



2010: NAVIGATING THROUGH STORMY WATERS

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Photography concept

The Diethelm Keller Group has its historic roots in the exchange of goods and services between Asia, Europe and the Americas. In over 140 years of business activities, extensive networks and close relations have been built with people as well as customers and clients. At the same time the spectrum of activities has widened. The images in this publication reflect both the close ties with customers and the various business lines of the Diethelm Keller Group.

Commissioned by Diethelm Keller Holding Ltd., the photographs in this Annual Review were taken again by Laurent Raphaël Burst. He lives in Zug (Switzerland) where he was born in 1979, and in Berlin (Germany). Since 2009 he 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 umbrella of the Diethelm Keller Holding Ltd., they operate with a high degree of entrepreneurial autonomy. At the end of 2010, the four operating units employed more than 25,000 people in 40 countries.

Operating units:

- DKSH is the leading Market Expansion Services company with a focus on Asia
- Diethelm Keller Brands holds a portfolio of international proprietary brand companies grouped into three divisions: Household, Industrial and Cleaning Systems
- Diethelm Travel is a major 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 traveler 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.

2010: Navigating through stormy waters

Dear shareholders

Dear business partners, staff members and friends

"Navigating through stormy waters" – the heading of the 2010 Annual Review of Diethelm Keller Holding Ltd. properly reflects the developments during the period of this report, which extends well into spring of 2011.

The world economy continued to recover from the financial crisis of 2008 with conditions improving around the world. While the growing national debts of many industrialized countries remain a serious burden, business performed distinctly better than in 2009. We are still, however, a long way from returning to a reassuring economic environment. Most political leaders realize that deficit reduction is required to bring their countries' finances into equilibrium. The costs of health care and social security will rise in the near future, putting further pressure on federal budgets. Despite these challenges inflation and interest rates have, however, remained at historically low levels and financial markets show signs of recovery.

Any recollection of 2010 must of course include numerous catastrophic events which caused death, suffering and loss to millions of people. The earthquake in Haiti, the eruption of Eyjafjallajökull volcano in Iceland, the oil spill in the Gulf of Mexico, forest fires in Russia, vast floods in Pakistan – seldom have we seen disasters of such magnitude. These ordeals have continued into 2011 as Queensland, Australia, was inundated and Christchurch, New Zealand, was struck by an earthquake. In March northeastern Japan was hit by a disastrous earthquake and a tsunami, causing over 20,000 casualties and leading to a major nuclear incident at Fukushima, spreading concern about radioactivity.

These natural and man-made disasters will undoubtedly have a lasting impact on our world, affecting and guiding national policies toward improving safety standards in order to possibly prevent man-made catastrophes in the future.

Against this challenging background, the Diethelm Keller Group succeeded in following its charted course of increasing operational efficiency and focusing strategically on the most promising business segments. As a result, in 2010 the Group achieved a very satisfactory financial performance.

DKSH once again strongly increased sales and profits. The early and sustained economic recovery as well as a growing affluent middle class in Asia provided a healthy base for expansion. In addition to organic growth of business volume, several acquisitions contributed to the best ever result for DKSH. Biolife Sdn Bhd in Malaysia, a fast growing own-branded vitamin and health supplement manufacturer, Chiao Tai Logistics in Taiwan and the Hagemeyer-Cosa Liebermann Group, a luxury consumer and lifestyle products marketer and distributor in Asia, were all acquired in the early part of 2010.





Diethelm Keller Brands focused on sales growth and improving operational efficiencies. The Household division achieved healthy sales growth in almost all markets. Compared to 2009, the Industrial division's businesses suffered as they normally enter into an economic downturn late as a result of pending orders, but in turn recover with delay as well during the upswing since capital investment decisions are only made when the economic recovery is firmly established. As such the weaker performance in 2010 of Diethelm Keller Aviation as a supplier to the ailing airline industry was to be expected. However, business has improved since. Wetrok had to close its UK subsidiary because of a sudden decline in machine sales during the recession, increased costs and low margins coupled with the deteriorating value of the UK currency. Nevertheless, Wetrok increased sales by expanding its network of distributors.

Diethelm Travel had to cope with political disturbances in Thailand and specifically in Bangkok, causing a decline of tourism to this destination. Most of the other countries in which Diethelm Travel operates as an inbound travel agent saw satisfactory development. The expansion of Diethelm Travel's business footprint to Sri Lanka and the Maldives added to profits.

STA Travel continued on the path of profit improvement and ended the year on a positive note, establishing the foundation for a successful future. The expansion in Germany, adding seven new shops in various parts of the country, proved very successful. Additional distribution points will be opened in 2011. STA Travel launched a new brand "Bridge the World," with young professionals and their families as its target customer group. To market travel products and services of this new brand, STA Travel opened five shops in the UK.

During the first quarter of 2011 the Diethelm Keller Group achieved encouraging results. The Group continues to strive for business improvements guided by its stringent strategic focus on its core businesses and operational strength.

My colleagues on the Board of Directors of Diethelm Keller Holding Ltd. join me in thanking and congratulating all our employees worldwide for their contribution to the success of our operations. Especially in these challenging circumstances the commitment of our staff is even more essential to reach our common goals. We also wish to extend our thanks and gratitude to our highly appreciated business partners and clients.

Andreas W. Keller
Chairman

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

	2010	2009	+/- %
Total sales ¹	11,422	9,756	+17
Net sales under IFRS	7,794	6,851	+14
Employees at year-end	25,959	24,025	+8

Locations

Headquarters: Zurich (Switzerland)

International presence: Companies and branch offices in 40 countries as well as offices for representatives, franchisees and licensees in 51 further countries.

¹ Equals transaction value. Pursuant to International Financial Reporting Standards (IFRS), significant parts of activities are not classified as net sales. For example, while STA Travel sold tickets and other services and generated a transaction value, according to IFRS, only the commissions earned on these transactions are recognized as Diethelm Keller Group net sales.

