

# 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 2016, the five operating units employed more than 5,000 people in 28 countries.

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

In 2016 we saw major political changes with the vote for Brexit in the UK, the presidential elections in the USA and from an economical standpoint the still unfavourable Swiss Franc – Euro exchange rate. It was a difficult environment for Swiss companies to grow their businesses outside the domestic market. Despite adverse circumstances, the operating units of the Diethelm Keller Group did well in strengthening their market positions by focusing on product innovations, customer orientation and quality. The diversity of our brand portfolio continues to be a valuable asset.

Diethelm Keller Brands performed well and achieved further sales growth in its various household and kitchen products segments. The Zyliss Swift Dry Salad Spinner, featuring patented technology, was launched and won a Red Dot Design Award. The new Zyliss Spiralizer had a good start with a remarkable volume of sales. Cole & Mason's new fresh herbs range was nominated for industry awards in both the UK and USA. Following the decision to streamline the business and focus on operational excellence the complete separation of Outdoorchef, Turmix and Distribution Services into independent units was initiated, starting with Turmix, based in Winterthur, becoming an independent company in October. Following our objective to concentrate on proprietary brands, we amicably agreed with Nespresso to discontinue our good, 25 year-long cooperation.

The Diethelm Keller Premium Brands companies Dedon, Gloster and Garpa performed well in 2016 and strengthened market positions and brand awareness by launching new collections in dining and lounging, and by leveraging on synergies between the companies and the development of new markets. Dedon was ranked 8<sup>th</sup> among the top 50 luxury brands in Germany. Gloster received prestigious design awards like the Best of Show for Grand Weave in ICFA Chicago and a Pinnacle design award in the Casual Dining category. Garpa invested in brand building and started to roll out its new luxury range.

Diethelm Keller Travel with its units STA Travel, Diethelm Travel and Globetrotter (50% ownership) achieved a revenue increase and secured stable earnings in 2016. STA Travel saw a further strong passenger growth and investments across all customer channels resulted in strong demand throughout the year. Diethelm Travel further expanded sales and developed new product lines for the family and luxury markets through Diethelm Moments, Go Local and Diethelm Family. In order to streamline the booking process, a new website and online booking platform were launched and a new IT system connecting directly with agents was implemented. Globetrotter had a record year focusing on both, the multi-brand strategy and the highly decentralised operations within the Group. As the official partner of Swiss Olympic, Globetrotter handled travel arrangements to the Olympic Games in Rio for the Swiss delegation, the Swiss Broadcasting Corporation and, for the first time, served Austrian athletes, journalists and fans. Globetrotter acquired BICI AktivFerien, specialised in biking, hiking and running tours in Sardinia and Himalaya Tours, a specialist in trekking for groups and individuals. With two well received evening shows in Berne and Zurich Globetrotter celebrated its 40<sup>th</sup> birthday in style.

Diethelm Keller Industrial reports solid results for the year for both subsidiaries, Wetrok and Diethelm Keller Aviation. Cleaning technology specialist Wetrok grew in all its branches. Considerable resources were allocated to innovation in products and services and launches of new products helped to achieve international success and expansion. Diethelm Keller Aviation, one of the world's leading manufacturers of aircraft galley equipment, grew remarkably in 2016 despite uncertainties in the geopolitical environment. The company received an award from Boeing for its dedication to performance excellence, reflecting its status in the industry.



Under Diethelm Keller Investments, the Swiss-based mail-order house Angela Bruderer had a solid performance in 2016. It successfully diversified its product offering with the launch of a healthcare segment. The newly installed consignment system, providing automated logistic functions, twice as much warehouse space and greater efficiency, ideally fulfils the current and future online trading requirements.



Diethelm Keller Real Estate proceeded with the Eggbuehl-Areal project, redeveloping the area as a residential property for the rental market. In 2016 the planning phase was completed and the authorisation procedure began. Construction is expected to start at the beginning of 2018.

At DKSH Holding Ltd. of which the Diethelm Keller Group is the anchor shareholder, Joerg Wolle took over as Chairman of the Board of Directors from Adrian T. Keller at the Annual General Meeting on March 23, 2017. Stefan Butz succeeded Joerg Wolle after 15 years as CEO of DKSH Holding Ltd. Adrian T. Keller and the undersigned remain members of the DKSH Board of Directors, underlining the long-term commitment of the Diethelm Keller Group towards DKSH Holding Ltd. and ensuring continuity for the future.

