling interests		-17.3	-16.3
Proceeds from capital increase		0.1	4.8
Purchase of treasury shares		-0.1	-4.7
Proceeds from borrowings		10.7	48.5
Repayment of borrowings		-16.0	-16.3
Repayment of subordinated shareholder loans		-	-25.0
<b>Cash flows used in financing activities</b>		<b>-43.5</b>	<b>-15.0</b>
Currency translation adjustment		-7.3	8.5
<b>Change in cash and cash equivalents</b>		<b>-62.2</b>	<b>22.9</b>
Cash and cash equivalents at beginning of the year		140.9	117.9
<b>Cash and cash equivalents at end of the year</b>	(20)	<b>78.7</b>	<b>140.9</b>

The accompanying notes on pages 66–102 are part of the consolidated financial statements.

## Notes to the consolidated financial statements

### 1.1 Significant accounting policies

#### Basis of preparation

Autoneum Holding Ltd (“the Company”) was incorporated on December 2, 2010, as a Swiss corporation headquartered in Winterthur. The Company has been listed on the SIX Swiss Exchange (AUTN, ISIN: CH0127480363) since May 13, 2011. Autoneum Holding Ltd together with its subsidiaries will henceforth be referred to as “Autoneum Group”, “Group” or “Autoneum”. A list of subsidiaries and associated companies of Autoneum Group can be found in note 36 on page 102.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements are based on historic cost, with the exception of specific financial instruments, which are measured at fair value. The consolidated financial statements were authorized for issue by the Board of Directors on March 2, 2016, and are subject to approval by the Annual General Meeting of shareholders on March 30, 2016.

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

#### Significant accounting judgments, estimates and assumptions

Financial reporting requires management to make judgments, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, contingent assets and contingent liabilities at the date of the financial statements, and reported amounts of revenue

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 have changed. The estimates, assumptions and judgments relate primarily to the areas of impairment, tangible assets, inventories, employee benefits, provisions, income taxes and whether Autoneum has control over an entity.

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

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

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 an adjustment of the book value accordingly.

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

employee benefit assets or liabilities in future periods.

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

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

Assessing whether Autoneum has control over an entity includes all facts and circumstances that may indicate that the Group is able to direct the relevant activities and key decisions. Autoneum concludes that it has control over the entities in which it holds 50% or

more (refer to note 23, p. 91), based on specific rights allocated. Facts and circumstances indicating that Autoneum controls an entity may change and lead to a reassessment of the management's conclusion.

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

The consolidated financial statements of Autoneum Holding Ltd include the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control is lost. Acquisitions are accounted for using the acquisition method. Intercompany transactions are eliminated.

If Autoneum does not have control over entities but significant influence, which is usually the case if Autoneum holds interests of between 20% and 50%, these investments are classified as associated companies and accounted for using the equity method. Interests of less than 20% where Autoneum does not have significant influence are accounted for at fair value. The subsidiaries and associated companies are listed in note 36 on page 102.

### **Foreign currency translation**

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

Transactions in foreign currencies are translated into the functional currency by applying the exchange rates prevailing on the date of the

transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

For consolidation purposes, items in the balance sheet of foreign subsidiaries are translated at year-end exchange rates, while income statement items are translated at average rates for the period. The resulting currency translation differences are recognized in other comprehensive income and, in the event of a disposal of a foreign operation, transferred to the income statement as part of the gain or loss from disposal.

### **Tangible assets**

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

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

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

### **Leases**

Leased assets where Autoneum substantially bears all the risks and rewards of ownership (finance leases) are capitalized. Assets held under such finance leases are depreciated

over the shorter of their estimated useful life or the lease term. The corresponding lease obligations, excluding finance charges, are included in borrowings. Lease installments are divided into an interest and a principal component.

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

### **Intangible assets**

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

### **Impairment of assets**

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

asset, estimates of the expected future cash flows from both usage and disposal are made.

### Research and development

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

### Financial instruments

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

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

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

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

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

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

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

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

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

### Inventories

Raw material, consumables and purchased parts are valued at the lower of average cost or net realizable value. Semi-finished goods and finished goods are valued at the lower of manufacturing

cost or net realizable value. Valuation adjustments are made for obsolete materials and excess stock.

### **Trade receivables**

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

### **Cash and cash equivalents**

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

### **Equity**

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

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

### **Provisions**

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

### **Income taxes**

Income taxes comprise both current and deferred income taxes. Normally income taxes are recog-

nized in the income statement, unless they are linked to a position that is recognized in other comprehensive income. In this case, the income taxes are also recognized in other comprehensive income.

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

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

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

### **Employee benefits**

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

on the basis of both defined contribution and defined benefit.

Pension liabilities arising from defined benefit plans are calculated annually by independent actuaries using the projected unit credit method. The discount rate used for the calculation is based on interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Remeasurement gains or losses are recognized in other comprehensive income. Pension costs relating to services rendered in the reporting period are recognized in the income statement as current service costs. Pension costs relating to services rendered in previous periods as a result of new or amended pension benefits are recognized in the income statement as past service costs. The net interest expenses or income on the net defined benefit liability or asset for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. The net interest expenses or income is recognized in financial expenses or income. The fair value of plan assets is deducted from the defined benefit obligations. Any asset resulting from this calculation is only capitalized up to an amount not exceeding benefits from future contribution reductions or refunds.

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

### **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. For share-based payments that are settled with equity instruments a corresponding increase in equity is recognized.

### **Revenue recognition**

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

### **Financing costs**

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



## 1.2 Changes in accounting policies and in presentation

### Adopted changes in accounting policies

The adoption of new and revised standards had no effect on the consolidated financial statements 2015.

### Future changes in accounting policies

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

IFRS 9 “Financial Instruments” includes revised guidance on the classification and measurement of financial assets and financial liabilities, including a new expected credit loss model for calculating impairment, and supplements the new general hedge accounting requirements published in 2013. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Group is yet to assess IFRS 9’s full impact.

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

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

	Effective date	Planned application by Autoneum
<b>New standards or interpretations</b>		
IFRS 15 Revenue from contracts with customers <sup>1</sup>	January 1, 2018	January 1, 2018
IFRS 9 Financial instruments <sup>1</sup>	January 1, 2018	January 1, 2018
IFRS 16 Lease <sup>1</sup>	January 1, 2019	January 1, 2019
<b>Revisions and amendments of standards and interpretations</b>		
Accounting for acquisitions of interests in joint operations (amendments to IFRS 11) <sup>3</sup>	January 1, 2016	January 1, 2016
Clarification of acceptable methods of depreciation and amortization (amendments to IAS 16 and IAS 38) <sup>3</sup>	January 1, 2016	January 1, 2016
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28) <sup>3</sup>	postponed	unknown
Disclosure initiative (amendments to IAS 1) <sup>2</sup>	January 1, 2016	January 1, 2016
Annual improvements to IFRS 2012–2014 cycle <sup>2</sup>	January 1, 2016	January 1, 2016

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

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

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

### Adopted changes in presentation

The following changes in presentation were adopted in 2015:

Balance sheet line items were newly defined in 2015 to increase the transparency level as described below. The prior year figures were adjusted accordingly.

- Financial assets in current and non-current assets are separated from other assets and are disclosed as a separate line item.
- Post-employment benefit assets are separated from other assets and are disclosed as a separate line item.
- Current income tax receivables are separated from other assets and are disclosed as a separate line item.
- Advance payments to suppliers are included in the current portion of other assets.
- Advance payments from customers are included in the current portion of other liabilities.

Bank debts in the amount of CHF 40.6 million were reported as current borrowings as per December 31, 2014. Until December 31, 2019, the Group has the unconditional right to defer settlement as the liability cannot be called by the lender at any time without cause. Therefore, bank debts in the amount of CHF 40.0 million were disclosed as non-current borrowings at December 31, 2015. The classification of the prior year amount was adjusted accordingly.

Due to changes in the Group's reporting structure, a subsidiary that produces parts for Autoneum's manufacturing lines, which was included in BG Europe, is now included in Corporate. The prior year figures were adjusted accordingly. The impact of this reclassification for 2015 is not materially different than for 2014. The major changes in the segment reporting are disclosed in the table below.

CHF million	Reported	Adjustment	Restated
<b>Segment information BG Europe 2014</b>			
Net sales	807.7	-4.4	803.3
EBITDA	67.4	-7.7	59.7
EBIT	38.7	-7.0	31.7
Number of employees	3 858	-234	3 623

## 2.1 Risk management process

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

The process of risk management is governed by the directive “Autoneum risk management system”, which was adopted by the Board of Directors. The directive defines the main categories of risks, which serve as a basis of the risk management, and the bodies that 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 main risk categories: strategic risks (market and product), operational risks, financial risks, litigation and other risks (e.g. political, legal, organizational, environmental and work safety risks).

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

- Strategic risks (market and product): These risks result on the one hand from different markets in which Autoneum is operating (local aspects, legal regulations, degree of maturity of markets). On the other hand, the risks result from the share of the customers in Autoneum’s sales, as well as from the technical and regulatory requirements on Autoneum products.
- Operational risks: These risks result from the technical development of orders until end of production, from the need for cost-efficient production and the possibility of interruptions in production.
- Environmental and work safety 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, are 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 are also dealt with, in order to identify and implement corrective measures. Significant individual risks are included in the monthly reports to the attention of the CEO.

Risks resulting from acquisitions, divestments or other major projects are monitored at Group level within the framework of competencies and approvals for the respective project. 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 are 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 reported to the Board of Directors and Group Executive Board.

## 2.2 Financial risk management

### Financial risk factors

As a result of its worldwide activities, Autoneum is exposed to various financial risks, such as 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 directives adopted by the Board of Directors and the Group Executive Board. Financial risks are identified primarily locally and evaluated and managed centrally in close cooperation with the Group's legal units.

