

Diethelm Keller Group



The founders of the Diethelm and Keller companies started their businesses in the late 1860s, trading products between Europe and Asia. Over time, descendants of the founding families expanded the trading business to take in marketing, logistics and related services, while also diversifying into industrial and travel activities.

Today, the Diethelm Keller Group consists of five operating units, plus the Diethelm Keller Real Estate and Shareholder Services division and a major participation in DKSH Holding Ltd. All subsidiaries hold strong positions within their respective fields and operate with a high degree of entrepreneurial autonomy.

At the end of 2017, the five operating units employed more than 5,000 people in 28 countries.

*Dear Shareholders,
Dear Business Partners, Employees
and Friends*

2017 was a challenging and eventful year. We continued to focus our investments in brands and strong product innovation capabilities. Innovations, complimentary acquisitions, new partnerships and a continuous flow of new products ensured that we met our customers' expectations in the respective industries.

Zyliss, Cole & Mason and Culinare, as part of Diethelm Keller Household Brands, significantly increased online sales in the US and UK. Zyliss launched its new Control Knives range and entered the cookware market.

Focused on its strong brand, Outdoorchef started to operate as independent profitcenter. The company was legally separated from Koenig and Turmix by the end of 2017. Outdoorchef continued its expansion in new markets in Europe and the Pacific Rim. Koenig expanded its product portfolio in Switzerland with the launch of promising products.

Dedon, Gloster and Garpa, all part of Diethelm Keller Premium Brands, saw good sales growth in 2017. The three companies continued to expand their leading market positions by augmenting their product portfolios and introducing new designer collections for dining and lounging. Dedon won a number of prestigious design awards with its new collections and safeguarded its leading position in the outdoor furniture market. Mbrace is the company's most successful new collection to date. Gloster Indonesia celebrated its thirtieth anniversary. The company received Design Excellence awards for its William Lounge Chair and the Bar Cart as well as a Manufacturing Excellence award in the ICFA Casual Market in Chicago, reflecting its status in the furniture industry. Garpa, specialised in direct sales to private customers, strengthened its brand by the launch of innovative new products.

Diethelm Keller Travel with its units STA Travel, Diethelm Travel and Globetrotter (50 percent ownership) increased sales and secured stable earnings in a volatile industry environment. In 2017, Diethelm Keller Travel acquired together with its subsidiaries a controlling interest in Explorer Fernreisen, a leading outbound tour operator in Germany. Diethelm Travel merged with the two Tourasia-owned subsidiaries All Asia Exclusive, with offices in Thailand, Myanmar and Vietnam as well as Blue Horizons Travel & Tours, based in the Philippines. Both are high-end inbound tour operators. Diethelm Travel is now the region's only destination management company with its own comprehensive network of locations throughout Southeast Asia serving discerning clients.

STA Travel saw further growth in partnerships with tourist boards and was voted best Youth Travel Agent for the best marketing campaign at the Global Youth Travel Awards 2017. Singapore Airlines became a new SATA partner and STA Travel achieved increased sales in the SATA student tickets market.

The Globetrotter Group strengthened its market presence in Switzerland with the acquisition of Ozeania, a leading inbound tour operator, serving discerning clients travelling to Australia, New Zealand and the South Seas region.

Diethelm Keller Industrial reports solid results for both subsidiaries, Wetrok, a specialist in professional cleaning solutions, and Diethelm Keller Aviation, one of the world's leading manufacturers of aircraft galley equipment. Wetrok allocated considerable resources to innovations in both, products and services, and growth was boosted by a number of product launches. The company won the prestigious Purus Innovation Award for Wetrok Granuline, a family of chemical products based on granulate, packed in small sticks. Diethelm Keller Aviation, headquartered in Singapore, achieved a historic milestone with the production of the 100'000th Ecolite Cart.

As part of Diethelm Keller Investments, Angela Bruderer, the Swiss-based mail-order house, successfully increased online trading from 55 to 60 percent of total sales. Both, the healthcare and household goods segment continue to be key growth areas.

Diethelm Keller Real Estate proceeded with the Egg-buehl-Areal project by successfully completing the authorisation process. Construction has started and the complex with 135 apartments and a small commercial zone should be ready for occupation in the second half of 2020.

DKSH Holding Ltd., of which Diethelm Keller Group is the anchor shareholder, recorded sales of over CHF 11 billion. The company saw strong growth in Vietnam, Laos, Cambodia and Myanmar. Highlights in 2017 were the acquisitions of the medical device distributor Europ Continents in Cambodia, field marketing provider IMA in Vietnam and PT Wicaksana in Indonesia. In March 2017, Stefan P. Butz became CEO of DKSH and Joerg Wolle was elected Chairman of the Board of Directors.

The Board of Directors and I would like to express our sincere thanks to the people of our headoffice for giving strategic guidance and sustaining our culture as well as to our senior managers for developing and implementing our objectives. Our deep appreciation goes to all our employees for their loyalty and commitment. We are grateful for the support our customers, long-term business partners and friends have given us throughout 2017.



Andreas W. Keller
Chairman



Historic Milestones

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

Diversification, together with a policy of reinvesting profit, provided a solid basis for their companies' continuous growth. Diethelm & Co. Ltd. and Edward Keller Ltd. had the foresight to tap into the potential offered by their extensive networks throughout Asia, Europe and the Americas, and to combine it with their core competencies.

1950s

Diethelm & Co. Ltd. began to offer travel services in Southeast Asia. Today, Diethelm Travel, a subsidiary of Diethelm Keller Travel, is a leading destination management company in this region.

