ANNUAL REPORT
2012

Datwyler Group – a focused industrial supplier

The Datwyler Group is a focused industrial supplier with leading positions in global and regional market segments. With its technological leadership and bespoke solutions, the Group delivers added value to customers in the markets served. Datwyler concentrates on markets that offer opportunities to create more value and sustain profitable growth. The Technical Components Division is one of Europe's foremost high-service distributors of electronic, automation, engineering and IT components and accessories. The Sealing Solutions Division is a leading supplier of bespoke sealing solutions to global market segments, such as the automotive, pharmaceutical and civil engineering industries etc. With a total of more than 50 operating companies, sales in over 100 countries and around 7'000 employees, the Datwyler Group generates annual revenue in excess of CHF 1'400 million. The Group has been listed on the SIX Swiss Exchange since 1986 (security number 3048677).

www.datwyler.com

This annual report can be downloaded at www.datwyler.com.

Datwyler Group

in CHF millions	2012	2011
Net revenue	1'414.2	1'290.5
Year-on-year change (%)	9.6%	–2.2%
Operating result before depreciation and amortisation (EBITDA)	203.1	168.3
EBITDA as % of net revenue	14.4%	13.0%
Operating result before interest and tax (EBIT)	151.0	124.2
EBIT as % of net revenue	10.7%	9.6%
Net result	127.5	96.2
Net result as % of net revenue	9.0%	7.5%
Net cash from operating activities	124.4	149.6
Net cash used in investing activities	–232.1	–66.5
Free Cash Flow	–107.7	83.1
Net cash provided by/(used in) financing activities	222.2	–60.4
Net change in cash and cash equivalents	114.5	22.7
Cash, cash equivalents, money market investments and securities	248.5	148.1
Net cash surplus	135.8	98.6
Capital expenditure on property, plant and equipment	75.0	64.1
Total assets	1'079.0	892.0
Equity	550.9	643.4
Equity as % of total assets	51.1%	72.1%
Number of employees (at year-end)	6'907	5'259
Full time equivalents (at year-end)	6'670	4'961

Dätwyler Holding Inc.

in CHF millions	2012	2011
Finance and investment income	95.9	69.8
Net result	90.2	65.6
Equity	879.6	823.4
Equity ratio (%)	85.3	99.7
Share capital (1)	0.9	0.9
Distribution	40.5 (2)	34.0

Per share data

in CHF	2012	2011
Earnings per bearer share ranking for dividend	8.23	6.22
Dividend per bearer share	2.60 (2)	2.20
Distribution yield at 31 December	3.0%	3.9%

(1) CHF 0.78 million eligible for a dividend.
(2) Board of Directors' proposal to the Annual General Meeting.

CONTENTS

LETTER TO THE SHAREHOLDERS

Accelerated growth thanks to consolidation of expertise

In 2012, the Datwyler Group provided the key strategic blueprint for accelerating future, profitable growth. Datwyler combined the two former divisions Sealing Technologies and Pharma Packaging to form the new Sealing Solutions Division, a move which consolidated the Group's technological expertise and further enhanced its competitiveness. The sale of the Cabling Solutions Division allows the Group to concentrate on areas offering strong growth and high margins. The major acquisitions made in 2012 also helped the Group to strengthen its leadership role in global and regional market segments.

Stronger revenue growth on the back of acquisitions

In the year under review, the Datwyler Group increased net revenue by a total of 9.6% to CHF 1'414.2 million (previous year CHF 1'290.5 million). The newly acquired companies Phoenix Dichtungstechnik, Display Elektronika, Nedis, Zhongding Sealtech and Hankook Sealtech contributed CHF 129.9 million or 10.0%. Unlike in the recent past, the negative currency effect of presenting consolidated accounts in Swiss francs, amounting to CHF 8.3 million or –0.6%, did not have such a significant impact on revenue development. The former Datwyler Group achieved organic growth of 0.2%, adjusted for acquisition and exchange rate effects. Taking into account only the continued divisions Technical Components and Sealing Solutions, organic growth increases to 1.6%. While the new Sealing Solutions Division reported buoyant demand in all global market segments, the Technical Components Division faced a marked slowdown in the European electronic and industrial sectors.

Operating profitability within pre-defined target range

The Datwyler Group's results for 2012 were impacted by both positive and negative extraordinary items. Overall, reported operating profit (EBIT) rose by 21.6% to CHF 151.0 million (previous year CHF 124.2 million). The net result grew 32.5% to CHF 127.5 million (previous year CHF 96.2 million). These figures contain one-time income totalling CHF 35.8 million from the sale of a real estate package in the Canton of Uri (CHF 30.2 million) and from the sale of the Cabling Solutions Division (CHF 5.6 million). These positive factors were offset by a number of negative one-time extraordinary items which pressured profit. The one-time costs incurred by the Technical Components Division were associated with preparing a uniform infrastructure (logistics and IT) for Distrelec and Elfa as well as with the integration of Display Elektronika and Nedis. The Sealing Solutions Division reported one-time costs connected primarily with the concentration of extrusion manufacturing in Germany and commissioning of the new plant in India. The Cabling Solutions Division also had to absorb final restructuring costs. Total one-time costs come to CHF 18.5 million for the former Group and CHF 16.5 million for the future Group. Before positive and negative extraordinary items, in 2012 adjusted EBIT amounted to CHF 133.7 million for the former Group and CHF 125.6 million for the future Group. Accordingly, the adjusted EBIT margin for the former Datwyler Group is at 9.5% and for the future Group 10.6%. We have thus achieved our own EBIT margin targets of 9% for the former and 10% for the future Group despite a challenging environment in the distribution business. In view of the promising perspectives and solid profitability, the Board of Directors will propose an increased dividend of CHF 2.60 (previous year CHF 2.20) per bearer share and CHF 0.52 (previous year CHF 0.44) per registered share to the Annual General Meeting. This represents a payout ratio of 31.8% (previous year 35.3%).

Focus on areas offering strong growth and high margins

Datwyler's primary strategy of sustainably profitable growth is based on a combination of organic growth and acquisitions. In the year under review, we succeeded in establishing the basis for accelerated organic growth by realigning the portfolio, while at the same time driving the programme of geographic expansion further forward in both divisions through acquisitions. The sale of the Cabling Solutions Division will allow Datwyler in future to focus its growth strategy on areas that offer strong growth and high margins. Although Cabling Solutions achieved net sales of CHF 229.4 million and adjusted profit (EBIT) of CHF 8.1 million (3.5% EBIT margin) in the 2012 financial year, from today's standpoint the division had only limited value added potential within the Datwyler Group. Pema Holding AG, the majority shareholder in Dätwyler Holding Inc., is the buyer. As a result of the transaction, CHF 95 million from earlier dividends were injected back into the operating cycle of the publicly listed Datwyler Group.

Increased innovative and competitive drive

In addition to the sale of Cabling Solutions, we combined the two former divisions Pharma Packaging and Sealing Technologies to form the new Sealing Solutions Division. As well as simplifying the Group's structure, this increases innovative capacity and exploits existing expertise to accelerate profitable growth. The industrial logic lies mainly in consolidating materials and engineering know-how as well as production and process expertise. We estimate the potential synergies at some CHF 10 million as of 2015. In an initial phase, we aim to further strengthen our leading competitive position in the existing pharmaceutical, automotive and civil engineering market segments. In a second phase, the focus will be on entry into new markets through organic growth and acquisitions.

Acquisition-led geographic expansion

In addition to changes to the portfolio, 2012 also witnessed major acquisitions in both divisions. In the Sealing Solutions Division, the acquisition (at the start of 2012) of Phoenix's seals business with annual revenue of EUR 43 million and a workforce of around 170 elevated Datwyler to one of the leading providers worldwide of special seals and tunnelling gaskets. And with the acquisition of the two Asian companies Zhongding Sealtech and Hankook Sealtech effective October 2012 the Datwyler Group significantly consolidated its position as the leading global supplier of high-precision sealing components for the automotive industry. Together, the two Asian companies generate annual revenue of almost CHF 100 million with a workforce of some 2'000 people. In the Technical Components Division too, we succeeded in substantially expanding our geographic presence through an acquisition. With distribution operations in twelve European countries, Dutch-based Nedis has been part of the Datwyler Group since the beginning of September. Nedis has some 370 employees and generates annual revenue of approximately CHF 140 million.

Two strong divisions

Following the portfolio realignments and acquisitions made in the year under review, the Datwyler Group now comprises the two strong divisions Technical Components and Sealing Solutions. The Nedis acquisition has lifted the total volume of markets that can be targeted by the Technical Components Division in the medium term to over CHF 8 billion. The division now has a workforce of around 2'000 at its 34 sites in Europe and will generate annual revenue of some CHF 750 million from 2013. Thanks to the concentration of operations, the volume of market segments that can be targeted by the Sealing Solutions Division over the medium term has risen to more than CHF 4 billion. The newly formed division has a workforce of around 5'000 at its 17 sites worldwide and will generate annual revenue of some CHF 650 million from 2013. The two divisions have different business cycle profiles, thus reducing fluctuations in the Group's margins.

Changes in the Executive Management and Board of Directors

Following the sale of the Cabling Solutions Division, Johannes Müller stepped down from the Executive Management of the publicly listed Dätwyler Holding Inc. at the end of 2012. He will continue to head Dätwyler Cabling Solutions AG as CEO. The new Sealing Solutions Division is to be headed by Dirk Lambrecht, former CEO of the Sealing Technologies Division. Guido Wallraff, the former CEO of the Pharma Packaging Division, is responsible for Global Business & Customer Relations in the newly created division. Accordingly, he stepped down from the Executive Management at the end of October 2012. Independently of the recent portfolio realignments, there will also be a change in the Board of Directors of Dätwyler Holding Inc. Gabi Huber will be proposed for election as new member of the Board of Directors at the Annual General Meeting on 23 April 2013. On the occasion of the same Annual General Meeting, Franz Steinegger will resign from the Board on grounds of age. Gabi Huber holds a doctorate in law. She is a member of Switzerland's National Council and has been head of the Liberal Party (FDP) parliamentary group since 2008.

Outlook: Greater financial strength and new EBIT targets

Under the new Group structure, Datwyler aims in future to lock even more vigorously into attractive growth opportunities offered by Europe's distribution markets and the global sealing markets. Sufficient resources are available to fund the planned organic growth as well as further acquisitions. At the end of 2012, cash and cash equivalents amounted to CHF 248.5 million and the net cash surplus less short-term bank debt came to CHF 135.8 million. By concentrating on high-growth areas, Datwyler can increase its previous EBIT targets. For 2013 the Group is confirming its operational target band (before one-time costs) of 10% to 13%, on projected revenue of around CHF 1'400 million. The market environment of the Europe-focussed Technical Components Division will remain extremely challenging. By contrast, the Sealing Solutions Division, which is positioned in global market segments, will benefit from the growth momentum in evidence in the emerging markets. Driven by its strong market positions, the Datwyler Group is striving to achieve revenue of CHF 2 billion with an EBIT margin of 12% to 15% by 2017. These goals are only reachable thanks to the leading-edge expertise and hard work and dedication of our employees. They make Datwyler a highly regarded partner in the eyes of our customers – both now and going forward! For this we offer our sincerest thanks to all employees. We would also like to express our gratitude to our customers and shareholders for their loyalty and commitment to Datwyler.

On behalf of the Board of Directors

Ulrich Graf

Ulrich Graf, Chairman

On behalf of the Executive Management

P. Hälg

Dr. Paul J. Hälg, CEO

DIVISIONS

TECHNICAL COMPONENTS

The Datwyler Technical Components Division is one of Europe's leading high-service distributors with local representation, a modern multichannel offering and an attractive product range. It comprises three specialised sales channels – online distribution, branded wholesale and specialist distribution. Altogether, the Technical Components Division offers a wide range of more than 500'000 standard products for electronics, automation, engineering and ICT, with excellent availability and fast delivery times.

Target groups
- Industrial companies
- Small to medium-sized businesses
- Retailers
- Wholesalers
- Technical schools and universities
- Government agencies and administrations
- Private customers

Geographical markets
- Europe

Products and services
Online Distribution (brands: Distrelec, Elfa Distrelec, Reichelt)
- Electronics and automation
- Electronic components and connectors
- Electrical engineering
- I&C equipment
- ICT components and accessories
- Building technology and building automation
- Alarm and security technology

Branded Wholesale (brand: Nedis)
- Electronic components and accessories
- ICT components and accessories

Specialist Distribution (brand: Maagtechnic)
- Fluid and power systems
- Elastomer and plastic technology
- Work safety, tools and consumables
- Swiss distributor of Shell lubricants

Market shares gained in a challenging environment

Thanks to acquisitions in 2012, the Technical Components Division generated net revenue growth of 2.2% to CHF 640.4 million (previous year CHF 626.4 million). Of this, CHF 48.5 million or 7.8% was contributed by Display Elektronika (as of 1.4.2012) and the Nedis Group (as of 3.9.2012), which were consolidated for the first time. Exchange rate movements had a negative impact of CHF 7.6 million or –1.2%. Excluding the effects of acquisitions and currency translation, the division suffered a 4.3% decline in revenue for 2012 compared with the strong prior year. In the same period, the Purchasing Managers' Indices in our main geographical markets fell from levels well above 50 in 2011 to levels between 40 and 50 in the reporting year. According to industry associations, semiconductor sales in Europe also followed this trend and were significantly down in 2012. Against the backdrop of this marked slowdown of activity in the electronics and industrial sectors, Datwyler's distribution brands performed well thanks to long-term investments in marketing, and gained further market shares in a softening market. The number of active customers also increased during the reporting year.

Integration costs and lower revenue temporarily reduce profitability

Sound procurement management and professional pricing enabled the division to maintain its gross margin in the face of intense pressure on prices. In addition to the strategic marketing expenditure, the reported operating profit (EBIT) of CHF 50.8 million (previous year CHF 68.6 million) was affected by the one-time costs associated with preparing a uniform infrastructure (logistics and IT) for Distrelec and Elfa and with the integration of Display Elektronika and Nedis. EBIT adjusted for these negative extraordinary items was CHF 57.8 million, representing an adjusted EBIT margin of 9.0% (previous year 11.5%). In addition to the extraordinary items, a lower sales volume and an above-average decline in revenue in the high-margin Nordic countries had a negative impact on the margin.

Acquisition of Nedis increases strategic flexibility

Datwyler continued the systematic expansion of its distribution activities in the reporting year with the acquisition of Nedis as of 3 September 2012. Control over the entire value chain from manufacturer to end user will give Datwyler greater strategic flexibility in terms of cooperation and margin optimisation. With its own branches in twelve countries, Nedis generates annual revenue of some CHF 140 million with a workforce of 370 and ranks second in the wholesale computer and electronic accessories segment in Europe. Over the next two years Nedis will focus on increasing revenue and profitability by streamlining and modernising its product portfolio and reviewing sales and customer relations activities.

Multibrand strategy as a competitive advantage

The three current brands Distrelec/Elfa Distrelec, Reichelt and Maagtechnic are being positioned successfully. The multibrand strategy allows Datwyler to respond to specific customer needs on the market side without losing the cost advantages enjoyed by a major company on the procurement side. The acquisition of Nedis increases the potential for synergy throughout the value chain:

– In procurement and purchasing by combining volumes, approaching suppliers jointly and bundling transport.
– In the product portfolio by rapidly identifying successful products and making them available to all business units.

Key figures of Technical Components

in CHF millions	2012	2011
Net revenue	640.4	626.4
EBIT	50.8	68.6
EBIT margin	7.9%	11.0%
EBIT adjusted	57.8	72.2
EBIT margin adjusted	9.0%	11.5%
Total assets	377.1	301.7
Gross capital expenditure	3.3	4.3
Number of employees (at year end)	1'829 (1)	1'464

1) Including the companies Display Elektronika and Nedis acquired in 2012.

– In logistics by combining logistics centres. Datwyler intends to close two of the warehouses operated by Distrelec / Elfa Distrelec in the medium term and to centralise warehousing activities for Europe (without Switzerland) at the present Nedis logistics centre in the Netherlands.
– In marketing and sales by promoting the active exchange of best practices between the business units.
– In IT by providing new web platforms and new ERP systems for all business units.

New functional organisation for Distrelec / Elfa Distrelec

Distrelec / Elfa Distrelec has positioned itself successfully with its value proposition as a "European high-service distributor with a full range and local presence". Market shares grew slightly in several countries despite the challenges of the reporting year. In 2012 the business unit also paved the way to further profitable growth with the introduction of a functional organisation as the final step in the process of combining Distrelec and Elfa Distrelec. Plans for centralising logistics were also pursued further and the product range was again expanded substantially.

Reichelt on course for expansion

With its promise of "professional quality at discount prices" Reichelt Elektronik succeeded in gaining market shares and revenue in a challenging environment in 2012. It even generated record growth in its home market of Germany as a result of more customers paying closer attention to prices in uncertain times and targeted expansion of the product range. Reichelt is also following a strategy of rapid expansion into further European countries, and the clear price positioning of the brand promises to be successful in countries other than Germany too.

Difficult environment for Maagtechnic

The measures initiated in 2011 enabled Maagtechnic to strengthen its market position in 2012. Customer surveys are returning continually improved results, and the organisation's efficiency has improved further. However, Maagtechnic suffered from slowing industry growth, particularly in its home market of Switzerland, and the strong Swiss franc. Intensive cost management nonetheless enabled it to break even despite a considerable slump in sales.

Outlook: increased revenue thanks to Nedis integration

The Technical Components Division will be able to increase revenue substantially in 2013 following the consolidation of Nedis despite an operating environment which is set to remain challenging in the European markets relevant for us. For 2013 we are also planning further one-time costs for centralising the infrastructure, and are confident that our investments in joint procurement, logistics and IT activities will further enhance our competitiveness in the future and improve our margins. On the market side our strong position will enable us to benefit from the trend towards online purchasing and from our business customers' efforts to optimise procurement.

Markus Heusser, CEO of Datwyler's Technical Components Division.

«GROWTH POTENTIAL IN THE TREND TOWARDS ONLINE PURCHASING»

In an interview, Markus Heusser, CEO of Datwyler's Technical Components Division, explains the new strategic opportunities inherent in the acquisition of the Nedis Group and the growth potential in the business of distributing electronic and ICT components and accessories (ICT: Information and Communication Technology).

