2010/11 Annual Report

Dottikon ES Holding AG

2010/11
Annual Report
Your Specialist for Hazardous Reactions.

Bridging abysmal crevices along rocky paths back to the destination

Not all the facts suggest such positive developments as the favorable broader economic weather picture being painted at present on the basis of current growth indicators would have us believe. The forecast still involves a significant degree of uncertainty. Different abysmal crevices lie in wait along the rocky path to economic recovery. And, just like in the mountains, the weather might change abruptly in the world of economics too.

Oversized and unsustainable government deficits of industrialized countries, expanded money supplies, low interest rates, and the imminent looming inflation are a renewed threat to the financial system. Sharply rising population numbers, high youth unemployment, and rising prices harbor the potential for further political unrest in emerging economies, just like the rising national protests that have unfolded in the Middle East and in North Africa. The latter jeopardize the interruption-free supply of fossil resources to both emerging and established economic nations. Together with the power vacuum that has recently become apparent – due to lack of financial resources and missing political will in the USA to further unilaterally preserve the global security and stability – this promotes an increasing regionalization driven by national interests. This in turn threatens the interruption-free supply of globally set up value chains in many different industries.

The above-mentioned risks impact also the current changes in the pharmaceutical industry, which has been blessed with success in the past decades. This sector is currently experiencing one of the most profound transformations of the last 40 years. Stimulated by national indebtedness, drug prices are being regulated in industrialized nations with the sole target to cut down on health care costs, while the use of generics is being promoted at the same time. Sales growth is primarily coming from emerging nations with a high share of generics and early stage of health care development. Patent expiries, drug price reductions, and gaining generic share of the overall sales have greatly increased pressure on price and therefore margin on large pharmaceutical companies. To compensate declining profits as a result from reduced product revenues, these companies are implementing cost-cutting and productivity-increasing programs. Numerous active pharmaceutical ingredient (API) projects in the late clinical phase have been terminated after critical reviews. Freed-up capacities have been reduced, and the costs for remaining projects cut by shifting development costs to later clinical stages. At the same time, attempts are being made to offset the decline in sales growth through the combination of time-to-market reduction and in-licensing as well as acquisitions. The resulting increase in the proportion of projects with underdeveloped process chemistry is rising the complexity and financial risks when developing and producing APIs for pharmaceutical companies. This will increasingly lead to scale-up-related quality problems and delay approval processes. Rocky paths and crevices that will have to be bridged are preprogrammed.

The structural changes of the pharma industry have also impacted sales and the result of DOTTIKON ES Group. The strong rise in the demand of industrial chemicals was not in the position to compensate the decline in both the number and order volumes of pharma projects. Effective efforts were made to counter this decline in demand from the pharma sector through cost reduction, however, a loss could not be avoided. By contrast, thanks to disciplined cash management the Group managed to further rise its cash and cash equivalents and fixed deposits. In combination with a strong balance sheet the company is in solid shape to face a transitional year with an ongoing uncertain market environment.

In times of difficulty, it is important to focus on the core strengths and stay on track. Profound experience, rapid adaptability, innovative process technologies, and reliable quality and supply are the key success factors in the current pharmaceuticals environment, especially for the process development and the production of APIs. 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 also 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 more cost-effective, purer active ingredients. This contributes substantially to greater innovation and improved productivity, while at the same time complying with high quality demands. The targeted expansion activity we have pursued over the last few years in high-quality, technologically advanced capacity extension was completed in the last busi-

ness year by commissioning additional API drying capacity for large-volume production. Investment activity has now returned to the level of depreciation and amortization.
The basis for determining the dividend policy – taking into account the prevailing environment – is to distribute any surplus liquidity when it is not required for internal growth. Given the still volatile market environment, and in view of the need for working capital in case of increases in demand, the Board of Directors is consequently proposing to this year's Annual General Meeting to pay no dividend and carry the entire retained earnings forward to new account.

Sincere thanks goes to all staff for their tremendous performance in a difficult year.

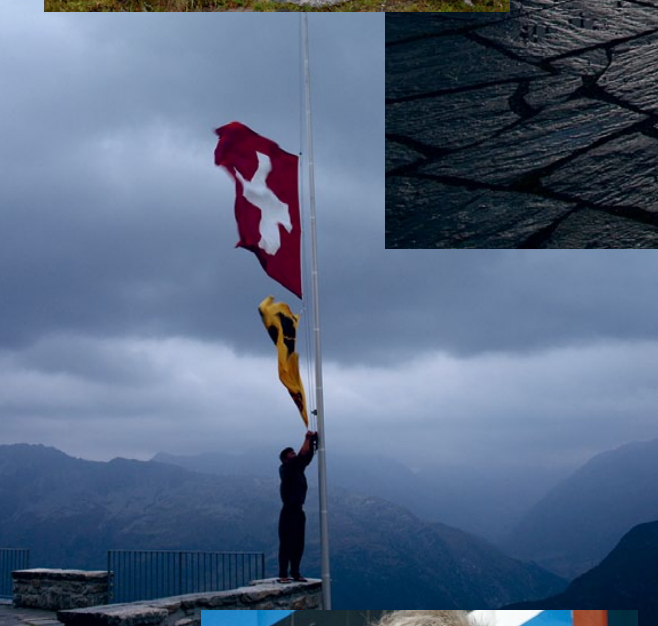
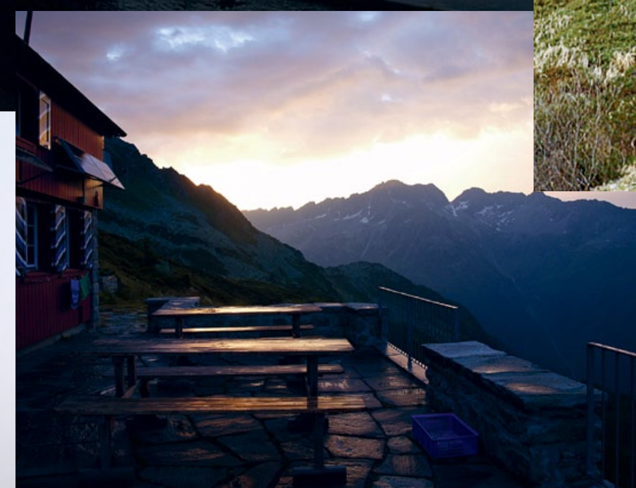
Dottikon, May 13, 2011
For the Board of Directors

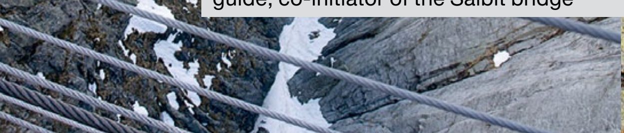
Heinz Boller
Chairman of the Board of Directors