1979

The Group acquired STA Travel, established in Australia in 1971. STA Travel is a global leader in student and young adult travel.



In 1887, Wilhelm Heinrich Diethelm purchased a majority shareholding in Hooglandt & Co., Singapore, and Edward Anton Keller acquired his employer's company, Lutz & Co. of Manila in the Philippines. With dedication to their respective companies and their deep knowledge of their markets and customers, the two entrepreneurs steadily developed strong ties with international business partners.



The fan tree represents one of the original trademarks as of 1887.

2000

Although the cooperation between the two families and their companies dates back to the beginning of the 20th century, the Diethelm Keller Group was not established until a hundred years later, in July 2000, when the two groups merged into the newly established Diethelm Keller Holding Ltd. (DKH). In the meantime, Diethelm & Co. Ltd. and Edward Keller Ltd. had also begun to expand their presence in Europe, to balance their strong positions in the Asian markets. The Asian trading activities were combined into Diethelm Keller Services Asia Ltd.

2002

DKSH Holding Ltd. (DKSH) was formed in June 2002 through the merger of Diethelm Keller Services Asia Ltd. and SiberHegner Holding Ltd. Today, DKSH is the leading Market Expansion Services provider with a focus on Asia. Its shares trade on the SIX Swiss Exchange under the "DKSH" symbol. With a 45 percent stake DKH remains the company's anchor shareholder.

2013

All wholly- or majority-owned companies within DKH were organised into four business units: Diethelm Keller Household Brands, Diethelm Keller Travel, Diethelm Keller Industrial and Diethelm Keller Investments.

The newly established Diethelm Keller Travel business unit, integrating Diethelm Travel and STA Travel, was expanded by Globetrotter, a leading outbound tour operator in Switzerland, in which DKH acquired a 50 percent equity stake.

2014

The new Diethelm Keller Premium Brands was established to bundle the outdoor furniture activities of Gloster and Dedon. A 75 percent stake was acquired in Garpa to achieve a leading position in the premium outdoor furniture sector internationally.

2017

Diethelm Keller Travel, together with its subsidiaries, acquired a controlling interest in Explorer Fernreisen, a leading outbound tour operator in Germany. Diethelm Travel merged with Tourasia-owned businesses All Asia Exclusive and Blue Horizons Travel & Tours. Both are high-end inbound tour operators.

Our values

The Diethelm Keller Group is an enterprise in the tradition of European family companies. We have a long-term commitment to the business and are proud of our company's long-standing reputation, which is based on our principal values.

RESPECT

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

FAIRNESS

We are proud of the good reputation which the names Diethelm and Keller have enjoyed for generations, exemplifying 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 within our organisation.

LEARNING CULTURE

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

Our success factors

The long-term strategy and the balance of risk exposure are determined by the 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 key business principles to which we strictly adhere.

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 optimally served.

SUSTAINABILITY

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

LONG-TERM FINANCIAL ORIENTATION

We are strategic investors in our various businesses. Sustainable profitability combined with a conservative dividend policy allow our companies to grow long-term. In DKSH's process of going public, Diethelm Keller Holding Ltd. has reduced its ownership stake, thereby achieving broader financial diversification and returning to being a predominantly family-owned holding company.

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 individual financial soundness and is allowed to retain sufficient profit to enable a long-term growth strategy.

Professional standards: A guiding principle

Diethelm Keller Holding Ltd. (DKH) is a privately-held organisation whose principal shareholders are the descendants of the founders, owned through the DKH Holding Ltd. parent company.

DKH is fully committed to the principles of good corporate governance, maintains a professionally-structured Board of Directors and applies uniform reporting standards.

DIETHELM KELLER HOLDING LTD.

BOARD OF DIRECTORS

Andreas W. Keller, *Chairman*

Adrian T. Keller, *Vice Chairman*

Jean-Daniel de Schaller

Joerg W. Wolle

Rudolf Ehrbar

EXECUTIVE COMMITTEE

Andreas W. Keller

Adrian T. Keller

AUDIT COMMITTEE

Rudolf Ehrbar, *Chairman*

Adrian T. Keller

DIETHELM KELLER MANAGEMENT

Angelo C. van Tol, *Chief Executive Officer*

Beat Schwendener, *Chief Financial Officer*

Volker Schwarz, *Chief Information Officer*

Stephan Heinemann, *Head Business Intelligence*

DIETHELM KELLER REAL ESTATE, TREASURY AND SHAREHOLDER SERVICES

Daniel R. Jagmetti

AUDITOR

Ernst & Young Ltd., Zurich

Diethelm Keller Group

DKH HOLDING LTD.
DIETHELM KELLER HOLDING LTD.

OPERATING UNITS

Angelo C. van Tol, CEO

DIETHELM KELLER
HOUSEHOLD BRANDS
Ownership 100 %

DIETHELM KELLER
PREMIUM BRANDS
Ownership 78 %

DIETHELM KELLER
TRAVEL
Ownership 85 %

DIETHELM KELLER
INDUSTRIAL
Ownership 100 %

DIETHELM KELLER
INVESTMENTS
Ownership 100 %

DIETHELM KELLER
REAL ESTATE

Daniel R. Jagmetti

STRATEGIC INVESTMENTS

DKSH HOLDING LTD.
Ownership 45 %

Stefan P. Butz, CEO

Board of Directors

Joerg W. Wolle, Chairman

Rainer-Marc Frey ¹

Frank Ch. Gulich

David Kamenetzky

Adrian T. Keller

Andreas W. Keller

Robert Peugeot

Theo Siegert

Hans Christoph Tanner

Annette G. Köhler ²

Eunice Zehnder-Lai ²

¹ Until the AGM, March 2018

² Proposed for election at the AGM,
March 2018

Diethelm Keller Group

Operating Units

DIETHELM KELLER HOUSEHOLD BRANDS

Ownership 100%

Diethelm Keller Household Brands owns a portfolio of leading Swiss and international proprietary brands focused on the design, production and marketing of innovative household products. Each brand maintains a strong and effective market presence, and regularly launches a wide range of new and innovative products in their respective markets. Diethelm Keller Household Brands employs 210 people in seven countries, and sells its products in more than 70 countries.



