



Diethelm Keller Holding Ltd

Europe **Asia** Americas
Americas Asia **Europe**

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2008: HOLDING THE GROUND IN ADVERSE TIMES

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Photography concept

The Diethelm Keller Group fulfills a bridge-building role in the exchange of goods and services between Asia, Europe, and the Americas. In over 140 years of business activity, extensive networks have been built with people from the most diverse cultural backgrounds. The images in this publication pay tribute to this role as well as to partnerships that have evolved through the generations.

Commissioned by Diethelm Keller Holding Ltd., the photographs in this Annual Report were taken by Rita Peter. She was born in 1982 and lives in Winterthur (Switzerland). Rita Peter studied visual communications and photography in Zurich (Switzerland) and Göteborg (Sweden). In 2008 she graduated from the Hochschule der Künste in Zurich. Since 2004 she has been working as a freelance photographer.



The Diethelm Keller Group is an internationally active Swiss company, whose roots date back more than 140 years. The founders started by trading products between Asia and Europe. Today, the Diethelm Keller Group, which is principally owned by fourth generation descendants of the founders, consists of four operating units with strong market positions in their respective fields. Under the roof of the Diethelm Keller Holding Ltd., they operate with a high degree of entrepreneurial autonomy. At the end of 2008, the four operating units employed more than 25,000 people in 37 countries.

Operating units:

- DKSH is the leading market expansion services company with focus on Asia
- Diethelm Keller Brands holds a portfolio of international proprietary brand companies aligned in the three divisions Household, Industrial, and Cleaning
- Diethelm Travel is a leading destination management company in Asia
- STA Travel is the world's leading travel company for students and young people.



The fan tree (*ravenala madagascariensis*), also known as the traveller palm, is the symbol of the Diethelm Keller Group. The fan tree is not only beautiful; it is strong, sturdy and enjoys long life. It bends with the wind but does not yield. The branches and leaves form a circle, thus embracing all the activities of the Diethelm Keller Group. The red color reflects the Swiss heritage and the fan tree stands for the Group's Asian roots.

2008: Holding the ground in adverse times

Dear shareholders

Dear business partners, staff members and friends

Looking back at the year 2008 leaves all of us in awe.

What started to worry us in 2007 – the upcoming doubts about the health of the US mortgage market – , turned with frightening speed into a worldwide economic crisis not experienced in our lifetime.

The world known to us has changed and will most probably not return for a long while. A dangerous combination of too much cheap money, devastating asset inflation, and greed of a new generation of professionals took the economy down – the bubble, long feared by some lonely critics, finally burst, leaving a steep decline in stock valuations in most markets, unstable exchange rates between the major currencies, and a general loss of confidence in its wake.

Today, the Diethelm Keller Group is facing vastly different market conditions in most of its businesses compared to prior years. Sales, which the Group had managed to keep on an acceptable level during most of 2008, declined in varying degrees in the 4th quarter and again in the 1st quarter of 2009. However, the Diethelm Keller Group held its course and again reached satisfying results. Moreover, the Group succeeded in maintaining its strong position in the main markets and has started to gain market share in its most important business segments.



DKSH successfully continued its impressive development. For the 7th consecutive year, the company achieved double digit profit growth. DKSH pressed ahead with its strategy of expansion by combining internal growth with strategic acquisitions. With three new shareholders and a share capital increase, DKSH executed a number of carefully planned acquisitions and improved its market position notably in India, Australia, and Scandinavia. DKSH strengthened its leadership position as the No. 1 market expansion services company in Asia. The inauguration of the new DKSH finance center in Singapore in August is testimony to our commitment to the Group's roots.

Diethelm Keller Brands pursued its strategy of focusing on innovation, customer orientation, and operational efficiency. For all the strict adherence to this policy, overall sales declined due to the termination of a distribution contract, unfavorable exchange rate developments, and a weak last quarter of 2008. However, the strategy proved effective in strengthening the competitive position of DKB's brands and products. In the Household division, the manual appliance business achieved good growth, thanks to innovative products, new markets, and support from the expanding sourcing facility in Southern China. In the Industrial division, both Diethelm



Keller Aviation and Diethelm Furniture recorded good results, while EDAK suffered from the economic downturn in the USA. In the Cleaning Systems division, Wetrok expanded into Poland and finished 2008 in line with expectations.

Diethelm Travel consolidated its position as one of the leading destination management companies in Asia. The company reached satisfactory profit levels, despite the hampering effects which political instability and strife in Thailand and other areas such as India, Malaysia, and Myanmar had on tourism. Diethelm Travel added Sri Lanka and The Maldives as new destinations, bringing the number of operations to eleven. Diethelm Travel Thailand was again awarded Best Travel Agency by the Travel Trade Gazette News (TTG).

STA Travel continued on its challenging path back to sustainable profitability. The process of adjusting the business model to changing customer requirements showed first encouraging signs of recovery, as costs of operations continued to fall and sales margins increased. STA Travel finally introduced the new technology platform, enabling the company to bring more competitive products to market. The closing of the majority of the retail outlets in the USA paved the way for further cost reductions. To support its repositioning in the market, STA Travel launched a new marketing strategy, combined with a new corporate identity, in September.

The achievements during 2008, in times of great insecurity, are based on the quality of our long-standing strategy of developing a wide range of well balanced activities. Our faith in this strategy has been confirmed. The results of 2008 are also testimony to the strong leadership in the various business entities, as well as to the loyalty, dedication, and tireless work of all staff. 2009 will test the skills of all of us to the fullest. Yet we remain confident that our strategy will again prove to be in the best interest of all stakeholders.

