



Annual Report 2011



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

Autoneum at a glance

CHF million

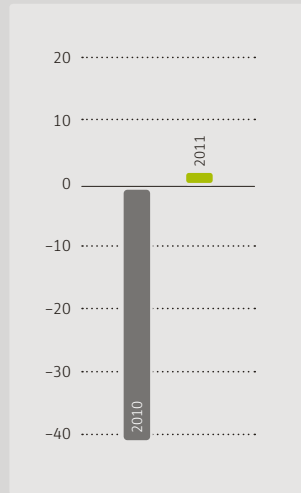
Gross sales



EBIT



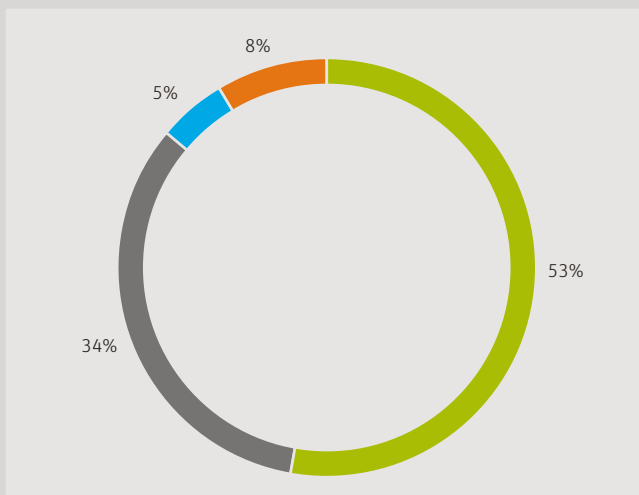
Net result



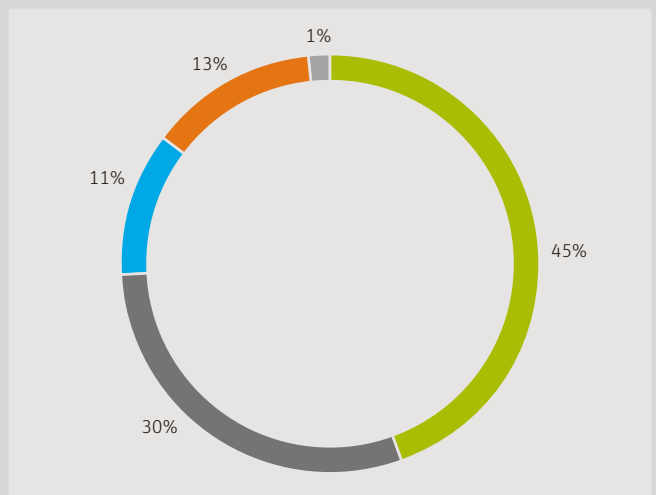
Cash flow



Net sales by region



Employees by region



■ Business Group Europe
 ■ Business Group North America
 ■ Business Group Asia
 ■ Business Group SAMEA
 ■ Corporate

Financial highlights

CHF million	2011	2010	Change in %
Autoneum Group			
Gross sales	1 722.4	1 715.4	0.4
Net sales	1 682.4	1 677.5	0.3
Operating result before interest, taxes, depreciation and amortization (EBITDA)	104.2	107.2	
• in % of net sales	6.2	6.4	
Depreciation and amortization of tangible and intangible assets	69.3	84.9	
Operating result before interest and taxes (EBIT)	34.9	22.3	
• in % of net sales	2.1	1.3	
Net result	2.3	-41.3	
• in % of net sales	0.1	-2.5	
Cash flow ¹	72.9	41.2	
• in % of net sales	4.3	2.5	
Capital expenditure on tangible and intangible assets	75.3	72.4	4.0
Shareholders' equity	287.0	248.1	15.7
Number of employees at year-end ²	9 435	8 409	12.2
Business Groups (BG)			
Segment net sales, BG Europe	888.0	897.1	-1.0
EBITDA – BG Europe	24.8	20.0	
• in % of net sales	2.8	2.2	
Segment net sales, BG North America ³	571.3	548.9	4.1
EBITDA – BG North America	52.7	57.6	
• in % of net sales	9.2	10.5	
Segment net sales, BG Asia	91.8	76.7	19.7
EBITDA – BG Asia	11.2	9.1	
• in % of net sales	12.2	11.9	
Segment net sales, BG SAMEA ⁴	140.6	149.5	-5.9
EBITDA – BG SAMEA	10.5	13.1	
• in % of net sales	7.5	8.8	
Autoneum Holding Ltd			
Share capital	0.2	0.2	
Net result	14.2	-8.1	
Number of registered shares, paid-in	4 672 363	4 672 363	
Average number of registered shares outstanding	4 670 696	4 672 363	
Number of registered shareholders on December 31	6 413	n.a.	
Market capitalization on December 31	227.7	n.a.	

1. Net profit plus depreciation and amortization (cf. page 76).

2. Excluding apprentices and temporary employees.

3. Including USA, Canada and Mexico.

4. Including South America, Middle East and Africa.

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Positive first independent business year 2011



Hans-Peter Schwald Chairman of the Board



Martin Hirzel Chief Executive Officer

Dear shareholders

We proudly present our first year-end result as an independent listed company. Both within the Group and externally, 2011 was a year in which various significant events challenged our business development.

Autoneum successfully mastered its first year of independence from the Rieter Group in 2011 and enjoys the ongoing confidence of car manufacturers worldwide. In 2011 this brought substantial new customer orders and significant growth of 15% in local currencies.

Independent company since May 13, 2011

The year under review was marked by Rieter Holding Ltd Annual General Meeting resolution of April 13, 2011, to split the Rieter Group and separate the former Rieter Automotive Systems division business as an independent company. Since May 13, 2011, the shares of Autoneum (ticker symbol: AUTN) are traded on the Swiss Exchange. Autoneum is now a focused supplier to the worldwide automobile industry and the globally leading producer of acoustic comfort systems and heat management solutions for motor vehicles.

Sales 15% higher in local currencies

Worldwide vehicle production increased during 2011 in all main economic regions except Japan. Overall, global light vehicle production rose by 3%.

Autoneum sales in local currencies rose 15% during the 2011 business year, considerably more than worldwide automobile production. In all regions Autoneum sales in local currencies increased strongly. Due to the strong Swiss franc compared with most other currencies, gross sales in Swiss francs only rose slightly to 1 722.4 million CHF (prior year: 1 715.4 million CHF).

Group result affected by natural disasters

Various events out of our control slowed down business development and affected results for Autoneum's first year of independence. Japanese automobile producers worldwide suffered during the first half of the year from effects of the earthquake and tsunami in March 2011. Moreover in the second half-year, worldwide production by Japanese and Korean manufacturers was impacted by the floods in Thailand. Both events resulted for Autoneum in volume decline and lower contribution margins. In September Autoneum's largest production plant in the USA was flooded and severely damaged by the peripheral effects of tropical storm Lee. The Board of Directors and the Group Executive Board pay great tribute to the local management and employees for restoring operations under great difficulty at this flooded plant to catch up with customer deliveries so quickly. While direct damage is expected to be

covered by insurance, indirect consequences arose inasmuch as the planned efficiency and productivity enhancement measures were delayed by this disaster, also at Autoneum's other US locations.

Unfavorable currency exchange development

The financial and debt crisis led last year to currency turbulence in a number of European countries and the USA. Decline of the euro and US Dollar against the Swiss franc affected also our Group result for the year, but since Autoneum produces and delivers

ing productivity through our Operational Excellence initiative at all locations, particularly in Europe.

Development of Business Groups

Autoneum sales in Swiss francs exceeded the prior year level in North America and Asia. Growth, however, was dampened by the natural disasters in Japan and Thailand.

Automobile production in Europe rose to 16.1 million vehicles in 2011, 3% higher than in prior year. Business Group Europe net sales for 2011 were at 888.0 million CHF (prior year: 897.1 million CHF). They rose by 9.6% in local currencies. Business Group Europe EBITDA totaled 24.8 million CHF (prior year: 20.0 million CHF), or 2.8% of net sales.

Automobile production in North America increased by 10% to 13.1 million vehicles in 2011. Net sales of Business Group North America rose in the same period to 571.3 million CHF (prior year: 548.9 million CHF), equivalent to a 23.7% rise in terms of local currency. As a consequence of the natural disasters in Japan and Thailand and floods in the USA, EBITDA declined slightly from 57.6 million to 52.7 million CHF or 9.2% of net sales.

In Asia (apart from Japan) automobile production rose in 2011 by 4% to 29.0 million vehicles, in China by 2% to 17.2 million vehicles. Production growth in China flattened off slightly, above all among local manufacturers due to credit restrictions and other economy damping measures. Business Group Asia net sales in Swiss francs for 2011 were 19.7% higher than prior year at 91.8 million CHF, equivalent in local currencies to a 36.1% rise. EBITDA rose from 9.1 million to 11.2 million CHF or 12.2% of net sales.

Automobile production in the SAMEA market region (South America, Middle East, Africa) rose 8% to 9.8 million vehicles in 2011, and Business Group SAMEA net sales in local currencies were 10.3% higher than in prior year. Due to non-recurring production start-up costs, EBITDA slightly declined to 10.5 million CHF (prior year: 13.1 million CHF). The EBITDA margin reached 7.5% of net sales.

Thanks to higher EBIT and an improved financial result, Autoneum achieved a modestly positive net result.

almost exclusively in the respective Euro or dollar zones, currency turbulence effects were mainly pertaining to the conversion of local results into Swiss francs for our Group accounts and to exchange losses at a few production locations notably in Europe.

Operating result

The operating result at EBITDA level amounts to 104.2 million CHF or 6.2% of net sales. The operating result before interest and taxes (EBIT) rose from 22.3 to 34.9 million CHF, equivalent to an EBIT margin of 2.1% (prior year: 1.3%). Three out of the four business groups recorded a positive operating result last year; only Business Group Europe was negative, although significantly better than the prior year result.

Due to currency turbulence and the natural disasters in Japan, Thailand, and the USA, the profitability improvement plan was not yet fully implemented. Significant progress was however made in reducing employee and other operating expenses. A strict cost management, an increase in productivity as well as a shift of production capacities to low-cost locations have considerably contributed to these improvements. Nevertheless, the still-high raw-material prices could not be passed on in full to customers. Autoneum continues to focus intensively on improv-

With its core competencies in acoustic and thermal management, Autoneum continues to pioneer the development and production of lightweight noise and thermal insulation systems.

ratio, including subordinated loan, improved over prior year to 31.3%. Cash and cash equivalents per year end amounted to 64.9 million CHF (prior year: 123.4 million CHF) and net debt to 154.8 million CHF (prior year: 151.0 million CHF). Autoneum's long-term financing is thus assured.

Retaining sound financial basis

The Board of Directors proposes to the Annual General Meeting of April 19, 2012 that in the interest of retaining a sound financial basis, no dividend shall be paid out for Autoneum's first, particularly challenging business year 2011.

Positive net result

Thanks to higher EBIT and an improved financial result, Autoneum overcame prior year losses with a modestly positive net result. The financial result improvement over 2010 is mainly attributable to lower average debt, but also to the continuing low rates of interest. Income taxes were reduced, but unequal distribution of results among the business units continued to impact corporate tax outlay.

Stable financing structure

Autoneum displayed a stable financing structure per end of the business year 2011. The equity

Expansion of market positioning in Asia and Eastern Europe

IHS Global Insight expects worldwide vehicle production to increase by more than 20 percent from 76 million in 2011 to 94 million in 2015, with the biggest growth potential still in Asia. During the year under review Autoneum therefore opened a new plant in Shenyang, China, as a further expansion step in that country. This plant supplies foreign manufacturers with thermal and acoustic insulation components. Overall, Autoneum employed about 900 people per year-end 2011 at five production plants and one development center in China. In the fall of 2011 Autoneum opened a new carpet conversion plant in Bor, Czech Republic, so that Autoneum now has five production plants in Eastern Europe with 1 152 employees in total.

Investments in new products and technologies

With its core competencies in acoustic and thermal management, Autoneum continues to pioneer the development and production of lightweight acoustic and thermal insulation systems as well as multi-functional components for reducing fuel consumption and consequently CO₂ emissions. Research and development costs in the year under review for new technologies and ongoing updating of the product offering amounted to 58.2 million CHF, about 3.5% of net sales. Autoneum currently has about 400 R&D employees Group-wide, mainly focusing on acoustic system developments for new automobile models and customized acoustic products, carpet systems, and underfloor components for automobile producers worldwide. In this connection a plant was opened in Sevelen, Switzerland, for manufacturing lightweight Ultra Silent underfloor systems used on automobile mass-production lines. Thanks to the innovative Ultra Silent fiber technology, Autoneum offers lightweight products with high stiffness and excellent acoustic insulation efficiency. Furthermore, Ultra Silent fiber is a mono-material and therefore fully recyclable.

Innovation: a key success factor

Apart from new products, Autoneum attaches the greatest importance to the ongoing improvement of production processes, materials and composites. Autoneum products and materials play a decisive role in making vehicles lighter and helping for example European automobile producers to comply with the emission limits set by the European Union for new vehicles as of 2012.

The lightweight nonwovens Theta-Fiber developed by Autoneum replaces for example the heavier plastic so far used for engine encapsulations, which help to warm up engines faster to optimal operating temperature, to keep them warm longer and significantly reduce fuel consumption there by. Last year, Autoneum was nominated for the PACE Award 2012 thanks to this innovation.

In connection with process optimization, a new generation of the Autoneum Injected Fiber Process (IFP) reached production maturity in 2011 and has already been installed in the first plant. With floor carpeting or inner dash this process reduces the amount of material required per component for optimal acoustic insulation.

Outlook

Due to the uncertainties on financial markets and the ambiguous economic outlook, it is difficult to forecast global automobile production developments for the current year, except insofar as market prospects for Asia and North America are assessed more optimistically than for other regions. No dependable outlook of business developments in 2012 is therefore possible.

Thanks to the substantial new customer orders on hand, Autoneum sales in local currencies currently seem to have good chances of outperforming market development again. By systematically continuing our ongoing improvement measures and focusing on cost-cutting and liquidity, Autoneum seeks to enhance operating performance specifically in Europe, as a further step toward meeting medium-term financial targets.

Thanks

On behalf of the Board of Directors and the Group Executive Board, we sincerely thank all our shareholders for their confidence and loyalty. As an independent listed company, Autoneum is committed to meeting your expectations in all respects. We also thank our customers, suppliers, and other business partners for their trust and confidence in Autoneum during 2011. Furthermore, we pay tribute to our employees for their dedicated efforts, their flexibility, and their good performance.

Winterthur, March 19, 2012



Hans-Peter Schwald
Chairman of the Board



Martin Hirzel
Chief Executive Officer

The Autoneum brand and its values

The Autoneum brand and its values are based on a long experience in the automotive industry. In the last 30 years we have grown from a Swiss-European automotive supplier into a global company, which successfully proved capable of adapting to the quickly changing market and customer needs. We owe this ability to certain core values forming the basis of the Autoneum brand and which will also shape our brand in the future.

Brand values

Committed

We love solving problems for our clients. We are motivated to deliver top performance every day and to work constantly on refining our solutions.

Reliable

We are dedicated to maintaining our reputation as a solid, stable company with a long heritage. We guarantee the quality of our products and services. We live up to our commitments.

Pioneering

We influence our markets with our sophisticated technology and innovative products. We use our expertise to develop processes and solutions that set standards.

Profitable

We set ambitious targets and we meet them. And because we are profitable, we are a reliable partner to our stakeholders and create long-term value.