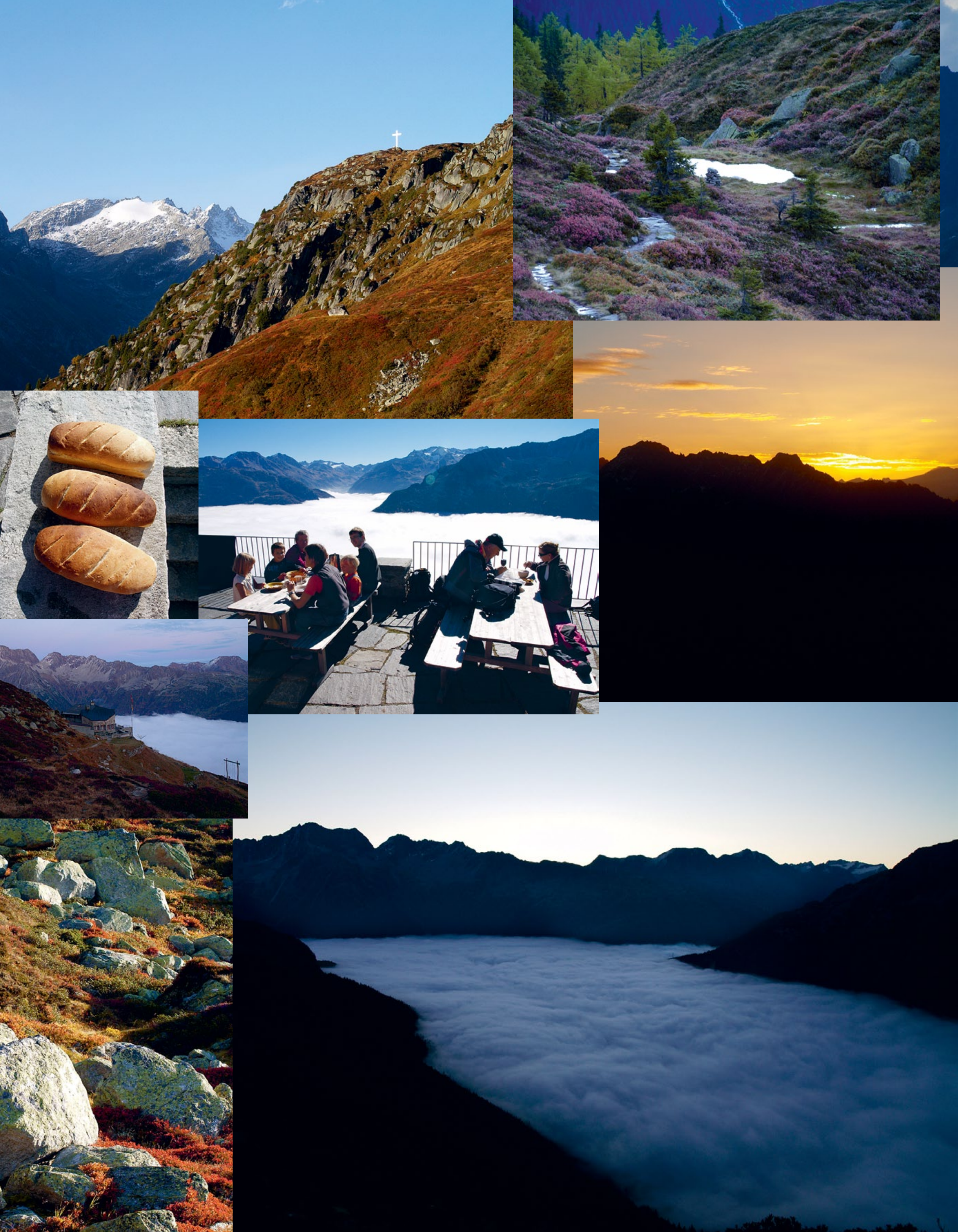




Hans Berger, hut warden and mountain guide, co-initiator of the Salbit bridge






Content

Dear Shareholder,

We are pleased to present DOTTIKON ES Group's Annual Report for the business year from April 1, 2010, to March 31, 2011. A further decline in sales by almost a third as well as having to report a loss could not be prevented. The further development of core technologies was strengthened in a forward-looking way while simultaneously maintaining the strict cost discipline. Investment activities following completion of the expansion phase have now returned to the level of depreciation and amortization. In view of a still volatile market environment and the corresponding price and volume uncertainties, inventory valuations of larger positions have been adjusted and lowered the result. According to the economic environment, high attention was attributed to cash management. Despite net loss and investment activity, the cash position was increased again significantly.

KEY FIGURES, APRIL–MARCH

CHF million	2009/10	2010/11	Changes
Net sales	113.1	80.1	-29.2%
EBITDA	26.1	4.9	-81.3%
EBITDA margin (in % of net sales)	23.1%	6.1%	
EBIT	12.5	-9.8	-178.2%
EBIT margin (in % of net sales)	11.1%	-12.2%	
Net income (net loss)	12.6	-7.1	-155.9%
Net income (net loss) margin (in % of net sales)	11.2%	-8.8%	
Operating cash flow	35.2	30.4	-13.8%
Employees (FTEs, annual average)	446	422	-5.4%

Considerable downside risks for the recovering global economy

The global economic expansion recovered more rapidly in the reporting period than originally expected. The export economies of industrialized nations were invigorated by the strong resurgence of demand from the emerging markets, particularly from China. The economic dependency of the emerging markets on demand from industrialized nations has reduced further. In Europe, the recovery has proved modest overall, with significant differences evident from country to country. In the USA, economic growth has become broader toward the end, but at low net job creation levels. Despite the fact that the economic recovery has now lasted two years, there is no disguising the fact that the downside risks for economic development going forward are significant, and have even increased in the most recent past.

In the majority of industrialized nations, enforcement and implementation of unpopular measures to reduce oversized and unsustainable government deficits have only been approached half-heartedly, or have been postponed again. Last year, financial markets assessed the risk of insolvency of countries higher than that of private companies for the first time in history. In the EU, the European Financial Stability Facility, scheduled to replace the European Stability Mechanism in 2013, had little impact on relaxing the debt crisis. Instead, this bailout package for the Euro had the effect of seeing increased credit risk premiums – as a result of the unresolved long-term solvency problems – extended to all EU member countries. This in turn kept the Euro under downward pressure. A rescheduling of national debt with short maturities of highly leveraged European countries becomes increasingly likely. However, a restructuring would inflict significant losses on the banks as creditors, as the financial crisis has left many banks with a weak equity base.

The threat of the USA declaring insolvency is accentuating. This year the US government's budget deficit will amount to 10 percent of gross domestic product (GDP). Current estimates of the total outstanding debt of the USA, including all future payment promises such as those relating to the health care system, are up to 14 times GDP. The International Monetary Fund has explicitly taken the USA to task for its failure to come up with a credible strategy to improve its finances, and first rating agencies have lowered the credit rating of the USA as debtor accordingly. Large bond investors have been divesting US government bonds since the beginning of the year, and occasionally have even taken short positions. This step is in view that the US Federal Reserve intends to cease its intervention support of US government bonds this summer. These purchases and the associated growth in the money supply, together with the resulting dollar depreciation due to the deficit growth through the generation promises inherent in the social security system, have been described by critics as a snowball system; a sharply rising inflation rate is anticipated for the future.

Whether it will be possible to prevent major government bankruptcies and resulting potential breakup of associations of states, as well as the replacement of certain currencies, will depend on the willingness of countries to implement radical reforms in social security, health care, defense, administration, and tax systems for governmental debt recovery.

The unexpected rising of protests in the Middle East and in North Africa (MENA) against authoritarian regimes – induced by high population growth and more youthful demographics, high unemployment, rising food and energy prices, and finally rising poverty – shows how the influence of the USA as the hegemonic power has declined in recent years in a region important in terms of its fossil resources. Given the internal financial disequilibrium and political power struggles to preserve and assert national interests, the EU will not be able to step into this gap in the near future, despite the pressing ahead of individual countries such as France. Political strategists believe it could be many years – or even decades – before stability returns to the MENA region. A further destabilization of the region and a spread of oil production outages beyond Libya to key oil-producing nations such as Saudi Arabia and Iran would weigh heavily, and result in a huge oil price increase. The share of oil imported by the large Asian economies of China and India from the MENA region amounts to 50 and 80 percent respectively, making their economies particularly vulnerable. Another price-driving influence on fossil fuels will be the increasingly apparent energy shortfall for certain regions after the recent tragic events affecting Fukushima – a shortfall that is predicted for the future. Given the lack of financial resources and political will in the USA to further provide unilateral global stability, the focus of interest in the MENA region will split and tend to Asia for the Middle East and to Europe for North Africa. The increasing regional fragmentation of a world order long dominated by the USA since the breakup of the Soviet Union will become a major challenge in the years ahead. In the context of internationalization and globalization during the last two decades, globally set up value chains of

entire industry segments and food supply have become sensitive to interruptions. In a number of cases, single value chain segments have been concentrated for cost efficiency reasons to certain global regions with a very limited number of large suppliers remaining. This became particularly apparent for the first time this year after the tragic earthquake and subsequent tsunami in Japan. This resulted in major interruptions and supply shortages around the world across the entire value chain in the electronics and automotive industries. In case the apparent social tensions in China were to increase – due to the opening income gap in urban areas, sharp price rises for accommodation and food, as well as growing unemployment among the qualified youth – and were to spill over into riots, as in the MENA region, this would immediately have global impacts on almost all sectors of the economy.

The ongoing global economic recovery suggests further growth potential in the near future, albeit limited in nature. The downside risks to the global economy cited above remain substantial, however. A shift in role, influence and importance is taking place between the USA as a military, innovative and economic power, Europe as the industrial engineering and precision technology leader, and the low-cost production and growth center of China. The final outcome remains unclear yet. Certain however is, the trend from globalization to regionalization with all its limited predictability and remaining uncertainty. The current business year will bring more clarity on which of the risks cited above and to what degree will impact the further global economic development.

Tempered pharma growth, margin pressure, and process-related approval risks

The aging demographic profiles of industrialized nations, together with population growth and the economic and social development in the emerging markets, will guarantee persistent growth of the global pharma market at an annual rate of some 5 percent. However, two interlinked and overlapping trends underlie this growth pattern: First, disproportionately weak growth in the incumbent markets North America, Western Europe, and Japan – where double-digit percentage growth rates belong to the past after regulatory intervention to keep health care costs under control – and disproportionately strong growth of significantly more than 10 percent in the emerging pharma markets South America, Eastern Europe, and Asia, where health care systems are now being built up or expanded. Second, disproportionately low growth in patent-protected medications, due to cumulative patent expiries and the low number of new approvals, and disproportionately strong growth in generic medications, due to government support for these products in industrialized nations and the expansion of health care systems in emerging markets where purchasing power is still low.

Patent expiries and government measures to cut drug prices and raise the share of generics are greatly increasing pressure on price and therefore margin. As a result, the majority of the large pharmaceutical companies experienced a decline in sales in 2010 or in the beginning of the current year. Companies are reacting to ever higher regulatory approval hurdles, the associated higher costs and lower success rates in drug development, as well as drastic measures by the authorities against questionable distribution and marketing practices. There is a shift ongoing away from non-lethal indications involving large patient groups to lethal underserved special indications, as for the latter higher prices can be justified to the regulator. Furthermore, attempts are being made to compensate for declines in sales, on the one hand through entry into the development and distribution of biopharmaceuticals and their generic biosimilars, and on the other hand through increasing sales in emerging markets by means of earlier market entry with branded drugs or in some cases with generics. Company acquisitions and product in-licensing are playing a significant role here, meaning that the global consolidation of the pharma market will continue.