### Foreign exchange risk

Foreign currency risks arise from investments in foreign subsidiaries (translation risk) and from transactions, assets or liabilities that are denominated in a currency other than the functional currency of a legal unit (transaction risk). In order to hedge transaction risks that cannot be reduced through offsetting transactions in the same foreign currency (natural hedging), subsidiaries may use forward contracts and currency options, which are usually completed with the Group's headquarters and from the latter by trading with banks.

The majority of the business transacted in Autoneum's foreign subsidiaries is in their functional currency. Nevertheless, the Group is exposed to foreign currency risks, mostly against the euro. Assuming that the euro against the Swiss franc as at December 31, 2015, would have been 15% stronger, and all other parameters remained the same, the profit before taxes would have been CHF 2.3 million higher (2014:

CHF 0.9 million). In the opposite case, the profit before taxes would have been reduced to the same extent. This would mainly have been due to exchange gains/losses on trade receivables and payables.

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

### Interest rate risk

The interest risk of the Group relates 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 if measured at fair value. Autoneum maintains, in consideration of seasonal fluctuations, a balanced relation between fixed and fluctuating interest bearing financial liabilities. The Group analyzes the interest risk on a net basis. A 1% higher interest rate would have reduced the profit before taxes of the Group by CHF 1.3 million (2014: CHF 1.2 million).

No hedging of the interest rate risk 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 (except for treasury shares) or options at the end of the reporting period, no sensitivity analysis of fair value risk is prepared.

### Credit risk

Credit risk arises from deposits and financial derivatives held with financial institutions and from trade receivable accounts, other receivables and marketable securities and interest bearing receivables. The maximum risk of these positions corresponds to the book values and

is disclosed in note 30 on page 99. Significant relationships with financial institutions are basically only entered into with counterparties rated no lower than "A" (according to Standard & Poor's). 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 considered low based on historical data. No customer accounted for more than 20.0% (2014: 16.8%) of Autoneum's sales.

### Capital risk

Autoneum Group maintains a healthy balance sheet with an adequate portion of equity. Autoneum aspires that the equity ratio shall not fall below 30% over a longer period. As of December 31, 2015, the equity ratio equaled 35.7% (2014: 35.7%).

For the next few years, the dividend policy will depend on a number of factors, such as net profit and the financial situation of the Group, the demand for capital and liquidity, the general business environment as well as legal and contractual restrictions. Subject to the foregoing, the Group intends to distribute up to 30% of its net profit attributable to shareholders of Autoneum Holding Ltd.

Dividends, if any, are expected to be declared and paid in Swiss francs.

### 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. Autoneum maintains a credit agreement for the

medium- and long-term financing with a group of banks in the amount of CHF 150.0 million (refer to note 24, p. 92), which expires in December 2019. Furthermore, a bond in the amount of CHF 125.0 million with maturity as of December 14, 2017, was issued on the SIX Swiss Exchange.

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

Financial liabilities at December 31, 2015	Carrying amount	Contractual undiscounted cash flows			
		Less than 1 year	1 to 5 years	More than 5 years	Total cash flow
CHF million					
Bond	124.6	5.5	130.5	-	136.0
Bank debt	58.3	17.3	46.5	-	63.8
Finance leasing obligations	0.5	0.5	-	-	0.5
Other borrowings	1.5	0.1	1.8	-	1.8
Trade payables	243.3	243.3	-	-	243.3
Accrued expenses	51.2	51.2	-	-	51.2
Non-income tax payables	12.0	12.0	-	-	12.0
Other payables	29.7	28.3	1.4	-	29.7
<b>Total</b>	<b>521.2</b>	<b>358.2</b>	<b>180.2</b>	<b>-</b>	<b>538.4</b>

Financial liabilities at December 31, 2014	Carrying amount	Contractual undiscounted cash flows			
		Less than 1 year	1 to 5 years	More than 5 years	Total cash flow
CHF million					
Bond	124.4	5.5	135.9	-	141.4
Bank debt	67.3	20.9	50.9	-	71.7
Finance leasing obligations	0.7	0.2	0.5	-	0.7
Other borrowings	3.3	2.2	1.6	-	3.8
Trade payables	250.4	250.4	-	-	250.4
Accrued expenses	42.2	42.2	-	-	42.2
Non-income tax payables	14.4	14.4	-	-	14.4
Other payables	33.2	31.4	1.8	-	33.2
<b>Total</b>	<b>535.8</b>	<b>367.2</b>	<b>190.7</b>	<b>-</b>	<b>557.7</b>

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

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In 2015, the companies Autoneum Mexico Operations, S. de R.L. de C.V., San Luis Potosí and Autoneum Mexico Servicios, S. de R.L. de C.V., San Luis Potosí were established.

On July 23, 2014, Autoneum sold its subsidiary Porfima Due S.r.l., Torino (Italy), to the Italian automotive supplier STS acoustics S.p.A., Torino (Italy). The transaction resulted in a gain of CHF 1.8 million and a net cash outflow of CHF 8.0 million. Part of the purchase price was deferred. In 2015, the amount of CHF 0.5 million was paid as deferred purchase price.

In 2014, the company Autoneum Korea Ltd., Seoul, was established.

### 4 Segment information

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

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

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

EBITDA and EBIT in Corporate include expenses in relation to the settlement with the German Federal Cartel Office in the amount of CHF 31.5 million in 2015 (refer to note 29, page 98).

**Segment information 2015**

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

**Segment information 2014**

CHF million	BG Europe	BG North America	BG Asia	BG SAMEA	Total segments	Corporate	Total Group
Third-party net sales	795.4	882.7	145.2	123.3	1 946.6	8.0	1 954.7
Inter-segment net sales	7.9	-	0.1	0.6	8.6	-8.6	-
Net sales	803.3	882.7	145.3	123.9	1 955.3	-0.6	1 954.7
EBITDA	59.7	100.1	27.0	4.8	191.7	9.9	201.6
as a % of net sales	7.4%	11.3%	18.6%	3.9%	9.8%	n/a	10.3%
Depreciation and amortization	-28.1	-25.0	-7.1	-3.3	-63.4	-3.1	-66.5
EBIT	31.7	75.1	19.9	1.5	128.3	6.9	135.1
as a % of net sales	3.9%	8.5%	13.7%	1.2%	6.6%	n/a	6.9%
Assets at December 31 <sup>1</sup>	413.2	454.4	127.4	75.5	1 070.5	28.8	1 099.3
Liabilities at December 31	328.0	203.2	53.9	55.8	640.9	65.9	706.8
Investments in tangible and intangible assets	25.3	48.2	9.9	13.6	97.0	4.9	101.9
Employees at December 31 <sup>2</sup>	3 623	3 803	1 515	1 327	10 268	413	10 681

<sup>1</sup> Assets in Corporate include investments in associated companies in the amount of CHF 8.3 million (2014: CHF 6.4 million), refer to note 15 (p. 85).

<sup>2</sup> Full-time equivalents including temporary employees but excluding apprentices.



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

CHF million	Net sales 2015	Net sales 2014	Non-current assets 31.12.2015	Non-current assets 31.12.2014
Switzerland <sup>1</sup>	2.3	1.5	37.7	41.3
USA	745.3	626.3	180.1	156.8
Germany	198.6	244.6	9.1	7.1
Great Britain	183.5	177.7	17.0	16.1
China	162.2	125.7	43.8	38.5
Remaining countries	794.1	778.9	155.6	159.9
<b>Total</b>	<b>2 085.9</b>	<b>1 954.7</b>	<b>443.3</b>	<b>419.7</b>

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

Net sales are disclosed by location of customers. Non-current assets consist of tangible assets and intangible assets.

The following customers accounted for more than 10% of annual net sales in 2015 or in 2014:

## Net sales to major customers

CHF million	2015	2014
Ford	416.7	327.5
Honda	223.6	201.6
BMW	197.9	213.3

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

**5 Employee expenses**

CHF million	2015	2014
Wages and salaries	415.7	389.1
Social security expenses	80.1	65.7
Pension expenses for defined contribution plans	11.3	7.4
Pension expenses for defined benefit plans	5.8	5.1
Other personnel expenses	32.3	32.5
<b>Total</b>	<b>545.2</b>	<b>499.8</b>

Autoneum started a long-term incentive plan (LTI) for the management in 2012. Part of Autoneum's net profit is converted into Autoneum shares, and the shares are allocated to defined beneficiaries. The shares become property of the beneficiaries after a vesting period of three years, if the beneficiaries are then still employed by an Autoneum company. Immediate vesting occurs in case of death or retirement of the beneficiary. In case of employment termination, shares not yet vested lapse without compensation. Exceptions are possible at the discretion of the Nomination and Compensation Committee. The first vesting date was in spring 2015. Employee expenses resulting from share-based

compensation are recognized over the vesting period. 3 783 shares (2014: 4 193 shares) valued at CHF 213.60 (2014: CHF 136.60) were granted in 2015, and expenses of CHF 0.6 million (2014: CHF 0.5 million) were recognized in wages and salaries.

The Board of Directors and the Group Executive Board receive part of their remuneration in Autoneum shares. These transactions are disclosed in the Remuneration report (page 104–107).

## 6 Other expenses

CHF million	2015	2014
Energy, maintenance and repairs	148.8	141.3
Marketing and distribution costs	63.0	51.4
Miscellaneous expenses	36.5	28.5
Operating leasing expenses	32.6	31.3
Settlement with the German Federal Cartel Office <sup>1</sup>	31.5	-
Audit and consulting expenses	20.9	18.8
IT and office expenses	16.9	18.9
Insurance and other charges	16.3	15.1
<b>Total</b>	<b>366.6</b>	<b>305.3</b>

<sup>1</sup> Refer to note 29, page 98.

## 7 Other income

Other income contains mainly income generated with by-products arising during the manufacturing process. In 2014, the gain of CHF 1.8 million from the sale of the former subsidiary Porfima Due S.r.l., Torino (Italy), is included (refer to note 3, p. 78).