COLE & MASON
ENGLAND

CULINARE



KÖENIG

TUR MIX

DIETHELM KELLER PREMIUM BRANDS

Ownership 78%

Diethelm Keller Premium Brands is a leading producer of premium outdoor furniture. Its three independent subsidiaries Dedon, Gloster and Garpa, currently employ more than 1,600 people worldwide, with a presence in more than 80 countries. Diethelm Keller Premium Brands aims to engage in long-term partnerships with independent companies, particularly (but not exclusively) those, which fit well into the existing operating unit.

DEDON



GARPA
GARTEN & PARK EINRICHTUNGEN

DIETHELM KELLER
TRAVEL
Ownership 85%

Travel has historically been a key element in Diethelm Keller Group's operations. As part of its continuous expansion strategy, the Group's travel units, STA Travel, Diethelm Travel and Globetrotter, were consolidated within Diethelm Keller Travel in 2013. In 2017, Diethelm Keller Travel acquired together with its subsidiaries a controlling interest in Explorer Fernreisen, a leading outbound tour operator in Germany. With subsidiaries and agents in more than 55 countries, Diethelm Keller Travel serves over 1.4 million travellers around the world every year.



GLOBETROTTER
THE SWISS TRAVEL GROUP

EXPLORER
FERNREISEN

DIETHELM KELLER
INDUSTRIAL
Ownership 100%

Diethelm Keller Industrial brings together a series of Swiss and international proprietary brands that specialise in professional cleaning systems and food service equipment for the airline industry. The unit's companies, which make full use of their strengths in their respective market segments, are active in seven countries and employ a total of 413 people.



Diethelm Keller
Aviation

DIETHELM KELLER
INVESTMENTS
Ownership 100%

Diethelm Keller Investments is a holding company for strategic equity holdings in small and midsize companies relating to existing business. It is geared towards succession solutions that utilise management principles successfully, practised by the Group. Diethelm Keller Investments differs significantly from traditional private equity and venture capital models by focusing on long-term sustainable growth and ownership rather than short- and mid-term gains.



This overview reflects the status as of April 2018.

The number of employees refers to 31 December 2017.

*Share our similarities,
celebrate our differences.*

DIETHELM KELLER GROUP
OPERATING UNITS

Angelo C. van Tol, CEO

DIETHELM KELLER
HOUSEHOLD BRANDS
Ownership 100 %

DIETHELM KELLER
PREMIUM BRANDS
Ownership 78 %

DIETHELM KELLER
TRAVEL
Ownership 85 %

DIETHELM KELLER
INDUSTRIAL
Ownership 100 %

DIETHELM KELLER
INVESTMENTS
Ownership 100 %

Q

Mr van Tol, over the past few years, the Diethelm Keller Group has concentrated on the continuous development of own brands. Was this a strategic decision?

A

Yes, this was a deliberate decision to separate, over time, the trading and distribution activities from the brand business and focus on further developing these.

What lies behind this strategic focus?

The trade and distribution business cycles differ substantially from those of brand development. In addition, brand businesses require long-term oriented management and a corresponding investment horizon. Brand development is primarily about innovation and long-term positioning of the brand.

How can the Diethelm Keller Group benefit from this?

As a family-owned company we are in a position to commit to a long-term strategic direction which gives us an advantage over short-term and finance-driven competitors. At the same time, we reduce the overall risk by diversifying into various brand businesses.

Is this focus the logical consequence of the IPO of DKSH?

Independent of and following the spin-off of the traditional trading and distribution company into an independent unit, DKSH, the Diethelm Keller Group continued to concentrate on the development of both, existing brands and newly acquired ones. The Diethelm Keller Group remains a strategic investor in DKSH and is with its stake the anchor shareholder.

The financial year saw some strategic adjustments. What prompted these?

During the year under review we continued to implement our overall Group strategy. This includes concentrating on brands with own research and development capabilities as well as potentially own production. The mid-term goal is to close remaining gaps in the value chain and to become a market leader in our respective areas.

Does the Diethelm Keller Group differentiate itself thereby from other trademark owners?

Yes. We follow an active and long-term oriented expansion strategy. The family holding's acquisition focus is on national or international brands enjoying a strong market position in selected niche markets. It is always our goal to be No 1 or No 2 in the respective business segment.

What role do the former owners of the acquired companies play?

We mostly acquire companies as a result of succession issues and the ongoing development is done together with the management and former owners during a transition time.

Through this, the Diethelm Keller Group differentiates itself importantly from "short-term driven" private equity companies, the normal competitors in such acquisitions. Our investments are oriented toward long-term ownership and returns and not short-term maximisation of capital gains.

Can you name examples?

During the last five years, some examples of the successful implementation of this strategy have been the acquisitions of Angela Bruderer, Globetrotter, Dedon, Garpa or Tourasia.

How do you intend to further develop the Diethelm Keller Group?