Next to compensating expiring products and lower sales, the current focus of pharmaceutical companies is also on efforts to lower costs and boost productivity. In order to counteract the decline in profit margins resulting from the product mix shift, the shift and decline in sales, the traditional pharmaceutical model is being transformed towards the recently more successful biotech model in order to reduce costs. As part of this process, smaller and more independent research departments are being created, in some cases to the point of complete separation of tasks: This means smaller departments or companies concentrating on preclinical and early-clinical research and large departments or pharmaceutical companies focusing on late-clinical studies and development, approval, and distribution. The aim is to launch a drug in one specific indication first within the shortest time frame possible to recover research and development spent as quickly as possible. Consequently, the experience gained through this research and development can be successively expanded into other indications. The clear aim of the pharmaceutical companies here is to minimize the upfront risks. But innovation also requires the courage to take risks. Radical innovations that provide an opportunity for differentiation inherently involve high uncertainties. It is not to avoid these areas of activity but rather address the relevant risks properly instead. It also takes courage to kill projects early whenever there is no reasonable chance of success left. What was previously taboo in the mood of glorifying full pipelines became now acceptable during the last business year in the light of increasing cost pressure. Existing activities were subjected to a critical portfolio review, and numerous projects in the late clinical phase were discontinued as a result. The capacities freed up have been or are being reduced or disposed of, while the costs of those projects still being pursued are being lowered. This means reducing current spending on internal research, development, and production by shifting production development costs to later clinical stages, as well as generally cutting expenditure and reducing the amount of capital tied up. The resources thus freed up are being used to access external, promising projects in already advanced clinical phases. Due to the short-term interests of project sellers, the synthesis route selection and process development are frequently neglected, while experience is being lost at the additional interfaces created.

Attempts to shorten the time to market – combined with pipeline consolidation as a result of licensing and the acquisition of projects with underdeveloped chemical processes – are increasing complexity and financial risks in process development and exclusive synthesis of active pharmaceutical ingredients (APIs) for pharmaceutical companies. This will increasingly lead to scale-up-related quality problems, and delay approval processes. First negative approval decisions as a result from deficiencies in the chemical manufacturing process have recently been issued. The number of process- and quality-induced problems at the approval and launch stage – which have to be resolved under time pressure – will further increase. Proven experience, rapid adaptability, innovative process technology, and reliability when it comes to quality and to supply are the key success factors in such an environment. The pharmaceutical companies are

concentrating on their core competencies of clinical research and development, patenting and distribution, and will increasingly seek out strategic cooperation with experienced, innovative, and reliable partners in process development and production.

Review

Sharp decline in number of projects and volumes, pricing pressure

The business year 2010/11 was strongly influenced by the rigorous restructuring of development portfolios by our pharma customers, and by their attempts to cut costs by shifting the development costs of the remaining active projects to later clinical phases. We significantly underestimated the severity of this market trend.

Around ten key projects about to be applied for approval were unexpectedly stopped and discontinued by our customers at the late clinical stage. Some were halted while production was under way in our plants. These important projects were intended to replace the ones affected by loss of exclusivity and therefore expiring products. Some projects for which customers had conducted new drug approval processes were subject of repeated delays and their approval is still pending. Projects in the early development phase were either postponed or reduced in volume by customers seeking to reduce costs. The willingness remains low to invest in chemical process development for projects in clinical phase 2 in order to ensure safe, reliable, and cost-efficient production at multi-ton volumes. Many pharmaceutical companies are trying to bridge their volume requirements even at this advanced clinical phase through an additional tactical supply of small amounts from low-cost countries. Among Western custom manufacturers, the combination of cutback of large volume products and the reduced number of projects with low volume requirements has increased willingness to make unreasonable price concessions. Additional price pressure has also come from the unfavorable exchange rates of the US dollar and the Euro against the Swiss franc.

Net sales consequently fell by around 30 percent year-on-year in the last business year to CHF 80.1 million. This decrease affected solely the pharmaceutical products area with a minus of some 37 percent. By contrast, the net sales of industrial chemicals almost doubled year-on-year thanks to improved economics. The reducing of operating costs initiated in the previous business year was extended. In particular, material and personnel resources and expenses were reduced further, the latter also with the continuation and extension of the short hours first introduced in March 2010. Material, personnel, and other costs were lowered by around 12 percent year-on-year overall. Peripheral areas, particularly research and development, but also quality management, were deliberately spared from cutbacks. Research and development expenses rose from 7 to 10 percent of net sales as the future-oriented further development of core technologies was extended and the operation of the routefinding laboratory started. This is in view to address increasing future requirements for improved synthesis route selection and process chemistry with respect to safety, quality, and scalability due to delayed process development and evaluation by customers. On the investment side, we completed the expansion of API drying capacity for large-volume production and commissioned in the reporting period as planned. Investment activities following completion of the expansion phase have now returned to the level of depreciation and amortization. However, the investment in development and production capacity and its capitalization over the last three years caused an 8 percent increase in depreciation and amortization year-on-year. In addition, against the backdrop of a volatile

market environment with the corresponding price and volume uncertainties, the inventory valuations of large positions were adjusted and lowered the result. This finally led to a net loss of CHF 7.1 million.

Reflecting the economic environment, again high priority was attributed to cash management, and therefore cash and cash equivalents together with fixed deposits rose by around 41 percent to CHF 58.5 million, despite the investment activity and the net loss reported.

Outlook

In order to compensate for the clear-cut of pharmaceutical projects in the late development phase, disproportionately high expenditure per new project is necessary. The needed resources from the corresponding value chain segments are therefore being maintained. Albeit stunted at present due to current economic circumstances, the demand for high-quality, sophisticated exclusive synthesis under time pressure is set to increase sharply again in the future. Demand for capacity for the safe and stable development of chemical processes involving hazardous reactions and high-volume production of APIs employing these processes – in compliance with the highest standards of safety and pharmaceutical quality – will inevitably grow over the coming years, not least because of the demand for sustainable and environmentally compatible production conditions.

In the business year 2011/12, we are continuing our 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 customers. By means of this strategy, we add value for our customers 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 the products' purity profiles and make new, potentially bioactive chemical structures commercially available for future active pharmaceutical ingredients.
In the current business year 2011/12, we are anticipating a year of transition – against a backdrop of delayed or discontinued projects in the late development phase, persistent currency pressure, and the difficult market environment – with an increase in early-phase new projects. However, we expect net sales to be in line with the previous year, resulting in a net loss.

Dottikon, May 13, 2011

Dr. Markus Blocher
Chief Executive Officer

Financial Report DOTTIKON ES Group

Consolidated Income Statements

April–March
CHF thousand and %

[A] There are no options or similar that have a dilutive effect

	Notes	2009/10	%	2010/11	%
Net sales	(1, 5)	**113'124**	**100.0**	**80'075**	**100.0**
Changes in semi-finished and finished goods		-9'237		-10'275	
Other operating income	(2)	4'869		7'960	
Material expenses	(5)	-24'784		-17'513	
Personnel expenses	(3, 12)	-43'821		-41'492	
Other operating expenses	(4)	-14'068		-13'872	
EBITDA		**26'083**	**23.1**	**4'883**	**6.1**
Depreciation and amortization	(8, 9)	-13'566		-14'668	
EBIT		**12'517**	**11.1**	**-9'785**	**-12.2**
Financial income		525		1'015	
Financial expenses		-510		-779	
Financial result	(5)	**15**		**236**	
Result from associated companies	(10)	**-30**		**-92**	
Net income (net loss) before taxes		**12'502**	**11.1**	**-9'641**	**-12.0**
Income taxes	(6)	133		2'578	
Net income (net loss)	(21)	**12'635**	**11.2**	**-7'063**	**-8.8**
Basic earnings (loss) per share in CHF[A]	(7)	**10.21**		**-5.70**	

Consolidated Statement of Comprehensive Income

April–March
CHF thousand

	Notes	2009/10	2010/11
Net income (net loss)	(21)	**12'635**	**-7'063**
Realized gains (losses) on foreign exchange forwards		71	-831
Changes in fair value of foreign exchange forwards		840	3
Employee benefits	(12)		
Actuarial gains (losses)		171	2'292
Adjustments for article IAS 19.58		17'675	-1'956
Income taxes on other comprehensive income		-3'581	92
Other comprehensive income, net of taxes		**15'176**	**-400**
Total comprehensive income		**27'811**	**-7'463**

Consolidated Balance Sheets

CHF thousand and %

	Notes	31.03.2010	%	31.03.2011	%
Intangible assets	(8)	780		967	
Property, plant and equipment	(9)	229'800		225'788	
Investments in associated companies	(10)	1'038		946	
Pension surplus	(11, 12)	32'927		33'573	
Non-current assets		**264'545**	**69.1**	**261'274**	**71.2**
Inventories	(13)	44'003		31'374	
Trade receivables	(14, 20)	30'130		13'750	
Other receivables	(15, 20)	2'959		1'937	
Current financial assets	(16, 20)	0		35'000	
Cash and cash equivalents	(20)	41'406		23'463	
Current assets		**118'498**	**30.9**	**105'524**	**28.8**
Assets		**383'043**	**100.0**	**366'798**	**100.0**
Share capital		6'363		6'363	
Share premium		60'455		60'513	
Own shares		-7'057		-6'735	
Retained earnings		264'651		257'188	
Shareholders' equity	(21)	**324'412**	**84.7**	**317'329**	**86.5**
Deferred tax liabilities	(17)	39'027		35'727	
Non-current liabilities		**39'027**	**10.2**	**35'727**	**9.7**
Trade payables	(20)	3'851		3'506	
Income tax liabilities		4'694		1'465	
Other current liabilities	(18, 20)	11'059		8'771	
Current liabilities		**19'604**	**5.1**	**13'742**	**3.8**
Liabilities		**58'631**	**15.3**	**49'469**	**13.5**
Shareholders' equity and liabilities	(21)	**383'043**	**100.0**	**366'798**	**100.0**

