



Semi-Annual Report 2013



Autoneum at a glance

	Net sales in CHF million	EBIT in CHF million	Net profit in CHF million	Operating cash flows in CHF million
HY 2011	880.6	22.0	1.5	-11.6
HY 2012	966.8	36.1	12.2	32.9
HY 2013	1078.0	55.9	31.3	51.2

CHF million	January – June 2013	January – June 2012 restated ¹	Change	Change in local currencies
Autoneum Group				
Net sales	1 078.0	966.8	11.5%	10.8%
Operating result before interest, taxes, depreciation, and amortization (EBITDA)	90.9	70.3		
• in % of net sales	8.4	7.3		
Operating result before interest and taxes (EBIT)	55.9	36.1		
• in % of net sales	5.2	3.7		
Net profit	31.3	12.2		
• in % of net sales	2.9	1.3		
Return on net assets in % (RONA) ²	16.6	9.1		
Net cash from operating activities	51.2	32.9		
Earnings per share in CHF	4.27	0.54		
Shareholders' equity at the end of the reporting period	292.4	263.9		
Number of employees at the end of the reporting period ³	10 208	9 605	6.3%	
Business Groups (BG)				
Net sales BG Europe	487.0	471.2	3.4%	2.1%
EBIT BG Europe	3.2	1.3		
• in % of net sales	0.7	0.3		
Net sales BG North America ⁴	462.2	382.6	20.8%	19.3%
EBIT BG North America	43.1	28.1		
• in % of net sales	9.3	7.3		
Net sales BG Asia	60.1	50.0	20.2%	16.9%
EBIT BG Asia	6.2	5.1		
• in % of net sales	10.3	10.2		
Net sales BG SAMEA ⁵	73.7	66.1	11.5%	20.9%
EBIT BG SAMEA	2.2	0.1		
• in % of net sales	3.0	0.2		

1. Refer to notes 1 and 3 (p. 9ff).

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

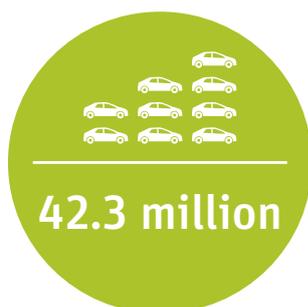
3. Excluding apprentices and temporary employees.

4. Including USA, Canada, and Mexico.

5. Including South America, Middle East, Africa, and Russia.

Autoneum reports considerable increase in sales and earnings

Autoneum, the global market leader in acoustic and thermal management for the automotive industry, recorded a further increase in sales and earnings in the first half of 2013. Gains in market share with global customers and a large proportion of deliveries for high-volume vehicle models in North America and Asia were major contributory factors to the increase in sales. Autoneum's earnings grew as a consequence of the consistent implementation of operating improvements and the successful counterbalancing of price trends on the raw material markets.



Worldwide automobile production rose by 1.4% to 42.3 million vehicles.

With a 10.8% rise in sales in local currencies, Autoneum again clearly outstripped the trend in global light vehicle production (1.4%). The operating result before interest and taxes (EBIT) rose considerably from 36.1 million CHF to 55.9 million CHF; this corresponds to an EBIT margin of 5.2%. Net profit in the first half of 2013 increased by 19.1 million CHF to 31.3 million CHF. Earnings per share grew substantially from 0.54 CHF in the first half of 2012 to 4.27 CHF.

Dear shareholders,

The development of the global automotive industry in the first half of 2013 continued to be heterogeneous and dependent on regional economic trends. While growth momentum in North America slowed and light vehicle production in Europe was again lower, the Asian automobile market in particular was on the growth track. Worldwide automobile production therefore registered subdued growth of 1.4% to 42.3 million vehicles compared to the previous year. By contrast, net sales by Autoneum again clearly exceeded market growth, increasing by 11.5% (in local currencies 10.8%) to 1 078.0 million CHF (previous year 966.8 million CHF). All four Business Groups (BG) increased sales compared to the prior year period and outstripped market growth in their regions. Gains in market share with customers operating globally and a large proportion of deliveries for high-volume vehicle models in North America and Asia were among the decisive factors contributing to this further growth against the market trend. Earnings were boosted by the consistent implementation of operational improvement measures, the successful counterbalancing of price trends on the raw material markets and the continuous optimization of structural costs despite sales growth.



