100 YEARS
GROWING WITH
THE CHALLENGE

ANNUAL REPORT
2014

DATWYLER

Datwyler Group – a focused industrial supplier

The Datwyler Group is a focused industrial supplier with leading positions in global and regional market segments. With its technological leadership and customised solutions, the Group delivers added value to customers in the markets served. Datwyler concentrates on markets that offer opportunities to create more value and sustain profitable growth. The Technical Components Division is one of Europe's foremost high-service distributors of electronic, automation and ICT components and accessories. The Sealing Solutions Division is a leading supplier of customised sealing solutions to global market segments, such as the automotive, health care, civil engineering and consumer goods industries. With a total of more than 50 operating companies, sales in over 100 countries and some 6'500 employees, the Datwyler Group generates annual revenue of more than CHF 1'200 million. The Group has been listed on the SIX Swiss Exchange since 1986 (security number 3048677).

www.datwyler.com

The Datwyler Group has faced the challenges of the past 100 years with the strength nurtured from its roots, and we look forward to the future with confidence.
Read more on pages 6/7, 20/21, 30/31 and 42/43.

100 YEARS
GROWING WITH
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Datwyler Group

in CHF millions	**2014**	2013	**2014** Continuing operations	2013 Continuing operations
Net revenue	1'251.9	1'382.0	1'212.6	1'230.0
Year-on-year change (%)	–9.4%	–2.3%	–1.4%	19.2%
Operating result before depreciation and amortisation (EBITDA)	185.8	194.4	186.3	183.7
EBITDA as % of net revenue	14.8%	14.1%	15.4%	14.9%
Operating result before interest and tax (EBIT)	132.3	136.0	133.8	130.7
EBIT as % of net revenue	10.6%	9.8%	11.0%	10.6%
Net result	97.9	120.2	99.4	115.8
Net result as % of net revenue	7.8%	8.7%	8.2%	9.4%
Net cash from operating activities	110.8	166.3		
Net cash provided by / (used in) investing activities	69.9	–205.9		
Free Cash Flow	180.7	–39.6		
Net cash used in financing activities	–91.5	–86.5		
Net change in cash and cash equivalents	89.2	–126.1		
Cash, cash equivalents and money market investments	321.1	272.4		
Net cash surplus	291.6	205.6		
Capital expenditure on property, plant and equipment	73.4	48.6		
Total assets	1'159.8	1'123.1		
Equity	753.2	660.8		
Equity as % of total assets	64.9%	58.8%		
Number of employees (at year-end)	6'760	7'047		
Full time equivalents (at year-end)	6'528	6'707		

Dätwyler Holding Inc.

in CHF millions	**2014**	2013
Finance and investment income	91.3	70.0
Net result	102.9	64.7
Equity	961.6	903.3
Equity as % of total assets	86.3	85.6
Share capital [1]	0.9	0.9
Distribution	124.7 [2]	44.6

Per share data

in CHF	**2014**	2013
Earnings per bearer share ranking for dividend	6.14	7.60
Dividend per bearer share	7.8155 [2]	2.80
Distribution yield at 31 December	6.1%	2.3%

[1] CHF 0.80 million eligible for a dividend.
[2] See Board of Directors' proposed appropriation of retained earnings (see page 107).

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

LETTER TO THE SHAREHOLDERS

Thriving on challenges for 100 years

During the year under review, the Datwyler Group focused in even more on the strategic level and advanced important integration projects in both divisions. Going forward, these initiatives will make us a stronger competitor than ever. For our 100th anniversary in 2015, the new portfolio holds a great deal of promising potential after the extensive changes of recent years. Operationally speaking, 2014 was a year of transition following the strong growth from the previous year. Although Datwyler narrowly missed its own sales target, for the EBIT margin the Group exceeded the lower boundary of the target range of 10% and slightly improved profitability. For the 100th anniversary of our founding, Datwyler is offering shareholders an anniversary dividend.

Organic sales at last year's high level

The Datwyler Group's organic net revenue held steady at the high level from the previous year despite the sometimes difficult prevailing circumstances. Reported net revenue, however, fell by 9.4% to CHF 1,251.9 million (previous year: CHF 1,382.0 million). This was due to sale of the Maagtechnic specialist distribution companies at the start of April 2014, leading to a year-on-year decline in net revenue of CHF 115 million in 2014. The acquisition of Columbia Engineered Rubber Inc. in October 2014 was not enough to make up for the shortfall. The negative impact from foreign currency translation to Swiss francs in 2014 also amounted to CHF 21.3 million. The Technical Components division continued to struggle with a difficult market environment in Europe. The Sealing Solutions division, which focuses on global market segments, experienced new growth in the second half of 2014 after a modest start in the Health Care market segment.

Further slight improvement in profitability

At the operating result (EBIT) level Datwyler achieved another slight improvement in profitability. In its continuing business, net of the Maagtechnic specialist distribution companies disposed of at the beginning of April 2014, EBIT improved slightly to CHF 133.8 million (previous year: CHF 130.7 million), corresponding to a rise in the EBIT margin from 10.6% to 11.0%. Reported EBIT including Maagtechnic declined slightly to CHF 132.3 million (previous year: CHF 136.0 million). The net result fell to CHF 97.9 million (previous year: CHF 120.2 million). The decline was due entirely to the tax rate, which for the previous year was well below the long-term average. These result figures include a negative net effect from non-recurring items of around CHF 6.5 million. One-time costs related to the pension fund in the United States and to a change in the IT outsourcing partner were offset against one-time revenues from the sale of Dätwyler Immobilien AG to Pema Holding AG.

Anniversary dividend with cash and non-cash component

On the occasion of the Company's 100th anniversary, the Board of Directors will propose to the General Meeting of Shareholders a dividend in an indicative amount of CHF 7.8155 (previous year: CHF 2.80) per bearer share and CHF 1.5631 (previous year: CHF 0.56) per registered share (based on the volume-weighted average price of CHF 121.67 for 25 February 2015). The distribution will consist of an ordinary cash dividend and a stock dividend. The cash dividend of CHF 2.20 per bearer share and CHF 0.44 per registered share is in line with the long-term average distribution rate. For the stock dividend, shareholders will receive three bearer shares from Dätwyler Holding Inc.'s bearer treasury shares per 100 existing bearer shares or per 500 registered shares.

Improving strategic positions

In both divisions, Datwyler spent 2014 further enhancing its strategic positions for future profitable growth. The Technical Components division reduced complexity by selling the Maagtechnic specialist distribution companies, focusing on electronic distribution since April 2014. Datwyler is also working to realise synergies from the acquisitions it carried out in the preceding years and to build a shared platform for purchasing, logistics and ICT infrastructure. The Sealing Solutions division further expanded its production capacity in low-wage countries. At the same time, Datwyler strengthened its market presence by acquiring Columbia Engineered Rubber Inc. and establishing an own distribution office in Brazil.

Strengthening profitability through portfolio management

The portfolio changes in the year under review form a seamless whole with the long-term changes to the Datwyler Group's portfolio over the past ten years. At the strategic level, the Board of Directors identified the high-margin sectors of sealing technologies and electronic distribution as the two activities in which Datwyler would be a leading supplier. As a result, we disposed of business units worth over CHF 650 million in sales. The proceeds from these disposals were used to judiciously strengthen and expand the sealing technologies and electronic distribution businesses by building new locations of our own and acquiring suitable companies. With Elfa, Reichelt and Nedis in electronic distribution and Phoenix, Zhongding and Hankook in sealing technologies, we have purchased over CHF 500 in new sales. Through these portfolio management measures, we have significantly increased the Datwyler Group's earning power and thus its value. In combination with countless operating efficiency improvements from our employees, we raised our operating result margin from 3.8% in 2004 to over 10.0% in 2014.

New members for the Board of Directors and Executive Management

Datwyler has succeeded in attracting three new individuals to join the Board of Directors and Executive Management. Jürg Fedier and Hanno Ulmer will be nominated for appointment to the Board of Directors by the Annual General Meeting of 16 April 2015. As Chief Financial Officer (CFO) of the global Oerlikon Group since 2009, Mr. Fedier took an active role in shaping this traditional Swiss industrial conglomerate. As a member of Doppelmayr Holding AG's Management Committee, Mr. Ulmer has many years of international management experience. At the Executive Management level, Briton Neil Harrison has headed the Technical Components division since the beginning of 2015. He brings many years of experience in electronic distribution to the position. From 1995 to the end of 2014, Mr. Harrison served in various management positions for Britain's Premier Farnell, most recently with full responsibility for European business and global accountability for e-commerce.

Outlook: Confident despite the strong Swiss franc

In the Technical Components division, the focus will be on rapid implementation of strategic integration projects. The use of synergies will significantly reduce our cost structure and improve our ability to compete in the European market environment, which remains challenging. In the Sealing Solutions division's global market segments we remain as confident as we have been for some time. With our strong market positions and optimised internal process, we should be able to accelerate growth.

Datwyler has assumed for some time that the franc would be stronger. Measures implemented in recent years have sharply reduced the Company's dependence on the Swiss franc. By now, less than 5% of the exchange-listed Group's revenue is produced in Switzerland and exported to the European region. A euro-franc exchange rate of 1:1 would result in a currency translation effect of roughly 10% of 2014 net revenue. Against this background, even as we strive to achieve organic growth, we regard net revenue of CHF 1,200 million in 2015 as a realistic target. Acquisitions could increase this sales figure. Datwyler is currently working on several projects. As for the EBIT margin, we are optimistic that we will reach the 10% to 13% target range that we have set for ourselves in 2015. In light of the new exchange rate situation, the sale of Maagtechnic and the demanding integration projects at the Technical Components division, we have reviewed our medium-term goals and adjusted the timetable. The Datwyler Group now aims to generate sales of CHF 2 billion and an EBIT margin of between 12% and 15% by 2020.

Strong values as a foundation for a successful future

Our growth strategy has strong roots. Above all, our 100 years of company history have left us with two valuable legacies that positively shape our present and future: our corporate values and our ownership structure. The history of the Datwyler Group shows that there are a few typical values that lead to success for a family business. These are entrepreneurship, customer focus, excellence and respect for others. Our founder, Adolf Dätwyler, and his sons Peter and Max Dätwyler lived these values out of conviction. To ensure that these key success factors are not lost, Datwyler established them as official corporate values and presented them to our employees shortly before our 100th anniversary. Together with our Code of Conduct, they shape the culture and management at every Datwyler Group location throughout the world.

Unique ownership structure ensures independence

The second important legacy of our corporate history is the unique succession arrangements made by Peter and Max Dätwyler in 1990. The supreme objective was to ensure the long-term independence of the company. To this end, the two brothers gave up substantial assets. Since then, the Board of Directors of the exchange-listed holding company holds a majority of votes, on a fiduciary basis and without economic benefit; it is not entitled to payment of dividends. The Datwyler Group's ownership structure has several advantages that benefit all stakeholder groups. The main shareholder takes a long-term perspective and has no conflicts of interest. This continuity is highly valued by major global customers with long-term master contracts. Moreover, management can focus on implementing the long-range strategy and is not distracted by hostile takeover bids. In addition, over half of the dividend distribution remains under the control of the Board of Directors and is reinvested in the medium term in the Datwyler Group. Various studies over the years have confirmed that companies with a strong majority shareholder generate added value and perform better than comparable benchmarks.

Having mastered the challenges of the past, we look to the future with confidence. We would like to cordially thank our employees for their dedicated contribution to a successful 100 years of company history. We are committed to bringing further value to our customers and shareholders in the second century of our existence.

For the Board of Directors

Ulrich Graf, Chairman

For the Executive Management

Dr. Paul J. Hälg, CEO

OUR HISTORY

RECOGNISING THE **SIGNS OF THE TIMES**

Demand for cables has grown along with the demand for electricity and the growth of telephone, radio and television. Adolf Dätwyler recognised the signs of the times, and as early as 1921 he began production of lacquer-coated wire for telephone installations. In search of diversification, the developing automotive industry aroused Datwyler's interest. In 1935, Adolf Dätwyler signed a licensing agreement with the U.S.-based Firestone Tire & Rubber Company and established a production facility for automobile tires in Pratteln near Basel.

During World War II, use of the automobile was restricted. Datwyler again recognised an opportunity and, in 1941, began producing bicycle tires under the Bullcord brand name. The tires were immensely popular. No matter what the circumstances, he always manages to bring value to his customers.

OUR VALUES

WE BRING **VALUE** TO OUR CUSTOMERS

That is what our demanding customers in the industrial sector depend on. Development engineers rely on our ability to provide suitable components as the need demands and as soon as possible. Datwyler distribution companies provide this service and thereby create value for their customers – more than 10'000 times a day, every day, throughout the whole of Europe.

Smooth procedures require a product manager just as much as a packaging agent or a clerical assistant in accounting. Datwyler employees, at all levels, maintain agreements with external and internal partners and convince by means of reliability and customer focus.

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TECHNICAL COMPONENTS

The Datwyler Technical Components division is one of Europe's leading high-service distributors with local representation, a modern multi-channel offering and an attractive product range. It comprises three specialised brands – Distrelec / Elfa Distrelec, Reichelt and Nedis. Altogether, the Technical Components division offers a wide range of more than 500'000 standard products for electronics, automation and ICT, with excellent availability and fast delivery times.

Target groups

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

Geographical markets

- Europe

Products and services

- Electronic components and accessories
- Automation
- Connectors
- Electrical engineering
- I&C equipment
- ICT components and accessories
- Building technology and building automation
- Alarm and security technology

Strategic groundwork in a challenging market environment

The Technical Components division worked intensively with several brands in 2014 on laying the foundation for implementing its growth strategy. By selling its specialist Maagtechnic segment, Datwyler reduced its complexity and has focused on electronics distribution since April 2014. Datwyler is also working on realising the synergies from the acquisitions it carried out in the preceding years and establishing a joint platform for purchasing, logistics and ICT infrastructure. On the market side, the company is addressing various customer groups with the different positioning of its brands. At the same time, these brands will take advantage of the synergies of a major company in the future when it comes to purchasing and processing.

Declining sales weaken profitability

The strategic integration projects caused significantly higher costs and absorbed significant internal resources in the 2014 fiscal year. The market environment also remained challenging due to the focus on Europe. Business-to-business (B2B) with industrial and commercial end clients stagnated in large parts of Europe. Moreover, the business-to-consumer (B2C) market for consumer electronics even declined. Reported net revenue fell to CHF 565.8 million (previous year: CHF 711.2 million). If we consider the negative influence from foreign currency translation effects and continued business activities without Maagtechnic, which was sold at the beginning of April 2014, net revenue dropped by 2.8% versus the same period of the previous year. Given the lacking revenue volume and higher costs of marketing and strategic integration projects, the operating result (EBIT) saw a disproportionate drop to CHF 22.5 million including Maagtechnic and CHF 24.0 million excluding it. This comes out to an EBIT margin from continued activities of a disappointing 4.6% (previous year: 5.8%). The result figures include a negative net effect from non-recurring items of around CHF 1.5 million.

Strategic focus on consolidating market

By selling its Maagtechnic specialist segment, Datwyler's Technical Components division has been focusing on the promising distribution of electronics, automation and ICT components and accessories since the spring of 2014. Datwyler hopes to offset the revenue lost as a result of the disposal of Maagtechnic through organic growth and acquisitions. Electronics distribution is a consolidating market with many smaller, owner-managed companies lacking in critical size or facing succession issues in the near future.

Demanding implementation of the strategic integration projects

The implementation of the strategic integration projects for the use of synergies is demanding and using more time and resources as expected. For example, the German distribution centre was moved from Distrelec in early November 2014 to the new centralised Datwyler distribution centre at the Nedis location in 's-Hertogenbosch, the Netherlands. The Swedish logistics centre of Elfa Distrelec will be relocated in the second half of 2015. Starting at the end of 2015 at the latest, Distrelec, Elfa Distrelec and Nedis customers throughout Europe will be served from the central distribution centre in the Netherlands, whereas the Swiss distribution centre will be maintained. In addition to the significant cost savings, the product range can also be expanded heavily as a result of the higher capacities. Distrelec's new user-friendly online marketplace was rolled out in nine countries in 2014. The new joint purchasing organisation Teco Asia is also proving its value and making an important contribution to boosting the company's ability to compete. Once the strategic integration projects are complete, Datwyler's Technical Components division aims for an EBIT margin of more than 10% in the medium term. Moreover, the joint platform will enable Datwyler to integrate its acquired companies more quickly starting at the end of 2015.

Key figures of Technical Components

in CHF millions	2014	2013
Net revenue	565.8	711.2
EBIT	22.5	37.9
EBIT margin	4.0%	5.3%
Total assets	352.6	386.9
Gross capital expenditure	14.4	10.2
Number of full-time equivalents (at year-end)	1'283	1'851

Strengthening management

Datwyler has added an industry expert to its management team to implement the growth strategy in electronics distribution. Briton Neil Harrison assumed leadership of the Technical Components division at the beginning of January 2015. Mr. Harrison has held various international management positions for Premier Farnell, one of the world's leading electronics distributors, since 1995. He last worked as Europe President for the business there and as the Global Head of E-Commerce for global e-business strategy. The previous head of the Technical Components division, Markus Heusser, had left his post at the end of August 2014. Since that time, Paul Hälg, CEO of the Datwyler Group, had managed the division directly.

A demanding market environment

Distrelec and Elfa Distrelec faced a challenging market environment in the business-to-business segment also in 2014. Moreover, they focused a great deal of energy inwards due to the strategic projects in progress. The slight decrease in revenue permeated through all countries and product groups. Revenue also shifted from countries and product groups with strong margins to those with weaker margins. A stabilising effect came from the new online marketplace. The rise in revenue from demanding major customers is also seen as a vote of confidence. Nedis, active in electronics wholesale, had a tough year to overcome in 2014. It took longer and required more resources than originally planned to centralise logistics, adjust the product range and establish uniform quality standards. Home-made delivery problems in the first half of the year resulted in a considerable drop in revenue and earnings. However, Nedis implemented a packet of measures to greatly improve the availability of its products in the second half as well as to renew the product range and lower costs on a sustainable basis. Reichelt continued to produce a sound performance, showing profitable growth with "quality at low prices" and above all gaining market share in the business-to-business segment. The company's expansion abroad made a substantial contribution to the growth.

Outlook: greater competitiveness, but uncertain economy

The economic situation in Europe remains highly uncertain. We therefore anticipate only moderate demand in 2015. The focus lies on rapid implementation of the strategic integration projects. The use of synergies will significantly reduce our cost structure and improve our ability to compete. The first positive effects on margins will be felt as early as 2015.

Development engineers in industrial companies often require a selection of electronic components at short notice in order to implement their projects on time.

CENTRALISED DISTRIBUTION CENTRE ENHANCES COMPETITIVENESS

Datwyler is taking advantage of economies of scale in the Technical Components division. In future, the various distribution brands will share one purchasing, logistics and ICT platform. The core of the system will be a new centralised distribution centre in the Netherlands.

Development engineers in industrial companies and service engineers are demanding customers with short-term needs. They want to be able to choose from a wide range of components, and place strong emphasis on high availability and short delivery times. In order to meet these demanding requirements of our professional customers, supply chain management is of great importance in the distribution business. Purchasing, warehousing and delivery must be perfectly coordinated.

Size as key success factor

But building a modern logistical infrastructure is not without cost, requiring a significant investment in warehouse systems and software. Meanwhile, the demands of European regulators and consumer protection organisations concerning raw materials in electronic components are becoming more stringent. Meeting legal requirements will soon be impossible without people on the ground in Asia. Consequently, the costs of a professional supply chain are rising steadily, which in turn is increasingly making size a key success factor in the distribution business. Only those who can spread these rising costs over a reasonable sales volume will remain competitive over time. Even as cost pressures rise, the number of distributors facing succession issues is also increasing. Thirty years after the startup boom, many suppliers in the electronics industry are too small to survive on their own. As a result the pace of market consolidation is accelerating.

A shared platform as part of a growth strategy

Datwyler was early to recognise these fundamental trends and has long pursued a growth strategy in the distribution business. By acquiring Schuricht (Germany, 2001), Proditec (Switzerland, 2006), Elfa (Sweden, 2008), Reichelt (Germany, 2010) and Nedis (the Netherlands, 2012), Datwyler has greatly expanded Distrelec's original core business. The group's current size offers the potential to exploit synergies by developing

a shared platform. In the supply chain, this mainly means setting up a joint purchasing organisation in Asia and centralising logistics in a new Datwyler Distribution Centre for the European markets of the Distrelec, Elfa Distrelec and Nedis brands.

Joint purchasing organisation in Asia

Since Nedis outsources production of its house brands to China, the company has had its own people in Hong Kong for some time. Since acquiring Nedis, Datwyler has taken advantage of this existing infrastructure and expanded it further. The manufacturers undergo regular inspections and receive certification under a systematic quality management approach. In addition, products are tested for conformity with EU standards before being shipped to Europe. All of this is carried out with in-house purchasing managers, but without in-house warehouse infrastructure. By aggregating purchasing volumes, Datwyler can improve conditions and increase its influence with the manufacturers. Thanks to close contacts with the manufacturers, Datwyler's purchasing managers can also actively make suggestions for new products.

Central Datwyler Distribution Centre

Electronic products are sent from China by sea to Rotterdam and from there to the new Datwyler Distribution Centre in 's-Hertogenbosch which is nearby. Datwyler acquired the modern distribution centre with its purchase of Nedis. The centre has a high potential capacity and will serve as the heart of the new supply chain platform for Distrelec and Nedis. Datwyler has optimised the distribution centre for its needs. Orders can be shipped on pallets or in cardboard boxes, depending on the products and order size. A modern warehousing and commissioning system minimises the time between online order placement and delivery. Datwyler works with leading parcel delivery services for shipping to customers in the various countries of Europe. As in purchasing, volume from the various distribution brands can be aggregated.

A modern warehousing and commissioning system minimises the time between online order placement and delivery.

The new Datwyler Distribution Centre at the Nedis site in 's-Hertogenbosch has large capacity potential.

Enhancing competitiveness

Datwyler is preparing for the future in its Technical Components division with the new distribution centre. Starting in 2016, the new shared purchasing, logistics and ICT platform will lead to a significantly lower cost structure and enable faster integration of newly acquired companies. This will make it possible to exploit economies of scale and enhance competitiveness – so that in future Datwyler distribution companies will remain the preferred partner of demanding customers such as development engineers and service engineers.

Customer quotes

"Distrelec is one of our partners which has a very good supplier rating for lead time and support."

Roberto Rosiello
BU Purchasing – Centralised Group Purchasing Components
Finmeccanica Global Services SpA, Italy

"The wide range of components, the quick availability, and the competent, friendly contacts are crucial for the pleasant cooperation."

Alexandra Schlusnus
Purchasing – Services and Ind. Material
Automotive Lighting Reutlingen GmbH, Reutlingen, Germany

"Elfa Distrelec offers a wide range of competitive products in terms of price and quality, which are delivered very quickly."

Gunilla Paulson-Schutt
Purchaser
ABB AB High Voltage Cables, Sweden

SEALING SOLUTIONS

The Datwyler Sealing Solutions division is a leading supplier of customer specific sealing, closure and packaging solutions to global market segments, such as the Automotive, Health Care, Civil Engineering and Consumer Goods industries. This is thanks to its leading material, engineering and process expertise and worldwide presence with its own production locations. As an acknowledged development partner, Datwyler maintains close working relationships with global customers, and has in-depth knowledge of the business models and technologies used in the markets in which it operates.

Target groups

- Automotive system suppliers
- Construction industry
- Packaging industry
- Manufacturers and contract fillers of injectable drugs
- Manufacturers of diagnostic products
- Manufacturers of parenteral drug delivery systems

Geographical markets

- Europe
- North and South America
- Asia
- Australia

Products and services

Automotive

- Brake systems
- Fuel and engine management
- Comfort and safety equipment

Health Care

- Rubber, aluminium and plastic components and closures for injectable drugs
- Rubber components for blood collection systems, IV administration sets, disposable syringes, etc.
- Rubber components for prefilled syringes, pen systems, etc.

