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 2 February 2018 for submission to the Annual General Meeting on 6 March 2018.

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:

	2017		2016	
	Closing rate at 31.12.	Average rate for the year	Closing rate at 31.12.	Average rate for the year
100 CNY	14.99	14.57	14.66	14.85
1 EUR	1.17	1.11	1.07	1.09
1 USD	0.98	0.99	1.02	0.99

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 AND MONEY MARKET INVESTMENTS

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 with a maturity of 91 to 360 days are also stated at nominal value and classified separately in the balance sheet.

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 some 40 percent of the Group’s net result for the year.

2 / BUSINESS ACQUISITIONS AND DISPOSALS

Acquisitions and disposals during 2017 and 2016 are shown below, see also note 31. The percentages in brackets indicate the percentage voting rights held in each company.

Transactions 2017

COMPANIES ESTABLISHED

Datwyler IT Services India LLP, Magarpatta, Pune, India (100%). The company started its operation at the beginning of 2018.

MERGERS

In December 2017 Distrelec Group AG (100%) was merged with Dätwyler Schweiz AG.

Transactions 2016

ACQUISITIONS

Ott GmbH & Co. KG and Ott Geschäftsführungs GmbH, both domiciled in Cleebronn, 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.

3 / SEGMENT INFORMATION

in CHF millions	Sealing Solutions	Technical Components	Elimi-nations	Total Group
2017				
Revenue from external customers	832.8	458.6	–	1'291.4
Inter-segment revenue	0.0	0.0	–0.0	–
Total net revenue	832.8	458.6	–0.0	1'291.4
EBIT	151.6	11.0	–	162.6
EBIT as % of net revenue	18.2%	2.4%	–	12.6%

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%

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, 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

in CHF millions	2017	2016
Switzerland	210.6	213.1
Rest of Europe	735.1	672.5
North and South America	180.3	179.6
Asia	160.7	145.4
Other markets	4.7	5.2
Total Group	**1'291.4**	**1'215.8**

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

4 / ADDITIONAL INCOME STATEMENT DISCLOSURES

Material expense of CHF 566.5 million (previous year CHF 527.5 million) is included in the income statement.

Other operating income includes gain on sale of property, plant and equipment of CHF 0.1 million (previous year CHF 0.6 million) as well as ancillary revenues and rental income.

5 / PERSONNEL EXPENSES

in CHF millions	2017	2016
Wages and salaries	263.8	242.7
Benefit costs	55.7	53.9
State social security contributions	35.4	34.1
Pension costs (see note 6)	10.2	10.1
Other benefit costs	10.1	9.7
Other employee costs	15.6	15.3
Total personnel expenses	**335.1**	**311.9**

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
	31.12.2017	**31.12.2017**	31.12.2016				**2017**	2016
Welfare funds Switzerland	0.4	–	–	–	–	–	–	–
Pension schemes without funding surplus/deficit Switzerland	–	–	–	–	–	–	–	6.5
Pension schemes with funding surplus Switzerland	8.4	–	–	–	–	6.2	6.2	–
Pension schemes without funding surplus/deficit abroad	–	–	–	–	–	3.1	3.1	2.6
Unfunded pension schemes abroad	–	-4.6	–3.9	0.4	0.3	0.6	0.9	1.0
Total	**–**	**-4.6**	**–3.9**	**0.4**	**0.3**	**9.9**	**10.2**	**10.1**

[1] *Translation differences and acquisition/disposal of subsidiaries.*

At year-end 2017, as at the end of the previous year, no employer contribution reserves (ECR) existed. The Swiss pension schemes calculate their pension benefit obligations using the statistical assumptions of the VZ 2015 mortality tables and a discount rate of 1.75 %. The pension conversion rate was 6.0 % in the current year.

