2009/10 Annual Report

Your Specialist for Hazardous Reactions.

2009/10 Annual Report

Dottikon ES Holding AG

When your visibility is impaired, you have to rely on your other senses.
In economically more challenging times, the visibility is impaired. Experienced mountaineers know that once your visibility is impaired you should never leave the trail and instead make use of other senses – such as hearing – in order to compensate. This Annual Report therefore highlights the experiences of an individual whose visibility is impaired.

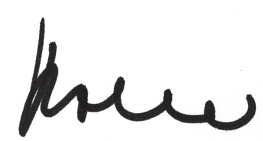
The recession has also had an impact on the net sales and profitability of DOTTIKON EXCLUSIVE SYNTHESIS. The sharp fall in demand for high-value industrial chemicals and delay in demand due to structural changes in the pharmaceuticals industry coincided with the important transformation that we announced for the last business year. This transformation – from an industrial intermediates manufacturer to the performance leader and specialist for hazardous reactions in the exclusive synthesis and production of active pharmaceutical ingredients – was concluded with the commissioning of newly expanded production facilities with highly specialized multipurpose pharmaceutical capacity while simultaneously eliminating redundant industrial chemical product lines. At the same time, the fall in demand was resolutely and effectively countered by reducing costs. However, a significant fall in net income could not be avoided. As a result of stringent cash management, on the other hand, cash and cash equivalents continued to rise despite high investment activities. Together with the strong balance sheet, the company is in a solid position to cope with another year of market uncertainty.

In times of economic difficulty, it is more important than ever to concentrate on your core strengths and not leave your trail. Although visibility remains impaired, you must use your remaining senses to sound out and enter possible markets in which to exploit your core strengths. Solid experience, rapid adaptability, innovative process technologies, and reliability in terms of quality and delivery become the success factors in the current pharmaceuticals environment and, in particular, in process development for exclusive synthesis and the production of active pharmaceutical ingredients. As performance leader and specialist for hazardous reactions, we are ready to face up to the big challenges – both with and on behalf of our clients. Such an environment harbors opportunities for our core technology platform of hazardous reactions. This technology enables production processes to be adapted and so to provide a faster route to obtaining more cost-effective, purer active ingredients, as well as making new bioactive chemical structures commercially accessible. With this, substantial contributions are made to increase innovation and improve productivity, while complying with high quality demands. As in the previous year, investment was maintained at a high level. In line with our strategy, we will again continue specific expansion in high-quality, technologically advanced capacity in the coming business year.

The basis for determining the dividend policy – always taking into account the respective situation – is to distribute any surplus liquidity only when it is not required for internal growth and related investments. Against the backdrop of continued investment and the need for working capital amid a return to growing demand, the Board of Directors will consequently propose to this year's Annual General Meeting that no dividend be paid and that the entire retained earnings are instead carried forward to new account.

We wish to extend our sincere thanks to all staff for their tremendous performance in what was another difficult year.

Dottikon, May 12, 2010
For the Board of Directors



Heinz Boller
Chairman of the Board of Directors

Content

Constantly on the Move

play audiofile

I always knew exactly where I was going.

Arriving is much more difficult.

They all know what they are doing and why they are doing it exactly that way.

Two lives, two passions.

Dear Shareholder,

We are pleased to present DOTTIKON ES Group's Annual Report for the business year from April 1, 2009, to March 31, 2010. In the business year under review, a decline in net sales of one quarter and a halving of net income could not be avoided. Although margin erosion could not be prevented, it was nevertheless absorbed by systematic response as well as stringent cost control, taking into account the extraordinary effect in the previous business year. In line with the economic environment, cash management continued to be treated with high priority. Despite a near halving of net income and high level of investment, the cash position was increased considerably.

Modest economic uptrend

The recession that was triggered by the financial crisis over two years ago appears to have bottomed out. The recovery in the world economy, which had been widely expected and was signaled by the positive development in leading indicators, appears to be taking hold. In the emerging markets – Asia in particular – growth momentum has accelerated again sharply. Economic activity is recovering in the USA and Europe too, if more quickly in the USA than in Europe. Com-

KEY FIGURES, APRIL–MARCH

CHF million
^A Restated

	2008/09^A	2009/10	Change
Net sales	150.3	113.1	-24.7%
EBITDA	39.8	26.1	-34.5%
EBITDA margin (in % of net sales)	26.5%	23.1%	
EBIT	27.1	12.5	-53.8%
EBIT margin (in % of net sales)	18.0%	11.1%	
Net income	23.1	12.6	-45.2%
Net income (in % of net sales)	15.3%	11.2%	
Operating cash flow	46.9	35.2	-24.9%
Employees (FTEs, annual average)	473	446	-5.7%

pared with the US economic cycle, Europe has historically exhibited a time lag with less pronounced highs and lows. A continuation of the modest upward trend is evident, in particular due to the rise in demand for industrial chemicals. Significant risks remain for the international economic situation, however. Above all, the high rates of unemployment and challenging prospects for public finances are likely to weigh on consumer demand and therefore on the most important driver of the upturn.

Increasing nationalization and regulation

Following the successful short-term calming of the banking crisis by means of massive government financial intervention, the threat of national insolvency is flaring up. This endangers the entire financial system and the recovery in the overall economy that is currently under way. Government budgets in many Western countries, which were already stretched, have to struggle with the combined impact of interventionist additional spending – designed to have a stabilizing effect –, structural weakness in the economy, and poor growth prospects. This reduces the options available, as well as the level of future tax receipts that will help pay off government debts. This scarcity of financial resources is inevitably leading to a greater pursuit of national interests and developing into the toughest test yet for the European Union. Attempts by individual countries to secure their national economic interests and increase their own government receipts will slow the process of globalization and even force it into reverse in some areas. Global and national regulatory density will continue to increase as a consequence. The direct and indirect costs will place a heavy burden on the economy, and ultimately the taxpayer, for a long time to come.

Efficiency and innovation pressure on pharmaceuticals

The pharmaceuticals market has been experiencing its most profound period of transformation since the early 1990s, when the broad-based chemicals companies abandoned their strat-

egy of diversification. The start of the focus on life sciences – the birth of global pharmaceuticals businesses created through mergers, acquisitions and spin-offs – was followed by the era of expensive but successful development and marketing of drugs for indications with blockbuster potential. However, the attendant expansion into ever-larger global businesses for the purpose of researching, developing, producing and marketing further such blockbusters proved less successful. The number of newly approved drugs collapsed by half around the turn of the millennium and has persisted at this low level ever since. This is despite yearly increases in research and development spending to the high level of around 20 percent of annual net sales. Overall spending on pharmaceuticals research and development has grown by an average of around 7 percent per year over the long term. Compared with more than 50 percent at the end of the 1980s, the share of spending on preclinical activities has halved to approximately 25 percent in the years following 2005. This increasing concentration of research and development spending on the late clinical phases of drug development is reflected in the sharply reduced number of new drug applications (NDAs) amid a simultaneous loss in share for the pharmaceutical majors. Their share of applications was still well above 50 percent at the end of the 1990s, but has since fallen to an interim low point of 15 percent. Only through in-licensing and the purchase of new candidate drugs in late clinical development stages, the major pharmaceutical companies have been able to expand their share again in recent years. By 2013, patent expiration will affect pharmaceutical sales of around USD 140 billion. Pressure on prices due to regulatory measures, and to lower the steady rise in health care costs as a result of demographic changes, is increasing sharply. Efficiency and innovation pressure on pharmaceutical firms has consequently risen substantially. The medium-term impact of the US health care reform still remains unclear. However, it is generally agreed that price reductions due to the mandatory discount will apply as early as 2010. On the other hand, an increase in the number of new insured as a result of the reform is not expected before 2014.

Pricing pressure on generics

Patent expirations and government measures to raise the share of generics have resulted in the generics market growing by around 10 percent annually. But regulation has sharply increased pricing pressure for generics too, leading to heavy margin pressure for smaller players. In response, we are seeing a consolidation toward large-scale, global generics suppliers that are often efficiently backward integrated into production. Growth in the generics market will slow significantly after 2013 due to the decline in the number of patent expirations and saturation of the generics' share of key markets. Generics firms are therefore preparing to enter new business areas such as biosimilars and in-house drug development. If some traditional pharmaceutical companies are also becoming more active in the generics market than they were a few years ago, they are doing so more for opportunistic reasons to mitigate lost sales.

Pharma-biotech transformation

The blockbuster era is over for the major pharmaceutical firms. The traditional pharmaceuticals model is now being transformed into the biotech model, which has been significantly more successful in the more recent past. The focus is increasingly shifting to the development of new niche therapies using products that can be expanded into various application areas. This seems to be more cost-effective and promising. Attempts are being made to identify biochemical pathways associated with multiple diseases and then develop drugs that work against them by intervening in these pathways. The aim is to launch a drug first for a particular indication, in order to cover research and development costs as quickly as possible. The findings obtained through research and development can then be successively used to expand into further markets.
At the moment, however, top priority is being given to streamlining and replenishing the project pipeline. Existing activities are being examined in a critical portfolio review and in some cases halted. The capacities freed up are being reduced or disposed of, as well as the costs of continuing projects are also being lowered. This means reducing current spending on internal

research, development and production, as well as reducing the capital that is tied up. The resources freed up in this way are used to access promising external projects in already advanced clinical phases. New financing and cooperation models are increasingly being used alongside the traditional methods – such as acquisition, in-licensing and participations –, where majority control of the assets and responsibility for development and marketing generally lie with the pharmaceutical firms. These models uncouple the use of internal resources and capacities from the financial investments and day-to-day operational control of the proprietary rights. The aim is to generate the maximum future income with minimum advance risk. In some cases, this approach is developing into the absurd aim to drive innovation without taking any risk. The financial crisis has seriously reduced the traditional sources of financing available to the biotech industry. Although the total resources provided to companies recovered again in 2009 following the collapse of 2008, they remain well below 2007 levels. In addition, biotech firms have to deal with the fact that financial resources are being distributed in an increasingly asymmetric fashion. This is a development that was accentuated further in 2009. In 2008, 20 percent of the leading biotech firms secured around 74 percent of the available financial resources. This share increased further to 79 percent in 2009. Conversely, the share of the 20 percent less well-funded firms fell from 0.9 to 0.5 percent in the same period. This current situation has strengthened the negotiating position of the leading biotech firms vis-à-vis the pharmaceutical majors. On the other hand, the position of less well-funded biotech firms versus pharmaceutical companies and venture funds has been weakened further. We are consequently seeing acquisitions, cross-licensing and in-licensing, as well as an increasing number of option deals. In combination with the portfolio reviews, this is leading to a reduction in the number and volume of active projects in the overall market.

Greater process- and quality-induced problems in drug approval

In light of reduced spending, the shift in development costs to later clinical stages, simultaneous efforts to reduce time-to-market, and consolidation of pharmaceutical pipelines are increasing the complexity, and therefore the financial risks involved in process development and exclusive synthesis of active pharmaceutical ingredients (APIs) for pharmaceutical companies. Reduced process experience as a consequence of an increasing number of interfaces and friction losses due to transfers will increasingly lead to scale-up-related quality problems and delay the approval process. The number of process- and quality-induced problems at the approval and launch stage will increase and need to be solved under time pressure.

Success factors: experience, reliability, agility, and process technology

Proven experience, rapid adaptability, innovative process technology and reliability when it comes to quality and supply, are proving to be the key determinants of success in such an environment. The pharmaceutical companies are concentrating on their core competencies of clinical research and development, patenting and distribution, and intensifying the strategic cooperation with experienced, innovative, and reliable partners in process development and production.

Business year 2009/10

Cost control and investment in development, production capacity, and quality

Albeit stunted at present due to current economic circumstances, the demand for high-quality, sophisticated exclusive synthesis under time pressure – in other words, the demand for capacity for development of safe and stable chemical processes using hazardous reactions and high-volume capacity for multi-ton API production employing these processes in compliance with the highest safety standards and pharmaceutical quality – is set to increase inevitably again going forward. In the last business year, we therefore realigned our costs with the

short-term reduction in net sales but at the same time forged ahead with expanding capacity. In medium-scale production, the installation of API separator capacity was expanded and brought on stream. In large-volume production, we expanded and brought on stream our corrosion-resistant glass-lined steel and Hastelloy multipurpose reactor, low-temperature, and API separator capacity. The next step will be to expand API drying capacity, work on which has begun alongside the qualitative and technical upgrading of existing multipurpose capacity – both for large volumes.

In the last business year, net sales fell by around 25 percent compared with the previous year to CHF 113.1 million. Most of the reduction was a result of highly cyclical industrial chemicals, which fell 84 percent year-on-year. It was also partly due to the elimination of redundant product lines announced for the past business year. Pharmaceutical products, where there was a 7 percent reduction compared with the previous year, proved more resilient. In a timely, systematic response, personnel expenses were reduced by 9 percent compared with the previous year. Material expenses halved as a result of the lower net sales, destocking, the enhanced product mix, and lower commodity prices. Thanks to disciplined cost control, other operating expenses were reduced by 28 percent compared with the previous year. Ongoing investment activity, and with it the capitalization of recently commissioned development and production capacity, correspondingly increased depreciation and amortization by 6 percent. As for the bottom line, net income was 45 percent lower compared with the previous year at CHF 12.6 million. This was also helped by a lower tax rate. Although margin erosion could not be prevented, it was nevertheless mitigated after taking into account the extraordinary effect in the previous year, which included the divesture of property.

Outlook

In the business year 2010/11, we are continuing the strategy of performance leadership as specialist for hazardous reactions. We build on one single production site and therefore flexibility, speed, and reliability. This is part of our differentiated performance leadership strategy where the number of internal interfaces is reduced in order to shorten decision and communication pathways resulting in fast and efficient project development and comprehensive and transparent communication with our customers. By means of this strategy, we add value over the entire product life cycle by using hazardous reactions. We utilize the environment of the safety culture created over the last 100 years to innovatively use hazardous reactions to question, tighten or shorten conventional chemical synthesis routes. This allows us to improve products' purity profiles and make new, potentially bioactive chemical structures commercially available for future active pharmaceutical ingredients.

In the current business year 2010/11, we will continue to invest in high-quality, technologically advanced capacity expansion and upgrading, despite a persistently difficult market environment. As the market difficulties have not yet been overcome, we expect net sales to be in line with the previous year.

Dottikon, May 12, 2010

Dr Markus Blocher
Chief Executive Officer

On the Tower

play audiofile

…like an endlessly long, delicately draped gown.

…it is much quieter than I would have expected.
Every noise is drowned in the wind.

Going down is much harder than going up.

It takes courage to overcome fear,
and it takes even more trust…

…real trust creates freedom, not dependence.