Autoneum increased net sales by 11.5% to 1 078.0 million CHF.

The consistent implementation of the strategy to focus increasingly on products featuring high potential for CO₂ reductions also contributed to further progress in results: Autoneum increased its first-half earnings before interest, taxes, depreciation and amortization (EBITDA) from 70.3 million CHF in the previous year to 90.9 million CHF and the EBITDA margin rose to 8.4% (previous year 7.3%). The operating result (EBIT) improved by 19.8 million CHF to 55.9 million CHF, equivalent to 5.2% of net sales (previous year 3.7%). All four Business Groups recorded higher operating results (EBIT) compared to the prior year period, although poor capacity utilization in Europe in some cases, especially in France and Italy, prevented a higher EBIT margin. Also the improved financial result contributed to a substantial increase in profit before taxes of 21.9 million CHF to 47.4 million CHF. Earnings before taxes were distributed more favorably among the subsidiaries, leading to a significantly lower tax rate. Net profit rose considerably from 12.2 million CHF to 31.3 million CHF; this corresponds to a profit margin of 2.9% (previous year 1.3%). The return on net assets (RONA) improved from 9.1% in the first half of 2012 to 16.6%, thus exceeding the weighted average cost of capital (WACC) of 8.7% by 7.9 percentage points.



EBIT rose by 19.8 million CHF
to 55.9 million CHF.



RONA improved remarkably from
9.1% to 16.6%.

Compared to the end of 2012, net debt was reduced by 4.8 million CHF and totaled 118.2 million CHF on June 30, 2013 (123.0 million CHF on December 31, 2012). Cash flow from operating activities increased considerably in the reporting period by 18.3 million CHF to 51.2 million CHF (prior year period 32.9 million CHF).

As the technology leader, Autoneum is continually engaged in launching innovations on the market. Pure-Tuft, the innovation for carpet systems brought to serial production at the UK plant in Heckmondwike, is being supplied initially for use in a high-volume premium model. Also, the expansion of Autoneum's worldwide presence continued in the period under review. Production at the new facility in Ryazan (Russia) is scheduled to begin in fall 2013. In Mexico, Autoneum has expanded its local presence with the construction of an additional manufacturing facility by UGN, the joint venture with Japanese supplier Nittoku. This new plant in Silao will start production of parts for Japanese automobile manufacturers at the end of the year.

Business Groups

Light vehicle production in Europe continued to weaken in the first half of 2013. The number of vehicles produced declined by 4.0% to 8.2 million. However, net sales by BG Europe in the region were 2.1% higher in local currencies, and net sales in Swiss francs rose by 3.4% to 487.0 million CHF (prior year period 471.2 million CHF). The operating result (EBIT) improved from 1.3 million CHF to 3.2 million CHF. A decline in production by local manufacturers in France and Italy had a negative impact on capacity utilization, depressing earnings of BG Europe. In Europe, Autoneum profited from successful launches of top-selling vehicle models and higher sales volumes and revenues in textile underfloor and carpet systems for German premium manufacturers in particular.

In North America, the momentum of automobile production slowed down considerably in the first half of 2013, which was reflected in a subdued increase in automobile production of 3.5% to 8.2 million vehicles. BG North America clearly outperformed market growth with an increase in sales of 19.3% in local currencies. Net sales in Swiss francs were as much as 20.8% higher at 462.2 million CHF. BG North America recorded strong growth on the back of successful launches by Japanese manufacturers of volume models equipped with Autoneum products but also thanks to the market share increase with American and German manufacturers. Although the further increases in volume drove plant capacity utilization to the limit, the operating result (EBIT) improved by 15.0 million CHF to 43.1 million CHF. This corresponds to an EBIT margin of 9.3% (previous year 7.3%).

