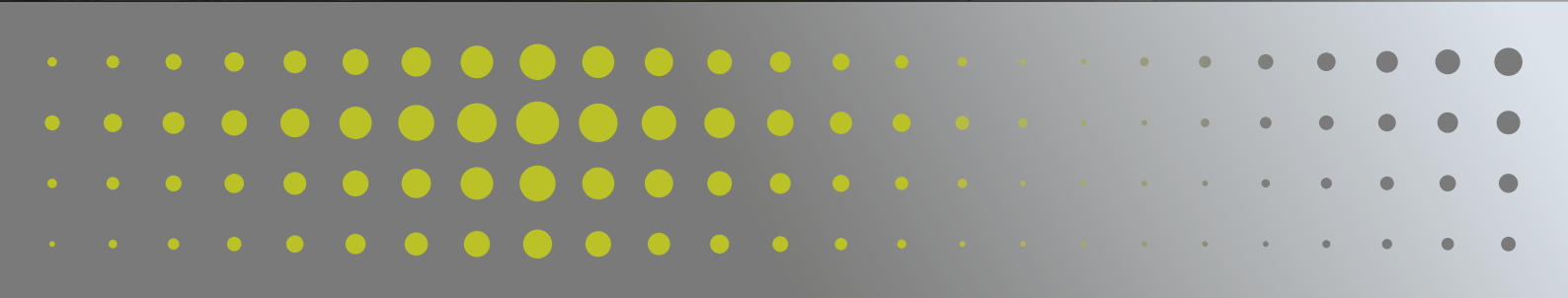




Semi-Annual Report 2014



## Autoneum at a glance

	<b>Net sales</b> in CHF million	<b>EBIT</b> in CHF million	<b>Net profit</b> in CHF million	<b>RONA</b> in %
HY 2013	1 078.0	55.9	31.3	16.6
HY 2014	980.6	66.8	40.0	18.5

CHF million	January – June 2014	January – June 2013	Change	Organic growth <sup>1</sup>
<b>Autoneum Group</b>				
Net sales	980.6	1 078.0	-9.0%	2.9%
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	99.1	90.9	9.0%	
in % of net sales	10.1	8.4		
Earnings before interest and taxes (EBIT)	66.8	55.9	19.6%	
in % of net sales	6.8	5.2		
Net profit	40.0	31.3	27.9%	
in % of net sales	4.1	2.9		
Basic earnings per share in CHF	6.19	4.27		
Return on net assets in % (RONA) <sup>2</sup>	18.5	16.6		
Cash flows from operating activities	20.0	51.2		
Investments in tangible and intangible assets	27.9	30.7		
Number of employees at the end of the reporting period <sup>3</sup>	9 521	10 208	-6.7%	
<b>Business Groups (BG)</b>				
BG Europe net sales	421.7	487.0	-13.4%	2.7%
BG Europe EBIT	18.5	3.2		
in % of net sales	4.4	0.7		
BG North America net sales	434.4	462.2	-6.0%	0.6%
BG North America EBIT	40.1	43.1		
in % of net sales	9.2	9.3		
BG Asia net sales	66.6	60.1	10.8%	17.7%
BG Asia EBIT	8.9	6.2		
in % of net sales	13.4	10.3		
BG SAMEA net sales	60.4	73.7	-18.0%	3.1%
BG SAMEA EBIT	0.6	2.2		
in % of net sales	1.0	3.0		

1 Change in local currencies, adjusted for the sale of the Italian subsidiary.

2 Net profit before interest cost in relation to total assets minus non-interest bearing liabilities, annualized.

3 Excluding apprentices and temporary employees.

## Operating result hits new record high – European business on track

**The consistent strategic focus on profitable growth is showing results, with Autoneum significantly increasing its profitability and earnings in the first half of 2014. This was due to operational improvements in Europe, higher global customer volumes in Asia, and higher levels of vertical integration by expanding the production of basic materials.**

**Autoneum, the global market and technology leader in acoustic and thermal management for vehicles, increased sales in local currencies and adjusted for the sale of the former subsidiary in Italy by 2.9%. EBIT rose significantly from 55.9 million CHF to 66.8 million CHF. The EBIT margin hit a new record high of 6.8%. Net profit increased by 27.9% to 40.0 million CHF, pushing earnings per share up accordingly from 4.27 CHF in the first half-year 2013 to 6.19 CHF. Furthermore, Business Group Europe reached an important mid-term financial target by achieving an EBITDA margin of 7.7%.**

