agta record ltd

annual report 2016

annual report 2016

record

your global partner for entrance solutions

record
your global partner for entrance solutions

Management report

Noteworthy events

- Since June, Brexit and the unexpected and sudden decline of the Pound Sterling have been affecting the contribution of record UK.
- record UK acquired High Performance Door Solutions (“HPDS”), consolidated since April. record UK became number one in the UK market based on market share. The United Kingdom is now the second largest market for the Group (after France), with the USA close behind.
- In France the new organisation (concentration of production at three sites instead of eight, new transportation and logistics concept, integration of powder coating previously subcontracted, and implementation of a new ERP) generated unexpected difficulties and significantly impacted Group profits.
- Over the years BLASI has been transformed into a pure product house selling exclusively to Group companies. Based on revised profitability expectations the goodwill related to the acquisition of BLASI had to be fully impaired.
- PACA Ascenseurs Service opened its seventh branch (in Toulouse).

Market and Competition

Worldwide the market of automatic doors has been slightly growing in the USA, remained stable in Europe and declined in Asia, mainly due to China.

So far, Brexit has had no adverse consequences for our market.

No significant decline in average prices was recorded.

No new product was introduced in the market capable of having an impact on our business.

Developments were quite different in markets where the Group entered recently: in Malaysia the market continued to decline (impact of the introduction of the VAT in 2015) whereas growth in Australia remained attractive.

ISEA has seen a growing industrial doors market after three consecutive years of decline. In the lift maintenance sector, PACA AS recorded growing demand for maintenance and stable demand for modernisation of old lifts.

Commercial performance

Order intake was good, with growth in units of 8.1% and 6.9% in value (8.8% at constant exchange rates).

Few subsidiaries posted disappointing results like France (internal issues), the USA (after an exceptional order of EUR 4.0 million in 2015) and Poland (temporary freezing of orders from the largest customer).

All other subsidiaries were either stable (Switzerland, Malaysia) or growing between 4 and 28% with excellent performances in the Netherlands and Australia.

KOS grew 20% and PACA AS 25%.

Consolidated growth of the Group excluding acquisitions was approximately 3%.

Maintenance posted strong growth again (+10%, after +14% in 2015).

Organic growth was supported by the launch of new products like THERMCORD+ (thermally insulated door), US FlipFlows (certified product for airports) and STA 21 Low Cost (sliding door for emerging markets).

Financial performance

Turnover grew by 8.1%, impacted by the decline of the British Pound which reduced sales in Euros by EUR 5.1 million, delayed deliveries in France and postponing of an exceptional order in the USA until 2017. At constant exchange rates sales growth was 10%.

Gross margin increased from 72.3% to 72.5% despite a significant decline in France and the impact of the British Pound. This good performance derived from the growth of maintenance activities (40.4% of consolidated sales versus 39.8% in 2015), from cost savings brought by increased Asian sourcing and from higher volumes in production.

Personnel costs rose by a disappointing 11.4% due to the reorganisation in France which required additional manpower.

Before amortisation, growth in structure costs was only 5%.

Group EBITDA grew 3.1% to EUR 48.3 million while EBITA increased by 2.1% to EUR 40.0 million, despite a shortfall at record France of more than EUR 4 million and restructuring costs in the UK (closure of production at HPDS and transfer to the main factory in Hamilton, leading to EUR 1 million in one-off cost).

Group EBIT decreased to EUR 29.7 million after the EUR 5.5 million impairment of goodwill related to the acquisition of BLASI.

The financial result a negative EUR 1.4 million (mainly exchange rate losses on cash positions in British Pound), after negative EUR 2.0 million in 2015 (decline of the EUR against the CHF). Net profit was EUR 21.8 million (EUR 25.3 million in 2015) i.e. 6.2% of sales.

Balance Sheet

Net cash (i.e. cash after the deduction of financial debt) was EUR 50.1 million on 31 December 2016 compared to EUR 52.5 million at the end of 2015. The most important cash outflows during the year were the dividend of EUR 11 million, capital expenditure of EUR 16 million and EUR 5 million paid for acquisitions.

Risk factors

Market risk

The business of the Group is moderately diversified in terms of value added: design, engineering, manufacturing, installation, service and maintenance of automatic doors and industrial doors plus maintenance of lifts. These activities are offered and sold to different customer segments that are not directly linked to each other: supermarkets, hypermarkets, retail outlets, banks, government offices, industrial and logistics units, railway stations, airports, hospitals, retirement homes, hotels, restaurants, etc. Specific segments may be temporarily affected by a slowdown in investment, but all of them will rarely be simultaneously affected.

The Group is directly present on four continents (Europe, North America, Asia and Australia). It operates directly in 17 countries through its subsidiaries and in all other countries through its distributors. Geographical risk is highly diversified. However, one country (France) accounts for 36% of Group sales. Any significant slowdown in the French market would have a material impact on Group results.

Risks related to product regulation

Safety standards and regulation governing the use of automatic doors and industrial doors are extremely strict. They vary between markets, but in all markets, with the exception of China, they impose stringent guidelines on product design. The risk that even stricter standards will be introduced is considered low. If the impact of changed standards on selling prices was very high, the market potential could be negatively affected. However, a slight tightening could even have a beneficial effect on prices and hence on sales.

Product liability risk

Very few physical injuries have occurred related to the use of the products sold by group companies. Technological developments in door systems and safety equipment (sensor barriers, radar, opening pressure, obstacle recognition, etc.) are continually making the doors safer.

The potentially most exposed product is the automatic revolving door, which the Group has been manufacturing following the acquisition of BLASI in Germany. To increase the safety of BLASI products, the research and development teams have been focused on the transfer of record technology to revolving doors and on making improvements in the processes at BLASI.

The exposure of all Group companies to product related third-party liabilities is insured via a global umbrella insurance policy.

Financial risks

Interest rate risk: Interest rate risk is not material due to the very low level of interest bearing debt (EUR 0.4 million). Available funds are kept in cash or invested in low-risk short-term money market instruments.

Credit risk: Credit risk exists related to certain customers, either in terms of defaults on receivables or the impact on profits if a large customer was lost. The risk is limited as no single customer accounts for more than 1% of consolidated sales.

Liquidity risk: Liquidity risk is minimal, given the amount of available cash, the relatively low levels of capital expenditure compared to free cash flow, and the amount of bank facilities not drawn.

Foreign exchange risk: The cost base in Switzerland exposes the Group to movements in the EUR/CHF rate. The growth of the business in the US (12% of Group sales) increased the exposure to movements of the USD/EUR rate. Part of the USD exposure is offset by higher levels of Group purchases denominated in USD (for instance in China). The effects of currency fluctuations are described further in Note 26 to the financial statements.

Research & Development

R&D expenses (including amortisation of capitalised cost) reached EUR 4.2 million in 2016 after EUR 4.6 million in 2015 (see also Note 4 to the financial statements). The activities focused on revolving and energy-efficient doors. Capitalised development costs remained stable at EUR 0.3 million in 2016.

Events after the balance sheet date

See Note 29 to the financial statements.

Outlook 2017

The US market is expected to grow faster (at 2-3%) than in the past two years, positively affected by government measures favouring US companies which may lead to higher investments. In addition, profits in the retail sector were reported higher than expected, supporting hopes of increased investments into stores.

In Europe, we remain more cautious for France (past experience shows that election years result in a reduction of public expenses) and for the UK where first adverse consequences of Brexit could reduce GDP growth. The financial system in the EU is not yet stable and some countries could have to restrain public expenses (eg. Greece, Italy, Portugal). Growth of the European market is likely to be 0-1%.

We are more optimistic for Asia and expect a rebound of the Chinese market, the end of the tunnel in Malaysia and continuing tailwinds in Australia.

Finally, we anticipate significant growth in export activities through a new network of dealers in the Middle East, Turkey, Iran, New Zealand, Brazil, etc.).

We also expect growing markets for our complementary activities at KOS, ISEA France and PACA.

Ultimately we are moderately optimistic with organic growth expectations of 4-5%.

The impact of one-off costs on Group profits, which in 2016 was related to France, Brexit and UK provisions, is not expected to totally disappear in 2017, but to be largely reduced.

Sourcing in Asia will continue to generate positive effects.

EBITDA is expected to increase by more than 10%. agta record intends to actively pursue targeted acquisitions.

Annexes to the management report

Environmental data

As the Group is engaged in assembly of components, in installation and in maintenance, it operates a "clean", non-polluting business.

Only the manufacturing of circuit boards, centralised in Switzerland, required the installation of extraction and filtering equipment in the area surrounding the tin-soldering work stations to prevent any release of toxic gases.

With regard to our subsidiaries, their production processes do not consume water or solvents or a large amount of energy and they do not release toxic substances.

Concerning waste, the cuttings from aluminium profiles are sold for melting. Old batteries are collected by our maintenance service from customers. Subsequently, they are sent to specialist companies to be destroyed or recycled.

Most products have a life span of more than 10 years (which can be extended to 20 years for mechanical parts). 90% of the components are recyclable and have a very low impact on the environment.

The Group is focused on the development of products that consume less energy or increase the energy efficiency of the buildings of customers (e.g. related to heating or air conditioning). The Group is similarly keen on improving its manufacturing operations with a goal to use less material (e.g. aluminium) or make its products easier to recycle. A good example is the range of new sliding doors with improved insulation performance (THERMCORD+).

Workforce data

Number of employees as of 31 December 2016		2,495 (full time equivalents)
of which	- % women	21%
	- % temporary employees	5%
Average number of employees in 2016		2,452
Training expenses		EUR 582 thousand

The Group primarily employs full-time employees because of the high level of specialisation required.

As the Group includes a significant number of legal entities across 17 countries, compensation policies differ by subsidiary reflecting local regulation and practices customary in the local labour markets.

To date, the Group has not faced any major litigation for non-compliance with labour laws.

Chairman’s report

The Board of Directors currently has six members. The election of board members and of the Chairman is for a one-year tenure and takes place at the Annual General Meeting, with the possibility of re-election.

The Chairman of the Board of Directors of agta record is the Chairman of the Board or the equivalent at all the subsidiaries. At present, the Boards of the subsidiaries in Sweden, Hungary, Poland, Slovenia, Malaysia, Australia and Canada did not adopt this policy due to their size.

The Chairman has a dual role: he is required to monitor the implementation of the strategy of the Group and to verify that the internal control procedures applied by the subsidiaries are consistent with Group policies.

Where necessary, the Chairman meets the auditors of the subsidiaries. He also verifies that the rules of corporate governance and the limits concerning the delegation of decision-making powers have not been breached.

The rules are specified in two documents (“Organisational regulations of the Group” and “Business regulations of the subsidiaries”). The former document also defines the remit of the CEO.

In 2016, the Board of Directors of agta record met four times. One General Meeting of shareholders was held. No Extraordinary General Meeting of shareholders took place.

KPMG was reappointed as auditor of the consolidated financial statements for the 2016 financial year. KPMG is not auditing all subsidiaries. In France, where the accounts are audited by NOVANCES, KPMG Zurich supervises the work performed by NOVANCES. This is justified by the importance of the French subsidiaries within the Group (36% of sales).

The Remuneration Committee met twice and so did the Audit Committee.

With regard to the organisation and work of the Board of Directors, the members receive a monthly management summary showing:

– Order intake (volume and value) by subsidiary;
– Sales (volume and value) by subsidiary;
– Consolidated income statement.

At any time, the members of the Board of Directors may request a meeting with a senior manager of the Group or general manager of a subsidiary.

Notifications of Board meetings are sent well in advance, later followed by a detailed agenda and all documents or annexes required for decisions.

The Chairman has a casting vote which he did not use in 2016. No particular difficulties arose in relation to the work of the Board of Directors.

Internal control

The rules of internal control of the Group are defined in three documents:

– Responsibilities of the CEO: Organisational Regulations of the Group (1992, revised in 2004);
– Responsibilities of general managers of subsidiaries: Business Regulations of the subsidiaries (1992, revised in 2004);
– Accounting, financial and consolidation regulation for subsidiaries: Controlling Manual (1990, revised on a regular basis in line with IFRS standards, last time in 2016).

At any time, the Chairman of the Group may verify that the policies of the first two documents are being applied. The Audit Committee is responsible for the supervision of the implementation of the regulation contained in the Controlling Manual. Whenever the Committee considers it necessary, it may request to undertake an in-depth audit of an issue or the processes at a subsidiary. No such in-depth audit was requested in 2016.

A Control Committee appointed by the Board of Directors has been created to support internal controls. A second member of the Board supports the Chairman with respect to selected subsidiaries, currently record USA, record UK, PACA, BLASI and record Germany. record Slovenia, Poland and Hungary are also included, but the Control Committee meets less frequently given the size of these subsidiaries.

Finally, at the closing of the annual financial accounts, every general manager of a subsidiary signs a letter confirming his personal responsibility for the correctness of the accounts submitted to the Group and to the statutory auditors.

The conclusions of the auditors are presented to the Audit Committee and the Board as a comprehensive report.

The Audit Committee reviews with the auditors the annual and half-year financial statements including a risk analysis. It then issues a recommendation to the Board of Directors based on the results of the review.

As required by the Swiss Code of Obligations, agta record implemented an internal controlling system (ICS). The ICS covers the entire range of procedures, methods and controls established by Group management and approved by the Board. The ICS is intended to help ensure compliance with national laws and regulation, safeguard assets, prevent errors and irregularities and ensure reliable, complete and timely accounting and financial reporting. All risks (even minor ones) are listed, as well as the methods used to control the risks and employees responsible to manage them. The Group auditor annually expresses an opinion firstly to the Audit Committee and then to the Board whether an internal control system exists. The ICS also covers the preparation of consolidated financial statements according to the instructions from the Board of Directors. The continuous monitoring and adjustment of the system is supervised by the Group CEO, CFO and the Audit Committee.

Audit fees

			2016			2015
in thousand EUR	**KPMG**	**Others**	**Total**	KPMG	Others	Total
Audit	**307**	**221**	**528**	218	187	405
Audit related						
IFRS	**15**	**1**	**16**	14	1	15
Tax and legal	**41**	**194**	**235**	28	269	297
Total audit related	**56**	**195**	**251**	42	270	312
Total	**363**	**416**	**779**	260	457	717

Shareholder agreement

In December 2010, the parties to a shareholder agreement transferred their holdings in agta record shares (7,163,450 shares in total) to a separate holding company, agta finance. The sole purpose of agta finance is the management of the shareholding in agta record ltd. The shareholder agreement was extended once and expires on 31 December 2018 (option of renewal).

Documents available to the public

The following documents are available at http://shareholders.agta-record.com:

- Media releases;
- Financial reports (half-year and year-end);
- Financial profile;
- Documents in preparation of the Annual General Meeting of shareholders;
- Report of sales and purchases of own shares (monthly) and activity of the stock market liquidity provider;
- Articles of Association.

Board of Directors

Name	Company	Position held
Hubert Jouffroy	agta record ltd	Chairman of the Board of Directors
	Sachem & Co.	Chairman of the Board of Directors
Peter Altorfer	agta record ltd	Member of the Board of Directors
	Forbo Holding AG	Member of the Board of Directors
	BIH SA	Member of the Board of Foundation
	Various not-listed companies	Member of the Board of Directors
David Dean	agta record ltd	Member of the Board of Directors
	Komax AG	Member of the Board of Directors
	Trumpf AG	Member of the Board of Directors
Bertrand Ghez	agta record ltd	Member of the Board of Directors
	CM CIC Investissement (Suisse) SA	Chairman of the Board of Directors
	NGE	Member of the Strategy Committee
	Altrad Investment Authority	Member of the Board of Directors
	MDA COMPANY	Member of the Strategic Committee
Richard Gruenhagen	agta record ltd	Member of the Board of Directors
Michèle Rota	agta record ltd	Member of the Board of Directors
	Rota Architekten AG	Member of the Board of Directors
	wow!house AG	Chairman of the Board of Directors

Key personnel

Key personnel is defined as the members of the Board of Directors and of the Group Executive Management, 14 individuals in total. The profiles of the Group Executive Management are provided on the agta record Group website.

Share buyback programme

Swiss law allows a company to repurchase up to 10% of its share capital. agta record has undertaken to comply with EU Stock Exchange regulation concerning share buybacks. No buyback programme is currently in place.

Dividends for the past 3 financial years

	2015	2014	2013
Total dividend in thousand CHF	12,401	12,001	11,334
Dividend per share in CHF	0.93	0.90	0.85

The totals above include treasury shares on which no dividend is paid. For 2016, a dividend of CHF 1.00 per share will be proposed to the 2017 Annual General Meeting.

Results of the past 5 years

	2016	2015	2014	2013	2012 Restated
Consolidated profit in thousand EUR	21,775	25,334	25,036	23,086	19,180
Earnings per share in EUR	1.642	1.913	1.892	1.742	1.445

Confirmation by the person responsible for the Annual Report

After taking all reasonable measures to this effect, I hereby certify that to the best of my knowledge, the information contained in this annual financial report represents a true and fair picture of the actual situation and does not omit any material information.