Datwyler has made a name for itself as an online distributor of electronic and ICT components and accessories with its Distrelec, Elfa Distrelec and Reichelt brands. What made you move into the wholesale business with the acquisition of the Dutch Nedis?
The distribution of electronic and ICT components and accessories is a dynamic business in a market with several levels which are not always easy to distinguish from each other. The acquisition of Nedis, a wholesaler, gives us as distributors direct access to manufacturers in Asia. We now control the entire value chain. Together we can increase our procurement volumes, and this gives us a stronger basis for negotiations. That's an important criterion in enabling us to increase our profitability.

But the computer wholesale business tends to operate with low margins, doesn't it? How is it an interesting proposition for Datwyler?
As I mentioned, our interest lies on the one hand in the interplay between wholesaling and distribution and the synergy potential this offers. At the same time, Nedis is a branded wholesaler with its own brands in a number of price segments. We have these manufactured to our own specifications at low cost by independent companies in Asia. This enables both Nedis and its customers to achieve attractive margins. In addition, Nedis does not sell low-margin hardware such as computers or cameras; it focuses on components and accessories such as cables, headphones and similar items.

What can Datwyler do to accelerate the profitable growth of Nedis in its traditional wholesale business?
The combination of Nedis as a wholesaler and the existing Datwyler distribution companies Distrelec, Elfa Distrelec and Reichelt creates a classic win-win situation. Nedis profits from its proximity to the manufacturers, while the existing Datwyler distributors benefit from their proximity to business and private customers in the market. In our management capacity we actively promote a constructive exchange, and this creates advantages for both sides. The proximity of Nedis to the ma-

nufacturers enables Reichelt's private customers to take advantage of good prices, for example, and the proximity of the Datwyler brands to the market allows us to identify emerging trends and make our product range even more attractive for Nedis's retail customers.

Are there further synergies between Nedis and the existing Datwyler distribution companies?
Yes, in addition to the potential in procurement and marketing that I've just mentioned, there are also some classic synergies. Nedis operates a modern logistics center which is not working to capacity and which can be expanded with little investment. Its central location in the Dutch town of 's-Hertogenbosch, one hour from Amsterdam, makes it an ideal central European warehouse for the two Datwyler brands Distrelec and Elfa Distrelec. We are planning to transfer the two current warehouses in Stockholm and Achim to 's-Hertogenbosch in the medium term. The Swiss market will continue to be supplied from the logistics centre in Nänikon-Uster.

The industry is moving from catalogue distribution to online distribution. What will be the right business model in the future?
There won't be a single correct business model in the future either, but size is bound to become an increasingly critical factor for success. Unlike our competitors, we are pursuing a multibrand strategy. Or to use an appropriate image: our market presence is made up of several agile speed-boats rather than a single supertanker. This enables us to respond to different customer needs in the market while continuing to benefit from the synergies that exist in a major company. These have their greatest impact in procurement, logistics, ICT, product management and marketing. Here, a modern web-based shop is a central factor in the success of each brand. More than 70% of revenue from Reichelt products, for example, is already being generated by online orders.

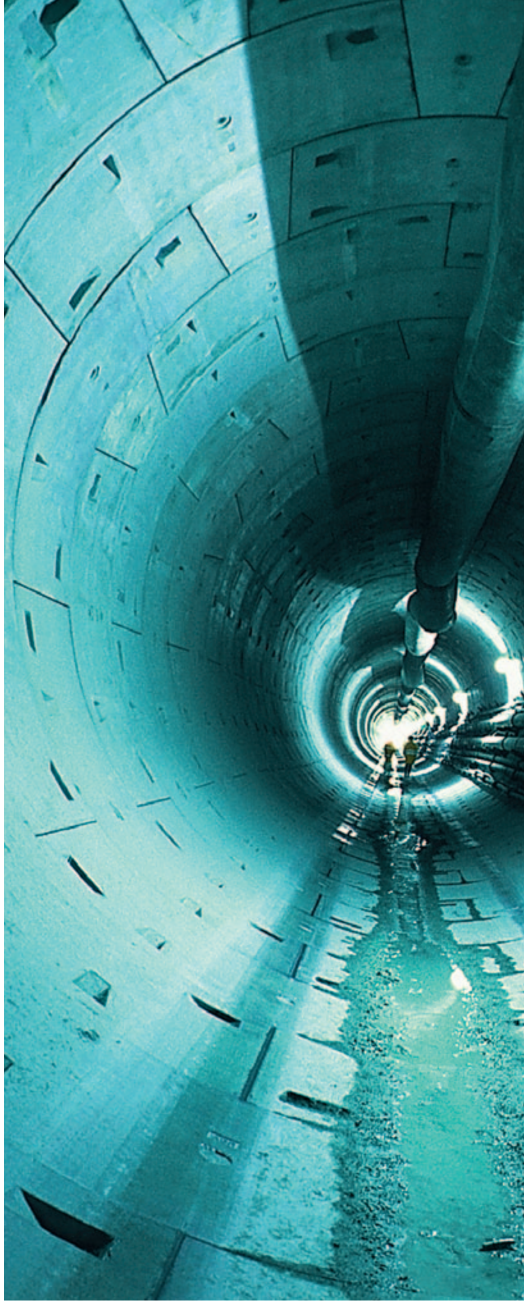
The modern Nedis logistics centre offers potential for synergies.

Nedis uses own brands to differentiate itself.

What market trends form the basis of the organic growth that you are aiming for in the distribution business?
The most important aspect is definitely the trend towards online purchasing, by both private and business customers. Today the customer expects to be able to access our products through multiple channels and with no restrictions on time or place. Compared with smaller suppliers we have the advantage that our brands are well known, we have a wide range and we are very close to the customer. We are currently working on the next generation of a multichannel platform which will make it even easier for our customers to find and order products.

Are there any other market trends which are having a major impact?
Nowadays customers expect a great deal in terms of the breadth and depth of our product range and availability. The key concept here is the one-stop shop. Our business customers' efforts to optimise procurement are also going in this direction. One geographical trend is the accelerating pace of industrialisation in eastern Europe. There is also a trend towards volume growth in prototype construction and maintenance of electronic components. For us as a large and leading supplier, these trends represent opportunities for growth.

Are there further opportunities for additional growth through acquisitions?
Size is a major factor for success in the distribution business. The market trends that I have mentioned will therefore maintain the pressure to consolidate. Small and medium-sized suppliers will reach their limits on both the market and the cost side. Sooner or later this will open up new acquisition opportunities.



SEALING SOLUTIONS

The Datwyler Sealing Solutions Division is a leading supplier of bespoke sealing, closure and packaging solutions to global market segments, such as the Container Closures, Automotive, Packaging, Diagnostics & Disposables, Civil Engineering and Injection Systems industries. This is thanks to its leading material, engineering and process expertise and worldwide presence with its own production locations. As an acknowledged development partner, Datwyler maintains close working relationships with global customers, and has in-depth knowledge of the business models and technologies used in the markets in which it operates.

Target groups
– Automotive system suppliers
– Construction industry
– Packaging industry
– 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

Automotive
– Brake systems
– Fuel and engine management
– Comfort and safety equipment

Civil Engineering
– Tunnel construction (gaskets for single shell tunnelling)
– Civil engineering (hydrophilic seals, injection hoses, joint seals)
– Track superstructure (sub-ballast mats, sleeper boots)
– Industrial profiles (absorber profiles, solar profiles)
– Building construction (curtain wall, window, and door seals)

Packaging
– Innovative sealing solutions for portioned food and drinks

Container Closures
– Rubber, aluminium and plastic components and closures for injectable drugs

Diagnostics & Disposables
– Rubber components for blood collection systems, IV administration sets, disposable syringes, etc.

Injection Systems
– Rubber components for prefilled syringes, pen systems etc.

Strategic milestones to enhance competitiveness

Since the beginning of November 2012, the Sealing Solutions Division has consisted of the previous Pharma Packaging and Sealing Technologies Divisions. The newly formed division enjoyed brisk demand in all market segments and generated net revenue growth of 28.4% to CHF 548.4 million (previous year CHF 427.1 million). Growth in this division was also considerably accelerated by the new companies acquired, Phoenix Dichtungstechnik (as of 1.1.2012) , and Zhongding Sealtech and Hankook Sealtech (as of 12.10.2012), which contributed CHF 81.4 million or 19.1%. Exchange rate movements had a negative impact of CHF 3.4 million or –0.8%. Excluding the effects of acquisitions and currency translation, the previous operations generated organic growth of 10.2%.

Increase in operating profitability

High capacity utilisation and continuous improvements designed to lower costs and reduce dependency on exchange rates increased operating profit (EBIT) by 14.3% to CHF 58.3 million (previous year CHF 51.0 million). This includes the one-time costs of concentrating extrusion manufacturing in Germany and commissioning the new plant in India, which total CHF 11.0 million, and one-time income of CHF 1.5 million from the sale of a warehouse at the Schattdorf site in Switzerland. EBIT adjusted for these extraordinary items was CHF 67.8 million, with a corresponding increase in adjusted EBIT margin to 12.4% (previous year 11.0%).

Expansion in Asia

In 2012, Datwyler took steps to increase competitiveness and accelerate growth in the Sealing Solutions Division, and achieved major milestones on two strategic axes. The division acquired Zhongding Sealtech in China and Hankook Sealtech Korea, which substantially strengthened its position in the automotive segment in the growth markets of Asia. Another milestone was the development of the new plant in India to manufacture elastomeric components for the pharmaceutical industry. The new high-performance manufacturing sites in Asia and the existing sites in the two other major economic regions, Nafta and Europe, will consolidate Datwyler's position as the leading global supplier of and development partner for high-precision and high-quality sealing components.

Combined expertise

At the same time, Datwyler combined the former Pharma Packaging and Sealing Technologies Divisions to form the new Sealing Solutions Division, a move which consolidated the Group's existing expertise in materials, engineering and processes. In addition to realising potential synergies of some CHF 10 million, Datwyler aims to use its leading competitive and market positions primarily as a strong base for more rapid global growth. Existing market segments will be expanded further in an initial phase, and this will be followed by a second phase in which the focus will be on entry into new markets through organic growth and acquisitions.

Pharma market segments outperform market growth

The three existing pharma market segments Container Closures, Diagnostics & Disposables and Injection Systems substantially outperformed the market growth trend in the reporting year. Some of the revenue increase was due to higher selling prices. Growth was driven primarily by high demand from key customers in the Injection Systems market segment. The coated Omniflex components also confirmed their growth course. The commissioning of the new plant in India provides urgently needed additional capacity and will help to satisfy the high level of demand. Measures to increase manufacturing capacity are also being planned at the other pharma locations.

Key figures of Sealing Solutions

in CHF millions	2012	2011
Net revenue	548.4	427.1
EBIT	58.3	51.0
EBIT margin	10.6%	11.9%
EBIT adjusted	67.8	46.8
EBIT margin adjusted	12.4%	11.0%
Total assets	518.1	401.8
Gross capital expenditure	58.5	52.3
Number of employees (at year end)	4'815 (1)	2'573

1) Including the Phoenix profile business and the companies Zhongding Sealtech and Hankook Sealtech acquired in 2012.

Strategic acquisitions in Automotive in Asia

In the Automotive market segment Datwyler reaped the rewards of ground work done in previous years in the form of numerous new projects and a very well filled project pipeline. Datwyler's strong position as a development partner of the leading companies supplying the German automotive industry enabled it to maintain its good momentum in this segment. An additional production building was commissioned at the Czech site in the second quarter. With effect from 12 October 2012, Datwyler acquired Zhongding Sealtech, with one plant in China, and Hankook Sealtech, with two plants in South Korea and a 40% joint venture interest in an Indian plant. Together Zhongding Sealtech and Hankook Sealtech are the leading Asian supplier of elastomeric seals and gaskets for the automotive industry. Their four facilities employ close to 2'000 people, about three quarters of them in China. As the market leader in China, Zhongding Sealtech has strong connections to local Chinese and global customers.

Civil Engineering: concentration of extrusion manufacturing

The demand for special profiles in the Civil Engineering market segment remained high in the reporting year. There is still a great deal of unexploited potential in the market for tunnel segment gaskets and, more particularly, high-quality profiles for track superstructure. Integration of the profile business of Phoenix Dichtungstechnik, acquired at the start of 2012, was completed with no major delays. In the first six months of the year, the division concentrated extrusion manufacturing of special profiles at the new German site in Waltershausen without interrupting operations. The former German site in Springe was closed in mid-2012. The division introduced a package of measures to make more efficient use of manufacturing capacities in order to return delivery times to their former level.

Packaging: continuous expansion of the Nespresso order

The Packaging market segment also reported pleasing development. The volume of the Nespresso order was expanded continuously following the successful commissioning of the new product line at the Swiss plant in Schattdorf.

Outlook: further potential for growth and higher margins

In 2013 the Sealing Solutions Division will work intensively to exploit the synergy and growth potential generated by the merger of the two divisions and by the acquisitions made last year. The consolidation of the two Asian companies and organic growth will lead to a significant increase in revenue in 2013. The substantially expanded global presence and concentrated expertise of this division mean that it still has further potential for growth and higher margins in the medium term.

Dirk Lambrecht, CEO of Datwyler's Sealing Solutions Division.

«ACCELERATED GROWTH THROUGH ACQUISITIONS AND MERGER OF DIVISIONS»

Dirk Lambrecht, CEO of Datwyler's Sealing Solutions Division, explains in an interview why the acquisitions in Asia and the merger of two divisions will increase benefit to the customer and accelerate growth.

The new Datwyler Sealing Solutions Division was formed in 2012 following the merger of the former Pharma Packaging and Sealing Technologies Divisions. At the same time, Datwyler acquired two companies in China and Korea in this division. Is there a connection between the merger and the acquisitions?
Yes and no. No, because there is no direct relationship between the two measures. Both the merger and the acquisitions in Asia could just as easily have been implemented separately. Yes, because we are convinced that both measures will enhance our competitiveness and provide our customers with better and more innovative solutions.

How do the two recently acquired Asian companies Zhongding Sealtech and Hankook Sealtech fit into the business model and the strategy of the Sealing Solutions Division?
Zhongding Sealtech and Hankook Sealtech are a perfect fit with the business model and strategy in the automotive segment of Datwyler's Sealing Solutions Division. Their geographical presence and product range are absolutely complementary, ideally supplementing each other. While Datwyler has a strong footprint in Europe and the USA, the Asian companies will add a leading position in Asia. This will strengthen existing customer relationships and product groups, as well as providing access to new customers, more countries and additional applications.

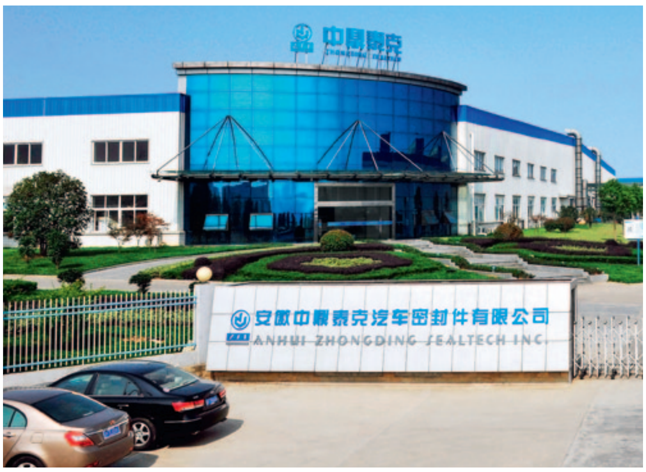
Where are the synergies and the benefit of these acquisitions? How have automotive customers reacted?
Customers' reactions have been largely positive. With our brands Datwyler, Zhongding Sealtech and Hankook Sealtech we are the first supplier of elastomer seals and gaskets to have our own high-performance manufacturing facilities located in the three principal economic regions: Asia, Nafta and Europe. We are now able to offer our automotive customers opportunities for global cooperation which are unique in the sealing components segment.

Isn't the integration of the two Asian companies likely to exert pressure on the prices of components manufactured by the existing Datwyler plants?
No, on the contrary, Zhongding Sealtech and Hankook Sealtech open up new opportunities in production planning and pricing. On the one hand we can become cost leaders for standard products. And on the other we have the capacities we need to gain new orders and market shares with good margins through the competent co-engineering and prototyping of complex products.

What makes Datwyler stand out from the competition as a supplier of sealing components for the automotive industry?
It's the combination of three factors that makes us an attractive partner for our major global customers. Firstly, we have leading expertise and skills in materials, engineering and processes. Secondly, we operate our own facilities in the principal economic regions and can take a global approach to customers. Thirdly, our plants in low-cost countries enable us to produce the quality customers want while keeping costs competitive.

Do these distinguishing features also apply to the other segments in which you operate?
They certainly do. We are dealing in all market segments with globally operating customers who approach us because they need complex sealing solutions. It was this very similar environment in all the market segments in which we operate which ultimately led us to combine the two divisions Sealing Technologies and Pharma Packaging to form the new Sealing Solutions Division.

How have customers and employees reacted to the merger of the two former divisions?
Here, too, the response has been largely positive. There were naturally one or two critical questions to start with. But if you consider not only the very similar market environment but the largely identical supplier structure and the very similar technology and manufacturing concepts as well, you quickly realise that the opportunities offered by this merger greatly outweigh other aspects.



Zhongding Sealtech, the leading Chinese supplier of elastomer seals and gaskets for the automotive industry, employs more than 1'500 people at its plant in Nigguo City.

Zhongding Sealtech operates impressive modern manufacturing facilities.

What can customers expect from the new division in the short and medium term?
The aim of combining the two divisions is to consolidate the expertise and skills that exist in all parts of the company, from marketing through manufacturing to procurement. Not much will change for the customers in the short term. In the medium term, though, we are convinced that our consolidated expertise in sealings and gaskets will create value for our customers. We have a clear vision: We want to create outstanding sealing solutions for a more reliable world!

What exactly do you mean? Can you be more specific?
By consolidating our sealing expertise we will be able to offer new, innovative solutions, either involving elastomer or other, new materials. Our collaboration with Nespresso is a good illustration of our vision. Here we successfully developed a solution involving a new material in a new market to meet a complex sealing requirement. We also managed to apply this solution on enormous volumes of parts. The Nespresso project is an impressive demonstration of the great growth potential which we can draw on by consolidating our expertise in market segments where we do not yet have a presence.