Sales by BG Asia (excluding Japan) also rose significantly in the first half of 2013 by 16.9% in local currencies and were thus more than twice as high as the growth in light vehicle production (7.9%) in this region. Expressed in Swiss francs, net sales were 20.2% higher at 60.1 million CHF (prior year period 50.0 million CHF). The operating result (EBIT) increased from 5.1 million CHF to 6.2 million CHF and the EBIT margin of 10.3% was slightly higher than a year earlier (10.2%). Declining automobile production in India resulted in lower sales volumes and revenues at Autoneum in India, which constrained growth somewhat at BG Asia as a whole. Furthermore, sales volumes of Japanese manufacturers in China which were depressed by political tensions in 2012 did not recover entirely in the first half of 2013.

Automobile production in the South America, Middle East, Africa, and Russia region (SAMEA) increased slightly by 2.1% to 4.7 million vehicles. Nevertheless, BG SAMEA posted net sales growth of 11.5% to 73.7 million CHF, compared to 66.1 million CHF in the prior year period, well in excess of the market trend. Growth in local currencies amounted to 20.9%. The operating result (EBIT) increased by 2.1 million CHF to 2.2 million CHF in the reporting period, and the EBIT margin increased from 0.2% in the first half of 2012 to 3.0%. Earnings of BG SAMEA were affected in the period under review by expenditure on the start of production at the facility in Ryazan (Russia) scheduled for fall 2013.

Outlook

Growth in light vehicle production in the first half of 2013 amounted to only 1.4%, well below the long-term average but still in line with the expectations communicated by Autoneum. Growth also varied widely between regions. This heterogeneous trend and low overall growth are likely to continue in the second half of 2013, although market research institutes expect that the low point in European demand was reached in the first half of 2013.



Autoneum continues to see good opportunities for exceeding the growth in light vehicle production again in the seasonally weaker second half of the year and achieving higher sales in 2013 than a year earlier despite the deconsolidation impact. The Group Executive Board and the Board of Directors will continue to focus on the consistent implementation of strategy and the vigorous pursuit of further operational improvement measures and the related lowering of costs in the second half of the year. Excluding one-time expenses of around 40 million CHF due to the capacity adjustments in Europe the operating margin of 5.2% achieved in the first six months should thus be confirmed in the second half of the year.

Investments in 2013 will amount to a good 4.5% of net sales.

Investments in 2013 will amount to a good 4.5% of net sales as planned and are aimed at the further expansion of business in growth markets and ongoing operational improvement measures.

Winterthur, July 22, 2013

Hans-Peter Schwald
Chairman of the Board

Martin Hirzel
Chief Executive Officer

Consolidated income statement

	January – June 2013		January – June 2012 restated ¹	
	CHF million	% ²	CHF million	% ²
Net sales	1 078.0	100.0	966.8	100.0
Change in semi-finished and finished goods	2.1		3.5	
Material costs	- 552.8	- 51.3	- 487.2	- 50.4
Employee costs	- 281.2	- 26.1	- 262.4	- 27.1
Other operating expenses	- 159.9	- 14.8	- 153.8	- 15.9
Other operating income	4.7	0.4	3.4	0.4
Operating result before interest, taxes, depreciation, and amortization (EBITDA)	90.9	8.4	70.3	7.3
Depreciation and amortization	- 35.0	- 3.2	- 34.2	- 3.5
Operating result before interest and taxes (EBIT)	55.9	5.2	36.1	3.7
Financial result	- 8.5		- 10.6	
Result before taxes	47.4	4.4	25.5	2.6
Income taxes	- 16.1		- 13.3	
Net profit	31.3	2.9	12.2	1.3
Attributable:				
– to shareholders of Autoneum Holding Ltd	19.8		2.5	
– to non-controlling interests	11.5		9.7	
Earnings per share (in CHF) ³	4.27		0.54	