Consolidated Cash Flow Statements

April–March
CHF thousand

[A] Cash and bank accounts:
CHF 23'463 thousand (previous year: CHF 41'406 thousand)
Fixed deposits (original maturity of up to 90 days):
CHF 0 thousand (previous year: CHF 0 thousand)

	Notes	2009/10	2010/11
Net income (net loss)		12'635	-7'063
Income taxes	(6)	-133	-2'578
Financial result	(5)	-15	-236
Depreciation of property, plant and equipment	(9)	13'522	14'538
Amortization of intangible assets	(8)	44	130
Result from associated companies	(10)	30	92
Other non-cash income and expenses	(22)	638	1'154
Interest received	(5)	49	71
Interest paid	(5)	-12	-11
Income taxes paid		-2'623	-3'860
Changes in			
Trade receivables		2'229	16'235
Other receivables		724	-253
Inventories	(13)	10'392	12'629
Trade payables		-1'442	589
Other current liabilities		-814	-1'082
Cash flow from operating activities		**35'224**	**30'355**
Additions to			
Intangible assets	(8)	-93	-131
Property, plant and equipment	(9)	-24'090	-13'120
Current financial assets	(16)	0	-35'000
Disposals of			
Intangible assets		0	0
Property, plant and equipment		4	8
Current financial assets		0	0
Cash flow from investing activities		**-24'179**	**-48'243**
Dividends paid	(26)	0	0
Purchase of own shares		0	-70
Disposal of own shares		0	75
Cash flow from financing activities		**0**	**5**
Currency translation effect on cash and cash equivalents		-34	-60
Net change in cash and cash equivalents		**11'011**	**-17'943**
Cash and cash equivalents at the beginning of the reporting period		30'395	41'406
Cash and cash equivalents at the end of the reporting period [A]	(20)	**41'406**	**23'463**

Consolidated Statement of Changes in Equity

CHF thousand

[A] Changes in own shares in the reporting year 2010/11:
purchase of 333 shares
disposal of 313 shares
disposal of 1'655 shares within the shareholding program for employees
net disposal of 1'635 shares
(previous year: disposal of 1'844 shares within the shareholding program for employees; net disposal of 1'844 shares)
[B] 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 86
[C] For detailed information see notes 12 "Employee Benefits", pages 49 to 51

	Share capital	Share premium	Own shares[A, B]	Changes in fair value of foreign exchange forwards	Other retained earnings[B]	Shareholders' equity
Balance 01.04.2009	**6'363**	**60'406**	**-7'426**	**-65**	**236'905**	**296'183**
Net income (net loss)					**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[C]						
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**
Balance 01.04.2010	**6'363**	**60'455**	**-7'057**	**674**	**263'977**	**324'412**
Net income (net loss)					**-7'063**	**-7'063**
Realized gains (losses) on foreign exchange forwards				-831		-831
Changes in fair value of foreign exchange forwards				3		3
Employee benefits[C]						
Actuarial gains (losses)					2'292	2'292
Adjustments for article IAS 19.58					-1'956	-1'956
Income taxes on other comprehensive income				156	-64	92
Other comprehensive income, net of taxes				**-672**	**272**	**-400**
Total comprehensive income				**-672**	**-6'791**	**-7'463**
Changes in own shares		58	322			380
Balance 31.03.2011	**6'363**	**60'513**	**-6'735**	**2**	**257'186**	**317'329**

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 acquisition method.
Entities, in which DOTTIKON ES Group holds at least 20 percent but less than 50 percent of the voting rights, or over which it otherwise has significant influence, are accounted for using the equity method and are classified as investments in associated companies. Using the equity method, investments are accounted at cost of acquisition at the acquisition date. The costs of acquisition are composed of its share of net assets and a possible goodwill. In subsequent accounting periods, the carrying amount of the investment is adjusted by the share of current profit or loss less the share of dividends received. 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 2010 (until December 31, 2010: 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 with 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 expenses 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 asset 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.

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.

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.

Current financial assets
Current financial assets are measured at nominal values. Current financial assets comprise fixed deposits with an original maturity of more than 90 days.

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 cost, 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. A deferred tax asset will be recognized for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. Deferred taxes are determined based on local tax rates. Tax assets and liabilities are offset when they relate to the same taxable entity as well as 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, 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. Actuarial gains and losses are recognized – net of deferred tax impact – within other comprehensive income.

Pension surpluses are only capitalized if they are actually available to the Group in the form of future contribution repayments or reductions. The surplus of pension assets is presented in notes 11 "Pension Surplus".

Own shares, share-based payments, and earnings (losses) 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 (losses) per share are calculated based on net income (net loss) 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

Applied standards and interpretations

With effect from April 1, 2010, DOTTIKON ES Group applied IFRIC 17 "Distributions of Non-cash Assets to Owners", newly issued by the IASB. In addition, DOTTIKON ES Group applied the following revised standards and interpretations issued by the IASB with effect from April 1, 2010: IFRS 2 "Group Cash-settled Share-based Payment Transactions", IFRS 3 "Business Combinations", "Improvements to IFRSs" (effective date: July 1, 2009, and January 1, 2010), IAS 27 "Consolidated and Separate Financial Statements", IAS 32 "Financial Instruments: Presentation – Accounting for Rights Issues", as well as IAS 39 "Financial Instruments: Recognition and Measurement – Eligible Hedged Items".

The aforementioned revised or new standards and interpretations did not have significant impact on equity, profit or loss, cash flow, and presentation of the consolidated financial statements of the Group.

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. Furthermore, in order to determine whether tax loss carryforwards may be carried as an asset, it is first necessary to critically assess the probability that there will be future taxable profits against which to offset them. This assessment depends on a variety of influencing factors and developments.

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
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	B	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
Amendments to IFRS 7 – Disclosures – Transfers of Financial Assets	C	July 1, 2011	Business year 2012/13
Amendments to IAS 12 – Deferred Tax: Recovery of Underlying Assets	C	January 1, 2012	Business year 2012/13
IFRS 9 – Financial Instruments	C	January 1, 2013	Business year 2013/14
IFRS 10 – Consolidated Financial Statements	C	January 1, 2013	Business year 2013/14
IFRS 11 – Joint Arrangements	C	January 1, 2013	Business year 2013/14
IFRS 12 – Disclosure of Interests in Other Entities	C	January 1, 2013	Business year 2013/14
IFRS 13 – Fair Value Measurement	C	January 1, 2013	Business year 2013/14
Amendments to IAS 27 – Separate Financial Statements	A	January 1, 2013	Business year 2013/14
Amendments to IAS 28 – Investments in Associates and Joint Ventures	A	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 with 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	2009/10	2010/11
Pharma Products	102'063	64'441
Industrial Chemicals	5'551	10'711
Recycling & Waste Treatment	5'510	4'923
Net sales	**113'124**	**80'075**

Net sales by regions:

CHF thousand/April–March	2009/10	2010/11
Switzerland	33'915	18'173
Northern Europe	26'438	22'495
Southern Europe and others	33'302	19'834
America	17'618	18'035
Asia	1'851	1'538
Net sales	**113'124**	**80'075**

Share of sales by customers:

CHF thousand/April–March	2009/10	2010/11
Customers with more than 10% of net sales[A]	41'072	34'284
Customers with less than 10% of net sales	72'052	45'791
Net sales	**113'124**	**80'075**

[A] Reporting year 2010/11: 3 customers with more than 10% of net sales (previous year: 2 customers)

2 OTHER OPERATING INCOME

CHF thousand/April–March	2009/10	2010/11
Capitalized own production	2'483	2'114
Various other operating income[A]	2'386	5'846
Other operating income	**4'869**	**7'960**

[A] Reporting year 2010/11: claims of CHF 3'632 thousand related to the delayed commissioning in the previous year of new apparatus groups (previous year: CHF 800 thousand)

3 PERSONNEL EXPENSES

CHF thousand/April–March	2009/10	2010/11
Wages and salaries	37'830	35'627
Employee benefits[A]	2'289	2'391
Social security	3'199	3'065
Other personnel expenses	503	409
Personnel expenses	**43'821**	**41'492**

[A] Details are given in 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 2010/11, 1'628 such shares (previous year: 1'715 shares) were issued and are recognized within personnel expenses at their fair value of CHF 355 thousand (previous year: CHF 391 thousand).

The average number of full-time equivalents of DOTTIKON ES Group was 422 for the reporting year 2010/11 (previous year: 446).