We are expanding our brand portfolio through organic growth as well as strategic acquisitions (buy & build strategy). This provides us with long-term and sustainable benefits not only for clients and employees but also for us as owners.

| DIETHELM KELLER GROUP | | |
|---|------|------|
| KEY FIGURES | 2017 | 2016 |
| Sales (in CHF million) | 1487 | 1556 |
| Employees at year-end | 5171 | 5067 |
| Net sales reported according to IFRS 570 m CHF | | |



Diethelm Keller Household Brands

Diethelm Keller Household Brands, including Zyliss, Cole & Mason, Culinare, Outdoorchef, Koenig and Turmix, is among the market leaders in the manufacture, marketing and distribution of innovative household and kitchen products. The unit's companies operate directly through seven subsidiaries and sell their products in more than 70 countries worldwide.



COLE & MASON
ENGLAND

CULINARE



KÖENIG

TUR MIX

ZYLISS, COLE & MASON, CULINARE

2017: SIGNIFICANT INCREASE IN ONLINE GROWTH RATES

Zyliss, Cole & Mason and Culinare experienced a busy year. Zyliss successfully launched the Control Knives range and entered the cookware market. Cole & Mason developed further its designs and mechanisms, and its products for food services. And the Jamie Oliver licence continued to show strong growth potential. Culinare has fully transitioned into a new updated packaging and competes with grocery's own brand kitchen tools.

Like in most industries, the traditional retail business is being disrupted by pure players like Amazon. So the companies fast adapted their online presence, with excellent success rates of plus 48 percent with Amazon in the US and close to 20 percent in the UK. At international level, the companies also grew in the key priority markets France, Germany, Benelux and Scandinavia.

OUTLOOK

Consumers are asking for healthy products while at the same time being opportunistic and cost-driven. All three companies have a clear focus on investments in their brands and R&D. A creative marketing campaign will support the evolution of Zyliss in new categories of gadgets, cookware and knives. Cole & Mason will unveil an amazing retail experience and create a

HIGHLIGHTS

Zyliss, Cole & Mason and Culinare increased online sales in the US and UK.

Zyliss launched its new Control Knives range and successfully entered the cookware market.

The separation of Outdoorchef, Koenig and Turmix into independent units was completed and went live in January 2018.

Koenig successfully launched the fully automatic coffee machine Finessa.

line of Seasoning and Flavouring products. For all brands the digitalisation of processes is quickened to improve accuracy, efficiency and availability. R&D is boosted for faster trendy product launches and for secondary packaging solutions to meet consumer expectations. Salesforces are restructured to come into contact with the consumer through customer relationship management programmes. So, amid long-term trends, all companies will grasp plenty of local and seasonal opportunities in 2018.

OUTDOORCHEF

2017: BUILDING A STRONG OUTDOORCHEF BRAND

In 2017, Outdoorchef started to operate as independent business. The separation of Outdoorchef from Koenig and Turmix was completed by the end of the year.

To foster brand recognition, Outdoorchef started a partnership with brand ambassador Roland Trettl, a well-known, award-winning cook who is seen frequently on TV.

OUTLOOK

Outdoorchef will continue to pursue its expansion strategy. Market share in Switzerland, Germany, Austria and Benelux, where Outdoorchef has its own subsidiaries, is increased. The company will expand its international footprint into selected attractive markets in Europe and the Pacific Rim. Several unique and outstanding products will be introduced and

targeted at the rapidly growing *foodies* market segment to ensure a continuous flow of new products and new sales. Accelerated investments in product development and marketing will strengthen the Outdoorchef brand.

KOENIG, TURMIX

2017: EXPANDING PRODUCT PORTFOLIO AND STRENGTHENING BRAND AWARENESS

In 2017, sales through online platforms exceeded CHF 2 million for the first time. Koenig successfully launched its fully automatic coffee machine *Finessa*. Two innovations, *Sous vide stick cooker* and *Vacuum Blender*, were launched in the Swiss market.

Turmix achieved a strategic asset deal with a premium retailer and refocused on its business in Switzerland.

OUTLOOK

Koenig is fostered as a leading brand in the Swiss home market. It will launch its first range of summer products with air conditioners and fan products in 2018. The Turmix brand will be repositioned in the Swiss market. Initiatives are implemented to grow off- and online sales, based on the respective strategies. Investments are focused on strengthening brand awareness to ensure that the brands are highly visible to customers.

DIETHELM KELLER HOUSEHOLD BRANDS

ZYLISS, COLE & MASON, CULINARE

Pierre Thomas, *Managing Director*
Richard George, *Finance Director*
Will Symonds, *Managing Director USA*

OUTDOORCHEF

Mario Hochstrasser,
Managing Director
Anastasia Kati, *Finance Director*

KOENIG, TURMIX

Thomas von Allmen,
Managing Director
Anastasia Kati, *Finance Director*

| KEY FIGURES | 2017 | 2016 |
|---------------------------|------|------|
| Sales (in CHF million) | 104 | 135 |
| Employees at year-end | 210 | 235 |



Diethelm Keller Premium Brands

Diethelm Keller Premium Brands is a global player and worldwide leader in the premium outdoor furniture sector. With its own manufacturing facilities in Cebu, Philippines and Surabaya, Indonesia, Diethelm Keller Premium Brands offers a wide selection of the best outdoor furniture in different materials.







2017: FURTHER GROWTH AND STRENGTHENING BRAND AWARENESS THROUGH DESIGNER COLLECTIONS

Diethelm Keller Premium Brands holds majority stakes in Dedon, Gloster and Garpa. The Group strives to expand these independent subsidiaries while safeguarding the unique character of their brands. In 2017, all three companies continued to expand their leading market positions and growth by augmenting their product portfolios and introducing new and innovative collections for dining and lounging, and by strengthening brand awareness.