My colleagues on the Board of Directors of Diethelm Keller Holding join me in extending our thanks, gratitude, and appreciation to all employees throughout our worldwide operations. Our heartfelt thanks also go to all business partners, friends, and supporters of the Diethelm Keller Group.

Andreas W. Keller
Chairman

Diethelm Keller Group: Key figures*
(Financial figures in CHF million)

	2008	2007	+/- %
Consolidated transaction value	10,071	10,710	-6
Consolidated sales under IFRS	7,185	7,115	+1
Employees at year end	25,263	25,795	-2

Locations

Headquarters: Zurich (Switzerland)

International presence: Companies and branch offices in 37 countries as well as representatives, franchisees and licensees in 57 further countries.

* Pursuant to International Financial Reporting Standards (IFRS), significant parts of our activities are not classified as revenues. For example, while STA Travel sold tickets and other services to over 2.5 million passengers representing more than 6 million customer transactions and generated a transaction value with airlines and other partners of over CHF 1.2 billion, according to IFRS, only the commissions earned on these transactions are recognized as Diethelm Keller revenues.



Professional standards as guiding principle

Diethelm Keller Holding Ltd. is a privately held company, principally owned by fourth generation descendants of the founders. The four major owners form the Executive Committee of the Board of Directors of the Holding Company.

The Diethelm Keller Group is committed to the principles of good Corporate Governance, has a professionally organized Board, and applies group-wide International Financial Reporting Standards (IFRS).

Diethelm Keller Holding Ltd.

Board of Directors

Andreas W. Keller, Chairman*
 Dr. Jean-Pierre Blancpain, Vice Chairman*
 Adrian T. Keller, Vice Chairman*¹^{**}
 Jean-Daniel de Schaller*
 Walter Ehrbar**
 Rudolf Schiess¹
 Dr. Joerg W. Wolle

* Member of the Executive Committee
 ** Member of the Audit Committee
¹ Member of the Board until June 2008

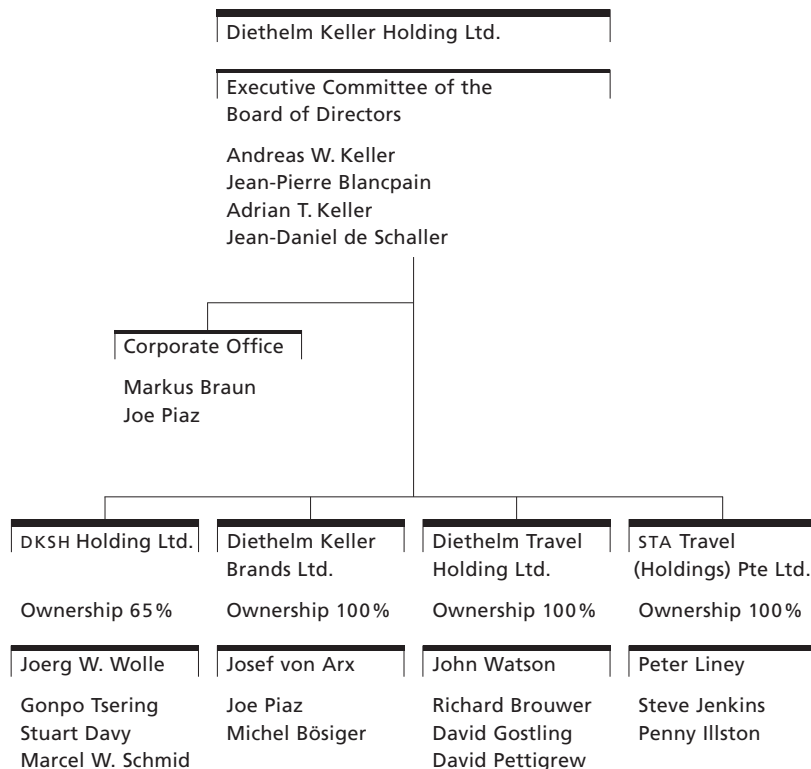
Corporate Office

Dr. Markus Braun, Head of Corporate Office
 Joe Piaz, Chief Financial Officer

Auditor

PricewaterhouseCoopers Ltd., Zurich

Organization Diethelm Keller Group



Operating units



DKSH

DKSH is the No. 1 market expansion services company with focus on Asia, helping clients and customers to grow their businesses in new or existing markets. DKSH offers any combination of sourcing, marketing, sales, distribution, and after-sales services. Business activities are organized into four highly specialized business units.

21,708 employees in 35 countries.

CEO: Dr. Joerg W. Wolle.

Business units

Consumer Goods

Asia's leading market expansion services specialist with focus on fast-moving consumer goods, food services, luxury goods, as well as fashion and lifestyle products, and hair and skin cosmetics. The comprehensive services extend from product feasibility studies and registration to importation, customs clearance, sales, marketing and merchandising, warehousing, distribution, invoicing, cash collection, and after-sales services.

Over 12,000 employees in 352 locations in 18 countries

Healthcare

Leading partner for healthcare companies seeking to grow their business in Asia, offering a wide range of market expansion services from product registration, marketing, and sales to distribution. Products available include ethical pharmaceuticals, consumer health, over-the-counter (OTC), as well as medical devices and are delivered to professional healthcare outlets such as hospitals, clinics, pharmacies, drugstores, dentists, optical outlets and more.

Over 7,000 employees in 102 locations in 11 countries.

