

Media release

DKSH Group with excellent 2012 half-year results

- **Continues track record of sustainable profitable growth with EBIT increasing by 23.0% to CHF 127 million**
- **Profit after tax increased by 23.6% to CHF 81 million**
- **Net sales increased by 16.0% to CHF 4.2 billion, growing significantly above the market**
- **Positive outlook confirmed**

Zurich, Switzerland – DKSH, the leading Market Expansion Services provider with a focus on Asia, remains on its successful growth path, reporting excellent results for the first six months of 2012. Compared to the first half 2011, DKSH, since March 2012 publicly listed on the SIX Swiss Exchange, recorded an impressive increase of 23.0% in EBIT to CHF 127 million; which lifted its profit after tax by 23.6% to CHF 81 million. Net sales increased by 16.0%, reaching CHF 4.2 billion to mark the best half-year in the Group's history. Earnings per share amounted to CHF 1.24 and the return on equity (ROE) reached 15.0%. All four Business Units developed positively in the first six months and contributed to the strong financial performance.

Dr. Joerg Wolle, President & CEO of DKSH Group, comments: "This is the first time we are reporting our half-year results as a public company, and the figures of the first six months confirm the very positive track record of DKSH over the past decade. We are proud of the fact that we were able to deliver on our promises. The clear implementation of our strategy for sustainable profitable growth allowed us once again to outperform the market."

DKSH's strategy is centered on growing organically, through expanding business with existing clients, multiplying success stories from country to country, and new business development. Complementing its organic growth, DKSH has made strategic bolt-on acquisitions that allow the Group to expand its position in strategic growth areas. In June 2012, DKSH announced its acquisition of the Australian specialty cables distributor, ElectCables, expanding Business Unit Technology's footprint in Australia and strengthening its position as the leading provider of Market Expansion Services for capital investment goods and analytical instruments. Shortly after, in July, DKSH took over the long-established German-Japanese trading firm of Clay and Company Limited to reinforce its technology and lifestyle business in Japan. These moves follow on successful and value-adding acquisitions and integrations in previous years of smaller, traditional trading houses of European origin focused on Asia such as Desco von Schulthess, Hagemeyer Cosa Liebermann, or East Asiatic Company (Malaysia), and confirm DKSH's position as the industry consolidator in the fast growing but very fragmented Market Expansion Services industry.

A major milestone in DKSH's nearly 150 years of history was its Initial Public Offering (IPO) in March 2012. The IPO was the culmination of its transformation process, which started following the merger of the long-established Swiss trading houses Diethelm Keller Services Asia and SiberHegner in 2002. Since then, DKSH has successfully transformed from a trading business into a highly specialized service provider with a strong global brand and impressive record growth levels in profits and sales. Today, DKSH is the leader in the newly-defined industry of Market Expansion Services with a focus on Asia.

With total assets of CHF 3.2 billion, total equity of CHF 1.1 billion, and low net debt, DKSH's balance sheet remains extremely solid and very conservatively financed. Return on net operating capital (RONOC) is 22.1% and is a consequence of the Group's efficient net operating capital (NOC) management.

Positive outlook confirmed

Commenting on the outlook for the remainder of 2012, Joerg Wolle says: "As European and US markets continue facing challenges, western companies are seeking opportunities to expand into new markets and there is growing demand for market entries into Asia, given the sustainably high growth rates in this region. The rapid growth of the Asian economies is driven by their emerging middle classes with increased purchasing power and a healthy and growing appetite for quality consumer, healthcare, as well as luxury and lifestyle products. Asia is no longer simply the extended "workbench" of the West – it is

Think Asia. Think DKSH.

developing into a continent with strong domestic markets. This in turn also creates the need to improve local infrastructure and develop local industries, driving the demand for industrial products such as machinery, semi-finished products, and raw materials.”

“Further supporting Asian growth are economic integration plans such as the AEC (ASEAN Economic Community), aiming to improve cooperation and trade among ASEAN members, and the easing of sanctions on Myanmar. Such developments are expected to accelerate the growth of the emerging South East Asian markets and create more opportunities in the region, leading to increased inner-Asian trade. Today, the majority of manufacturers of the products DKSH distributes are still from Europe and the Americas. But a growing number are now also coming from Asia,” comments Joerg Wolle.

Another growth driver for Market Expansion Services is the increasing shift in focus of companies, large and small, on their core competencies. To optimize resources, many companies are focusing on core capabilities such as R&D, global marketing, and manufacturing, while outsourcing other elements of the value chain to specialized and trusted partners like DKSH.

“With Asia at the center of global trade flows and strong inner-Asian business growth, DKSH is optimally positioned to benefit from these multiple growth drivers as the leading Market Expansion Services provider with a focus on Asia,” adds Joerg Wolle. “Based on our current market assumptions, we are very confident that we will be able to achieve another record year in 2012 with double-digit profit growth.”

Key figures of DKSH (in CHF millions)	1H 2012	1H 2011	Change in %
Net sales	4,172.2	3,597.9	16.0
Operating profit (EBIT)	126.8	103.1	23.0
Profit after tax	80.7	65.3	23.6
Specialists	25,947	24,342*	6.6

* As of year-end 2011

The half-year report 2012 is available for download at [Reports and presentations](#).

About DKSH Group

DKSH is the leading Market Expansion Services provider with a focus on Asia. As the term "Market Expansion Services" suggests, DKSH helps other companies and brands to grow their business in new or existing markets. Publicly listed on the SIX Swiss Exchange since March 2012, DKSH is a global company headquartered in Zurich. With 650 business locations in 35 countries – 630 of them in Asia – and 26,000 specialized staff, DKSH generated net sales of CHF 7.3 billion in 2011. The company offers a tailor-made, integrated portfolio of sourcing, marketing, sales, distribution, and after-sales services. It provides business partners with expertise as well as on-the-ground logistics based on a comprehensive network of unique size and depth. Business activities are organized into four specialized Business Units that mirror DKSH fields of expertise: Consumer Goods, Healthcare, Performance Materials, and Technology. With strong Swiss heritage, the company has an almost 150-year-long tradition of doing business in and with Asia, and is deeply rooted in communities and businesses across Asia Pacific.

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