The Board of Directors and I would like to express our gratitude and appreciation to our customers, long-term business partners and friends for their loyalty and support. Our sincere thanks go to the staff of all the companies in the Diethelm Keller Group for their dedication, commitment, loyalty and support to ensure that we will continue to grow successfully in the future.

A stylized, handwritten signature in dark ink, appearing to read 'A. Keller'.

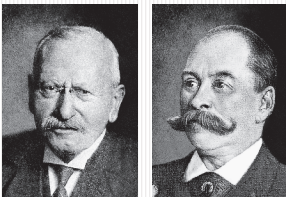
Andreas W. Keller  
Chairman

# 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.

Although the cooperation between the two families and their companies dates back to the beginning of the 20<sup>th</sup> century, the Diethelm Keller Group was not established until a hundred years later, in July 2000, when the two groups merged into the newly estab-



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.

lished 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.

In 2013, all wholly- or majority-owned companies within the Group were organised into four business units: Diethelm Keller Brands, Diethelm Keller Travel, Diethelm Keller Industrial and Diethelm Keller Investments.

The following year, the new Diethelm Keller Premium Brands was established to bundle the outdoor furniture activities of Gloster and Dedon. A 75% stake was also acquired in Garpa, to achieve a leading position in the premium outdoor furniture sector globally.

DKH's travel activities date back to the 1950s, when Diethelm & Co. Ltd. began to offer travel services in Southeast Asia. Today, Diethelm Travel is a leading destination management company in the region. In 2013, a 50% equity stake was acquired in Globe-trotter Group, and Diethelm Keller Travel was established to better integrate and coordinate DKH's various travel activities. The unit also includes STA Travel, which was acquired in 1979. Established in the early 1970s, STA is today the world's premier travel organisation for students and young travellers.

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% stake Diethelm Keller Holding remains the company's anchor shareholder.

## Our values

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

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### RESPECT

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

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### FAIRNESS

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

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### 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.

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### 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.

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### 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.

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### SUSTAINABILITY

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

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### 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.

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### 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.

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## DIETHELM KELLER HOLDING LTD.

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### BOARD OF DIRECTORS

Andreas W. Keller, *Chairman*  
Adrian T. Keller, *Vice Chairman*  
Jean-Daniel de Schaller  
Joerg W. Wolle  
Rudolf Ehrbar

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### EXECUTIVE COMMITTEE

Andreas W. Keller  
Adrian T. Keller

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### STRATEGY COMMITTEE

Andreas W. Keller, *Chairman*  
Adrian T. Keller  
Joerg W. Wolle

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### AUDIT COMMITTEE

Rudolf Ehrbar, *Chairman*  
Adrian T. Keller

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## DIETHELM KELLER MANAGEMENT

Angelo C. van Tol, *Chief Executive Officer*  
Beat Schwendener, *Chief Financial Officer*  
Frank Wilper, *General Counsel/Head M & A*  
Stephan Heinemann, *Head Corporate  
Business Intelligence*

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## DIETHELM KELLER REAL ESTATE, SHAREHOLDER SERVICES

Daniel R. Jagmetti

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## AUDITOR

Ernst & Young Ltd., Zurich

# Diethelm Keller Group

DKH HOLDING LTD.  
DIETHELM KELLER HOLDING LTD.

OPERATING UNITS		STRATEGIC INVESTMENTS
Angelo C. van Tol, CEO		
<div>DIETHELM KELLER BRANDS <i>Ownership 100 %</i></div>	DIETHELM KELLER REAL ESTATE	<div>DKSH HOLDING LTD. <i>Ownership 45 %</i></div>
<div>DIETHELM KELLER PREMIUM BRANDS <i>Ownership 78 %</i></div>	Daniel R. Jagmetti	Stefan P. Butz, CEO
<div>DIETHELM KELLER TRAVEL <i>Ownership 85 %</i></div>		<i>Board of Directors</i>
<div>DIETHELM KELLER INDUSTRIAL <i>Ownership 100 %</i></div>		Joerg W. Wolle, Chairman
<div>DIETHELM KELLER INVESTMENTS <i>Ownership 100 %</i></div>		Rainer-Marc Frey
		Frank Ch. Gulich
		David Kamenetzky
		Adrian T. Keller
		Andreas W. Keller
		Robert Peugeot
		Theo Siegert
		Hans Christoph Tanner

# Diethelm Keller Group

## Operational Units

### DIETHELM KELLER BRANDS

*Ownership 100%*

Diethelm Keller Brands owns a portfolio of leading Swiss and international proprietary brands focused on the design, production and marketing of innovative household products. The unit's Manual Appliances and Electrical & BBQ divisions each maintain a strong and effective market presence, and regularly launch a wide range of new and innovative products in their respective markets. Diethelm Keller Brands employs 235 people in seven countries, and sells its products in more than 60 countries.