I hereby certify that, to the best of my knowledge and belief, the financial statements have been compiled in accordance with the applicable accounting standards, and give a true and fair view of the assets, financial situation and earnings of the Company and of the totality of companies included in the scope of consolidation, and that the management report presents a true and fair picture of the business situation, the earnings and the financial position of the Company and of the totality of companies included in the scope of consolidation, and also presents the principal risks and uncertainties they face.

Fehraltorf, 5 April 2017

Chairman of the Board of Directors

Hubert Jouffroy

Compensation report

The fundamental rules governing compensation in the agta record Group are described in the Articles of Association of agta record ltd, available (in German) on the website and at the company. The Swiss Ordinance against Excessive Remuneration in Listed Companies (“VegüV”) requires listed companies established in Switzerland to annually publish a compensation report. This compensation report contains the compensation principles in more detail and describes the current programs related to the compensation of the Board of Directors and the members of the Group Executive Management. The report also describes the role of the Remuneration Committee and provides details around the compensation and payments made to the members of the Board of Directors and of the Group Executive Management in the past year and how the performance of the Group is reflected in the compensation of the Group Executive Management.

Compensation principles

The compensation of the members of the Board of Directors is a fixed amount (“retainer”) in order to emphasise their independence in exercising their supervisory duties. Part of the retainer can be paid in shares restricted for three years. As prescribed by Swiss law, social security contributions on compensation paid to the Board of Directors are incurred partly by agta record ltd and partly by the beneficiary. The Chairman of the Board is allowed to use a company car as a benefit in kind. He is engaged as a consultant to perform special duties that exceed the usual scope of his office.

The compensation programs of the Group Executive Management aim to attract, develop and retain qualified, talented and engaged executives. The programs are designed to motivate executives to achieve the overall business objectives and to create sustainable shareholder value.

Remuneration Committee of the Board of Directors

The Remuneration Committee is elected by the shareholders at the Annual General Meeting. It currently consists of the following three non-executive members: David Dean, Hubert Jouffroy and Michèle Rota.

The main tasks of the Remuneration Committee are defined in the Charter of the Remuneration Committee. The main duties of the Remuneration Committee are

- to review and propose the compensation policies and compensation plans of the agta record Group;
- to review and propose the compensation of the key personnel (members of the Board of Directors and the Group Executive Management) employed by agta record ltd and its subsidiaries;
- to prepare the compensation report.

The aggregate fixed and variable compensation amount paid to the key personnel is approved by the Annual General Meeting as prescribed by the Swiss Ordinance against Excessive Remuneration in Listed Companies and as stipulated in the Articles of Association. Fixed compensation is approved for future periods whereas variable compensation is approved retrospectively. The principles, the components and the target values of the compensation of each member of the Board of Directors and of the Group Executive Management are approved by the Board of Directors based on proposals by the Remuneration Committee. The Chairman of the Board is not attending when the Remuneration Committee discusses his compensation and decides about the pertaining proposal to the Board of Directors for approval. The compensation of a particular year and of an individual executive as proposed by the CEO (or by the Chairman in the case of the CEO) is reviewed by the Remuneration Committee who uses its own benchmarking and does not engage external consultants. The Remuneration Committee meets at least twice a year. The Chairman of the Board provides a summary of the discussion held at the meeting of the Remuneration Committee at the next meeting of the Board of Directors.

Fixed and variable components of Group Executive Management compensation

The compensation of the Group Executive Management including the CEO consists of a fixed salary and two performance-related components. Changes in fixed salaries of the Group Executive Management become effective on 1 January following the approval of the aggregate fixed compensation by the Annual General Meeting of the previous year. The performance-related cash bonus and the performance-related share bonus are paid and granted, respectively, immediately after the approval of the aggregate amounts by the Annual General Meeting. As prescribed by Swiss law, social security contributions on compensation paid to the Group Executive Management in cash and stock are incurred partly by agta record ltd.

The cash bonus is linked to either only the Group Cash Flow or a combination of the Group Cash Flow and additional criteria such as the cash flow, EBITDA, working capital and/or product sales achieved in the geographic region an executive is operationally responsible for. The target cash bonus of each individual executive is reviewed annually and a proposal for the following financial year is submitted to the Remuneration Committee by the CEO. The Chairman annually proposes the target cash bonus of the CEO to the Remuneration Committee. The Articles of Association define that the target cash bonus is limited to 50% of the fixed salary. The actual cash bonus of each individual executive is determined by comparing the achievements with respect to the criteria stipulated as described above during a particular financial year and in a specific geographic region with the related budgets. The actual cash bonus is capped at 200% of the target cash bonus.

The share bonus is defined related to a fixed target number of shares. The size of the actual grant is linked to either only the Group EBITA or to a combination of Group EBITA and the EBITA achieved in the geographic region the individual executive is operationally responsible for. The target number of shares of each individual executive is annually reviewed and a proposal for the following financial year is submitted to the Remuneration Committee by the CEO. The Chairman annually proposes the target number of shares of the CEO to the Remuneration Committee. The actual number of shares each individual executive will be granted is determined relative to the budgeted EBITA of a particular financial year and geographic region and is capped at 200% of the target number of shares. The shares are subject to a lock-up period of three years. The lock-up does not end if a beneficiary is no longer employed by agta record ltd or one of its subsidiaries. The shares required for the share bonus grant are purchased on the market.

The 2015 Annual General Meeting approved a plan based on phantom shares benefitting the Group Executive Management. The phantom share plan was introduced to attract and retain key individuals. Each phantom share granted in July 2015 under the plan gives the right to receive in cash the difference between the price of one share at which a change of control would directly or indirectly occur and EUR 40. The 266,750 phantom shares are subject to service and performance vesting conditions and expire on 31 December 2020.

The Board of Directors may approve special incentives to one or more members of the Group Executive Management related to the achievement of specifically defined tasks and/or financial goals.

As defined in the Articles of Association, agta record ltd may grant unsecured loans or pledges of up to CHF 1.0 million per person to members of the Board of Directors or the Group Executive Management. No such loans or pledges were granted in 2016 nor 2015. No persons close to the Board of Directors or the Group Executive Management were granted any loans of any kind, nor did they receive any remuneration whatsoever.

The details of shareholdings of the members of the Board of Directors, of the Group Executive Management and of closely linked persons are presented in note 8 of the statutory financial statements of agta record ltd.

Remuneration of the Board of Directors

No payments were made to former members of the Board of Directors of agta record ltd in 2016 or 2015.

2016 in thousand CHF	Retainer	Benefits in kind	Social security	Share-based remune-ration	Other[*)]	Total
H. Jouffroy, Chairman	90	7	0	0	208	**305**
P. Altorfer	45	0	3	0	0	**48**
D. Dean	30	0	3	18	0	**51**
B. Ghez (CM CIC)	45	0	0	0	0	**45**
R. Gruenhagen	45	0	4	0	0	**49**
M. Rota	45	0	4	0	0	**49**
Total	**300**	**7**	**14**	**18**	**208**	**547**

*) Consulting on various matters

2015 in thousand CHF	Retainer	Benefits in kind	Social security	Share-based remune-ration	Other[*)]	Total
H. Jouffroy, Chairman	90	7	0	0	287	**384**
W. Sprenger, Vice-Chairman (until 2015 AGM)	30	0	1	0	0	**31**
P. Altorfer	45	0	4	0	0	**49**
D. Dean	30	0	4	18	0	**52**
B. Ghez (CM CIC)	45	0	0	0	0	**45**
R. Gruenhagen (from 2015 AGM)	22	0	2	0	0	**24**
M. Rota	45	0	4	0	0	**49**
R. Thurnherr (until 2015 AGM)	8	0	1	18	0	**27**
Total	**315**	**7**	**16**	**36**	**287**	**661**

*) Consulting on various matters

Remuneration of the members of the Group Executive Management

As of 31 December 2016, the Group Executive Management (including the CEO) had eight (2015: eight) members who are employed by agta record ltd or subsidiaries of agta record ltd in Switzerland and abroad. No payments were made to members of the Group Executive Management, who were not on the payroll, in 2016 nor 2015.

In 2016, total compensation to the Group Executive Management was 5.6% higher than in 2015, but lower than in 2014. The increase in the 2016 cash bonus is primarily due to the change in the payment method of the cash bonus. Since 2015 there is no first installment in the last quarter of the year related to the bonus of the current year, but the whole amount is paid after the AGM approval of the following year. The growth in share-based compensation is predominantly due to the share price increase of approximately 15% whereas fewer shares were granted in 2016 than in 2015.

2016 in thousand CHF	**Salary**	**Cash Bonus*)**	**Benefits in kind**	**Pension & social security**	**Share-based compen-sation**	**Total**
Group Executive Management	1,983	679	47	717	718	**4,144**
of which the highest individual amount:						
Stefan Riva, Group CEO	461	222	7	197	283	**1,170**

*) Paid in 2016 related to 2015 performance goals.

2015 in thousand CHF	**Salary**	**Cash Bonus*)**	**Benefits in kind**	**Pension & social security**	**Share-based compen-sation**	**Total**
Group Executive Management	2,055	484	49	720	616	**3,924**
of which the highest individual amount:						
Stefan Riva, Group CEO	461	139	7	190	237	**1,034**

*) Paid in 2015 related to 2014 performance goals.

Report of the Statutory Auditor

To the General Meeting of agta record ltd, Fehraltorf

We have audited the accompanying remuneration report of agta record ltd for the year ended 31 December 2016. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables on pages XII to XIII of the compensation report.

Responsibility of the Board of Directors

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 for the year ended 31 December 2016 of agta record ltd complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Regula Wallimann
Licensed Audit Expert
Auditor in Charge

Karin Thiemeyer
Licensed Audit Expert

Zurich, 5 April 2017

Consolidated financial statements

financial report 2016

Consolidated statement of financial position

in thousand EUR	Note	**31/12/2016**	31/12/2015
Assets			
Property, plant and equipment	3	**55,358**	49,807
Goodwill and intangible assets	4	**82,707**	84,389
Non-current financial assets	5	**255**	319
Deferred tax assets	16	**6,730**	5,992
Total non-current assets		**145,050**	140,507
Inventories	6	**50,224**	45,003
Trade receivables	7	**78,044**	69,922
Income tax receivables		**3,936**	1,580
Other current receivables		**1,882**	2,201
Accrued income		**6,148**	5,180
Current financial assets	5	**60**	59
Cash and cash equivalents	8	**50,468**	53,071
Total current assets		**190,762**	177,016
Total assets		**335,812**	317,523
Equity			
Share capital	9	**8,751**	8,751
Other reserves		**22,480**	20,467
Treasury shares	9	**-1,312**	-1,776
Retained earnings		**178,081**	167,347
Profit of the period		**21,775**	25,334
Total equity attributable to shareholders		**229,775**	220,123
Liabilities			
Non-current financial liabilities	11	**108**	350
Defined benefit plan obligations	14	**17,961**	15,672
Non-current provisions	15	**2,658**	2,565
Deferred tax liabilities	16	**9,064**	8,270
Total non-current liabilities		**29,791**	26,857
Current financial liabilities	11	**323**	207
Trade payables		**22,650**	20,112
Income tax liabilities		**1,157**	1,677
Other current liabilities	17	**20,801**	18,989
Current provisions	15	**1,568**	2,645
Accrued liabilities	18	**29,747**	26,913
Total current liabilities		**76,246**	70,543
Total liabilities		**106,037**	97,400
Total equity and liabilities		**335,812**	317,523

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

of the year ended 31 December, in thousand EUR		Note	**2016**	2015
Revenue from sales and services		19	**351,852**	327,698
Raw materials and consumables used			**-96,671**	-92,508
Gross result			**255,181**	235,190
Other operating income		20	**1,445**	1,210
Capitalisation of development costs		4	**324**	438
Personnel expenses		21	**-160,669**	-144,192
Other operating expenses		22	**-48,003**	-45,810
Operating profit before depreciation, impairment and amortisation			**48,278**	46,836
Depreciation of property, plant and equipment		3	**-8,309**	-7,681
Operating profit before impairment and amortisation			**39,969**	39,155
Impairment of goodwill		4	**-5,500**	0
Amortisation of intangible assets		4	**-4,816**	-4,218
Operating profit			**29,653**	34,937
Financial income		23	**101**	484
Financial expense		23	**-1,465**	-2,455
Profit before tax			**28,289**	32,966
Income tax expense		24	**-6,514**	-7,632
Profit of the period			**21,775**	25,334
Other comprehensive income				
Items that will never be reclassified to profit or loss:				
Remeasurements of the defined benefit liability		14	**-1,209**	-351
Income tax on items that will not be reclassified to profit or loss			**284**	32
			-925	-319
Items that are or may be reclassified subsequently to profit or loss:				
Exchange differences - foreign operations			**1,893**	17,349
Exchange differences - net investment approach			**-2,616**	-8,086
			-723	9,263
Other comprehensive income of the period, net of tax			**-1,648**	8,944
Total comprehensive income of the period			**20,127**	34,278
Earnings per share (basic / diluted)	(in EUR)	10	**1.642**	1.913

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

in thousand EUR	Share capital	Other re-serves	Trans-lation reserve	Trea-sury shares	Retained earnings	Total
Balance at 1 January 2015	**8,751**	**8,485**	**13,890**	**-2,185**	**167,479**	**196,420**
Total comprehensive income of the period						
Profit of the period					25,334	25,334
Total other comprehensive income			9,263		-319	8,944
Total comprehensive income of the period	**0**	**0**	**9,263**	**0**	**25,015**	**34,278**
Transactions with owners of the company, recognised directly in equity						
Purchase of treasury shares				-244		-244
Sale of treasury shares				159		159
Gain/loss from sale of treasury shares net of transaction costs					56	56
Dividends paid to owners		-11,171				-11,171
Share-based compensation				494	131	625
Total transactions with owners of the company	**0**	**-11,171**	**0**	**409**	**187**	**-10,575**
Balance at 31 December 2015	**8,751**	**-2,686**	**23,153**	**-1,776**	**192,681**	**220,123**
Balance at 1 January 2016	**8,751**	**-2,686**	**23,153**	**-1,776**	**192,681**	**220,123**
Total comprehensive income of the period						
Profit of the period					21,775	21,775
Total other comprehensive income			-723		-925	-1,648
Total comprehensive income of the period	**0**	**0**	**-723**	**0**	**20,850**	**20,127**
Transactions with owners of the company, recognised directly in equity						
Purchase of treasury shares				-418		-418
Sale of treasury shares				417		417
Gain/loss from sale of treasury shares net of transaction costs					161	161
Dividends paid to owners		-2,799			-8,521	-11,320
Share-based compensation				465	220	685
Transfer*)		5,535			-5,535	0
Total transactions with owners of the company	**0**	**2,736**	**0**	**464**	**-13,675**	**-10,475**
Balance at 31 December 2016	**8,751**	**50**	**22,430**	**-1,312**	**199,856**	**229,775**

The share capital of the holding company (CHF 13 million) was converted into Euro on 1 January 2001, using the historical rate to translate the consolidated accounts into Euro. Foreign currency translation differences arising after this date are recognised in equity (translation reserve).

The accompanying notes are an integral part of these consolidated financial statements.

*) Dividends have been paid out of the capital contribution reserves (part of other reserves) of agta record ltd in CHF. Due to differences in exchange rates between initial recognition and subsequent dividend payments that were recognized at the prevailing exchange rate at the dates of transaction, the reserves became negative and a corresponding reclassification from retained earnings to other reserves was recognized in order to set off the difference.

Consolidated statement of cash flows

in thousand EUR	Note	**2016**	2015
Cash flows from operating activities			
Profit of the period		**21,775**	25,334
Income taxes		**6,514**	7,632
Depreciation and amortisation	3/4	**13,125**	11,899
Impairment of goodwill	4	**5,500**	0
Gain(-)/loss(+) on disposal of property, plant, equipment and intangibles	20/22	**-195**	-45
Net financial result	23	**1,364**	1,971
Share-based payments	9.2	**685**	625
Other non cash items		**1,391**	-1,481
Change in inventories		**-4,268**	-3,318
Change in trade receivables		**-6,168**	-6,771
Change in other receivables and accrued income		**-515**	259
Change in trade payables		**1,732**	3,539
Change in other current liabilities and accrued liabilities		**-2,224**	1,819
Income taxes paid		**-10,571**	-9,635
Interest received		**147**	460
Interest paid		**-78**	-142
Net cash from operating activities		**28,214**	32,146
Cash flows from investing activities			
Purchase of property, plant and equipment	3	**-14,758**	-14,111
Purchase of intangible assets	4	**-947**	-1,158
Acquisitions net of cash acquired	1	**-5,125**	-17,891
Capitalised development costs	4	**-324**	-438
Purchase of financial assets	5	**-4**	-83
Proceeds from sale of property, plant, equipment and intangibles		**1,621**	842
Proceeds from sale of financial assets	5	**71**	4,453
Net cash used in investing activities		**-19,466**	-28,386
Cash flows from financing activities			
Purchase of treasury shares, less transaction costs	9.1	**-418**	-244
Sale of treasury shares, less transaction costs		**578**	215
Increase of bank liabilities		**124**	0
Repayment of bank liabilities		**-189**	-2,689
Repayment of finance lease liabilities		**-38**	-60
Dividends paid to owners	9.3	**-11,320**	-11,171
Net cash used in financing activities		**-11,263**	-13,949
Net increase(+)/decrease(-) in cash and cash equivalents		**-2,515**	-10,189
Cash and cash equivalents at 1 January		**53,071**	57,919
Effect of exchange rate fluctuations on cash held		**-88**	5,341
Cash and cash equivalents at 31 December		**50,468**	53,071

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

General information

agta record ltd (the "Company") is a company domiciled in Fehraltorf, Switzerland. The consolidated financial statements as at and for the 12 months ended 31 December 2016 comprise the Company and its subsidiaries (hereinafter referred to as “Group”). The Group is dedicated to the manufacturing, distribution, installation and maintenance of automatic door systems.

