2010: navigatin through stormy waters
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.
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
CORPORATE GOVERNANCE

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., Zurich ¹
Ernst & Young Ltd., Zurich ²

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

<table>
<thead>
<tr>
<th>DKSH Holding Ltd.</th>
<th>Diethelm Keller Brands Ltd.</th>
<th>Diethelm Travel Holding Ltd.</th>
<th>STA Travel Holding Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership 64%</td>
<td>Ownership 100%</td>
<td>Ownership 100%</td>
<td>Ownership 100%</td>
</tr>
<tr>
<td>Joerg W. Wolle</td>
<td>Josef von Arx</td>
<td>John Watson</td>
<td>Peter Liney</td>
</tr>
<tr>
<td>Stuart Davy¹</td>
<td>Daniel Lippuner</td>
<td>David Gostling</td>
<td>Steve Jenkins</td>
</tr>
</tbody>
</table>

¹ until March 2011
² as of April 2011
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.

Cleaning Systems division
The Cleaning Systems division owns two brands and provides integrated cleaning solutions for professional applications in institutions and industries. 277 employees.

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.

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.
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.

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.

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.

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

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.

**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.
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.

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.

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.
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.
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 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 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.

**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.
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)

<table>
<thead>
<tr>
<th>2010</th>
<th>2009</th>
<th>+/- %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales</td>
<td>1,004</td>
<td>946</td>
</tr>
<tr>
<td>Net sales</td>
<td>146</td>
<td>146</td>
</tr>
<tr>
<td>Employees at year-end</td>
<td>1,804</td>
<td>1,663</td>
</tr>
</tbody>
</table>

### 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.
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.

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.

**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.
Addresses

Diethelm Keller Holding Ltd.
Muhlebachstrasse 20
CH-8008 Zurich
Switzerland
Postal address:
P.O. Box 1824
CH-8032 Zurich
T +41 44 265 33 00
F +41 44 265 33 99
www.diethelmkeller.com
info@diethelmkeller.com

DKSH Holding Ltd.
Wiesenstrasse 8
CH-8008 Zurich
Switzerland
Postal address:
P.O. Box 888
CH-8034 Zurich
T +41 44 386 72 72
F +41 44 386 72 82
www.dksh.com
info@dksh.com

Diethelm Keller Brands Ltd.
Muhlebachstrasse 20
CH-8008 Zurich
Switzerland
Postal address:
P.O. Box 1824
CH-8032 Zurich
T +41 43 268 86 86
F +41 43 268 86 99
www.dkbrands.com
info@dkbrands.com

Diethelm Travel Management Ltd.
12th Floor, Kian Gwan Building II
140/1 Wireless Road
Lumpinee, Pathumwan
Bangkok 10330
Thailand
T +66 2 251 5398 or
+66 2 256 0220-2
F +66 2 251 5305
www.diethelmtravel.com
info@diethelmtravel.com

STA Travel Holding Ltd.
Muhlebachstrasse 20
CH-8008 Zurich
Switzerland
STA Travel Group
Priory House
6 Wrights Lane
Kensington
London W8 6TA
United Kingdom
T +44 207 440 8000
F +44 207 938 4923
www.statravelgroup.com
enquiry@statravelgroup.com
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.

Photography concept

Credits:
Concept and copy: Helmut Reincke, Malix
Design: Gottschalk+Ash Int’l, Zurich
Typewriting, separations and printing: Neidhart+Söhn Group, Zurich
Photos: Laurent Raphael Burst, Zug and Berlin
2010: NAVIGATING THROUGH STORMY WATERS