Dedon, founded in 1990, invented a durable, environmentally friendly fibre that is hand-woven by the best artisans in the Philippines, where Dedon has its own furniture manufacturing facility in Cebu. The fibre production facilities are located at Dedon's headquarters in Luneburg, Germany. More than 700 people from over sixteen countries work for Dedon's five entities.

In 2017, Dedon saw good sales growth in the US and Europe, with its contract business increasing by 32 percent. The company successfully launched new, inspiring collections such as Dean, an aluminium sling chair, Brixx (upholstered furniture collection,

HIGHLIGHTS

Diethelm Keller Premium Brands strengthened leading market positions of all three brands.

Dedon was highly recognised in the industry by receiving a number of prestigious design awards. It safeguarded its leading position in the outdoor furniture market. Mbrace is the company's most successful new collection for years.

Gloster Indonesia celebrated its thirtieth anniversary in 2017 and received Design Excellence awards for its William Lounge Chair and the Bar Cart as well as a Manufacturing Excellence award in the ICFA Casual Market in Chicago.

Garpa strengthened its brand by the launch of innovative new products.

indoor and outdoor) and Tibbo, a furniture collection made of teak wood and fibre. Dedon won several important design awards with these new collections and safeguarded its leading position in the outdoor furniture market. The great success of Mbrace continued in 2017. This is the company's most successful new collection for years. Dedon attended the Milan furniture show with great success, attracting positive feedbacks from global customers.

Dedon continued to strengthen its organisation, augmenting the team with new supply chain experts. Processes, systems and structures are continually being improved to provide customers with the best possible service and quality. The Asia-Pacific business was restructured and a sales expert hired to exploit the full potential of this region.

Gloster, which has its own factory in Surabaya, Indonesia, is represented in 59 countries. As an international teak furniture specialist, Gloster maintains strict standards for sustainable materials sourcing.

In 2017, Gloster's sales increased significantly across all business entities, with substantial growth in the architect and design market in the US. Gloster Indonesia greatly increased manufacturing efficiency thanks to investments in new machinery and the modernisation of production planning. As in past years, the company won a number of Excellence awards for Design and Manufacturing in 2017, reflecting its status in the outdoor furniture industry.

Gloster Indonesia celebrated its thirtieth anniversary in 2017 with an event in Surabaya attended by 1,600 guests, including staff, family members and customers. The opening of the new Gloster studio in New York, which consolidates Gloster's premium brand identity, was celebrated with a party welcoming 200 guests from the media and design worlds.

Over the years, Garpa has developed an exclusive line of furniture and lifestyle products, all made in refined combinations of materials such as wood, stainless steel, weatherproof synthetic fibre, aluminium and stone. Garpa specialises in direct sales to private customers, with a particular market focus on Germany, Austria and Switzerland. Garpa achieved sales growth in 2017, mainly driven by core products and new customers. Brand building was strengthened by the launch of new products. A revised garden and park equipment catalogue and a separate home catalogue for indoor furniture were published. Garpa had successful spring exhibitions in five big cities in Germany.

OUTLOOK

To strengthen leadership positions and to position the various brands in their respective premium markets, Dedon, Gloster and Garpa will launch new collections in 2018. Brand awareness and product exposure will be supported by showrooms and participation in international furniture fairs. While Gloster focuses on increased exposure in key cities in the US (Los Angeles, Miami, Chicago, and New York), Dedon will complete the product portfolio with new lighting collections and new fabrics. Garpa is renovating its showrooms and will be launching four new collections in 2018.

DIETHELM KELLER PREMIUM BRANDS

DEDON

Jan van der Hagen, *Managing Director*
Matthias Finke, *Finance Director*

GLOSTER

Svend Loevbjerg, *Managing Director
and Advisor to the Board of*
Diethelm Keller Premium Brands
Kevin Ryan, *Finance Director*

GARPA

Thorsten Rief, *Managing Director*
Spyridon Zervas, *Finance Director*

| KEY FIGURES | 2017 | 2016 |
|---------------------------|------|------|
| Sales (in CHF million) | 155 | 141 |
| Employees at year-end | 1677 | 1613 |



Diethelm Keller Travel

Travel has historically been a key element in the operations of the Diethelm Keller Group. All three travel units – STA Travel, Diethelm Travel and Globetrotter (50 percent equity stake) and Explorer Fernreisen, acquired in 2017 (controlling interest) – are brought together within Diethelm Keller Travel. Their operations, subsidiaries and agents located in more than 55 countries deliver travel services and products to over 1.4 million travellers worldwide.



GLOBETROTTER
THE SWISS TRAVEL GROUP

EXPLORER
FERNREISEN

2017: FINDING THE BEST PARTNERS TO STRENGTHEN ITS MARKET POSITIONS

Diethelm Keller Travel increased sales in 2017 and secured more stable earnings in a volatile industry environment. Further efforts were taken to best exploit the entire value chain. This, along with the alignment of IT and execution processes, will remain the focus.

In 2017, Diethelm Keller Travel acquired together with its subsidiaries a controlling interest in Explorer Fernreisen, a leading outbound tour operator in Germany. Due to the different orientation of each of its travel companies, Diethelm Keller Travel is well positioned to offer authentic experiences to customers of all types.

