



Datwyler Group – international multi-niche player

The Datwyler Group is an international multi-niche player dedicated to industrial supply and distribution of engineering and electronic components. Our activities concentrate on attractive niches that offer opportunities to increase value added and sustain profitable growth. The Group's four divisions – Technical Components, Pharma Packaging, Cabling Solutions and Sealing Technologies – are focused on the manufacturing, pharmaceutical and datacom industries. Our strategy is built on delivering innovative solutions and positioning ourselves as a competent development partner for our customers. With more than 40 operating companies, sales in over 80 countries and some 4'800 employees, the Datwyler Group generates approximately CHF 1'300 million in revenue. Datwyler has been listed on the SIX Swiss Exchange since 1986 (security number 3048677).

www.datwyler.com

Datwyler Group

In CHF mio.	2010	2009
Net revenue	1'319.5	1'122.2
Year-on-year change (%)	17.6%	
Operating result before depreciation and amortisation (EBITDA)	176.6	134.0
EBITDA as % of net revenue	13.4%	11.9%
Operating result before interest and tax (EBIT)	127.9	80.0
EBIT as % of net revenue	9.7%	7.1%
Net result	98.2	63.7
Net result as % of net revenue	7.4%	5.7%
Net cash from operating activities	142.8	148.3
Net cash (used in) from investing activities	-117.5	49.2
Free Cash Flow	25.3	197.5
Net cash used in financing activities	-78.0	-141.3
Net change in cash and cash equivalents	-52.7	56.2
Cash, cash equivalents, money market investments and securities	119.7	199.4
Net cash surplus	36.2	44.2
Capital expenditure on property, plant and equipment	34.8	53.1
Total assets	847.0	939.7
Equity	583.5	596.3
Equity as % of total assets	68.9%	63.5%
Number of employees (annual average)	4'922	4'500
Full time equivalents (annual average)	4'708	4'333

Since the beginning of 2010 the consolidated financial statements have been prepared in accordance with Swiss GAAP ARR. Prior period figures have been restated to conform to the presentation for the current financial period to ensure comparability.

Datwyler Holding Inc.

in CHF mio.	2010	2009
Finance and investment income	81.9	76.9
Net result	79.0	74.2
Equity	791.8	731.3
Equity ratio (%)	99.8	99.8
Share capital ⁽¹⁾	0.9	0.9
Distribution	34.0 (2)	18.5

Per share data

in CHF	2010	2009
Earnings per bearer share ranking for dividend	6.36	4.13
Dividend per bearer share	2.20 (2)	1.20
Distribution yield at 31 December	2.8%	2.1%

⁽¹⁾ CHF 0.77 million eligible for a dividend. (2) Board of Directors' proposal to the Annual General Meeting.

CONTENTS

Annual Review

Letter to the Shareholders	3
Divisions	
Technical Components	8
Pharma Packaging	 12
Cabling Solutions	16
Sealing Technologies	20
Jeaning Technologies	20
Sustainability	25
Corporate Governance	35
Financial Report	
Consolidated Financial Statements	
Group Financial Review	48
Consolidated Income Statement	50
Consolidated Balance Sheet	51
Consolidated Cash Flow Statement	52
Consolidated Statement of Changes in Equity	53
Notes to the Consolidated Financial Statements	54
Report of the Statutory Auditor on the Consolidated Financial Statements	86
Datwyler Holding Inc.	
Income statement	88
Balance sheet	89
Notes to the Financial Statements	90
Proposed appropriation of retained earnings	97
Report of the statutory auditor on the financial statements	98
Shareholder information	
Five Year Summary	100
Share Information	101
Share Price Performance, Dividend Performance	102
General Information	103
Adresses	104

LETTER TO THE SHAREHOLDERS

Datwyler speeds up globalisation

As the world recovers from the financial and economic crisis, the Datwyler Group is in a stronger position than ever. During the recent challenges the operational improvements that Datwyler introduced in past years proved their worth, with the result that Datwyler can now focus its efforts on plans for global expansion. The paramount strategic goal remains the generation of sustainably profitable growth in well-defined niche markets. To ensure that we manage this in the future as well, we must foster close relationships with our clients and ensure efficient delivery of our products and services. The only way to achieve this in global industrial markets is by expanding our worldwide presence. To this end Datwyler has been working on a range of projects at different levels for some time. This Annual Report is the expression of one of these projects: a new, modern look in which the stronger, universally deployable DATWYLER brand name serves as the basis for the Group's globalisation.

Revenue increase in all divisions

The markets relevant for Datwyler continued to recover in 2010. The momentum of the recovery differed, depending on sector and region. That said, demand was generally higher across all four divisions, and particularly pronounced in the emerging markets of Asia. In the Technical Components Division the more broadly based catalogue distribution benefited from the general upturn in Europe. The Pharma Packaging Division generated exceptionally strong revenue growth in the BRIC countries. The Cabling Solutions Division (formerly Cables Division) recorded strongest growth in the Chinese and German markets. The Sealing Technologies Division (formerly Rubber Division) benefited from the recovery in the automotive industry. At Group level, Datwyler lifted net revenue year-on-year by 17.6% to CHF 1,319.5 million (2009: CHF 1,122.2 million). Reichelt Elektronik, which has been consolidated since the start of 2010, contributed CHF 149.4 million or 13.3% to revenue growth. The negative currency effect of presenting consolidated accounts in Swiss francs amounted to CHF 61.4 million or 5.5%. Adjusted for these two factors, organic growth came to 9.8%.

Solid improvement in profitability

The Datwyler Group enjoyed a sizable year-on-year increase in profitability in 2010 thanks to higher capacity utilisation combined with an optimised cost base. Profitability was positively impacted in particular by the successful turnaround in the specialist distribution business and the first-time consolidation of Reichelt Elektronik. In contrast, the strength of the Swiss franc had a negative impact. Towards the end of the year under review this currency appreciation severely pressured margins in the Cabling Solutions and Sealing Technologies Divisions. Thanks to the early implementation of measures to boost productivity, both operating profit (EBIT) and the net result increased by more than 50% year-on-year, to CHF 127.9 million (2009: CHF 80.0 million) and CHF 98.2 million (2009: CHF 63.7 million), respectively. The foreign exchange loss at EBIT level was CHF 5.1 million. The EBIT margin was 9.7% (2009: 7.1%), which is well within the target range of 8% to 12%. The result also includes one-off costs, prepayments and accrued income totalling CHF 7.8 million for the transfer of the existing ICT infrastructure to the announced outsourcing arrangement. With effect from the start of 2010, the Datwyler Group changed its financial reporting from the International Financial Reporting Standards (IFRS) to Swiss GAAP Accounting and Reporting Recommendations (ARR). All the comparatives mentioned in this report for the year under review and for the previous year have been adjusted to reflect these changes. In view of the improvement in profitability and the consistently strong balance sheet, which shows an equity ratio of 68.9% (2009: 63.5%), the Board of Directors will propose an increased dividend of CHF 2.20 per bearer share (2009: CHF 1.20) and CHF 0.44 per registered share (2009: CHF 0.24). This represents a payout ratio of 34.6%.

Fundamental trends in the supplier industry

Regardless of short-term economic developments, certain fundamental trends apply to suppliers in all industries and sectors. The global trend towards fiercer competition is forcing manufacturers of final products to reduce the number of their suppliers and their depth of production. This gives competent and dependable suppliers such as Datwyler the opportunity to advance from an anonymous supplier of parts to a valuable development partner and solutions provider. The prerequisite for this is global delivery capabilities and own production facilities in the most important regions of the world.

Sustainably profitable growth

We are convinced that the Datwyler companies occupy the necessary market position in the niches in which they operate that will enable them to benefit above average from developments in the supplier industry. The Datwyler Group has set a long-term sales target of around CHF 2 billion in 2015. It aims to achieve the greater part of this growth by realising the organic development potential of its existing business operations. In addition, Datwyler will continue to look for suitable growth opportunities through acquisitions. Here the focus still lies on expanding the catalogue distribution business. Our strong balance sheet provides a healthy basis for financing organic growth and growth through acquisitions. The Datwyler Group also seeks to raise its profitability. The Group has recently set itself the goal of an EBIT margin target band of 9% to 12% over the business cycle. The minimum guidelines for EBIT margins for the four divisions range from 6% (Cabling Solutions) to 12% (Pharma Packaging). These figures are calculated on the basis of sound benchmarking and comparisons with the industry leaders in each of the market niches in which Datwyler operates.

Strengthening global competitiveness

To exploit its promising positioning and realise its ambitious goals, Datwyler is working at all levels to strengthen its global competitiveness. The implementation of uniform management tools at Group level is part of a detailed balance scorecard system that is already well-advanced. This system provides the necessary transparency, and in turn is the prerequisite for a decentralised, customer-oriented management culture. Similarly, Group-wide simplification and standardisation of the ICT infrastructure is also in the process of implementation. This will, among other things, give the Datwyler Group greater flexibility and speed in customising business processes and integrating new sites. Datwyler is also busy simplifying its financial structures and processes with the object of enhancing its ability to act and to exploit financial synergies. Examples include reducing and simplifying banking relationships and providing a daily updated cash pooling. The optimisation of working capital always was and still is a priority concern at Datwyler. The new corporate image and new brand emphasis give better visual expression to Datwyler's identity as a strong group with effective operational units. Optically, the Swiss brand "Dätwyler" merges with the international "Datwyler" as the future brand for the Cabling Solutions Division (formerly Datwyler Cables), Sealing Technologies Division (formerly Datwyler Rubber) and the Pharma Packaging Division (formerly Helvoet Pharma). The brands of the Technical Components Division (Distrelec, ELFA, Reichelt Elektronik and Maagtechnic) remain unchanged.

Expansion of Datwyler's international presence

Expanding physical international presence has greatest priority in all divisions. This holds particularly for the global pharmaceutical and automotive markets, in which a company's own plants in all leading regions of the world constitute a significant competitive plus. Accordingly, in 2010 the Pharma Packaging Division started construction on its own production plant in India, an increasingly important pharmaceutical market. It is scheduled to come on stream early in 2012. At the same time, the division is evaluating various alternatives for its own production site in China. After the start-up of a plant in Mexico in 2009, in 2010 the Sealing Technologies Division completed preparations for the construction of a plant in China. Production of the first prototypes is scheduled for the second quarter of 2011. Apart from geographic expansion, Datwyler's global strategic thrust focuses on improving customer benefit and on differentiating through innovation. An example of this is the successful cooperation with Nespresso, a globally active customer in the Sealing Technology Division.

Expansion of catalogue distribution activities through acquisitions

Geographic expansion is also a significant element in the growth strategy in more regional markets for technical and electronic component distribution and for cabling solutions for commercial buildings. In the catalogue distribution business Datwyler intends in particular to build on its strong position in the East European markets, including Russia and Ukraine, through organic growth as well as acquisitions. Immediate concerns for the company in the Cabling Solutions Division are opening its own sales office in Dubai and expanding the two production plants opened in China since 1998. In the regional markets the focus of the company's strategic thrust is increasing market penetration, expanding product range and positioning Datwyler as a service and solutions provider. An example for the implementation of this strategy are FTTH (fibre-to-the-home) projects to be won as general contractors in the Cabling Solutions Division.

Outlook for 2011: healthy development of demand

Datwyler expects that all four divisions will experience a healthy development of demand in 2011. Margin growth will be challenged by the rising costs of raw materials and the negative impact of currency developments. However, we are confident that even in the event of this scenario materialising, our strong market position will enable us to improve on the previous year's figures with respect to both revenues and profit. On the basis of our current portfolio we have set ourselves a target band for EBIT margin growth of 9% to 12% over the business cycle. To exploit our potential growth opportunities in the future we shall continue to depend on dedicated employees at all levels of the company. We should like to sincerely thank all of them for their untiring, daily efforts on behalf of the company. We also express our gratitude to our customers and shareholders for the confidence and loyalty they have shown the Datwyler Group.

On behalf of the Board of Directors

On behalf of the Executive Management

Mich Graf, Chairman

Dr Paul I Hälg CFO



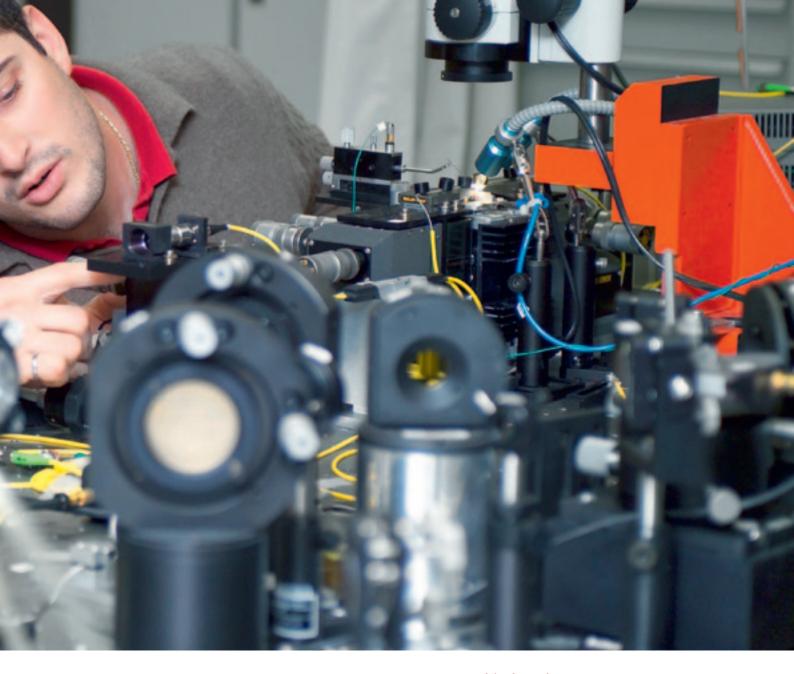
DIVISIONS

lechnical Components	8
Pharma Packaging	12
Cabling Solutions	16
Sealing Technologies	20



TECHNICAL COMPONENTS

Research and development in Central and Northern Europe relies on technical and electronic components supplied by the Datwyler distribution companies. ETH Zurich, one of the world's leading institutes of technology, uses these components too. Contact with the ETH is also important for Datwyler, both in terms of research and development and in recruiting outstanding specialists.



Strategy

The Technical Components Division has two main pillars: catalogue distribution and specialist distribution. The catalogue distribution segment supplies engineering and electronic components and devices to industry, small and medium-sized business, resellers/retailers, technical schools and private customers. It is making a name for itself thanks to its strong technical expertise and extensive product range of 500'000 standard components. The specialist distribution segment is positioning itself as a procurement and assembly partner with a lead in engineering competency for customized solutions.

Target groups

- Industrial companies
- Small to medium-sized businesses
- Retailers/resellers
- Technical schools
- Government agencies
- Private customers

Geographical markets

- Catalogue distribution: Europe
- Specialist distribution: Switzerland, Germany, France

Products and services

Catalogue distribution with the Distrelec, ELFA and Reichelt brands

- Electronics and automation
- Computer accessories and peripherals
- Building technology and building automation
- Alarm and security technology

Specialist distribution with the Maagtechnic brand

- Fluid and power systems
- Elastomer and plastic technology
- Work safety, tools and consumables
- Electronic components and connectors
- Swiss distributor of Shell lubricants

Market recovery and first-time consolidation of Reichelt Elektronik

In 2010 the Technical Components Division, which comprises catalogue distribution (Distrelec, ELFA, Reichelt) and specialist distribution (Maagtechnic), benefited from the economic recovery and from the cost-cutting measures implemented in 2009. Net revenue increased by 32.3% year on year to CHF 650.5 million (previous year CHF 491.7 million), primarily as a result of the acquisition of Reichelt Elektronik at the start of 2010. Exchange rate movements had a negative impact of CHF 28.0 million or 4.3%. The Division returned to the profitability of previous years in 2010 with an EBIT margin of 10.8% (previous year 1.8%). In absolute terms, it recorded an operating result (EBIT) of CHF 70.4 million (previous year CHF 9.0 million). Restructuring charges totalling CHF 19.5 million had pushed the result down in the previous year.

Management expanded

CEO Paul J. Hälg relinquished the post of Head of Division in the course of the strategic expansion of the Technical Components Division. Markus Heusser has headed the Division since 1 August 2010. He will focus on positioning the four brands and on the continuing growth of the Division. He will also drive forward the implementation of synergies in purchasing, the product portfolio, logistics and marketing.

Catalogue distribution (Distrelec, ELFA, Reichelt): further expansion to become a European leader

The catalogue distribution business grew substantially in 2010 thanks to the favourable economic climate. The acquisition of Reichelt Elektronik greatly strengthened Datwyler's position in Germany. The existing companies Distrelec and ELFA are positioning themselves throughout Europe as business-to-business catalogue distributors with a full range of technical components. The integration process is progressing well under joint management. The first joint catalogue in ten languages with more than 100'000 articles boosted growth further. The KatalogPlus business – procurement of over 200'000 further products or of larger volumes – got off to a good start and is being expanded in line with targets.

Reichelt Elektronik offers an attractive, streamlined range at very attractive prices. The company used 2010 to further strengthen its position in Germany and to expand into Austria at the end of the year. Reichelt Elektronik will continue to operate as an autonomous company, although synergies with Distrelec and ELFA will be actively exploited, particularly with respect to purchasing and the product portfolio.

Key figures of Technical Components

In CHF mio.	2010	2009
Net revenue	650.5	491.7
EBIT	70.4	9.0
EBIT as % of net revenue	10.8%	1.8%
Total assets	310.4	312.8
Gross capital expenditure	2.4	4.8
Number of employees (FTEs year average)	1'478	1'347

Specialist distribution (Maagtechnic): a successful turnaround

The measures implemented in 2009 proved their value in the specialist distribution business. Maagtechnic reduced its cost base by some CHF 20 million and aligned its business model with future market requirements. The centralisation of logistics in Dübendorf and the transfer of plastic and rubber manufacture to France were completed successfully. In spite of the closure of the local distribution centres, Maagtechnic maintained revenue at around the previous year's level in 2010 and once again exceeded its profit threshold by a considerable amount. The focus in the year under review was on the optimisation of the processes, some of them new, needed to supply products and services. These had to be adjusted as a result of the restructuring measures implemented in 2009. The annual customer survey carried out in autumn 2010 showed that the improvements are evident to customers too. The focus in 2011 will be on further improving customer satisfaction and our performance in the marketplace, and on strengthening our position in our core markets of Switzerland and Germany.

Outlook: profitable growth

Datwyler is optimistic about the prospects for its Europe-wide catalogue distribution business. The strong market positions occupied by Distrelec and ELFA will enable them to benefit from the expected upturn in Central Europe. At the same time, Datwyler is investing in the acquisition of market share in Eastern Europe. In addition, Reichelt Elektronik's lean business model and attractive pricing policy provide an opportunity to expand geographically beyond the current core markets of Germany and Austria. The home market of Switzerland will remain a challenge for the specialist distribution business. Major customers are suffering from the effects of the strong Swiss franc, and this is having a direct impact on sales. The situation looks better in Germany, where the Datwyler companies will be able to participate in the recovery. In addition to its planned organic growth, Datwyler intends to use its strong balance sheet and the consolidation that is taking place in catalogue distribution to make further strategic acquisitions.



PHARMA PACKAGING

The quality of a liquid drug is only ever as good as the quality of its closure. Awareness of this simple yet important fact is what drives the ongoing further development of elastomeric, plastic and aluminium closures at Datwyler. It also ensures that top-quality drugs can be administered rapidly when a medical emergency occurs.



Strategy

The Pharma Packaging Division is one of the world's leading suppliers of rubber, plastic and aluminium closures for injectable drugs, diagnostics and drug delivery systems. These activities are built on well established partnerships with all the major pharmaceutical companies, a global presence and a strong focus on innovation.

Target groups

- Manufacturers and contract fillers of injectable drugs
- Manufacturers of diagnostic products
- Manufacturers of parenteral drug delivery systems

Geographical markets

- Europe
- North and South America
- Asia
- Australia

Products and services

- Rubber, aluminium and plastic products for pharmaceutical packaging (e.g. injection vials, prefilled syringes, pen systems)
- Rubber products for diagnostics and drug delivery systems (e.g. disposable syringes and IV administration sets)
- Value-added product benefits such as "Ready-for-Sterilisation", "Ready-for-Use", and Extractables and leachables studies

Systematic strategic alignment yields solid growth

In 2010 the Pharma Packaging Division again benefited from the stable growth of the global pharmaceutical markets. While consolidation in Swiss francs translated into a modest 0.8% decrease in net revenue to CHF 277.4 million (previous year CHF 279.6 million), organic revenue grew by 7.0% after adjustment for the negative currency effect. This was achieved through targeted and sustained activities in clearly defined growth markets. Orders from major customers developed pleasingly. Profitability failed to meet expectations as a result of rising raw material prices and one-time charges incurred for the further optimisation of quality management. The operating result (EBIT) declined to CHF 34.2 million (previous year CHF 39.5 million). This is equivalent to an EBIT margin of 12.3% (previous year: 14.1%).

Growth in emerging markets

In the pharmaceuticals sector as elsewhere, it is the emerging markets which are showing above-average growth in demand. The Pharma Packaging Division generated record revenues in the BRIC countries in the year under review. The announcement that the company would be setting up its own production facility in India accordingly met with a very positive response from customers. Construction work on this facility started on schedule. In Asia, growth in coated Omniflex products also intensified as the year progressed. The capacity of the coating plant is currently being expanded once more.

Price pressure on generic medicines

Intensifying pressure on costs is evident in the liquid medicines and diagnostics segment. Drug manufacturers are passing this pressure on to their suppliers in full. At the same time, the price of raw materials rose sharply in an overheated market during the year under review. This twofold pressure on margins was countered by applying lean management principles.

Added product value through specific testing systems

The Pharma Packaging Division further increased the value it adds to products by using high-quality visual testing systems in close collaboration with selected major customers. This technology, some of which was developed in-house, was adapted to customers' specific needs. As a result, the testing systems will sustainably increase customer loyalty and the value added to products.

Key figures of Pharma Packaging

In CHF mio.	2010	2009
Net revenue	277.4	279.6
EBIT	34.2	39.5
EBIT as % of net revenue	12.3%	14.1%
Total assets	254.5	287.3
Gross capital expenditure	19.7	29.7
Number of employees (FTEs year average)	1'400	1'352

Affirmation of strategic alignment

Datwyler's Pharma Packaging Division continued to expand its project pipeline in the year under review. The division cooperates closely with manufacturers of modern liquid drug delivery systems for demanding therapeutic areas. It is actively involved in the implementation of these complex systems by developing novel closure components. The clear strategic demarcation between the division and system manufacturers coupled with Helvoet Pharma's established expertise in primary packaging components facilitated cooperation.

Intact prospects with enhanced management skills and new brand

The Pharma Packaging Division is currently reviewing a wide range of alternatives for establishing its own production and distribution centre in China with the aim of reinforcing its presence in Asia. The setting up of the division's own facilities in Asia marks the start of a new phase of global expansion. If this is to be a success, technological leadership needs to be rounded out by international management skills and a brand that can be used around the world. The division's management expertise was enhanced again in the year under review by new recruits from various pharmaceutical disciplines. Market presence will be strengthened by the decision to replace the current Helvoet Pharma name with the Datwyler brand from the beginning of 2012. This combination of measures provides the Pharma Packaging Division with a strong base from which to continue deriving above-average benefit from growth in its target pharmaceutical markets.



CABLING SOLUTIONS

The industrialised nations have an enormous demand for bandwidth, and, as new, data-intensive applications are constantly emerging, there appears to be no end to the breakneck pace of growth. Datwyler's efficient total solutions bring the multimedia world to everyday office life by uniting telephone, television and internet in a single network.



Strategy

The Cabling Solutions Division is a leading provider of high quality system solutions and services for electrical and communications infrastructures for buildings. Datwyler covers the whole value chain, from design and system engineering, via materialisation, logistics and turnkey solutions through to the maintenance of electrical and communications networks.

Applications

- Office, public and government buildings
- Sports stadiums, shopping malls and exhibition centres
- Airports and railway stations
- Hotels and hospitals
- Schools and hospitals
- Computer centres
- Tunnels
- FTTH (Fibre-to-the-Home) networks

Geographical markets

Europe, Near and Middle East, Asia

Products and services

Products

- Data networks (copper and fibre optic systems)
- Safety cabling systems
- Elevator cabling systems
- Building automation and in-house energy supply

Services

- Site audits
- Standardisation of integrated solutions for multisite projects
- Specialist engineering for various types of non-residential building
- Network design and materialisation
- Tender support
- Material delivery, logistics
- Turnkey implementation of complete networks
- Network servicing and maintenance (MAC: Move/Add/Change)
- Worldwide certified partner network for providing local-level services

Progress in project business – struggle with weak euro

Datwyler's Cabling Solutions Division increased sales in most markets in 2010. Overall, net revenue rose by 10.0% on the year-back level to CHF 243.6 million (previous year: CHF 221.4 million). The negative impact of exchange rate fluctuations amounted to CHF 7.6 million, while the positive contribution resulting from the rise in copper prices was CHF 15.4 million. After adjustment for these two factors, organic growth of 6.5% was achieved during the year under review.