Professional standards as a 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*/**

Jean-Daniel de Schaller*

Walter Ehrbar**

Dr. Joerg W. Wolle

* Member of the Executive Committee

** Member of the Audit Committee

Corporate Office

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

Beat Schwendener, Group Controller

Markus Keller, Head of Corporate Affairs

Auditor

PricewaterhouseCoopers Ltd., Zurich¹

Ernst & Young Ltd., Zurich²

¹ until May 2011

² as of June 2011

Visitors to the Zurich headquarters of Diethelm Keller Holding are welcomed in the building's lobby by an ingenious presentation of various company symbols of the Group's long history – among them the fan tree.





Diethelm Keller Group organization

Diethelm Keller Holding Ltd.

Executive Committee
of the Board of Directors

Andreas W. Keller
Jean-Pierre Blancpain
Adrian T. Keller
Jean-Daniel de Schaller

Corporate Office
Markus Braun

DKSH Holding Ltd.	Diethelm Keller Brands Ltd.	Diethelm Travel Holding Ltd.	STA Travel Holding Ltd.
Ownership 64%	Ownership 100%	Ownership 100%	Ownership 100%
Joerg W. Wolle Stuart Davy ¹ Bernhard Schmitt ²	Josef von Arx Daniel Lippuner	John Watson David Gostling	Peter Liney Steve Jenkins

1 until March 2011
2 as of April 2011

Operating units



DKSH

DKSH is the number one Market Expansion Services company with a focus on Asia, helping clients and customers to grow their businesses in new or existing markets. For this, DKSH offers a comprehensive package of services that includes organizing and running the entire value chain for any product: from sourcing, research and analysis, marketing, sales, distribution and logistics to after-sales services. Business activities are organized into four highly specialized business units. 22,586 employees in 35 countries.

CEO: Dr. Joerg W. Wolle.

Business units

Consumer Goods

Asia's leading Market Expansion Services specialist with a focus on fast-moving consumer goods, food services, luxury goods, fashion and lifestyle products, as well as 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. 11,783 employees in 518 locations in 19 countries.

Healthcare

The partner of choice 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 and over-the-counter (OTC) products as well as medical devices and are delivered to professional healthcare outlets such as hospitals, clinics, pharmacies, drugstores, dentists, optical outlets and more. 7,210 employees in 128 locations in twelve countries.

Performance Materials

A major 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 specialty chemicals, food and beverage, pharmaceutical and personal care industries. 997 employees in 69 locations in 24 countries.

Technology

The leading provider of Market Expansion Services, offering technical solutions for capital investment goods and analytical instruments in the areas of manufacturing and production, energy, research, advanced metals, food and beverage, as well as infrastructure. The services portfolio includes market entrance consultancy, product planning, marketing, sales, application engineering and after-sales services. 1,164 employees in 89 locations in 17 countries.



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 and has 965 employees in eleven companies and 18 subsidiaries across 14 countries as well as 752 agents and distributors in more than 60 countries. CEO: Josef von Arx.

Divisions



Cleaning Systems division

The Cleaning Systems division owns two brands and provides integrated cleaning solutions for professional applications in institutions and industries. 277 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 81 countries. 591 employees in twelve 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 1,804 employees in twelve countries, as well as franchising and licensing partners in another 49 countries. CEO: Peter Liney.



Household division

The Household division unifies seven companies and ten brands with innovative products in the areas of household and kitchen, barbecue, creative leisure activities, outdoor furniture and distribution of Nespresso coffee machines and consumer electronic brands, grouped into Audio, Vision and High End. 304 employees (excluding Gloster).



Industrial division

The Industrial division encompasses two companies which manufacture top-quality aluminium products. 356 employees.

Diethelm Travel locations

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

Bhutan
Cambodia
China
India
Laos
Malaysia
Maldives
Myanmar
Singapore
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 and work and travel programs. STA Travel operates a network of 237 retail travel stores, call centers and websites in:

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



Diethelm
Keller
Aviation



Historic milestones



In 1887, Wilhelm Heinrich Diethelm purchased the majority of the 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 development of both groups to avoid duplications of efforts and created potential synergies."

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 into the potential of their extensive networks throughout Asia, Europe and the Americas and combine them with their core competencies.

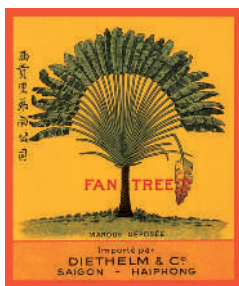
Although cooperation between the two families and their companies dates back to the beginning of the 20th century, the establishment of the Diethelm Keller Group did not take place until 100 years later, in July 2000, when the two groups merged into the newly founded Diethelm Keller Holding Ltd. (DKH).

In the 1950s, Diethelm & Co. Ltd. and Edward Keller Ltd. began to expand their presence in Europe to balance 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).

At about the same time, Diethelm & Co. Ltd. also began to offer travel services in Southeast Asia. Today, Diethelm Travel is a leading destination management company in the region.

STA Travel was acquired in 1979. Established in the early 1970s, STA Travel is the world's premier travel organization for students and young people. STA Travel is present in 61 countries.

DKSH Holding Ltd. was formed in June 2002, through the merger of Diethelm Keller Services Asia Ltd. and 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 a 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 established over its long corporate history.



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

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 which 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.

– 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.

– 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.

– Sustainability

We pursue a long-term strategy of sustainable growth. We integrate economic, environmental and social considerations into our decision-making.

– Long-term financial orientation

We maintain long-term ownership of our various businesses. With the vision to remain private, adequate profits combined with a conservative dividend policy ensure a successful long-term future.