## 8 Depreciation and amortization

CHF million	2015	2014
Depreciation of tangible assets	63.4	65.5
Amortization of intangible assets	1.7	1.0
<b>Total</b>	<b>65.1</b>	<b>66.5</b>

## 9 Financial income

CHF million	2015	2014
Interest income	0.7	0.8
Other financial income	0.3	0.2
<b>Total</b>	<b>0.9</b>	<b>1.0</b>

## 10 Financial expenses

CHF million	2015	2014
Interest expenses	11.1	12.4
Amortization of transaction costs	0.3	1.1
Interest expenses for defined benefit pension plans	0.9	0.3
Net foreign exchange losses	7.5	2.5
Other financial expenses	0.4	0.1
<b>Total</b>	<b>20.2</b>	<b>16.4</b>

## 11 Income taxes

CHF million	2015	2014
Current income taxes	39.6	33.3
Deferred income taxes	0.8	-16.0
<b>Total</b>	<b>40.5</b>	<b>17.3</b>

The decrease in the net deferred income tax assets by CHF 1.1 million (2014: decrease by CHF 21.4 million) relates to the deferred income tax expense recognized in the consolidated income statement of CHF 0.8 million (2014: deferred income tax income of CHF 16.0 million), to the deferred income tax income recognized in other comprehensive income of CHF 0.7 million (2014: income tax income of CHF 5.3 million) and to a currency translation adjustment of CHF -1.0 million (2014: CHF 0.1 million).

Reconciliation of expected and actual income tax expenses:

CHF million	2015	2014
Profit before taxes	109.2	120.1
Expected average tax rate	30.4%	28.5%
<b>Expected income tax expenses</b>	<b>33.2</b>	<b>34.2</b>
Non-taxable income and non-deductible expenses	4.7	1.4
Current income taxes from prior periods	4.4	2.8
Current year tax losses for which no deferred tax assets were recognized	12.4	5.7
Utilization of previously unrecognized tax loss carry-forwards	-8.6	-11.1
Change in unrecognized tax losses and deductible temporary differences	-1.4	-18.6
Income taxes at other tax rates	-4.9	2.8
Impact of changes in tax rates	0.8	0.1
Other effects	-0.1	-
<b>Actual income tax expenses</b>	<b>40.5</b>	<b>17.3</b>

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

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

CHF million	Deferred income tax assets 31.12.2015	Deferred income tax liabilities 31.12.2015	Deferred income tax assets 31.12.2014	Deferred income tax liabilities 31.12.2014
Tangible assets	3.4	-16.0	2.2	-12.9
Inventories	5.4	-0.8	3.3	-0.9
Other assets	2.5	-3.2	2.1	-2.7
Employee benefit liabilities	1.8	-	2.2	-
Provisions	3.7	-1.5	5.7	-3.4
Other liabilities	5.0	-6.4	14.5	-12.6
Tax loss carryforwards and tax credits	27.0	-	24.6	-
<b>Subtotal</b>	<b>48.8</b>	<b>-27.9</b>	<b>54.6</b>	<b>-32.5</b>
Offsetting	-17.1	17.1	-22.6	22.6
<b>Total</b>	<b>31.7</b>	<b>-10.8</b>	<b>32.0</b>	<b>-9.9</b>

No deferred tax assets have been recognized from deductible temporary differences in the amount of CHF 97.6 million (2014: CHF 107.6 million). Tax loss carryforwards in the amount of CHF 0.2 million (2014: nil) are recognized for Group companies which incurred losses in 2015 or 2014 (2014 or 2013) supported by increased future profitability and synergies as a result of restructuring.

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

CHF million	Capitalized 31.12.2015	Non-capitalized 31.12.2015	Capitalized 31.12.2014	Non-capitalized 31.12.2014
Less than 3 years	0.3	2.8	2.3	15.6
In 3 to 7 years	8.7	19.4	1.0	14.1
Thereafter	66.9	300.3	64.9	328.6
<b>Total</b>	<b>75.9</b>	<b>322.5</b>	<b>68.2</b>	<b>358.3</b>

The tax loss carryforwards for which no deferred income tax assets have been recognized originate primarily from countries with a tax rate between 19% and 40%.

## 12 Earnings per share

		2015	2014
Profit attributable to shareholders of Autoneum Holding Ltd <sup>1</sup>	CHF million	42.2	78.9
Average number of shares outstanding	Number of shares	4 627 120	4 630 773
Average number of shares outstanding diluted	Number of shares	4 637 259	4 647 353
Basic earnings per share	CHF	9.12	17.03
Diluted earnings per share	CHF	9.10	16.97

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

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

### 13 Tangible assets

CHF million	Land and buildings	Machinery and tools	Data processing equipment	Vehicles and furniture	Tangibles under construction	Total
Cost at January 1, 2015	237.6	934.4	11.8	16.2	87.1	1 287.1
Additions	0.9	20.3	0.8	0.4	96.6	119.1
Disposals	-0.8	-9.2	-0.4	-0.3	-	-10.7
Reclassification	19.5	58.4	1.2	1.0	-80.0	-
Reclassification to assets of disposal group	-9.3	-31.8	-	-	-0.9	-42.0
Currency translation adjustment	-14.9	-62.2	-1.4	-1.2	-4.5	-84.2
<b>Cost at December 31, 2015</b>	<b>233.0</b>	<b>909.9</b>	<b>12.0</b>	<b>16.1</b>	<b>98.3</b>	<b>1 269.3</b>
Accumulated depreciation at January 1, 2015	-133.5	-721.7	-9.8	-12.4	-	-877.5
Depreciation	-9.3	-52.1	-1.0	-1.0	-	-63.4
Disposals	0.7	8.5	0.4	0.2	-	9.8
Reclassification	-2.4	1.8	-	0.6	-	-
Reclassification to assets of disposal group	8.0	28.4	-	-	-	36.4
Currency translation adjustment	8.5	48.3	1.2	1.0	-	58.9
<b>Acc. depreciation at December 31, 2015</b>	<b>-128.0</b>	<b>-686.8</b>	<b>-9.3</b>	<b>-11.7</b>	<b>-</b>	<b>-835.8</b>
Net book value at January 1, 2015	104.1	212.7	2.0	3.8	87.1	409.6
<b>Net book value at December 31, 2015</b>	<b>105.0</b>	<b>223.1</b>	<b>2.7</b>	<b>4.4</b>	<b>98.3</b>	<b>433.5</b>

CHF million	Land and buildings	Machinery and tools	Data processing equipment	Vehicles and furniture	Tangibles under construction	Total
Cost at January 1, 2014	237.5	897.4	12.8	14.9	47.5	1 210.1
Additions	2.1	14.1	1.0	0.7	80.9	98.7
Disposals	-9.2	-42.8	-2.1	-0.4	-0.6	-55.1
Sale of subsidiary	-2.5	-	-	-	-	-2.5
Reclassification	5.0	38.0	0.1	0.8	-43.9	-
Currency translation adjustment	4.7	27.6	-0.1	0.3	3.3	35.8
<b>Cost at December 31, 2014</b>	<b>237.6</b>	<b>934.4</b>	<b>11.8</b>	<b>16.2</b>	<b>87.1</b>	<b>1 287.1</b>
Accumulated depreciation at January 1, 2014	-129.2	-690.4	-11.0	-11.9	-	-842.5
Depreciation	-8.5	-55.1	-1.0	-0.8	-	-65.5
Disposals	7.9	41.6	2.1	0.5	-	52.1
Sale of subsidiary	0.2	-	-	-	-	0.2
Reclassification	-1.2	1.2	-	-	-	-
Currency translation adjustment	-2.7	-18.9	0.1	-0.1	-	-21.8
<b>Acc. depreciation at December 31, 2014</b>	<b>-133.5</b>	<b>-721.7</b>	<b>-9.8</b>	<b>-12.4</b>	<b>-</b>	<b>-877.5</b>
Net book value at January 1, 2014	108.3	207.0	1.8	3.0	47.5	367.6
<b>Net book value at December 31, 2014</b>	<b>104.1</b>	<b>212.7</b>	<b>2.0</b>	<b>3.8</b>	<b>87.1</b>	<b>409.6</b>

Additions in tangible assets comprise mainly investments in production facilities. The book value of the tangible assets financed by long-term leasing contracts is nil (2014: CHF 0.3 million). In both the reporting year and the prior year no borrowing costs were capitalized.

Tangible assets in the amount of CHF 2.3 million (2014: CHF 0.1 million) are pledged as security for financial liabilities.

## 14 Intangible assets

CHF million	2015	2014
Cost at January 1	12.7	9.7
Additions	1.5	3.1
Currency translation adjustment	-0.3	-0.1
<b>Cost at December 31</b>	<b>14.0</b>	<b>12.7</b>
Accumulated amortization at January 1	-2.6	-1.7
Amortization	-1.7	-1.0
Currency translation adjustment	0.2	0.1
<b>Accumulated amortization at December 31</b>	<b>-4.1</b>	<b>-2.6</b>
Net book value at January 1	10.0	7.9
<b>Net book value at December 31</b>	<b>9.8</b>	<b>10.0</b>

Intangible assets comprise mainly investments in a new ERP system.

In 2015, CHF 60.7 million was spent on research and development (2014: CHF 57.1 million). Autoneum Group invests in innovative materials and products, and in new efficient production technologies to support vehicle manufacturers in meeting challenging targets in acoustic comfort, fuel consumption and environmental emissions, in an increasingly cost-competitive environment. The focus in the last few years was in the development of extremely lightweight and acoustically efficient solutions for carpet, interior insulation and underbody aerodynamic covers and heatshields. In addition, emphasis was given to further developing Autoneum's pioneering powertrain encapsulation solutions for the reduction of exterior noise and carbon dioxide emissions.

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 2015 and 2014 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. Due to rapid technological changes, the required proof of future economic benefits could not be sufficiently supported.