Civil Engineering

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

Consumer Goods

- Innovative sealing solutions for portioned food and drinks

Rising growth dynamic in the second half

The Sealing Solutions division showed a modest growth dynamic in the second semester after a restrained start to the year. Net revenue for the full year rose by 2.1% to CHF 686.4 million (previous year: CHF 672.2 million). Adjusted for the negative foreign currency translation effects and acquisition effects, the result was organic growth of 2.9%. The company generated synergies from the merging of previous divisions, lower commodity prices and productivity improvements, thus leading to another rise in profitability. The operating result (EBIT) climbed by 11.9% to CHF 109.8 million (previous year: CHF 98.1 million), resulting in an EBIT margin of 16.0% (previous year: 14.6%). These result figures include a negative net effect from non-recurring items of around CHF 5 million.

Progress made in the implementation of strategic goals

The strategic direction developed with the merging of the former divisions continued to progress in 2014. The focus here was on optimising the cost structure at the Asian plants, improving the quality of the portfolio at the European plants while establishing production centres, and optimising the product and service offerings in the US through the acquisition of Columbia Engineered Rubber Inc. Given Columbia's existing customer relationships, Datwyler also hopes this acquisition, in addition to the core automotive business, will help it tap into new markets and product segments as well. Columbia will contribute to growth in 2015 with third-party sales of around CHF 15 million. Furthermore, Datwyler began building its own mixing plant at the Chinese location in Ningguo, as announced. Operations will commence in the third quarter of 2015. This CHF 15 million investment will ensure the company's long-term competitiveness in automotive products in China. Another important strategic component is the establishment of the company's own sales office in Brazil. Datwyler will serve its automotive and health care customers from the same sales location for the first time, which will significantly improve its customer service in South America.

Health Care temporarily showing restrained demand

As Datwyler had communicated in the half-year report, it is struggling with restrained demand in the Health Care market segment. The combination of various external influences has led to merely marginal growth after years of rapid expansion. The plant closings by the American Food and Drug Administration (FDA) during recertification of several customers in India and Taiwan in particular had resulted in noticeable losses in revenue. These measures by the FDA have nothing to do with the quality of Datwyler products. This can also be said for the stricter Chinese import barriers for certain product groups, which are also having a negative impact on revenue. The intensive efforts currently being made should present a solution to this problem over the course of 2015. Moreover, optimisations in the supply chain in the reporting year also caused customers to cut back their inventories. On a positive note, Datwyler developed an outsourcing project for a rapidly growing product line in 2014 in close cooperation with a major customer. Between 2015 and 2017, this product line will be moved from the plant in the US to the factory in India. The planned growth in demand means that the Indian plant will be operating at full capacity by the end of 2017. Datwyler plans to expand its low-cost location in India in order to be well-equipped for other product shifts in the future.

Key figures of Sealing Solutions

in CHF millions	**2014**	2013
Net revenue	686.4	672.2
EBIT	109.8	98.1
EBIT margin	16.0%	14.6%
Total assets	573.3	518.1
Gross capital expenditure	57.2	38.0
Number of full-time equivalents (at year-end)	5'225	4'829

Automotive showing strong profitable growth
The Automotive market segment is benefiting from its global scope and continues to show higher than average growth. The strong demand in the US and China in particular has contributed to the substantial, profitable growth. The integration of the companies Zhongding Sealtech and Hankook Sealtech, which were acquired in 2012, is still going according to plan. The company also significantly improved its proximity to important customers in the US with the acquisition of Columbia Engineered Rubber Inc. The last step of the strategic development plan will be to expand the company's presence in South America as well as a focused expansion of the product portfolio.

Civil Engineering sees revenue decline due to portfolio adjustment
In its Civil Engineering market segment, Datwyler has completed its portfolio adjustment and optimised its product offering. The result was an extensive reorganisation of the production and administration processes at the plant in Germany. By focusing on niche products with high technical requirements, Datwyler is strengthening its ability to compete in the future as well as its profitability. A deliberate decision to pass on products with lower margins, however, resulted in a decline in net revenue in the reporting year.

Consumer Goods awarded new capsule project
The capsule order in the Consumer Goods market segment continued to yield a pleasing development. Datwyler's leading expertise in sealing allowed it to be involved in several development projects and was responsible for it being awarded a new capsule project.

Outlook: organic and acquisition growth
The Sealing Solutions division tackled the new year by further strengthening its customer relationships, structures and processes. We are optimistic that our strong market position will enable us to exceed the average growth in all of the industries served in the medium term. The market segment of Health Care will not yet be able to fully tap its potential in 2015 due to the negative external influences mentioned. Given the synergies from the merging of divisions, we are confident that we can maintain profitability at its current level. Through targeted acquisitions, we want to accelerate the expansion into new geographical markets as well as to supplement and foster our organic growth.

AdBlue® exhaust post-treatment is picking up considerable momentum and opening up extraordinary potential for growth. Datwyler is in an ideal position as the development partner and supplier of market leader Bosch.

DEVELOPMENT PARTNER FOR AN INNOVATIVE CATALYTIC CONVERTER SYSTEM

Complying with emission standard Euro 6 will require equipping new diesel-powered vehicles with an additional catalytic converter system. As a supplier of system-critical elastomer components, Datwyler is in an outstanding position to benefit from the heavy growth in demand.

Whether it's Bluetec by Mercedes, BlueInjection by BMW or Bluemotion by Volkswagen, all of Datwyler's elastomer components in these systems guarantee smooth operation. The brand names of the leading vehicle manufacturers represent an innovative catalytic converter system used in the post-treatment of nitrogen oxides in diesel-powered vehicle emissions. This is based on selective catalytic reduction, or SCR technology for short. The technology entails injecting doses of the aqueous urea solution AdBlue® into the exhaust flow. Within the SCR catalyst, the solution reacts with the noxious oxides of nitrogen found in the hot exhaust and converts them into harmless nitrogen and water components. SCR technology and AdBlue® cut back nitrogen oxide levels by more than 80%, thereby helping to ensure a cleaner environment.

Heavily growing market

In addition to the use of SCR systems, as is already common in the truck industry, passenger cars with diesel engines newly registered in Europe will also have to reduce their nitrogen-oxide emissions significantly, as a result of the Euro 6 emission standard taking effect at the beginning of September 2015. Leading vehicle manufacturers have already incorporated this into their new diesel models. Demand is expected to be considerable, as every other new car registration in Western Europe is a diesel-powered vehicle. According to a study by the German Association of the Automotive Industry (VDA), the number of vehicles with SCR catalytic converters in Western Europe will quintuple to roughly 20 million by 2020. In future, owners of diesel-powered vehicles will naturally fill their tanks with AdBlue® together with their normal fuel. The number of AdBlue® gas pumps is growing rapidly.

Market leader's development partner

Datwyler is in an outstanding position to benefit from the rapid growth in demand for SCR catalytic converters. As a project and development partner of market leader Bosch, Datwyler has been a significant contributor to the implementation of this innovative, environmentally

friendly technology since 2007. Converting noxious nitrogen oxides requires the urea solution AdBlue® being transported from a separate tank container to the exhaust system. In the pump and dosing modules needed, specially developed Datwyler components are guaranteed to function reliably in the long run despite the most stringent requirements. Roughly five Datwyler elastomer components are used for every SCR system.

System-critical elastomer components

Elastomer components are subject to extremely strict requirements with regard to geometry, tolerances, cleanliness and adhesion. At the same time, the parts must withstand temperatures of up to 150 °C, high pressure and aggressive media. Datwyler has developed special elastomer materials which do not swell significantly when coming into contact with the aggressive medium AdBlue®. They also ensure functionality through the entire temperature spectrum. This makes Datwyler's elastomer components system-critical parts. Requirements pertaining to the production process are correspondingly stringent. Datwyler's state-of-the-art production technology puts it in a position to offer 100% inspection and precise quality, even with unit figures in the millions. It does so using its own production locations in the three most important economic regions of Europe, Asia and NAFTA. Datwyler has once again successfully used its elastomer components for the SCR catalytic converter to demonstrate its leading expertise in materials, engineering and processes.

"Outstanding cooperation forming the basis for the future"

What kind of potential do you see for modern exhaust post-treatment systems in diesel engines?

The growing strictness of emissions legislation worldwide is an important factor driving exhaust post-treatment for diesel engines. All new vehicles in the US and Europe already feature multi-stage systems for exhaust post-treatment, making it easier to achieve emissions targets for particulates, nitrogen oxides or hydrocarbons during operation, for example. We can also see this trend towards cleaner diesel engines in Asia and other regions as well.

In concrete terms, what are the effects of this trend?

The result is considerable demand, which we are able to meet with our exhaust treatment and sensor unit at Bosch. In addition to passenger cars and light commercial vehicles, Bosch also provides solutions for medium-sized and heavy commercial vehicles and equipment. We meet the requirements of our customers, who operate around the world, with a global development and production network. Moreover, we support customers in the use of our systems on-site with technical services.

Dr. Frank Gottwald (left), head of the DNOX6 platform project in the Diesel Systems division at Bosch, talking to Andreas Minatti, Head of Automotive Business Development at Datwyler.

Can you describe your experience of cooperating with Datwyler?

In my experience, the cooperation with Datwyler is very open and productive. We have achieved a great deal in our DNOX6 exhaust post-treatment system project. Critical issues are discussed openly and constructively. Technical adjustments are carried out quickly, thanks largely to the good relationship that our two companies have. The very sound, constructive cooperation on a commercial level allows us to quickly and successfully meet our technological targets.

What were the biggest challenges when it came to implementing Bosch's DNOX system?

The biggest challenges with the DNOX6 project were coordinating the international development and production network and properly integrating our suppliers. High-quality components had to be at the right place and the right time in every case. The project was always under considerable time pressure. Datwyler took on this task and helped kick off production successfully. Carrying out this challenging task during the individual project phases was only possible through our good cooperative relationship. Datwyler is always quick and motivated in responding to the necessary adjustments. It's a good basis for further cooperation in future.

OUR HISTORY

NEVER LOSING **SIGHT OF PEOPLE AND THEIR NEEDS**

Things in Uri are not looking good at the beginning of the 20th century when it comes to education and earning potential. The development of industry is opening up new opportunities. Adolf Dätwyler finds a way to support the local workers on a sustainable basis and get them to commit to the Company.

In 1918 he establishes a company health insurance fund, followed by numerous affordable company apartments starting in 1933 and interesting continuing education offerings at the Company's own training facility starting in 1944. In 1948 – more than 30 years before being required by law – Datwyler introduces a pension fund.

OUR VALUES

WE HAVE **RESPECT** FOR OTHERS

Respect for one another is reflected in more than just our corporate culture. Datwyler has a code of conduct and is also a member of the UN Global Compact. Through this, we are committed to advocating for human rights and environmental protection as well as to combating corruption. We assume social responsibility.

Datwyler's employees foster respectful, honest cooperation. This applies to both internal and external partners on all continents and in all cultures. We support each other and seek out the best solutions together.

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SUSTAINABILITY

Long-term values

100 years of innovation for the benefit of our customers, employees, shareholders and the community—that is the hallmark of the Datwyler Group. Over this period, Datwyler has evolved from a family-owned Swiss company into an international group. Building on our strong roots, we have developed our own style with high standards and unique values:
We are entrepreneurs.
We bring value to our customers.
We excel in what we do.
We have respect for others.

These values guide the way we run our business over the long term. We strive to deliver sustainable profitable growth for the benefit of our stakeholders as the foundation for adding long-term value and preserving the corporate independence of the Datwyler Group.

In our efforts, we are addressing the challenges of our times. We voluntarily adopted the standards of the Global Reporting Initiative (GRI) for the sustainability section of our 2008 Annual Report, and in 2009 we joined the UN Global Compact. This is an initiative launched by the United Nations which espouses ten principles in the areas of human rights, labor, the environment and combating corruption. As a UN Global Compact participant, Datwyler undertakes to follow the ten principles and to accept its responsibility within society. In the 2014 reporting year the fifth progress report on the ten UN Global Compact principles was published. This endeavour is based on the Datwyler values and the Code of Conduct that lay down globally binding rules for all Datwyler Group employees. The systematic customer and employee satisfaction surveys were continued in 2014. In this way we live up to our social responsibility every day as a reliable partner to our stakeholders.

In both divisions, we used the 2014 year under review to further improve the strategic foundations for future profitable growth. The Technical Components segment reduced its complexity by selling the Maagtechnic specialty retail unit, focusing on electronic distribution since April 2014. The figures in the sustainability reports for the year under review and the year prior were based accordingly on the continuing operations without Maagtechnic.

Dr. Paul J. Hälg, CEO

Sustainability as a strategic direction

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

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

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

Quality for customers

Overview of certifications obtained

	Technical Components	Sealing Solutions	
Quality			
ISO 9001	All facilities [1]	All facilities	
ISO/TS 16949 (suppliers to the automotive industry)		Schattdorf, Switzerland Nový Bydžov, Czech Republic Malyn, Ukraine	Silao, Mexico Ningguo City, China Daegu, Korea Wuxi, China
ISO 15378 (primary packaging for medicines)		Alken, Belgium Pregnana, Italy Karlsbad, Germany	
Environment			
ISO 14001	Brabrand, Denmark Bremen, Germany Helsinki, Finland Järfälla, Sweden Oslo, Norway Warsaw, Poland	Alken, Belgium Karlsbad, Germany Montegaldella, Italy Pregnana, Italy Schattdorf, Switzerland Waltershausen, Germany	Ningguo City, China Daegu, Korea
Occupational health and safety			
OHSAS 18001		Alken, Belgium Karlsbad, Germany Montegaldella, Italy Pregnana, Italy	Schattdorf, Switzerland Waltershausen, Germany Ningguo City, China

[1] Except for Nedis

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

Standardised processes assure quality
Datwyler Group companies invest continuously in even better materials and process engineering, production facilities and testing methods. Each product is measured against stringent quality standards several times before it reaches the customer. Business processes are based on internationally recognised quality management systems and a strong commitment to innovation, which is also reflected in collaboration with universities, international standards bodies and independent testing laboratories. Regular supplier audits are also carried out as part of the quality assurance systems. At the start of 2014, Datwyler introduced a standard code of conduct for suppliers which is binding for all Group companies.

Throughout development, certification and production, we also devote special attention to an analysis of the impact of all our products on users' health and safety. For this, we apply standardised processes and accepted industry standards, such as safety data sheets, when purchasing new substances and materials. During the reporting year 2014, the Datwyler Group again recorded no incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services on users.

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

Focus on delivering customer value
Through decentralised management, Datwyler fosters an entrepreneurial culture with short response times and decision-making authority close to the market. This makes Datwyler companies attractive development partners who contribute to their customers' success in the marketplace by providing leading materials and engineering expertise. Besides the products themselves, the complete solutions offered by Datwyler also encompass consulting, logistics and training services. The companies in the Technical Components Division passed on their knowledge to customer representatives at a multitude of courses during the year, and in so doing strengthened customer loyalty. The Sealing Solutions division has been commended for its customer responsiveness with a number of Supplier of the Year Awards or chosen as a "Preferred Supplier" by renowned companies like Bosch and Continental Teves. To facilitate relations with customers, the Datwyler Group has established clearly positioned and well-managed company brands as the foundation for a consistent corporate identity in the marketplace. The framework for this is provided by centrally coordinated worldwide trademark protection and a clear Corporate Design Manual.

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

Environment

Summary of environmental data by division

		Technical Components [3]		Sealing Solutions [4]		Datwyler Group	
	Unit	2014	2013	2014	2013	2014	2013
Energy consumption and CO_2							
Electricity	MWh	7'127	7'024	142'968	139'296	150'095	146'320
Per capita electricity	MWh/ employee	5.7	5.4	27.9	28.1	23.5	23.3
District heating	MWh	3'127	3'136	749	1'271	3'876	4'407
Natural gas	MWh	2'591	3'412	31'938	34'550	34'529	37'962
Butane, propane, ethane	MWh	0	0	24	26	24	26
Extra light fuel oil	MWh	0	0	387	436	387	436
Other fossil fuels	MWh	0	0	2'149	11'956	2'149	11'956
Renewable energy	MWh	0	0	3'216	3'924	3'216	3'924
CO_2 emissions [2]	tonnes	2'897	2'890	75'131	72'973	78'028	75'863
Direct (Scope 1) [2]	tonnes	523	689	7'133	10'292	7'656	10'981
Indirect (Scope 2) [2]	tonnes	2'374	2'201	67'998	62'681	70'372	64'881
Per capita CO_2 emissions	tonnes/ employee	2.3	2.2	14.7	14.7	12.2	12.1
Water consumption							
Drinking/industrial water	m^3	15'268	15'814	2'201'871	2'435'204	2'217'139	2'451'018
Per capita water consumption	m^3/ employee	12	12	430	491	348	391
Waste							
Total waste	tonnes	1'146	989	12'841	12'186	13'987	13'176
of which regular waste	tonnes	1'042	939	12'020	11'391	13'062	12'330
of which special waste	tonnes	104	50	821	795	926	846
Proportion of waste sent for recycling	%	66%	71%	63%	69%	64%	69%
Per capita total waste	tonnes/ employee	0.9	0.8	2.5	2.5	2.2	2.1
Employees [1]		1'252	1'303	5'125	4'964	6'377	6'267

(1) In full-time equivalents as an annual average (including temporary employees).
(2) The CO_2 emissions are reported as direct (Scope 1) emissions, resulting for example from the combustion of natural gas at the Group's own facilities, and indirect (Scope 2) emissions, caused for example by the consumption of electricity.
(3) In the Technical Components division, all main sites with a total of 1,845 employees (expressed in full-time equivalents as an annual average) are included in the reporting year. The figures for 2013 are not directly comparable with those for 2012. In 2013 the locations of the Nedis Group (390 full-time equivalents) were included for the first time. The Nedis Group was acquired in the second half of 2012. It was not possible to record retroactive figures for 2012.
(4) In the Sealing Solutions division (formerly Pharma Packaging and Sealing Technologies), all main sites with a total of 4,964 employees (expressed in full-time equivalents as an annual average) are included in the reporting year. The figures for 2013 are not directly comparable with those for 2012. In 2013, the sites of Zhongding Sealtech and Hankook Sealtech (total 1,921 full-time equivalents) were also included for the first time. It was not possible to record retroactive figures for 2012.

Focus on the environment

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

Certified environmental management

As part of the internal, certified environmental management system, Datwyler is continually improving its environmental performance and endeavoring to minimise significant impacts on the environment. The Group spent some CHF 1.2 million on specific environment-related activities in 2014, with some CHF 0.7 million of this going to investments, CHF 0.4 million for personnel and CHF 0.1 million for certifications.

Environmental performance at a glance

The environmental data shown on page 25 have included all key locations in both Group divisions since 2010. The speciality retail unit Maagtechnic (roughly 550 employees) was sold at the beginning of April 2014. Because Maagtechnic's locations had a major influence on the environmental performance of the Technical Components division, these sites were retroactively factored out for 2013. This complies with the requirements of international standards on greenhouse gas disclosures and allows for a fair comparison between the total environmental performance of that year and the previous year. As is to be expected, the Sealing Solutions division consumes considerably more resources than the trade- and distribution-centred Technical Components division.

Energy consumption overall was reduced by 5% year-on-year. If Maagtechnic were included, Datwyler's energy consumption would actually have been reduced by 9%. The reasons for the decline in energy consumption include the measures taken in the scope of the energy management systems, the generally milder winter in Europe in 2014, lower capacity utilization at some Sealing Solutions production sites and a sharp drop in diesel consumption for power generators at the plant in India. The latter was mainly supplied by electricity from the grid thanks to the more reliable supply since the end of 2013.

Unlike thermal energy and fuel consumption, electricity consumption rose by 3% overall. The number of employees rose at the same time, hence the virtually constant rate of electricity consumption as measured per person.

Datwyler's greenhouse gas emissions rose slightly in 2014 by 3% versus the previous year. When measured per person, however, emissions remained nearly constant. At Technical Components, the absolute greenhouse gas emissions figure remained at the previous year's level. The increase can therefore be traced back to the Sealing Solutions segment. Here, the growing production output of the plants in China, South Korea and India meant a rise in the average CO_2 intensity, which is why Scope 2 emissions increased more sharply than the rise in electricity consumption suggested.

Water consumption in absolute terms fell by 10% throughout the Group compared to the previous year. Given that Sealing Solutions is responsible for nearly all of the Group's water consumption, the sale of Maagtechnic had a negligible effect on total water consumption. The reduction at Sealing Solutions is attributable, among other things, to lower capacity utilization and measures aimed at reducing water consumption.

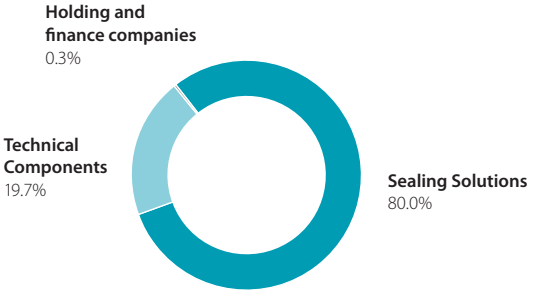
The high water consumption for Sealing Solutions very clearly reflects the specific requirements of the production processes in this division. Cooling sealing profiles for civil engineering and the manufacturing process for the Nespresso order both involve particularly large amounts of water. The water requirements at the Swiss production site in Schattdorf of over 1.1 million m^3 (just under half of the Group's water consumption) are completely met by industrial water. Datwyler is thus helping to reduce the consumption of valuable drinking water as much as possible.

Another significant aspect is the combination of electricity sources used at the Swiss production site operated by Sealing Solutions. Since the end of 2012, Datwyler has been using only environmentally friendly, 100% hydroelectric power from "nature-made basic" certified power stations owned by the local electricity company. This means that more than 10% of the Group's electricity requirements come from environmentally friendly hydropower. This has saved around 500 tonnes of CO_2 emissions. A wood-fired electricity generating plant has been in operation at the same Swiss production site since October 2008 to supply process and heat energy. The use of renewable energy sources enables Datwyler to save around 500,000 litres of heating oil annually and to reduce CO_2 emissions by some 1,300 tonnes.

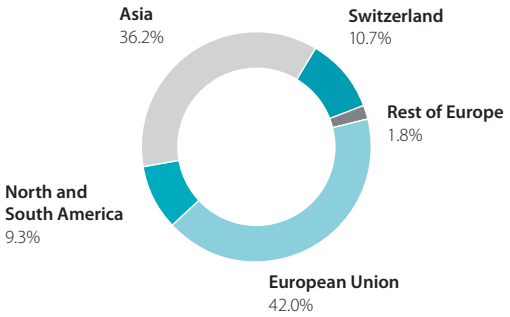
The total quantity of waste climbed by 6% compared to the previous year. In the Technical Components division, the increase came out to 16%, which had to do with changes to the product range and inventories, among other things. The share of recycling fell from 69% to 64%. Datwyler intends to increase the proportion of waste recycled. However, this also depends on whether its recycling partners have sufficient demand for the raw materials in question.