Financial Report DOTTIKON ES Group

Consolidated Income Statements

April–March
CHF thousand and %

[A]Restated, see "Changes in Corporate Accounting Principles", page 31
[B]There are no options or similar that have a dilutive effect

	Notes	2008/09[A]	%	2009/10	%
Net sales	(1,5)	**150'253**	**100.0**	**113'124**	**100.0**
Changes in semi-finished and finished goods		-279		-9'237	
Other operating income	(2)	8'666		4'869	
Material expenses	(5)	-50'762		-24'784	
Personnel expenses	(3, 12)	-48'398		-43'821	
Other operating expenses	(4)	-19'660		-14'068	
EBITDA		**39'820**	**26.5**	**26'083**	**23.1**
Depreciation and amortization	(8, 9)	-12'754		-13'566	
EBIT		**27'066**	**18.0**	**12'517**	**11.1**
Financial income		2'088		525	
Financial expenses		-1'535		-510	
Financial result	(5)	**553**		**15**	
Result from associated companies	(10)	**0**		**-30**	
Net income before taxes		**27'619**	**18.4**	**12'502**	**11.1**
Income taxes	(6)	-4'558		133	
Net income	(21)	**23'061**	**15.3**	**12'635**	**11.2**
Basic earnings per share in CHF[B]	(7)	**18.65**		**10.21**	

Consolidated Statement of Comprehensive Income

April–March
CHF thousand

[A]Restated, see "Changes in Corporate Accounting Principles", page 31

	Notes	2008/09[A]	2009/10
Net income	(21)	**23'061**	**12'635**
Realized gains (losses) on foreign exchange forwards		-1'432	71
Changes in fair value of foreign exchange forwards		-81	840
Employee benefits	(12)		
Actuarial gains (losses)		-2'218	171
Adjustments for article IAS 19.58		-1'111	17'675
Income taxes on other comprehensive income		989	-3'581
Other comprehensive income, net of taxes		**-3'853**	**15'176**
Total comprehensive income		**19'208**	**27'811**

Consolidated Balance Sheets

CHF thousand and %

[A]Restated, see "Changes in Corporate Accounting Principles", page 31

	Notes	01.04.2008	%	31.03.2009[A]	%	31.03.2010	%
Intangible assets	(8)	106		47		780	
Property, plant and equipment	(9)	194'974		222'872		229'800	
Investments in associated companies	(10)	1'068		1'068		1'038	
Financial assets	(11, 12)	18'949		15'314		32'927	
Non-current assets		**215'097**	**62.5**	**239'301**	**66.6**	**264'545**	**69.1**
Non-currents assets held for sale	(13)	3'985		0		0	
Inventories	(14)	62'896		54'395		44'003	
Trade receivables	(15, 20)	39'683		32'590		30'130	
Other receivables	(16, 20)	6'997		2'511		2'959	
Cash and cash equivalents	(20)	15'308		30'395		41'406	
Current assets		**128'869**	**37.5**	**119'891**	**33.4**	**118'498**	**30.9**
Assets		**343'966**	**100.0**	**359'192**	**100.0**	**383'043**	**100.0**
Share capital		6'363		6'363		6'363	
Share premium		60'321		60'406		60'455	
Own shares		-7'296		-7'426		-7'057	
Retained earnings		217'632		236'840		264'651	
Shareholders' equity	(21)	**277'020**	**80.5**	**296'183**	**82.5**	**324'412**	**84.7**
Deferred tax liabilities	(17)	39'151		37'874		39'027	
Non-current liabilities		**39'151**	**11.4**	**37'874**	**10.5**	**39'027**	**10.2**
Trade payables	(20)	11'738		6'396		3'851	
Income tax liabilities		3'286		5'018		4'694	
Other current liabilities	(18, 20)	12'421		13'721		11'059	
Prepayments related to non-current assets held for sale	(13)	350		0		0	
Current liabilities		**27'795**	**8.1**	**25'135**	**7.0**	**19'604**	**5.1**
Liabilities		**66'946**	**19.5**	**63'009**	**17.5**	**58'631**	**15.3**
Shareholders' equity and liabilities	(21)	**343'966**	**100.0**	**359'192**	**100.0**	**383'043**	**100.0**

Consolidated Cash Flow Statements

April–March
CHF thousand

[A]Restated, see "Changes in Corporate Accounting Principles", page 31
[B]Cash and bank accounts: CHF 41'406 thousand (previous year: CHF 30'395 thousand)
Fixed deposits: CHF 0 thousand (previous year: CHF 0 thousand)

	Notes	2008/09[A]	2009/10
Net income		23'061	12'635
Income taxes	(6)	4'558	-133
Financial result	(5)	-553	-15
Depreciation of property, plant and equipment	(9)	12'666	13'522
Amortization of intangible assets	(8)	88	44
Result from associated companies	(10)	0	30
Other non-cash income and expenses	(22)	-1'577	638
Interest received	(5)	484	49
Interest paid	(5)	-22	-12
Income taxes paid		-3'118	-2'623
Changes in			
Trade receivables		6'340	2'229
Other receivables		2'430	724
Inventories	(14)	8'501	10'392
Trade payables		-5'590	-1'442
Other current liabilities		-358	-814
Cash flow from operating activities		**46'910**	**35'224**
Additions to			
Intangible assets	(8)	0	-93
Property, plant and equipment	(9)	-39'768	-24'090
Financial assets		0	0
Disposals of			
Intangible assets		0	0
Property, plant and equipment		4	4
Financial assets	(5)	160	0
Payment receipt related to non-current assets held for sale	(13)	8'150	0
Cash flow from investing activities		**-31'454**	**-24'179**
Dividends paid	(26)	0	0
Purchase of own shares		-369	0
Disposal of own shares		0	0
Cash flow from financing activities		**-369**	**0**
Currency translation effect on cash and cash equivalents		0	-34
Net change in cash and cash equivalents		**15'087**	**11'011**
Cash and cash equivalents at the beginning of the reporting period		15'308	30'395
Cash and cash equivalents at the end of the reporting period[B]	(20)	**30'395**	**41'406**

Consolidated Statement of Changes in Equity

CHF thousand

[A] Restated, see "Changes in Corporate Accounting Principles", page 31
[B] Changes in own shares in the reporting year 2009/10:
disposal of 1'844 shares within the shareholding program for employees
net disposal of 1'844 shares
(previous year: purchase of 1'800 shares; disposal of 1'272 shares within the share-holding program for employees; net addition of 528 shares)
[C] For detailed information regarding own shares and other retained earnings refer to the notes to the financial statements of DOTTIKON ES HOLDING AG, notes 2 "Own Shares" and notes 3 "Equity", page 62
[D] For detailed information see notes 12 "Employee Benefits", pages 39 to 41

	Share capital	Share premium	Own shares[B,C]	Changes in fair value of foreign exchange forwards	Other retained earnings[C]	Shareholders' equity
Balance 01.04.2008[A]	**6'363**	**60'321**	**-7'296**	**1'122**	**216'510**	**277'020**
Net income					**23'061**	**23'061**
Realized gains (losses) on foreign exchange forwards				-1'432		-1'432
Changes in fair value of foreign exchange forwards				-81		-81
Employee benefits[D]						
Actuarial gains (losses)					-2'218	-2'218
Adjustments for article IAS 19.58					-1'111	-1'111
Income taxes on other comprehensive income				326	663	989
Other comprehensive income, net of taxes				**-1'187**	**-2'666**	**-3'853**
Total comprehensive income				**-1'187**	**20'395**	**19'208**
Changes in own shares		85	-130			-45
Balance 31.03.2009	**6'363**	**60'406**	**-7'426**	**-65**	**236'905**	**296'183**
Balance 01.04.2009	**6'363**	**60'406**	**-7'426**	**-65**	**236'905**	**296'183**
Net income					**12'635**	**12'635**
Realized gains (losses) on foreign exchange forwards				71		71
Changes in fair value of foreign exchange forwards				840		840
Employee benefits[D]						
Actuarial gains (losses)					171	171
Adjustments for article IAS 19.58					17'675	17'675
Income taxes on other comprehensive income				-172	-3'409	-3'581
Other comprehensive income, net of taxes				**739**	**14'437**	**15'176**
Total comprehensive income				**739**	**27'072**	**27'811**
Changes in own shares		49	369			418
Balance 31.03.2010	**6'363**	**60'455**	**-7'057**	**674**	**263'977**	**324'412**

Vanilla, Chili, and Celery

play audiofile

…acoustics are like that of a church…

…drive, the speed. I need the feeling…

…had to be really careful to make sure that I
found all the pellets in their bodies.

…a bar … a Russian guest…

A lot of jazz, Krautrock, psychedelic stuff.

Notes
DOTTIKON ES Group

Corporate Accounting Principles

ACCOUNTING POLICIES

General

The consolidated financial statements of DOTTIKON ES Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.
The consolidation is based on the audited individual financial statements of the subsidiaries prepared on the basis of uniform accounting policies. The reporting date is March 31.
The consolidated financial statements are based on historical costs, except for not consolidated investments, which are accounted for using the equity method as well as derivative financial instruments, which are measured at fair value, and pension plans, which are classified as defined benefit plans according to IFRS. The future pension obligation is calculated based on actuarial valuations in accordance with IFRS.
The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. Comparative figures taken from the consolidated financial statements of the previous year have been reclassified or extended, where required, to take into account changes in presentation.

Scope and principles of consolidation

The consolidated financial statements comprise DOTTIKON ES HOLDING AG and all entities which the holding directly or indirectly controls either by holding more than 50 percent of the voting rights or by having otherwise the power to govern their operating and financial policies. These entities are fully consolidated, incorporating 100 percent of assets, liabilities, income, and expenses. Intercompany transactions (receivables and liabilities, income and expenses) are eliminated and any unrealized profits on intercompany transactions and balances are eliminated through profit or loss. Capital consolidation is accounted for using the purchase method.
Entities, in which DOTTIKON ES Group holds at least 20 percent of the voting rights, but less than 50 percent, or over which it otherwise has significant influence, are accounted for using the equity method and are classified as investments in associated companies. Under the equity method, DOTTIKON ES Group's share in the net result and in the equity of the associated companies is recognized in the consolidated financial statements. The investment in associated companies is presented in notes 10 "Investments in Associated Companies".

Net sales and revenue recognition

Invoices for supplied goods and services are accounted for as revenue upon transfer of significant risks and rewards, based on the agreed INCOTERMS 2000, to the customer. Net sales are presented net of value-added tax, trade discounts, and cash discounts.

Foreign currency translation

The individual entities prepare their financial statements in local currency. Because all Group companies are domiciled in Switzerland, the individual financial statements of all Group companies are prepared in Swiss francs. Monetary assets and liabilities held in foreign currency are translated using the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from transactions and from translation of balances in foreign currency are recognized in profit or loss. All entities' functional currency and the Group's presentation currency are Swiss francs.

Terms

Assets that are expected to be realized or consumed in the ordinary course of business within one year or that are held for trade are classified as current assets. All other assets are classified as non-current assets.
Liabilities that are expected to be settled in the ordinary course of business using operating cash flows within one year from balance sheet date or that are due within the following 12 months from balance sheet date are classified as current liabilities. All other liabilities are classified as non-current liabilities.

Segment information

According to IFRS 8 "Operating Segments", the reportable operating segments are determined using the management approach. External segment reporting is thus based on the Group's internal organization and management structure as well as internal financial reporting to the Chief Operating Decision Maker. DOTTIKON ES Group's Chief Operating Decision Maker is the Board of Directors. In addition to its statutory tasks, the Board of Directors is responsible for the strategic focus and management of the Group. Strategic and important operational decisions of DOTTIKON ES Group are taken by the Board of Directors.
DOTTIKON ES Group builds on one single production site and continues the strategy of performance leadership as specialist for hazardous reactions. DOTTIKON ES Group mainly executes projects with focus on the exclusive synthesis of fine chemicals which are strongly heterogeneous. Therefore a differentiation in several operating segments is not informative.
The financial reporting to the Board of Directors as Chief Operating Decision Maker is prepared in a single segment. DOTTIKON ES Group allocates resources and assesses their performance on entity level.
The segment reporting is compiled according to IFRS 8.31 ff. as one single reportable segment. The valuation principles applied for segment reporting purposes are consistent with those applied in the preparation of the consolidated financial statements.

Derivative financial instruments

The Group uses foreign exchange forwards to cover foreign currency risks. These derivative financial instruments are measured at fair value. If the underlying hedged item is an asset or liability that is measured at fair value, the unrealized gains and losses are included in the operating income or expense together with the hedged change in fair value of the underlying asset or liability. Changes in fair value of derivatives to hedge cash flows are recognized in other comprehensive income (cash flow hedge according to IAS 39). If an expected transaction or firm commitment results in the recognition of an asset or liability, the gains or losses previously recognized in other comprehensive income are included in the initial measurement of the asset or liability.

Intangible assets
The position intangible assets includes software acquired from third parties. They are measured at cost of acquisition less economically required amortization. Intangible assets are amortized on a straight-line basis over their expected economic useful lives, which is usually between 4 and 7 years. Any impairment loss is recognized in profit or loss.

Property, plant and equipment
Property, plant and equipment is measured at cost of acquisition or conversion less economically required depreciation and impairments. None of these items are financed with leasing agreements. The items of property, plant and equipment are depreciated on a straight-line basis over their expected economic useful lives, except for land, which is not depreciated, and items under construction, which are only depreciated from their commissioning date.
The estimated useful lives for the main categories of depreciable property, plant and equipment are as follows:

Buildings	20 to 50 years
Technical plant and machinery	5 to 35 years
Other property, plant and equipment	3 to 15 years

Where components of larger assets have different useful lives, they are depreciated separately. Useful lives and residual values are reviewed annually at the balance sheet date and any adjustments recognized in the income statement. All gains or losses arising from disposal of items of property, plant and equipment are recognized in profit or loss. Items of insignificant value are not recognized in the balance sheet and therefore directly charged to the income statement.

Financial assets
Financial assets include the surplus of pension assets that is determined with actuarial valuations for defined benefit plans according to IFRS.

Recoverability of non-current assets/impairment
The recoverability of non-current assets is tested as soon as events or a change in circumstances indicate that the carrying amount may exceed the recoverable amount. An impairment loss is recognized for the excess of the carrying amount of the asset over the recoverable amount. This results in the asset being recognized at the higher amount of fair value less costs to sell and value in use. If cash flows cannot be directly allocated to individual assets, the impairment is determined on a higher level, which is the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other assets or groups of assets.

Non-current assets held for sale
Non-current assets as well as groups of assets including directly allocated current liabilities (so-called "disposal groups") are classified as "assets held for sale" in the current assets as well as current liabilities section of the balance sheet and presented separately if the underlying value predominantly relates to the disposal thereof and not to the useful life of the asset. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups), and its sale must be highly probable. A number of criteria must be fulfilled for a sale to be highly probable, including that the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.
Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset shall be measured in accordance with applicable IFRSs. Non-current assets (or disposal groups), classified as held for sale, are to be measured at the lower of their carrying amount and fair value less the costs to sell. These assets are not depreciated upon reclassification to held for sale.

Inventories
Inventories comprise raw materials, supplies, trading goods as well as semi-finished and finished goods. They are measured – using the weighted average method – at the lower of cost of acquisition or conversion and net realizable value. Cost of conversion of inventories includes direct material and production costs and a part of attributable overhead costs. Slow-moving items are partly or fully adjusted in value.

Trade receivables
Trade receivables are measured at amortized cost, which generally equals the nominal value less value adjustments made for identifiable solvency risks based on the maturity structure. Besides individual value adjustments with respect to specific identifiable risks, value adjustments are also recognized based on statistically determined credit risks.