Performance Materials

Leading provider of market expansion services for a wide range of specialty chemicals and ingredients, including sourcing, development, marketing, and distribution. Business partners can be found in the food and beverage, personal care and cosmetics, pharmaceutical and specialty chemicals industries.

More than 1,200 employees in 45 locations in 25 countries.

Technology

Leading provider of market expansion services, offering technical solutions in the areas of industry, infrastructure, energy, research, food, and advanced metals. The services portfolio includes market entrance consultancy, product planning, marketing, sales, after-sales services, and on-the-spot training.

Over 1,200 employees with 71 locations in 19 countries.



DIETHELM KELLER BRANDS

Diethelm Keller Brands

Diethelm Keller Brands owns a portfolio of proprietary brand companies with 14 brands aligned in three divisions.

DKB is headquartered in Zurich, with 1,053 employees in ten companies and its eleven subsidiaries across ten countries as well as agents and distributors in more than 60 countries.

CEO: Josef von Arx.

Divisions



Cleaning Systems division

The Cleaning Systems division includes an internationally active solution provider to the cleaning industry and owns two brands. 307 employees.





Diethelm Travel

Over the last five decades, Diethelm Travel has evolved to become a leading destination management company. Diethelm Travel services tour operators worldwide from 68 countries. 618 employees in eleven countries. CEO: John Watson.



STA Travel

STA Travel was originally established in Australia and acquired by Diethelm Keller Group in 1979. Today it is the world's leading travel company for students and young adults, with 1,870 employees in 13 countries, as well as franchising and licensing partners in another 64 countries. CEO: Peter Liney.



Household division

The Household division unifies five companies and nine brands with innovative products in the areas of household and kitchen, creative leisure activities, outdoor furniture, distribution of Nespresso coffee machines and consumer electronic brands, grouped into Audio and Vision. 296 employees (excl. Gloster).



Industrial division

The Industrial division encompasses four companies which manufacture top-quality aluminium products. 425 employees.

Diethelm Travel locations

Diethelm Travel offers professional inbound travel services in eleven countries and is active in the convention and conference business.

Bhutan
Cambodia
China
India
Laos
Malaysia
Maldives
Myanmar
Sri Lanka
Thailand
Vietnam

STA Travel locations

STA Travel sells its products and services to young people with a love for adventure. STA Travel covers individual journeys, group tours, language holidays as well as work and travel programs. STA Travel uses a network of 232 retail travel stores in:

Australia
Austria
Denmark
Germany
Japan
New Zealand
Singapore
South Africa
Sweden
Switzerland
Thailand
United Kingdom
USA



Diethelm
Keller
Aviation



Diethelm
Keller
Engineering



Historic milestones



In 1887, Wilhelm Heinrich Diethelm purchased the majority of shares of his employer, Hooglandt & Co., Singapore, and Edward Anton Keller acquired his employer's company, Lutz & Co., Manila (Philippines). Dedication to their companies and knowledge of their markets and customers was essential for the development of strong ties with international business partners.

Andreas W. Keller, Chairman of DKH, characterized the merger of the Diethelm and Keller groups as follows: 'Out of Diethelm and Keller, a single group was born that is stronger than the individual companies added together. This was made possible by the far-sighted vision of our predecessors who coordinated the developments of both groups to avoid duplications of efforts and creating potential synergies.'



The fan tree logo of Diethelm & Co. Ltd., registered as a trademark in Saigon in the late 19th century.

In the late 1860s, two young Swiss pioneers, Wilhelm Heinrich Diethelm and Edward Anton Keller, ventured to the Far East. Diethelm settled down in Singapore and Keller chose the Philippines as his new home.

Diversification, together with a policy of reinvesting profits, provided the basis for continuous growth. Diethelm & Co. Ltd. and Edward Keller Ltd. had the foresight to tap the potential of their extensive networks throughout Asia, Europe, and the Americas and combine them with their core competencies.

Although cooperation between the two families and their companies dates back to the beginning of the 20th century, the establishment of the Diethelm Keller Group did not take place until 100 years later, i.e. in July 2000 when the two groups merged into the newly founded Diethelm Keller Holding Ltd. (DKH).

After World War II, Diethelm & Co. Ltd. and Edward Keller Ltd. began to expand their presence in Europe to reinforce their strong position in Asia. Over the years, they built up a portfolio of brands. These companies are integrated under the umbrella of Diethelm Keller Brands (DKB).

In the postwar years, Diethelm & Co. Ltd. also began to offer travel services in Southeast Asia. In 2001, Diethelm Travel was established to provide all travel activities in Southeast Asia and is now one of the leading travel companies in the region.

In 1979, STA Travel was acquired. Established in the early 1970s, STA Travel is the world's leading travel organization for students and young people. STA Travel is present in over 70 countries.

DKSH Holding Ltd. was formed in June 2002, through the merger of Diethelm Keller Services Asia Ltd. with SiberHegner Holding Ltd. SiberHegner's roots date back to 1865 when Hermann Siber, another pioneering Swiss entrepreneur, founded his own trading company in Yokohama. Today, DKSH is the leading market expansion services company with focus on Asia. DKSH offers sourcing, marketing, sales, distribution, and after-sales services and provides its partners with sound expertise and on-the-ground logistics based on a comprehensive network of unique size and depth, which was established over its long corporate history.