Our people

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



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



Clear core values and processes

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

Workforce demographics

The workforce of the Datwyler Group changed in the 2014 year under review due to a divestment and an acquisition. On the one hand, some 550 European employees left the Technical Components division at the beginning of April 2014 due to the sale of the specialty retail unit Maagtechnic. On the other hand, around 100 American workers were brought into the Sealing Solutions segment in October 2014 with the acquisition of Columbia Engineered Rubber Inc. In total, the Datwyler Group had a workforce of 6,760 – including fixed-term employment contracts – in 28 countries at the end of the year, of which 2,360 are in Asia. This is equal to 6,528 full-time equivalents per end of the year (previous year: 6,707 full-time equivalents). Based on full-time equivalents at an annual average of 6,516, sales per full-time equivalent came to CHF 186,000 in 2014 (previous year: CHF 202,000). The decrease versus the previous year can be fully explained by the sale of the specialty retail unit Maagtechnic and the stronger weighting of the Asian production plants from the Sealing Solutions segment that this yielded. Sales per employee in the manufacturing industry are much lower than in trading. These are also generally lower in Asia than in western countries. The turnover rate for the Datwyler Group decreased in the year under review to 15.1% (previous year: 16.5%). The turnover rate is also strongly influenced by the establishment and expansion of the production sites in low-cost countries, where staff turnover is generally higher. Turnover is calculated by dividing the number of voluntary employee departures by the average headcount for the year (excluding fixed-term contracts). Based on the annual average, the Group had 5,871 full-time employees and 385 part-time employees. The proportion of employees with fixed-term employment contracts was 400 people, or 6.0% of employees. The percentage of women in the Group's total staff came to 39.7%, while the proportion of women in management positions was 11.7%.

Fair employment conditions

Datwyler Group companies ensure equal opportunities, equal treatment and fair employment conditions, pay fair wages and salaries, and offer employee benefits in line with national and industry standards. Employee costs, including social security and pension costs, amounted to CHF 329.5 million in the reporting year. In business reorganization programs, we consider the needs of the employees, engaging in a constructive dialog with company employee representatives. In 2014, the Compliance Officer (currently the CFO) received no complaints of alleged discrimination in Datwyler companies. By continuously raising awareness and supporting managers, Datwyler helps to promote equality of men and women in the work process.

Training promotes competence and safety

Datwyler Group companies are committed to ensuring a safe and healthy working environment. This applies both to technical planning of workplaces, equipment and processes and to safety management and personal behaviour in everyday working life. Throughout the Group, occupational injuries resulted in 2,501 lost days, which represents 0.15% of the total days worked. In total, 44,265 days were lost due to sickness, occupational injuries and non-occupational injuries, representing an absentee rate of 2.57%.

The markets in which the Datwyler Group operates call for highly trained employees undergoing continuous development and improvement. Some of our initiatives to train young people are reflected in the more than 100 apprenticeships offered by Datwyler Group companies worldwide. Our apprentices regularly receive top rankings in national competitions, which are testimony to the high quality of technical instruction in the training workshops. We support training and retraining programmes to develop the technical and social skills of employees at all levels in the hierarchy. To develop up-and-coming managers, the Datwyler Group has been holding a four-day intensive young managers program every year since 2010. Participants are drawn from the second management tier of both divisions. An annual two-day group seminar is held for top management.

Employee survey also based on benchmarking

The Datwyler Group regularly holds a Group-wide standardised employee survey. The survey, consisting of a written questionnaire in 19 languages, is conducted with the help of an external specialist. This guarantees anonymity for employees. The average response rate is around 80%. The survey is designed around the concept of benchmarking. The external specialist's experience enables Datwyler's results to be compared with a pool of around 20,000 Swiss employees. Most of the Datwyler facilities score about the same as the external benchmarks. The survey results provide valuable inputs for developing and implementing improvements. Measures to increase the commitment of employees are part of the systematic management process.

Community

Fair and responsible partner

The Datwyler Group is committed to sharing responsibility for general community affairs. In mid-2008, Datwyler put in place a Code of Conduct that is binding for the entire Group and also sets out rules for proper interaction with business partners and competitors. Collusion, bribery and corruption are accordingly strictly forbidden. The Code of Conduct is reiterated to employees constantly during internal training sessions. Once again, no legal actions for anti-competitive behaviour, anti-trust or monopoly practices were brought against Datwyler during 2014. Nor were any significant fines or non-monetary sanctions imposed on Datwyler for non-compliance with laws and regulations during the reporting year.

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

Important contribution to regional development

Many of the Datwyler Group's production facilities have been based at the same location for several decades, giving them strong local ties. This is reflected, among other things, in local suppliers being accorded preference in purchasing where possible, as long as their price-performance ratio is competitive. A good example of this can be seen at the manufacturing facility in the Swiss canton of Uri where the publicly listed Datwyler Group is the largest privately-owned employer, providing a total of almost 500 jobs. With the exception of basic production feedstock, such as raw materials for rubber (which cannot be purchased locally), the facility in Uri sourced 35.7% of its purchases locally in 2014. The Datwyler Group has had its roots in the Swiss canton of Uri ever since its inception and intends to preserve industrial jobs in this peripheral region where economically viable and practical.

Social responsibility

The charitable Datwyler Foundation, established in 1990 by brothers Peter and Max Dätwyler, is endowed with a capital of some CHF 58 million. It does not own any shares in Dätwyler Holding Inc. or have any influence over the management of the Datwyler Group. The purpose of the Datwyler Foundation is to support charitable initiatives. Since its beginnings, the foundation has awarded some CHF 10.6 million in grants. Of the total amount distributed, CHF 9.1 million or some 86% has gone to applicants in the Swiss canton of Uri. In the reporting year, a sum of CHF 1.0 million was awarded.

Confirmation by Global Reporting Initiative (GRI)

The 2014 Annual Report of Dätwyler Holding Inc. is based for the seventh time on the Guidelines of the Global Reporting Initiative (GRI), Version 3. The GRI has confirmed that the Annual Report, together with the information compiled in the detailed GRI Content Index, was drawn up in accordance with the GRI Guidelines for Application Level C. The GRI Content Index and the GRI Quality Seal can be found on the Datwyler website under the following link: http://www.datwyler.com/unternehmen/nachhaltigkeit.html

The GRI is the leading global standard for sustainability reporting by companies (www.globalreporting.org). The GRI Guidelines cover reporting on overarching questions relating to the sustainability of a company. The Guidelines also contain information on the profile of the organisation and numerous performance indicators in the fields of economics, environment, product responsibility, HR, human rights and society. In applying these guidelines, Datwyler wishes to inform its stakeholder groups comprehensively and transparently about the sustainable orientation of the company.

OUR HISTORY

A **BOLD BEGINNING** THAT PAID OFF HANDSOMELY

In 1915, only the farmer's son Adolf Dätwyler believed in the potential of debt-ridden Schweizerische Draht- und Gummiwerke located in Altdorf in the Swiss mountains. The young manager enjoyed industry experience and was hardworking. With a dash of courage and pioneering spirit he restructured the ailing company and, in the midst of World War I, set the stage for its long-term success.

In 1917, Adolf Dätwyler decided to change sides from employee to entrepreneur and, with the help of a group of investors, acquired the company for 2.25 million Swiss francs. Only a few years later, in 1920, the Dätwyler family acquired majority shareholding, and the company was renamed to reflect Dätwyler ownership in 1946. Adolf Dätwyler's sons, Peter and Max, took on management responsibility in 1958 and with great skill spurred on international expansion.

1

OUR VALUES

WE ARE **ENTRE-PRENEURS**

Dätwyler displayed a spirit of entrepreneurship in its cooperation with Nespresso. Not discouraged by initial setbacks, our innovative employees successfully developed a unique solution.

At Datwyler, entrepreneurial behavior is not limited to management alone. Quite in the contrary: all employees take on responsibility and constantly streamline procedures at their workplace. In this way, every member of our staff makes a significant contribution toward the company's success.

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CORPORATE GOVERNANCE

at 31 December 2014

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

* www.datwyler.com > Our Company > Organisation

Group structure and shareholders

The Datwyler Group is a focused industrial supplier with leading positions in global and regional market segments. The Technical Components Division is one of Europe's foremost high-service distributors of electronic, automation and IT components and accessories. The Sealing Solutions Division is a leading supplier of bespoke sealing solutions to global market segments, such as the automotive, health care, civil engineering and consumer goods industries.

Substantial shareholders and ownership structure

The ownership structure of the Datwyler Group (see chart, p. 33) is the result of the Dätwyler family succession arrangements of 1990. The family's primary objective was to ensure the long-term independence of the Company.

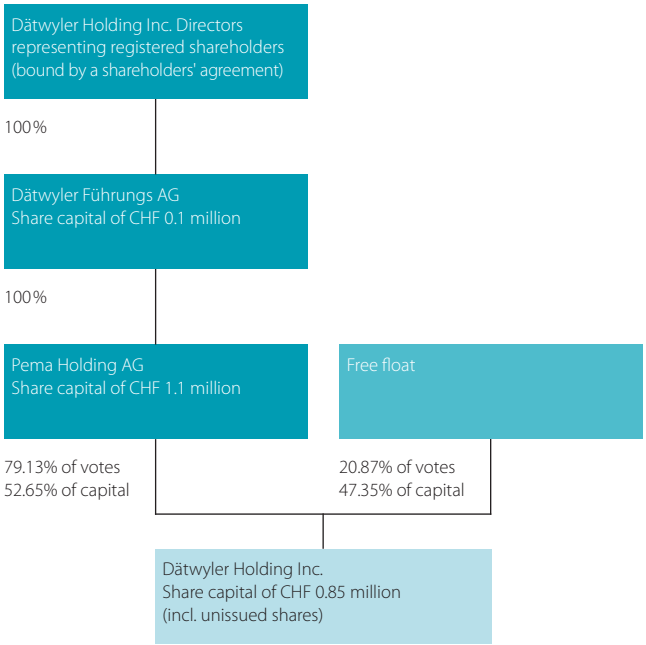
Following the 1986 IPO, Peter and Max Dätwyler's interest had been reduced to roughly 50% of capital and just below 80% of votes. They placed this ownership interest without compensation in a company they had founded, Pema Holding AG (PeMa = Peter and Max). Today, the Board of Directors of Dätwyler Holding Inc. controls these assets and the associated voting rights on a fiduciary basis and without beneficial ownership. It does so through Dätwyler Führungs AG, likewise founded by the Dätwyler brothers in 1990. The members of the Board of Directors of Dätwyler Holding Inc. (see p. 37, Members of the Board of Directors) are concurrently members of the Board of Directors of Pema Holding AG and hold equal interests of CHF 0.1 million in the share capital of Dätwyler Führungs AG. A shareholders' agreement requires departing Board members to pass their shares in Dätwyler Führungs AG on to their successors at par value and without financial gain. The Board members are likewise not entitled to receive dividend payments from Dätwyler Holding Inc. Dividends are retained by Pema Holding AG and can be reinvested in Dätwyler Holding Inc.

Under the shareholders' agreement, Pema Holding AG may invest only in the Datwyler Group and its spin-offs, precluding any conflicts of interest with other shareholdings. Disposal of a majority of votes is permitted only by a qualified majority, and only in the event that it is no longer economically feasible to maintain Dätwyler Holding Inc. as an independent going concern. In this case, Dätwyler Führungs AG and Pema Holding AG are to be liquidated, with the proceeds going to the Datwyler Foundation.

The representatives of bearer shares on the Board of Directors of Dätwyler Holding Inc. are not members of the Boards of Directors of Pema Holding AG or of Dätwyler Führungs AG. Concluded in 1990, these Dätwyler family succession arrangements entailed a waiver of claims to substantial assets and are unique.

Pema Holding AG currently owns all 22 million registered shares and 4.55 million of the total of 12.6 million bearer shares of Dätwyler Holding Inc. This represents 79.13% of the voting rights and 52.65% of the share capital. Treasury shares have been included in calculating the percentage of capital held but excluded in calculating the percentage of voting rights held. The reason is that unissued shares carry no votes.

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



Group structure and companies

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

- Page 71: segment reporting.
- Page 91: detailed list of subsidiaries and investments.
- Page 111: details of Dätwyler Holding Inc., the listed company, in the Share Information and General Information sections on page 113.
- Page 114: directory of Group operations.

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

Capital structure

Composition of share capital in CHF millions at 31 December 2014:

22'000'000 registered shares of CHF 0.01 each	0.22
12'600'000 bearer shares of CHF 0.05 each (including 1'047'673 treasury shares)	0.63
Total ordinary share capital	0.85
Authorised additional share capital	none
Authorised contingent share capital	none
Participation certificates	none
Profit-sharing certificates	none
Registration and voting restrictions	none
Opting-out and opting-up provisions	none

All shares are fully paid-up. With the exception of treasury shares (1'047'673 bearer shares, see page 101, note 2.5 Reserve for treasury shares / Employee share ownership plan), all shares irrespective of their value are entitled to vote and rank for dividend. Information about changes in equity for 2014 and 2013 is presented in the statement of changes in equity on page 62. Changes in equity for 2013 and 2012 are shown in the statement of changes in equity on page 61 of the Annual Report 2013 (www.datwyler.com > Media > Publications).

Convertible bonds and share options

As at 31 December 2014, Datwyler did not have any outstanding convertible bonds or options. In 2012 a fixed-rate bond was issued in the amount of CHF 150 million (see page 82, Note 19, Bond).

Internal organisation

Role of the Board of Directors

The Board of Directors is the ultimate decision-making, management and governing body of the Datwyler Group. The Board consists of no fewer than five and no more than eleven members. At 31 December 2014, the Board comprised six Directors. The roles of the Chairman and Chief Executive Officer (CEO) are separate. The Directors or companies and organisations which they influence have no executive functions in the Group, do not have any business relationship with the Datwyler Group and are all independent. No Director holds cross-directorships with other Directors through involvement in other listed companies.

Since the annual general meeting 2014, Directors are elected for one-year terms. They are eligible for re-election for further periods, with no limit on the number of terms they may serve. Directors retire at the Annual General Meeting following their 70th birthday. Each class of shares is entitled to nominate at least one representative to the Board. The average age of the Directors currently in office is 64 and their average tenure is 10 years.

Main responsibilities and operation of the Board

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

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

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

During 2014, the Board held six meetings and two telephone conferences. One member of the Board of Directors was excused from a meeting and one was excused from a telephone conference. The CEO and CFO and the other members of the Executive Management were present at each meeting for the discussion of items relating to them. In 2014, no external specialists were called in.

Operation of the Committees

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

Audit Committee

The Audit Committee consists of at least three Directors, each of whom has experience in finance and accounting, who are appointed by the Board from among its members for a period of one year. The Audit Committee appoints its chairman. Members of the Audit Committee are: Hans R. Rüegg (Chairman), Ulrich Graf and Ernst Odermatt. In 2014, the Audit Committee held three meetings, each of which was attended by the CEO and CFO. The internal auditor as well as representatives of the external auditors attended all the meetings for the discussion of selected items. In 2014, other external specialists were not called in.

Responsibilities of the Audit Committee

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

Remuneration Committee

The responsibilities of the Remuneration Committee are recorded in the Remuneration Report on page 44.

Division of responsibilities between the Board of Directors and Executive Management

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

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

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

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

Information and control systems for monitoring the Executive Management

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

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

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

Internal Audit

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

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

Risk Management

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

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

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

Board of Directors

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

Pursuant to Article 14 of the Dätwyler Holding Inc. Articles of Association, the number of mandates members of the Board of Directors may hold on management and supervisory boards of legal entities outside the Group is restricted as follows:

- Four mandates in exchange-listed enterprises.
- Ten mandates in unlisted enterprises.
- Fifteen mandates in other legal entities such as foundations and associations

Ulrich Graf (1945, Swiss)
Chairman (term expires in 2015)
Ulrich Graf has served on the Board of Dätwyler Holding Inc. since 2004. He was appointed Chairman in 2005 and is a member of the Audit and the Remuneration Committees. Between 1989 and 2006, he was CEO of the Kaba Group, where he had held a number of management positions since 1976. In addition to his appointment in Datwyler, Ulrich Graf is Chairman of Kaba Holding Ltd. and Griesser Ltd. He is also Chairman of the Board of Trustees of REGA Swiss Air Ambulance. Further, Ulrich Graf is a Director of Georg Fischer Ltd. and Feller Ltd. and a Supervisory Board member of DEKRA e.V. Stuttgart. He has a degree in electrical engineering from the Swiss Federal Institute of Technology.

Hans R. Rüegg (1946, Swiss)
Deputy Chairman (term expires in 2015)
Hans R. Rüegg has served Dätwyler Holding Inc. as a Director since 1991. He took office as Deputy Chairman in 2002. He is Chairman of the Remuneration Committee. Hans R. Rüegg was Chief Operating Officer of Baumann Springs Ltd. from 1983 to 2011. He has been Chairman of Baumann Springs Ltd. since 1993. He is also Chairman of Vetropack Holding AG. Hans R. Rüegg holds a degree in electrical engineering from the Swiss Federal Institute of Technology and an MBA from the University of Florida, Gainesville (USA).

Hanspeter Fässler (1956, Swiss)
Director (term expires in 2015)
Hanspeter Fässler has been a Director of Dätwyler Holding Inc. since 2004 and is Chairman of the Human Resources Committee. Since 2012 he has been Chairman of the Board of Directors of Datwyler Cabling Solutions AG, a sister company of the publicly listed Dätwyler Holding Inc. Since December 2012, he has headed the worldwide business unit Grid Systems of the ABB Group. Previously he was responsible for the global integration of the Thomas & Betts Group. From 2010 until 2011 he was CEO of the Implenia Construction Services Group. Before that Hanspeter Fässler held various national and international management positions within the ABB Group, including the position of Country Manager Switzerland. From 2006 to 2010 he was responsible for ABB's Mediterranean Region and Country Manager of ABB Italy. He earned a doctorate specialising in mechatronics/robotics from the Swiss Federal Institute of Technology Zurich and also holds an engineering degree from Stanford University (USA).

Gabi Huber (1956, Swiss)
Director (term expires in 2015)
Gabi Huber was appointed to the Board of Dätwyler Holding Inc. in 2013 and is a member of the Remuneration Committee. Co-owner of the law firm of Bachmann & Huber in Altdorf, she has practised as an independent lawyer and notary public since 1982 and was certified as a mediator in 2006. She has been the "FDP.The Liberals" parliamentary group leader since 2008 and has represented the Canton of Uri in the National Council since 2003. Prior to her election to the National Council, Gabi Huber served as a member of the cantonal government and head of the Finance Department of the Canton of Uri from 1996 to 2004. From 2002 to 2004, she was president of the Uri cantonal executive. She is a member of the Advisory Board of PricewaterhouseCoopers Switzerland and a delegate of Swiss Mobiliar Cooperative Company. Gabi Huber graduated in 1980 from the University of Fribourg, completed a course of study at Columbia University, New York and did a doctorate in law in 1990.

Ernst Lienhard (1946, Swiss)
Director (term expires in 2015),
Bearer Shareholders' Representative
Ernst Lienhard was appointed a Director of Dätwyler Holding Inc. at the 2006 Annual General Meeting to serve as the Bearer Shareholders' Representative. He was with the Credit Suisse Group for more than 30 years, several of which were spent abroad in Paris, Peru, New York and the Bahamas. After his return and until his retirement in 2004, he was responsible for Swiss wholesale commercial banking. Ernst Lienhard is a Director of publicly listed Hügli Holding AG and several family-owned Swiss companies. He studied banking at the University of St. Gallen, where he also earned a doctorate in economics. In addition, he studied at IMD in Lausanne and Wharton University in Philadelphia.

Ernst Odermatt (1948, Swiss)
Director (term expires in 2015)
Ernst Odermatt was appointed to the Board of Dätwyler Holding Inc. in 2004 and is a member of the Audit Committee. Until the end of 2005, he was CEO of the Oerlikon Contraves Group, in which capacity he served on the Executive Board of Rheinmetall DeTec AG, Düsseldorf, having held a number of management positions with Oerlikon Contraves since 1978. He is Chairman of Hofstetter PCB AG. Ernst Odermatt is also a member of the Advisory Board of CGS Private Equity Partnership. He holds a degree in mechanical engineering from the Swiss Federal Institute of Technology Zurich and a degree in business administration from the University of Zurich.

Honorary Directors

Roland Zimmerli (1934, Swiss)
Honorary Chairman (since 2005)
During his 35 years of committed service in a variety of management positions, Roland Zimmerli helped to shape Datwyler into a Group of international dimensions. After the IPO, he circumspectly transformed Datwyler from a family-owned business into a public company. In appreciation of his services to the Datwyler Group, the Board appointed him Honorary Chairman in 2005, following his term as Chairman from 1999 to 2005. Before joining the Board, Roland Zimmerli served as CEO of Dätwyler Holding Inc. from 1991 to 1999. His expertise was also much sought after on the Boards of renowned Swiss companies. He graduated with a degree in business administration from the University of Zurich.

Max Dätwyler (1929, Swiss)
Honorary Director (since 1999)
Max Dätwyler was Chairman of Dätwyler Holding Inc. from its inception in 1958 until 1965. After handing over the Chairmanship to outside Directors, he continued to serve as Deputy Chairman and Executive Director until the end of 1999. Together with his late brother, Peter Dätwyler, Max Dätwyler was instrumental in building Dätwyler Holding Inc. into a diversified international corporation and, in 1990, ensured the Group's long-term independence through the shareholders' agreement of Dätwyler Führungs AG. He holds a doctorate in chemistry from the Swiss Federal Institute of Technology Zurich and a degree in economics from the University of Zurich.

Executive Management

Pursuant to Article 19 of the Dätwyler Holding Inc. Articles of Association, the number of mandates members of the Executive Management may hold on management and supervisory boards of legal entities outside the Group is restricted as follows:
- Two mandates in exchange-listed enterprises.
- Five mandates in unlisted enterprises.
- Ten mandates in other legal entities such as foundations and associations.

Paul J. Hälg (1954, Swiss)
Chief Executive Officer (CEO), Head of Technical Components Division ad interim
Paul J. Hälg was appointed CEO of the Datwyler Group from August 2004. Before joining Datwyler, he served on Forbo Group's Executive Board as Executive Vice President of Forbo Adhesives. From 1986 to 2001, he held a number of management positions with Gurit-Essex (Gurit-Heberlein Group), ultimately as CEO. In the five years prior to that, he worked for the Swiss Aluminium Group. Paul J. Hälg is Chairman of publicly listed Sika Ltd. He also is a Director of Dätwyler Cabling Solutions AG, a sister company of publicly listed Dätwyler Holding Inc. He studied chemistry at the Swiss Federal Institute of Technology Zurich, graduating with a doctorate (DSc).

Reto Welte (1959, Swiss)
Chief Financial Officer (CFO)
Reto Welte was appointed Chief Financial Officer and Member of the Datwyler Executive Management from June 2009. Before joining Datwyler, he for two years held the same function with the Kardex Remstar Group, also a SIX Swiss Exchange-listed Group of companies. Between 2003 and 2006, he was CFO and member of Group Management of the Feintool Group. Previously Reto Welte was CFO of the Gretag Imaging Group and of co.don AG in Berlin. From 1991 to 2000, he held various management positions in finance with the Alstom group and was head of the Medium-Voltage Technology unit. Reto Welte is a Director of Pfister Arco Holding AG and of Möbel Pfister AG. He also is a Director of Dätwyler Cabling Solutions AG, a sister company of publicly listed Dätwyler Holding Inc. He holds a degree in business administration from the University of St. Gallen.

Dirk Lambrecht (1960, German)
Head of Sealing Solutions Division
Dirk Lambrecht, as a member of the Executive Management, is heading the Sealing Solutions Division, in which the former Sealing Technologies and Pharma Packaging Division have been combined.

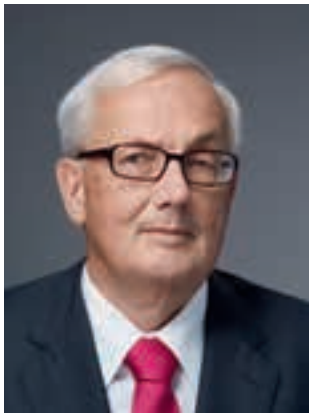
Board of Directors

Ulrich Graf, Chairman

Hans R. Rüegg, Vice-Chairman

Hanspeter Fässler

Gabi Huber



Ernst Lienhard

Ernst Odermatt

Executive Management

Paul J. Hälg, CEO

Reto Welte, CFO

Dirk Lambrecht, Head of Sealing Solutions Division

Neil Harrison, Head of Technical Components Division

From 2005 until the end of October 2012, he was head of the Sealing Technologies Division. Before joining the Datwyler Group, he managed Phoenix Traffic Technology GmbH, a subsidiary of Phoenix AG. Prior to that, from 1987 to 2003, he held a number of international management positions with Phoenix AG in Hamburg. Dirk Lambrecht is on the Management Board of the German Rubber Society. He earned a degree in mechanical engineering, specialising in apparatus engineering, from Hamburg University of Applied Sciences and completed further studies, including a programme at the Management School St. Gallen.