Other receivables
Other receivables are measured at amortized cost, which generally equals the nominal value. Other receivables comprise other receivables from third parties, current loans with a maturity of less than 12 months, prepayments of expenses and income that can only be realized in the following year.

Cash and cash equivalents
Cash and cash equivalents are measured at nominal values. They comprise cash on hand and bank accounts as well as fixed deposits with an original maturity of up to 90 days.

Non-current liabilities
Non-current liabilities comprise all identified liabilities at the balance sheet date that can be measured reliably and that have a maturity of more than 1 year after balance sheet date.

Current liabilities
Current liabilities include all liabilities that are due within 12 months.

Trade payables and other current liabilities
Trade payables and other current liabilities are measured at amortized costs, which generally equals the nominal value.

Research and development
Research costs are charged to the income statement in the period they occur. Development costs are only capitalized when certain criteria are met and the capitalized amount is covered by future economic benefits.

Income taxes
All tax liabilities are recognized in the balance sheet, irrespective of their maturities. Current income tax is calculated based on taxable profit. Deferred tax is calculated according to the balance sheet liability method based on all temporary differences between the tax bases and the amounts recognized in the consolidated financial statements. Deferred tax assets are only recognized to the extent that they can be realized. Deferred taxes are determined based on local tax rates. Tax assets and liabilities are offset when they relate to the same taxable entity and the same tax authority and can be realized at the same time.

Financial result
The financial result includes interest income, income from foreign currency valuation, gain on securities, expenses from foreign currency valuation, bank charges, and interest expenses. Interest income is recognized in the period in which it arises.

Employee benefits
DOTTIKON ES Group has an own, legally independent pension plan that is managed independently. It is financed through employees' and employers' contributions. Present and former employees or rather their surviving dependants receive benefits upon reaching the age limit and/or in the event of invalidity or death, depending on the plan of the respective entity. For the purposes of the consolidated financial statements, future pension obligations are calculated annually by an independent certified actuary based on actuarial methods in accordance with IFRS.
The pension plans of DOTTIKON ES Group are classified as defined benefit plans in accordance with IFRS. The defined benefit obligation is calculated using the projected unit credit method, which is based on past service as well as expected remaining length of service of employees in company, projected rates of remuneration growth, and pension adjustments. It represents the present value of expected future cash flows. Plan assets are recognized at fair value. The current service cost, which is calculated in accordance with IAS 19 "Employee Benefits", is recognized within personnel expenses in the income statement. Effective for the reporting year 2009/10, actuarial gains and losses are recognized – net of deferred tax impact – within other comprehensive income. The change has been applied retrospectively as of April 1, 2008 (see "Changes in Corporate Accounting Principles", page 31).
Surpluses are only capitalized if they are actually available to the Group in the form of future contribution repayments or reductions. They are disclosed under financial assets.

Own shares, share-based payments, and earnings per share
Own shares are recorded at cost as a deduction from equity. Any profit or loss from disposal of own shares is recorded in share premium.
Share-based payments to employees, which DOTTIKON ES Group considers as performance drivers upon fulfilling certain criteria, are measured at fair value determined at grant date and charged to personnel expenses.
Earnings per share are calculated based on net income of the Group that is attributable to shareholders of DOTTIKON ES HOLDING AG divided by the weighted average number of shares outstanding during the reporting period. There are no options or similar that have a dilutive effect.

CHANGES IN CORPORATE ACCOUNTING PRINCIPLES

Change in accounting policy regarding employee's defined benefit plans in accordance with IAS 19
Prior to the reporting year 2009/10, actuarial gains and losses were recognized in the income statement to the extent that they exceeded the higher of 10 percent of the fair value of plan assets or the present value of defined benefit obligations of the previous year. Effective for the reporting year 2009/10, actuarial gains and losses are recognized – net of deferred tax impact – within other comprehensive income. The change has been applied retrospectively as of April 1, 2008.

The restatement did not impact consolidated equity as of April 1, 2008. The previous year's figures have been restated as follows:

- Decrease in personnel expenses of CHF 1'189 thousand
- Increase in income taxes of CHF 237 thousand
- Decrease in financial assets of CHF 2'140 thousand
- Decrease in deferred tax liabilities of CHF 426 thousand
- Decrease in equity of CHF 1'714 thousand

Applied standards and interpretations
With effect from April 1, 2009, DOTTIKON ES Group applied the following new standards and interpretations issued by the IASB: IFRS 8 "Operating Segments", IFRIC 13 "Customer Loyalty Programmes", IFRIC 15 "Agreements for the Construction of Real Estate", IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" and IFRIC 18 "Transfers of Assets from Customers" (transactions on or after July 1, 2009). In addition, DOTTIKON ES Group applied the following revised standards and interpretations issued by the IASB with effect from April 1, 2009: IFRS 2 "Share-based Payment – Vesting Conditions and Cancellations", IFRS 7 "Financial Instruments: Disclosures: Enhanced Disclosures about Fair Value Measurements and Liquidity Risk", IAS 1 "Presentation of Financial Statements", IAS 23 "Borrowing Costs", IAS 32 "Financial Instruments: Presentation and IAS 1 – Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation" as well as IFRIC 9 and IAS 39 "Embedded Derivatives".

With the exception of IFRS 8 and IAS 1 revised, the aforementioned revised or new standards and interpretations did not have significant impact on equity, net income, cash flow, and presentation of the financial statements of the Group.
The application of IFRS 8 "Operating Segments" led to a material change with regard to disclosure of operating segments as well as to enhanced entity-wide disclosures. The application of IAS 1 revised "Presentation of Financial Statements" led to additions and changes in the presentation of comprehensive income and the statement of changes in equity. The disclosure of the previous year's figures has been restated accordingly.

MANAGEMENT ASSUMPTIONS AND ESTIMATES

Significant accounting policies

The preparation of financial statements requires management to make estimates and assumptions that affect the Group's consolidated financial statements mainly in the areas described below, should the actual results differ from these estimates and assumptions.

Impairment of non-current assets

Whenever there is evidence that an item of property, plant and equipment or an intangible asset may be impaired, an impairment assessment is carried out. In such a situation, the amount is determined that seems to be recoverable due to expected future income. This recoverable amount is either the net present value of expected future net cash flows or the expected net fair value less costs to sell. If these values are lower than the actual carrying amount, an impairment loss is recognized to the recoverable amount. The impairment loss is recognized as an expense in the income statement. Important assumptions to these calculations are growth rates, margins, and discount rates. Actual cash flows can vary significantly from such estimates of discounted future cash flows. Furthermore, the useful lives can be decreased or impairment can occur on buildings, technical plant and machinery and other property, plant and equipment due to a change in utilization or when lower revenue is realized than expected on a medium-term. The carrying amounts of the respective items of property, plant and equipment and intangible assets are presented in notes 8 "Development of Intangible Assets" and notes 9 "Development of Property, Plant and Equipment".

Employee benefits

The pension plans of DOTTIKON ES Group are classified as defined benefit plans in accordance with IFRS. For the purposes of the consolidated financial statements, future pension obligations are calculated based on actuarial methods in accordance with IFRS. Assumptions are made to estimate future developments. These include the assumptions and estimates regarding the discount rate, the expected long-term return on plan assets, the estimates of remuneration growth, and retirement income adjustments. The actuarial calculations for determining the defined benefit obligation are also based on statistical information such as life expectancy and future withdrawals of participants from the plan. Whenever these parameters used change due to changes in market and economic conditions, the actual results can differ significantly from the actuarial calculation and valuation. These differences can impact the pension assets and liabilities as well as expenses and income from pension plans significantly on a medium-term. The carrying amount of the recognized plan assets is presented in notes 12 "Employee Benefits".

Income taxes

The measurement of current income taxes and deferred taxes requires comprehensive considerations such as the interpretation of local tax legislation. IFRS requires an entity to account for the tax consequences of the transactions and other events for which the final assessment of taxes does not occur in the reporting period. As the result of the final assessment can vary from the calculation performed during the reporting period, the income taxes for the current period can be subject to significant adjustments.

STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET APPLIED

The following new and revised standards and interpretations have been issued up to the date the Board of Directors has approved these consolidated financial statements, but are not yet effective and are not applied early in these consolidated financial statements. Their impact on the consolidated financial statements of DOTTIKON ES Group has not yet been systematically analyzed. The expected effects as disclosed below the table, reflect a first assessment by management of the Group.

Standard/Interpretation		Effective date	Planned application by DOTTIKON ES Group
IFRS 3 revised – Business Combinations	C	July 1, 2009	Business year 2010/11
Improvements to IFRSs	C	July 1, 2009	Business year 2010/11
IAS 27 revised – Consolidated and Separate Financial Statements	C	July 1, 2009	Business year 2010/11
Amendments to IAS 39 – Financial Instruments: Recognition and Measurement – Eligible Hedged Items	A	July 1, 2009	Business year 2010/11
IFRIC 17 – Distributions of Non-cash Assets to Owners	A	July 1, 2009	Business year 2010/11
Amendments to IFRS 2 – Group Cash-settled Share-based Payment Transactions	A	January 1, 2010	Business year 2010/11
Improvements to IFRSs	C	January 1, 2010	Business year 2010/11
Amendment to IAS 32 – Financial Instruments: Presentation – Accounting for Rights Issues	A	February 1, 2010	Business year 2010/11
Improvements to IFRSs	C	July 1, 2010	Business year 2011/12
IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments	A	July 1, 2010	Business year 2011/12
Improvements to IFRSs	C	January 1, 2011	Business year 2011/12
IAS 24 revised – Related Party Disclosures	C	January 1, 2011	Business year 2011/12
Amendments to IFRIC 14 – Prepayments of a Minimum Funding Requirement	C	January 1, 2011	Business year 2011/12
IFRS 9 – Financial Instruments – Classification and Measurement of Financial Assets	C	January 1, 2013	Business year 2013/14

[A] No impact or no significant impact is expected on the consolidated financial statements of DOTTIKON ES Group
[B] The impact on the consolidated financial statements of DOTTIKON ES Group is expected to result in additional disclosures or changes in presentation
[C] The impact on the consolidated financial statements of DOTTIKON ES Group cannot yet be determined with sufficient reliability

Notes to the Consolidated Financial Statements

1 SEGMENT REPORTING

DOTTIKON ES Group is specialized in hazardous chemical reactions and focuses on the exclusive synthesis of fine chemicals for the pharmaceutical and chemical industry worldwide.

DOTTIKON ES Group builds on one single production site and continues the strategy of performance leadership as specialist for hazardous reactions. DOTTIKON ES Group mainly executes projects with focus on the exclusive synthesis of fine chemicals which are strongly heterogeneous. Therefore a differentiation in several operating segments is not informative.

The financial reporting to the Board of Directors as Chief Operating Decision Maker is prepared in a single segment. DOTTIKON ES Group allocates resources and assesses their performance on entity level.

The segment reporting is compiled according to IFRS 8.31 ff. as one single reportable segment on entity level.

Entity-wide disclosures are as follows:

Net sales by product lines:

CHF thousand/April–March	2008/09	2009/10
Pharma Products	110'315	102'063
Industrial Chemicals	33'853	5'551
Recycling & Waste Treatment	6'085	5'510
Net sales	**150'253**	**113'124**

Net sales by regions:

CHF thousand/April–March	2008/09	2009/10
Switzerland	43'142	33'915
Northern Europe	53'019	26'438
Southern Europe and others	18'255	33'302
America	31'192	17'618
Asia	4'645	1'851
Net sales	**150'253**	**113'124**

Share of sales by customers:

CHF thousand/April–March	2008/09	2009/10
Customers with more than 10% of net sales[A]	44'610	41'072
Customers with less than 10% of net sales	105'643	72'052
Net sales	**150'253**	**113'124**

[A] Reporting year 2009/10: 2 customers with more than 10% of net sales (previous year: 2 customers)

2 OTHER OPERATING INCOME

CHF thousand/April–March	2008/09	2009/10
Capitalized own production	2'776	2'483
Various other operating income[A]	5'890	2'386
Other operating income	**8'666**	**4'869**

[A] Reporting year 2009/10: claims of CHF 800 thousand related to the delayed commissioning of new apparatus groups (previous year: includes extraordinary effect of the disposal of "property which is being held for sale"; earnings: CHF 4'515 thousand)

3 PERSONNEL EXPENSES

CHF thousand/April–March	2008/09[A]	2009/10
Wages and salaries	42'401	37'830
Employee benefits[B]	1'752	2'289
Social security	3'620	3'199
Other personnel expenses	625	503
Personnel expenses	**48'398**	**43'821**

[A] Restated

[B] See "Changes in Corporate Accounting Principles", page 31 and notes 12 "Employee Benefits"

Employees, which DOTTIKON ES Group considers as performance drivers upon fulfilling certain criteria, have the opportunity to acquire gratuitously registered shares of DOTTIKON ES HOLDING AG. In the reporting year 2009/10, 1'715 such shares (previous year: 1'600 shares) were issued and are recognized within personnel expenses at their fair value of CHF 391 thousand (previous year: CHF 356 thousand).

The average number of full-time equivalents of DOTTIKON ES Group was 446 for the reporting year 2009/10 (previous year: 473).

4 OTHER OPERATING EXPENSES

CHF thousand/April–March	2008/09	2009/10
Rent	185	165
Repair and maintenance	7'636	5'018
Insurance, duties, and fees	1'519	1'544
Administration and promotion	2'373	2'173
Loss on disposal of non-current assets	887	595
Supplies	3'782	2'962
Various other operating expenses[A]	3'278	1'611
Other operating expenses	**19'660**	**14'068**

[A] Mainly consisting of selling and waste disposal expenses

5 FINANCIAL RESULT

Financial income includes the following:

CHF thousand/April–March	2008/09	2009/10
Interest income	484	49
Income from foreign currency valuation	1'444	476
Gain on securities	160	0
Financial income	**2'088**	**525**

Financial expenses include the following:

CHF thousand/April–March	2008/09	2009/10
Bank charges, interest expenses	22	12
Expenses from foreign currency valuation	1'513	498
Financial expenses	**1'535**	**510**

Foreign exchange gain recognized in the income statement amounts to CHF 837 thousand during the reporting year 2009/10 (previous year: foreign exchange gain of CHF 1'877 thousand) and is allocated to the following positions of the income statement ("+" foreign exchange gain; "-" foreign exchange loss):

- Net sales CHF +723 thousand (previous year: CHF +1'826 thousand)
- Material expenses CHF +136 thousand (previous year: CHF +120 thousand)
- Financial income CHF +476 thousand (previous year: CHF +1'444 thousand)
- Financial expenses CHF -498 thousand (previous year: CHF -1'513 thousand)

6 INCOME TAXES

Income taxes can be analyzed as follows:

CHF thousand/April–March	2008/09[A]	2009/10
Net income before taxes	27'619	12'502
Expected income tax at tax rate of 12.8% (previous year: 16.4%)[B]	4'530	1'600
Debit (credit) adjustments recognized for previous period, net	23	-14
Effect of deferred tax rate adjustment[C]	0	-1'713
Other effects	5	-6
Recognized income tax expenses (tax revenue)	**4'558**	**-133**

[A] Restated

[B] Change of the weighted tax rate results from Group-internal transactions, changes in the composition of results of Group companies, and a lower tax rate at the domicile due to changes in the tax basis effective as of January 1, 2010 (applicable for reporting year 2009/10)

[C] In the reporting year 2009/10 lower tax rate at the domicile due to changes in the tax basis effective as of January 1, 2010

CHF thousand/April–March	2008/09[A]	2009/10
Attributable to the following positions:		
Current income tax	5'409	2'123
Deferred income tax	-851	-2'256
Recognized income tax expenses (tax revenue)	**4'558**	**-133**

[A] Restated

Income taxes recognized in other comprehensive income:

CHF thousand/April–March	2008/09[A]	2009/10
Current income tax[B]	-563	172
Deferred income tax[C]	-426	3'409
Total income taxes recognized in other comprehensive income[D]	**-989**	**3'581**

[A] Restated

[B] Reporting year 2009/10: foreign exchange forwards CHF 172 thousand (previous year: foreign exchange forwards CHF -326 thousand, employee benefits CHF -237 thousand)

[C] Tax effect: recognition employee benefits

[D] "+" expenses, "-" income

Income taxes recognized in equity:

CHF thousand/April–March	2008/09[A]	2009/10
Current income tax[B]	4	2
Deferred income tax	0	0
Total income taxes recognized in equity[C]	**4**	**2**

[A] Restated

[B] Tax effect: gain from disposal of own shares

[C] "+" expenses, "-" income

There are no unrecognized tax loss carry-forwards.