Summary of pension costs

in CHF millions	Switzerland	Abroad	**Total**
	2017	2017	**2017**
Contributions to pension schemes expensed at Group companies	6.2	3.7	9.9
Contributions to pension schemes made from employer contribution reserves (ECR)	–	–	–
Total contributions	6.2	3.7	9.9
+/– Changes in ECR due to asset performance, value adjustments, discounting, etc.	–	–	–
Contributions and changes in employer contribution reserves	6.2	3.7	9.9
Increase/reduction economic benefit Group from excess coverage	–	–	–
Reduction/increase economic obligation Group from insufficient coverage	–	0.3	0.3
Total change in economic impact from excess/insufficient coverage	–	0.3	0.3
= Pension costs included in personnel expenses for the period	**6.2**	**4.0**	**10.2**

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**

7 / DEPRECIATION AND AMORTISATION

in CHF millions	**2017**	2016
Depreciation of property, plant and equipment	50.9	51.8
Amortisation of intangible assets	6.1	6.4
Impairment charges	0.2	–
Total depreciation and amortisation	**57.2**	**58.2**

8 / NET FINANCE RESULT

in CHF millions	**2017**	2016
Interest expense on bond, bank and other loans	2.3	2.4
Interest expense on finance leases	0.0	0.0
Fair value loss on forward exchange contracts	5.2	0.0
Net foreign exchange loss on financing activities	–	51.5
Finance charges	1.1	5.6
Total interest and finance expenses	8.6	59.5
Interest income on bank deposits and loans receivable	-0.1	–0.2
Fair value gain on forward exchange contracts	-0.1	–8.9
Net foreign exchange gain on financing activities	-0.6	–
Total interest and finance income	-0.8	–9.1
Net finance result (expenses, net)	**7.8**	**50.4**

In the previous year 2016, 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	2017	2016
Current income tax expense	31.8	36.1
Deferred income tax expense/(credit)	–0.7	2.0
Total income tax expenses	**31.1**	**38.1**

The effective tax charge on earnings before tax, using the weighted average income tax rate of 24.1% (previous year 33.8%) of the Group, can be analysed as follows:

in Mio. CHF	2017	2016
Earnings before tax	154.8	95.7
Income tax expense calculated at the weighted average tax rate	37.3	32.3
Effect of current year tax losses not recognised and reassessment of tax loss carryforwards	10.5	5.2
Effect of previously unrecognised tax loss carryforwards used against taxable profits	0.0	–0.2
Other new assessments of temporary differences	–12.7	–
Change in tax rates for deferred income taxes	–2.0	–0.2
Expense and income items treated differently for tax purposes	–1.0	–0.8
Non-refundable taxes on intra-group charges and dividends	1.1	1.1
Prior year tax adjustments	–2.1	0.2
Other effects	0.0	0.5
Total (current and deferred) income tax expenses	**31.1**	**38.1**

Other new assessments of temporary differences include the release of deferred income tax liabilities of CHF 13.3 million to income, because after the merger of Distrelec Group AG with Dätwyler Schweiz AG in December 2017 the respective temporary valuation differences ceased to exist. On the other hand, capitalised tax loss carryforwards amounting to CHF 10.5 million were written down among others at Nedis. 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 AND CASH EQUIVALENTS

in CHF millions	2017	2016
Cash in hand and at bank	181.2	206.0
Money market investments (original maturities up to 90 days)	100.6	111.5
Total cash and cash equivalents	**281.8**	**317.5**

11 / TRADE ACCOUNTS RECEIVABLE

in CHF millions	2017	2016
Trade accounts receivable from third parties, gross	204.2	192.9
Provision for impairment of trade accounts receivable	-3.0	–2.9
Total trade accounts receivable from third parties, net	201.2	190.0
Trade accounts receivable from related parties	0.7	1.0
Total trade accounts receivable, net	**201.9**	**191.0**

Aging analysis of gross trade accounts receivable from third parties

in CHF millions	2017	2016
Not yet due	164.2	162.3
Past due 1–30 days	25.5	19.3
Past due 31–60 days	6.6	4.0
Past due 61–90 days	1.8	1.0
Past due 91–180 days	2.7	2.4
Past due more than 180 days	3.4	3.9
Total trade accounts receivable from third parties, gross	**204.2**	**192.9**