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the IASB and comply with Swiss Law.

The Company’s Board of Directors authorised the consolidated financial statements for issue on 5 April 2017. The consolidated financial statements will be submitted for approval by the shareholders at the General Meeting to be held on 7 June 2017.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the net defined benefit plan liability which is measured as the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets and the contingent considerations measured at fair value.

Functional and Presentation Currency

The functional currency of the Company is the Swiss franc. The consolidated financial statements, however, are presented in Euro, as the Group generates a distinct majority of its revenues in the eurozone. Both income and expenses are predominantly denominated in Euro. All financial information presented in Euro has been rounded to the nearest thousand.

Significant accounting principles

Except as described below, the accounting principles applied by the Group in these consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2015. With effect from 1 January 2016, the Group applied the following amended standards by the IASB:

- Amendments to IAS 1 – Disclosure Initiative (applicable as of 1 January 2016)
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation (applicable as of 1 January 2016)
- Annual improvements to IFRSs – 2012-2014 Cycle (applicable as of 1 January 2016)

The above mentioned standards and new interpretations do not have a material impact on profit and equity of the Group.

New and revised Standards and Interpretations

The following new and revised Standards and Interpretations have been issued up to 31 December 2016, but are not yet effective. They have not been applied early in these consolidated financial statements. The analysis of their impact on the consolidated financial statements of the Group has not yet been concluded:

- IFRS 9 – Financial instruments (applicable as of 1 January 2018)
- IFRS 15 – Revenue from contracts with customers (applicable as of 1 January 2018)
- IFRS 16 – Leases (applicable as of 1 January 2019)
- Amendments to IAS 7 – Disclosure initiative (applicable as of 1 January 2017)
- Annual improvements to IFRSs – 2014-2016 Cycle (applicable as of 1 January 2017 and 2018)

Estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires estimates and assumptions by the Group Executive Management. These estimates and assumptions might affect the reported amount of assets and liabilities, contingent liabilities and contingent assets at the reporting date as well as income and expenses during the reporting period. The actual outcomes and results may differ from these estimates and assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Impacts from revised estimates are recognised in the period in which the estimates are revised and for any future periods affected.

Information about assumptions, estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Goodwill and intangible assets (note 4)

The Group has recognised goodwill and intangible assets originating mostly from business combinations and from capitalised development projects. A detailed impairment test is performed annually for goodwill, intangible assets not yet available for use, and all other intangible assets, if there is any indication that an asset may be impaired. The recoverable amount of goodwill and intangible assets may differ significantly from the estimated value.

Employee benefit obligations (note 14)

Defined benefit obligations are calculated based on various financial and actuarial assumptions. The key assumptions for assessing these obligations are the discount rate, future salary and pension increase. As a result of future developments in the economic environment actual values may differ from the estimates, which can lead to significant changes in the defined benefit obligations.

As market conditions and the economic environment change, and because the number of employees leaving the Group may rise or fall and the pensioners enjoy longer or shorter lives, as well as due to changes in other estimated factors, the actuaries' assumptions may diverge considerably from the actual results. These variations may have an influence on the amounts of plan assets and liabilities recognised in the statement of financial position in future reporting periods.

Provisions (note 15)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Group companies may be involved in litigation as part of their day-to-day business. Provisions for litigation in progress are recognised and measured based on available information as well as predictable outflow of funds.

Provisions for warranties are calculated based on past experience regarding the liability of the Group and the industry average failure rate for a 24-month warranty.

Income taxes / deferred taxes (note 16)

The calculation of current and deferred taxes is subject to interpretations of the tax laws in the respective countries, the appropriateness of which is evaluated in the context of the final assessment or audits performed by tax authorities. These new assessments can entail adjustments to tax charges. Tax loss carry-forwards are recognised only to the extent that it is probable that future taxable profits will be available against which they can be offset.

Principles of consolidation

Business combinations

Business combinations are accounted for by applying the acquisition method. The Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value or at its proportionate share of the recognised amount of the identifiable net assets, at the acquisition date.

Transaction costs incurred in connection with a business combination, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Note 30 presents the companies that are included in the scope of consolidation.

Elimination of transactions and balances

Intra-group balances and unrealised income and expenses arising from intra-group transactions are eliminated in the consolidated financial statements.

Foreign currency

Transactions in foreign currencies are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the closing date. The translation differences are recorded in the statement of comprehensive income. Non-monetary financial assets denominated in foreign currencies that are classified as available for sale are translated at the closing date rate. These foreign currency translation differences are recognised in other comprehensive income.

Assets and liabilities of foreign subsidiaries' are translated at closing date exchange rates, income and expense and the cash flow statements at average rates. Foreign currency translation differences between the balance sheets and statements of comprehensive income are recognised in other comprehensive income.

Long term loans to foreign subsidiaries, for which settlement is neither planned nor likely to occur in the foreseeable future form part of the net investment in a foreign operation and are therefore translated at historical rates. The resulting foreign currency translation differences are recognised in other comprehensive income.

The following rates have been applied within the Group to translate the primary currencies:

		Average exchange rates		**Closing date rates**	
		2016	2015	**31/12/16**	31/12/15
1	CHF	**0.92**	0.94	**0.93**	0.92
1	GBP	**1.22**	1.38	**1.17**	1.36
1	USD	**0.90**	0.90	**0.95**	0.92

Valuation principles and definitions

Consolidated statement of financial position

Property, plant and equipment (note 3)

Property and plant, technical equipment/machinery and other equipment (plant equipment, IT hardware and motor vehicles) are measured at acquisition or production cost less accumulated depreciation and accumulated impairment loss. Costs for repairs and maintenance of property, plant and equipment are recognised in profit or loss as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

Depreciation of property, plant and equipment is recognised in profit or loss on a straight-line basis over their estimated useful lifes. The useful lives are:

– Property and plant	20 – 40 years
– Technical equipment and machinery	7 – 10 years
– Other equipment	
▪ Plant equipment	4 – 10 years
▪ IT hardware	5 years
▪ Motor vehicles	3 – 6 years

The useful life is reviewed annually and adjusted if necessary.

Goodwill and intangible assets (note 4)

Goodwill: Goodwill that arises from acquisitions is presented with intangible assets. Goodwill is stated at cost less accumulated impairment losses.

Software, capitalised development costs and other intangible assets: Purchased intangible assets are recognised at acquisition cost less accumulated amortisation and accumulated impairment losses. Development costs are capitalised only if they can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs, if any. Other development costs are recognised in profit or loss as incurred.

Intangible assets are amortised using the straight-line method based on the following estimated useful lives:

– Software	3 – 8 years
– Capitalised development costs	3 – 7 years
– Other intangible assets	5 – 15 years

The useful life is reviewed annually and adjusted if necessary.

Impairment

Impairment tests of goodwill or intangible assets not yet available for use (e.g. capitalised development costs) are performed annually or if there is an indication that an asset may be impaired.

The carrying amounts of property, plant and equipment and intangible assets with a definite useful life are reviewed at each reporting date to determine whether there are any indications of impairment. If any indication of impairment exists, the assets' recoverable amount is estimated. The recoverable amount is the higher of the asset's fair value less cost to sell and its value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets ("cash generating unit"). If the recoverable amount is less than the carrying amount of the asset or cash generating unit, an impairment loss is recognised as expense.

If there is an indication that an impairment loss recognised in a prior period may no longer exist or may have decreased, the impairment loss is reversed when there has been a change in the estimates used to determine the recoverable amount. An increase in the recoverable amount since an impairment loss was recognised is recognised as income in profit or loss. However, an impairment of goodwill cannot be reversed in a subsequent period.

Financial assets (note 5)

Financial assets mainly comprise fixed-term deposits and other non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets classified as loans and receivables are initially recognised at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment loss.

Inventories (note 6)

Inventories are measured at the lower of production or acquisition cost and net realisable value. Production costs comprise all material and direct labour costs as well as proportionate indirect labour costs. Net realisable value is the estimated selling price attainable in the ordinary course of business, less estimated cost of completion and selling expenses. The cost of inventories is based on weighted average prices. Obsolescence, excess stock or lower sales prices are taken into account when an impairment of inventory is evaluated.

Trade receivables (note 7)

Trade and other short-term receivables are financial assets with fixed determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised costs using the effective interest method, less any impairment losses.

Cash and cash equivalents (note 8)

Cash and cash equivalents is defined as cash on hand, post and bank credit balances and time deposits with a maturity of less than 90 days from the date of acquisition.

Shareholders' Equity (note 9)

Share capital and treasury shares

Share capital includes all issued shares. Dividends are recognised at the date at which the shareholders' right to receive the dividend is established.

Transaction costs directly related to the issuance of new shares are charged to "Retained earnings", net of tax effects.

Purchases of treasury shares by the Company or its subsidiaries are recognised in the statement of financial position at the amount of consideration paid including transaction costs, net of tax effects, and are presented as a deduction from equity. Gains or losses from the disposal of treasury shares are recognised in "Retained earnings". Other reserves include the share premium, capital contribution and statutory reserves.

Share-based compensation

The Group Executive Management and selected general managers of subsidiaries of the Group are eligible to receive bonus shares. The actual amount is determined relative to the achievement of budgets. Bonus shares are not subject to vesting conditions, but are locked for a three-year period.

The Annual General Meeting approves the grant of bonus shares following the year that is relevant to determine the amounts. Bonus shares are recognised as personnel expense based on the fair value (i.e. stock market price) as of the date the granted shares are received by the employees.

Leases

The Group is a party to numerous lease agreements, for example related to motor vehicles and buildings. Each lease is reviewed to determine whether it is a finance lease or an operating lease.

Assets related to finance leases (note 11): Lease agreements economically considered as asset purchases with corresponding financing are classified as finance leases. In such leases the Group assumes substantially all the risks and rewards of ownership.

The leased assets are capitalised at the inception of the lease at an amount equal to the lower of present value of the minimum lease payments and the fair value of the leased asset. Assets held under finance leases are depreciated over the shorter of their expected useful life and the lease term.

Operating leases (note 13): Leases are classified as operating leases when not substantially all the risks and rewards of ownership of the asset are transferred to the lessee. Lease payments made under operating leases less lease incentives are expensed on a straight-line basis over the lease term, unless payments are linked to specific conditions.

Financial liabilities (note 11)

Financial liabilities are initially recognised at fair value, less attributable transaction costs. Subsequently, financial liabilities are measured at amortised costs using the effective interest rate method, allocating the interest expense over the relevant period in profit or loss.

Employee benefits (note 14)

There are different types of post-employment schemes within the Group. Most of the employee benefit obligation relates to Switzerland, where post-employment plans have been established for employees in accordance with legal requirements and customary practice.

Defined benefit plans

The Group’s net obligation with respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. If the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) of the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans

All other pension plans are defined contribution plans. Pension expenses under these plans correspond to the contribution payments made in the respective accounting period.

Provisions (note 15)

Provisions are recognised if a legal or constructive obligation exists as a result of a past event, an outflow of funds required to settle this obligation is probable, and the amount can be reliably estimated. Provisions reflect the best estimate of the ultimate liability as of the balance sheet date. If the effect of discounting is material, the provision is recorded at its present value. The discount rates used are market interest rates.

Trade payables and other liabilities

Trade payables and other liabilities are measured at amortised cost, normally corresponding to their nominal amount.

Consolidated statement of comprehensive income

Revenue from sales and services (note 19)

Revenue from sales and services is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the customer and when the outcome of the transaction can be measured reliably. Discounts, rebates and credits granted following merchandise returns are deducted from sales.

Research and other development costs (note 4)

Research and other development costs not qualifying for capitalisation are recognised as expenses in profit or loss in the period in which they occur.

Expenses under operating leases (note 13)

Lease payments under operating leases are recognised as expenses in profit or loss on a straight line basis over the term of the lease, unless payments are linked to specific conditions.

Financial income and expenses (note 23)

Financial income includes interest income on loans and interest bearing securities, dividend income, gains on foreign currencies, gains on derivative financial instruments not designated as hedging instruments and gains from the sale of financial assets.

Interest income is recognised in profit or loss using the effective interest rate method. Dividends are only recognised when the right to receive the payment is established.

Financial expenses include interest expenses for financial liabilities, losses in foreign currencies, losses in derivative financial instruments not designated as hedging instruments, and losses on the sale of financial assets. The interest portion of lease payments under finance leases is recognised as financial expense using the effective interest rate method.

Income taxes (note 24)

Income taxes include both current and deferred income taxes. Income tax expense is recognised in profit or loss, unless it relates to items directly recognised in equity or other comprehensive income, in which case the tax effects are recognised in equity as well.

Current tax assets and liabilities comprise the amount expected to be recovered from or paid to tax authorities, calculated with the enacted or substantively enacted tax rates on the reporting date, and possible adjustments from previous years.

Deferred income taxes arise on temporary differences between the carrying amounts of assets and liabilities in the entities' statement of financial position prepared for financial reporting and their tax base, and are determined using the balance sheet liability method. No deferred tax items are recognised for temporary differences on the following items: temporary differences arising on the initial recognition of goodwill; recognition of an asset / a liability affecting neither the consolidated result nor the taxable result at the time of transaction; investments in subsidiaries to the extent that it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Existing deferred tax assets are reviewed at each reporting date and are adjusted to the extent that the related tax benefit is not expected to be realised.

Taxes resulting from dividend payments are recognised at the same time as the liability for the dividend payment is recognised.

1 Change in scope of consolidation

On 8 April 2016, record (UK) Ltd. acquired all the shares of High Performance Door Solutions Ltd. ("HPDS"), a Birmingham (UK) based manufacturer and distributor of automatic pedestrian doors with a substantial portfolio of service contracts, for GBP 4.0 million in cash and GBP 3.0 million in contingent consideration. HPDS has approximately 140 employees and was acquired to increase the market coverage in the service business in the U.K. and to achieve synergies from the integration of HPDS into the supply chain of the Group.

Since the closing of the transaction, HPDS contributed revenue of EUR 10,360 thousand and a net loss of EUR -361 thousand to the consolidated results. Acquisition-related costs are included in other operating expenses and amounted to EUR 42 thousand. The goodwill is attributable to savings from the integration into the Group.

The following table shows the recognised amounts of assets acquired and liabilities assumed, measured at fair values at acquisition date, and the goodwill and net cash outflow resulting from the transaction.

in thousand EUR	
Property, plant and equipment	157
Intangible assets	8,711
Deferred tax assets	0
Inventory	1,128
Trade receivables [1]	2,662
Other current assets	505
Cash and cash equivalents	1
Total assets	**13,164**
Non-current financial liabilities	0
Other non-current liabilities	0
Deferred tax liabilities	1,674
Current financial liabilities	0
Trade payables	1,185
Other current liabilities	1,462
Total liabilities	**4,321**
Fair value of identifiable net assets acquired	**8,843**

Consideration transferred	**8,971**
Fair value of identifiable net assets acquired	-8,843
Goodwill	**128**

Consideration transferred	**8,971**
Cash and cash equivalents acquired	-1
Contingent consideration	-3,845
Cash outflow, net	**5,125**

[1] Out of the gross contractual amount of EUR 2.7 million, EUR 38 thousand are considered not collectible.

The goodwill recognised in the acquisition of HPDS is not expected to result in tax-deductible amortisation.

The contingent consideration related to the achievement of 2016 targets of turnover (30% weight) and EBITDA (70% weight) was fully achieved. Consequently, GBP 3 million was paid to the seller in 2017.

If the acquisition of HPDS had occurred on 1 January 2016, management estimates that consolidated 2016 revenues from sales and services would have been EUR 355.3 million and consolidated net profit EUR 21.5 million.

On 19 August 2015, the Group acquired out of the bankruptcy proceedings of the Imtech group all the shares of Imtech Toegangstechniek BV (subsequently renamed record Toegangstechniek BV, “RTT”), paying EUR 11.0 million in cash. RTT is based near Rotterdam, in the Netherlands, and has 100 employees. In 2014, RTT achieved sales of EUR 16.0 million with a broad range of automatic pedestrian doors, security and access products and related maintenance and repair services in the Benelux countries.

The transaction is expected to generate synergies from the combination of the RTT service operation with the existing service organisation of the record Group in the Netherlands and by integrating RTT into the supply chain of the Group.