– Operating autonomy

Our operating units can rely on a high degree of entrepreneurial and financial autonomy in the implementation of their long-term strategies. Each entity is responsible for its financial soundness and is allowed to retain sufficient profits to enable a long-term growth strategy.

Our values

The Diethelm Keller Group 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 our company's longstanding reputation which is based on our principal values.

Our success factors

The Diethelm Keller Group 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 to which we strictly adhere.



Highlights

January

- DKB
DKB Household consolidates competence center for manual kitchen brands in Farnborough by moving Zyliss brand management from the USA to the UK
- STA Travel
Launch of first German language versions of Global Travel Product brochures

Announcement of partnership with Planeterra to lead STA Travel's work in sustainable tourism

February

- DKSH
Acquisition of Chiao Tai Logistics Corp., making DKSH the biggest consumer goods distributor in Taiwan
- DKB
Wetrok launches the small cleaning machine "Samba," the first 15l scrubber drier

Wetrok launches "Scuba" backpack vacuum cleaner

March

- DKSH
Acquisition of Swiss trading house Hagemeyer-Cosa Liebermann Group

Acquisition of Biolife Sdn Bhd, a major distributor of vitamin and food supplement products in Malaysia
- DKB
Edak enlarges in-house test facility for shock and waterproof transit cases in the USA
- STA Travel
Launch of global job website

April

- DKSH
Distribution agreement with Sheffield Bio-Science for the distribution of lactose excipients and pharmaceutical coatings to South East Asia, Taiwan, South Korea, and Australia

Appointment of Mario Preissler as new Global Business Unit Manager for Performance Materials

- DKB
DKB Household consolidates its organizational and legal structure and integrates Outdoor Chef into Household

Gloster delivers largest contract order ever supplied via a distributor for its outdoor garden furniture
- STA Travel
Appointment of first Global Responsible Tourism manager to lead partnership with Planeterra

May

- DKB
DKB Household launches Jamie Oliver kitchen product range in Hungary

Edak introduces a new battery recycling system for the Swiss market for waste management systems
- Diethelm Travel
Fifth anniversary of Diethelm Travel Bhutan

Nataly Wanhoff joins Diethelm Travel Laos as new Managing Director

Nicolas Rabier is appointed Managing Director Myanmar
- STA Travel
New distribution partnerships launched in Vietnam and Norway

June

- DKB
Daniel Lippuner is appointed Chief Financial Officer of DKB Group

DKB Household outsources Swiss warehouse to Kühne+Nagel to concentrate on its core competencies in brand management

- Diethelm Travel
Diethelm Travel Singapore signs several accounts for the long-haul markets covering Russia, Eastern Europe, Western Europe, and the USA
- STA Travel
New global five year partnership announced with GAP for group adventure tours

New distribution partnerships launched in Bahrain, Qatar, Saudi Arabia, the UAE, Oman, and Costa Rica

July

- DKSH
Joint venture of DKSH Technology and US-based Cummins, designer and manufacturer of power generation equipment, for Vietnam

Expansion of business with Nichi-Iko, leading Japanese producer of generic pharmaceuticals, as exclusive distribution partner for Thailand, Malaysia, and Hong Kong
- Diethelm Travel
Puneet Kashyap joins Diethelm Travel India as new Managing Director
- STA Travel
New distribution partnership launched in Denmark

August

- DKB
Mario Hochstrasser, former Edak Managing Director, is named Managing Director of Wetrok

Heinz Strüby is appointed Managing Director of Edak

DKB Household launches new Zyliss fruit tools

Edak develops a watertight protective packaging for sensitive assemblies and equipment
- STA Travel
Launch of "Travel with Purpose" brochure as core customer element of sustainability strategy, including 80 projects across 34 countries

From left:
Innovation, design and product quality distinguish *DKB Household's* brands – like this Fondue Chinoise set from Koenig.

STA Travel's new brand design is now displayed not only in Berlin, but worldwide.

DKSH supports Swiss chocolate manufacturer Felchlin in the Japanese market.





September

- DKSH
Distribution agreement with Japan-based Hayashibara for bioactive substances and excipients, covering Europe, Israel, South East Asia, and Japan

Inauguration of state-of-the-art healthcare distribution center in Longtan, Taiwan
- DKB
DKB Household launches Cole & Mason "Gourmet Precision" salt and pepper mills

Gloster presents new outdoor furniture products in Paris, Cologne and Chicago

Wetrok introduces "Reshine" and "Libero," the most innovative floor cleaners in the industry
- STA Travel
Launch of new "Bridge the World" brand in the UK targeted at people over 50

Launch of "Before you hit 35" brand campaign in UK

USA secures its largest ever contract for carrying students studying in Europe

October

- DKSH
Expansion of business with Levi's® by opening the first ever Levi's® store in Cambodia

Quality certifications for 20 pharmaceutical and healthcare distribution centers across Asia

New leadership team for Business Unit Technology: Adrian Eberle is named Global Business Unit Manager with Claus Bressmer as his deputy

- DKB
Edak establishes a competence center for cooling units (Milex case) in Melbourne, Florida, providing complete temperature control for the contents of the Milex case

Wetrok launches the "Twister" outdoor cleaning machine
- STA Travel
Rollout of new global talent management and succession planning program

Launch of new Japanese business focused on high school student movements

November

- DKSH
Cooperation with Swiss-based grinding machine specialist Fritz Studer AG extended to Malaysia, Singapore, Thailand, and Vietnam

New contract signed with Daesung Korea (DSK) for exclusive regional distribution in South East Asia for agricultural machinery

DKSH honored with the L'Oréal Supply Chain Excellence Award for supplying all L'Oréal plants in Asia Pacific with high-quality raw materials
- DKB
DKB Household relocates warehouses in France and Germany for cost efficiency