Highlights



January

- DKSH
Acquisition of Desco von Schulthess Group's Asian business
Opening of new distribution center in Vietnam
- Addition of three new shareholders FFP Group, Rainer-Marc Frey, and Anova Group

February

- DKSH
Opening of new distribution center in Malaysia

March

- DKSH
Opening of new distribution center in Thailand
- DKB
The new DKB sourcing office in Shenzhen (China) opens

April

- DKSH
Share capital increase
- Diethelm Travel
Esther Oertle takes over as Managing Director in Laos
- STA Travel
Andreas Siegmann starts as new Managing Director for Central Europe

May

- DKB
New DKB Household websites www.koenigworld.com and www.turmix.com are launched
First sales of Zyliss Multipeeler and One Touch Jar Opener
- Diethelm Travel
David Pettigrew is appointed Vice President Development

June

- DKB
Minatolwerke AG and Wetrok AG merge, retaining a dual brand strategy in Switzerland
Wetrok acquires Bonder S. A., Poland, and opens the new subsidiary Wetrok Polska S. A.

July

- DKSH
Opening of new distribution center in Cambodia
Acquisition of Drives & Power Systems Pty. Ltd. in Australia
- DKB
Zyliss products are shipped to Mexico for the first time
Wetrok launches the single-brush machine 'Monomatic'
- STA Travel
Steve Jenkins takes over as Chief Financial Officer
A major restructuring of the business in the USA leads to the closure of 48 out of 65 shops

August

- DKSH
Worldwide implementation of Internal Control System (ICS) completed
Inauguration of new finance center in Singapore
- Diethelm Travel
Operations are started in Sri Lanka and The Maldives
Implementation of Internal Control System (ICS) completed

September

- DKB
The liquid hand soap 'Dermapur', based on natural pH-value and dermatologically tested, is introduced by Wetrok
First shipments of co-branded Martha Stewart Zyliss products to Macy's stores
- STA Travel
The STA Travel brand is newly positioned with a new corporate identity
The Malaysian subsidiary is sold

October

- Diethelm Travel
Diethelm Travel Thailand is awarded best inbound operator by Travel Trade Gazette magazine
- STA Travel
Implementation of Internal Control System (ICS) completed

November

- DKB
First shipment of new Zyliss Essentials (value line) to a major retail chain
Implementation of Internal Control System (ICS) completed
- STA Travel
The new global Internet booking engine is launched in the USA

December

- DKSH
Acquisition of A.i. Scientific Pty. Ltd. in Australia
- Diethelm Travel
Himmat Anands is named Managing Director in India
- STA Travel
The rollout of the new point of sale technology to Germany is completed

January 2009

- DKSH
Marcel W. Schmid is appointed Executive Vice President Governance, Compliance & Resources
Acquisition of Voltas Ltd. in India
- DKB
Mac Ritchie takes over as Managing Director of Delta Creative Inc., USA

February 2009

- DKSH
Acquisition of Dasico A/S in Denmark



Values and success factors

– Respect

We conduct our business with responsibility and respect toward people, cultures, countries, and the environment. We respect national customs, regulations, and laws.

– Fairness

We are proud of the good reputation the names Diethelm and Keller have enjoyed for generations, standing for credibility, stability, and fairness.

– Integrity

We are committed to the highest standards of ethics and integrity throughout our company. It is a key requirement for employees to succeed in our organization.

– Sustainability

We maintain long-term ownership of our various businesses. Each entity is responsible for its financial soundness and is allowed to retain sufficient profits to enable a long-term growth strategy.

– Operating autonomy

Our operating units can rely on a high degree of entrepreneurial and financial autonomy in the implementation of their long-term strategies.

– Commitment to customers

We are fully committed to the products and services we provide and distribute. With our know-how, reliability, and efficiency, we make sure that our customers' interests are served optimally.

– Learning culture

We foster an active, professional exchange of know-how among our employees by providing an open environment for our multicultural, multilingual, and geographically diverse staff.

– Long-term financial orientation

With the vision to remain private, we pursue a long-term strategy of sustainable growth. Adequate profits combined with a conservative dividend policy ensure a successful long-term future.

Our values

Diethelm Keller Holding is a privately held enterprise in the tradition of European family companies. The principal owners are fourth generation descendants of the founders and have a long-term commitment to the business. We are proud of the long-standing reputation of our company, which is based on our principal values.

Our success factors

Diethelm Keller Holding operates as a portfolio holding company. The long-term strategy and the balance of risk exposure are determined by the core shareholders to safeguard the long-term viability of our company. The responsibility and the authority to operate our various businesses are delegated to the operating units, which enjoy a high degree of entrepreneurial freedom. Our success is based on several business principles that we strictly adhere to.







Asia's leading market expansion services company

2008 was another exciting year for DKSH. For the seventh consecutive year, the company achieved double-digit profit growth. The ability to deliver excellent results even in tough markets demonstrates the strength of its business model and further enhanced the company's leading market position.

DKSH: Key figures (Financial figures in CHF million)

	2008	2007	+/- %
Transaction value	8,369	8,755	-4
Net sales	6,619	6,463	+2
Assets	2,657	2,627	+1
Employees at year end	21,708	22,098	-2

Management Committee

Dr. Joerg W. Wolle, President & CEO
Gonpo Tsering, Senior Executive Vice President Operations & Business Support
Stuart Davy, Executive Vice President, Chief Financial Officer
Marcel W. Schmid, Executive Vice President Governance, Compliance & Resources

Heads of business units

Consumer Goods: Somboon Prasitjutrakul
Healthcare: Charles Toomey
Performance Materials: Eric Baden
Technology: Luke Mitchell

Locations

Headquarters: Zurich
460 offices in 35 countries

Board of Directors

Adrian T. Keller, Chairman
Dr. Jean-Pierre Blancpain ¹
Jean-Daniel de Schaller ^{**}
Rainer-Marc Frey ^{*/2}
Andreas W. Keller ^{**}
Dr. Rolf A. Meyer [*]
Robert Peugeot ²
Dr. Theo Siegert [*]
Dr. Joerg W. Wolle

* Member of Audit & Finance Committee

** Member of Nomination & Compensation Committee

¹ Until June 30, 2008

² As of February 28, 2008

Profile

DKSH with over 140 years of company history is the No. 1 market expansion services company with focus on Asia, helping clients and customers to grow their businesses in new or existing markets. With 460 business locations in 35 countries and 22,000 specialized staff, DKSH offers any combination of sourcing, marketing, sales, distribution, and after-sales services. Business activities are organized into four highly specialized business units: Consumer Goods, Healthcare, Performance Materials, and Technology.