Since the closing of the transaction, RTT contributed revenue of EUR 4,744 thousand and net loss of EUR -207 thousand to the consolidated results in 2015. Acquisition-related costs are included in other operating expenses and amounted to EUR 164 thousand.

The following table shows the recognised amounts of assets acquired and liabilities assumed, measured at fair values at acquisition date, and the goodwill and net cash outflow resulting from the transaction.

in thousand EUR	
Property, plant and equipment	16
Intangible assets	14,885
Deferred tax assets	333
Inventory	1,080
Trade receivables (gross)	2,054
./. Allowance for doubtful accounts	-77
Other current assets	37
Cash and cash equivalents	288
Total assets	**18,616**
Non-current financial liabilities	0
Other non-current liabilities	137
Deferred tax liabilities	3,386
Current financial liabilities	0
Trade payables	849
Other current liabilities	3,207
Total liabilities	**7,579**
Fair value of identifiable net assets acquired	**11,037**
Consideration transferred	**11,000**
Fair value of identifiable net assets acquired	-11,037
Negative goodwill	**-37**
Consideration transferred	**11,000**
Cash and cash equivalents acquired	288
Cash outflow, net	**10,712**

The goodwill recognized in the acquisition of RTT is not expected to result in tax-deductible amortisation.

Individually immaterial acquisitions

On 1 July 2015, the Group acquired all the shares of Paxter Security & Automation Sdn. Bhd. (“Paxter”), an installer and distributor of automatic doors and security products based in Kuala Lumpur, for Malaysian Ringgit 8.3 million in cash and Malaysian Ringgit 1.8 million in contingent consideration. Paxter has 23 employees and was acquired to strengthen the existing business of the agta record Group in the attractive Malaysian market and prepare the expansion in the South-East Asian market. Synergies are expected from the combination of Paxter with the existing Malaysian business of the agta record Group in the sales, technical and back-office functions.

On 24 July 2015, the Group acquired all the shares of Global Automatics Ltd. (“Global”), a Hemel Hempstead, UK, based manufacturer and distributor of automatic pedestrian door drive units, for GBP 0.75 million in cash and GBP 0.35 million in contingent consideration. Global has 12 employees and was acquired to become stronger in a specific market segment, where the existing business of the Group was underrepresented, and to achieve synergies from the integration of Global into the supply chain of the Group

On 1 November 2015, the Group acquired all the shares of Doorways Pty Ltd, Campbellfield, Australia (“DWS”), and Advanced Automatic Door Solutions Pty Ltd, Essendon North, Australia (“AADS”), for AUD 4.2 million in cash and AUD 1.5 million in contingent consideration. DWS is a distributor and installer of automatic doors in Australia and New Zealand and offers service and maintenance in the Melbourne area, employing 12 people. AADS is the largest customer of DWS and offers installation, service and maintenance of automatic doors in the Sydney metropolitan area, employing 5 people. The acquisition of DWS and AADS complements the existing strong position of record Australia in revolving doors and is expected to deliver synergies from offering a more complete range of products to new and existing customers and from the integration into the global supply chain of the Group.

The acquisition-related costs of the individually immaterial acquisitions are included in other operating expenses and amounted to EUR 171 thousand. The goodwill is primarily attributable to distribution synergies and savings from the integration into the Group.

The following table shows the recognised amounts of assets acquired and liabilities assumed, measured at fair values at acquisition date, and the goodwill and net cash outflow resulting from the individually immaterial acquisitions.

in thousand EUR	
Property, plant and equipment	254
Intangible assets	3,001
Deferred tax assets	27
Inventory	1,046
Trade receivables (gross)	1,320
./. Allowance for doubtful accounts	-14
Other current assets	303
Cash and cash equivalents	288
Total assets	**6,225**
Non-current financial liabilities	129
Other non-current liabilities	129
Deferred tax liabilities	765
Current financial liabilities	482
Trade payables	866
Other current liabilities	456
Total liabilities	**2,827**
Fair value of identifiable net assets acquired	**3,398**

Consideration transferred	**7,467**
Fair value of identifiable net assets acquired	3,398
Goodwill	**4,069**

Consideration transferred	**7,467**
Cash and cash equivalents acquired	288
Cash outflow, net	**7,179**

The goodwill recognized in the individually immaterial acquisitions is not expected to result in tax-deductible amortisation.

Since the individually immaterial acquisitions closed, they contributed revenue of EUR 2,243 thousand and net loss of EUR -97 thousand to the consolidated results in 2015.

If all transactions that closed during 2015 had occurred on 1 January 2015, management estimates that consolidated 2015 revenues from sales and services would have been EUR 343.9 million and consolidated net profit EUR 24.6 million.

2 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other constituents. The operating profit of each segment is reviewed by management on a regular basis to make decisions about the allocation of resources and to assess its performance. The Group is active in automatic door systems and operates in various countries and regions. Consequently, the business is divided into two regions representing operating segments. The "Europe and rest of world" segment includes all European countries, China as well as all other countries served through the Switzerland based export operation. The segment "North America" consists of the United States and Canada.

The column “Reconciliation” includes eliminations of intersegment revenues and expenses and intercompany assets and liabilities and deferred and current tax assets and liabilities. The accounting policies of the operating segments are the same as applied in the consolidated financial statements. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill. Inter-segmental transactions are done on an arm's length basis.

No single customer accounts for more than 1 percent of total Group revenue.

	Europe and rest of world		**North America**		**Reconciliation**			**Total**
in thousand EUR	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Revenue from sales and services third parties	**310,472**	287,880	**41,403**	37,624	**-23**	2,194	**351,852**	327,698
Sales to other segments	**10,897**	7,495	**97**	17	**-10,994**	-7,512	**0**	0
Revenue from sales and services	**321,369**	295,375	**41,500**	37,641	**-11,017**	-5,318	**351,852**	327,698
Operating profit	**27,056**	31,724	**2,597**	3,213	**0**	0	**29,653**	34,937
Financial income							**101**	484
Financial expenses							**-1,465**	-2,455
Income tax							**-6,514**	-7,632
Profit of the period							**21,775**	25,334
Depreciation	**7,632**	7,045	**677**	636			**8,309**	7,681
Amortisation	**4,653**	4,028	**163**	190			**4,816**	4,218
Impairment of goodwill	**5,500**	0		0			**5,500**	0
Charges related to share-based compensation					**685**	625	**685**	625
Segment assets *)	**306,136**	293,995	**36,141**	32,482	**-6,465**	-8,954	**335,812**	317,523
Segment liabilities **)	**85,543**	82,592	**5,528**	3,780	**14,966**	11,028	**106,037**	97,400
Capital expenditure	**15,430**	14,794	**599**	913	**0**	0	**16,029**	15,707

*) Deferred and current income tax assets are included in the column "Reconciliation".

**) Current and non-current financial liabilities as well as deferred and current income taxes are included in the column "Reconciliation".

3 Property, plant and equipment

Reporting year:

in thousand EUR	Buildings and plant	Technical equipment/ machinery	Other equipment	Total
Acquisition cost				
At 1 January 2016	52,192	10,762	49,864	112,818
Exchange differences	47	27	-83	-9
Increase in scope of consolidation	0	74	83	157
Additions	4,597	1,074	9,087	14,758
Disposals	-140	-166	-4,255	-4,561
At 31 December 2016	**56,696**	**11,771**	**54,696**	**123,163**
Accumulated depreciation and impairment loss				
At 1 January 2016	23,501	7,368	32,142	63,011
Exchange differences	147	27	-57	117
Additions	1,579	832	5,898	8,309
Disposals	-133	-132	-3,367	-3,632
At 31 December 2016	**25,094**	**8,095**	**34,616**	**67,805**
Carrying amount				
At 1 January 2016	28,691	3,394	17,722	49,807
At 31 December 2016	**31,602**	**3,676**	**20,080**	**55,358**
thereof finance leases				9

Additional disclosures 2016	**31/12/**
Value of fire insurance	126,126

The additions to fixed assets mainly relate to purchases of motor vehicles (EUR 6,174 thousand), real estate (EUR 3,439 thousand), and office equipment (EUR 1,116 thousand).

Previous year:

in thousand EUR	Buildings and plant	Technical equipment/ machinery	Other equipment	Total
Acquisition cost				
At 1 January 2015	43,816	9,295	43,906	97,017
Exchange differences	3,422	472	1,558	5,452
Increase in scope of consolidation	16	0	254	270
Additions	5,127	1,485	7,499	14,111
Disposals	-189	-490	-3,353	-4,032
At 31 December 2015	**52,192**	**10,762**	**49,864**	**112,818**
Accumulated depreciation and impairment loss				
At 1 January 2015	20,666	6,699	28,007	55,372
Exchange differences	1,659	396	1,167	3,222
Additions	1,366	720	5,595	7,681
Disposals	-190	-447	-2,627	-3,264
At 31 December 2015	**23,501**	**7,368**	**32,142**	**63,011**
Carrying amount				
At 1 January 2015	23,150	2,596	15,899	41,645
At 31 December 2015	**28,691**	**3,394**	**17,722**	**49,807**
thereof finance leases				42

Additional disclosures 2015	**31/12/**
Value of fire insurance	124,190

The additions to fixed assets mainly relate to purchases of motor vehicles (EUR 4,998 thousand), machinery and equipment (EUR 1,485 thousand), and computer hardware (EUR 1,043 thousand).

4 Goodwill and intangible assets

Reporting year:

in thousand EUR	Goodwill	Capitalised develop-ment costs	IT Software	Other intangible assets	Total
Acquisition cost					
At 1 January 2016	54,844	9,252	4,857	51,967	120,920
Exchange differences	-206	88	-61	-1,411	-1,590
Increase in scope of consolidation	128	0	338	8,373	8,839
Additions	0	324	436	511	1,271
Disposals	0	0	-281	-2,276	-2,557
At 31 December 2016	**54,766**	**9,664**	**5,289**	**57,164**	**126,883**
Amortisation and impairment loss					
At 1 January 2016	5,631	6,704	4,029	20,167	36,531
Exchange differences	-86	66	-22	-574	-616
Impairment	5,500	0	0	0	5,500
Additions	0	396	410	4,010	4,816
Disposals	0	0	-281	-1,774	-2,055
At 31 December 2016	**11,045**	**7,166**	**4,136**	**21,829**	**44,176**
Carrying amount					
At 1 January 2016	49,213	2,548	828	31,800	84,389
At 31 December 2016	**43,721**	**2,498**	**1,153**	**35,335**	**82,707**

The increase in goodwill relates to the acquisition described in Note 1.

Other intangible assets include acquired maintenance contracts and customer lists.

Previous year:

in thousand EUR	Goodwill	Capitalised develop-ment costs	IT Software	Other intangible assets	Total
Acquisition cost					
At 1 January 2015	49,157	7,949	4,210	32,756	94,072
Exchange differences	1,692	865	170	1,125	3,852
Increase in scope of consolidation	4,069	0	0	17,886	21,955
Additions	0	438	537	621	1,596
Disposals	-74	0	-60	-421	-555
At 31 December 2015	**54,844**	**9,252**	**4,857**	**51,967**	**120,920**
Amortisation and impairment loss					
At 1 January 2015	5,904	5,339	3,621	16,651	31,515
Exchange differences	-273	573	135	837	1,272
Additions	0	792	327	3,099	4,218
Disposals	0	0	-54	-420	-474
At 31 December 2015	**5,631**	**6,704**	**4,029**	**20,167**	**36,531**
Carrying amount					
At 1 January 2015	43,253	2,610	589	16,105	62,557
At 31 December 2015	**49,213**	**2,548**	**828**	**31,800**	**84,389**

The increase in goodwill relates to the five acquisitions described in Note 1.

The disposal of EUR 74 thousand of goodwill represents the reduction in goodwill at record Automated Doors (Australia) which resulted from the release of an escrow amount related to the 2014 acquisition of the automatic door business of AGP Pty Ltd. In 2015, the seller went into bankruptcy and later into liquidation and could not honour various contractual obligations related to the transaction.

Other intangible assets include acquired maintenance contracts and customer lists.

Development costs

in thousand EUR	**2016**	2015
External project costs	**283**	260
Internal costs	**3,478**	3,577
Amortisation of capitalised development costs	**396**	792
Subtotal	**4,157**	4,629
Capitalised development costs	**-324**	-438
Total expensed development costs	**3,833**	4,191

The development costs in 2016 amounted to EUR 3,761 thousand (2015: EUR 3,837 thousand) excluding amortisation and represent 1.1% of sales (2015: 1.2%).

Impairment testing of cash-generating units containing goodwill

The carrying amounts of goodwill are allocated to the following cash-generating units:

Cash-generating unit	2016			2015		
	Goodwill in thousand EUR	Discount rate pre-tax	Rate of sales growth (p.a.)	Goodwill in thousand EUR	Discount rate pre-tax	Rate of sales growth (p.a.)
Blasi GmbH	-	10.4%	2.5%	5,500	9.7%	8.2%
Elevator Service Business	12,752	10.5%	3.1%	12,752	9.6%	2.0%
UK Business	13,072	9.9%	6.4%	13,466	9.9%	6.6%
North American Business	10,969	14.4%	5.1%	10,599	13.2%	4.8%
	36,793			42,317		
Various units without significant goodwill	6,928			6,896		
Total carrying amount	**43,721**			**49,213**		

The Elevator Service Business consists of PACA Ascenseurs Services SAS and MP2 SAS The UK Business consists of record UK Ltd., High Performance Door Solutions Ltd. and Global Automatics Ltd. The North American Business consists of record USA Inc., record automatic doors Inc. and record automatic doors (Canada) Inc. Impairment testing is performed on these three groups of entities in order to reflect the integrated nature of the business as a market organisation including the synergies within.

For the purpose of impairment testing the recoverable amount of a cash generating unit (CGU) is compared to the carrying amount. The recoverable amount is determined based on the value in use, using the discounted cash flow method. The cash flow projections cover 5 years and are based on the budget approved by management and are in line with the long-term business plan of the Group. The projected cash flows are discounted using a post-tax weighted average cost of capital (WACC) that reflects current market data.

Key assumptions used in the calculation of recoverable amounts are discount rates, terminal value growth rates and rates of sales growth.

Cash flows beyond the forecast period are extrapolated using a terminal value growth rate of 2.0% (2015: 2.0%). A test of the sensitivity of the value in use to the terminal value growth rate has been performed; even a reduction by 3.12% (2015: reduction by 2.28%) would not cause the carrying amount to exceed the recoverable amount.

The testing further includes for each CGU an analysis to determine the changes in rates of sales growth and discount rates that could cause the carrying amounts to exceed the recoverable amounts. With respect to the North American business the sensitivity analysis showed that an increase of the discount rate by 2.2% or a reduction in the sales growth rate by 3.9% would result in the carrying value and the recoverable amount to be equal. At the other two CGUs with significant goodwill even larger increases in the discount rate or more significant reductions in the sales growth rate did not result in the carrying value and the recoverable amount to be equal.

Based on the impairment testing (value in use) it was necessary to recognise an impairment loss of EUR 5.5 million at Blasi GmbH in 2016. The remaining value in use amounts to EUR 4.8 million. Blasi is a Mahlberg, Germany, based product house manufacturing revolving doors and various specialty doors. The products are predominantly distributed via the subsidiaries of the Group. Although Blasi exceeded turnover expectations in 2016, the competitive nature of most of the markets where Blasi products are sold did not allow a corresponding increase in absolute and relative profitability. These market-driven circumstances are assumed to prevail in the foreseeable future. No impairment loss had to be recognized in 2015.

5 Financial assets

Reporting year:

in thousand EUR	Loans and receivables
Acquisition cost	
At 1 January 2016	378
Exchange differences	4
Additions	4
Disposals / Transfers	-71
At 31 December 2016	**315**
Carrying amounts	
At 1 January 2016	378
At 31 December 2016	**315**
Non-current	255
Current	60
	315

Previous year:

in thousand EUR	Loans and receivables
Acquisition cost	
At 1 January 2015	4,741
Exchange differences	7
Additions	83
Disposals / Transfers	-4,453
At 31 December 2015	**378**
Carrying amounts	
At 1 January 2015	4,741
At 31 December 2015	**378**
Non-current	319
Current	59
	378

6 Inventories

in thousand EUR	**2016**	2015
Finished, semi-finished products and raw material	**47,159**	42,370
Work in progress	**7,681**	7,874
Valuation allowance	**-4,616**	-5,241
Total	**50,224**	45,003

7 Trade receivables

in thousand EUR	**2016**	2015
Trade receivables	**84,390**	77,494
Allowance for doubtful receivables	**-6,346**	-7,572
Total	**78,044**	69,922

Trade receivables

As of the reporting date, the receivables have the following ageing:

2016

in thousand EUR	**Gross trade receivables**	**Bad debt allowance**	**Net trade receivables**
Neither individually impaired nor overdue at the reporting date	50,646	42	50,604
Not individually impaired at the reporting date but overdue by the following periods:			
Up to 30 days	10,753	70	10,683
31 to 90 days	9,414	97	9,317
91 to 180 days	3,418	50	3,368
181 to 360 days	1,683	210	1,473
More than 360 days	1,946	1,266	680
Individually impaired trade receivables	6,530	4,611	1,919
Total carrying amounts	**84,390**	**6,346**	**78,044**

2015

in thousand EUR	Gross trade receivables	Bad debt allowance	Net trade receivables
Neither individually impaired nor overdue at the reporting date	46,572	39	46,533
Not individually impaired at the reporting date but overdue by the following periods:			
Up to 30 days	10,564	80	10,484
31 to 90 days	7,508	128	7,380
91 to 180 days	2,674	124	2,550
181 to 360 days	1,440	259	1,181
More than 360 days	2,266	1,195	1,071
Individually impaired trade receivables	6,470	5,747	723
Total carrying amounts	**77,494**	**7,572**	**69,922**

Allowance on trade receivables

in thousand EUR	**2016**	2015
Balance at 01/01/	**7,572**	7,021
Change	**-1,226**	551
Balance at 31/12/	**6,346**	7,572

The risk of default of most of the Group's customers is considered to be low. Most trade receivables not past due pertain to long-standing customer relationships. Taking the risk of default and past experience with specific customers into consideration, the Group believes that no further impairment allowance is required with respect to not past due or not impaired trade receivables.