Result hit by the euro crisis

The progressive weakening of the euro during the year under view caused a substantial reduction in sales and gross margins. At Division level, EBIT fell to CHF 9.6 million in 2010 (previous year: CHF 21.6 million). The EBIT margin contracted correspondingly to 3.9% (previous year: 9.8%). The 2010 result includes negative currency effects of CHF –4.0 million net and negative copper price influences of CHF –1.7 million.

Pronounced regional differences – strong growth in China

While sales rose significantly in Germany, Austria and the Benelux countries in 2010, Datwyler only achieved a slight increase in Switzerland. In the domestic market, the weakness of the euro put prices under particularly strong pressure and resulted in painful price rebates in some cases. The recovery in demand for lift cable systems was accompanied by enormous price pressure.

Business in Eastern Europe experienced a definite recovery, and Datwyler was able to further consolidate its position, particularly in Russia. By contrast, activities in the southern European countries did not change from their existing low level. Sales rose moderately in the Gulf region. In addition to Saudi Arabia and Qatar, the Emirates and other regions are again drawing up new plans for major infrastructure projects.

Datwyler acquired further high-profile projects in China during the year under review, as a result of which local sales rose by 49%. As a result, the Cabling Solutions Division has progressed to 4th place in the important list of top-ten suppliers of structured building cabling. The lift business also put in a pleasing performance thanks to the boom in high-rise buildings in the Asian countries. In response to market requirements, Datwyler began relocating parts of its lift cable production activities to its own production plant in China in the year under review.

Services as an important element of strategy

Customers in the building cabling and fibre-optic network markets are increasingly interested in complete solutions. There is demand for suppliers capable of offering specialist services in addition to high-quality products and system solutions. Customers also expect services to be provided in all the relevant markets and regions. The reliable, flawless and on-schedule implementation of order packages is of prime importance. To be able to satisfy these requirements, Datwyler is systematically expanding its expertise in the strategic sales, systems engineering, procurement and project management and controlling areas of its Cabling Solutions Division. More than ever before, the factories are now working flexibly, internationally and on an order-specific basis.

Key figures of Cabling Solutions

In CHF mio.	2010	2009
Net revenue	243.6	221.4
EBIT	9.6	21.6
EBIT as % of net revenue	3.9%	9.8%
Total assets	125.9	115.8
Gross capital expenditure	3.1	4.9
Number of employees (FTEs year average)	766	760

Progress in project business

During the year under review, Datwyler succeeded in further strengthening its position in project business with integrated solutions. Thus, the Division has won major cabling projects for airports, railway stations, shopping centres, universities and hotels in various countries and several substantial FTTH (Fibre-to-the-Home) turnkey orders in the Swiss market. Parallel to the development of its internal resources, the Division has also built up a network of certified partner companies to provide services in other sectors.

Outlook: Securing the Swiss factory through relocation

Because the Cabling Solutions Division produces in Switzerland, it is particularly vulnerable to the weakness of the euro. Since Datwyler expects the euro to remain at a low level in 2011, the financial situation at the Altdorf site remains extremely critical. The following measures are designed to safeguard the long-term future of the Altdorf production site for high-quality products even under difficult economic conditions: productivity improvements, investment in machinery and buildings and optimized layouts. As the market is shifting toward Asia, Datwyler plans to relocate production of lift cables to its existing plant in China. The Group is also considering moving its labour-intensive cable assembly operations to eastern Europe on cost grounds. 2011 Datwyler anticipates moderate sales growth in the Cabling Solutions Division. Significant growth should be possible in China and the Middle East, and the planned sales office in Dubai will enable Datwyler to cultivate its markets in the Arab region more efficiently.



SEALING TECHNOLOGIES

One in three cars worldwide contains a high-precision elastomeric component from Datwyler. While drivers may be virtually unaware of their existence, these parts are held in high esteem by automotive suppliers. This is because Datwyler's sealing solutions are safety-critical parts that play a crucial role in ensuring braking systems or injection valves perform to the best of their ability, despite huge temperature fluctuations and mechanical loads.



Strategy

Delivering high-quality, high-tech products, the Sealing Technologies Division provides innovative, custom-designed sealing, insulation and vibration-control solutions. Datwyler is a global development partner and recognised component-maker for the automotive supply, construction and other industries.

Target groups

- Automotive system suppliers
- Construction industry
- Packaging industry
- Tools industry

Geographical markets

- Europe
- North and South America
- Asia

Products and services

Automotive (moulded rubber components)

- Brake systems
- Fuel and engine management
- Comfort and safety (air conditioning, airbags etc.)

Industrial (moulded rubber components)

- Machinery, appliances and tools industry
- Packaging industry

Construction (extruded products)

Building construction applications

- Curtain wall and window seals
- Door and gate seals
- Load-bearing glazing profiles for rail vehicles

Civil engineering applications

- Gaskets for single shell tunnelling
- Hydrophilic seals and injection hoses
- Joint seals

Strong recovery despite a weak euro in the second half

In 2010, Datwyler's Sealing Technologies Division increased revenues and results substantially on the previous year, which had been overshadowed by the economic crisis. The marked recovery of the automotive industry and the continuing good development of the major contract from Nespresso led to a 13.4% increase in net revenues to CHF 151.4 million (previous year CHF 133.5 million). The negative currency effect of presenting consolidated accounts in Swiss francs reduced revenues by CHF 1.9 million or -1.5%.

Currency effects lower revenues

Results were marred by strong negative currency effects, which squeezed margins in the second half of the year above all. The impact was felt particularly keenly by the Swiss manufacturing site in Schattdorf and its automotive unit, which is an exporter bound by long-term contracts with fixed prices. Thanks to the good first half, the production sites in Eastern Europe and the early implementation of measures to boost productivity, it was nonetheless possible to increase operating profit (EBIT) at Division level in 2010. It rose to CHF 13.7 million (previous year CHF 9.9 million) despite the weakness of the euro.

Globalisation of business

Datwyler is pursuing a global strategy for its high-precision sealing solutions for the automotive industry. This has led the Sealing Technologies Division to systematically set up and expand production facilities in Eastern Europe and Mexico in recent years. A new production site in Wuxi, China, will be established in the growth market of Asia in 2011. Preparatory work there is already at an advanced stage. It is planned to start supplying prototypes from the site in the second quarter. This will make Datwyler the first supplier of high-precision moulded components to establish its own facilities in the world's three major automotive markets. This unique strategic asset will reinforce Datwyler's position as an attractive development partner and supplier to automotive and systems manufacturers. In the future these manufacturers will be putting even greater emphasis on their global platform strategies and will therefore give preference to suppliers with a worldwide manufacturing presence. The company expects global consolidated growth of between 5% and 7% a year in the market segments relevant for Datwyler, such as brakes, engine management, comfort and safety. Having its own production facilities in the major markets will not only enable Datwyler to meet the needs of customers with global operations, but will also reduce its exposure to exchange-rate fluctuations and to the strong Swiss franc in particular.

Expansion of global tunnelling gasket activities

In the global tunnelling gasket business, Datwyler has begun collaborating with two exclusive production partners in the USA and Malaysia. These long-term cooperations will enable Datwyler to supply the attractive American and Asian markets more rapidly and flexibly. Proximity to the fast-growing tunnelling markets in India and Singapore will have a particularly positive impact on future growth. Datwyler will retain distribution and engineering responsibility for the complex tunnelling gaskets.

Key figures of Sealing Technologies

In CHF mio.	2010	2009
Net revenue	151.4	133.5
EBIT	13.7	9.9
EBIT as % of net revenue	9.0%	7.4%
Total assets	118.8	126.5
Gross capital expenditure	9.3	13.4
Number of employees (FTEs year average)	1'005	857

Successful cooperation with Nespresso extended

In December 2010, Datwyler's Sealing Technologies Division extended its cooperation agreement with Nespresso until 2015 before the agreement had expired. The new agreement covers the supply of products with a total volume in excess of CHF 200 million. This successful collaboration with the globally expanding company Nespresso documents the Sealing Technologies Division's engineering and manufacturing expertise in handling complex solutions.

Outlook

We expect demand for the Sealing Technologies Division's products to remain lively in 2011. The strong Swiss franc and the massive increase in the cost of raw materials will, however, depress margins despite measures designed to boost productivity.



SUSTAINABILITY

Long-term values	
Sustainability as a strategic direction	26
Quality for customers	27
Environment	29
Our people	31
Community	32

SUSTAINABILITY

Long-term values

More than 90 years of innovation for the benefit of our customers, employees, shareholders and the community – that is the hallmark of the Datwyler Group. Over this period, Datwyler has evolved from a family-owned Swiss company into an international group. Building on our strong roots, we have developed our own style with high standards. Customer responsiveness, innovation capability and commitment are core values that guide the way we run our business over the long term. We strive to deliver sustainable profitable growth for the benefit of our stakeholders as the foundation for adding long-term value and preserving the corporate independence of the Datwyler Group.

In our efforts, we are addressing the challenges of our times. We adopted the voluntary standards of the Global Reporting Initiative (GRI) for the sustainability section of our 2008 Annual Report, and on 9 November 2009 we joined the UN Global Compact. This is an initiative launched by the United Nations which espouses ten principles in the areas of human rights, labour, the environment and combating corruption. As a UN Global Compact participant, Datwyler undertakes to follow the ten principles and to accept its responsibility within society. In the 2010 reporting year the first progress report on the ten UN Global Compact principles was published. This endeavour is based on the Datwyler Code of Conduct that lays down globally binding rules for all Datwyler Group employees. The systematic surveys of customers and employees were continued and refined in 2010. In this way we live up to our social responsibility every day as a reliable partner to our stakeholders.

Dr. Paul J. Hälg, CEO

Sustainability as a strategic direction

Sustainability is about balancing economic, social and environmental responsibility. Within the Datwyler Group, sustainability is an important strategic objective, embedded in all we do from product development, customer support, human resources management and production to social engagement. Our aim is to communicate these efforts transparently in this Annual Report and, for that reason, we have adopted the voluntary Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI)*. This has been checked and confirmed by GRI.

The Datwyler Group places great emphasis on respecting and engaging in an open and honest dialogue with all stakeholders who play a role in our business success and who are significantly affected by our business operations. These include, first and foremost, customers, the environment, employees, suppliers and the communities in which the Datwyler Group companies have often been long established and promote regional development as reliable employers and partners. The following pages are dedicated to these stakeholders by disclosing a number of performance indicators based on the requirements of the GRI Guidelines, while clearly illustrating the long-term approach fundamental to responsible corporate citizenship.

^{*} The Global Reporting Initiative (GRI) based in Amsterdam has set itself the objective of improving the transparency and comparability of corporate reporting worldwide. The GRI Guidelines are the world's leading standard for sustainability reporting.

Quality for customers

Overview of certifications obtained

	Technical Components	Pharma Packaging	Cabling Solutions	Sealing Technologies
Quality				
ISO 9001	All facilities	All facilities	All facilities	All facilities
ISO/TS 16949	Saint-Marcellin Cedex/			Schattdorf/Switzerland
	France			Novy Bydzov/Czech Republi
				Malyn/Ukraine
				Silao/Mexico
ISO 15378		Alken/Belgium		
Environment				
ISO 14001	Dübendorf/Switzerland	Alken/Belgium	Altdorf/Switzerland	Schattdorf/Switzerland
	Brabrand/Denmark	Karlsbad/Germany	Suzhou/China	
	Bremen/Germany	Montegaldella/Italy		
	Göppingen/Germany			
	Helsinki/Finland			
	Järfälla/Sweden			
	Oslo/Norway			
	Vaulx-en-Velin/France			
	Warsaw/Poland			
Occupational				
health and safety				
OHSAS 18001		Alken/Belgium	Altdorf/Switzerland	
		Karlsbad/Germany		

Policy of high quality and reliability

The Datwyler Group stands for more than its products alone. In all parts of our business, we focus on continuously improving the underlying processes, passing on the ever-growing pool of expertise to our customers. High quality standards and reliability are key factors that customers value in their working relationship with Datwyler.

Standardised processes assure quality

Datwyler Group companies invest continuously in even better materials and process engineering, production facilities and testing methods. Each product is measured against stringent quality standards several times before it reaches the customer. Business processes are based on internationally recognised quality management systems and a high commitment to innovation, which is also reflected in collaboration with universities, international standards bodies and independent testing laboratories.

Throughout development, certification and production, we also devote special attention to an analysis of the impact of all our products on users' health and safety. For this, we apply standardised processes and accepted industry standards, such as safety data sheets, when purchasing new substances and materials. A specific example are the fire safety standards applicable across Europe to safety cables from the Cabling Solutions Division. During the reporting year 2010, the Datwyler Group again recorded no incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services on users.

Regulatory information requirements as minimum standards

Almost all of the Datwyler Group's products are subject to information requirements in the countries where they are used. Particularly relevant are the chemicals legislation in Switzerland and the EU as well as the EU REACH and RoHS regulations concerning the material composition of products. While requiring transparency about material composition, the laws and standards also ban the use of certain substances. REACH (EU Regulation No. 1907/2006) governs the registration, evaluation and authorisation of chemicals in the European Union and impacts all of Datwyler's divisions. RoHS (EC Directive 2002/95/EC) bans the use of certain substances in the manufacture and processing of electrical and electronic equipment and components. Within Datwyler, RoHS affects the Cabling Solutions and Technical Components Divisions. By using standardised processes in the selection of raw materials and with safety data sheets for all products, the manufacturing companies in the Datwyler Group (Cabling Solutions, Sealing Technologies and Pharma Packaging) meet the relevant regulatory requirements and standards for material composition and transparency in the countries in which they operate. Datwyler's specialist and catalogue distribution businesses (Technical Components Division) take the responsibility for ensuring that imported products comply with national legislation and standards. They assume this responsibility by providing specifications and safety data sheets to suppliers and by monitoring the products.

Focus on delivering customer value

Through decentralised management, Datwyler fosters an entrepreneurial culture with short response times and decisionmaking authority close to the market. This makes Datwyler companies attractive development partners who contribute to their customers' success in the marketplace by providing leading materials and engineering expertise. Besides the products themselves, the complete solutions offered by Datwyler also encompass consulting, logistics and training services. A particularly well-developed programme of training and seminars has been established in the Cabling Solutions and Technical Components Divisions. In the Cabling Solutions Division, for example, over 1'500 people in Switzerland, Germany and Austria alone enhanced their specialist skills by attending courses in 2010. The companies in the Technical Components Division passed on their knowledge to 2'472 customer representatives at no less than 187 courses during the year, and in so doing strengthened customer loyalty. The Sealing Technologies Division has been commended for its customer responsiveness with a number of Supplier of the Year Awards from renowned companies like Bosch and Continental Teves. To facilitate relations with customers, the Datwyler Group has established clearly positioned and well-managed company brands as the foundation for a consistent corporate identity in the marketplace. The framework for this is provided by centrally coordinated worldwide trademark protection and a clear, web-based Corporate Design Manual.

Systematic customer surveys

In 2008, the Datwyler Group launched a standardised customer survey throughout the Group. This web-based survey is being conducted twice a year with the help of an external specialist. The response rate is between 10% and 30% depending on the division. The survey is designed around the concept of benchmarking. Customers selected at random are requested to name one of our competitors and to rate the particular Datwyler company against this benchmark. Datwyler also asks how significant the individual performance indicators are for the customer and allows individual qualitative comments. Most of the Datwyler Group companies score about the same as the external benchmarks. The survey results provide valuable inputs for developing and implementing improvements in all the divisions. Such improvements are part of the systematic management process, helping us to continuously enhance our performance for customers of the Datwyler Group.

Environment

Summary of environmental data by division

		Technical Components (1)		Pharma Packaging (2)		Cabling Solutions (2)		Sealing Technologies (2)	
	Unit	2010	2009	2010	2009	2010	2009	2010	2009
Energy consumption and CO	2								
Electricity	MWh	9'266	7'428	58'021	56'744	17'695	16'650	33'460	33'319
Per capita electricity	MWh/ employee	6.3	6.9	41.4	42.0	23.1	21.9	32.0	38.9
District heating	MWh	3'999	2'395	0	0	0	0	438	292
Natural gas	MWh	3'707	2'785	21'868	20'724	472	415	1'611	1'206
Butane, propane, ethane	MWh	0	5	0	0	5	5	0	398
Extra light fuel oil	MWh	2'029	1'773	0	0	7'087	6'735	822	510
Other fossil fuels	MWh	0	0	0	0	251	237	0	0
Renewable energy	MWh	0	0	0	0	0	0	4'565	4'035
CO ₂ emissions (3)	tonnes	3'001	1'936	26'831	26'094	3'811	3'632	9'117	8'137
Direct (Scope 1) (3)	tonnes	1'290	1'092	4'416	4'185	2'076	1'965	545	470
Indirect (Scope 2) (3)	tonnes	1'711	844	22'415	21'909	1'735	1'666	8'572	7'667
Per capita CO ₂ emissions	tonnes/ employee	2.0	1.8	19.2	19.3	5.0	4.8	8.7	9.5
Water consumption									
Drinking/industrial water	m³	19'661	14'482	372'285	297'871	701'918	724'168	1'420'981	1'375'096
Per capita water consumption	m³/ employee	13	14	266	220	916	953	1'361	1'605
Waste									
Total waste	tonnes	1'367	1'064	5'430	5'789	2'436	2'264	1'951	1'907
of which regular waste	tonnes	1'349	1'054	5'080	5'377	2'378	2'193	1'833	1'780
of which special waste	tonnes	18	10	350	412	58	71	118	127
Per capita total waste	tonnes/ employee	0.9	1.0	3.9	4.3	3.2	3.0	1.9	2.2
Employees (4)		1'478	1'069	1'400	1'352	766	760	1'044	857

⁽¹⁾ The figures for 2010 cover all the sites in the Technical Components Division, including Reichelt Elektronik which was acquired at the start of 2010, with a total of 1'478 employees (in full-time equivalents averaged over the year). The figures for 2009 cover eight sites with 1'069 of the then total of 1'339 employees.

The figures for the reporting year 2010 and the previous year include all the sites in the Cabling Solutions, Sealing Technologies and Pharma Packaging Divisions with a total of 3'210 employees (in full-time equivalents averaged over the year).

⁽³⁾ CO₂ emissions are divided into direct (Scope 1) emissions, e.g. due to burning natural gas at the company's own sites, and indirect (Scope 2) emissions, e.g. due to the consumption of electricity.

(4) In full-time equivalents (annual average, including temporary contracts)

Focus on the environment

For the companies in the Datwyler Group, environmental protection is an important mission and, as such, is embodied in the Group's Code of Conduct. This encompasses both environmentally friendly production with efficient use of resources and the development of products that are made of the most environmentally sound components possible and, in many cases, directly help to protect the environment. One example is the new rubber gaskets for environmentally friendly natural gas engines or for technologies to reduce nitrogen-oxide emissions from diesel-powered vehicles in the automotive industry.

Environmental initiatives and expanding reporting

As part of the internal, certified environmental management system, Datwyler is continually improving its environmental performance and endeavouring to minimise significant impacts on the environment. In 2010, the Group spent around CHF 1.5 million on environmental activities. This included some CHF 0.7 million on investments, CHF 0.7 million on staff and CHF 0.1 million on certification. The Datwyler Group used 2010 to further extend its sustainability reporting. For the first time, reporting covers 40 production and sales sites, with a total of 4'708 full-time equivalents averaged over the year. These now all report their key environmental data in the same format and using comparable measuring methods.

Environmental performance at a glance

As is to be expected, the Cabling Solutions, Sealing Technologies and Pharma Packaging Divisions consume more resources than the trade- and distribution-centred Technical Components Division. Consumption of resources increased in all four divisions compared with the previous year. This is a reflection of growing sales and the associated higher capacity utilisation in the 2010 reporting year. Per capita consumption of most resources remained more or less stable. The Technical Components Division's reporting for 2010 covers eleven additional distribution companies that were not included in the previous year's figures. Consumption of propane in the Sealing Technologies Division ceased with the closure of the division's site in the USA. The Pharma Packaging Division substantially raised the standard of production at its US site during 2010, implementing measures such as a new, modern washing facility for pharmaceutical elastomeric

components. The higher proportion of high-quality products accounts for the above-average increase in water consumption. The general increase in heat energy consumption is due to the higher number of days on which heating was required during 2010.

Per capita water consumption reflects particularly clearly the differences between the various divisions' processes. In this context, industrial water is used consistently, especially at the Cabling Solutions and Sealing Technologies Divisions' Swiss production facilities (more than 2 million m3 or almost 85% of the entire Group's water consumption), to minimise consumption of high quality drinking water.

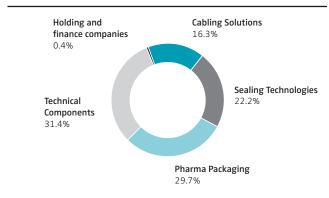
Another significant aspect is the combination of electricity sources used at the Swiss production sites operated by the Cabling Solutions and Sealing Technologies Divisions. Located in the Swiss Alps, these sites are able to meet around two-thirds of their power requirement with hydroelectricity. The two sites use some 35'000 MWh, almost 30% of the electricity consumed by the entire Group. This means that roughly 20% of the Group's electricity is provided by environmentally compatible hydroelectricity. A wood-fired electricity generating plant has been in operation at the Sealing Technology Division's Swiss site since October 2008 to supply process and heat energy. The use of renewable energy sources enables Datwyler to save around 500'000 litres of heating oil annually and to reduce ${\rm CO_2}$ emissions by some 1'300 tonnes.

With the exception of the Technical Components Division, per capita waste production remained virtually constant in 2010. The closure of the local distribution centres led to a sharp rise in the volume of waste generated by the Technical Components Division. Some two thirds of the waste produced by the Datwyler Group companies go for recycling.

Our people

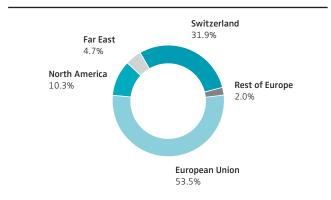
Employees by division

(full-time equivalents, annual average)



Employees by region

(full-time equivalents, annual average)



Clear core values and processes

Qualified and committed employees are particularly critical to the Datwyler Group's future success in international industrial markets. For this reason, the company attaches special importance to fair and safe working conditions, thorough training and development, and a corporate culture with a high level of identification. A decentralised structure promotes personal responsibility and close contact with customers.

Workforce demographics

In 2010 the Datwyler Group employed an average of 4'922 people - including those on temporary contracts - in 22 countries. This represents 4'708 full-time equivalents, and thus 375 FTEs or 8.7% more than in the previous year. One of the factors behind this increase was the global recovery of the markets relevant for the company. At the same time, Reichelt Elektronik was consolidated from the start of 2010, adding an average headcount of 188 FTEs. Based on the average headcount of 4'708 FTEs, revenue per full-time equivalent was 11% higher than the previous year at CHF 280'268. The employee turnover rate in the year under review was 16.8%. This turnover rate is partly due to the large number of employees that left the company after a short period in 2010 during the establishment of Datwyler Rubber's production site in Mexico because they fell short of a European employer's high standards. Excluding the Mexico site, turnover during the year was 12.1%. This rate is calculated by dividing the number of people who left the company by the average headcount for the year. In total, the Group had 4'497 full-time employees and 425 part-time employees,

with 222 people, or 4.5% of the workforce, on temporary contracts. Women accounted for 34.9% of the total workforce, while the proportion of women in senior positions was 20.4%. Unless otherwise stated, the human resources indicators are based on averages for the year.

Fair employment conditions

Datwyler Group companies ensure equal opportunities, equal treatment and fair employment conditions, pay fair wages and salaries, and offer employee benefits in line with national and industry standards. Employee costs, including social security and pension costs, amounted to CHF 333.0 million in the reporting year. In business reorganisation programmes, we consider the needs of the employees, engaging in a constructive dialogue with company employee representatives. In 2010, the Compliance Officer (currently the CFO) received no complaints of alleged discrimination in Datwyler companies. By continuously raising awareness and supporting managers, Datwyler helps to promote equality of men and women generally in the work process. Participation in the pay comparison survey conducted by Swissmem, the Association of Swiss Mechanical and Electrical Engineering Industries, has shown that men and women working at the Cabling Solutions and Sealing Technologies Divisions' two main manufacturing facilities in Switzerland receive equal pay.

Training promotes competence and safety

Datwyler Group companies are committed to ensuring a safe and healthy working environment. This applies both to technical planning of workplaces, equipment and processes and to safety management and personal behaviour in everyday working life. Regrettably, there was one death at Datwyler's factory in Mexico during 2010. This was due to the employee in question failing to comply with safety regulations. Throughout the Group, occupational injuries resulted in 1'819 lost days, which represents 0.16% of the total days worked. In total, 41'437 days were lost due to sickness, occupational injuries and non-occupational injuries, representing an absentee rate of 3.6%.

The markets in which the Datwyler Group operates call for highly trained employees undergoing continuous development and improvement. Some of our initiatives to train young people are reflected in the 139 apprenticeships offered by Datwyler Group companies worldwide. Our apprentices regularly receive top rankings in national competitions, which are testimony to the high quality of technical instruction in the training workshops. We support training and retraining programmes to develop the technical and social skills of employees at all levels in the hierarchy. One example can be seen in the Pharma Packaging Division, which invested more than CHF 1.2 million in training and development during 2010.