Delta Creative launches first eco-friendly decorative soy paint and stain with initial shipments to 300 Joanns stores in the USA
- STA Travel
Rollout of Globe online booking engine into UK

December

- DKSH
Inauguration of lab-scale beverage pilot plant in Thailand designed to support customers in developing new concepts for the beverage and dairy industry

Agreement with Lotte Co. Ltd., one of the largest food and shopping groups in Japan and South Korea, to support market expansion in Taiwan

Agreement with Japan-based Meiji to distribute infant nutrition and confectionary in China and amino collagen products in Thailand
- DKB
Edak establishes a new representative partner in South Korea

Wetrok wins cleaning project with OKQ 8, the largest gasoline chain in Sweden
- STA Travel
Seventh new store opened in Germany, increasing retail network up to 38 shops

Globe online booking engine rolled out to "Bridge the World"

January 2011

- DKSH
Agreement with Hershey, the leading North-American manufacturer of chocolate and confectionary products, to provide Market Expansion Services in Singapore

February 2011

- DKSH
DKSH to market Swiss-based RUAG Machinery's mechanical engineering applications in Taiwan, China, Korea, and Japan

DKSH offers Market Expansion Services to Algea, the world's largest manufacturer of seaweed products



DKSH:
Asia's leading company
in Market Expansion Services



DKSH is well-known and reputed as a business partner for companies wishing to expand their market share and presence in Asia. As part of its comprehensive Market Expansion Services DKSH offers sourcing, research and analysis for new products.

In their own laboratories DKSH provides customers with reliable ingredients and helps to develop innovative and delicious beverages – such as the Jelly Drink of DKSH Thailand.



“Think Asia. Think DKSH.” While the brand name unites the initials of the founders of Swiss trading houses Diethelm, Keller and Siber-Hegner, the tagline sums up the vision of DKSH. In recent years DKSH has pushed its transformation from a traditional trading house into a highly specialized services provider able to blend into the value chain of its business partners. Today DKSH, with nearly 150 years of company history, is the No. 1 Market Expansion Services company with a focus on Asia, helping clients and customers to grow their businesses in new or existing markets. With 610 business locations in 35 countries and over 22,500 specialized staff, DKSH offers any combination of sourcing, marketing, sales, distribution and after-sales services.



DKSH: Key figures

(Financial figures in CHF million)

	2010	2009	+/- %
Total sales ¹	9,976	8,382	+19
Net sales	7,293	6,355	+15
Assets	2,831	2,586	+9
Employees at year-end	22,586	20,744	+9

¹ equals transaction value

Management

Dr. Joerg W. Wolle, President & CEO
Gonpo Tsering, Head Operations Support
Stuart Davy, Head Finance ¹
Bernhard Schmitt, Head Finance ²
Martina Ludescher, Head Corporate Development
Marcel W. Schmid, Head Corporate Affairs
Somboon Prasitjutrakul, Head Business Unit Consumer Goods
Charles Toomey, Head Business Unit Healthcare
Mario Preissler, Head Business Unit Performance Materials
Dr. Adrian Eberle, Head Business Unit Technology

¹ until March 2011

² as of April 2011

Locations

Headquarters: Zurich (Switzerland)
610 locations in 35 countries

Board of Directors

Adrian T. Keller, Chairman
Jean-Daniel de Schaller ^{**1}
Rainer-Marc Frey*
Dr. Frank Ch. Gulich
Andreas W. Keller ^{**}
Dr. Rolf A. Meyer ^{*1}
Robert Peugeot
Dr. Theo Siegert*
Dr. Chris Tanner ²
Dr. Joerg W. Wolle

* Member of Audit & Finance Committee

** Member of Nomination & Compensation Committee

¹ until May 2011

² as of May 2011

The acquisition of Chiao Tai Logistics made DKSH the largest consumer goods distributor in Taiwan

2010: Successfully growing the business

In 2010, DKSH had its best year ever. Against the backdrop of Asia's economies recovering much faster from the crisis than western countries, the company grew its business both organically and through bolt-on acquisitions, achieving double-digit growth. While total sales increased by 19% and net sales by 15%, DKSH also achieved a substantially improved operating result. The results of 2010 proved the value of DKSH's business model based on a unique range of products and services, unrivalled pan-Asian relationships, depth of knowledge and experience, as well as an unmatched infrastructure and on-the-ground logistics.

In 2010, DKSH continued to successfully implement its strategy for growth developed in 2009. In line with this strategy, DKSH actively drove growth in its four specialized business units by expanding existing businesses, by entering into new partnerships and by carrying out strategic acquisitions. Existing business relations were deepened with, among others, Nichi-Iko, a leading Japanese producer of generic pharmaceuticals, as DKSH became its exclusive distribution partner in Thailand, Malaysia, and Hong Kong. The cooperation with Swiss-based grinding machine specialist Fritz Studer AG was extended to Malaysia, Singapore, Thailand, and Vietnam. In December, DKSH won a contract with Lotte Co. Ltd., one of the largest food and shopping groups in Japan and South Korea, to support that company's market expansion in Taiwan. As for strategic expansions, the acquisition of the Hagemeyer-Cosa Lieberman Group in March, one of the six acquisitions completed in 2011, strengthened DKSH's luxury and lifestyle operation by expanding its presence in Korea, Taiwan, and Hong Kong.

During 2010, DKSH continued to invest in operational excellence and in its infrastructure to ensure efficiency and establish optimal business processes. Among the highlights were the inauguration of a state-of-the-art healthcare distribution center in Longtan, Taiwan, and the opening of a lab-scale beverage pilot plant in Thailand designed to support customers in developing new concepts for the beverage and dairy industry. Furthermore, new pharmaceutical laboratories were opened in Japan and in the Philippines, among others.