## 15 Investments in associated companies

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

CHF million	2015	2014
Net book value at January 1	6.4	4.9
Additions	0.5	0.6
Share of profit	1.9	0.4
Currency translation adjustment	-0.4	0.5
<b>Net book value at December 31</b>	<b>8.3</b>	<b>6.4</b>

## 16 Financial assets

CHF million	31.12.2015	31.12.2014
Investments in non-consolidated companies	21.1	15.3
Loans	7.1	7.7
Other financial assets	7.2	8.2
<b>Total non-current portion</b>	<b>35.3</b>	<b>31.2</b>
Loans	0.7	0.8
Marketable securities	0.1	0.2
<b>Total current portion</b>	<b>0.8</b>	<b>0.9</b>

## 17 Other assets

CHF million	31.12.2015	31.12.2014
Other receivables	33.7	40.9
<b>Total non-current portion</b>	<b>33.7</b>	<b>40.9</b>
Prepaid expenses and accruals	12.9	13.6
Advance payments to suppliers	5.3	4.7
Fair value of derivative financial instruments	0.7	0.1
Other receivables	58.5	47.5
<b>Total current portion</b>	<b>77.4</b>	<b>65.9</b>

Other receivables are non-interest bearing.

## 18 Inventories

CHF million	31.12.2015	31.12.2014
Raw materials and consumables	31.3	31.5
Purchased parts	2.4	2.7
Semi-finished and finished goods	40.0	36.8
Work in progress	60.9	62.4
Allowance	-3.7	-3.0
<b>Total</b>	<b>130.9</b>	<b>130.5</b>



## 19 Trade receivables

CHF million	31.12.2015	31.12.2014
Trade receivables nominal	264.7	227.8
Allowance for doubtful trade receivables	-9.8	-7.5
<b>Total</b>	<b>254.9</b>	<b>220.3</b>

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

CHF million	2015	2014
Allowance at January 1	-7.5	-6.3
Additions and release	-3.5	-1.0
Utilization	0.5	0.4
Reclassification to assets of disposal group	0.5	-
Currency translation adjustment	0.2	-0.6
<b>Allowance at December 31</b>	<b>-9.8</b>	<b>-7.5</b>

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

The table below sets forth the aging of trade receivables and the allowance for doubtful trade receivables, showing amounts that are not yet due as well as an analysis of overdue amounts. Trade receivables that are not due and that are not impaired are expected to be settled within the agreed payment terms.

CHF million	Nominal	Allowance	Nominal	Allowance
	31.12.2015	31.12.2015	31.12.2014	31.12.2014
Not due	238.5	-9.2	216.1	-7.2
Overdue 1 to 89 days	19.4	-0.1	8.3	0.0
Overdue 90 to 179 days	2.4	-0.1	1.3	-0.1
Overdue 180 to 359 days	3.9	-0.2	0.9	-0.1
Thereafter	0.5	-0.2	1.1	-0.2
<b>Total</b>	<b>264.7</b>	<b>-9.8</b>	<b>227.8</b>	<b>-7.5</b>

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

CHF million	31.12.2015	31.12.2014
A- or higher	72.4	80.6
BBB- to BBB+	89.3	65.1
BB+ or lower	84.3	65.0
Not rated	8.8	9.6
<b>Total</b>	<b>254.9</b>	<b>220.3</b>

CHF million	Nominal 31.12.2015	Allowance 31.12.2015	Nominal 31.12.2014	Allowance 31.12.2014
Not due	238.5	-9.2	216.1	-7.2
Overdue 1 to 89 days	19.4	-0.1	8.3	-
Overdue 90 to 179 days	2.4	-0.1	1.3	-0.1
Overdue 180 to 359 days	3.9	-0.2	0.9	-0.1
Thereafter	0.5	-0.2	1.1	-0.2
<b>Total</b>	<b>264.7</b>	<b>-9.8</b>	<b>227.8</b>	<b>-7.5</b>

At December 31, 2014, trade receivables with a book value of CHF 3.5 million (2014: CHF 5.4 million) were used as collateral for credit facilities with financing banks. In addition, trade receivables with a book value of CHF 2.5 million (2014: CHF 2.4 million) were sold to third parties based on factoring agreements and no material risks remain with Autoneum.

Trade receivables include amounts denominated in the following major currencies:

CHF million	31.12.2015	31.12.2014
EUR	103.4	80.6
USD	90.9	73.2
CNY	30.1	26.8
CAD	9.4	10.8
GBP	6.6	5.9
CHF	4.2	3.3
BRL	3.7	6.2
Other	6.6	13.5
<b>Total</b>	<b>254.9</b>	<b>220.3</b>

## 20 Cash and cash equivalents

CHF million	31.12.2015	31.12.2014
Cash at banks	77.1	112.9
Time deposit with original maturities up to 3 months	1.6	27.9
<b>Total</b>	<b>78.7</b>	<b>140.9</b>

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

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

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

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

## 22 Shareholders' equity

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

		31.12.2015	31.12.2014
Shares outstanding	Number of shares	4 634 751	4 619 183
Treasury shares	Number of shares	37 612	53 180
<b>Total shares issued</b>	Number of shares	<b>4 672 363</b>	<b>4 672 363</b>
Nominal value per share	CHF	0.05	0.05
<b>Share capital</b>	CHF	<b>233 618</b>	<b>233 618</b>

### Share capital

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

### Conditional share capital

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

### Treasury shares

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

	2015 in shares	2015 in CHF million	2014 in shares	2014 in CHF million
Treasury shares at January 1	53 180	6.1	36 062	2.3
Purchase of treasury shares	634	0.1	28 069	4.7
Transfer of treasury shares	-16 202	-1.9	-10 951	-0.9
<b>Treasury shares at December 31</b>	<b>37 612</b>	<b>4.3</b>	<b>53 180</b>	<b>6.1</b>

### Capital reserves

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

### Available for sale reserves

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

### Retained earnings

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

## Currency translation adjustment

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

## 23 Non-controlling interests

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

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

CHF million	31.12.2015	31.12.2014
Non-current assets	158.7	149.5
Current assets	166.6	156.2
Non-current liabilities	-35.5	-34.0
Current liabilities	-90.4	-85.3
<b>Net assets</b>	<b>199.4</b>	<b>186.5</b>
Thereof non-controlling interests	96.2	89.0
	<b>2015</b>	<b>2014</b>
Net sales	540.0	467.6
Net profit	55.3	50.5
Other comprehensive income	-5.0	14.8
<b>Total comprehensive income</b>	<b>50.4</b>	<b>65.3</b>
Thereof non-controlling interests	24.4	31.4
Cash flows from operating activities	68.5	60.2
Cash flows used in investing activities	-35.8	-27.0
Cash flows used in financing activities	-43.6	-29.3
<b>Net change in cash and cash equivalents</b>	<b>-10.9</b>	<b>4.0</b>

## 24 Borrowings

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

CHF million	Duration less than 1 year	Duration 1 to 5 years	Duration 5 and more years	Total
Bond	-	124.4	-	124.4
Bank debt	18.0	49.3	-	67.3
Finance lease obligations	0.2	0.5	-	0.7
Other borrowings	2.2	1.0	-	3.3
<b>Total at December 31, 2014</b>	<b>20.4</b>	<b>175.3</b>	<b>-</b>	<b>195.6</b>

On December 14, 2012, Autoneum Holding Ltd issued a fixed rate bond with a nominal value of CHF 125.0 million, which is listed on the SIX Swiss Exchange (AUT12, ISIN: CH0196770439). The bond carries a coupon rate of 4.375%, and has a term of five years with a final maturity on December 14, 2017. On December 31, 2015, the market value of the bond was CHF 132.0 million (2014: CHF 133.9 million).

Autoneum maintains a long-term credit agreement with a banking syndicate in the amount of CHF 150.0 million, whereof CHF 40.0 million was drawn at year-end (2014: CHF 40.6 million). The line of credit may partly be used as a guarantee facility. The final maturity date is December 31, 2019. The interest rate is based on the LIBOR rate plus an applicable margin, which is determined based on the ratio of net debt to EBITDA. The credit agreement contains customary financial covenants, which include the ratio of net debt to EBITDA and a minimal financial equity. Compliance with financial covenants is checked quarterly and reported to the banking syndicate. In fiscal years 2015 and 2014, the minimum financial requirements were met at all times.

In addition to the aforementioned bond and the long-term credit agreement, local credit limits and borrowings exist in several countries with individual customary market conditions. The borrowings are denominated in the following currencies:

CHF million	31.12.2015	31.12.2014
CHF	164.1	165.4
USD	8.2	14.3
BRL	7.8	11.1
Other	4.8	3.6
EUR	-	1.2
<b>Total</b>	<b>184.9</b>	<b>195.6</b>

## 25 Employee benefits

CHF million	31.12.2015	31.12.2014
Post-employment benefit liabilities	27.7	30.1
Other long-term employee benefits	1.1	1.6
<b>Employee benefit liabilities</b>	<b>28.8</b>	<b>31.7</b>

The costs for pensions are charged to employee and interest expenses and for the current reporting year totaled CHF 18.1 million (2014: CHF 12.8 million).

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

### Defined contribution plans

The expenses for defined contribution plans totaled CHF 11.3 million in the current reporting year (2014: CHF 7.4 million).

### Defined benefit plans

Autoneum maintains defined benefit pension plans in Switzerland, Great Britain, the USA and Canada. The most significant pension plans are the Swiss and the US pension plans. Those plans sum up to 81.7% (2014: 78.1%) of the Group's defined benefit obligation and to 81.0% (2014: 78.5%) of the Group's plan assets.