Significant changes after the balance sheet date
1 January 2015: CEO Paul J. Hälg hands over management of the Technical Components division to Neil Harrison (1967, UK). Before joining the Executive Management of the Datwyler Group, Neil Harrison was President of Premier Farnell Europe, a UK-based company, where he had been responsible for European operations since 2009. In addition, as the global head of e-commerce, he was responsible for the continuous upgrading and expansion of worldwide e-business products. Neil has held several international management positions for Premier Farnell since 1995.

Management contracts
There are no management contracts with external individuals or companies to perform management tasks for the Datwyler Group.

Remuneration, shareholdings and loans

The information on remuneration, shareholdings and loans is recorded in the Remuneration Report on page 44 ff.

Shareholders' participation rights

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

Voting restrictions and proxy voting
There are no restrictions on registration or voting. Under the Articles of Association of Dätwyler Holding Inc., each share carries one vote at general meetings regardless of its par value. Persons representing shareholders must present a written proxy. Legal representatives of shareholders do not need a proxy appointment. Shareholders who are unable to attend a general meeting may also appoint and instruct an independent proxy to represent them. To do so, an electronic solution has been provided since 2014. The independent proxy is elected annually by the Annual General Meeting for the next ordinary Annual General Meeting.

Calling of general meetings and additions to the agenda
The procedures for calling general meetings and adding items to the agenda are set out in the Articles of Association of Dätwyler Holding Inc. in accordance with the Swiss Code of Obligations (Art. 699 f.). Shareholders holding no less than 10% of the share capital are entitled to submit agenda items in writing. The deadline for submitting agenda items is published in advance in the Swiss Official Gazette of Commerce.

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

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

Statutory auditors

PricewaterhouseCoopers AG has audited the financial statements of Dätwyler Holding Inc. since its inception in 1958. It was first engaged to audit the consolidated financial statements in 1986. The auditors are appointed by the Annual General Meeting of Shareholders for a period of one year. In accordance with the Swiss Code of Obligations, the normal rate of rotation for the auditor in charge is seven years. There was a change in the lead audit partner in 2014. Some of the Group companies are audited by other firms of accountants.

Fees paid in 2014 to the statutory and other auditors:

in CHF	Statutory auditors	Other auditors
Auditing services, total	840'000	831'000
Additional services, total	790'000	1'357'000
Tax consulting	584'000	612'000
Legal consulting	67'000	177'000
Transaction services	5'000	2'000
Other advisory services	134'000	566'000

Representatives of the statutory auditors attend all meetings of the Audit Committee for the discussion of certain items. Three meetings were held in 2014. At each meeting, the statutory auditors present a written report on the progress of their work. The core element of the auditors' reporting is the annual audit report with recommendations to the Audit Committee.

The supervisory body for the external statutory auditors is the overall Board of Directors. It conducts an annual evaluation of the statutory auditors. This is based on the following criteria:
- Professional competence.
- Scope and quality of their written reports and verbal statements.
- Practicability of recommendations.
- Priority setting.
- Transparent and effective communication and coordination.
- Ability to meet deadlines.
- Independence.
- Fees.

The members of the Board of Directors rely on the competencies and experience they have gained in similar roles with other companies, on the statutory auditors' reports as well as on the comments made by the Audit Committee. The responsibilities of the Audit Committee are defined on page 35.

Information policy

The Datwyler Group maintains an open dialogue with all stakeholders. In the interests of shareholders, Datwyler especially fosters relationships with investors, banks and media representatives. Communication takes place through the Annual Report, Interim Report, Annual General Meeting and at least one press and analyst conference every year. Through press releases and on its website (www.datwyler.com), Datwyler provides up-to-the-minute information on all important projects as required by the ad hoc publicity rules of SIX Swiss Exchange. The archive of ad hoc press releases can be found at www.datwyler.com > Media > Press Releases. A facility for signing up to receive ad hoc press releases is provided at www.datwyler.com > Media > Email Alerts. Contact details and important dates are given in the "General Information" section on page 113. Official notices concerning Datwyler are published in the Swiss Official Gazette of Commerce. Notices and invitations to registered shareholders are made in writing.

OUR HISTORY

EARLY INVESTMENT IN **RESEARCH AND DEVELOPMENT**

Adolf Dätwyler was sure that long-term success could be obtained only by means of product quality. Therefore, at an early stage, he employed scientifically trained personnel and invested in research and development and, in 1934, began with the production of technical rubber goods in Altdorf.

While World War II brought about dramatic raw-material shortages, Dätwyler quickly secured raw rubber supplies for his company. Moreover, in 1940, Switzerland's largest rubber recycling plant was introduced and running at high speed right from the start. These and other innovations confirm Dätwyler's goal to consistently excel in what he did even in adverse conditions.

OUR VALUES

WE **EXCEL** IN WHAT WE DO

Datwyler produces high-quality closure components for the health-care industry under state-of-the-art clean-room conditions, with fully automatic camera inspection and a unique cleaning process.

By means of this production concept, Datwyler exceeds the highest quality standards set by European and American regulatory authorities and increases the benefit for its global health-care customers. Each employee knows that his or her function contributes toward constantly improving our product offer, no matter of the department it concerns.

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REMUNERATION REPORT

The Remuneration Report describes the governance framework and principles of remuneration of the Board of Directors and Executive Management of the Datwyler Group. It also provides information on remuneration plans and remuneration paid for the 2014 fiscal year.

The Remuneration Report is written in accordance with Articles 663b^{bis} of the Swiss Code of Obligations, the Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange, the Swiss Code of Best Practice for Corporate Governance of economiesuisse and the Ordinance Against Excessive Remuneration in Listed Companies Limited by Shares (ERCO).

Remuneration governance framework

Remuneration Committee

The Remuneration Committee generally consists of three members of the Board of Directors who are elected each year by the Annual General Meeting. As at the end of 2014, the members of the Remuneration Committee were: Hanspeter Fässler (Chairman), Ulrich Graf and Gabi Huber. In 2014 the Remuneration Committee met four times in person and once by telephone conference, with all members present for each meeting. No external specialists were called in in 2014.

Areas under the purview of the Remuneration Committee:
- Basic human resource issues (e.g. talent management, succession planning, etc.) of the Datwyler Group.
- Membership of the Board of Directors and Executive Management.
- Determining remuneration for members of the Board of Directors within the parameters of the maximum sum approved by the Annual General Meeting and in compliance with Art. 21b of the Articles of Association.
- Terms of employment for members of the Executive Management.
- Determining performance-based remuneration for members of the Executive Management within the parameters of the maximum sum approved by the Annual General Meeting and in compliance with Art. 21c of the Articles of Association.
- Monitoring the structure of and changes in wages.
- Oversight of compliance by the members of the Board of Directors and Executive Management with the provisions of the Articles of Association concerning the number of mandates in top management and supervisory bodies of legal entities outside the Datwyler Group (Art. 14 section 5 and Art. 19 section 3 of the Articles of Association) and taking any necessary measures.
- Compliance with regulations concerning the disclosure of remuneration of members of the Board of Directors and Executive Management.

The Remuneration Committee has written terms of reference setting out its responsibilities. The Committee generally prepares the groundwork for proposals and decision-making by the full Board. It has executive authority only within the remuneration framework already approved in principle by the Annual General Meeting or Board of Directors and where expressly provided in the Articles of Association or a policy. It meets upon invitation of its Chairman as often as necessary, but at least once a year. When the business to be transacted so requires, meetings are attended by the CEO and CFO, by invitation and in an advisory capacity. The members of the Committee receive documentation before meetings to enable them to prepare for the individual agenda items. At least two members must be present to adopt decisions. The committees pass resolutions by an absolute majority of the votes cast. In the event of a tie, the Chairman casts the deciding vote. The Remuneration Committee keeps a record of its decisions and recommendations in minutes submitted to the full Board of Directors and reports the results of its activities at the next Board meeting.

Responsibility levels

	Proposal from	Maximum total sum approved by	Effective remuneration approved by
Overall remuneration policy	Board of Directors	Annual General Meeting	–
Remuneration of Board of Directors	Board of Directors	Annual General Meeting	Board of Directors
Remuneration of Executive Management	Board of Directors	Annual General Meeting	Board of Directors

Determination procedure for the remuneration system

The remuneration system is reviewed every three years by the Remuneration Committee and may be adjusted to reflect the evolving business environment. Such a review was most recently undertaken in 2012.

The process for determining the elements and levels of remuneration for the Board of Directors and Executive Management is based on a periodic benchmarking analysis on the basis of remuneration surveys and of remuneration disclosures published by comparable companies in their annual reports. Comparable companies are defined as international industrial companies listed on the SIX Swiss Exchange with similar geographic scope, revenue, complexity, capitalisation and employee headcount. The Datwyler Group's remuneration policy is measured against common standards for similar positions at comparable companies. The comparison group for determining remuneration of the Board of Directors and Executive Management comprises the following companies: Bucher Industries, Feintool, Forbo, Geberit, Georg Fischer, Kaba, Lonza, Oerlikon, Sika, Sonova and Sulzer.

The remuneration model for the Board of Directors and Executive Management was not updated in 2014, and the Datwyler Group therefore did not participate in any specific remuneration surveys on this issue during the year under review.

The Annual General Meeting approves the proposals of the Board of Directors concerning the maximum total sum for remuneration of the Board of Directors each year for the period up to the next ordinary Annual General Meeting pursuant to Art. 21b of the Articles of Association, and of remuneration for the Executive Management for the following fiscal year pursuant to Art. 21c of the Articles of Association.

The amount of remuneration for members of the Board of Directors is based on service on the individual committees. It is determined annually by the Remuneration Committee within the parameters of the maximum sum approved by the Annual General Meeting and in compliance with Art. 21b of the Articles of Association. The full Board of Directors is informed of the result. Members of the Board of Directors have a right to be consulted at these meetings of the Board of Directors.

The effective performance-based remuneration of members of the Executive Management is determined annually by the Remuneration Committee within the parameters of the maximum sum approved by the Annual General Meeting and in compliance with Art. 21c of the Articles of Association. The full Board of Directors is informed of the result. The CEO and CFO do not attend meetings at which their own performance and remuneration are discussed.

Under Art. 21a section 5 of the Articles of Association, the Company is authorised to pay an additional sum of up to 50% of the applicable total sum of the applicable maximum total remuneration of the Executive Management to members of the Executive Management who join the Executive Management or assume additional duties during a period for which Executive Management remuneration has already been approved in the event that the approved maximum total sum of remuneration is insufficient for this period.

The Remuneration Report is submitted to the Annual General Meeting for approval in an advisory vote.

Remuneration philosophy and principles

The remuneration philosophy, as set forth in the Articles of Association, is aligned with the business strategy of sustainable, profitable growth and aims to promote and support the four core values of the Company:

- We are entrepreneurs.
- We excel at what we do.
- We bring value to our customers.
- We have respect for others.

Remuneration principles

Pay for performance

The variable incentive plan for Executive Management is mainly based on profit sharing.

Reward long-term and sustainable value creation

Part of the remuneration of the Board of Directors and Executive Management is delivered in the form of blocked shares in order to encourage a long-term view and to create alignment with the interests of the shareholders.

Furthermore, the variable incentive plan for Executive Management has no excessive leverage and therefore does not encourage inappropriate risk-taking.

Market competitiveness

Remuneration levels are in line with competitive market practice and are designed to attract, retain and develop the best talent.

Fairness and transparency

Remuneration programs are straightforward, transparent and fair.

The framework for implementing these remuneration principles is set forth in the Articles of Association.

Remuneration structure of the Board of Directors

Remuneration model for members of the Board of Directors

Base fee for Board membership + **Additional fee for special functions**

CHF 50'000 + **1'100 shares**

	Cash (CHF)	Stock (units)
Board chairmanship	80'000	1'300
Board vice-chairmanship	20'000	600
Committee chairmanship	40'000	
Committee membership	20'000	
Representation of minority shareholders	40'000	
Additional functions (per diem)	5'000	

Remuneration of members of the Board of Directors is determined based on the responsibility and time requirements of their function and includes a base fee for Board membership and additional fees for special functions such as committee chairmanship and membership. The additional fees are cumulative in the case of multiple functions. Members of the Board of Directors receive their remuneration in the form of a fixed fee in cash and a granting of a predefined number of bearer shares of Dätwyler Holding Inc., vesting in five years. In the event of death or disability of a Board member, the shares may be subject to early vesting if the participant or his or her beneficiaries so choose. They remain blocked in all other instances.

Fees are paid and shares allocated in June for the current year of Board service. They are subject to regular social security contributions but are not pensionable. Members of the Board of Directors receive no additional reimbursement of business expenses beyond actual expenditures for business travel.

Remuneration structure of the Executive Management

Remuneration model for the Executive Management

	Instrument	Purpose
Fixed base salary	Monthly cash payments	Remuneration for performance of duties and for qualifications required to perform the role
Variable incentive	Annual cash payment	Profit sharing and reward for individual performance
Share participation	Annual granting of shares vesting in five years	To drive sustainable results and create long-term alignment with shareholders' interests
Employer social insurance contributions and perquisites	Retirement pension, insurance & perquisites	To protect against risks and reimburse business expenses

The remuneration of Executive Management members is determined based on the scope and responsibilities of their position and consists of a fixed base salary, the granting of a predefined number of bearer shares of Dätwyler Holding Inc., a variable incentive and benefits such as retirement pension, insurance and perquisites.

Fixed base salary
The amount of the fixed base salary depends on the scope of the position, the qualifications and experience required to perform the role together with the market environment. The objective is to pay fixed salaries in line with those offered by comparable companies for similar positions.

Variable incentives
Variable incentives reward collective performance in the form of a profit-sharing component as well as individual contributions to the Company's overall business success over a performance period of one year. Pursuant to Art. 21c section 2 of the Articles of Association, the variable incentive may range from 100% to 200% of the fixed base salary.

For the CEO and CFO, the variable incentive consists entirely of a share in the Group's net profit, as a pre-defined percentage of the net profit. This share is multiplied by a growth factor, which is determined on the basis of the year-on-year change in net profit. This mechanism ensures that remuneration reflects both the effective net profit achieved and the change in net profit from one year to the next. A negative year-on-year change means that the percentage of net profit awarded decreases disproportionately. A positive year-on-year change leads to a disproportionate increase in the percentage of net profit awarded.

In the event of acquisitions and disposals that increase or decrease Group sales by more than 10%, the formula used to calculate the variable incentive is updated, with both the percentage of profit and the growth factor adjusted on a linear basis, downwards in the case of acquisitions and upwards in the case of disposals. This procedure is used to correct the formula for added or reduced profit potential, thus mathematically neutralising the effects of acquisitions and disposals on the variable incentive.

Variable incentives are currently capped at 150% of the annual fixed base salary for the CEO and at 100% for the CFO.

For heads of divisions, the variable incentive is based on business performance (approximately 80% of the incentive) and attainment of individual goals (approximately 20% of the incentive).

- Business performance is measured as a share in the economic profit, defined as EBIT less the cost of average capital employed, of the respective division. This share of economic profit is multiplied by a growth factor, which is determined according to the year-on-year change in sales, and by a peer factor, which is determined according to the sales growth of the division relative to that of an external peer group. A specific peer group is selected for each division to reflect the particular market conditions under which each division operates. The relevant peer group information is provided by an independent consulting firm. This mechanism for calculating business performance ensures that both the absolute performance of the division in terms of economic profit and its relative performance

Basic mechanism for calculating the variable incentive

	Net profit	Net loss
Growth factor > 1 (positive change year-over-year)	(% net profit) × (growth factor) **= higher percentage of net profit**	No payout
Growth factor < 1 (negative change year-over-year)	(% net profit) × (growth factor) **= lower percentage of net profit**	No payout

compared to the previous fiscal year and to its external peer group are considered in determining remuneration.
- The individual incentive component is based on the attainment of individual goals, i.e. of strategic, business and personal goals agreed at the beginning of the year as part of the performance appraisal process and assessed by the CEO at the end of the year.

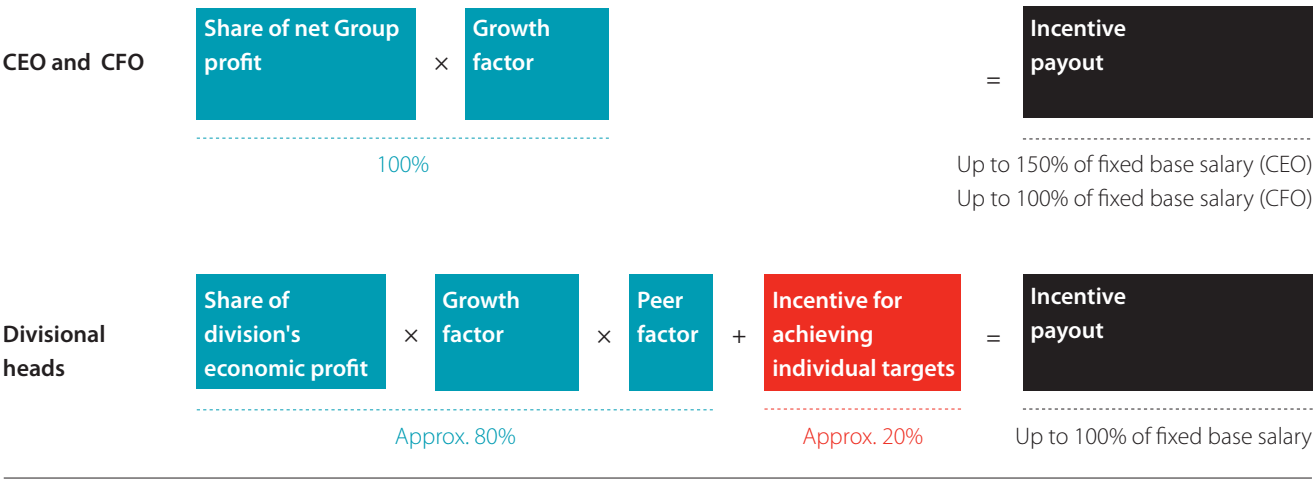
Variable incentives for the heads of divisions are currently capped at 100% of the annual fixed base salary.

Considering the profit-sharing nature of the variable incentive, no formal target is set. However a payout of two-thirds of the maximum is assumed to correspond to the expected level of performance.

Share participation

The equity participation programme established in 2007 gives Executive Management members an ownership interest in Dätwyler Holding Inc. and participation in the long-term performance of the Datwyler Group. The number of shares granted depends on the respective role and may reach up to 100% of the fixed base salary, pursuant to Art. 21c section 3 of the Articles of Association. The shares are granted at their market value on the first trading day of the month of June and vest in five years. In the event of termination due to death or disability, the shares may be subject to early vesting if the participant or his or her beneficiaries so choose. They remain blocked in all other instances.

Overview of calculation and payout of the variable incentive



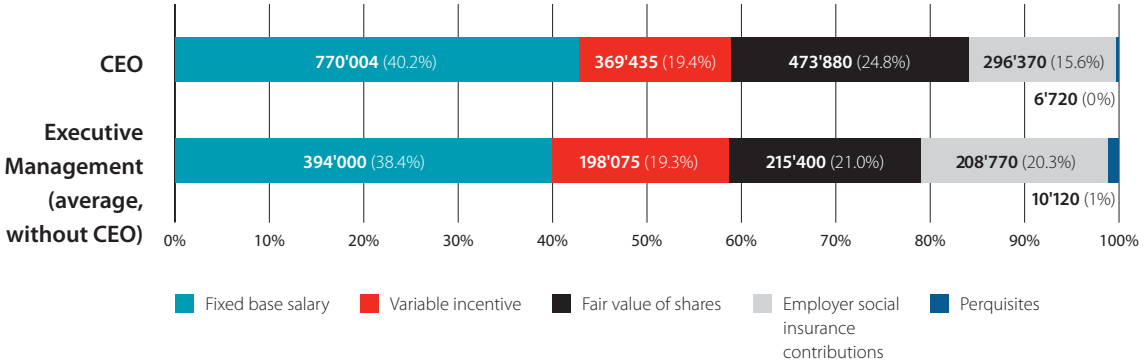
Employer social insurance contributions

Members of the Executive Management participate in the regular employee pension plan provided by Datwyler to all employees in Switzerland. The retirement plan consists of a basic plan covering annual earnings up to CHF 168,480 and a supplementary plan in which earnings in excess of this limit are insured up to a maximum of CHF 842,400 per year. The benefits provided under the pension fund exceed the legal requirements of the Swiss Federal Law on Occupational Retirement, Survivors and Disability Pension Plans (BVG) and are in line with typical market practice of other industrial companies in Switzerland.

Perquisites

Members of Executive Management do not receive any particular executive benefits. They are entitled to a company car and a fiscally approved entertainment allowance, in accordance with the expense rules applicable to all employees at management levels employed in Switzerland. Since entertainment expenses represent a reimbursement of expenses, they are not included in the following lists.

Structure of 2014 remuneration for members of Executive Management



Remuneration mix

The chart above illustrates the remuneration mix for members of Executive Management for the remuneration related to 2014 and includes the fixed cash salary in 2014, the variable incentive that will be paid out in 2015 related to performance year 2014, the number of shares granted in 2014, and the value of benefits received in 2014.

Employment contracts

Employment contracts with members of Executive Management stipulate a notice period of 6 to 12 months and of 12 months for the CEO. They contain neither a severance provision in the event of termination of employment, nor any change of control clauses. The employment contracts of Executive Management members contain a clawback clause allowing the company, where necessary under applicable Swiss law and the Articles of Association, to demand the return of remuneration already paid, insofar as and to the extent that such remuneration was paid before approval by the Annual General Meeting and the next Annual General Meeting fails to approve the proposals of the Board of Directors.

Remuneration and loans in 2014

The remuneration and loans/credits to current and former key management personnel (Board of Directors and Executive Management members) and persons connected with them are presented below. Tables 1 and 2 have been audited by the statutory auditors.

Table 1: Remuneration in 2014

in CHF								
Surname and first name	Function	Fixed base salary, gross	Variable incentives, gross	Share participation[1]		Employer social insurance contributions	Perquisites	Total remuneration
				Number	Fair value			
Directors								
Graf Ulrich[2]	Chairman	170'000	0	2'400	344'640	28'368	0	543'008
Rüegg Hans R.	Deputy Chairman	110'000	0	1'700	244'120	19'007	0	373'127
Fässler Hanspeter	Director	90'000	0	1'100	157'960	16'143	0	264'103
Huber Gabi	Director	70'000	0	1'100	157'960	14'663	0	242'623
Lienhard Ernst	Director	90'000	0	1'100	157'960	13'144	0	261'104
Odermatt Ernst	Director	70'000	0	1'100	157'960	11'809	0	239'769
Total for Directors		**600'000**	**0**	**8'500**	**1'220'600**	**103'134**	**0**	**1'923'734**
Executive Management								
Hälg Paul J.[2]	CEO	770'004	369'435	3'300	473'880	296'370	6'720	1'916'409
Total for Executive Management		**1'952'004**	**963'660**	**7'800**	**1'120'080**	**922'681**	**37'080**	**4'995'505**

[1] The shares were awarded on 2 June 2014 at a daily closing price of CHF 143.60.
[2] Highest remuneration

Table 2: Remuneration in 2013

in CHF								
Surname and first name	Function	Fixed base salary, gross	Variable incentives, gross	Share participation[1]		Employer social insurance contributions	Perquisites	Total remuneration
				Number	Fair value			
Directors								
Graf Ulrich[2]	Chairman	170'000	0	2'400	239'280	22'890	0	432'170
Rüegg Hans R.	Deputy Chairman	110'000	0	1'700	169'490	15'161	0	294'651
Fässler Hanspeter	Director	90'000	0	1'100	109'670	13'481	0	213'151
Huber Gabi	Director	50'000	0	1'100	109'670	10'286	0	169'956
Inderbitzin Werner	Director	70'000	0	1'100	109'670	9'318	0	188'988
Lienhard Ernst	Director	90'000	0	1'100	109'670	10'697	0	210'367
Odermatt Ernst	Director	70'000	0	1'100	109'670	9'765	0	189'435
Total for Directors		**650'000**	**0**	**9'600**	**957'120**	**91'598**	**0**	**1'698'718**
Executive Management								
Hälg Paul J.[2]	CEO	770'004	940'000	3'300	329'010	335'435	6'720	2'381'169
Total for Executive Management		**1'955'504**	**1'880'000**	**7'400**	**737'780**	**946'312**	**34'080**	**5'553'676**

[1] The shares were awarded on 1 June 2013 at a daily closing price of CHF 99.70.
[2] Highest remuneration

Remuneration paid to members of the Board of Directors and Executive Management

The fixed base salary for members of the Board of Directors remained unchanged compared to the previous year. The fixed base salary depends on membership of the various committees. The fixed base salary for the Executive Management remained practically unchanged in the reporting year.

