

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 adoption of the revised Swiss GAAP standards for revenue recognition as of 1 January 2016 had no effect on the income statement and notes to the consolidated financial statements. 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 3 February 2017 for submission to the Annual General Meeting on 7 March 2017.

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 that 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. At Datwyler Group, this is achieved when more than 50% of a subsidiary'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 34.

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. At year-end of the current reporting 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 subsidiaries 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:

	2016		2015	
	Closing rate at 31.12.	Average rate for the year	Closing rate at 31.12.	Average rate for the year
100 CNY	14.66	14.85	15.26	15.40
1 EUR	1.07	1.09	1.08	1.07
1 USD	1.02	0.99	0.99	0.96

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 subsidiaries 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 subsidiaries, 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. 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

In the Sealing Solutions division revenues are mainly generated from the sale of products from own production and in the Technical Components division from distribution of goods for resale. Revenue arising from the sale of manufactured products and goods for resale 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 and other temporary valuation differences 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 subsidiaries, 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 a 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.

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 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. Finance leasing and operating leasing agreements are treated differently. In a finance lease, the lessor transfers substantially all the risks and rewards relating to ownership of the leased asset to the Datwyler Group. 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. On sale of an acquired subsidiary, goodwill from acquisitions formerly directly offset against equity is charged to income at original cost when calculating the gain or loss on sale. 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 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.

MISCELLANEOUS FINANCIAL ASSETS

Miscellaneous financial assets include loans to third parties and minority shareholdings. 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 the 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 subsidiaries 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 26. 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 / BUSINESS ACQUISITIONS AND DISPOSALS

Acquisitions and disposals during 2016 and 2015 are shown below, see also note 31. The percentages in brackets indicate the percentage voting rights held in each company.

Transactions 2016

ACQUISITIONS

Ott GmbH & Co. KG and Ott Geschäftsführungs GmbH, both domiciled in Cleeborn, Germany (100%)

MERGERS

At the beginning of August 2016 Elfa Distrelec AB (100%) and Nordic Power i Strömstad AB (100%) were merged with Distrelec Sweden AB, which thereafter was renamed Elfa Distrelec AB.

Transactions 2015

ACQUISITIONS

Origom S.p.A. domiciled in Viadanica, Italy (100%)

COMPANIES ESTABLISHED

TeCo Asia Technology (Shenzhen) Co. Ltd., Shenzhen, China (100%)

MERGERS

In January 2015 Dätwyler Pharma Pack Holding AG (100%) was merged with Dätwyler Schweiz AG.

In May 2015 Matrijzenmakerij Maro B.V. (100%) was merged with Datwyler Pharma Packaging Belgium NV.

In October 2015 Nedis Management SAS and B.R.I. Sarl (both 100%) were merged with Nedis SAS.

LIQUIDATIONS

Fameart Limited, Leicester, England (100%)

Nedis Logistic SAS, Cergy Saint Christophe, France (100%)

3 / SEGMENT INFORMATION

in CHF millions				
	Sealing Solutions	Technical Components	Elimi- nations	Total Group
2016				
Revenue from external customers	753.3	462.5	–	1'215.8
Inter-segment revenue	0.0	0.1	–0.1	–
Total net revenue	753.3	462.6	–0.1	1'215.8
EBIT	136.7	9.4	–	146.1
EBIT as % of net revenue	18.1%	2.0%	–	12.0%

in CHF millions				
	Sealing Solutions	Technical Components	Elimi- nations	Total Group
2015				
Revenue from external customers	705.9	459.3	–	1'165.2
Inter-segment revenue	0.0	0.0	–0.0	–
Total net revenue	705.9	459.3	–0.0	1'165.2
EBIT	125.8	0.3	–	126.1
EBIT as % of net revenue	17.8%	0.1%	–	10.8%

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

The result of the Group management functions is allocated to the divisions using a revenue-based key. The divisions are managed independently and their business performance is measured separately.

The Sealing Solutions division offers customised sealing solutions in global market segments including automotive, civil engineering, consumer goods and health care. The significant manufacturing and distribution companies are located in Switzerland, Germany, Belgium, the Netherlands, Italy, the Czech Republic, Ukraine, China, South Korea, India, the USA, Brazil and Mexico.

The Technical Components division is a high-service distributor of electronic, automation and ICT components and accessories with about 30 distribution and service companies across Europe. Significant operations are located in Switzerland, Germany, the Netherlands as well as in Scandinavia.

Net revenue by geographical region

<u>in CHF millions</u>	2016	2015
Switzerland	213.1	209.4
European Union	642.8	608.4
Rest of Europe	29.7	26.0
North and South America	179.6	179.6
Far East	119.3	105.5
Other markets	31.3	36.3
Total Group	1'215.8	1'165.2

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

4 / ADDITIONAL INCOME STATEMENT DISCLOSURES

Material expense of CHF 527.5 million (previous year CHF 528.5 million) is included in the income statement.