SUSTAINABILITY

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 in 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 2012 reporting year the third progress report on the ten UN Global Compact principles was published. This endeavour is based on the Datwyler values and the Code of Conduct that lay down globally binding rules for all Datwyler Group employees. The systematic surveys of customers and employees were continued and refined in 2012. In this way we live up to our social responsibility every day as a reliable partner to our stakeholders.

With the sale of the Cabling Solutions division, the merger of the Pharma Packaging and Sealing Technologies divisions, and some major acquisitions in 2012, Datwyler has provided the key strategic blueprint for accelerating sustainably profitable growth. This sustainability report essentially comprises the continuing operations of the Technical Components and Sealing Solutions divisions. In the comments relating to environmental and employee data, we explicitly mention the companies and sites involved.

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	Sealing Solutions
Quality		
ISO 9001	All facilities (except for Nedis)	All facilities
ISO/TS 16949 (suppliers to the automotive industry)	Saint-Marcellin Cedex/France	Schattdorf/Switzerland Novy Bydzov/Czech Republic Malyn/Ukraine Silao/Mexico Ningguo City/China Daegu/Korea
ISO 15378 (primary packaging for medicines)		Alken/Belgium Pregnana/Italy
Environment		
ISO 14001	Dübendorf/Switzerland Brabrand/Denmark Bremen/Germany Göppingen/Germany Helsinki/Finland Järfälla/Sweden Oslo/Norway Vaulx-en-Velin/France Warsaw/Poland	Alken/Belgium Karlsbad/Germany Montegaldella/Italy Schattdorf/Switzerland Waltershausen/Germany Ningguo City/China Daegu/Korea
Occupational health and safety		
OHSAS 18001		Alken/Belgium Karlsbad/Germany Schattdorf/Switzerland Waltershausen/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. Regular supplier audits are also carried out as part of the quality assurance systems.

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. During the reporting year 2012, 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 both 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 Technical Components Division. By using standardised processes in the selection of raw materials and with safety data sheets for all products, the Datwyler Sealing Solutions division meets the relevant regulatory requirements and standards for material composition and transparency in the countries in which they operate. Datwyler's online/catalogue distributors (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 decision-making 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. The companies in the Technical Components Division passed on their knowledge to more than 1'300 customer representatives at no less than 112 courses during the year, and in so doing strengthened customer loyalty. The Sealing Solutions Division has been commended for its customer responsiveness with a number of Supplier of the Year Awards or chosen as a "Preferred Supplier" by 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 Corporate Design Manual.

Systematic customer surveys

The Datwyler Group holds a Group-wide standardised customer survey once a year. This web-based survey is conducted 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. These form 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[4]		Sealing Solutions[5]		Datwyler Group (continuing operations)[6]	
	Unit	2012	2011	2012	2011	2012	2011
Energy consumption and CO_2							
Electricity	MWh	8'730	9'223	108'155	106'127	116'885	115'350
Per capita electricity	MWh/ employee	6.0	6.2	37.7	38.3	27.0	27.1
District heating	MWh	2'960	3'440	1'126	1'340	4'086	4'780
Natural gas	MWh	3'232	3'501	31'310	31'672	34'542	35'173
Butane, propane, ethane	MWh	6	0	0	0	6	0
Extra light fuel oil	MWh	2'013	1'713	423	471	2'436	2'184
Other fossil fuels	MWh	0	0	6'002	0	6'002	0
Renewable energy	MWh	0	0	3'804	4'427	3'804	4'427
CO_2 emissions [2]	tonnes	2'931	2'933	47'370	44'268	50'302	47'201
Direct (Scope 1) [2]	tonnes	1'191	1'164	8'039	6'522	9'230	7'686
Indirect (Scope 2) [2,3]	tonnes	1'740	1'769	39'332	37'746	41'072	39'515
Per capita CO_2 emissions	tonnes/ employee	2.0	2.0	16.5	16.0	11.6	11.1
Water consumption							
Drinking/industrial water	m^3	18'279	19'063	2'121'749	1'881'010	2'140'028	1'900'073
Per capita water consumption	m^3/ employee	12	13	739	678	494	446
Waste							
Total waste	tonnes	1'516	1'616	10'030	7'955	11'546	9'571
of which regular waste	tonnes	1'493	1'593	9'244	7'283	10'736	8'876
of which special waste	tonnes	23	23	787	672	810	695
Proportion of waste sent for recycling	%	46%	38%	65%	74%	62%	67%
Per capita total waste	tonnes/ employee	1.0	1.1	3.5	2.9	2.7	2.2
Employees [1]		1'465	1'487	2'869	2'773	4'334	4'260

(1) In full-time equivalents as an annual average (incl. temporary employees).
(2) The CO_2 emissions are reported as direct (Scope 1) emissions, resulting for example from the combustion of natural gas at the Group›s own facilities, and indirect (Scope 2) emissions, caused for example by the consumption of electricity.
(3) The CO_2 emissions in 2011 deviate slightly from the values published in the previous year, as more up-to-date emission factors were available which better show the conditions in the individual countries.
(4) In the Technical Components Division, all main sites with a total of 1'465 employees (expressed in full-time equivalents as an annual average) are included in both the reporting year and the previous year.
(5) In the Sealing Solutions Division (formerly Pharma Packaging and Sealing Technologies), all main sites with a total of 2'869 employees (expressed in full-time equivalents as an annual average) are included in both the reporting year and the previous year. With the acquisition of the profile business of Phoenix Dichtungstechnik as of 1.1.2012, an additional plant in Germany with 243 employees (expressed in full-time equivalents as an annual average) was also taken over. To ensure better comparability, the environmental key figures for this plant were also recorded and included for 2011. The newly constructed plant in India was commissioned in the course of the reporting year and is included for the first time with 41 employees (expressed in full-time equivalents as an annual average).
(6) In the second half of 2012, Datwyler acquired the companies Nedis, Zhongding Sealtech and Hankook Sealtech. The environmental key figures for these companies will be reported as of next year. This also provides an easier comparison between this reporting year and the previous year.

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.

Certified environmental management

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 2012 the Group spent around CHF 1.2 million on specific environmental activities. This included some CHF 0.6 million on investments, CHF 0.5 million on staff and CHF 0.1 million on certification.

Environmental performance at a glance

Since 2010 the environmental data in the table on page 25 have included all sites in both divisions. There were several changes in the scope of consolidation in the year under review. The acquisition of the Phoenix profile business at the beginning of 2012 resulted in the addition of the German production site in Waltershausen to the Datwyler Group. The environmental data for this site were included in both the year under review and the previous year. Environmental data for Nedis, Zhongding Sealtech and Hankook Sealtech, acquired in the second half of 2012, will be included as of 2013 to ensure comparability for 2012 and 2011. As is to be expected, the Sealing Solutions Division consumes considerably more resources than the trade- and distribution-centred Technical Components Division.

A comparison with 2011 shows the different trends in resource consumption in the two divisions. Whereas both the absolute figures and the per capita consumption have decreased slightly for Technical Components, the Sealing Solutions division reported increases almost across the board in absolute terms. This largely reflects the different levels of capacity utilisation in the two divisions during the year under review: while Technical Components experienced an organic decline in sales of 4.3%, Sealing Solutions generated organic growth of 10.2%. With regard to electricity consumption, Sealing Solutions was able to reduce per capita consumption despite an increase in absolute terms. In the other fossil fuels category, Sealing Solutions recorded the diesel consumption required to ensure the power supply at the new plant in India for the first time in 2012. In the Technical Components division, lower temperatures and more heating days in Switzerland led to higher heating oil consumption. All in all, the different factors influencing energy consumption balance each other out, and per capita greenhouse gas emissions remained more or less constant in both divisions.

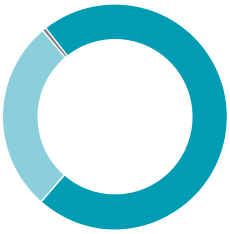
The high water consumption for Sealing Solutions very clearly reflects the specific requirements of the production processes in this division. Cooling the sealing profiles for civil engineering and the manufacturing process for the Nespresso order both involve particularly large amounts of water. At the Swiss plant in Schattdorf, it was possible to use the necessary water twice for both areas up to mid-2012. Due to the concentration of the manufacturing of sealing profiles at the German site in Waltershausen, it was no longer possible to use the water twice, resulting in a corresponding rise in water consumption. The water requirements at the Swiss production site in Schattdorf of over 1.2 million m^3 (around two-thirds of the group's water consumption) are completely met by industrial water. Datwyler is thus helping to reduce the consumption of valuable drinking water as much as possible.

Another significant aspect is the combination of electricity sources used at the Swiss production site operated by Sealing Solutions. From the start of 2013, Datwyler will use only environmentally friendly, 100% hydroelectric power from naturemade-basic-certified power stations owned by the local electricity company. This means that in the future just under 20% of the Group's electricity requirements will come from environmentally friendly hydropower. A wood-fired electricity generating plant has been in operation at the same Swiss production 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 CO_2 emissions by some 1'300 tonnes.

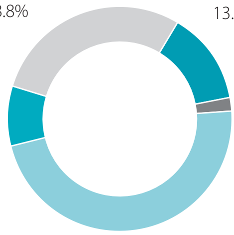
The increase in waste volumes for Sealing Solutions has several one-off causes including the transfer of extrusion manufacturing, which requires high levels of raw materials, and the commissioning of the new plants in India and China. Around two-thirds of the rubber waste produced by Sealing Solutions is sent for recycling. Just under 50% of the waste produced by the Technical Components division is recycled. Datwyler intends to increase the proportion of waste recycled. however, this also depends on whether its recycling partners have sufficient demand for the raw materials in question.

Our people

Employees by division
(full-time equivalents, end of year, continuing operations)



Employees by region
(full-time equivalents, end of year, continuing operations)



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
There have been some significant staffing changes in the Datwyler Group in several respects during 2012. As well as organic growth with the expansion of production sites in low-cost countries, there were also various effects resulting from acquisitions and divestments. At the end of the year Nedis, which was acquired on 3 September 2012, employed 415 people in eleven European countries and in Hong Kong. Zhongding Sealtech and Hankook Sealtech, acquired with effect from 12 October 2012, had 1'606 employees in China and 230 employees in South Korea at year-end. With the sale of the Cabling Solutions division, 891 employees left the listed Datwyler Group as of 31 December 2012. To avoid misinterpretation, the employee figures – if not otherwise stated – refer to the continuing operations of the Technical Components and Sealing Solutions divisions as at 31 December 2012. In total, the Datwyler Group had a workforce of 6'907 – including fixed-term employment contracts – in 26 countries at the end of the year, of which 1'918 are now in Asia. This is equal to 6'670 full-time equivalents (previous year: 4'961 full-time equivalents). In order to calculate the revenue per full-time equivalent and for the turnover rate, the employee figures for the newly acquired companies were weighted according to the period in which they belonged to the Datwyler Group. This results in revenue per full-time equivalent of CHF 225'972 (previous year: CHF 257'430) for the continued activities in 2012. The decline in comparison with 2011 can be explained by the expansion of production sites in low-cost countries on the one hand, and on the other, the fact that the Cabling Solutions division, with its highly automated cable manufacturing operations, raised the average in the previous year. The turnover rate for the Datwyler Group fell slightly in the year under review to 13.9% (previous year: 14.2%). The turnover rate is also strongly influenced by the establishment and expansion of the production sites in low-cost countries, where staff turnover is generally higher. Turnover is calculated by dividing the number of voluntary employee departures by the average headcount for the year (excluding fixed-term contracts). At year-end, the Group had 6'134 full-time employees and 489 part-time employees. The proportion of employees with fixed-term employment contracts was 284 people, or 4.1% of employees. The percentage of women in the Group's total staff came to 40.3%, while the proportion of women in management positions was 24.1%.

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 307.6 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 2012, the Compliance Officer (currently the CFO) received no complaints of alleged discrimination in Datwyler companies.

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. Throughout the Group, occupational injuries resulted in 2'334 lost days, which represents 0.18% of the total days worked. In total, 40'788 days were lost due to sickness, occupational injuries and non-occupational injuries, representing an absentee rate of 3.2%.

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 140 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. To develop up-and-coming managers, the Datwyler Group has been holding a four-day intensive young managers programme every year since 2010. An annual two-day group seminar is held for top management.

Employee survey also based on benchmarking

The Datwyler Group holds a Group-wide standardised employee survey every year. The survey consisting of a written questionnaire in 17 languages is conducted annually with the help of an external specialist. This guarantees anonymity for employees. The average response rate in 2012 was 81%, up from the previous year's rate. 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. The survey results provide valuable inputs for developing and implementing improvements. 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 2012. Nor were any significant fines or non-monetary sanctions imposed on Datwyler for non-compliance with laws and regulations during the reporting year.

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

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 manufacturing facility in the Swiss Canton of Uri where Datwyler Group, a publicly listed company, is the largest privately-owned employer, providing a total of some 500 jobs. With the exception of basic production feedstock, such as raw materials for rubber (which cannot be purchased locally), the facility in Uri sourced 51.4% of its purchases locally in 2012. 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 33.4 million. It does not own any shares in Dätwyler 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 7.9 million in grants. Of the total amount distributed, CHF 6.6 million or about 84% has gone to applicants in the Swiss Canton of Uri. In this spirit, a sum of CHF 0.6 million was awarded last year.

Statement
GRI Application Level Check

GRI hereby states that **Dätwyler Holding Inc.** has presented its report "Annual Report 2012" 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. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

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

Amsterdam, 5 March 2013

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 27 February 2013. GRI explicitly excludes the statement being applied to any later changes to such material.*

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

at 31 December 2012

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 Dätwyler 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 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.

* www.datwyler.com > Our Company > Organisation

Group structure and shareholders

The Datwyler Group is a focused industrial supplier with leading positions in global and regional market segments. The Technical Components Division is one of Europe's foremost high-service distributors of electronic, automation, engineering and IT components and accessories. The Sealing Solutions Division is a leading supplier of bespoke sealing solutions to global market segments, such as the automotive, pharmaceutical and civil engineering 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 Dätwyler Holding Inc. This represents 80.01% 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.

Dätwyler Führungs AG wholly owns Pema Holding AG, indirectly giving it a majority of the voting rights in Dätwyler Holding Inc. Dätwyler Führungs AG is owned by its Directors who are elected by co-optation and are also Directors of Pema Holding AG and Dätwyler Holding Inc. (cf. p. 38, Board of Directors). They acquired equal shares in the CHF 0.1 million share capital of Dätwyler 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 Dätwyler Holding Inc. are controlled by the top management. The Bearer Shareholders' Representative on the Board of Dätwyler Holding Inc. is not a Director of Pema Holding AG or Dätwyler Führungs AG.

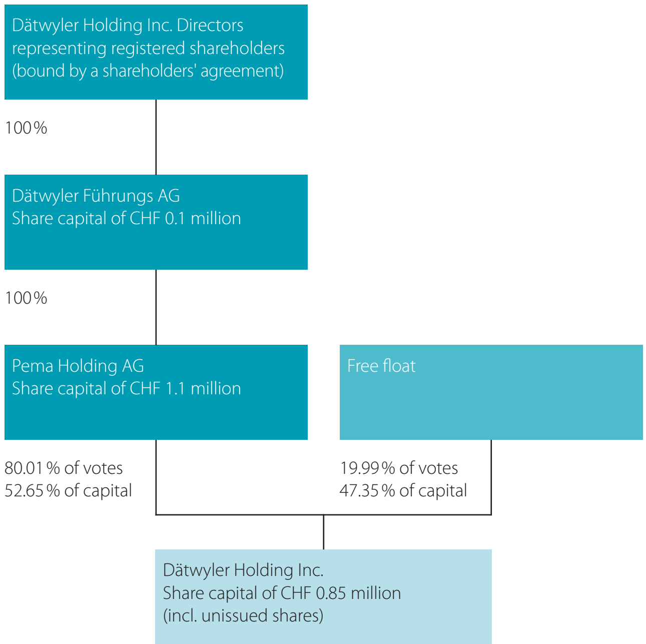
The Board of Dätwyler Holding Inc. is not aware of any other shareholders, or groups of shareholders subject to voting agreements, who hold 3% or more of the total voting rights. No disclosure notices were received in the year under review.

Group structure and companies

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

- Page 60 f.: segment reporting.
- Page 81 f.: detailed list of subsidiaries and investments.
- Page 99 ff.: details of Dätwyler Holding Inc., the listed company, in the Share Information and General Information sections.
- Page 102 ff.: directory of Group operations.

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



Capital structure

Composition of share capital in CHF millions at 31 December 2012:

22'000'000 registered shares of CHF 0.01 each	0.22
12'600'000 bearer shares of CHF 0.05 each (including 1'415'347 treasury shares)	0.63
Total ordinary share capital	0.85
Authorised additional share capital	none
Authorised contingent 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 (1'415'347 bearer shares, see note 8, treasury shares, on page 93), all shares irrespective of their value are entitled to vote and rank for dividend. Information about changes in equity for 2012 and 2011 is presented in the statement of changes in equity on page 51. Changes in equity for 2011 und 2010 are shown in the statement of changes in equity on page 55 of the Annual Report 2011 (www.datwyler.com > Media > Publications).

Convertible bonds and share options

As at 31 December 2012, Datwyler did not have any outstanding convertible bonds or options. In 2012 a fixed-rate bond was issued in the amount of CHF 150 million (see page 94, Note 10, Bond).

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 2012, 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 65 and their average tenure is eleven 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 Dätwyler 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 Organisation, 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 2012, the Board held six meetings attended by the CEO and CFO. There was also one telephone conference. The other members of the Executive Management were present at each meeting for the discussion of items relating to them. In 2012, 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 2012, 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 2012, other external specialists were not called in.

Responsibilities of the Audit Committee

- To ensure a comprehensive and effective audit programme for Dätwyler 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 Dätwyler 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 2012, the Human Resources Committee held two meetings with the CEO and CFO. There was also one telephone conference. During 2012, 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 Dätwyler 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.

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.