Dear shareholders,

The production of light vehicles grew at a moderate pace to 44.1 million vehicles in the first half of 2014. Whilst automobile production in Europe, North America, and Asia increased year over year, production volumes fell in the SAMEA (South America, Middle East, Africa, and Russia) market region. In local currencies and adjusted for the sale of the former subsidiary in Italy, Autoneum increased its net sales by 2.9%. Once again, net sales of all Business Groups (BG) rose in local currencies year over year. The loss of sales from the Italian subsidiary and the drastic devaluation of various currencies in Autoneum's markets led to a decline of net sales consolidated in Swiss francs from 1 078.0 million CHF to 980.6 million CHF (–9.0%).

Major progress in profitability and earnings confirms Autoneum's consistent strategic focus on profitable growth, with the company increasing EBITDA in the first half of 2014 to 99.1 million CHF (prior year period 90.9 million CHF). The EBITDA margin climbed to 10.1% (prior year period 8.4%), while EBIT rose significantly by 11.0 million CHF to 66.8 million CHF. This equals an EBIT margin of 6.8% and an increase of 1.6 percentage points compared to the prior year period. The key factors driving this positive trend were operational improvements and the successful implementation of capacity adjustments in Europe, higher global customer volumes in Asia, and higher levels of vertical integration by expanding the production of basic materials. In addition, Business Group Europe reached an important mid-term financial target, achieving an EBITDA margin of 7.7%.

The improved EBIT pushed profit before taxes up by 11.0 million CHF to 58.4 million CHF. Net profit rose from 31.3 million CHF to 40.0 million CHF, equaling a profit margin of 4.1% (prior year period 2.9%). The return on net assets (RONA, annualized) improved from 16.6% in the first half-year 2013 to 18.5%, which is more than double the weighted average cost of capital (WACC) of 8.7%. Therefore, not only the cost of capital was covered but also additional value was created. The equity ratio, including subordinated loans, climbed to 35.7% (prior year period 30.5%). Net debt was reduced by 16.7 million CHF compared to the first half of 2013, amounting to 101.3 million CHF as of June 30, 2014 (December 31, 2013: 75.0 million CHF). The increased net working capital led to a higher net debt compared to its level at the end of 2013.



The global light vehicle production grew to 44.1 million vehicles.



In local currencies and adjusted for the sale of the former Italian subsidiary, Autoneum increased its net sales by 2.9%.



The EBIT margin improved by 1.6 percentage points to 6.8%.

The existing syndicated loan in the amount of 130 million CHF, which is due by December 31, 2014, will be refinanced ahead of time. The significantly improved earnings since the listing and the stronger balance sheet are reflected in the favorable new lending conditions. In this context, Autoneum has signed a term sheet with one of its principal banks.

Autoneum's global presence is not only a vital competitive advantage but in a mid-term perspective it also enables additional sales growth via further expansion. For instance, the newly established company Autoneum Korea will prospectively allow Korean automobile manufacturers to benefit from the long-standing expertise and product portfolio of the global market leader right from the vehicle development stage. With its new location in South Korea, Autoneum paves the way to further develop partnerships with Korean automobile manufacturers on global production platforms. In North America, Autoneum is expanding its production capacities by adding two new sites in the US Midwest. The ground-breaking ceremony for Autoneum's plant in Jeffersonville, Indiana, was held in April 2014. By the end of the year, it will be producing interior floor and underbody components. UGN, a joint venture with Nittoku, has a plant under construction in Monroe, Ohio, which will start supplying Japanese automobile manufacturers in 2015.

Autoneum also further strengthened its position as technology leader in the reporting period. The heatshield portfolio was expanded to include specially perforated heatshields that absorb vehicle noise effectively. The aluminum heatshields, which are based on RIMIC technology, now also provide effective protection against high-frequency sounds by combining them with a sound absorber developed by Autoneum.

#### Business Groups

In local currencies and adjusted for the sale of the former subsidiary in Italy, BG Europe increased its net sales by 2.7%. Due to the loss of sales from the Italian subsidiary, net sales in Swiss francs decreased by 13.4% to 421.7 million CHF (prior year period 487.0 million CHF). EBIT improved significantly from 3.2 million CHF to 18.5 million CHF, which equals an EBIT margin of 4.4% (prior year period 0.7%). The key factors in this substantial increase in profitability were operational improvements at all European plants and the successful implementation of capacity adjustments. Furthermore, Autoneum also benefited from higher volumes of existing customer orders and the successful optimization of structural costs.