In 2010, DKSH's four business units operated successfully. The business unit *Consumer Goods* delivered solid results, with net sales of CHF 3,267 million, 18% above 2009. The Fast Moving Consumer Goods business segment and Levi's®, in particular, contributed to this success. Strongly focusing on business development, Fast Moving Consumer Goods concluded an unprecedented number of new contracts, further expanding its comprehensive portfolio. The acquisition of the leading consumer goods logistics company in Taiwan, Chiao Tai Logistics, enlarged the regional network and made DKSH the largest full-service consumer goods distributor in Taiwan. In



Thailand, DKSH acquired the Shell Distribution Company, a subsidiary of Shell, becoming the Market Expansion Services provider for Shell's lubricants business.

The business unit *Healthcare* recorded an excellent performance, with net sales amounting to CHF 2,967 million, up 15% from last year. This strong financial performance was the result of the continued implementation of the growth strategy focused on building up full agency business in all channels and segments, business development, refining operational processes, creating a diversified portfolio of product segments, and strengthening the service offering.

The business unit Healthcare recorded an excellent performance

The business unit *Performance Materials* recorded excellent results and achieved a 6% increase of net sales to CHF 667 million. The business unit further enhanced its infrastructure of formulation and application laboratories and invested new resources in the development of its safety and compliance infrastructure.

Performance Materials provides reliable sourcing with access to over 70 markets

The business unit *Technology* recorded net sales of CHF 390 million, up 1% from 2009. A strong focus on driving sales and winning new business partners, combined with further investments in the services business, contributed to this positive result. The business unit entered into a joint venture for Vietnam with Cummins, the US-based designer and manufacturer of power generation equipment.

Technology entered into a new joint venture with Cummins in Vietnam

Outlook

Looking towards 2011, DKSH expects further strong growth across Asia. With 95% of its sales generated in Asia, the company is well prepared to reap the rewards of an accelerating economic development, primarily in Asia but also in the western world.

Diethelm Keller Brands: Passion for brands



Diethelm Keller Brands is home to Swiss and international brands with a knack for innovation and ingenuity. The Cole & Mason brand is one of the trendsetters in the realm of kitchen tools. Cole & Mason is famed for the design and quality of its salt

and pepper mills. The new "Premium Gourmet Precision" line features an adjustable grinding system with six precise pre-set pepper levels and machine cut, hardened carbon steel provides superior grinding performance. The high-precision milling explains the incomparable flavor of the crushed pepper as well as the taste of dishes refined with it.



Diethelm Keller Brands – the company name reflects both the vision and mission of the owners who, in the middle of last century, started to invest in Europe to secure and reinforce their strong position in Asia, acquiring Swiss and international brand companies with leading positions in their field. Diethelm Keller Brands continues to reinforce its trademark by continuously improving the brands in its portfolio through investment in innovation and concentration on expanding market positions. DKB's portfolio comprises 14 brands grouped into three divisions: household products, industrial goods and cleaning systems. DKB operates through eleven companies and 18 subsidiaries across 14 countries.



Diethelm Keller Brands: Key figures

(Financial figures in CHF million)

	2010	2009	+/- %
Net sales	298	291	+2
Employees at year-end ¹	965	1,010	-4

¹ The number of employees excludes Gloster (50% ownership)**Management**

Josef von Arx, Chief Executive Officer
Daniel Lippuner, Chief Financial Officer
Sven Maushake, Chief Information Officer
Michel Bösiger, Head of Group Human Resources
Chia Chee Seng, Diethelm Keller Aviation Pte Ltd., Singapore
Nick Cornwell, DKB Household UK Ltd., Farnborough (UK)
Mario Hochstrasser, Wetrok Ltd., Kloten (Switzerland)
Alexander Howden, DKB Household Switzerland Ltd., Zurich, and Outdoor Chef International Ltd., Ebikon (Switzerland)
Anders Norgaard, Gloster Furniture Ltd., Bristol (UK)
Mac Ritchie, Delta Creative Inc., Whittier (USA)
Heinz Strüby, Edak Ltd., Dachsen (Switzerland)
Will Symonds, DKB Household USA Corp., Irvine (USA)

Locations

Headquarters: Zurich (Switzerland)
Eleven companies and 18 subsidiaries in Austria, China, Denmark, France, Germany, Indonesia, Malaysia, Poland, Singapore, Sweden, Switzerland, The Netherlands, United Kingdom, and USA

Board of Directors

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

Gloster returned to profitability**2010: Focusing on operational efficiency and innovation**

In 2010, Diethelm Keller Brands achieved an overall sales growth of 2% to CHF 298 million. In addition, thanks to the acquisition of the Outdoor Chef Group in late 2009, the Household division grew by 18% and gained market share. The Industrial division and the Cleaning Systems specialist Wetrok suffered from weak demand, in particular in the aviation and public sectors. As a consequence, overall operating performance was down despite continued efforts to improve operational efficiency. The staunch focus on brand development, combined with high level innovation activities, improved the competitive position of DKB's brands.

The *Household division* continued to focus on operational efficiency and innovation. The Outdoor Chef Group was successfully integrated into the barbecue unit. By outsourcing the Swiss warehousing and distribution activities to Kühne+Nagel and relocating the warehouses in Germany and France, DKB created an efficient logistics infrastructure. This allows DKB to emphasize its core competences. Manual appliances recorded major growth, particularly in the USA and with international distributors. In Germany and Scandinavia, sales increased thanks to a major expansion of the range of Jamie Oliver kitchen products. The sales performance in the UK was affected by the weak consumer economy. In 2010, many new products were introduced across DKB's brands and markets. Cole & Mason presented its new Gourmet Precision line while Zyliss brought a wide range of new fruit tools to the market.