Internal Audit

Internal Audit reports to the Audit Committee and is under the direct administrative line management of the CFO. Every year it draws up a risk-based audit plan, which is approved by the Audit Committee. The interval between audits of Group companies varies between two and five years, depending on the size and importance of the individual company. To optimize cooperation, the head of Internal Audit meets regularly with the representatives of the external auditors. At their meetings they harmonize audit plans and audit priorities and exchange useful information.

Internal Audit verifies compliance with the division of responsibilities and monitors the internal control system, risk management and the efficiency of the structures and processes. The findings and recommendations of Internal Audit are recorded in written reports. Following completion of the audit the findings are reviewed and discussed with the local management. In coordination with its division management, the local management defines specific corrective measures and a timetable for implementation and issues an opinion. Copies of the report are sent to the line managers, the external auditors, Executive Management and the Audit Committee. The head of Internal Audit presents the significant findings contained in the audit reports at the respective next meeting of the Audit Committee. Comments and suggestions of the Audit Committee and the external auditors are taken into consideration in planning and conducting audits. Internal Audit also ensures that all discrepancies raised by its audits are addressed within the prescribed period and submits a report on such matters to Executive Management and the Audit Committee.

Risk Management

The Datwyler Group is aware of the importance of systematic risk management for lasting corporate success. Final responsibility in assessing risks lies with the Board of Directors. The head of Internal Audit is responsible for the Group-wide coordination of risk management. He is supported by risk officers in both divisions.

As part of a standard process the division managements hold an annual workshop to evaluate significant risks. A record of the results is kept in a risk-management system. To ensure uniform valuation methods, the CFO of the Datwyler Group and the head of Internal Audit conduct annual reviews with the division managements and the risk officers. These reviews guarantee the same treatment of similar risks across all divisions. The head of Internal Audit is responsible for the consolidation of risks and the presentation of the annual risk management report to the Board of Directors. In addition to this standardized risk management process, ongoing risk assessment is an integral part of all operational planning and management processes. Division managements and Executive Management regularly assess risks in particular in their joint business review meetings.

Datwyler distinguishes in principle between two categories of risk: risks arising from the business environment and risks arising from business processes. The business environment category includes risks associated with the industry and the market, the external stakeholder groups, laws and regulations and catastrophic events. The business process category in turn includes risks along the value-added chain, in IT, the planning and reporting process, finances and human resources. Risks are assessed on the basis of probability of occurrence and the potential loss on occurrence. After identifying and assessing the individual risks, it is the task of the division managements to draw up for each risk a number of measures to reduce the danger of occurrence and the potential damage. The implementation of these measures is monitored as part of the systematic risk management process and taken into consideration at the next risk assessment.

Board of Directors

The Directors of Dätwyler Holding Inc. are all – with the exception of Ernst Lienhard – also Directors of Pema Holding AG and Dätwyler Führungs AG. Pema Holding AG is the majority owner of Dätwyler Holding AG (see p. 32 f., Substantial shareholders and ownership).

Ulrich Graf (1945, Swiss)
Chairman (term expires in 2016)
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 and the Human Resources Committees. 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 Chairman of the Board of Trustees of REGA Swiss Air Ambulance. Further, Ulrich Graf is a Director of Georg Fischer Ltd. and Feller Ltd. 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 Dätwyler Holding Inc. as a Director since 1991. He took office as Deputy Chairman in 2002. He is Chairman of the Audit Committee. Hans R. Rüegg was Chief Operating Officer of Baumann Springs Ltd. from 1983 to 2011. He has been Chairman of Baumann Springs Ltd. since 1993. He is also 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 2016)
Hanspeter Faessler has been a Director of Datwyler Holding Inc. since 2004 and is Chairman of the Human Resources Committee. Since December 2012 he is heading the worldwide business unit Grid Systems of the ABB Group. Previously he was responsible for the global integration of the Thomas & Betts Group and for the combined ABB low voltage business in North America. From 2010 until 2011 he was CEO of the Implenia Construction Services Group. Before that Hanspeter Faessler held various national and international management positions within the ABB Group, including the position of Country Manager Switzerland. From 2006 to 2010 he was responsible for ABB's Mediterranean Region and Country Manager of ABB Italy. Hanspeter Fässler has been Chairman of the Board of Directors of Datwyler Cabling Solutions AG, a sister company of publicly listed Dätwyler Holding Inc., since 30 October 2012. He earned a doctorate specialising in mechatronics/robotics 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 Dätwyler 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 todays Datwyler's Sealing Solutions 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 Dätwyler 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 2016)
Ernst Odermatt was appointed to the Board of Dätwyler 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 2013)
Franz Steinegger has been a Director of Dätwyler 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), Neue Zürcher Zeitung AG, Baryon AG, HIG-Immobilien-Anlage-Stiftung and CSC Impresa Costruzioni SA . He is also Chairman of the Swiss Museum of Transport and Deputy Chiarman of REGA Swiss Air Ambulance. 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 Dätwyler 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 Dätwyler 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 Dätwyler Holding Inc. into a diversified international corporation and, in 1990, ensured the Group's long-term independence through the shareholders' agreement of Dätwyler 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. Haelg was appointed CEO of the Datwyler Group from August 2004. Before joining Datwyler, he served on 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. Haelg is Chairman of publicly listed Sika Ltd. He has also been a member of the Board of Directors of Datwyler Cabling Solutions AG, a sister company of publicly listed Dätwyler Holding Inc., since 30 October 2012. 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 has been a member of the Board of Directors of Datwyler Cabling Solutions AG, a sister company of publicly listed Dätwyler Holding Inc., since 30 October 2012. He 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 Team. 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 Group-wide 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 is a member of the Board of Swissmem (Swiss mechanical and electrical engineering association). He has an MBA from the University of St. Gallen and a PhD in finance from the University of Fribourg.

Dirk Lambrecht (1960, German)
Head of Sealing Solutions Division
Dirk Lambrecht, as a member of the Executive Management, is heading the Sealing Solutions Division, in which the former Sealing Technologies and Pharma Packaging Division have been combined as of beginning of November 2012. From 2005 until the end of October 2012 he was head of the Sealing Technologies Division. 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 is on the Management Board of the German Rubber Society. He 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 with external individuals or companies to perform management tasks for the Datwyler 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 Dätwyler Holding Inc.

The remuneration of Executive Management members consists of a fixed cash salary, an award of a fixed number of bearer shares of Dätwyler Holding Inc. as well as a variable salary component. 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 salary component 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 salary component is based both on business performance and on the attainment of individual goals. Approximately 80% of the variable salary component 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 salary component 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 salary component 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 Dätwyler 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 participates in from time to time, 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 (Employee Costs) to the financial statements of Dätwyler Holding Inc. on page 88 ff.

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 Dätwyler 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 Dätwyler 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. Dätwyler 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 Dätwyler 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 auditor in charge is seven years. The last change occurred in 2007. Some of the Group companies are audited by other firms of accountants.

Fees paid in 2012 to the statutory and other auditors:

in CHF	Statutory auditors	Other auditors
Auditing services, total	828'000	736'000
Additional services, total	423'500	824'000
Tax advice	239'000	212'000
Legal advice	132'000	114'000
Transaction advice	9'500	243'000
Other advisory services	43'000	255'000

Representatives of the statutory auditors attend all meetings of the Audit Committee for the discussion of certain items. Three meetings were held in 2012. At each meeting, the statutory 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 35.

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-to-the-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 > Media > Press Releases. A facility for signing up to receive ad hoc press releases is provided at www.datwyler.com > Media > Email Alerts. Contact details and important dates are given in the "General Information" section on page 101. 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

CONSOLIDATED INCOME STATEMENT DATWYLER GROUP

In 2012, the Datwyler Group generated net revenue of CHF 1’414.2 million (previous year CHF 1’290.5 million), representing an increase of 9.6%. Newly acquired subsidiaries contributed CHF 129.9 million or 10.0% to revenue growth. The negative impact from foreign currency translation to Swiss francs on consolidation was 0.6%. Adjusted for these factors, organic growth was 0.2%.

Change in net revenue

in CHF millions	2012	%	2011	%
Acquisition of subsidiaries	129.9	10.0%	–	–
Foreign currency translation to CHF	–8.3	–0.6%	–100.9	–7.6%
Organic change	2.1	0.2%	71.9	5.4%
Total change in net revenue	**123.7**	**9.6%**	**–29.0**	**–2.2%**

The gross profit margin decreased to 24.1% (previous year 24.3%). Gross profit was negatively impacted by foreign currency effects of 0.5% and by higher raw material prices of 1.3%. Organic growth of gross profit amounted to 3.2%.

Change in gross profit

in CHF millions	2012	%	2011	%
Acquisition of subsidiaries	22.7	7.3%	–	–
Foreign currency translation to CHF	–1.6	–0.5%	–22.1	–6.5%
Impact raw material purchases	–3.9	–1.3%	–17.3	–5.1%
Other organic change	10.0	3.2%	10.1	3.0%
Total change in gross profit	**27.2**	**8.7%**	**–29.3**	**–8.6%**

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

In 2012, the Group’s operating result (EBIT) reached CHF 151.0 million (previous year CHF 124.2 million) and the EBIT margin was 10.7% (previous year 9.6%) with the following factors contributing to this change:

Change in EBIT

in CHF millions	2012	%	2011	%
Acquisition of subsidiaries	–0.7	–0.6%	–	–
Foreign currency translation to CHF	–0.3	–0.3%	–9.5	–7.5%
Organic change	27.8	22.5%	5.8	4.6%
Total change in EBIT	**26.8**	**21.6%**	**–3.7**	**–2.9%**

EBIT includes a gain on sale of property, plant and equipment of CHF 33.4 million (previous year CHF 6.8 million) and the gain on sale of the Cabling Solutions Division of CHF 5.6 million realised at the end of 2012.

Net finance costs increased to CHF 4.3 million (previous year CHF 2.6 million), due to slightly higher interest expense of CHF 2.0 million (previous year CHF 1.9 million) and net foreign exchange losses of CHF 2.2 million (previous year net foreign exchange losses of CHF 0.3 million). Income tax expense decreased to CHF 19.2 million (previous year CHF 25.4 million), and the tax ratio declined to 13.1% (previous year 20.9%). The Group's average income tax rate for 2012 was 18.2% (previous year 19.8%).

With the lower income tax charges and higher net finance costs, a net result of CHF 127.5 million (previous year CHF 96.2 million) or 9.0% (previous year 7.5%) was achieved.

CONSOLIDATED BALANCE SHEET DATWYLER GROUP

Total assets increased by CHF 187.0 million during the year to CHF 1'079.0 million (previous year CHF 892.0 million). Trade accounts receivable increased to CHF 180.2 million (previous year CHF 140.0 million), while inventories decreased to CHF 179.0 million (previous year CHF 188.4 million). With trade accounts payable of CHF 81.6 million (previous year CHF 72.7 million), net working capital increased by 8.3% to CHF 277.6 million (previous year CHF 256.3 million). Cash and cash equivalents rose by around CHF 100 million.

Compared to the previous year, equity decreased by CHF 92.5 million to CHF 550.9 million (previous year CHF 643.4 million), maintaining a solid equity ratio of 51.1% (previous year 72.1%). The significant changes in equity include the net result of CHF 127.5 million (previous year CHF 96.2 million), the dividend payment of CHF –34.0 million (previous year CHF –34.0 million), the offset of goodwill from acquisitions of CHF –195.2 million net (previous year CHF 1.3 million), the proceeds from the sale of treasury shares of CHF 8.3 million (previous year none) and negative currency translation differences of CHF –0.5 million (previous year CHF –5.2 million) arising on net investments in foreign subsidiaries.

Short-term and long-term bank debts increased by CHF 99.7 million during the year to CHF 155.3 million (previous year CHF 55.6 million). The Group's liquidity situation remains good, with cash, cash equivalents and money market investments amounting to CHF 248.5 million (previous year CHF 144.8 million). Including the new bond of CHF 149.6 million, the net cash position has changed to CHF –56.4 million (previous year CHF 89.2 million).

Current assets rose by 24.9% to CHF 633.2 million (previous year CHF 507.1 million), and non-current assets increased by 15.8% to CHF 445.8 million (previous year CHF 384.9 million).

CONSOLIDATED CASH FLOW STATEMENT DATWYLER GROUP

With the net result of CHF 127.5 million (previous year CHF 96.2 million), net cash from operating activities amounted to CHF 124.4 million (previous year CHF 149.6 million). These cash flows were used to pay for investments in property, plant and equipment totalling CHF 75.0 million (previous year CHF 64.1 million). This represents a capital expenditure ratio (capital expenditure as a percentage of net revenue) of 5.3% versus 5.0% a year earlier. In addition, operating cash flow was used for the acquisition of subsidiaries in the amount of CHF 239.9 million (previous year none) which were partly financed by net proceeds from bank debt of CHF 98.3 million (previous year net repayment of CHF 25.8 million). With the bond of CHF 150.0 million issued in December overall cash outflows and inflows led to a net change in cash and cash equivalents of CHF 114.5 million (previous year CHF 22.7 million), resulting in a cash and cash equivalents balance of CHF 248.5 million (previous year CHF 134.8 million) at year-end.

Consolidated Income Statement

in CHF millions	Note	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
		2012	**2012**	**2012**	**2011**	**2011**	**2011**
Net revenue	4, 15	1'185.9	228.3	1'414.2	1'050.5	240.0	1'290.5
Cost of goods sold		–891.0	–183.0	–1'074.0	–781.3	–196.2	–977.5
Gross profit		294.9	45.3	340.2	269.2	43.8	313.0
Research and development expenses		–21.0	–4.1	–25.1	–17.9	–3.6	–21.5
Marketing and selling expenses		–112.2	–21.3	–133.5	–93.6	–19.5	–113.1
General and administrative expenses		–62.1	–18.3	–80.4	–55.8	–21.1	–76.9
Other operating income	5	10.2	40.8	51.0	18.0	5.1	23.1
Other operating expenses		–0.7	–0.5	–1.2	–0.3	–0.1	–0.4
Interest in net loss of associated companies		–0.0	–0.0	–0.0	–	–	–
Operating result before interest and taxes (EBIT)	4	109.1	41.9	151.0	119.6	4.6	124.2
Net finance result	9	–3.9	–0.4	–4.3	–3.0	0.4	–2.6
Earnings before tax (EBT)		105.2	41.5	146.7	116.6	5.0	121.6
Income tax expenses	10	–11.9	–7.3	–19.2	–23.8	–1.6	–25.4
Net result		93.3	34.2	127.5	92.8	3.4	96.2
Net result per bearer share entitled to dividend (in CHF)	25	**6.02**	**2.21**	**8.23**	**6.00**	**0.22**	**6.22**

The accompanying notes on pages 52 to 83 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

Assets

in CHF millions	Note	31.12.2012	31.12.2011
Cash and cash equivalents	11	248.5	134.8
Money market investments	11	–	10.0
Securities	12	–	3.3
Trade accounts receivable	13	180.2	140.0
Inventories	14	179.0	188.4
Net assets from long-term contracts	15	–	0.6
Other receivables	16	19.9	19.6
Prepayments made and accrued income		5.6	10.4
Current assets		633.2	507.1
Property, plant and equipment	17	398.3	343.9
Intangible assets	18	9.1	6.8
Financial assets	19	38.4	34.2
Non-current assets		445.8	384.9
Total assets		**1'079.0**	**892.0**

Liabilities and equity

in CHF millions	Note	31.12.2012	31.12.2011
Trade accounts payable	21	81.6	72.7
Short-term bank debt	20	112.7	49.5
Net liabilities from long-term contracts	15	–	0.0
Current provisions	22	28.1	33.0
Other current liabilities	21	45.8	28.7
Accrued expenses and deferred income		22.9	23.4
Current liabilities		291.1	207.3
Long-term bank debt	20	42.6	6.1
1.125% bond 2012–2018	20	149.6	–
Long-term provisions	22	12.7	10.0
Deferred income tax liabilities	23	19.0	23.3
Pension liabilities	7	2.3	1.9
Other long-term liabilities	21	10.8	0.0
Long-term liabilities		237.0	41.3
Total liabilities		528.1	248.6
Share capital	24	0.9	0.9
Treasury shares	26	–0.1	–0.1
Additional paid-in capital		96.9	87.2
Retained earnings		555.2	656.9
Cumulative translation adjustments		–102.0	–101.5
Equity		550.9	643.4
Total liabilities and equity		**1'079.0**	**892.0**

The accompanying notes on pages 52 to 83 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

in CHF millions	Note	2012	2011
Net result		127.5	96.2
Income tax expenses	10	19.2	25.4
Depreciation and amortisation	8	52.1	44.1
Share award plan		1.4	1.5
Exchange differences		–0.2	1.9
Gain on sale of property, plant and equipment, net		–32.1	–6.4
Gain on sale of division		–5.6	–
(Gain)/loss on sale or valuation of securities	9	–0.3	0.6
Change in long-term provisions and pension liabilities		0.4	–5.2
Interest income	9	–0.9	–0.7
Interest expense	9	2.0	1.9
Operating cash flow before changes in working capital		163.5	159.3
Change in trade accounts receivable		–26.9	–8.4
Change in other receivables, net assets from long-term contracts, prepayments made and accrued income		2.4	2.7
Change in inventories		2.7	–2.2
Change in trade accounts payable		5.8	12.5
Change in other current liabilities, accrued expenses and deferred income		1.7	1.7
Change in current provisions		–3.3	0.1
Interest received		0.9	0.7
Interest paid		–1.5	–1.8
Income tax paid		–20.9	–15.0
Net cash from operating activities		124.4	149.6
Purchases of/investments in:			
Property, plant and equipment		–75.0	–64.1
Intangible assets		–5.4	–2.8
Subsidiaries (net of cash and cash equivalents acquired) and associated companies	32	–239.9	–
Additional earn-out payment		–	–0.3
Associated companies		–0.1	–
Money market investments		–	–10.0
Proceeds from sale of:			
Property, plant and equipment		43.0	7.8
Subsidiaries (net of cash and cash equivalents disposed of) and associated companies	32	31.1	–
Financial assets		3.9	0.6
Money market investments		10.3	2.3
Net cash used in investing activities		–232.1	–66.5
Proceeds from short-term bank debt		435.9	10.6
Repayment of short-term bank debt		–386.1	–43.0
Proceeds from long-term bank debt		48.5	6.6
Proceeds from issuance of bond	20	149.6	–
Increase/(decrease) in finance lease and other long-term liabilities		0.0	–0.6
Proceeds from sale of treasury shares		8.3	–
Dividend paid to shareholders		–34.0	–34.0
Net cash provided by/(used in) financing activities		222.2	–60.4
Net change in cash and cash equivalents		114.5	22.7
Cash and cash equivalents at 1 January	11	134.8	113.4
Effect of exchange rate changes on cash and cash equivalents		–0.8	–1.3
Cash and cash equivalents at 31 December	11	**248.5**	**134.8**

The accompanying notes on pages 52 to 83 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

in CHF millions	Share capital (1)	Treasury shares (1)	Additional paid-in capital	Retained earnings	Cumulative translation adjustments (2)	**Total equity (3)**
At 1 January 2011	**0.9**	**–0.1**	**85.7**	**593.3**	**–96.3**	**583.5**
Net result	–	–	–	96.2	–	96.2
Share award plan (see note 27)	–	0.0	1.5	–	–	1.5
Dividends	–	–	–	–34.0	–	–34.0
Offset of goodwill from acquisitions (see note 18)	–	–	–	1.3	–	1.3
Change in valuation of interest rate swap, net of income taxes	–	–	–	0.1	–	0.1
Currency translation differences	–	–	–	–	–5.2	–5.2
At 31 December 2011	**0.9**	**–0.1**	**87.2**	**656.9**	**–101.5**	**643.4**
Net result	–	–	–	127.5	–	127.5
Share award plan (see note 27)	–	0.0	1.4	–	–	1.4
Dividends	–	–	–	–34.0	–	–34.0
Offset of goodwill from acquisitions (see note 18)	–	–	–	–196.3	–	–196.3
Goodwill charged to income on sale of subsidiaries (see note 32)	–	–	–	1.1	–	1.1
Proceeds from sale of treasury shares (see note 26)	–	0.0	8.3	–	–	8.3
Currency translation differences	–	–	–	–	–0.5	–0.5
At 31 December 2012	**0.9**	**–0.1**	**96.9**	**555.2**	**–102.0**	**550.9**

(1) Holding company's share capital of CHF 850'000 (previous year CHF 850'000), less par value of treasury shares of CHF 70'767 (previous year CHF 76'730).
(2) Arising on translation of Group companies' equity and income statements denominated in foreign currencies.
(3) At 31 December 2012 shareholders' equity includes legal reserves of CHF 139.6 million (previous year CHF 167.5 million), of which CHF 40.1 million (previous year CHF 41.6 million) are not distributable.

