

Business Unit

Performance Materials



Global Market Expansion Services for Performance Materials



Think Asia. Think DKSH.



Market Expansion Services: dedicated to growing business

We help companies to grow their business in new and existing markets. We expand their access to knowledge, their sourcing base, their revenue opportunities and their market shares. Providing business partners with a comprehensive package of services to reach their individual goals is what we call Market Expansion Services.

Your strategic partner

DKSH is a Swiss company and the world leader in Market Expansion Services with focus on Asia. Our four Business Units – Consumer Goods, Healthcare, Performance Materials and Technology – operate worldwide through an extensive network of experts. We offer a comprehensive range of services along the entire value chain: from sourcing, marketing and sales to distribution and after-sales services. Along with this we offer long-standing relationships, local knowledge and on-the-ground logistics. As a strategic partner we safeguard the business of our partners while always sharing our unique market insights. It is our aim to be a trusted link between suppliers and customers, taking care of the products of our business partners as if they were our own.

Business Unit Performance Materials

DKSH Performance Materials provides Market Expansion Services for specialty chemicals and ingredients used in the animal care, food & beverage, personal care & household, pharmaceutical and specialty chemicals industries. Backed by the DKSH global organization, Performance Materials is dedicated to providing tailor-made solutions for the sourcing and application needs of its business partners.

The best of both worlds – yours and ours

Experience and networks

DKSH has done business in and with Asia for more than 140 years. We are truly at home in Asia, where we have become an integral part of many local business environments. And we are no strangers to the rest of the world either: DKSH operates in 35 countries, with 440 business locations in Asia and 15 in Europe and the Americas, and employing over 22,000 specialized staff from 50 nations.

Integrating diverse services

We bridge the markets of Europe, Asia and the Americas and have the ability to adapt to the businesses we serve in any local market. The diversity of industries DKSH

is involved in is only matched by the range of services we perform: from sourcing raw materials to setting up and running flagship stores for luxury consumer brands, and from feasibility studies and product development to the many facets of marketing.

Our more than 100 state-of-the-art distribution centers work with the largest SAP application in Asia to help execute, track and analyze hundreds of thousands of business transactions every day. The detailed information we gain from this process contributes to the expert knowledge that we use to provide strategic advice to our business partners. Offering all these diverse services from a single source is another important aspect of what we at DKSH call Market Expansion Services.

Experts and entrepreneurs

In order to provide deep industry expertise for these many fields of business, we are not only organized into four Business Units, but are further specialized into Business Lines and Industry Clusters, maintaining the hands-on and entrepreneurial style of business our company was founded on. DKSH provides a balance between specialist knowledge of our partners' industries and a practical business approach that efficiently gets things done.

Locations in the Americas		Locations in Asia Pacific	
Brazil	1	Australia	5
Chile	1	Brunei	1
USA	1	Cambodia	2
		China	49
		Hong Kong	20
		India	2
Locations in Europe		Indonesia	23
Denmark	1	Japan	18
France	1	Korea	6
Germany	1	Laos	3
Great Britain	1	Malaysia	65
Italy	1	Myanmar	11
Netherlands	1	New Zealand	1
Norway	1	Philippines	4
Poland	1	Singapore	3
Spain	1	Taiwan	7
Switzerland	2	Thailand	203
Turkey	1	Vietnam	18

DKSH

Total sales: CHF 8,800 million (2007)



Over 22,000 specialized staff of 50 nationalities



Operations in 35 countries



440 business locations in Asia Pacific



15 business locations in Europe and the Americas



Network of more than 5,500 suppliers and over 500,000 customers



Over 100 state-of-the-art distribution centers



Largest SAP application in Asia



Continuous double-digit growth since 2002



Performance Materials

What we do

DKSH Performance Materials provides Market Expansion Services for specialty chemicals and ingredients used in the animal care, food & beverage, personal care & household, pharmaceutical and specialty chemicals industries. As a business unit we have grown by an average of 13.1% over the past three years. We achieved total sales of CHF 623 million in 2007.