Autoneum – a new company Listed since 2011, with a century old history

●

1901

Paints and varnishes trading company founded by Martin Keller in Switzerland

●

1950

Keller pioneers vehicle acoustics for the French and Italian automobile markets

●

1966

Cooperation agreement with Nittoku, Japan





1984

Rieter acquires Unikeller AG, Switzerland (vehicle acoustics and thermal insulation systems)

1987

Cooperation agreement with UGN Inc., USA

1988

Acquisition of the CHG Group (Gundernhausen, Germany), AGFK (Sevelen, Switzerland) and Sipavel (Setúbal, Portugal)

1990

Truck and tractor components plant opened in Desio, Italy

1994

Acquisition of Firth Furnishings, UK (vehicle carpeting)

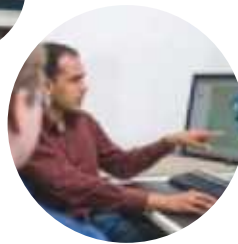
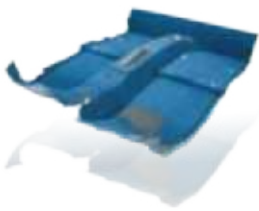
Automotive components plant opened in Chocen, Czech Republic

1995

Unikeller Division renamed Rieter Automotive Systems

Acquisition of Globe Industries, USA (automotive components)





1996/97

Acquisition of Fimit, Italy (automotive components)

Acquisition of Ello in Brazil (automotive components)

Joint venture with Magee Carpet Company, USA (fully owned since 2005)

2000

PACE Award to Rieter Automotive for the "Rieter Ultra Light" innovation

2003/05

Joint venture with Nittoku for automotive components production in China

Second plant Novogard opened after Katowice in Poland

2006

Acquisition of Rieter Automotive India (formerly Unikeller India)

Stake increased to 100% in Saifa-Keller, Spain

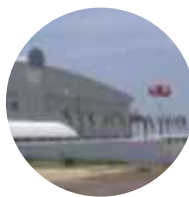
2008

Start of "Rieter Ultra Silent" production – PACE Award innovation finalist

New development and acoustics center opened in Shanghai, China

2011

Separation of Rieter Automotive Systems Division to form the independent automotive industry supply company Autoneum Holding Ltd



Strategic priorities

Autoneum has reviewed its strategic goals in the second half-year 2011. On the whole, Autoneum will pursue similar strategies as the former Rieter Division Automotive Systems, but we will clearly map out our own course. As the global technology leader in acoustic and thermal management solutions for motor vehicles, our company wants to establish a high performance culture. This means that we foster and honor leadership responsibility and commitment.

Autoneum strives for the following six objectives:

Focus on acoustic and thermal management solutions in automotive

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

Grow profitably and generate free cash flow

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

Focus on long-term partnerships with global customers

- Broad customer portfolio
- Development partner to OEMs

Leverage technological leadership

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

Practice operational excellence

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

Pursue consolidation opportunities

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



Automobile industry 2011 – market overview and developments

After the crisis years of 2008 and 2009, a strong recovery ensued in 2010. Autoneum looks back on a positive year for the automobile industry despite the economic decline since mid 2011.

Worldwide automobile production rose 3% overall to 76.6 million light vehicles¹, albeit with wide regional differences. Negative influences were felt due to the debt crises in the USA and Europe, as well as the Japanese earthquake disaster which in March 2011 brought automobile production in Japan to a halt. This affected not only Japanese manufacturers including Toyota, Honda, and Nissan in Japan, but due to the globally interconnected industry also their suppliers and subcontractors in other parts of the world.

Regional differences

The European automobile industry had already recovered in 2010, so that production rose by 3% in 2011 to 16.1 million vehicles, more steeply in Eastern than in Western Europe. This difference is attributable in particular to debt crisis effects on customer demand in the Southern European countries. The Automotive Industry Association of Germany (VDA) reports an above-average rise of 5% in this key market for suppliers, with domestic production reaching a record high of almost 5.8 million vehicles.

and Africa) rose overall by 8% to 9.8 million vehicles. Because of the Japanese earthquake and cool-off tendencies in China, total automobile production in the Asia/Pacific region decreased by 0.7% to about 37 million vehicles. Production in Greater China rose by 2% to 17.2 million vehicles, so that nearly 23% of new vehicles in this region are now manufactured locally.

Production shift to the emerging economies

Overall significance of the traditional automotive production regions – Western Europe, North America, and Japan – has declined in recent years. Even if the growth rates in some emerging economies were not quite so steep in 2011 as so far observed, future growth of the automobile industry can be expected above all in burgeoning markets such as China, India, Russia, and Brazil. Because on the one hand the motorization level in these countries is still very low, but on the other hand their per-capita income is rising. China is likely to account for about one third of global vehicle production by 2025.

In order to participate in this immense growth, the biggest OEM are increasingly investing in local production plants in China, which according to the VDA is already the most important outsourcing location for German manufacturers. About two million vehicles came off Chinese production lines in 2011 alone – already equal to one quarter of total production abroad by German OEM.

Future growth of the automobile industry can be expected above all in burgeoning markets such as China, India, Russia, and Brazil.

Likewise the North American market (USA, Canada, and Mexico) developed very positively. Despite the only sluggish revival of the US economy, North American automobile industry output rose about 10% to 13 million vehicles. Production in the SAMEA market region (South America, Middle East,

The automotive supply industry must therefore follow up by showing presence in these growth regions with local production. Autoneum recognized this trend in good time, and invested accordingly in a well-functioning global development and production organization. To ensure prompt deliveries in all relevant production regions on a long-term basis, Autoneum has inter alia five manufacturing facilities and a development center in China, two production plants in India, five plants in Eastern Europe, and five in Brazil/Argentina.

China is likely to account for about one third of global vehicle production by 2025.

The growth of private transport in the emerging economies, and greater environmental awareness in industrialized nations, are leading to an additional trend: a rising demand for lighter, smaller, eco-friendlier, and more cost-effective automobiles.

Raw-materials costs, exchange rate effects, pricing pressure

Several global factors in 2011 negatively affected the year-end results of many automotive suppliers. The economic recovery in 2010 and 2011 brought another marked rise in raw-material prices, leading to cost increases that could only be passed on to a limited extent. While in the crisis years 2008/2009 most OEM significantly eased pricing pressure on providers in order to protect their supply chains, since mid-year 2010 pressure has been increasing again. Despite strict cost management and ongoing productivity enhancement, Autoneum has not yet managed as of 2011 to restore results to their pre-crisis level.

Furthermore, exchange rate effects directly influenced the business results of numerous globally active automobile producers last year. As a supplier headquartered in Switzerland, Autoneum was particularly impacted by the Swiss franc strengthening against other major currencies in 2011. But since only one of the 48 Autoneum plants worldwide is

located in Switzerland, the currency translation effect of exchange rate fluctuations is only noticeable when sales and results figures abroad are converted into the hard Swiss franc for balance sheet accounting purposes.

Technology trends in 2011

Technological developments in 2011 were marked by ongoing efforts to reduce emissions, particularly CO₂. The OEMs focused all the more on alternative drives and the optimization of smaller-capacity engines. The strong trend in resources conservation created further demand in 2011 for fuel-saving lightweight components, better aerodynamics, and innovative engine encapsulations.

1. Production figures of the automotive industry in the Autoneum Annual Report 2011 are based on: IHS Automotive Global Production Summary, Light Vehicles, 1/2012.





Underbody shield

Product example: Autoneum's underbody shields reduce fuel consumption due to optimized aerodynamics. In addition, the shields also fulfill important acoustic functions thanks to the innovative Ultra Silent fiber technology. Ultra Silent is also the benchmark technology for underbody lightweight currently on the market. Today, Business Group Europe supplies the biggest market for underbody shields and Autoneum is one of the leading suppliers in this product field.

Business Group Europe

.....
Gross sales: 915.8 Mio. CHF

.....
Net sales: 888.0 Mio. CHF

.....
EBITDA: 24.8 Mio. CHF

.....
Number of employees¹: 4 202

.....
Capital expenditure: 33.2 Mio. CHF

.....
Number of production countries/locations: 11/24

.....
Main customers: BMW, various manufacturers of commercial vehicles, PSA, Renault-Nissan, Volvo, Fiat, Tata, Daimler

.....
1. Excluding apprentices and temporary employees.





Tufted carpet



Product example: With tufted carpets Autoneum provides highest aesthetics combined with optimal abrasion and acoustic performance. In North America, Autoneum supplies some 30% of tufted and non-woven carpets demanded locally.

Business Group North America

Gross sales: 575.4 Mio. CHF

Net sales: 571.3 Mio. CHF

EBITDA: 52.7 Mio. CHF

Number of employees¹: 2 814

Capital expenditure: 26.7 Mio. CHF

Number of production countries/locations: 3/10

Main customers: Ford, Chrysler, Honda, GM, Toyota, Renault-Nissan, BMW, Daimler

1. Excluding apprentices and temporary employees.





Tri-Form heatshield

Product example: Heatshields provide heat protection along the exhaust system for automotive comfort in the passenger cabin and thermal management optimization of the power train. Heatshield sales account for approx. 20% of Autoneum's China business.

Business Group Asia

.....
Gross sales: 95.1 Mio. CHF

.....
Net sales: 91.8 Mio. CHF

.....
EBITDA: 11.2 Mio. CHF

.....
Number of employees¹: 1 054

.....
Capital expenditure: 10.8 Mio. CHF

.....
Number of production countries/locations: 8/9

.....
Main customers: Renault-Nissan, Toyota, Honda, BMW

1. Excluding apprentices and temporary employees.



Inner dash



Product example: Inner dashes have an important acoustics function at the interface between engine bay and passenger compartment. With Autoneum's production plants in Brazil and Argentina as well as a product portfolio ranging from lightweight multilayer felt to heavy layer foils and foam, Autoneum is one of the leading suppliers of inner dashes in the South American market.

Business Group SAMEA

Gross sales: 145.4 Mio. CHF

Net sales: 140.6 Mio. CHF

EBITDA: 10.5 Mio. CHF

Number of employees¹: 1 216

Capital expenditure: 3.5 Mio. CHF

Number of production countries/locations: 4/7

Main customers: Renault-Nissan, Fiat, various manufacturers of commercial vehicles, Ford, GM, Toyota

1. Excluding apprentices and temporary employees.

Sustainability

As an automobile industry supplier operating on a global scale, Autoneum regards sustainability as a vital aspect of corporate management. The Autoneum Values and Principles are based on economic, environmental and social aspects. Generating an appropriate interest on capital employed is an indispensable foundation for sustainable corporate development. Autoneum's commitment to sustainability also involves the prudent development of human resources, and open dialogue with employees' representatives and official bodies at all company locations.

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

Code of Conduct

This regulation on conduct in business relationships, both external and internal, applies to all officers and employees of companies under the management control of Autoneum. As a listed corporation with global operations, Autoneum is particularly committed to compliance with the national legislation, regulations and directives. The code of conduct forms an integral component of Autoneum employment contracts, and management awareness of the code is regularly checked by means of an e-learning program. This ensures that all senior staff members are fully familiar with the Autoneum standards of conduct and pass them on to their subordinates accordingly. The Autoneum Values and Principles as well as the Code of Conduct are published on the Internet at www.autoneum.com/en/about-autoneum.

Ecological responsibility

With ongoing growth of the world population, more and more people need greater mobility. High priority must therefore be given to developing

vehicles that cause the least possible environmental pollution. One of the best ways of reducing CO₂ emissions from vehicles is to reduce their weight: 5 to 10 kg less weight means 0.5 to 1 g per kilometer less CO₂ emissions, depending on vehicle type and model. Autoneum offers a wide range of innovative products and technologies to help automobile producers meet their targets for weight reduction, environmental compatibility, acoustic and thermal insulation. One example is the lightweight non-woven material Theta-Fiber developed to replace heavier plastic engine encapsulation. Some years ago Autoneum already set automotive benchmarks with innovative ultra-light acoustic and underfloor insulation technologies. This trend continued last year with "Hybrid Acoustics", the new Autoneum family of lightweight acoustic insulation, interior and trunk linings.

Autoneum does its utmost to minimize environmental pollution over the entire product lifecycle, among other ways through manufacturing processes making better use of raw materials. Not only with regard to waste reutilization, but also for maximum product recyclability.

The high esteem in which customers and the authorities hold Autoneum's environmental efforts is shown by the following examples. In 2011 Honda distinguished the UGN joint venture's Somerset plant in Kentucky, USA, with the Green Factory Achievement Award for water and energy saving measures. Also last year, the Autoneum Bloomsburg plant won the Pennsylvania State Governor's Environmental Excellence Award. Thanks to this plant's recycling programs, it saves 6 000 tons of carpeting waste each year from landfill disposal.

Autoneum also focuses on energy management, as for example at the Genk plant in Belgium, which covered all its power needs in 2011 with renewable energies. Further energy saving projects have already been realized by means of process optimization and machining time adjustments. Moreover the Bloomsburg plant energy efficiency system implemented last year was so successful that lighting lev-

els were reduced by more than 80%, equivalent to saving 3 000 tons of CO₂ emissions per year.

All relevant information for sustainable corporate management is registered in the Autoneum SEED database (Social, Economic and Environmental Data) and evaluated each year to assess the Group's sustainability performance. Ecologically relevant facts and figures are listed in the Autoneum Environmental Report published each July at <http://www.autoneum.com/en/about-autoneum/sustainability>. Furthermore, Autoneum again participated last year in the international Carbon Disclosure Project (CDP) survey of greenhouse gas relevant company data.

Social responsibility

A directive on good environment, health and safety behavior was circulated among all the Autoneum plants and implemented accordingly. Within the framework of the Autoneum Production System (APS) 30 of the 48 plants worldwide were audited by corporate specialists for compliance with this directive. Results showed that employees had well understood this directive and behaved accordingly. A corporate work safety audit was also conducted in some of the Business Group SAMEA and Business Group Asia plants to ensure Autoneum's compliance with the European occupational safety standards in these regions as well.

Autoneum sets great store by sustainable personnel development, not only with systematic training and refresher courses individually held at each location, but also with international training programs for specialists and management succession. This was exemplified in 2011 by the Autoneum International Learning Program (ILP), a transnational advancement course for young management personnel.

The entire workforce showed great solidarity last year with their colleagues affected by natural disasters in Japan and the USA, for whom donations were collected and handed over by our employees and the Autoneum management.

Following separation from the Rieter Group, Autoneum formed its own European Works Council last year for the EU locations. Its first full meeting will be held during the course of 2012.

For the global information of our management and staff, Autoneum issues a message from the CEO at least three times annually as a video podcast. Regular presentations on business developments and strategy are also held at all large locations. Human Resources has furthermore implemented an Internet based information platform to maintain performance evaluation and career development at the same high level worldwide, while at the same time simplifying these processes through standardization. Autoneum also established in 2011 an introductory process for new employees.

Corporate Governance

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

The rules and regulations of Corporate Governance are established in numerous Autoneum documents, in particular the Articles of Association, the Organizational Regulations and the Board Committee Regulations. The structure of this report conforms to the Corporate Governance guidelines issued by the SIX Swiss Exchange and the pertinent commentaries. Unless otherwise stated, the data refer to December 31, 2011.

All information will be updated regularly on www.autoneum.com/investor-relations. Some data refer to the financial section of this Annual Report. The compensation report can be found from page 86 of the financial report.

1 Group structure and shareholders

Group structure

Autoneum Holding Ltd is a company incorporated under Swiss law, with registered offices in Winterthur. The Autoneum Group consists of the four Business Groups Europe, North America, Asia and SAMEA (South America, Middle East and Africa), the Corporate Center with its group functions directly reporting to the CEO. It comprises all companies controlled by Autoneum Holding Ltd including joint ventures.

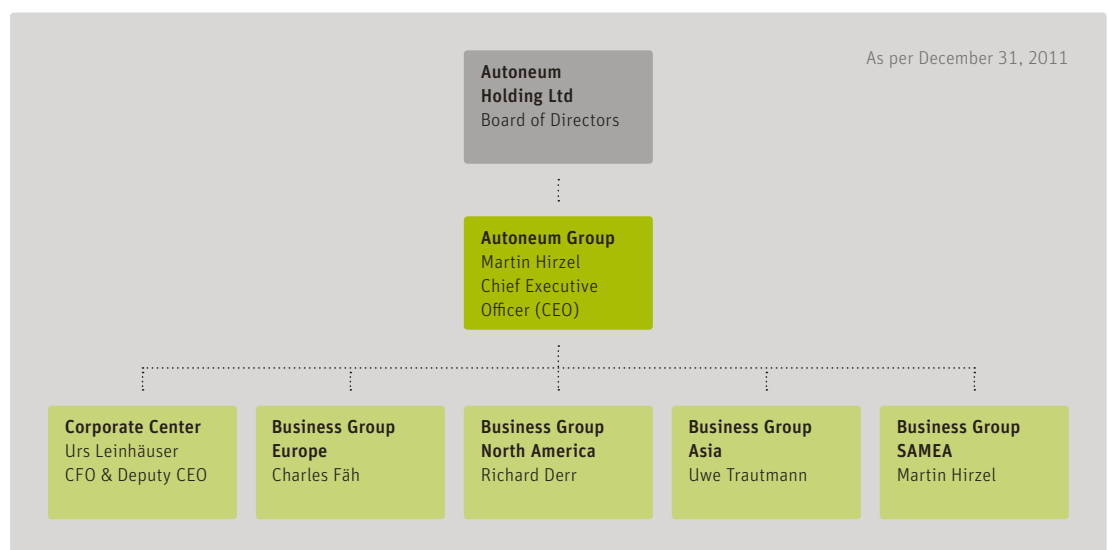
The Business Groups are responsible within the framework of the internal regulations for the profitability of each company except those business activities and companies directly reporting to Corporate Center.

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

Detailed segmental reporting can be found on pages 58 to 59.

