



## **DOTTIKON ES Increased Net Sales and Net Income**

Dottikon, Switzerland, November 28, 2008 – DOTTIKON EXCLUSIVE SYNTHESIS, specialized in the exclusive synthesis of fine chemicals using hazardous chemical reactions, closed its first business half-year 2008/09 on September 30.

Net sales increased by 26.7% to CHF 78.2 million compared to the last-year period. Net income rose by 135.1% from CHF 6.2 million to CHF 14.5 million as a result of higher net sales from an improved product mix and an extraordinary effect of a divesture of property.

At the end of the reporting period, the shock of the financial crisis heralded a turning point in the world economic cycle, causing major uncertainty and a lack of confidence, and finally bursting the commodity price bubble. The global economic boom had been fueled by rampant, Asia-led globalization, as well as the rapid proliferation of information efficiency and transparency via Internet technology. The consequences of the financial crisis, coupled with the climate change debate and regulatory interventions in the healthcare sector, have hastened the world's slide into recession. The financial services, real estate and automotive sectors, but also the pharmaceuticals industry, are faced with major structural challenges. In light of the tensions surrounding the increasing demand for quality and safety, together with innovation and cost pressures, the key success factors will be innovation, efficiency, reliable quality, and stability.

Due to current economic circumstances, demand for high-quality, sophisticated exclusive synthesis under time pressure is being postponed. However, demand for process development capacity for chemical processes with hazardous reactions and high-volume capacity for multi-ton production employing these processes in compliance with safety and pharmaceutical quality standards – is set to increase sharply again going forward. DOTTIKON ES therefore expanded capacity and increased its workforce in the first half of the business year. Average full-time equivalents increased by 8 percent year-on-year in the reporting period, and personnel expenses rose by around 10 percent. The expansion of multi-purpose production capacity by two reactor groups and a low-temperature unit – to bring them on stream in the middle of 2009 – is proceeding according to plan.

Compared with the same period in the previous year, profitability increased in the first half of the current business year as a result of higher net sales of an improved product mix, together with an extraordinary effect of a divesture of property – most of which had been acquired in 2006. Despite a CHF 5 million increase in investment to CHF 14 million compared with the same period in the previous year, the free cash flow rose by more than CHF 19 million.

DOTTIKON ES continues to build on its strategy – performance leadership as specialist for hazardous reactions – while continuing to focus on high flexibility, speed, safety, and reliability. In the current business year 2008/09, the company will proceed its investments in high-quality, technologically advanced capacity expansion.

For the full business year 2008/09 in comparison to the previous year, DOTTIKON ES expects an increase in net sales, while improving the product mix.



## Key Figures DOTTIKON ES Group

CHF million	FY 2007/08	HY 2007/08	HY 2008/09
<b>Net sales</b>	<b>142.0</b>	<b>61.7</b>	<b>78.2</b>
<b>EBITDA</b> <i>EBITDA margin (in % of net sales)</i>	<b>32.4</b> 22.8%	<b>12.4</b> 20.1%	<b>24.0</b> 30.6%
<b>EBIT</b> <i>EBIT margin (in % of net sales)</i>	<b>21.2</b> 14.9%	<b>6.9</b> 11.2%	<b>17.3</b> 22.2%
<b>Net income</b> <i>Net income margin (in % of net sales)</i>	<b>20.2</b> 14.2%	<b>6.2</b> 10.0%	<b>14.5</b> 18.6%
<b>Cash flow from operating activities</b>	<b>9.9</b>	<b>5.6</b>	<b>29.8</b>
Capital expenditure	-20.6	-9.5	-14.4
<b>Free cash flow</b>	<b>-10.7</b>	<b>-3.9</b>	<b>15.4</b>

FY: Business year from April 1, 2007 to March 31, 2008

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

The Annual Report 2008/09, covering the period from April 1, 2008 to March 31, 2009, will be presented on May 29, 2009.

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.

DOTTIKON ES HOLDING AG is listed at the SIX Swiss Exchange.

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