7 EARNINGS PER SHARE

Earnings per share amount to CHF 10.21 (previous year: CHF 18.65, restated) and are calculated from the Group's net income and the weighted average number of shares outstanding (shares issued less own shares). In the reporting year 2009/10, the amount of these shares was 1'237'256 (previous year: 1'236'499). There are no options or similar that have a dilutive effect.

8 DEVELOPMENT OF INTANGIBLE ASSETS

CHF thousand		Software	Total
	Cost		
	Balance 01.04.2008	**2'654**	**2'654**
	Additions	0	0
	Disposals	-45	-45
	Reclassifications	29	29
	Balance 31.03.2009	**2'638**	**2'638**
	Balance 01.04.2009	**2'638**	**2'638**
	Additions	93	93
	Disposals	-624	-624
	Reclassifications	684	684
	Balance 31.03.2010	**2'791**	**2'791**
	Amortization, accumulated		
	Balance 01.04.2008	**-2'548**	**-2'548**
	Additions	-88	-88
	Disposals	45	45
	Reclassifications	0	0
	Balance 31.03.2009	**-2'591**	**-2'591**
	Balance 01.04.2009	**-2'591**	**-2'591**
	Additions	-44	-44
	Disposals	624	624
	Reclassifications	0	0
	Balance 31.03.2010	**-2'011**	**-2'011**
	Carrying amounts		
	01.04.2008	**106**	**106**
	31.03.2009	**47**	**47**
	31.03.2010	**780**	**780**

No development costs were capitalized in the reporting and the previous year since no capitalization criteria were met. Expenses for research and development of CHF 8'130 thousand (previous year: CHF 8'219 thousand) were charged to the income statement. As in the previous year, there were no capital commitments for intangible assets. There was no impairment on intangible assets in the reporting and the previous year. No interests were capitalized in the reporting and the previous year.

9 DEVELOPMENT OF PROPERTY, PLANT AND EQUIPMENT

CHF thousand	Land	Buildings	Technical plant and machinery	Other property, plant and equipment	Plants under construction	Total
Cost						
Balance 01.04.2008	8'699	116'505	256'734	12'226	14'488	408'652
Additions[A]	0	3'663	4'401	90	33'330	41'484
Disposals	0	-1'410	-4'357	-219	0	-5'986
Reclassifications	0	1'502	4'384	89	-6'004	-29
Balance 31.03.2009	8'699	120'260	261'162	12'186	41'814	444'121
Balance 01.04.2009	8'699	120'260	261'162	12'186	41'814	444'121
Additions[A]	0	2'729	10'427	129	8'445	21'730
Disposals	0	-147	-4'559	-309	0	-5'015
Reclassifications	0	6'050	27'938	130	-34'802	-684
Balance 31.03.2010	8'699	128'892	294'968	12'136	15'457	460'152
Depreciation, accumulated						
Balance 01.04.2008	0	-55'140	-149'108	-9'430	0	-213'678
Additions[B]	0	-2'615	-9'610	-441	0	-12'666
Disposals	0	1'319	3'587	189	0	5'095
Reclassifications	0	0	0	0	0	0
Balance 31.03.2009	0	-56'436	-155'131	-9'682	0	-221'249
Balance 01.04.2009	0	-56'436	-155'131	-9'682	0	-221'249
Additions	0	-2'543	-10'543	-436	0	-13'522
Disposals	0	118	4'000	301	0	4'419
Reclassifications	0	0	0	0	0	0
Balance 31.03.2010	0	-58'861	-161'674	-9'817	0	-230'352
Carrying amounts						
01.04.2008	8'699	61'365	107'626	2'796	14'488	194'974
31.03.2009	8'699	63'824	106'031	2'504	41'814	222'872
31.03.2010	8'699	70'031	133'294	2'319	15'457	229'800

[A] Capital expenditure reflects cost of acquired property, plant and equipment (without consideration of cash outflow)
[B] Previous year: includes effect of CHF 900 thousand due to decreased useful lives of several technical plant and machinery

The insurance value of property, plant and equipment amounts to CHF 523'922 thousand (previous year: CHF 523'577 thousand). Capital commitments for property, plant and equipment amount to CHF 3'833 thousand (previous year: CHF 11'250 thousand). There was no impairment on property, plant and equipment in the reporting and the previous year. No interests were capitalized in the reporting and the previous year.

10 INVESTMENTS IN ASSOCIATED COMPANIES

As in the previous year, DOTTIKON ES HOLDING AG has a participation of 33.9 percent in SYSTAG, System Technik AG, in Rüschlikon.

SYSTAG, System Technik AG, is the technological leader in integrated solutions for automated chemical process development.

SYSTAG, System Technik AG, has the same reporting date as DOTTIKON ES Group, which is March 31.

The investment has been accounted for using the equity method. The local accounting principles are adjusted to IFRS.

The share of loss amounts to CHF 30 thousand (previous year: share of result CHF 0 thousand).

Associated companies:

CHF thousand/31.03.	2008/09	2009/10
Balance sheet[A]		
Assets	4'579	4'126
Liabilities	1'475	1'111
Shareholders' equity	**3'104**	**3'015**

[A] Amounts at 100%

CHF thousand/April–March	2008/09	2009/10
Income statement[A]		
Income	4'505	3'388
Expenses	-4'505	-3'477
Result	**0**	**-89**

[A] Amounts at 100%

11 FINANCIAL ASSETS

CHF thousand/31.03.	2008/09[A]	2009/10
Surplus of pension assets	15'314	32'927
Financial assets	**15'314**	**32'927**

[A] Restated

Financial assets include a surplus of pension assets in the amount of CHF 32'927 thousand (previous year: CHF 15'314 thousand, restated). The details regarding the pension plan are presented in notes 12 "Employee Benefits".

12 EMPLOYEE BENEFITS

DOTTIKON ES Group has an own, legally independent pension plan that is managed independently and in accordance with country-specific requirements. The assets are held outside of the entities in independent foundations. The plans are financed through employees' and employers' contributions. The future obligations and the respective assets of the plans that are classified as defined benefit plans according to IFRS are reviewed and recalculated annually by an independent certified actuary. The last review was as of March 31, 2010. The valuation of the pension plans are based on the balance sheet dates as of December 31. Changes between the valuation date and the end of the reporting year are followed and extrapolated.

The pension situation of the Group is as follows.

Development of defined benefit obligations and plan assets:

CHF thousand	2008/09	2009/10
Present value of defined benefit obligations 01.04.	-130'371	-126'904
Current service cost	-5'752	-6'081
Interest cost	-4'424	-4'322
Benefits paid	10'092	9'687
Actuarial gains (losses) on obligations	3'551	117
Present value of defined benefit obligations 31.03.	**-126'904**	**-127'503**

CHF thousand	2008/09	2009/10
Fair values of plan assets 01.04.	167'988	161'997
Expected return on plan assets	6'216	5'994
Employer contributions[A]	1'446	2'056
Employees' contributions	2'208	2'120
Benefits paid	-10'092	-9'687
Actuarial gains (losses) on plan assets	-5'769	54
Fair values of plan assets 31.03.	**161'997**	**162'534**

[A] Previous year: in the first half-year, employer contributions for the pension plan were financed by the existent employer contribution reserves, in the second half-year, they were charged to DOTTIKON ES Group

The balance sheet shows the following:

CHF thousand/31.03.	2008/09[A]	2009/10
Fair values of plan assets	161'997	162'534
Present value of defined benefit obligations	-126'904	-127'503
Surplus of pension assets (liabilities)	**35'093**	**35'031**
Adjustments for article IAS 19.58	-19'779	-2'104
Pension assets in the balance sheet of the Group (notes 11 "Financial Assets")	**15'314**	**32'927**

[A] Restated

The income statement shows the following:

CHF thousand/April–March	2008/09[A]	2009/10
Current service cost	-5'752	-6'081
Interest cost	-4'424	-4'322
Expected return on plan assets[B]	6'216	5'994
Net pension cost in period	**-3'960**	**-4'409**
Employees' contributions	2'208	2'120
Net defined benefit expenses	**-1'752**	**-2'289**

[A] Restated

[B] The effective realized return on assets in the reporting year 2009/10 is approximately 3.7% (previous year: approximately 0.3%)

Defined benefit plans:

CHF thousand/31.03.	2006/07	2007/08	2008/09	2009/10
Fair values of plan assets	167'989	167'988	161'997	162'534
Present value of defined benefit obligations	-140'571	-130'371	-126'904	-127'503
Surplus of pension assets (liabilities)	**27'418**	**37'617**	**35'093**	**35'031**
Experience adjustments on plan liabilities/gains (losses)	4'918	3'896	3'551	3'965
Adjustments on plan liabilities arising from changes in actuarial assumptions/gains (losses)	0	4'765	0	-3'848
Experience adjustments on plan assets/gains (losses)	-3'985	-2'867	-5'769	54
Total actuarial gains (losses)	**933**	**5'794**	**-2'218**	**171**

Changes in the pension assets in the balance sheet of the Group:

CHF thousand	2008/09[A]	2009/10
Pension assets in the balance sheet of the Group 01.04.	18'949	15'314
Net defined benefit expenses	-1'752	-2'289
Employer contributions[B, C]	1'446	2'056
Income (expenses) resulting from adjustments for article IAS 19.58[D, E]	-1'111	17'675
Actuarial gains (losses) recognized in other comprehensive income[D]	-2'218	171
Pension assets in the balance sheet of the Group 31.03.	**15'314**	**32'927**
Accumulated actuarial gains (losses) recognized in other comprehensive income	**-2'218**	**-2'047**

[A] Restated

[B] Previous year: in the first half-year, employer contributions for the pension plan were financed by the existent employer contribution reserves, in the second half-year, they were charged to DOTTIKON ES Group

[C] The expected outflow of funds for employer contributions in 2010/11 will be approximately CHF 2'717 thousand

[D] See "Changes in Corporate Accounting Principles", page 31, change in recognition of actuarial gains (losses) in other comprehensive income

[E] Reporting year 2009/10: Discounted value of future use was increased based on obtaining legal certainty from the authority ("Amt für berufliche Vorsorge und Stiftungsaufsicht")

Actuarial assumptions:

	2008/09	2009/10
Discount rate	3.3%	3.0%
Expected return on plan assets	3.7%	3.5%
Expected salary increase rates	2.0%	2.0%
Expected pension increase rates	1.5%	1.5%
Actuarial bases	BVG 2005	BVG 2005
Average age of retirement	65/64	65/64
Average expectation of life for a retired person at retirement age		
Female	21.85	21.85
Male	17.90	17.90

Asset allocation:

31.12.[A]	2008/09	2009/10
Cash and cash equivalents	96.4%	68.8%
Debt securities	1.5%	20.0%
Equity securities	0.0%	0.0%
Real estate	0.0%	0.0%
Others[B]	2.1%	11.2%
Total	100.0%	100.0%

[A] Effective date of asset allocation is December 31

[B] Reporting year 2009/10: mainly commodities

The expected return on plan assets is determined based on the strategic allocation to investment categories and is reviewed regularly.

There are no own shares, no property used by DOTTIKON ES Group and no other assets used by DOTTIKON ES Group included in the plan assets.

13 NON-CURRENT ASSETS HELD FOR SALE

In the previous year 2008/09, "property which is being held for sale" was disposed. In the business year 2007/08, the "property which is being held for sale" was reclassified with a carrying amount of CHF 3'985 thousand from non-current assets to current assets in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

IFRS 5 is applied when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets, its sale is highly probable and the sales should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The position under notes 2 "Other Operating Income" increased in the previous year 2008/09, mainly as a result of the extraordinary effect of the disposal of "property which is being held for sale" by CHF 4'515 thousand. In the business year 2007/08, DOTTIKON ES Group received a prepayment of CHF 350 thousand for the "property which is being held for sale" which was included in current liabilities. The disposal of "property which is being held for sale" generated an inflow of CHF 8'150 thousand in cash and cash equivalents in the previous year 2008/09.

14 INVENTORIES

CHF thousand/31.03.	2008/09	2009/10
Raw materials	7'898	6'026
Supplies	4'051	4'784
Trading goods	256	240
Semi-finished goods	10'820	6'432
Finished goods	31'370	26'521
Inventories	**54'395**	**44'003**

Value adjustments deducted from inventory balances amount to CHF 3'717 thousand (previous year: CHF 4'032 thousand).

15 TRADE RECEIVABLES

Trade receivables are value adjusted as follows:

CHF thousand/31.03.	2008/09	2009/10
Trade receivables, gross	32'687	30'222
Individual value adjustments	-39	-39
Overall value adjustments	-58	-53
Trade receivables, net	**32'590**	**30'130**

Trade receivables are allocated to the following currencies:

CHF thousand/31.03.	2008/09	2009/10
CHF	24'019	25'032
EUR	4'173	4'826
USD	4'398	272
Trade receivables, net	**32'590**	**30'130**

Trade receivables are allocated to the following regions:

CHF thousand/31.03.	2008/09	2009/10
Switzerland	13'850	14'436
Europe and others	10'485	11'082
America	6'317	4'589
Asia	1'938	23
Trade receivables, net	**32'590**	**30'130**

Value adjustments on trade receivables have changed as follows:

CHF thousand	2008/09	2009/10
Individual value adjustments		
Balance 01.04.	32	39
Increase (decrease)	7	0
Balance 31.03.	**39**	**39**

CHF thousand	2008/09	2009/10
Overall value adjustments		
Balance 01.04.	5	58
Increase (decrease)	53	-5
Balance 31.03.	**58**	**53**

The individual value adjustments amounted to CHF 39 thousand (previous year: CHF 39 thousand). In the reporting year 2009/10 no additional individual value adjustments were made (previous year: individual value adjustments of CHF 7 thousand).