8 Cash and cash equivalents

in thousand EUR	**Effective interest rate**	**2016**	Effective interest rate	2015
Cash, post and bank balances	**0.02%**	**43,375**	0.03%	**43,857**
Term deposits with a maximum original maturity of 3 months from acquisition date	**0.19%**	**7,093**	0.87%	**9,214**
Total		**50,468**		**53,071**

The average remaining time to maturity of the term deposits in 2016 is 21 days (2015: 50 days).

9 Shareholders' equity

9.1 Number of shares

The share capital consists of 13,334,200 fully paid, unregistered shares with a nominal value of CHF 1.00 each. The share capital is translated into the Group's presentation currency at historical cost.

At the Extraordinary General Meeting on 13 October 2000, shareholders approved contingent capital of CHF 1 million (1,000,000 unregistered shares with a nominal value of CHF 1.00 each after the stock split of 15 September 2004) reserved for the exercise of share options. Potential beneficiaries are senior managers of agta record ltd, general managers of subsidiaries and members of the Board of Directors of agta record ltd. Subscription rights of existing shareholders are excluded. Until 31 December 2016, 334,200 shares (2015: 334,200) have been issued. The unused balance of the contingent capital amounts to CHF 665,800 as of 31 December 2016 (2015: CHF 665,800).

Treasury shares

in thousand EUR	**Quantity**	**2016 Value**	Quantity	2015 Value
Balance at 01/01/	**80,283**	**1,776**	95,253	2,185
Purchases [*)]	**7,720**	**418**	5,485	244
Sales	**-10,673**	**-417**	-4,898	-159
Distributed as share-based compensation	**-14,386**	**-465**	-15,557	-494
	62,944	**1,312**	80,283	1,776
Cumulative exchange differences at 01/01/		**809**		508
Exchange differences current period		**16**		301
Balance at 31/12/	**62,944**	**2,137**	80,283	2,585

[*)] At applicable market price.

9.2 Share-based compensation

In 2016, EUR 685 thousand (2015: EUR 625 thousand) was expensed for share-based compensation. 14,386 bonus shares (2015: 15,557) were transferred to members of senior management in recognition of the performance achieved in the previous year.

A phantom share plan benefitting the Group Executive Management was approved at the 2015 Annual General Meeting. The phantom share plan was introduced to attract and retain key individuals. Each phantom share granted in July 2015 under the plan gives the right to receive the difference between the share price at which a change of control would directly or indirectly occur and EUR 40. The 266,750 phantom shares are subject to service and performance vesting conditions and expire on 31 December 2020. No expense was recorded during the reporting and the prior period.

9.3 Dividends

The Board of Directors will propose to the Annual General Meeting that an ordinary dividend of CHF 1.00 per share be paid for the financial year 2016. This will result in a total dividend payment of CHF 13.3 million (EUR 12.2 million).

Based on the resolution by the Annual General Meeting on 2 June 2016, agta record ltd paid a dividend of CHF 12.4 million (EUR 11.3 million, no dividend on treasury shares) or CHF 0.93 per share for the financial year 2015.

9.4 Major shareholders

	2016 %	2015 %
agta finance	**54**	54
Assa Abloy AB	**39**	39
Public	**7**	7
Total	**100**	100

10 Earnings per share

	2016	2015
Profit of the period, in thousand EUR	**21,775**	25,334
Shares issued as of 31/12/	**13,334,200**	13,334,200
Treasury shares as of 31/12/	**-62,944**	-80,283
Shares outstanding as of 31/12/	**13,271,256**	13,253,917
Average number of shares outstanding	**13,262,587**	13,246,432
Basic and diluted profit per share (EUR per share)	**1.642**	1.913

No dilutive effects from the potential issuance of shares or options have been included in the EPS calculation in 2016 or 2015. Basic and diluted profit per share equals the profit of the Group divided by the average number of shares outstanding.

11 Financial liabilities

in thousand EUR	**2016**	2015
Current financial liabilities		
Bank liabilities	**314**	188
Lease liabilities	**9**	19
Total current financial liabilities	**323**	207
Non-current financial liabilities		
Bank liabilities	**92**	284
Other financial liabilities	**8**	7
Lease liabilities	**8**	59
Total non-current financial liabilities	**108**	350

Financial liabilities - terms and conditions

31/12/2016 in thousand EUR	**Weighted average effective interest rate**	**Total**	**Up to 1 year**	**1 to 5 years**	**More than 5 years**
Bank liabilities	1.62%	**406**	**314**	**92**	**0**
Total other financial liabilities	0.00%	**8**	**0**	**8**	**0**
Lease liabilities	4.81%	**17**	**9**	**8**	**0**
Total financial liabilities		**431**	**323**	**108**	**0**

31/12/2015 in thousand EUR	Weighted average effective interest rate	Total	Up to 1 year	1 to 5 years	More than 5 years
Bank liabilities	1.80%	472	188	284	0
Total other financial liabilities	0.00%	7	0	7	0
Lease liabilities	5.06%	78	19	59	0
Total financial liabilities		557	207	350	0

As of 31 December the expected minimum lease payments under finance leases become due as follows:

in thousand EUR	**2016**	2015
Gross finance lease liabilities – minimum lease payments		
Up to 1 year	**10**	20
1 to 5 years	**8**	59
Total minimum future lease payments	**18**	79
Future finance charges on finance leases	**-1**	-1
Total present value of finance lease liabilities	**17**	78
The present value of finance lease liabilities is as follows:		
Up to 1 year	**9**	19
1 to 5 years	**8**	59
Total present value of finance lease liabilities	**17**	78

12 Categories of financial instruments

in thousand EUR	**2016**	2015
Cash and cash equivalents	**50,468**	53,071
Financial assets	**315**	378
Trade receivables and other current receivables	**78,432**	70,209
Accrued income	**1,556**	1,777
Loans and receivables	**130,771**	125,435
Current bank liabilities	**314**	188
Trade payables	**22,650**	20,112
Lease liabilities	**17**	78
Other current liabilities	**300**	438
Accrued liabilities	**2,961**	2,971
Non-current financial liabilities	**100**	291
Liabilities recognised at amortised cost	**26,342**	24,078
Other current liabilities	**4,419**	1,204
Liabilities recognised at fair value through profit and loss	**4,419**	1,204

The Group measured the contingent consideration liability at fair value through profit and loss (Level 3) in 2016 and 2015. All other financial instruments are measured at amortised cost in 2016 and 2015.

13 Operating leases

Non-cancellable operating lease agreements pertain mainly to motor vehicles and property and are payable as follows:

in thousand EUR	**2016**	2015
Maturity:		
Up to 1 year	**1,168**	1,322
1 to 5 years	**2,975**	2,309
More than 5 years	**0**	14
Total	**4,143**	3,645

14 Defined benefit plan obligations

The Group maintains defined benefit plans for the employees in Switzerland, France and Austria.

The Swiss pension scheme is funded and operated by a pension fund constituted as an independent legal entity. While the Swiss Federal Law on Occupational Retirement, Survivors', and Disability Pension Plans (BVG) determines the minimum requirements of the defined benefits of the plan, the ultimate responsibility for the regulations of the pension plan lies with the board of trustees. It is composed of equal numbers of employee and employer representatives. As the plan is operated by a collective foundation, an administration committee for the pension plan exists in addition to the board of trustees.

The plan members are insured against the financial consequences of old age, disability and death. The retirement benefits are determined on the basis of the individual retirement savings capital at the time of retirement multiplied by the conversion rates specified in the regulations of the plan.

Savings and risk contributions are determined as a percentage of the insured salary and are paid by the employee and the employer to fund the defined benefits. More than 50% of the funding is borne by the employer.

The pension fund has reinsured all investment and actuarial risks to cover the commitments. As a result, the coverage ratio of the pension plan according to the BVG equals 100% at any time. The risk exists that the insurance coverage is only temporary. Moreover, the inherent risks of the pension plan might result in increased insurance premiums in the future.

The defined benefit plans operated in France consist of long-service gratuities payable at retirement.

Movement in present value of employee benefit obligations

in thousand EUR	Defined benefit obligation 2016	2015	Fair value plan assets 2016	2015	Net defined benefit liability (asset) 2016	2015
Balance at 01/01/	**56,412**	50,659	**-40,740**	-36,262	**15,672**	14,397
Included in profit or loss						
Current service cost	**2,350**	2,422	**0**	0	**2,350**	2,422
Interest cost (income)	**539**	666	**-365**	-469	**174**	197
Past service cost	**0**	-1,265			**0**	-1,265
	2,889	1,823	**-365**	-469	**2,524**	1,354
Included in OCI						
Actuarial gains and losses arising from changes in						
- demographic assumptions	**-1,170**	-125	**0**	0	**-1,170**	-125
- financial assumptions	**2,326**	1,134	**0**	0	**2,326**	1,134
- experience adjustments	**-1,564**	821	**0**	0	**-1,564**	821
Return on plan assets excluding interest income			**1,617**	-1,479	**1,617**	-1,479
Exchange differences	**493**	5,212	**-356**	-3,968	**137**	1,244
	85	7,042	**1,261**	-5,447	**1,346**	1,595
Other						
Employer contributions	**0**	0	**-1,581**	-1,674	**-1,581**	-1,674
Employee contributions	**1,044**	1,078	**-1,044**	-1,078	**0**	0
Benefit paid	**-2,098**	-4,190	**2,098**	4,190	**0**	0
Business combinations / Transfers	**0**	0	**0**	0	**0**	0
	-1,054	-3,112	**-527**	1,438	**-1,581**	-1,674
Balance at 31/12/	**58,332**	56,412	**-40,371**	-40,740	**17,961**	15,672

Swiss, French, and Austrian plans have been included in the calculation of the defined benefit plan obligation pursuant to IAS 19.

The net defined benefit liability of the Swiss pension plan amounts to EUR 14,355 thousand (2015: EUR 12,683 thousand). The regular employer's contribution to defined benefit plans is expected to be EUR 1,563 thousand in 2017. In 2015, the Swiss pension fund reduced the conversion rate which resulted in a credit to past service cost of EUR 1,265 thousand.

The actuarial assumptions are reviewed and adjusted at the end of each financial year. The actuarial assumptions disclosed for any financial year are applied to determine the defined benefit obligation as at year-end and the pension costs in the following year.

Actuarial assumptions

Assumptions for the calculation of obligations

	2016	2015
Discount rate at 31/12/	**0.74%**	0.96%
Future salary increase	**0.98%**	0.98%

Sensitivity analysis

	Defined benefit obligation	
in thousand EUR	**Increase**	**Decrease**
Discount rate (0.5% movement)	**-5,154**	**5,979**
Future salary growth (0.5% movement)	**519**	**-521**

Plan assets comprise

	2016	2015
Insurance policy	**39,044**	39,061
Equity securities	**738**	1,020
Fixed-term deposits	**589**	659

Equity securities and fixed-term deposits are investments quoted at market price. Insurance policy is not quoted at market price.

The weighted average plan duration of the Group's defined benefit obligation amounts to 18.0 years in 2016 (2015: 18.7 years).

Personnel expenses include expenses for defined contribution plans of EUR 1,312 thousand (2015: EUR 793 thousand).

15 Provisions

in thousand EUR	**Warranties**	**Legal claims**	**Other provisions**	**2016**	2015
Balance at 01/01/	3,340	581	1,289	**5,210**	3,898
Exchange differences	1	0	2	**3**	150
Change in scope of consolidation	0	0	0	**0**	266
Additions	1,606	50	113	**1,769**	2,728
Use	-1,214	-72	-802	**-2,088**	-1,311
Release	-364	-271	-33	**-668**	-521
Balance at 31/12/	**3,369**	**288**	**569**	**4,226**	5,210
Non-current	2,481	37	140	2,658	2,565
Current	888	251	429	1,568	2,645
	3,369	**288**	**569**	**4,226**	5,210

Provisions to cover legal claims relate to disputes with business partners and employees in various subsidiaries. The cash outflow related to warranty claims is expected to occur within the next two years.

16 Deferred tax assets and liabilities

Deferred tax assets and liabilities apply to the following balance sheet items:

	Tax assets		Tax liabilities		Net amount	
in thousand EUR	**2016**	2015	**2016**	2015	**2016**	2015
Trade receivables (net)	**733**	769	**-131**	-99	**602**	670
Inventories	**3,265**	2,796	**-753**	-691	**2,512**	2,105
Other current receivables	**0**	0	**-36**	-35	**-36**	-35
Other current liabilities	**88**	52	**0**	0	**88**	52
Accrued liabilities & current provisions	**701**	576	**0**	0	**701**	576
On current assets and liabilities	**4,787**	4,193	**-920**	-825	**3,867**	3,368
Property, plant and equipment	**169**	164	**-1,340**	-1,324	**-1,171**	-1,160
Financial assets	**37**	37	**-815**	-802	**-778**	-765
Intangible assets	**47**	81	**-8,963**	-7,945	**-8,916**	-7,864
Provisions for warranties	**428**	367	**-376**	-337	**52**	30
Other provisions	**4,506**	4,098	**-726**	-814	**3,780**	3,284
On non-current assets and liabilities	**5,187**	4,747	**-12,220**	-11,222	**-7,033**	-6,475
Total deferred tax assets / liabilities	**9,974**	8,940	**-13,140**	-12,047		
Tax loss carryforwards	**832**	829				
Offset	**-4,076**	-3,777	**4,076**	3,777		
Net deferred tax assets / liabilities	**6,730**	5,992	**-9,064**	-8,270		

Deferred tax assets for unused tax loss carry-forwards are recognised if it is probable that future taxable profit will be available and the benefits can be utilised.

No deferred tax assets have been recognised for tax loss carry-forwards with the following expiration dates:

in thousand EUR	**2016**	2015
Expiry next 5 years	**599**	202
Expiry after 5 years	**772**	1,568
Total	**1,371**	1,770

No tax loss carry-forwards expired during the financial year under review (2015: EUR 0).

17 Other current liabilities

in thousand EUR	**2016**	2015
Prepayments	**2,821**	4,188
Tax liabilities (VAT)	**7,761**	7,182
Social insurance	**4,246**	4,960
Other liabilities	**5,973**	2,659
Total	**20,801**	18,989

18 Accrued liabilities

in thousand EUR	**2016**	2015
Accrued liabilities for maintenance contracts	**10,938**	11,214
Accruals for unused vacation and overtime	**12,101**	11,277
Other accrued liabilities	**6,708**	4,422
Total	**29,747**	26,913

19 Revenue from sales and services

in thousand EUR	**2016**	2015
Sales	**351,875**	325,504
Increase(+)/decrease(-) work in progress	**-190**	2,098
Capitalised costs	**167**	96
Total	**351,852**	327,698

20 Other operating income

in thousand EUR	**2016**	2015
Gains on disposal of property, plant and equipment, and intangibles	**777**	207
Miscellaneous operating income	**668**	1,003
Total	**1,445**	1,210

Miscellaneous operating income

in thousand EUR	**2016**	2015
Income from the reversal of contingent consideration	**119**	703
Waste recycling	**128**	165
Rent	**13**	9
Insurance income	**41**	38
Other income	**367**	88
Total	**668**	1,003

21 Personnel expenses

in thousand EUR	Note	**2016**	2015
Wages and salaries		**107,422**	96,745
Wages and salaries of temporary personnel		**3,569**	2,203
Social security expense		**23,665**	21,995
Share-based compensation	9.2	**685**	625
Pension expenses (defined benefit plans)	14	**2,524**	1,354
Pension expenses (defined contribution plans)		**1,312**	793
External work force		**16,147**	15,126
Other personnel expenses		**5,345**	5,351
Total		**160,669**	144,192

During the financial year under review, the Group employed 2,452 employees on average (2015: 2,189).