Other operating income includes gain on sale of property, plant and equipment of CHF 0.6 million (previous year CHF 0.5 million) as well as ancillary revenues and rental income.

5 / PERSONNEL EXPENSES

<u>in CHF millions</u>	2016	2015
Wages and salaries	242.7	229.8
Benefit costs	53.9	52.9
State social security contributions	34.1	33.1
Pension costs (see note 6)	10.1	10.3
Other benefit costs	9.7	9.5
Other employee costs	15.3	13.9
Total personnel expenses	311.9	296.6

A share award plan for Directors and senior executives has been in place since 2007, see note 26.

6 / 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	Changes not affecting income ¹	Change to prior year or charge to income current year	Contributions for the period	Pension costs in personnel expenses	Pension costs in personnel expenses
	31.12.2016	31.12.2016	31.12.2015				2016	2015
Welfare funds Switzerland	0.4	–	–	–	–	–	–	–
Pension schemes without funding surplus/deficit Switzerland	–	–	–	–	–	6.5	6.5	–
Pension schemes with funding surplus Switzerland	–	–	–	–	–	–	–	6.6
Pension schemes without funding surplus/deficit abroad	–	–	–	–	–	2.6	2.6	2.5
Unfunded pension schemes abroad	–	–3.9	–3.5	0.0	0.4	0.6	1.0	1.2
Total	–	–3.9	–3.5	0.0	0.4	9.7	10.1	10.3

¹ Translation differences and acquisition/disposal of subsidiaries.

At year-end 2016, as at the end of the previous year, no employer contribution reserves (ECR) existed.

Summary of pension costs

in CHF millions	Switzerland	Abroad	Total
	2016	2016	2016
Contributions to pension schemes expensed at Group companies	6.5	3.2	9.7
Contributions to pension schemes made from employer contribution reserves (ECR)	–	–	–
Total contributions	6.5	3.2	9.7
+/- Changes in ECR due to asset performance, value adjustments, discounting, etc.	–	–	–
Contributions and changes in employer contribution reserves	6.5	3.2	9.7
Increase/reduction economic benefit Group from excess coverage	–	–	–
Reduction/increase economic obligation Group from insufficient coverage	–	0.4	0.4
Total change in economic impact from excess/insufficient coverage	–	0.4	0.4
= Pension costs included in personnel expenses for the period	6.5	3.6	10.1

in CHF millions	Switzerland	Abroad	Total
	2015	2015	2015
Contributions to pension schemes expensed at Group companies	6.6	2.9	9.5
Contributions to pension schemes made from employer contribution reserves (ECR)	–	–	–
Total contributions	6.6	2.9	9.5
+/- Changes in ECR due to asset performance, value adjustments, discounting, etc.	–	–	–
Contributions and changes in employer contribution reserves	6.6	2.9	9.5
Increase/reduction economic benefit Group from excess coverage	–	–	–
Reduction/increase economic obligation Group from insufficient coverage	–	0.8	0.8
Total change in economic impact from excess/insufficient coverage	–	0.8	0.8
= Pension costs included in personnel expenses for the period	6.6	3.7	10.3

7 / DEPRECIATION AND AMORTISATION

in CHF millions	2016	2015
Depreciation of property, plant and equipment	51.8	48.1
Depreciation of property, plant and equipment held for sale	–	0.0
Amortisation of intangible assets	6.4	5.2
Impairment charges	–	–
Total depreciation and amortisation	58.2	53.3

8 / NET FINANCE RESULT

in CHF millions	2016	2015
Interest expense on bond, bank and other loans	2.4	2.3
Interest expense on finance leases	0.0	0.0
Fair value loss on forward exchange contracts	0.0	5.9
Net foreign exchange loss on financing activities	51.5	11.8
Finance charges	5.6	1.3
Total interest and finance expenses	59.5	21.3
Interest income on bank deposits and loans receivable	–0.2	–0.5
Fair value gain on forward exchange contracts	–8.9	–9.9
Total interest and finance income	–9.1	–10.4
Net finance result (expenses, net)	50.4	10.9

Net finance result includes one-time hedging and financings costs related to the planned acquisition of Premier Farnell of CHF 44.1 million.