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

Subsidiary companies are founded on the basis of legal, business and financial considerations. For each company the responsible Business Group or the Corporate Center appoints a head of legal entity who is responsible for local financial controlling and for compliance with the national laws and regulations.



Activities not assigned to the Business Groups, such as holding companies, pension funds or other staff welfare plans, are allocated to Corporate Center.

Joint ventures and holding companies are principally managed as described above and according to the respective joint venture agreements.

Some 30 companies worldwide belonged to the Autoneum Group as of December 31, 2011. A list of the main companies can be found on page 78. The management organization of the Autoneum Group is independent of the legal structure of the group and the individual companies.

Notifiable shareholdings/cross-holdings

As of May 13, 2011 (first trading day of Autoneum shares on the SIX Swiss Exchange), Autoneum was aware of the following shareholders with more than 3% of all voting rights in the company:

- PCS Holding Ltd/ Peter Spuhler, Weiningen, Switzerland
- Artemis Beteiligungen I AG / Michael Pieper, Hergiswil, Switzerland
- Investeringsforeningen Sparinvest, Taastrup, Denmark
- First Eagle Overseas Fund, New York, USA

As of December 31, 2011, Autoneum was aware of the following shareholders with more than 3% of all voting rights in the company:

- PCS Holding Ltd / Peter Spuhler, Weiningen, Switzerland
- Artemis Beteiligungen I AG / Michael Pieper, Hergiswil, Switzerland
- Capital Group Companies, Inc. (CGC), Los Angeles, USA
- First Eagle Overseas Fund, New York, USA
- Investeringsforeningen Sparinvest, Taastrup, Denmark
- Swiss & Global Asset Management AG, Switzerland

All notifications of shareholders with more than 3% of all voting rights in the company have been reported to the Disclosure Office of the SIX Swiss Exchange in accordance with Art. 20 SESTA (Swiss

Stock Exchanges and Securities Trading Act) and published via its electronic publication platform at: http://www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_de.html.

Refer to page 85 for details of these shareholdings and disclosure information.

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

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

2 Capital structure

Share capital

On December 31, 2011, the share capital of Autoneum Holding Ltd totaled 233 618.15 CHF. This is divided into 4 672 363 fully paid up registered shares with a par value of 0.05 CHF each. The shares are listed on the SIX Swiss Exchange,

securities code 12748036; ISIN CH0127480363; symbol AUTN.

Authorized share capital

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

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

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

The share capital may also be increased by up to 700 000 fully paid registered shares with a nominal value of 0.05 CHF each in an amount not to exceed 35 000 CHF through the voluntary or mandatory exercise of conversion rights and/or warrants granted in connection with the issuance of bonds or similar financial instruments by the Company or one of its group companies on national or international capital markets, and/or through the exercise of option rights granted to the shareholders. The pre-emptive rights of the shareholders on the issuance of bonds or similar financial instruments with which conversion rights and/or warrants are connected shall be excluded. The then current owners of conversion rights and/or warrants shall be entitled to subscribe for the new shares. The conditions of the conversion rights and/or warrants shall be determined by the Board of Directors. The acquisition of shares as well as each subsequent transfer of shares are subject to the restrictions in §4 of the Articles of Association.

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

shall be made at conditions taking into account the market price of the shares and/or comparable instruments with a market price at the time of issuance of the relevant financial instrument.

Contingent capital for employee participation shares

The share capital may furthermore be increased by a maximum of 12 500 CHF through the issuance of up to 250 000 fully paid up registered shares with a par value of 0.05 CHF each to employees of the company and its subsidiaries. The pre-emptive rights and the advance subscription rights of the shareholders shall be excluded. The issuance of these shares to employees will be in accordance with one or more regulations issued by the Board of Directors and take appropriate account of employee performance, position and degree of responsibility, and economic viability criteria. Shares or options can be issued to employees at a price lower than quoted on the stock exchange. The acquisition of shares within the framework of the employee participation plan, as well as every subsequent transfer of these shares, are subject to the limitations set forth in §4 of the Articles of Association.

Changes in share capital

There have been no changes to the share capital of Autoneum Holding Ltd since the company founding on December 2, 2010. The General Meeting of March 22, 2011 adopted an authorized share capital of 47 500 CHF (see p. 27), a contingent share capital of 35 000 CHF (see p. 27) and a contingent share capital of 12 500 CHF (see above).

Participation and dividend-right certificates

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

Shares

Each registered share entitles the holder to one vote at General Meetings of Autoneum Holding Ltd shareholders. The Board of Directors maintains a share register in which the owners and usufructuaries are registered with surname, first name/ company name, and address. Only those persons

listed in the share register will be recognized as company shareholders or usufructuaries. Any changes of name or address must be communicated to the company. Those who acquire registered shares must make written application for entry in the share register. The company can refuse such entry to parties who do not expressly declare that they acquired and will hold these registered shares in their own names and for their own account. If persons fail to expressly declare in their registration applications that they hold the shares for their own account (the "Nominees"), the Board of Directors shall enter such persons in the share register with the right to vote, provided that the Nominee has entered into an agreement with the Company concerning his or her status, and further provided that the Nominee is subject to a recognized bank or financial market supervision. After hearing the registered shareholder or Nominee, the Board of Directors may cancel any registration in the share register, with retroactive effect as of the date of registration, which was made based on incorrect information. The relevant shareholder or Nominee must be immediately informed of the cancellation. The Board of Directors regulates the details and issues the instructions necessary for compliance with the provisions set forth above. In special cases, it may grant exemptions from the rule concerning Nominees. The Board of Directors may delegate its duties. The company only recognizes one proxy per share. Voting rights and associated rights may only be exercised in relation to the company by a shareholder, usufructuary or nominee entered in the share register as having the right to vote.

The registered shares of Autoneum Holding Ltd are issued in the form of uncertificated securities and registered as book-entry securities (in the sense of the Book-Entry Securities Act) at SIX SIS AG. Book-entry securities with underlying shares of the Company may not be transferred by way of assignment. Security interests for these book-entry securities cannot be granted by means of assignment.

The company is entitled to convert at any time shares issued in the form of uncertificated securi-

ties into individual share certificates or global share certificates without the approval of shareholders. Shareholders are not entitled to have shares issued in one particular form transformed into another form. Any shareholder is however entitled to request at any time that the company issue a certificate stating the number of shares registered in his or her name.

Restrictions on share transfers and nominee registrations

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

Convertible bonds and options

Autoneum Holding Ltd has no convertible bonds or shareholders' options outstanding.

3 Board of Directors

The composition, general rights, duties and responsibilities of the Autoneum Holding Ltd Board of Directors are pursuant to the Swiss Code of Obligations and the Autoneum Holding Ltd articles of association and organizational regulations.

Board membership

Pursuant to the articles of association, the Board of

Directors of Autoneum Holding Ltd consists of no less than three and no more than nine members. Per December 31, 2011 the Board of Directors comprised six members, none of whom performed executive duties. The functions of Chairman of the Board and CEO are separated in order to ensure a good balance between the company management and supervisory bodies.

Election and term of office, principles of the election procedure

Members of the Board of Directors are individually elected by the General Meeting for a one to three-year term of office, with the interval between two Annual General Meetings being deemed a year for this purpose. With regard to the legally independent status of the Autoneum Group, all the current Board members of Autoneum Holding Ltd were elected in March 2011 for a three-year term of office. In future the individual terms of office of Board members are expected to be staggered so that about one third of the Board membership is renewed or re-elected each year. While Board members can be re-elected, they retire at the Annual General Meeting following their 70th birthday. 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.

Board of Directors

As per December 31, 2011



Name, year of birth
Function
Nationality

Hans-Peter Schwald (1959)
Chairman
Swiss national

Rainer Schmückle (1959)
Vice Chairman
German national

First elected to the Board

Board member and Chairman since 2011

Board member and Vice Chairman since 2011

Term of office expires in

2014

2014

Educational and professional background

Lic.iur. HSG, lawyer; Chairman and Managing Partner in the legal practice of Staiger, Schwald & Partner AG, Zurich, Berne and Basel.

Dipl. Wirtsch.-Ing. University of Karlsruhe; from 1984 to 1997 various positions at the Daimler Group, including CFO and Senior Vice President IT of Freightliner LLC; from 1998 to 2000 first CFO and then CEO of Adtranz LLC; from 2001 to 2005 President and CEO of Freightliner LLC; from 2005 to 2010 COO of Mercedes Car Group; from 2010 to 2011 Operating Partner of Advent International. Since November 1, 2011 Chief Operating Officer and President Seating Systems of Johnson Controls.

Other activities and interests

Vice Chairman of the Board, Stadler Rail AG, Bussnang, and Ruag Holding Ltd, Berne; Board member, Rieter Holding Ltd, Winterthur; Chairman, AVIA Association of Independent Importers of Petroleum Products, Zurich; Board member of other Swiss joint stock companies.

Member of the Board of Directors or Advisory Board of other privately held companies.

Committees

Chairman of the Strategy Committee; Member of the Audit Committee and of the Compensation and Nomination Committee

Chairman of the Audit Committee; Member of the Strategy Committee

Executive/non-executive

Non-executive

Non-executive



Michael Pieper (1946)
Board member
Swiss national

Board member since 2011

2014

Lic.oec. HSG; owner and Chief Executive Officer of the Franke Artemis Group.

Chairman of the Board, Artemis Holding Ltd, Hergiswil, and its subsidiaries, and of the subsidiaries of Franke worldwide; Board member, Berenberg Bank (Schweiz) AG, Zurich; Hero AG, Lenzburg; Forbo Holding Ltd, Baar; Adval Tech Holding Ltd, Niederwangen; Rieter Holding Ltd, Winterthur.

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Non-executive



This E. Schneider (1952)
Board member
Swiss national

Board member since 2011

2014

Lic. oec. HSG; from 1991 to 1993 Chairman and CEO of listed company SAFAA, Paris; from 1994 to 1997 Member of the Executive Board, Valora Group, as managing director of the Canteen and Catering Division; from 1997 to 2002 Executive Chairman and CEO of the Selecta Group; since 2004 Executive Chairman and CEO, Forbo Group.

Board member, Galenica SA, Berne; Vice President, Rieter Holding Ltd, Winterthur.

Chairman of the Compensation and Nomination Committee

Non-executive



Peter Spuhler (1959)
Board member
Swiss national

Board member since 2011

2014

Owner of Stadler Rail AG, Bussnang.

Chairman of the Board, Stadler Rail AG, Bussnang; Stadler Bussnang AG, Bussnang; Aebi-Schmidt Holding Ltd, Burgdorf, and of several other companies of the Stadler Rail Group; Board member, Walo Bertschinger Central AG, Zurich, and Rieter Holding Ltd, Winterthur. Member of the National Council of the Swiss Parliament since 1999.

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Non-executive



Ferdinand Stutz (1957)
Board member
Swiss national

Board member since 2011

2014

Dipl. Giesserei-Ing. University of Duisburg; from 1982 to 1989 Operations Manager and Deputy Manager Foundry for Rieter AG, Winterthur; from 1989 to 1994 Department Manager and as of 1994 Copartner and Executive Director of Schubert + Salzer; from 1995 to 1997 Executive Director of Georg Fischer Eisenguss GmbH, Leipzig; from 1998 to 2009 member of the Management Board of Georg Fischer AG and CEO of GF Automotive; since 2009 owner and founder of Stutz Improvement AG.

Member of the Advisory Board of Eisenwerke Brühl GmbH, Brühl; member of the Advisory Board of Halder Beteiligungsgesellschaft GmbH, Frankfurt; member of the Board of Directors or Advisory Board of other private stock companies.

Member of the Audit and the Strategy Committee and of the Compensation and Nomination Committee

Non-executive

Internal organization

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

- Composition of the business portfolio, and strategic thrust of the group
- Definition of the Group structure
- Appointment and dismissal of the members of the Group Executive Board
- Definition of the authority and duties of the Chairman and the committees of the Board of Directors as well as the CEO and CFO of the Autoneum Group and the Business Group Heads
- Organization of the accounting, financial control and financial planning
- Approval of strategic and financial planning, the budget, the annual financial statements and the Annual Report
- Principles of financial and investment policy, personnel and social policy, management and communications
- Signature regulations and allocation of authority
- Principles of internal auditing
- Decisions on investment projects involving expenditure exceeding 10 million CHF
- Issuance of bonds and other financial market transactions
- Incorporation, purchase, sale and liquidation of subsidiaries

The Board of Directors comprises the Chairman, the Vice Chairman and the other members. It is self-constituting, and appoints a secretary who need not be a member of the Board of Directors. The vice-chairman acts as chairman if the Chairman is not present. The Board of Directors has a quorum if a

majority of members are present, also if the Board members can communicate with each other by telephone, video-conference, Internet or other electronic means. Motions of the Board of Directors are approved by a simple majority. In the event of a tie, the Chairman has the casting vote.

The Board of Directors met for three regular meetings since the company became independent on May 13, 2011, one of which for a whole day and two for half a day. All the Board members were present at all these meetings. In addition two telephone conferences were held.

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

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

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

Committees

To provide assistance in its duties, the board has appointed an audit committee, compensation and nomination committee and a strategy committee

from among its members. The committees are advisory bodies and have no decision-making powers; resolutions are passed by the Board as a whole. Written terms of reference specify the tasks and responsibilities of each committee. The chairman and other members of each committee are elected by the Board of Directors. The committees meet regularly and are required to prepare minutes of their meetings and recommendations for perusal at the regular meetings of the Board of Directors.

The **audit committee** currently consists of three members of the Board. Its Chairman is Rainer Schmückle, the other members are Hans-Peter Schwald and Ferdinand Stutz.

In the 2011 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 a year per full financial year. The meetings are also attended by the head of internal audit, representatives of the statutory and group auditors KPMG, the Chief Executive Officer 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, nominating the head of internal audit
- The Chairman of the audit committee is responsible for accepting complaints (whistle-blowing) in

connection with the code of conduct (Regulations regarding conduct in business relationships).

The audit committee met for one regular meeting in 2011 since separation from the Rieter Group. The meeting lasted half a day. All committee members attended this meeting and regularly received the written reports of the internal auditors.

The **compensation and nomination committee** consists of three members: Mr. This E. Schneider as chairman, Hans-Peter Schwald and Ferdinand Stutz. The committee meets whenever necessary, but at least twice a year. This committee stipulates the profile of requirements and the principles for selecting members of the Board of Directors, and prepares the election of new members of the Group Executive Board and their terms of employment. It establishes the principles for the remuneration of members of the Autoneum Group Board of Directors, Executive Committee and senior management, especially bonus programs and share purchase plans. It is also briefed on succession plans for the Board of Directors, Group Executive Board and senior management, and the relevant development plans.

The personnel, compensation and nomination committee held three regular meetings in 2011. Each meeting lasted half a day. All committee members attended all the meetings.

The **strategy committee** consists of three members: Hans-Peter Schwald as chairman, Rainer Schmückle and Ferdinand Stutz.

In the 2011 financial year none of the members of the strategy committee performed executive duties. The strategy committee meets at least twice a year. The meetings are also attended by the CEO and the CFO, and other members of the Group Executive Board and management as appropriate.

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

The strategy committee met in 2011 for four regular meetings and a two-day strategy workshop with the entire Group Executive Board and management. Each of the regular meetings lasted two to five hours depending on agenda. All committee members attended all these meetings.

Allocation of authority

The Board of Directors delegates operational business management to the Chief Executive Officer of the Autoneum Group. The members of the Group Executive Board report to the CEO. The CFO acts as deputy to the CEO. The allocation of authority and cooperation between the Board of Directors, the Chief Executive Officer, the Business Groups and the Corporate Center are stipulated in the group organizational regulations. The CEO draws up the strategic and financial planning statements and the budget with the Group Executive Board, and submits them to the Board of Directors for approval. He reports regularly on the course of business as well as on risks, and changes in personnel at management level. In addition to periodic reporting, he is obliged to inform the Board of Directors immediately about business transactions of fundamental importance.

Information and control instruments regarding the Group Executive Board

The Board of Directors receives from the Group Executive Board a written monthly report on the key figures of the group and the Business Groups that provides information on the balance sheet, cash flow and income statements and capital expenditure. The figures are compared with the budget and with the previous year. The Board of Directors is

also informed at each meeting about the course of business, important projects and risks, as well as ongoing earnings and liquidity budget planning. If the Board of Directors has to rule on major projects a written request is submitted to directors prior to the meeting. The projects approved by the Board of Directors are monitored in the context of a special project controlling submitted to the Board of Directors every quarter. Once a year the Board of Directors discusses the strategic plans drawn up by the Group Executive Board, and the financial plan. Financial statements for publication are drawn up twice a year.

Furthermore, the Chairman of the Board of Directors meets on a fixed day every month with the CEO and the CFO & Deputy CEO with respect to all major issues of corporate policy.