Consolidated statement of comprehensive income

CHF million	January – June 2013	January – June 2012 restated ¹
Net profit	31.3	12.2
Items that will be reclassified to income statement:		
– Changes in currency translation	1.9	4.0
– Change in fair value of financial instruments available for sale	0.0	0.4
– Income taxes	0.0	0.0
Items that will not be reclassified to income statement:		
– Actuarial gains and losses on defined benefit plans	0.6	0.7
– Income taxes	- 0.1	- 0.1
Total other comprehensive income	2.4	5.0
Total comprehensive income	33.7	17.2
Attributable:		
– to shareholders of Autoneum Holding Ltd	20.7	6.6
– to non-controlling interests	13.0	10.6

1. Refer to notes 1 and 3 (p. 9ff).

2. In % of net sales.

3. Diluted and undiluted.

Consolidated balance sheet

CHF million	June 30, 2013	December 31, 2012 restated ¹
Assets		
Tangible fixed assets	378.2	382.1
Other non-current assets, intangible assets	60.5	52.4
Non-current assets	438.7	434.5
Inventories	123.8	112.2
Trade receivables	300.6	256.7
Other receivables and advance payments to suppliers	102.5	73.1
Marketable securities and time deposits	0.3	0.2
Cash and cash equivalents	76.2	75.3
Current assets	603.4	517.5
Assets	1 042.1	952.0
Equity and liabilities		
Equity attributable to shareholders of Autoneum Holding Ltd	228.8	213.2
Equity attributable to non-controlling interests	63.6	62.3
Total equity	292.4	275.5
Subordinated shareholder loans	25.0	25.0
Long-term financial debt	138.2	130.9
Provisions, other non-current liabilities	84.3	81.2
Non-current liabilities	247.5	237.1
Provisions, other current liabilities	158.8	122.9
Short-term financial debt	31.5	42.6
Advance payments from customers	37.2	29.0
Trade payables	274.7	244.9
Current liabilities	502.2	439.4
Liabilities	749.7	676.5
Shareholders' equity and liabilities	1 042.1	952.0

1. Refer to note 3 (p. 10).

Changes in consolidated equity

CHF million	Share capital	Reserves	Other comprehensive income	Attributable to shareholders of Autoneum Holding Ltd	Attributable to non-controlling interests	Total equity
At December 31, 2011 reported	0.2	236.4	-6.0	230.6	56.4	287.0
Change in accounting principles ¹	0.0	-30.2	0.0	-30.2	0.0	-30.2
At December 31, 2011 restated	0.2	206.2	-6.0	200.4	56.4	256.8
Net profit	0.0	2.5	0.0	2.5	9.7	12.2
Other comprehensive income	0.0	0.0	4.1	4.1	0.9	5.0
Total comprehensive income	0.0	2.5	4.1	6.6	10.6	17.2
Dividends	0.0	0.0	0.0	0.0	-10.1	-10.1
At June 30, 2012 restated	0.2	208.7	-1.9	207.0	56.9	263.9
At December 31, 2012 restated	0.2	220.4	-7.4	213.2	62.3	275.5
Net profit	0.0	19.8	0.0	19.8	11.5	31.3
Other comprehensive income	0.0	0.0	0.9	0.9	1.5	2.4
Total comprehensive income	0.0	19.8	0.9	20.7	13.0	33.7
Dividends	0.0	-3.0	0.0	-3.0	-11.7	-14.7
Purchase own shares	0.0	-2.3	0.0	-2.3	0.0	-2.3
Share based payment	0.0	0.2	0.0	0.2	0.0	0.2
At June 30, 2013	0.2	235.1	-6.5	228.8	63.6	292.4