For further information on credit management and trade receivables, see notes 20 "Financial Risk Management".

At the balance sheet date, the ageing structure of the trade receivables, which are not subject to individual value adjustments, was as follows:

CHF thousand/31.03.	Receivables 2008/09	Value adjustments 2008/09	Receivables 2009/10	Value adjustments 2009/10
Not yet due	20'885	0	27'211	0
1 to 30 days overdue	8'025	40	2'201	38
31 to 60 days overdue	2'778	14	432	8
61 to 90 days overdue	431	2	12	1
More than 90 days overdue	529	2	327	6
Total	**32'648**	**58**	**30'183**	**53**

The receivables which are not due and which are not subject to individual value adjustments are mainly receivables arising from long-standing customer relationships. On past experience DOTTIKON ES Group does not anticipate any significant defaults.

16 OTHER RECEIVABLES

CHF thousand/31.03.	2008/09	2009/10
Receivables from social security and other public fees	1'666	724
Prepaid expenses and accrued income	226	190
Derivative financial instruments	134	1'305
Other receivables and accruals qualifying as financial instruments	485	740
Other receivables	**2'511**	**2'959**

17 DEFERRED TAX LIABILITIES

Deferred tax liabilities are attributable to the following items:

CHF thousand/31.03.	2008/09[A]	2009/10
Property, plant and equipment	26'658	25'621
Inventories	4'330	3'344
Provisions	3'245	3'098
Surplus of pension assets	3'056	6'264
Other balance sheet positions	585	700
Deferred tax liabilities	**37'874**	**39'027**

[A] Restated

18 OTHER LIABILITIES

CHF thousand/31.03.	2008/09	2009/10
Liabilities from social security and other public fees	895	1'473
Current liabilities due to pension plan	1'630	172
Prepayments from clients	895	2'772
Derivative financial instruments	183	0
Other liabilities and deferrals qualifying as financial instruments	10'118	6'642
Other liabilities	**13'721**	**11'059**

19 RISK MANAGEMENT

Both, Board of Directors and Senior Management deal with issues concerning risk management. The Board of Directors has the overall responsibility for the risk management, the Senior Management is responsible for its operational implementation.

DOTTIKON ES Group applies various instruments of risk management. Together with the provision for comprehensive and effective insurance coverage, risk management involves the systematic identification, assessment, cause and action analysis and implementation of the actions defined to strategic, operational, and financial risks. Also included are regular audits of clients, regulators, and insurance companies.

Risk management reporting is done during the ordinary meetings of the Board of Directors by the CEO. The results are discussed with the departments concerned and, when necessary, appropriate actions to reduce the risks are defined and implemented.

20 FINANCIAL RISK MANAGEMENT

General

Financial risk management is based on guidelines issued by the Board of Directors concerning the goals, principles, tasks, and competencies of financial management. The Board of Directors holds supreme responsibility for the company's financial risk management. It has assigned the duty of constantly monitoring financial risks to the Group Controlling of DOTTIKON ES Group. The Senior Management and the Board of Directors receive regular information about existing risks.

The risk management principles are geared to identifying and analyzing the risks to which the Group is exposed and to establishing the appropriate control mechanisms. The principles of risk management and the processes applied are regularly reviewed, taking due regard of changes in the market and in the Group's activities.

Owing to its business activities, DOTTIKON ES Group is exposed to various financial risks such as credit risk, liquidity risk, and market risk (including currency and interest-rate risk).

The following sections provide an overview of the extent of the individual risks and the goals, principles and processes employed for measuring, monitoring, and hedging the financial risks.

Categories of financial instruments

The following table shows the carrying amounts of all financial instruments by category:

CHF thousand/31.03.	2008/09[A]	2009/10[A]
Cash and cash equivalents	30'395	41'406
Trade receivables	32'590	30'130
Other receivables and accruals qualifying as financial instruments	485	740
Loans and receivables	**63'470**	**72'276**
Other receivables (foreign exchange forwards)	60	474
Financial investments held for trading	**60**	**474**
Trade payables	6'396	3'851
Other liabilities and deferrals qualifying as financial instruments	10'118	6'642
Financial liabilities valued at amortized cost	**16'514**	**10'493**
Other liabilities (foreign exchange forwards)	28	0
Financial liabilities held for trading	**28**	**0**
Receivables from foreign exchange forwards (cash flow hedge according to IAS 39)	74	831
Liabilities from foreign exchange forwards (cash flow hedge according to IAS 39)	155	0

[A] Fair values of the financial assets and liabilities are approximately equal to the carrying amounts

Fair value hierarchy

The fair value of foreign exchange forwards (see "Categories of Financial Instruments") is determined by reference to their replacement value as of the balance sheet date. The valuation method is allocated to level 2. Direct or indirect observable market data is considered as a basis for valuation in the event that appropriate level 1 quotation is not available.

Credit risk

The credit risk is the risk of suffering financial loss if a customer or counterparty of a financial instrument fails to meet its contractual obligations. The main credit risks of DOTTIKON ES Group arise from trade receivables and bank accounts.

Cash and cash equivalents are current account balances with special interest as well as fixed deposits. The Group only has relationships with major financial institutes. As a general rule, the investments have a maturity of less than three months. In accordance with the investment policy of DOTTIKON ES Group, these transactions are entered into only with major, credit-worthy commercial institutes.

Transactions involving derivative financial instruments are also entered into only with major financial institutes. The derivative financial instruments are mainly used to cover foreign currency risks for future revenue, for which firm commitments are in place.

The credit risk on trade receivables is low because the Group's client base consists of many clients that operate in different business areas and geographical regions. There are no risk concentrations. The extent of the credit risk is determined mainly by the individual characteristics of each customer. Assessment of this risk involves a review of the customer's credit-worthiness based on his financial situation, and past experience. In monitoring default risk, customers are classified according to relevant factors such as geographical location, sector, and past financial difficulties.

The maximum credit risk on financial instruments corresponds to the carrying amounts of the individual financial assets. DOTTIKON ES Group has not entered into any guarantees or similar obligations that would increase the risk over and above the carrying amounts.

The maximum credit risk as per balance sheet date was as follows:

CHF thousand/31.03.	2008/09	2009/10
Cash and cash equivalents	30'395	41'406
Trade receivables	32'590	30'130
Other receivables and accruals qualifying as financial instruments	485	740
Other receivables (foreign exchange forwards)	134	1'305
Total	**63'604**	**73'581**

Liquidity risk

The liquidity risk is the risk that DOTTIKON ES Group is unable to meet its obligations when they fall due.

Liquidity is recorded and managed centrally at Group level.

Liquidity is constantly monitored to ensure that it is adequate. Liquidity reserves are held in order to offset the usual fluctuations in requirements. At the same time, the Group has unused credit lines in the event of more serious fluctuations. The credit lines are spread over several banks so that there is no excessive dependence on any one institute.

The following table shows the contractual maturities (including interest rates) of the financial liabilities held by DOTTIKON ES Group at the end of the reporting year and in the previous year:

CHF thousand	Carrying amount 31.03.	Contractual cash flows	Up to 6 months	6 to 12 months	1 to 2 years[A]
2008/09					
Non-derivative financial liabilities					
Trade payables	6'396	6'396	6'396		
Other liabilities and deferrals qualifying as financial instruments	10'118	10'118	9'310	808	
Subtotal	**16'514**	**16'514**	**15'706**	**808**	**0**
Derivative financial instruments					
Foreign exchange forwards	183				
Outflow	183	40'435	12'275	10'796	17'364
Inflow		-40'137	-12'119	-10'753	-17'265
Total	**16'697**	**16'812**	**15'862**	**851**	**99**
2009/10					
Non-derivative financial liabilities					
Trade payables	3'851	3'851	3'851		
Other liabilities and deferrals qualifying as financial instruments	6'642	6'642	5'913	729	
Subtotal	**10'493**	**10'493**	**9'764**	**729**	**0**
Derivative financial instruments					
Foreign exchange forwards	0				
Outflow	0	0	0	0	0
Inflow		0	0	0	0
Total	**10'493**	**10'493**	**9'764**	**729**	**0**

[A] In the reporting year 2009/10, there are no liabilities that release cash flows after 1 year (previous year: no liabilities that release cash flows after 2 years)

The following table indicates the periods in which the foreign exchange forwards (cash flow hedge according to IAS 39) are expected to impact profit or loss:

CHF thousand		Carrying amount 31.03.	Expected cash flows	Up to 6 months	6 to 12 months	1 to 2 years[A]
	2008/09					
	Derivative financial instruments					
	Assets	74	77	77	0	0
	Liabilities	-155	-270	-128	-43	-99
	Total	**-81**	**-193**	**-51**	**-43**	**-99**
	2009/10					
	Derivative financial instruments					
	Assets	831	774	395	379	0
	Liabilities	0	-8	-8	0	0
	Total	**831**	**766**	**387**	**379**	**0**

[A] There are no impacts to the income statement in the reporting year 2009/10 after 1 year (previous year: no impacts to the income statement after 2 years)

Market risk

Market risk is the risk that changes in market rates and prices, e.g. exchange rates, interest rates or share prices, may have an impact on the profit and market value of financial instruments held by DOTTIKON ES Group. The goal of managing such market risks is to monitor and control these risks in order to ensure that they do not exceed a defined limit.

Currency risk

Owing to its international activities, DOTTIKON ES Group is exposed to currency risks. Because all Group companies are domiciled in Switzerland, the individual financial statements of all Group companies are prepared in Swiss francs. These currency risks occur in connection with transactions in different currencies, in particular the sale and purchase of goods, mainly in Euro and US dollar.

The derivative financial instruments are mainly used to cover foreign currency risks for future revenue, for which firm commitments are in place. Currency risks can be reduced by purchasing and producing goods in the congruent currency.

The table below shows the currency risks arising from financial instruments in which the currency involved is not congruent with the functional currency of the subsidiary which holds these financial instruments:

CHF thousand/31.03.2009	EUR	USD	GBP
Trade receivables	4'173	4'398	0
Other receivables	15	6	4
Cash and cash equivalents	255	321	2
Trade payables	-979	-237	0
Other liabilities	0	0	0
Foreign exchange forwards	-45'342	-3'114	0
Expected cash flows from trade receivables	42'918	0	0
Expected cash flows from trade payables	0	-568	0
Total currency exposure	**1'040**	**806**	**6**

CHF thousand/31.03.2010	EUR	USD	GBP
Trade receivables	4'826	272	0
Other receivables	2	0	0
Cash and cash equivalents	8'520	238	2
Trade payables	-762	-190	0
Other liabilities	0	0	0
Foreign exchange forwards	-29'049	-798	0
Expected cash flows from trade receivables	17'142	554	0
Expected cash flows from trade payables	0	0	0
Total currency exposure	**679**	**76**	**2**

A change in exchange rates as of March 31, 2010, of 5 percent versus EUR, 10 percent versus USD as well as 5 percent versus GBP (previous year: 5 percent versus EUR, 10 percent versus USD as well as 15 percent versus GBP) would have an increased or decreased net income by the amounts shown on the right. The assumption underlying this analysis is that all other variables, in particular interest rates, remain unchanged.

Substantially larger effects on the income statement can be caused by exchange rate changes to business transactions during the year, which do not lie in the scope of application of IFRS 7.

The method of determining the realistically conceivable rate changes is derived from the maximum rate fluctuation in the reporting year as well as the previous year divided by two. This is used as basis.

Sensitivity analysis:

31.03.2009	CHF/EUR	CHF/USD	CHF/GBP
Change +/-	5%	10%	15%
Positive impact on income statement in CHF thousand	42	64	1
Negative impact on income statement in CHF thousand	-42	-64	-1
Positive impact on comprehensive income in CHF thousand	1'717	45	0
Negative impact on comprehensive income in CHF thousand	-1'717	-45	0

31.03.2010	CHF/EUR	CHF/USD	CHF/GBP
Change +/-	5%	10%	5%
Positive impact on income statement in CHF thousand	27	6	0
Negative impact on income statement in CHF thousand	-27	-6	0
Positive impact on comprehensive income in CHF thousand	803	45	0
Negative impact on comprehensive income in CHF thousand	-803	-45	0

The following tables show the contract values as well as the replacement values of the foreign exchange forwards per balance sheet date:

Foreign exchange forwards (sales) are allocated to the following currencies:

CHF thousand/31.03.	2008/09	2009/10
EUR	45'114	30'284
USD	3'739	799
Contract values	**48'853**	**31'083**

Foreign exchange forwards (purchases) are allocated to the following currencies:

CHF thousand/31.03.	2008/09	2009/10
EUR	0	0
USD	560	0
Contract values	**560**	**0**

Total replacement values:

CHF thousand/31.03.	2008/09	2009/10
Positive replacement values[A]	134	1'305
Negative replacement values[B]	-183	0

[A] Is equal to the recognized fair value (within the balance sheet position "Other Receivables", notes 16)

[B] Is equal to the recognized fair value (within the balance sheet position "Other Liabilities", notes 18)

Interest-rate risk

The interest-rate risk may involve either changes in future interest payments owing to fluctuations in market interest rates or the risk of a change in market value, i.e. the risk that the market value of a financial instrument will change owing to fluctuations in market interest rates.

The interest-bearing financial assets held by the Group relate to cash and cash equivalents. Changes are made to the interest on cash and cash equivalents at short notice, after a maximum of three months. The Group holds no interest-bearing financial liabilities.

Market value sensitivity analysis for fixed-rate financial instruments: DOTTIKON ES Group does not hold any fixed-rate financial assets or liabilities.

Cash flow sensitivity analysis for variable-rate financial instruments: DOTTIKON ES Group is exposed to an interest-related cash flow risk in variable-rate cash and cash equivalents. An increase in the interest rate by 1 percent would have increased the consolidated net income by CHF 335 thousand (previous year: CHF 243 thousand). A reduction in the interest rate would have resulted in a maximum decrease of consolidated net income by CHF 37 thousand (previous year: decrease in the interest rate by 1 percent would have resulted in a decrease of consolidated net income by CHF 243 thousand). This analysis assumes that all other factors of influence remain the same (particularly foreign exchange rates).

21 CAPITAL MANAGEMENT

The capital managed by the Group consists of the consolidated equity.

The Group has set the following goals for the management of its capital:

- Maintaining a healthy and sound balance sheet structure based on continuing values in order to ensure the continuation of the operating activities
- Ensuring the necessary financial scope in order to be able to make investments in the future
- Achieving a return for investors that is appropriate for the risk

DOTTIKON ES Group employs two ratios to monitor equity: the equity ratio and return on equity. The equity ratio equates to shareholders' equity as a percentage of total capital. Return on equity is obtained by measuring net income as a percentage of average shareholders' equity. These ratios are reported to the Board of Directors and the Senior Management at regular intervals by internal financial reporting. The equity ratio on March 31, 2010, was 84.7 percent (previous year: 82.5 percent, restated). In the medium-term, DOTTIKON ES Group strives furthermore to have a strong balance sheet with a high portion of equity.