The accompanying notes on pages 52 to 83 are an integral part of these consolidated financial statements.

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 (Swiss GAAP 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 Dätwyler Holding Inc. approved the consolidated financial statements at its meeting on 11 March 2013 for submission to the Annual General Meeting on 23 April 2013.

From 2012 the income statement is presented using the functional format. The Board of Directors and the Executive Board are convinced that the new format provides a more adequate presentation of the results of operations in a true and fair view and enables better comparability. The comparative figures of the previous year have been reclassified to conform to the presentation of the current financial year to ensure comparability.

The Cabling Solutions Division sold on 31 December 2012 is presented as discontinued operations in the income statement, see also notes 3, 4 and 32.

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 Dätwyler Holding Inc. domiciled in Altdorf (Switzerland) and all subsidiaries which belonged to the Group during the year and over which Dätwyler 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 Dätwyler 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 Dätwyler 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, see note 19. In the previous year, 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:

	2012		2011	
	Closing rate at 31.12.	Average rate for the year	Closing rate at 31.12.	Average rate for the year
100 CNY	14.46	14.82	14.76	13.68
1 EUR	1.21	1.20	1.22	1.24
100 SEK	14.03	13.83	13.63	13.67
1 USD	0.91	0.94	0.94	0.89

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 long-term 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 the functional format where gross profit represents net revenue less cost of goods sold.

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 bankruptcy 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

In the Cabling Solutions Division, which was sold at the end of 2012, certain customer orders, normally for large projects, had been accounted for using the percentage of completion method since 2010. The respective stage of completion is determined for every individual project by measuring costs incurred to date as a 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 straight-line 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 assets recognised.

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 acquisition, 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. For long-term provisions material discounting effects are considered.

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.

BONDS

Bonds are initially recorded at issue price net of issue costs. Issue costs and any discount or premium are recognised in the financial result of the income statement over the period of the respective bond.

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

A share award plan for Directors and senior executives has been in place since 2007, see note 27. Share-based 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 Dätwyler Holding Inc. conducts a systematic risk assessment at least once a year. At its meeting held on 25 September 2012, 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	2012	2011
Cash and cash equivalents	248.5	134.8
Money market investments	–	10.0
Securities	–	3.3
Available credit lines	273.6	290.5
Total liquidity reserves	**522.1**	**438.6**

Net cash surplus

in CHF millions	2012	2011
Cash and cash equivalents	248.5	134.8
Money market investments	–	10.0
Securities	–	3.3
Less short-term bank debt	–112.7	–49.5
Net cash surplus	**135.8**	**98.6**

3 / BUSINESS ACQUISITIONS AND DISPOSALS

Acquisitions and disposals during 2012 and 2011 are shown below, see also note 32. The percentages in brackets indicate the percentage voting rights held in each company.

Transactions 2012

ACQUISITIONS

Profiles Division of Phoenix Dichtungstechnik GmbH, Hamburg, Germany
Display Elektronika B.V., Utrecht, the Netherlands (100%), subsequently renamed to Distrelec B.V.
Nedis Group headquartered in 's-Hertogenbosch, the Netherlands (100%) with subsidiaries in twelve countries, see note 35
Anhui Zhongding Taike Automobile Sealing Parts Co., Ltd., Ningguo, China (100%)
Hankook Sealtech Inc. in Daegu, South Korea (100%)
Hyundai Sealtech Manufacturing Pvt., Ltd., Kanchipuram, India (40%)

COMPANIES ESTABLISHED

WDA Assembly s.r.o., Děčín, Czech Republic (25%), at the end of 2012 sold with the Cabling Solutions Division
Datwyler TeCo Holding B.V., Amsterdam, the Netherlands (100%)
Datwyler (Suzhou) Cabling Solutions Co., Ltd., Taicang, China (100%), at the end of 2012 sold with the Cabling Solutions Division

SALES

DP Elfa Electronics, Kiev, Ukraine (100%)
Cabling Solutions Division (100%) sold to the related party Pema Holding AG

Transactions 2011

COMPANIES ESTABLISHED

Datwyler Sealing Technologies (Wuxi) Co. Ltd., Wuxi, Jiangsu, China (100%)

MERGERS

In September 2011 Nordic Power i Strömstad AB, Strömstad, Sweden (100%) was merged with Nordic P Consulting AB, Stockholm, which was subsequently renamed to Nordic Power i Strömstad AB.

4 / SEGMENT INFORMATION

in CHF millions	Technical Components	Sealing Solutions	**Continuing Operations**	Cabling Solutions *	Elimi-nations	**Total Group**
2012:						
Revenue from external customers	638.0	547.9	1'185.9	228.3	–	1'414.2
Inter-segment revenue	2.4	0.5	N/A	1.1	–4.0	–
Total net revenue	640.4	548.4	1'185.9	229.4	–4.0	1'414.2
EBIT	50.8	58.3	109.1	41.9	–	151.0
EBIT as % of net revenue	7.9%	10.6%	9.2%	18.3%	–	10.7%

in CHF millions	Technical Components	Sealing Solutions	**Continuing Operations**	Cabling Solutions *	Elimi-nations	**Total Group**
2011:						
Revenue from external customers	624.3	426.2	1'050.5	240.0	–	1'290.5
Inter-segment revenue	2.1	0.9	N/A	0.9	–3.9	–
Total net revenue	626.4	427.1	1'050.5	240.9	–3.9	1'290.5
EBIT	68.6	51.0	119.6	4.6	–	124.2
EBIT as % of net revenue	11.0%	11.9%	11.4%	1.9%	–	9.6%

** Discontinued operations*

The Datwyler Group is a focused industrial supplier with leading positions in global and regional market segments. The Group is organised into two divisions.

At the end of October 2012 Datwyler Group streamlined its group structure by combining the existing Divisions Pharma Packaging and Sealing Technologies to form the new Sealing Solutions Division and by selling the Cabling Solutions Division to the related party Pema Holding AG at the end of 2012. By creating the new Sealing Solutions Division know-how and expertise in manufacturing and procurement are consolidated. Segment information including previous year's comparative figures has been reclassified to conform to the presentation of the new group structure.

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 online distribution, branded wholesale and specialist distribution with more than 30 distribution and service companies across Europe. Significant operations are located in Switzerland, Germany, the Netherlands as well as in Scandinavia.

The Sealing Solutions Division was newly created at the end of 2012 and offers customised sealing solutions in global market segments including Container Closures, Injection Systems, Diagnostics & Disposables, Automotive, Civil Engineering and Packaging. The overall 17 manufacturing and distribution companies are located in Switzerland, Germany, Belgium, the Netherlands, in Italy, the Czech Republic, the Ukraine, in China, South Korea, India, the USA and in 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	2012	2011
Switzerland	368.7	368.3
European Union	749.1	687.6
Rest of Europe	44.8	40.4
North and South America	111.9	94.6
Far East	102.4	73.7
Other markets	37.3	25.9
Total Group	**1'414.2**	**1'290.5**

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

5 / ADDITIONAL INCOME STATEMENT DISCLOSURES

Material expense of CHF 716.3 million (previous year CHF 647.9 million) is included in the income statement.

Other operating income includes gain on sale of property, plant and equipment of CHF 33.4 million (previous year CHF 6.8 million), the gain on sale of the Cabling Solutions Division of CHF 5.6 million realised at the end of 2012 as well as revenue from services and rental income. The gain on sale of property, plant and equipment includes a gain of CHF 30.2 million resulting from the sale of real estate to the (in terms of personnel and management) independent Datwyler Foundation. The pricing of this transaction was based on independent valuation reports.

6 / PERSONNEL EXPENSES

in CHF millions	2012	2011
Wages and salaries	276.3	249.7
Benefit costs	68.2	62.4
State social security contributions	38.9	35.1
Pension costs (see note 7)	13.5	12.9
Other benefit costs	15.8	14.4
Other employee costs	14.3	17.6
Total personnel expenses	**358.8**	**329.7**

A share award plan for Directors and senior executives has been in place since 2007, see note 27.

7 / EMPLOYEE BENEFIT SCHEMES

Economic benefit/obligation and pension costs

in CHF millions	Funding surplus/deficit according to Swiss GAAP ARR 26	**Economic impact Group**	Economic impact Group	Exchange differences not affecting income	Change to prior year or charge to income current year	Contributions for the period	**Pension costs in personnel expenses**	Pension costs in personnel expenses
	31.12.12	**31.12.12**	31.12.11				**2012**	2011
Welfare funds Switzerland	0.3	–	–	–	–	–	–	–
Pension schemes without funding surplus/deficit Switzerland	–	–	–	–	–	11.0	11.0	11.7
Pension schemes without funding surplus/deficit abroad	–	–	–	–	–	2.1	2.1	1.0
Unfunded pension schemes abroad	–	–2.3 *)	–1.9	0.0	0.2	0.2	0.4	0.2
Total	**–**	**–2.3**	**–1.9**	**0.0**	**0.2**	**13.3**	**13.5**	**12.9**

**) Including increase in obligation from acquisition of subsidiaries of CHF 0.2 million.*

At year-end 2012, as at the end of the previous year, no employer contribution reserves existed.

Summary of pension costs

in CHF millions	Switzerland	Abroad	**Total**
	2012	2012	**2012**
Contributions to pension schemes expensed at Group companies	11.0	2.3	13.3
Contributions to pension schemes made from employer contribution reserves (ECR)	–	–	–
Total contributions	11.0	2.3	13.3
+/– Changes in ECR due to asset performance, value adjustments, discounting, etc.	–	–	–
Contributions and changes in employer contribution reserves	11.0	2.3	13.3
Increase/reduction economic benefit Group from excess coverage	–	–	–
Reduction/increase economic obligation Group from insufficient coverage	–	0.2	0.2
Total change in economic impact from excess/insufficient coverage	–	0.2	0.2
= Pension costs included in personnel expenses for the period	**11.0**	**2.5**	**13.5**

in CHF millions	Switzerland	Abroad	**Total**
	2011	2011	**2011**
Contributions to pension schemes expensed at Group companies	11.7	1.2	12.9
Contributions to pension schemes made from employer contribution reserves (ECR)	–	–	–
Total contributions	11.7	1.2	12.9
+/– Changes in ECR due to asset performance, value adjustments, discounting, etc.	–	–	–
Contributions and changes in employer contribution reserves	11.7	1.2	12.9
Increase/reduction economic benefit Group from excess coverage	–	–	–
Reduction/increase economic obligation Group from insufficient coverage	–	0.0	0.0
Total change in economic impact from excess/insufficient coverage	–	0.0	0.0
= Pension costs included in personnel expenses for the period	**11.7**	**1.2**	**12.9**

8 / DEPRECIATION AND AMORTISATION

in CHF millions	2012	2011
Depreciation of property, plant and equipment	48.1	41.0
Amortisation of intangible assets	3.5	3.1
Impairment charges	0.5	–
Total depreciation and amortisation	**52.1**	**44.1**

9 / NET FINANCE RESULT

in CHF millions	2012	2011
Interest expense on bond, bank and other loans	2.0	1.9
Interest expense on finance leases	0.0	0.0
Securities valuation loss	–	0.6
Fair value loss on forward exchange contracts	0.1	0.0
Realised loss on interest rate swap	–	0.3
Net foreign exchange loss on financing activities	2.2	0.3
Finance charges	1.2	0.8
Total interest and finance expenses	5.5	3.9
Interest income on bank deposits and loans receivable	–0.9	–0.7
Securities income	–0.3	–0.0
Fair value gain on forward exchange contracts	–	–0.6
Total interest and finance income	–1.2	–1.3
Net finance result (expenses, net)	**4.3**	**2.6**

Foreign exchange gains and losses

in CHF millions	2012	2011
Net foreign exchange losses on financing activities	2.2	0.3
Net foreign exchange losses on purchase and sale of goods and other	0.4	1.0
Total net foreign exchange losses	**2.6**	**1.3**

10 / INCOME TAX EXPENSES

in CHF millions	2012	2011
Current income tax expense	21.9	18.0
Deferred income tax expense/(credit)	–2.7	7.4
Total income tax expenses	**19.2**	**25.4**

The Group's average income tax rate was 18.2% (previous year 19.8%).

Tax loss carryforwards

Total available tax loss carryforwards result in deferred income tax assets, gross, of CHF 20.3 million (previous year CHF 10.5 million), of which a net amount of CHF 9.6 million (previous year CHF 8.5 million) was capitalised. Deferred income tax assets were impacted by valuation allowances for and non-capitalisation of tax loss carryforwards in the amount of CHF 8.5 million (previous year CHF 0.0 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	2012	2011
Cash in hand and at bank	248.5	127.8
Money market investments (original maturities up to 90 days)	–	7.0
Total cash and cash equivalents	**248.5**	**134.8**
Money market investments (original maturities 91 to 360 days)	–	10.0
Total cash, cash equivalents and money market investments	**248.5**	**144.8**

12 / SECURITIES

By year-end 2012, all securities were sold (fair value previous year CHF 3.3 million).

13 / TRADE ACCOUNTS RECEIVABLE

in CHF millions	2012	2011
Trade accounts receivable from third parties, gross	183.3	144.8
Provision for impairment of trade accounts receivable	–3.6	–4.8
Total trade accounts receivable from third parties, net	**179.7**	**140.0**
Trade accounts receivable from related parties	0.5	–
Total trade accounts receivable, net	**180.2**	**140.0**

Aging analysis of gross trade accounts receivable from third parties

in CHF millions	2012	2011
Not yet due	142.9	113.9
Past due 1–30 days	24.4	17.9
Past due 31–60 days	6.3	4.8
Past due 61–90 days	2.2	1.8
Past due 91–180 days	3.4	1.2
Past due more than 181 days	4.1	5.2
Total trade accounts receivable from third parties, gross	**183.3**	**144.8**

Movements in provision for impairment of trade accounts receivable

in CHF millions	2012	2011
At 1 January	4.8	3.9
Charge for the year	1.7	2.4
Unused amounts reversed	–1.1	–0.3
Receivables written off as uncollectible	–1.6	–1.0
Acquisition / disposal of subsidiaries	–0.3	–
Exchange differences	0.1	–0.2
At 31 December	**3.6**	**4.8**
Of which specific provisions for impairment	3.1	4.4

14 / INVENTORIES

in CHF millions	2012	2011
Raw material, gross	18.8	26.5
Consumables, gross	11.6	11.5
Work in progress, gross	13.0	26.6
Finished goods, gross	43.6	53.8
Goods for resale, gross	124.9	100.9
Provision for impairment of inventories	–32.9	–30.9
Total inventories	**179.0**	**188.4**

15 / LONG-TERM CONTRACTS

in CHF millions	2012	2011
Costs incurred to date of projects in progress	–	5.4
Proportionate realised profits/(losses) of projects in progress	–	–0.7
Less customer advances received of projects in progress	–	–4.1
Total net assets/liabilities from long-term contracts	**–**	**0.6**
Net assets from long-term contracts	–	0.6
Net liabilities from long-term contracts	–	0.0
Total net assets/liabilities from long-term contracts	**–**	**0.6**

Net revenue includes revenues from long-term contracts of CHF 9.2 million (previous year CHF 3.1 million) generated by the Cabling Solutions Division sold at year-end 2012 (see note 32).