2008: Accelerated growth strategy

DKSH generated a transaction value of CHF 8.4 billion, while net sales reached CHF 6.6 billion, up 2% over last year. The operating result improved significantly.

In 2008, DKSH enlarged the shareholder base by bringing in three new shareholders: FFP Group, the holding company of the Peugeot family of France, Swiss investor Rainer-Marc Frey, and Anova Group, which manages the business interests of Stephan Schmidheiny and his family. The takeover of the Swiss group Desco von Schulthess' marketing, distribution, and trading business in Asia, as well as the acquisitions of Drives & Power Systems Pty. Ltd. in July and A.i. Scientific Pty. Ltd. in December in Australia were part of carefully laid plans to extend the market leadership. In February 2009, DKSH acquired Dasico A/S, a specialty chemicals distributor, strengthening its position in Scandinavia. Furthermore, the acquisition of the chemicals trading section of Voltas Ltd., one of India's leading companies in specialty chemicals and food ingredients, in January, 2009 enables DKSH to enter into full-fledged marketing, sales, and distribution activities in this region.

To stay ahead of the competition, DKSH continued to invest in infrastructure and opened up several state-of-the-art distribution centers in Thailand, Vietnam, Cambodia, and Malaysia, which increased efficiency, productivity, and capacity for further growth. Furthermore, the company opened a new finance center in Singapore in August.

DKSH's largest business unit, *Consumer Goods*, is Asia's leading specialist in market expansion services focusing on fast moving consumer goods, food services, luxury goods, as well as fashion and lifestyle products, and hair and skin cosmetics. The business unit showed remarkable resilience throughout 2008 and recorded another strong year with net sales of CHF 3.3 billion. The business unit continues to

The business unit Consumer Goods showed resilience and recorded a strong performance



develop high-quality services, helping its partners stay at the forefront of their industries and strengthen their position.

DKSH's business unit *Healthcare*, the leading partner for healthcare companies seeking to expand their business in Asia, offers high-quality services ranging from product registration, marketing, and sales to distribution. The business unit had a successful year. Operational profitability was enhanced, while net sales were down 4% due to the cessation or restructuring of certain unprofitable activities. The strong financial performance reflects the ability to develop and deliver customized services and product-based solutions.

The business unit Healthcare enhanced operational profitability

The business unit *Performance Materials* is the leading provider of market expansion services for the specialty chemicals and ingredients sector and is active in all major economic zones. Performance Materials offers services such as sourcing, developing, marketing, and distribution. 2008 was an all-time record. Net sales increased by 16% while profitability improved. The record year was a testimony to the performance-oriented attitude and commitment to industry expertise and diversity of service.

The business unit Performance Materials had an all-time record year

The business unit *Technology* is the leading supplier of advanced machinery and technical equipment in Asia, offering technical solutions in the areas of industry, infrastructure, energy, research, food, and advanced metals. The business unit navigated through the market turmoil exceptionally well. As a result of changes in the stakes of two important joint ventures, profitability and net sales were down compared to the exceptional results of 2007. Excluding these effects and local currency movements, net sales increased by 12% and profitability was strengthened.

The business unit Technology offers solutions to different industries

2008 also saw challenges of a different kind. On May 2, cyclone Nargis swept across Myanmar leaving catastrophic destruction in its wake. In solidarity with the victims, DKSH harnessed its local knowledge and comprehensive distribution network to immediately initiate various relief and reconstruction projects, ranging from providing food and mobile clinics, to re-building schoolhouses and hospitals.

Outlook

While it is rather difficult to predict the future of the world economy, the deepening global slowdown requires a passionate and resourceful response from DKSH. The company is addressing the challenges with a fighting spirit and stringent cost control. DKSH does not expect to escape the financial crisis entirely unscathed. However, the company is in an excellent position to enlarge its market share and to emerge from the turmoil stronger.

Passion for brands

In 2008, Diethelm Keller Brands continued to focus on innovation, customer orientation and operational efficiency. For all these efforts, overall sales declined primarily as a consequence of unfavorable exchange rate fluctuations and a weak last quarter. However, the manual appliance brands and the cleaning systems business showed good growth. Higher resources allocated to innovation and brand development further improved the competitive position of DKB's products and brands.