The amounts shown in the tables under variable incentive represent the expense actually recognised for variable salary components granted for 2014, which will be paid in March 2015. Owing to the consolidated result posted in the year under review, the variable incentives were also correspondingly lower. However, the variable incentives are based not only on the consolidated profit, but also on the profit figures for each division and individual goals.

The share participation for the year 2014 was decided by the Remuneration Committee and approved by the Board of Directors in accordance with the maximum amount approved by the Annual General Meeting and Art. 21b of the Articles of Association. The shares awarded on 2 June 2014 at the then market value of CHF 143.60 vest over a period of five years. After the end of this period, the shares are at the free disposal of the beneficiary or his or her legal successor regardless of death, disability or termination. The number of shares awarded per functional level remained unchanged for the Board of Directors in the year under review. A minor adjustment was made for certain Executive Management functions. The market value of the share in the year under review was CHF 43.90 higher than in the previous year, which increased the fair value of the equity participation accordingly.

The heading employer social insurance contributions includes all employer expenditures for pension plans and social security contributions. Perquisites reflect the employer's contribution to private use of business vehicles and child allowances.

One member of the Board of Directors (a representative in accordance with SCO 709) receives higher remuneration in consideration of his efforts in favour of bearer shareholders.

Remuneration of former members of the Board of Directors and Executive Management

No remuneration was paid to former members of the Board of Directors or Executive Management in the year under review, nor was any non-arm's length remuneration paid to persons connected with current or former members of the Board of Directors or Executive Management.

Loans and credits

The Articles of Association do not allow for the possibility to grant loans and/or credits to current or former members of the Board of Directors or Executive Management or persons connected with them.

Remuneration in 2016

The Board of Directors will propose the following maximum total sums to the 2015 ordinary Annual General Meeting for remuneration of the Board of Directors for their service during the period up to the 2016 ordinary Annual General Meeting and for remuneration of the Executive Management for the 2016 fiscal year:

- Board of Directors: CHF 2'750'000, of which CHF 1'000'000 for cash remuneration plus CHF 1'750'000 for granting of Dätwyler Holding Inc. bearer shares.
- Executive Management: CHF 7'400'000, of which CHF 6'000'000 for cash remuneration (fixed base salary, variable incentive, benefits) plus CHF 1'400'000 for granting of Dätwyler Holding Inc. bearer shares.

The remuneration system is reviewed by the Remuneration Committee at three-year intervals. The next regular review to take account of the evolution of the business environment will take place in 2015.

Report of the Statutory Auditor on the Remuneration Report

pwc

Report of the statutory auditor
to the General Meeting
Dätwyler Holding AG
Altdorf

We have audited the accompanying remuneration report (chapter remuneration and loans in 2014) of Dätwyler Holding AG for the year ended 31 December 2014.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report of Dätwyler Holding AG for the year ended 31 December 2014 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

René Rausenberger
Audit expert
Auditor in charge

Josef Stadelmann
Audit expert

Zürich, 26 February 2015

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Group Financial Review

CONSOLIDATED INCOME STATEMENT DATWYLER GROUP

In 2014, the Datwyler Group generated net revenue of CHF 1'251.9 million (previous year CHF 1'382.0 million), representing a decrease of 9.4%. The net effect of subsidiaries acquired and sold amounted to CHF –109.4 million or –7.9%. The negative impact from foreign currency translation to Swiss francs on consolidation was –1.5%. Adjusted for these factors, organic growth was 0.0%.

Change in net revenue

in CHF millions	2014	%	2013	%
Acquisition/disposal of subsidiaries	–109.4	–7.9%	–79.4	–5.6%
Foreign currency translation to CHF	–21.3	–1.5%	15.6	1.1%
Organic change	0.6	0.0%	31.6	2.2%
Total change in net revenue	**–130.1**	**–9.4%**	**–32.2**	**–2.3%**

The gross profit margin improved to 25.6% (previous year 24.7%). Gross profit was impacted by negative foreign currency effects of 1.7% and by raw material prices down 2.8%. Other organic change of gross profit amounted to +2.0%.

Change in gross profit

in CHF millions	2014	%	2013	%
Acquisition/disposal of subsidiaries	–31.5	–9.2%	–10.7	–3.1%
Foreign currency translation to CHF	–5.8	–1.7%	4.1	1.2%
Impact raw material purchases	9.4	2.8%	9.2	2.7%
Other organic change	7.1	2.0%	–1.4	–0.4%
Total change in gross profit	**–20.8**	**–6.1%**	**1.2**	**0.4%**

Personnel expenses and operating expenses were continually adjusted to the changed operating environment, and the year under review again includes restructuring costs. Additionally, personnel expenses in 2014 include one-time pension costs of CHF 10.4 million (previous year CHF 9.1 million).

In 2014, the Group's operating result (EBIT) reached CHF 132.3 million (previous year CHF 136.0 million) and the EBIT margin was 10.6% (previous year 9.8%) with the following factors contributing to this change:

Change in EBIT

in CHF millions	2014	%	2013	%
Acquisition/disposal of subsidiaries	–3.7	–2.7%	7.0	4.7%
Foreign currency translation to CHF	–2.1	–1.6%	1.2	0.8%
Organic change	2.1	1.6%	–23.2	–15.4%
Total change in EBIT	**–3.7**	**–2.7%**	**–15.0**	**–9.9%**

EBIT includes a gain of CHF 2.1 million (previous year CHF 16.2 million) on sale of property, plant and equipment and a gain of CHF 16.1 million on sale of Dätwyler Immobilien AG.

Net finance costs decreased to CHF 5.4 million (previous year CHF 9.3 million), due to lower interest expense of CHF 3.5 million (previous year CHF 4.3 million) and net foreign exchange losses of CHF 2.6 million (previous year net foreign exchange losses of CHF 4.4 million). Income tax expense increased to CHF 29.0 million (previous year CHF 6.5 million). In the previous year, higher tax loss carryforwards had been capitalised. Accordingly, the tax ratio increased to 22.9% (previous year 5.1%). The Group's average income tax rate for 2014 was 21.8% (previous year 22.1%).

With the higher income tax expenses and slightly lower net finance costs, a net result of CHF 97.9 million (previous year CHF 120.2 million) or 7.8% (previous year 8.7%) of net revenue was achieved.

CONSOLIDATED BALANCE SHEET DATWYLER GROUP

Total assets increased by CHF 36.7 million during the year to CHF 1'159.8 million (previous year CHF 1'123.1 million). Trade accounts receivable decreased to CHF 171.9 million (previous year CHF 184.4 million) and inventories to CHF 174.7 million (previous year CHF 176.0 million). With trade accounts payable of CHF 64.4 million (previous year CHF 79.4 million), net working capital increased slightly by 0.4% to CHF 282.2 million (previous year CHF 281.0 million). Cash and cash equivalents including money market investments rose by CHF 48.7 million.

Compared to the previous year, equity increased by CHF 92.4 million to CHF 753.2 million (previous year CHF 660.8 million), maintaining a solid equity ratio of 64.9% (previous year 58.8%). The significant changes in equity include the net result of CHF 97.9 million (previous year CHF 120.2 million), the dividend payment of CHF –44.6 million (previous year CHF –40.9 million), the offset and charge to income of goodwill from acquisitions of CHF 20.4 million net (previous year CHF –1.4 million net), in the previous year the proceeds from the sale of treasury shares of CHF 30.4 million and positive currency translation differences of CHF 16.3 million (previous year negative CHF 0.2 million) arising on net investments in foreign subsidiaries.

Short-term and long-term bank debts decreased by CHF 47.6 million during the year to CHF 33.5 million (previous year CHF 81.1 million). The Group's liquidity situation remains good, with cash, cash equivalents and money market investments amounting to CHF 321.1 million (previous year CHF 272.4 million) at the end of the year under review. Including the bond of CHF 149.7 million, the net cash position has changed to CHF 137.9 million (previous year CHF 41.7 million).

Current assets rose by 0.9% to CHF 700.1 million (previous year CHF 693.9 million). At year-end 2013, this included property, plant and equipment and intangible assets held for sale in the amount of CHF 31.2 million, which were reclassified from non-current assets. Non-current assets increased by 7.1% to CHF 459.7 million (previous year CHF 429.2 million).

CONSOLIDATED CASH FLOW STATEMENT DATWYLER GROUP

With the net result of CHF 97.9 million (previous year CHF 120.2 million), net cash from operating activities amounted to CHF 110.8 million (previous year CHF 166.3 million). These cash flows were used to pay for investments in property, plant and equipment totalling CHF 70.7 million (previous year CHF 48.6 million). This represents a capital expenditure ratio (capital expenditure as a percentage of net revenue) of 5.6% versus 3.5% a year earlier. In addition, operating cash flow was used for the acquisition of subsidiaries in the amount of CHF 16.9 million (previous year purchase of money market investments in the amount of CHF 150.0 million) and the repayment of bank debt of CHF 46.3 million net (previous year net repayment of CHF 75.9 million). Proceeds from sale of subsidiaries amounted to CHF 122.2 million and the net cash inflow from the reduction of money market investments was CHF 42.0 million. Overall cash outflows and inflows led to a net change in cash and cash equivalents of CHF 89.2 million (previous year CHF –126.1 million), resulting in a cash and cash equivalents balance of CHF 213.1 million (previous year CHF 122.4 million) at year-end.

ADDITIONAL INFORMATION

The commentary of the significant events during the year under review is presented on pages 3 to 19 of this annual report.

Full time equivalents
The annual average of full time equivalents was 6'516 (previous year 6'853).

Risk assessment
Regarding the conduct of the risk assessment, reference is made to the disclosures in note 2 of the notes to the consolidated financial statements.

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

Research and development expenses
The research and development expenses are disclosed in the consolidated income statement. The research and development activities relate to various projects primarily for customers or products in the Sealing Solutions division.

Exceptional events
Acquisition and sale of subsidiaries are disclosed in note 32. The other business transactions are presented in note 3 of the notes to the consolidated financial statements.

Future outlook
The estimates relating to the future outlook are presented on pages 3 to 19 of this annual report.

Consolidated Income Statement

in CHF millions	Note	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
		2014	2014	2014	2013	2013	2013
Net revenue	4	1'212.6	39.3	1'251.9	1'230.0	152.0	1'382.0
Cost of goods sold		–902.8	–28.5	–931.3	–930.9	–109.7	–1'040.6
Gross profit		309.8	10.8	320.6	299.1	42.3	341.4
Research and development expenses		–26.5	–	–26.5	–24.8	–	–24.8
Marketing and selling expenses		–109.0	–7.2	–116.2	–103.5	–26.9	–130.4
General and administrative expenses		–75.3	–3.0	–78.3	–67.1	–11.1	–78.2
Other operating income	5	35.1	0.3	35.4	28.0	2.3	30.3
Other operating expenses		–0.5	–2.4	–2.9	–0.5	–1.3	–1.8
Interest in net result of associated companies		0.2	–	0.2	–0.5	–	–0.5
Operating result before interest and taxes (EBIT)	4	133.8	–1.5	132.3	130.7	5.3	136.0
Net finance result	9	–5.5	0.1	–5.4	–9.3	0.0	–9.3
Earnings before tax (EBT)		128.3	–1.4	126.9	121.4	5.3	126.7
Income tax expenses	10	–28.9	–0.1	–29.0	–5.6	–0.9	–6.5
Net result		99.4	–1.5	97.9	115.8	4.4	120.2
Net result per bearer share entitled to dividend (in CHF)	25	**6.23**	**–0.09**	**6.14**	**7.32**	**0.28**	**7.60**

The accompanying notes on pages 63 to 93 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

Assets

in CHF millions	Note	31.12.2014	31.12.2013
Cash and cash equivalents	11	213.1	122.4
Money market investments	11	108.0	150.0
Trade accounts receivable	12	171.9	184.4
Inventories	13	174.7	176.0
Other receivables	14	24.2	21.0
Property, plant and equipment and intangible assets held for sale	32	–	31.2
Prepayments made and accrued income		8.2	8.9
Current assets		700.1	693.9
Property, plant and equipment	15	378.2	355.0
Intangible assets	16	16.7	12.6
Financial assets	17	64.8	61.6
Non-current assets		459.7	429.2
Total assets		**1'159.8**	**1'123.1**

Liabilities and equity

in CHF millions	Note	31.12.2014	31.12.2013
Trade accounts payable	20	64.4	79.4
Short-term bank debt	18	29.5	66.8
Current provisions	22	35.9	38.5
Other current liabilities	21	50.9	49.8
Accrued expenses and deferred income		25.3	25.3
Current liabilities		206.0	259.8
Long-term bank debt	18	4.0	14.3
1.125% bond 2012–2018	19	149.7	149.6
Long-term provisions	22	14.0	17.6
Deferred income tax liabilities	23	27.9	17.2
Pension liabilities	7	3.0	3.1
Other long-term liabilities	21	2.0	0.7
Long-term liabilities		200.6	202.5
Total liabilities		406.6	462.3
Share capital	24	0.9	0.9
Treasury shares	26	–0.1	–0.1
Additional paid-in capital		131.5	129.1
Retained earnings		706.8	633.1
Cumulative translation adjustments		–85.9	–102.2
Equity		753.2	660.8
Total liabilities and equity		**1'159.8**	**1'123.1**

The accompanying notes on pages 63 to 93 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

in CHF millions	Note	2014	2013
Net result		97.9	120.2
Income tax expenses	10	29.0	6.5
Depreciation and amortisation	8	53.6	58.4
Share award plan		2.4	1.8
Exchange differences		1.7	5.3
Gain on sale of property, plant and equipment, net		–1.5	–15.8
Gain on sale of subsidiaries		–13.8	–
Interest in net result of associated companies		–0.2	0.5
Change in long-term provisions and pension liabilities		3.3	5.8
Interest income	9	–0.7	–0.4
Interest expense	9	3.5	4.3
Operating cash flow before changes in working capital		175.2	186.6
Change in trade accounts receivable		–5.1	–4.8
Change in other receivables, prepayments made and accrued income		–6.3	–1.9
Change in inventories		–21.6	2.9
Change in trade accounts payable		–8.3	–2.3
Change in other current liabilities, accrued expenses and deferred income		12.1	2.1
Change in current provisions		–4.7	10.5
Interest received		0.7	0.4
Interest paid		–3.2	–3.0
Income tax paid		–28.0	–24.2
Net cash from operating activities		110.8	166.3
Purchases of / investments in:			
Property, plant and equipment		–70.7	–48.6
Intangible assets		–7.6	–9.3
Subsidiaries (net of cash and cash equivalents acquired)	32	–16.9	–
Additional earn-out payment		–10.5	–13.2
Money market investments		–50.0	–150.0
Proceeds from sale of:			
Property, plant and equipment		5.4	13.9
Subsidiaries (net of cash and cash equivalents disposed of)	32	122.2	1.1
Financial assets		6.0	0.2
Money market investments		92.0	–
Net cash provided by / (used in) investing activities		69.9	–205.9
Proceeds from short-term bank debt		78.6	89.8
Repayment of short-term bank debt		–124.9	–165.7
(Decrease) in finance lease and other long-term liabilities		–0.6	–0.1
Proceeds from sale of treasury shares, net of income taxes		–	30.4
Dividend paid to shareholders		–44.6	–40.9
Net cash used in financing activities		–91.5	–86.5
Net change in cash and cash equivalents		89.2	–126.1
Cash and cash equivalents at 1 January	11	122.4	248.5
Effect of exchange rate changes on cash and cash equivalents		1.5	–0.0
Cash and cash equivalents at 31 December	11	**213.1**	**122.4**

The accompanying notes on pages 63 to 93 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

in CHF millions	Share capital[1]	Treasury shares[1]	Additional paid-in capital	Retained earnings	Cumulative translation adjustments[2]	**Total equity[3]**
At 1 January 2013	**0.9**	**–0.1**	**96.9**	**555.2**	**–102.0**	**550.9**
Net result	–	–	–	120.2	–	120.2
Share award plan (see note 27)	–	0.0	1.8	–	–	1.8
Dividends	–	–	–	–40.9	–	–40.9
Offset of goodwill from acquisitions (see note 16)	–	–	–	–1.4	–	–1.4
Proceeds from sale of treasury shares (see note 26)	–	0.0	30.4	–	–	30.4
Currency translation differences	–	–	–	–	–0.2	–0.2
At 31 December 2013	**0.9**	**–0.1**	**129.1**	**633.1**	**–102.2**	**660.8**
Net result	–	–	–	97.9	–	97.9
Share award plan (see note 27)	–	0.0	2.4	–	–	2.4
Dividends	–	–	–	–44.6	–	–44.6
Offset of goodwill from acquisitions (see note 16)	–	–	–	–14.0	–	–14.0
Goodwill charged to income on sale of subsidiaries (see note 32)	–	–	–	34.4	–	34.4
Currency translation differences	–	–	–	–	16.3	16.3
At 31 December 2014	**0.9**	**–0.1**	**131.5**	**706.8**	**–85.9**	**753.2**

[1] *Holding company's share capital of CHF 850'000 (previous year CHF 850'000), less par value of treasury shares of CHF 52'384 (previous year CHF 53'321).*
[2] *Arising on translation of Group companies' equity and income statements denominated in foreign currencies.*
[3] *At 31 December 2014 shareholders' equity includes legal reserves of CHF 140.2 million (previous year CHF 148.6 million), of which CHF 45.6 million (previous year CHF 45.7 million) are not distributable.*

The accompanying notes on pages 63 to 93 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 / SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The consolidated financial statements give a true and fair view of the financial position, results of operations and cash flows of the Datwyler Group. They have been prepared in accordance with the complete set of Swiss GAAP Accounting and Reporting Recommendations (Swiss GAAP ARR) and are based on the subsidiaries' annual financial statements at 31 December which are prepared using uniform classification and accounting policies. The consolidated financial statements are prepared under the going concern assumption, based on the historical cost principle, and also comply with the Listing Rules of the SIX Swiss Exchange and the provisions of Swiss Corporation Law. The Board of Directors of Dätwyler Holding Inc. approved the consolidated financial statements at its meeting on 26 February 2015 for submission to the Annual General Meeting on 16 April 2015.

The sale of Maagtechnic specialist distribution companies at the beginning of April 2014 is presented as discontinued operations in the income statement, see also notes 3 and 32.

In case of changes to the current year's presentation, the comparative figures of the previous year are reclassified accordingly to conform to the presentation of the current financial year in order to ensure comparability.

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 Group company's share capital or voting rights is unconditionally owned directly or indirectly by Dätwyler Holding Inc.

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

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

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

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

Companies over which the Group has the power to exercise significant influence, generally accompanying a shareholding of between 20% and 50% of the voting rights, are classified as associates and accounted for using the equity method. At year-end 2014, the Group had no investments classified as associates.

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

Foreign currency translation

TRANSLATION FOR CONSOLIDATION PURPOSES

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

	2014		2013	
	Closing rate at 31.12.	Average rate for the year	Closing rate at 31.12.	Average rate for the year
100 CNY	16.08	14.85	14.56	14.94
1 EUR	1.20	1.21	1.23	1.23
100 SEK	12.80	13.34	13.73	14.22
1 USD	0.99	0.91	0.89	0.93

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

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

TRANSLATION OF BALANCES AND TRANSACTIONS IN THE ACCOUNTS OF SUBSIDIARIES

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

Income statement and balance sheet

REVENUE RECOGNITION

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

GROSS PROFIT

The income statement is presented using the functional format where gross profit represents net revenue less cost of goods sold.

RESEARCH AND DEVELOPMENT

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

INCOME TAX EXPENSE

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

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

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

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

CASH AND CASH EQUIVALENTS

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

MONEY MARKET INVESTMENTS

Money market investments with 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 in years are as follows:

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

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

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

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

LEASES

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

INTANGIBLE ASSETS

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

GOODWILL

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

IMPAIRMENT OF NON-CURRENT ASSETS AND GOODWILL

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

When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised sep-arately 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.

FINANCIAL ASSETS

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

TRADE ACCOUNTS PAYABLE

Trade accounts payable are recognised at nominal value.

PROVISIONS

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

BANK DEBT

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

BONDS

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

DIVIDENDS

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

PENSION BENEFITS

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

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

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

SHARE AWARD PLAN

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

CAPITAL MANAGEMENT

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

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

2 / RISK MANAGEMENT

Risk assessment
As part of its duties to oversee the management of the Group, the Board of Directors of Dätwyler Holding Inc. conducts a systematic risk assessment at least once a year. At its meeting held on 3 October 2014, the Board of Directors acknowledged management's report on group-wide risk management and approved the proposed actions included therein.

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

Liquidity reserves

in CHF millions	2014	2013
Cash and cash equivalents	213.1	122.4
Money market investments	108.0	150.0
Available credit lines	356.6	280.6
Total liquidity reserves	**677.7**	**553.0**

Net cash surplus

in CHF millions	2014	2013
Cash and cash equivalents	213.1	122.4
Money market investments	108.0	150.0
Less short-term bank debt	–29.5	–66.8
Net cash surplus	**291.6**	**205.6**

3 / BUSINESS ACQUISITIONS AND DISPOSALS

Acquisitions and disposals during 2014 and 2013 are shown below, see also note 32. The percentages in brackets indicate the percentage voting rights held in each company.

Transactions 2014

ACQUISITIONS

Columbia Engineered Rubber Inc. and its parent company Keystone Holdings Inc., both domiciled in Dayton, Ohio, USA (100%)

COMPANIES ESTABLISHED

Datwyler Technical Components AG, Wallisellen, Switzerland (100%)
Nedis Elfogro GmbH, Brunn am Gebirge, Austria (100%)
Datwyler Sealing Solutions do Brasil Ltda, São Paulo, Brazil (100%)

LIQUIDATIONS

Bandridge International Limited, Pinner, United Kingdom (100%)
The liquidation of Gummi Merkur AG, Bern (100%) and MTD Immobilien AG, Bern (100%) was substantially completed in 2014 and the applications for the dissolution of the two companies were filed with the commercial registry on 28 October 2014 and 6 November 2014, respectively.

SALES

Maagtechnic AG, Dübendorf, Switzerland (100%)
Maag Technic GmbH, Göppingen, Germany (100%)
Wachendorf GmbH, Göppingen, Germany (100%)
Maagtechnic Holding France SAS, Vaulx-en-Velin, France (100%)
Maagtechnic SAS, Vaulx-en-Velin, France (100%)
Maagtechnic Soded, Saint-Marcellin, France (100%)
Maagtechnic s.r.o., Trutnov, Czech Republic (100%)
Dätwyler Immobilien AG, Altdorf, Switzerland (100%) sold to the related party Pema Holding AG
Hyundai Sealtech Manufacturing Pvt., Ltd., Kanchipuram, India (40%)

Transactions 2013

COMPANIES ESTABLISHED

TeCo CDC B.V., Amsterdam, the Netherlands (100%)

MERGERS

In September 2013 Nedis Beheer B.V. (100%) and Nedis Holding B.V. (100%) were merged with Datwyler TeCo Holding B.V.
In December 2013 Dreher & Kauf GmbH (100%) was merged with Nedis GmbH.