Movements in provision for impairment of trade accounts receivable

in CHF millions	2017	2016
At 1 January	2.9	4.4
Charge for the year	2.3	1.5
Unused amounts reversed	-1.8	–1.6
Receivables written off as uncollectible	-0.6	–1.4
Acquisition/disposal of subsidiaries	–	0.0
Exchange differences	0.2	–0.0
At 31 December	**3.0**	**2.9**
Of which specific provisions for impairment	2.7	2.7

12 / INVENTORIES

in CHF millions	2017	2016
Raw material, gross	30.7	22.7
Consumables, gross	17.1	16.6
Work in progress, gross	16.0	11.5
Finished goods, gross	45.1	38.6
Goods for resale, gross	132.1	116.6
Provision for impairment of inventories	-25.2	–27.3
Total inventories	**215.8**	**178.7**

13 / OTHER RECEIVABLES

in CHF millions	2017	2016
Withholding, capital and value added tax receivable	9.1	9.5
Current income tax assets	6.4	3.9
Prepayments made, advances given and deposits made	2.6	3.1
Derivative assets: forward exchange contracts (see note 28)	0.4	3.9
Miscellaneous receivables	4.7	4.9
Total other receivables	**23.2**	**25.3**

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 2017					
At cost					
At 1 January 2017	285.4	554.6	42.0	56.3	938.3
Additions	1.2	12.5	4.4	91.9	110.0
Disposals	–3.4	–4.8	–2.9	–	–11.1
Transfers	4.8	19.2	0.8	–24.8	–
Exchange differences	10.6	26.4	2.9	3.8	43.7
At 31 December 2017	**298.6**	**607.9**	**47.2**	**127.2**	**1'080.9**
Accumulated depreciation					
At 1 January 2017	–114.5	–380.5	–30.5	–	–525.5
Depreciation expense	–9.3	–38.1	–3.7	–	–51.1
Disposals	3.2	4.5	2.7	–	10.4
Exchange differences	–3.5	–16.6	–2.7	–	–22.8
At 31 December 2017	**–124.1**	**–430.7**	**–34.2**	**–**	**–589.0**
Net book values					
At 1 January 2017	170.9	174.1	11.5	56.3	412.8
At 31 December 2017	**174.5**	**177.2**	**13.0**	**127.2**	**491.9**

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**

Acquisition/disposal of subsidiaries include the additions from acquisitions and the disposals on sale of subsidiaries, see also notes 2 and 31. In 2017, impairment charges of CHF 0.2 million (previous year none) were recognised.

Other details of property, plant and equipment

in CHF millions	**2017**	2016
Leased property, plant and equipment, at cost	4.0	3.8
Accumulated depreciation	–1.9	–1.1
Net book value of property, plant and equipment under finance leases	**2.1**	**2.7**

At year-end, property, plant and equipment in the amount of CHF 1.6 million (previous year CHF 2.3 million) were pledged or assigned to secure own liabilities. Assets under construction include prepayments made in the amount of CHF 19.5 million (previous year CHF 12.2 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 45.1 million (previous year CHF 24.3 million).

15 / INTANGIBLE ASSETS

in CHF millions	Software	Other intangible assets	Total intangible assets
INTANGIBLE ASSETS 2017			
At cost			
At 1 January 2017	38.9	2.2	41.1
Additions	6.9	1.0	7.9
Disposals	–0.1	–	–0.1
Exchange differences	0.6	0.3	0.9
At 31 December 2017	**46.3**	**3.5**	**49.8**
Accumulated amortisation			
At 1 January 2017	–20.5	–1.1	–21.6
Amortisation expense	–5.7	–0.4	–6.1
Disposals	0.1	–	0.1
Exchange differences	–0.2	–0.3	–0.5
At 31 December 2017	**–26.3**	**–1.8**	**–28.1**
Net book values			
At 1 January 2017	18.4	1.1	19.5
At 31 December 2017	**20.0**	**1.7**	**21.7**