The Board of Directors has initiated and implemented a comprehensive internal control system for risk monitoring in connection with business activities, which covers risk identification and analysis, control and reporting. Refer to pages 55 – 57 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 ten audits in 2011. The results were discussed in detail with the companies and Business Groups concerned, and appropriate measures have been initiated accordingly. The statutory auditors have access to the minutes of the meetings of the Board of Directors.

Code of Conduct

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

4 Group Executive Board

The Group Executive Board had five members on December 31, 2011: the CEO, the CFO & Deputy CEO, and the Business Group Heads.

Management contracts

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

Group Executive Board

As per December 31, 2011



Name, year of birth
Function
Nationality

Martin Hirzel (1970)
Chief Executive Officer (CEO) and
Head Business Group SAMEA
Swiss national

Urs Leinhäuser (1959)
Chief Financial Officer (CFO) and
Deputy CEO
Swiss national

Member of the Group Executive Board since

2011

2011

Educational and
professional background

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

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

Other activities and interests

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Board member, Burckhardt Compression Holding Ltd, Winterthur.



Charles Fähr (1955)
Head Business Group Europe
Swiss national

2011

Eidg. Dipl. Buchhalter; from 1997 to 2001 various positions at Rieter Automotive Heatshields AG; from 2001 to 2011 various positions at division level of Rieter Automotive Systems, initially as Business Unit Manager for the Central and Eastern European plants (incl. South Africa), from 2004 to 2006 as Sales Director for the German OEMs, from 2006 to 2007 as Head European Program Management; from 2007 to 2011 as Head Business Group Europe a member of the Executive Committee of the Division Automotive Systems of Rieter Holding Ltd; in the current function since 2011.



Richard Derr (1952)
Head Business Group North
America
US-American national

2011

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



Uwe Trautmann (1957)
Head Business Group Asia
German national

2011

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

5 Remuneration report

Content and process for determining remuneration and equity participation programs

Information on the remuneration of the Board of Directors and the Group Executive Board can be found in the remuneration report starting on page 86.

6 Shareholders' participatory rights

Voting restrictions

Autoneum imposes no voting restrictions.

Statutory quorum

General meetings of shareholders adopt resolutions with the absolute majority of voting shares represented. In any case the legally applicable quorums apply.

Convocation of General Meetings, agenda publication, voting proxies

General meetings of shareholders are called in writing by the Board of Directors at least 20 days prior to the event, with details of the agenda, pursuant to § 8 of the articles of association, and are published in the company's official publication medium (Swiss Official Commercial Gazette). Pursuant to § 9 of the articles of association, shareholders representing shares with a par value of at least CHF 20 000 can request the inclusion on the agenda of an item for discussion, with details of the relevant motions, by a closing date published by the company. Shareholders who do not attend general meetings personally can arrange to be represented by their legal representative, by another shareholder, by the company or by the independent voting proxy.

Entries in the shareholders' register

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

7 Change of control and defensive measures

Obligation to submit an offer

The legal provisions in terms of Article 22 SESTA are applicable. This states that a shareholder or a group of shareholders acting in concert who hold more than 33⅓% of all shares must submit a takeover offer to the other shareholders.

Change of control clauses

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

8 Statutory auditors

Duration of mandate and term of office of the lead auditor

KPMG AG, Zurich, has been the statutory and group auditors of Autoneum Holding Ltd and the Autoneum Group since the financial year 2011. Kurt Stocker is lead auditor for the Autoneum mandate at KPMG.

Audit fees and additional fees

KPMG and other auditors charged Autoneum Holding Ltd approximately 1.2 million CHF for services in connection with auditing the annual financial statements of the group companies and the consolidated Autoneum Group accounts in the financial year 2011. KPMG and other auditors also charged Autoneum approximately 0.2 million CHF for additional services in the year under review, mainly for tax advisory services. The 0.5 million CHF charged by KPMG for material management support services in consequence of flooding at the Bloomsburg, PA, USA plant, was covered by the respective insurance policy.

Supervisory and monitoring instruments regarding the auditors

Prior to every meeting, the external auditor informs the audit committee in writing about relevant auditing activities and other important facts and

figures related to the company. Representatives of the external and internal auditors attend audit committee meetings to explain their activities and answer questions.

The audit committee of the Board of Directors makes an annual assessment of the performance, fees and independence of the statutory and group auditors. It submits a proposal to the Annual General Meeting regarding who should be proposed for election as statutory auditors at the General Meeting. In addition the audit committee annually reviews the scope of external auditing, the auditing plans and relevant procedures, and discusses auditing results with the external auditors in each case. Further information on auditing can be found in section 3.

9 Information policy

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

Reporting on the financial year 2011 includes the Annual Report with review of the year, the annual and consolidated financial statements, the Corporate Governance report, a media release and a slide presentation. The Annual Report can be ordered by shareholders with form enclosed with invitation to the General Meeting, or online at www.autoneum.com. It is also available no later than 20 days prior to the General Meeting for perusal at company headquarters. Also at www.autoneum.com the share price, Annual Report, presentations and media releases can be downloaded and contact details found. Autoneum furthermore organizes special events to uphold dialogue with investors and the media.

Additionally, media releases keep shareholders and the capital market informed of significant changes and developments in the company. Share-price relevant events are publicized in accordance with the ad-hoc publicity requirements of the Swiss Exchange (SWX).

Shareholders and other interested parties may add their names to a mailing list available at www.autoneum.com/en/news-subscription/ to automatically receive the media releases and the Annual Report. 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, as well as answering shareholders' questions.

Autoneum publishes annually the main data on sustainability (www.autoneum.com/sustainability) and within the framework of the Carbon Disclosure Project of Ethos, the Swiss Foundation for sustainable development, reports annually on CO₂ and other emissions data.

Important dates:

- Annual General Meeting 2012 April 19, 2012
- Semi-Annual Report 2012 July 26, 2012
- Annual General Meeting 2013 April 17, 2013

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Consolidated income statement

CHF million	Notes	2011	% ¹	2010	% ¹
Gross sales	(4)	1 722.4		1 715.4	
Sales deductions		- 40.0		- 37.9	
Net sales		1 682.4	100	1 677.5	100
Change in semi-finished and finished goods		- 1.4		6.6	
Corporate output		1 681.0		1 684.1	
Material costs		- 876.7	52.1	- 828.8	49.4
Employee costs	(5)	- 466.7	27.7	- 488.9	29.1
Other operating expenses	(6)	- 243.1	14.4	- 266.6	15.9
Other operating income		9.7	0.6	7.4	0.4
Operating result before interest, taxes, depreciation and amortization (EBITDA)		104.2	6.2	107.2	6.4
Depreciation and amortization	(7)	- 69.3	4.1	- 84.9	5.1
Operating result before interest and taxes (EBIT)		34.9	2.1	22.3	1.3
Financial income	(8)	2.0		1.4	
Financial expenses	(9)	- 24.3		- 47.3	
Result before taxes		12.6	0.7	- 23.6	1.4
Income taxes	(10)	- 10.3		- 17.7	
Net result		2.3	0.1	- 41.3	2.5
Attributable:					
• to shareholders of Autoneum Holding Ltd		- 10.0		- 56.1	
• to non-controlling interests		12.3		14.8	
Earnings per share (in CHF) ²	CHF				
Average number of registered shares outstanding: 4 670 696 (4 672 363 in 2010)	(20)	- 2.13		- 12.01	

1. As a % of net sales.

2. No dilution effect.

Consolidated statement of comprehensive income

CHF million	2011	2010
Net result	2.3	- 41.3
Currency effects	- 5.4	11.5
Financial instruments available-for-sale:		
Change in fair value	- 0.8	- 0.8
Income taxes	0.0	0.2
Total other comprehensive income	- 6.2	10.9
Total comprehensive income	- 3.9	- 30.4
Thereof attributable:		
• to shareholders of Autoneum Holding Ltd	- 16.4	- 39.2
• to non-controlling interest	12.5	8.8

The accompanying notes (pages 47 to 78) are part of the consolidated financial statements.

Consolidated balance sheet

CHF million	Notes	December 31, 2011	December 31, 2010
Assets			
Tangible fixed assets	(12)	381.9	388.4
Intangible assets	(13)	0.4	0.0
Other non-current assets	(14)	37.5	39.1
Deferred tax assets	(10)	10.4	4.6
Non-current assets		430.2	432.1
Inventories	(15)	130.1	135.0
Trade receivables	(16)	297.1	262.1
Advance payments to suppliers		8.1	7.0
Other receivables	(17)	57.0	61.6
Marketable securities and time deposits	(18)	9.0	1.2
Cash and cash equivalents	(19)	64.9	123.4
Current assets		566.2	590.3
Assets		996.4	1 022.4
Shareholders' equity and liabilities			
Share capital		0.2	0.2
Reserves and other equity items		230.4	192.8
Equity attributable to shareholders of Autoneum Holding Ltd	(20)	230.6	193.0
Equity attributable to non-controlling interests	(21)	56.4	55.1
Total shareholders' equity		287.0	248.1
Subordinated shareholder loans	(28)	25.0	0.0
Long-term financial debt	(22)	121.7	103.2
Deferred tax liabilities	(10)	7.8	7.4
Provisions	(23)	56.8	75.6
Other non-current liabilities		0.6	0.8
Non-current liabilities		211.9	187.0
Short-term financial debt	(22)	83.1	198.8
Advance payments from customers		46.0	34.9
Current tax liabilities		10.8	9.2
Provisions	(23)	21.0	39.0
Other current liabilities	(24)	82.5	94.2
Trade payables		254.1	211.2
Current liabilities		497.5	587.3
Liabilities		709.4	774.3
Shareholders' equity and liabilities		996.4	1 022.4

The accompanying notes (pages 47 to 78) are part of the consolidated financial statements.

Changes in consolidated equity

CHF million	Share capital ¹	Own shares	Capital reserves ^{1,2}	Retained earnings
At December 31, 2009	0.0	0.0	- 141.2	0.0
Net result	0.0	0.0	- 56.1	0.0
Total other comprehensive income	0.0	0.0	0.0	0.0
Total comprehensive income	0.0	0.0	- 56.1	0.0
Dividends to Rieter Group	0.0	0.0	- 12.0	0.0
Capital increases by Rieter Group	0.0	0.0	401.9	0.0
Dividends to non-controlling interests	0.0	0.0	0.0	0.0
Foundation of Autoneum	0.2	0.0	- 0.2	0.0
At December 31, 2010	0.2	0.0	192.4	0.0
Net result	0.0	0.0	0.0	- 10.0
Total other comprehensive income	0.0	0.0	0.0	0.0
Total comprehensive income	0.0	0.0	0.0	- 10.0
Capital increases by Rieter Group ³	0.0	0.0	55.0	0.0
Dividends to non-controlling interests	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	- 1.0	0.0	0.0
At December 31, 2011	0.2	- 1.0	247.4	- 10.0

1. Autoneum Holding Ltd was founded on December 2, 2010.

2. Until the separation the capital reserves represent the investments of Rieter Holding Ltd.

3. See note 20 "share capital."

The accompanying notes (pages 47 to 78) are part of the consolidated financial statements.

Reserves for available- for-sale financial instruments	Cumulative translation adjustments	Attributable to shareholders of Autoneum Holding Ltd	Attributable to non-controlling interests	Total equity
0.5	- 17.0	- 157.7	52.4	- 105.3
0.0	0.0	- 56.1	14.8	- 41.3
- 0.6	17.5	16.9	- 6.0	10.9
- 0.6	17.5	- 39.2	8.8	- 30.4
0.0	0.0	- 12.0	0.0	- 12.0
0.0	0.0	401.9	0.0	401.9
0.0	0.0	0.0	- 6.1	- 6.1
0.0	0.0	0.0	0.0	0.0
- 0.1	0.5	193.0	55.1	248.1
0.0	0.0	- 10.0	12.3	2.3
- 0.8	- 5.6	- 6.4	0.2	- 6.2
- 0.8	- 5.6	- 16.4	12.5	- 3.9
0.0	0.0	55.0	0.0	55.0
0.0	0.0	0.0	- 11.2	- 11.2
0.0	0.0	- 1.0	0.0	- 1.0
- 0.9	- 5.1	230.6	56.4	287.0

Consolidated statement of cash flows

CHF million	Notes	2011	2010
Net result		2.3	-41.3
Interest income	(8)	-1.4	-1.3
Interest expenses	(9)	20.3	38.7
Income taxes	(10)	10.3	17.7
Depreciation and amortization of tangible and intangible fixed assets	(7)	69.3	84.9
Other non-cash income and expenses		1.3	-2.4
Change in inventories		2.0	-7.4
Change in trade receivables		-40.8	-34.9
Change in advance payments to supplier		-1.1	-0.8
Change in trade payables		52.3	50.8
Change in advance payments from customers		12.5	-1.6
Change in provisions		-22.9	-44.6
Change in other receivables		-27.3	6.3
Change in other non-current assets		1.3	0.0
Change in other liabilities		-10.4	1.3
Interest received		1.4	1.3
Interest paid		-19.8	-38.7
Taxes paid		-13.7	-21.1
Net cash from operating activities		35.6	6.9
Capital expenditure on tangible assets	(12)	-74.9	-72.4
Investments in other non-current assets		-0.5	-0.4
Investment in intangible assets	(13)	-0.4	0.0
Proceeds from disposal of tangible assets	(12)	1.1	6.1
Purchase of marketable securities and deposits	(18)	-7.8	-0.9
Divestment of businesses	(26)	0.0	-4.4
Net cash from investing activities		-82.5	-72.0
Dividends to Rieter Holding Ltd		0.0	-12.0
Dividends to non-controlling interests		-11.2	-6.1
Capital increase by Rieter Holding Ltd ¹		0.0	3.6
Acquisition of own shares		-1.0	0.0
Repayments of/proceeds from cash pool receivables – Rieter Group		0.0	36.4
Repayments of/proceeds from short-term financial debt – Rieter Group		50.9	89.1
Repayments of/proceeds from short-term financial debt		22.2	-8.3
Repayments of/proceeds from long-term financial debt – Rieter Group		0.0	19.4
Netting proceeds from short-term financial debt – Rieter Group		-193.1	0.0
Proceeds from subordinated shareholder loans	(28)	25.0	0.0
Repayments of long-term financial debt		-71.5	-3.3
Proceeds from long-term financial debt		168.1	6.8
Net cash from financing activities		-10.6	125.6
Currency effects on cash and cash equivalents		-1.0	-2.6
Change in cash and cash equivalents		-58.5	57.9
Cash and cash equivalents at beginning of the year	(19)	123.4	65.5
Cash and cash equivalents at end of the year	(19)	64.9	123.4

1. Excluding capital increase by means of conversion of debt into equity, where no cash was transferred (see note 20).

The accompanying notes (pages 47 to 78) are part of the consolidated financial statements.

Notes to the consolidated financial statements

1 Significant accounting policies

Separation and listing on the SIX Swiss Exchange

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

On December 2, 2010, Rieter Holding established Autoneum Holding Ltd (formerly Unikeller Holding AG), a Swiss corporation, headquartered in Winterthur. Rieter Holding Ltd then contributed all the holdings of its Automotive Systems Division directly and indirectly to Autoneum Holding Ltd (see notes on the financial statements of Autoneum Holding Ltd; foundation of the Company).

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

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

Autoneum Holding Ltd ("the Company") together with their subsidiaries will henceforth be referred to as "Autoneum Group" or "Autoneum". Rieter Holding Ltd together with their subsidiaries will be referred to as "Rieter Group". The list of principal subsidiaries of Autoneum Group is on page 78.

Until May 13, 2011, Autoneum had not operated as an independent company. Consolidated financial statements are prepared for the first time for the year ending December 31, 2011. The prior year's figures

correspond to the information in the historical combined financial statements, included as a part of the listings prospectus dated April 29, 2011. The historical combined financial statements are based on the financial information that was used for the IFRS consolidated financial statements of Rieter Holding Ltd. The accounting policies applied in these consolidated financial statements are unchanged from those used in the historical combined financial statements.

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

Summary of significant accounting policies

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

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements are based on historical costs, with the exception of certain financial instruments, which are measured at fair value.

As of January 1, 2011, Autoneum has implemented IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments", and has applied the following revised or updated standards: IAS 32 "Financial Instruments Presentation", IAS 24 "Related Party Disclosures", IFRIC 14, IAS 19 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements" and amendments to IFRS (May 2010). The application of the new and revised standards and interpretations had no material impact on the consolidated financial statements.