LIQUIDATIONS

Nedis Macau Commercial Offshore Limited, Macau (100%)

4 / SEGMENT INFORMATION

in CHF millions	Technical Components	Sealing Solutions	Elimi-nations	**Total Group**
2014				
Revenue from external customers	565.6	686.3	–	1'251.9
Inter-segment revenue	0.2	0.1	–0.3	–
Total net revenue	565.8	686.4	–0.3	1'251.9
EBIT	22.5	109.8	–	132.3
EBIT as % of net revenue	4.0%	16.0%	–	10.6%

in CHF millions	Technical Components	Sealing Solutions	Elimi-nations	**Total Group**
2013				
Revenue from external customers	710.2	671.8	–	1'382.0
Inter-segment revenue	1.0	0.4	–1.4	–
Total net revenue	711.2	672.2	–1.4	1'382.0
EBIT	37.9	98.1	–	136.0
EBIT as % of net revenue	5.3%	14.6%	–	9.8%

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

The Sealing Solutions division offers customised sealing solutions in global market segments including automotive, civil engineering, consumer goods and health care. The 16 manufacturing and distribution companies in total are located in Switzerland, Germany, Belgium, the Netherlands, Italy, the Czech Republic, Ukraine, China, South Korea, India, the USA, Brazil and Mexico.

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

Net revenue by geographical region

in CHF millions	2014	2013
Switzerland	244.1	298.3
European Union	691.2	762.0
Rest of Europe	33.0	41.9
North and South America	151.2	134.7
Far East	102.9	113.7
Other markets	29.5	31.4
Total Group	**1'251.9**	**1'382.0**

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

5 / ADDITIONAL INCOME STATEMENT DISCLOSURES

Material expense of CHF 579.1 million (previous year CHF 656.6 million) is included in the income statement.

Other operating income includes gain on sale of property, plant and equipment of CHF 2.1 million (previous year CHF 16.2 million) as well as revenue from services and rental income. Additionally, other operating income includes a gain of CHF 16.1 million resulting from the sale of Dätwyler Immobilien AG to the related party Pema Holding AG, see also note 32. The pricing of this transaction was based on independent valuation reports.

6 / PERSONNEL EXPENSES

in CHF millions	2014	2013
Wages and salaries	243.6	272.5
Benefit costs	69.2	74.5
State social security contributions	36.7	39.6
Pension costs (see note 7)	20.9	20.9
Other benefit costs	11.6	14.0
Other employee costs	16.7	20.6
Total personnel expenses	**329.5**	**367.6**

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

7 / EMPLOYEE BENEFIT SCHEMES

Economic benefit / obligation and pension costs

in CHF millions	Funding surplus/deficit according to Swiss GAAP ARR 26	**Economic impact Group**	Economic impact Group	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
	31.12.2014	**31.12.2014**	31.12.2013				**2014**	2013
Welfare funds Switzerland	0.4	–	–	–	–	–	–	–
Pension schemes without funding surplus/deficit Switzerland	–	–	–	–	–	–	–	13.8
Pension schemes with funding surplus Switzerland	14.6	–	–	–	–	6.9	6.9	3.4
Pension schemes without funding surplus/deficit abroad	–	–	–	–	–	13.1	13.1	2.5
Unfunded pension schemes abroad	–	–3.0	–3.1	–0.6	0.5	0.4	0.9	1.2
Total	**–**	**–3.0**	**–3.1**	**–0.6**	**0.5**	**20.4**	**20.9**	**20.9**

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

At year-end 2014, as at the end of the previous year, no employer contribution reserves (ECR) existed. In 2014, pension costs include a one-time payment of CHF 10.4 million resulting from an agreement between the employer and the union to withdraw from a pension plan in the United States. In 2013, pension costs included an additional employer contribution of CHF 9.1 million for the Swiss pension schemes.

Summary of pension costs

in CHF millions	Switzerland	Abroad	**Total**
	2014	2014	**2014**
Contributions to pension schemes expensed at Group companies	6.9	13.5	20.4
Contributions to pension schemes made from employer contribution reserves (ECR)	–	–	–
Total contributions	6.9	13.5	20.4
+/– Changes in ECR due to asset performance, value adjustments, discounting, etc.	–	–	–
Contributions and changes in employer contribution reserves	6.9	13.5	20.4
Increase/reduction economic benefit Group from excess coverage	–	–	–
Reduction/increase economic obligation Group from insufficient coverage	–	0.5	0.5
Total change in economic impact from excess / insufficient coverage	–	0.5	0.5
= Pension costs included in personnel expenses for the period	**6.9**	**14.0**	**20.9**

in CHF millions	Switzerland	Abroad	Total
	2013	2013	**2013**
Contributions to pension schemes expensed at Group companies	17.2	2.9	20.1
Contributions to pension schemes made from employer contribution reserves (ECR)	–	–	–
Total contributions	17.2	2.9	20.1
+/– Changes in ECR due to asset performance, value adjustments, discounting, etc.	–	–	–
Contributions and changes in employer contribution reserves	17.2	2.9	20.1
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	**17.2**	**3.7**	**20.9**

8 / DEPRECIATION AND AMORTISATION

in CHF millions	**2014**	2013
Depreciation of property, plant and equipment	47.3	50.7
Depreciation of property, plant and equipment held for sale	1.0	–
Amortisation of intangible assets	4.0	3.2
Impairment charges	1.3	4.5
Total depreciation and amortisation	**53.6**	**58.4**

9 / NET FINANCE RESULT

in CHF millions	**2014**	2013
Interest expense on bond, bank and other loans	3.5	4.3
Interest expense on finance leases	0.0	0.0
Fair value loss on forward exchange contracts	2.6	1.2
Net foreign exchange loss on financing activities	2.6	4.4
Finance charges	1.2	1.2
Total interest and finance expenses	9.9	11.1
Interest income on bank deposits and loans receivable	–0.7	–0.4
Securities income	–	–0.0
Fair value gain on forward exchange contracts	–3.8	–1.4
Total interest and finance income	–4.5	–1.8
Net finance result (expenses, net)	**5.4**	**9.3**

Foreign exchange gains and losses

in CHF millions	**2014**	2013
Net foreign exchange losses on financing activities	2.6	4.4
Net foreign exchange losses/(gains) on purchase and sale of goods and other	0.5	–0.2
Total net foreign exchange losses	**3.1**	**4.2**

10 / INCOME TAX EXPENSES

in CHF millions	2014	2013
Current income tax expense	25.8	28.1
Deferred income tax expense/(credit)	3.2	–21.6
Total income tax expenses	**29.0**	**6.5**

The Group's average income tax rate was 21.8% (previous year 22.1%).

Tax loss carryforwards
Total available tax loss carryforwards result in deferred income tax assets, gross, of CHF 63.2 million (previous year CHF 49.3 million), of which a net amount of CHF 42.1 million (previous year CHF 30.6 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 21.1 million (previous year CHF 18.7 million). Deferred income tax assets are recognised for tax loss carryforwards to the extent that, according to current estimates, it appears probable that future taxable profits will be available against which tax loss carryforwards can be utilised. Deferred tax assets have been recognised in respect of tax losses carried forward mostly relating to tax-effective write-downs of subsidiaries and by companies whose results have been subject to cyclical fluctuations or that have incurred start-up losses and where there are clear indications that they will generate sufficient taxable profits in the foreseeable future.

11 / CASH, CASH EQUIVALENTS AND MONEY MARKET INVESTMENTS

in CHF millions	2014	2013
Cash in hand and at bank	213.1	122.4
Total cash and cash equivalents	**213.1**	**122.4**
Money market investments (maturities 91 to 360 days)	108.0	150.0
Total cash, cash equivalents and money market investments	**321.1**	**272.4**

12 / TRADE ACCOUNTS RECEIVABLE

in CHF millions	2014	2013
Trade accounts receivable from third parties, gross	175.2	188.5
Provision for impairment of trade accounts receivable	–4.3	–4.5
Total trade accounts receivable from third parties, net	**170.9**	**184.0**
Trade accounts receivable from related parties	1.0	0.4
Total trade accounts receivable, net	**171.9**	**184.4**

Aging analysis of gross trade accounts receivable from third parties

in CHF millions	2014	2013
Not yet due	147.6	154.8
Past due 1–30 days	16.6	21.4
Past due 31–60 days	3.6	4.5
Past due 61–90 days	1.4	1.2
Past due 91–180 days	1.3	1.9
Past due more than 180 days	4.7	4.7
Total trade accounts receivable from third parties, gross	**175.2**	**188.5**

Movements in provision for impairment of trade accounts receivable

in CHF millions	2014	2013
At 1 January	4.5	3.6
Charge for the year	1.8	2.9
Unused amounts reversed	–0.4	–0.9
Receivables written off as uncollectible	–1.0	–1.1
Acquisition/disposal of subsidiaries	–0.5	–
Exchange differences	–0.1	0.0
At 31 December	**4.3**	**4.5**
Of which specific provisions for impairment	3.9	4.3

13 / INVENTORIES

in CHF millions	2014	2013
Raw material, gross	18.5	18.4
Consumables, gross	15.6	12.2
Work in progress, gross	10.2	11.4
Finished goods, gross	33.3	46.0
Goods for resale, gross	120.8	120.2
Provision for impairment of inventories	–23.7	–32.2
Total inventories	**174.7**	**176.0**

14 / OTHER RECEIVABLES

in CHF millions	2014	2013
Withholding, capital and value added tax receivable	9.5	6.7
Current income tax assets	8.1	4.8
Prepayments made, advances given and deposits made	2.1	1.9
Accrued interest receivable	0.0	0.0
Derivative assets: forward exchange contracts (see note 29)	2.0	2.0
Accounts receivable from associated companies	–	0.1
Current accounts receivable related parties	–	0.0
Miscellaneous receivables	2.7	5.7
Provision for impairment of other receivables	–0.2	–0.2
Total other receivables	**24.2**	**21.0**

15 / PROPERTY, PLANT AND EQUIPMENT

in CHF millions	Unbuilt land lots	Real estate	Machinery and production equipment	Office equipment, computer systems, vehicles	Assets under construction	Total property, plant and equipment
PROPERTY, PLANT AND EQUIPMENT 2014						
At cost						
At 1 January 2014	0.7	256.1	471.4	39.1	28.4	795.7
Additions	–	6.9	8.6	4.4	53.5	73.4
Disposals	–	–8.1	–8.1	–1.4	–	–17.6
Transfers	–	4.2	26.8	1.9	–32.9	–
Acquisition/disposal of subsidiaries	–0.7	–1.4	1.1	0.1	–1.9	–2.8
Exchange differences	–	2.0	2.6	–1.0	0.3	3.9
At 31 December 2014	**–**	**259.7**	**502.4**	**43.1**	**47.4**	**852.6**
Accumulated depreciation						
At 1 January 2014	–	–103.5	–307.1	–30.1	–	–440.7
Depreciation expense	–	–9.3	–36.4	–2.9	–	–48.6
Disposals	–	5.6	6.7	1.3	–	13.6
Acquisition/disposal of subsidiaries	–	2.1	0.2	0.1	–	2.4
Exchange differences	–	1.2	–2.6	0.3	–	–1.1
At 31 December 2014	**–**	**–103.9**	**–339.2**	**–31.3**	**–**	**–474.4**
Net book values						
At 1 January 2014	0.7	152.6	164.3	9.0	28.4	355.0
At 31 December 2014	**–**	**155.8**	**163.2**	**11.8**	**47.4**	**378.2**

in CHF millions	Unbuilt land lots	Real estate	Machinery and production equipment	Office equipment, computer systems, vehicles	Assets under construction	Total property, plant and equipment
PROPERTY, PLANT AND EQUIPMENT 2013						
At cost						
At 1 January 2013	3.2	324.4	457.8	45.3	31.6	862.3
Additions	0.0	1.4	11.8	3.7	31.7	48.6
Disposals	–2.4	–8.9	–4.6	–4.0	0.0	–19.9
Transfers	0.0	6.3	27.5	0.8	–34.6	–
Reclassification to current assets	–	–65.7	–18.6	–6.6	–0.1	–91.0
Exchange differences	–0.1	–1.4	–2.5	–0.1	–0.2	–4.3
At 31 December 2013	**0.7**	**256.1**	**471.4**	**39.1**	**28.4**	**795.7**
Accumulated depreciation						
At 1 January 2013	–	–141.8	–287.9	–34.3	–	–464.0
Depreciation expense	–	–10.2	–38.6	–4.0	–	–52.8
Disposals	–	7.1	3.9	3.7	–	14.7
Reclassification to current assets	–	41.2	14.1	4.6	–	59.9
Exchange differences	–	0.2	1.4	–0.1	–	1.5
At 31 December 2013	**–**	**–103.5**	**–307.1**	**–30.1**	**–**	**–440.7**
Net book values						
At 1 January 2013	3.2	182.6	169.9	11.0	31.6	398.3
At 31 December 2013	**0.7**	**152.6**	**164.3**	**9.0**	**28.4**	**355.0**

Acquisition/disposal of subsidiaries include the additions from acquisitions and the disposals on sale of subsidiaries, see also notes 3 and 32. In 2014, impairment charges of CHF 1.3 million (previous year CHF 2.1 million) for buildings and equipment were recognised.

Other details of property, plant and equipment

in CHF millions	**2014**	2013
Leased property, plant and equipment, at cost	0.3	0.8
Accumulated depreciation	–0.1	–0.1
Net book value of property, plant and equipment under finance leases	**0.2**	**0.7**

At year-end, property, plant and equipment with a net book value of CHF 19.1 million (previous year CHF 18.3 million) were pledged or assigned to secure own liabilities. Assets under construction include prepayments made of CHF 9.5 million (previous year CHF 9.4 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 25.7 million (previous year CHF 27.1 million).

16 / INTANGIBLE ASSETS

in CHF millions	Software	Other intangible assets	Total intangible assets
INTANGIBLE ASSETS 2014			
At cost			
At 1 January 2014	20.9	1.9	22.8
Additions	7.4	0.8	8.2
Disposals	–3.1	–0.2	–3.3
Acquisition/disposal of subsidiaries	0.0	–	0.0
Exchange differences	–0.1	–0.0	–0.1
At 31 December 2014	**25.1**	**2.5**	**27.6**
Accumulated amortisation			
At 1 January 2014	–9.7	–0.5	–10.2
Amortisation expense	–3.7	–0.3	–4.0
Disposals	3.1	0.1	3.2
Exchange differences	0.1	0.0	0.1
At 31 December 2014	**–10.2**	**–0.7**	**–10.9**
Net book values			
At 1 January 2014	11.2	1.4	12.6
At 31 December 2014	**14.9**	**1.8**	**16.7**

in CHF millions	Software	Other intangible assets	Total intangible assets
INTANGIBLE ASSETS 2013			
At cost			
At 1 January 2013	27.3	2.1	29.4
Additions	9.3	0.0	9.3
Acquisition/disposal of subsidiaries	–7.4	–0.2	–7.6
Disposals	–8.4	–	–8.4
Exchange differences	0.1	0.0	0.1
At 31 December 2013	**20.9**	**1.9**	**22.8**
Accumulated amortisation			
At 1 January 2013	–19.9	–0.4	–20.3
Amortisation expense	–5.3	–0.3	–5.6
Disposal of subsidiaries	7.4	0.2	7.6
Disposals	8.3	–	8.3
Exchange differences	–0.2	0.0	–0.2
At 31 December 2013	**–9.7**	**–0.5**	**–10.2**
Net book values			
At 1 January 2013	7.4	1.7	9.1
At 31 December 2013	**11.2**	**1.4**	**12.6**

Intangible assets include no assets under finance leases (previous year none). Additions to software do not include any capitalised cost (previous year none). In 2014, no impairment charges (previous year CHF 2.4 million for software) 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	2014	2013
At cost		
At 1 January	269.5	564.4
Additions from acquisition of subsidiaries	13.3	–
Adjustments from earn-out agreements	0.7	1.4
Elimination of fully amortised goodwill items	–71.9	–296.3
At 31 December	**211.6**	**269.5**
Accumulated amortisation		
At 1 January	–110.3	–332.6
Amortisation expense	–54.5	–74.0
Impairment charges	–	–
Elimination of fully amortised goodwill items	71.9	296.3
At 31 December	**–92.9**	**–110.3**
Theoretical net book values		
At 1 January	159.2	231.8
At 31 December	**118.7**	**159.2**

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 ovement 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	2014	2013
Operating result (EBIT) according to income statement	132.3	136.0
Amortisation of goodwill	–54.5	–74.0
Theoretical operating result (EBIT) incl. amortisation of goodwill	77.8	62.0
Net result according to income statement	97.9	120.2
Amortisation of goodwill	–54.5	–74.0
Theoretical net result incl. amortisation of goodwill	43.4	46.2

Impact on balance sheet

in CHF millions	2014	2013
Equity according to balance sheet	753.2	660.8
Theoretical capitalisation of goodwill (net book value)	118.7	159.2
Theoretical equity incl. net book value of goodwill	871.9	820.0
Equity according to balance sheet	753.2	660.8
Equity as % of total assets	64.9%	58.8%
Theoretical equity incl. net book value of goodwill	871.9	820.0
Theoretical equity incl. net book value of goodwill as % of total assets	68.2%	63.9%

17/ FINANCIAL ASSETS

in CHF millions	2014	2013
Long-term loans to third parties	0.3	4.7
Investments in associated companies	–	0.5
Deferred income tax assets (see note 23)	63.3	55.1
Other financial investments	1.2	1.3
Total financial assets	**64.8**	**61.6**

18 / BANK DEBT

in CHF millions	2014	2013
Bank overdrafts	8.1	4.5
Current portion of long-term bank loans	21.4	62.3
Total short-term bank debt	**29.5**	**66.8**
Long-term bank loans	4.0	14.3
Total bank debt	**33.5**	**81.1**
Secured portion of short-term and long-term bank debt	14.2	16.2

Maturity of long-term bank debt

in CHF millions	2014	2013
Within 2 years	4.0	10.2
Within 3 years	–	4.1
Total long-term bank debt	**4.0**	**14.3**

In the previous year 2013, early repayments had been made for certain long-term bank debt.

19 / 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.

20 / TRADE ACCOUNTS PAYABLE

Trade accounts payable include accounts payable to related parties of CHF 0.2 million (previous year CHF 0.2 million).

21 / OTHER LIABILITIES

Other current liabilities

in CHF millions	2014	2013
Customer advances received	3.1	4.6
Social security liabilities	3.4	6.8
Current income tax liabilities	18.4	17.5
Capital and value added tax liabilities	7.0	5.5
Current finance lease liabilities (see notes 15 and 16)	0.1	0.1
Other short-term loans payable and financial liabilities	13.7	4.4
Deferred earn-out obligations	2.7	9.9
Derivative liabilities: forward exchange contracts (see note 29)	2.5	0.9
Other current liabilities to related parties	–	0.0
Miscellaneous current liabilities	–	0.1
Total other current liabilities	**50.9**	**49.8**

Other long-term liabilities

Other long-term liabilities include long-term finance lease liabilities of CHF 0.1 million (previous year CHF 0.1 million) and deferred earn-out obligations of CHF 1.8 million (previous year none), see also note 32.

22 / PROVISIONS

in CHF millions	Employees and social security	Restructuring	Warranty and liability claims	Environment and infrastructure	Other	Total
PROVISIONS 2014						
At 1 January 2014	34.9	14.8	4.0	0.7	1.7	56.1
Charges	54.0	4.9	1.0	–	1.4	61.3
Uses	–52.4	–8.4	–0.8	–	–0.5	–62.1
Unused amounts reversed	–0.4	–0.5	–0.2	–	–0.0	–1.1
Acquisition/disposal of subsidiaries	–2.7	–	–0.3	–0.7	–0.1	–3.8
Exchange differences	0.2	–0.4	–0.1	–	–0.2	–0.5
At 31 December 2014	**33.6**	**10.4**	**3.6**	**–**	**2.3**	**49.9**
Thereof current provisions	24.8	8.1	0.8	–	2.2	35.9
Thereof long-term provisions	8.8	2.3	2.8	–	0.1	14.0

in CHF millions	Employees and social security	Restructuring	Warranty and liability claims	Environment and infrastructure	Other	Total
PROVISIONS 2013						
At 1 January 2013	33.4	1.4	3.2	1.0	1.8	40.8
Charges	40.6	17.4	1.5	0.1	0.8	60.4
Uses	–38.2	–3.6	–0.4	–0.0	–0.8	–43.0
Unused amounts reversed	–1.0	–0.1	–0.2	–0.4	–0.2	–1.9
Exchange differences	0.1	–0.3	–0.1	0.0	0.1	–0.2
At 31 December 2013	**34.9**	**14.8**	**4.0**	**0.7**	**1.7**	**56.1**
Thereof current provisions	27.3	8.3	1.5	0.1	1.3	38.5
Thereof long-term provisions	7.6	6.5	2.5	0.6	0.4	17.6

Discounting
Significant discounting effects for long-term provisions are recognised.

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

Restructuring
The restructuring provisions charged to income in the Technical Components division amounting to CHF 4.8 million (previous year CHF 14.2 million) and in the Sealing Solutions division amounting to CHF 0.1 million (previous year CHF 3.2 million) include obligations relating to headcount reductions and to long-term rental contracts for sites becoming redundant due to concentrating various locations.

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

23 / DEFERRED INCOME TAX ASSETS/LIABILITIES

in CHF millions	2014	2013
At 1 January		
Deferred income tax assets	55.1	35.6
Deferred income tax liabilities	17.2	19.0
Deferred income tax (assets)/liabilities, net	**–37.9**	**–16.6**
Deferred income tax expense/(credit)	3.2	–21.6
Changes directly affecting equity	–1.9	0.4
Acquisition/disposal of subsidiaries (see note 32)	0.6	–
Exchange differences	0.6	–0.1
At 31 December		
Deferred income tax assets (see note 17)	63.3	55.1
Deferred income tax liabilities	27.9	17.2
Deferred income tax (assets)/liabilities, net	**–35.4**	**–37.9**

Deferred income taxes are calculated at every subsidiary using the local effective income tax rates (weighted average around 23%, previous year around 20%) applicable.

24 / SHARE CAPITAL

Composition

in CHF	2014	2013
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

	2014	2013
Bearer shares		
Par value (CHF)	0.05	0.05
Number issued	12'600'000	12'600'000
Number with voting rights and ranking for dividend	11'552'327	11'533'577
Proposed/approved dividend per bearer share (CHF)	7.8155 [1]	2.80
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)	1.5631 [1]	0.56
Total par value of shares ranking for dividend (CHF)	797'616	796'679
Authorised additional share capital	none	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.*

25 / NET RESULT PER SHARE

Net result per share is calculated by dividing net result by the weighted average number of shares in issue and ranking for dividend, excluding the weighted average number of treasury shares, see notes 26 and 27. The weighted value of the 22’000’000 registered shares represents 4’400’000 bearer shares.

	2014	2013
Net result reported in the income statement (CHF millions)	97.9	120.2
Weighted average number of shares	15'942'952	15'823'849
Net result per bearer share ranking for dividend (in CHF)	6.14	7.60

There were no dilutive effects in 2014 and 2013.

26 / TREASURY SHARES

At the end of 2014, the Group held 1'047'673 (previous year 1'066'423) treasury shares with a par value of CHF 0.05 each (previous year CHF 0.05). No treasury shares were sold in 2014. In the previous year a total of 329'124 treasury shares were sold on the stock exchange at an average price of CHF 100.11 with net proceeds of CHF 30.4 million, net of income taxes of CHF 2.6 million.