4 OTHER OPERATING EXPENSES

CHF thousand/April–March	2009/10	2010/11
Rent	165	72
Repair and maintenance	5'018	5'676
Insurance, duties, and fees	1'544	1'244
Administration and promotion	2'173	2'225
Loss on disposal of non-current assets	595	585
Supplies	2'962	2'625
Various other operating expenses[A]	1'611	1'445
Other operating expenses	**14'068**	**13'872**

[A] Mainly consisting of selling and waste disposal expenses

5 FINANCIAL RESULT

Financial income includes the following:

CHF thousand/April–March	2009/10	2010/11
Interest income	49	71
Income from foreign currency valuation	476	944
Financial income	**525**	**1'015**

Financial expenses include the following:

CHF thousand/April–March	2009/10	2010/11
Bank charges, interest expenses	12	11
Expenses from foreign currency valuation	498	768
Financial expenses	**510**	**779**

Foreign exchange gain recognized in the income statement amounts to CHF 3'005 thousand during the reporting year 2010/11 (previous year: foreign exchange gain of CHF 837 thousand) and is allocated to the following positions of the income statement ("+" foreign exchange gain; "-" foreign exchange loss):

- Net sales CHF +2'640 thousand (previous year: CHF +723 thousand)
- Material expenses CHF +189 thousand (previous year: CHF +136 thousand)
- Financial income CHF +944 thousand (previous year: CHF +476 thousand)
- Financial expenses CHF -768 thousand (previous year: CHF -498 thousand)

6 INCOME TAXES

Income taxes can be analyzed as follows:

CHF thousand/April–March	2009/10	2010/11
Net income (net loss) before taxes	12'502	-9'641
Tax expenses (tax revenue) at the applicable tax rate of 26.8% (previous year: 12.8%)[A]	1'600	-2'584
Debit (credit) adjustments recognized for previous period, net	-14	4
Effect of deferred tax rate adjustment[B]	-1'713	-1
Other effects	-6	3
Recognized income tax expenses (tax revenue)	**-133**	**-2'578**

[A] Change in the weighted tax rate is mainly due to changes in the composition of the Group companies results (net loss of one Group company in the reporting year 2010/11 caused a disproportionate high effect on Group level)

[B] Previous year: lower tax rate at the domicile due to changes in the tax basis effective as of January 1, 2010

CHF thousand/April–March	2009/10	2010/11
Attributable to the following positions:		
Current income tax	2'123	786
Deferred income tax	-2'256	-3'364
Recognized income tax expenses (tax revenue)	**-133**	**-2'578**

Income taxes recognized in other comprehensive income:

CHF thousand/April–March	2009/10	2010/11
Current income tax[A]	172	-156
Deferred income tax[B]	3'409	64
Total income taxes recognized in other comprehensive income[C]	**3'581**	**-92**

[A] Tax effect: recognition of realized gains (losses) and changes in fair value of foreign exchange forwards

[B] Tax effect: recognition of employee benefits

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

Income taxes recognized in equity:

CHF thousand/April–March	2009/10	2010/11
Current income tax[A]	2	1
Deferred income tax	0	0
Total income taxes recognized in equity[B]	**2**	**1**

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

[B] "+" expenses; "-" income

For further information on deferred tax assets and liabilities see notes 17 "Deferred Tax Liabilities".

7 EARNINGS (LOSSES) PER SHARE

Losses per share amount to CHF 5.70 (previous year: earnings of CHF 10.21) and are calculated from the Group's net loss (previous year: net income) and the weighted average number of shares outstanding (shares issued less own shares). In the reporting year 2010/11, the amount of these shares was 1'238'852 (previous year: 1'237'256). There are no options or similar that have a dilutive effect.

8 DEVELOPMENT OF INTANGIBLE ASSETS

CHF thousand		Software	Total
	Cost		
	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**
	Balance 01.04.2010	**2'791**	**2'791**
	Additions	134	134
	Disposals	0	0
	Reclassifications	183	183
	Balance 31.03.2011	**3'108**	**3'108**
	Amortization, accumulated		
	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**
	Balance 01.04.2010	**-2'011**	**-2'011**
	Additions	-130	-130
	Disposals	0	0
	Reclassifications	0	0
	Balance 31.03.2011	**-2'141**	**-2'141**
	Carrying amounts		
	01.04.2009	**47**	**47**
	31.03.2010	**780**	**780**
	31.03.2011	**967**	**967**

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 8'350 thousand (previous year: CHF 8'130 thousand) were charged to the income statement. Capital commitments for intangible assets amount to CHF 65 thousand (previous year: none). 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 01.04.2009	**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**
Balance 01.04.2010	**8'699**	**128'892**	**294'968**	**12'136**	**15'457**	**460'152**
Additions[A]	0	1'851	7'427	252	1'764	11'294
Disposals	0	-271	-4'994	-671	0	-5'936
Reclassifications	0	1'906	10'453	450	-12'992	-183
Balance 31.03.2011	**8'699**	**132'378**	**307'854**	**12'167**	**4'229**	**465'327**
Depreciation, accumulated						
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**
Balance 01.04.2010	**0**	**-58'861**	**-161'674**	**-9'817**	**0**	**-230'352**
Additions	0	-2'644	-11'346	-548	0	-14'538
Disposals	0	265	4'446	640	0	5'351
Reclassifications	0	0	0	0	0	0
Balance 31.03.2011	**0**	**-61'240**	**-168'574**	**-9'725**	**0**	**-239'539**
Carrying amounts						
01.04.2009	**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**
31.03.2011	**8'699**	**71'138**	**139'280**	**2'442**	**4'229**	**225'788**

[A] Capital expenditure reflects cost of acquired property, plant and equipment (without consideration of cash outflow)

The insurance value of property, plant and equipment amounts to CHF 510'104 thousand (previous year: CHF 523'922 thousand). Capital commitments for property, plant and equipment amount to CHF 1'066 thousand (previous year: CHF 3'833 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 92 thousand (previous year: share of loss CHF 30 thousand).

Associated companies:

CHF thousand/31.03.	2009/10	2010/11
Balance sheet[A]		
Assets	4'126	3'488
Liabilities	1'111	744
Shareholders' equity	**3'015**	**2'744**

[A] Amounts at 100%

CHF thousand/April–March	2009/10	2010/11
Income statement[A]		
Income	3'388	2'706
Expenses	-3'477	-2'977
Result	**-89**	**-271**

[A] Amounts at 100%

11 PENSION SURPLUS

CHF thousand/31.03.	2009/10	2010/11
Surplus of pension assets	32'927	33'573
Pension Surplus	**32'927**	**33'573**

The amount of CHF 33'573 thousand (previous year: CHF 32'927 thousand) corresponds to DOTTIKON ES Group's surplus of pension assets. 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, 2011. 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	2009/10	2010/11
Present value of defined benefit obligations 01.04.	-126'904	-127'503
Current service cost	-6'081	-6'122
Interest cost	-4'322	-4'009
Benefits paid	9'687	7'049
Actuarial gains (losses) on obligations	117	3'783
Present value of defined benefit obligations 31.03.	**-127'503**	**-126'802**

CHF thousand	2009/10	2010/11
Fair values of plan assets 01.04.	161'997	162'534
Expected return on plan assets	5'994	5'689
Employer contributions	2'056	2'701
Employees' contributions	2'120	2'051
Benefits paid	-9'687	-7'049
Actuarial gains (losses) on plan assets	54	-1'491
Fair values of plan assets 31.03.	**162'534**	**164'435**

The balance sheet shows the following:

CHF thousand/31.03.	2009/10	2010/11
Fair values of plan assets	162'534	164'435
Present value of defined benefit obligations	-127'503	-126'802
Surplus of pension assets (liabilities)	**35'031**	**37'633**
Adjustments for article IAS 19.58	-2'104	-4'060
Pension assets in the balance sheet of the Group (notes 11 "Pension Surplus")	**32'927**	**33'573**

The income statement shows the following:

CHF thousand/April–March	2009/10	2010/11
Current service cost	-6'081	-6'122
Interest cost	-4'322	-4'009
Expected return on plan assets[A]	5'994	5'689
Net pension cost in period	**-4'409**	**-4'442**
Employees' contributions	2'120	2'051
Net defined benefit expenses	**-2'289**	**-2'391**

[A] The effective realized return on assets in the reporting year 2010/11 is approximately 2.6% (previous year: approximately 3.7%)

Defined benefit plans:

CHF thousand/31.03.	2006/07	2007/08	2008/09	2009/10	2010/11
Fair values of plan assets	167'989	167'988	161'997	162'534	164'435
Present value of defined benefit obligations	-140'571	-130'371	-126'904	-127'503	-126'802
Surplus of pension assets (liabilities)	**27'418**	**37'617**	**35'093**	**35'031**	**37'633**
Experience adjustments on plan liabilities/gains (losses)	4'918	3'896	3'551	3'965	3'783
Adjustments on plan liabilities arising from changes in actuarial assumptions/gains (losses)	0	4'765	0	-3'848	0
Experience adjustments on plan assets/gains (losses)	-3'985	-2'867	-5'769	54	-1'491
Total actuarial gains (losses)	**933**	**5'794**	**-2'218**	**171**	**2'292**

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

CHF thousand	2009/10	2010/11
Pension assets in the balance sheet of the Group 01.04.	15'314	32'927
Net defined benefit expenses	-2'289	-2'391
Employer contributions[A]	2'056	2'701
Income (expenses) resulting from adjustments for article IAS 19.58[B]	17'675	-1'956
Actuarial gains (losses) recognized in other comprehensive income	171	2'292
Pension assets in the balance sheet of the Group 31.03.	**32'927**	**33'573**
Accumulated actuarial gains (losses) recognized in other comprehensive income	**-2'047**	**245**

[A] The expected outflow of funds for employer contributions in 2011/12 will be approximately CHF 2'622 thousand

[B] Previous year: discounted value of future use was increased based on obtaining legal certainty from the authority ("Amt für berufliche Vorsorge und Stiftungsaufsicht")

Actuarial assumptions:

	2009/10[A]	2010/11[A]
Discount rate	3.0%	3.0%
Expected return on plan assets	3.5%	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

[A] Different assumptions are taken into account depending on the market assessment for the Half-Year Report:
Discount rate as of September 30, 2010: 2.8%

Asset allocation:

31.12.[A]	2009/10	2010/11
Cash and cash equivalents	68.8%	67.9%
Debt securities	20.0%	16.3%
Equity securities	0.0%	0.0%
Real estate	0.0%	0.0%
Others[B]	11.2%	15.8%
Total	100.0%	100.0%

[A] Effective date of asset allocation is December 31

[B] Reporting year 2010/11: mainly commodities (previous year: 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 INVENTORIES

CHF thousand/31.03.	2009/10	2010/11
Raw materials	6'026	4'633
Supplies	4'784	3'866
Trading goods	240	197
Semi-finished goods	6'432	5'523
Finished goods	26'521	17'155
Inventories	**44'003**	**31'374**

Value adjustments deducted from inventory balances amount to CHF 8'394 thousand (previous year: CHF 3'717 thousand).