Employee survey also based on benchmarking

In 2008, the Datwyler Group launched a standardised employee survey throughout the Group. The survey consisting of a written questionnaire in 17 languages is being conducted annually with the help of an external specialist. This guarantees anonymity for employees. The average response rate increased again slightly, from 76% in 2009 to 78% in the reporting year. The survey is designed around the concept of benchmarking. The external specialist's experience enables Datwyler's results to be compared with a pool of around 20'000 Swiss employees. Most of the Datwyler facilities score about the same as the external benchmarks. In 2010 the results achieved by all divisions in comparison with the previous year either improved or remained at the previous year's level. The survey results provide valuable inputs for developing and implementing improvements in all the divisions. The measures to increase the commitment of employees are part of the systematic management process.

Community

Fair and responsible partner

The Datwyler Group is committed to sharing responsibility for general community affairs. In mid-2008, Datwyler put in place a Code of Conduct that is binding for the entire Group and also sets out rules for proper interaction with business partners and competitors. Collusion, bribery and corruption are accordingly strictly forbidden. The Code of Conduct is reiterated to employees constantly during internal training sessions. Once again, no legal actions for anti-competitive behaviour, anti-trust or monopoly practices were brought against Datwyler during 2010. Nor were any significant fines or non-monetary sanctions imposed on Datwyler for non-compliance with laws and regulations during the reporting year.

Important contribution to regional development

Many of the Datwyler Group's production facilities have been based at the same location for several decades, giving them strong local ties. This is reflected, among other things, in local suppliers being accorded preference in purchasing where possible, as long as their price-performance ratio is competitive. A good example of this can be seen at the two manufacturing facilities in the Swiss Canton of Uri where Datwyler is the largest employer, providing a total of some 1'000 jobs. With the exception of basic production feedstock, such as copper and raw materials for rubber (which cannot be purchased locally), the two facilities in Uri sourced 32.7% of their purchases locally in 2010. The Datwyler Group has had its roots in the Swiss Canton of Uri ever since its inception and intends to preserve industrial jobs in this peripheral region where economically viable and practical.

Social responsibility

The charitable Datwyler Foundation, established in 1990 by brothers Peter and Max Datwyler, is endowed with a capital of CHF 28.1 million. It does not own any shares in Datwyler Holding Inc. or have any influence over the management of the Datwyler Group. The purpose of the Datwyler Foundation is to support charitable initiatives. Since its beginnings, the foundation has awarded CHF 7.0 million in grants. Of the total amount distributed, CHF 5.7 million or about 81.5% has gone to applicants in the Canton of Uri. In this spirit, a sum of CHF 0.5 million was awarded last year.

In accordance with the Code of Conduct, the Datwyler Group does not provide financial support to political parties, organisations or office holders.



Statement GRI Application Level Check

GRI hereby states that **Daetwyler Holding Inc.** has presented its report "Annual Report 2010" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level C.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

14 March 2011, Amsterdam

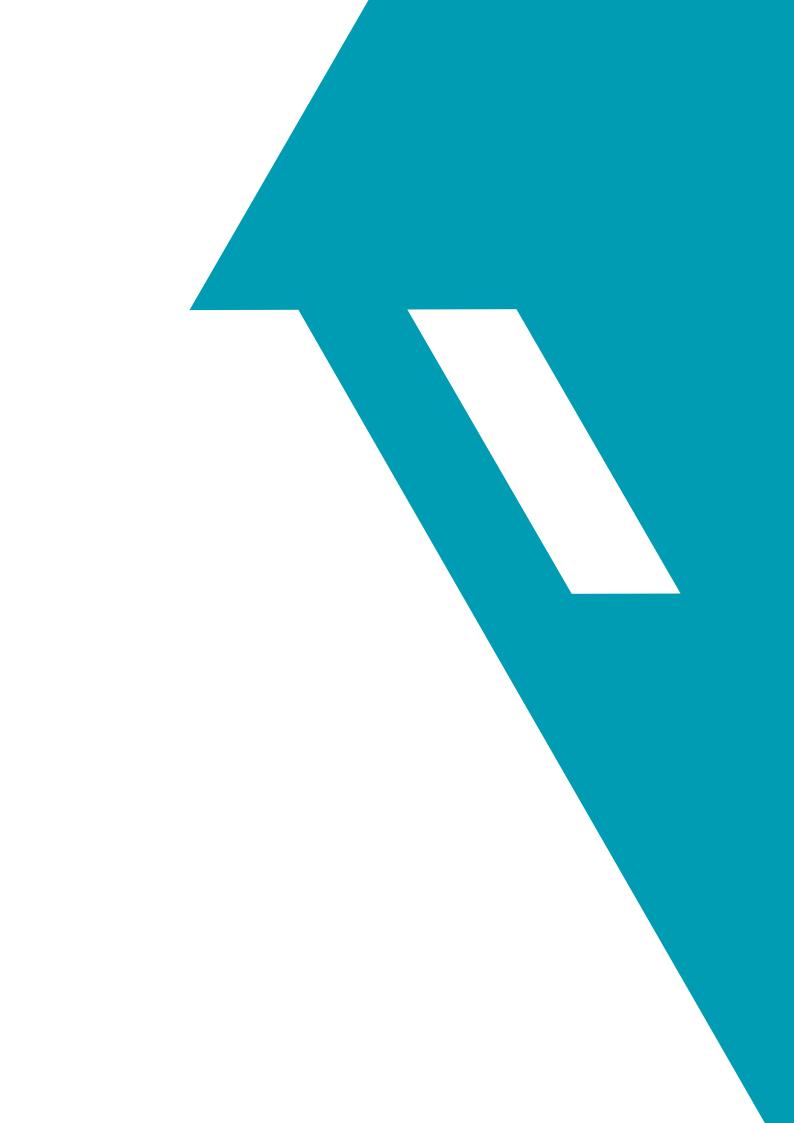


Nelmara Arbex Deputy Chief Executive Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 3 March 2011. GRI explicitly excludes the statement being applied to any later changes to such material.



CORPORATE GOVERNANCE

Group structure and shareholders	36
Capital structure	37
Internal organisation	37
Board of Directors	41
Executive Management	43
Remuneration, shareholdings and loans	44
Shareholders' participation rights	44
Statutory auditors	45
Information policy	45

CORPORATE GOVERNANCE

at 31 December 2010

As a company committed to creating long-term value, Datwyler has a clear framework of management and control policies in place to ensure compliance with the principles of good corporate governance. These policies are set out in the Articles of Association* and the Rules of Organisation and Business Conduct of Datwyler Holding Inc. They are presented below following the applicable Directive issued by the SIX Swiss Exchange. Where appropriate, reference is made to issues that are discussed in detail in the notes to the consolidated financial statements. Where information required under a section of the SIX Directive has been omitted, it is either not applicable to Datwyler or the corresponding situation does not exist at Datwyler or does not apply to Datwyler.

Group structure and shareholders

The Datwyler Group is an international multi-niche player dedicated to industrial component supply and distribution of engineering components. Through its four divisions — Technical Components, Pharmaceutical Packaging, Cabling Solutions and Sealing Technology — the Group focuses on attractive niches in the manufacturing, pharmaceutical and datacom industries.

Substantial shareholders and ownership

Pema Holding AG owns all 22 million registered shares and 4.55 million of the total of 12.6 million bearer shares of Datwyler Holding Inc. This represents 80.34% of the voting rights and 52.65% of the share capital. Treasury shares have been included in calculating the percentage of capital held but excluded in calculating the percentage of voting rights held. The reason is that unissued shares carry no votes.

Datwyler Führungs AG wholly owns Pema Holding AG, indirectly giving it a majority of the voting rights in Datwyler Holding Inc. Datwyler Führungs AG is owned by its Directors who are elected by co-optation and are also Directors of Pema Holding AG and Datwyler Holding Inc. (cf. p. 41, Board of Directors). They acquired equal shares in the CHF 0.1 million share capital of Datwyler Führungs AG at par value and are subject to clear rules under a shareholders' agreement. On leaving the Board, they transfer their shares to their successors at par value. This arrangement was made to provide a sound legal framework to ensure that the majority of votes in Datwyler Holding Inc. are controlled by the top management. The Bearer Shareholders' Representative on the Board of Datwyler Holding Inc. is not a Director of Pema Holding AG or Datwyler Führungs AG.

The Board of Datwyler Holding Inc. is not aware of any other shareholders, or groups of shareholders subject to voting agreements, who hold 3% or more of the total voting rights. No disclosure notices were received in the year under review.

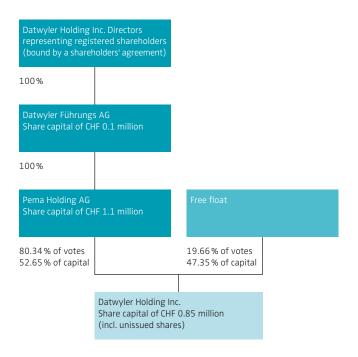
Group structure and companies

The required disclosures relating to the Group structure are presented on the following pages of the Annual Report:

- Page 104 ff.: directory of Group operations.
- Page 63 ff.: segment reporting.
- Page 84 f.: detailed list of subsidiaries and investments.
- Page 101 ff.: details of Datwyler Holding Inc.,
 the listed company, in the Share Information and General Information sections.

No listed companies are included in the consolidation of Datwyler Holding Inc. There are no cross-shareholdings with other companies.

^{*} www.datwyler.com > Datwyler Holding > Our Company > Organisation



Capital structure

Composition of share capital in CHF millions at 31 December 2010:

22'000'000 registered shares of CHF 0.01 each	0.22
12'600'000 bearer shares of CHF 0.05 each	0.63
(including 1'553'600 treasury shares)	
Total ordinary share capital	0.85
Authorised additional share capital	none
Authorised but unissued share capital	none
Participation certificates	none
Profit-sharing certificates	none
Registration and voting restrictions	none
Opting-out and opting-up provisions	none

All shares are fully paid-up. With the exception of treasury shares (1'553'600 bearer shares, see note 8 [treasury shares] on page 96), all shares irrespective of their value are entitled to vote and rank for dividend. Information about changes in equity for 2010 and 2009 is presented in the statement of changes in equity on page 53. Changes in equity for 2009 und 2008 are shown in the statement of changes in equity on page 50 of the Annual Report 2009 (www.datwyler.com> Datwyler Holding > Media > Publications).

Convertible bonds and share options

Datwyler had no bonds or convertible bonds outstanding at 31 December 2010.

Internal organisation

Role of the Board of Directors

The Board of Directors is the ultimate decision-making, management and governing body of the Datwyler Group. The Board consists of no fewer than five and no more than eleven members. At 31 December 2010, the Board comprised seven Directors. The roles of the Chairman and Chief Executive Officer (CEO) are separate. The Directors or companies and organisations which they influence have no executive functions in the Group, do not have any business relationship with the Datwyler Group and are all independent. Directors are deemed to be independent if they have neither served on Datwyler's Executive Management or the management of a Group company during the three financial years preceding the period under review nor have significant connections with any Datwyler Group company. No Director holds cross-directorships with other Directors through involvement in other listed companies.

Directors are elected for staggered four-year terms. They are eligible for re-election for further periods, with no limit on the number of terms they may serve. Directors retire at the Annual General Meeting following their 70th birthday. Each class of shares is entitled to nominate at least one representative to the Board. The average age of the Directors currently in office is 63 and their average tenure is nine years.

Main responsibilities and operation of the Board

The Board organises itself. Its main responsibilities are defined in Art. 716a of the Swiss Code of Obligations. In order to discharge these responsibilities efficiently, the Board has authority under the Rules of Organisation and Business Conduct of Datwyler Holding Inc. to appoint Committees from among its members to deal with specific matters. There are currently two Committees: the Audit Committee and the Human Resources Committee.

In accordance with the Rules of Organisaion, the Board holds at least five regular meetings a year, each lasting between half a day and one full day. A two-day annual strategy workshop is held to review and develop the strategy. The strategy workshop is usually combined with a visit to one of the divisions. Special Board meetings are held when necessary. Agendas for Board meetings are set by the Chairman in consultation with the CEO and CFO. Any Director may request that an item be placed on the agenda or that a special meeting be held. The CFO acts as Secretary to the Board.

Directors receive papers and information at least five days in advance of meetings to allow them to prepare for discussion of each item. Depending on the nature of the business to be transacted, the Chairman may invite members of the Executive Management to provide information at Board meetings and participate in an advisory capacity. The Board operates as a team and strives to reach decisions unanimously, wherever possible. If a unanimous decision cannot be reached, the minutes of the meeting must give the names of who voted and how they voted. The Board has a quorum when at least a majority of its members is present. Its resolutions are passed by a majority of the members present. The Chairman is also a voting member and has the casting vote in the event of a tie. Resolutions may also be adopted by telephone conference or by circular letter.

During 2010, the Board held six meetings attended by the CEO and CFO. The other members of the Executive Management were present at each meeting for the discussion of items relating to them. In 2010, no external specialists were called in.

Operation of the Committees

The Committees have written terms of reference specifying their responsibilities. In addition to these written terms, the Audit Committee has defined its tasks and responsibilities in a detailed checklist. The Committees generally prepare the groundwork for decision-making by the full Board. They meet at the call of their chairmen as often as necessary to discharge their duties, but at least once a year. Their meetings usually last half a day. All Directors, Executive Management members and the external auditors may request a meeting of the Committees. Depending on the nature of the business to be transacted, meetings are attended by the CEO, CFO or, if required, by a representative of the external auditors or a specialist in an advisory capacity. The agendas for Committee meetings are set by the respective chairmen in agreement with the CEO and CFO. Committee members receive papers and information in advance of meetings to allow them to prepare for discussion of each item. At least two members must be present to constitute a quorum. The Committees pass their resolutions by an absolute majority of the votes cast. In the event of a tie, the chairman has the casting vote. The Committees keep a record of their decisions and recommendations in minutes submitted to the Board and report the results of their activities at the next following Board meeting.

Audit Committee

The Audit Committee consists of at least three Directors, each of whom has experience in finance and accounting, who are appointed by the Board from among its members for a period of one year. The Audit Committee appoints its chairman. Members of the Audit Committee are: Hans R. Rüegg (chairman), Ulrich Graf and Ernst Odermatt. In 2010, the Audit Committee held three meetings attended by the CEO and CFO. The internal auditor as well as representatives of the external auditors attended all the meetings for the discussion of selected items. In 2010, other external specialists were not called in.

Responsibilities of the Audit Committee

- To ensure a comprehensive and effective audit programme for Datwyler Holding Inc. and the Datwyler Group.
- To comment on the annual and consolidated financial statements
- To comment on the audit plan and results of audits.
- To receive recommendations from the external auditors, discuss the recommendations with the Executive Management and provide a summary for the Board of Directors.
- To present the Executive Management's proposal for the appointment of Datwyler Holding Inc.'s external auditors to the Board of Directors for consideration by the Annual General Meeting of Shareholders.

Human Resources Committee

The Human Resources Committee consists of at least three Directors: the Chairman of the Board and two other members to be appointed by the Board from among its members. Members of the Human Resources Committee are: Hanspeter Fässler (chairman), Ulrich Graf and Werner Inderbitzin. In 2010, the Human Resources Committee held three meetings with the CEO and CFO. During 2010, no external specialists were called in.

Responsibilities of the Human Resources Committee

- To support the Board of Directors on matters of personnel and compensation policy.
- To deal with fundamental human resources issues at the Datwyler Group.
- Preparation of proposals for the appointment of members of the Board and the Executive Management.
- Preparing conditions of employment for members of the Executive Management.
- To decide performance-related payments for members of the Executive Management.
- To monitor wage structure and development.
- To comply with the regulations concerning the disclosure of emoluments of the members of the Board of Directors and Executive Management.

Division of responsibilities between the Board of Directors and Executive Management

The authority and responsibilities delegated to the Board of Directors and Executive Management are laid down in the "Rules of Organisation" as provided in Article 20 of the Articles of Association of Datwyler Holding Inc. These rules are updated on a regular basis. They describe the duties and responsibilities of the Board of Directors and define the duties and responsibilities of the Executive Management, presided over by the CEO. In addition to the non-delegable functions reserved to the Board of Directors by law, the Rules of Organisation delegate the following duties, among others, to the Board:

- To determine the principles of corporate strategy
- To make decisions on financial policy
- To adopt resolutions on the establishment of new business units and discontinuation of existing ones
- To adopt resolutions on the setting up of new sites and closure of existing ones
- To adopt resolutions on the acquisition and disposal of equity holdings
- To adopt resolutions on the acquisition, encumbrance and disposal of land and buildings
- To review the risk management system

As a rule, the Board of Directors approves major projects it deems expedient together with the budget. For urgent capital expenditure not included in the budget, levels of authority are defined and a return on investment analysis must be prepared. Capital expenditure exceeding CHF 3 million must be approved by the full Board of Directors.

The policies set out in the "Rules of Organisation" are detailed for all business and functional areas in the following written documents: "Division of Responsibilities of the Executive Management" and "Investment Manual". The Datwyler Group operates a systematically decentralised management system within a clear framework. The Group fosters an entrepreneurial culture where decisions are taken at the lowest possible level close to the market and customers.

Information and control systems for monitoring the Executive Management

The Board has an internal control system in place to monitor and control the Executive Management. This is based on an institutionalised, annual management process cycle, of which the key elements available to the full Board of Directors are as follows:

- Monthly report with a division and Group consolidation: budget, actual and forecast figures, including variance analyses and a written commentary by the division managers on current developments and potential risks.
- Interim and annual report.
- Annual review and approval of the annual budget and three-year medium-term plan.
- Annual review and approval of the updated Group and division strategies.
- Uniform Group-wide management system with integrated risk evaluation for strategic projects.
- Special reports on major items of capital expenditure, acquisitions and alliances.
- Inclusion of Executive Management members at Board and Committee meetings.

Further, the Board of Directors can make use of the internal audit function. The latter conducts audits at the Group companies to verify compliance with the division of responsibilities as well as monitor the internal control system, risk management and the efficiency of the structures and processes. The findings and recommendations of the internal audit function are recorded in written audit reports. It also regularly carries out action tracking, and reports on the status of implementation to the Audit Committee.

In addition to these institutionalised information and control systems, the Chairman of the Board and CEO engage in regular dialogue regarding all important business. In addition, the CEO and CFO are required to inform the Chairman of the Board without delay of any important unusual events or developments and measures planned.

Board of Directors

Ulrich Graf (1945, Swiss)

Chairman (term expires in 2012)

Ulrich Graf has served on the Board of Datwyler Holding Inc. since 2004. He was appointed Chairman in 2005 and is a member of the Audit Committee and the Human Resources Committee. Between 1989 and 2006, he was CEO of the Kaba Group, where he had held a number of management positions since 1976. In addition to his appointment in Datwyler, Ulrich Graf is Chairman of Kaba Holding Ltd., Griesser Ltd. and Fr. Sauter Ltd. He is also a Director of Georg Fischer Ltd. and Feller Ltd., a member of the Board of Trustees of REGA Swiss Air Ambulance and a Supervisory Board member of DEKRA e.V, Stuttgart. He has a degree in electrical engineering from the Swiss Federal Institute of Technology.

Hans R. Rüegg (1946, Swiss)

Deputy Chairman (term expires in 2014)

Hans R. Rüegg has served Datwyler Holding Inc. as a Director since 1991. He took office as Deputy Chairman in 2002. He is Chairman of the Audit Committee. He has been CEO of Baumann Springs Ltd. since 1983, serving as Chairman and CEO since 1993, and is Chairman of Vetropack Holding AG. Hans R. Rüegg holds a degree in electrical engineering from the Swiss Federal Institute of Technology and an MBA from the University of Florida, Gainesville (USA).

Hanspeter Fässler (1956, Swiss)

Director (term expires in 2012)

Hanspeter Fässler has been a Director of Datwyler Holding Inc. since 2004 and is chairman of the Human Resources Committee. He has been CEO of the construction services group Implenia since September 2010. Previously, Hanspeter Fässler held various management positions with the ABB Group both in and outside Switzerland. Latterly, from 2006 to 2010, he was responsible for ABB's Mediterranean Region and Country Manager of ABB Italy. Prior to that, he was ABB's Country Manager in Switzerland. Hanspeter Fässler earned a doctorate specialising in mechatronics/robotics (DSc) from the Swiss Federal Institute of Technology Zurich and also holds an engineering degree from Stanford University (USA).

Werner Inderbitzin (1946, Swiss)

Director (term expires in 2014)

Werner Inderbitzin was appointed to the Board of Datwyler Holding Inc. at the 2002 Annual General Meeting and is a member of the Human Resources Committee. He is Chairman of Garaventa Ltd. and a member of the Executive Board of Doppelmayr-Garaventa Group (Ropetrans AG). He took over the management of Garaventa Ltd., a global manufacturer of ropeway systems, in 1992, having previously spent 18 years with Datwyler's Sealing Technology Division, ultimately as First Vice President and a member of the division's management committee. Werner Inderbitzin obtained a degree in business administration from the University of St. Gallen.

Ernst Lienhard (1946, Swiss)

Director (term expires in 2014),

Bearer Shareholders' Representative

Ernst Lienhard was appointed a Director of Datwyler Holding Inc. at the 2006 Annual General Meeting to serve as the Bearer Shareholders' Representative. He was with the Credit Suisse Group for more than 30 years, several of which were spent abroad in Paris, Peru, New York and the Bahamas. After his return and until his retirement in 2004, he was responsible for Swiss wholesale commercial banking. Ernst Lienhard is a Director of publicly listed Hügli Holding Aktiengesellschaft and several family-owned Swiss companies. He studied banking at the University of St. Gallen, where he also earned a doctorate in economics. In addition, he studied at IMD in Lausanne and Wharton University in Philadelphia.

Ernst Odermatt (1948, Swiss)

Director (term expires in 2012)

Ernst Odermatt was appointed to the Board of Datwyler Holding Inc. in 2004 and is a member of the Audit Committee. Until the end of 2005, he was CEO of the Oerlikon Contraves Group, in which capacity he served on the Executive Board of Rheinmetall DeTec AG, Düsseldorf, having held a number of management positions with Oerlikon Contraves since 1978. He is Chairman of Markus Hofstetter AG, and a Director of Colibrys (Suisse) S.A. Ernst Odermatt is also a member of the Advisory Board of CGS Private Equity Partnership. He holds a degree in mechanical engineering from the Swiss Federal Institute of Technology Zurich and a degree in business administration from the University of Zurich.

Franz Steinegger (1943, Swiss)

Director (term expires in 2014)

Franz Steinegger has been a Director of Datwyler Holding Inc. since 1994. He was President of the Free Democratic Party of Switzerland for 12 years until 2001 and a member of the National Council from 1980 to 2003. Since 1981, he has practised as an independent lawyer and notary in Altdorf. Franz Steinegger is currently Chairman of SUVA (the Swiss Accident Insurance Fund) and Director of Neue Zürcher Zeitung AG. He graduated in law from the University of Zurich and is a member of the Bar of the Canton of Uri.

Honorary Directors

Roland Zimmerli (1934, Swiss)

Honorary Chairman (since 2005)

During his 35 years of committed service in a variety of management positions, Roland Zimmerli helped to shape Datwyler into a Group of international dimensions. After the IPO, he circumspectly transformed Datwyler from a family-owned business into a public company. In appreciation of his services to the Datwyler Group, the Board appointed him Honorary Chairman in 2005, following his term as Chairman from 1999 to 2005. Before joining the Board, Roland Zimmerli served as CEO of Datwyler Holding Inc. from 1991 to 1999. His expertise was also much sought after on the Boards of renowned Swiss companies. He graduated with a degree in business administration from the University of Zurich.

Max Dätwyler (1929, Swiss)

Honorary Director (since 1999)

Max Dätwyler was Chairman of Datwyler Holding Inc. from its inception in 1958 until 1965. After handing over the Chairmanship to outside Directors, he continued to serve as Deputy Chairman and Executive Director until the end of 1999. Together with his late brother, Peter Dätwyler, Max Dätwyler was instrumental in building Datwyler Holding Inc. into a diversified international corporation and, in 1990, ensured the Group's long-term independence through the shareholders' agreement of Datwyler Führungs AG. He holds a doctorate in chemistry from the Swiss Federal Institute of Technology Zurich and a degree in economics from the University of Zurich.

Executive Management

Paul J. Hälg (1954, Swiss)

Chief Executive Officer (CEO)

Paul J. Hälg was appointed CEO of the Datwyler Group from August 2004. Before joining the Datwyler Group, he served on the Forbo Group's Executive Board as Executive Vice President of Forbo Adhesives. From 1986 to 2001, he held a number of management positions with Gurit-Essex (Gurit-Heberlein Group), ultimately as CEO. In the five years prior to that, he worked for the Swiss Aluminium Group. Paul J. Hälg is Chairman of publicly listed Gurit Holding Ltd. and a member of the Board of Directors of Sika Ltd. He is also a member of the Board of Swissmem (Swiss mechanical and electrical engineering association). He studied chemistry at the Swiss Federal Institute of Technology Zurich, graduating with a doctorate (DSc).