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**

Intangible assets include no assets under finance leases (previous year none). Additions to software include capitalised cost in the amount of CHF 2.3 million (previous year CHF 3.0 million). In 2017, 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	2017	2016
At cost		
At 1 January	655.8	644.6
Additions from acquisition of subsidiaries	–	11.0
Adjustments from earn-out agreements	0.4	0.2
At 31 December	**656.2**	**655.8**
Accumulated amortisation		
At 1 January	–594.9	–547.6
Amortisation expense	–36.3	–47.3
Impairment charges	–	–
At 31 December	**–631.2**	**–594.9**
Theoretical net book values		
At 1 January	60.9	97.0
At 31 December	**25.0**	**60.9**

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	2017	2016
Operating result (EBIT) according to income statement	162.6	146.1
Amortisation of goodwill	–36.3	–47.3
Theoretical operating result (EBIT) incl. amortisation of goodwill	126.3	98.8
Net result according to income statement	123.7	57.6
Amortisation of goodwill	–36.3	–47.3
Theoretical net result incl. amortisation of goodwill	87.4	10.3

Impact on balance sheet

in CHF millions	2017	2016
Equity according to balance sheet	898.5	805.5
Theoretical capitalisation of goodwill (net book value)	25.0	60.9
Theoretical equity incl. net book value of goodwill	923.5	866.4
Equity according to balance sheet	898.5	805.5
Equity as % of total assets	69.1%	66.2%
Theoretical equity incl. net book value of goodwill	923.5	866.4
Theoretical equity incl. net book value of goodwill as % of total assets	69.7%	67.8%

16 / MISCELLANEOUS FINANCIAL ASSETS

in CHF millions	2017	2016
Long-term loans to third parties	0.3	0.3
Other financial investments	3.2	2.9
Total miscellaneous financial assets	**3.5**	**3.2**

17 / BANK DEBT

in CHF millions	2017	2016
Bank overdrafts	4.2	3.9
Current portion of long-term bank loans	0.1	0.1
Total short-term bank debt	**4.3**	**4.0**
Long-term bank loans	7.3	7.5
Total bank debt	**11.6**	**11.5**
Secured portion of short-term and long-term bank debt	1.6	2.3

The average interest rate was 7.8 percent for the bank overdrafts in Indian rupees, US dollars and euros and 2.7 percent for the long-term bank loans in euros.

Maturity of long-term bank debt

in CHF millions	2017	2016
Within 2 years	0.3	2.5
Within 3 years	6.7	2.6
Within 4 years	–	1.8
Within 5 years	–	0.0
Beyond 5 years	0.3	0.6
Total long-term bank debt	**7.3**	**7.5**

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	2017	2016
Customer advances received	4.6	5.1
Social security liabilities	3.7	3.3
Current income tax liabilities	18.7	31.8
Capital and value added tax liabilities	8.9	7.2
Current finance lease liabilities (see notes 14 and 15)	0.6	0.8
Other short-term loans payable and financial liabilities	26.7	17.5
Deferred earn-out obligations	–	2.1
Derivative liabilities: forward exchange contracts (see note 28)	2.4	0.7
Miscellaneous current liabilities	0.7	0.8
Total other current liabilities	**66.3**	**69.3**

Other long-term liabilities
Other long-term liabilities include long-term finance lease liabilities of CHF 1.1 million (previous year CHF 1.5 million).