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

CHF million	2015	2014
<b>Switzerland</b>		
Fair value of plan assets at December 31	116.5	111.0
Present value of defined benefit obligation at December 31	-122.3	-111.1
<b>Deficit at December 31</b>	<b>-5.9</b>	<b>-0.1</b>
<b>USA</b>		
Fair value of plan assets at December 31	30.1	31.2
Present value of defined benefit obligation at December 31	-47.2	-49.4
<b>Deficit at December 31</b>	<b>-17.1</b>	<b>-18.2</b>
<b>Other countries</b>		
Fair value of plan assets at December 31	34.3	38.9
Present value of defined benefit obligation at December 31	-38.0	-44.5
<b>Deficit at December 31</b>	<b>-3.7</b>	<b>-5.6</b>
<b>Total deficit at December 31</b>	<b>-26.7</b>	<b>-23.9</b>
<b>Recognized in the balance sheet</b>		
as employee benefit assets	1.0	6.2
as employee benefit liabilities	-27.7	-30.1



### **Swiss pension plans**

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

### **US pension plans**

The Group's major defined benefit plans in the USA have been closed to new members. New employees in the USA now join defined contribution plans. The defined benefit plans are subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), which defines minimum standards such as the statutory minimum funded status.

### **Pension plans in other countries**

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

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

CHF million	2015	2014
Defined benefit obligation at January 1	205.0	163.9
Current service cost	6.3	5.1
Past service cost	-0.6	-
Interest expenses	4.6	5.5
Remeasurement gains and losses	4.4	28.0
Employee contributions	3.0	2.9
Benefits paid	-8.9	-6.5
Currency translation adjustment	-6.2	6.1
<b>Defined benefit obligation at December 31</b>	<b>207.6</b>	<b>205.0</b>

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

CHF million	2015	2014
Fair value of plan assets at January 1	181.1	158.3
Interest income	3.7	5.2
Return on plan assets excluding interest income	0.9	9.2
Employer contributions	6.8	7.8
Employee contributions	3.0	2.9
Benefits paid	-8.9	-6.5
Currency translation adjustment	-5.7	4.2
<b>Fair value of plan assets at December 31</b>	<b>180.9</b>	<b>181.1</b>

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

in %	31.12.2015	31.12.2014
Equity	44	44
Debt	33	31
Real estate	10	6
Other	13	19

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

The amounts recognized in the income statement were as follows:

CHF million	2015	2014
Current service cost	6.3	5.1
Past service cost	-0.6	-
Net interest expenses	0.9	0.3
<b>Pension expenses for defined benefit plans</b>	<b>6.6</b>	<b>5.4</b>
Recognized in the income statement:		
as employee expenses	5.8	5.1
as interest expenses	0.9	0.3

The amounts recognized in the income statement result from plans in the following regions:

CHF million	2015	2014
Expense from defined benefit plans in Switzerland	4.2	3.4
Expense from defined benefit plans in the USA	1.4	1.0
Expense from defined benefit plans in other countries	1.1	1.0
<b>Total</b>	<b>6.6</b>	<b>5.4</b>

The expected employer contributions for the Group's defined benefit pension plans for 2016 amount to CHF 6.5 million. The expected benefit payments for 2016 are CHF 7.6 million.

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

CHF million	2015	2014
Remeasurement gains and losses		
from changes in demographic assumptions	1.0	-3.9
from changes in financial assumptions	-	-22.1
from experience adjustment	-5.4	-2.0
Return on plan assets excluding interest income	0.9	9.2
<b>Total</b>	<b>-3.5</b>	<b>-18.8</b>

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

Weighted average of all pension plans		31.12.2015	31.12.2014
Discount rate	in %	2.2	2.4
Expected future salary growth	in %	0.6	0.5
Life expectancy for females at age of 65	in years	24.5	23.9
Life expectancy for males at age of 65	in years	22.1	21.5

At December 31, 2015, the weighted average duration of the defined benefit obligation was 17.1 years (2014: 16.7 years).

The table below shows the results of the sensitivity analysis. It was analyzed how expected changes in the discount rate and expected changes in the future salary growth would impact the defined benefit obligation. A change in the discount rate by 0.25 points or a change in the future salary growth rate by 0.5 points would have had the following effect on the defined benefit obligation:

CHF million	31.12.2015	31.12.2014
Increase in discount rate by 0.25 percentage point	-8.2	-8.0
Decrease in discount rate by 0.25 percentage point	8.7	8.6
Increase in future salary growth by 0.5 percentage point	2.1	2.7
Decrease in future salary growth by 0.5 percentage point	-2.2	-2.7

## 26 Provisions

CHF million	Guarantee and warranty	Litigation and tax risk	Environmental	Restructuring	Other	Total
Provisions at January 1, 2015	5.3	27.4	10.5	0.9	10.4	54.5
Additions	-	17.5	0.9	-	6.0	24.4
Utilization	-	-4.5	-	-0.8	-2.9	-8.3
Release	-2.9	-2.9	-	-	-0.2	-6.0
Reclassification	-	-	-0.8	-	6.5	5.7
Currency translation adjustment	-	-0.6	-0.3	-0.1	-0.2	-1.1
<b>Provisions at December 31, 2015</b>	<b>2.4</b>	<b>37.0</b>	<b>10.3</b>	<b>-</b>	<b>19.4</b>	<b>69.1</b>
Thereof non-current	2.0	33.7	10.3	-	8.4	54.4
Thereof current	0.4	3.3	-	-	11.0	14.8

Guarantee and warranty provisions are related to the production and supply of goods or services and are based on experience. The non-current guarantee and warranty provisions of CHF 2.0 million are expected to be used over a period of one to two years on average.

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

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

Restructuring provisions comprised legal and factual liabilities from restructuring. The provisions were fully utilized in 2015.

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. Cases in the amount of CHF 5.7 million that were reported as accrual in the prior year do now classify as provision and are reclassified accordingly. The majority of the remaining other non-current provisions are expected to be used within the next two to three years.

## 27 Other liabilities

CHF million	31.12.2015	31.12.2014
Advance payments from customers	18.5	15.3
Other payables	1.4	1.8
<b>Total non-current portion</b>	<b>19.9</b>	<b>17.1</b>
Advance payments from customers	44.3	35.6
Accrued holidays and overtime	10.4	12.9
Accrued expenses and deferred income	51.2	42.2
Fair value of derivative financial instruments	1.8	2.5
Non-income tax payables	12.0	14.4
Other payables	28.3	31.4
<b>Total current portion</b>	<b>148.1</b>	<b>139.0</b>

Other payables are non-interest bearing.

## 28 Other commitments

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

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

CHF million	31.12.2015	31.12.2014
Less than 1 year	24.8	25.1
1 to 5 years	70.4	68.4
Thereafter	59.8	41.2
<b>Total</b>	<b>154.9</b>	<b>134.7</b>

In the reporting period, CHF 32.6 million was charged to the income statement under operating leasing expenses (2014: CHF 31.3 million).

At year-end, open commitments for large investments in tangible assets summed up to CHF 29.3 million (2014: CHF 24.9 million).

## 29 Contingent liabilities

Along with other automobile suppliers, Autoneum Germany GmbH, a subsidiary of Autoneum Holding Ltd, was subject to investigations by the German Federal Cartel Office in 2013. The investigations affected, among others, the market for floor systems and trunk trim. The investigations were closed in 2015 and led to a settlement payment of CHF 31.5 million.

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

### 30 Financial instruments

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

CHF million	31.12.2015	31.12.2014
Marketable securities <sup>1</sup>	0.1	0.2
Fair value of derivative financial instruments <sup>2</sup>	0.7	0.1
<b>Total financial assets at fair value through profit or loss</b>	<b>0.9</b>	<b>0.3</b>
Cash at banks	77.1	112.9
Time deposits with original maturities up to 3 months	1.6	27.9
Loans	7.7	8.4
Trade receivables	254.9	220.3
Other receivables	92.2	88.3
Other financial assets	7.2	8.2
<b>Total loans and receivables</b>	<b>440.7</b>	<b>466.1</b>
Investments in non-consolidated companies <sup>1</sup>	21.1	15.3
<b>Total available-for-sale financial assets</b>	<b>21.1</b>	<b>15.3</b>
<b>Total</b>	<b>462.6</b>	<b>481.6</b>

CHF million	31.12.2015	31.12.2014
Borrowings	184.9	195.6
Trade payables	243.3	250.4
Accrued expenses	51.2	42.2
Non-income tax payables	12.0	14.4
Other payables	29.7	33.2
<b>Total financial liabilities at amortized cost</b>	<b>521.2</b>	<b>535.8</b>
Fair value of derivative financial instruments <sup>2</sup>	1.8	2.5
<b>Total financial liabilities at fair value through profit or loss</b>	<b>1.8</b>	<b>2.5</b>
<b>Total</b>	<b>523.0</b>	<b>538.3</b>

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

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

Borrowings comprise the bond with a net book value of CHF 124.6 million (2014: CHF 124.4 million) and a fair value of CHF 132.0 million (2014: CHF 133.9 million) based on quoted prices in active markets. Refer to note 24 (p. 92) for further information. The book values of other financial instruments measured at amortized cost correspond to their fair values.

### 31 Related parties

Related parties are members of the Board of Directors and the Executive Board or close members of that person's family, pension funds, associated companies as well as companies controlled by significant shareholders. Information on significant shareholders is disclosed in note 14 of the financial statements of Autoneum Holding Ltd on page 116.

The following transactions were carried out with related parties:

CHF million	2015	2014
Interest paid to shareholders on shareholder loans	-	1.0
Fees paid to the law firm of the Chairman of the Board of Directors	0.1	0.2

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

CHF million	2015	2014
Remuneration in cash	5.0	4.7
Remuneration in shares of Autoneum Holding Ltd	2.1	1.7
Employer contributions to pension plans	0.2	0.5
Social security expenses	0.3	0.3

The compensation of the Board of Directors and of the Group Executive Board is disclosed in the Remuneration report on pages 104–107.

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

Subordinated shareholder loans of CHF 25.0 million and an interest rate of 6% per annum were repaid on August 21, 2014.