Reto Welte (1959, Swiss)

Chief Financial Officer (CFO)

Reto Welte was appointed Chief Financial Officer and Member of the Datwyler Executive Management from June 2009. Before joining Datwyler, he for two years held the same function with the Kardex Remstar Group, also a SIX Swiss Exchange listed Group of companies. Between 2003 and 2006, he was CFO and member of Group Management of the Feintool Group. Previously Reto Welte was CFO of the Gretag Imaging Group and of co.don AG in Berlin. From 1991 to 2000, he held various management positions in finance with the Alstom group and was head of the Medium-Voltage Technology unit. Reto Welte holds a degree in business administration from the University of St. Gallen.

Markus Heusser (1966, Swiss)

Head of Technical Components Division

Markus Heusser has headed the Technical Components Division since August 2010 and is a member of the Datwyler Executive Management. Before joining Datwyler he was with the Sulzer Group for seven years, where he held various international management positions, including chief of staff, head of the globally active Metco Thermal Spray business and head of the Groupwide 2009 restructuring programme. Prior to that he was a strategy consultant and integration manager with McKinsey & Co. from 1996 to 2003. During this period, he was based in Hong Kong for one year. Markus Heusser has an MBA from the University of St. Gallen and a PhD in finance from the University of Fribourg.

Guido Wallraff (1963, Belgian)

Head of Pharmaceutical Packaging Division

Guido Wallraff became head of the Pharmaceutical Packaging Division in July 2007, and became a member of the Executive Management at the same time. Prior to that, he gained experience in the pharmaceutical packaging market as sales and marketing director of Capsugel, a Pfizer subsidiary. Between 1994 and 2005, Guido Wallraff held a number of international management positions with Fisher Scientific, having previously worked as a sales engineer for 3M and BF Goodrich Chemical. Guido Wallraff studied chemistry in Aachen and Wuppertal, graduating as a chemical engineer. He completed his qualifications with additional studies in business administration, IT and pharmacology.

Johannes Müller (1958, Swiss)

Head of Cabling Solutions

Johannes Müller has been a member of the Executive Management and headed the Cabling Solutions Division since August 2004. He was previously CEO of the consulting firm Brainforce AG for three years. Before joining Brainforce in 2001, he ran a division of Cellpack Ltd. for more than four years. From 1987 to 1996, he held various international management positions with telecommunications group Alcatel. Johannes Müller is a member of the Board of the German-Swiss Chamber of Commerce. He has a degree in electrical engineering from the Swiss Federal Institute of Technology Zurich and completed additional studies, including a programme at Insead (France).

Dirk Lambrecht (1960, German)

Head of Sealing Technology Division

Dirk Lambrecht has headed the Sealing Technology Division since May 2005 and in that capacity is a member of the Executive Management. Before joining the Datwyler Group, he managed Phoenix Traffic Technology GmbH, a subsidiary of Phoenix AG. Prior to that, from 1987 to 2003, he held a number of international management positions with Phoenix AG in Hamburg. Dirk Lambrecht earned a degree in mechanical engineering, specialising in apparatus engineering, from Hamburg University of Applied Sciences and completed further studies, including a programme at the Management School St. Gallen.

Management contracts

There are no management contracts delegating management responsibilities to individuals or companies outside the Group.

Remuneration, shareholdings and loans

Elements and determination of remuneration

The elements of remuneration for Directors of the Board are determined annually by the Human Resources Committee and approved by the full Board. The Directors have a voice at the meetings of the Board of Directors. The remuneration for members of the Executive Management is determined annually by the Human Resources Committee and brought to the attention of the full Board of Directors.

Directors receive remuneration in the form of a fixed fee in cash and an award of a fixed number of bearer shares of Datwyler Holding Inc.

The remuneration of Executive Management members consists of a fixed cash salary, an award of a fixed number of bearer shares of Datwyler Holding Inc. as well as a variable bonus. The amount of the fixed remuneration is based on function, duties, qualifications, experience and market environment. In the case of the CEO and CFO, the variable bonus is made up of a share in the Group's net result. This share is multiplied by a growth factor, which is determined according to the year-on-year change in the net result. The maximum amount of the bonus for the CEO is 150% and for the CFO 100% of the fixed fee in cash.

In the case of the divisional heads, the variable bonus is based both on business performance and on the attainment of individual goals. Approximately 80% of the variable bonus is made up of a share in the economic profit of the respective division, factoring in year-on-year change. The economic profit is arrived at by taking EBIT less the cost of average capital employed. This share is multiplied by a growth factor, which is determined according to the year-on-year change in sales. In addition to the share in economic profit, around 20% of the bonus is dependent on the attainment of individual goals. These are strategic, business and personal goals agreed at the beginning of the year. Goal attainment is assessed by the CEO. The maximum amount of the bonus for the divisional heads is 80% to 100% of the fixed fee in cash, depending on the size of the division.

The remuneration system is reviewed annually by the Human Resources Committee and every three years adjusted in line with changed circumstances.

The share award plan established in 2007 gives Directors and Executive Management members an ownership interest in Datwyler Holding Inc. and a share in the long-term performance of the Datwyler Group. The number of shares awarded is dependent on the respective role. The shares awarded vest over a period of five years, which still applies even if a member leaves the Board of Directors or Executive Management.

The elements of remuneration for the Board of Directors and the Executive Management are consistent with common standards for international industrial companies. Club surveys led by a neutral institution, which Datwyler regularly participates in, serve as benchmark. When determining the components of remuneration, the members of the Human Resources Committee and the Board of Directors rely on the competencies and experiences they have gained from similar roles with other companies.

More information about remuneration, shareholdings and loans is presented in note 2 to the financial statements of Datwyler Holding Inc. on page 90.

Shareholders' participation rights

The shareholders' participation rights comply with the provisions of Swiss Corporation Law, subject to the one share one vote principle presented below. The Articles of Association contain no quorum requirements that differ from those prescribed by law.

Voting restrictions and proxy voting

There are no restrictions on registration or voting. Under the Articles of Association of Datwyler Holding Inc., each share carries one vote at general meetings regardless of its par value. Persons representing shareholders must present a written proxy. Legal representatives of shareholders do not need a proxy appointment. Shareholders who are unable to attend a general meeting may also appoint a member of a corporate agent of the Company or an independent proxy to represent them.

Calling of general meetings and additions to the agenda

The procedures for calling general meetings and adding items to the agenda are set out in the Articles of Association of Datwyler Holding Inc. in accordance with the Swiss Code of Obligations (Art. 699 f). Shareholders holding shares of at least CHF 85'000 in par value are entitled to submit agenda items in writing. The deadline for submitting agenda items is published in advance in the Swiss Official Gazette of Commerce.

Share registration

Every person whose name is entered in the share register no later than 14 days prior to a general meeting is recognised by the Company as a shareholder and holder of all rights attached to the registered shares.

Change of control and defensive measures

The Articles of Association do not contain any "opting out" or "opting up" provisions. Datwyler Holding Inc. does not have any change of control clauses which benefit Directors or Executive Management members.

Statutory auditors

PricewaterhouseCoopers AG has audited the financial statements of Datwyler Holding Inc. since its inception in 1958. It was first engaged to audit the consolidated financial statements in 1986. The auditors are appointed by the Annual General Meeting of Shareholders for a period of one year. In accordance with the Swiss Code of Obligations, the normal rate of rotation for the lead auditor is seven years. The last change occurred in 2007. Some of the Group companies are audited by other firms of accountants.

Fees paid in 2010 to the statutory and other auditors

in CHF	Statutory auditors	Other auditors
Auditing services, total	836'000	667'000
Additional services, total	209'000	302'000
Tax advice	76'000	82'000
Legal advice	1'000	48'000
Transaction advice	_	48'000
Other advisory services	132'000	124'000

Representatives of the external auditors attend all meetings of the Audit Committee for the discussion of certain items. Three meetings were held in 2010. At each meeting, the external auditors present a written report on the progress of their work. The core element of the auditors' reporting is the annual audit report with recommendations to the Audit Committee.

The supervisory body for the external statutory auditors is the overall Board of Directors. It conducts an annual evaluation of the statutory auditors. This is based on the following criteria:

- Professional competence
- Scope and quality of their written reports and verbal statements
- Practicability of recommendations
- Priority setting
- Transparent and effective communication and coordination
- Ability to meet deadlines
- Independence
- Fees

The members of the Board of Directors rely on the competencies and experience they have gained in similar roles with other companies, on the statutory auditors' reports as well as on the comments made by the Audit Committee. The responsibilities of the Audit Committee are defined on page 39.

Information policy

The Datwyler Group maintains an open dialogue with all stakeholders. In the interests of shareholders, Datwyler especially fosters relationships with investors, banks and media representatives. Communication takes place through the Annual Report, Interim Report, Annual General Meeting and at least one press and analyst conference every year. Through press releases and on its website (www.datwyler.com), Datwyler provides up-tothe-minute information on all important projects as required by the ad hoc publicity rules of the SIX Swiss Exchange. The archive of ad hoc press releases can be found at www.datwyler.com > Datwyler Holding > Media > Press Releases. A facility for signing up to receive ad hoc press releases is provided at www.datwyler. com > Datwyler Holding > Media > Email Alerts. Contact details and important dates are given in the "General Information" section on page 103. Official notices concerning Datwyler are published in the Swiss Official Gazette of Commerce. Notices and invitations to registered shareholders are made in writing.



Consolidated Financial Statements

Group Financial Review	48
Consolidated Income Statement	50
Consolidated Balance Sheet	51
Consolidated Cash Flow Statement	52
Consolidated Statement of Changes in Equity	53
Notes to the Consolidated Financial Statements	54
Report of the Statutory Auditor on the Consolidated Financial Statements	86

Group Financial Review

As announced in April 2010, Datwyler changed its financial reporting from IFRS to Swiss GAAP Accounting and Reporting Recommendations (ARR) retroactively with effect from the beginning of 2010. The effects of this conversion on equity and net result of the previous year and the significant changes in accounting policies are illustrated in detail in note 1 of the consolidated financial statements.

CONSOLIDATED INCOME STATEMENT DATWYLER GROUP

On a comparable basis, the Datwyler Group generated net revenue of CHF 1'319.5 million (previous year CHF 1'122.2 million) in 2010, representing an increase of 17.6%. The acquisition of Reichelt Elektronik at the beginning of 2010 contributed CHF 149.4 million or 13.3%. The negative impact from foreign currency translation to Swiss francs on consolidation was 5.5%. Adjusted for these two factors, organic growth was 9.8%.

Change in net revenue

In CHF millions	2010	%
Acquisition of subsidiaries	149.4	13.3
Foreign currency translation to CHF	-61.4	-5.5
Organic change	109.3	9.8
Total change in net revenue	197.3	17.6

The gross profit margin decreased to 50.1% (previous year 53.0%), also influenced by the acquisition made. Gross profit was negatively impacted by foreign currency effects of 5.6% and by higher raw material prices of 0.6%. Organic growth of gross profit amounted to 9.7%.

Change in gross profit

In CHF millions	2010	%
Acquisition of subsidiaries	46.6	7.8
Foreign currency effects	-33.2	-5.6
Impact raw material purchases	-3.6	-0.6
Other organic change	57.5	9.7
Total change in gross profit	67.3	11.3

Personnel expenses and operating expenses were continually adjusted to the changed operating environment, and the year under review again includes certain restructuring costs.

In 2010, the Group's operating result (EBIT) reached CHF 127.9 million (previous year CHF 80.0 million). Accordingly, the EBIT margin increased to 9.7% (previous year 7.1%) with the following factors contributing to this improvement:

Change in EBIT

In CHF millions	2010	%
Acquisition of subsidiaries	21.6	27.0
Foreign currency translation to CHF	-5.1	-6.4
Organic change	31.4	39.2
Total change in EBIT	47.9	59.8

Net finance costs increased to CHF 9.4 million (previous year CHF 7.9 million), due to the negative effect of net foreign exchange losses of CHF 5.9 million (previous year net foreign exchange gain of CHF 1.2 million). Income tax expense grew to CHF 20.3 million (previous year CHF 8.4 million), and the tax ratio increased to 17.1% (previous year 11.7%), again influenced by the acquisition made. The Group's average income tax rate for 2010 was 20.7% (previous year 19.5%).

Despite the higher income tax charges and the negative currency impact, the net result improved by 54.2% to CHF 98.2 million (previous year CHF 63.7 million) or to 7.4% (previous year 5.7%) of net revenue.

CONSOLIDATED BALANCE SHEET DATWYLER GROUP

Total assets decreased by CHF 92.7 million during the year to CHF 847.0 million (previous year CHF 939.7 million). Even with the increase in revenue and the effect from acquistions, trade accounts receivable and inventories remained almost unchanged. Due to the higher level of trade accounts payable, net working capital of CHF 262.1 million (previous year CHF 266.8 million) could be reduced by 1.8%. Cash, cash equivalents, money market investments and securities declined by around CHF 80 million. The available funds were again used to repay bank debt.

Compared to the previous year, equity decreased by CHF 12.8 million to CHF 583.5 million (previous year CHF 596.3 million), maintaining a solid equity ratio of 68.9% (previous year 63.5%). The significant changes of equity include the net result of CHF 98.2 million, the offset of goodwill from acquisitions reducing equity by CHF 69.9 million (previous year CHF -4.6 million), the dividend payment of CHF -18.5 million (previous year CHF -27.7 million) and negative currency translation differences of CHF -24.4 million (previous year CHF -5.6 million) arising on net investments in foreign subsidiaries.

Short-term and long-term bank debts were reduced by CHF 72.2 million during the year to CHF 83.5 million (previous year CHF 155.7 million). The Group's liquidity situation remains good, with cash, cash equivalents and money market investments amounting to CHF 115.8 million (previous year CHF 195.3 million). In total, the net cash position of CHF 32.3 million (previous year CHF 39.6 million) has slightly decreased, also affected by the acquisition made.

Current assets declined by 13.7% to CHF 471.6 million (previous year CHF 546.4 million), and non-current assets decreased by 4.6% to CHF 375.4 million (previous year CHF 393.3 million).

CONSOLIDATED CASH FLOW STATEMENT DATWYLER GROUP

With the significantly improved net result of CHF 98.2 million (previous year CHF 63.7 million), operating cash flow before changes in working capital also increased to CHF 169.4 million, from CHF 123.3 million in 2009. These cash flows were used to pay for investments in property, plant and equipment totalling CHF 33.0 million (previous year CHF 54.9 million). This represents a capital expenditure ratio (capital expenditure as a percentage of net revenue) of 2.5% versus 4.9% a year earlier. In addition, operating cash flow was used for the acquisition of subsidiaries in the amount of CHF 112.8 million (previous year CHF 3.9 million) and to repay bank debt of CHF 85.7 million (previous year CHF 113.2 million). Overall cash outflows and inflows led to a net change in cash and cash equivalents of CHF –52.7 million (previous year CHF 56.2 million), resulting in a cash and cash equivalents balance of CHF 113.4 million (previous year CHF 172.3 million) at year-end.

Consolidated Income Statement

In CHF millions	Note	2010	2009
Notario		11010 5	11100.0
Net revenue	4, 15	1'319.5	1'122.2
Change in inventories		6.9	0.6
Material costs		-664.7	-528.4
Gross profit		661.7	594.4
Other operating income	5	43.0	41.8
Personnel expenses	6, 7	-333.0	-327.8
Operating expenses	8	-195.1	-174.4
Operating result before interest, taxes, depreciation and amortisation (EBITDA)		176.6	134.0
Depreciation of property, plant and equipment	17	-46.7	-47.6
Amortisation of intangible assets	18	-2.0	-3.1
Impairment charges	17, 18	-0.0	-3.3
Operating result before interest and taxes (EBIT)	4	127.9	80.0
Net finance result	9	-9.4	-7.9
Earnings before tax (EBT)		118.5	72.1
Income tax expenses	10	-20.3	-8.4
Net result		98.2	63.7
Net result per bearer share entitled to dividend	25	6.36	4.13

Since the beginning of 2010 the consolidated financial statements have been prepared in accordance with Swiss GAAP ARR. Prior period figures have been restated to conform to the presentation for the current financial period to ensure comparability.

The accompanying notes on pages 54 to 85 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

Assets

In CHF millions	Note	31.12.2010	31.12.2009
Cash and cash equivalents	11	113.4	172.3
Money market investments	11	2.4	23.0
Securities	12	3.9	4.1
Trade accounts receivable	13	133.8	137.0
Inventories	14	188.1	183.6
Net assets from long-term contracts	15	1.5	-
Other receivables	16	19.7	17.7
Prepayments made and accrued income		8.8	8.7
Current assets		471.6	546.4
Property, plant and equipment	17	328.0	365.6
Intangible assets	18	7.2	5.4
Financial assets	19	40.2	22.3
Non-current assets		375.4	393.3
Total assets		847.0	939.7

Liabilities and equity

In CHF millions	Note	31.12.2010	31.12.2009
Trade accounts payable		61.3	53.8
Short-term bank debt	20	83.5	155.2
Current provisions	22	33.4	33.4
Other current liabilities	21	24.4	24.6
Accrued expenses and deferred income		21.2	18.3
Current liabilities		223.8	285.3
Long-term bank debt	20	-	0.5
Long-term provisions	22	15.3	17.3
Deferred income tax liabilities	23	21.8	27.2
Pension liabilities	7	1.9	11.4
Other long-term liabilities		0.7	1.7
Long-term liabilities		39.7	58.1
Total liabilities		263.5	343.4
Share capital	24	0.9	0.9
Treasury shares	26	-0.1	-0.1
Additional paid-in capital		85.7	84.6
Retained earnings		593.3	582.8
Cumulative translation adjustments		-96.3	-71.9
Equity		583.5	596.3
Total liabilities and equity		847.0	939.7

Since the beginning of 2010 the consolidated financial statements have been prepared in accordance with Swiss GAAP ARR. Prior period figures have been restated to conform to the presentation for the current financial period to ensure comparability.

 $The\ accompanying\ notes\ on\ pages\ 54\ to\ 85\ are\ an\ integral\ part\ of\ these\ consolidated\ financial\ statements.$

Consolidated Cash Flow Statement

In CHF millions	Note	2010	2009
Net result		98.2	63.7
Income tax expenses	10	20.3	8.4
Depreciation and amortisation	17, 18	48.7	50.7
Impairment charges	17	0.0	3.3
Share award plan		1.1	0.8
Gain on disposal of investments		-	-0.0
Exchange differences		9.1	-0.1
Gain on sale of property, plant and equipment		-2.4	-3.3
Valuation loss on/(gain on sale of) securities	9	0.2	-1.7
Change in long-term provisions and pension liabilities		-9.9	-6.7
Interest income	9	-0.8	-1.8
Interest expense	9	4.9	10.0
Operating cash flow before changes in working capital		169.4	123.3
Change in trade accounts receivable		-6.7	12.5
Change in other receivables, net assets from long-term contracts,			
prepayments made and accrued income		-6.3	7.4
Change in inventories		-9.1	38.6
Change in trade accounts payable		10.3	-4.7
Change in other current liabilities, accrued expenses and deferred income		-0.0	-7.5
Change in current provisions		2.8	2.1
Interest received		0.8	2.2
Interest paid		-5.1	-9.9
Income tax paid		-13.3	-15.7
Net cash from operating activities		142.8	148.3
Purchases of:			
Property, plant and equipment		-33.0	-54.9
Intangible assets		-1.9	-2.0
Financial assets		-	-0.2
Subsidiaries (net of cash and cash equivalents acquired)	32	-112.8	-3.9
Money market investments		-2.6	-185.5
Proceeds from sale of:			
Property, plant and equipment		9.2	7.4
Intangible assets		-	0.0
Financial assets		0.6	8.0
Money market investments		23.0	280.3
Net cash (used in) from investing activities		-117.5	49.2
Proceeds from short-term bank debt		29.0	0.0
Repayment of short-term bank debt		-85.7	-86.5
Early repayment of long-term bank debt		-	-26.7
Decrease in finance lease and other long-term liabilities		-2.8	-0.4
Dividend paid to shareholders		-18.5	-27.7
Net cash used in financing activities		-78.0	-141.3
Net change in cash and cash equivalents		-52.7	56.2
Cash and cash equivalents at 1 January	11	172.3	115.2
Effect of exchange rate changes on cash and cash equivalents		-6.2	0.9
Cash and cash equivalents at 31 December	11	113.4	172.3

Since the beginning of 2010 the consolidated financial statements have been prepared in accordance with Swiss GAAP ARR. Prior period figures have been restated to conform to the presentation for the current financial period to ensure comparability.

 $The \ accompanying \ notes \ on \ pages \ 54 \ to \ 85 \ are \ an \ integral \ part \ of \ these \ consolidated \ financial \ statements.$

Consolidated Statement of Changes in Equity

In CHF millions	·				<u> </u>	
	Share capital ⁽¹⁾	Treasury shares ⁽¹⁾	Additional paid-in capital	Retained earnings	Cumulative translation adjustments ⁽²⁾	Total equity ⁽³⁾
At 1 January 2009 according to IFRS	0.9	-0.1	_	894.2	-65.9	829.1
Adjustments (see note 1)	-	-	83.8	-342.8	-0.4	-259.4
At 1 January 2009 according to Swiss GAAP ARR	0.9	-0.1	83.8	551.4	-66.3	569.7
Net result	-	-	-	63.7	-	63.7
Share award plan (see note 27)	-	0.0	0.8	-	-	0.8
Dividends	-	-	-	-27.7	-	-27.7
Offset of goodwill from acquisitions (see note 18)	-	-	-	-4.6	-	-4.6
Change in valuation of interest rate swap, net of income taxes	-	-	-	-0.0	-	-0.0
Currency translation differences	_	_	-	_	-5.6	-5.6
At 31 December 2009	0.9	-0.1	84.6	582.8	-71.9	596.3
Net result	-	-	-	98.2	-	98.2
Share award plan (see note 27)	-	0.0	1.1	-	-	1.1
Dividends	-	-	-	-18.5	-	-18.5
Offset of goodwill from acquisitions (see note 18)	-	-	-	-69.9	_	-69.9
Change in valuation of interest rate swap,						
net of income taxes (see note 29)	-	-	-	0.7	-	0.7
Currency translation differences	_	_	_	_	-24.4	-24.4
At 31 December 2010	0.9	-0.1	85.7	593.3	-96.3	583.5

⁽¹⁾ Holding company's share capital of CHF 850'000 (previous year CHF 850'000), less par value of treasury shares of CHF 77'680 (previous year

Since the beginning of 2010 the consolidated financial statements have been prepared in accordance with Swiss GAAP ARR. Prior period figures have been restated to conform to the presentation for the current financial period to ensure comparability.

The accompanying notes on pages 54 to 85 are an integral part of these consolidated financial statements.

⁽²⁾ Arising on translation of Group companies' equity and income statements denominated in foreign currencies.
(3) At 31 December 2010 shareholders' equity includes legal reserves of CHF 164.6 million, of which CHF 41.3 million are not distributable.

Notes to the Consolidated Financial Statements

1 / SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements give a true and fair view of the financial position, results of operations and cash flows of the Datwyler Group. They have been prepared in accordance with the complete set of Swiss GAAP Accounting and Reporting Recommendations (ARR) and are based on the subsidiaries' annual financial statements at 31 December which are prepared using uniform classification and accounting policies. The consolidated financial statements are prepared under the going concern assumption, based on the historical cost principle, and also comply with the Listing Rules of the SIX Swiss Exchange and the provisions of Swiss Corporation Law. The Board of Directors of Datwyler Holding Inc. approved the consolidated financial statements at its meeting on 16 March 2011 for submission to the Annual General Meeting on 19 April 2011.

Some previous year comparatives have been reclassified to conform to the presentation of the current financial year to ensure comparability.

Conversion from IFRS to Swiss GAAP ARR

The main reason for changing from IFRS to Swiss GAAP ARR is the growing complexity and intricacy of the detailed rules and disclosure requirements of IFRS. It is expected that this development will continue to intensify and thus the cost-benefit ratio will become increasingly unfavourable. The Datwyler Group is convinced that Swiss GAAP ARR represents a comprehensive and solid alternative to IFRS. By focusing on the essentials, Swiss GAAP ARR is less complex and more practicable in use.

The accounting policies and presentation according to Swiss GAAP ARR applied to the annual consolidated financial statements 2010 deviate from the consolidated financial statements for the year ended 31 December 2009, prepared in accordance with IFRS, with the significant changes summarised below:

At the date of acquisition, goodwill from acquisitions as well as acquired customer lists and trademarks are fully offset against retained earnings in equity according to the allowed treatment of Swiss GAAP ARR 30 "Consolidated financial statements". According to IFRS, goodwill from acquisitions was capitalised and tested annually for impairment. Similarly, acquired customer lists and trademarks were capitalised and amortised on a straight-line basis over their estimated useful lives.

According to Swiss GAAP ARR 16 "Pension benefit obligations" the existing economic obligations and respective benefits relating to Swiss pension schemes are measured based on the Swiss pension plan financial statements prepared in accordance with Swiss GAAP ARR 26 "Accounting of pension plans". The expected economic impacts of pension schemes of foreign subsidiaries are measured according to the valuation methods applied locally. Employer contribution reserves and comparable items are recognised in the balance sheet if the respective requirements according to Swiss GAAP ARR 16 are met. According to IFRS, defined benefit plans were measured using the projected unit credit method and recognised in accordance with IAS 19.

Securities are classified as current assets, measured unchanged at current market values with unrealised gains and losses recognised in the income statement. According to IFRS, unrealised gains and losses of available-for-sale securities were recognised in equity.