In terms of sales, the consumer electronics business as well as the brands for small electrical appliances and barbecue, Turmix, Koenig and Outdoor Chef, were ahead of last year and gained market shares. Delta Creative, a US arts and crafts company, faced a challenging year. While the economic climate offered only limited expansion possibilities, retailers tended to focus on their strategic sourcing capabilities and product innovation aimed at patented technology or products difficult to replicate. In response to this strategy Delta introduced its own eco-friendly soy paint and soy stain. Gloster, one of the most recognized brands in quality outdoor furniture worldwide, returned to profitability after a loss in 2009. Sales to all distributors were consolidated in the UK, leaving Gloster USA to focus on the North American market. Gloster's manufacturing unit in Indonesia embarked on a major productivity improvement program with significant cost reductions. The "Cloud" range of waterproof lounge furniture, introduced ahead of the 2010 season, proved to be the most successful product launch in recent years.



In the *Industrial division*, Diethelm Keller Aviation (DKA) recorded a second year of declining sales due to lower demand from airlines. The global aviation industry appears to be recovering while DKA strives to improve productivity and operational excellence. After a year of restructuring, Edak adapted its activities in sales and distribution to changing perceptions in its market. The company broadened its know-how and product range into cooling units in order to continue its determined transformation from an aluminium case manufacturer to a packaging solutions provider.

Edak pursued its transformation to a packaging solutions provider

In the *Cleaning Systems division*, Wetrok faced slow demand in major export markets. As a consequence Wetrok focused on its new direct sales organization in Austria, closed the UK organization while strengthening sales via a network of distributors, and continued to build up a cost-efficient new supplier pool for chemical products. Wetrok reinforced its leading presence in the Swiss market and today possesses better prerequisites to become a global player with an adequate underlying cost structure and renewed focus on market reach.

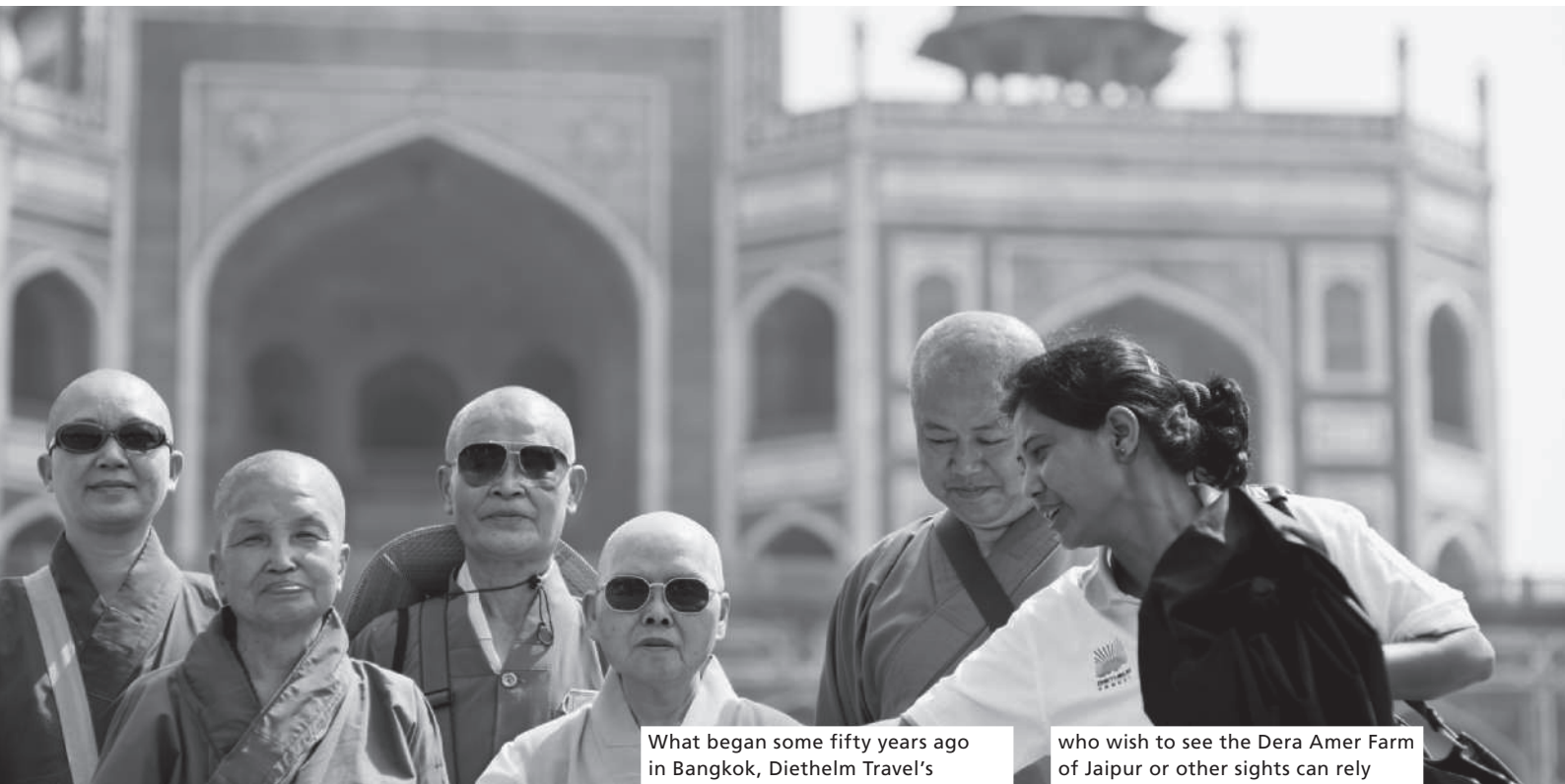
Wetrok strengthened its leading position in Switzerland

Outlook

In 2011, DKB will pursue its strategy to strengthen the position of its key brands by focusing on brand development, intensifying sales activities, strong partnerships and operational excellence as a base for sustainable and profitable growth. Prospects for the Household business in 2011 remain good as further strong growth in selected markets is to be expected and new products in the "kitchen and outdoor living" household categories are to be introduced. DKB's industrial brands and Wetrok are prepared to take advantage of growth opportunities.