16 / OTHER RECEIVABLES

in CHF millions	2012	2011
Withholding, capital and value added tax receivable	5.5	6.1
Current income tax assets	4.0	6.0
Prepayments made, advances given and deposits made	2.2	4.7
Accrued interest receivable	0.0	0.0
Derivative assets: forward exchange contracts (see note 29)	0.3	0.2
Accounts receivable from associated companies	0.5	–
Current accounts receivable related parties	1.1	–
Miscellaneous receivables	6.8	3.0
Provision for impairment of other receivables	–0.5	–0.4
Total other receivables	**19.9**	**19.6**

17 / PROPERTY, PLANT AND EQUIPMENT

in CHF millions	Unbuilt land lots	Real estate	Machinery and production equipment	Office equipment, computer systems, vehicles	Assets under construction	Total property, plant and equipment
PROPERTY, PLANT AND EQUIPMENT 2012:						
At cost						
At 1 January 2012	3.7	340.3	533.4	54.8	38.5	970.7
Additions	–	6.3	25.2	4.1	39.4	75.0
Acquisition/disposal of subsidiaries	–	7.8	–103.7	–9.4	–6.7	–112.0
Disposals	–0.6	–38.0	–22.5	–4.6	–0.5	–66.2
Transfers	–	9.8	28.6	0.7	–39.1	–
Exchange differences	0.1	–1.8	–3.2	–0.3	0.0	–5.2
At 31 December 2012	**3.2**	**324.4**	**457.8**	**45.3**	**31.6**	**862.3**
Accumulated depreciation						
At 1 January 2012	–	–195.7	–386.4	–44.7	–	–626.8
Depreciation expense	–0.5	–9.8	–34.4	–3.9	–	–48.6
Disposal of subsidiaries	–	33.2	110.8	9.8	–	153.8
Disposals	0.5	30.0	20.5	4.2	–	55.2
Exchange differences	–	0.5	1.6	0.3	–	2.4
At 31 December 2012	**–**	**–141.8**	**–287.9**	**–34.3**	**–**	**–464.0**
Net book values						
At 1 January 2012	3.7	144.6	147.0	10.1	38.5	343.9
At 31 December 2012	**3.2**	**182.6**	**169.9**	**11.0**	**31.6**	**398.3**

in CHF millions	Unbuilt land lots	Real estate	Machinery and production equipment	Office equipment, computer systems, vehicles	Assets under construction	Total property, plant and equipment
PROPERTY, PLANT AND EQUIPMENT 2011:						
At cost						
At 1 January 2011	3.7	338.5	534.2	56.3	15.3	948.0
Additions	–	2.6	20.8	4.2	36.5	64.1
Disposals	–	–3.8	–20.7	–4.9	–	–29.4
Transfers	–	5.5	6.1	0.2	–11.8	–
Exchange differences	–	–2.5	–7.0	–1.0	–1.5	–12.0
At 31 December 2011	**3.7**	**340.3**	**533.4**	**54.8**	**38.5**	**970.7**
Accumulated depreciation						
At 1 January 2011	–	–190.0	–383.6	–46.4	–	–620.0
Depreciation expense	–	–9.0	–28.3	–3.7	–	–41.0
Disposals	–	3.5	19.9	4.6	–	28.0
Exchange differences	–	–0.2	5.6	0.8	–	6.2
At 31 December 2011	**–**	**–195.7**	**–386.4**	**–44.7**	**–**	**–626.8**
Net book values						
At 1 January 2011	3.7	148.5	150.6	9.9	15.3	328.0
At 31 December 2011	**3.7**	**144.6**	**147.0**	**10.1**	**38.5**	**343.9**

Acquisition/disposal of subsidiaries include the additions from acquisitions and the disposals on sale of subsidiaries, see also notes 3 and 32. In 2012, impairment charges of CHF 0.5 million (previous year none) for an unbuilt land lot were recognised.

Other details of property, plant and equipment

The carrying amount of property, plant and equipment comprises a building in France leased by a company in the Technical Components Division.

in CHF millions	2012	2011
Leased property, plant and equipment, at cost	0.8	–
Accumulated depreciation	–0.1	–
Net book value of property, plant and equipment under finance leases	**0.7**	**–**

At year-end, property, plant and equipment with a net book value of CHF 24.2 million (previous year CHF 15.3 million) were pledged or assigned to secure own liabilities. Assets under construction include prepayments made of CHF 1.4 million (previous year CHF 7.9 million). Additions to property, plant and equipment include capitalised borrowing costs of CHF 0.4 million (previous year CHF 0.0 million). At balance sheet date, commitments for capital expenditure on property, plant and equipment amounted to CHF 7.6 million (previous year CHF 15.5 million).

Fire insurance value of property, plant and equipment:

in CHF millions	2012	2011
Buildings	409.1	537.1
Machinery, equipment and vehicles	833.5	900.7
Total fire insurance value of property, plant and equipment	**1'242.6**	**1'437.8**

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

18 / INTANGIBLE ASSETS

in CHF millions	Software	Other intangible assets	Total intangible assets
INTANGIBLE ASSETS 2012:			
At cost			
At 1 January 2012	27.8	0.2	28.0
Additions	5.3	0.1	5.4
Acquisition/disposal of subsidiaries	–5.6	1.9	–3.7
Disposals	–0.2	–	–0.2
Exchange differences	–0.0	–0.1	–0.1
At 31 December 2012	**27.3**	**2.1**	**29.4**
Accumulated amortisation			
At 1 January 2012	–21.1	–0.1	–21.2
Amortisation expense	–3.2	–0.3	–3.5
Disposal of subsidiaries	4.3	–	4.3
Disposals	0.2	–	0.2
Exchange differences	–0.1	–0.0	–0.1
At 31 December 2012	**–19.9**	**–0.4**	**–20.3**
Net book values			
At 1 January 2012	6.7	0.1	6.8
At 31 December 2012	**7.4**	**1.7**	**9.1**

in CHF millions	Software	Other intangible assets	Total intangible assets
INTANGIBLE ASSETS 2011:			
At cost			
At 1 January 2011	25.7	0.2	25.9
Additions	2.8	0.0	2.8
Disposals	–0.4	–	–0.4
Exchange differences	–0.3	–0.0	–0.3
At 31 December 2011	**27.8**	**0.2**	**28.0**
Accumulated amortisation			
At 1 January 2011	–18.6	–0.1	–18.7
Amortisation expense	–3.1	–0.0	–3.1
Disposals	0.4	–	0.4
Exchange differences	0.2	0.0	0.2
At 31 December 2011	**–21.1**	**–0.1**	**–21.2**
Net book values			
At 1 January 2011	7.1	0.1	7.2
At 31 December 2011	**6.7**	**0.1**	**6.8**

Intangible assets do not include assets under finance leases (previous year CHF 1.7 million). Additions to software includes capitalised cost of CHF 0.5 million (previous year CHF 0.6 million).

Goodwill from acquisitions

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 below:

Theoretical movement schedule for goodwill

in CHF millions	**2012**	2011
At cost		
At 1 January	368.1	411.7
Additions from acquisition of subsidiaries	196.3	–
Adjustments from earn-out agreements	–	–1.3
Elimination of fully amortised goodwill items	–	–42.3
At 31 December	**564.4**	**368.1**
Accumulated amortisation		
At 1 January	–246.1	–206.6
Amortisation expense	–86.5	–81.8
Impairment charges	–	–
Elimination of fully amortised goodwill items	–	42.3
At 31 December	**–332.6**	**–246.1**
Theoretical net book values		
At 1 January	122.0	205.1
At 31 December	**231.8**	**122.0**

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 January 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	**2012**	2011
Operating result (EBIT) according to income statement	151.0	124.2
Amortisation of goodwill	–86.5	–81.8
Theoretical operating result (EBIT) incl. amortisation of goodwill	64.5	42.4
Net result according to income statement	127.5	96.2
Amortisation of goodwill	–86.5	–81.8
Theoretical net result incl. amortisation of goodwill	41.0	14.4

Impact on balance sheet

in CHF millions	2012	2011
Equity according to balance sheet	550.9	643.4
Theoretical capitalisation of goodwill (net book value)	231.8	122.0
Theoretical equity incl. net book value of goodwill	782.7	765.4
Equity according to balance sheet	550.9	643.4
Equity as % of total assets	51.1%	72.1%
Theoretical equity incl. net book value of goodwill	782.7	765.4
Theoretical equity incl. net book value of goodwill as % of total assets	59.7%	75.5%

19 / FINANCIAL ASSETS

in CHF millions	2012	2011
Long-term loans to third parties	0.6	1.1
Investments in associated companies	1.0	–
Minority shareholdings	0.0	0.0
Deferred income tax assets (see note 23)	35.6	32.1
Other financial investments	1.2	1.0
Total financial assets	**38.4**	**34.2**

20 / BANK DEBT AND BOND

in CHF millions	2012	2011
Bank overdrafts	4.4	43.8
Current portion of long-term bank loans	108.3	5.7
Total short-term bank debt	**112.7**	**49.5**
Long-term bank loans	42.6	6.1
Total bank debt	**155.3**	**55.6**
Secured portion of short-term and long-term bank debt	12.8	6.1

Maturity of long-term bank debt

in CHF millions	2012	2011
Within 2 years	23.4	–
Within 3 years	10.4	2.0
Within 4 years	4.2	2.0
Within 5 years	4.2	2.1
Beyond 5 years	0.4	–
Total long-term bank debt	**42.6**	**6.1**

On 7 December 2012 a 1.125% CHF 150.0 million bond was placed at an issue price of 100.5%. Interest payments are due annually on 7 June and the bond is repayable on 7 June 2018.

21 / TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

Trade accounts payable include accounts payable to related parties of CHF 0.7 million (previous year none).

Other current liabilities

in CHF millions	2012	2011
Customer advances received	3.7	2.7
Social security liabilities	5.1	4.5
Current income tax liabilities	12.9	13.3
Capital and value added tax liabilities	5.7	4.2
Current finance lease liabilities (see notes 17 and 18)	0.1	0.7
Other short-term loans payable and financial liabilities	5.8	2.6
Deferred earn-out obligations	11.9	–
Derivative liabilities: forward exchange contracts (see note 29)	0.5	0.7
Accounts payable to associated companies	0.0	–
Other current liabilities to related parties	0.0	–
Miscellaneous current liabilities	0.1	0.0
Total other current liabilities	**45.8**	**28.7**

Other long-term liabilities include among others deferred earn-out obligations of CHF 10.1 million (previous year none)and long-term finance lease liabilities of CHF 0.1 million (previous year none), see note 17.

22 / PROVISIONS

in CHF millions	Employees and social security	Restructuring	Warranty and liability claims	Environment and infrastructure	Other	Total
PROVISIONS 2012:						
At 1 January 2012	28.4	3.2	4.7	3.7	3.0	43.0
Charges	32.6	2.0	1.4	0.0	1.1	37.1
Uses	–30.1	–3.2	–0.7	–0.6	–2.5	–37.1
Unused amounts reversed	–1.0	–0.7	–0.7	0.0	–0.6	–3.0
Acquisition/disposal of subsidiaries	3.6	–	–1.5	–2.0	0.7	0.8
Discounting effects	–	–	–	–	–	–
Exchange differences	–0.1	0.1	0.0	–0.1	0.1	0.0
At 31 December 2012	**33.4**	**1.4**	**3.2**	**1.0**	**1.8**	**40.8**
Thereof current provisions	24.0	1.4	1.3	–	1.4	28.1
Thereof long-term provisions	9.4	–	1.9	1.0	0.4	12.7

in CHF millions	Employees and social security	Restruc-turing	Warranty and liability claims	Environment and infra-structure	Other	Total
PROVISIONS 2011:						
At 1 January 2011	28.6	2.2	7.0	6.7	4.2	48.7
Charges	23.9	5.3	0.7	–	2.1	32.0
Uses	–22.5	–3.9	–0.2	–0.5	–1.9	–29.0
Unused amounts reversed	–1.1	–0.3	–2.8	–2.5	–1.3	–8.0
Discounting effects	–	–	–	–	–	–
Exchange differences	–0.5	–0.1	–0.0	–	–0.1	–0.7
At 31 December 2011	**28.4**	**3.2**	**4.7**	**3.7**	**3.0**	**43.0**
Thereof current provisions	23.3	3.2	1.4	2.5	2.6	33.0
Thereof long-term provisions	5.1	–	3.3	1.2	0.4	10.0

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 at various locations. In the previous year, the restructuring provisions charged to income in the Technical Components, Cabling Solutions and Sealing Solutions Divisions included obligations relating to headcount reductions and to non-cancellable rental commitments of redundant locations. In the Cabling Solutions Division the relocation of the lift cable production to China and the relocation of the cable harnessing operations to the Czech Republic accounted for CHF 4.2 million of the restructuring charges totalling CHF 5.3 million in the previous year.

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	2012	2011
At 1 January:		
Deferred income tax assets	32.1	37.5
Deferred income tax liabilities	23.3	21.8
Deferred income tax (assets)/liabilities, net	**–8.8**	**–15.7**
Deferred income tax expense/(credit)	–2.7	7.4
Charges directly to equity	–0.7	–1.2
Acquisition / disposal of subsidiaries (see note 32)	–4.1	–
Exchange differences	–0.3	0.7
At 31 December:		
Deferred income tax assets (see note 19)	35.6	32.1
Deferred income tax liabilities	19.0	23.3
Deferred income tax (assets)/liabilities, net	**–16.6**	**–8.8**

Deferred income taxes are calculated at every subsidiary using the local effective income tax rates (average around 20%, previous year average around 27%) applicable.

24 / SHARE CAPITAL

Composition

in CHF	2012	2011
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

	2012	2011
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	11'184'653	11'065'400
Proposed/approved dividend per bearer share (CHF)	2.60	2.20
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)	0.52	0.44
Total par value of shares ranking for dividend (CHF)	779'233	773'270
Authorised additional share capital	none	none
Authorised contingent share captial	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 the weighted average number of treasury shares, see notes 26 and 27. The weighted value of the 22’000’000 registered shares represents 4’400’000 bearer shares.

	2012	2011
Net result reported in the income statement (CHF millions)	127.5	96.2
Weighted average number of shares	15'486'635	15'455'900
Net result per bearer share ranking for dividend (in CHF)	8.23	6.22

There were no dilutive effects in 2012 and 2011.

26 / TREASURY SHARES

At the end of 2012, the Group held 1’415’347 (previous year 1’534’600) treasury shares with a par value of CHF 0.05 each (previous year CHF 0.05). From the end of October to the end of December 2012 a total of 99’553 treasury shares were sold on the stock exchange at an average price of CHF 83.11 with net proceeds of CHF 8.3 million.

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, the award of treasury shares to those eligible under the share award plan in the years 2008 to 2012 and the sale of treasury shares in 2012, the Group held 1’415’347 unissued bearer shares of CHF 0.05 each at the end of 2012. The par value of these shares totalling CHF 70’767 (previous year CHF 76’730) has been deducted from the CHF 850’000 (previous year CHF 850’000) share capital of Dätwyler 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 Dätwyler 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 2012, Directors were awarded a total of 9’600 (previous year 9’600) bearer shares and senior executives were awarded a total of 10’100 (previous year 9’400) bearer shares of Dätwyler Holding Inc. Personnel expenses relating to the share award plan amount to CHF 1.4 million (previous year CHF 1.5 million).

28 / SHAREHOLDERS

At year-end 2012, 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 Dätwyler Holding Inc. This represents 80.01% (previous year 80.30%) 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 Dätwyler Holding Inc.

The Board of Dätwyler 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	31.12.2012	31.12.2011
Positive fair value	0.3	0.2
Notional amounts	36.6	25.2
Negative fair value	0.5	0.7
Notional amounts	57.0	12.5

These forward exchange contracts have maturities until July 2013. Positive fair values are recorded as other receivables (note 16), while negative fair values have been recognised 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 cases 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 2012, guarantees of CHF 2.6 million (previous year none) 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 16.4 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	**2012**	2011
Less than one year	11.5	10.5
Between 2 and 5 years	25.2	26.4
Over 5 years	1.4	2.3
Total commitments	**38.1**	**39.2**

Operating lease payments recognised as an expense in the income statement amounted to CHF 13.0 million (previous year CHF 11.2 million). There are no individually significant operating leases. Additional commitments of CHF 21.7 million (previous year CHF 27.0 million) relate to an IT outsourcing contract for the years 2013 and 2014.

32 / ACQUISITION AND SALE OF SUBSIDIARIES

In the previous year 2011, there were no acquisitions or sales of subsidiaries. In 2012, acquisitions and sales of subsidiaries had the following effect on the Group's assets and liabilities:

Acquisitions in 2012

At the beginning of January 2012 the Profiles Division of Phoenix Dichtungstechnik GmbH, Hamburg, Germany, was acquired in the Sealing Solutions Division. The Profiles Division of Phoenix is a leading international manufacturer of high-quality elastomeric seals and gaskets. At the beginning of April 2012, Display Elektronika B.V., domiciled in Utrecht, the Netherlands, with net assets of CHF 0.1 million was fully acquired by the Technical Components Division. In 2012, the acquired businesses employing an average of 260 people generated net revenue of CHF 62.7 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	0.0	–	0.0
Trade accounts receivable	0.3	–	0.3
Inventories	3.0	–0.3	2.7
Other current assets	0.2	–	0.2
Property, plant and equipment	3.6	–	3.6
Intangible assets	0.0	1.8	1.8
Deferred income tax assets	–	4.2	4.2
Current liabilities	–0.5	–0.3	–0.8
Long-term liabilities	–0.1	–0.2	–0.3
Net assets acquired at fair value			**11.7**
Goodwill including directly attributable transaction costs			10.9
Total			22.6
Less cash and cash equivalents acquired			–0.0
Net cash outflow on acquisition			**22.6**

At the beginning of September 2012, the Nedis Group was fully acquired by the Technical Components Division. Headquartered in 's-Hertogenbosch, the Netherlands, the Nedis Group ranks as Europe's number two wholesaler of IT and electronics accessories with subsidiaries in twelve countries. For the four months from beginning of September to the end of December 2012, the acquired businesses employing an average of 416 people generated net revenue of CHF 46.6 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	8.8	–	8.8
Trade accounts receivable	19.4	–0.2	19.2
Inventories	34.5	–0.9	33.6
Other current assets	3.2	–	3.2
Property, plant and equipment	27.9	12.5	40.4
Intangible and financial assets	1.1	–0.7	0.4
Current liabilities	–49.4	–	–49.4
Long-term liabilities	–27.0	–1.9	–28.9
Net assets acquired at fair value			**27.3**
Goodwill including directly attributable transaction costs			88.0
Total			115.3
Less cash and cash equivalents acquired			–8.8
Net cash outflow on acquisition			**106.5**

In October 2012, Anhui Zhongding Taike Automobile Sealing Parts Co., Ltd. in Ningguo, China and Hankook Sealtech Inc. in Daegu, South Korea, were fully acquired by the Sealing Solutions Division together with a 40% interest in Hyundai Sealtech Manufacturing Pvt., Ltd. in Kanchipuram, India. The acquired companies are the leading suppliers of rubber seals and gaskets for the automotive industry in Asia. For the three months from October to December 2012, the acquired businesses employing an average of 1’834 people generated net revenue of CHF 20.6 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	7.0	–	7.0
Trade accounts receivable	20.8	–	20.8
Inventories	6.6	0.5	7.1
Other current assets	1.6	2.6	4.2
Property, plant and equipment	27.0	1.0	28.0
Intangible and financial assets	2.7	–1.5	1.2
Current liabilities	–19.5	–0.1	–19.6
Long-term liabilities	–3.2	–3.1	–6.3
Net assets acquired at fair value			**42.4**
Goodwill including directly attributable transaction costs			97.4
Total			139.8
Less cash and cash equivalents acquired			–7.0
Less deferred earn-out obligations			–22.0
Net cash outflow on acquisition			**110.8**

Sales in 2012
In the Technical Components Division the subsidiary DP Elfa Electronics, Kiev, Ukraine, was sold in April 2012. The financial impact on the consolidated financial statements is insignificant.