Prior period adjustment

As of December 31, 2010 until the separation became effective, Rieter Group was classified as a related party. Since the separation on May 13, 2011, Autoneum Group was an independent entity, and the companies of Rieter Group will therefore no longer be classified as related parties. Receivables and payables that were disclosed separately in the consoli-

dated balance sheet as of December 31, 2010, are therefore not disclosed separately as of December 31, 2011, or within these financial statements, but are now included within other receivables and payables. In the balance sheet the following adjustments were made (all figures in millions of CHF):

Position	As reported	Reclass	New
Other receivables due from Rieter Group	3.9	-3.9	0.0
Cash pool receivables due from Rieter Group	26.4	-26.4	0.0
Other receivables	31.3	+30.3	61.6
Long-term financial debt due to Rieter Group	85.0	-85.0	0.0
Long-term financial debt	18.2	+85.0	103.2
Short-term financial debt due to Rieter Group	136.1	-136.1	0.0
Short-term financial debt	62.7	+136.1	198.8
Other liabilities due to Rieter Group	6.4	-6.4	0.0
Other liabilities	87.8	+6.4	94.2

Assumptions and estimates

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

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

Tangible assets are tested for impairment if there are indications that, due to changed circumstances, their carrying value may no longer be fully recoverable. If such a situation arises, the recoverable amount is determined on the basis of expected future cash

flows, corresponding to either the discounted value of expected future net cash flows or fair value less cost to sell. If the recoverable amount is below the carrying amount, a corresponding impairment loss is recognized in the income statement. Where the recoverable amount cannot be determined for an individual asset, it is determined for the cash-generating unit to which the asset belongs. To determine the value for an asset, estimates of the expected future cash flows from both usage and disposal are made. Actual cash flows may vary significantly from estimated cash flows which are based on assumptions. Important assumptions to consider are useful lives, growth rates, achievable margins as well as discount rates. The corresponding book values are included in the notes.

When assessing inventories, estimates for their recoverability based on the expected consumption of the corresponding item are considered. The valuation adjustments for inventories are determined for each item using a coverage analysis. The parameters are checked annually and modified if necessary.

Changes in sales or other circumstances can lead to the book value having to be adjusted accordingly.

For defined benefit plans, assumptions are made for the purpose of estimating future developments. These include assumptions made for the discount rates, the expected return on plan assets and future trends in wages and pensions. Statistical data such as mortality tables and staff turnover rates are used to determine pension assets and liabilities. If these parameters change, the subsequent results can deviate considerably from the actuarial calculations. Such deviations can ultimately have an effect on the pension asset or liability.

In the course of the ordinary operating activities of Autoneum Group, obligations from guarantee and warranty claims, restructuring and litigation can arise. Provisions for these obligations are measured on the basis of estimates of the expected cash outflow as of the balance sheet date. The outcome of these business transactions may result in claims against Autoneum that may be below or above the related provisions and that may be covered only in part or not at all by existing insurance coverage.

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

Scope and methods of consolidation

The financial statements of Autoneum Holding Ltd and those Group companies over which it has control are fully consolidated. A controlling influence exists if Autoneum determines the financial and operating policies, and thus obtains benefits from its activities. This is normally the case when more than 50% of the voting rights are owned, either directly or indirectly or when the financial and operating policies can be determined otherwise. Changes in the Group struc-

ture are recognized at the date of acquisition or at the date of loss of control of the business. Acquisitions are accounted for using the acquisition method. Intercompany transactions are eliminated.

Holdings of 20% to 49% are accounted for using the equity method. Holdings of less than 20% are accounted for at fair value. The principal subsidiaries are listed on page 78.

Changes in consolidation scope

As of January 1, 2011, the following companies were merged with Rieter Automotive North America Inc.: Carpet Venture Corporation, Carpet Venture II Corporation and Rieter Automotive North America, Carpet.

On June 30, 2010, Idea Group belonging to the former Automotive Systems division was sold.

Foreign currency translation

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

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

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

Tangible assets

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

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

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

Where components of more substantial assets have differing useful lives, these 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.

Investment grants and similar subsidies are deferred and credited to the income statement on a straight-line basis over the expected useful life of the related asset.

Leases

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

All other leases are classified as operating leases. Payments in respect of operating leases are charged

to the income statement on a straight-line basis over the duration of the lease.

Intangible assets

Intangible assets such as product licenses, patents and trademark rights acquired from third parties are included in the balance sheet at acquisition cost and are amortized on a straight-line basis over a period of up to eight years.

Research and development

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

Goodwill

Goodwill represents the difference between the purchase price, the contribution of the non-controlling interests in the acquired company and the market value of the previously held investment and the estimated fair value of the acquired company's net assets in local currency. Goodwill is considered to have an indefinite useful life and is subject to annual impairment testing. For this purpose goodwill is allocated to cash-generating units. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Gains and losses on the disposal of an entity include the carrying amount of goodwill allocated to the entity sold.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortization but are tested annually for impairment. Assets that are subject to amortization, or the cash generating unit to which they belong, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the

asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or the asset's value in use. In the assessment of the value of the asset, the estimated future cash flows are discounted using a pre-tax interest rate. This pre-tax interest rate takes into consideration the current market estimate of the time value of money, and also the inherent risks of the asset, to the extent that they are not already included in the estimate of the cash flows.

Non-financial assets, other than goodwill, that suffered impairment in the past are reviewed for possible reversal of the impairment at each reporting date. The maximum of any reversal is limited to the planned amortized book value.

Financial assets

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

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

Financial assets at fair value through profit or loss include financial assets held for trading and those which are designated as such at inception. Derivatives are also assigned to this category. Assets in this category are presented as current assets if they are either held for trading or are expected to be realized within twelve months after the balance sheet date. They are measured at fair value. Changes in fair value are recognized in the income statement.

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

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities, which management intends and is able to hold to maturity.

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

Derivative financial instruments

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

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

Inventories

Raw materials, operating materials, purchased items and trade parts are valued at the lower of average cost or net realizable value. Semi-finished goods and finished goods are valued at the lower of manufacturing cost or net realizable value. Valuation adjustments are made for obsolete materials and excess stock.

Trade receivables

Trade receivables belong to the class of financial assets called "loans and receivables" and are stated at amortized cost, which is usually the original invoice value less an adjustment. The adjustment is made for

the difference between the invoiced amount and the expected payment. The allowances are established based on maturity structure and identifiable solvency risks.

Cash and cash equivalents

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

Financial debt

Financial debt is recognized initially at fair value, net of transaction costs incurred. Financial debt is subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the obligation using the effective interest method.

Provisions

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

Income taxes

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

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

Deferred taxes on differences in amounts reported for Group purposes and amounts determined for local tax purposes are calculated using the liability method; current local tax rates valid in the period when the asset is realized or the liability is settled are applied for this purpose. Deferred tax assets and liabilities are offset to the extent that this is permit-

ted by law, insofar as any offset relates to the same taxable entity and is collected by the same taxation authority.

Temporary differences arising on a) initial recognition of goodwill, assets or liabilities in connection with a transaction which does not affect the taxable profit nor the annual profit and b) investments in subsidiaries, provided that it is probable that the temporary differences are reversed in the foreseeable future, are not recorded.

The tax impact of losses is capitalized to the extent that it appears probable that such losses will be offset in the future by temporary valuation differences or profits.

Pension funds

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

Pension liabilities arising from defined-benefit plans are calculated according to the projected unit credit method and are usually appraised annually by independent actuaries. The discount rate used for the calculation is based on the returns of high quality corporate bonds with maturity dates the same as the obligations. Actuarial gains and losses in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation at the end of the previous reporting period are charged or credited to income over the employees' expected average remaining working lives. Pension costs relating to work performed in the reporting period are recognized in profit or loss. Pension costs relating to work performed in previous periods as a result of new or amended pension benefits are recognized as em-

ployee benefit costs on a straight-line basis until the time when entitlement to the benefits arises. The fair value of plan assets, actuarial gains and losses not yet recognized and past service costs not yet recognized are deducted or added respectively to the pension obligation. Any asset resulting from this calculation is only capitalized up to an amount not exceeding the sum of the actuarial unrecognized past service cost, unrecognized actuarial losses and benefits from future contribution reductions or refunds.

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

Share based payments

Share-based payments to members of the Board of Directors, the Executive Board and senior management are measured at fair value at the grant date, and recognized in the income statement over the vesting period. Share based payments that are settled with equity instruments are recognized directly in equity.

Revenue recognition

Revenues arising from deliveries of products are recorded when benefit and risk pass to the customer. Revenues arising from services are recorded based on the stage of completion of the services. Credits, discounts and rebates are deducted from gross proceeds, as well as losses arising from actual or foreseeable defaults.

Financing costs

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

Future changes in accounting policies

In 2011 the following new standards have been published by the International Accounting Standards Board (IASB), to be implemented by 2013:

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

In addition further amendments to IFRS 9 “Financial Instruments” were published. The date for initial application was postponed to 2015 at the latest.

Autoneum is currently evaluating the potential impact of these and other new and revised standards and interpretations which are effective from the January 1, 2012, which were not early adopted. Based on a preliminary analysis it is expected that there will be no impact on earnings or the financial status of the Group, except for the following:

IAS 19 (revised) “Employee Benefits”

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

Autoneum has actuarial gains and losses resulting from periodic recalculations charged to the income statement on a straight line basis over the average remaining service period, to the extent that 10% of the higher of plan assets or defined benefit obligation are exceeded (corridor method). With the elimination of the corridor method, from January 1, 2013, actuarial gains and losses are recognized directly in equity as other comprehensive income. Had Autoneum early adopted IAS 19 revised, the disclosed equity would have decreased by the actuarial gains and losses in the amount of CHF 38.2 million (before deferred tax). Thus, a higher volatility in pension assets and obligations as well as in equity is expected. The revised IAS 19 also includes a net interest component. This is calculated by multiplying the net pension obligation at the discount rate. Since the net pension obligation considers the defined benefit obligation as well as the plan assets, this approach will implicitly offset interest expense and interest income. At the same time the expected return on plan assets is reduced to the interest income in the amount of the discount rate. Until now, the return on plan assets was valued in accordance with the earnings expectations based on the respective investment portfolio.

The net pension expense of the employer would have been higher in 2011 if IAS 19 revised would have been early adopted.

2.1 Risk management process

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

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

The Risk Council meet twice a year and review the reported risks of the units concerned regarding their probability and impact for the Group and the necessity for any action required. In addition, the Risk Council is tasked with implementing knowledge gained from past experience as well as any other improvements in risk management.

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

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

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

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

This process was used within the Rieter Group since 2004. It has been amended to support the needs of Autoneum since the separation from Rieter Group in 2011.

2.2 Financial risk management

Financial risk factors

As a result of its worldwide activities, Autoneum is exposed to various financial risks (fluctuations in exchange rates, interest rates and stock market prices), credit risks and liquidity risks. Autoneum's financial risk management has the aim to minimize the potential adverse impact of the development of the financial markets on the Group's financial performance and to secure its financial stability. This includes the use of derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out centrally for the Group, in accordance with the Board of Directors and the Executive Committee's adopted directives. Financial risks are identified and evaluated centrally and are managed in close cooperation with the Group's operating units. Risk reporting is done as a part of the overall risk monitoring.

Foreign exchange risk

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

The majority of the business is transacted in Autoneum's foreign subsidiaries in local currency. Nevertheless, the Group is exposed to currency risks, mostly against the Euro. Assuming that the Euro against the Swiss franc by December 31, 2011, would have been 5% stronger, and all other parameters remained the same, the net result after tax would have been CHF 0.9 million higher (2010: CHF 0.2 million). In the opposite case, the net result after tax would have been reduced to the same extent. This would mainly have been due to exchange gains/losses on trade accounts receivable and payable.

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

Interest rate risk

The interest risks of the Group relate to interest bearing assets and liabilities. Assets and liabilities with fluctuating interests result in cash-flow risks, while fixed interest bearing assets and liabilities lead to a fair-value interest risk.

Cash-flow sensitivity analysis: the Group analyzes the interest risk on a net basis. A 1% point higher interest rate would have reduced the net result of the group by CHF 1.9 million (previous year: CHF 3.1 million).

In 2011, no hedging of the interest rate was performed.

Price risk

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

Credit risk

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

Liquidity risk

The liquidity risk management of Autoneum includes the maintenance of sufficient reserves of cash and time deposits and the availability of funding through an adequate amount of credit lines. Due to the dynamic business environment in which the Group operates, it is the aim of the Group to ensure the financial stability and to maintain the necessary flexibility in funding by generating sufficient free cash flow and holding a reasonable amount of unused credit lines.

To this end in April 2011 Autoneum completed a credit agreement for the medium and longer-term financing of Autoneum with a group of banks and with two shareholders, each with a subordinated loan agreement in the amount of CHF 12.5 million.

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

Financial liabilities December 31, 2011	Carrying amount	Contractual cash flows			Total cash flow
		Within 1 year	In 1 to 5 years	In 5 or more years	
CHF million					
Subordinated shareholder loans	25.0	1.5	29.0	0.0	30.5
Bank debt	189.9	91.4	114.8	0.0	206.2
Finance leasing obligations	2.6	0.8	2.0	0.0	2.8
Other financial liabilities	12.3	1.1	4.8	15.7	21.6
Trade payables	254.1	254.1	0.0	0.0	254.1
Other liabilities	71.3	71.3	0.0	0.0	71.3
Total	555.2	420.2	150.6	15.7	586.5
Financial liabilities December 31, 2010					
Current liabilities due to Rieter Group	221.1	143.2	93.6	0.0	236.8
Bank debt	77.3	65.6	17.7	0.0	83.3
Finance leasing obligations	3.4	0.8	2.6	0.4	3.8
Other financial liabilities	0.2	0.0	0.1	0.1	0.2
Trade payables	211.2	211.2	0.0	0.0	211.2
Other liabilities	83.6	83.6	0.0	0.0	83.6
Total	596.8	504.4	114.0	0.5	618.9

Capital management

Until May 2011, capital management was performed by Rieter Group, and was not relevant for Autoneum Group or the former Automotive Systems division.

A mid-term financial target for the newly independent Autoneum Group is to maintain a healthy balance sheet with an adequate portion of equity. Over a longer period, the part of economic equity (including subordinated loans) of the balance sheet shall not fall below 30%.

For the next few years the dividend policy will depend of a number of factors, including net income and the financial situation of the Group, plus the demand for capital and liquidity, the general business environment, as well as legal and contractual restrictions. Subject to the foregoing, the Group intends to distribute of up to 30% of annual profits.

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

3 Segment information

Segment information is based on Autoneum Group's internal organization and management structure as well as on the internal financial reporting to the Executive Committee, the Board of Directors and the Chief Operating Decision Maker. Since the separation the role of Chief Operating Decision Maker is taken by the CEO; before the separation this function was undertaken by the head of the former Automotive Division of Rieter.

The reporting is based on the four following reportable segments (Business Groups): BG Europe, BG North America (the USA, Canada and Mexico), BG Asia and BG SAMEA (South America, the Middle East and Africa). These are not further divided into additional operating segments. In Corporate, besides inter-segment eliminations is Autoneum Holding Ltd, the corporate center with its respective legal entities and functions, and until June 30, 2010 IDEA Group. Autoneum Group develops, produces and sells components, modules and integrated systems in order to provide acoustic and thermal comfort in motor vehicles. Transactions between the Business Groups are made on the same basis as with independent third parties.

Segment information 2011

CHF million	Total Group	BG Europe	BG North America	BG Asia	BG SAMEA	Corporate
Sales	1 722.4	915.8	575.4	95.1	145.4	-9.3
Third party sales	1 722.4	903.9	575.4	95.1	145.4	2.6
Inter-segment sales	0.0	11.9	0.0	0.0	0.0	-11.9
Sales deductions	-40.0	-27.8	-4.1	-3.3	-4.8	0.0
Net sales	1 682.4	888.0	571.3	91.8	140.6	-9.3
EBITDA	104.2	24.8	52.7	11.2	10.5	5.0
Depreciation and amortization of tangible and intangible assets	-69.3	-37.0	-22.8	-5.4	-3.3	-0.8
EBIT	34.9	-12.2	29.9	5.8	7.2	4.2
Assets	996.4	502.0	291.3	69.8	57.6	75.7 ¹
Liabilities	709.4	282.8	132.1	22.1	34.8	237.6 ²
Net assets	287.0	219.2	159.2	47.7	22.8	-161.9
Capital expenditures on tangible and intangible assets	75.3	33.2	26.7	10.8	3.5	1.1
Number of employees	9 435	4 202	2 814	1 054	1 216	149 ³

Segment information 2010

	Total Group	BG Europe	BG North America	BG Asia	BG SAMEA	Corporate
Sales	1 715.4	924.7	552.7	78.9	153.8	5.3
Third party sales	1 715.4	915.2	552.6	78.9	153.6	15.1
Inter-segment sales	0.0	9.5	0.1	0.0	0.2	-9.8
Sales deductions	-37.9	-27.6	-3.8	-2.2	-4.3	0.0
Net sales	1 677.5	897.1	548.9	76.7	149.5	5.3
EBITDA	107.2	20.0	57.6	9.1	13.1	7.4
Depreciation and amortization of tangible and intangible assets	-84.9	-47.8	-25.6	-5.6	-4.0	-1.9
EBIT	22.3	-27.8	32.0	3.5	9.1	5.5
Assets	1 022.4	500.2	235.1	65.4	54.2	167.5 ¹
Liabilities	774.3	307.3	103.0	23.3	31.1	309.6 ²
Net assets	248.1	192.9	132.1	42.1	23.1	-142.1
Capital expenditures on tangible and intangible assets	72.4	34.7	22.9	9.6	4.0	1.2
Number of employees	8 409	3 732	2 286	895	1 195	301 ³

1. Assets CHF 17.0 million (CHF 20.6 million in 2010), eliminations of inter-segment-positions CHF -34.0 million (CHF -21.3 million in 2010), cash and cash equivalents CHF 64.9 million (CHF 123.4 million in 2010), cash pool receivables CHF 0.0 million (CHF 26.4 million in 2010), marketable securities and time deposits CHF 9.0 million (CHF 1.2 million in 2010), investments CHF 8.5 million (CHF 9.3 million in 2010), interest bearing receivables CHF 0.0 million (CHF 3.3 million in 2010), deferred tax assets CHF 10.4 million (CHF 4.6 million in 2010).