9 / INCOME TAX EXPENSES

in CHF millions	2016	2015
Current income tax expense	36.1	32.3
Deferred income tax expense	2.0	0.7
Total income tax expenses	38.1	33.0

The effective tax charge on earnings before tax, using the weighted average income tax rate of 33.8% (previous year 25.7%) of the Group, can be analysed as follows:

in Mio. CHF	2016	2015
Earnings before tax	95.7	115.2
Income tax expense calculated at the weighted average tax rate	32.3	29.6
Effect of current year tax losses not recognised and reassessment of tax loss carryforwards	5.2	3.6
Effect of previously unrecognised tax loss carryforwards used against taxable profits	-0.2	-1.8
Other new assessments of temporary differences	-	-2.4
Change in tax rates for deferred income taxes	-0.2	-
Expense and income items treated differently for tax purposes	-0.8	1.3
Non-refundable taxes on intra-group charges and dividends	1.1	2.1
Prior year tax adjustments	0.2	-0.1
Other effects	0.5	0.7
Total (current and deferred) income tax expenses	38.1	33.0

Taxable results differing by region are responsible for changes in the weighted average tax rate, which in 2016 was also influenced by the one-time costs related to the planned acquisition of Premier Farnell.

10 / CASH, CASH EQUIVALENTS AND MONEY MARKET INVESTMENTS

in CHF millions	2016	2015
Cash in hand and at bank	206.0	196.6
Money market investments (original maturities up to 90 days)	111.5	45.4
Total cash and cash equivalents	317.5	242.0
Money market investments (maturities 91 to 360 days)	-	60.0
Total cash, cash equivalents and money market investments	317.5	302.0

11 / TRADE ACCOUNTS RECEIVABLE

in CHF millions	2016	2015
Trade accounts receivable from third parties, gross	192.9	182.4
Provision for impairment of trade accounts receivable	-2.9	-4.4
Total trade accounts receivable from third parties, net	190.0	178.0
Trade accounts receivable from related parties	1.0	0.5
Total trade accounts receivable, net	191.0	178.5

Aging analysis of gross trade accounts receivable from third parties

in CHF millions	2016	2015
Not yet due	162.3	154.0
Past due 1–30 days	19.3	15.0
Past due 31–60 days	4.0	3.9
Past due 61–90 days	1.0	1.4
Past due 91–180 days	2.4	3.2
Past due more than 180 days	3.9	4.9
Total trade accounts receivable from third parties, gross	192.9	182.4

Movements in provision for impairment of trade accounts receivable

in CHF millions	2016	2015
At 1 January	4.4	4.3
Charge for the year	1.5	2.0
Unused amounts reversed	-1.6	-0.5
Receivables written off as uncollectible	-1.4	-1.0
Acquisition/disposal of subsidiaries	0.0	0.0
Exchange differences	-0.0	-0.4
At 31 December	2.9	4.4
Of which specific provisions for impairment	2.7	4.1

12 / INVENTORIES

in CHF millions	2016	2015
Raw material, gross	22.7	19.0
Consumables, gross	16.6	15.7
Work in progress, gross	11.5	11.3
Finished goods, gross	38.6	34.2
Goods for resale, gross	116.6	116.5
Provision for impairment of inventories	-27.3	-27.3
Total inventories	178.7	169.4

13 / OTHER RECEIVABLES

in CHF millions	2016	2015
Withholding, capital and value added tax receivable	9.5	10.3
Current income tax assets	3.9	1.2
Prepayments made, advances given and deposits made	3.1	2.7
Derivative assets: forward exchange contracts (see note 28)	3.9	0.8
Miscellaneous receivables	4.9	3.5
Total other receivables	25.3	18.5

14 / PROPERTY, PLANT AND EQUIPMENT

in CHF millions	Real estate	Machinery and production equipment	Office equipment, computer systems, vehicles	Assets under construction	Total property, plant and equipment
PROPERTY, PLANT AND EQUIPMENT 2016					
At cost					
At 1 January 2016	260.2	519.0	38.8	40.3	858.3
Additions	2.2	17.6	2.7	55.3	77.8
Disposals	-2.6	-7.6	-1.4	-0.0	-11.6
Transfers	14.9	22.7	1.1	-38.7	-
Reclassification from current assets	0.7	-	-	-	0.7
Acquisition/disposal of subsidiaries	10.7	6.0	1.1	-	17.8
Exchange differences	-0.7	-3.1	-0.3	-0.6	-4.7
At 31 December 2016	285.4	554.6	42.0	56.3	938.3
Accumulated depreciation					
At 1 January 2016	-106.5	-349.3	-28.4	-	-484.2
Depreciation expense	-8.4	-39.8	-3.6	-	-51.8
Disposals	0.3	7.0	1.2	-	8.5
Acquisition/disposal of subsidiaries	-	-	-	-	-
Exchange differences	0.1	1.6	0.3	-	2.0
At 31 December 2016	-114.5	-380.5	-30.5	-	-525.5
Net book values					
At 1 January 2016	153.7	169.7	10.4	40.3	374.1
At 31 December 2016	170.9	174.1	11.5	56.3	412.8