Diethelm Keller Brands: Key figures (Financial figures in CHF million)

	2008	2007	+/- %
Revenues	316	363	-13
Employees at year end	1,053	1,052	+0

Management Committee

Josef von Arx, Chief Executive Officer
Joe Piaz, Chief Financial Officer
Michel Bösiger, Head of Human Resources

Managing Directors

Chia Chee Seng, Diethelm Keller Aviation Pte Ltd., Singapore
Sanjay Choudhuri, DKB Household USA Corp., Irvine (USA)
Nick Cornwell, DKB Household UK Ltd., Farnborough (UK)
Ronald Fehlmann, Wetrot Ltd., Kloten (Switzerland)
Mario Hochstrasser, EDAK Ltd., Dachsen (Switzerland)
Alexander Howden, DKB Household Switzerland Ltd., Zurich (Switzerland)
David Lim, Diethelm Furniture Pte Ltd., Singapore
Anders Norgaard, Gloster Furniture Ltd., Bristol (UK)
Mac Ritchie, Delta Creative Inc., Whittier (USA)

Locations

Headquarters: Zurich (Switzerland)
10 companies and 11 subsidiaries in Austria, China, Germany, Malaysia, Poland, Singapore, Sweden, Switzerland, United Kingdom and USA

Board of Directors

Andreas W. Keller, Chairman
Dr. Jean-Pierre Blancpain, Vice Chairman
Adrian T. Keller
Jean-Daniel de Schaller

Profile

Diethelm Keller Brands Ltd. holds a portfolio of proprietary brand companies, aligned in three divisions. The Household division unifies brand companies in the areas of household and kitchen appliances, creative craft activities, and outdoor furniture. The Industrial division includes companies which primarily manufacture aluminium products. The Cleaning Systems division comprises an internationally active provider of cleaning solutions with strong Swiss brands.

2008: Strengthening the brands through innovation and customer relations

The *Household division* continued to lay the foundation for future success. Development resources for all manual appliance brands were strengthened and consolidated in the UK, supporting an increased output of new and innovative products. The launch of new products such as the Zyliss 'Multipeeler', the 'One Touch Jar Opener' and several items for Cole & Mason created excitement and sales growth in the manual appliance segment. Electrical appliances suffered from declining sales, mainly as a consequence of weak demand for Nespresso machines in Austria. Koenig barbecues showed strong growth, but did not cover the loss of Weber products. Weber had terminated its distribution agreement at the end of 2007. In geographic terms, strong sales growth was achieved in the UK and on international markets, while sales development was flat in the US, Switzerland, and Germany and a decline was reported in Austria. DKB opened a new market for its products in Mexico, and sales to Amazon.com increased. The approach to customer relations development was restructured. This, together with better key account management, helped retain existing customers as well as attract new ones. Delta Creative, a leader in the US arts and crafts industry, realized additional sales with its newly launched products in 'Kids Craft' and 'Kids Cosmetic', but didn't offset the further decline of sales in the core



acrylic paint market. The sourcing office in China was moved to Shenzhen and was also equipped to offer a wider range of services, as well as support to the manual and electrical appliance business. Gloster, one of the most recognized brands in quality outdoor furniture worldwide, completed its project to expand the metal manufacturing capacity in Indonesia. In October, the company, a 50% participation of DKB, set up a sales and marketing organization for the Asia-Pacific and Arab Middle East regions in Singapore.

The sourcing office in China was moved to Shenzhen and expanded

In the *Industrial division*, Diethelm Keller Aviation, one of the world's leading manufacturers of airline food service equipment, continued its successful development, benefiting from its Suzhou (China) production facility, as well as from strong sales to Air France in the first half of the year. Despite difficult market conditions Diethelm Furniture recovered and restored profitability, supported by the launch of its new seating system, Lecco. EDAK, a manufacturer and distributor of aluminium and stainless steel products, was badly affected by the US economic downturn.