Year-end balances were as follows:

CHF million	31.12.2015	31.12.2014
Bonus accruals for Group Executive Board	2.2	2.1
Liabilities due to Group Executive Board	0.1	1.0

### 32 Net debt

CHF million	31.12.2015	31.12.2014
Cash and cash equivalents	-78.7	-140.9
Current financial assets	-0.8	-0.9
Borrowings	184.9	195.6
<b>Net debt</b>	<b>105.4</b>	<b>53.9</b>

### 33 Exchange rates for currency translation

CHF	ISO code	Units	Average rate 2015	Average rate 2014	Year-end rate 2015	Year-end rate 2014
Argentine peso	ARS	1	0.10	0.11	0.08	0.12
Brazilian real	BRL	1	0.30	0.39	0.25	0.37
Canadian dollar	CAD	1	0.76	0.83	0.71	0.85
Chinese yuan	CNY	100	15.38	14.86	15.25	15.94
Czech koruna	CZK	100	3.94	4.41	4.00	4.34
Euro	EUR	1	1.07	1.21	1.08	1.20
Pound sterling	GBP	1	1.48	1.51	1.47	1.54
Indian rupee	INR	100	1.50	1.50	1.49	1.56
Polish zloty	PLN	100	25.64	28.97	25.51	27.91
United States dollar	USD	1	0.97	0.92	0.99	0.99

### 34 Events after balance sheet date

Autoneum's US subsidiary UGN Inc. has sold its business in Chicago Heights, Illinois, to an affiliate of Angeles Equity Partners, LLC, Delaware, on February 2, 2016. With this transaction, UGN Inc. adjusts its product portfolio in the USA. The sale price of USD 43.7 million was received in cash at closing date of the transaction. Acquisition related costs in the amount of USD 0.3 million were recorded in the income statement of the reporting period. Refer to note 21 on page 89 for further information.

There were no other events between December 31, 2015, and March 2, 2016, which would necessitate adjustments to the book value of the Group's assets or liabilities, or which require additional disclosure in the consolidated financial statements.

### 35 Proposal of the Board of Directors

For the year ended December 31, 2015, the Board of Directors proposes to the Annual General Meeting on March 30, 2016, a dividend of CHF 4.50 per share entitled to dividends. This represents a total distribution up to CHF 21.0 million. In 2015, a total dividend of CHF 20.8 million (CHF 4.50 per share entitled to dividends) was distributed to the shareholders of Autoneum Holding Ltd.



## 36 Subsidiaries and associated companies

			Capital in million	Consolidated	Associated	Voting and capital rights	Research & development	Sales/trading	Production	Service/financing
<b>Switzerland</b>	Autoneum Holding Ltd, Winterthur	CHF	0.2	•		100%				•
	Autoneum International Ltd, Winterthur	CHF	7.0	•		100%				•
	Autoneum Management Ltd, Winterthur	CHF	1.3	•		100%	•			•
	Autoneum Switzerland Ltd, Sevelen	CHF	0.3	•		100%	•		•	
<b>Argentina</b>	Autoneum Argentina SA, Córdoba	ARS	22.5	•		100%		•	•	
<b>Belgium</b>	Autoneum Belgium N.V., Genk	EUR	8.0	•		100%		•	•	
<b>Brazil</b>	Autoneum Brasil Têxteis Acústicos Ltda., São Bernardo do Campo	BRL	147.7	•		100%	•	•	•	
<b>Canada</b>	Autoneum Canada Ltd., Tillsonburg	CAD	0.0	•		100%			•	
<b>China</b>	Autoneum (Chongqing) Sound-Proof Parts Co. Ltd., Chongqing	CNY	49.3	•		100%	•	•	•	
	Autoneum (Shenyang) Sound-Proof Parts Co. Ltd., Shenyang	CNY	49.2	•		100%		•	•	
	Autoneum Nittoku (Guangzhou) Sound-Proof Co. Ltd., Guangzhou	CNY	75.8	•		51%		•	•	
	Tianjin Autoneum Nittoku Sound-Proof Co. Ltd., Tianjin	CNY	47.2	•		51%		•	•	
	Wuhan Nittoku Autoneum Sound-Proof Co. Ltd., Wuhan	CNY	76.9	•	•	25%		•	•	
<b>Czech Republic</b>	Autoneum CZ s.r.o., Choceň	CZK	206.2	•		100%		•	•	
<b>France</b>	Autoneum Holding France SASU, Lyon	EUR	39.8	•		100%				•
	Autoneum France SASU, Aubergenville	EUR	8.0	•		100%	•	•	•	
<b>Germany</b>	Autoneum Germany GmbH, Roßdorf	EUR	11.2	•		100%	•	•	•	
<b>Great Britain</b>	Autoneum Great Britain Ltd., Stoke-on-Trent	GBP	41.8	•		100%		•	•	
<b>India</b>	Autoneum India Pvt. Ltd., New Delhi	INR	293.6	•		100%		•	•	
	Autoneum Nittoku Sound Proof Products India Pvt. Ltd., Chennai	INR	220.0	•		51%		•	•	
<b>Italy</b>	Porfima Uno S.r.l., Torino	EUR	0.0	•		100%				•
<b>Korea</b>	SHN CO., Ltd., Daegu	KRW	2 640.0	•	•	49%		•	•	
	Autoneum Korea Ltd., Seoul	KRW	240.0	•		60%		•		
<b>Mexico</b>	Autoneum Mexico, S. de R.L. de C.V., Hermosillo	MXN	0.0	•		100%		•	•	
	Autoneum Mexico Operations, S. de R.L. de C.V., San Luis Potosí <sup>1</sup>	MXN	49.5	•		100%			•	
	Autoneum Mexico Servicios, S. de R.L. de C.V., San Luis Potosí <sup>1</sup>	MXN	0.1	•		100%		•		
	UGN de Mexico, S. de R.L. de C.V., Silao	MXN	0.1	•		50%		•	•	
	Servicios de Acoustical Solutions, S. de R.L. de C.V., Silao	MXN	0.1	•		50%		•		
<b>Netherlands</b>	Autoneum Netherland B.V., Weert	EUR	2.0	•		100%				•
<b>Poland</b>	Autoneum Poland Sp.z.o.o., Katowice	PLN	20.8	•		100%	•		•	
<b>Portugal</b>	Autoneum Portugal Lda., Setúbal	EUR	1.2	•		87%			•	
<b>Russia</b>	Autoneum Rus LLC, Ryazan	RUB	0.8	•		100%		•	•	
<b>South Africa</b>	Autoneum Feltex (Pty) Ltd., Durban	ZAR	11.1	•		51%		•	•	
<b>Spain</b>	Autoneum Spain S.A.U., Terrassa	EUR	10.8	•		100%		•	•	
<b>Thailand</b>	SRN Sound Proof Co., Ltd., Chonburi	THB	100.0	•		30%		•	•	
	Summit & Autoneum (Thailand) Co., Ltd., Rayong	THB	10.0	•		51% <sup>2</sup>		•	•	
<b>Turkey</b>	Autoneum Erkurt Otomotive AS, Bursa	TRY	3.1	•		51%		•	•	
<b>USA</b>	Autoneum America Corporation, Farmington Hills	USD	130.4	•		100%				•
	Autoneum North America Inc., Farmington Hills	USD	47.2	•		100%	•	•	•	
	UGN Inc., Tinley Park	USD	1.0	•		50%	•	•	•	

<sup>1</sup> The companies were established in 2015.

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



## **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 accompanying consolidated financial statements of Autoneum Holding Ltd, which comprise the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes on pages 62 to 102 for the year ended December 31, 2015.

### *Board of Directors' responsibility*

The Board of Directors is responsible for the preparation 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 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 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, 2015, 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 2, 2016

## Remuneration report

### Authority and definition process

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

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

### Remuneration of the Board of Directors

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

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

### Remuneration of the Group Executive Board

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

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

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

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

The long-term incentive plan (LTI) allows the Board of Directors to allocate part of the Group's net profit to the beneficiaries defined in advance. Beneficiaries are the upper management of the Group, including the Group Executive Board. An allocation is only granted if Group net profit is positive and exceeds a defined threshold. The total amount of Group net profit dedicated to the LTI is converted into Autoneum shares and the shares are allocated to the beneficiaries at fixed percentage rates, corresponding to the internal function levels. The shares become property of the beneficiaries after a vesting period of three years, if the beneficiaries are then still employed by an Autoneum company. Due to the three-year vesting period, the value of the LTI is in strong correlation to the Autoneum share price performance. Immediate vesting occurs in case of death or retirement of a beneficiary. In case of employment termination, shares not yet vested lapse without compensation. Exceptions are possible at the discretion of the COC. For the year 2015, 1% of Group net profit has been allocated (2014: 1%).

There are no share options or share purchase plans.

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

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

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

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

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

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

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

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

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

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

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

**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 Group Executive Board.

**Directorships at other companies**

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

**Remuneration to the members of the Board of Directors and Group Executive Board in 2014**

CHF	Fixed remuneration		Other <sup>2</sup>	Total
	in cash	in shares <sup>1</sup>		
<b>Board of Directors</b>				
Hans-Peter Schwald, Chairman	-	280 000	50 066	330 066
Rainer Schmückle, Vice Chairman	106 523	83 477	25 000	215 000
Michael Pieper	-	100 000	25 322	125 322
This E. Schneider	65 000	65 000	29 721	159 721
Peter Spuhler	-	100 000	27 496	127 496
Ferdinand Stutz	100 000	70 000	32 480	202 480
<b>Total</b>	<b>271 523</b>	<b>698 477</b>	<b>190 085</b>	<b>1 160 085</b>

CHF	Fixed remuneration		Variable remuneration		LTI <sup>4</sup>	Other <sup>5</sup>	Total
	in cash	in shares	in cash	in shares <sup>3</sup>			
<b>Group Executive Board</b>							
All members	2 893 853	-	1 209 989	887 905	190 303	863 664	6 045 714
Thereof Martin Hirzel, CEO	636 542	-	293 654	274 008	70 075	174 790	1 449 069

<sup>1</sup> The applicable share price (average trading price during the defined period, less 16% for the three-year blocking period) was CHF 156.52. The transfer took place after deduction of applicable social security contributions and withholding taxes.

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

<sup>3</sup> The part of the bonus opted to be paid out in shares (at least 40%) is multiplied by the factor 1.4 and then converted into shares using the average trading price for the first ten days in January 2015 (CHF 174.75).