in CHF millions	Real estate	Machinery and production equipment	Office equipment, computer systems, vehicles	Assets under construction	Total property, plant and equipment
PROPERTY, PLANT AND EQUIPMENT 2015					
At cost					
At 1 January 2015	259.7	502.4	43.1	47.4	852.6
Additions	3.5	10.7	3.3	42.0	59.5
Disposals	-3.9	-9.0	-4.3	-	-17.2
Transfers	7.0	39.8	0.0	-46.8	-
Acquisition/disposal of subsidiaries	6.5	2.9	0.1	0.1	9.6
Exchange differences	-12.6	-27.8	-3.4	-2.4	-46.2
At 31 December 2015	260.2	519.0	38.8	40.3	858.3
Accumulated depreciation					
At 1 January 2015	-103.9	-339.2	-31.3	-	-474.4
Depreciation expense	-7.8	-36.8	-3.5	-	-48.1
Disposals	1.8	8.6	3.8	-	14.2
Acquisition/disposal of subsidiaries	-	-	-	-	-
Exchange differences	3.4	18.1	2.6	-	24.1
At 31 December 2015	-106.5	-349.3	-28.4	-	-484.2
Net book values					
At 1 January 2015	155.8	163.2	11.8	47.4	378.2
At 31 December 2015	153.7	169.7	10.4	40.3	374.1

Acquisition/disposal of subsidiaries include the additions from acquisitions and the disposals on sale of subsidiaries, see also notes 2 and 31. In 2016, no impairment charges (previous year none) were recognised.

Other details of property, plant and equipment

in CHF millions	2016	2015
Leased property, plant and equipment, at cost	3.8	2.5
Accumulated depreciation	-1.1	-0.8
Net book value of property, plant and equipment under finance leases	2.7	1.7

At year-end, property, plant and equipment in the amount of CHF 2.3 million (previous year none) were pledged or assigned to secure own liabilities. Assets under construction include prepayments made in the amount of CHF 12.2 million (previous year CHF 10.1 million). Additions to property, plant and equipment include no capitalised borrowing costs (previous year none). At balance sheet date, commitments for capital expenditure on property, plant and equipment amounted to CHF 24.3 million (previous year CHF 24.3 million).

15 / INTANGIBLE ASSETS

in CHF millions	Software	Other intangible assets	Total intangible assets
INTANGIBLE ASSETS 2016			
At cost			
At 1 January 2016	29.4	2.2	31.6
Additions	9.6	–	9.6
Disposals	–0.2	–	–0.2
Acquisition/disposal of subsidiaries	0.2	–	0.2
Exchange differences	–0.1	–0.0	–0.1
At 31 December 2016	38.9	2.2	41.1
Accumulated amortisation			
At 1 January 2016	–14.5	–0.8	–15.3
Amortisation expense	–6.2	–0.2	–6.4
Disposals	0.2	–	0.2
Exchange differences	0.0	–0.1	–0.1
At 31 December 2016	–20.5	–1.1	–21.6
Net book values			
At 1 January 2016	14.9	1.4	16.3
At 31 December 2016	18.4	1.1	19.5

in CHF millions	Software	Other intangible assets	Total intangible assets
INTANGIBLE ASSETS 2015			
At cost			
At 1 January 2015	25.1	2.5	27.6
Additions	5.0	–	5.0
Disposals	–0.6	–	–0.6
Acquisition/disposal of subsidiaries	0.0	–	0.0
Exchange differences	–0.1	–0.3	–0.4
At 31 December 2015	29.4	2.2	31.6
Accumulated amortisation			
At 1 January 2015	–10.2	–0.7	–10.9
Amortisation expense	–4.9	–0.3	–5.2
Disposals	0.6	–	0.6
Exchange differences	0.0	0.2	0.2
At 31 December 2015	–14.5	–0.8	–15.3
Net book values			
At 1 January 2015	14.9	1.8	16.7
At 31 December 2015	14.9	1.4	16.3

Intangible assets include no assets under finance leases (previous year none). Additions to software include capitalised cost in the amount of CHF 3.0 million (previous year none). In 2016, no impairment charges (previous year none) were recognised.

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	2016	2015
At cost		
At 1 January	644.6	622.6
Additions from acquisition of subsidiaries	11.0	21.5
Adjustments from earn-out agreements	0.2	0.5
At 31 December	655.8	644.6
Accumulated amortisation		
At 1 January	-547.6	-503.9
Amortisation expense	-47.3	-43.7
Impairment charges	-	-
At 31 December	-594.9	-547.6
Theoretical net book values		
At 1 January	97.0	118.7
At 31 December	60.9	97.0

Retroactively since 1 January 2014, goodwill items are eliminated on sale from the movement schedule above and no longer already when fully amortised.