26'000 bearer shares of then CHF 500 each were created by a resolution passed by the General Meeting on 18 November 1989, disapplying the pre-emption rights of shareholders and participation certificate holders, to provide for the exercise of options, warrants or conversion rights and for other purposes in the company's interest. These shares are not entitled to vote and do not rank for dividend until they are used. Following the resolution passed by the Annual General Meeting on 24 April 2007 to cancel 10'000 unissued bearer shares of CHF 500 each, the 100-for–1 share split on 6 July 2007, the par value reduction from CHF 5.00 to CHF 0.05 on 14 July 2008, the award of treasury shares to those eligible under the share award plan in the years 2008 to 2014 and the sale of treasury shares starting in 2012, the Group held 1'047'673 unissued bearer shares of CHF 0.05 each at the end of 2014. The par value of these shares totalling CHF 52'384 (previous year CHF 53'321) has been deducted from the CHF 850'000 (previous year CHF 850'000) share capital of Dätwyler Holding Inc.

27 / SHARE AWARD PLAN

Since 2007, Directors and senior executives have received a portion of their remuneration in the form of bearer shares of Dätwyler Holding Inc. Share-based payments to Directors and senior executives are measured at market value and recognised as personnel expenses at issue date. The shares awarded may not be sold for a period of 5 years after issue date. Voting and dividend rights of shares awarded are transferred to beneficiaries at issue date. In 2014, Directors were awarded a total of 8'500 (previous year 9'600) bearer shares and senior executives were awarded a total of 10'250 (previous year 10'200) bearer shares of Dätwyler Holding Inc. Personnel expenses relating to the share award plan amount to CHF 2.7 million (previous year CHF 2.0 million), and the increase of additional paid-in capital, net of applicable income taxes, was CHF 2.4 million (previous year CHF 1.8 million).

28 / SHAREHOLDERS

At year-end 2014, Pema Holding AG holds as in the previous year all 22'000'000 registered shares, plus 4'550'000 (previous year 4'550'000) of the total of 12'600'000 bearer shares of Dätwyler Holding Inc. This represents 79.13% (previous year 79.17%) of the voting rights and 52.65% (previous year 52.65%) of the share capital. Non-voting unissued bearer shares have been included in calculating the percentage of capital held but excluded in calculating the percentage of voting rights held. The entire share capital of Pema Holding AG was contributed to Dätwyler Führungs AG, indirectly giving it a majority of the voting rights in Dätwyler Holding Inc.

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

29 / DERIVATIVE FINANCIAL INSTRUMENTS

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

Unsettled forward exchange contracts

in CHF millions	31.12.2014	31.12.2013
Positive fair value	2.0	2.0
Notional amounts	245.8	188.6
Negative fair value	2.5	0.9
Notional amounts	77.9	63.8

These forward exchange contracts have maturities until December 2015. Positive fair values are recorded as other receivables (note 14), while negative fair values have been recognised in other current liabilities (note 21).

30 / 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 8 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 2014, no guarantees (previous year CHF 1.3 million) in favour of third parties existed. The Datwyler Group has not given any other guarantees in respect of its business relationships with third parties. Performance bonds and guarantees within the Group have been eliminated on consolidation. There are no subordination agreements with third parties.

When the Precision Tubes division was sold at the end of 2007, the Group granted usual contractual guarantees to the purchasers in respect of environmental contamination, etc. This guarantee is limited to a maximum of CHF 12.3 million and applies to certain cases on a degressive basis for a maximum period of 10 years or until statute-barred. At present, no claims by the purchaser are known.

31 / COMMITMENTS

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

in CHF millions	2014	2013
Less than 1 year	8.1	11.5
Between 2 and 5 years	18.8	15.8
Over 5 years	2.5	1.2
Total commitments	**29.4**	**28.5**

Operating lease payments recognised as an expense in the income statement amounted to CHF 9.7 million (previous year CHF 14.8 million). There are no individually significant operating leases. Additional commitments of CHF 46.9 million (previous year CHF 67.3 million) relate to IT outsourcing contracts for the years 2015 to 2019.

32 / ACQUISITION AND SALE OF SUBSIDIARIES

Acquisitions and sales of subsidiaries had the following effect on the Group's assets and liabilities in the previous year:

Acquisitions in 2014
In October 2014, Columbia Engineered Rubber Inc. and its parent company Keystone Holdings Inc., both domiciled in Dayton, Ohio, USA, were fully acquired by the Sealing Solutions division. Since October 2014, the acquired businesses employing an average of 100 people generated net revenue of CHF 5.3 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	0.8	–	0.8
Trade accounts receivable	2.8	–	2.8
Inventories	4.5	0.3	4.8
Other current assets	0.1	–	0.1
Property, plant and equipment	3.5	1.0	4.5
Intangible assets	0.0	0.0	0.0
Current liabilities	–3.7	–	–3.7
Long-term liabilities	–	–0.4	–0.4
Net assets acquired at fair value			**8.9**
Goodwill including directly attributable transaction costs			13.3
Total			22.2
Less cash and cash equivalents acquired			–0.8
Less deferred earn-out obligations			–4.5
Net cash outflow on acquisition			**16.9**

Sales in 2014

In the Technical Components division the specialist distribution business Maagtechnic was sold at the beginning of April 2014 and is therefore presented as discontinued operations in the income statement. The following table shows the carrying amount of assets and liabilities disposed of at the date of sale and the result achieved from the transaction.

in CHF millions	Carrying amount on sale
Cash and cash equivalents	4.5
Trade accounts receivable	22.5
Inventories	26.7
Other current assets	0.7
Property, plant and equipment and intangible assets held for sale	32.8
Financial assets	1.0
Current liabilities	–21.2
Long-term liabilities	–1.4
Net assets disposed of	**65.6**
Cumulative translation adjustments	6.6
Goodwill charged to income on sale of subsidiaries	34.4
Subtotal	106.6
Loss on sale	–2.4
Selling price, net of transaction costs	104.2
Less cash and cash equivalents disposed of	–4.5
Net cash inflow on disposal	**99.7**

At the end of October 2014, Dätwyler Immobilien AG was sold to the related party Pema Holding AG. The following table shows the carrying amount of assets and liabilities disposed of at the date of sale and the result achieved from the transaction.

in CHF millions	Carrying amount on sale
Cash and cash equivalents	0.9
Other current assets	4.1
Property, plant and equipment	5.0
Financial assets	4.3
Current liabilities	–1.1
Long-term liabilities	–5.9
Net assets disposed of	**7.3**
Gain on sale	16.1
Selling price, net of transaction costs	23.4
Less cash and cash equivalents disposed of	–0.9
Net cash inflow on disposal	**22.5**

33 / RELATED PARTY TRANSACTIONS

Pema Holding AG
The details of the sale of Dätwyler Immobilien AG to Pema Holding AG executed on 29 October 2014 are disclosed in note 32. The pricing of this transaction was based on two independent valuation reports. Transactions between the companies include the dividend payments to Pema Holding AG and administrative costs of CHF 20'000 charged in 2014 (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 2014: Net revenue of CHF 0.6 million (previous year CHF 1.2 million), material expense of CHF 1.4 million (previous year CHF 1.0 million), IT and trademark service revenues, rental income and other service revenue of CHF 7.4 million in total (previous year CHF 5.3 million) and service expenses of CHF 0.8 million (previous year CHF 0.8 million). In addition, Dätwyler Immobilien AG, as related party, charged actual costs as incurred amounting to CHF 1.6 million in the course of processing the order for the construction of a new road access. Accounts receivable and payable with Pema Holding AG and its subsidiaries are disclosed as items with related parties in notes 12, 14, 20 and 21.

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 44 to 53 of this annual report, no further relations or transactions existed in 2014 and 2013 with the members of the Board of Directors and the Executive Board.

34 / EVENTS AFTER BALANCE SHEET DATE

On 15 January 2015, the Swiss National Bank announced the discontinuation of the minimum exchange rate of 1.20 Swiss francs per euro. The amounts reported in the consolidated financial statements 2014 do not include any adjustments of the foreign exchange rates after 31 December 2014. As Datwyler Group uses the Swiss franc as presentation currency, a strengthening of the Swiss franc against foreign currencies will have a negative currency translation effect on the consolidated financial statements presented in Swiss francs. The financial risk management is described in note 2, and the unsettled forward exchange contracts existing at 31 December 2014 for partially hedging the currency risks resulting from existing balance sheet items are disclosed in note 29. Using the current exchange rates as applicable at the date of approval of the consolidated financial statements, a negative translation effect of around 10 percent would result for net revenue for the year 2014. Accordingly, using current estimates and assumptions, it can be assumed that future results would be affected by a corresponding negative impact.

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 26 February 2015 that would cause an adjustment of the carrying amounts of the Group's assets and liabilities.

35 / SUBSIDIARIES AND INVESTMENTS

Dätwyler Holding Inc. directly or indirectly owned the following companies at 31 December 2014:

		Registered office	Original currency	Capital in original currency (in millions)	Group's interest in %	Footnote	Technical Components	Sealing Solutions	Service and financial companies
SWITZERLAND	Alvest AG	Altdorf	CHF	15.000	100	K*			●
	Dätwyler AG	Altdorf	CHF	0.100	100	K*			●
	Dätwyler IT Services AG	Altdorf	CHF	0.100	100	K*			●
	Dätwyler Pharma Pack Holding AG	Altdorf	CHF	39.000	100	K*		●	
	Dätwyler Schweiz AG	Altdorf	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	15.778	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		○	
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	Göppingen	EUR	3.100	100	K	●		
	Distrelec Schuricht GmbH	Bremen	EUR	0.800	100	K	□		
	Nedis GmbH	Willich	EUR	0.026	100	K	□		
	Reichelt Elektronik GmbH & Co. KG	Sande	EUR	3.000	100	K	□		
UK	Fameart Limited	Leicester	GBP	0.122	100	K	●		
	Nedis (UK) Limited	Leicester	GBP	0.009	100	K	□		
ESTONIA	Elfa Distrelec AS	Tallinn	EUR	0.079	100	K	□		
FINLAND	Elfa Distrelec Oy	Helsinki	EUR	0.020	100	K	□		
	Nedis Oy	Savonlinna	EUR	0.017	100	K	□		
FRANCE	B.R.I. Sarl	Sainte-Luce-sur-Loire	EUR	0.008	100	K	●		
	Nedis SAS	Cergy Pontoise	EUR	0.100	100	K	□		
	Nedis Logistic SAS	Cergy Saint Christophe	EUR	0.010	100	K	●		
	Nedis Management SAS	Saint Ouen l'Aumone	EUR	0.010	100	K	●		
HONG KONG	Teco Asia Limited	Hong Kong	HKD	0.010	100	K	●		

		Registered office	Original currency	Capital in original currency (in millions)	Group's interest in %	Footnote	Technical Components	Sealing Solutions	Service and financial companies
INDIA	Datwyler Pharma Packaging India Private Limited	New Delhi	INR	656.233	100	K		○	
ITALY	CIF srl	Veggiano	EUR	0.014	8	B		○	
	Datwyler Pharma Packaging Italy srl	Milano	EUR	2.000	100	K		○	
	Distrelec Italia srl	Milano	EUR	1.275	100	K	□		
	Nedis Italia srl	Udine	EUR	0.100	100	K	□		
LATVIA	Elfa Distrelec SIA	Riga	EUR	0.008	100	K	□		
LITHUANIA	Elfa Distrelec UAB	Vilnius	LTL	0.010	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	□		
	Matrijzenmakerij Maro B.V.	Roosendaal	EUR	0.018	100	K		○	
	Nedis B.V.	Hedel	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	Oslo	NOK	0.200	100	K	□		
AUSTRIA	Distrelec Gesellschaft m.b.H.	Wien	EUR	0.145	100	K	□		
	Nedis Elfogro GmbH	Brunn am Gebirge	EUR	0.010	100	K	□		
POLAND	Elfa Distrelec Spz oo	Warschau	PLN	0.100	100	K	□		

		Registered office	Original currency	Capital in original currency (in millions)	Group's interest in %	Footnote	Technical Components	Sealing Solutions	Service and financial companies
SWEDEN	Distrelec Sweden AB	Stockholm	SEK	0.100	100	K	●		
	Elfa Distrelec AB	Stockholm	SEK	5.000	100	K	□		
	Nedis AB	Jönköping	SEK	3.575	100	K	□		
	Nordic Power i Strömstad AB	Stockholm	SEK	0.100	100	K	□		
SLOVAKIA	Nedis Slovakia a.s.	Bratislava	EUR	0.066	100	K	□		
SPAIN	Nedis Iberia SL	Valencia	EUR	0.100	100	K	□		
SOUTH KOREA	Datwyler Korea Inc.	Daegu	KRW	1'131.000	100	K		○	
CZECH REPUBLIC	Datwyler Sealing Technologies CZ s.r.o.	Nový Bydžov	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	Columbia Engineered Rubber 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*
E = *Accounted for using the equity method*
B = *Recorded as other financial investments at cost (less any impairment)*
* = *Held directly by Dätwyler Holding Inc.*

Report of the Statutory Auditor on the Consolidated Financial Statements

pwc

Report of the statutory auditor
to the General Meeting of
Dätwyler Holding AG
Altdorf

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Dätwyler Holding AG, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes (pages 59 to 93), for the year ended 31 December 2014.

Board of Directors' responsibility

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

Auditor's responsibility

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

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

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2014 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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

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

PricewaterhouseCoopers AG

René Rauscnberger
Audit expert
Auditor in charge

Josef Stadelmann
Audit expert

Zürich, 26 February 2015

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Dätwyler Holding Inc.

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Income Statement

in CHF	Notes	2014	2013
Income from investments	2.7	70'075'000	47'570'000
Gains on disposal of investments	2.8	17'355'908	0
Other income		50'000	50'000
Personnel expenses		–1'923'734	–1'698'718
Other operating expenses	2.9	–2'693'500	–2'341'650
Operating income before interest and taxes		82'863'674	43'579'632
Financial income	2.10	22'929'150	24'256'587
Financial expenses	2.11	–1'707'554	–1'874'522
Operating income before taxes		104'085'270	65'961'697
Direct taxes		–1'218'083	–1'248'781
Annual profit		**102'867'187**	**64'712'916**

See pp. 101–102 for notes 2.7 to 2.11.

Balance Sheet

Assets

in CHF	Notes	31.12.2014	31.12.2013
Cash and cash equivalents		5'224	6'795
Other current receivables		571'826	679'992
Due to third parties		294'576	372'131
Due to affiliates		12'277'250	307'861
Total current assets		12'577'050	686'787
Financial assets		955'421'777	903'070'182
Long-term receivables from affiliates	2.1	955'421'777	903'070'182
Equity interests	2.2	145'963'752	151'991'243
Total non-current assets		1'101'385'529	1'055'061'425
Total assets		**1'113'962'579**	**1'055'748'212**

Liabilities and shareholders' equity

in CHF	Notes	31.12.2014	31.12.2013
Other current liabilities		210'287	20'958
Due to third parties		210'287	20'958
Accrued expenses and deferred income		2'174'057	2'402'190
Total current liabilities		2'384'344	2'423'148
Long-term interest-bearing liabilities		150'000'000	150'000'000
Bonds	2.3	150'000'000	150'000'000
Total long-term liabilities		150'000'000	150'000'000
Total liabilities		152'667'581	152'423'148
Share capital	2.4	850'000	850'000
Statutory capital reserves		83'000'000	83'000'000
Statutory retained earnings		4'000'000	4'000'000
Reserve for treasury shares	2.5	52'384	53'321
Voluntary retained earnings	2.6	305'210'934	305'209'997
Net profit		568'464'917	510'211'746
Profit brought forward		465'597'730	445'498'830
Annual profit		102'867'187	64'712'916
Total shareholder's equity		961'578'235	903'325'064
Total liabilities and shareholders' equity		**1'113'962'579**	**1'055'748'212**

See pp. 98–101 for notes 2.1 to 2.6.

Notes to the Financial Statements

Important information concerning the Notes

1 / MEASUREMENT PRINCIPLES APPLIED IN THE FINANCIAL STATEMENTS

These Financial Statements were prepared in accordance with the provisions of the Swiss Code of Obligations concerning commercial accounting and financial reporting standards (SCO 957 ff.). The Company applied the new financial reporting legislation in force from 1 January 2013 for the first time in the year under review. The previous year's structure was adjusted accordingly for comparison purposes. The material balance sheet items are reported as follows.

Financial assets and equity interests
Financial assets are measured at nominal value less necessary impairment charges. Equity interests are measured individually at purchase price less necessary impairment charges.

Measurement of liabilities/bonds
Liabilities including bonds are carried at nominal value.

2 / INFORMATION, BREAKDOWNS AND EXPLANATIONS CONCERNING THE FINANCIAL STATEMENTS

Dätwyler Holding Inc. with registered office in Altdorf.
The average number of full-time positions in the course of a year does not exceed ten employees.

2.1. / LONG-TERM RECEIVABLES FROM AFFILIATES

These are Swiss franc-denominated long-term loans to Group companies. Most of the change from the previous year is due to dividend and interest payments by Group companies.

2.2. / EQUITY INTERESTS

As of 31 December 2014, Dätwyler Holding Inc.'s direct equity interests (100% of capital and votes) were as follows:

Name, legal structure, registered office	Purpose of company	Share capital in CHF
Switzerland		
Alvest AG, Altdorf	Financing	15'000'000
Dätwyler Schweiz AG, Altdorf	Production	32'000'000
Dätwyler Pharma Pack Holding AG, Altdorf	Holding of equity interests	39'000'000
Dätwyler Teco Holding AG, Altdorf	Holding of equity interests	9'900'000
Dätwyler AG, Altdorf	Financing	100'000
Dätwyler IT Services AG, Altdorf	Services	100'000
Distrelec AG, Altdorf [1]	Financing	90'000

[1] *The company's name was changed from Maag Technic AG to Distrelec AG during the 2014 fiscal year.*

Dätwyler Immobilien AG, Altdorf, was sold to Pema Holding AG during the current fiscal year.

Indirect equity interests as of 31 December 2014 were as follows:

Name and legal structure	Registered office	Country	Capital in %	Votes in %
Dätwyler Sealing Solutions International AG	Schattdorf	CH	100	100
Distrelec Group AG	Nänikon	CH	100	100
Datwyler Technical Components AG	Wallisellen	CH	100	100
Pohl Immobilien AG	Schattdorf	CH	100	100
Proditec AG	Nänikon	CH	100	100
Teco Immobilien AG	Altdorf	CH	100	100
Distrelec Gesellschaft m.b.H.	Vienna	AT	100	100
Nedis Elfogro	Brunn am Gebirge	AT	100	100
Datwyler Pharma Packaging Belgium NV	Alken	BE	100	100
Datwyler Pharma Packaging International NV	Alken	BE	100	100
Nedis NV	Geel	BE	100	100
Datwyler Sealing Solutions do Brasil Ltda	São Paulo	CR	100	100
Datwyler Sealing Technologies (Anhui) Co., Ltd.	Ningguo	CN	100	100
Datwyler Sealing Technologies (Wuxi) Co., Ltd.	Wuxi	CN	100	100
Datwyler Sealing Technologies CZ s.r.o.	Nový Bydžov	CZ	100	100
Nedis Kerr s.r.o.	Trutnov	CZ	100	100
Elfa Distrelec A/S	Glostrup	DK	100	100
Dätwyler Pharma Packaging Deutschland GmbH	Karlsbad	DE	100	100
Dätwyler Sealing Technologies Deutschland GmbH	Waltershausen	DE	100	100
Dätwyler Teco Holding (Deutschland) GmbH	Göppingen	DE	100	100
Distrelec Schuricht GmbH	Bremen	DE	100	100
Nedis GmbH	Willich	DE	100	100
Reichelt Elektronik GmbH & Co. KG	Sande	DE	100	100
Elfa Distrelec AS	Tallinn	EE	100	100
Nedis Iberia SL	Valencia	ES	100	100
Elfa Distrelec Oy	Helsinki	FI	100	100
Nedis Oy	Savonlinna	FI	100	100
B.R.I. Sarl	Sainte-Luce-sur-Loire	FRI	100	100
Nedis SAS	Cergy Pontoise	FRI	100	100
Nedis Logistic SAS	Cergy Saint Christophe	FRI	100	100
Nedis Management SAS	Saint Ouen l'Aumone	FRI	100	100
Fameart Limited	Leicester	GB	100	100
Nedis (UK) Limited	Leicester	GB	100	100
Teco Asia Limited	Hong Kong	HK	100	100
Nedis Kft.	Budapest	HU	100	100
Datwyler Pharma Packaging India Private Limited	New Delhi	IN	100	100
Datwyler Pharma Packaging Italy srl	Milan	IT	100	100
Distrelec Italia srl	Milan	IT	100	100
Nedis Italia srl	Udine	IT	100	100
Datwyler Korea Inc.	Daegu	KR	100	100
Elfa Distrelec SIA	Riga	LV	100	100
Elfa Distrelec UAB	Vilnius	LT	100	100
Datwyler Sealing Technologies Mexico S DE RL DE CV	Silao	MX	100	100
Datwyler TeCo Holding B.V.	Amsterdam	NL	100	100
Distrelec B.V.	Utrecht	NL	100	100
Matrijzenmakerij Maro B.V.	Roosendaal	NL	100	100
Nedis B.V.	Hedel	NL	100	100

Name and legal structure	Registered office	Country	Capital in %	Votes in %
Nedis Group B.V.	's-Hertogenbosch	NL	100	100
TeCo CDC B.V.	Amsterdam	NL	100	100
Elfa Distrelec AS	Oslo	NO	100	100
Elfa Distrelec Spz oo	Warsaw	PL	100	100
Distrelec Sweden AB	Stockholm	SE	100	100
Elfa Distrelec AB	Stockholm	SE	100	100
Nedis AB	Jönköping	SE	100	100
Nordic Power i Strömstad AB	Stockholm	SE	100	100
Nedis Slovakia a.s.	Bratislava	SK	100	100
Datwyler Sealing Technologies Ukraine JSC	Malyn	UA	100	100
Columbia Engineered Rubber Inc.	Dayton	USA	100	100
Datwyler Pharma Packaging USA Inc.	Pennsauken	USA	100	100

2.3 / BONDS

Fixed-interest bonds were issued for CHF 150 million with a pay-in date of 7 December 2012 and an issue price of 100.50%. The bonds pay an interest rate of 1.125% and mature in five and a half years (on 7 June 2018).

2.4 / SHARE CAPITAL

in CHF	31 Dec. 2014	31 Dec. 2013
22'000'000 registered shares at CHF 0.01 par	220'000	220'000
12'600'000 bearer shares at CHF 0.05 par	630'000	630'000
Share capital	850'000	850'000
Issue-specific information		
Registered shares (nominal value CHF 0.01)		
Quantity issued	22'000'000	22'000'000
Quantity entitled to dividend	22'000'000	22'000'000
Bearer shares (nominal value CHF 0.05)		
Quantity issued	12'600'000	12'600'000
Quantity entitled to dividend	11'552'327	11'533'577
Dividend-bearing nominal values (in CHF)	797'616	796'679
Authorised share capital	None	None
Conditional share capital	None	None
Voting restrictions	None	None
Opt-out and opt-up provisions	None	None

Shares in Dätwyler Holding Inc. are listed on the SIX Swiss Exchange. Each registered share and each bearer share, regardless of nominal value, carries one vote at the General Meeting of Shareholders, with the exception of bearer treasury shares.

All 22’000’000 registered shares along with 4’550’000 of the total 12’600’000 bearer shares are held by Pema Holding AG, Altdorf; thus its percentage of capital is 52.65% and its percentage of voting shares is 79.13%.

The Board of Directors is unaware of any further shareholders or of shareholder voting pools whose interest amounts to 3.00% of all votes.

2.5 / RESERVE FOR TREASURY SHARES / EMPLOYEE SHARE OWNERSHIP PLAN

Art. 659a para. 2 and Art. 671a of the Swiss Code of Obligations require the Company to maintain a separate reserve for treasury shares valued at purchase cost. This required reserve for bearer treasury shares has been reduced by share grants to employees and disposal of bearer shares.