STA TRAVEL

Established in Australia in 1971, STA Travel strives to make the most exciting travel experiences available to its customers, paying equal attention to its social and ecological footprint. In 2017, STA Travel saw further growth in partnerships with tourist boards, including Dubai Tourism, Visit Britain, Tourism Western Australia, Tourism Philippines, Destination Canada, Tourism Vancouver, Tourism Australia and Tourism New Zealand. Continued growth was achieved in the Emerging Markets. Singapore Airlines became a new SATA partner and STA Travel saw further SATA growth. STA Travel achieved fantastic results in land sales with Expedia and Travellers Autobarn seeing incremental growth. The tailor-made offer with individual tours has been relaunched under the new brand INDI. At the Global Youth Travel Awards 2017, STA Travel was voted best Youth Travel Agent for the best marketing campaign.

DIETHELM KELLER TRAVEL

Angelo C. van Tol, *Chairman*

STA TRAVEL

Reinhard Kotzaurek, *CEO*

DIETHELM TRAVEL

Stephan Roemer, *CEO*

Patama Narintarangkool, *CFO*

GLOBETROTTER GROUP

André Lüthi, *CEO*

Thomas Jäggi, *CFO*

EXPLORER FERNREISEN

Rüdiger Berger, *Managing Director*

Marco Hansen, *Managing Director*

Flights and tours are now available on the STA Travel app, along with access to customer cash card accounts. These allow STA Travel customers to connect with a customer service agent, manage their bookings or book additional products as they travel.

STA Travel continued its commitment to social responsibility for teenage cancer in Australia, UK and the US. Four new charity partners in Austria, Germany, Switzerland and Singapore were added in 2017.

OUTLOOK

In 2018, STA Travel will implement a growth strategy for the global expansion of the B2B business as well as a global air pricing strategy and further optimise global costs, processes, structure and IT infrastructure. Joint ventures are envisaged with Traveledge Australia, Australia's largest privately-owned travel management company, and Travelclub UK, which offers exclusive benefits to Grand UK Holidays travellers on selected coach holidays and tours.

DIETHELM TRAVEL

Based in Bangkok, Thailand, and with regional offices in twelve other countries, Diethelm Travel is a leading inbound tour operator service in Asia. In 2017, the company merged with Tourasia-owned businesses All Asia Exclusive, with offices in Thailand, Myanmar and Vietnam as well as Blue Horizons Travel & Tours, based in the Philippines. Both are high-end tour operators. Operational management of the merged activities is assumed by Stephan Roemer, founder and Managing Director of Tourasia. Following the integration, Diethelm Travel emerged stronger than ever, with the Philippines as the company's thirteenth destination, and a new commitment to establishing high-end quality management features to provide a flawless customer experience, enhanced online booking tools and 24/7 localised concierge services. Diethelm Travel is now the region's only destination management company with its own comprehensive network of locations throughout Southeast Asia serving discerning mid- to high-level clients. In addition to the merger, the company continued to grow its unique product lines, authentic local experiences and cutting-edge tools.

OUTLOOK

Diethelm Travel will stay focused on implementing new technology tools and realising its vision for differentiated client services and travel products. 2018 will see the launch of the company's new comprehensive Agent Portal – a cloud-based library from which agents can access content from all thirteen country offices. A dedicated suite of enhanced applications will give agents real time access to items such as dynamic rates and an interactive tariff solution. Diethelm Travel will finalise processes that have already been set in motion, such as ensuring that the company's new Total Quality Management protocols are in place throughout all operations in all countries. Technology will remain a core topic. To compete effectively within the industry's dynamic environment, business efficiencies, processes, distribution and connectivity are improved. Diethelm Travel will come up with more product innovations to further differentiate itself from competitors. Its sales distribution network will be enhanced by developing opportunities within some of its mature European markets such as Germany, France, UK, as well as expanding its presence in the US, Russia, Spain, Latin and South America and the wider Commonwealth of Independent States.

GLOBETROTTER

Globetrotter is a leading outbound tour operator in Switzerland, leveraging the advantages of its multi-brand strategy and combining specialised entities, each concentrating on niche markets. In 2017, the Globetrotter Group strengthened its market presence in Switzerland with the acquisition of Ozeania. Ozeania is a leading inbound tour operator, serving discerning clients travelling to Australia, New Zealand and the South Seas. There was a further increase in demand for tailor-made travel arrangements and for selected tour operators' niche travel products involving things like biking, trekking, languages, music, wellness and culture. The "Globetrotter Fernwehfestival" in Berne attracted more than 9,000 visitors in 2017, 16 percent more than in the previous year.

Overall, the Globetrotter Group holds fourteen majority and seven minority participations. Its major strength lies in delivering tailor-made solutions that fit customers' requirements in terms of destinations, timing and budget.

| DIETHELM KELLER TRAVEL | | |
|---|-------------------|------|
| KEY FIGURES | 2017 ¹ | 2016 |
| Sales (in CHF million) | 1369 | 1334 |
| Employees at year-end | 3308 | 3099 |
| Net sales reported according to IFRS 233 m CHF | | |

¹ Incl. sales and employees
of Explorer Fernreisen,
acquired in 2017

OUTLOOK

As the official partner of Swiss Olympic, Globetrotter handled travel arrangements to the Olympic Games in Pyeongchang, South Korea, for the Swiss delegation, the Swiss Broadcasting Corporation and many fans. In collaboration with Radio Energy, Globetrotter Group has launched the “Energy Cruise”, with party events in Genoa, Barcelona, Mallorca and Ibiza. The Globetrotter Group will also handle travel arrangements for music fans attending the seventh Rock & Blues Cruise on MSC Sinfonia with Manfred Mann’s Earth Band, Marla Glenn, Earth, Wind & Fire, Stefanie Heinzmann, Philipp Fankhauser and others. Exclusive charter cruises to Spitsbergen with Reto Brennwald and Thomas Bucheli are organised by Background Tours.