COLE & MASON  
ENGLAND

CULINARE

TUR MIX

KÖENIG



### 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

GLOSTER

GARPA



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DIETHELM KELLER  
TRAVEL  
*Ownership 85%*

Diethelm Keller Group is known for its pioneering spirit and tradition, and travel has historically been a key element in its operations. As part of its continuous expansion strategy, all the Group's travel-related units were consolidated within Diethelm Keller Travel in 2013. With subsidiaries and agents in more than 55 countries, Diethelm Keller Travel serves over 1.2 million travellers around the world every year.



GLOBALTROTTER  
THE SWISS TRAVEL GROUP

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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 428 people.



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Diethelm Keller  
Aviation

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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 mid-term gains.



This overview reflects the status as of April 2017.

The number of employees refers to 31 December 2016.



*“luck is found,  
and fortune is made”.*

DIETHELM KELLER GROUP  
OPERATING UNITS

Angelo C. van Tol, CEO

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DIETHELM KELLER  
BRANDS  
*Ownership 100 %*

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DIETHELM KELLER  
PREMIUM BRANDS  
*Ownership 78 %*

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DIETHELM KELLER  
TRAVEL  
*Ownership 85 %*

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DIETHELM KELLER  
INDUSTRIAL  
*Ownership 100 %*

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DIETHELM KELLER  
INVESTMENTS  
*Ownership 100 %*

*Mr van Tol, you yourself have been an entrepreneur for many years and are now the CEO of the Diethelm Keller operating units. What do you consider your personal key to success?*

**A** After many years as an entrepreneur, I am able to make educated and where rewarding, quick and sometimes brave decisions based on fundamental analyses. The bigger and more complex the structures present themselves, the more you have to sort through them properly.

Direct communication channels to the Board of Directors and especially the Chairman, a small but strong Senior Management Team at my side, good people skills and solid brand knowledge are key.

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*How would you describe your style of leadership?*

The best description for my challenge is that of a conductor of a large orchestra. In this function, it is essential that the conductor knows how to play an instrument himself to appreciate the right resonance. I am comfortable with both, conducting and/or playing. It is essential to me to encourage members of my leadership team to be willing to take their own decisions. In the corporate world titles are necessary to reward best talents, political behaviour is counterproductive. The highest ambition of mine is to recognise talents, hold up virtues and develop outstanding people skills.

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*What do you believe is important when managing a brand?*

All brands have to have their own DNA. R&D and marketing play a major role, as they are the Achilles heel of all brands. Trademark features and a strong individual message are imperative to success. This is the reason for us investing in innovation, design and brand development. All the while Operations, Finance, Legal and Compliance are the bases for solid execution.

*What is the strategy of your brand portfolio for the coming years?*

We have structured our portfolio into four main brand divisions over the past years: travel, luxury furniture, household appliances and industrial products. We intend to further expand these divisions by organic growth and select acquisitions particularly in the digital space by following a much more focused “buy and build strategy”. It is our professed goal to reach and maintain a leading position in each market segment we are active in.

*Does the Diethelm Keller Group also invest in other areas?*

Diethelm Keller’s fifth division – Diethelm Keller Investments – will continue to engage with and invest in interesting, small and mid-cap companies, succession opportunities and start-ups in our relevant business segments.

Although opportunistic, we will never compromise on the quality, sustainability of business and integrity of people we engage with. Ideally, these companies could subsequently be integrated into our existing brand portfolio.

*What are your plans for the current year?*

As a guidance after years of strong EBIT, we invest in top line growth. In weaker years, we tend to return to bottom line consolidation. Based on the healthy bottom line results of 2016, management team and the owner families decided to put the focus in 2017 on new investments and expand top line growth and brand awareness.

As a general observation, I believe that in a world of increasing instability and political uncertainty, there will be special opportunities for acquisitions and in this setting I am fortunate to be backed and supported by a forward looking and long-term thinking family.

DIETHELM KELLER GROUP		
KEY FIGURES	2016	2015
Gross sales (in CHF million)	1556	1559
Net sales (in CHF million)	595	597
Employees at year-end	5067	5044







# Diethelm Keller Brands

Diethelm Keller Brands, with its two divisions Manual Appliances and Electrical & BBQ, is among the market leaders in the manufacture, marketing and distribution of innovative household and kitchen products. The divisions operate directly through seven subsidiaries, and sell their products in more than 60 countries worldwide.