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. 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	2016	2015
Operating result (EBIT) according to income statement	146.1	126.1
Amortisation of goodwill	-47.3	-43.7
Theoretical operating result (EBIT) incl. amortisation of goodwill	98.8	82.4
Net result according to income statement	57.6	82.2
Amortisation of goodwill	-47.3	-43.7
Theoretical net result incl. amortisation of goodwill	10.3	38.5

Impact on balance sheet

in CHF millions	2016	2015
Equity according to balance sheet	805.5	726.1
Theoretical capitalisation of goodwill (net book value)	60.9	97.0
Theoretical equity incl. net book value of goodwill	866.4	823.1
Equity according to balance sheet	805.5	726.1
Equity as % of total assets	66.2%	64.3%
Theoretical equity incl. net book value of goodwill	866.4	823.1
Theoretical equity incl. net book value of goodwill as % of total assets	67.8%	67.1%

16/ MISCELLANEOUS FINANCIAL ASSETS

in CHF millions	2016	2015
Long-term loans to third parties	0.3	0.3
Other financial investments	2.9	2.4
Total miscellaneous financial assets	3.2	2.7

17/ BANK DEBT

in CHF millions	2016	2015
Bank overdrafts	3.9	3.3
Current portion of long-term bank loans	0.1	–
Total short-term bank debt	4.0	3.3
Long-term bank loans	7.5	5.4
Total bank debt	11.5	8.7
Secured portion of short-term and long-term bank debt	2.3	–

The average interest rate was 8.0 percent for the bank overdrafts in Indian rupees, US dollars and Euros and 2.9 percent for the long-term bank loans in euros.

Maturity of long-term bank debt

in CHF millions	2016	2015
Within 2 years	2.5	–
Within 3 years	2.6	1.8
Within 4 years	1.8	1.8
Within 5 years	0.0	1.8
Beyond 5 years	0.6	–
Total long-term bank debt	7.5	5.4

18 / BOND

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.

19 / TRADE ACCOUNTS PAYABLE

Trade accounts payable include accounts payable to related parties of CHF 0.1 million (previous year CHF 0.1 million).

20 / OTHER LIABILITIES

Other current liabilities

in CHF millions	2016	2015
Customer advances received	5.1	3.6
Social security liabilities	3.3	3.2
Current income tax liabilities	31.8	27.1
Capital and value added tax liabilities	7.2	6.7
Current finance lease liabilities (see notes 14 and 15)	0.8	0.5
Other short-term loans payable and financial liabilities	17.5	12.6
Deferred earn-out obligations	2.1	4.1
Derivative liabilities: forward exchange contracts (see note 28)	0.7	6.5
Miscellaneous current liabilities	0.8	–
Total other current liabilities	69.3	64.3

Other long-term liabilities

Other long-term liabilities include long-term finance lease liabilities of CHF 1.5 million (previous year CHF 1.2 million) and no deferred earn-out obligations (previous year CHF 2.2 million), see also note 31.

21 / PROVISIONS

in CHF millions	Employees and social security	Restruc- turing	Warranty and liability claims	Other	Total
PROVISIONS 2016					
At 1 January 2016	35.0	5.0	3.9	2.5	46.4
Charges	32.5	–	0.9	9.7	43.1
Uses	–40.0	–3.9	–0.7	–1.6	–46.2
Unused amounts reversed	–2.3	–0.5	–3.8	–	–6.6
Acquisition/disposal of subsidiaries	0.6	–	0.1	–	0.7
Exchange differences	–0.4	–0.2	–0.1	–0.0	–0.7
At 31 December 2016	25.4	0.4	0.3	10.6	36.7
Thereof current provisions	15.2	0.4	0.3	8.7	24.6
Thereof long-term provisions	10.2	–	–	1.9	12.1

in CHF millions	Employees and social security	Restruc- turing	Warranty and liability claims	Other	Total
PROVISIONS 2015					
At 1 January 2015	33.6	10.4	3.6	2.3	49.9
Charges	45.8	–	1.3	1.0	48.1
Uses	–42.7	–3.6	–0.4	–0.7	–47.4
Unused amounts reversed	–0.7	–1.1	–0.4	–0.1	–2.3
Acquisition/disposal of subsidiaries	1.5	–	–	–	1.5
Exchange differences	–2.5	–0.7	–0.2	–0.0	–3.4
At 31 December 2015	35.0	5.0	3.9	2.5	46.4
Thereof current provisions	23.5	5.0	0.5	2.3	31.3
Thereof long-term provisions	11.5	–	3.4	0.2	15.1

Discounting

Long-term provisions amounting to CHF 0.5 million were discounted using discount rates between 1.6% and 2.0%.