Further investments, clear positioning of individual brands and the ability to deliver outstanding travel services in niche markets will continue to be a key priority for the whole management team in 2018.

EXPLORER FERNREISEN

In 2017, a controlling interest in Explorer Fernreisen, a leading outbound tour operator with 13 travel agencies in Germany, was acquired. The company achieved a strong increase in booking revenues and saw a big demand for early bookings for 2018. There was a strong growth in the destinations Southern Africa, Indian Ocean, Canada and Indonesia. Explorer Fernreisen won the Thailand Excellence Green Award for Sustainable Tourism, presented by Her Royal Highness Princess Ubolratana of Thailand on behalf of the Thailand Tourism Authority.

OUTLOOK

In 2018, Explorer Fernreisen further increases sales and signs marketing cooperation contracts with major Australian tour operators and intensifies the cooperation with Sandals Resorts, all-inclusive luxury vacation resorts in the Caribbean, to become its leading partner for bookings in Germany. Explorer Fernreisen strengthens its market position in the niche of longhaul tour operators in Germany. Outstanding travel consulting, customer-orientation, web presence and travel agencies in major German cities will remain key success factors.





Diethelm Keller Industrial

Wetrok and Diethelm Keller Aviation operate as two independent companies under the umbrella of Diethelm Keller Industrial. They are well positioned to build up leading positions in their respective markets.



Diethelm Keller
Aviation

WETROK

2017: PROFITABLE GROWTH AND FLOW OF NEW PRODUCTS

Wetrok is an innovative specialist in professional cleaning solutions. Sales continued to grow in most of its markets in 2017. As in previous years, considerable resources were allocated to innovation in both products and services. A number of innovative products were launched, including Wetrok MonovacFreedom, a cordless vacuum cleaner based on li-Ion technology, Wetrok Granuline, a family of chemical products based on granulate, packed in small sticks, and Wetrok's new mop range. Wetrok participated in the Cleaning Management Services fair in Berlin, where the company won the Purus Innovation Award for Wetrok Granuline.

OUTLOOK

In 2018, Wetrok celebrates its seventieth anniversary. The company further increases sales and gains market share in its geographical regions. Growth will be boosted by the launch of several innovative products, including Discomatic Bolero, WetrokTracking System, based on new autonomous cleaning equipment, Wetrok Mepol and additional products to complete the Wetrok Granuline range. As innovator in the business, Wetrok will roll out its new invention of cleaning solutions, hardware and software and increase the effectiveness of cleaning activities in its targeted segments. The company will attend the Interclean fair in Amsterdam in 2018.

DIETHELM KELLER INDUSTRIAL

WETROK

Thomas Kyburz, *Managing Director*
André Stucker, *Finance Director*

| KEY FIGURES | 2017 | 2016 |
|---------------------------|------|------|
| Sales (in CHF million) | 67 | 67 |
| Employees at year-end | 215 | 222 |

HIGHLIGHTS

Wetrok launched new innovative products.

Wetrok won the Purus Innovation Award for Wetrok Granuline.



COOKIE

BEV. CUPS

SERVICE ITEMS

SERVICE

JUICE

Trolley must be stowed and secured during taxi, take-off, turbulent weather and landing. Trolley must not be left unattended when removed from its stowage.
The gross weight of this cart or the combined gross weight of two carts and any other cart when stacked together, must not exceed the maximum weight of the compartment when loaded.

WASTE

NO CIGARETTE DISPOSAL

WASTE REMOVAL SYSTEMS INSTALLED DURING 1970, 1980, 1990, 2000 AND 2010.
Tobacco must be removed and secured during taxi, take-off, turbulent weather and landing. Trolley must not be left unattended when removed from its stowage.
The gross weight of this cart or the combined gross weight of two carts and any other cart when stacked together, must not exceed the maximum weight of the compartment when loaded.

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Diethelm Keller Aviation

Diethelm Keller Aviation

Diethelm Keller Aviation

Diethelm Keller Aviation

NO WASTE DISPOSAL

DIETHELM KELLER AVIATION

2017: STABLE PROFITS IN A COMPETITIVE ENVIRONMENT

Diethelm Keller Aviation is one of the world's leading manufacturers of aircraft galley equipment. The company designs, develops and manufactures a wide range of galley products for commercial airlines and well-known aerospace manufacturers, including Boeing and Airbus.

Diethelm Keller Aviation is headquartered in Singapore and its presence in China has provided a firm platform for export-oriented products.

Sustainable profitability was made possible by initiatives to improve production efficiency and cost reduction, while overall production of airline carts and containers continued to increase.

During the year, Diethelm Keller Aviation achieved a historic milestone, with the production of the 100,000th Ecolite Cart.

OUTLOOK

The company sees another profitable year. Its innovative Ecolite II Carts will attract additional orders from airline customers contributing to a solidly profitable performance in 2018. Expansion will be achieved with airlines in the Middle East.

DIETHELM KELLER INDUSTRIAL

DIETHELM KELLER AVIATION

Chia Chee Seng, *Managing Director*
Liew Yat Kay, *Finance Director*

| KEY FIGURES | 2017 | 2016 |
|---------------------------|------|------|
| Sales (in CHF million) | 20 | 21 |
| Employees at year-end | 198 | 206 |

HIGHLIGHTS

Diethelm Keller Aviation achieved a historic milestone producing the 100'000th Ecolite Cart.