14 TRADE RECEIVABLES

Trade receivables are value adjusted as follows:

CHF thousand/31.03.	2009/10	2010/11
Trade receivables, gross	30'222	13'776
Individual value adjustments	-39	-1
Overall value adjustments	-53	-25
Trade receivables, net	**30'130**	**13'750**

Trade receivables are allocated to the following currencies:

CHF thousand/31.03.	2009/10	2010/11
CHF	25'032	7'017
EUR	4'826	3'475
USD	272	3'258
Trade receivables, net	**30'130**	**13'750**

Trade receivables are allocated to the following regions:

CHF thousand/31.03.	2009/10	2010/11
Switzerland	14'436	4'872
Europe and others	11'082	5'110
America	4'589	3'672
Asia	23	96
Trade receivables, net	**30'130**	**13'750**

Value adjustments on trade receivables have changed as follows:

CHF thousand	2009/10	2010/11
Individual value adjustments		
Balance 01.04.	39	39
Increase (decrease)	0	-38
Balance 31.03.	**39**	**1**

CHF thousand	2009/10	2010/11
Overall value adjustments		
Balance 01.04.	58	53
Increase (decrease)	-5	-28
Balance 31.03.	**53**	**25**

The individual value adjustments amounted to CHF 1 thousand (previous year: CHF 39 thousand). In the reporting year 2010/11, additional individual value adjustments in amount of CHF 1 thousand had to be made (previous year: none).
For further information on credit management and trade receivables, see notes 20 "Financial Risk Management".

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

		Receivables	Value adjustments	Receivables	Value adjustments
CHF thousand/31.03.		2009/10	2009/10	2010/11	2010/11
	Not yet due	27'211	0	9'987	0
	1 to 30 days overdue	2'201	38	1'801	12
	31 to 60 days overdue	432	8	17	0
	61 to 90 days overdue	12	1	1'692	11
	More than 90 days overdue	327	6	278	2
	Total	**30'183**	**53**	**13'775**	**25**

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.

15 OTHER RECEIVABLES

CHF thousand/31.03.	2009/10	2010/11
Receivables from social security and other public fees	724	1'033
Prepaid expenses and accrued income	190	283
Derivative financial instruments	1'305	30
Other receivables and accruals qualifying as financial instruments	740	591
Other receivables	**2'959**	**1'937**

16 CURRENT FINANCIAL ASSETS

CHF thousand/31.03.	2009/10	2010/11
Fixed deposits[A]	0	35'000
Current financial assets	**0**	**35'000**

[A] Original maturity of more than 90 days

17 DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are attributable to the following items:

CHF thousand/31.03.	Net tax liabilities 2009/10	Tax assets 2010/11	Tax liabilities 2010/11	Net tax liabilities 2010/11
Property, plant and equipment	25'621		26'135	26'135
Inventories	3'344		2'384	2'384
Provisions	3'098		3'098	3'098
Surplus of pension assets	6'264		6'385	6'385
Tax loss carryforwards	0	2'548		-2'548
Other balance sheet items	700		273	273
Total	**39'027**	**2'548**	**38'275**	**35'727**
Offsetting		-2'548	-2'548	
Deferred tax liabilities[A]	**39'027**	**0**	**35'727**	**35'727**

[A] No recognition of deferred tax assets

The recognition of tax loss carryforwards is based on current assumptions and estimates by management. A deferred tax asset will be recognized for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

As of March 31, 2011, there are tax loss carryforwards of CHF 13'537 thousand (previous year: none) resulting in deferred tax assets of CHF 2'548 thousand (previous year: none). The deferred tax assets could be fully offset with the deferred tax liabilities, because they relate to the same taxable entity as well as the same tax authority and can be realized at the same time.

18 OTHER LIABILITIES

CHF thousand/31.03.	2009/10	2010/11
Liabilities from social security and other public fees	1'473	975
Current liabilities due to pension plan	172	165
Prepayments from clients	2'772	1'524
Derivative financial instruments	0	27
Other liabilities and deferrals qualifying as financial instruments	6'642	6'080
Other liabilities	**11'059**	**8'771**

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.	2009/10[A]	2010/11[A]
Cash and cash equivalents	41'406	23'463
Current financial assets	0	35'000
Trade receivables	30'130	13'750
Other receivables and accruals qualifying as financial instruments	740	591
Loans and receivables	**72'276**	**72'804**
Other receivables (foreign exchange forwards)	474	13
Financial investments held for trading	**474**	**13**
Trade payables	3'851	3'506
Other liabilities and deferrals qualifying as financial instruments	6'642	6'080
Financial liabilities valued at amortized cost	**10'493**	**9'586**
Other liabilities (foreign exchange forwards)	0	12
Financial liabilities held for trading	**0**	**12**
Receivables from foreign exchange forwards (cash flow hedge according to IAS 39)	831	17
Liabilities from foreign exchange forwards (cash flow hedge according to IAS 39)	0	15

[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 held as current account balances with special interest rates and fixed deposits with an original maturity of up to 90 days. These are all held at major Swiss financial institutes. The current financial assets are held as fixed deposits with an original maturity of more than 90 days. The current financial assets are also invested at major Swiss financial institutes. In accordance with the investment policy of DOTTIKON ES Group, these transactions are entered into only with major, creditworthy commercial institutes.
Transactions involving derivative financial instruments are also entered into only with major Swiss 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 creditworthiness 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.	2009/10	2010/11
Cash and cash equivalents	41'406	23'463
Current financial assets	0	35'000
Trade receivables	30'130	13'750
Other receivables and accruals qualifying as financial instruments	740	591
Other receivables (foreign exchange forwards)	1'305	30
Total	**73'581**	**72'834**

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[A]	1 to 2 years
	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**
	2010/11					
	Non-derivative financial liabilities					
	Trade payables	3'506	3'506	3'506		
	Other liabilities and deferrals qualifying as financial instruments	6'080	6'080	5'438	642	
	Subtotal	**9'586**	**9'586**	**8'944**	**642**	**0**
	Derivative financial instruments					
	Foreign exchange forwards	27				
	Outflow	27	4'451	4'451	0	0
	Inflow		-4'424	-4'424	0	0
	Total	**9'613**	**9'613**	**8'971**	**642**	**0**

[A] In the reporting year 2010/11, there are no liabilities that release cash flows after 1 year (previous year: no liabilities that release cash flows after 1 year)

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[A]	6 to 12 months[A]	1 to 2 years
	2009/10					
	Derivative financial instruments					
	Assets	831	774	395	379	0
	Liabilities	0	-8	-8	0	0
	Total	**831**	**766**	**387**	**379**	**0**
	2010/11					
	Derivative financial instruments					
	Assets	17	13	13	0	0
	Liabilities	-15	-15	-15	0	0
	Total	**2**	**-2**	**-2**	**0**	**0**

[A] There are no impacts to the income statement in the reporting year 2010/11 after six months (previous year: no impacts to the income statement after 1 year)

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 or loss 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. As 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/31.03.2010	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**

CHF thousand/31.03.2011	EUR	USD	GBP
Trade receivables	3'475	3'258	0
Other receivables	50	0	0
Cash and cash equivalents	975	752	2
Trade payables	-340	-631	-1
Other liabilities	0	0	0
Foreign exchange forwards	-7'794	-4'726	0
Expected cash flows from trade receivables	3'897	1'590	0
Expected cash flows from trade payables	0	0	0
Total currency exposure	**263**	**243**	**1**

A change in exchange rates as of March 31, 2011, of 10 percent versus EUR, 15 percent versus USD as well as 10 percent versus GBP (previous year: 5 percent versus EUR, 10 percent versus USD as well as 5 percent versus GBP) would have an increased or decreased consolidated result 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:

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

CHF thousand/31.03.2011	CHF/EUR	CHF/USD	CHF/GBP
Change +/-	10%	15%	10%
Positive impact on income statement	21	30	0
Negative impact on income statement	-21	-30	0
Positive impact on comprehensive income	316	193	0
Negative impact on comprehensive income	-316	-193	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.	2009/10[A]	2010/11[A]
EUR	30'284	7'793
USD	799	4'723
Contract values	**31'083**	**12'516**

[A] No foreign exchange forwards (purchases)

Total replacement values:

CHF thousand/31.03.	2009/10	2010/11
Positive replacement values[A]	1'305	30
Negative replacement values[B]	0	27

[A] Is equal to the recognized fair value (within the balance sheet position "Other Receivables", notes 15)

[A] 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 both cash and cash equivalents and current financial assets. Interest rate adjustments are made at short notice, after a maximum of three months on cash and cash equivalents; and after six months on current financial assets. 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 and current financial assets. An increase in the interest rate by 1 percent would have increased the consolidated result by CHF 473 thousand (previous year: CHF 335 thousand). A reduction in the interest rate would have resulted in a maximum decrease of consolidated result by CHF 49 thousand (previous year: CHF 37 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 (net loss) 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, 2011, was 86.5 percent (previous year: 84.7 percent). 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.	2009/10	2010/11
Shareholders' equity of DOTTIKON ES Group (no minority interests)	324'412	317'329
Total capital	383'043	366'798
Equity ratio	**84.7%**	**86.5%**
Average shareholders' equity	310'298	320'871
Net income (net loss)	12'635	-7'063
Return on equity	**4.1%**	**-2.2%**

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 2010/11 (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.