21 / PROVISIONS

in CHF millions	Employees and social security	Restruc-turing	Warranty and liability claims	Other	Total
PROVISIONS 2017					
At 1 January 2017	25.4	0.4	0.3	10.6	36.7
Charges	18.0	5.0	0.1	1.2	24.3
Uses	–19.8	–3.3	–0.0	–7.8	–30.9
Unused amounts reversed	–1.5	–0.8	–0.1	–0.9	–3.3
Exchange differences	1.5	0.0	0.0	0.0	1.5
At 31 December 2017	**23.6**	**1.3**	**0.3**	**3.1**	**28.3**
Thereof current provisions	13.4	1.3	0.3	3.0	18.0
Thereof long-term provisions	10.2	–	–	0.1	10.3

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**

Discounting
Long-term provisions amounting to CHF 3.1 million were discounted using discount rates between 1.2% and 4.2%.

Employees and social security
This provision covers holiday pay, overtime, statutory termination benefits, long-term employee retention plans and similar liabilities. The provisions are calculated based on actual data.

Restructuring
The restructuring provisions of CHF 1.3 million at the end of 2017 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 rental contracts of redundant facilities.

22 / DEFERRED INCOME TAX ASSETS/LIABILITIES

in CHF millions	2017	2016
At 1 January		
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 tax expense/(credit)	–0.7	2.0
Changes directly affecting equity	1.1	–
Acquisition/disposal of subsidiaries (see note 31)	–	–4.5
Exchange differences	–1.4	0.4
At 31 December		
Deferred income tax assets	48.8	60.8
Deferred income tax liabilities	14.9	27.9
Deferred income tax (assets)/liabilities, net	**–33.9**	**–32.9**

Deferred income taxes are calculated at every subsidiary using the local effective income tax rates (weighted average around 18%, previous year around 19%) applicable.

Tax loss carryforwards
Total available tax loss carryforwards result in deferred income tax assets, gross, of CHF 40.2 million (previous year CHF 62.9 million), of which a net amount of CHF 25.3 million (previous year CHF 29.9 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 14.9 million (previous year CHF 33.0 million).

23 / SHARE CAPITAL

Composition

in CHF	2017	2016
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

	2017	2016
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	12'600'000
Proposed/approved dividend per bearer share (CHF)	3.00[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)	0.60[1]	0.44
Total par value of shares ranking for dividend (CHF)	850'000	850'000
Authorised additional share capital (until 9 August 2018)	84'999.94	84'999.94
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. The weighted value of the 22’000’000 registered shares represents 4’400’000 bearer shares. In 2017, the weighted average number of bearer and registered shares outstanding was 17 million shares (previous year 16’621’167 shares). The short-time purchase and subsequent award of treasury shares, see notes 25 and 26, had no noticeable impact on the calculation of earnings per share. The net result per share of CHF 7.28 thus arises from the simple division of the net result of CHF 123.7 million by the weighted average number of 17 million shares.

25 / TREASURY SHARES

In 2017, 19’750 shares (previous year none) were purchased on the stock exchange as well as from the related party Pema Holding AG at market prices averaging CHF 161.12. In the previous year, 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. At the end of 2017 as at the end of the previous year, the Group held no treasury shares.

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 2017, Directors were awarded a total of 9’600 (previous year 11’800) bearer shares and senior executives were awarded a total of 10’150 (previous year 9’900) bearer shares of Dätwyler Holding Inc., see note 25. Personnel expenses relating to the share award plan amount to CHF 3.3 million (previous year CHF 3.2 million) and the net increase in additional paid-in capital was CHF 0.1 million (previous year CHF 3.0 million), net of applicable income taxes.

27 / SHAREHOLDERS

At year-end 2017, Pema Holding AG holds as in the previous year all 22’000’000 registered shares, plus 5’121’232 (previous year 5’125’592) of the total of 12’600’000 bearer shares of Dätwyler Holding Inc. This represents 78.39% (previous year 78.40%) of the voting rights and 56.01% (previous year 56.03%) 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	31.12.2017	31.12.2016
Positive fair value	0.4	3.9
Notional amounts	41.9	274.8
Negative fair value	2.4	0.7
Notional amounts	300.8	93.7

These forward exchange contracts have maturities until May 2018. 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 case disclosed in the previous year amounting to CHF 10 million was closed in 2017. 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 2017, guarantees amounting to CHF 0.3 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.