New household products are in the pipeline

Diethelm Travel: A travel industry leader in Asia



What began some fifty years ago in Bangkok, Diethelm Travel's homebase, has evolved into a travel organization whose services as a guide to the historic and cultural treasures of Asia are highly sought after. Since 2007 travelers to India

who wish to see the Dera Amer Farm of Jaipur or other sights can rely on Diethelm Travel's sophisticated guides.



Diethelm Travel at first specialized in tours around Thailand, introducing travelers to the kingdom's beauty and charms. By gradually expanding its business and with over 50 years of experience in providing quality travel services in Asia, Diethelm Travel has become respected as a highly professional organization. The company has evolved to become one of the leading tour operators in the region. Diethelm Travel operates from its own offices in twelve countries, serving tourists from 81 countries. Diethelm Travel is also active in the convention and conference business and has made its mark as a provider of high quality golf travel services.



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

	2010	2009	+/- %
Total sales ¹	81	80	+1
Net sales	56	59	-5
Employees at year-end	591	594	-1

¹ equals transaction value

Management

John Watson, Chief Executive Officer
Richard Brouwer, Chief Operating Officer
David Gostling, Chief Financial Officer

Locations

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

Board of Directors

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

The Indian organization had to deal with various adverse situations

Diethelm Travel Malaysia expanded its business against the trend

2010: Coping with impediments to tourism

In 2010, the tourism industry in Asia had to cope with various difficulties which affected the development of Diethelm Travel as well. Political unrest impaired tourism in Thailand, Diethelm Travel's home base, and also depressed arrivals to many countries in the region. There were some bright spots, however. Sri Lanka and the Maldives enjoyed considerable growth. Diethelm Travel Golf, launched in December 2009, started well and extended its inbound services to six countries. The company acquired the exclusive rights across Asia for the World Corporate Golf Challenge, the largest corporate golf tournament in the world.

Celebrating its fifth anniversary in May, Diethelm Travel Bhutan was able to convince clients to book longer itineraries and to discover various new destinations within this magic kingdom. Upgrades to the infrastructure and hotel developments have made the country more accessible.

Diethelm Travel Cambodia had a slow start in 2010, but recovered by the end of the year. Cambodia's dependence on events in Thailand was evident again in 2010. Against that background, possible direct flights from Europe by Air France and eventually other airlines in 2011 carry special weight and give rise to some optimism.

Diethelm Travel China had another stable year with continuous growth of arrivals as well as new account signings. The organization's professional competence for handling high-end clients again proved valuable in contracting Russian agents.

Diethelm Travel India remained behind projections. Threats of terrorism, the outbreak of Dengue fever as well as negative publicity surrounding the Commonwealth Games in October kept visitors away. Business with a major German tour operator grew as that organization expanded its travel offerings. In July 2010, Puneet Kashyap joined the Indian organization as its new Managing Director.

Diethelm Travel Laos had to deal with adverse circumstances – among them the unusually low water level of the Mekong River and a closure of the international airport in Pakse. Moreover, the side effects of the political situation in Thailand as well as the unsatisfactory economic conditions in Laos hampered the business. Nataly Wanhoff joined Diethelm Travel Laos in May as its new Managing Director.

Despite generally decreased demand for this destination country, Diethelm Travel Malaysia increased its turnover by 20%. Diethelm Travel took advantage of high demand, mainly from European countries, for group tours to Sabah and Sarawak as well as for small boutique hotels on the peninsula. Diethelm Travel Malaysia was recognized as a top provider for several hotel resorts.



Diethelm Travel Maldives recorded a 21% increase in arrivals and achieved a positive financial performance in its second year of operations. The destination continues to grow thanks to new markets such as China and Russia.

Diethelm Travel Myanmar's development in 2010 holds promise for 2011. After the elections in November, interest in Myanmar seems to be growing. In May, Nicolas Rabier was appointed Managing Director.

Entering its second year of operations, Diethelm Travel Singapore gained a reputation as a quality service provider. The organization signed several well-known accounts from the long-haul markets covering Russia, Eastern Europe, Western Europe, and the USA.

Diethelm Travel Singapore won several new accounts in long-haul markets

Diethelm Travel Sri Lanka recorded a 46% increase in tourist arrivals. The organization won the contract for the Hilton Colombo travel operations counter. While the government of Sri Lanka considered tourism to have the biggest growth potential, the industry itself is facing numerous challenges such as price hikes, new taxes and the lack of accommodation.

Diethelm Travel Thailand suffered from the political events and the long-lasting shadow which they cast over tourism, even though recovery in the city and countryside was rapid. Inbound tourism did rebound partially, but not in the company's core markets. Reacting to the downturn, the organization developed several marketing campaigns and worked aggressively on a recovery plan for 2011.

Diethelm Travel's home base in Thailand felt the adverse effects of political strife

Diethelm Travel Vietnam was slightly affected by the slow recovery of the European market, in particular Germany. At the end of the year, the reservation system of Diethelm Travel Vietnam was successfully linked to that of Diethelm Travel Thailand.

In 2010, Diethelm Travel Golf expanded and now offers inbound golf travel services in six countries in Asia, rapidly gaining a reputation amongst specialist golf tour operators for high quality golf holidays. The organization acquired the exclusive rights across Asia for the World Corporate Golf Challenge, the largest corporate golf tournament in the world, and in 2011 will host ten events in five Asian countries to select the winners for the finals to be held in May 2012.