Diethelm Keller Aviation benefited from a large order of Air France

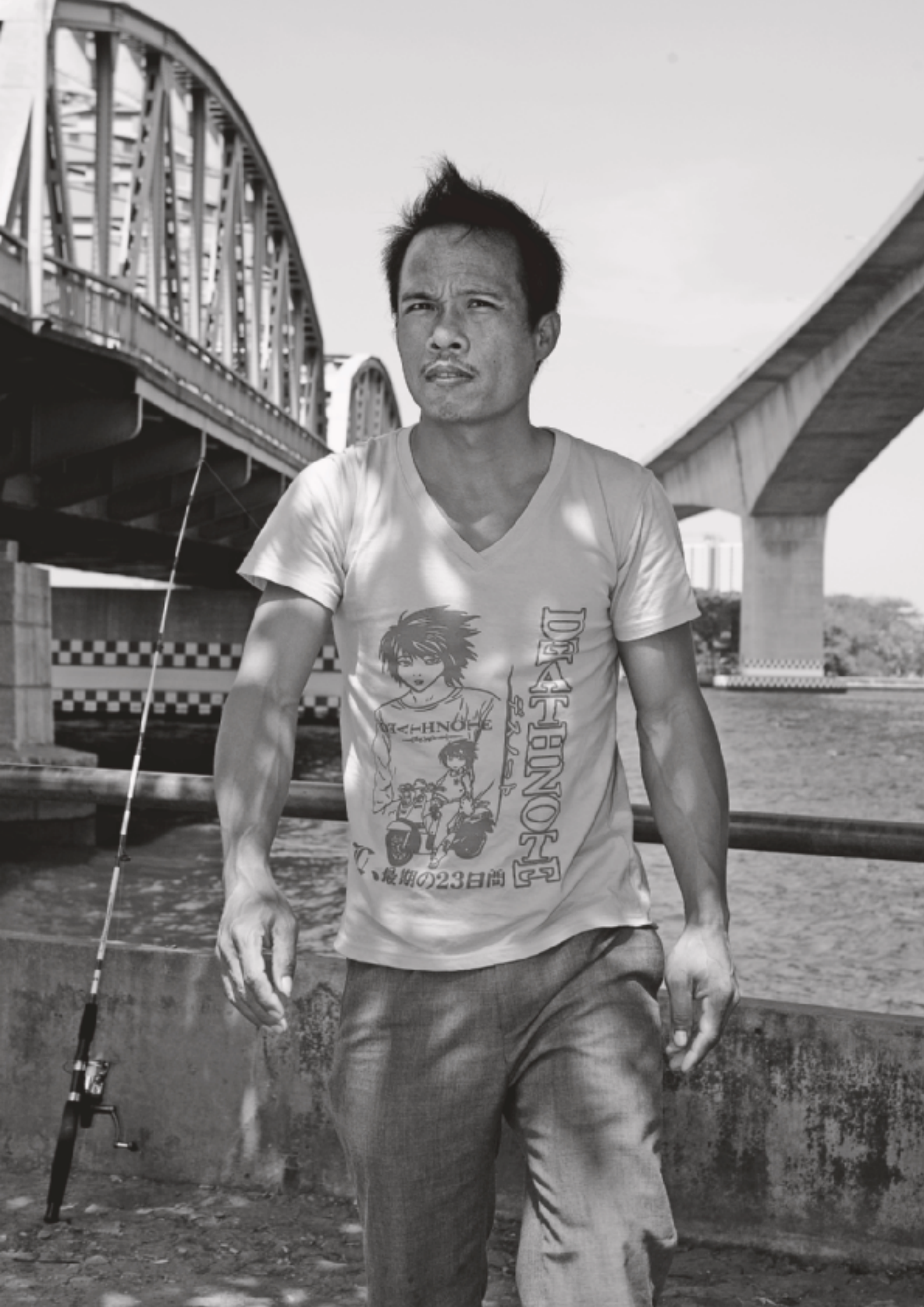
In the *Cleaning Systems division*, Wetrok acquired and successfully integrated Minatol, a well established Swiss enterprise and manufacturer and marketer of cleaning products. While pursuing a dual brand strategy in Switzerland, Wetrok expanded its international position by acquiring the Polish company Bonder S.A. and opening a new subsidiary in Poland. Wetrok achieved profitable growth.

Wetrok expanded into Poland

Outlook

In 2009, DKB will continue to pursue its strategy of focusing on growth through innovation, customer service, and staff development. The company will strive for a leading position in innovation creating sustainable and profitable growth. At the same time, DKB is mindful of a flexible cost base in view of market decline resulting from the global economic downturn.





A travel industry leader in Asia

In 2008, Diethelm Travel consolidated its position as a leading travel operator in the region. The company achieved satisfactory results despite adverse effects of political strife on tourism in some areas. Diethelm Travel started operations in Sri Lanka and The Maldives, expanding the number of destinations to eleven countries.

Diethelm Travel: Key figures (Financial figures in CHF million)

	2008	2007	+/- %
Transaction value	114	133	-14
Revenues	85	101	-16
Employees at year end	618	662	-7

Management Committee

John Watson, Chief Executive Officer
Richard Brouwer, Chief Operating Officer
David Gostling, Chief Financial Officer
David Pettigrew, Vice President Development

Locations

Headquarters: Bangkok (Thailand)
Offices: Bhutan, Cambodia, China, India, Laos, Malaysia, Maldives, Myanmar, Sri Lanka, Thailand, Vietnam

Board of Directors

Adrian T. Keller, Chairman
Dr. Jean-Pierre Blancpain, Vice Chairman
Stuart Davy

Diethelm Travel Thailand was again named Best Travel Agency Thailand by TTG Travel Awards

Operations in China ended the year on an encouraging note

Profile

With over 50 years of experience in providing quality travel services in Asia, Diethelm Travel is respected as a highly professional organization and has evolved to become one of the leading travel agencies in the region. Diethelm Travel is active in eleven countries, serving tourists from 68 countries. The company is also active in the convention and conference business. Through dedicated, professional, multilingual staff, Diethelm Travel will continue to develop its footprint, travel skills and service levels.

2008: Growth and consolidation

2008 was a good year for Diethelm Travel. Very strong in the first half of the year, business tailed off in the wake of global financial problems and political strife in some countries in the second half.

Diethelm Travel added two new destinations. Operations in Sri Lanka commenced in September with the rebranding of Hemtours, one of Sri Lanka's largest destination management companies. The country's prospects started to improve towards the end of the year, but some time will pass before a fully-fledged recovery of the tourism industry takes place. The new operations in The Maldives are managed by the Sri Lanka office.

The year in Thailand was challenging, as political strife threatened the country's stability and the confidence of travelers. In the first six months, tourism operated at record volume; however, the second half saw a sharp decline, due to political factors and the developing global economic crisis. Diethelm Travel Thailand won the Travel Trade Gazette News' (TTG) award Best Travel Agency – Thailand 2008 – for the second year in a row.

Diethelm Travel Bhutan enjoyed an increase in arrivals and improved performance. The coronation of His Majesty the King Khesar, the centenary celebration, and the forming of the first democratically elected government all served to boost tourism.

The Cambodia business had a very successful year despite the well publicized border dispute with Thailand.

Operations in China decreased in line with the decision not to handle inbound business immediately before, during, and after the Olympic Games. The signs towards the end of 2008 were very encouraging, as some excellent new accounts were coming on board.



Diethelm Travel India started the year well, but suffered from the atrocities in Mumbai. The position at the end of the year was disappointing. A new Indian Managing Director was appointed in December.