RONA increased to 18.5%.

Net sales of BG North America increased by 0.6% in local currencies compared to the prior year period. This only modest growth was due to lower production volumes by customers, which resulted in lower sales for Autoneum, as well as the still limited participation in the growth of the Mexican market. With the devaluation of the Canadian and the US dollar compared to the Swiss franc, net sales in the reporting currency decreased to 434.4 million CHF. However, the EBIT margin of 9.2% reached the prior year's above-average level.

Net sales of BG Asia again improved significantly in the first half of 2014 and outperformed the market in this region multiple times with a growth of 17.7% in local currencies. In Swiss francs, net sales rose by 10.8% to 66.6 million CHF (prior year period 60.1 million CHF). EBIT increased from 6.2 million CHF to 8.9 million CHF,

while an EBIT margin of 13.4% represents a considerable improvement compared to the first half of 2013 (10.3%). Factors boosting earnings included higher global customer volumes and higher levels of vertical integration in China, Autoneum's main market in Asia. Autoneum benefited from the Japanese automobile manufacturer volumes in China, which exceeded pre-crisis levels for the first time since the sales slump in 2012 that had been caused by political tensions. Once again, automobile production in India fell short of the prior year period, slightly slowing the growth pace in BG Asia.

BG SAMEA's net sales in local currencies rose by 3.1% in the reporting period. Due to partially drastic currency devaluations in the market regions of South America, Middle East, Africa, and Russia, net sales of BG SAMEA – consolidated in Swiss francs – decreased by 18.0% to 60.4 million CHF (prior year period 73.7 million CHF). In the first half of 2014, EBIT declined to 0.6 million CHF, with the EBIT margin at 1.0%. BG SAMEA's results were adversely affected by the lower automobile manufacturer volumes in the volatile Brazilian and Argentinian market as well as in Russia. Delays in the implementation of operational improvements in Brazil also had a negative effect.

#### Outlook

Compared to the first semester, production volumes in the automotive industry tend to be lower in the seasonally weaker second half of the year. Autoneum expects a challenging second semester but assumes to maintain the operating margin achieved in the first six months 2014.

The planned investments will 2014 slightly exceed the previous average rate of investment. The focal points of investments are the expansion of production capacities, the increase of vertical integration, and the implementation of additional operational improvements.

Winterthur, July 22, 2014



Hans-Peter Schwald  
Chairman of the Board



Martin Hirzel  
Chief Executive Officer



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The investments in 2014 will slightly exceed the previous average rate of investment.

## Consolidated income statement

	January – June 2014		January – June 2013	
	CHF million	% <sup>1</sup>	CHF million	% <sup>1</sup>
Net sales	980.6	100.0	1 078.0	100.0
Change in semi-finished and finished goods	-0.0		2.1	
Material expenses	-486.7	-49.6	-552.8	-51.3
Employee expenses	-251.7	-25.7	-281.2	-26.1
Other expenses	-148.3	-15.1	-159.9	-14.8
Other income	5.3	0.5	4.7	0.4
<b>Earnings before interest, taxes, depreciation, and amortization (EBITDA)</b>	<b>99.1</b>	<b>10.1</b>	<b>90.9</b>	<b>8.4</b>
Depreciation and amortization	-32.3	-3.3	-35.0	-3.2
<b>Earnings before interest and taxes (EBIT)</b>	<b>66.8</b>	<b>6.8</b>	<b>55.9</b>	<b>5.2</b>
Financial income	0.3		0.4	
Financial expenses	-9.2		-8.9	
Share of profit of associated companies	0.4		0.0	
<b>Profit before taxes</b>	<b>58.4</b>	<b>6.0</b>	<b>47.4</b>	<b>4.4</b>
Income taxes	-18.4		-16.1	
<b>Net profit</b>	<b>40.0</b>	<b>4.1</b>	<b>31.3</b>	<b>2.9</b>
Attributable:				
to shareholders of Autoneum Holding Ltd	28.7		19.8	
to non-controlling interests	11.4		11.5	
Basic earnings per share in CHF	6.19		4.27	
Diluted earnings per share in CHF	6.16		4.27	