In the reporting year 2010/11, non-cash transactions mainly consisted of unrealized foreign currency gains (losses) and losses from the disposal of property, plant and equipment (previous year: mainly consisted of losses from the disposal of property, plant and equipment).

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 2010/11, the eight members (previous year: seven members) of the Senior Management received 1'072 registered shares of DOTTIKON ES HOLDING AG that had a fair value of CHF 234 thousand (previous year: 848 registered shares of DOTTIKON ES HOLDING AG, fair value of CHF 193 thousand). Additionally, the members of the Senior Management received a cash compensation of CHF 1'800 thousand (previous year: CHF 1'652 thousand). The total compensation – without the bonus in registered shares for the Senior Management – of the Board of Directors and Senior Management was CHF 2'277 thousand (previous year: CHF 2'080 thousand). Total compensation includes pension plan contributions of CHF 239 thousand and CHF 153 thousand social security contributions (previous year: CHF 207 thousand pension plan contributions and CHF 136 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 2010/11 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 86.

Apart from those above, there weren't any further receivables or liabilities or transactions with related parties in the reporting year 2010/11 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 87 to 89.

24 CONTINGENT LIABILITIES

In the reporting year 2010/11 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 13, 2011. They are subject to approval by the Annual General Meeting. No events have occurred between March 31, 2011, and May 13, 2011, that would require an adjustment of the Group's carrying amounts of assets and liabilities or that would need to be disclosed under this heading.

26 DIVIDENDS

The Board of Directors recommends to the Annual General Meeting of July 1, 2011, that no dividend will be paid for the business year 2010/11 (see "Proposal for the Appropriation of Retained Earnings" in the notes to the financial statements of DOTTIKON ES HOLDING AG, page 90). Therefore, there is no outflow of funds expected. No dividend was paid out in the reporting year 2010/11 for the business year 2009/10. The outflow of funds in the reporting year 2010/11 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 29 to 63, 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, 2011.

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, 2011, 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 13, 2011

2/2

Dammakette mountains
17:46 h

Salbit south ridge
06:25 h

North flank of Mittagstock
17:48 h

Salbit bridge, Rossbodenstock, Piz Badus, Gemsstock mountains
04:13 h

Salbit west ridge
06:11 h

Salbit bridge
18:27 h

Financial Statements DOTTIKON ES HOLDING AG

Income Statements DOTTIKON ES HOLDING AG

April–March
CHF thousand

	Notes	2009/10	2010/11
Income from investments		5'000	20'000
Financial income	(2)	6'083	6'346
Compensation from Group companies		1'693	1'174
Other income		591	439
Income		**13'367**	**27'959**
Financial expenses		-9	-2
Compensation to Group companies		-390	-448
External expenses		-198	-250
Income taxes		-629	-590
Expenses		**-1'226**	**-1'290**
Net income		**12'141**	**26'669**

Balance Sheets DOTTIKON ES HOLDING AG

CHF thousand

	Notes	31.03.2010	31.03.2011
Loans to Group companies		110'000	110'000
Loans to Group companies (under subordination)		0	20'000
Investments	(1)	6'100	6'100
Investments in associated companies	(1)	848	848
Own shares	(2)	7'057	6'735
Non-current assets		**124'005**	**143'683**
Current loans to Group companies		11'680	19'320
Other receivables from third parties		1	2
Prepaid expenses and accrued income		261	287
Cash and cash equivalents		902	432
Current assets		**12'844**	**20'041**
Assets		**136'849**	**163'724**
Share capital		6'363	6'363
General reserves		1'273	1'273
Reserves for own shares	(2)	7'057	6'735
Other reserves		109'058	109'380
Retained earnings			
Profit brought forward		0	12'141
Net income		12'141	26'669
Shareholders' equity	(3)	**135'892**	**162'561**
Non-current liabilities		**0**	**0**
Other liabilities due to Group companies		16	282
Other liabilities due to third parties		763	714
Accrued expenses and deferred income		178	167
Current liabilities		**957**	**1'163**
Liabilities		**957**	**1'163**
Shareholders' equity and liabilities		**136'849**	**163'724**

Statement of Changes in Equity DOTTIKON ES HOLDING AG

CHF thousand

^A Regarding reserves for own shares refer to the notes to the financial statements of DOTTIKON ES HOLDING AG, notes 2 "Own Shares", page 86

	Share capital	General reserves	Reserves for own shares^A	Other reserves	Retained earnings	Shareholders' equity
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
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**
Balance 01.04.2010	**6'363**	**1'273**	**7'057**	**109'058**	**12'141**	**135'892**
Transfer to reserves						0
Dividends paid						0
Net income					26'669	26'669
Reclassifications			-322	322		0
Balance 31.03.2011	**6'363**	**1'273**	**6'735**	**109'380**	**38'810**	**162'561**

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", pages 62 and 63.

2 OWN SHARES

	Number of shares in circulation[A]	Number of own shares[A]	Carrying amount of own shares CHF thousand
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**
Purchases	-333	333	70
Disposals	313	-313	-63
Shareholding program for employees	1'655	-1'655	-329
Balance 31.03.2011	**1'239'048**	**33'596**	**6'735**

[A] Not weighted
[B] Valuation at lower of cost or market; previous year: financial income

The own shares were purchased for the shareholding program for employees. 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.

The necessary value adjustment of own shares from the business year 2008/09 could be cancelled in the previous year because of the positive performance which resulted in a financial income of CHF 567 thousand.
As of March 31, 2011, the reserves for own shares amount to CHF 6'735 thousand (previous year: CHF 7'057 thousand) and correspond to the acquisition cost of the acquired shares.

3 EQUITY

By reason of the approved proposal for appropriation of retained earnings at the Annual General Meeting on July 2, 2010, retained earnings from 2009/10 and changes in own shares and reserves have been booked in the reporting year 2010/11.
By reason of the approved proposal for appropriation of retained earnings at the Annual General Meeting on July 2, 2009, retained earnings from 2008/09 and changes in own shares and reserves have been booked in the previous year 2009/10.
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	31.03.2010	31.03.2011
Markus Blocher, Wilen b. Wollerau[A]	66.7	67.1
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
Sarasin Investmentfonds AG, Basel[C]	–	3.2

[A] Thereof 50.1% (previous year: 50.1%) through EVOLMA Holding AG, Freienbach
[B] Through Ingro Finanz AG, Bubendorf
[C] As of March 31, 2010, there were no shareholder positions required to be disclosed

5 CONTINGENT LIABILITIES

In the reporting year 2010/11 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 2010/11[B] CHF thousand	Total compensation 2009/10[B] CHF thousand
Heinz Boller Chairman, non-executive	35	1	36	36
Peter Grogg Deputy Chairman, non-executive	25	1	26	26
Robert Hofer[C] Member, non-executive	8	0	8	26
Markus Blocher[D] Member, executive[E]	17	1	18	–
Total 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
[C] Member of the Board of Directors until the Annual General Meeting on July 2, 2010
[D] Member of the Board of Directors since the Annual General Meeting on July 2, 2010
[E] Compensation from Senior Management excluded

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 2010/11[D] CHF thousand	Total compensation 2009/10[D] CHF thousand
Total Senior Management[E]	1'419	381	1'072	234	389	2'423	2'185
Thereof Markus Blocher CEO/Managing Director[F] (highest individual salary)	212	55	251	55	59	381	423

[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 2010/11 was approved by the Board of Directors on May 5, 2011. The payment and the allocation of registered shares of DOTTIKON ES HOLDING AG respectively, will be made in the business year 2011/12
[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 239 thousand (thereof Markus Blocher CHF 36 thousand) and social security of CHF 150 thousand (thereof Markus Blocher CHF 23 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
[E] The Senior Management consists of eight members in the reporting year 2010/11 (previous year: seven members)
[F] Compensation from Board of Directors excluded

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 contribution to the pension plan and social security, no transactions with related persons or companies took place.

Members of the Board of Directors and Senior Management as well as their related parties hold the following registered shares of DOTTIKON ES HOLDING AG as of March 31, 2011 (previous year: March 31, 2010):

Participations of the members of the Board of Directors and Senior Management	Number of registered shares 31.03.2010	Number of registered shares 31.03.2011
Heinz Boller Chairman of the Board of Directors non-executive	700	700
Peter Grogg[A] Deputy Chairman of the Board of Directors non-executive	89'449	89'449
Robert Hofer[B] Member of the Board of Directors non-executive	80	–
Markus Blocher[C] Member of the Board of Directors[D] CEO/Managing Director	848'718	853'424
Marlene Born CFO	426	572
Emanuel Tschannen Head of Legal & Human Resources	73	161
Stephan Kirschbaum[E] Head of Business Development	–	220
Max Bachmann Head of Processes & Technologies	1'246	671
Alexander Ernst Head of Purchasing[F]	345	355
Bruno Eugster Head of Production	442	433
Knut Hildebrandt Head of Quality Management	564	674
Total members of the Board of Directors and Senior Management	**942'043**	**946'659**

[A] Through Ingro Finanz AG, Bubendorf
[B] Member of the Board of Directors until the Annual General Meeting on July 2, 2010
[C] Thereof 637'500 registered shares through EVOLMA Holding AG, Freienbach
[D] Member of the Board of Directors since the Annual General Meeting on July 2, 2010
[E] Since May 2010, there were no participation positions to be disclosed as of March 31, 2010
[F] Additionally Head of Marketing & Sales until April 2010

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 Senior Management or related parties in the reporting year 2010/11. DOTTIKON ES HOLDING AG did not make any severance payments or other payments to members of the Board of Directors or 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, 2011, and May 13, 2011, that would require an adjustment of the holding's carrying amounts of assets and liabilities or that would need to be disclosed under this heading.