CHF thousand/31.03.	2008/09[A]	2009/10
Shareholders' equity of DOTTIKON ES Group (no minority interests)	296'183	324'412
Total capital	359'192	383'043
Equity ratio in %	**82.5**	**84.7**
Average shareholders' equity	286'602	310'298
Net income	23'061	12'635
Return on equity in %	**8.0**	**4.1**

[A] Restated

The Board of Directors proposes the appropriation of retained earnings to the Annual General Meeting. The Group's dividend policy intends to distribute excess liquidity in the amount not required for internal growth and related investments under consideration of the respective profitability.

For maintenance and adjustments of the capital structure, DOTTIKON ES Group can adapt dividend payments, return capital to the shareholders, issue new shares or dispose of assets that are not necessary for operating activities.

The Board of Directors is proposing to the Annual General Meeting, that no dividend will be paid for the business year 2009/10 (previous year: no dividend).

22 OTHER NON-CASH TRANSACTIONS

Non-cash transactions which impact the income statement (excluding depreciation and amortization) are adjusted in the cash flow statement that is prepared using the indirect method. Non-cash transactions in the reporting year 2009/10 mainly result from losses of disposals of property, plant and equipment (previous year: mainly earnings from disposal of "property which is being held for sale"; employer contributions to the pension plan, which were financed by the existent employer contribution reserves, so that there was no outflow of funds; change in accounting policy regarding employee's defined benefit plans in accordance with IAS 19 [see "Changes in Corporate Accounting Principles", page 31]; as well as not realized foreign exchange effects).

23 RELATED PARTY TRANSACTIONS

Members of the Senior Management, Board of Directors, and important shareholders as well as entities controlled by these are considered related parties.
As in the previous year, DOTTIKON ES HOLDING AG has investments in the following companies:

- DOTTIKON EXCLUSIVE SYNTHESIS AG
  Domicile in Dottikon/share capital CHF 102'000
  Investment share of 100 percent/fully consolidated
  Branch/purpose: chemicals/production and sale of chemical intermediates and active pharmaceutical ingredients
- DOTTIKON ES MANAGEMENT AG
  Domicile in Dottikon/share capital CHF 100'000
  Investment share of 100 percent/fully consolidated
  Branch/purpose: chemicals/management of investment companies
- SYSTAG, System Technik AG
  Domicile in Rüschlikon/share capital CHF 410'000
  Investment share of 33.9 percent/equity method
  Branch/purpose: automated process technology/development and fabrication of integrated solutions for automated chemical process development

A basic compensation of CHF 85 thousand was paid to the members of the Board of Directors (previous year: CHF 85 thousand). As in the previous year, the members of the Board of Directors did not receive any registered shares.
In the reporting year 2009/10, the members of the Senior Management received 848 registered shares of DOTTIKON ES HOLDING AG that had a fair value of CHF 193 thousand (previous year: 1'199 registered shares of DOTTIKON ES HOLDING AG, fair value of CHF 273 thousand). Additionally, the members of the Senior Management received a cash compensation of CHF 1'652 thousand (previous year: CHF 1'721 thousand). The total compensation without the bonus in registered shares of the Board of Directors and the members of the Senior Management was CHF 2'080 thousand (previous year: CHF 2'111 thousand). Total compensation includes pension plan contributions of CHF 207 thousand and CHF 136 thousand social security contributions (previous year: CHF 177 thousand pension plan contributions and CHF 128 thousand social security contributions).The total compensation of the Board of Directors and of the members of the Senior Management is included in personnel expenses (see notes 3 "Personnel Expenses").
During the reporting year 2009/10 as well as in the previous year, no guarantees, loans, advances or credit facilities were granted to the members of the Board of Directors or the Senior Management or related parties.
For transactions with pension plans refer to notes 12 "Employee Benefits".

The overview of significant shareholders is presented in the notes to the financial statements of DOTTIKON ES HOLDING AG, notes 4 "Significant Shareholders", page 62.
Apart from those above, there weren't any further receivables or liabilities or transactions with related parties in the reporting year 2009/10 and the previous year.
The detailed disclosure of compensation and participations of the members of the Board of Directors and the Senior Management according to Swiss law is presented in the notes to the financial statements of DOTTIKON ES HOLDING AG, notes 6 "Compensation and Participations", pages 63 and 64.

24 CONTINGENT LIABILITIES

In the reporting year 2009/10 and in the previous year, no guarantees or collaterals in favor of third parties existed.

25 EVENTS AFTER THE BALANCE SHEET DATE

The consolidated financial statements were approved for issue by the Board of Directors on May 12, 2010. They are subject to approval by the Annual General Meeting. No events have occurred between March 31, 2010, and May 12, 2010, that would require an adjustment of the Group's carrying amounts of assets and liabilities. On May 1, 2010, Dr Stephan Kirschbaum was appointed as member of the Senior Management in his present function as Head of Business Development. No further events have occurred that would need to be disclosed under this heading.

26 DIVIDENDS

The Board of Directors recommends to the Annual General Meeting of July 2, 2010, that no dividend will be paid for the business year 2009/10 (see "Proposal for the Appropriation of Available Earnings" in the notes to the financial statements of DOTTIKON ES HOLDING AG, page 66). Therefore, there is no outflow of funds expected. No dividend was paid out in the reporting year 2009/10 for the business year 2008/09. The outflow of funds in the reporting year 2009/10 was CHF 0 thousand (previous year: CHF 0 thousand).

Report of the Statutory Auditor on the Consolidated Financial Statements to the General Meeting of DOTTIKON ES HOLDING AG, Dottikon

As statutory auditor, we have audited the consolidated financial statements of DOTTIKON ES HOLDING AG, presented on pages 19 to 53, which comprise the income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity, and notes for the year ended March 31, 2010.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing, and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

1/2

Opinion
In our opinion, the consolidated financial statements for the year ended March 31, 2010, give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Report on Other Legal Requirements
We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Hanspeter Stocker	Marc O. Schmellentin
Licensed Audit Expert	Licensed Audit Expert
Auditor in Charge	

Zurich, May 12, 2010

2/2

SAVA

play audiofile

…a beautiful female member of staff with long curly hair.

She shakes off the ash…

…permanently hot. 1'200 degrees Celsius. It's daily hell…

"She takes my orders"…

Financial Statements DOTTIKON ES HOLDING AG

Income Statements DOTTIKON ES HOLDING AG

April–March
CHF thousand

	Notes	2008/09	2009/10
Income from investments		5'000	5'000
Financial income	(2)	5'727	6'083
Compensation from Group companies		2'234	1'693
Other income		457	591
Income		**13'418**	**13'367**
Financial expenses	(2)	-585	-9
Compensation to Group companies		-361	-390
External expenses		-186	-198
Income taxes		-591	-629
Expenses		**-1'723**	**-1'226**
Net income		**11'695**	**12'141**

Balance Sheets DOTTIKON ES HOLDING AG

CHF thousand

	Notes	31.03.2009	31.03.2010
Loans to Group companies		100'000	110'000
Investments	(1)	6'100	6'100
Investments in associated companies	(1)	848	848
Own shares	(2)	6'859	7'057
Non-current assets		**113'807**	**124'005**
Current loans to Group companies		11'382	11'680
Other receivables from third parties		1	1
Prepaid expenses and accrued income		250	261
Cash and cash equivalents		23	902
Current assets		**11'656**	**12'844**
Assets		**125'463**	**136'849**
Share capital		6'363	6'363
Legal reserves	(2)	8'699	8'330
Other reserves		96'994	109'058
Retained earnings			
Profit brought forward		0	0
Net income		11'695	12'141
Shareholders' equity	(3)	**123'751**	**135'892**
Non-current liabilities		**0**	**0**
Other liabilities due to Group companies		873	16
Other liabilities due to third parties		712	763
Accrued expenses and deferred income		127	178
Current liabilities		**1'712**	**957**
Liabilities		**1'712**	**957**
Shareholders' equity and liabilities		**125'463**	**136'849**

Statement of Changes in Equity DOTTIKON ES HOLDING AG

CHF thousand

^Regarding reserves for own shares refer to the notes to the financial statements of DOTTIKON ES HOLDING AG, notes 2 "Own Shares", page 62

	Share capital	General reserves	Reserves for own shares ^	Other reserves	Retained earnings	Shareholders' equity
Balance 01.04.2008	**6'363**	**1'273**	**7'296**	**75'812**	**21'312**	**112'056**
Transfer to reserves				21'312	-21'312	0
Dividends paid					0	0
Net income					11'695	11'695
Reclassifications			130	-130		0
Balance 31.03.2009	**6'363**	**1'273**	**7'426**	**96'994**	**11'695**	**123'751**
Balance 01.04.2009	**6'363**	**1'273**	**7'426**	**96'994**	**11'695**	**123'751**
Transfer to reserves				11'695	-11'695	0
Dividends paid					0	0
Net income					12'141	12'141
Reclassifications			-369	369		0
Balance 31.03.2010	**6'363**	**1'273**	**7'057**	**109'058**	**12'141**	**135'892**

Summer Scents

play audiofile

…doesn't feel like being on vacation.

"Quince brandy is sheer poetry!"

…almost a hundred of them. Black and white ones, English…

…tough and leathery, well-worn by the wind…

…from seven in the morning till nine at night…

…for the former landlady.

Notes DOTTIKON ES HOLDING AG

Notes to the Financial Statements DOTTIKON ES HOLDING AG

1 INVESTMENTS/ INVESTMENTS IN ASSOCIATED COMPANIES

As in the previous year, DOTTIKON ES HOLDING AG holds 100 percent of DOTTIKON EXCLUSIVE SYNTHESIS AG with a share capital of CHF 102 thousand, and 100 percent of DOTTIKON ES MANAGEMENT AG with a share capital of CHF 100 thousand. The investments are measured at cost. As in the previous year, investments in associated companies include SYSTAG, System Technik AG, with a share capital of CHF 410 thousand. The interest in the investment is 33.9 percent and is measured at cost. Information regarding purpose and domicile of listed companies are shown in the notes to the consolidated financial statements, notes 23 "Related Party Transactions", page 52.

2 OWN SHARES

	Number of shares in circulation[A]	Number of own shares[A]	Carrying amount of own shares CHF thousand
Balance 31.03.2008	**1'236'097**	**36'547**	**7'296**
Purchases	-1'800	1'800	369
Disposals	0	0	0
Shareholding program for employees	1'272	-1'272	-239
Value adjustments[B]			-567
Balance 31.03.2009	**1'235'569**	**37'075**	**6'859**
Purchases	0	0	0
Disposals	0	0	0
Shareholding program for employees	1'844	-1'844	-369
Value adjustments[B]			567
Balance 31.03.2010	**1'237'413**	**35'231**	**7'057**

[A] Not weighted

[B] Valuation at lower of cost or market; reporting year 2009/10: financial income (previous year: financial expenses)

The necessary value adjustment of own shares from the previous year could be cancelled because of the positive performance which resulted in a financial income of CHF 567 thousand in the reporting year 2009/10.
As of March 31, 2010, the reserves for own shares amount to CHF 7'057 thousand (previous year: CHF 7'426 thousand) and correspond to the acquisition cost of the acquired shares.

3 EQUITY

By reason of the approved proposal for appropriation of available earnings at the Annual General Meeting on July 2, 2009, available earnings from 2008/09 and changes in own shares and reserves have been booked in the reporting year 2009/10. By reason of the approved proposal for appropriation of available earnings at the Annual General Meeting on July 4, 2008, available earnings from 2007/08 and changes in own shares and reserves have been booked in the previous year 2008/09. The share capital of DOTTIKON ES HOLDING AG is fully paid-in, amounts to CHF 6'363 thousand, and consists of 1'272'644 registered shares with a nominal value of CHF 5.

4 SIGNIFICANT SHAREHOLDERS

The following shareholders hold more than 3 percent of the registered share capital:

In % of total share capital of DOTTIKON ES HOLDING AG	31.03.2009	31.03.2010
Markus Blocher, Wilen b. Wollerau[A]	66.3	66.7
Peter Grogg, Hergiswil NW[B]	7.0	7.0
Miriam Blocher, Rheinfelden	5.1	5.1
UBS Fund Management (Switzerland) AG, Basel	4.7	4.7

[A] Thereof 50.1% (previous year: 50.1%) through EVOLMA Holding AG, Freienbach

[B] Through Ingro Finanz AG, Bubendorf

5 CONTINGENT LIABILITIES

In the reporting year 2009/10 and in the previous year, no guarantees or collaterals in favor of third parties existed. In addition, DOTTIKON ES HOLDING AG is part of the value-added tax group (VAT) of DOTTIKON ES Group and therefore guarantees in solidarity for all liabilities against Swiss Federal Tax Administration in connection with the VAT.

6 COMPENSATION AND PARTICIPATIONS

Compensation paid to the Board of Directors	Cash compensation[A] CHF thousand	Social security expenses CHF thousand	Total compensation 2009/10[B] CHF thousand	Total compensation 2008/09[B] CHF thousand
Heinz Boller Chairman of the Board of Directors	35	1	36	36
Peter Grogg Deputy Chairman of the Board of Directors	25	1	26	26
Robert Hofer Member of the Board of Directors	25	1	26	26
Total non-executive members of the Board of Directors	**85**	**3**	**88**	**88**

[A] The members of the Board of Directors did not receive any registered shares of DOTTIKON ES HOLDING AG

[B] The total compensation comprises of cash compensation and the social security expenses

Compensation paid to the Senior Management	Fixed salary in cash CHF thousand	Bonus in cash[A] CHF thousand	Bonus in registered shares[A, B] Pieces	Bonus in registered shares[A, B] CHF thousand	Pension plan and social security expenses[C] CHF thousand	Total compensation 2009/10[D] CHF thousand	Total compensation 2008/09[D] CHF thousand
Total Senior Management	1'265	387	848	193	340	2'185	2'296
Thereof Markus Blocher CEO/Managing Director (highest individual salary)	212	100	219	50	61	423	578

[A] The bonus is based on a bonus plan. The amount is determined by the fulfillment of personal performance objectives and by the financial results of DOTTIKON ES Group. The bonus for the business year 2009/10 was approved by the Board of Directors as of May 5, 2010. The payment and the allocation of registered shares of DOTTIKON ES HOLDING AG respectively, will be made in the business year 2010/11

[B] The amount of the registered shares is calculated on the basis of the full fair value of the registered shares

[C] The pension plan and social security expenses include employer contributions to pension plan of CHF 207 thousand and social security of CHF 133 thousand

[D] The total compensation comprises of fixed salary, bonus in cash, bonus in registered shares of DOTTIKON ES HOLDING AG, as well as the pension plan and social security expenses

Participations of members of the Board of Directors, Senior Management or persons related to them
Members of the Senior Management, Board of Directors, and important shareholders as well as entities controlled by these are considered related parties.
Apart from the compensation paid to the Board of Directors and Senior Management as well as the regular employer contributions to the pension plan and social security, no transactions with related persons or companies took place.
The three non-executive members of the Board of Directors and their related parties hold the following registered shares of DOTTIKON ES HOLDING AG as of March 31, 2010 (previous year: March 31, 2009):

Participations of the Board of Directors	Number of registered shares 31.03.2009	Number of registered shares 31.03.2010
Heinz Boller Chairman of the Board of Directors	700	700
Peter Grogg[A] Deputy Chairman of the Board of Directors	89'449	89'449
Robert Hofer Member of the Board of Directors	80	80
Total non-executive members of the Board of Directors	**90'229**	**90'229**

[A] Through Ingro Finanz AG, Bubendorf

The seven members of the Senior Management (previous year: seven members) and their related parties hold the following registered shares of DOTTIKON ES HOLDING AG as of March 31, 2010 (previous year: March 31, 2009):

Participations of the Senior Management	Number of registered shares 31.03.2009	Number of registered shares 31.03.2010
Markus Blocher[A] CEO/Managing Director	843'277	848'718
Marlene Born CFO	265	426
Emanuel Tschannen Head of Legal & Human Resources	0	73
Max Bachmann[B] Head of Processes & Technologies[C]	1'300	1'246
Alexander Ernst[D] Head of Purchasing, Marketing & Sales	199	345
Bruno Eugster Head of Production	354	442
Knut Hildebrandt Head of Quality Management	418	564
Total Senior Management	**845'813**	**851'814**

[A] Thereof 637'500 registered shares through EVOLMA Holding AG, Freienbach
[B] Previously Head of Business Development until August 2009
[C] New department since September 2009
[D] Additionally Head of Marketing & Sales since September 2009

Neither DOTTIKON ES HOLDING AG nor its corporate subsidiaries granted any guarantees, loans, advances or credit facilities to the members of the Board of Directors or the Senior Management or related parties in the reporting year 2009/10.
DOTTIKON ES HOLDING AG did not make any severance payments or other payments to members of the Board of Directors or the Senior Management who left the company in the period under review or earlier.