On 31 December 2012 the Cabling Solutions Division was sold to the related party Pema Holding AG. In 2012, the businesses disposed of employing an average of 904 people generated net sales of CHF 229.4 million (see note 4). The following table shows the carrying amount of assets and liabilities disposed of at the date of sale and the gain on sale resulting from the transaction.

in CHF millions	Carrying amount on sale
Cash and cash equivalents	26.0
Trade accounts receivable	27.8
Inventories	50.5
Other current assets	8.1
Property, plant and equipment, intangible and financial assets	33.1
Current liabilities	–64.9
Long-term liabilities	–30.7
Net assets disposed of	**49.9**
Cumulative translation adjustments	1.6
Goodwill charged to income on sale of subsidiaries	1.1
Gain on sale of division	5.6
Consideration (equity value)	58.2
Less cash and cash equivalents disposed of	–26.0
Less sales proceeds payable	–1.1
Net cash inflow on disposal	**31.1**

Including the repayment of loans the contractually agreed selling price (enterprise value) of CHF 95.0 million resulted from this transaction.

33 / RELATED PARTY TRANSACTIONS

Pema Holding AG
The details of the sale of the Cabling Solutions Division to Pema Holding AG executed on 31 December 2012 are disclosed in note 32. The pricing of this transaction was based on two independent valuation reports. There were no additional transactions between the companies other than dividend payments to Pema Holding AG and administrative costs of CHF 20’000 charged in 2012 (previous year CHF 35’000) for administration and accounting services provided by Alvest AG. Accounts receivable and payable with Pema Holding AG and its subsidiaries are disclosed as items with related parties in notes 13, 16 and 21.

Dätwyler Cabling Solutions AG
Alvest AG and Dätwyler Cabling Solutions AG, since the end of 2012 held by Pema Holding AG, entered into a new service agreement with an annual volume of CHF 0.6 million, covering activities in the area of accounting, controlling, reporting, internal audit, treasury and insurance administration as well as communication and real estate administration.

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. 663b^{bis} and Art. 663c (transparency requirements) of the Swiss Code of Obligations is disclosed in note 2 to the financial statements of Dätwyler Holding Inc.

The remuneration of Directors of Dätwyler Holding Inc. consists of a fixed fee in the form of cash and shares. Their remuneration last year totalled CHF 1.401 million (previous year CHF 1.475 million), of which cash accounted for CHF 0.650 million (previous year CHF 0.650 million), shares for CHF 0.674 million (previous year CHF 0.739 million) and social benefits for CHF 0.077 million (previous year CHF 0.086 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 the current year (previous year none). The total remuneration of Executive Board members for the year was CHF 6.335 million (previous year CHF 5.771 million). Of the total remuneration, CHF 2.458 million (previous year CHF 2.509 million) were fixed salaries, CHF 0.562 million (previous year CHF 0.616 million) equity-settled payments in the form of shares, CHF 2.102 million (previous year CHF 1.408 million) cash bonuses and CHF 1.213 million (previous year CHF 1.238 million) social benefits and other costs. Social benefits include pension fund contributions of CHF 0.632 million (previous year CHF 0.674 million).

34 / EVENTS AFTER BALANCE SHEET DATE

From the beginning of 2013 to 11 March 2013 a total of 100'000 treasury shares were sold on the stock exchange with net proceeds of CHF 8.7 million.

The Board of Directors and the Executive Board are not aware of any other significant events occurring up to the date of approval of the consolidated financial statements on 11 March 2013 that would cause an adjustment of the carrying amounts of the Group's assets and liabilities.

35 / SUBSIDIARIES AND INVESTMENTS

Dätwyler Holding Inc. directly or indirectly owned the following companies at 31 December 2012:

		Registered office	Original currency	Capital in original currency (in millions)	Group's interest in %	Footnote	Technical Components	Sealing Solutions	Service and financial companies
SWITZERLAND	Alvest AG	Altdorf	CHF	15.000	100	K*			●
	Dätwyler AG	Altdorf	CHF	0.100	100	K*			●
	Dätwyler IT Services AG	Altdorf	CHF	0.100	100	K*			●
	Dätwyler Pharma Pack Holding AG	Altdorf	CHF	39.000	100	K*		●	
	Dätwyler Pharma Packaging Group AG	Dübendorf	CHF	0.100	100	K		●	
	Dätwyler Schweiz AG	Altdorf	CHF	32.000	100	K*	□	○	●
	Dätwyler Teco Holding AG	Altdorf	CHF	9.900	100	K*	●		
	Distrelec AG	Altdorf	CHF	0.050	100	K	●		
	Gummi Maag AG	Dübendorf	CHF	0.050	100	K	●		
	Dätwyler Immobilien AG	Altdorf	CHF	0.100	100	K*			●
	Maag Technic AG	Altdorf	CHF	0.090	100	K*			●
	MDT-Immobilien AG	Dübendorf	CHF	2.000	100	K	●		
	Pohl Immobilien AG	Altdorf	CHF	1.600	100	K		●	
	Proditec AG	Nänikon	CHF	0.300	100	K	□		
	Teco Immobilien AG	Altdorf	CHF	0.500	100	K	●		
BELGIUM	Datwyler Pharma Packaging Belgium NV	Alken	EUR	15.778	100	K		○	
	Datwyler Pharma Packaging International NV	Alken	EUR	107.330	100	K		●	
	Nedis NV	Geel	EUR	0.062	100	K	□		
CHINA	Anhui Zhongding Taike Automobile Sealing Parts Co., Ltd.	Ningguo	USD	5.000	100	K		○	
	Datwyler Sealing Technologies (Wuxi) Co., Ltd.	Wuxi	USD	5.000	100	K		○	
DENMARK	Elfa Distrelec A/S	Aarhus	DKK	1.000	100	K	□		

		Registered office	Original currency	Capital in original currency (in millions)	Group's interest in %	Footnote	Technical Components	Sealing Solutions	Service and financial companies
GERMANY	Dätwyler Pharma Packaging Deutschland GmbH	Karlsbad	EUR	2.600	100	K		○	
	Dätwyler Sealing Technologies Deutschland GmbH	Waltershausen	EUR	0.256	100	K		○	
	Dätwyler Teco Holding (Deutschland) GmbH	Göppingen	EUR	3.100	100	K	●		
	Distrelec Schuricht GmbH	Bremen	EUR	0.800	100	K	□		
	Dreher & Kauf GmbH	Willich	EUR	0.026	100	K	□		
	Maag Technic GmbH	Göppingen	EUR	2.600	100	K	□		
	Nedis GmbH	Willich	EUR	0.026	100	K	□		
	Reichelt Elektronik GmbH & Co. KG	Sande	EUR	3.000	100	K	□		
	Wachendorf GmbH	Göppingen	EUR	0.030	100	K	●		
UK	Bandridge International Limited	Pinner	GBP	0.040	100	K	●		
	Fameart Limited	Leicester	GBP	0.122	100	K	●		
	Nedis (UK) Limited	Leicester	GBP	0.009	100	K	□		
ESTONIA	Elfa Distrelec AS	Tallinn	EUR	0.079	100	K	□		
FINLAND	Elfa Distrelec Oy	Helsinki	EUR	0.020	100	K	□		
	Nedis Oy	Savonlinna	EUR	0.017	100	K	□		
FRANCE	B.R.I. S.a.r.l.	Sainte-Luce-sur-Loire	EUR	0.008	100	K	●		
	Maagtechnic Holding France SAS	Vaulx-en-Velin	EUR	16.050	100	K	●		
	Maagtechnic SAS	Vaulx-en-Velin	EUR	2.166	100	K	○		
	Maagtechnic Soded	Saint-Marcellin	EUR	0.400	100	K	○		
	Nedis SAS	Cergy Pontoise	EUR	0.100	100	K	□		
	Nedis Logistic SAS	Cergy Saint Christophe	EUR	0.010	100	K	●		
	Nedis Management SAS	Saint Ouen l'Aumone	EUR	0.010	100	K	●		
HONG KONG	Nedis Hong Kong Limited	Hong Kong	HKD	0.010	100	K	●		
INDIA	Datwyler Pharma Packaging India Private Limited	New Delhi	INR	550.590	100	K		○	
	Hyundai Sealtech Manufacturing Pvt., Ltd.	Kanchipuram	INR	130.100	40	E		○	
ITALY	CIF srl	Veggiano	EUR	0.014	8	B		○	
	Datwyler Pharma Packaging Italy s.r.l.	Milano	EUR	2.000	100	K		○	
	Distrelec Italia srl	Milano	EUR	1.275	100	K	□		
	Nedis Italia srl	Udine	EUR	0.100	100	K	□		
LATVIA	Elfa Distrelec SIA	Riga	LVL	0.006	100	K	□		
LITHUANIA	Elfa Distrelec UAB	Vilnius	LTL	0.010	100	K	□		
MACAO	Nedis Macau Commercial Offshore Limited (in Liquidation)	Macau	MOP	0.025	100	K	●		

		Registered office	Original currency	Capital in original currency (in millions)	Group's interest in %	Footnote	Technical Components	Sealing Solutions	Service and financial companies
MEXICO	Datwyler Sealing Technologies Mexico S.A. DE C.V.	Silao	MXN	82.000	100	K		○	
NETHERLANDS	Datwyler TeCo Holding B.V.	Amsterdam	EUR	0.018	100	K	●		
	Distrelec B.V.	Utrecht	EUR	0.064	100	K	●		
	Matrijzenmakerij Maro B.V.	Roosendaal	EUR	0.018	100	K		○	
	Nedis Beheer B.V.	's-Hertogenbosch	EUR	0.050	100	K	●		
	Nedis B.V.	Hedel	EUR	0.045	100	K	□		
	Nedis Group B.V.	's-Hertogenbosch	EUR	0.018	100	K	●		
	Nedis Holding B.V.	's-Hertogenbosch	EUR	0.018	100	K	●		
NORWAY	Elfa Distrelec AS	Oslo	NOK	0.200	100	K	□		
AUSTRIA	Distrelec Gesellschaft m.b.H.	Wien	EUR	0.145	100	K	□		
POLAND	Elfa Distrelec Spz oo	Warschau	PLN	0.100	100	K	□		
SWEDEN	Distrelec Sweden AB	Stockholm	SEK	0.100	100	K	●		
	Elfa Distrelec AB	Stockholm	SEK	5.000	100	K	□		
	Nedis AB	Jönköping	SEK	3.575	100	K	□		
	Nordic Power i Strömstad AB	Stockholm	SEK	0.100	100	K	□		
SLOVAKIA	Nedis Slovakia a.s.	Bratislava	EUR	0.066	100	K	□		
SPAIN	Nedis Iberia SL	Valencia	EUR	1.474	100	K	□		
SOUTH KOREA	Hankook Sealtech Inc.	Daegu	KRW	1'131.000	100	K		○	
CZECH REPUBLIC	Datwyler Sealing Technologies CZ s.r.o.	Novy Bydzov	CZK	20.000	100	K		○	
	Maagtechnic s.r.o.	Dobruska	CZK	2.000	100	K	○		
	Nedis Kerr s.r.o.	Trutnov	CZK	0.100	100	K	□		
UKRAINE	Datwyler Sealing Technologies Ukraine JSC	Malyn	UAH	12.500	100	K		○	
HUNGARY	Nedis Kft.	Budapest	HUF	13.040	100	K	□		
USA	Datwyler Pharma Packaging USA Inc.	Pennsauken	USD	9.130	100	K		○	

○ *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 Dätwyler Holding Inc.*

Report of the Statutory Auditor on the Consolidated Financial Statements

pwc

Report of the statutory auditor
to the general meeting of
Dätwyler Holding Inc
Altdorf

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Dätwyler Holding Inc., which comprise the balance sheet, income statement, statement of changes in equity, cash flow statement and notes (pages 48 to 83), for the year ended December 31, 2012.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 from material misstatement.

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

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2012 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with 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 independence.

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

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

PricewaterhouseCoopers AG

Patrick Balkanyi
Audit expert
Auditor in charge

Josef Stadelmann
Audit expert

Zürich, March 11, 2013

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Dätwyler Holding Inc.

Income Statement

in CHF	Notes	2012	2011
Investment income		51'167'500	44'622'500
Gain on disposal of investment	1	20'059'000	0
Financial income	1	25'087'863	25'182'032
Finance costs	1	–411'208	–11'004
Net finance income		44'735'655	25'171'028
Personnel expenses	2	–1'401'080	–1'474'517
Administrative expenses	3	–2'644'916	–72'350
Other income		50'000	0
Profit before tax		91'907'159	68'246'661
Income tax expense		–1'683'159	–2'676'172
Profit for the year		**90'224'000**	**65'570'489**

Notes 1 to 3, see pages 88 to 91.

Balance Sheet

Assets

in CHF	Notes	31.12.2012	31.12.2011
Investments	4	151'991'243	189'991'243
Loans to Group companies	5	877'679'782	626'546'620
Non-current assets		1'029'671'025	816'537'863
Other receivables from Group companies		108'848	9'504'217
Other receivables from related parties		1'059'000	0
Other receivables from third parties		462'508	11'898
Cash and cash equivalents		50'903	0
Current assets		1'681'259	9'516'115
Total assets		**1'031'352'284**	**826'053'978**

Equity and liabilities

in CHF	Notes	31.12.2012	31.12.2011
Share capital	6	850'000	850'000
Statutory reserves	7	87'070'767	87'076'730
of which general reserve		87'000'000	87'000'000
of which reserve for treasury shares	8	70'767	76'730
Special reserve	9	305'192'551	305'186'588
Retained earnings		486'445'650	430'245'530
Equity		879'558'968	823'358'848
Bond	10	150'000'000	0
Long-term liabilities		150'000'000	0
Other current liabilities	11	1'793'316	2'695'130
Current liabilities		1'793'316	2'695'130
Liabilities		151'793'316	2'695'130
Total equity and liabilities		**1'031'352'284**	**826'053'978**

Notes 4 to 10, see pages 92 to 94.

Notes to the Financial Statements

1 / NET FINANCE INCOME

The Datwyler Cabling Solutions AG investment was sold in 2012. This resulted in a gain of CHF 20’059’000 on disposal. The financial income from interest-bearing amounts owed by Group companies comes to CHF 25’087’863. The finance costs of CHF 411’208 include interest expense for short-term bank loans, interest on bonds, as well as commission and bank charges.

2 / PERSONNEL EXPENSES

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 2012

in CHF		Basic remuneration						
Last name and first name	Function	Cash payment	No. of shares	Fair value of shares	Total fixed component	Variable remuneration	Pension and other benefit expense	Total remuneration
Directors								
Graf Ulrich*	Chairman	170'000	2'400	168'600	338'600	0	19'250	357'850
Rüegg Hans R.	Deputy Chairman	110'000	1'700	119'425	229'425	0	12'579	242'004
Fässler Hanspeter	Director	90'000	1'100	77'275	167'275	0	11'691	178'966
Inderbitzin Werner	Director	70'000	1'100	77'275	147'275	0	7'649	154'924
Lienhard Ernst	Director	90'000	1'100	77'275	167'275	0	9'028	176'303
Odermatt Ernst	Director	70'000	1'100	77'275	147'275	0	10'212	157'487
Steinegger Franz	Director	50'000	1'100	77'275	127'275	0	6'271	133'546
Total for Directors		**650'000**	**9'600**	**674'400**	**1'324'400**	**0**	**76'680**	**1'401'080**
Executive Management								
Hälg Paul J.*	CEO	750'000	3'300	231'825	981'825	1'055'000	348'591	2'385'416
Total for Executive Management		**2'458'195**	**8'000**	**562'000**	**3'020'195**	**2'102'167**	**1'212'916**	**6'335'278**

Remuneration in 2011

in CHF		Basic remuneration						
Last name and first name	Function	Cash payment	No. of shares	Fair value of shares	Total fixed component	Variable remuneration	Pension and other benefit expense	Total remuneration
Directors								
Graf Ulrich*	Chairman	170'000	2'400	184'680	354'680	0	20'082	374'762
Rüegg Hans R.	Deputy Chairman	110'000	1'700	130'815	240'815	0	15'876	256'691
Fässler Hanspeter	Director	90'000	1'100	84'645	174'645	0	12'091	186'736
Inderbitzin Werner	Director	70'000	1'100	84'645	154'645	0	10'181	164'826
Lienhard Ernst	Director	90'000	1'100	84'645	174'645	0	10'304	184'949
Odermatt Ernst	Director	70'000	1'100	84'645	154'645	0	10'612	165'257
Steinegger Franz	Director	50'000	1'100	84'645	134'645	0	6'651	141'296
Total for Directors		**650'000**	**9'600**	**738'720**	**1'388'720**	**0**	**85'797**	**1'474'517**
Executive Management								
Hälg Paul J.*	CEO	750'000	3'300	253'935	1'003'935	565'000	308'583	1'877'518
Total for Executive Management		**2'509'375**	**8'000**	**615'600**	**3'124'975**	**1'408'000**	**1'238'215**	**5'771'191**

** 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 compared to the previous year. Cash payments are contingent on membership of the various Sub-Committees. The cash payment to the Executive Management also remained unchanged in the year under review. Messrs. Müller (30.12.2012) and Wallraff (31.10.2012) stepped down from the Executive Management in the year under review. The payments made to them are contained pro rata in the total figure for the Executive Management.