Treasury shares used in share award plans are measured at market value at the respective issue dates and recognised as personnel expenses. The difference between market and nominal value of the unissued bearer shares is credited to additional paid-in capital. According to IFRS, share-based payments were measured at fair value at the grant date and recorded as personnel expenses over the term of the agreement.

The above-mentioned changes in valuation and recognition of assets and liabilities result in corresponding deferred income tax effects in the balance sheet and income statement.

Under IFRS, some customer specific assets with certain leasing characteristics were recognised as lease receivables based on the interpretation of IFRIC 4. According to Swiss GAAP ARR, these assets are classified as property, plant and equipment. In the income statement there is no impact on the net result from the reclassifications increasing revenues and depreciation of property, plant and equipment and decreasing interest income on lease receivables.

Assets held for sale and unbuilt land lots are included in property, plant and equipment and not classified separately.

Prior period figures have been restated to conform to the presentation for the current financial period to ensure comparability. The following schedules illustrate the effects of the conversion from IFRS to Swiss GAAP ARR on equity and net result:

In CHF millions	01.01.2010	01.01.2009
Equity according to IFRS	899.0	829.1
Adjustments on conversion to Swiss GAAP ARR:		
Charge of goodwill from acquisitions	-216.5	-205.0
Charge of acquired customer lists and trademarks (as part of goodwill)	-168.5	-168.2
Pension assets	-1.7	0.3
Pension liabilities	35.4	71.4
Deferred income tax assets/liabilities	48.6	42.1
Total adjustments to equity	-302.7	-259.4
Equity according to Swiss GAAP ARR	596.3	569.7

In CHF millions	2009
Net result according to IFRS	57.2
Adjustments on conversion to Swiss GAAP ARR:	
Elimination lease receivables: increase in net revenue	8.8
Elimination lease receivables: increase in depreciation of property, plant and equipment	-7.4
Elimination amortisation of acquired customer lists and trademarks	9.4
Personnel expenses: pension costs	-0.7
Personnel expenses: share award plan	-0.5
Finance income: market valuation of securities	0.4
Finance income: elimination of interest income on lease receivables	-1.4
Deferred income tax expense	-2.1
Total adjustments to net result	6.5
Net result according to Swiss GAAP ARR	63.7

Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Datwyler Holding Inc. domiciled in Altdorf (Switzerland) and all subsidiaries which belonged to the Group during the year and over which Datwyler Holding Inc. had the power to govern the financial and operating policies so as to obtain benefits from their activities. In the Datwyler Group, this is achieved when more than 50 % of a Group company's share capital or voting rights is unconditionally owned directly or indirectly by Datwyler Holding Inc.

A list of the subsidiaries included in the consolidation is presented in note 35.

Consolidation method

The financial statements of subsidiaries are prepared using uniform classification and accounting policies. The reporting date for Datwyler Holding Inc., all subsidiaries and the consolidated financial statements is 31 December.

The full consolidation method is applied to all subsidiaries included in the consolidation. Their assets, liabilities, income and expenses are incorporated in full. Minority interests are presented as a separate component of the Group's equity and net result. The purchase method of accounting is used to account for the acquisition of subsidiaries. Under this method, the carrying amount of the investment in a subsidiary is offset against the Group's share of the fair value of the subsidiary's net assets.

Intercompany transactions and balances are eliminated. Unrealised intercompany profits on goods and services supplied within the Group but not yet sold to third parties are eliminated on consolidation.

Companies over which the Group has the power to exercise significant influence, generally accompanying a shareholding of between 20% and 50% of the voting rights, are classified as associates and accounted for using the equity method. In 2010 and 2009, the Group had no investments classified as associates.

Companies acquired or established or those in which the Group increases its interest and thereby obtains control during the year are consolidated from the date of formation or date on which control commences. Companies are deconsolidated from the date that control effectively ceases upon disposal or a reduction in ownership interest.

Foreign currency translation

TRANSLATION FOR CONSOLIDATION PURPOSES

The financial statements of foreign Group companies are prepared in local currencies. For the purpose of consolidation, the local financial statements are translated into Swiss francs (CHF), which is the Group's presentation currency. The principal exchange rates used to translate foreign currencies in the Datwyler Group were as follows:

		2010		2009
		Average rate for the year	Closing rate at 31.12.	
1 EUR	1.25	1.38	1.49	1.51
100 SEK	13.98	14.47	14.36	14.23
1 USD	0.94	1.04	1.04	1.09

For the purpose of presenting consolidated financial statements, assets and liabilities for each balance sheet are translated at the closing rate at the balance sheet date, while income statements, cash flow statements and other movements are translated at average exchange rates for the year.

Exchange differences arising from the translation of balance sheets and income statements of foreign Group companies are taken directly to reserves (currency translation reserve in equity) and not recognised in the income statement.

TRANSLATION OF BALANCES AND TRANSACTIONS IN THE ACCOUNTS OF SUBSIDIARIES

In preparing the financial statements of the individual Group companies, assets and liabilities denominated in foreign currencies are translated at the closing rates used in the consolidation. Exchange differences resulting from the settlement of foreign currency transactions and from the translation of assets and liabilities denominated in foreign currencies are recognised as foreign exchange gains or losses in the income statement. There are no foreign operations in hyperinflationary economies. Exchange differences from the valuation of equity-like loans denominated in foreign currencies or in CHF at foreign subsidiaries are directly charged to equity.

Income statement and balance sheet

REVENUE RECOGNITION

Revenue arising from the sale of goods is recognised when the significant risks and rewards of ownership have passed to the buyer, which generally coincides with their delivery. Revenue under longterm multiple supply contracts is recorded when each instalment is delivered, according to the quantity delivered. Revenue from services rendered is recognised by reference to the stage of completion in the period in which the services were rendered.

GROSS PROFIT

The income statement is presented using a nature of expense format where gross profit represents net revenue less material costs and changes in inventories.

RESEARCH AND DEVELOPMENT

Research expenditure is recognised as an expense in the period in which it is incurred. Development costs are capitalised only if it can be demonstrated that future economic benefits will be generated. Otherwise they are charged to the income statement.

INCOME TAX EXPENSE

Current income tax is calculated on taxable profits for the year and recognised on an accrual basis.

Deferred income tax is provided, using the liability method, on all temporary differences and recognised as tax liabilities or assets. Temporary differences arise between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The same method is also used to provide for differences arising on acquisitions between the fair value and tax base of the assets acquired. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right and intends to settle its current tax assets and liabilities on a net basis. Deferred tax is calculated using local tax rates that have been enacted by the balance sheet date.

Tax losses carried forward are recognised as deferred tax assets to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Provision is made for tax that will arise on the distribution of profits retained by Group companies, mainly comprising non-refundable withholding tax and income tax in the parent company, if it is intended to remit such profits in the form of dividends.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, deposits in postal and bank accounts, and money market investments with original maturities of three months or less. They are stated at nominal value.

MONEY MARKET INVESTMENTS

Money market investments with an original maturity of 91 to 360 days are stated at nominal value.

SECURITIES

Securities are initially recognised at cost including transaction costs. All purchases and sales are recognised on the trade date. Securities are subsequently remeasured to their current fair value at each balance sheet date with unrealised gains and losses recognised in the income statement and classified as current assets. Foreign exchange gains and losses on securities are also recognised in the income statement.

TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT RECEIVABLES

Trade accounts receivable and other current receivables are recognised at nominal value less provision for any impairment.

Doubtful debts are provided for by way of specific provisions and taking into account the actual losses expected based on past experience. Delinquency in payment by customers, or the probability that the debtor will enter bank-ruptcy or financial reorganisation are considered indicators of impairment. The provision for impairment of receivables is presented separately. The amount of the provision is the difference between the receivable's carrying amount and its current estimated recoverable amount. When receivables are no longer collectible, they are written off against the provision for impairment. Changes in the carrying amount of the provision for impairment and income from recoveries of receivables previously written off are recognised in operating expenses in the income statement.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Purchasing discounts received are offset against the production cost of inventories. Production cost comprises all direct material and manufacturing costs as well as those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method. Appropriate provisions are made for slow-moving inventories and obsolete inventories are fully written off. If the net realisable value of inventories is lower than their purchase price or production cost, then their carrying amount is written down as necessary.

LONG-TERM CONTRACTS

Since 2010, in the Cabling Solutions Division certain customer orders, normally for large projects, are accounted for using the percentage of completion method. The respective stage of completion is determined for every individual project by measuring costs incurred to date as percentage of estimated total costs. Costs incurred to date and revenues realised according to the stage of completion are continuously recognized in the income statement. In the balance sheet, costs incurred to date plus the proportionate share in profits less customer advances received are recognised as net assets or net liabilities from long-term contracts. Existing and foreseeable future losses of projects in progress are immediately provided for in full.

PROPERTY, PLANT AND EQUIPMENT

Land is stated at cost. Buildings, plant and equipment are stated at cost less depreciation, calculated on a straightline basis to write off the assets over their estimated useful lives, and less any impairment losses. Cost comprises the purchase price and any costs directly attributable to bringing the assets into working condition for their intended use.

The estimated useful lives and depreciation periods in years are as follows:

	Years
Buildings:	
Building structures	20-40
Interiors	20
Installations, storage equipment, tanks, silos, etc.	10-20
Production equipment	10-15
Production equipment: electrical/electronic equipment	5-8
Machinery	8–10
Moulds and tools	3

Land is generally not depreciated, but any impairment loss is recognised.

Costs of maintenance and renovations, other than improvements, are charged to the income statement. Borrowing costs of long-term projects actually incurred during construction in progress are capitalised, all other financing costs are expensed as incurred.

The residual values and useful lives of property, plant and equipment are reviewed annually and adjusted, if appropriate.

LEASES

The Datwyler Group leases certain assets. Leased assets where substantially all the risks and rewards of ownership are transferred to the Datwyler Group at the inception of the lease are classified as finance leases. The fair value of such assets or, if lower, the net present value of the future minimum lease payments is therefore recognised as a non-current asset and as a finance lease liability in the balance sheet. Assets acquired under finance leases are depreciated over the shorter of their estimated useful lives or the lease term. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

INTANGIBLE ASSETS

Intangible assets mainly include software as well as licences, patents and other intangible assets which are capitalised at cost and amortised on a straight-line basis over their estimated useful lives. Useful lives of software are between 3 and 5 years.

GOODWILL

Goodwill arising on business combinations represents the excess of the cost of acquisition over the Group's interest in the fair value of the recognised assets and liabilities at the date of acquisition. Goodwill from acquisitions is fully offset against equity at the date of acquisition. The impact of the theoretical capitalisation and amortisation of goodwill is disclosed in the notes to the consolidated financial statements. For the determination of goodwill from acquisitions, parts of the purchase price contingent on future performance are estimated best possible at the date of acquisition. Accordingly, goodwill offset against equity is modified for adjustments resulting later from the final purchase price determination. Goodwill may also arise upon investments in associates, being the excess of the cost of investment over the Group's share of the fair value of the net identifiable assets.

IMPAIRMENT OF NON-CURRENT ASSETS AND GOODWILL

At every balance sheet date an assessment is made for non-current assets (in particular property, plant, equipment, intangible assets, financial assets as well as goodwill offset against equity) whether indicators for an impairment exist. If indicators for a continuous impairment exist, the recoverable amount of the asset is determined. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset belongs.

When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised separately in the income statement. As goodwill is fully offset against equity at the date of acquistion, an impairment of goodwill will not affect income, but only be disclosed in the notes to the consolidated financial statements.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments used for hedging of balance sheet items are recognised at fair value on the date a derivative contract is entered into and are recorded as other receivables or other current liabilities. Derivatives are subsequently remeasured to their current fair value at each balance sheet date, with unrealised gains and losses recognised in the income statement. Fair values of derivative financial instruments are determined by reference to current market prices on the balance sheet date. Changes in the fair value of derivative financial instruments used to hedge future cash flows are directly recognised in equity until realised.

Derivatives used to hedge purchases of raw materials with physical settlement (delivery) are excluded from fair value measurement. The Group does not enter into any commodity contracts for speculative purposes.

The Group uses forward exchange contracts and currency options to hedge its exposure to foreign currency risk as well as interest rate swaps to hedge its exposure to interest rate risk.

FINANCIAL ASSETS

Financial assets include loans to third parties, minority shareholdings as well as deferred income tax assets. Loans receivable and minority shareholdings are stated at cost less appropriate impairment losses.

TRADE ACCOUNTS PAYABLE

Trade accounts payable are recognised at nominal value.

PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. A provision for the expected costs associated with restructuring is recognised when a detailed restructuring plan has been developed and the measures have been approved before the balance sheet date.

BANK DEBT

Bank debt is recognised at nominal value. Discounts are netted with bank debt and recognised on a straight-line basis in the financial result of the income statement over the period of the respective bank loan. Bank debt is classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

DIVIDENDS

Dividend payments to shareholders are recognised as a liability in the balance sheet in the period in which the dividends are approved by shareholders.

PENSION BENEFITS

Pension benefit obligations of Group companies are recognised in the consolidated financial statements according to legal regulations and local rules of the respective countries. The actual economic impact of pension schemes for a Group company is calculated as at balance sheet date. An economic benefit is recorded, if it will be used for future pension contributions made by the company. An economic obligation is recognised if the requirements to record a provision are met. Unrestricted employer contribution reserves are capitalised as an asset.

The Swiss subsidiaries of the Group have their own legally independent pension schemes financed by employer and employee contributions. The economic impact of a funding surplus or deficit of pension schemes for the Group, the change in employer contribution reserves and the contributions accrued for the period are charged to income as personnel expenses. The calculation of a funding surplus or deficit is made based on the annual financial statements of the respective pension schemes prepared in accordance with Swiss GAAP ARR 26.

There are no significant pension schemes in foreign countries. Certain foreign subsidiaries have unfunded pension schemes and recognise the respective benefit obligation as a provision directly in the balance sheet. Such pension liabilities are calculated using methods accepted in the respective countries with changes charged to income as personnel expenses. In addition, in certain countries there are comprehensive coverages with insurance companies where the paid insurance premiums are recorded as an expense.

SHARE AWARD PLAN

Since 2007, a share award plan for Directors and senior executives is in place, see note 27. Sharebased payments to Directors and senior executives are measured at market value at the issue date and recognised as personnel expenses. The shares awarded may not be sold for a period of 5 years after issue date. Voting and dividend rights of shares awarded are transferred to beneficiaries at issue date.

CAPITAL MANAGEMENT

The Group has a solid equity base. It consequently focuses the management of its capital structure on the equity of the Group as a whole, the following objectives and policies being relevant:

- Where possible and economically viable, the Group finances its operations through equity, the objective being to maintain an equity ratio of approximately 60%.
- A portion of profits generated is paid out to owners as dividends, taking into account current financing needs and compliance with legal requirements. The current dividend policy is generally to maintain a payout ratio of about one-third of the Group's profit for the year.

2 / RISK MANAGEMENT

Risk assessment

As part of its duties to oversee the management of the Group, the Board of Directors of Datwyler Holding Inc. conducts a systematic risk assessment at least once a year. At its meeting held on 17 September 2010, the Board of Directors acknowledged management's report on group-wide risk management and approved the proposed actions included therein.

Financial risk management

The Datwyler Group's global operations expose it to a variety of financial risks, including currency risk, interest rate risk, credit risk, liquidity risk and market price risk. The nature of these risks has not changed significantly from the previous year. The Group's financial risk management measures, implemented without change from the previous year, seek to minimise potential adverse effects of the unpredictability of financial markets on the Group's financial performance. For this purpose, derivative financial instruments may be used occasionally to hedge risks and exposures.

Liquidity reserves

In CHF millions	2010	2009
Cash and cash equivalents	113.4	172.3
Money market investments	2.4	23.0
Securities	3.9	4.1
Available credit lines	254.8	184.6
Total liquidity reserves	374.5	384.0

Net cash surplus

In CHF millions	2010	2009
Cash and cash equivalents	113.4	172.3
Money market investments	2.4	23.0
Securities	3.9	4.1
Less short-term bank debt	-83.5	-155.2
Net cash surplus	36.2	44.2

Some short-term bank debt, together with corresponding bank deposits, is part of a notional cash pool arrangement, but all of these assets and liabilities are reported gross.

3 / BUSINESS ACQUISITIONS AND DISPOSALS

Acquisitions and disposals during 2010 and 2009 are shown below. The percentages in brackets indicate the percentage voting rights held in each company.

Transactions 2010

ACQUISITIONS

Reichelt Elektronik GmbH & Co. KG, Sande, Germany (100%) Reichelt Elektronik Verwaltungsgesellschaft mbH, Sande, Germany (100%)

COMPANIES ESTABLISHED

Helvoet Pharma International AG, Dübendorf, Switzerland (100%) Helvoet Pharma India Operations Private Limited, Kesurdi, Distrikt Satara, Maharashtra, India (100%) Datwyler IT Services AG, Altdorf, Switzerland (100%)

LIQUIDATIONS

Datwyler Rubber & Plastics Inc., Marion, SC, USA (100%)

MERGERS

In October 2010 ELFA Intressenter AG, Järfälla, Sweden (100%) was merged with Distrelec Sweden AB, Järfälla, and Nordic Power Norge, Fredrikstad, Norway (100%) was merged with ELFA Elektronikk AS, Oslo.

Transactions 2009

ACQUISITIONS

Engineering business of SymbioTec AG, Niederurnen, Switzerland Nordic Power Group:

- Nordic P Consulting AB, Strömstad, Sweden (100%)
- Nordic Power i Strömstad AB, Strömstad, Sweden (100%)
- Nordic Power Norge AS, Fredrikstad, Norway (100%)

COMPANY ESTABLISHED

Teco Immobilien AG, Altdorf, Switzerland (100%)

DISPOSALS

Mader Technic AG, Dübendorf, Switzerland (100%)

LIQUIDATIONS

CLL Connectors & Cables AB, Järfälla, Sweden (100%)

MERGERS

In November 2009 the following subsidiaries were merged with Datwyler Pharma Pack Holding AG, Altdorf, Switzerland:

Helvoet Pharma International SA, Luxembourg (100%)

Helvoet Pharma NV, Alken, Belgium (100%)

4 / SEGMENT INFORMATION

Amounts in CHF millions						
	Technical Components	Pharma Packaging	Cabling Solutions	Sealing Technologies	Elimi- nations	Total Group
2010:						
Revenue from external customers	648.9	277.4	242.9	150.3	-	1'319.5
Inter-segment revenue	1.6	-	0.7	1.1	-3.4	-
Total net revenue	650.5	277.4	243.6	151.4	-3.4	1'319.5
EBIT	70.4	34.2	9.6	13.7	-	127.9
EBIT as % of net revenue	10.8%	12.3%	3.9%	9.0%	_	9.7%

Amounts in CHF millions						
	Technical Components	Pharma Packaging	Cabling Solutions	Sealing Technologies	Elimi- nations	Total Group
2009:						
Revenue from external customers	489.5	279.6	221.0	132.1	-	1'122.2
Inter-segment revenue	2.2	-	0.4	1.4	-4.0	-
Total net revenue	491.7	279.6	221.4	133.5	-4.0	1'122.2
EBIT	9.0	39.5	21.6	9.9	-	80.0
EBIT as % of net revenue	1.8%	14.1%	9.8%	7.4%	-	7.1%

Since the beginning of 2010 the consolidated financial statements have been prepared in accordance with Swiss GAAP ARR. Prior period figures have been restated to conform to the presentation for the current financial period to ensure comparability.

The Datwyler Group is an international multi-niche player organised into four divisions. The costs of the Group management functions are allocated to the divisions using a revenue-based key. The divisions are managed independently and their business performance is measured separately.

The Technical Components Division engages in specialist and catalogue distribution. Its distribution and service companies are located in Switzerland, Germany, Austria, Italy, France, Scandinavia, Poland, the Czech Republic, the Baltic States and the Ukraine.

The Pharma Packaging Division focuses on manufacturing rubber and aluminium/plastic components for pharma packaging as well as rubber components for diagnostics and drug delivery systems. Products are manufactured and distributed by Group companies in Belgium, Italy, Germany, the Netherlands and the USA.

The Cabling Solutions Division is a provider of end-to-end solutions in the areas data networks, safety cabling systems, building automation, elevator cabling systems and in-house energy provision. There are manufacturing and distribution facilities in Switzerland, Germany, Austria, the UK and Asia.

The Sealing Technologies Division develops and produces moulded components and extruded products and distributes them primarily in the automotive, construction and industrial sectors. Its manufacturing and distribution companies are located in Switzerland, Germany, the Czech Republic, the Ukraine and Mexico.

For Datwyler Group overall no meaningful order intake or backlog data can be presented because the business in the Technical Components Division is mostly executed on a daily basis with no significant order intake and backlog existing.

Net revenue by geographical region

In CHF millions	2010	2009
Switzerland	360.4	365.3
European Union	715.6	540.0
Rest of Europe	40.9	42.4
North and South America	103.3	93.4
Far East	70.3	54.1
Other markets	29.0	27.0
Total Group	1'319.5	1'122.2

Net revenue by geographical region corresponds to revenue from external customers by destination.

5 / OTHER OPERATING INCOME

Other operating income includes revenue from services, scrap sales as well as packaging and freight costs invoiced to customers.

6 / PERSONNEL EXPENSES

In CHF millions	2010	2009
Wages and salaries	251.5	245.9
Benefit costs	65.5	69.1
State social security contributions	27.2	29.1
Pension costs (see note 7)	12.4	14.3
Other benefit costs	25.9	25.7
Other employee costs	16.0	12.8
Total personnel expenses	333.0	327.8

Since 2007, a share award plan for Directors and senior executives is in place, see note 27.

7 / EMPLOYEE BENEFIT SCHEMES

Employer contribution reserves (ECR)

In CHF millions	Nominal value ECR	Waiver of usage	Value adjust- ments	Charge/ (Reversal)	Balance sheet	Balance sheet	Result from ECR in personnel expenses	Result from ECR in personnel expenses
	31.12.10	31.12.10	31.12.10	2010	31.12.10	31.12.09	2010	2009
Pension schemes without funding								
surplus/deficit Switzerland	-	-	-	-0.1	_	0.1	0.1	0.1
Total	-	-	-	-0.1	_	0.1	0.1	0.1

Economic benefit/obligation and pension costs

In CHF millions	Funding surplus/deficit according to Swiss GAAP ARR 26	Economic impact Group	Economic impact Group	differences not affecting	Change to prior year or charge to income current year	Contributions for the period	Pension costs in personnel expenses	Pension costs in personnel expenses
	31.12.10	31.12.10	31.12.09				2010	2009
Welfare funds Switzerland	0.3	0.0	0.0	_	0.0	0.0	0.0	0.0
Pension schemes without funding								
surplus/deficit Switzerland	0.0	0.0	-9.6	-	-9.6	20.0	10.4	13.1
Pension schemes without funding								
surplus/deficit abroad	_	0.0	0.0	_	0.0	1.2	1.2	0.8
Unfunded pension schemes abroad	-	-1.9	-1.8	-0.4	0.5	0.2	0.7	0.3
Total		-1.9	-11.4	-0.4	-9.1	21.4	12.3	14.2

Summary of pension costs

In CHF millions			
	Switzerland	Abroad	Total
	2010	2010	2010
Contributions to pension schemes expensed at Group companies	20.0	1.4	21.4
Contributions to pension schemes made from employer contribution reserves (ECR)	0.1	-	0.1
Total contributions	20.1	1.4	21.5
+/- Changes in ECR due to asset performance, value adjustments, discounting, etc.	-	_	_
Contributions and changes in employer contribution reserves	20.1	1.4	21.5
Increase/reduction economic benefit Group from excess coverage	-	-	-
Reduction/increase economic obligation Group from insufficient coverage	-9.6	0.5	-9.1
Total change in economic impact from excess/insufficient coverage	-9.6	0.5	-9.1
= Pensions costs included in personnel expenses for the period	10.5	1.9	12.4

In CHF millions			
	Switzerland	Abroad	Total
	2009	2009	2009
Contributions to pension schemes expensed at Group companies	16.0	0.9	16.9
Contributions to pension schemes made from employer contribution reserves (ECR)	0.1	-	0.1
Total contributions	16.1	0.9	17.0
+/- Changes in ECR due to asset performance, value adjustments, discounting, etc.	_	-	_
Contributions and changes in employer contribution reserves	16.1	0.9	17.0
Increase/reduction economic benefit Group from excess coverage	-	-	_
Reduction/increase economic obligation Group from insufficient coverage	-2.9	0.2	-2.7
Total change in economic impact from excess/insufficient coverage	-2.9	0.2	-2.7
= Pensions costs included in personnel expenses for the period	13.2	1.1	14.3

8 / OPERATING EXPENSES

In CHF millions	2010	2009
Supplies, packaging materials, freight and storage costs	57.5	50.4
Repairs and maintenance	35.5	24.5
Energy	21.8	21.2
Operating lease and rental expense	13.1	14.6
Capital tax, administrative and selling expenses	48.6	44.1
Other operating expenses	18.6	19.6
Total operating expenses	195.1	174.4

9 / NET FINANCE RESULT

In CHF millions		2009
Interest expense on bank and other loans	4.9	9.9
Interest expense on finance leases	0.0	0.1
Securities valuation loss	0.2	_
Fair value loss on forward exchange contracts	0.1	1.2
Realised loss on interest rate swap	1.2	0.9
Net foreign exchange loss on financing activities	5.9	-
Finance charges	0.8	0.7
Total interest and finance expenses	13.1	12.8
Interest income on bank deposits and loans receivable	-0.7	-1.6
Securities income	-0.1	-1.9
Fair value gain on forward exchange contracts	-2.9	-0.2
Net foreign exchange gain on financing activities	_	-1.2
Total interest and finance income	-3.7	-4.9
Net finance result (expenses, net)	9.4	7.9

Foreign exchange gains and losses

In CHF millions	2010	2009
Net foreign exchange losses/(gains) on financing activities	5.9	-1.2
Net foreign exchange losses on purchase and sale of goods and other	4.8	1.4
Total net foreign exchange losses	10.7	0.2

10 / INCOME TAX EXPENSES

In CHF millions	2010	2009
Current income tax expense	14.7	11.3
Deferred income tax expense/(credit)	5.6	-2.9
Total income tax expenses	20.3	8.4

The Group's average income tax rate was 20.7% (previous year 19.5%).