<sup>4</sup> The rights allocated in April 2015 will vest end of February 2018.

<sup>5</sup> Other remuneration includes the employer's portion of social insurance contributions, the employer's portion of contributions to pension funds and other fringe benefits.

**Loans to directors or officers**

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

**Other remuneration and payments to related parties**

There has been no further remuneration or payments to members of the Board of Directors or Group Executive Board in 2015 or in 2014. In 2015, CHF 87 678 (2014: CHF 211 138) of fees were paid to the law firm managed by the Chairman of the Board of Directors, for legal services provided.



**Report of the Statutory Auditor on the remuneration report  
to the General Meeting of Shareholders of Autoneum Holding Ltd, Winterthur**

We have audited the accompanying remuneration report dated March 2, 2016, of Autoneum Holding Ltd for the year ended December 31, 2015. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables “Remuneration to the members of the Board of Directors and of the Group Executive Board in 2015” and “Remuneration to the members of the Board of Directors and of the Group Executive Board in 2014” on pages 106 to 107 of the remuneration report.

*Responsibility of the Board of Directors*

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

*Auditor’s responsibility*

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

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

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

*Opinion*

In our opinion, the remuneration report for the year ended December 31, 2015, of Autoneum Holding Ltd complies with Swiss law and articles 14–16 of the Ordinance.

KPMG AG

Kurt Stocker  
Licensed audit expert  
Auditor in charge

Kathrin Schünke  
Licensed audit expert

Zurich, March 2, 2016

## Income statement of Autoneum Holding Ltd

CHF million	Notes	2015	2014
<b>Income</b>			
Dividend income		25.3	6.6
Other financial income	(2)	10.4	19.9
License income		5.6	5.3
<b>Total income</b>		<b>41.3</b>	<b>31.8</b>
<b>Expenses</b>			
Financial expenses	(3)	16.6	9.1
Administration expenses		4.7	3.9
Loss from disposal of subsidiary		-	6.9
Taxes		0.2	0.1
<b>Total expenses</b>		<b>21.4</b>	<b>19.9</b>
<b>Net profit for the year</b>		<b>19.8</b>	<b>11.9</b>



## Balance sheet of Autoneum Holding Ltd

CHF million	Notes	31.12.2015	31.12.2014
<b>Assets</b>			
Cash and cash equivalents		1.9	10.3
Loans and receivables due from subsidiaries	(4)	146.5	107.8
Loans and receivables due from third parties		0.6	0.7
Accruals due from subsidiaries		5.9	5.5
Accruals due from third parties		1.7	1.4
<b>Current assets</b>		<b>156.5</b>	<b>125.7</b>
Loans due from subsidiaries	(4)	175.0	234.1
Loans due from third parties		6.3	7.6
Investments	(5)	332.5	267.1
<b>Non-current assets</b>		<b>513.8</b>	<b>508.9</b>
<b>Total assets</b>		<b>670.3</b>	<b>634.6</b>
<b>Liabilities and shareholders' equity</b>			
Financial liabilities due to subsidiaries	(6)	95.9	52.2
Accruals due to subsidiaries		2.0	1.7
Accruals due to third parties		4.7	6.0
<b>Current liabilities</b>		<b>102.6</b>	<b>59.9</b>
Bond	(7)	125.0	125.0
Financial liabilities due to banks	(8)	37.4	33.3
Provisions		-	11.9
<b>Non-current liabilities</b>		<b>162.4</b>	<b>170.2</b>
<b>Liabilities</b>		<b>265.1</b>	<b>230.1</b>
Share capital	(9)	0.2	0.2
Legal capital reserves	(9)	350.0	370.8
Retained earnings			
Balance brought forward		39.5	27.7
Net profit for the year		19.8	11.9
Treasury shares	(9)	-4.3	-6.1
<b>Shareholders' equity</b>		<b>405.2</b>	<b>404.5</b>
<b>Total liabilities and shareholders' equity</b>		<b>670.3</b>	<b>634.6</b>

## Notes to the financial statements of Autoneum Holding Ltd

### 1 Principles

#### General

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

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32<sup>nd</sup> title of the Swiss Code of Obligations) for the first time. The presentation of the prior year figures was adjusted accordingly to allow comparability. Where not prescribed by law, the significant accounting and valuation principles applied are described below.

#### Loans

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

#### Treasury shares

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

#### Financial liabilities due to banks and bond

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

### 2 Other financial income

CHF million	2015	2014
Interest income	10.3	15.0
Net foreign exchange gains	-	4.0
Other financial income	0.1	0.8
<b>Total</b>	<b>10.4</b>	<b>19.9</b>

### 3 Financial expenses

CHF million	2015	2014
Interest expenses	7.3	9.1
Net foreign exchange losses	8.6	-
Other financial expenses	0.7	-
<b>Total</b>	<b>16.6</b>	<b>9.1</b>

#### 4 Loans and receivables due from subsidiaries

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

CHF million	31.12.2015	31.12.2014
Current loans	118.9	96.9
Cash-pool receivables	27.6	10.9
<b>Total</b>	<b>146.5</b>	<b>107.8</b>

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

#### 5 Investments

Autoneum Holding Ltd recapitalized subsidiaries by converting loans into equity in 2015 and 2014. Participation levels were increased accordingly. The subsidiaries and associated companies are listed in note 13 on page 115. They are owned directly or indirectly by Autoneum Holding Ltd.

#### 6 Financial liabilities due to subsidiaries

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

CHF million	31.12.2015	31.12.2014
Current loans	59.1	10.3
Cash-pool liabilities	36.8	41.8
<b>Total</b>	<b>95.9</b>	<b>52.2</b>

#### 7 Bond

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

## 8 Financial liabilities due to banks

Autoneum maintains a long-term credit agreement with a banking syndicate in the amount of CHF 150.0 million. The line of credit may partly be used as a guarantee facility. The final maturity date is December 31, 2019. The interest rate is based on the LIBOR rate plus an applicable margin, which is determined based on the ratio of net debt to EBITDA.

The credit agreement contains customary financial covenants, which include the ratio of net debt to EBITDA and a minimal financial equity. Compliance with financial covenants was checked quarterly and reported to the banking syndicate. In fiscal years 2015 and 2014, the minimum financial requirements were met at all times.

## 9 Shareholders' equity

### Share capital

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

### Conditional share capital

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

### Legal capital reserves

These reserves include an amount of CHF 0.1 million (2014: CHF 21.0 million) whose distribution as dividends is not subject to income taxes in Switzerland and can be effected free of Swiss withholding tax. The remaining part of the legal capital reserve does not benefit from the Swiss capital contribution principle.

### Treasury shares

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

	2015 in shares	2015 in CHF million	2014 in shares	2014 in CHF million
Treasury shares at January 1	53 180	6.1	36 062	2.3
Purchase of treasury shares	634	0.1	28 069	4.7
Sale of treasury shares	-12 891	-1.5	-6 846	-0.6
Transfer of treasury shares	-3 311	-0.4	-4 105	-0.4
<b>Treasury shares at December 31</b>	<b>37 612</b>	<b>4.3</b>	<b>53 180</b>	<b>6.1</b>

## 10 Guarantees and collateral provided

Autoneum Holding Ltd has guaranteed CHF 27.2 million (2014: CHF 24.1 million) to financial institutions for granting credit facilities to direct and indirect subsidiaries and CHF 28.1 million (2014: CHF 23.8 million) to other third parties for securing transactions they entered into with direct and indirect subsidiaries. Furthermore, a financing commitment in the amount of CHF 12.2 million (2014: CHF 13.6 million) was given in favor of a subsidiary.

## 11 Shares allocated to the Board of Directors

Part of the remuneration of the Board of Directors is paid in shares of Autoneum Holding Ltd. In 2015, 3 311 shares (2014: 4 105 shares) with a total value of CHF 660 000 (2014: CHF 698 447) were allocated.

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

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

Number of shares	31.12.2015	31.12.2014
Hans-Peter Schwald, Chairman	35 000	33 000
Rainer Schmückle, Vice Chairman	2 171	2 171
Michael Pieper	947 768	947 245
This E. Schneider	4 338	3 850
Peter Spuhler	802 871	853 035
Ferdinand Stutz	2 113	1 756
<b>Total Board of Directors</b>	<b>1 794 261</b>	<b>1 841 057</b>
Martin Hirzel	9 796	7 512
Martin Zwysig	780	-
Matthias Holzammer	3 650	2 593
Richard Derr	n/a	3 480
John T. Lenga	170	n/a
Uwe Trautmann	2 575	2 818
Volker Eimertenbrink	2 565	1 645
<b>Total Group Executive Board</b>	<b>19 536</b>	<b>18 048</b>