Consolidated statement of cash flows

CHF million	January – June 2013	January – June 2012 restated ¹
Net profit	31.3	12.2
Interest expense, net	8.4	9.0
Income taxes	16.1	13.3
Depreciation and other non-cash income and expenses	32.5	32.8
Change in net working capital	-11.9	-7.6
Interest paid, net	-6.4	-9.6
Income taxes paid	-18.8	-17.2
Net cash flows from operating activities	51.2	32.9
Capital expenditure and investments in other non-current assets	-31.5	-23.9
Proceeds from disposal of tangible fixed assets	0.2	0.1
Sale / purchase of marketable securities and deposits	-0.2	8.7
Net cash flows from investing activities	-31.5	-15.1
Dividends to shareholders of Autoneum Holding Ltd	-3.0	0.0
Dividends to non-controlling interests	-11.7	-10.1
Purchase own shares	-2.3	0.0
Repayments of / proceeds from short-term financial debt	-10.9	0.0
Repayments of / proceeds from long-term financial debt	8.1	-32.0
Net cash flows from financing activities	-19.8	-42.1
Currency effects on cash and cash equivalents	1.0	1.5
Change in cash and cash equivalents	0.9	-22.8
Cash and cash equivalents at beginning of year	75.3	64.9
Cash and cash equivalents at end of reporting period	76.2	42.1

1. Refer to note 3 (p. 10).

Notes to the semi-annual financial statements

1 Principles of consolidation and accounting principles

Basis of preparation of the consolidated semi-annual financial statements

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, 2013. The consolidated income statement, balance sheet, changes in equity, and statement of cash flows are presented in condensed form. The condensed consolidated semi-annual financial statements are not subject to the same requirements as for consolidated annual financial statements. It is recommended to read the semi-annual report in conjunction with the consolidated financial statements as of December 31, 2012.

Freight costs and other charges that incur during the revenue recognition process have previously been deducted from gross sales. Based on an analysis, Autoneum decided disclosing these items as a component of other operating expenses starting from 2013. In the first half year 2012, sales deductions in the amount of 16.3 million CHF were reclassified into expenses, which led to an increase in net sales. The previous year figures were adjusted accordingly. The impact of this reclassification for the first half year 2013 is not materially different as for the first half year 2012.

New and revised IFRS standards were adopted as of January 1, 2013 whose impact for Autoneum is as follows:

- The new standards IFRS 10 “Consolidated financial statements”, IFRS 11 “Joint arrangements”, IFRS 12 “Disclosures of interests in other entities” and IFRS 13 “Fair value measurement” have no impact on Autoneum's assets and liabilities, but will lead to additional disclosures, in particular “Disclosures of interests in other entities” in the consolidated financial statements 2013.
- In accordance with the standard IAS 1 (revised) “Presentation of financial statements” the items recognized in the consolidated statement of comprehensive income are classified into items that will be reclassified to income statement and items that will not be reclassified to income statement.
- The standard IAS 19 (revised) “Employee benefits” was adopted in the reporting period. The impact of the first time adoption, including the change in accounting and valuation principles, is disclosed in note 3 and adjusted in the financial statements.

Except the changes described above, the semi-annual consolidated financial statements as of June 30, 2013 have been prepared using the same accounting, reporting, and valuation principles as for the reporting period 2012.

The semi-annual report is published in both German and English. The German version prevails.

2 Segment informationen 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 following four reportable segments (Business Groups): Europe, North America (USA, Canada, Mexico), Asia, and SAMEA (South America, Middle East, Africa, Russia). Corporate contains Autoneum Holding Ltd, the corporate center with its respective legal entities and functions, as well as intercompany eliminations. The number of employees excludes apprentices and temporary employees.

January – June 2013

CHF million	Total Group	BG Europe	BG North America	BG Asia	BG SAMEA	Corporate
Net sales	1 078.0	487.0	462.2	60.1	73.7	- 5.0
EBITDA	90.9	20.2	55.8	9.5	3.9	1.5
Depreciation and amortization of tangible and intangible assets	- 35.0	- 17.0	- 12.7	- 3.3	- 1.7	- 0.3
EBIT	55.9	3.2	43.1	6.2	2.2	1.2
Capital expenditures on tangible and intangible assets	30.7	7.8	13.7	3.6	2.7	2.9
Number of employees	10 208	4 466	3 295	953	1 343	151