Tax loss carryforwards

Total available tax loss carryforwards result in deferred income tax assets, gross, of CHF 12.3 million (previous year CHF 23.0 million), of which a net amount of CHF 10.0 million (previous year CHF 6.0 million) was capitalised. The reassessment of tax loss carryforwards influenced the increase in deferred income tax assets by CHF 2.7 million. Deferred income tax assets are recognised for tax loss carryforwards to the extent that according to current estimates it appears probable that future taxable profits will be available against which tax loss carryforwards can be utilised. Deferred tax assets have been recognised in respect of tax losses carried forward by companies whose results have been subject to cyclical fluctuations or that have incurred start-up losses and where there are clear indications that they will generate sufficient taxable profits in the foreseeable future.

11 / CASH, CASH EQUIVALENTS AND MONEY MARKET INVESTMENTS

In CHF millions	2010	2009
Cash in hand and at bank	57.1	78.3
Money market investments (original maturities up to 90 days)	56.3	94.0
Total cash and cash equivalents	113.4	172.3
Money market investments (original maturities 91 to 360 days)	2.4	23.0
Total cash, cash equivalents and money market investments	115.8	195.3

12/ SECURITIES

Securities comprise equity funds with a fair value of CHF 3.9 million (previous year CHF 4.1 million).

13 / TRADE ACCOUNTS RECEIVABLE

In CHF millions	2010	2009
Trade accounts receivable, gross	137.7	141.8
Provision for impairment of trade accounts receivable	-3.9	-4.8
Total trade accounts receivable, net	133.8	137.0

Aging analysis of gross trade accounts receivable

In CHF millions	2010	2009
Not yet due	107.7	107.4
Past due 1–30 days	16.3	18.6
Past due 31–60 days	5.6	5.6
Past due 61–90 days	1.5	4.2
Past due 91–180 days	3.0	1.5
Past due more than 181 days	3.6	4.5
Total trade accounts receivable, gross	137.7	141.8

Movements in provision for impairment of trade accounts receivable

In CHF millions	2010	2009
At 1 January	4.8	5.0
Charge for the year	1.3	2.5
Unused amounts reversed	-0.9	-1.5
Receivables written off as uncollectible	-0.9	-1.2
Acquisition / disposal of subsidiaries	0.2	0.0
Exchange differences	-0.6	-0.0
At 31 December	3.9	4.8
Of which specific provisions for impairment	3.5	4.4

14 / INVENTORIES

In CHF millions	2010	2009
Raw material, gross	23.2	27.3
Consumables, gross	11.5	13.3
Work in progress, gross	28.4	27.9
Finished goods, gross	58.5	67.5
Goods for resale, gross	97.9	83.1
Less provision for impairment of inventories	-31.4	-35.5
Total inventories	188.1	183.6

15 / LONG-TERM CONTRACTS

In CHF millions	2010	2009
Costs incurred to date of projects in progress	4.4	-
Proportionate realised profits/(losses) of projects in progress	-0.5	-
Less customer advances received of projects in progress	-2.4	-
Total net assets/liabilities from long-term contracts	1.5	-
Net assets from long-term contracts	1.5	-
Net liabilities from long-term contracts	-	-
Total net assets/liabilities from long-term contracts	1.5	-

Net revenue includes revenues from long-term contracts of CHF 4.3 million (previous year: none). At year-end 2010, there were two projects in progress (previous year: none) with an average volume of CHF 2.6 million. The stage of completion of these projects, calculated as costs incurred to date in percent of estimated total costs, was approximately 86% at 31 December 2010. There were no retentions by customers at balance sheet date.

16 / OTHER RECEIVABLES

In CHF millions	2010	2009
Withholding, capital and value added tax receivable	8.9	7.7
Current income tax assets	2.3	4.0
Prepayments made, advances given and deposits made	3.6	1.5
Accrued interest receivable	0.0	0.0
Derivative assets: forward exchange contracts (see note 29)	1.2	0.6
Miscellaneous receivables	3.9	4.2
Provision for impairment of other receivables	-0.2	-0.3
Total other receivables	19.7	17.7

/ Property, plant and equipment

In CHF millions	Unbuilt land lots	Real estate	Machinery and production equipment	ter systems,	Assets under construction	Total property, plant and equipment
PROPERTY, PLANT AND EQUIPMENT 2010:						
At cost						
At 1 January 2010	3.8	342.7	540.1	66.5	56.6	1'009.7
Additions	_	2.9	11.3	3.3	17.3	34.8
Acquisition/disposal of subsidiaries	_	7.7	1.8	0.5	-	10.0
Disposals	-0.1	-20.3	-10.0	-9.3	-0.0	-39.7
Transfers	-	21.5	31.7	1.4	-54.6	-
Exchange differences	_	-16.0	-40.7	-6.1	-4.0	-66.8
At 31 December 2010	3.7	338.5	534.2	56.3	15.3	948.0
Accumulated depreciation						
At 1 January 2010	_	-201.4	-389.7	-53.0	-	-644.1
Depreciation expense	_	-9.2	-30.7	-6.8	-	-46.7
Impairment charges	_	_	-0.0	-0.0	-	-0.0
Disposals	_	14.6	9.4	9.3	_	33.3
Exchange differences	_	6.0	27.4	4.1	_	37.5
At 31 December 2010	-	-190.0	-383.6	-46.4	-	-620.0
Net book values						
At 1 January 2010	3.8	141.3	150.4	13.5	56.6	365.6
At 31 December 2010	3.7	148.5	150.6	9.9	15.3	328.0

In CHF millions	Unbuilt land lots	Real estate	Machinery and production equipment	ter systems,	Assets under construction	Total property, plant and equipment
PROPERTY, PLANT AND EQUIPMENT 2009:						
At cost						
At 1 January 2009	4.3	342.8	522.6	69.2	49.9	988.8
Additions	_	3.5	19.8	4.6	25.2	53.1
Acquisition/disposal of subsidiaries	-	-	-	-0.1	-	-0.1
Disposals	_0 5	-5.6	-16.2	-7.7	-0.0	-30.0
Transfers	_	2.7	15.0	0.4	-18.1	_
Exchange differences	_	-0.7	-1.1	0.1	-0.4	-2.1
At 31 December 2009	3.8	342.7	540.1	66.5	56.6	1'009.7
Accumulated depreciation						
At 1 January 2009	-	-194.5	-374.7	-52.8	-	-622.0
Depreciation expense	_	-8.4	-31.7	-7.5	-	-47.6
Impairment charges	-	-1.7		-	-	-1.8
Acquisition/disposal of subsidiaries	_	_	-	0.1	-	0.1
Disposals	_	3.0	15.8	7.2	-	26.0
Exchange differences	_	0.2	1.0	0.0	_	1.2
At 31 December 2009	-	-201.4	-389.7	-53.0	-	-644.1
Net book values						
At 1 January 2009	4.3	148.3	147.9	16.4	49.9	366.8
At 31 December 2009	3.8	141.3	150.4	13.5	56.6	365.6

In 2010, impairment charges of CHF 0.0 million (previous year CHF 1.8 million) were recognised. Details relating to the previous year are as follows:

Sealing Technologies Division

Manufacturing facilities/USA: At a manufacturing facility engaged in the automotive business in the USA which was liquidated on 2010, property, plant and equipment had to be reviewed for impairment in 2009. The net realisable value determined led to the recognition of an impairment charge of CHF 0.5 million on property and manufacturing facilities.

Technical Components Division

Due to the continuing difficult market environment certain property held by specialist distribution facilities in Switzerland and Germany was reviewed for impairment in 2009 resulting in impairment charges of CHF 1.3 million.

Other details of property, plant and equipment

The carrying amount of property, plant and equipment includes a manufacturing building leased to a company in the Technical Components Division.

In CHF millions	2010	2009
Leased property, plant and equipment, at cost	3.1	3.6
Accumulated depreciation	-0.9	-0.7
Net book value of property, plant and equipment under finance leases	2.2	2.9

At year-end, real estate with a net book value of CHF 0.2 million (previous year CHF 5.3 million) was pledged or assigned to secure own liabilities. Assets under construction include prepayments made of CHF 1.0 million. Additions to property, plant and equipment include capitalised borrowing costs of CHF 0.0 million (previous year CHF 0.6 million). At balance sheet date, commitments for capital expenditure on property, plant and equipment amounted to CHF 14.5 million (previous year CHF 0.6 million).

Fire insurance value of property, plant and equipment:

In CHF millions	2010	2009
Buildings	514.2	553.9
Machinery, equipment and vehicles	901.6	853.2
Total fire insurance value of property, plant and equipment	1'415.8	1'407.1

The assets are insured at replacement value. Business interruption risks are insured throughout the Group.

18 / ACQUIRED INTANGIBLE ASSETS

In CHF millions	0	her To t	tal
	intan		ble
ACQUIRED INTANGIBLE ASSETS 2010:			
At cost			
At 1 January 2010	23.7	0.2 23	.9
Additions	4.1	0.0 4	.1
Acquisition / disposal of subsidiaries	0.0	- 0	.0
Disposals	-0.8	0	.8
Exchange differences	-1.3 -	0.0 –1	.3
At 31 December 2010	25.7	0.2 25.	.9
Accumulated amortisation			
At 1 January 2010	-18.4 -	0.1 –18	.5
Amortisation expense	-2.0 -	0.0 –2	.0
Disposals	0.8	- 0	.8
Exchange differences	1.0	0.0 1	.0
At 31 December 2010	-18.6 -	0.1 –18.	.7
Net book values			
At 1 January 2010	5.3	0.1 5	.4
At 31 December 2010	7.1	0.1 7.	.2

In CHF millions	Other	Total
	intangible	intangible
	Software assets	assets
ACQUIRED INTANGIBLE ASSETS 2009:		
At cost		
At 1 January 2009	22.3 0.2	22.5
Additions	2.0 –	2.0
Disposals	-0.6 -0.0	-0.6
Exchange differences	0.0 -0.0	0.0
At 31 December 2009	23.7 0.2	23.9
Accumulated amortisation		
At 1 January 2009	-14.4 -0.0	-14.4
Amortisation expense	-3.1 -0.0	-3.1
Impairment charge	-1.5 -	-1.5
Disposals	0.6 0.0	0.6
Exchange differences	0.0 -0.1	-0.1
At 31 December 2009	-18.4 -0.1	-18.5
Net book values		
At 1 January 2009	7.9 0.2	8.1
At 31 December 2009	5.3 0.1	5.4

In 2010, additions to intangible assets include software under finance leases of CHF 2.2 million.

Impairment charge Technical Components Division

The continuing difficult market environment in the specialist distribution area necessitated a restructuring of the organisation in 2009. In this connection capitalised software in the amount of CHF 1.5 million was impaired.

Goodwill from acquisitions

Goodwill from acquisitions is fully offset against equity at the date of acquistion. The impact of the theoretical capitalisation and amortisation of goodwill is disclosed below:

Theoretical movement schedule for goodwill

In CHF millions	2010	2009
Atrock		
At cost		
At 1 January	341.8	345.8
Additions from acquisition of subsidiaries	69.9	4.6
Elimination of fully amortised goodwill items	-	-8.6
At 31 December	411.7	341.8
Accumulated amortisation		
At 1 January	-124.3	-64.0
Amortisation expense	-82.3	-68.9
Impairment charges	-	_
Elimination of fully amortised goodwill items	-	8.6
At 31 December	-206.6	-124.3
Theoretical net book values		
At 1 January	217.5	281.8
At 31 December	205.1	217.5

Goodwill is theoretically amortised on a straight-line basis usually over 5 years. The carrying amounts of goodwill existing on conversion from IFRS to Swiss GAAP ARR at 1 January 2009 have been included in the theoretical movement schedule above using the closing rates prevailing at 1 Januar 2009 and goodwill from new acquisitions is converted once to Swiss francs using the closing rate as at acquisition date. With this procedure no exchange differences result in the movement schedule.

Impact on income statement

In CHF millions	2010	2009
Operating result (EBIT) according to income statement	127.9	80.0
Amortisation of goodwill	-82.3	-68.9
Theoretical operating result (EBIT) incl. amortisation of goodwill	45.6	11.1
Net result according to income statement	98.2	63.7
Amortisation of goodwill	-82.3	-68.9
Theoretical net result incl. amortisation of goodwill	15.9	-5.2

Impact on balance sheet

In CHF millions	2010	2009
Equity according to balance sheet	583.5	596.3
Theoretical capitalisation of goodwill (net book value)	205.1	217.5
Theoretical equity incl. net book value of goodwill	788.6	813.8
Equity according to balance sheet	583.5	596.3
Equity as % of total assets	68.9%	63.5%
Theoretical equity incl. net book value of goodwill	788.6	813.8
Theoretical equity incl. net book value of goodwill as % of total assets	75.0%	70.3%

19/ FINANCIAL ASSETS

In CHF millions	2010	2009
Long-term loans to third parties	1.7	2.4
Minority shareholdings	0.0	0.0
Deferred income tax assets (see note 23)	37.5	18.7
Other financial investments	1.0	1.2
Total financial assets	40.2	22.3

20/ BANK DEBT

In CHF millions	2010	2009
Bank overdrafts	67.3	83.6
Current portion of long-term bank loans	16.2	71.6
Total short-term bank debt	83.5	155.2
Long-term bank loans	-	0.5
Total bank debt	83.5	155.7
Secured portion of short-term and long-term bank debt	-	0.7

Certain short-term bank debt, together with corresponding bank deposits, is part of a notional cash pool arrangement, but all of these assets and liabilities are reported gross.

Maturity of long-term bank debt

In CHF millions	2010	2009
Written o		0.0
Within 2 years	_	U.Z
Within 3 years	-	0.2
Within 4 years	-	0.1
Total long-term bank debt	-	0.5

21 / OTHER CURRENT LIABILITIES

In CHF millions	2010	2009
Customer advances received	3.6	3.5
Social security liabilities	4.0	3.7
Current income tax liabilities	6.5	6.7
Capital and value added tax liabilities	4.7	3.4
Current finance lease liabilities (see note 17)	0.8	0.3
Other short-term loans payable and financial liabilities	4.4	5.6
Derivative liabilities: forward exchange contracts (see note 29)	0.1	0.2
Derivative liabilities: interest rate swap (see note 29)	0.3	1.2
Miscellaneous current liabilities	0.0	0.0
Total other current liabilities	24.4	24.6

Other long-term liabilities include long-term finance lease liabilities of CHF 0.6 million (previous year CHF 0.2 million), see note 17.

22/ PROVISIONS

In CHF millions	Employees and social security	Restruc- turing	Warranty and liability claims	Environment and infra- structure	Other	Total
PROVISIONS 2010:						
At 1 January 2010	26.1	6.8	8.0	6.7	3.1	50.7
Charges	30.0	1.3	0.9	-	3.4	35.6
Uses	-24.4	-4.7	-0.3	-0.0	-1.3	-30.7
Unused amounts reversed	-0.1	-0.7	-1.4	-0.0	-0.7	-2.9
Acquisition/disposal of subsidiaries	0.2	_	_	_	0.0	0.2
Discounting effects	_	_	_	_	_	-
Exchange differences	-3.2	-0.5	-0.2	_	-0.3	-4.2
At 31 December 2010	28.6	2.2	7.0	6.7	4.2	48.7
Thereof current provisions	23.1	2.2	1.7	2.6	3.8	33.4
Thereof long-term provisions	5.5	_	5.3	4.1	0.4	15.3

In CHF millions						
	Employees	_	Warranty	Environment		
	and social security	Restruc- turing	and liability claims	and infra- structure	Other	Total
PROVISIONS 2009:						
At 1 January 2009	30.5	_	10.3	6.8	3.8	51.4
Charges	16.7	6.9	1.9	0.0	2.1	27.6
Uses	-21.3	-0.0	-0.6	-0.0	-2.9	-24.8
Unused amounts reversed	-0.2	_	-3.7	-0.1	-0.0	-4.0
Acquisition / disposal of subsidiaries	0.2	_	_	_	_	0.2
Discounting effects	_	_	_	_	_	_
Exchange differences	0.2	-0.1	0.1	_	0.1	0.3
At 31 December 2009	26.1	6.8	8.0	6.7	3.1	50.7
Thereof current provisions	19.4	6.8	1.8	2.6	2.8	33.4
Thereof long-term provisions	6.7	0.0	6.2	4.1	0.3	17.3

Discounting

There are no material discounting effects for the long-term provisions.

Employees and social security

This provision covers holiday pay, overtime, bonuses, incentive pay and similar liabilities. The provisions are calculated based on actual data. The expected payments generally become due within 12 months.

Restructuring

The restructuring provisions charged to income in the Technical Components Division include obligations relating to headcount reductions and to non-cancellable rental commitments of redundant locations.

Warranty and liability claims

The Datwyler Group gives warranties in connection with the products and services it provides. These are based on local legislation or contractual arrangements. The provision is calculated from past experience. The current provision for liability claims is based on actual claims reported, which are generally settled within one year. The long-term provision is based on historical experience for normally five- to ten-year warranties.

Environment and infrastructure

This provision relates to liabilities for the clean-up of long-used contaminated manufacturing sites and costs expected to be incurred in the restoration and repair of infrastructure. The provision is determined based on detailed cost estimates.

23 / DEFERRED INCOME TAX ASSETS/LIABILITIES

In CHF millions	2010	2009
At 1 January:		
Deferred income tax assets	18.7	13.5
Deferred income tax liabilities	27.2	25.0
Deferred income tax liabilities, net	8.5	11.5
Charges/(reversals) to income	5.6	-2.9
Charges directly to equity	-4.9	_
Acquisition / disposal of subsidiaries (see note 32)	-29.4	0.1
Exchange differences	4.5	-0.2
At 31 December:		
Deferred income tax assets (see note 10)	37.5	18.7
Deferred income tax liabilities	21.8	27.2
Deferred income tax (assets)/liabilities, net	-15.7	8.5

Deferred income taxes are calculated at every subsidiary using the local effective income tax rates (average around 27%) applicable.

24/ SHARE CAPITAL

Composition

In CHF	2010	2009
22 million registered shares of CHF 0.01 each	220'000	220'000
12.6 million bearer shares of CHF 0.05 each	630'000	630'000
Total share capital	850'000	850'000

Per share data

	2010	2009
Bearer shares		
Par value (CHF)	0.05	0.05
Number issued	12'600'000	12'600'000
Number with voting rights and ranking for dividend	11'046'400	11'029'100
Proposed/approved dividend per bearer share (CHF)	2.20	1.20
Registered shares		
Par value (CHF)	0.01	0.01
Number issued	22'000'000	22'000'000
Number ranking for dividend	22'000'000	22'000'000
Proposed/approved dividend per registered share (CHF)	0.44	0.24
Total par value of shares ranking for dividend (CHF)	772'320	771'455
Authorised additional share capital	none	none
Authorised but unissued share capital	none	none
Registration/voting restrictions	none	none
Opting-out and opting-up provisions	none	none

25 / NET RESULT PER SHARE

Net result per share is calculated by dividing net result by the weighted average number of shares in issue and ranking for dividend, excluding treasury shares. The weighted value of the 22'000'000 registered shares represents 4'400'000 bearer shares. As awards of treasury shares under the share award plan are made in mid-year, the average number of treasury shares to be deducted represents the simple average of the number at the beginning and at the end of the year, see note 26.

	2010	2009
Net result reported in the income statement (CHF millions)	98.2	63.7
Weighted average number of shares	15'437'750	15'419'700
Net result per bearer share ranking for dividend (in CHF)	6.36	4.13

There were no dilutive effects in 2010 and 2009.

26 / TREASURY SHARES

At the end of 2010, the Group held 1'553'600 (previous year 1'570'900) treasury shares with a par value of CHF 0.05 each (previous year CHF 0.05). 26'000 bearer shares of then CHF 500 each were created by a resolution passed by the General Meeting on 18 November 1989, disapplying the pre-emption rights of shareholders and participation certificate holders, to provide for the exercise of options, warrants or conversion rights and for other purposes in the company's interest. These shares are not entitled to vote and do not rank for dividend until they are used. Following the resolution passed by the Annual General Meeting on 24 April 2007 to cancel 10'000 unissued bearer shares of CHF 500 each, the 100-for-1 share split on 6 July 2007, the par value reduction from CHF 5.00 to CHF 0.05 on 14 July 2008 and the award of treasury shares to those eligible under the share award plan in the years 2008 to 2010, the Group held 1'553'600 unissued bearer shares of CHF 0.05 each at the end of 2010. The par value of these shares totalling CHF 77'680 (previous year CHF 78'545) has been deducted from the CHF 850'000 (previous year CHF 850'000) share capital of Datwyler Holding Inc.

27 / SHARE AWARD PLAN

Since 2007, Directors and senior executives have received a portion of their remuneration in the form of bearer shares of Datwyler Holding Inc. Share-based payments to Directors and senior executives are measured at market value and recognised as personnel expenses at issue date. The shares awarded may not be sold for a period of 5 years after issue date. Voting and dividend rights of shares awarded are transferred to beneficiaries at issue date. In 2010, Directors were awarded a total of 9'400 (previous year 10'500) bearer shares and senior executives were awarded a total of 7'900 (previous year 8'300) bearer shares of Datwyler Holding Inc. Personnel expenses relating to the share award plan amount to CHF 1.1 million (previous year CHF 0.8 million).

28/ SHAREHOLDERS

At year-end 2010, Pema Holding AG holds all 22'000'000 registered shares, plus 4'550'000 (previous year 4'550'000) of the total of 12'600'000 bearer shares of Datwyler Holding Inc. This represents 80.34% (previous year 80.38%) of the voting rights and 52.65% (previous year 52.65%) of the share capital. Non-voting unissued bearer shares have been included in calculating the percentage of capital held but excluded in calculating the percentage of voting rights held. The entire share capital of Pema Holding AG was contributed to Datwyler Führungs AG, indirectly giving it a majority of the voting rights in Datwyler Holding Inc.

The Board of Datwyler Holding Inc. is not aware of any other shareholders, or groups of shareholders subject to voting agreements, who hold 3% or more of the total voting rights.

29 / DERIVATIVE FINANCIAL INSTRUMENTS

The Group economically hedges part of its exposure to foreign currency risk on trade accounts receivable and payable as well as intercompany loans. Forward exchange contracts and currency options, which generally have maturities of less than 12 months, are used as hedging instruments.

Unsettled forward exchange contracts

In CHF millions	31.12.2010	31.12.2009
Positive fair value	1.2	0.6
Notional amounts	21.0	9.5
Negative fair value	0.1	0.2
Notional amounts	6.5	35.3

These forward exchange contracts have maturities until May 2011. Positive fair values are recorded as other receivables (note 16), while negative fair values have been recognised in other current liabilities (note 21).

Unsettled interest rate swap

During 2008, an interest rate swap with a notional amount of EUR 19.9 million, expiring at the end of April 2011 at the latest, was entered into for the first time to partially hedge interest rate exposure. The negative fair value of CHF 0.3 million (previous year CHF 1.2 million) at the end of 2010 is included in other current liabilities (note 21).

30 / CONTINGENT LIABILITIES

The Group has a number of risks arising in the ordinary course of business from contingent or probable liabilities in connection with litigation and outstanding tax assessments. Provisions have been recognised to the extent that the outcome of such matters can be reliably estimated. No provisions have been made where the outcome is uncertain or the risk is not quantifiable.

At year-end 2010, no guarantees (previous year CHF 1.5 million) in favour of third parties existed. The Datwyler Group has not given any other guarantees in respect of its business relationships with third parties. Performance bonds and guarantees within the Group have been eliminated on consolidation. There are no subordination agreements with third parties.

When the Precision Tubes Division was sold at the end of 2007, the Group granted usual contractual guarantees to the purchasers in respect of environmental contamination, etc. This guarantee is limited to a maximum of CHF 18.4 million and applies to certain cases on a degressive basis for a maximum period of 10 years or until statute-barred. At present, no claims by the purchaser are known.