COLE & MASON  
ENGLAND

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CULINARE

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TUR MIX

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KÖENIG

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## MANUAL APPLIANCES

### 2016: FURTHER GROWTH AND SOLID PERFORMANCE

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Thanks to its long-term growth strategy, which focuses on brands and product innovation, Manual Appliances saw further progress in 2016, with solid sales growth and good profit. Despite continuing challenges in the UK due to Brexit, and despite the rapid changes in the US retail market, overall net sales were four percent higher than in the previous year (on a constant exchange rate base), with growth driven largely by the UK and international markets. Each of the subdivision's brands grew and successfully launched new products, with Zyliss and Jamie Oliver contributing most to sales growth.

The Zyliss brand expanded into the Food Storage sector and built up successful sales and distribution in the USA and UK. The Zyliss Swift Dry Salad Spinner, featuring patented technology, was launched and won a Red Dot Design Award. The new Zyliss Spiralizer had an excellent start, with a remarkable volume of sales in the first nine months from launch.

New products were also successfully launched by Cole & Mason. Its new premium wooden Ardingly mill soon became a top seller. The new fresh herbs range was nominated for industry awards in both the UK and USA.

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#### HIGHLIGHTS

The new Zyliss Spiralizer sold 250'000 units in the first nine months.

Cole & Mason's new premium wooden Ardingly mill became a top seller.

The complete separation of Outdoorchef, Turmix and Distribution Services into independent units was initiated, starting with Turmix.

Diethelm Keller Brands discontinued the collaboration with Nespresso amicably after 25 years and focuses on its own brands.

The new Jamie Oliver bakeware range, introduced in the spring, was able to exploit the global baking trend and added significant new sales to the Manual Appliances division in many countries worldwide.

The 30<sup>th</sup> anniversary of the Ken Hom Wok and the partnership between Ken Hom and Diethelm Keller was celebrated at a series of well received roadshows and PR events in 2016. The brand saw further double-digit growth, with sales increasing by 18 percent.

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#### OUTLOOK

Investment in new product development will continue to rise, and 2017 will see Zyliss expand into new categories with the launch of Zyliss Control knives. New additions will also be made to the Cole & Mason and Culinare brands, with a complete new-look for Culinare packaging and products. The continuous flow of new products and store placements, backed up where possible by in-store support, will be enhanced by digital marketing campaigns that ensure key brands are highly visible to customers.

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#### ELECTRICAL & BBQ

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##### 2016: BUILDING INDEPENDENT UNITS

Electrical & BBQ continued its efforts to streamline the business, focus on operational excellence and leverage the "Swiss innovation" philosophy. Following the decision to concentrate on kitchen appliances and BBQ products, the consumer electronics distribution business was spun-off through an MBO in the previous year. In 2016 the complete separation of Outdoorchef, Turmix and Distribution Services into independent, stand-alone units was initiated. As a first step, Turmix was carved out in October to become an independent company within the Group.

Another major strategic decision was taken early in 2016 when Diethelm Keller Brands decided to concentrate resources on its proprietary brand portfolio. As a consequence, Diethelm Keller Brands and Nespresso mutually and amicably agreed to discontinue their 25 year-long cooperation.

Several products were launched in 2016, including more than 40 new Koenig products and a variety of BBQ products and accessories. All brands embarked on significant product development initiatives to improve, expand and renew their portfolios with state-of-the art products. These new products were well received by channel partners and end-users.

Both Electrical & BBQ faced challenging market conditions, mainly due to the unfavourable retail environment in Switzerland. By contrast, the Outdoorchef brand developed well internationally and met its ambitious goals thanks to strong growth in existing (Northern Europe) and new (Eastern Europe) markets.

#### OUTLOOK

Electrical and BBQ start to operate as independent businesses in 2017. The complete separation of the two units, financially and legally, will be completed by the end of the year.

Electrical continues to focus on building the Koenig brand, launching another wave of new products and expands into new distribution channels. Additional investments in brand marketing will further support our efforts to make Koenig a leading brand in its Swiss home market.

BBQ is integrating its business into the Outdoorchef brand and embarks on an aggressive expansion strategy. Significant investments in product development will lead to a number of new product launches. Accelerated marketing efforts will strengthen the brand, while new partnerships in attractive markets will increase the international footprint.