2. Liabilities CHF 23.3 million (CHF 12.3 million in 2010), eliminations of inter-segment-positions CHF -33.6 million (CHF -21.3 million in 2010), financial debt CHF 229.8 million (CHF 302.0 million in 2010), deferred tax liabilities CHF 7.8 million (CHF 7.4 million in 2010), current tax liabilities CHF 10.8 million (CHF 9.2 million in 2010).

3. Excluding apprentices and temporary employees.

Sales and non-current assets by country

CHF million	Gross sales 2011 ¹	Gross sales 2010 ¹	Non-current assets 2011 ²	Non-current assets 2010 ²
Switzerland (domicile of Autoneum Holding Ltd)	4.6	4.2	31.6	25.7
Foreign countries	1 717.8	1 711.2	350.7	362.7
Total Group	1 722.4	1 715.4	382.3	388.4
The following countries accounted for more than 10% of sales or non-current assets:				
USA	414.2	393.6	108.4	102.6
Germany	203.4	186.6	8.4	10.6
Great Britain	158.4	173.2	17.5	18.8
France	133.6	128.1	42.2	46.3

1. By location of customers.

2. Tangible fixed assets and intangible assets.

Sales to major customers

CHF million	Sales 2011	Sales 2010
The following customers accounted for more than 10% of annual sales in 2011 and 2010:		
Renault-Nissan	223.0	217.5
Ford	197.8	178.2
BMW	177.1	180.9

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

4 Changes in gross sales compared to the previous year

CHF million	2011	2010
Change in sales due to volume and price, BG Europe	78.1	164.8
Change in sales due to volume and price, BG North America	116.5	149.7
Change in sales due to volume and price, BG Asia	28.7	28.2
Change in sales due to volume and price, BG SAMEA	16.4	16.0
Impact from changes in the scope of consolidation	- 10.1	- 1.2
Currency effects	- 222.6	- 66.4
Total changes in sales	7.0	291.1

5 Employee costs

CHF million	2011	2010
Wages and salaries	392.4	406.3
Social security and other personnel expenses	74.3	82.6
Total	466.7	488.9

6 Other operating expenses

Other operating expenses include mainly maintenance and energy costs and expenses for operating leases (see note 29).

7 Depreciation and amortization

CHF million	2011	2010
Tangible fixed assets	69.3	84.9
Intangible assets	0.0	0.0
Total	69.3	84.9

8 Financial income

CHF million	2011	2010
Interest income – Rieter Group	0.1	0.3
Interest income – third	1.3	1.0
Total interest income	1.4	1.3
Other financial income	0.6	0.1
Total financial income	2.0	1.4

9 Financial expenses

CHF million	2011	2010
Interest cost – Rieter Group	4.5	28.5
Interest cost – third	15.8	10.2
Total interest cost	20.3	38.7
Foreign exchange differences, net	4.0	6.7
Other financial expenses	0.0	1.9
Total financial expenses	24.3	47.3

10 Income taxes

CHF million	2011	2010
Current income tax expense	16.0	19.7
Deferred income tax expense	-5.7	-2.0
Total	10.3	17.7

Reconciliation of expected and actual tax expenses:

CHF million	2011	2010
Expected tax expenses on pre-tax results of CHF 12.6 million (CHF -23.6 million in 2010) at an average rate of 27.8% (32.9% in 2010)	3.5	-7.8
Impact of non tax-deductible income/expenses	-2.1	1.0
Impact of tax losses for which no deferred income tax assets were recognized	14.3	23.1
Impact of utilisation of previously unrecognized tax loss carry-forwards	-3.8	-1.2
Impact of changes in tax rates	0.0	-1.7
Other effects	-1.6	4.3
Total	10.3	17.7

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

Deferred income taxes

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

CHF million	Deferred tax assets 2011	Deferred tax liabilities 2011	Deferred tax assets 2010	Deferred tax liabilities 2010
Tangible fixed assets	29.1	-6.6	8.1	-6.2
Inventories	1.8	-0.9	1.7	-1.2
Other assets	9.5	-5.0	1.7	-5.1
Provisions	4.9	-1.4	5.4	-1.2
Other liabilities	4.7	-3.3	5.8	-2.2
Valuation adjustments on deferred tax assets	-38.7		-11.9	
Tax assets from tax loss carry-forwards and other tax receivables	8.5		2.3	
Total	19.8	-17.2	13.1	-15.9
Offsetting	-9.4	9.4	-8.5	8.5
Deferred tax assets/liabilities	10.4	-7.8	4.6	-7.4

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

CHF million	Capitalized 2011	Non capitalized 2011	Total 2011	Total 2010
Expiry in 1 to 3 years	2.9	2.8	5.7	1.4
3 to 7 years	1.6	28.6	30.2	26.5
7 or more years	4.0	128.1	132.1	143.3
Total	8.5	159.5	168.0	171.2

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

11 Research and development

In 2011, CHF 58.2 million was spent on research and development (CHF 65.9 million prior year).

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

Development costs must meet several criteria to be recognized as an intangible asset. Technical and financial resources must be available to ensure the completion of the development, and the costs attributed to the development must be reliably measured. Although for all major development projects in 2010 and 2011 this was the case, and the intention and ability to complete the projects was confirmed by the management, no development costs could be capitalized as intangible assets during the reporting year as in the previous year. IAS 38/57d demands proof of future economic benefits, which due to rapid technological changes and the started technological trends of the market respectively as well as the current economic uncertainties, could not be sufficiently provided.

12 Tangible fixed assets

CHF million	Land and buildings	Machinery and tools	Data processing equipment	Vehicles and furniture	Tangibles under construction	Total tangible fixed assets
Net book value at January 1, 2010	135.8	268.0	2.8	3.5	41.0	451.1
Reclassification	-0.2	18.0	0.0	0.0	-17.8	0.0
Additions	7.0	25.0	0.9	0.9	38.6	72.4
Disposals by divestments	0.0	-1.7	0.0	-0.1	0.0	-1.8
Other disposals	-0.9	-2.4	-0.2	-0.1	-0.1	-3.7
Depreciation	-9.7	-72.5	-1.4	-1.3	0.0	-84.9
Currency effects	-14.5	-24.9	-0.2	-0.2	-4.9	-44.7
Net book value at December 31, 2010	117.5	209.5	1.9	2.7	56.8	388.4
Cost at December 31, 2010	244.3	962.3	22.5	22.6	56.5	1 308.2
Accumulated depreciation at December 31, 2010	-126.8	-752.8	-20.6	-19.9	0.3	-919.8
Net book value at December 31, 2010	117.5	209.5	1.9	2.7	56.8	388.4
Reclassification	9.4	45.5	0.6	-0.1	-55.4	0.0
Additions	2.4	14.6	1.2	0.4	56.3	74.9
Other disposals	-0.6	-0.5	0.0	0.0	0.0	-1.1
Depreciation	-8.8	-58.4	-1.1	-1.0	0.0	-69.3
Currency effects	-4.4	-5.6	-0.1	-0.1	-0.8	-11.0
Net book value at December 31, 2011	115.5	205.1	2.5	1.9	56.9	381.9
Cost at December 31, 2011	246.5	958.0	21.9	19.3	56.9	1 302.6
Accumulated depreciation at December 31, 2011	-131.0	-752.9	-19.4	-17.4	0.0	-920.7
Net book value at December 31, 2011	115.5	205.1	2.5	1.9	56.9	381.9

The book value of the tangible assets financed by long-term leasing contracts is CHF 2.4 million (prior year: CHF 3.2 million). At December 31, 2011, land and buildings with a net book value of CHF 15.3 million (prior year: CHF 0.0 million) were used as collateral for credit facilities with financing banks. From March 2009 until March 2010, land and buildings with a net book value of CHF 12.8 million were used as collateral for financial liabilities of Rieter Group. In both the reporting year and the prior year no borrowing costs were capitalized.

13 Intangible assets

CHF million	2011	2010
Net book value at January 1	0.0	0.0
Additions	0.4	0.0
Amortization	0.0	0.0
Currency effects	0.0	0.0
Net book value at December 31	0.4	0.0
Cost at December 31	1.7	1.3
Accumulated amortization at December 31	-1.3	-1.3
Net book value at December 31	0.4	0.0

14 Other non-current assets

CHF million	2011	2010
Investments in non-consolidated companies	8.5	9.3
Long-term interest-bearing receivables	0.0	3.3
Pension assets	11.2	9.5
Other long-term receivables	17.8	17.0
Total	37.5	39.1

15 Inventories

CHF million	2011	2010
Raw materials and consumables	42.5	36.9
Purchased parts and goods for resale	1.8	1.6
Semi-finished and finished goods	33.4	34.8
Work in progress	56.4	65.3
Allowance	-4.0	-3.6
Total	130.1	135.0

16 Trade receivables

CHF million	2011	2010
Trade receivables	301.9	267.2
Allowance for doubtful receivables	-4.8	-5.1
Total	297.1	262.1

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

CHF million	2011	2010
Allowance for doubtful receivables at January 1	-5.1	-10.3
Increase charged to income statement	-2.2	-2.8
Utilization or reversal	2.4	6.8
Currency effects	0.1	1.2
Allowance for doubtful receivables at December 31	-4.8	-5.1

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

Trade receivables include amounts denominated in the following major currencies:

CHF million	2011	2010
CHF	3.2	2.4
EUR	176.9	172.6
USD	52.6	37.2
GBP	10.4	6.1
Other	54.0	43.8
Total	297.1	262.1

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

CHF million	2011	2010
Not due	278.4	250.7
Past due less than 3 months	18.1	12.6
Past due 3 to 6 months	2.2	0.8
Past due 6 months to 1 year	1.9	0.7
Past due 1 to 5 years	1.3	2.4
Past due 5 and more years	0.0	0.0
Trade receivables	301.9	267.2
Allowance for doubtful receivables	-4.8	-5.1
Total	297.1	262.1

At December 31, 2011, trade receivables with a book value of CHF 6.2 million (prior year: CHF 0.0 million) were used as collateral for credit facilities with financing banks.

17 Other receivables

CHF million	2011	2010
Prepaid expenses and deferred charges	14.9	9.5
Other short-term receivables	41.8	21.8
Fair value of derivative financial instruments	0.3	0.0
Receivables due to Rieter Group ¹	0.0	30.3
Total	57.0	61.6

1. Includes CHF 26.4 million cash pool receivables and CHF 3.9 million other receivables (see note 28).

18 Marketable securities and time deposits

CHF million	2011	2010
Securities held for trading	1.7	1.1
Time deposits with original maturities between 3 and 12 months	7.3	0.1
Total	9.0	1.2

19 Cash and cash equivalents

CHF million	2011	2010
Cash and banks	51.2	100.3
Time deposit with original maturities up to three months	13.7	23.1
Total	64.9	123.4

20 Shareholders' equity

Autoneum Holding Ltd was founded on December 2, 2010. Autoneum Holding Ltd and all its subsidiaries were financed through equity and/or loans from Rieter Group until the separation. Rieter Group financing needs were covered by loans which were subsequently converted into equity, if necessary. In the context of the founding of Autoneum Holding Ltd in 2010, the equity increased by a total of CHF 401.9 million. The capital increase included a cash payment of CHF 3.6 million, the remaining amount is the effect of the conversion of loans into equity.

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

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

		31.12.2011	31.12.2010
Shares outstanding	Number of shares	4 652 363	0
Own shares	Number of shares	20 000	0
Shares owned by Rieter Group before separation	Number of shares	0	4 672 363
Shares issued	Number of shares	4 672 363	4 672 363
Nominal value per share	CHF	0.05	0.05
Share capital	CHF	233 618	233 618

The Board is authorized to increase the share capital in the context of authorized capital. For the issuance of bonds and/or grant of shareholder options and respectively issuing shares to employees of the Company and its subsidiaries, the share capital may be increased in terms of conditional capital (see Autoneum Holding Ltd, note 4).

21 Non-controlling interests

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

22 Financial debt

CHF million	Bank debt	Subordinated shareholder loans	Finance leasing obligations	Other financial debt	Total 2011	Total 2010
Duration less than 1 year	82.0	0.0	0.8	0.3	83.1	198.8
Duration 1 to 5 years	107.9	25.0	1.8	1.9	136.6	102.8
Duration 5 and more years	0.0	0.0	0.0	10.1	10.1	0.4
Total	189.9	25.0	2.6	12.3	229.8	302.0

In the context of the separation, Autoneum Holding Ltd and certain subsidiaries agreed on a long-term credit agreement of CHF 285.0 million with a syndicate of banks on April 12, 2011. The facility consists of a term loan facility of CHF 100 million and a revolving facility with a value of CHF 135.0 million, both with a maturity of December 31, 2014, and also includes a guarantee facility to the value of CHF 50.0 million with a maturity date of June 30, 2013. Interest is based on the Libor rate with a margin, which is determined by the ratio of gross debt to EBITDA.

To guarantee the long-term credit agreement, real-estate in Switzerland and Germany to the value of CHF 15.3 million was used as collateral, and holdings in Group companies with a net book value of CHF 183.4 million were pledged to the bank syndicate. In addition, the claims of Autoneum Holding Ltd from inter-group loans are transferred to the banks and the liabilities of the long-term credit agreement are guaranteed by the borrowing companies and other subsidiaries.

Maintainance of the credit agreement is subject to compliance of minimum financial requirements – financial covenants – related to equity, debt and other common ratios and key figures. The compliance was tested semi-annually in 2011 and reported to the bank syndicate. In 2011 the minimum financial requirements were complied with.

Also in connection with the separation, two shareholders have granted Autoneum Holding Ltd subordinated shareholder loans. These are described in note 28 “related parties” below.

In addition to the aforementioned long-term credit agreement, in various countries there are local credit limits and credit lines based on individual market conditions. Other financial debt includes a reclassification from provisions of CHF 12.1 million (see note 23).

Of the CHF 302.0 million financial liabilities at December 31, 2010, the amount due to Rieter Group was CHF 221.1 million CHF. Prior to the separation Rieter Holding Ltd granted a waiver for CHF 55.0 million, thereby increasing the equity of Autoneum Holding Ltd (see note 20).

The financial debt is denominated in the following currencies:

CHF million	2011	2010
CHF	131.0	85.0
EUR	27.6	142.9
USD	27.2	20.5
Other	44.0	53.6
Total	229.8	302.0

23 Provisions

CHF million	Guarantee and warranty provisions	Environment provisions	Pension provisions	Restructuring provisions	Other provisions	Total provisions
Provisions at December 31, 2010	6.3	8.5	31.9	34.0	33.9	114.6
Reclassification	0.0	1.4	-12.1	-2.9	1.0	-12.6
Utilization	-1.0	0.0	-1.7	-14.2	-9.7	-26.6
Release	-1.1	0.0	-1.1	-0.3	-2.3	-4.8
Additions	0.7	0.0	0.5	0.0	7.3	8.5
Currency effects	-0.2	0.0	-0.2	-0.3	-0.6	-1.3
Provisions at December 31, 2011	4.7	9.9	17.3	16.3	29.6	77.8
Thereof non-current	2.5	9.7	17.3	9.9	17.4	56.8
Thereof current	2.2	0.2	0.0	6.4	12.2	21.0

Guarantee and warranty provisions are related to the production and supply of goods or services and are based on experience. The long-term guarantee and warranty provisions of CHF 2.5 million are expected to be partially used over a period of one to two years on average.