Diethelm Travel Laos, under new leadership since April, had a very good year resulting in improved revenues. An ever increasing number of points for border crossing and air links continue to make the country more accessible from various regional destinations.

Malaysia had an average year, partially due to the political uncertainty, which resulted in a downturn in conference business as well as fewer customers from the Middle East.

Myanmar showed few signs of a recovery in tourism. It is difficult to predict when business will return to previous levels. Diethelm Travel remained loyal to its travel staff in Myanmar who are completely dependent on their employer.

Vietnam enjoyed a reasonable revenue increase compared to 2007. Many suppliers are starting to adopt better business practices and more realistic pricing. Infrastructure is developing and the destination benefited strongly from its fashionable, safe, and stable image. For the fifth year in a row, Diethelm Travel was named one of the top ten operators by the Vietnam Tourism Association.

Diethelm Events, which handles bookings for corporate clients across the region, had a flat year resulting from political unrest in Thailand. However, Diethelm Events was recognized, for the second consecutive year, as one of the three leading event agencies in Asia Pacific by CEI magazine. One of the highlight events was handling the Bill and Melinda Gates Foundation's meeting of 600 scientists in Bangkok.

Diethelm Business Travel, offering business travel services to corporate accounts in Thailand and Malaysia, exceeded expectations and consolidated its top corporate agent status with its key suppliers.

Political uncertainty had a depressing effect on the conference business in Malaysia

Diethelm Events is recognized as a leading event agency in Asia

Outlook

Despite the current global economic and financial problems, 2009 promises to be another successful year for Diethelm Travel. The company will focus on new systems for streamlining guest services, booking procedures, and internal control.

The world's leading travel company for students and young adults

The student and young adult sector continues to grow and is well placed to resist the pressures of the global economic downturn as students turn their attentions to traveling for a period of time and waiting for the current economic climate to improve. STA Travel remains uniquely positioned to serve this market. In 2008, it continued its restructuring process.

STA Travel: Key figures* (Financial figures in CHF million)

	2008	2007	+/- %
Transaction value	1,224	1,415	-13
Revenues	166	191	-13
Employees at year end	1,870	1,965	-5

Management Committee

Peter Liney, Chief Executive Officer
Steve Jenkins, Chief Financial Officer
Penny Illston, Group Human Resources Director
Paul Maine, Managing Director Global Partners
Andy Mills, Chief Information Officer
John Constable, Group Managing Director Northern Europe, Africa and Asia Pacific
Scott Hyden, President North America and Japan
Andreas Siegmann, Managing Director Central Europe

Locations

Headquarters: Singapore and London (UK)
232 retail travel stores in 13 countries, as well as franchising and licensing partners in another 64 countries

Board of Directors

Andreas W. Keller, Chairman
Jean-Daniel de Schaller, Vice Chairman
Dr. Markus Braun
Joe Piaz
Richard B. Porter
Yat Kay Liew

Profile

STA Travel, established in Australia in the early 1970's, is the world's leading speciality travel company in the student and young adult segment. STA Travel maintains a global distribution network spanning 77 countries through a combination of wholly owned businesses, as well as franchises and license partnerships, using a combination of retail shops, call centers, the internet, and wholesale agents. While the majority of transactions are with individual travelers, there are also important group and academic business streams contributing to the overall mix.

2008: Small signs of recovery

In 2008, STA Travel continued the transformation of its business model adapting to changing customer and distribution needs. As a consequence, transaction value and revenues declined again. But sales margins increased and costs of operation continued to drop, resulting in profit growth in the majority of its operating divisions.

To support and strengthen the company's long-term repositioning, the STA Travel brand was relaunched in September with a new vision and a corresponding new corporate identity. The new brand positioning is centered around the concept of 'STA Travel – Face to Face with

* In 2008, STA Travel sold tickets and other services to over 2.5 million passengers representing more than 6 million customer transactions. This generated a transaction value with airlines and other partners of over CHF 1,2 billion. However, pursuant to International Financial Reporting Standards (IFRS), only the commissions earned on these transactions are recognized as revenues.



the World', building on the customer's search for real and personal experiences. The new brand will be featured in STA Travel's marketing efforts, in the new retail branch offices and on the relaunched website.

The relaunched website of STA Travel will be based on the new brand

A new point of sale technology platform was rolled out in Germany. Thus all four major operating units (UK, USA, Australia and Germany) now use the same core sales platform. In November, the new global internet booking engine was successfully launched in the USA, establishing the online channel as an important and efficient sales instrument.

The new global internet booking engine was launched in the USA

Good progress was made in the air and land product areas. Sales of student air tickets via carriers such as Air New Zealand, Qantas and Cathay Pacific increased significantly, while adventure touring enjoyed higher demand.

Operational costs were well under control. A major restructuring of the business model in the USA in July led to the closure of 48 of 65 retail outlets. Henceforth, retail activities are focused on the three major international gateways Los Angeles, New York, and Chicago, paving the way for substantial head office and operational cost reduction programs. In addition, an operational excellence project showed its first results, leading to more rapid adoption of best practice and new strategies around a simplified product range. Moreover, all 50 members of the Senior Leadership Team went through a program focused on enhanced performance throughout the entire company.

The restructuring of the US business paves the way for major cost reductions

Outlook

In 2009, the overall travel industry is facing major challenges as the global recession starts to undermine consumer demand. STA Travel is well placed to resist these pressures due to its core focus on the student market which is less exposed to the economic climate. STA Travel focuses on improving margin growth to protect against volume shortfalls. Costs are to be reduced through the implementation of best practice management. Finally, STA Travel strives to offer customers the best products and services possible.

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