## Consolidated statement of comprehensive income

CHF million	January – June 2014	January – June 2013
<b>Net profit</b>	<b>40.0</b>	<b>31.3</b>
Items that will be reclassified to income statement:		
Changes in currency translation	-0.6	1.9
Change in fair value of financial instruments available for sale	-0.4	0.0
Income taxes	0.0	0.0
Items that will not be reclassified to income statement:		
Remeasurement of defined benefit liability	1.6	0.6
Income taxes	-0.4	-0.1
<b>Total other comprehensive income</b>	<b>0.3</b>	<b>2.4</b>
<b>Total comprehensive income</b>	<b>40.3</b>	<b>33.7</b>
Attributable:		
to shareholders of Autoneum Holding Ltd	29.0	20.7
to non-controlling interests	11.3	13.0

<sup>1</sup> In % of net sales.

## Consolidated balance sheet

CHF million	June 30, 2014	December 31, 2013
<b>Assets</b>		
Tangible assets	360.5	367.6
Intangible assets	9.5	7.9
Investments in associated companies	5.3	4.9
Other non-current assets	52.9	51.4
Deferred tax assets	10.4	8.9
<b>Non-current assets</b>	<b>438.5</b>	<b>440.7</b>
Inventories	118.7	116.9
Trade receivables	261.4	218.0
Advance payments to suppliers	7.3	6.2
Other receivables	69.3	72.1
Marketable securities and interest bearing receivables	2.5	18.7
Cash and cash equivalents	83.0	117.9
<b>Current assets</b>	<b>542.1</b>	<b>549.9</b>
<b>Assets</b>	<b>980.6</b>	<b>990.6</b>
<b>Shareholders' equity and liabilities</b>		
Share capital	0.2	0.2
Reserves and other equity components	254.4	232.7
<b>Equity attributable to shareholders of Autoneum Holding Ltd</b>	<b>254.6</b>	<b>232.9</b>
Equity attributable to non-controlling interests	70.5	69.1
<b>Total shareholders' equity</b>	<b>325.1</b>	<b>302.0</b>
Subordinated shareholder loans	25.0	25.0
Long-term financial liabilities	136.2	138.0
Deferred tax liabilities	8.5	8.1
Employee benefit liabilities	12.7	14.2
Long-term provisions	34.2	33.1
Other non-current liabilities	15.7	16.4
<b>Non-current liabilities</b>	<b>232.2</b>	<b>234.9</b>
Short-term financial liabilities	25.5	48.6
Advance payments from customers	35.9	41.2
Current tax liabilities	7.7	5.5
Short-term provisions	18.9	25.8
Other current liabilities	111.3	101.3
Trade payables	223.9	231.3
<b>Current liabilities</b>	<b>423.3</b>	<b>453.8</b>
<b>Liabilities</b>	<b>655.5</b>	<b>688.6</b>
<b>Shareholders' equity and liabilities</b>	<b>980.6</b>	<b>990.6</b>

## Changes in consolidated equity

CHF million	Share capital	Treasury shares	Retained earnings	Available for sale reserves	Currency transl. adjustm.	Attrib. to Autoneum	Non-controlling interests	Total equity
<b>At December 31, 2012</b>	<b>0.2</b>	<b>-0.1</b>	<b>221.5</b>	<b>-0.6</b>	<b>-7.8</b>	<b>213.2</b>	<b>62.3</b>	<b>275.5</b>
Net profit	0.0	0.0	19.8	0.0	0.0	19.8	11.5	31.3
Total other comprehensive income	0.0	0.0	0.5	0.0	0.4	0.9	1.5	2.4
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>20.3</b>	<b>0.0</b>	<b>0.4</b>	<b>20.7</b>	<b>13.0</b>	<b>33.7</b>
Dividends to non-controlling interests	0.0	0.0	-3.0	0.0	0.0	-3.0	-11.7	-14.7
Purchase of treasury shares	0.0	-2.3	0.0	0.0	0.0	-2.3	0.0	-2.3
Share-based remuneration	0.0	0.2	0.0	0.0	0.0	0.2	0.0	0.2
<b>At June 30, 2013</b>	<b>0.2</b>	<b>-2.2</b>	<b>238.8</b>	<b>-0.6</b>	<b>-7.4</b>	<b>228.8</b>	<b>63.6</b>	<b>292.4</b>
<b>At December 31, 2013</b>	<b>0.2</b>	<b>-2.3</b>	<b>246.2</b>	<b>2.5</b>	<b>-13.7</b>	<b>232.9</b>	<b>69.1</b>	<b>302.0</b>
Net profit	0.0	0.0	28.7	0.0	0.0	28.7	11.4	40.0
Total other comprehensive income	0.0	0.0	1.3	-0.4	-0.5	0.4	-0.1	0.3
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>29.9</b>	<b>-0.4</b>	<b>-0.5</b>	<b>29.0</b>	<b>11.3</b>	<b>40.3</b>
Capital increase	0.0	0.0	0.0	0.0	0.0	0.0	4.6	4.6
Dividends paid	0.0	0.0	-6.0	0.0	0.0	-6.0	-14.5	-20.5
Purchase of treasury shares	0.0	-2.2	0.0	0.0	0.0	-2.2	0.0	-2.2
Share-based remuneration	0.0	0.8	0.1	0.0	0.0	0.9	0.0	0.9
<b>At June 30, 2014</b>	<b>0.2</b>	<b>-3.7</b>	<b>270.2</b>	<b>2.1</b>	<b>-14.2</b>	<b>254.6</b>	<b>70.5</b>	<b>325.1</b>



