

Letter to shareholders



Adrian T. Keller, Chairman, and Dr. Joerg Wolle, President & CEO, DKSH Group

Dear Shareholders,

Your company, DKSH, the leading Market Expansion Services provider with a focus on Asia, continued its profitable growth in its anniversary year 2015 despite a challenging market environment.

In line with our corporate strategy, the focus in 2015 was on enhancing organic growth through expanding business with existing clients, multiplying success stories from country to country and developing new business.

In addition, we strengthened our presence in the fast-growing online trade channels with an equity stake in aCommerce, the leading e-commerce solutions provider in South East Asia. We further enhanced our Performance Materials business with a bolt-on acquisition in Northern Europe.

Net sales grew by 2.4% to CHF 10.1 billion. Organic growth was 4.0% and 0.4 percentage points resulted from M&A activities. Exchange rate fluctuations reduced net sales by 2.0%. At constant exchange rates, net sales increased by 4.4% to CHF 10.2 billion.

DKSH generated an operating profit (EBIT) at approximately last year's level of CHF 270.2 million. At constant exchange rates, EBIT of CHF 275.3 million was even slightly above the previous year's figure (CHF 272.7 million).

Profit after tax of CHF 199.6 million was 2.1% higher than the year before and at constant exchange rates up 3.7%. Free Cash Flow added up to CHF 190.8 million.

Business Units Healthcare, Technology and Performance Materials achieved excellent results in 2015. Political uncertainty, the resulting subdued consumer sentiment and overall deteriorating economic conditions led profit of Business Unit Consumer Goods to decline compared with last year. In Thailand, a tense political situation as well as terror attacks during summer impacted market conditions. While in Malaysia, in addition to the political disturbances, low commodity prices and the devaluation of the local currency influenced business.

Within Business Unit Consumer Goods, the luxury goods business was substantially affected by the weak demand in Asia, the ongoing industry consolidation and the strong Swiss franc. The restructuring measures in this area will be continued.

In line with the progressive dividend policy practiced since many years, the Board of Directors will propose to the Ordinary Annual General Meeting (AGM) in March 2016 an ordinary dividend of CHF 1.30 per share for the financial year 2015. The ordinary dividend thereby would be CHF 0.15 or 13.0% higher than last year.

Payment date for this dividend, if approved by the AGM, is set starting April 5, 2016 (record date: April 4, 2016; ex-dividend date: April 1, 2016).

In December 2015, DKSH formed a strategic partnership with aCommerce. DKSH thereby further strengthens its omni-channel approach by selling client products through both the well-established offline trade channels and the fast-growing online channels. The partnership furthermore creates new opportunities

in Indonesia and in the Philippines, especially for DKSH's Consumer Goods and Healthcare businesses.

At year-end 2015, DKSH employed 28,340 specialists, representing an increase of 790 employees or 2.9% compared to 2014. As a service company our employees and their engagement are the basis of our continued success.

With our broadly diversified and scalable business model, DKSH is ideally positioned to benefit from the growing middle class, rising inner-Asian trade and increased outsourcing to specialist services providers like DKSH.

Due to the robust business model and intact long-term growth drivers in Asia, DKSH is confident to gain further market share also in periods of high volatility. When in addition an upswing in the core markets occurs, net sales and profit growth should continue in 2016 and the following years.

Formed in 2002 through the merger of long-established Swiss trading houses Diethelm Keller Services Asia and SiberHegner, DKSH has transitioned from a traditional trading company into the leader in the recently established Market Expansion Services industry.

Following the IPO in 2012 and the increased visibility that comes with being a listed company, awareness of DKSH among manufacturers and clients has increased yet again, as has our standing in the market for new talents.

The focus of the year 2015 was our 150th anniversary. Also in the future, 150 years after our foundation in Japan, DKSH will help clients and customers to successfully expand their business in Asia. DKSH has lived and shaped globalization long before the term became popular and is today both enabler and beneficiary of global trade.

In 2016, we continue our tradition with two historic events. Exactly 110 years ago, we established the first branch in Thailand on the shore of the Chao Praya river as well as 20 years ago we did pioneering work and started business activities in Myanmar. Today, we are the established market leader in both markets with around 11,000 and 2,100 specialists respectively.

We thank our business partners, employees and shareholders for their commitment and look forward to a successful joint future.

Sincerely yours,



Adrian T. Keller
Chairman

Dr. Joerg Wolle
President & CEO

Key figures

Consolidated income statement

At constant exchange rates¹

in CHF millions	2015	Change in %	2015	Change in %	2014
Net sales	10,246.4	4.4	10,050.8	2.4	9,818.2
Operating profit (EBIT)	275.3	1.0	270.2	(0.9)	272.7
Profit after tax	202.7	3.7	199.6	2.1	195.5
EBIT margin (in %)	2.7	-	2.7	-	2.8

Consolidated statement of financial position

in CHF millions	December 31, 2015	December 31, 2014
Total assets	4,095.8	3,991.1
Equity attributable to the shareholders of the Group	1,509.2	1,449.0
Net operating capital (NOC)	1,049.4	1,174.3
Net cash	468.8	292.5
Return on net operating capital (RONOC) (in %)	24.3	24.2
Return on equity (ROE) (in %)	13.4	13.3

Earnings per share

in CHF	2015	2014
Basic earnings per share	3.12	2.96
Diluted earnings per share	3.11	2.96

Other

	December 31, 2015	December 31, 2014
Specialists	28,340	27,550

¹ Constant exchange rates: 2015 figures converted at 2014 exchange rates

Publisher

DKSH Holding Ltd.
Wiesenstrasse 8
P.O. Box 888
8034 Zurich
Switzerland
Phone +41 44 386 7272
Fax +41 44 386 7282

Investor and Media Relations

Till Leisner
investors@dksh.com
Phone +41 44 386 7272

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