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#### DIETHELM KELLER BRANDS

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##### MANUAL APPLIANCES

Nick Cornwell, *Managing Director*  
Richard George, *Finance Director*  
Will Symonds, *President USA*

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##### ELECTRICAL & BBQ

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

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KEY FIGURES	2016	2015
Net sales (in CHF million)	135	137
Employees at year-end	235	261

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# 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 luxury outdoor furniture in different materials.

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DEDON

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GLOSTER

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GARPA

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## 2016: ENHANCING INNOVATION AND BRAND POSITIONING

Diethelm Keller Premium Brands holds majority stakes in Dedon, Gloster and Garpa. The aim is to further the expansion of these independent subsidiaries while safeguarding the unique character of their brands. Currently Dedon, Gloster and Garpa employ more than 1,600 people worldwide, with a presence in more than 80 countries. In 2016 all three companies continued to improve their leading markets positions and growth by augmenting product portfolios and introducing new and innovative collections in 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 16 countries work for Dedon's four entities. In 2016 Dedon successfully launched a series of inspiring and innovative collections in new materials, designed by top international designers, with the aim of growing the business further and complementing the dining and lounging product portfolio.

#### HIGHLIGHTS

Diethelm Keller Premium Brands improved their leading market positions.

Dedon was ranked 8<sup>th</sup> among the top 50 luxury brands in Germany.

Gloster was highly recognised in the industry receiving a number of prestigious design awards like the Best of Show for Grand Weave in ICFA Chicago, a Pinnacle design award in the Casual Dining category by the American society of Furniture Designers.

Garpa invested in brand building and rolled out its new premium range.

Dedon won a number of important design awards for the new collections like the Interior Design Best of the Year Award for Tigmi and the Iconic Interior Innovation Award Best of Best for Mbrace, reflecting its excellent reputation in the luxury outdoor furniture market. The company continued to strengthen its worldwide presence and sales organisation, opening new showrooms in Dallas, Washington, Houston and Chicago in the USA, as well as in Sydney, Australia. New partnerships were forged with premium and luxury hotels, while contracts were signed for furnishing outdoor areas at five star plus luxury hotels worldwide. Significant efforts were made to improve processes, systems and structures, and experts were hired to ensure the best possible customer service. Dedon showed its refreshed corporate look and new appearance for the first time at the Milan Furniture Show.

Gloster has its own factory with close to 700 craftsmen in Surabaya (Indonesia) and is represented in more than 50 countries. As a multiple international design award-winning teak furniture specialist, Gloster maintains strict standards for sustainable material sourcing. In 2016, Gloster's net sales were slightly up on the previous year, driven mainly by the private label business via Gloster Indonesia and the US market. Gloster Indonesia achieved a substantial increase in manufacturing efficiency thanks to investments in new machinery and the modernisation of production planning. The latest showroom remodelling in Los Angeles consolidated Gloster's premium brand identity and reflects its status in the industry.

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 2016, mainly driven by investment in contract sales activities. This investment will continue to pay off in 2017. Brand building was focused on the development and introduction of a new creative identity for Garpa. A strong product pipeline for 2017/2018/2019 was developed using the competences and resources of the Diethelm Keller Premium Brands Group.

#### OUTLOOK

Efforts will continue to clearly position the various brands in the premium outdoor furniture market. A full range of products will be offered based on brands using different materials. Dedon, Gloster and Garpa launch new collections in 2017. New product developments and brand awareness will be supported by synchronising channel activities – showrooms, online shop, participation in international furniture fairs, etc. – to provide better product exposure. The overall business performance is enhanced by leveraging further synergies and establishing a premium contract business.

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#### DIETHELM KELLER PREMIUM BRANDS

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##### DEDON

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Jan van der Hagen, *Managing Director*  
Renate Hauser, *Finance Director*

##### GLOSTER

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

##### GARPA

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Oliver Michels, *Managing Director*  
Spyridon Zervas, *Finance Director*

KEY FIGURES	2016	2015
Net sales (in CHF million)	141	133
Employees at year-end	1613	1699





# Diethelm Keller Travel

Travel has historically been a key element in the operations of the Diethelm Keller Group. All three travel-related units – STA Travel, Diethelm Travel and Globetrotter (partnership) – are brought under Diethelm Keller Travel. Their operations, subsidiaries and agents in more than 55 countries deliver travel services and products to over 1.2 million travellers worldwide.