Proposal of the Board of Directors for Appropriation of Retained Earnings

CHF/31.03.	2010/11
Net income	26'669'478
Balance brought forward	12'140'924
Retained earnings	**38'810'402**

Proposal of the Board of Directors:

CHF/31.03.	2010/11
Transfer to legal reserves[A]	0
Balance to be carried forward[B]	**38'810'402**

[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 2010/11

Dottikon, May 13, 2011
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 81 to 90, which comprise the income statement, balance sheet, statement of changes in equity, and notes for the year ended March 31, 2011.

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, 2011, 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 retained 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
Licensed Audit Expert
Auditor in Charge

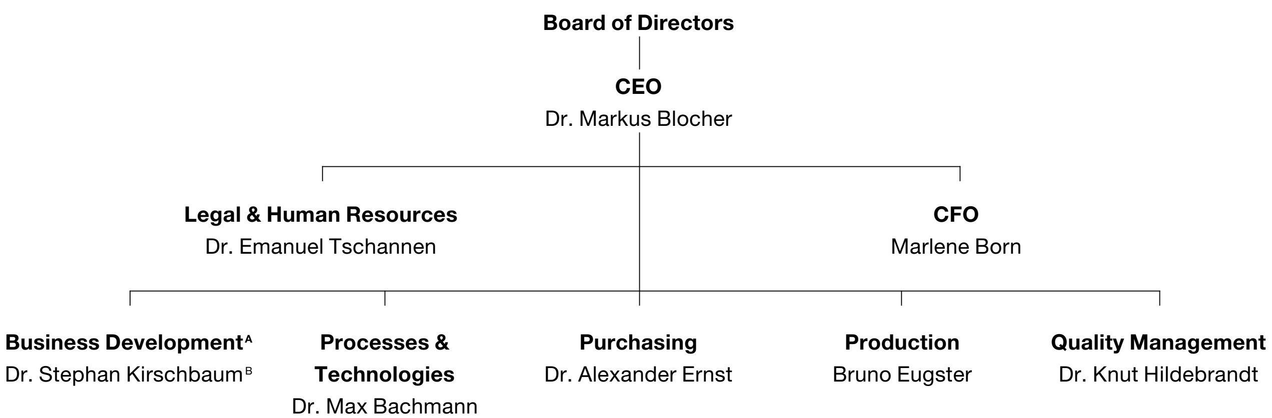
Marc O. Schmellentin
Licensed Audit Expert

Zurich, May 13, 2011

2/2

Corporate Governance

Corporate Governance



[A] Marketing & Sales was replaced by Business Development effective as of end of April 2010
[B] Dr. Alexander Ernst until April 2010, Dr. Stephan Kirschbaum since May 2010

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, 2011, is CHF 278'709'036 (previous year: CHF 298'944'076). 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", pages 62 and 63, of this Annual Report 2010/11 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, 2011, or March 31, 2010, are shown in the notes to the financial statements of DOTTIKON ES HOLDING AG, notes 4 "Significant Shareholders", page 86. 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, 2011 (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 2010/11 and 2009/10 are shown in the financial report of DOTTIKON ES Group in this Annual Report 2010/11 on page 34. The changes in equity positions in the business year 2008/09 are shown in the financial report of DOTTIKON ES Group on page 24 of the Annual Report 2009/10.

2.4 Shares and participation certificates

As of March 31, 2011, 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, 2011

Name	Nationality	Age	Position	Title	Term of office
Heinz Boller	Swiss	69	Chairman, non-executive	Eidg. dipl. Buchhalter	2005–2011
Peter Grogg	Swiss	69	Deputy Chairman, non-executive	Dr. h.c.	2005–2011
Markus Blocher[A]	Swiss	40	Member, executive[B]	Dipl. Chem. ETH, Dr. sc. nat. ETH	2010–2011

[A] Since the Annual General Meeting on July 2, 2010, replacing Robert Hofer

[B] CEO/Managing Director

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:

- Deputy Chairman 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, Ingro Finanz AG, and MFC Beteiligungs AG
- Deputy Chairman of the Board of Directors of Sunstar-Holding AG and Cerecon AG
- Member of the Board of Directors of Polyphor AG and Kenta Biotech AG

Markus Blocher

Professional background/career

Since 2010	Member of the Board of Directors of DOTTIKON ES HOLDING AG
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

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 49)
- President of the foundation board of the pension plan of DOTTIKON ES Group and of the social welfare foundation of DOTTIKON EXCLUSIVE SYNTHESIS AG

The two non-executive members of the Board of Directors, Heinz Boller and Peter Grogg, did not have any executive function within the DOTTIKON ES Group in the past three years. Neither of them nor any related party had significant business relations with DOTTIKON ES Group in the past three years.

3.2 Other activities and binding interests

The composition of the Board of Directors of DOTTIKON EXCLUSIVE SYNTHESIS AG and DOTTIKON ES MANAGEMENT AG is the same as the composition of DOTTIKON ES HOLDING AG. 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 2010/11 (previous year: four meetings). All meetings except one were attended by all members of the Board of Directors (previous year: all members always present). The Board of Directors did not call in any external advisors in the reporting year 2010/11 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 usually 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 55 to 61.

4 SENIOR MANAGEMENT

4.1 Members of the Senior Management

MEMBERS OF THE SENIOR MANAGEMENT OF DOTTIKON ES GROUP — As of March 31, 2011

Name	Nationality	Age	Function	Title	Member since
Markus Blocher	Swiss	40	CEO/Managing Director	Dipl. Chem. ETH, Dr. sc. nat. ETH	2003
Marlene Born	Swiss	35	CFO	Eidg. dipl. Expertin in Rechnungslegung/Controlling	2006
Emanuel Tschannen	Swiss	35	Head of Legal & Human Resources	Dr. iur., Rechtsanwalt	2008
Stephan Kirschbaum	German	44	Head of Business Development[A]	Dipl. Chem., Dr. rer. nat.	2010
Max Bachmann	Swiss	56	Head of Processes & Technologies	Dipl. Chem. ETH, Dr. sc. nat. ETH	1999
Alexander Ernst	Swiss	43	Head of Purchasing[B]	Dipl. Chem. ETH, Dr. sc. nat. ETH, MBA	2007
Bruno Eugster	Swiss	55	Head of Production	Chemiker HTL	1997
Knut Hildebrandt	German	52	Head of Quality Management	Dipl. Chem., Dr. rer. nat.	1999

[A] Since May 2010

[B] Additionally Head of Marketing & Sales until April 2010 (Marketing & Sales was replaced by Business Development effective as of end of April 2010)

Markus Blocher

Professional background/career

Since 2010	Member of the Board of Directors of DOTTIKON ES HOLDING AG
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 49)
- 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 Berne
2002–2003	Trainee at Credit Suisse, Zurich
1996–2001	Study of law at the University of Berne

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
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

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" and notes 3.2 "Other Activities and Binding Interests of the Members of the Board of Directors".

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 the yearly 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 current situation in the industry and the employment market, and are reviewed regularly. For this purpose, common accessible information of comparable companies of the pharmaceutical and the chemical industry in Switzerland is used. 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 which are allocated to the Senior Management as long-term financial incentive and measured at 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. Individual performance and company goals are modeled quantitatively and qualitatively in a 3 × 3-matrix (goal not achieved, goal achieved, goal exceeded). A percentage factor is attributed to every matrix element. The participation in shares of the variable compensation are reallocated year-on-year and varies depending on the achievement of individual performance and company goals, evaluated on short-term, medium-term, and long-term timescales.
The variable compensation of the individual members of the Senior Management was between 30 and 64 percent of the fixed salary in the reporting year 2010/11. The variable compensation of individual members of the Senior Management decreased on average in the reporting year 2010/11, due to the overall business performance.
There is no contractual entitlement to severance payments by the members of the Board of Directors or the Senior Management. In the reporting year 2010/11, 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 2010/11.
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 2010/11.
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 62 and 63, as well as in the notes to the financial statements of DOTTIKON ES HOLDING AG, notes 6 "Compensation and Participations", pages 87 to 89.

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 cutoff 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 cutoff is one calendar week before the Annual General Meeting. There is no exception to get around this cutoff 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 2004 with an interruption in the business year 2008/09. 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 80 thousand (previous year: CHF 81 thousand) for services relating to the audit of the financial statements 2010/11 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 2010/11 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. There is one meeting a year between the external auditors and members of 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 2011/12 are presented in the "Investor Relations" section of this Annual Report 2010/11 on page 107.
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.

Investor Relations

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

Issue Half-Year Report 2011/12:
November 29, 2011

Issue Annual Report 2011/12:
May 29, 2012

Annual General Meeting for the Business Year 2011/12:
July 6, 2012

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.

IMPRESSUM

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

PHOTOGRAPHY
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