22 Other operating expenses

in thousand EUR	**2016**	2015
Lease payments	**5,007**	4,236
Maintenance and repairs	**12,947**	12,250
Loss on disposal of property, plant and equipment, and intangibles	**582**	162
Administrative expenses	**8,887**	10,320
Advertising expenses	**1,129**	1,161
Travelling expenses	**5,815**	5,377
Other sales expenses	**8,393**	7,362
Miscellaneous operating expenses	**5,243**	4,942
Total	**48,003**	45,810

23 Financial result

Financial income

in thousand EUR	**2016**	2015
Interest income	**101**	484
Total	**101**	484

Financial expenses

in thousand EUR	**2016**	2015
Interest expenses	**79**	149
Net foreign currency result	**1,386**	2,306
Total	**1,465**	2,455

24 Income taxes

Income tax recognised in profit of the period:

in thousand EUR	**2016**	2015
Current income taxes	**7,709**	8,028
Deferred income taxes	**-1,195**	-396
Total	**6,514**	7,632

Deferred income taxes are calculated applying the "balance sheet liability" method and are recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The measurement of deferred tax assets and liabilities is based on the expected tax rates for the countries affected, based on the laws that have been enacted or substantively enacted by the reporting date.

Income tax expense can be analysed as follows:

in thousand EUR	**2016**	2015
Profit before taxes	**28,289**	32,966
Group average tax rate	**20.8%**	22.4%
Expected tax charge at the applicable tax rate	**5,895**	7,374
Non-deductible expenses for tax purposes	**2,429**	395
Income exempt from tax charges and tax reductions	**-1,552**	-146
Application / Renunciation of tax loss carry-forwards	**28**	112
Under / (over) provided in prior periods	**-286**	-103
Income tax expense	**6,514**	7,632

The Group is subject to income taxes in different tax jurisdictions. The Group calculates its average expected tax rate as a weighted average of the tax rates in the tax jurisdictions in which the Group operates. This rate changes from year to year due to changes in the mix of the Group’s taxable income and changes in local tax rates.

25 Contingent liabilities

Like in the prior year, there were no material contingent liabilities.

26 Risk assessment and financial risk management

The Board of Directors has the ultimate responsibility for risk management. Financial risk management within the Group is carried out in accordance with the principles established by the Group Executive Management. The principles determine how market risk (currency, interest rate and other price risk) and credit risk are to be managed. There are also principles for the administration of cash and cash equivalents and for short and long-term financing (liquidity risk). The Board of Directors has commissioned the Audit Committee to monitor the development and implementation of these risk management principles.

The established risk management principles are directed towards identifying and analyzing the risks, which the Group is subject to, and establishing control mechanisms. The risk management principles and the procedures adopted are regularly reviewed in order to take account of changes in the market environment and in the Group’s activities. The aim is to develop a control environment that guarantees risk awareness and reduces financial risk, while weighing it against the costs of hedging and the risk incurred.

The Audit Committee is supported in its monitoring duties by the CFO.

The following sections give an overview of the extent of the individual types of risk and the objectives, principles and procedures for measuring, monitoring and hedging financial risk.

Credit risk

Credit risk is the risk of suffering financial loss if a customer or the counterparty of a financial instrument fails to meet its contractual obligations. The Group's credit risk arises principally from trade receivables and credit balances with banks.

The Group keeps its liquid funds predominantly with leading banks rated at least "A". In accordance with the Group's investment policy, transactions are entered into only with major creditworthy financial institutions. These holdings generally have durations of less than twelve months.

Transactions involving derivatives are entered into only with major financial institutions rated at least "A".

The concentration risk of trade receivables is limited due to the large number of customers located in various geographical regions. The extent of credit risk is principally determined by the individual characteristics of each customer. Every Group company carries out risk assessments of its customers, involving checks of the customer's creditworthiness based on experience and on the customer's financial situation.

The maximum credit risk of a financial instrument corresponds to the carrying amount of the individual asset. The maximum credit exposure as of the balance sheet date was as follows:

in thousand EUR	**2016**	2015
Cash and cash equivalents	**50,468**	53,071
Trade receivables	**78,044**	69,922
Other current receivables	**388**	287
Financial assets	**315**	378
Accrued income	**1,556**	1,777
Total	**130,771**	125,435

Market risk

Market risk is the risk that changes in market prices such as exchange rates, interest rates and share prices have an impact on profits and on the fair value of financial instruments held. The aim of managing market risk is to monitor and control such risks, in order to ensure that they do not exceed a certain magnitude.

Foreign currency exchange risk

The Group is subject to foreign currency exchange risk due to the global nature of its business. Financial risk of this kind occurs in association with transactions effected in currencies other than the functional currency of Group companies. Such transactions are mainly denominated in Swiss Francs, Euro, US Dollars and Pound Sterling.

To the extent possible Group companies reduce their foreign currency exchange risk by procuring and manufacturing products in their functional currencies.

The table below shows the most important foreign currency exchange risks arising from financial instruments denominated in currencies other than the functional currency of the entity holding the instrument:

2016

in thousand EUR	**CHF/EUR**	**CHF/USD**	**CHF/GBP**
Cash and cash equivalents	9,086	660	2,420
Trade receivables	2,291	479	0
Intercompany receivables	9,231	376	2,170
Trade payables	-885	-250	0
Current financial liabilities	-83	0	0
Intercompany liabilities	-741	-2,708	0
Total foreign currency exposure	**18,899**	**-1,443**	**4,590**

2015

in thousand EUR	CHF/EUR	CHF/USD	CHF/GBP
Cash and cash equivalents	11,136	2,010	776
Trade receivables	1,207	0	595
Intercompany receivables	5,698	3,144	0
Trade payables	-1,014	0	-175
Current financial liabilities	-76	-20	0
Intercompany liabilities	-396	0	-3,710
Total foreign currency exposure	**16,555**	**5,134**	**-2,514**

A favourable or adverse exchange rate movement of 5% would have increased or reduced the net profit of the year by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain unchanged. The calculations are based on a tax rate of 25%.

Sensitivity analysis

2016

in thousand EUR	CHF/EUR	CHF/USD	CHF/GBP
Change +/-	5%	5%	5%
Effect from increase in exchange rate on profit of the period	709	-54	172
Effect from decrease in exchange rate on profit of the period	-709	54	-172

2015

in thousand EUR	CHF/EUR	CHF/USD	CHF/GBP
Change +/-	5%	5%	5%
Effect from increase in exchange rate on profit of the period	621	193	-94
Effect from decrease in exchange rate on profit of the period	-621	-193	94

Except for the effect on profit there is no further impact on shareholders' equity.

Interest rate risk

Interest rate risk is composed of changes in future interest payments as a result of fluctuations in market interest rates and interest rate related risk of a change in fair value, i.e. the risk that the fair value of a financial instrument may change as a result of fluctuations in the market interest rate.

Financing is mainly short term and at variable interest rates. If needed, interest rate hedging instruments are used.

Cash flow sensitivity analysis of floating rate financial instruments:

The exposure of financial instruments with variable interest rates, which predominantly consist of cash held at banks, amounts to EUR 34,974 thousand (2015: EUR 30,417 thousand). An increase of 0.1% in interest rates would have resulted in a favourable effect of EUR 26 thousand (2015: EUR 23 thousand) on the consolidated profit of the year. A decline in interest rates by the same amount would have resulted in an adverse effect of the same magnitude. This analysis assumes that all other relevant factors remain unchanged. Except for the profit there is no further impact on shareholders' equity.

Equity price risk

The Group does not hold any listed shares except treasury shares, and consequently is not subject to any risk related to stock market prices.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. Measures to safeguard liquidity are subject to permanent monitoring. Sufficient cash is held in order to deal with the fluctuations in the requirement of funds. The Group has unused credit lines of EUR 10,858 thousand (2015: EUR 10,817 thousand) in order to be able to manage larger fluctuations.

The following tables show the contractual maturities (including interest payments) of the financial liabilities recognised by the Group:

2016 in thousand EUR	**Carrying amounts**	**Contrac-tual cash flows**	**Up to 6 months**	**6 to 12 months**	**1 to 2 years**	**2 to 5 years**
Trade payables	22,650	**22,650**	22,636	5	4	5
Current bank liabilities	314	**319**	221	98	0	0
Lease liabilities	17	**18**	6	5	7	0
Other current liabilities	4,719	**4,719**	4,094	0	282	343
Accrued liabilities	2,961	**2,961**	2,935	22	4	0
Non-current financial liabilities	100	**106**	1	1	95	9
Total	**30,761**	**30,773**	**29,893**	**131**	**392**	**357**

2015 in thousand EUR	**Carrying amounts**	**Contrac-tual cash flows**	**Up to 6 months**	**6 to 12 months**	**1 to 2 years**	**2 to 5 years**
Trade payables	20,112	**20,112**	20,105	0	3	4
Current bank liabilities	188	**194**	97	97	0	0
Lease liabilities	78	**78**	12	12	33	21
Other current liabilities	1,642	**1,642**	426	1,216	0	0
Accrued liabilities	2,971	**2,971**	2,811	157	3	0
Non-current financial liabilities	291	**294**	0	0	191	103
Total	**25,282**	**25,291**	**23,451**	**1,482**	**230**	**128**

Fair Value

As the fair values of the financial instruments are close to their carrying amounts, no separate presentation has been made.

27 Capital management

The Group’s objectives in managing net debt are:

- to maintain a sound financial position
- to preserve sufficient financial leeway for acquisitions
- to achieve a rate of return appropriate to the risks taken
- to distribute at least 30% of the annual consolidated profit as a dividend.

Financial leverage is monitored based on gearing. Gearing is an indicator of the degree of indebtedness and represents the ratio between interest-bearing net debt (ie. financial debt after the deduction of cash and cash equivalents) and equity. As of 31 December 2016, the gearing was -21.8% (2015: -23.9%).

28 Related parties

Related parties consist of the major shareholders including the companies controlled by them and associated to them, the Board of Directors and the Group Executive Management including persons close to them such as their families.

The following transactions with related parties took place:

in thousand EUR	**2016**	2015
CIC Lyonnaise de Banque - interest on loan	**0**	1
CIC Lyonnaise de Banque - cash and fixed term deposits	**3,000**	5,135
Hubert Jouffroy, Chairman - consultant on various matters	**191**	269

CM CIC is one of three shareholders of agta finance SAS, the controlling shareholder of agta record ltd. CM CIC is part of the Crédit Mutuel group in France. The Crédit Mutuel group conducts its business through a large network of bank branches and includes CIC Lyonnaise de Banque. All transactions with related parties including those with entities of the Crédit Mutuel group are effected on an arm's length basis.

For the financial year under review, EUR 4,112 thousand (2015: EUR 4,025 thousand) was paid as compensation to the Board of Directors and the Group Executive Management:

in thousand EUR	**2016**	2015
Current remuneration	**2,767**	2,725
Post-employment benefits	**671**	689
Share-based payments	**674**	611
Total	**4,112**	4,025

Detailed disclosure of the compensation and shareholdings of the Board of Directors and of the Group Executive Management is provided in the compensation report and in Note 8 of the statutory financial statements of agta record ltd.

29 Events after the balance sheet date

No events that could have a material effect on the consolidated financial statements or that would require to be disclosed in this report occurred between the balance sheet date and the date on which the accounts were approved by the Board of Directors.

30 Group entities

The following companies have been included in the scope of the consolidated financial statements:

	Country	Segment	Nominal capital		Equity interest 2016	Equity interest 2015	Type of consolidation
agta record ltd, Fehraltorf *)	CH		CHF	13,334,200			F
agtatec ag, Fehraltorf **)	CH	1	CHF	4,000,000	100%	100%	F
record Türautomation AG, Fehraltorf **)	CH	1	CHF	500,000	100%	100%	F
record international ag, Fehraltorf **)	CH	1	CHF	600,000	100%	100%	F
record Austria GmbH, Perchtoldsdorf **)	AT	1	EUR	727,000	100%	100%	F
record Türautomation GmbH, Wuppertal **)	DE	1	EUR	1,500,000	100%	100%	F
Blasi GmbH, Mahlberg	DE	1	EUR	500,000	100%	100%	F
KOS Spezialtüren GmbH, Schermbeck	DE	1	EUR	25,000	100%	100%	F
record Holding Nederland B.V., Doorwerth **)	NL	1	EUR	450,000	100%	100%	F
record automatische deuren B.V., Doorwerth	NL	1	EUR	400,000	100%	100%	F
van Nelfen Deurtechniek B.V., Oosterhout	NL	1	EUR	18,151	100%	100%	F
record Toegangstechniek B.V., Capelle aan den Ijssel	NL	1	EUR	22,700	100%	100%	F
record UK Ltd., Blantyre **)	GB	1	GBP	1,000,000	100%	100%	F
Global Automatics Ltd., Hemel Hempstead	GB	1	GBP	100,000	100%	100%	F
High Performance Door Solutions Ltd., Walsall	GB	1	GBP	100	100%	-	F
Door System (UK) Ltd, Batley	GB	1	GBP	100	100%	100%	F
Metro Doors Ltd., Farnborough	GB	1	GBP	50	100%	100%	F
Cordver SAS, Neyron **)	FR	1	EUR	4,000,000	100%	100%	F
record Portes Automatiques SAS, Champlan	FR	1	EUR	10,000,000	100%	100%	F
Automatismes Bâtiment SAS, Champlan	FR	1	EUR	100,000	100%	100%	F
Svaton SAS, Bondy	FR	1	EUR	50,000	100%	100%	F
Isea SAS, Noyarey	FR	1	EUR	40,000	100%	100%	F
record Industry SAS, Crémieu	FR	1	EUR	750,000	100%	100%	F
MP2 SAS, Marseille	FR	1	EUR	4,500,000	100%	100%	F
PACA Ascenseurs Services SAS, Marseille	FR	1	EUR	600,000	100%	100%	F
record puertas automaticas SA, Sant Cugat del Valles	ES	1	EUR	1,800,000	100%	100%	F
record BMT AS, Hvidovre **)	DK	1	DKK	3,000,000	100%	100%	F
record dörrautomatik AB, Stockholm	SE	1	SEK	100,000	100%	100%	F
record Drzwi Automatyczne Sp.zo.o., Piaseczno	PL	1	PLN	650,000	100%	100%	F

	Country	Segment	Nominal capital		Equity interest 2016	2015	Type of consolidation
record ajtó Kft, Szigetszentmiklós	HU	1	HUF	3,000,000	100%	100%	F
record avtomatska vrata d.o.o., Ljubljana**)	SI	1	EUR	381,000	100%	100%	F
record North America Inc., New York**)	US	2	USD	3,000,000	100%	100%	F
record USA Inc., Monroe	US	2	USD	3,000,000	100%	100%	F
record automatic doors, Inc., Pleasant Hill	US	2	USD	-	100%	100%	F
record automatic doors (Canada), Inc., Burlington**)	CA	2	CAD	20,000	100%	100%	F
record Automatic Doors (Australia) Pty Ltd, Seven Hills, NSW**)	AU	1	AUD	100	100%	100%	F
Doorways Pty Ltd, Campbellfield, VIC	AU	1	AUD	909,998	100%	100%	F
Advanced Automatic Door Solutions Pty Ltd, Essendon North, VIC	AU	1	AUD	100	100%	100%	F
record Automatic Doors (M) Sdn Bhd, Petaling Jaya**)	MY	1	MYR	1,000,000	100%	100%	F
Paxter Security & Automation Sdn Bhd, Petaling Jaya	MY	1	MYR	1,000,000	100%	100%	F
record Automatic Door (Hong Kong) Ltd., Hong Kong**)	CN	1	EUR	3,000,000	100%	100%	F
record Automatic Door (Shanghai) Co., Ltd., Shanghai	CN	1	EUR	3,000,000	100%	100%	F
record Türautomation CZ s.r.o., Opava	CZ	1	CZK	300,000	100%	100%	F

*) Holding company of the Group

**) Subsidiary directly held by agta record ltd

Segment:	1	=	Europe and rest of world
	2	=	North America
Type of consolidation:	F	=	full consolidation

Statutory Auditor's Report

To the General Meeting of agta record ltd, Fehraltorf

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of agta record ltd and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 1 to 40) give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

Valuation of goodwill

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill

Key Audit Matter

agta record ltd has recognised significant goodwill in the consolidated financial statements in the amount of EUR 43.7 million as of 31 December 2016, originating from business combinations.

The company annually performs an impairment test for goodwill. In performing the impairment test, the recoverable amount of each cash-generating unit (CGU) is determined by management based on the value in use, using the discounted cash flow method.

The assessment of the recoverable amounts of the CGUs requires significant management judgment, in particular in relation to the budgeted cash flows, future growth rates and the discount rates applied.

The impairment risk is typically higher for those CGUs where the headroom between recoverable amount and carrying amount is limited and where the value in use is most sensitive to estimates of budgeted cash flows. Based on sensitivity analyses performed by management there is significant headroom between recoverable amount and carrying amount of most CGUs, except for Blasi GmbH, for which an impairment was recognised as of 31 December 2016.

Our response

Our audit procedures included, amongst others, evaluating the methodical and mathematical accuracy of the model used for the impairment tests, the appropriateness of the assumptions used, and the methodology used by management to prepare its cash flow budgets. We used our own valuation specialists to support our procedures.