31 / COMMITMENTS

Maturities of commitments under operating leases and long-term rental agreements:

In CHF millions	2010	2009
Less than one year	14.1	8.4
Between 2 and 5 years	32.0	26.9
Over 5 years	5.4	11.1
Total commitments	51.5	46.4

Operating lease payments recognised as an expense in the income statement amounted to CHF 12.7 million (previous year CHF 9.4 million). There are no individually significant operating leases. Additional commitments of CHF 34.4 million (previous year CHF 44.0 million) relate to an IT outsourcing contract for the years from 2011 to 2014.

32 / ACQUISITION AND SALE OF SUBSIDIARIES

Acquisitions and disposals of subsidiaries had the following effect on the Group's assets and liabilities:

Acquisitions in 2010

At the beginning of January 2010, Reichelt Elektronik GmbH & Co. KG and Reichelt Elektronik Verwaltungsgesell-schaft mbH, both domiciled in Sande, Germany, were fully acquired by the Technical Components Division. Reichelt Elektronik is a leading catalogue distributor for industrial electronics, automation and computer accessories in Germany. In 2010, the acquired businesses employing an average of 212 people generated net revenue of CHF 149.4 million.

The following table shows the fair value of assets and liabilities acquired at acquisition date and the goodwill arising from the transactions.

In CHF millions			
	Carrying amount	Fair value adjustments	Fair value on acquisition
Cash and cash equivalents	6.5	-	6.5
Trade accounts receivable	3.0	-	3.0
Inventories	8.0	-0.5	7.5
Other current assets	0.6	-	0.6
Property, plant and equipment	7.3	2.7	10.0
Deferred income tax assets	-	29.4	29.4
Current liabilities	7.5	0.1	7.6
Net assets acquired at fair value			49.4
Goodwill including directly attributable transaction costs			69.9
Total			119.3
Less cash and cash equivalents acquired			-6.5
Net cash outflow on acquisition			112.8

Acquisitions in 2009

At the beginning of April 2009, in the Cabling Solutions Division, Datwyler Cables, a unit of Datwyler Switzerland Inc., acquired the engineering business of SymbioTec Inc., Niederurnen, Switzerland, a startup enterprise in the area of data networks.

At the beginning of March 2009, in the Technical Components Division, ELFA AB acquired all the shares of the Nordic Power Group with head office in Strömstad, Sweden. The three acquired companies in Sweden and Norway specialise in the product segment power and energy supply and reinforce the catalogue distribution business of the ELFA Group.

In the period from 1 March to 31 December 2009, the acquired businesses employing 10 people generated net revenue of CHF 5.1 million.

The following table shows the fair value of assets and liabilities acquired at acquisition date and the goodwill arising from the transactions.

In CHF millions			
	Carrying amount	Fair value adjustments	Fair value on acquisition
Cash and cash equivalents	0.3	_	0.3
Trade accounts receivable	1.3	_	1.3
Inventories	2.1	0.1	2.2
Other current assets	0.1	_	0.1
Property, plant and equipment	0.0	-	0.0
Current liabilities	1.7	-	1.7
Long-term liabilities	0.2	0.1	0.3
Net assets acquired at fair value			1.9
Goodwill			4.6
Total			6.5
Less cash and cash equivalents acquired			-0.3
Less deferred purchase consideration			-2.3
Net cash outflow on acquisition			3.9

Part of the purchase consideration is contingent on future performance and has therefore been estimated.

Sales in 2009

In the Technical Components Division the Datwyler Group sold 100% of the shares of Mader Technic AG in November 2009. No gain or loss resulted from the sale of this inactive company without significant net assets.

33 / RELATED PARTY TRANSACTIONS

Pema Holding AG

There were no transactions between the companies other than dividend payments to Pema Holding AG and administrative costs of CHF 20'000 charged in 2010 (previous year CHF 20'000) for administration and accounting services provided by Alvest AG. At the end of 2010 and 2009, there were no mutual receivables and payables.

Pension schemes

Alvest AG charged administrative costs of CHF 0.2 million (previous year CHF 0.2 million) to the pension schemes.

Remuneration of Directors and Executive Board members

The information required by Art. 663bbis and Art. 663c (transparency requirements) of the Swiss Code of Obligations is disclosed in note 2 to the financial statements of Datwyler Holding Inc.

The remuneration of Directors of Datwyler Holding Inc. consists of a fixed fee in the form of cash and shares. Their remuneration last year totalled CHF 1.183 million (previous year CHF 0.999 million), of which cash accounted for CHF 0.454 million (previous year CHF 0.497 million), shares for CHF 0.658 million (previous year CHF 0.441 million) and social benefits for CHF 0.071 million (previous year CHF 0.061 million).

The remuneration paid to Executive Board members consists of a fixed salary, a share award and a variable bonus up to a maximum of 150 % of base salary. Former Executive Board members receive no form of remuneration other than benefits under the regular and supplementary pension schemes. No termination benefits were paid in 2010 (previous year CHF 0.678 million). The total remuneration of Executive Board members for the year was CHF 5.710 million (previous year CHF 4.493 million). Of the total remuneration, CHF 2.234 million (previous year CHF 1.939 million) were fixed salaries, CHF 0.455 million (previous year CHF 0.292 million) equity-settled payments in the form of shares, CHF 1.972 million (previous year CHF 1.423 million) cash bonuses and termination benefits and CHF 1.049 million (previous year CHF 0.839 million) social benefits and other costs. Social benefits include pension fund contributions of CHF 0.497 million (previous year CHF 0.500 million).

34/ EVENTS AFTER BALANCE SHEET DATE

In February 2011 the Datwyler Group announced that in the first half of 2011 the Sealing Technologies Division will set up a new manufacturing plant in China. The volume of capital expenditures is approximately CHF 5 million and beginning of serial operation is scheduled for the second half of 2011.

The Board of Directors and Executive Board are not aware of any other significant events occurring up to the date of approval of the consolidated financial statements on 16 March 2011 that would cause an adjustment of the carrying amounts of the Group's assets and liabilities.

35/ subsidiaries and investments

Datwyler Holding Inc. directly or indirectly owned the following companies at 31 December 2010:

		Registered office	Original currency	Capitat in original currency (in millions)	Group's interest in%	Footnote	Technical Components	Pharma Packaging	Cabling Solutions	Sealing Technologies	Service and financial companies
SWITZERLAND	Alvest AG	Altdorf	CHF	15.000	100	K*					•
	Daetwyler Inc.	Altdorf	CHF	0.100	100	K*					•
	Daetwyler IT Services AG	Altdorf	CHF	0.100	100	K*					•
	Daetwyler Pharma Pack Holding AG	Altdorf	CHF	39.000	100	K*		•			
	Daetwyler Switzerland Inc.	Altdorf	CHF	32.000	100	K*			0	0	•
	Daetwyler Teco Holding AG	Altdorf	CHF	9.900	100	K*	•				
	Distrelec Inc.	Altdorf	CHF	0.050	100	K					•
	Gummi Maag AG	Dübendorf	CHF	0.050	100	K					•
	Helvoet Pharma International AG	Dübendorf	CHF	0.100	100	K		•			
	Kaved Inc.	Altdorf	CHF	0.100	100	K*					•
	Maag Technic Inc.	Altdorf	CHF	0.090	100	K*					•
	MTD-Immobilien AG	Dübendorf	CHF	2.000	100	K	•				
	Pohl Immobilien AG	Altdorf	CHF	1.600	100	K		•			
	Proditec Ltd.	Nänikon	CHF	0.300	100	K					
	Teco Immobilien AG	Altdorf	CHF	0.500	100	K	•				
	Wachendorf AG	Dübendorf	CHF	0.100	100	K					•
BELGIUM	Helvoet Pharma Belgium NV	Alken	EUR	15.778	100	K		0			
	Pharma Packaging International Services NV	Alken	EUR	107.330	100	K		•			
CHINA	Datwyler (Suzhou) Cabling Systems Co. Ltd. Datwyler Cables + Systems	Suzhou	USD	1.700	100	K			0		
	(Shanghai) Co. Ltd.	Shanghai	USD	10.000	100	K			0		
DENMARK	ELFA Elektronik A/S	Aarhus	DKK	1.000	100	K					
GERMANY	Daetwyler Rubber Deutschland		E,	6.05	4.00						
	GmbH	Springe	EUR	0.256		K		ļ		0	
	Daetwyler Cables GmbH	Hattersheim	EUR	1.600	100	K				ļ	
	Daetwyler Teco Holding (DE) GmbH		EUR			K	•			ļ	
	Distrelec Schuricht GmbH	Bremen	EUR	0.800	100	K				ļ	
	Helvoet Pharma Deutschland										
	GmbH	Karlsbad	EUR	2.600	100	K		0		ļ	
	Maag Technic GmbH	Göppingen	EUR	2.600	100	K				ļ	
	Reichelt Elektronik GmbH & Co. KG	Sande	EUR		100	K				ļ	
	Wachendorf GmbH	Lörrach	EUR	0.030	100	K					•
UK	Daetwyler (UK) Ltd	Chandler's Ford	GBP	0.500	100	K					
ESTONIA	ELFA Elektroonika AS	Tallinn	EEK	1.229	100	K					
FINLAND	ELFA Elektroniikka Oy	Helsinki	EUR	0.020	100	K					

		Registered office	Original currency	Capital in original currency (in millions)	Group's interest in%	Footnote	Technical Components	Pharma Packaging	Cabling Solutions	Sealing Technologies	Service and financial companies
FRANCE	Maagtechnic Holding France SAS	Vaulx-en-Velin	EUR	16.050	100	K	•				
	Maagtechnic SAS	Vaulx-en-Velin	EUR	2.166	100	K	0				
	Maagtechnic Soded SAS	Saint-Marcellin	EUR	0.400	100	K	0				
INDIA	Helvoet Pharma India Operations										
	Private Limited	Kesurdi	INR	149.349	100	K		0			
ITALY	CIF srl	Veggiano	EUR	0.014	100	В		0			
	Distrelec Italia srl	Milan	EUR	1.275	100	K					
	Helvoet Pharma Italia srl	Pregnana	EUR	2.000	100	K		0			
LATVIA	ELFA Elektronika SIA	Riga	LVL	0.006	100	K					
LITHUANIA	ELFA Elektronika UAB	Vilnius	LTL	0.010	100	K					
MEXICO	Daetwyler Rubber										
	México S de RL de CV	Silao	MXN	82.000	100	K				0	
NETHERLANDS	Maro BV	Roosendaal	EUR	0.005	100	K		0			
NORWAY	ELFA Elektronikk AS	Oslo	NOK	0.200	100	K					
AUSTRIA	Distrelec Gesellschaft mbH	Vienna	EUR	0.145	100	K					
POLAND	ELFA Elektronika Spz oo	Warsaw	PLZ	0.100	100	K					
SWEDEN	Distrelec Sweden AB	Järfälla	SEK	0.100	100	K	•				
	ELFA AB	Järfälla	SEK	5.000	100	K					
	Nordic P Consulting AB	Strömstad	SEK	0.100	100	K	•				
	Nordic Power i Strömstad AB	Strömstad	SEK	0.500	100	K					
SINGAPORE	Daetwyler (Thelma)										
	Cables+Systems Pte Ltd	Singaore	SGD	0.300	100	K					
CZECH REPUBLIC	Daetwyler Rubber (CZ) sro	Novy Bydzov	CZK	20.000	100	K				0	
	Maagtechnic sro	Nove Mesto	CZK	2.000	100	K	0				
		Metuji									
UKRAINE	CJSC Daetwyler Rubber Ukraine	Malyn	UAH	12.500	100	K				0	
	DP ELFA Electronics	Kiev	UAH	0.000	100	K					
USA	Helvoet Pharma Inc.	Pennsauken, NJ	USD	9.130	100	K		0			

Manufacturing and sales
 Distribution
 Services / finance / property

K = Consolidated at 31 December
B = Recorded as other financial investments at cost (less any impairment))
* = Held directly by Datwyler Holding Inc.

Report of the Statutory Auditor on the **Consolidated Financial Statements**



PricewaterhouseCoopers AG Birchstrasse 160 Postfach 8050 Zürich Switzerland Phone +41 58 792 44 00 Fax +41 58 792 44 10 www.pwc.ch

Report of the statutory auditor to the general meeting of Daetwyler Holding Inc. Altdorf

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Daetwyler Holding Inc., which comprise the income statement, balance sheet, cash flow statement, statement of changes in equity and notes (pages 50 to 85), for the year ended December 31, 2010.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Swiss GAAP FER 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. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consoli-dated 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 and fair presenta-tion of the consolidated financial statements in order to design audit procedures that are appropriate in the circums-tances, 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.

In our opinion, the consolidated financial statements for the year ended December 31, 2010 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER 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

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.

PricewaterhouseCoopers AG

Kaleau

Patrick Balkanyi Audit expert Auditor in charge Josef Stadelmann Audit expert

Zürich, March 16, 2011

Datwyler Holding Inc.

Income Statement	88
Balance Sheet	89
Notes to the Financial Statements	90
Proposed Appropriation of Retained Earnings	97
Report of the Statutory Auditor on the Financial Statements	98

Income Statement

In CHF	Notes	2010	2009
Investment income		57'825'000	55'020'000
Gain on disposal of investment			17'084
Financial income		24'104'245	21'928'137
Finance costs		-12'418	-16'684
Net finance income	1	24'091'827	21'928'237
Personnel expenses	2	-1'182'743	-999'664
Administrative expenses	3	-72'350	-75'734
Profit before tax		80'661'734	75'872'839
Income tax expense		-1'643'775	-1'650'352
Profit for the year		79'017'959	74'222'487

Notes 1 to 3, see pages 90 to 93.

Balance Sheet

Assets

In CHF	Notes	31.12.2010	31.12.2009
Investments	4	189'990'973	189'890'973
Loans to Group companies	5	600'496'620	524'542'055
Non-current assets		790'487'593	714'433'028
Other receivables from Group companies		2'945'692	18'500'000
Other receivables from third parties		6'575	8'366
Current assets		2'952'267	18'508'366
Total assets		793'439'860	732'941'394

Equity and liabilities

In CHF	Notes	31.12.2010	31.12.2009
_			
Share capital	6	850'000	850'000
Statutory reserves	7	87'077'680	87'078'545
of which general reserve		87'000'000	87'000'000
of which reserve for treasury shares	8	77'680	78'545
Special reserve	9	305'185'638	305'184'773
Retained earnings		398'657'121	338'154'083
Equity		791'770'439	731'267'401
Other current liabilities	10	1'669'421	1'673'993
Liabilities		1'669'421	1'673'993
LIGHTHE		1 007 421	1 0/3 //3
Total equity and liabilities		793'439'860	732'941'394

Notes 4 to 10, see pages 94 to 96.

Notes to the Financial Statements

1 / NET FINANCE INCOME

Amounts owed by Group companies bear interest.

2 / EMPLOYEE COSTS

Employee costs include all expenses of the Board of Directors. The disclosures required by the Transparency Act in respect of remuneration, loans/credits and interests granted to current and former key management personnel (Directors and Executive Management members) and persons connected with key management personnel are presented below:

Remuneration in 2010

in CHF								
Last name and first name	Function		Basic	Variable	Pension	Total		
		Cash payment	No. of shares	Fair value of shares	Total fixed component	remuneration (bonuses and premiums)	and other benefit expense	remuneration
Directors								
Graf Ulrich*	Chairman	143'000	2'200	154'000	297'000	0	18'221	315'221
Rüegg Hans R.	Debuty Chairman	63'000	1'700	119'000	182'000	0	11'933	193'933
Fässler Hanspeter	Director	43'000	1'100	77'000	120'000	0	8'035	128'035
Inderbitzin Werner	Director	43'000	1'100	77'000	120'000	0	8'035	128'035
Lienhard Ernst	Director	76'000	1'100	77'000	153'000	0	10'633	163'633
Odermatt Ernst	Director	43'000	1'100	77'000	120'000	0	8'035	128'035
Steinegger Franz	Director	43'000	1'100	77'000	120'000	0	5'851	125'851
Total for Directors		454'0000	9'400	658'000	1'112'000	0	70'743	1'182'743
Executive Management								
Hälg Paul J.*	CE0	750'000	3'300	231'000	981'000	1'010'640	334'149	2'325'789
Total for Executive Management		2'234'015	6'500	455'000 2	2'689'015	1'971'520	1'049'265	5'709'800

Remuneration in 2009

in CHF								
Last name and first name	Function	Basic remuneration				Variable	Pension	Total
		Cash payment	No. of shares	Fair value of shares	Total fixed component	(bonuses and premiums)	and other benefit expense	remuneration
Directors								
Graf Ulrich*	Chairman	143'000	2'200	92'400	235'400	0	16'141	251'541
Rüegg Hans R.	Debuty Chairman	63'000	1'700	71'400	134'400	0	9'394	143'794
Fässler Hanspeter	Director	43'000	1'100	46'200	89'200	0	6'242	95'442
Inderbitzin Werner	Director	43'000	1'100	46'200	89'200	0	6'161	95'361
Lienhard Ernst	Director	76'000	1'100	46'200	122'200	0	8'818	131'018
Odermatt Ernst	Director	43'000	1'100	46'200	89'200	0	6'161	95'361
Steinegger Franz	Director	43'000	1'100	46'200	89'200	0	4'212	93'412
Würth Franz Josef	Director	43'000	1'100	46'200	89'200	0	4'282	93'482
Total for Directors		497'000	10'500	441'000	938'000	0	61'411	999'411
Executive Management								
Hälg Paul J.*	CE0	650'000	3'300	138'600	788'600	219'648	255'618	1'263'866
Total for Executive Management		1'938'614	6'958	292'236	2'230'850	1'423'270	839'301	4'493'421

^{*} Highest remuneration

Explanatory notes:

- 1. Directors and Executive Management members receive a base remuneration in the form of a cash payment and shares. The cash payment to Directors remained unchanged in the year under review. Mr Franz Josef Würth stepped down from the Board of Directors following the 2010 Annual General Meeting. He was not replaced. The cash payment to the Executive Management was partly brought into line with the prevailing market conditions in the year under review.
- 2. The share awards for 2010 were determined by the HR Committee and approved by the Board of Directors. The shares awarded on 1 June 2010 at the then market value of CHF 70.00 vest over a period of five years. After the end of this period, the shares are at the free disposal of the beneficiary or his legal successor regardless of death, disability or termination. The number of shares awarded per functional level was unchanged in the year under review. The market value of the share was CHF 28 higher than in 2009 (CHF 42), which increased the base remuneration accordingly.
- 3. The amounts shown in the table under Variable remuneration represent the expense actually recognised for bonuses granted for 2010, which will be paid in March 2011. In addition, a severance payment to a member of the Executive Management was contained in the amount of CHF 678'000 in the previous year. Owing to the significantly higher consolidated result in the year under review, the variable remunerations were also correspondingly higher.
- 4. The heading Pension and other benefit expense includes all costs of pension plans, social security contributions and benefits in kind.
- 5. One Director (shareholders' representative under Art. 709 of the Swiss Code of Obligations) receives a higher remuneration for his services to bearer shareholders.

In the year under review, no payments were made to former Directors or Executive Management members. Nor was any non-arm's length remuneration paid to persons connected with current or former Directors or Executive Management members.

Loans and credits

No loans and/or credits were granted to individual current or former Directors or Executive Management members (including persons connected with them). Nor were any non-arm's length loans and/or credits granted to current or former members of the aforementioned bodies or persons connected with them.

At 31 December 2010, individual Directors and Executive Management members including persons connected with them held the following interests in the Company's shares:

Directors' interests in shares in 2010

Last name and first name	Function	No. of	Percentage			C	of which vesting ov	er 5 years
	shares	voting rights	2012	2013	2014	2015	2016	
Graf Ulrich	Chairman	8'850	0.026781	2'200	2'200	2'200	2'200	
Rüegg Hans R.	Debuty Chairman	7'600	0.022998	1'700	1'700	1'700	1'700	
Fässler Hanspeter	Director	4'400	0.013315	1'100	1'100	1'100	1'100	
Inderbitzin Werner	Director	4'500	0.013617	1'100	1'100	1'100	1'100	
Lienhard Ernst	Director	4'400	0.013315	1'100	1'100	1'100	1'100	
Odermatt Ernst	Director	4'800	0.014525	1'100	1'100	1'100	1'100	
Steinegger Franz	Director	6'400	0.019367	1'100	1'100	1'100	1'100	

Class of share: bearer share, CHF 0.05 nom. Percentage of voting rights: bearer share, 0.00000303

Executive Management's interests in shares in 2010

Last name and first name	Function	No. of	Percentage				of which vesting	over 5 years
		shares	voting rights	2012	2013	2014	2015	2016
				:		:	· · · · · · · · · · · · · · · · · · ·	
Hälg Paul J.	CEO	17'500	0.052956	5'000	3'300	3'300	3'300	
Welte Reto	CF0	2'200	0.006657	0	0	1'100	1'100	
Lambrecht Dirk	Division Head	3'000	0.009078	900	700	700	700	
Müller Johannes	Division Head	3'100	0.009381	1'000	700	700	700	
Wallraff Guido	Division Head	2'100	0.006355	0	700	700	700	
Heusser Markus	Division Head from 1.8.2010	404	0.001223	0	0	0	0	

Class of share: bearer share, CHF 0.05 nom. Percentage of voting rights: bearer share, 0.00000303

Directors' interests in shares in 2009

Last name and first name	Function	No. of	Percentage			of v	which vesting ove	er 5 years
		shares	voting rights	2012	2013	2014	2015	2016
Graf Ulrich	Chairman	8'350	0.025281	2'200	2'200	2'200		
Rüegg Hans R.	Debuty Chairman	5'900	0.017863	1'700	1'700	1'700		
Fässler Hanspeter	Director	3'300	0.009991	1'100	1'100	1'100		
Inderbitzin Werner	Director	3'300	0.009991	1'100	1'100	1'100		
Lienhard Ernst	Director	3'300	0.009991	1'100	1'100	1'100		
Odermatt Ernst	Director	3'700	0.011202	1'100	1'100	1'100		
Steinegger Franz	Director	5'300	0.016046	1'100	1'100	1'100		
Würth Franz Josef	Director	3'300	0.009991	1'100	1'100	1'100		

Class of share: bearer share, CHF 0.05 nom. Percentage voting rights: bearer share, 0.00000303

Executive Management's interests in shares in 2009

Last name and first name	Function	No. of	Percentage			of	which vesting over	er 5 years
		shares	voting rights	2012	2013	2014	2015	2016
Hälg Paul J.	CEO	14'200	0.042992	5'000	3'300	3'300		
Welte Reto	CFO (from 1.6.2009)	1'100	0.003330	0	0	1'100		
Lambrecht Dirk	Division Head	2'300	0.006964	900	700	700		
Müller Johannes	Division Head	2'400	0.007266	1'000	700	700		
Wallraff Guido	Division Head	1'400	0.004239	0	700	700		

Class of share: bearer share, CHF 0.05 nom. Percentage voting rights: bearer share, 0.00000303

3 / ADMINISTRATIVE EXPENSES

This item comprises general business expenses of Datwyler Holding Inc.

4 / INVESTMENTS

As of 31 December 2010, Datwyler Holding Inc. held the following direct investments:

Company	Company actitivity	Share capital in CHF
Switzerland		
Alvest AG, Altdorf	Finance	15'000'000
Datwyler Switzerland Inc, Altdorf	Manufacturing	32'000'000
Datwyler Pharma Pack Holding AG, Altdorf	Investments	39'000'000
Datwyler Teco Holding AG, Altdorf	Investments	9'900'000
Kaved AG, Altdorf	Finance	100'000
Datwyler Inc., Altdorf	Finance	100'000
Datwyler IT Services AG, Altdorf ^[1]	Services	100'000
Maag Technic AG, Altdorf	Finance	90'000

 $^{^{\}scriptscriptstyle (1)}$ Founded in 2010

All these investments are wholly owned by Datwyler Holding Inc.

5 / LOANS TO GROUP COMPANIES

This item comprises long-term loans denominated in Swiss francs which were granted to Group companies. The year-on-year change is largely the result of dividend and interest payments from Group companies.

6 / SHARE CAPITAL

in CHF	31.12.2010	31.12.2009
22'000'000 registered shares of CHF 0.01 each	220'000	220'000
·		
12'600'000 bearer shares of CHF 0.05 each	630'000	630'000
Share capital	850'000	850'000
Per share data		
Registered shares (of CHF 0.01 each)		
Number issued	22'000'000	22'000'000
Number ranking for dividend	22'000'000	22'000'000
Bearer shares (of CHF 0.05 each)		
Number issued	12'600'000	12'600'000
Number ranking for dividend	11'046'400	11'029'100
Total par value of shares ranking for dividend (in CHF)	772'320	771'455
Authorised additional share capital	none	none
Authorised but unissued share capital	none	none
Voting restrictions	none	none
Opting-out and opting-up provisions	none	none

The bearer shares of Datwyler Holding Inc. are listed on the Swiss Stock Exchange. With the exception of Company bearer shares held in treasury, each registered or bearer share entitles the holder to one vote at general meetings, regardless of its par value.

All 22'000'000 registered shares and 4'550'000 of the total of 12'600'000 bearer shares are owned by Pema Holding AG, Altdorf, which consequently holds 52.65% of the share capital and 80.34 % of the voting rights.

The Board is not aware of any other shareholders, or groups of shareholders subject to voting agreements, who hold 3.00% or more of the total voting rights.

