

**DOTTIKON ES – Preparatory Efforts for Upcoming Growth**

Dottikon, Switzerland, November 29, 2007 – DOTTIKON EXCLUSIVE SYNTHESIS, specialized in the exclusive synthesis of fine chemicals using hazardous chemical reactions, closed its business half-year on September 30.

Net sales increased by 0.7% to CHF 61.7 million compared to the last-year period. Net income slightly decreased – as a result of a more material-intensive product mix, preparatory efforts and increased hiring – from CHF 6.3 million to CHF 6.2 million (-2.1%).

In the period under review, M&A activity weakened significantly in the fine chemicals market considering the background of the credit crisis. Initial signs of a slowdown in economic activity are gathering in the USA. Quality deficiencies of Chinese products, together with significant price increases, have contributed to a relative decline in their international position. The pressure exerted on the pharmaceutical industry by generics continued to increase in the reporting period. Cost reductions are being systematically initiated by the pharmaceutical companies, and a greater emphasis placed on outsourcing. Innovation pressure toward more specific and more effective active ingredients with new modes of action and fewer side effects is continuing to grow, and is increasingly taking the place of the highly marketing-driven pharmaceutical strategies seen in the past. The above facts have triggered an increasing demand for high-quality, ambitious exclusive synthesis under time pressure, followed by multi-ton production.

In the reporting period, DOTTIKON ES therefore further intensified the expansion of capacity and staff. As a result, human resources and the related expenses rose by around 8 percent. The 25 percent additional project development capacities and the qualitative and quantitative extension of the first multi-purpose plant were brought on stream. Further additional large-scale capacity will follow in the second half of the business year. The focus is on strengthening the additional human resources and plant capacities at the high quality level and integrating them into the existing development and production, while continuing the further expansion.

In comparison to the same period of the previous year – having slightly increased net sales and inventory build-up due to preparatory efforts into semi-finished and finished goods for products to be delivered in the second half of the business year 2007/08 – the profitability slightly decreased as a result of a more material-intensive product mix, preparatory efforts and increased hiring.

DOTTIKON ES continues the implementation and expansion of its strategy – performance leadership as specialist for hazardous reactions – while focusing on high flexibility, speed, safety, and reliability. In the current business year 2007/08 investment activities will be further intensified. DOTTIKON ES expects for the full business year 2007/08 an increase in net sales in comparison to the previous year, while further improving the product mix.



## Key Figures DOTTIKON ES Group

CHF million	FY 2006/07	HY 2006/07	HY 2007/08
<b>Net sales</b>	<b>136.8</b>	<b>61.3</b>	<b>61.7</b>
<b>EBITDA</b>	<b>31.6</b>	<b>13.4</b>	<b>12.4</b>
<i>EBITDA margin (in % of net sales)</i>	<i>23.1%</i>	<i>21.9%</i>	<i>20.1%</i>
<b>EBIT</b>	<b>15.9</b>	<b>7.5</b>	<b>6.9</b>
<i>EBIT margin (in % of net sales)</i>	<i>11.6%</i>	<i>12.2%</i>	<i>11.2%</i>
<b>Net income</b>	<b>17.1</b>	<b>6.3</b>	<b>6.2</b>
<i>Net income margin (in % of net sales)</i>	<i>12.5%</i>	<i>10.3%</i>	<i>10.0%</i>

FY: Business year from April 1, 2006 to March 31, 2007

HY: Business half-year from April 1 to September 30

The Annual Report 2007/08, covering the period from April 1, 2007 to March 31, 2008, will be presented at the beginning of June 2008.

DOTTIKON ES, with its production site in Dottikon (Aargau, Switzerland), is specialized in hazardous chemical reactions and focuses on the exclusive synthesis of fine chemicals for the pharmaceutical and chemical industry worldwide. The product range of DOTTIKON ES includes active pharmaceutical ingredients (APIs) and pharmaceutical intermediates as well as in-house-developed, high-value industrial chemicals.

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