Employees and social security

This provision covers holiday pay, overtime, employee retention plans, incentive pay and similar liabilities. The provisions are calculated based on actual data.

Restructuring

The restructuring provisions of CHF 0.4 million at the end of 2016 concern the Technical Components division and include obligations relating to headcount reductions.

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 as well as on past experience. The provision for liability claims is based on actual claims reported, which are generally settled within one year.

Other provisions

Other provisions among others include provisions for litigation as well as for rental contracts of redundant facilities.

22 / DEFERRED INCOME TAX ASSETS/LIABILITIES

in CHF millions	2016	2015
At 1 January		
Deferred income tax assets	60.3	63.3
Deferred income tax liabilities	29.5	27.9
Deferred income tax (assets)/liabilities, net	-30.8	-35.4
Deferred income tax expense	2.0	0.7
Changes directly affecting equity	–	–
Acquisition/disposal of subsidiaries (see note 31)	-4.5	1.2
Exchange differences	0.4	2.7
At 31 December		
Deferred income tax assets	60.8	60.3
Deferred income tax liabilities	27.9	29.5
Deferred income tax (assets)/liabilities, net	-32.9	-30.8

Deferred income taxes are calculated at every subsidiary using the local effective income tax rates (weighted average around 19%, previous year around 19%) applicable.

Tax loss carryforwards

Total available tax loss carryforwards result in deferred income tax assets, gross, of CHF 62.9 million (previous year CHF 63.3 million), of which a net amount of CHF 29.9 million (previous year CHF 30.8 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 33.0 million (previous year CHF 32.5 million).

23 / SHARE CAPITAL

Composition

in CHF	2016	2015
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

	2016	2015
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	12'600'000	12'049'958
Proposed/approved dividend per bearer share (CHF)	2.20 ¹	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)	0.44 ¹	0.44
Total par value of shares ranking for dividend (CHF)	850'000	822'498
Authorised additional share capital (until 9 August 2018)	84'999.94	none
Authorised contingent share capital	none	none
Registration/voting restrictions	none	none
Opting-out and opting-up provisions	none	none

¹ See Board of Directors' proposed appropriation of retained earnings.

24 / 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 25 and 26. The weighted value of the 22'000'000 registered shares represents 4'400'000 bearer shares.

	2016	2015
Net result reported in the income statement (CHF millions)	57.6	82.2
Weighted average number of shares	16'621'167	16'293'410
Net result per bearer share ranking for dividend (in CHF)	3.47	5.04

There were no dilutive effects in either year.

25 / TREASURY SHARES

At the end of 2016, the Group held no (previous year 550'042) treasury shares with a par value of CHF 0.05 each (previous year CHF 0.05). In 2016, 307'092 treasury shares were sold to Pema Holding AG at current stock exchange prices averaging CHF 139.99 and the remaining 221'250 treasury shares were sold on the stock exchange at an average price of CHF 139.42. In the previous year, no treasury shares had been sold. As declared by the Annual General Meeting of 16 April 2015, 477'264 treasury shares were distributed in the previous year as anniversary stock dividend at par value.

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 annual award of treasury shares to those eligible under the share award plan since 2008, the sale of treasury shares starting in 2012 and the anniversary stock dividend in 2015 the Group held no unissued bearer shares anymore at the end of 2016. In the previous year, the par value of these shares totalling CHF 27'502 had been deducted from the CHF 850'000 share capital of Dätwyler Holding Inc.

26 / 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 June 2016, Directors were awarded a total of 11'800 (previous year 10'700) bearer shares and senior executives were awarded a total of 9'900 (previous year 9'667) bearer shares of Dätwyler Holding Inc. Personnel expenses relating to the share award plan amount to CHF 3.2 million (previous year CHF 2.7 million), and the increase of additional paid-in capital, net of applicable income taxes, was CHF 3.0 million (previous year CHF 2.5 million).

27 / SHAREHOLDERS

At year-end 2016, Pema Holding AG holds as in the previous year all 22'000'000 registered shares, plus 5'125'592 (previous year 4'818'500) of the total of 12'600'000 bearer shares of Dätwyler Holding Inc. This represents 78.40% (previous year 78.76%) of the voting rights and 56.03% (previous year 54.23%) of the share capital. The entire share capital of Pema Holding AG is held by Dätwyler Führungs AG, thereby indirectly possessing the 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.

28 / 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	31.12.2016	31.12.2015
Positive fair value	3.9	0.8
Notional amounts	274.8	109.8
Negative fair value	0.7	6.5
Notional amounts	93.7	257.6

These forward exchange contracts have maturities until September 2017. Positive fair values are recorded as other receivables (note 13), while negative fair values have been recognised in other current liabilities (note 20).