The bearer shares created by resolution of the General Meeting of Shareholders on 18 November 1989 were issued with shareholders' and participants' pre-emptive rights excluded to cover option and conversion rights and for other purposes in the Company's interest (market placement, means of payment for future acquisitions, etc.) and carry no voting or dividend rights until used.

As of 31 December 2014, the Company held 1'047'673 bearer treasury shares (previous year: 1'066'423); these are carried on the balance sheet of Alvest AG at a nominal value of CHF 0.05 per share, i.e. at CHF 52'384.

A total of 18'750 bearer treasury shares were used for Group employees under the Employee Share Ownership Plan in 2014. 8'500 bearer shares were allocated to members of the Board of Directors (see Remuneration in 2014). A total of 7'800 bearer shares were allocated to the Executive Management (see Remuneration in 2014). 2'450 bearer shares with a total value of CHF 351'820 (previous year: 2'800 bearer shares with a total value of CHF 279'160) were allocated to other employees under the Employee Share Ownership Plan in the year under review.

No bearer shares were sold on the stock exchange in the current fiscal year (previous year: 329'124 at an average price of CHF 100.11).

These bearer shares, which were created prior to the reform of the corporation law on 4 October 1991, now represent a nominal value of CHF 52'384 or 6.16% (previous year: CHF 53'321 or 6.27%) of the total capital stock and are thus within the 10% limitation on holdings of bearer treasury stock set forth in Art. 659 para. 1 of the Swiss Code of Obligations.

2.6 / VOLUNTARY RETAINED EARNINGS

The voluntary retained earnings represent a free reserve at the disposal of the General Meeting of Shareholders. Pursuant to Art. 659a para. 2 and Art. 671a of the Swiss Code of Obligations, the Company is required to maintain a separate reserve for treasury shares held by a subsidiary in an amount equal to their purchase cost. The Board of Directors forms this reserve by transfers to and from the special reserve. In 2014 CHF 937 was allocated to the voluntary retained earnings reserve. As at 31 December 2014, voluntary retained earnings amount to CHF 305'210'934.

2.7 / INCOME FROM INVESTMENTS

Income from investments comprises profit distributions from each subsidiary.

2.8 / GAINS ON DISPOSAL OF INVESTMENTS

The shareholding in Dätwyler Immobilien AG, Altdorf, was sold to Pema Holding AG on 29 October 2014, resulting in a gain on disposal of CHF 17'355'908.

2.9 / OTHER OPERATING EXPENSES

This item comprises Dätwyler Holding Inc.'s general costs of doing business. Dätwyler Holding Inc. has no operating costs, as these are charged in full to Alvest AG and then in turn to the subsidiaries. "Stewardship costs" (Dätwyler Holding Inc. administrative expenses) are charged to Dätwyler Holding Inc.

2.10./ FINANCIAL INCOME

Financial income is derived primarily from interest-bearing assets of Group companies.

2.11./ FINANCIAL EXPENSES

Financial expenses comprise interest expenses for bond coupon payments together with commissions and bank fees.

Further disclosures required by law

SURETIES, GUARANTEES AND PLEDGE COMMITMENTS IN FAVOUR OF THIRD PARTIES

On a basis of joint and several liability, lines of credit were extended to various Group companies in the amount of CHF 188.9 million (previous year: CHF 170.6 million), of which CHF 23.6 million (previous year: CHF 68.2 million) was used.

Upon selling the Precision Tubes division at the end of 2007, the Group tendered the customary contractual guarantees, such as those concerning environmental contamination, in favour of the buyer. These guarantees are limited to a maximum of CHF 12'300'000 (previous year: CHF 16'400'000) and apply in certain cases for no longer than 10 years or to expiration of the respective statute of limitations. No claims on the part of the buyer are known at this time.

JOINT AND SEVERAL LIABILITY

Since 1 January 2009 the Company has been a member of the value-added tax group under the number CHE–116.346.605 MWST. The principal member of the group is Alvest AG, Altdorf (previous year: Dätwyler Schweiz AG, Altdorf). For the term of its membership in this group, the Company bears joint and several liability pursuant to Art. 15 para. 1 lit c VATA.

CONTINGENT LIABILITIES

In the normal course of business, risks arise in connection with such matters as legal disputes and pending or disputed tax assessments that could potentially lead to liabilities (contingent liabilities). The amount involved in most current such cases is immaterial. The amount involved in the most significant case is roughly CHF 8 million. Where the outcome of such cases is unclear or the risk is unquantifiable or the likelihood of an outflow of funds is unlikely, no provisions have been made. Provisions have been made where the outcome can be estimated or an outflow of funds is probable.

REMUNERATION OF BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The disclosures of remuneration, loans/credits and shareholdings to current and past members of governing bodies (Board of Directors and Executive Management) and to parties related to these bodies pursuant to the Transparency Act are shown below:

Remuneration in 2014

in CHF								
Last name, first name	Position	Fixed base salary, gross	Variable incentives, gross	Stock grants [1]		Employer social insurance contributions	Perquisites	Total remuneration
				Quantity	Fair value			
Board of Directors								
Graf, Ulrich [2]	Chairman	170'000	0	2'400	344'640	28'368	0	543'008
Rüegg, Hans R.	Vice-Chairman	110'000	0	1'700	244'120	19'007	0	373'127
Fässler, Hanspeter	Member	90'000	0	1'100	157'960	16'143	0	264'103
Huber, Gabi	Member	70'000	0	1'100	157'960	14'663	0	242'623
Lienhard, Ernst	Member	90'000	0	1'100	157'960	13'144	0	261'104
Odermatt, Ernst	Member	70'000	0	1'100	157'960	11'809	0	239'769
Total Board of Directors		**600'000**	**0**	**8'500**	**1'220'600**	**103'134**	**0**	**1'923'734**
Executive Management								
Hälg, Paul J. [2]	CEO	770'004	369'435	3'300	473'880	296'370	6'720	1'916'409
Total Executive Management		**1'952'004**	**963'660**	**7'800**	**1'120'080**	**922'681**	**37'080**	**4'995'505**

[1] *The shares were awarded on 2 June 2014 at a daily closing price of CHF 143.60.*
[2] *Highest remuneration*

Remuneration in 2013

in CHF								
Last name, first name	Position	Fixed base salary gross	Variable incentives gross	Stock grants [1]		Employer social insurance contributions	Perquisites	Total remuneration
				Number	Fair value			
Board of Directors								
Graf, Ulrich [2]	Chairman	170'000	0	2'400	239'280	22'890	0	432'170
Rüegg, Hans R.	Vice-Chairman	110'000	0	1'700	169'490	15'161	0	294'651
Fässler, Hanspeter	Member	90'000	0	1'100	109'670	13'481	0	213'151
Huber, Gabi	Member	50'000	0	1'100	109'670	10'286	0	169'956
Inderbitzin, Werner	Member	70'000	0	1'100	109'670	9'318	0	188'988
Lienhard, Ernst	Member	90'000	0	1'100	109'670	10'697	0	210'367
Odermatt, Ernst	Member	70'000	0	1'100	109'670	9'765	0	189'435
Total Board of Directors		**650'000**	**0**	**9'600**	**957'120**	**91'598**	**0**	**1'698'718**
Executive Management								
Hälg, Paul J. [2]	CEO	770'004	940'000	3'300	329'010	335'435	6'720	2'381'169
Total Executive Management		**1'955'504**	**1'880'000**	**7'400**	**737'780**	**946'312**	**34'080**	**5'553'676**

[1] *The shares were awarded on 1 June 2013 at a daily closing price of CHF 99.70.*
[2] *Highest remuneration*

Explanatory notes:

1. The fixed base salary for members of the Board of Directors remained unchanged compared to the previous year. The fixed base salary depends on membership of the various Sub-Committees. The fixed base salary for the Executive Management remained practically unchanged in the year under review.

2. The amounts shown in the tables under Variable incentives represent the expense actually recognised for variable salary components granted for 2014, which will be paid in March 2015. Owing to the consolidated profit posted in the year under review, the variable incentives were also correspondingly lower. However, the variable incentives depend not only on the consolidated profit, but also on the particular profit figures of each division and individual goals.

3. The stock grants for the year 2014 were decided by the Remuneration Committee and approved by the Board of Directors in accordance with the maximum amount approved by the Annual General Meeting and Art. 21b of the Articles of Association. The shares awarded on 2 June 2014 at the then market value of CHF 143.60 vest over a period of 5 years. After the end of this period, the shares are at the free disposal of the beneficiary or his or her legal successor regardless of death, disability or termination. The number of shares awarded per functional level remained unchanged for the Board of Directors in the year under review. A minor adjustment was made for certain Executive Management functions. The market value of the share in the year under review was CHF 43.90 higher than in the previous year, which increased the fair value of the stock grants accordingly.

4. The heading Employer social insurance contributions includes all employer expenditures for pension plans and social security contributions. Perquisites reflect the employer's contribution to private use of business vehicles and child allowances.

5. One member of the Board of Directors (a representative pursuant to SCO 709) receives higher remuneration in consideration of his efforts in favour of bearer shareholders.

No remuneration was paid to former members of the Board of Directors or Executive Management in the year under review, nor was any non-arm's length remuneration paid to persons connected with current or former members of the Board of Directors or Executive Management.

LOANS AND CREDITS

No loans and/or credits were granted to individual current or former members of the Board of Directors or Executive Management (including persons connected with them) in the year under review. Likewise, no non-arm's length loans and/or credits were granted to current or former members of the aforementioned bodies or persons connected with them in the year under review.

As at 31 December 2014, the individual members of the Board of Directors and Executive Management and their related parties held the following quantities of the Company's equity securities:

BOARD OF DIRECTORS AND EXECUTIVE BOARD SHAREHOLDINGS

Board of Directors shareholdings, 2014

Surname, first name	Position	Number of shares	% of voting rights	Of which vesting in				
				2015	2016	2017	2018	2019
Graf, Ulrich	Chairman	17'800	0.053051	2'200	2'400	2'400	2'400	2'400
Rüegg, Hans R.	Vice-Chairman	11'000	0.032785	1'700	1'700	1'700	1'700	1'700
Fässler, Hanspeter	Member	8'800	0.026228	1'100	1'100	1'100	1'100	1'100
Huber, Gabi	Member	2'300	0.019889	0	0	0	1'100	1'100
Lienhard, Ernst	Member	8'800	0.026228	1'100	1'100	1'100	1'100	1'100
Odermatt, Ernst	Member	8'800	0.026228	1'100	1'100	1'100	1'100	1'100

Share type: Bearer share, nom. CHF 0.05
Percentage of voting rights: bearer share, 0.00000298

Executive Management shareholdings, 2014

Last name, first name	Position	Number of shares	% of voting rights	Of which vesting in				
				2015	2016	2017	2018	2019
Hälg, Paul J.	CEO	25'100	0.074809	3'300	3'300	3'300	3'300	3'300
Welte. Reto	CFO	5'900	0.017584	1'100	1'100	1'100	1'100	1'500
Lambrecht, Dirk	Division CEO	5'100	0.015200	700	700	700	1'500	1'500
Heusser, Markus*	Division CEO	6'200	0.018479	0	1'500	1'500	1'500	1'500

** Resigned position on 31 August 2014*

Share type: Bearer share, nom. CHF 0.05
Percentage of voting rights: bearer share, 0.00000298

Board of Directors shareholdings, 2013

Last name, first name	Position	Number of shares	% of voting rights	Of which vesting in				
				2014	2015	2016	2017	2018
Graf, Ulrich	Chairman	15'400	0.045924	2'200	2'200	2'400	2'400	2'400
Rüegg, Hans R.	Vice-Chairman	10'000	0.029821	1'700	1'700	1'700	1'700	1'700
Fässler, Hanspeter	Member	7'700	0.022962	1'100	1'100	1'100	1'100	1'100
Huber, Gabi	Member	1'200	0.019889	0	0	0	0	1'100
Inderbitzin, Werner	Member	7'800	0.023260	1'100	1'100	1'100	1'100	1'100
Lienhard, Ernst	Member	7'700	0.022962	1'100	1'100	1'100	1'100	1'100
Odermatt, Ernst	Member	7'700	0.022962	1'100	1'100	1'100	1'100	1'100

Share type: Bearer share, nom. CHF 0.05
Percentage of voting rights: bearer share, 0.00000298

Executive Management shareholdings, 2013

Last name, first name	Position	Number of shares	% of voting rights	Of which vesting in				
				2014	2015	2016	2017	2018
Hälg, Paul J.	CEO	26'900	0.080218	3'300	3'300	3'300	3'300	3'300
Welte. Reto	CFO	5'500	0.016401	1'100	1'100	1'100	1'100	1'100
Lambrecht, Dirk	Division CEO	4'300	0.012823	700	700	700	700	1'500
Heusser, Markus	Division CEO	4'700	0.014016	0	0	1'500	1'500	1'500

Share type: Bearer share, nom. CHF 0.05
Percentage of voting rights: bearer share, 0.00000298

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None

Proposed Appropriation of Retained Earnings

Retained earnings carried forward

in CHF	2014	2013
Retained earnings at start of fiscal year	465'597'730	445'498'830
Annual profit	102'867'187	64'712'916
Retained earnings at disposal of General Meeting of Shareholders	568'464'917	510'211'746

Proposal of the Board of Directors on the appropriation of retained earnings [1]

in CHF	2014 Proposal of the Board of Directors	2013 Resolution of the General Meeting of Shareholders
Retained earnings at disposal of General Meeting of Shareholders	568'464'917	510'211'746
Distribution of cash dividend	–35'095'119	–44'614'016
Registered shares: CHF 0.44 (previous year: CHF 0.56)	–9'680'000	–12'320'000
Bearer shares: CHF 2.20 (previous year: CHF 2.80)	–25'415'119	–32'294'016
Distribution of non-cash dividend [2]	–89'580'906	0
Registered shareholders: 132'000 treasury bearer shares	–16'060'440	0
Bearer shareholders: 346'569.81 treasury bearer shares	–42'167'149	0
Withholding tax on non-cash dividend	–31'353'317	0
To be carried forward [2]	443'788'892	465'597'730

[1] *Treasury bearer shares (1,047,673 as at 31 December 2014; previous year: 1,066,423) are not entitled to a dividend. The share capital entitled to a distribution, and thus the distributed cash and non-cash dividend, may vary due to disposals of treasury bearer shares between 1 January 2015 and the record date of 22 April 2015.*

[2] *The value of the non-cash dividend is based on an indicative bearer share price of CHF 121.67 (volume-weighted average price for 25 February 2015) and a capital-based distribution ratio of 1: 0.03, i.e. the shareholder will receive three bearer shares from the Company's stock of treasury shares per 100 bearer shares or 500 registered shares (equivalent value of fractions to be paid in cash). The distribution ratio will remain fixed. The price of bearer shares determining the non-cash dividend, and thus the value of the non-cash dividend, will be definitively determined and established on 15 April 2015 (the day before the Annual General Meeting).* ***If it cannot be settled as part of the reporting process,*** *the withholding tax will be paid by the Company to the Swiss Federal Tax Administration. Depending on the shareholder's domicile and with a proper declaration, shareholders may be able to request a full or partial refund. The withholding taxes declared in the reporting process will be disbursed directly to the shareholder.*

These figures are indicative; they will be adjusted in accordance with changes in the price of the bearer share and disclosed at the Annual General Meeting of 16 April 2015.

Report of the Statutory Auditor on the Financial Statements

pwc

Report of the statutory auditor
to the General Meeting of
Dätwyler Holding AG
Altdorf

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of Dätwyler Holding AG, which comprise the balance sheet, income statement and notes (pages 96 to 106), for the year ended 31 December 2014.

Board of Directors' responsibility

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

Auditor's responsibility

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

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

Opinion

In our opinion, the financial statements for the year ended 31 December 2014 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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

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

PricewaterhouseCoopers AG

René Rauenberger
Audit expert
Auditor in charge

Josef Stadelmann
Audit expert

Zürich, 26 February 2015

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Five Year Summary

Datwyler Group

in CHF millions	2014	2013	2012	2011	2010
Net revenue	1'251.9	1'382.0	1'414.2	1'290.5	1'319.5
Year-on-year change (%)	–9.4	–2.3	9.6	–2.2	17.6
EBITDA	185.8	194.4	203.1	168.3	176.6
Depreciation and amortisation	53.6	58.4	52.1	44.1	48.7
As % of net revenue	4.3	4.2	3.7	3.4	3.7
Year-on-year change (%)	–8.2	12.1	18.1	–9.4	–9.8
Operating result before interest and tax (EBIT)	132.3	136.0	151.0	124.2	127.9
As % of net revenue	10.6	9.8	10.7	9.6	9.7
Year-on-year change (%)	–2.7	–9.9	21.6	–2.9	59.9
Net result	97.9	120.2	127.5	96.2	98.2
As % of net revenue	7.8	8.7	9.0	7.5	7.4
Year-on-year change (%)	–18.6	–5.7	32.5	–2.0	54.2
Net cash from operating activities	110.8	166.3	124.4	149.6	142.8
As % of net revenue	8.9	12.0	8.8	11.6	10.8
Year-on-year change (%)	–33.4	33.7	–16.8	4.8	–3.7
Free Cash Flow (based on Consolidated Cash Flow Statement)	180.7	–39.6	–107.7	83.1	25.3
Non-current assets	459.7	429.2	445.8	384.9	375.4
Year-on-year change (%)	7.1	–3.7	15.8	2.5	–4.6
Current assets	700.1	693.9	633.2	507.1	471.6
Year-on-year change (%)	0.9	9.6	24.9	7.5	–13.7
Total assets	1'159.8	1'123.1	1'079.0	892.0	847.0
Equity	753.2	660.8	550.9	643.4	583.5
Year-on-year change (%)	14.0	19.9	–14.4	10.3	–2.1
As % of total assets	64.9	58.8	51.1	72.1	68.9
Total liabilities	406.6	462.3	528.1	248.6	263.5
Year-on-year change (%)	–12.0	–12.5	112.4	–5.7	–23.3
Thereof current liabilities	206.0	259.8	291.1	207.3	223.8
Thereof long-term liabilities	200.6	202.5	237.0	41.3	39.7
Capital expenditure on property, plant and equipment	73.4	48.6	75.0	64.1	34.8
Year-on-year change (%)	41.2	–35.2	17.0	84.2	–34.6
Personnel expenses	329.5	367.6	358.8	329.7	333.0
Year-on-year change (%)	–10.4	2.5	8.8	–1.0	1.6
Number of employees (at year-end)	6'760	7'047	6'907	5'259	5'070
Year-on-year change (%)	–4.1	2.0	31.3	3.7	12.4

Dätwyler Holding Inc.

in CHF mio.	2014	2013	2012	2011	2010
Finance and investment income	91.3	70.0	95.9	69.8	81.9
Net result	102.9	64.7	90.2	65.6	79.0
Equity	961.6	903.3	879.6	823.4	791.8
Equity as % of total assets	86.3	85.6	85.3	99.7	99.8
Share capital	0.9	0.9	0.9	0.9	0.9
Distribution	124.7 [1]	44.6	40.9	34.0	34.0

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

Share Information

	Notes	Currency	2014	2013	2013	2011	2010
Share capital		in CHF mio.	0.85	0.85	0.85	0.85	0.85
Eligible for a dividend		in CHF mio.	0.80	0.80	0.78	0.77	0.77
Number of shares							
Bearer shares of CHF 0.05 each			12'600'000	12'600'000	12'600'000	12'600'000	12'600'000
Unissued shares			1'047'673	1'066'423	1'415'347	1'534'600	1'553'600
Bearer shares in issue			11'552'327	11'533'577	11'184'653	11'065'400	11'046'400
Registered shares of CHF 0.01 each			22'000'000	22'000'000	22'000'000	22'000'000	22'000'000
Market price (high/low)	(1)						
Bearer share – high	(2)	CHF	147.20	125.00	99.25	87.00	79.45
Bearer share – low	(2)	CHF	111.00	86.35	63.00	45.50	56.55
Trading volume							
Number of shares			4'058'475	3'613'451	1'909'732	2'008'146	2'437'950
Value		in CHF mio.	525	386	142	140	167
Gross dividend							
Bearer share		CHF	7.8155 (3)	2.80	2.60	2.20	2.20
Registered share		CHF	1.5631 (3)	0.56	0.52	0.44	0.44
Net result per share	(4)						
Bearer share		CHF	6.14	7.60	8.23	6.22	6.36
Registered share		CHF	1.23	1.52	1.65	1.24	1.27
Net cash from operating activities per share	(4)						
Bearer share		CHF	6.95	10.51	8.03	9.68	9.25
Registered share		CHF	1.39	2.10	1.61	1.94	1.85
Price/earnings ratio (average)			21.1	14.1	9.0	11.2	10.7
Equity per share	(4)						
Bearer share		CHF	47	41	35	42	38
Registered share		CHF	9	8	7	8	8
Market capitalisation							
Average for the year		in CHF mio.	2'062	1'690	1'152	1'076	1'050
As % of equity			274	256	209	167	180
At 31 December		in CHF mio.	2'037	1'974	1'346	861	1'197
As % of equity			270	299	244	134	205

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

(1) *Swiss Stock Exchange (SIX).*
(2) *Issued at a price of CHF 2'250 in October 1986. 100-for–1 share split on 6 July 2007.*
(3) *Board of Directors' proposal to the Annual General Meeting*
(4) *As adjusted per share ranking for dividend*

Share Price Performance

in CHF

Datwyler bearer share
SPI index

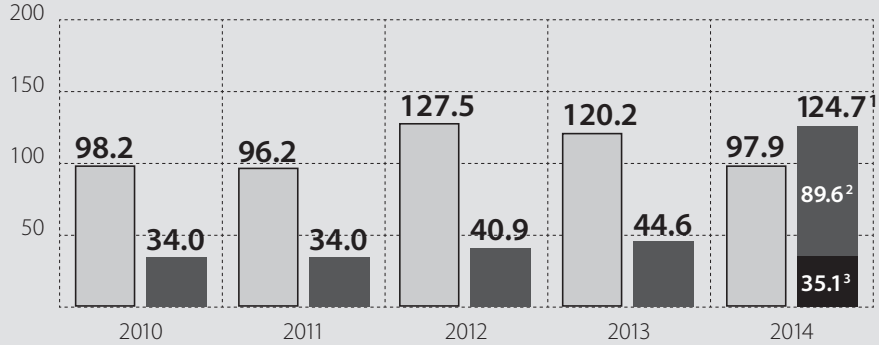
Dividend Performance

Dividend per share in CHF

Dividend per share in CHF
[1] *Proposal to the Annual General Meeting, indicative amount (see page 107)*

Dividend absolute in millions CHF

Profit for the year
Dividend in absolute terms
[1] *Proposal to the Annual General Meeting, indicative amount (see page 107)*
[2] *Indicative anniversary non-cash dividend*
[3] *Cash dividend*



Payout ratio	34.6%	35.3%	32.1%	37.1%	127.4%

General Information

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

Incorporated
Dätwyler Inc.: 1915
Dätwyler Holding Inc.: 1958
publicly listed since 1986

Share trading
Bearer shares traded on the SIX Swiss Exchange

Ticker symbols

Security	Security No.	Investdata	ISIN	Common Code	Reuters
Datwyler bearer share	3'048'677	DAE	CH003'048677 0	XS030821700	DAEZ
Datwyler bond	20'029'554	DAE12	CH020'029554 8	085652214	DAE

Taxable value set by the Swiss Federal Tax Administration at 31 December 2014
Bearer share: CHF 127.70
1.125% Bond 2012–2018: 102.05%

Important dates
2015
Annual General Meeting: 16 April 2015
Interim Report: 14 August 2015

2016
Announcement of net revenue 2015: 22 January 2016
Annual Press Conference and Analyst Conference: 4 March 2016
Annual General Meeting: 5 April 2016
Interim Report: 12 August 2016

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

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

DATWYLER GROUP

at 3 March 2015

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

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