## Consolidated statement of cash flows

CHF million	January – June 2014	January – June 2013
Net profit	40.0	31.3
Interest income	-0.3	-0.3
Interest expenses	7.4	8.7
Income taxes	18.4	16.1
Depreciation and amortization	32.3	35.0
Share of profit of associated companies	-0.4	0.0
Other non-cash income and expenses	0.9	-2.5
Change in net working capital	-56.6	-11.7
Change in employee benefit assets and liabilities	-1.5	1.8
Change in long-term provisions	1.0	-1.1
Change in operating receivables within non-current assets	-0.1	-1.3
Change in operating liabilities within non-current liabilities	-0.8	0.4
Interest received	0.3	0.3
Interest paid	-5.0	-6.7
Income taxes paid	-15.6	-18.8
<b>Cash flows from operating activities</b>	<b>20.0</b>	<b>51.2</b>
Investments in tangible assets	-26.2	-28.1
Investments in intangible assets	-1.7	-2.6
Investments in other non-current assets	0.2	-0.1
Disposal of tangible assets	1.4	0.2
Deferred consideration from the sale of the Italian subsidiary	-8.5	0.0
Increase in investments in non-consolidated companies	0.0	-0.8
Purchase of marketable securities and interest bearing receivables	-1.2	-0.1
Sale of marketable securities and interest bearing receivables	0.3	0.0
<b>Cash flows from investing activities</b>	<b>-35.7</b>	<b>-31.5</b>
Dividends to shareholders of Autoneum Holding Ltd	-6.0	-3.0
Dividends to non-controlling interests	-14.5	-11.7
Proceeds from capital increase	4.6	0.0
Purchase of treasury shares	-2.2	-2.3
Proceeds from short-term financial liabilities	5.6	13.4
Repayment of short-term financial liabilities	-3.8	-24.3
Proceeds from long-term financial liabilities	0.5	9.0
Repayment of long-term financial liabilities	-3.0	-0.9
<b>Cash flows from financing activities</b>	<b>-18.8</b>	<b>-19.8</b>
Currency effects on cash and cash equivalents	-0.4	1.0
<b>Change in cash and cash equivalents</b>	<b>-34.9</b>	<b>0.9</b>
Cash and cash equivalents at the beginning of the period	117.9	75.3
<b>Cash and cash equivalents at the end of the period</b>	<b>83.0</b>	<b>76.2</b>

## Notes to the consolidated semi-annual financial statements

### 1 Principles of consolidation and accounting principles

The unaudited consolidated semi-annual financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”. They are based on the financial statements of the individual group companies drawn up according to uniform accounting policies as of June 30, 2014. The consolidated semi-annual financial statements are not subject to the same requirements as for consolidated annual financial statements. It is recommended to read the consolidated semi-annual financial statements in conjunction with the consolidated financial statements as of December 31, 2013.

The adoption in 2014 of new and revised IFRS standards had no material impact on the consolidated semi-annual financial statements.

The consolidated semi-annual financial statements are published exclusively in English. Sums, ratios, and variances are calculated using the underlying amount rather than the presented rounded amount.

The semi-annual financial statements for 2014 were approved for publication by the Board of Directors on July 22, 2014.