Pension provisions include liabilities related to defined benefit pension plans (see note 27) and other long-term employee benefits. Due to the closure of a defined contribution pension plan, a financing agreement was reached with an independent pension fund, which led to the reclassification of CHF 12.1 million of pension liabilities into other financial long-term debt.

Environmental provisions cover the estimated costs for the clean-up of contaminated sites due to past industrial operations. The long-term environmental provisions are expected to be partially used over the next two to three years.

Restructuring provisions comprise the remaining legal and constructive liabilities from the ongoing restructuring program. In connection with this program, a total of twelve business units or factories were closed or sold. During the reporting period further CHF 14.2 million was used mainly in Western Europe for structural and capacity adjustments. In addition, reclassifications were made from restructuring provisions to environmental provisions (CHF 1.4 million) and to other provisions (CHF 1.0 million). The remaining restructuring provisions of CHF 16.3 million mostly relate to the remaining restructuring activities for one subsidiary. The measures should be primarily implemented in the years 2012 and 2013.

Other provisions are made for contracts where the unavoidable costs to fulfill the obligation are greater than the expected economic benefits, as well as for other constructive or legal liabilities of Group companies. This category includes provisions for actions brought by workers who claim damages from a health or accident-related claim. The majority of the other long-term provisions are expected to be used in 2013 and 2014.

24 Other current liabilities

CHF million	2011	2010
Accrued holidays	11.2	10.6
Other accrued expenses	29.2	32.4
Other short-term liabilities	42.1	44.8
Current liabilities due to Rieter Group ¹	0.0	6.4
Total	82.5	94.2

1. Includes CHF 3.5 million cash pool liabilities and CHF 2.9 million other current liabilities (see note 28).

25 Financial instruments

The following tables summarize all financial instruments classified by categories according to IAS 39. The book values essentially correspond to the fair value.

CHF million	2011	2010
Cash (excluding time deposits)	51.2	100.3
Securities held for trading ¹	1.7	1.1
Fair value of derivative financial instruments ²	0.3	0.0
Total financial assets at fair value through profit or loss	2.0	1.1
Time deposits with original maturities up to 3 months	13.7	23.1
Time deposits with original maturities between 3 and 12 months	7.3	0.1
Trade receivables	297.1	262.1
Other short-term receivables ³	56.7	61.6
Long-term interest-bearing receivables	0.0	3.3
Total loans and receivables	374.8	350.2
Investments in non-consolidated companies ¹	7.4	8.2
Total available-for-sale financial assets	7.4	8.2
Total financial assets and derivatives	435.4	459.8

CHF million	2011	2010
Long-term financial debt	146.7	103.2
Short-term financial debt	83.1	198.8
Trade payables	254.1	211.2
Other current financial liabilities ⁴	71.3	83.6
Total financial liabilities at amortized cost	555.2	596.8
Fair value of derivative financial instruments ²	0.0	0.0
Total financial debt and derivatives	555.2	596.8

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

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

3. Includes in 2010 CHF 26.4 million cash pool receivables and CHF 3.9 million other receivables due from Rieter Group.

4. Includes in 2010 CHF 3.5 million cash pool liabilities and CHF 2.9 million other short term liabilities due to Rieter Group.

26 Divestments

On June 30, 2010, Autoneum Group sold IDEA Group. In the first half-year of 2010 the IDEA Group generated sales of CHF 10.1 million. In the reporting period no divestments were made.

The assets and liabilities arising from the divestment were as follows:

CHF million	2011	2010
Non-current assets	0.0	2.4
Current assets ¹	0.0	13.2
Liabilities	0.0	-20.0
Net disposed assets and liabilities	0.0	-4.4
Loss on divestment	0.0	0.0
Cash outflow on divestment	0.0	-4.4

1. Excluding cash and cash equivalents of CHF 1.4 million held by IDEA Group.

27 Pension plans

The cost for pensions are charged to employee costs and for the current reporting year represent CHF 9.8 million (prior year: CHF 8.8 million).

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

In the prior year, some employees had a defined benefit pension plan whose risk was shared between Autoneum and Rieter Group (see separate disclosure below). With the separation in 2011 there is no longer any risk sharing between Autoneum and Rieter Group. As a result, the defined benefit obligation and plan assets are separately calculated. The corresponding values in 2011 are included as additions within the defined benefit pension plans and in the pension costs.

Defined contribution plans

The expenses for defined contribution plans amounted to CHF 3.8 million (prior year: CHF 3.6 million).

Defined benefit plans

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

CHF million	2011	2010
Actuarial present value of defined-benefit obligation		
• unfunded plans	- 11.4	- 12.7
• funded plans	- 162.1	- 99.7
Defined benefit obligation at December 31	- 173.5	- 112.4
Fair value of plan assets	134.0	80.9
Deficit at December 31	- 39.5	- 31.5
Unrecognized actuarial gains or losses	38.2	27.0
Net liability at December 31	- 1.3	- 4.5
Recognized in the balance sheet		
• as pension assets	11.2	9.5
• as pension provisions	- 12.5	- 14.0

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

CHF million	2011	2010
Defined benefit obligation at January 1	112.4	113.5
Decrease due to divestments	0.0	- 2.3
Increase due to separation	45.6	0.0
Current service cost	4.7	2.3
Interest cost	5.7	4.8
Employee contributions	2.8	1.1
Actuarial gains or losses	8.7	6.6
Benefits paid	- 6.1	- 5.1
Currency effects	- 0.3	- 8.5
Defined benefit obligation at December 31	173.5	112.4

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

CHF million	2011	2010
Fair value of plan assets at January 1	80.9	78.9
Addition due to separation	46.7	0.0
Expected return on plan assets	6.0	4.4
Actuarial gains or losses	- 4.8	0.5
Employer contributions	8.7	5.1
Employee contributions	2.8	1.1
Benefits paid	- 6.1	- 5.1
Currency effects	- 0.2	- 4.0
Fair value of plan assets at December 31	134.0	80.9

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

in %	2011	2010
Equity	41	39
Debt	31	40
Real estate	11	6
Other	17	15

Pension costs of defined benefit plans:

CHF million	2011	2010
Current service cost	4.7	2.3
Interest cost	5.7	4.8
Expected return on plan assets	-6.0	-4.4
Recognized actuarial gains or losses	1.6	1.3
Pension costs of defined benefit plans	6.0	4.0

The expected contributions for the Group's defined benefit pension plans amount to CHF 6.3 million for 2012. During the year the actual return on plan assets amounted to CHF 1.2 million (prior year CHF 4.9 million).

Actuarial assumptions

Weighted average in %	2011	2010
Discount rate	3.2	4.4
Expected return on plan assets	4.8	5.7
Expected future wage growth	0.5	0.7
Expected future pension growth	0.3	0.5

Additional disclosure

CHF million	2011	2010	2009	2008	2007
Defined benefit obligation	-173.5	-112.4	-113.5	-103.9	-125.4
Plan assets	134.0	80.9	78.9	67.6	93.7
Deficit	-39.5	-31.5	-34.6	-36.3	-31.7
Experience adjustment on plan liabilities	1.5	-2.5	0.7	1.5	-5.6
Experience adjustment on plan assets	-4.8	0.5	6.3	-18.4	-3.3

Defined benefit plans that share risks between Autoneum Group and Rieter Group entities

With the separation in 2011 there is no longer any risk sharing between Autoneum and the Rieter Group.

In the prior year some employees had a defined benefit pension plan whose risk was shared between Autoneum and Rieter Group. With the separation, the defined benefit obligation and the plan assets from this plan are disclosed as addition in the defined benefit plans (see above).

The following information relates to the whole defined benefit plan for which Autoneum Group and Rieter Group companies share risks. The contribution from Autoneum in the year 2010 amounts to CHF 1.2 million. It was based on a certain percentage of salaries of the insured persons and was included in employee costs. On December 31, 2010 these plans covered 1558 pensioners and 1420 active participants, thereof 131 were employees of Autoneum Group. In terms of the defined benefit obligations as of December 31, 2010 the active employees of Autoneum Group accounted for 2.7% of the plans' total defined benefit obligation. The movement in the defined benefit obligation over the year was as follows:

CHF million	2010
Defined benefit obligation at January 1	921.3
Current service cost, net	10.7
Interest cost	29.3
Employee contributions	8.4
Actuarial gains or losses	36.4
Benefits paid	- 48.7
Defined benefit obligation at December 31	957.4

The calculation for defined benefit obligation arises entirely from plans which are funded.

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

CHF million	2010
Fair value of plan assets at January 1	954.9
Expected return on plan assets	38.2
Actuarial gains or losses	49.7
Employer contributions	9.7
Employee contributions	8.4
Benefits paid	- 48.7
Fair value of plan assets at December 31	1 012.2

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

in %	2010
Equity	63
Debt	9
Real estate	22
Other	6

Actuarial assumptions

Weighted average in %	2010
Discount rate	3.0
Expected return on plan assets	4.0
Expected future wage growth	1.5
Expected future pension growth	1.0

28 Related parties

Related parties and companies are members of the Board of Directors, the Executive Board as well as pension funds.

Until the separation on May 13, 2011 Autoneum Group was owned by Rieter Group.

Consequently, transactions with Rieter Group, which took place before the separation, are reported as transactions with related parties. The compensation paid to former members of the Board of Directors and the Executive Board of the former Automotive Systems division were up to the date of the separation paid in the form of management fees to Rieter Group.

The following transactions were carried out with related parties:

CHF million	2011	2010
Management and trademark fees paid to Rieter Group ¹	3.4	8.7
Interest received from Rieter Group ²	0.1	0.3
Interest paid to Rieter Group ³	4.5	28.5
Dividends distributed to Rieter Group	0.0	12.0

1. Included in other operating expenses.

2. Included in financial income.

3. Included in financial expenses; in 2010 short- and long-term debt from Rieter Group bore interest at rates between 2% and 12% and were not secured.

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

CHF million	2011
Cash compensation	2.4
Employee benefit contributions	0.2
Social security	0.2

Expenses related to compensation for the share plan released in July 2011 were insignificant for the periods presented. The remuneration report and the compensation of the Board of Directors and the Group Executive Board in compliance with Swiss law are disclosed in the financial statements of Autoneum Holding Ltd on pages 86 to 88.

Year-end balances were as follows:

CHF million	2011	2010
Cash pool receivables due from Rieter Group	0.0	26.4
Other short-term receivables due from Rieter Group	0.0	3.9
Other current liabilities due to Rieter Group	0.0	6.4
Short-term financial debt due to Rieter Group	0.0	136.1
Long-term financial debt due to Rieter Group	0.0	85.0
Subordinated shareholder loans	25.0	0.0

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

Some Autoneum Group entities participated until the date of separation in cash pooling arrangements established by Rieter Group. Under these arrangements Autoneum Group entities transferred their surplus cash to bank accounts held by Rieter Group entities. In return Autoneum Group entities might draw on the funds in these accounts to satisfy their own cash flow requirements. Such draw-downs of funds are included in the short-term financial debt due to Rieter Group.

All the former Automotive Systems division companies and Rieter Group companies participating in the cash pooling arrangements assume a joint and several guarantee for any negative balance on the master account, irrespective of the amount they have contributed or drawn. As of December 31, 2010 there was no negative balance on the master account. The receivables and liabilities resulting from the daily zero-balancing bore interest at rates reflecting Rieter Group's external terms and conditions.

From March 2009 to March 2010 land and buildings of Autoneum Group entities with a book value of CHF 12.8 million were pledged for financial debt of Rieter Group. Until the date of separation those short- and long-term debt bore interest at rates between 2% and 12%.

29 Other commitments

Some Group companies rent factory and office space under operating lease agreements.

The leases have varying terms, escalation clauses and renewal rights.

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

CHF million	2011	2010
Up to 1 year	13.8	13.7
1 to 5 years	24.3	24.1
5 and more years	5.1	5.7
Total	43.2	43.5

In the reporting period CHF 28.5 million was charged to the income statement under operating leases (prior year CHF 28.2 million). At the year end there were no open commitments for large investments.

30 Contingencies

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

31 Cash flow

CHF million	2011	2010
Net result	2.3	- 41.3
Depreciation and amortization of tangible and intangible assets	69.3	84.9
Other non-cash income and expenses	1.3	- 2.4
Cash flow	72.9	41.2
Change in non-current provisions	- 22.9	- 44.6
Net cash flow	50.0	- 3.4
Change in net working capital	- 14.4	10.3
Capital expenditure on tangible and intangible assets, net	- 74.2	- 66.3
Investments in non-current assets, net	- 0.5	- 0.4
Change in holdings of marketable securities	- 7.8	- 0.9
Divestment of business	0.0	- 4.4
Free cash flow	- 46.9	- 65.1

32 Net debt

On December 31, net debt was as follows:

CHF million	2011	2010
Cash and cash equivalents	64.9	123.4
Marketable securities and time deposits	9.0	1.2
Short-term financial receivables	1.1	0.0
Cash pool receivables due from Rieter Group	0.0	26.4
Short-term financial debt	- 83.1	- 198.8
Long-term financial debt	- 121.7	- 103.2
Subordinated shareholder loans	- 25.0	0.0
Net debt	- 154.8	- 151.0

33 Exchange rates for currency translation

		Average annual rates		Year-end rates	
		2011	2010	2011	2010
1 CHF					
Argentina	1 ARS	0.21	0.27	0.22	0.24
Brazil	1 BRL	0.53	0.59	0.50	0.56
Canada	1 CAD	0.90	1.01	0.92	0.94
China	100 CNY	13.71	15.40	14.90	14.20
Czech Republic	100 CZK	5.02	5.46	4.71	4.99
Euro countries	1 EUR	1.23	1.38	1.22	1.24
Great Britain	1 GBP	1.42	1.61	1.46	1.44
India	100 INR	1.91	2.28	1.77	2.09
Poland	100 PLN	30.04	34.60	27.27	31.32
USA	1 USD	0.89	1.04	0.94	0.94

34 Events after balance sheet date

There were no events between December 31, 2011 and March 19, 2012 which would necessitate adjustments to the book values of the Group's assets or liabilities, or which require additional disclosure in the consolidated financial statements.

35 Approval for publication of the consolidated financial statements

The consolidated financial statements were approved for publication by the Board of Directors on March 19, 2012. They are subject to approval by the Annual General Meeting of shareholders.

Significant subsidiaries and associated companies

Status as of December 31, 2011¹

			Capital in million	Group interest Capital and voting rights	Research & development	Sales/trading	Production	Services/financing
Switzerland	Autoneum Holding AG, Winterthur	CHF	0.2	100%				•
	Autoneum Switzerland AG, Sevelen	CHF	0.3	100%	•		•	
	Autoneum Management AG, Winterthur	CHF	1.3	100%	•			•
	Rieter Automotive (International) AG, Winterthur	CHF	5.0	100%				•
Argentina	Rieter Automotive Argentina S.A., Córdoba	ARS	25.3	100%		•	•	
Belgium	Autoneum Belgium NV, Genk	EUR	8.0	100%		•	•	
Brazil	Autoneum Brasil Têxteis Acústicos Ltda., São Bernardo do Campo	BRL	87.3	100%	•	•	•	
China	Autoneum (Chongqing) Sound-Proof Parts Co. Ltd., Chongqing	CHF	7.6	100%		•	•	
	Rieter Nittoku (Guangzhou) Automotive Sound-Proof Co. Ltd., Guangzhou	USD	9.3	51%		•	•	
	Tianjin Rieter Nittoku Automotive Sound-Proof Co. Ltd., Tianjin	USD	5.7	51%		•	•	
Germany	Autoneum Germany GmbH, Rossdorf	EUR	11.2	100%		•	•	
France	Autoneum France SASU, Aubergenville	EUR	8.0	100%	•	•	•	
United Kingdom	Autoneum Great Britain Ltd., Stoke-on-Trent	GBP	41.8	100%		•	•	
India	Autoneum India Pvt. Ltd., New Delhi	INR	293.6	100%		•	•	
	Rieter Nittoku Automotive Sound Proof Products India Pvt. Ltd., Chennai	INR	220.0	51%		•	•	
Italy	Autoneum Italy S.p.A., Turin	EUR	8.4	100%	•	•	•	
Canada	Autoneum Canada Ltd., Tillsonburg	CAD	7.9	100%			•	
Poland	Autoneum Poland Sp.z.o.o., Katowice	PLN	20.8	100%	•		•	
Portugal	Autoneum Portugal Lda., Setúbal	EUR	1.2	86%			•	
Spain	Autoneum Spain S.A.U., Terrassa	EUR	10.8	100%		•	•	
	Autoneum Spain Northwest S.L.U., A Rúa	EUR	4.9	100%			•	
South Africa	Autoneum Feltex (Pty) Ltd., Durban	ZAR	11.1	51%		•	•	
Czech Republic	Autoneum CZ s.r.o., Choceň	CZK	206.2	100%	•	•	•	
Turkey	Rieter Erkurt Otomotive Yan Sanayi ve Ticaret AS, Bursa	TRY	2.4	51%	•	•	•	
USA	Autoneum America Corporation, Farmington Hills	USD	0.1	100%				•
	Autoneum North America Inc., Farmington Hills	USD	0.1	100%	•	•	•	
	UGN Inc., Tinley Park	USD	1.0	50%	•	•	•	

1. The company names correspond to those names as of January 1, 2012.



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

As statutory auditor, we have audited the consolidated financial statements of Autoneum Holding Ltd, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes on pages 42 to 78 for the year ended December 31, 2011.