Diethelm Keller Investments

Angela Bruderer is a Swiss-based, multichannel distributor of household goods, home accessories, wine and personalised items. It was founded in 1980 and acquired by the Diethelm Keller Group in 2012. Operating under the umbrella of Diethelm Keller Investments, it is systematically diversifying its business portfolio and online shop.



2017: SIGNIFICANT ONLINE SHOPPING GROWTH

Angela Bruderer achieved a solid performance in 2017. Online trading went from 55 to 60 percent of total sales, resulting in more cost savings and allowing more focused marketing activities. The household goods segment had another year of strong growth and the healthcare segment, with its further diversified product portfolio, could be expanded significantly. A new advertising concept has been launched for the bed accessories segment, and a corresponding magazine will be issued periodically. A new channel for print marketing was established, and first tests with personalised print advertising showed encouraging results. A new telephone and call centre system was put into operation at Angela Bruderer.

OUTLOOK

In 2018, a further expansion of the retail business is achieved by diversifying the product portfolio. Investments will be focused on the expansion of the healthcare and household goods segments. A new catalogue for outdoor and garden products will be issued.

DIETHELM KELLER INVESTMENTS

ANGELA BRUDERER

Jochen Thomann, *Managing Director*

| KEY FIGURES | 2017 | 2016 |
|---------------------------|------|------|
| Sales (in CHF million) | 37 | 37 |
| Employees at year-end | 78 | 81 |

HIGHLIGHTS

Online trading went from 55 to 60 percent of total sales.

Both the healthcare and household goods segment are key growth areas.



Diethelm Keller Real Estate

Shareholder Services

DIETHELM KELLER REAL ESTATE

In 2017, Diethelm Keller Real Estate focused on the major Eggbuehl-Areal project in Zurich, as well as on renovating existing properties in Switzerland, and the assessment of properties abroad.

In 2015, the strategic decision was taken to redevelop the Eggbuehl-Areal, previously a commercial site, as a residential complex for the rental market. Following the decision about the architectural concept and completion of the planning phase in 2016, the authorisation procedure was successfully completed in 2017. Construction has started and the complex should be ready for occupation in the second half of 2020.

The modern building complex will accommodate 135 apartments for mixed use. It will also have a small commercial zone.

The comprehensive refurbishment of the office building at Eggbuehlstrasse 28 in Zurich was completed at the end of January 2018. Various renovation projects at properties in Switzerland have been initiated.

The assessment of the international portfolio has been completed. Projects will be set up with local partners where we see a need for action.

SHAREHOLDER SERVICES

The Shareholder Services unit has two main functions. It provides information and support services to shareholders and is responsible for the organisation of shareholder events. The unit also assists the Board of Directors as its Secretary.



Eggbuehl-Areal, Zurich (architectural rendering)

DIETHELM KELLER REAL ESTATE

Daniel R. Jagmetti

SHAREHOLDER SERVICES

Daniel R. Jagmetti



Strategic Investments

DKSH HOLDING LTD.

DKSH is the leading Market Expansion Services provider with a focus on Asia. The company, which was publicly listed on the SIX Swiss Exchange in 2012 and trades under the symbol DKSH, supports western and Asian firms in developing their business in new or existing Asian markets.

Sales in 2017 exceeded CHF 11 billion for the first time. Organic growth constituted the greater part of the increase. DKSH generated strong growth in Vietnam, Laos, Cambodia and Myanmar. With 825 business locations in 37 countries (800 of them in Asia) and around 32,000 specialists, DKSH generated sales of CHF 11 billion and after tax profit of CHF 213 million.

Highlights in 2017 included the acquisitions of the medical device distributor Europ Continents in Cambodia, field marketing provider IMA in Vietnam and PT Wicaksana in Indonesia.

Despite muted consumer demand in Thailand caused by political developments, Business Unit Consumer Goods managed to keep its result on last year's level. DKSH's Business Unit Healthcare continued to grow strongly and further expanded its leading market presence. Sales in Business Units Performance Materials and Technology rose due to higher demand for capital goods and specialty raw materials.

The promising business development pipeline from clients around the world and the opening of further distribution centres in Asia will drive DKSH's expansion. DKSH is confident to increase sales and profit growth rate in 2018.



DKSH HOLDING LTD.

Stefan P. Butz, CEO

Board of Directors

Joerg W. Wolle, Chairman

Rainer-Marc Frey ¹

Frank Ch. Gulich

David Kamenetzky

Adrian T. Keller

Andreas W. Keller

Robert Peugeot

Theo Siegert

Hans Christoph Tanner

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Eunice Zehnder-Lai ²

DKSH SENIOR EXECUTIVE TEAM

Stefan P. Butz, *CEO*

Bernhard Schmitt, *CFO*

Martina Ludescher, *CCO*

and Head Business Unit Consumer Goods

Stephen Ferraby, *Head Corporate*

Affairs & Strategic Investments

Bijay Singh, *Head Business Unit Healthcare*

Thomas Sul, *Co-Head Business Unit*

Performance Materials

Natale Capri, *Co-Head Business Unit*

Performance Materials

Hanno Elbraechter, *Head Business Unit*

Technology

Christopher Pollard, *Head Supply Chain*

Management

Michael Hutab, *Chief Information Officer*

¹ Until the AGM, March 2018

² Proposed for election at the AGM, March 2018

| KEY FIGURES | 2017 | 2016 |
|---------------------------|--------|--------|
| Sales (in CHF million) | 11 006 | 10 505 |
| Employees at year-end | 31 973 | 30 318 |

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