29 / CONTINGENT LIABILITIES

In the ordinary course of business, the Group is exposed to a number of risks among others in connection with litigation cases and outstanding or disputed tax assessments which can lead to possible obligations (contingent liabilities). For most actual cases the amounts involved are insignificant. The most significant case amounts to around CHF 10 million. No provisions have been made where the outcome of such matters is uncertain or the risk is not quantifiable or an outflow of resources is not probable. Provisions have been recognised to the extent that the outcome can be reliably estimated and an outflow of resources is probable.

At year-end 2016, no guarantees (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 6.1 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.

30 / COMMITMENTS

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

in CHF millions	2016	2015
Less than 1 year	15.4	14.8
Between 2 and 5 years	28.6	41.1
Over 5 years	0.0	0.5
Total commitments	44.0	56.4

Total commitments include CHF 31.2 million (previous year CHF 35.8 million) relating to IT outsourcing contracts for the years 2017 to 2019. Operating lease payments recognised as an expense in the income statement amounted to CHF 4.6 million (previous year CHF 8.4 million). There are no individually significant operating leases.

31 / ACQUISITION AND SALE OF SUBSIDIARIES

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

Acquisitions in 2016

At the end of September 2016, Ott GmbH & Co. KG together with Ott Geschäftsführungs GmbH, both domiciled in Cleebronn, Germany, were fully acquired by the Sealing Solutions division. Since October 2016, the acquired business employing an average of 217 people generated net revenue of CHF 7.6 million. The following table shows the fair value of assets and liabilities acquired at acquisition date and the goodwill arising from this transaction.

in CHF millions	Carrying amount	Fair value adjustments	Fair value on acquisition
Cash and cash equivalents	–	–	–
Trade accounts receivable	3.9	–	3.9
Inventories	4.0	0.1	4.1
Other current assets	0.2	–	0.2
Property, plant and equipment	16.5	1.3	17.8
Intangible assets	0.2	–	0.2
Deferred income tax assets	–	4.5	4.5
Current liabilities	–5.5	–0.4	–5.9
Long-term liabilities	–6.4	–0.9	–7.3
Net assets acquired at fair value			17.5
Goodwill including directly attributable transaction costs			11.0
Total			28.5
Less cash and cash equivalents acquired			–
Net cash outflow on acquisition			28.5

Acquisitions in 2015

In September 2015, Origom S.p.A., domiciled in Viadanica, Italy, was fully acquired by the Sealing Solutions division. Since September 2015, the acquired business employing an average of 119 people generated net revenue of CHF 7.6 million. The following table shows the fair value of assets and liabilities acquired at acquisition date and the goodwill arising from this transaction.

in CHF millions	Carrying amount	Fair value adjustments	Fair value on acquisition
Cash and cash equivalents	8.7	–	8.7
Trade accounts receivable	3.8	0.1	3.9
Inventories	5.4	–0.9	4.5
Other current assets	0.3	0.8	1.1
Property, plant and equipment	5.6	4.0	9.6
Intangible assets	0.0	–0.0	0.0
Current liabilities	–4.5	–0.5	–5.0
Long-term liabilities	–1.6	–2.0	–3.6
Net assets acquired at fair value			19.2
Goodwill including directly attributable transaction costs			21.5
Total			40.7
Less cash and cash equivalents acquired			–8.7
Less deferred earn-out obligations			–4.3
Net cash outflow on acquisition			27.7

32 / RELATED PARTY TRANSACTIONS

Pema Holding AG

Transactions between the companies include the dividend payments to Pema Holding AG of CHF 20.3 million and administrative costs of CHF 20'000 charged in 2016 (previous year CHF 20'000) for administration and accounting services provided by Alvest AG. In addition, the following transactions with Pema Holding AG and its subsidiaries occurred in 2016: Net revenue of CHF 0.0 million (previous year CHF 0.0 million), material expense of CHF 0.9 million (previous year CHF 1.1 million), IT and trademark service revenues and other service revenue of CHF 6.9 million in total (previous year CHF 5.9 million) and service expenses of CHF 0.6 million (previous year CHF 0.8 million). In addition, Pema Holding AG acquired treasury shares of Dätwyler Holding AG in 2016, see note 25. Accounts receivable and payable with Pema Holding AG and its subsidiaries are disclosed as items with related parties in notes 11 and 19.

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

Except for the remuneration as disclosed in the remuneration report on pages 36 to 48 of this annual report, no further relations or transactions existed in 2016 and 2015 with the members of the Board of Directors and the Executive Board.

33 / EVENTS AFTER BALANCE SHEET DATE

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 3 February 2017 that would cause an adjustment of the carrying amounts of the Group's assets and liabilities.