### 13 Subsidiaries and associated companies

			Capital in million	Directly owned	Indirectly owned	Voting and capital rights	Research & development	Sales/trading	Production	Service/financing
<b>Switzerland</b>	Autoneum International Ltd, Winterthur	CHF	7.0	•		100%				•
	Autoneum Management Ltd, Winterthur	CHF	1.3	•		100%	•			•
	Autoneum Switzerland Ltd, Sevelen	CHF	0.3	•		100%	•		•	
<b>Argentina</b>	Autoneum Argentina SA, Córdoba	ARS	22.5		•	100%		•	•	
<b>Belgium</b>	Autoneum Belgium N.V., Genk	EUR	8.0	•		100%		•	•	
<b>Brazil</b>	Autoneum Brasil Têxteis Acústicos Ltda., São Bernardo do Campo	BRL	147.7	•		100%	•	•	•	
<b>Canada</b>	Autoneum Canada Ltd., Tillsonburg	CAD	0.0		•	100%				•
<b>China</b>	Autoneum (Chongqing) Sound-Proof Parts Co. Ltd., Chongqing	CNY	49.3		•	100%	•	•	•	
	Autoneum (Shenyang) Sound-Proof Parts Co. Ltd., Shenyang	CNY	49.2		•	100%			•	•
	Autoneum Nittoku (Guangzhou) Sound-Proof Co. Ltd., Guangzhou	CNY	75.8		•	51%			•	•
	Tianjin Autoneum Nittoku Sound-Proof Co. Ltd., Tianjin	CNY	47.2		•	51%			•	•
	Wuhan Nittoku Autoneum Sound-Proof Co. Ltd., Wuhan	CNY	76.9		•	25%			•	•
<b>Czech Republic</b>	Autoneum CZ s.r.o., Choceň	CZK	206.2	•		100%		•	•	
<b>France</b>	Autoneum Holding France SASU, Lyon	EUR	39.8	•		100%				•
	Autoneum France SASU, Aubergenville	EUR	8.0	•		100%	•	•	•	
<b>Germany</b>	Autoneum Germany GmbH, Roßdorf	EUR	11.2	•		100%	•	•	•	
<b>Great Britain</b>	Autoneum Great Britain Ltd., Stoke-on-Trent	GBP	41.8	•		100%		•	•	
<b>India</b>	Autoneum India Pvt. Ltd., New Delhi	INR	293.6		•	100%		•	•	
	Autoneum Nittoku Sound Proof Products India Pvt. Ltd., Chennai	INR	220.0		•	51%			•	•
<b>Italy</b>	Porfima Uno S.r.l., Torino	EUR	0.0	•		100%				•
<b>Korea</b>	SHN CO., Ltd., Daegu	KRW	2 640.0		•	49%		•	•	
	Autoneum Korea Ltd., Seoul	KRW	240.0		•	60%		•		
<b>Mexico</b>	Autoneum Mexico, S. de R.L. de C.V., Hermosillo	MXN	0.0		•	100%		•	•	
	Autoneum Mexico Operations, S. de R.L. de C.V., San Luis Potosí <sup>1</sup>	MXN	49.5	•	•	100%				•
	Autoneum Mexico Servicios, S. de R.L. de C.V., San Luis Potosí <sup>1</sup>	MXN	0.1	•	•	100%			•	
	UGN de Mexico, S. de R.L. de C.V., Silao	MXN	0.1		•	50%			•	•
	Servicios de Acoustical Solutions, S. de R.L. de C.V., Silao	MXN	0.1		•	50%			•	
<b>Netherlands</b>	Autoneum Netherland B.V., Weert	EUR	2.0	•	•	100%				•
<b>Poland</b>	Autoneum Poland Sp.z.o.o., Katowice	PLN	20.8		•	100%	•		•	
<b>Portugal</b>	Autoneum Portugal Lda., Setúbal	EUR	1.2	•	•	87%				•
<b>Russia</b>	Autoneum Rus LLC, Ryazan	RUB	0.8	•	•	100%		•	•	
<b>South Africa</b>	Autoneum Feltex (Pty) Ltd., Durban	ZAR	11.1		•	51%		•	•	
<b>Spain</b>	Autoneum Spain S.A.U., Terrassa	EUR	10.8	•		100%		•	•	
<b>Thailand</b>	SRN Sound Proof Co., Ltd., Chonburi	THB	100.0		•	30%		•	•	
	Summit & Autoneum (Thailand) Co., Ltd., Rayong	THB	10.0		•	51% <sup>2</sup>			•	•
<b>Turkey</b>	Autoneum Erkurt Otomotive AS, Bursa	TRY	3.1		•	51%		•	•	
<b>USA</b>	Autoneum America Corporation, Farmington Hills	USD	130.4	•		100%				•
	Autoneum North America Inc., Farmington Hills	USD	47.2		•	100%	•	•	•	
	UGN Inc., Tinley Park	USD	1.0		•	50%	•	•	•	

<sup>1</sup>The companies were established in 2015. No other changes in voting or capital rights took place.

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

## 14 Significant shareholders

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

	31.12.2015	31.12.2014
Artemis Beteiligungen I Ltd, Hergiswil, Switzerland, Centinox Holding Ltd, Hergiswil, Switzerland, and Michael Pieper	20.28%	20.27%
PCS Holding Ltd, Weiningen, Switzerland, and Peter Spuhler	17.18%	18.26%
Norges Bank (the Central Bank of Norway), Norway	3.00%	n/a

Details of the disclosures can be found at:

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

## 15 Events after balance sheet date

There were no events between December 31, 2015, and March 2, 2016, which would necessitate adjustments to the book value of the Company's assets or liabilities, or which require additional disclosure in the financial statements.

## Dividend proposal

### for the appropriation of profit

CHF	<b>2015</b>
Balance brought forward	39 545 567
Net profit for the year	19 825 122
<b>At the disposal of the Annual General Meeting</b>	<b>59 370 689</b>
<b>Proposal</b>	
Distribution of a dividend <sup>1</sup>	21 025 633
Carried forward to new account	38 345 056
	<b>59 370 689</b>

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

The Board of Directors proposes that a dividend of CHF 4.50 is paid per registered share.





**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 accompanying financial statements of Autoneum Holding Ltd, which comprise the balance sheet, income statement and notes on pages 109 to 116 for the year ended December 31, 2015.

*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, 2015, 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 2, 2016

## Review 2011–2015

### Consolidated income statement

CHF million	2015	2014 <sup>1</sup>	2013	2012	2011
Net sales	2 085.9	1 954.7	2 053.3	1 940.9	1 682.4
BG Europe	833.2	803.3	901.6	901.2	888.0
BG North America	977.9	882.7	892.4	800.0	571.3
BG Asia	180.9	145.3	128.3	101.4	91.8
BG SAMEA <sup>2</sup>	94.3	123.9	138.4	144.7	140.6
EBITDA	191.5	201.6	184.3	146.4	104.2
as a % of net sales	9.2%	10.3%	9.0%	7.5%	6.2%
EBIT	126.5	135.1	79.2	77.3	34.9
as a % of net sales	6.1%	6.9%	3.9%	4.0%	2.1%
Net profit	68.7	102.8	36.2	29.6	2.3
as a % of net sales	3.3%	5.3%	1.8%	1.5%	0.1%
Return on net assets in % (RONA)	12.7%	20.3%	10.3%	10%	4.1%
Return on equity in % (ROE)	17.4%	29.6%	12.5%	11.1%	0.9%

### Consolidated balance sheet at December 31

Non-current assets	553.6	536.2	440.7	434.4	417.0
Current assets	561.1	563.0	549.9	517.5	566.2
Equity attributable to shareholders of AUTN	301.3	303.5	232.9	213.2	200.4
Equity attributable to non-controlling interests	96.2	89.0	69.1	62.3	56.4
Total shareholders' equity	397.5	392.5	302.0	275.5	256.8
Non-current liabilities	284.8	276.8	234.9	237.0	228.9
Current liabilities	432.3	430.0	453.8	439.4	497.5
Total assets	1 114.7	1 099.3	990.6	951.9	983.2
Net debt	105.4	53.9	75.0	123.0	154.8
Shareholders' equity in % of total assets	35.7%	35.7%	30.5%	28.9%	26.1%

### Consolidated statement of cash flows

Cash flows from operating activities	111.7	138.2	165.7	114.9	35.6
Cash flows used in investing activities	-123.1	-108.8	-98.6	-66.8	-82.5
Cash flows used in financing activities	-43.5	-15.0	-20.7	-36.4	-10.6

Employees at December 31 <sup>3</sup>	11 423	10 681	10 816	10 799	10 424
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<sup>1</sup> Restated.

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

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

**Information for investors**

CHF million	2015	2014	2013	2012	2011
Number of issued shares	4 672 363	4 672 363	4 672 363	4 672 363	4 672 363
Share capital of Autoneum Holding Ltd	0.2	0.2	0.2	0.2	0.2
Net profit of Autoneum Holding Ltd	19.8	11.9	13.4	8.2	14.2
Market capitalization at December 31	938.1	783.0	633.3	207.1	228.6
as a % of net sales	45.0%	40.1%	30.8%	10.7%	13.6%
as a % of equity attr. to shareholders of AUTN	311.3%	258.0%	271.9%	97.2%	114.1%

**Data per share (AUTN)**

CHF	2015	2014	2013	2012	2011	
Basic earnings per share	9.12	17.03	3.12	2.61	-2.13	
Dividend per share <sup>1</sup>	4.50	4.50	1.30	0.65	-	
Shareholders' equity per share <sup>2</sup>	65.01	65.71	50.24	45.65	49.38	
Share price at December 31	202.40	169.50	136.60	44.35	48.95	
Share price development during the year	High	226.40	209.30	140.00	57.95	119.00
	Low	148.40	129.10	43.30	36.00	43.75

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

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



## Important dates

- Annual General Meeting 2016: March 30, 2016
- Semi-Annual Report 2016: July 26, 2016
- Annual General Meeting 2017: March 30, 2017

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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 2016

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## Our Product Portfolio



### Engine Bay

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



### Interior Floor

- Tufted Carpets
  - Non-Woven Carpets
  - Inner Dashes
  - Floor Insulators
  - Floor Mats
-



**Underbody**

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



**Body Treatment**

- Dampers/Stiffeners
  - Sealants
  - Other Acoustic Parts
-



**June** Around 220 experts attend the internationally leading specialist event “Automotive Acoustics Conference” under the scientific direction of Autoneum in Zurich, Switzerland.



**July** Market introduction of Prime-Light, a multifunctional lightweight technology for inner dashes and floor insulators.

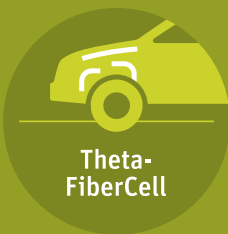
## Highlights 2015



**August** Groundbreaking of new plant in San Luis Potosí, Mexico.



**September** Opening of two new US production facilities in Jeffersonville, Indiana, and in Monroe, Ohio (UGN).



**Theta-FiberCell**

**October** Successful launch of weight- and noise-reducing engine covers based on Theta-FiberCell.



Autoneum. Mastering sound and heat.

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