30 / COMMITMENTS

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

in CHF millions	2017	2016
Less than 1 year	20.9	15.4
Between 2 and 5 years	33.8	28.6
Over 5 years	6.2	0.0
Total commitments	**60.9**	**44.0**

Total commitments include CHF 37.8 million (previous year CHF 31.2 million) relating to IT outsourcing contracts for the years 2018 to 2022. Operating lease payments recognised as an expense in the income statement amounted to CHF 6.2 million (previous year CHF 4.6 million). There are no individually significant operating leases.

31 / ACQUISITION AND SALE OF SUBSIDIARIES

In the previous year, 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 until the end of 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**

32 / RELATED PARTY TRANSACTIONS

Pema Holding AG
Transactions between the companies include the dividend payments to Pema Holding AG of CHF 21.0 million (previous year CHF 20.3 million) and administrative costs of CHF 20’000 (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 2017: Net revenue of CHF 0.2 million (previous year CHF 0.0 million), material expense of CHF 0.9 million (previous year CHF 0.9 million), IT and trademark service revenues and other service revenue of CHF 8.6 million in total (previous year CHF 6.9 million) and service expenses of CHF 0.6 million (previous year CHF 0.6 million). In June 2017, 4’360 shares of Dätwyler Holding AG were purchased from Pema Holding AG at current market prices averaging CHF 165.80, see notes 25 and 26. In the previous year, Pema Holding AG had acquired 307’092 treasury shares of Dätwyler Holding AG at current stock exchange prices averaging CHF 139.99. 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 39 to 51 of this annual report, no further relations or transactions existed in 2017 and 2016 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 2 February 2018 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 fully consolidated subsidiaries at 31 December 2017, all with a capital and voting interest of 100%. There are no minority interests.

		Registered office	Original currency	Capital in original currency (in millions)	Technical Components	Sealing Solutions	Service and financial companies
SWITZERLAND	Alvest AG *	Altdorf	CHF	15.000			●
	Dätwyler AG *	Altdorf	CHF	0.100			●
	Dätwyler IT Services AG *	Altdorf	CHF	0.100			●
	Dätwyler Schweiz AG *	Schattdorf	CHF	32.000		○	
	Dätwyler Sealing Solutions International AG	Schattdorf	CHF	0.100		●	
	Dätwyler Teco Holding AG *	Altdorf	CHF	9.900	●		
	Datwyler Technical Components AG	Altdorf	CHF	0.100	●		
	Distrelec AG *	Altdorf	CHF	0.090			●
	Pohl Immobilien AG	Schattdorf	CHF	1.600		●	
	Nedis Proditec AG	Nänikon	CHF	0.300	□		
	Teco Immobilien AG	Altdorf	CHF	0.500	●		
BELGIUM	Datwyler Pharma Packaging Belgium NV	Alken	EUR	17.693		○	
	Datwyler Pharma Packaging International NV	Alken	EUR	107.330		●	
	Nedis NV	Geel	EUR	0.062	□		
BRAZIL	Datwyler Sealing Solutions do Brasil Ltda	São Paulo	BRL	1.674		□	
CHINA	Datwyler Sealing Technologies (Anhui) Co., Ltd.	Ningguo	USD	5.000		○	
	Datwyler Sealing Technologies (Wuxi) Co., Ltd.	Wuxi	USD	5.000		○	
	TeCo Asia Technology (Shenzhen) Co. Ltd	Shenzhen	CNY	0.500	●		
DENMARK	Elfa Distrelec A/S	Glostrup	DKK	1.000	□		
GERMANY	Dätwyler Pharma Packaging Deutschland GmbH	Karlsbad	EUR	2.600		○	
	Dätwyler Sealing Technologies Deutschland GmbH	Waltershausen	EUR	0.256		○	
	Dätwyler Teco Holding (Deutschland) GmbH	Sande	EUR	3.100	●		
	Distrelec GmbH	Bremen	EUR	0.800	□		
	Nedis GmbH	Willich	EUR	0.026	□		
	Ott GmbH & Co. KG	Cleebronn	EUR	1.000		○	
	Reichelt Elektronik GmbH & Co. KG	Sande	EUR	3.000	□		
UK	Distrelec Ltd.	Manchester	GBP	0.002	●		
	Nedis (UK) Limited	Leicester	GBP	0.009	□		
ESTONIA	Elfa Distrelec OÜ	Tallinn	EUR	0.079	□		
FINLAND	Elfa Distrelec Oy	Helsinki	EUR	0.020	□		
	Nedis Oy	Savonlinna	EUR	0.017	□		
FRANCE	Nedis SAS	Nantes	EUR	0.100	□		
HONG KONG	Teco Asia Limited	Hong Kong	HKD	0.010	●		