34 / SUBSIDIARIES

Dätwyler Holding Inc. directly or indirectly owned the following subsidiaries at 31 December 2016

		Registered office	Original currency	Capital in original currency (in millions)	Capital and voting 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 Schweiz AG	Schattdorf	CHF	32.000	100	K*		○	
	Dätwyler Sealing Solutions International AG	Schattdorf	CHF	0.100	100	K		●	
	Dätwyler Teco Holding AG	Altdorf	CHF	9.900	100	K*	●		
	Datwyler Technical Components AG	Wallisellen	CHF	0.100	100	K	●		
	Distrelec AG	Altdorf	CHF	0.090	100	K*			●
	Distrelec Group AG	Nänikon	CHF	0.050	100	K	●		
	Pohl Immobilien AG	Schattdorf	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	17.693	100	K		○	
	Datwyler Pharma Packaging International NV	Alken	EUR	107.330	100	K		●	
	Nedis NV	Geel	EUR	0.062	100	K	□		
BRAZIL	Datwyler Sealing Solutions do Brasil Ltda	São Paulo	BRL	0.250	100	K		□	
CHINA	Datwyler Sealing Technologies (Anhui) Co., Ltd.	Ningguo	USD	5.000	100	K		○	
	Datwyler Sealing Technologies (Wuxi) Co., Ltd.	Wuxi	USD	5.000	100	K		○	
	TeCo Asia Technology (Shenzhen) Co. Ltd	Shenzhen	CNY	0.500	100	K	●		
DENMARK	Elfa Distrelec A/S	Glostrup	DKK	1.000	100	K	□		
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	Sande	EUR	3.100	100	K	●		
	Distrelec GmbH	Bremen	EUR	0.800	100	K	□		
	Nedis GmbH	Willich	EUR	0.026	100	K	□		
	Ott GmbH & Co. KG	Cleebronn	EUR	1.000	100	K		○	
	Reichelt Elektronik GmbH & Co. KG	Sande	EUR	3.000	100	K	□		
UK	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	Nedis SAS	Nantes	EUR	0.100	100	K	□		
HONG KONG	Teco Asia Limited	Hongkong	HKD	0.010	100	K	●		

		Registered office	Original currency	Capital in original currency (in millions)	Capital and voting interest in %	Footnote	Technical Components	Sealing Solutions	Service and financial companies
INDIA	Datwyler Pharma Packaging India Private Limited	Kesurdi, Satara	INR	656.233	100	K		○	
ITALY	Datwyler Pharma Packaging Italy srl	Milano	EUR	2.000	100	K		○	
	Distrelec Italia srl	Milano	EUR	1.275	100	K	□		
	Nedis Italia srl	Milano	EUR	0.100	100	K	□		
	Datwyler Sealing Solutions Italy S.p.A.	Viadonica	EUR	1.300	100	K		○	
LATVIA	Elfa Distrelec SIA	Riga	EUR	0.008	100	K	□		
LITHUANIA	Elfa Distrelec UAB	Vilnius	EUR	0.003	100	K	□		
MEXICO	Datwyler Sealing Technologies Mexico S DE RL DE CV	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	□		
	Nedis B.V.	's-Hertogenbosch	EUR	0.045	100	K	□		
	Nedis Group B.V.	's-Hertogenbosch	EUR	0.018	100	K	●		
	TeCo CDC B.V.	Amsterdam	EUR	0.018	100	K	●		
NORWAY	Elfa Distrelec AS	Trollåsen	NOK	0.200	100	K	□		
AUSTRIA	Distrelec Gesellschaft m.b.H.	Wien	EUR	0.145	100	K	□		
	Nedis Elfogro GmbH	Brunn am Gebirge	EUR	0.035	100	K	□		
POLAND	Elfa Distrelec Spz oo	Warschau	PLN	0.100	100	K	□		
SWEDEN	Elfa Distrelec AB	Stockholm	SEK	0.100	100	K	□		
	Nedis AB	Jönköping	SEK	3.575	100	K	□		
SLOVAKIA	Nedis Slovakia a.s.	Bratislava	EUR	0.325	100	K	□		
SPAIN	Nedis Iberia SL	Mataró	EUR	0.153	100	K	□		
SOUTH KOREA	Datwyler Korea Inc.	Daegu	KRW	1'131.000	100	K		○	
CZECH REPUBLIC	Datwyler Sealing Technologies CZ s.r.o.	Novy Bydzov	CZK	20.000	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 Sealing Solutions USA Inc.	Dayton	USD	0.287	100	K		□	
	Datwyler Pharma Packaging USA Inc.	Pennsauken	USD	9.130	100	K		○	

- Manufacturing and sales
- Distribution
- Services/finance/real estate

K = Consolidated at 31 December
* = Held directly by Dätwyler Holding Inc.