7 RISK MANAGEMENT
The specific business activities and risks of DOTTIKON ES HOLDING AG are fully integrated into the Group-wide risk management process of DOTTIKON ES Group. Both, Board of Directors and Senior Management deal with issues concerning risk management. The Board of Directors has the overall responsibility for the risk management, the Senior Management is responsible for its operational implementation.
DOTTIKON ES Group applies various instruments of risk management. Together with the provision for comprehensive and effective insurance coverage, risk management involves the systematic identification, assessment, cause and action analysis and implementation of the actions defined to strategic, operational, and financial risks. Also included are regular audits of clients, regulators, and insurance companies.
Risk management reporting is done during the ordinary meetings of the Board of Directors by the CEO. The results are discussed with the departments concerned and, when necessary, appropriate actions to reduce the risks are defined and implemented.

8 EVENTS AFTER THE BALANCE SHEET DATE
No events have occurred between March 31, 2010, and May 12, 2010, that would require an adjustment of the holding's carrying amounts of assets and liabilities. On May 1, 2010, Dr Stephan Kirschbaum was appointed as member of the Senior Management in his present function as Head of Business Development. No further events have occurred that would need to be disclosed under this heading.

Proposal of the Board of Directors for Appropriation of Available Earnings

CHF/31.03.	2009/10
Net income	12'140'924
Balance brought forward[A]	0
Available earnings	**12'140'924**

[A] Last years' available earnings have been completely transferred to the other reserves

Proposal of the Board of Directors:

CHF/31.03.	2009/10
Transfer to legal reserves[A]	0
Balance to be carried forward[B]	**12'140'924**

[A] The legal reserve amounts to 20 percent of the paid-in share capital. Art. 671 § 1 CO has been met. Holding companies are exempt from the second allocation according to Art. 671 § 4 CO

[B] No dividend will be paid for the business year 2009/10

Dottikon, May 12, 2010
For the Board of Directors

Heinz Boller
Chairman of the Board of Directors

Report of the Statutory Auditor on the Financial Statements to the General Meeting of DOTTIKON ES HOLDING AG, Dottikon

KPMG

As statutory auditor, we have audited the financial statements of DOTTIKON ES HOLDING AG, presented on pages 57 to 66, which comprise the income statement, balance sheet, statement of changes in equity, and notes for the year ended March 31, 2010.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing, and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Opinion

In our opinion, the financial statements for the year ended March 31, 2010, comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Hanspeter Stocker	Marc O. Schmellentin
Licensed Audit Expert	Licensed Audit Expert
Auditor in Charge	

Zurich, May 12, 2010

In the Clean Room

play audiofile

We do not only hear with our ears, our bones also resonate and transmit sounds.

…from the sheer overdose of a pharmaceutical ingredient.

…warm, flattering, encouragingly bitter-orange perfume…

…oversized scoop used for putting sweets and candies into colorful paper bags.

…sweat is getting stronger.

…almost like the snow shovel outside my window in the mornings.

Corporate Governance

Corporate Governance

Board of Directors

CEO
Dr Markus Blocher

Legal & Human Resources
Dr Emanuel Tschannen

CFO
Marlene Born

Business Development[A]
Dr Stephan Kirschbaum[B]

Processes & Technologies[C]
Dr Max Bachmann[D]

Purchasing
Dr Alexander Ernst

Production
Bruno Eugster

Quality Management
Dr Knut Hildebrandt

[A] Business Development was replaced by Marketing & Sales from September 2009 until April 2010
[B] Dr Alexander Ernst until April 2010, Dr Stephan Kirschbaum since May 2010
[C] New department since September 2009
[D] Previously Head of Business Development until August 2009

1 GROUP STRUCTURE AND SHAREHOLDERS

1.1 Group structure

DOTTIKON ES Group is specialized in hazardous chemical reactions and focuses on the exclusive synthesis of fine chemicals for the pharmaceutical and chemical industry worldwide.
The operating management structure is organized by functions according to the illustration above.
DOTTIKON ES HOLDING AG, holding company of DOTTIKON ES Group, has its domicile in Dottikon and is listed at the SIX Swiss Exchange (DESN; security number 2073900; ISIN CH0020739006). As in the previous year, the share capital amounts to CHF 6'363'220, the market capitalization as of March 31, 2010, is CHF 298'944'076 (previous year: CHF 243'711'326). As in the previous year, there are no further listed companies in the Group.

The investments of DOTTIKON ES HOLDING AG are disclosed in the notes to the consolidated financial statements, notes 23 "Related Party Transactions", page 52, of this Annual Report 2009/10 and include the following detailed information:

- Name of the company
- Domicile
- Amount of share capital
- Participation in percent
- Consolidation method
- Branch and purpose

1.2 Significant shareholders

Shareholders with voting rights of more than 3 percent as of March 31, 2010, or March 31, 2009, are shown in the notes to the financial statements of DOTTIKON ES HOLDING AG, notes 4 "Significant Shareholders", page 62. As in the previous year, there are no shareholder-binding agreements.

1.3 Cross-shareholdings

As in the previous year, there are no cross-shareholdings with other companies.

2 CAPITAL STRUCTURE

2.1 Capital

The fully paid-in share capital of DOTTIKON ES HOLDING AG amounts to CHF 6'363'220 as of March 31, 2010 (previous year: CHF 6'363'220), and is divided in shares with a nominal value of CHF 5. Each share has one voting right at the Annual General Meeting.

2.2 Authorized and conditional capital in particular

As in the previous year, there is no authorized or conditional capital.

2.3 Capital changes

The changes in equity positions in the business years 2009/10 and 2008/09 are shown in the financial report of DOTTIKON ES Group in this Annual Report 2009/10 on page 24. The changes in equity positions in the business year 2007/08 are shown in the financial report of DOTTIKON ES Group on page 31 of the Annual Report 2008/09.

2.4 Shares and participation certificates

As of March 31, 2010, 1'272'644 registered shares (previous year: 1'272'644) with a nominal value of CHF 5 were issued and fully paid-in. Each share includes one voting right, provided the shareholder with voting rights is registered in the share ledger (see notes 2.6 "Limitation on Transferability and Nominee Registrations"). All shares are unconditionally entitled to dividends except for the own shares held by the Group. As in the previous year, there are no participation certificates.

2.5 Profit-sharing certificates

As in the previous year, there are no profit-sharing certificates.

2.6 Limitation on transferability and nominee registrations

The registered shares of DOTTIKON ES HOLDING AG can be transferred without restriction. The only requirement for being registered in the share ledger is a declaration of the acquirers that the shares are acquired in their own name and for their own account. There are no further registration restrictions. Persons holding shares for third parties (so-called nominees) are entered in the share ledger without voting rights.

2.7 Convertible bonds and options

As in the previous year, there are no convertible bonds or options.

3 BOARD OF DIRECTORS

3.1 Members of the Board of Directors

MEMBERS OF THE BOARD OF DIRECTORS OF DOTTIKON ES HOLDING AG — As of March 31, 2010

Name	Nationality	Age	Position	Title	Term of office
Heinz Boller	Swiss	68	Chairman, non-executive	Eidg. dipl. Buchhalter	2005–2010
Peter Grogg	Swiss	68	Deputy Chairman, non-executive	Dr. h.c.	2005–2010
Robert Hofer	Swiss	70	Member, non-executive	Dipl. Ing. Chem. ETH, Dr. sc. techn. ETH	2005–2010

Heinz Boller

Professional background/career

Since 2005	Chairman of the Board of Directors of DOTTIKON ES HOLDING AG
2000–2004	Head of Novartis Switzerland
1996–2000	Country HEAD Novartis Italy
1971–1996	Several leading positions at Ciba-Geigy, lastly as Head of Ciba-Geigy Spain

Other activities and binding interests:

- Member of the Board of Directors of SV Group

Peter Grogg

Professional background/career

Since 2005	Deputy Chairman of the Board of Directors of DOTTIKON ES HOLDING AG
1971–2002	Founder and CEO of Bachem AG, Switzerland

Other activities and binding interests:

- Chairman of the Board of Directors of Bachem Holding AG and Ingro Finanz AG
- Deputy Chairman of the Board of Directors of Sunstar-Holding AG
- Member of the Board of Directors of Polyphor AG and Kenta Biotech AG

Robert Hofer

Professional background/career

Since 2005	Member of the Board of Directors of DOTTIKON ES HOLDING AG
Since 2001	Independent consultant
1984–2001	Several leading positions at Ciba-Geigy and later at Ciba Speciality Chemicals, lastly as Global Head Technical Operations of the Textile Effects Division

Other activities and binding interests:

- None

No member of the Board of Directors had an executive function within the DOTTIKON ES Group in the past three years. Neither a member of the Board of Directors nor any related party had significant business relations with DOTTIKON ES Group in the past three years.

3.2 Other activities and binding interests

See notes 3.1 "Members of the Board of Directors".

3.3 Cross-involvement

Appointments of members of the Board of Directors in the Board of other public companies are disclosed in notes 3.1 "Members of the Board of Directors".

3.4 Election and term of office

The members of the Board of Directors are elected by the Annual General Meeting for a one-year term of office from one Annual General Meeting to the next. Members of the Board of Directors are individually elected and may be reelected. Members newly elected during a term of office are elected for the remaining part of the current term. Members of the Board of Directors are not nominated for reelection at the Annual General Meeting after having reached the age of 70. The year of initial election and the remaining term of office are presented in the table in notes 3.1 "Members of the Board of Directors".

3.5 Internal organization

The Board of Directors is self-constituting and annually elects the Chairman and Deputy Chairman from its own ranks. To constitute a quorum, half of the members of the Board of Directors must be present. It adopts resolutions and conducts its elections by a majority of the votes represented. In the event of a tie, the Chairman has the deciding vote, except for a tie at elections, where the result is assigned by lot. No presence quorum is required on capital increase reports and other decisions that need to be notarized. The Board of Directors approves the minutes on its negotiations and resolutions.

The Board of Directors holds at least four meetings a year under the lead of the Chairman. The meetings usually last half a day. The dates of these ordinary Board meetings are determined early in advance, so that all members can join personally. Four meetings took place in the reporting year 2009/10 (previous year: four meetings). As in the previous year, all members of the Board of Directors attended all meetings. The Board of Directors did not call in any external advisors in the reporting year 2009/10 or in the previous year.

The duties and responsibilities of the Audit Committee, the Compensation Committee, and the Nomination Committee are performed by all members of the Board of Directors. Due to the size of the Board of Directors of three persons, no fixed committees were founded. For this reason, it is unnecessary to disclose the limitation of competencies.

The tasks of the Audit Committee are supervising accounting, financial reporting, financial planning, and external audits, as well as assessing the effectiveness of internal controls with support from risk management and legal compliance.

The tasks of the Compensation Committee are determining the form and amount of yearly compensation payable to the members of the Board of Directors and Senior Management.

The tasks of the Nomination Committee include succession planning for the Board of Directors and Senior Management and the selection and assessment of applications for Senior Management positions or for the Board of Directors.

These above-mentioned duties and tasks are performed during the ordinary meetings of the Board of Directors by all Board members. Thereby, these three committees held four meetings in total (previous year: four meetings), which each lasted half a day.

3.6 Competencies

The Board of Directors is the highest management organ and supervises and controls the Senior Management of DOTTIKON ES Group. It elects and supervises the Senior Management and is responsible for strategic decisions and determination of accounting and financing principles.

The Board of Directors has the following non-delegable and indefeasible duties assigned according to legal statutory regulations and the Organizational Regulations:

- Management of the Group and issue of required instructions
- Definition of general organization
- Definition of guidelines for the setup of accounting, financial control, and financial planning
- Decisions on operations with strategic significance
- Nomination and dismissal of persons entrusted with the management and representation of the Group
- Determination of compensation of the CEO and the members of the Senior Management
- Supervision of persons entrusted with the executive management
- Preparation of Annual Report and Annual General Meeting and execution of decisions
- Notification of judge in the case of over-indebtedness

The Board of Directors has delegated the management of daily operations to the members of the Senior Management in line with the Organizational Regulations. The competencies and the interaction between the Board of Directors and members of the Senior Management are defined in the Organizational Regulations of DOTTIKON ES Group. The Organizational Regulations can be seen free of charge locally in Dottikon.

The Chairman of the Board of Directors and the CEO regularly inform each other and discuss all important issues that are fundamental or highly significant.

3.7 Information and control instruments with regard to Senior Management

Senior Management provides the Board of Directors with information and documents in an open and timely manner. At each meeting of the Board, members of the Senior Management inform the Board of Directors about the course of business, the risk management, the most important business transactions, the completion of tasks assigned to it, and the Group's accounts. The Board periodically receives the numbers of the consolidated financial statements with previous-year and plan comparatives and with key figures to assess the financial situation of the Group. The Management Information System (MIS) of DOTTIKON ES Group has the following features: every month, an income statement, balance sheet, cash flow statement, statement of changes in equity, and various key figures of the Group are prepared on a consolidated level. Every quarter, the Board receives a forecast of the expected year-end accounts, and twice a year the Board receives mid-term planning results for the following three years. At the Board meetings, the financial statements, the course of the business as well as the risk management are discussed. Additionally, the Chairman of the Board regularly meets with the members of the Senior Management to discuss the course of the business, the status of projects and important events (e.g. planned investments or internal controls). Further, individual members of the Senior Management attend the meetings of the Board of Directors on a regular basis. Once a year, the Board of Directors deals with the Group's strategy.