**GLOBETROTTER**  
THE SWISS TRAVEL GROUP

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## 2016: SOLID SALES AND PASSENGER GROWTH

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By bringing its three units closer together and tapping into the synergies between them, Diethelm Keller Travel produced additional revenues and secured more stable earnings in a volatile industry. Achieving the best possible coverage of the entire value chain remains vitally important, and this, along with an alignment of IT and execution processes, will remain the focus.

Thanks to the different orientation of each of its travel companies, the Group is well positioned to offer authentic experiences to customers of all types.

## STA TRAVEL

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STA Travel once again experienced strong passenger growth in 2016, with Central Europe, Australia and South Africa providing the greatest increases in passenger numbers. Investments across all customer channels resulted in strong demand throughout the year. A new online tours platform was launched across all markets in 2016, and STA Travel established centralised operations and finance teams in Eastern Europe.

Continuous growth in air passenger volume strengthened relationships with key student and youth airline partners Emirates, Qantas, Air New Zealand. There was also further growth in tourist



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DIETHELM KELLER TRAVEL

Angelo C. van Tol, *Executive Chairman*

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STA TRAVEL

John Constable, *Chief Executive Officer*

Steve Jenkins, *Chief Financial Officer*

Paul Maine, *Chief Commercial Officer*

Kate Howard, *Customer and*

*IT Operations Director*

Reinhard Kotzaurek, *Regional*

*Managing Director Central Europe*

Bryce Young, *Regional Managing*

*Director Asia and Pacific*

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DIETHELM TRAVEL

Lisa Fitzell, *Chief Executive Officer*

Patama Narintarangkool,

*Chief Financial Officer*

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GLOBETROTTER GROUP

André Lüthi, *Chief Executive Officer*

Thomas Jäggi, *Chief Financial Officer*

board partnerships, including with Tourism Australia, Destination New South Wales, Tourism New Zealand, Visit Britain, Brand USA and Philippines. New agreements were signed with the Thailand Tourism Board, Dubai Tourism Board, Canadian Tourism Commission, Tourism Vancouver and Tourism Western Australia. This strongly reflects the importance of the destinations to which customers travel.

STA Travel continued its commitment to social responsibility, joining forces on a fund raising campaign with teenage cancer charities in Australia, New Zealand, Austria, UK and the USA.

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OUTLOOK

Prospects for 2017 look encouraging, with continuous sales and passenger growth. STA Travel's core markets – the UK, Germany, Australia and the USA – started the year well and remain focused on being the number one choice for students and travellers wishing to "Start Their Adventure". In 2017 the Central European market will benefit from the introduction of the IT platform that currently provides online services for all the other markets. There will also be a number of improvements to the STA Travel app, as it becomes the core tool for travelling STA Travel customers who wish to connect with a customer service agent, manage their booking, or book additional products as they travel.

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DIETHELM TRAVEL

Operating from its home base in Bangkok, Thailand, Diethelm Travel is a leading destination management company for inbound travel in South-East Asia. Despite various political and economic uncertainties in the region, Diethelm Travel saw growth from the UK, US and Russian markets and from the luxury and adventure segments. It further expanded sales with existing customers while developing a clear focus and strategy around new customers in 2017 and beyond. New product lines were developed for the family and luxury markets through Diethelm Moments, Go Local and Diethelm Family. A new sales structure was implemented, which delivered an increase in new business. A new website and online

booking platform were launched in 2016 to provide new services and a better customer experience. A new IT system connecting with agents was implemented across the network in order to streamline the booking process. Diethelm Travel has re-entered the Indian market through a partnership agreement with Yatra.

#### OUTLOOK

Diethelm Travel's focus for 2017 will be on sales growth and the integration of new business won in 2016. New sales offices in Munich, London and Los Angeles will be leveraged to further develop sales in Europe, the UK and USA. The opportunities created by new technology will be further exploited to improve customer services and booking facilities.

#### THE GLOBETROTTER GROUP

Our clients tend to travel three times a year on an average and have a strong preference for individual holiday experiences. This is very favourable for both the multi-brand strategy and the highly localised operation of the Globetrotter Group.

Globetrotter Group saw another remarkable rise in net sales in 2016. There was a further increase in demand for tailor-made travel arrangements and for various tour operators' niche travel products.

As the official partner of Swiss Olympic, Globetrotter handled travel arrangements to the Olympic Games in Rio for the Swiss delegation, the Swiss Broadcasting Corporation and many fans. In addition, it served Austrian athletes, journalists and fans for the first time. Globetrotter also handled travel arrangements for more than 1,600 music fans who came on the Rock & Blues Cruise on MSC Sinfonia.