For a sample of CGUs selected based on quantitative and qualitative factors, we performed the following audit procedures:

- assessing the reasonableness of the plans and budgets by back-testing historical budgets to actual results;
- comparing business plan data against the latest management approved budget;
- challenging the robustness of the key assumptions used to determine the recoverable amount, budgeted cash flows, long-term growth rates and the discount rates based on our understanding of the commercial prospects of the related assets and by comparing them with publicly available data;
- recalculating the difference between the carrying amount and the recoverable amount to assess the headroom or the impairment loss; and
- testing the sensitivity analyses prepared by management.

We also considered the appropriateness of disclosures in relation to the impairment loss and sensitivities in the consolidated financial statements.

For further information on the valuation of goodwill refer to the following:

— Note 4 to the consolidated financial statements

Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the 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.

KPMG AG

Regula Wallimann Licensed Audit Expert Auditor in Charge	Karin Thiemeyer Licensed Audit Expert

Zurich, 5 April 2017

Statutory financial statements of agta record ltd

Balance sheet of agta record ltd

in thousand CHF	Note	**31/12/2016**	31/12/2015
Assets			
Cash and cash equivalents		**5,337**	3,238
Securities and term deposits		**3,222**	5,417
Other current receivables	1	**3,124**	4,280
Accrued income		**27**	68
Total current assets		**11,710**	13,003
Financial assets	2	**117,668**	104,642
Investments	3	**40,865**	43,959
Tangible assets		**72**	108
Total non-current assets		**158,605**	148,709
Total assets		**170,315**	161,712
Liabilities			
Trade payables	4	**274**	342
Current interest-bearing liabilities		**8,743**	6,724
Other current liabilities		**101**	188
Accrued liabilities		**1,217**	1,063
Total current liabilities		**10,335**	8,317
Equity			
Share capital		**13,334**	13,334
Legal capital reserve			
Capital contribution reserves		**54**	3,106
Statutory reserves		**1,850**	1,850
Other reserves		**8,000**	8,000
Retained earnings			
Retained earnings brought forward		**120,319**	119,900
Net profit of the period		**18,244**	9,532
Treasury shares	5	**-1,821**	-2,327
Total equity		**159,980**	153,395
Total equity and liabilities		**170,315**	161,712

Income statement of agta record ltd

in thousand CHF	Note	**2016**	2015
Dividend income		**18,773**	14,903
Other income from companies in which the entity holds an investment		**4,763**	4,466
Total income		**23,536**	19,369
Personnel expenses		**-3,682**	-4,102
Other expenses		**-1,002**	-1,132
Depreciation on tangible assets		**-36**	-42
Result before interest and taxes		**18,816**	14,093
Financial result			
Interest expenses		**-34**	-27
Interest income		**2,822**	2,640
Foreign exchange result		**-3,060**	-8,440
Extraordinary and one-time effects	6	**-254**	1,246
Profit before taxes		**18,290**	9,512
Taxes		**-46**	20
Profit of the period		**18,244**	9,532

Notes to the financial statements of agta record ltd

Significant accounting principles

General information

The financial statements of agta record ltd have been prepared in compliance with the Swiss Code of Obligations. Only those valuation principles are described below that are essential and not defined in the Code of Obligations or that deviate from the principles defined in the notes to the consolidated financial statements.

Financial assets

Financial assets include non-current loans to direct and indirect subsidiaries. Loans in foreign currency are translated into Swiss francs at the year-end rate.

Investments

Investments are included at cost at the time of recognition. Investments are valued and annually reviewed for potential impairment on an individual basis, if they are material.

Treasury shares

Treasury shares are valued at cost at the time of recognition and are disclosed as a negative item in shareholders‘ equity. Gains and losses arising from the disposal of treasury shares are recognized in retained earnings.

Other income

Other income includes recharges and cost allocations to companies in which the entity holds an investment.

Cash flow statement

agta record ltd as holding company of agta record Group does not prepare a separate cash flow statement in addition to the cash flow statement and the additional disclosures presented in the consolidated financial statements.

Information and explanations relating to items on the balance sheet and in the income statement

1. Other current receivables

in thousand CHF	**2016**	2015
Other current receivables third parties	**505**	193
Other current receivables of companies in which the entity holds an investment	**2,619**	4,087
Total	**3,124**	4,280

2. Financial assets

in thousand CHF	**2016**	2015
Loans to companies in which the entity holds an investment	**117,668**	104,642
Total	**117,668**	104,642

3. Investments

Direct investments are presented below. Indirect investments are listed in Note 30 to the consolidated financial statements.

Company and registered office	Country	Nominal capital		Equity interest 2016	2015
agtatec ag, Fehraltorf	CH	CHF	4,000,000	100%	100%
record Türautomation AG, Fehraltorf	CH	CHF	500,000	100%	100%
record international ag, Fehraltorf	CH	CHF	600,000	100%	100%
record Austria GmbH, Perchtoldsdorf	AT	EUR	727,000	100%	100%
record avtomatska vrata d.o.o., Ljubljana	SI	EUR	381,000	100%	100%
record Türautomation GmbH, Wuppertal	DE	EUR	1,500,000	100%	100%
record Holding Nederland B.V., Doorwerth	NL	EUR	450,000	100%	100%
record UK Ltd., Blantyre	GB	GBP	1,000,000	100%	100%
record BMT AS, Hvidovre	DK	DKK	3,000,000	100%	100%
Cordver SAS, Neyron	FR	EUR	4,000,000	100%	100%
record Industry SAS, Crémieu	FR	EUR	750,000	-	100%
record North America Inc., New York	US	USD	3,000,000	100%	100%
record Automatic Door (Hong Kong) Ltd., Hong Kong	CN	EUR	3,000,000	100%	100%
record Automatic Doors (M) Sdn Bhd, Petaling Jaya	MY	MYR	1,000,000	100%	100%
record automatic doors (Canada), Inc., Burlington	CA	CAD	20,000	100%	100%
record Automatic Doors (Australia) Pty Ltd, Seven Hills	AU	AUD	100	100%	100%

4. Trade payables

in thousand CHF	**2016**	2015
Other liabilities to third parties	**161**	240
Other liabilities to companies in which the entity holds an investment	**78**	79
Liabilities to related parties and auditors	**35**	23
Total	**274**	342

5. Treasury shares

The nominal value is CHF 1.00 per bearer share.

	Total number of shares	**Total nominal value** TCHF	**Total carrying amounts** TCHF
Balance at 1 January 2016	80,283	80	2,327
Acquisitions*)	7,720	8	456
Disposals / sales*)	-25,059	-25	-962
Balance at 31 December 2016	**62,944**	**63**	**1,821**

*) At applicable market price.

6. Extraordinary and one-time effects

in thousand CHF	**2016**	2015
Release of impairments of loans to companies in which the entity holds an investment		1,246
Impairment of investment	**-254**	
Total	**-254**	1,246

7. Collateral to third parties

in thousand CHF	**2016**	2015
Guarantees	**4,765**	4,827
thereof used	**1,613**	1,947

8. Shareholdings of board members, Group Executive Management and closely linked persons

Closely linked persons encompass the majority shareholders including the companies controlled by and associated to them, the Board of Directors, the Group Executive Management and persons close to them such as their families. All transactions with closely linked persons are effected at market conditions.

Shares owned by board members and persons closely linked to them

	Number of shares	
	2016	2015
H. Jouffroy, Chairman	**0**	0
P. Altorfer	**10,000**	10,000
D. Dean	**3,685**	3,374
B. Ghez (CM CIC)	**2,489,539**	2,489,539
R. Gruenhagen	**0**	0
M. Rota	**1,566,099**	1,566,099

Shares owned by Group Executive Management and persons closely linked to them

	Number of shares	
	2016	2015
S. Riva, CEO	**38,170**	33,187
R. Scheffrahn, CFO	**10,334**	10,107
F. Eigl, Supply Chain / R&D	**7,294**	6,152
F. van Hooft, Marketing	**431**	0
M. Hirt, Region Eastern Europe	**1,566,437**	1,565,898
M. Kast, Region Europe I	**5,751**	4,706
L. Bouzy, Region Europe II	**5,528**	5,458
M. Licciardello, Region North America	**8,990**	8,199

9. Significant shareholders

Significant shareholders are disclosed in Note 9.4 to the consolidated financial statements.

10. Workforce data

The company employs less than 10 full-time employees on average.

11. Events after the balance sheet date

No events that could have a material effect on the financial statements or that would require to be disclosed in this report occurred between the balance sheet date and the date on which the accounts were approved.

Proposed appropriation of earnings

in thousand CHF	2016
Available earnings	
Net profit of the period	**18,244**
Retained earnings brought forward*)	**120,319**
Total available earnings	**138,563**
Appropriation of available earnings	
Payment of a dividend of CHF 1.00 on 13,334,200 shares*) out of retained earnings	**13,334**
To be carried forward	**125,229**
Total appropriation of available earnings	**138,563**

A dividend of CHF 0.93 per share was paid in the previous year.

*) No dividend is paid on treasury shares. For reasons of practicality and materiality, the total dividend is calculated based on the number of shares issued.

Statutory Auditor's Report

To the General Meeting of agta record ltd, Fehraltorf

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of agta record ltd, which comprise the balance sheet as at 31 December 2016, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 45 to 50) for the year ended 31 December 2016 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Valuation of investments

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments

Key Audit Matter

The financial statements of agta record ltd include significant investments in subsidiaries in the amount of CHF 40.9 million. Investments are included at cost at the time of recognition and are annually reviewed by

Our response

Our audit procedures included, amongst others, evaluating the methodical and mathematical accuracy of the model used for the impairment tests, the appropriateness of the assumptions used, and the methodology used by management to prepare its cash management for potential impairment on an individual basis.

In performing the impairment test, the recoverable amount of the majority of the investments is determined by management based on the value in use, using the discounted cash flow method. The recoverable amount of other investments is determined by management using a multiple method approach.

The assessment of the recoverable amounts of investments requires significant management judgment, in particular in relation to the budgeted cash flows, future growth rates, the discount rates applied and multiples used.

flow budgets. We used our own valuation specialists to support our procedures.

For a sample of investments identified based on quantitative and qualitative factors, we performed the following audit procedures:

- assessing the reasonableness of the plans and budgets by back-testing historical budgets to actual results;
- comparing business plan data against the latest management approved budget;
- challenging the robustness of the key assumptions used to determine the recoverable amount, including budgeted cash flows, long-term growth rates, the discount rates and multiples based on our understanding of the commercial prospects of the respective investments and by comparing them with publicly available data; and
- recalculating the difference between the carrying amount and the recoverable amount to assess the headroom.

We also considered the appropriateness of disclosures in relation to investments in the financial statements.

For further information on investments refer to the following:

— Note 3 to the financial statements

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company’s articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit 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 internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the 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.

KPMG AG

Regula Wallimann Licensed Audit Expert Auditor in Charge	Karin Thiemeyer Licensed Audit Expert

Zurich, 5 April 2017

KPMG AG, Badenerstrasse 172, PO Box, CH-8036 Zurich

Summary in French

Evènements marquants

- En juin 2016, le Brexit et la baisse brutale de la livre sterling ont sensiblement affecté les résultats de record UK.
- Le Groupe a acquis la société High Performance Door Solutions consolidée en avril. record est devenu n°1 au Royaume Uni et ce marché UK est dorénavant le deuxième du Groupe en chiffre d'affaires après la France et juste devant les USA.
- La réorganisation de nos activités en France (centralisation de la production sur 3 sites au lieu de 8, nouveau concept transports et logistique, intégration du marquage à chaud des profilés auparavant sous-traité et mise en place de quatre nouveaux logiciels) a généré des difficultés inattendues et a fortement impacté les profits du Groupe.
- Blasi est devenue une pure société de production travaillant exclusivement pour les filiales d'agta record. Nous avons décidé de déprécier le goodwill à 100%.
- PACA Ascenseurs Services a ouvert une septième agence à Toulouse.

Marché et concurrence

Au niveau mondial, le marché des portes automatiques piétonnes a été en légère croissance aux USA, stable en Europe et en baisse en Asie, surtout à cause de la Chine. Le Brexit n'a pas eu de conséquences notables au Royaume Uni.

Il n'y a pas eu globalement de baisse de prix significative.

Aucun produit nouveau concurrent n'est apparu pouvant avoir un effet sur nos ventes.

ISEA a vu le marché des portes sectionnelles et rapides repartir à la hausse après trois années de baisse. Dans le segment des ascenseurs, PACA Ascenseurs Services a constaté une stabilisation du marché de la modernisation, la maintenance poursuivant sa croissance.

Le marché de la porte automatique, dans les pays où le Groupe est récemment installé a évolué de façon opposée, baisse en Malaisie (impact de l'introduction de la TVA) et hausse en Australie.

Résultats commerciaux

Les entrées de commandes ont été satisfaisantes avec une croissance en quantité de 8,1% et en valeur de 6,9% (plus 8,8% à taux de change constants). Seules filiales en baisse, la France (problèmes internes), les USA (commande exceptionnelle en 2015) et la Pologne (arrêt temporaire des commandes du plus gros client). Les autres filiales sont soit stables (Suisse et Malaisie) soit en hausse de 4 à 28% avec des performances très bonnes aux Pays Bas (+23%), en Australie (+28%), chez KOS Allemagne (+20%) ou encore PACA Ascenseurs Services (+25%).

Globalement, la croissance organique s'est située à 3% environ et l'activité Services et Maintenance a encore augmenté de 9,6% (après +14% en 2015).

La croissance organique a été soutenue par le lancement de nouveaux produits (coulissante THERMCORD plus à économies d'énergie, FlipFlow USA seul produit agréé par les aéroports et STA 21 low cost pour les activités grand export).

Résultats financiers

Le chiffre d'affaires est en croissance de 8,1%. La chute de la livre anglaise a impacté les ventes de 5,1 M€. A taux de change constants, la croissance est de 10% malgré des retards de facturation en France et malgré le décalage à 2017 de la facturation de la commande exceptionnelle de 2015 aux USA.

La marge brute augmente de 72,3% à 72,5% en dépit d'une baisse sensible en France et de l'impact de la baisse de la livre anglaise.

Ce bon résultat est obtenu grâce à une croissance de la maintenance (40,4% du chiffre d'affaires consolidé contre 39,8% en 2015), aux économies de coûts apportées par un sourcing accru en Asie et à l'augmentation des volumes fabriqués.

Les frais de personnel augmentent de 11,4%. Ce mauvais résultat est imputable essentiellement à record France où les difficultés engendrées par la réorganisation ont conduit à un surcroît d'effectifs considérable.

La hausse des frais de structure est limitée à 5% hors amortissements.

L'EBE est en hausse de 3,1% à 48,3 M€.

Le résultat opérationnel courant augmente de 2,1% à 40,0 M€. Il faut souligner que l'EBITA de record France est en recul de 4,1 M€ et que 1,0 M€ de provisions de restructuration ont été constituées chez record UK (arrêt de la fabrication chez HPDS et transfert à l'usine d'Hamilton en Ecosse).

Le résultat opérationnel est en baisse à 29,7 M€ après dépréciation de 5,5 M€ de goodwill chez BLASI.

Le résultat financier est négatif de -1,4 M€ (pertes de change sur la trésorerie en livre sterling) contre -2,0 M€ en 2015 (pertes de change suite à la baisse de l'euro contre le franc suisse).

Le résultat net ressort à 21,8 M€ (25,3 M€ en 2015) soit 6,2% du chiffre d'affaires.

La structure financière

La trésorerie nette de dettes est de 50,1 M€ contre 52,5 M€ après 11 M€ de dividendes, 15 M€ de capex et 5 M€ d'acquisitions.

Facteurs de risques

Risques de marché

Le Groupe exerce une activité diversifiée: portes automatiques, portes industrielles, maintenance des portes automatiques, maintenance d'ascenseurs et de portes industrielles. Cette activité couvre des segments de marché multiples et sans lien entre eux: supermarchés, hypermarchés, magasins de détail, banques, immeubles de bureaux, industrie et logistique, gares et aéroports, hôpitaux, maisons de retraite, hôtels et restaurants etc.

Certains segments peuvent être affectés temporairement par un ralentissement de l'investissement mais jamais tous ensemble.

Le Groupe est présent sur quatre continents, Europe, Amérique, Asie, et Australie, et directement actif sur 17 pays par l'intermédiaire de filiales et par des importateurs exclusifs dans le reste. Le risque géographique est très diversifié. Cependant un pays, la France, assure 36% des ventes du Groupe en valeur et un ralentissement marqué du marché français impacterait l'activité globale.

Risques liés aux normes

Les normes de sécurité et d'utilisation des portes automatiques et des portes industrielles sont sévères. Elles peuvent varier d'un marché à l'autre mais, à part en Chine, elles encadrent la conception de produits de façon stricte. Les risques d'un alourdissement des normes sont faibles. Si l'impact sur le prix de vente était très élevé, cela pourrait réduire le potentiel du marché. A contrario, un léger durcissement aurait un effet favorable sur les prix et donc sur notre chiffre d'affaires.