The Board of Directors and Senior Management attach considerable importance to careful handling of strategic, operational and financial risks. The dealings with operating and financial risks are explained in the notes to the consolidated financial statements, notes 19 "Risk Management" and notes 20 "Financial Risk Management", pages 44 to 50.

4 SENIOR MANAGEMENT

4.1 Members of the Senior Management

MEMBERS OF THE SENIOR MANAGEMENT OF DOTTIKON ES GROUP As of March 31, 2010

Name	Nationality	Age	Function	Title	Member since
Markus Blocher	Swiss	39	CEO/Managing Director	Dipl. Chem. ETH, Dr. sc. nat. ETH	2003
Marlene Born	Swiss	34	CFO	Eidg. dipl. Expertin in Rechnungslegung/Controlling	2006
Emanuel Tschannen	Swiss	34	Head of Legal & Human Resources	Dr. iur., Rechtsanwalt	2008
Stephan Kirschbaum	German	43	Head of Business Development[A]	Dipl. Chem., Dr. rer. nat.	2010
Max Bachmann	Swiss	55	Head of Processes & Technologies[B]	Dipl. Chem. ETH, Dr. sc. nat. ETH	1999
Alexander Ernst	Swiss	42	Head of Purchasing[C]	Dipl. Chem. ETH, Dr. sc. nat. ETH, MBA	2007
Bruno Eugster	Swiss	54	Head of Production	Chemiker HTL	1997
Knut Hildebrandt	German	51	Head of Quality Management	Dipl. Chem., Dr. rer. nat.	1999

[A] Since May 2010
[B] New department since September 2009, previously Head of Business Development until August 2009
[C] Additionally Head of Marketing & Sales from September 2009 until April 2010 (Business Development was replaced by Marketing & Sales during this period)

Markus Blocher

Professional background/career

Since 2003	CEO of today's DOTTIKON ES Group
2002–2003	Responsible for special projects in the EMS Group
2000–2002	Consultant for McKinsey&Company, Zurich
1997–2000	Scientist and doctorate at ETH Zurich

Other activities and binding interests:

- Chairman of the Board of Directors of EVOLMA Holding AG
- Deputy Chairman of the Board of Directors of SYSTAG, System Technik AG (see notes to the consolidated financial statements, notes 10 "Investments in Associated Companies", page 39)
- President of the foundation board of the pension plan of DOTTIKON ES Group and of the social welfare foundation of DOTTIKON EXCLUSIVE SYNTHESIS AG

Marlene Born

Professional background/career

Since 2006	CFO of DOTTIKON ES Group
2005–2006	Controller at DOTTIKON ES Group
2000–2005	Head of Accounting of Migros Verteilzentrum Suhr AG, Suhr
2000	Controller at ABB Normelec, Zurich
1995–2000	Accountant at Treuhandbüro Deragisch, Baden

Other activities and binding interests:

- Member of the foundation board of the pension plan of DOTTIKON ES Group
- Vice president of the social welfare foundation of DOTTIKON EXCLUSIVE SYNTHESIS AG

Emanuel Tschannen

Professional background/career

Since 2008	Head of Legal & Human Resources of DOTTIKON ES Group
2006–2008	Lawyer education in Canton Zurich at Wenger & Vieli Rechtsanwälte, Zurich
2003–2006	Doctorate at the University of Bern
2002–2003	Trainee at Credit Suisse, Zurich
1996–2001	Study of law at the University of Bern

Other activities and binding interests:

- None

Stephan Kirschbaum

Professional background/career

Since 2009	Head of Business Development of DOTTIKON ES Group[A]
2005–2009	Head of Strategic Projects and Head of Management Support, Wealth Management & Swiss Bank HR&E for UBS AG, Zurich
1999–2005	Consultant and Engagement Manager for McKinsey&Company, Munich DE
1997–1999	Research Scientist at University of California, Santa Barbara USA
1994–1997	Doctorate at University of Karlsruhe, DE

[A] Member of the Senior Management since May 2010

Other activities and binding interests:

- None

Max Bachmann

Professional background/career

Since 2009	Head of Processes & Technologies of DOTTIKON ES Group[A]
2003–2009	Head of Business Development of today's DOTTIKON ES Group
1999–2003	Head of Research & Development of today's DOTTIKON ES Group
1989–1999	Several leading positions at today's DOTTIKON ES Group, lastly as Head of Production Facilities

[A] New department since September 2009

Other activities and binding interests:

- None

Alexander Ernst

Professional background/career

Since 2007	Head of Purchasing of DOTTIKON ES Group[A]
2005–2007	Member of the Senior Management for the business unit "Small Molecules" of Polyphor AG, Allschwil
2003–2005	Head of Research & Development of Polyphor AG, Allschwil
2000–2003	Research Scientist and Project Manager for Bayer Schering AG, Berlin DE
1998–2000	Academic position at Harvard University, Cambridge USA
1993–1998	Doctorate at ETH Zurich

[A] Additionally Head of Marketing & Sales from September 2009 until April 2010

Other activities and binding interests:

- None

Bruno Eugster

Professional background/career

Since 1999	Head of Production of today's DOTTIKON ES Group
1997–1999	Head of Technical Services of today's DOTTIKON ES Group
1979–1997	Several leading positions at today's DOTTIKON ES Group, lastly as Head of Production Facilities

Other activities and binding interests:

- Member of the Board of Directors of Messer Schweiz AG

Knut Hildebrandt

Professional background/career

Since 1999	Head of Quality Management of today's DOTTIKON ES Group
1989–1999	Several leading positions at today's DOTTIKON ES Group, lastly as Project Manager Production

Other activities and binding interests:

- None

4.2 Other activities and binding interests
See notes 4.1 "Members of the Senior Management".

4.3 Management contracts
As in the previous year, there are no management contracts.

5 COMPENSATION, SHAREHOLDINGS AND LOANS

5.1 Content and method of determining the compensation and shareholding programs
The Board of Directors, who performs the duties of the Compensation Committee, is responsible for compensation policy at the level of the Board of Directors and the Senior Management. The priority objective of the compensation policy is to recruit, retain, and motivate the persons most qualified to secure the success of DOTTIKON ES Group.
The members of the Board of Directors receive a basic salary. None of the Members of the Board receive remuneration in form of shares of DOTTIKON ES HOLDING AG.
The members of the Senior Management receive a fair remuneration according to their skills, experience, and performance. Composition and amount of compensation depend on the situation in the industry and the employment market, and are reviewed regularly.
The remuneration is based on a fixed salary, a performance-driven bonus in cash and a bonus in registered shares of DOTTIKON ES HOLDING AG. Shares of DOTTIKON ES HOLDING AG are assigned to the Senior Management as a long-term financial incentive calculated on the basis of the full fair value.
The bonus level (cash and compensation in shares) depends on the achievement of personal and company goals that are determined in advance. At the end of the business year, the achievement of the individual, personal, quantitative and qualitative goals as well as the business success of DOTTIKON ES Group are assessed by all members of the Board of Directors – within the Compensation Committee – by using a number of financial indicators.
There is no contractual entitlement to severance payments by the members of the Board of Directors or the Senior Management. In the reporting year 2009/10, no severance payments were made to persons who left governing bodies in the year under review or earlier.
The members of the Board of Directors and the Senior Management or related parties did not receive any fees or other remuneration for additional services to DOTTIKON ES Group in the reporting year 2009/10.
Neither DOTTIKON ES HOLDING AG nor its corporate subsidiaries granted any guarantees, loans, advances or credit facilities to members of the Board of Directors or the Senior Management or related parties in the reporting year 2009/10.
The remunerations to the Board of Directors and the Senior Management are disclosed in the notes to the consolidated financial statements, notes 23 "Related Party Transactions", pages 52 and 53, as well as in the notes to the financial statements of DOTTIKON ES HOLDING AG, notes 6 "Compensation and Participations", pages 63 and 64.

5.2 Transparency of compensation, shareholdings, and loans pertaining to issuers domiciled abroad
Irrelevant to DOTTIKON ES Group.

6 SHAREHOLDER PARTICIPATION RIGHTS

6.1 Restrictions of voting rights and representation

All shareholders that are registered in the share ledger as shareholders with voting rights are allowed to attend the Annual General Meeting (see notes 2.6 "Limitation on Transferability and Nominee Registrations"). A registered shareholder may only be represented at the Annual General Meeting by his/her legal representative, by another shareholder who has voting rights, by the representative of the executive bodies, by an independent proxy, or by a proxy holder of deposited shares. The Chairman finally concludes on the acceptance of a written authorization.

6.2 Statutory quorum

Except where the law provides otherwise, decisions taken by the Annual General Meeting are passed by an absolute majority of the voting rights exercised. In the event of a tie, the Chairman has the deciding vote.

6.3 Convocation of the Annual General Meeting

The ordinary Annual General Meeting is convened in accordance with legal requirements and articles of incorporation of DOTTIKON ES HOLDING AG. It is convened by a single publication in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt) and by written invitations sent to the addresses of the shareholders and beneficiaries entered in the share ledger. Extraordinary General Meetings are held in the cases prescribed by law and as required.

6.4 Agenda

Shareholders representing more than CHF 1 million of the nominal value of the company's share capital may request that a particular item be added to the agenda (Art. 699 § 3 CO). Such a request must be submitted at least 60 days in advance of the Annual General Meeting, specifying the subject to be discussed and the proposals.

6.5 Entry in the share ledger

The Board of Directors determines a cut-off date, when shareholders must be entered into the share ledger at the latest in order to attend the Annual General Meeting, and includes this appointed date in the invitation to the shareholders. The cut-off is one calendar week before the Annual General Meeting. There is no exception to get around this cut-off date.

7 CHANGES IN CONTROL AND DEFENSE MEASURES

7.1 Obligation to submit a purchase offer

An acquirer of shares of DOTTIKON ES HOLDING AG is not obligated to make a public offer in accordance to Art. 32 and 52 of the Federal Act on Stock Exchanges and Securities Trading.

7.2 Clauses on changes in control

As in the previous year, there are no clauses on changes of control.

8 AUDITORS

8.1 Duration of mandate, term of office of auditor in charge

KPMG AG, Zurich, have acted as external auditors of today's DOTTIKON EXCLUSIVE SYNTHESIS AG since the business year 2004. Since DOTTIKON ES HOLDING AG and the new Group structure have been founded as of February 16, 2005, KPMG AG is in charge for the external audit of DOTTIKON ES HOLDING AG and DOTTIKON ES Group. Hanspeter Stocker has been the auditor in charge since the business year 2009/10 (until end of business year 2008/09: Thomas Keusch). The auditor in charge changes at the latest every seven years.

The ordinary Annual General Meeting elects the statutory auditor for a period of one year for the audit of the financial statements of DOTTIKON ES HOLDING AG as well as the consolidated financial statements of DOTTIKON ES Group. Reelection is possible.

8.2 Audit fees

DOTTIKON ES Group paid CHF 81 thousand (previous year: CHF 83 thousand) for services relating to the audit of the financial statements 2009/10 of the Group, DOTTIKON ES HOLDING AG, and the Group companies audited by KPMG AG.

8.3 Additional fees

As in the previous year, no additional fees were paid in the reporting year 2009/10 to the audit company or its related parties.

8.4 Supervisory and control instruments with regard to the auditors

The Audit Committee regularly reviews and evaluates the effectiveness and independence of external auditors. For the evaluation, the members of the Audit Committee use first of all their knowledge and experience acquired as a result of similar functions at other companies. The duties of the Audit Committee are performed by all members of the Board of Directors (see notes 3.5 "Internal Organization"). They also rely on documents developed by external auditors, such as the "Comprehensive Auditor's Reports to the Board of Directors", as well as their verbal and written statements concerning individual aspects and pertinent questions relating to the financial statement and the audit. Usually, there is one meeting a year between the external auditors and the members of the Board of Directors.

None of the past external auditors have decision-making roles in DOTTIKON ES Group, as well as vice versa. The external auditors do not hold any shares of DOTTIKON ES HOLDING AG. There are no further financial dependencies between the external auditors and DOTTIKON ES Group.

9 INFORMATION POLICY

DOTTIKON ES Group follows an active, open and up-to-date information policy with respect to all stakeholders.
DOTTIKON ES HOLDING AG publishes Annual Reports, Half-Year Reports, and regular media releases, in which it informs its shareholders on all important business events. DOTTIKON ES HOLDING AG also publishes all share-price-relevant matters in connection with the ad hoc publicity of SIX Swiss Exchange.
Relevant financial data for the business year 2010/11 are presented in the "Investor Relations" section of this Annual Report 2009/10 on page 83.
All updated information can be found via Internet (www.dottikon.com under "Investors"). Interested persons can sign up for the "IR News Service" free of charge and receive all media releases per email.

play audiofile

…with a stench that makes me speechless.

"Usually, we smell it immediately when
something is wrong."

To be on the safe side.

…crows flying over our heads.

…from ancient Egypt.

…you have to examine their bones…

Investor Relations

Annual General Meeting for the Business Year 2009/10:
July 2, 2010

Issue Half-Year Report 2010/11:
November 26, 2010

Issue Annual Report 2010/11:
May 31, 2011

Annual General Meeting for the Business Year 2010/11:
July 1, 2011

DOTTIKON ES HOLDING AG is listed at the SIX Swiss Exchange.
Symbol: DESN
Security number: 2073900
ISIN: CH0020739006

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DOTTIKON ES Group, 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 Group includes active pharmaceutical ingredients (APIs) and pharmaceutical intermediates as well as in-house-developed, high-value industrial chemicals.

DISCLAIMER

Statements on future events or developments, particularly on the estimation of future business, reflect the view of the management of DOTTIKON ES HOLDING AG in the moment of composition. Since these naturally contain uncertainties and risks, they are given without guarantee and any liability is denied. DOTTIKON ES HOLDING AG refuses to actualize any forward-looking statements. The Internet version of these financial statements is exposed to fraudulent manipulation possibilities that are within such a medium, and is therefore without guarantee. This Annual Report is available in German too. Only the printed version in German handed over to the SIX Swiss Exchange is legally binding.

IMPRESSUM

ART DIRECTION, GRAPHICS & TYPESETTING
Raffinerie AG für Gestaltung, Zurich
www.raffinerie.com

ABOUT

Yvonn Scherrer studied theology in Basel and radio journalism in Fribourg. Since 1998, she has been working as an editorial journalist with Swiss Radio DRS.

"Our five senses are like five kingdoms, five castles harboring ever new and unknown paradises. Most of the time we inhabit only one of the kingdoms: the kingdom of vision. However, even there we don't behave like kings but mere travellers passing by the treasures spread out before our eyes. Since I am blind, I am dependent on training my other senses in order to make up for the missing, otherwise predominant sense of vision. As necessity turned into passion, I became addicted to perception because of the way it enriches my life so infinitely. Sensory perceptions have the strongest and longest-lasting effect when several of them happen simultaneously. They become a tight texture of memories ever combining to form new associations and create new combinations or images: new treasuries keep springing open. Sensory perceptions are like keys to exciting, moving stories, and they keep telling us new episodes with unexpected points."

Dottikon ES Holding AG
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