7 / STATUTORY RESERVES

in CHF	31.12.2010	31.12.2009
Transfer from profit	4'000'000	4'000'000
Share premium	83'000'000	83'000'000
General reserve	87'000'000	87'000'000
Reserve for treasury shares: unissued shares	77'680	78'545
Total	87'077'680	87'078'545

Art. 659a par. 2 and Art. 671a of the Swiss Code of Obligations (CO) require the Company to recognise the cost of acquiring its own shares as a separate reserve. As a result of the issuing of employee shares, the necessary reserve for treasury shares was also reduced accordingly.

8 / TREASURY SHARES

26'000 bearer shares of CHF 500 each were created by a resolution passed by the General Meeting on 18 November 1989, disapplying the pre-emption rights of shareholders and participation certificate holders, to provide for the exercise of options, warrants or conversion rights and for other purposes in the Company's interest (market placements, consideration for acquisitions etc.). These shares are not entitled to vote and do not rank for dividend until they are used.

Following the reduction in share capital and share split in 2007 and the par value reduction in 2008 and awards under the employee share award plan between 2007 and 2010, 1'553'600 treasury shares were still held at 31 December 2010 and are recorded in the balance sheet of Alvest AG at a par value of CHF 0.05 each, making a total of CHF 77'680. In total, 17'300 treasury shares were used for the employee share award plan in 2010.

These bearer shares created before the new Swiss Corporation Law was enacted on 4 October 1991 now corresponds to a nominal holding of CHF 77'680, representing 9.14% of the total share capital, and are thus within the 10% limit which Art. 659 par. 1 of the Swiss Code of Obligations imposes on holdings of the Company's own bearer shares.

9 / SPECIAL RESERVE

The special reserve is an unrestricted reserve available for distribution by the general meeting.

Under Art. 659a par. 2 and Art. 671a of the Swiss Code of Obligations, the Company is required to recognise the cost of acquiring its own shares as a separate reserve. The Board adjusts that reserve by transfers from and to the special reserve. In 2010, an amount of CHF 895 was transferred to the special reserve. As a result, the special reserve amounted to CHF 305'185'638 at 31 December 2010.

10/ OTHER CURRENT LIABILITIES

in CHF	31.12.2010	31.12.2009
Accruals and deferred income	1'648'605	1'651'972
Uncashed dividend coupons	20'816	22'021
Total	1'669'421	1'673'993

Accruals and deferred income comprise accrued tax and audit expense.

11/ BONDS, GUARANTEES AND PLEDGES IN FAVOUR OF THIRD PARTIES

Borrowing facilities of CHF 67.3 million (2009: CHF 153.2 million) backed by joint and several guarantees were extended to various Group companies, of which CHF 13.1 million (2009: CHF 53.9 million) was drawn.

When the Precision Tubes Division was sold at the end of 2007, the Group granted the usual contractual guarantees to the purchaser in respect of environmental contamination, etc. This guarantee is limited to a maximum of CHF 18'400'000 and applies to certain cases for a maximum period of 10 years or until statute-barred. At present, no claims by the purchaser are known.

Since 1 January 2009, the company has been a member of the VAT group under number 705666; the group parent is Datwyler Switzerland Inc., Altdorf. For the period of this group membership the company is jointly and severally liable in accordance with Art. 32 par.1 e of the VAT Act.

12/ RISK ASSESSMENT

As part of its duties to oversee the management of the Company, the Board of Directors conducts a systematic risk assessment at least once a year. At its meeting V/2010 of 17 September 2010, the Board of Directors acknowledged management's report on Group-wide risk management and approved the proposed measures contained in it.

Proposed Appropriation of Retained Earnings

in CHF	2010	2009
The Board of Directors proposes to the Annual General Meeting that retained earnings consisting of		
Profit for the year	79'017'959	74'222'487
Retained earnings brought forward	319'639'162	263'931'595
Retained earnings	398'657'121	338'154'082
be appropriated as follows:		
Payment of a 4'400% dividend (2009: 2'400%) on share capital of CHF 772'320		
[2009: CHF 771'455] eligible for dividend [1]	33'982'080	18'514'920
Balance to be carried forward	364'675'041	319'639'162
Total	398'657'121	338'154'082

^{(1) 1&#}x27;553'600 unissued bearer shares reserved to provide for the exercise of options, warrants or conversion rights and for other purposes in the Company's interest at the Board's discretion pursuant to the resolution of the Annual General Meeting on 18 November 1989 do not rank for dividend.

Report of the Statutory Auditor on the Financial Statements



PricewaterhouseCoopers AG Birchstrasse 160 Postfach 8050 Zürich Switzerland Phone +41 58 792 44 00 Fax +41 58 792 44 10 www.pwc.ch

Report of the statutory auditor to the general meeting of Daetwyler Holding Inc. Altdorf

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Daetwyler Holding Inc., which comprise the income statement, balance sheet and notes (pages 88 to 96), for the year ended December 31, 2010.

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, 2010 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.

PricewaterhouseCoopers AG

Patrick Balkanyi Audit expert Auditor in charge

Balkou

Josef Stadelmann Audit expert

Zürich, March 16, 2011

Shareholder Information

Five Year Summary	100
Share Information	101
Share Price Performance, Dividend Performance	102
General Information	103

Five Year Summary

Datwyler Group

in CHF mio. ⁽¹⁾	2010	2009	2008	2007	2006
Net revenue	1'319.5	1'122.2	1'294.9	1'173.5	1'214.8
Year-on-year change (%)	17.6	-13.3	10.3	-3.4	11.3
EBITDA	176.6	134.0	185.3	164.1	157.5
Depreciation and amortisation	48.7	54.0	51.1	53.0	67.6
As % of net revenue	3.7	4.8	3.9	4.5	5.6
Year-on-year change (%)	-9.8	5.7	-3.6	-21.6	-13.4
Operating result before interest and tax (EBIT)	127.9	80.0	134.2	111.2	90.0
As % of net revenue	9.7	7.1	10.4	9.5	7.4
Year-on-year change (%)	59.9	-40.4	20.7	23.6	39.1
Net result	98.2	63.7	109.6	86.3	76.5
As % of net revenue	7.4	5.7	8.5	7.4	6.3
Year-on-year change (%)	54.2	-41.9	27.0	12.8	89.4
Net cash from operating activities	142.8	148.3	125.3	144.7	111.4
As % of net revenue	10.8	13.2	9.7	12.3	9.2
Year-on-year change (%)	-3.7	18.4	-13.4	29.9	-7.0
Free Cash Flow (based on Consolidated Cash Flow Statement)	25.3	197.5	-79.7	-5.1	-39.6
Non-current assets	375.4	393.3	773.4	464.4	458.9
Year-on-year change (%)	-4.6	n/a	66.5	1.2	4.9
Current assets	471.6	546.4	638.5	867.2	633.5
Year-on-year change (%)	-13.7	-14.4	-26.4	36.9	10.0
Total assets	847.0	939.7	1'411.9	1'331.6	1'092.4
Equity	583.5	596.3	829.1	931.7	736.9
Year-on-year change (%)	-2.1	n/a	-11.0	26.4	11.7
As % of total assets	68.9	63.5	58.7	70.0	67.5
Total liabilities	263.5	343.4	582.8	399.7	355.5
Year-on-year change (%)	-23.3	n/a	45.7	12.5	0.6
Current liabilities	223.8	285.3	328.5	322.3	277.2
Long-term liabilities	39.7	58.1	254.3	77.6	78.3
Capital expenditure on property, plant and equipment	34.8	53.1	69.9	66.7	73.5
Year-on-year change (%)	-34.6	-23.9	4.8	-9.3	20.1
Personnel expenses	333.0	327.8	340.1	309.3	331.5
Year-on-year change (%)	1.6	-3.6	10.0	-6.7	5.4
Number of employees (from 2009: annual average)	4'922	4'500	4'712	4'340	4'510
Year-on-year change (%)	9.4	-4.5	8.6	-3.8	-2.5

(1) Excluding the Precision Tubes Division since 2007. Since the beginning of 2010 the consolidated financial statements have been prepared in accordance with Swiss GAAP ARR. Prior period figures have been restated to conform to the presentation for the current financial period to ensure comparability.

Datwyler Holding Inc.

in CHF mio. ⁽¹⁾	2010	2009	2008	2007	2006
Finance and investment income	81.9	76.9	72.0	224.1	45.9
Net result	79.0	74.2	69.5	221.8	44.8
Equity	791.8	731.3	684.8	699.4	509.5
Equity ratio (%)	99.8	99.8	99.8	99.8	99.8
Share capital	0.9	0.9	0.9	85.0	90.0
Distribution	34.0 (2)	18.5	27.7	84.2	27.0

⁽²⁾ Board of Directors' proposal to the Annual General Meeting.

Share Information

	Notes	Currency	2010	2009	2008 [5]	2007	2006
Share capital		in CHF mio.	0.85	0.85	0.85	85	90
Eligible for a dividend		in CHF mio.	0.77	0.77	0.77	77	77
Number of shares							
Bearer shares of CHF 0.05 each	(5)		12'600'000	12'600'000	12'600'000	12'600'000	136'000
Unissued shares			1'553'600	1'570'900	1'589'700	1'600'000	26'000
Bearer shares in issue			11'046'400	11'029'100	11'010'300	11'000'000	110'000
Registered shares							
of CHF 0.01 each	(5)		22'000'000	22'000'000	22'000'000	22'000'000	220'000
Market price (high/low)	[1]						
Bearer share – high	(2)	CHF	79.45	66.00	77.95	94.45	7'100
Bearer share – low	(2)	CHF	56.55	36.00	39.50	62.00	4'210
Trading volume							
Number of shares			2'437'950	2'093'440	1'683'634	1'845'789	22'310
Value		in CHF mio.	167	97	106	144	104
Gross dividend							
Bearer share		CHF	2.20 (3)	1.20	1.80	4.95	175
Registered share		CHF	0.44[3]	0.24	0.36	0.99	35
Net result per share	[4]						
Bearer share		CHF	6.36	4.13	7.12	14.27	498
Registered share		CHF	1.27	0.83	1.42	2.85	100
Net cash from operating							
activities per share	(4)						
Bearer share		CHF	9.25	9.62	8.13	9.40	723
Registered share		CHF	1.85	1.92	1.63	1.88	145
Price/earnings ratio (average)			10.7	12.3	8.3	5.5	11
Equity per share	[4]						
Bearer share		CHF	38	39	54	66	4'785
Registered share		CHF	8	8	11	13	957
Market capitalisation							
Average for the year		in CHF mio.	1'050	787	905	1'204	871
As % of equity			180	132	109	119	118
At 31 December		in CHF mio.	1'197	895	662	1'175	1'063
As % of equity			205	150	80	116	144

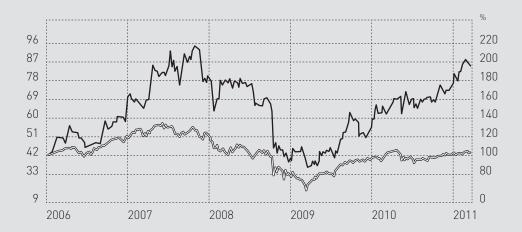
 $The \ Articles \ of \ Association \ of \ Datwyler \ Holding \ Inc. \ do \ not \ contain \ any \ opting \ out \ or \ opting \ up \ provisions \ pursuant \ to \ the \ Swiss \ Stock \ Exchange \ Act.$

⁽¹⁾ Swiss Stock Exchange (SIX).
(2) Issued at a price of CHF 2'250 in October 1986. 100-for-1 share split on 6 July 2007.
(3) Board of Directors' proposal to the Annual General Meeting.
(4) As adjusted per share ranking for dividend.
(5) The data from 2008 reflect the value after the par value repayment on 14 July 2008.

Share Price Performance

in CHF

Datwyler bearer shareSPI index



Dividend Performance

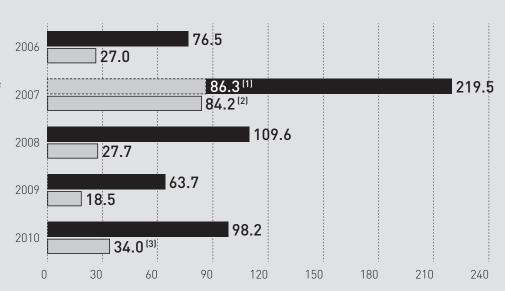
in CHF mio.

Profit for the year
Dividend in absolute terms
(1) Profit for the year from continuing operations.
(2) Profit distribution in the form

of a par value repayment.

(3) Proposal to the 2011 Appual

(3) Proposal to the 2011 Annual General Meeting



Net result 2010 and 2009 in accordance with Swiss GAAP ARR. Net result 2008, 2007 and 2006 in accordance with IFRS.

General Information

Financial year

Datwyler Group: 1 January to 31 December Datwyler Holding Inc.: 1 January to 31 December

Incorporated

Datwyler Inc.: 1915

Datwyler Holding Inc.: 1958 publicly listed since 1986

Share trading

Bearer shares traded on the SIX Swiss Exchange

Ticker symbols

Security	Security No.	Investdata	ISIN	Common Code	Reuters
Datwyler bearer share	3 048 677	DAE	CH003 048677 0	XS030821700	DAEZ

Taxable value set by the Swiss Federal Tax Administration at 31 December 2009

Bearer share: CHF 77.50

Important dates

2011

Annual General Meeting: 19 April 2011 Interim Report: 19 August 2011

2012

Announcement of net revenue 2011: 27 January 2012

Annual Press Conference and Analyst Conference: 16 March 2012

Annual General Meeting: 24 April 2012

Interim Report: 17 August 2012

Annual General Meetings are held at 5.00 p.m. at the theater (uri), Tellspielhaus, Altdorf

Press office and investor relations

T +41 41 875 19 00 F +41 41 875 12 05 info@datwyler.com www.datwyler.com

This Annual Report is also available in German and can be downloaded from our website at www.datwyler.com. In the event of any inconsistency, the German version will prevail.

DATWYLER GROUP

at 31 January 2011

Technical Components

Specialist distribution

Maagtechnic

Unit of Datwyler Switzerland Inc.
Sonnentalstrasse 8
CH-8600 Dübendorf
Switzerland
T +41 44 824 91 91
F +41 44 821 59 09
info@maagtechnic.ch
www.maagtechnic.ch

Maagtechnic Datwyler Electronics

Unit of Datwyler Switzerland Inc.
Sonnentalstrasse 8
CH-8600 Dübendorf
Switzerland
T +41 44 276 11 11
F +41 44 276 12 34
info@maagtechnic.ch
www.maagtechnic.ch

Maagtechnic Kunststoffzentrum

Unit of Datwyler Switzerland Inc.
Schneckelerstrasse 9
CH-4414 Füllinsdorf
Switzerland
T +41 61 315 30 30
F +41 61 311 44 63
kunststoffzentrum@maagtechnic.ch
www.maagtechnic.ch

Maag Technic GmbH

Jahnstrasse 104-106
DE-73037 Göppingen
Germany
T +49 7161 97 710
F +49 7161 97 71 269
info@maagtechnic.de
www.maagtechnic.de

Maagtechnic SAS

118, avenue Franklin-Roosevelt FR-69516 Vaulx-en-Velin Cedex France T +33 4 72 05 46 50 F +33 4 72 05 46 62 info@maagtechnic.fr www.maagtechnic.fr

Maagtechnic Soded

Z.A.C. Les Echavagnes – B.P. 150 FR-38164 Saint-Marcellin Cedex France T +33 4 76 64 60 30 F +33 4 76 64 60 31 soded@maagtechnic.fr www.maagtechnic.fr

Maagtechnic s.r.o.

Na poříčí 1016 CZ-518 01 Dobruška Czech Republic T +420 491 487 660 Fa+420 491 487 661 info@maagtechnic.cz www.maagtechnic.cz

Catalogue distribution

Distrelec

Unit of Datwyler Switzerland Inc. Grabenstrasse 6 CH-8606 Nänikon-Uster Switzerland T +41 44 944 99 11 F +41 44 944 99 88 info@distrelec.com www.distrelec.com

Distrelec Ges.m.b.H.

Leithastrasse 25 AT-1200 Wien Austria T +43 1 334 10 10 F +43 1 334 10 10 99 info-at@distrelec.com www.distrelec.com

Distrelec Italia s.r.l.

Via Canova 40/42 IT-20020 Lainate (Milano) Italy T+39 02 93 75 51 F+39 02 93 75 57 55 info-it@distrelec.com www.distrelec.com

Distrelec Schuricht GmbH

Lise-Meitner-Strasse 4 DE-28359 Bremen Germany T +49 180 522 34 35 F +49 180 522 34 36 scc@distrelec.de www.distrelec.de

Proditec AG

Grabenstrasse 6
CH-8606 Nänikon-Uster
Switzerland
T +41 044 807 11 11
F +41 044 807 11 12
info@proditec.ch
www.proditec.ch

ELFA AB

Elektronikhöjden 14 SE-175 80 Järfälla Sweden T +46 8 580 941 00 F +46 8 580 943 00 info@elfa.se www.elfa.se

ELFA Elektronikk AS

Sandakerveien 76 F NO-0483 Oslo Norway T +47 23 12 49 00 F +47 23 12 49 20 norge@elfa.se www.elfaelektronikk.no

ELFA Elektroniikka OY

Karvaamokuja 1 FI-00380 Helsinki Finland T +358 9 560 500 F +358 9 560 50 100 tilaukset@elfa.se www.elfa.se

ELFA Elektronik A/S

Sintrupvej 26, Postboks 1550 DK-8220 Aarhus Denmark T +45 86 24 64 22 F +45 86 24 64 33 danmark@elfa.se www.elfaelektronik.dk

SIA ELFA Elektronika

Lienes iela 12 LV-1009 Riga Latvia T +371 7 506 730 F +371 7 845 784 latvija@elfa.se www.elfa.lv

DP ELFA Electronics

Oblonskaya St. 47 UA-04071 Kiev Ukraine T +38 044 462 49 68 F +38 044 462 49 86 ukraine@elfa.se www.elfaelectronics.com.ua

ELFA Polska Sp. z o.o. Al. Jerozolimskie 136

PL-02-305 Warsaw Poland T +48 022 570 56 56 F +48 022 570 56 21 obsluga.klienta@elfa.se www.elfaelektronika.pl

ELFA Elektroonika AS

Paldiski mnt. 15
EE-Tallinn 10137
Estonia
T +372 6605 327
F +372 6605 326
eesti@elfa.se
www.elfaelektroonika.ee

ELFA Elektronika UAB

Visoriu str. 2 LT-08300 Vilnius Lithuania T +370 5 278 92 59 F +370 5 278 92 58 lietuva@elfa.se www.elfaelektronika.lt

Nordic Power i Strömstad AB

Trädgårdsgatan 6 SE-452 31 Strömstad Sweden T + 46 526 138 38 F + 46 526 148 38 marketing@nordicpower.se www.nordicpower.se

Reichelt Elektronik GmbH & Co. KG

Elektronikring 1
DE-26452 Sande
Germany
T +49 44 22 955-333
F +49 44 22 955-111
info(at)reichelt.de
www.reichelt.de

Pharma Packaging

Helvoet Pharma Belgium N.V.

Industrieterrein Kolmen 1519 BE-3570 Alken

Belgium

T +32 11 59 08 11 F +32 11 31 40 86

info@helvoetpharma.com www.helvoetpharma.com

Helvoet Pharma Deutschland GmbH

Tornadostrasse 4 DE-76307 Karlsbad-Ittersbach Germany

T +49 7248 92 30

F +49 7248 92 31 70

info@helvoetpharma.com www.helvoetpharma.com

Helvoet Pharma Italia S.r.l.

Viale dell'Industria 7

IT-20010 Pregnana Milanese (MI)

Italy

T +39 02 939 651

F+39 02 939 652 33

info@helvoetpharma.com

www.helvoetpharma.com

Helvoet Pharma Italia S.r.l.

Via Bernarde 11

IT-36040 Montegaldella (VI)

Italy

T +39 0444 736 501

F+39 0444 737 221

in fo@helvoetpharma.com

www.helvoetpharma.com

Helvoet Pharma Inc.

9012 Pennsauken Highway US-Pennsauken, NJ 08110

USA

T +1 856 663 2202

F+1 856 663 2636

info@helvoetpharma.com

www.helvoetpharma.com

Matrijzenmakerij Maro B.V.

Scherpdeel 30

NL-4703 RJ Roosendaal

Netherlands

T+31 165 553 160

F+31 165 558 387

info@helvoetpharma.com

www.helvoetpharma.com

Cabling Solutions

Datwyler Cables

Unit of Datwyler Switzerland Inc.
Gotthardstrasse 31
CH-6460 Altdorf
Switzerland
T +41 41 875 11 22
F +41 41 875 18 70
info.ch@daetwyler-cables.com
www.daetwyler-cables.com

Datwyler Cables GmbH

Auf der Roos 4-12 DE-65795 Hattersheim Germany T +49 6190 88 80 0 F +49 6190 88 80 80 info.de@daetwyler-cables.com www.daetwyler-cables.com

Datwyler Cables GmbH

Lilienthalstasse 17
DE-85399 Hallbergmoos
Germany
T +49 811 99 86 33 0
F +49 811 99 86 33 30
info.de@daetwyler-cables.com
www.daetwyler-cables.com

Datwyler Cables GmbH

Office Austria
Tenschertstrasse 8
AT-1230 Wien
Austria
T +43 1 810 16 41 0
F +43 1 810 16 41 35
info.at@daetwyler-cables.com
www.daetwyler-cables.com

Datwyler (UK) Ltd.

Unit B
Omega Enterprise Park
Electron Way
Chandlers Ford
GB-Hampshire S053 4SE
England
Tel: +44 (0)2380 279 999
Fax: +44 (0)2380 279 998
info.uk@daetwyler-cables.com
www.daetwyler-cables.com

Datwyler (Thelma) Cables+Systems Pte Ltd

29 Tech Park Crescent SG-638103 Singapore T +65 6863 1166 F +65 6897 8885 sales@datwyler.com.sg www.daetwyler-cables.com

Datwyler Cables+Systems (Shanghai) Co. Ltd

Building 16, No. 1-111,
Kang Qiao Dong Road
Kang Qiao Industrial Zone, Pudong
CN-201319 Shanghai
P. R. China
T +86 21 6813 0066
F +86 21 6813 0298
info@datwyler-china.com
www.datwyler-china.com

Datwyler (Suzhou) Cabling Systems Co. Ltd

Block 31, #15 Dong Fu Road
Suzhou Singapore Industrial Park
CN-215123 Suzhou
P. R. China
T +86 512 6265 3600
F +86 512 6265 3649
sales.harnessing@datwyler-china.com
www.datwyler-china.com

Sealing Technologies

Datwyler Rubber

Unit of Datwyler Switzerland Inc.
Militärstrasse 7
CH-6467 Schattdorf
Switzerland
T +41 41 875 11 23
F +41 41 875 15 46
info.ch@daetwyler-rubber.com
www.daetwyler-rubber.com

Datwyler Rubber Deutschland GmbH

Allerfeldstrasse 5
DE-31832 Springe
Germany
T +49 5045 91 090
F +49 5045 91 09 11
info.de@daetwyler-rubber.com
www.daetwyler-rubber.com

Datwyler Rubber Mexico S de RL de CV

Ave Paseo de las Colinas 602
Parque Industrial y de Negocios
Las Colinas
MX-36270 Silao, Guanajuato
Mexico
T +52 472 103 5000
F +52 472 103 5009
info.mx@daetwyler-rubber.com
www.daetwyler-rubber.com

Datwyler Rubber CZ s.r.o.

Polní 224 CZ-50401 Nový Bydžov Czech Republic T +420 495 405 405 F +420 495 405 404 info.cz@daetwyler-rubber.com www.daetwyler-rubber.com

CJSC Datwyler Rubber Ukraine

2, Nemanykhina Str.
Malyn 11602
Zhytomyr oblast
Ukraine
T +38 04133 32580
F +38 04133 33008
info.ua@ daetwyler-rubber.com
www.daetwyler-rubber.com

Published and edited by

Datwyler Holding Inc., Altdorf

Advice on sustainability reporting sustainserv GmbH, Zurich and Boston

Design, typesetting and artwork

Hotz&Hotz, Corporate Identity Victor Hotz AG, Corporate Publishing & Print, Steinhausen

Pictures

S. 8–9, ETH Zurich, Susi Lindig S. 12–13, Corbis S. 16–17, Keystone S. 20–21, Getty Images

Printing

Gamma Druck+Verlag AG, Altdorf Printed on chlorine-free bleached paper, without optical brightening agent

© Datwyler Holding Inc. 2011

Disclaimer

This Annual Report contains forward-looking statements that reflect the Group's current expectations regarding market conditions and future events and are therefore subject to a number of risks, uncertainties and assumptions. Unanticipated events could cause actual results to differ from those predicted and from the information published in this report. All forward-looking statements contained in this report are qualified in their entirety by the foregoing.

This Annual Report is available in English and German and can also be downloaded from our website at www.datwyler.com. The German version is binding.

All trademarks mentioned herein are the property of their respective owners.



Datwyler Holding Inc.

Gotthardstrasse 31, CH-6460 Altdorf T +41 41 875 11 00, F + 41 41 875 12 05 info@datwyler.ch, www.datwyler.ch