



DKSH

Market Intelligence

NEWS RELEASE

Major investments and Expansion by DKSH Holding Ltd in the Netherlands

- **Merger of LenersanPoortman B.V. and Holland Diervoeders B.V. and renaming of the new company into DKSH Netherlands B.V.**
- **Investments of EUR 5.5 million in a 13'000 m2 state-of-the-art distribution center with 17'000 pallet-space in Dordrecht, especially to cater for the warehousing and distribution services provided for P&G's IAMS business – completion planned at the end of 2006**
- **Investments of EUR 0.5 million in LenersanPoortman B.V.'s production facilities to launch a forceful expansion into products for human consumption**
- **Broadening of DKSH Netherlands' distribution and logistics expertise by leveraging on its unique location next to the port of Rotterdam and transformation of its operations into a hub for Pan-European logistics activities**
- **Carefully planned relocation of Holland Diervoeders B.V. from Utrecht to Dordrecht without any business interruptions**
- **Formation of a combined management team for the Netherlands**
- **Continuous Business Process Reengineering Projects to strive for highest quality of service offerings, unlock synergies and benefit from cost saving and efficiency potentials**
- **DKSH Group continues its strong performance into the 2nd quarter 2005 again with record results**

ZURICH, DORDRECHT and UTRECHT, August 24, 2005 – Today, the Swiss-based DKSH Group, the leading services provider throughout Asia with very strong presence also in the Netherlands in the sectors of sourcing, marketing, distribution and logistics, announced significant investments and ambitious expansion plans for its operations in the Netherlands combined with a legal and organizational restructuring.

Merger of LenersanPoortman B.V. and Holland Diervoeders B.V. and renaming of the new company into DKSH Netherlands B.V – brand equity will be maintained

As suggested by the Dutch management team of DKSH Holding Ltd, it has been decided to merge its Dutch subsidiaries LenersanPoortman B.V. and Holland Diervoeders B.V. and to rename the new company into DKSH Netherlands B.V. This merger and renaming will be effective as soon as all legal and tax issues have been clarified. The brand-equity of LenersanPoortman and Holland Diervoeders will be maintained as “divisions” of DKSH Netherlands B.V.

Investments of EUR 5.5 million in a 13'000 m2 state-of-the-art distribution center with 17'000 pallet-space in Dordrecht especially to cater for the marketing, brand-building, sales and distribution services provided for P&G's IAMS business – completion planned at the end of 2006

The Executive Board of DKSH Holding Ltd approved capital expenditures amounting to EUR 5.5 million in a state-of-the-art distribution center in Dordrecht. The size of this distribution center will be about 13'000 m2 or 17'000 pallet-space respectively. This large investment has been committed to cater especially for increased demands on our marketing, brand-building, sales and distribution services provided for P&G's IAMS business. The completion is planned for 31.12.2006.

Investments of EUR 0.5 million in LenersanPoortman B.V.'s production facilities to launch a forceful expansion into products for human consumption

Furthermore another EUR 0.5 million has been committed to upgrade the existing LenersanPoortman B.V.'s production facilities. This investment will enable LenersanPoortman/DKSH Netherlands to expand forcefully into

products for human consumption always based on its core competences, namely “sourcing, cleaning, processing, mixing and repackaging of raw materials”.

Broadening of DKSH Netherlands’ distribution and logistics expertise by leveraging on its unique location next to the port of Rotterdam and transformation of its operations into a hub for Pan-European logistics activities

DKSH Group is a fully integrated distribution and logistics specialist and therefore a highly sought after outsourcing partner for leading multinational and local business partners for all stages within the value chain and can thereby exert control over the “last mile” to hundreds of thousands of customers especially in Asia.

The large investment just approved as well as those already undertaken in the Netherlands over the past few years clearly demonstrates DKSH’s strategic objectives to broaden DKSH Netherlands’ distribution and logistics expertise by leveraging on its unique location next to the port of Rotterdam and transform its Dutch operations into a hub for Pan-European logistics activities.