		Registered office	Original currency	Capital in original currency (in millions)	Technical Components	Sealing Solutions	Service and financial companies
INDIA	Datwyler IT Services India LLP	Magarpatta, Pune	INR	0.100			●
	Datwyler Pharma Packaging India Private Limited	Kesurdi, Satara	INR	656.233		○	
ITALY	Datwyler Pharma Packaging Italy srl	Milano	EUR	2.000		○	
	Distrelec Italia srl	Milano	EUR	1.275	□		
	Nedis Italia srl	Milano	EUR	0.100	□		
	Datwyler Sealing Solutions Italy S.p.A.	Viadanica	EUR	1.300		○	
LATVIA	Elfa Distrelec SIA	Riga	EUR	0.008	□		
LITHUANIA	Elfa Distrelec UAB	Vilnius	EUR	0.003	□		
MEXICO	Datwyler Sealing Technologies Mexico S DE RL DE CV	Silao	MXN	82.000		○	
NETHERLANDS	Datwyler TeCo Holding B.V.	Amsterdam	EUR	51.768	●		
	Distrelec B.V.	Utrecht	EUR	0.064	□		
	Nedis B.V.	's-Hertogenbosch	EUR	0.045	□		
	Nedis Group B.V.	's-Hertogenbosch	EUR	0.018	●		
	TeCo CDC B.V.	Amsterdam	EUR	0.018	●		
NORWAY	Elfa Distrelec AS	Trollåsen	NOK	0.200	□		
AUSTRIA	Distrelec Gesellschaft m.b.H.	Wien	EUR	0.145	□		
	Nedis Elfogro GmbH	Wien	EUR	0.035	□		
POLAND	Elfa Distrelec Spz oo	Warschau	PLN	0.100	□		
SWEDEN	Elfa Distrelec AB	Stockholm	SEK	0.100	□		
	Nedis AB	Jönköping	SEK	3.575	□		
SLOVAKIA	Nedis Slovakia a.s.	Bratislava	EUR	0.325	□		
SPAIN	Nedis Iberia SL	Mataró	EUR	0.153	□		
SOUTH KOREA	Datwyler Korea Inc.	Daegu	KRW	1'131.000		○	
CZECH REPUBLIC	Datwyler Sealing Technologies CZ s.r.o.	Novy Bydzov	CZK	20.000		○	
	Nedis Kerr s.r.o.	Trutnov	CZK	0.100	□		
UKRAINE	Datwyler Sealing Technologies Ukraine JSC	Malyn	UAH	12.500		○	
HUNGARY	Nedis Kft.	Budapest	HUF	13.040	□		
USA	Datwyler Sealing Solutions USA Inc.	Dayton	USD	0.153		○	
	Datwyler Pharma Packaging USA Inc.	Pennsauken	USD	9.130		○	

○ *Manufacturing and sales*
□ *Distribution*
● *Services/finance/real estate*

* = *Held directly by Dätwyler Holding Inc.*