January – June 2012 restated

CHF million	Total Group	BG Europe	BG North America	BG Asia	BG SAMEA	Corporate
Net sales	966.8	471.2	382.6	50.0	66.1	- 3.1
EBITDA	70.3	18.7	39.9	8.2	1.6	1.9
Depreciation and amortization of tangible and intangible assets	- 34.2	- 17.4	- 11.8	- 3.1	- 1.5	- 0.4
EBIT	36.1	1.3	28.1	5.1	0.1	1.5
Capital expenditures on tangible and intangible assets	23.9	7.2	11.9	2.7	2.0	0.1
Number of employees	9 605	4 311	2 922	1 049	1 176	147

Net sales of BG Europe and BG SAMEA with other BGs sum up to 5.9 million CHF for BG Europe and 0.5 million CHF for BG SAMEA (prior year period 3.8 million CHF resp. 0.4 million CHF).

3 First time adoption of IAS 19 (revised) "Employee benefits"

Autoneum adopted IAS 19 (revised) "Employee benefits" for the first time as of Januar 1, 2013. The adoption takes place retrospectively and prior year figures were adjusted accordingly. The following changes in IAS 19 are of relevance for Autoneum:

- Actuarial gains and losses resulting from the periodic recalculations were previously charged to the income statement on a straight line basis over the average remaining service period, to the extent that 10% of the higher of plan assets or defined benefit obligation are exceeded ("corridor method"). With the adoption of IAS 19 (revised), actuarial gains and losses are recognized directly in equity as other comprehensive income
- The previous approach, assessing the expected return on plan assets on an estimated return on assets, is replaced by using the same discount rate that is used for calculating the present value of the defined benefit obligation. Additionally, Autoneum has decided recognising interest cost of the pension liability as a part of the financial result.

Due to the retrospective adoption of IAS 19 (revised), certain line items in the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, and consolidated statement of cash flows were adjusted. The impact of IAS 19 (revised) for the first half year 2013 is not materially different as for the first half year 2012.

CHF million	Restated	Adjustment	Reported
Consolidated income statement January – June 2012			
Employee costs	- 262.4	0.8	- 263.2
Financial result	- 10.6	- 0.4	- 10.2
Income taxes	- 13.3	0.1	- 13.4
Net profit	12.2	0.5	11.7
Earnings per share (in CHF)	0.54	0.11	0.43
Consolidated statement of comprehensive income January – June 2012			
Net profit	12.2	0.5	11.7
Changes in currency translation	4.0	0.5	3.5
Actuarial gains and losses on defined benefit plans	0.7	0.7	0.0
Income taxes	- 0.1	- 0.1	0.0
Total comprehensive income	17.2	1.6	15.6
Consolidated balance sheet as of December 31, 2012			
Other non-current assets, intangible assets	52.4	- 7.9	60.3
Provisions, other non-current liabilities	81.2	19.3	61.9
Equity attributable to shareholders of Autoneum Holding Ltd	213.2	- 27.2	240.4
Consolidated statement of cash flows January – June 2012			
Net profit	12.2	0.5	11.7
Income taxes	13.3	- 0.1	13.4
Depreciation and non-cash income and expenses	32.8	- 0.4	33.2

4 Events after balance sheet date

The semi-annual report for 2013 was approved for publication by the Board of Directors on July 22, 2013.

No events have occurred up to July 22, 2013, which would necessitate adjustments to the book value of the Group's assets or liabilities.

On July 22, 2013, Autoneum signed a contract for the sale of its subsidiary Autoneum Italy S.p.A. This leads in the second half year in Business Group Europe to a derecognition of the subsidiary combined with one-off charges.

5 Financial calendar

Publication of sales figures for the financial year 2013	January 31, 2014
Results press conference and presentation of the 2013 financial statements	March 19, 2014
Annual General Meeting	April 16, 2014

Autoneum is the global technology leader in acoustic and thermal management solutions for motor vehicles. Autoneum is a partner for the major automobile 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.