Carefully planned relocation of Holland Diervoeders B.V. from Utrecht to Dordrecht without any business interruptions;

The operations of the current Holland Diervoeders B.V. will be relocated in carefully planned steps from Utrecht to Dordrecht without causing business interruptions. A special program will be worked out to allow a smooth transition, enhance processes and reduce working capital requirements.

Formation of a combined management team for the Netherlands

The newly formed DKSH Netherlands B.V. will be managed by a combined management team. Separate announcements will be made in due course.

Continuous Business Process Reengineering Projects to strive for highest quality of service offerings, unlock synergies and benefit from cost saving and efficiency potentials

To strive for highest quality in DKSH's service offerings, to unlock synergies and to benefit from cost saving and efficiency potentials, DKSH will continue with its Business Process Reengineering (BPR) Projects supported by DKSH's BPR specialists. Especially these efforts reflect DKSH management's determination not only to invest into infrastructure but also to reengineer and fine-tune all its business processes and to positively impact the skills and attitude of staff at all levels.

Due to enormous efforts put in by a dedicated task force consisting of LenersanPoortman's management team and Top Managers from DKSH's Corporate Center, a remarkable turnaround at LenersanPoortman has been achieved. These huge investments, also in terms of human resources, will not only enable DKSH's Dutch organizations to move on a much higher level and achieve very positive and sustainable results in the years to come, requiring total commitment of the Dutch staff for the benefit of DKSH's shareholders and business partners.

DKSH Group continues its strong performance into the 2nd quarter 2005 again with record results.

In 2004, the position of the DKSH Group as the uncontested No. 1 in Asia with very strong presence in Europe for marketing, sales, distribution and logistics was again strengthened. Selected acquisitions in various business units extended the value chain, thereby securing control over the "last mile" to hundreds of thousands of customers. With no less than 20,000 employees, DKSH generated total net sales of EUR 3,800 million in 2004 and an EBIT of EUR 50 million.

Consequently, since the merger in 2002, DKSH can report strong, two-digit growth in earnings for the third time in a row. These results show that the merger created real and sustainable value added: in the period 2002 to 2004, net sales grew by 16.6%, while the EBIT figure rose by 35% in Swiss francs, or more than 50% when expressed in local currencies.

The dynamic development of DKSH business is based on both internal growth and selective acquisitions. The strong position of the Group in its Asian core markets is steadily increasing its own footprint and accelerating growth. The business activities of the Group as a whole are benefiting from the overall tendency of Asia to be the global growth market.



With some 280 subsidiaries, DKSH is the only enterprise that provides blanket coverage of the entirety of Asia's markets in the sectors of marketing, sales and distribution.

DKSH got off to an excellent start for 2005. In the 2nd quarter 2005, the Group reported a 13% growth in net sales and a 30% increase in profitability, year on year.

DKSH Group – Profile

DKSH Group is the No. 1 services group in Asia with a very strong presence in Europe, focusing on sourcing, marketing, logistics and distribution.

Founded and deeply rooted in Asia, DKSH – based in Zurich, Switzerland - successfully bridges complex markets within and between Asia Pacific, Europe and the Americas.

Market Intelligence is our core competence. A profound understanding of market conditions, product and applications expertise is our trademark. We combine marketing and logistics skills and enhance them through unique networks established over a corporate history of one and a half centuries.

DKSH is the preferred outsourcing partner for quality companies expanding their business in complex and demanding growth markets.

DKSH Group: Thinking globally. Acting regionally. Selling personally.

DKSH provides market entries into Asia, Europe and the Americas through a wide range of partnerships for:

- **Medium-sized enterprises** with innovative, high-quality products. DKSH provides comprehensive solutions for all aspects of marketing, brand-building, sales and distribution.
- **Multinationals** aiming at outsourcing of logistics, distribution and order fulfillment. DKSH provides a comprehensive pan-Asian distribution network covering modern and traditional trade.



DKSH Benelux B.V. – Contact

Jan Jansen
Supervisory Board
Vogelaarsweg 23
Dordrecht – Netherlands

Tel: +31 78 622 0 601
Fax: +31 78 622 0 608
E-Mail: Jan.Jansen@dksh.com
URL: www.dksh.com