DIETHELM KELLER TRAVEL		
KEY FIGURES	2016	2015
Gross sales (in CHF million)	1334	1320
Net sales* (in CHF million)	234	232
Employees at year-end	3099	2967

\* In 2016, STA Travel and Globetrotter Group sold tickets and other services which generated total sales of 1.3 billion CHF. However, pursuant to International Financial Reporting Standards (IFRS), only the commissions earned on these transactions are recognised as net sales.



Other successful tours handled by Globetrotter included exclusive Arctic and Antarctic charter cruises. The “Globetrotter Fernwehfestival” in Berne attracted more than 7,500 visitors in 2016, which was very pleasing.

2016 also saw the acquisition of BICI AktivFerien, which specialises in biking, hiking and running tours in Sardinia. Globetrotter Group also bought a stake in Himalaya Tours, a specialist in trekking for groups and individuals.

Globetrotter is devoted to delivering customised, life-enriching experiences. It helps customers find tailor-made solutions that fit their requirements in terms of destinations, timing and budget.

Globetrotter celebrated its 40<sup>th</sup> anniversary in 2016, with more than 2,500 customers attending special events in Berne and Zurich.

#### OUTLOOK

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Service quality and personal trust will remain crucial criteria when customers decide how and where to organise their travels. Further investments, clear positioning of individual brands and the ability to deliver outstanding travel services in niche markets will continue to be essential priorities for the whole management team in 2017. Prearrangements and ticket sales for the Olympic Games in Pyeongchang will be an important activity this year.







# 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 leading positions in their respective markets.

## WETROK

### 2016: CONTINUOUS FOCUS ON INNOVATION

Wetrok is the innovative specialist in professional cleaning solutions. Sales continued to grow in all its branches in 2016, with Poland and Germany delivering the highest rates of increase. This solid, sustainable performance will enable future growth and expansion. As in previous years, considerable resources were allocated to innovation in both products and services. Growth was boosted by a number of product launches, including a new line of walk-behind scrubber-dryers called Wetrok Duomatic, as well as new dry vacuum cleaner lines: the successor to the very successful Monovac, and the new Durova. All products supported our three major strategic initiatives – innovation, internationalisation and cost efficiency – and helped us achieve international success and expansion.

## OUTLOOK

Wetrok will generate further growth in its existing markets in 2017 and expand its market presence through its branches and international partner companies. Market reach will be one of the main focuses for 2017. Continued training of the company's direct sales force will be the key, ensuring it can deliver the best possible service to customers. 2017 will also see the launch of new product lines such as Granuline – the first professional waterless chemical granulate provided in small sticks, which will dramatically reduce customers' volumes and storage requirements, while increasing ease of use and comfort. On the appliances side, Wetrok will add the Monovac Freedom to its dry vacuum cleaner range – the first cordless vacuum cleaner for real professionals. The company will further expand its research and development activities in order to stay the number one innovator in the market.



## DIETHELM KELLER INDUSTRIAL

### WETROK

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

KEY FIGURES	2016	2015
Net sales (in CHF million)	67	67
Employees at year-end	222	218

### HIGHLIGHTS

Wetrok successfully extended its international presence.



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## DIETHELM KELLER AVIATION

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### 2016: REVENUE GROWTH ABOVE EXPECTATIONS

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.

Revenue growth exceeded expectations in 2016. The downturn in oil prices stimulated traffic growth and boosted airline profits. Despite geopolitical uncertainty and global economic conditions, business rebounded in 2016 on the back of demand from customers such as British Airways, EVA, China Airlines, ANA, Swiss International and American Airlines. During the year, Diethelm Keller Aviation received an award from Boeing for its dedication to performance excellence.

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### OUTLOOK

Diethelm Keller Aviation will focus on capturing new ship set opportunities based on its experience in certification activities. It will have to cope with the uptrend in jet fuel prices and the fact that new aircraft deliveries are outstripping growth in passenger air travel.

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## Diethelm Keller Aviation

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### DIETHELM KELLER INDUSTRIAL

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#### DIETHELM KELLER AVIATION

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

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KEY FIGURES	2016	2015
Net sales (in CHF million)	21	19
Employees at year-end	206	190

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### HIGHLIGHTS

Diethelm Keller Aviation received an award from Boeing for its dedication to performance excellence.







# 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 systematically diversifies its business portfolio and online shop.