Board of Directors' responsibility

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

Auditor's responsibility

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

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

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2011 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



Norbert Strub
Licensed audit expert

Zurich, March 19, 2012

Income statement of Autoneum Holding Ltd

For the period

CHF million	January 1 – December 31, 2011	December 2 – December 31, 2010
Income		
Income from investments	10.7	0.0
Financial income	16.2	0.7
Total income	26.9	0.7
Expenses		
Financial expenses	11.3	8.7
Administration expenses	1.4	0.1
Total expenses	12.7	8.8
Net result	14.2	-8.1

Balance sheet of Autoneum Holding Ltd

at December 31, before appropriation of profit

CHF million	Notes	2011	2010
Assets			
Investments in subsidiaries	(2)	183.4	175.0
Loans due from subsidiaries		327.1	274.2
Non-current assets		510.5	449.2
Accrued income and prepayments		0.5	0.0
Receivables		113.3	0.7
Own shares	(3)	1.0	0.0
Liquid funds		4.3	0.0
Current assets		119.1	0.7
Total assets		629.6	449.9
Shareholders' equity and liabilities			
Share capital		0.2	0.2
Legal reserves			
• General reserve		293.8	294.8
• Reserve for own shares	(3)	1.0	0.0
• Reserve from paid-in capital		85.0	30.0
Retained earnings			
• Balance brought forward		- 8.1	0.0
• Net result		14.2	- 8.1
Shareholders' equity		386.1	316.9
Subordinated shareholder loans	(5)	25.0	0.0
Liabilities due to banks	(6)	96.0	0.0
Liabilities due to Rieter Group		0.0	85.0
Provisions		46.0	46.0
Non-current liabilities		167.0	131.0
Liabilities due to banks	(6)	10.0	0.0
Liabilities due to subsidiaries		64.2	0.0
Liabilities due to Rieter Group		0.0	1.6
Accruals		2.3	0.4
Current liabilities		76.5	2.0
Liabilities		243.5	133.0
Total shareholders' equity and liabilities		629.6	449.9

Notes to the financial statements of Autoneum Holding Ltd

1 Founding of the Company

On December 2, 2010 Autoneum Holding Ltd (formerly Unikeller Holding AG), a Swiss corporation headquartered in Winterthur, was established. The former owner, Rieter Holding Ltd, then contributed all the holdings of its Automotive Systems division directly and indirectly to Autoneum Holding Ltd ("the separation"). The transfer took place as follows:

- The contribution from Rieter Holding Ltd of its holdings of the former Automotive Systems division into Autoneum Holding Ltd, with a book value of CHF 96 042 345 in exchange for the issuance of 4 672 363 registered shares with a par value of CHF 0.05.
- The transfer from Rieter Holding Ltd's shares of companies from its former Automotive Systems division to Autoneum Holding Ltd, with a book value of CHF 78 950 130 in exchange for a receivable in the same amount.
- The extinguishment of loans due from group companies which were part of Rieter Holding Ltd's Automotive Systems division to Autoneum Holding Ltd, which resulted in additional equity in the amount of CHF 229 024 874 in Autoneum Holding Ltd, in exchange for a receivable of CHF 6.0 million.

With the separation from Rieter on May 13, 2011 through the listing of Autoneum Holding Ltd on the SIX Swiss Exchange the company became independent and henceforth the parent company of the Group.

2 Investments

Autoneum Holding Ltd recapitalized subsidiaries by converting loans into equity in 2011. Participation levels were increased accordingly. The principal subsidiaries are listed on page 78. They are owned directly or indirectly by Autoneum Holding Ltd.

3 Own shares

At December 31, 2011 the Company held 20,000 shares (2010: 0) that were purchased at an average market price of CHF 49.00 per share. In 2011 and 2010 the Company neither sold nor transferred any shares. The own shares were valued at the lower of cost or market value. At December 31, 2011 the shares were valued at their average acquisition price of CHF 49.00.

4 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.

Authorized share capital

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

Conditional share capital

For issuing of bonds and/or granting of shareholder options, the share capital can be increased by a maximum 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.

Reserve from paid-in capital

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

Reserve for own shares

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

5 Subordinated shareholder loans

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

6 Bank debt

In the context of the separation, Autoneum Holding Ltd and certain subsidiaries agreed on a long-term credit agreement of CHF 285.0 million with a syndicate of banks on April 12, 2011. The facility consists of a term loan facility of CHF 100 million and a revolving facility with a value of CHF 135.0 million, both with a maturity of December 31, 2014, and also includes a guarantee facility to the value of CHF 50.0 million with a maturity date of June 30, 2013. Interest is based on the Libor rate with a margin, which is determined by the ratio of gross debt to EBITDA.

Maintenance of the credit agreement is subject to compliance of minimum financial requirements – financial covenants – related to equity, debt, and other common ratios and key figures. The compliance was tested semi-annually in 2011 and reported to the bank consortium. In 2011 the minimum financial requirements were complied with.

7 Guarantees

To guarantee the long-term credit agreement, shares from Group companies amounting to a book value of CHF 183.4 million were pledged to the banking syndicate and the claims of Autoneum Holding Ltd from inter-group loans were transferred to the banks. In addition, Autoneum Holding Ltd has guaranteed CHF 49.5 million to financial institutions for granting credit facilities to direct and indirect subsidiaries. Further a financing commitment in the amount of CHF 7.3 million was given in favor of a subsidiary.

8 Significant shareholders

At December 31, 2011, Autoneum knew that the following shareholders had more than 3% of the Company voting rights (in accordance with Article 663c CO):

	2011
PCS Holding AG, Weiningen, Switzerland	19.14%
Artemis Beteiligungen I AG, Hergiswil, Switzerland	14.08%
Capital Group Companies, Inc. (CGC), Los Angeles, USA	5.07%
First Eagle Overseas Fund, New York, USA	5.06%
Investeringsforeningen Sparinvest, Taastrup, Denmark	4.27%
Swiss & Global Asset Management AG, Zurich, Switzerland	3.01%

At December 31, 2010, 100% of the shares were held by Rieter Holding Ltd.

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

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

Details of the disclosures can be found at:

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

9 Risk management

Risk management in Autoneum Group is based primarily on the management structure. The Company participates in this risk management process which is described in the consolidated financial statements of Autoneum Holding Ltd on pages 55 to 57.

10 Remuneration report and disclosure of payments to the Board of Directors and to the Group Executive Board, according to article 633b^{bis} of the Swiss Code of Obligations

Components and specification process for compensation and equity participation plans

The basic features of the remuneration policy are elaborated by the Compensation and Nominations Committee (NCC) and approved by the Board of Directors, who is also in charge of the approval of the Group bonus plan and of the share purchase plan. The Board of Directors fixes the remuneration of the Board of Directors and of the Group Executive Board, based on suggestions of the NCC. The Board of Directors reviews annually the main features of the remuneration policy, rules the fixed portion of the remuneration of the Group Executive Board, and defines the targets for the Group bonus plan, as well as the key parameters for the share purchase plan. The Board of Directors has not engaged third-party consultants for the elaboration of the salary policy or of compensation programs.

Remuneration of the Board of Directors

The 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 business year. The share price applicable for the conversion of the remuneration into shares is based on the average trading price of the last ten trading days in February and the first ten trading days in March 2012. The resulting average price is discounted in order to reflect the applicable three-years' restriction to sell the shares.

Remuneration of the Group Executive Board

Remuneration of the Group Executive Board consists of a fixed component, a performance-related bonus, and the opportunity to participate in the share purchase plan. The basic salary is derived from salaries paid for comparable positions in the market relevant for Autoneum (comparable automotive component suppliers). The members of the Group Executive Board may reach a bonus of up to 80 % of their basic salary, subject to the achievement of defined minimum profitability and liquidity targets of the Group or the Business Groups (BG), respectively.

The targets for the CEO and the CFO refer to net profit (weighted with 60%), EBIT (30%) and free cashflow (10%). For the heads of the BG the targets refer to EBIT (60%), RONO (30%), and free cashflow (10%); the mentioned targets at Group level are weighted with 30% and the ones at BG level with 70%. Lower and upper limits are defined for the weighted targets. Achievement of the lower limit is a condition for the bonus, while maximum bonus is achieved at the upper limit. Bonus develops linearly between the two limits. Irrespective of the other targets, a bonus is only earned in case of a positive Group result (net profit).

According to the shares purchase plan, the members of the Group Executive Board could purchase in 2011, for up to 40% of their basic salary, Autoneum shares with a discount of 25%. The purchase price was the average trading price between July 15 and August 15, 2011, less the discount of 25%. The discount rate was fixed by the Board of Directors. The purchased shares cannot be sold during three years, in order to foster the long-term engagement of management.

There are no shares option plans.

The employment contract of the CEO cannot be terminated before April 30, 2014.

Remuneration in 2011

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

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

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

CHF	Remuneration in cash		Shares (from shares purchase plan)		Total
	Fixed net	Variable net	Number	Value ²	
Group Executive Board					
All members	1 763 543	0	0	0	1 763 543
Thereof Martin Hirzel, Chief Executive Officer	582 400	0	0	0	582 400

1. The applicable share price (average trading price during the defined period, less 16% for the three years restriction on sale) was not yet available by the closing of the financial statements.
2. Shares have been valued with 6.48 CHF per share (difference between the purchase price [= 53.97 CHF] and the average trading price 15.07. – 15.08.2011, less 16% for the three years restriction on sale [= 60.45 CHF]).

Remuneration to the members of the Board of Directors and of the Group Executive Board in 2010

The business year 2011 is the first business year of Autoneum following the separation of the Rieter Group. There are no comparable previous year figures.

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

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

Directorships at other companies

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

Loans to directors or officers

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

Other remunerations and payments to related parties

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

Shares held by the Board of Directors or by the Group Executive Board (incl. parties related to them) as of December 31, 2011 (Art. 663c Swiss Code of Obligations)

	Shares
Hans-Peter Schwald, Chairman	10 000
Rainer Schmückle, Vice-Chairman	0
Michael W. Pieper	657 650
This E. Schneider	242
Peter Spuhler	894 465
Ferdinand Stutz	0
Total Board of Directors	1 562 357

	Shares
Martin Hirzel	2 010
Urs Leinhäuser	2 429
Charles Fäh	750
Richard Derr	1 200
Uwe Trautmann	60
Total Group Executive Board	6 449

Shares held by the Board of Directors or by the Group Executive Board (incl. parties related to them) as of December 31, 2010 (Art. 663c Swiss Code of Obligations)

The business year 2011 is the first business year of Autoneum following the separation of the Rieter Group. There are no comparable previous year figures.

Proposal of the Board of Directors

for the appropriation of profit (financial year 2011)

CHF	2011
Net profit according to income statement	14 188 889
Balance brought forward	- 8 146 888
At the disposal of the Annual General Meeting	6 042 001

The Board of Directors proposes to the Annual General Meeting to carry forward the retained earnings of CHF 6 042 001 to the next financial year.



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

As statutory auditor, we have audited the financial statements of Autoneum Holding Ltd, which comprise the balance sheet, income statement and notes on pages 81 to 89 for the year ended December 31, 2011.

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, 2011 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



Norbert Strub
Licensed audit expert

Zurich, March 19, 2012

Review 2008 – 2011

Consolidated income statement

CHF million	2011	2010 ⁶	2009 ⁶	2008 ⁶
Gross sales	1 722.4	1 715.4	1 424.3	2 022.1
Net sales	1 682.4	1 677.5	1 386.6	1 960.2
• BG Europe	888.0	897.1	794.2	1 221.7
• BG North America ¹	571.3	548.9	403.1	514.1
• BG Asia	91.8	76.7	52.0	45.4
• BG SAMEA ²	140.6	149.5	127.6	149.2
Operating result before interest, taxes, depreciation and amortization (EBITDA)	104.2	107.2	- 21.5	78.9
• in % of net sales	6.2	6.4	- 1.6	4.0
Operating result before interest and taxes (EBIT) ³	34.9	22.3	- 115.8	- 265.2
• in % of net sales	2.1	1.3	- 8.4	- 13.5
Net result	2.3	- 41.3	- 147.2	- 326.7
• in % of net sales	0.1	- 2.5	- 10.6	- 16.7
Return on net assets (RONA, in %)	4.1	- 0.5	- 22.2	- 41.7

Consolidated balance sheet

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

Consolidated statement of cash flows

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

Information for investors

CHF million	2011	2010	2009	2008
Share capital of Autoneum Holding Ltd	0.2	0.2	n/a	n/a
Net result of Autoneum Holding Ltd	14.2	-8.1	n/a	n/a
Market capitalization (at December 31)	227.7	n/a	n/a	n/a
• in % of net sales	13.6	n/a	n/a	n/a
• in % of equity attributable to Autoneum shareholders	99.1	n/a	n/a	n/a

Data per share (AUTN)

CHF		2011	2010	2009	2008
Earnings per share		-2.13	n/a	n/a	n/a
Shareholders' equity per share ⁵		49.38	n/a	n/a	n/a
Tax value per share		48.95	n/a	n/a	n/a
Share price development on the SIX Swiss Exchange	Highest	119.00	n/a	n/a	n/a
	Lowest	43.75	n/a	n/a	n/a

1. Including USA, Canada and Mexico.

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

3. EBIT in 2008 includes CHF 243.7 million for restructuring program and goodwill impairment.

4. Excluding apprentices and temporary employees.

5. Equity attributable to shareholders of Autoneum Holding Ltd per share outstanding at December 31.

6. According to historical combined financial statements.

Global footprint of Autoneum



Autoneum
 Joint Ventures
 Licences

Argentina

- Córdoba

Australia

- Campbellfield

Belgium

- Genk

Brazil

- Betim
 - Gravataí
 - São Bernardo do Campo
 - Taubaté

Canada

- London, Ontario
 - Tillsonburg, Ontario

China

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

Czech Republic

- Bor
 - Choceň
 - Hnátnice
 - Kosmonosy

France

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

Germany

- Böblingen
 - Grossostheim
 - Ingolstadt
 - Munich
 - Rossdorf-Gundernhausen
 - Wolfsburg

Great Britain

- Halesowen
 - Heckmondwike
 - Stoke-on-Trent

India

- Behror
 - New Delhi
 - Chennai

Italy

- Desio
 - Leini
 - Pignataro
 - Santhià
 - Viculungo

Japan

- Aichi
 - Higashi Kyushu
 - Hiratsuka
 - Hiroshima
 - Ibaraki
 - Kita-ku, Tokyo
 - Shizuoka

Korea

- Daegu (SHN Co.)

Malaysia

- Shah Alam

Mexico

- Hermosillo

Poland

- Katowice
 - Nowogard

Portugal

- Setúbal

South Africa

- Rosslyn
 - Durban

Spain

- A Rúa
 - Valldoreix

Sweden

- Göteborg

Switzerland

- Winterthur (HQ)
 - Sevelen

Taiwan

- Tao Yuan Hsien

Thailand

- Chonburi
 - Samutprakarn

Turkey

- Bursa
 - Bursa

USA

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

Overview of our product range – light vehicles



Engine Bay

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



Interior Trim

- Parcel Shelves
- Other Interior Trim Parts



Interior Floor

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



Trunk

- Trunk Side Trims
- Trunk Flooring
- Other Trunk Trim Parts
- Spacers

Overview of our product range – heavy trucks



Engine Compartment

- Engine Covers
- Under-Cabin Treatments/
Outer Dashes/
Hoodliners
- Exterior Noise Shields
- Engine-mounted Shields/
Heatshields



Interior Trim

- Headliners
- Side/Rear Panels



Interior Floor

- Floor Mats
- Inner Dashes
- Dampers/Stiffeners
- Spacers/Crash Pads
- Sealants
- Other Acoustic Parts



Modules

- Upper Storage
- Roof Systems
- Integrated Walls
- Lower Bunks



Underbody

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



Body Treatment

- Dampers/
Stiffeners
- Sealants
- Other Acoustic Parts

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

March 2012

This is a translation of the original German text.
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