Risques liés au produit

Peu d'accidents corporels sont à déplorer. Les développements technologiques apportés aux portes et aux dispositifs de sécurité (cellules, radars, efforts de poussée, arrêt sur obstacle, etc.) réduisent régulièrement la dangerosité.

Le produit le plus sensible est la porte à tambour tournant automatique dont le Groupe est devenu fabricant au travers du rachat de la société BLASI en Allemagne.

Afin d'augmenter le degré de sécurité des produits BLASI, la recherche et développement du Groupe a concentré ses efforts, depuis l'acquisition, sur le transfert de la technologie record sur les portes tambours et sur l'amélioration du fonctionnement de ces produits.

La responsabilité civile de fabricant est couverte par une assurance globale.

Risques financiers

Risque de taux :

Compte tenu d'un endettement producteur d'intérêts réduit (M€ 0.4), le risque de taux n'est pas significatif. Les liquidités sont placées en monétaire à risque limité.

Risque de crédit :

Il s'agit des risques pris par le Groupe vis à vis de certains clients soit en termes de défaut de paiement ou d'impact sur les résultats de la perte d'un client significatif. Un tel risque est limité car aucun client ne dépasse 1% des ventes consolidées.

Risque de liquidité :

Le risque de liquidité est très faible compte tenu du montant de la trésorerie disponible, des faibles niveaux de capital expenditures par rapport au free cash flow, et du niveau des autorisations bancaires non utilisées.

Risque de change :

Il était auparavant essentiellement limité aux variations EUR/CHF. Le développement des activités aux U.S.A (12% du chiffre d'affaires du Groupe) a accru les risques de changes USD/EUR. Une partie des risques en USD est compensée par des approvisionnements en USD qui progressent (Chine par exemple). Les effets des variations de change sur les éléments du bilan sont listés dans la note 26.

Recherche et développement

Les dépenses en recherche et développement sont de 4,2 M€ en 2016 contre 4,6 M€ en 2015 (voir note 4). L'essentiel des efforts a porté sur la nouvelle gamme de portes tambours automatiques et sur les portes à isolation renforcée. Les coûts de développement activés sont restés stables à 0.3 M€ en 2016.

Evènements postérieurs à la clôture

Voir note 29.

Perspectives 2017

Le marché US devrait être en croissance plus sensible (+2 à 3%) que les deux dernières années, sous l'effet des mesures en faveur des entreprises qui devraient favoriser l'investissement. Sectoriellement, les résultats des grandes chaînes de distribution sont meilleurs que prévu, ceci devrait relancer leurs investissements. En Europe, nous sommes plus dans l'expectative, en France où par expérience les années d'élection sont peu favorables aux dépenses publiques, au Royaume-Uni où les conséquences négatives du Brexit sur l'activité pourraient se faire sentir. Enfin, le système financier dans l'EU ne semble pas encore stabilisé. Nous attendons 0/+1% en Europe.

Nous sommes plus optimistes pour l'Asie, avec un redémarrage du PIB chinois, le bout du tunnel en Malaisie et un marché australien toujours bien orienté.

Enfin, nos activités grand export devraient poursuivre leur forte croissance grâce au développement de notre nouveau réseau d'importateurs (Middle Est, Turquie, Iran, Nouvelle Zélande, Brésil, etc.).

Nous attendons une poursuite de la croissance de nos activités complémentaires (PACA AS, ISEA et KOS).

Au final, le Groupe fait preuve d'un optimisme mesuré en espérant une croissance organique de 4 à 5% en 2017.

En matière de résultats, les charges exceptionnelles de 2016 (France, Brexit, provisions UK) sans disparaître complètement devraient se réduire sensiblement. Le sourcing Asie continuera de produire des effets positifs. La croissance de l'EBITDA devrait se situer largement au-dessus de 10%. Le Groupe poursuivra activement sa politique d'acquisitions ciblées.

Rapports annexes

Données environnementales

agta record ayant, avant tout, une activité d'assemblage de composants et une activité de maintenance, il exerce une activité "propre".

Seule la fabrication de cartes électroniques, centralisée en Suisse, a nécessité une installation d'aspiration et de filtrage autour du poste soudure à l'étain de façon à ne rejeter aucune vapeur toxique.

Au niveau des filiales, la fabrication ne consomme ni eau, ni solvants, ni beaucoup d'énergie et ne rejette pas de produits toxiques.

En ce qui concerne les déchets, les chutes de profilés aluminium sont revendues pour être refondues et les batteries usagées sont récupérées auprès des clients par le service maintenance pour ensuite être détruites ou recyclées par des sociétés spécialisées.

Enfin, les produits qui ont des durées de vie moyenne de plus de 10 ans (que l'on peut étendre à 20 ans pour les pièces mécaniques); 90% des composants sont recyclables et ne génèrent qu'un très faible impact environnemental.

Depuis longtemps, agta record s'applique à développer des produits moins énergivores ou susceptibles de générer des baisses de consommation énergétique pour ses clients (chauffage et climatisation). Le Groupe s'attache également à fabriquer des produits moins consommateurs de matières premières (aluminium notamment) ou en grande partie recyclables. Il en est ainsi des nouvelles portes coulissantes isolantes (THERMCORD) ou à isolation renforcée (THERMCORD+).

Données sociales

Nombre d'employés au 31/12/2016		2,495 (équivalent temps complet)
dont	- % de femmes	21%
	- % d'employés temporaires	5%
Effectif moyen sur 2016		2,452
Dépenses de formation		TEUR 582

Le Groupe emploie essentiellement des salariés à temps complet en CDI compte tenu du haut niveau de spécialisation demandé.

Il est impossible de donner des éléments détaillés des politiques salariales et sociales par filiale. Elles couvrent 17 pays aux règlements spécifiques et variés.

Le Groupe n'a, à ce jour, aucun litige important pour non-respect des règles sociales dans les filiales.

Rapport du Président du Conseil d'Administration

Le Conseil d'Administration est composé de six membres. Les membres du Conseil d'Administration et le Président sont élus annuellement par l'Assemblée Générale.

Le Président d'agta record doit être Président du Conseil ou équivalent de toutes les filiales. A ce jour, seuls les Conseils des filiales Suède, Hongrie, Pologne, Slovénie, Malaisie, Australie et Canada n'ont pas encore été modifiés dans ce sens.

La mission du Président est double: vérifier l'application de la stratégie du Groupe et analyser l'adéquation des procédures de contrôle interne de la filiale aux règles du Groupe.

Si nécessaire, le Président rencontre les Commissaires aux Comptes des filiales. Il vérifie également que les règles de gouvernance d'entreprise et les limites de délégation de décision ne sont pas violées.

Les règles sont édictées dans deux documents (règlement organisationnel du Groupe et règlement des filiales). Le premier document fixe également les limites des pouvoirs décisionnels du CEO.

Le Conseil d'Administration d'agta record s'est réuni quattre fois en 2016, l'Assemblée Générale Ordinaire une fois et aucune Assemblée Générale Extraordinaire n'a eu lieu.

KPMG a été reconduit pour l'exercice 2016 comme organe de révision d'agta record. KPMG n'exerce pas la fonction d'organe de révision dans toutes les filiales. Cependant, en France dont les comptes sont audités par le cabinet NOVANCES, un contrôle est exercé par KPMG Zurich sur les travaux effectués par NOVANCES. Cela se justifie par l'importance des filiales françaises dans le Groupe (36% du chiffre d'affaires).

Le Comité de Rémunération s'est réuni deux fois et le Comité d'Audit deux fois.

Concernant l'organisation et les travaux du Conseil d'Administration les administrateurs reçoivent mensuellement un tableau de bord comprenant:

– les enregistrements de commandes en valeur et quantités,
– les quantités vendues et le chiffre d'affaires des filiales,
– le compte d'exploitation consolidé.

Ils peuvent, à tout moment, solliciter une réunion avec un dirigeant du Groupe ou d'une filiale.

Les Conseils d'Administration sont convoqués suffisamment à l'avance, accompagnés d'un ordre du jour détaillé et de tous les documents ou annexes nécessaires à la décision.

Le Président bénéficie d'un droit de vote double dont il n'a pas été fait usage en 2016. Les travaux du Conseil d'Administration n'ont donné lieu à aucune difficulté particulière.

Le contrôle interne

Les règles de contrôle à l'intérieur du Groupe sont définies dans trois documents:

– délégation et limites des pouvoirs du CEO: règlement organisationnel du Groupe (1992 modifié en 2004) ;
– délégation et limites des pouvoirs des dirigeants de filiales: règlement des filiales (1992 modifié en 2004) ;
– règles comptables, financières et consolidation des filiales: manuel de contrôle (1990, modifié plus tard pour les normes IFRS, la dernière fois en 2016).

Le Président du Groupe peut, à tout moment, vérifier l'application des règles des deux premiers documents. Le Comité d'Audit est responsable de la supervision et de l'application des méthodes édictées dans le manuel de contrôle. Il peut, chaque fois qu'il le juge nécessaire, demander un audit approfondi des méthodes ou de la situation d'une filiale. Aucune vérification approfondie n'a été demandée au titre de 2016.

Afin de renforcer le contrôle interne, un Comité de Contrôle nommé par le Conseil d'Administration a été créé. Un deuxième administrateur du Groupe seconde le Président dans sa mission auprès de certaines filiales du Groupe, à savoir, record USA, record UK, PACA, BLASI et record Allemagne. record Slovénie, Pologne et Hongrie sont également concernées.

Enfin, à la clôture du bilan annuel, chaque dirigeant de filiale signe une lettre d'engagement personnel sur la sincérité des comptes qu'il transmet aux Commissaires aux Comptes et au Groupe.

Les conclusions des organes de révision sont transmises au Comité d'Audit et au Conseil d'Administration sous forme d'un rapport détaillé de l'organe de révision au Conseil d'Administration.

Le Comité d'Audit est également chargé de l'analyse des risques et étudie les comptes annuels avec les auditeurs puis émet une recommandation au Conseil d'Administration.

Suivant le code Suisse des obligations, agta record a mis en place un système de contrôle interne relatif à l'établissement des comptes consolidés. Ce dernier est défini par le management, approuvé par le Conseil d'Administration et formalisé dans un document.

Ce système a pour objectif d'aider au respect des lois et règlements nationaux, à la protection des actifs, et également à prévenir les erreurs et irrégularités afin d'assurer un reporting comptable et financier fiable, complet et à bonne date.

Tous les risques, mêmes mineurs, sont listés avec la méthode qui doit assurer leur contrôle et leur gestion. Les responsables qui à chaque niveau doivent assurer la gestion de ces risques, y sont également définis.

L'existence d'un tel système de contrôle interne doit être confirmée chaque année par l'organe de révision qui rend rapport au Comité d'Audit, puis au Conseil d'Administration. Son adaptation permanente ainsi que son évolution sont monitorés par le CEO et le CFO du Groupe sous la supervision du Comité d'Audit.

Honoraires des Organes de Révision et des Commissaires aux Comptes

			2016			2015
en milliers d'euros	**KPMG**	**Autres**	**Total**	KPMG	Autres	Total
Audit légal	**307**	**221**	**528**	218	187	405
Autres missions						
IFRS	**15**	**1**	**16**	14	1	15
Fiscales et juridiques	**41**	**194**	**235**	28	269	297
Total autres missions	**56**	**195**	**251**	42	270	312
Total	**363**	**416**	**779**	260	457	717

Pacte d'actionnaires

En décembre 2010, les signataires du pacte majoritaire ont apporté la totalité de leurs titres, soit 7,163,450 actions à une holding, agta finance, constituée pour la circonstance et dont l'objet social unique est la gestion des titres agta record qu'elle détient. Le pacte d'actionnaires précédent a été remplacé par un nouveau pacte portant son échéance au 31/12/2018 avec possibilité de reconduction.

Documents accessibles au public

Les documents suivants sont notamment disponibles sur le site http://shareholders.agta-record.com:

– les communiqués de presse,
– les rapports financiers annuels et semestriels,
– le profil économique et financier,
– les documents préparatoires à l'Assemblée Générale,
– les déclarations mensuelles de rachat et les bilans semestriels du contrat de liquidité,
– les statuts de agta record sa.

Membres du Conseil d'Administration – Mandats

Nom	Société	Mandats et fonctionsexercés
M. Hubert Jouffroy	agta record sa	Président du Conseil d'Administration
	Sachem & Co.	Président du Conseil d'Administration
M. Peter Altorfer	agta record sa	Administrateur
	Forbo Holding SA	Administrateur
	BIH SA	Administrateur
	Différentes sociétés non cotées	Administrateur
M. David Dean	agta record sa	Administrateur
	Komax AG	Administrateur
	Trumpf AG	Administrateur
M. Bertrand Ghez	agta record sa	Administrateur
	CM CIC Investissement (Suisse) SA	Président du Conseil d'Administration
	NGE	Membre du Comité Stratégique
	Altrad Investment Authority	Administrateur
	MDA COMPANY	Membre du Comité Stratégique
M. Richard Gruenhagen	agta record sa	Administrateur
Mme. Michèle Rota	agta record sa	Administrateur
	Rota Architekten AG	Administrateur
	wow!house AG	Président du Conseil d'Administration

Programme de rachat d'actions

Néant.

A noter que le droit suisse permet à une société d'acquérir jusqu'à 10% de son capital. Cependant, la société agta record s'est engagée à respecter le droit boursier communautaire quant aux rachats d'actions et à l'utilisation qui en est faite.

Montant des dividendes des 3 derniers exercices

	2015	2014	2013
Dividende total en KCHF	12,401	12,001	11,334
Dividende par action en CHF	0.93	0.90	0.85

Les montants totaux ci-dessus intègrent les actions détenues en propre qui ne perçoivent pas de dividende. Pour l'exercice 2016 un dividende de 1,00 CHF par action sera proposé à l'Assemblée Générale.

Tableau des résultats des 5 derniers exercices

	2016	2015	2014	2013	2012*)
Bénéfice consolidé en K€	21,775	25,334	25,036	23,086	19,180
Bénéfice par action en €	1.642	1.913	1.892	1.742	1.445

*) Les chiffres 2012 ont été retraités de l'impact de l'application d'IAS 19 Révisée.

Attestation du responsable du rapport annuel

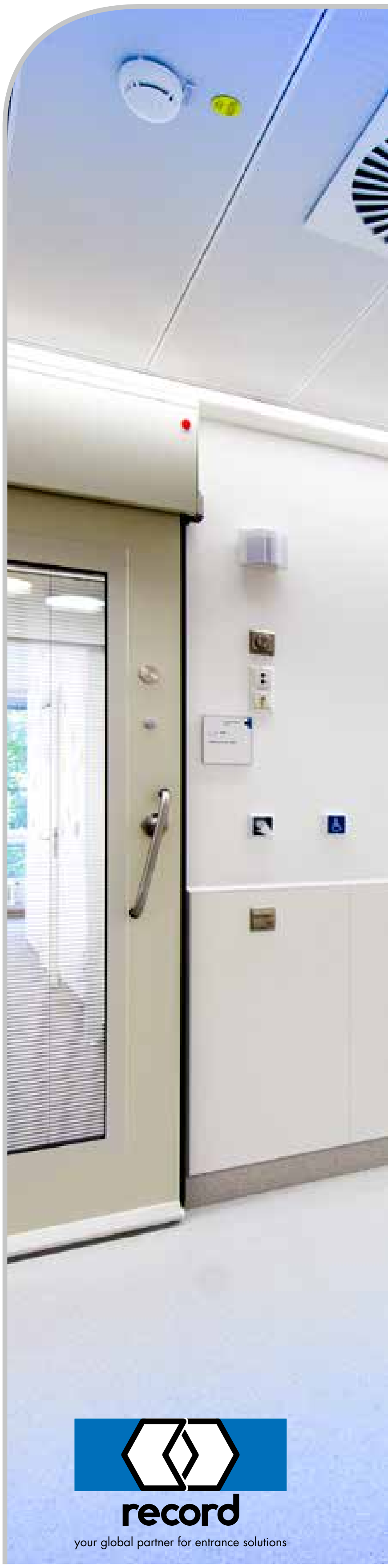
Après avoir pris toutes mesures raisonnables à cet effet, j'atteste que les informations contenues dans le présent rapport financier annuel, sont, à ma connaissance, conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

J'atteste, qu'à ma connaissance, les comptes sont établis conformément aux normes comptables applicables et donnent une image fidèle du patrimoine, de la situation financière et du résultat de la société et de l'ensemble des entreprises comprises dans la consolidation, et que le rapport de gestion présente un tableau fidèle de l'évolution des affaires, des résultats et de la situation financière de la société et de l'ensemble des entreprises comprises dans la consolidation ainsi qu'une description des principaux risques et incertitudes auxquelles elles sont confrontées.

Fait à Fehraltorf le 5 avril 2017

Le Président du Conseil d'Administration

Hubert Jouffroy



→ Headquarters

agta record ltd – Allmendstrasse 24 – 8320 Fehraltorf – Switzerland

tel.: +41 44 954 91 91 – e-mail: info@agta-record.com – www.agta-record.com