## 2016: SUCCESSFUL LAUNCH OF HEALTHCARE SEGMENT

Angela Bruderer achieved a solid performance in 2016. The household goods segment had another year of strong growth, with sales up 30 percent, while the wine segment saw a 20 percent increase. Initial tests with new segment lines showed promising results, which will encourage further expansion in these segments. Angela Bruderer's product offering was successfully diversified with the launch of a healthcare segment. First catalogues were launched and were well received by the target groups. The catalogues will be periodically issued in German and French. The new consignment system, with 13,000 racks and 18 robots, is revolutionising the company's logistics. Efficient and flexible, it ideally fulfils the current and future online trading requirements. There is sufficient warehouse space to allow for the envisaged expansion of the segments. Marketing efforts were strengthened, with a special focus on emotional image reinforcement to increase customer retention and acquisition.

## OUTLOOK

The healthcare segment will be expanded significantly and the product portfolio further diversified by entering new sections of the pet products, small furniture and mattresses markets. A new web shop will be launched with effective online marketing. New approaches and new channels for print marketing are to be established, while printed advertisements will be reduced to save costs. The intention is to increase online trading from 55 to 60 percent of the total, resulting in more cost savings and allowing more focused marketing activities.

## DIETHELM KELLER INVESTMENTS

### ANGELA BRUDERER

Jochen Thomann, *Managing Director*  
Thomas Samassa, *Finance Director*

KEY FIGURES*	2016	2015
Net sales (in CHF million)	37	38
Employees at year-end	81	78

\* Angela Bruderer only

## HIGHLIGHT

A new logistics system was installed, providing automated logistic functions, twice as much warehouse space and greater efficiency.





# Diethelm Keller Real Estate

## Shareholder Services

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### DIETHELM KELLER REAL ESTATE

In 2016, the business unit focused on new projects, the renovation and maintenance of existing properties, and the renewal of rental agreements.

In 2015, the strategic decision was taken to redevelop the Eggbuehl-Areal in Zurich, previously a commercial site, as a residential property for the rental market. Following the decision about the architectural concept, the planning phase was completed in 2016 and the authorisation procedure begun. Construction is expected to start at the beginning of 2018. The complex should be ready for occupancy in spring 2021.

This modern, from a design and quality perspective outstandingly conceived building complex will accommodate apartments for families, singles and elderly people. Furthermore, it will offer space for a trading zone.

A comprehensive refurbishment of the office building at Eggbuehlstrasse 28 in Zurich has started. An assessment of the international real estate portfolio has been completed.

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### SHAREHOLDER SERVICES

The unit has two functions: providing information and support services to shareholders, and assisting the Board of Directors in its duties.

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DIETHELM KELLER  
REAL ESTATE

Daniel R. Jagmetti

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### SHAREHOLDER SERVICES

Daniel R. Jagmetti



Eggbuehl-Areal, Zurich  
View from Eggbuehlstrasse





# 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.

DKSH reported the highest results in its history for 2016 despite challenging market conditions. Organic growth constituted the greater part of the increase. With 780 business locations in 36 countries (750 of them in Asia) and 30,318 specialised staff, DKSH generated net annual sales of CHF 10.5 billion and a profit after tax of CHF 213 million.

Highlights in 2016 included the acquisition of the majority of Shanghai Sweets International (eSweets) in China and Hong Kong. With the takeover DKSH continues its strategic expansion in the fast-growing Chinese e-commerce market.

The positive result reflects the development of our four Business Units. DKSH managed to continuously expand its leading positions in Business Units Consumer Goods and Healthcare. In Thailand, DKSH stabilised growth rates that were slowing due to political challenges in 2015 and in Malaysia the investments of recent years are further paying off. The restructuring measures initiated in the luxury goods business had a positive effect. Net sales of Business Units Performance Materials and Technology rose due to higher demand for capital investment goods and specialty raw materials.



## DKSH HOLDING LTD.

Stefan P. Butz, CEO

### *Board of Directors*

Joerg W. Wolle, Chairman

Rainer-Marc Frey

Frank Ch. Gulich

David Kamenetzky

Adrian T. Keller

Andreas W. Keller

Robert Peugeot

Theo Siegert

Hans Christoph Tanner

## DKSH EXECUTIVE BOARD\*

Stefan P. Butz, *Chief Executive Officer*

Bernhard Schmitt, *Chief Financial Officer*

Martina Ludescher,

*Chief Commercial Officer*

Stephen Ferraby, *Head Corporate*

*Affairs & Strategic Investments*

\*This list reflects the status  
of April 2017

KEY FIGURES	2016	2015
Net sales (in CHF million)	10 505	10 051
Employees at year-end	30 318	28 340



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