### 2 Segment information by Business Group

Segment information is based on Autoneum Group’s internal organization and management structure as well as on the internal financial reporting to the chief operating decision maker and consists of the four reportable segments (Business Groups) Europe, North America, Asia, and SAMEA. Corporate contains Autoneum Holding Ltd and its respective legal entities and functions, as well as intercompany eliminations. The number of employees excludes apprentices and temporary employees.

#### January – June 2014

CHF million	Total Group	Corporate	Total segments	BG Europe	BG North America	BG Asia	BG SAMEA
Third-party sales	980.6	2.9	977.7	416.6	434.4	66.6	60.0
Inter-segment sales	0.0	-5.5	5.5	5.1	0.0	0.0	0.4
Net sales	980.6	-2.5	983.2	421.7	434.4	66.6	60.4
EBITDA	99.1	-0.2	99.3	32.5	52.3	12.4	2.1
in % of net sales	10.1	n/a	10.1	7.7	12.0	18.7	3.5
Depreciation and amortization	-32.3	-1.1	-31.2	-14.0	-12.2	-3.5	-1.6
EBIT	66.8	-1.3	68.1	18.5	40.1	8.9	0.6
Assets	980.6	9.5	971.0	421.0	378.2	102.8	69.1
Liabilities	655.5	66.1	589.4	318.0	176.4	43.3	51.8
Investments in tangible and intangible assets	27.9	2.2	25.7	5.5	14.6	2.8	2.7
Number of employees	9 521	167	9 354	3 605	3 428	1 016	1 306

### January – June 2013

CHF million	Total Group	Corporate	Total segments	BG Europe	BG North America	BG Asia	BG SAMEA
Third-party sales	1 078.0	-11.4	1 089.4	492.9	462.2	60.1	74.2
Inter-segment sales	0.0	-6.4	6.4	5.9	0.0	0.0	0.5
Net sales	1 078.0	-5.0	1 083.0	487.0	462.2	60.1	73.7
EBITDA	90.9	1.5	89.4	20.2	55.8	9.5	3.9
in % of net sales	8.4	n/a	8.3	4.1	12.1	15.8	5.3
Depreciation and amortization	-35.0	-0.3	-34.7	-17.0	-12.7	-3.3	-1.7
EBIT	55.9	1.2	54.7	3.2	43.1	6.2	2.2
Assets	990.6	25.9	964.7	435.3	359.3	105.1	65.1
Liabilities	688.6	31.8	656.8	383.9	176.7	46.4	49.8
Investments in tangible and intangible assets	30.7	2.9	27.8	7.8	13.7	3.6	2.7
Number of employees	10 208	151	10 057	4 466	3 295	953	1 343

### 3 Financial instruments

Financial assets and financial liabilities measured at fair value amount to 12.1 million CHF and 0.3 million CHF (2013: 12.4 million CHF and 0.5 million CHF), whereof the main part is valued based on quoted prices in active markets (level 1).

The long-term financial liabilities comprise the bond with a net book value of 124.3 million CHF (2013: 124.2 million CHF) and a fair value based on the quoted price at the SIX Stock Exchange of 133.3 million CHF (2013: 132.4 million CHF).

### 4 Exchange rates for currency translation

CHF		January – June 2014	January – June 2013	June 30, 2014	June 30, 2013
Brazil	1 BRL	0.39	0.46	0.41	0.43
Canada	1 CAD	0.81	0.92	0.84	0.90
China	100 CNY	14.42	15.17	14.36	15.37
Euro countries	1 EUR	1.22	1.23	1.22	1.23
USA	1 USD	0.89	0.94	0.89	0.94

### 5 Events after balance sheet date

No events have occurred up to July 22, 2014, which would necessitate adjustments to the book value of the Group's assets or liabilities.

### 6 Financial calendar

Publication of sales figures for the financial year 2014	January 15, 2015
Press conference and presentation of the 2014 financial statements	March 5, 2015
Annual General Meeting	March 26, 2015

Autoneum. Mastering sound and heat.

**Autoneum** is the global market leader in acoustic and thermal management for vehicles. The company is a partner for the major light vehicle manufacturers around the world. Autoneum provides innovative and cost-effective solutions for noise reduction and thermal management to increase vehicle comfort and value.



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All statements in this report which do not refer to historical facts are statements related to the future which offer no guarantee with regard to future performance; they are subject to risks and uncertainties including, but not confined to, future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors, and other factors outside the company's control. The production figures of the vehicle manufacturers are based on the latest estimates of IHS Global Insight.