Diethelm Travel Golf is already reputed for high quality services

Outlook

For 2011, the picture is still somewhat obscure for Thailand given the political uncertainty and border disagreements with Cambodia. To improve efficiency, Diethelm Travel will accelerate company-wide implementation of standard IT systems. The golf travel activities, in particular the World Corporate Golf Challenge, will open up new avenues for business to explore.

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



Students and young adults travel even in turbulent economic times. Their preferred partner is STA Travel because the company is known for its offerings of products and services tailored to their needs. STA Travel's

retail shops worldwide – like the one shown here in Berlin – are easily identifiable by the new logo and the modern office design. Not visible from the outside is the company's state-of-the-art IT infrastructure which links its 237 travel stores and secures reliable access and availability of products and services of choice for customers.



STA Travel, established in Australia in the early 1970s and acquired by the Diethelm Keller Group in 1979, has long had a heart for young people with a love for adventure. By continually focusing on the needs and desires of this premier target group, the company won its position as the world's leading travel company in the student and young adult market. By moving into sustainable tourism and the launch of "Bridge the World," a new brand targeted at people over fifty in the UK, STA Travel continues to adjust its base in the dynamic global travel market. STA Travel maintains a global distribution network spanning 61 countries through a mixture of wholly owned businesses, franchises and licensed partnerships.



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

	2010	2009	+/- %
Total sales ¹	1,004	946	+6
Net sales	146	146	0
Employees at year-end	1,804	1,663	+8

Management

Peter Liney, Chief Executive Officer
Steve Jenkins, Chief Financial Officer
Paul Maine, Managing Director International
Andy Mills, Chief Information Officer
John Constable, Group Managing Director Northern Europe, Africa and Asia Pacific
Kevin Jacobs, Managing Director USA and Japan
Michelle Cox, Managing Director Asia Pacific
Andreas Siegmann, Managing Director Central Europe

Locations

Headquarters: Zurich (Switzerland) and London (UK)
237 retail travel stores in twelve countries, as well as franchising and licensing partners in another 49 countries

Board of Directors

Andreas W. Keller, Chairman
Jean-Daniel de Schaller, Vice Chairman
Dr. Markus Braun

1 Equals transaction value. In 2010, STA Travel sold tickets and other services which generated a transaction value of CHF 1 billion. However, pursuant to International Financial Reporting Standards (IFRS), only the commissions earned on these transactions are recognized as net sales.

2010: Growth returns amidst investments in strategy and infrastructure

For STA Travel, 2010 proved to be a year of mixed fortunes, albeit a generally positive one. While an economic recovery in full swing sustained STA Travel's Australia/New Zealand and Central European businesses, both the UK and US operations struggled in the face of a more sluggish economic recovery. Moreover, specific events created some short-term but significant challenges. In May, ash clouds over Europe closed the skies for some time and political tensions in Bangkok temporarily shut down the country for tourists. Finally, very severe weather in Europe and on the East Coast of the United States in January and December disrupted travel as snow closed major airports and prevented people from leaving their homes.

Despite these challenges STA Travel recorded an overall sales growth of 6%, compared with a decline in 2009. This recovery was driven in particular by a strong performance of the German organization and of the B-to-B business in the USA. This business is focused on group and academic travel in the study abroad market. Costs remained under tight control and new automation software introduced at mid-year helped to increase efficiency in the critical back office areas of fare loading and ticketing.

STA Travel's core student proposition remained strongly positioned. Student air ticket sales showed significant growth. This development was driven by a combination of existing relationships with airlines such as Qantas, Emirates, Etihad and Qatar and was underpinned by the launch of a new ticket agreement with Virgin Atlantic. STA Travel's global land product strategy also continued to move forward. A new five-year agreement was concluded with GAP Adventures for selling small group adventure holidays across the world.

STA Travel continued to invest in its strategy of selling across a range of distribution channels. Investment in new shops was strongest in Germany, but the retail network in the UK was also expanded. Globe, STA Travel's online booking engine, was successfully rolled out to both the New Zealand and UK markets. Furthermore, the roll out of the new brand design, started in 2009, was extended to all retail locations. Several marketing initiatives were successful in 2010. In the USA a major partnership was established with Sony Pictures for the launch of the Hollywood blockbuster "Eat Pray Love," while in the UK a major brand advertising campaign under the heading "Before you hit 35" was launched, targeted at the young professional customer group.

The new STA Travel brand design is now displayed in all retail shops



Two major strategic initiatives were launched during the year. Firstly, in January STA Travel announced a partnership with Planeterra to head its drive into sustainable tourism. A new brochure was produced offering 80 projects focused on “Travel with Purpose” across 34 countries. The company also announced its commitment to support a community project in Koh Pra Thong, Thailand, a village badly affected by the Tsunami in 2004. Secondly, in September STA Travel launched “Bridge the World,” a new brand in the UK for people over fifty and focused on the UK to Australia and Asia markets. Five shops had been opened by the end of 2010.

“Travel with Purpose” – the label of STA Travel’s drive into sustainable tourism

The 2010 survey of STA Travel’s global staff showed a considerable increase in employee engagement across the business. A major succession planning project, designed to strengthen existing procedures, was launched during the year. Already, some 37% of vacant management positions have been filled by internal promotions and more was done to promote global mobility with the launch of a new dedicated job site on the company intranet. Training continues to play a key part in management development. Over 50 managers attended a three-day leadership training course. STA Travel’s Global Talent Management System, with its link to the external website, continues to perform well, as 60% of external management hires are realized through this vehicle.

Internal promotion possibilities and global job opportunities are attractive assets of STA Travel as an employer

Outlook

2011 promises to be a positive year for STA Travel. The company is well placed to grow in all major markets and its investments in new online technology, the retail network and new products and brands should begin to reap positive rewards. With costs remaining under control, STA Travel continues to streamline its operations to further drive bottom line performance.

Investments in the infrastructure have created the prerequisites for growth

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