2. The share awards for 2012 were determined by the HR Committee and approved by the Board of Directors. The shares awarded on 1 June 2012 at the then market value of CHF 70.25 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 remained unchanged in the year under review. The market value of the share in the year under review was CHF 6.70 lower than in the previous year, which reduced the base remuneration accordingly.

3. The amounts shown in the table under Variable remuneration represent the expense actually recognised for variable salary components granted for 2012, which will be paid in March 2013. Owing to the higher consolidated result in the year under review, the variable remunerations were also correspondingly higher. However, the variable remunerations are contingent not only on the consolidated result, but also on the individual results of the divisions. The variable remuneration paid to members who stepped down from the Executive Management is factored in pro rata.

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 2012, 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 2012

Last name and first name	Function	No. of shares	Percentage voting rights	of which vesting over 5 years				
				2013	2014	2015	2016	2017
Graf Ulrich	Chairman	13'000	0.039175	2'200	2'200	2'200	2'400	2'400
Rüegg Hans R.	Deputy Chairman	10'000	0.030134	1'700	1'700	1'700	1'700	1'700
Fässler Hanspeter	Director	6'600	0.019889	1'100	1'100	1'100	1'100	1'100
Inderbitzin Werner	Director	6'700	0.020190	1'100	1'100	1'100	1'100	1'100
Lienhard Ernst	Director	6'600	0.019889	1'100	1'100	1'100	1'100	1'100
Odermatt Ernst	Director	6'600	0.019889	1'100	1'100	1'100	1'100	1'100
Steinegger Franz	Director	8'600	0.025916	1'100	1'100	1'100	1'100	1'100

Class of share: bearer share, CHF 0.05 nom.
Percentage of voting rights: bearer share, 0.00000301

Executive Management's interests in shares in 2012

Last name and first name	Function	No. of shares	Percentage voting rights	of which vesting over 5 years				
				2013	2014	2015	2016	2017
Hälg Paul J.	CEO	24'500	0.073829	3'300	3'300	3'300	3'300	3'300
Welte Reto	CFO	4'400	0.013259	0	1'100	1'100	1'100	1'100
Lambrecht Dirk	Division Head	3'500	0.010547	700	700	700	700	700
Heusser Markus	Division Head	3'404	0.010258	0	0	0	1'500	1'500

Class of share: bearer share, CHF 0.05 nom.
Percentage of voting rights: bearer share, 0.00000301

Directors’ interests in shares in 2011

Last name and first name	Function	No. of shares	Percentage voting rights	of which vesting over 5 years				
				2012	2013	2014	2015	2016
Graf Ulrich	Chairman	12'800	0.038711	2'200	2'200	2'200	2'200	2'400
Rüegg Hans R.	Deputy Chairman	9'300	0.028126	1'700	1'700	1'700	1'700	1'700
Fässler Hanspeter	Director	5'500	0.016634	1'100	1'100	1'100	1'100	1'100
Inderbitzin Werner	Director	5'600	0.016936	1'100	1'100	1'100	1'100	1'100
Lienhard Ernst	Director	5'500	0.016634	1'100	1'100	1'100	1'100	1'100
Odermatt Ernst	Director	5'500	0.016634	1'100	1'100	1'100	1'100	1'100
Steinegger Franz	Director	7'500	0.022682	1'100	1'100	1'100	1'100	1'100

Class of share: bearer share, CHF 0.05 nom.
Percentage voting rights: bearer share, 0.00000302

Executive Management’s interests in shares in 2011

Last name and first name	Function	No. of shares	Percentage voting rights	of which vesting over 5 years				
				2012	2013	2014	2015	2016
Hälg Paul J.	CEO	21'200	0.064115	5'000	3'300	3'300	3'300	3'300
Welte Reto	CFO	3'300	0.009980	0	0	1'100	1'100	1'100
Lambrecht Dirk	Division Head	4'050	0.012248	900	700	700	700	700
Müller Johannes	Division Head	3'800	0.011492	1'000	700	700	700	700
Wallraff Guido	Division Head	2'800	0.008468	0	700	700	700	700
Heusser Markus	Division Head	1'904	0.005758	0	0	0	0	1'500

Class of share: bearer share, CHF 0.05 nom.
Percentage voting rights: bearer share, 0.00000302

3 / ADMINISTRATIVE EXPENSES

This item comprises general business expenses of Dätwyler Holding Inc. Dätwyler Holding Inc. is exempted from the operating costs charged in full to Alvest AG and charged on by the latter to its subsidiaries. Stewardship costs (administrative costs incurred by Dätwyler Holding Inc.) are charged to Dätwyler Holding Inc.

4 / INVESTMENTS

As of 31 December 2012, Dätwyler Holding Inc. held the following direct investments:

Company	Company actitivity	Share capital in CHF
Switzerland		
Alvest AG, Altdorf	Finance	15'000'000
Dätwyler Schweiz AG, Altdorf	Manufacturing	32'000'000
Dätwyler Pharma Pack Holding AG, Altdorf	Investments	39'000'000
Dätwyler Teco Holding AG, Altdorf	Investments	9'900'000
Dätwyler Immobilien AG, Altdorf (1)	Real Estate	100'000
Dätwyler AG, Altdorf	Finance	100'000
Dätwyler IT Services AG, Altdorf	Services	100'000
Maag Technic AG, Altdorf	Finance	90'000

(1) *The company was renamed from Kaved AG to Dätwyler Immobilien AG. Moreover, the company purpose was changed accordingly.*

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	**31.12.2012**	31.12.2011
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	11'184'653	11'065'400
Total par value of shares ranking for dividend (in CHF)	779'233	773'270
Authorised additional share capital	none	none
Authorised contingent share capital	none	none
Voting restrictions	none	none
Opting-out and opting-up provisions	none	none

The bearer shares of Dätwyler 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 80.01 % 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	31.12.2012	31.12.2011
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 bearer shares	70'767	76'730
Total	**87'070'767**	**87'076'730**

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 and the disposal of bearer shares, the necessary reserve for treasury bearer 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 2012 as well as the sale of treasury bearers shares, 1’415’347 (previous year 1’534’600) bearer shares were still held at 31 December 2012 and are recorded in the balance sheet of Alvest AG at a par value of CHF 0.05 each, making a total of CHF 70’767. In total, 19’700 treasury bearer shares were used for the employee share award plan in 2012. Between 30.10.2012 and 21.12.2012 99’553 treasury bearer shares were sold on the stock exchange at an average price of CHF 83.1.

These bearer shares created before the new Swiss Corporation Law was enacted on 4 October 1991 now correspond to a nominal holding of CHF 70’767, representing 8.33% (previous year 76’730, representing 9.03%) 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 2012, an amount of CHF 5’963 was transferred to the special reserve. As a result, the special reserve amounted to CHF 305’192’551 at 31 December 2012.

10 / BOND

A fixed-rate CHF 150 million bond was placed at an issue price of 100.50% and a payment date of 7 December 2012. The bond bears an interest rate of 1.125% and has a 5½ year term (to 7 June 2018). Part of the bond proceeds were used to repay bank loans obtained by Datwyler to finance the acquisitions of Nedis as well as Zhongding and Hangkook. Datwyler is using the remainder of the bond proceeds to fund its growth strategy.

11 / OTHER CURRENT LIABILITIES

in CHF	31.12.2012	31.12.2011
Accruals and deferred income	1'772'668	2'676'759
Uncashed dividend coupons	20'648	18'371
Total	**1'793'316**	**2'695'130**

Accruals and deferred income comprise accrued tax and audit expense.

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

Borrowing facilities of CHF 208.0 million (previous year CHF 57.6 million) backed by joint and several guarantees were extended to various Group companies, of which CHF 138.5 million (previous year CHF 0.0 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 16’400’000 (previous year 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 Dätwyler Schweiz AG, Altdorf. For the period of this group membership the company is jointly and severally liable in accordance with Art. 15 par.1 c of the VAT Act.

13 / 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/2012 of 25 September 2012, 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	2012	2011
The Board of Directors proposes to the Annual General Meeting that retained earnings consisting of		
Profit for the year	90'224'000	65'570'489
Retained earnings brought forward	396'221'650	364'675'041
Retained earnings	486'445'650	430'245'530
be appropriated as follows:		
Payment of a dividend of CHF 0.52 per registered share and CHF 2.60 per bearer share (previous year CHF 0.44 per registered share and CHF 2.20 per bearer share) on share capital of CHF 779'233 (previous year CHF 773'270) eligible for dividend [1]	40'520'098	34'023'880
Balance to be carried forward	445'925'552	396'221'650
Total	**486'445'650**	**430'245'530**

[1] *As at 31 December 2012, 1'415'347 (previous year 1' 534' 600) treasury bearer shares do not rank for dividend. Owing to sales of treasury bearer shares in the period from 1 January 2013 to the record date (29 April 2013), the share capital entitled to dividend may still vary and, hence, the dividend paid out from it. Pursuant to the resolution of the Annual General Meeting on 18 November 1989, treasury bearer shares reserved to provide for the exercise of options, warrants or conversion rights and for other purposes in the Company's interest do not rank for dividend and are to be used at the discretion of the Board of Directors.*

Report of the Statutory Auditor on the Financial Statements

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

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Dätwyler Holding Inc., which comprise the balance sheet, income statement and notes (pages 86 to 94), for the year ended December 31, 2012.

Board of Directors' Responsibility

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

Auditor's Responsibility

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

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

Opinion

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

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence. In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers AG

Patrick Balkanyi
Audit expert
Auditor in charge

Josef Stadelmann
Audit expert

Zürich, March 11, 2013

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Shareholder Information

Five Year Summary

Datwyler Group

in CHF millions	2012	2011	2010	2009	2008
Net revenue	1'414.2	1'290.5	1'319.5	1'122.2	1'294.9
Year-on-year change (%)	9.6	–2.2	17.6	–13.3	10.3
EBITDA	203.1	168.3	176.6	134.0	185.3
Depreciation and amortisation	52.1	44.1	48.7	54.0	51.1
As % of net revenue	3.7	3.4	3.7	4.8	3.9
Year-on-year change (%)	18.1	–9.4	–9.8	5.7	–3.6
Operating result before interest and tax (EBIT)	151.0	124.2	127.9	80.0	134.2
As % of net revenue	10.7	9.6	9.7	7.1	10.4
Year-on-year change (%)	21.6	–2.9	59.9	–40.4	20.7
Net result	127.5	96.2	98.2	63.7	109.6
As % of net revenue	9.0	7.5	7.4	5.7	8.5
Year-on-year change (%)	32.5	–2.0	54.2	–41.9	27.0
Net cash from operating activities	124.4	149.6	142.8	148.3	125.3
As % of net revenue	8.8	11.6	10.8	13.2	9.7
Year-on-year change (%)	–16.8	4.8	–3.7	18.4	–13.4
Free Cash Flow (based on Consolidated Cash Flow Statement)	–107.7	83.1	25.3	197.5	–79.7
Non-current assets	445.8	384.9	375.4	393.3	773.4
Year-on-year change (%)	15.8	2.5	–4.6	n/a	66.5
Current assets	633.2	507.1	471.6	546.4	638.5
Year-on-year change (%)	24.9	7.5	–13.7	–14.4	–26.4
Total assets	1'079.0	892.0	847.0	939.7	1'411.9
Equity	550.9	643.4	583.5	596.3	829.1
Year-on-year change (%)	–14.4	10.3	–2.1	n/a	–11.0
As % of total assets	51.1	72.1	68.9	63.5	58.7
Total liabilities	528.1	248.6	263.5	343.4	582.8
Year-on-year change (%)	112.4	–5.7	–23.3	n/a	45.7
Current liabilities	291.1	207.3	223.8	285.3	328.5
Long-term liabilities	237.0	41.3	39.7	58.1	254.3
Capital expenditure on property, plant and equipment	75.0	64.1	34.8	53.1	69.9
Year-on-year change (%)	17.0	84.2	–34.6	–23.9	4.8
Personnel expenses	358.8	329.7	333.0	327.8	340.1
Year-on-year change (%)	8.8	–1.0	1.6	–3.6	10.0
Number of employees (at year-end)	6'907	5'259	5'070	4'512	4'712
Year-on-year change (%)	31.3	3.7	12.4	–4.2	8.6

Since 2009 in accordance with Swiss GAAP ARR, before in accordance with IFRS.

Dätwyler Holding Inc.

in CHF mio.	2012	2011	2010	2009	2008
Finance and investment income	95.9	69.8	81.9	76.9	72.0
Net result	90.2	65.6	79.0	74.2	69.5
Equity	879.6	823.4	791.8	731.3	684.8
Equity ratio (%)	85.3	99.7	99.8	99.8	99.8
Share capital	0.9	0.9	0.9	0.9	0.9
Distribution	40.5 [1]	34.0	34.0	18.5	27.7

[1] *Board of Directors' proposal to the Annual General Meeting.*

Share Information

	Notes	Currency	**2012**	2011	2010	2009	2008 (5)
Share capital		in CHF mio.	0.85	0.85	0.85	0.85	0.85
Eligible for a dividend		in CHF mio.	0.78	0.77	0.77	0.77	0.77
Number of shares							
Bearer shares of CHF 0.05 each	(5)		12'600'000	12'600'000	12'600'000	12'600'000	12'600'000
Unissued shares			1'415'347	1'534'600	1'553'600	1'570'900	1'589'700
Bearer shares in issue			11'184'653	11'065'400	11'046'400	11'029'100	11'010'300
Registered shares of CHF 0.01 each	(5)		22'000'000	22'000'000	22'000'000	22'000'000	22'000'000
Market price (high/low)	(1)						
Bearer share – high	(2)	CHF	99.25	87.00	79.45	66.00	77.95
Bearer share – low	(2)	CHF	63.00	45.50	56.55	36.00	39.50
Trading volume							
Number of shares			1'909'732	2'008'146	2'437'950	2'093'440	1'683'634
Value		in CHF mio.	142	140	167	97	106
Gross dividend							
Bearer share		CHF	2.60 (3)	2.20	2.20	1.20	1.80
Registered share		CHF	0.52 (3)	0.44	0.44	0.24	0.36
Net result per share	(4)						
Bearer share		CHF	8.23	6.22	6.36	4.13	7.12
Registered share		CHF	1.65	1.24	1.27	0.83	1.42
Net cash from operating activities per share	(4)						
Bearer share		CHF	8.03	9.68	9.25	9.62	8.13
Registered share		CHF	1.61	1.94	1.85	1.92	1.63
Price/earnings ratio (average)			9.0	11.2	10.7	12.3	8.3
Equity per share	(4)						
Bearer share		CHF	35	42	38	39	54
Registered share		CHF	7	8	8	8	11
Market capitalisation							
Average for the year		in CHF mio.	1'152	1'076	1'050	787	905
As % of equity			209	167	180	132	109
At 31 December		in CHF mio.	1'346	861	1'197	895	662
As % of equity			244	134	205	150	80

The Articles of Association of Dätwyler 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 reflects the value after the par value repayment on 14 July 2008.*

Share Price Performance

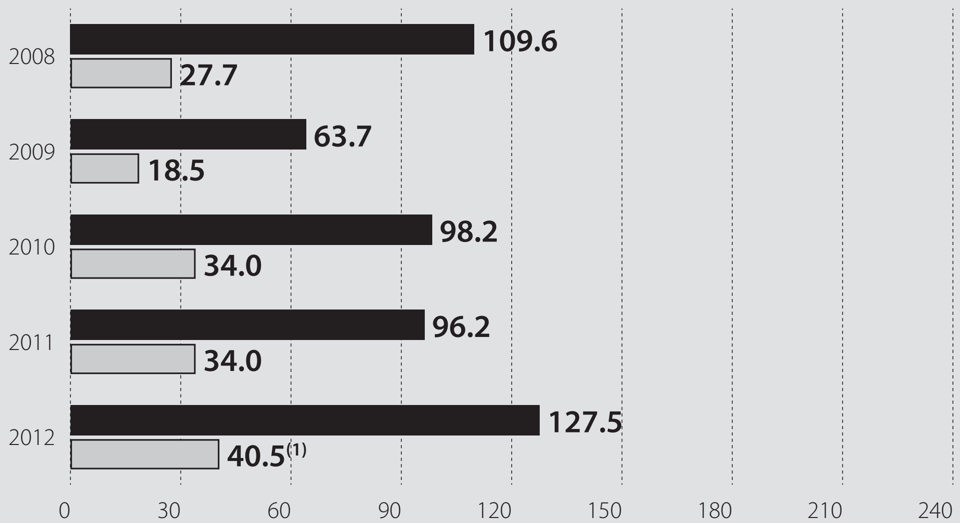
in CHF

Datwyler bearer share
SPI index

Dividend Performance

in CHF millions

Profit for the year
Dividend in absolute terms
(1) Proposal to the 2013 Annual General Meeting



Net result since 2009 in accordance with Swiss GAAP ARR.
Net result 2008 in accordance with IFRS.

General Information

Financial year
Datwyler Group: 1 January to 31 December
Dätwyler Holding Inc.: 1 January to 31 December

Incorporated
Datwyler Inc.: 1915
Dätwyler 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
Datwyler bond	20 029 554	DAE12	CH020 029554 8	085652214	DAE

Taxable value set by the Swiss Federal Tax Administration at 31 December 2012
Bearer share: CHF 86.35
1.125% Bond 2012–2018: 100.30%

Important dates
2013
Annual General Meeting: 23 April 2013
Interim Report: 16 August 2013

2014
Announcement of net revenue 2013: 24 January 2014
Annual Press Conference and Analyst Conference: 27 February 2014
Annual General Meeting: 8 April 2014
Interim Report: 14 August 2014

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

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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 15 March 2013

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http://www.datwyler.com/en/products-services/technical-components/addresses.html

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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.

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