Global reach

We are active in 25 countries, with 40 locations worldwide and 15 sourcing offices that draw from 68 markets – giving us a network of unrivalled scope and depth. We provide reliable sourcing around the globe

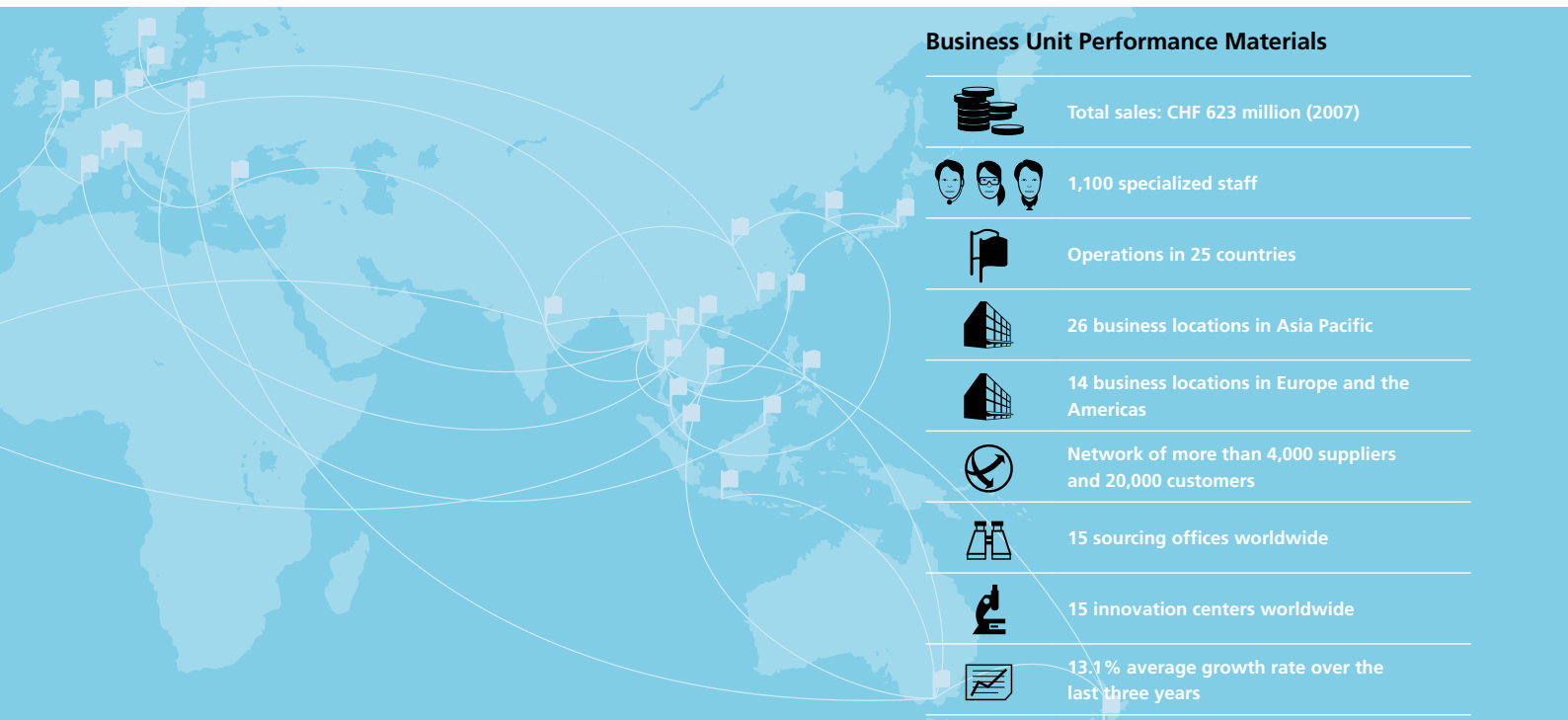
and instant access to markets, managing the entire supply chain of our business partners. With our long-standing experience and relationships in the market we support and serve our customers' businesses whether small, medium-sized or on a multinational scale. We speak the local languages and understand the local business environments.

Ideas to market

Innovation cycles are growing ever faster and our business partners are under pressure to deliver new products at shorter intervals and lower overall cost. DKSH Performance Materials operates 15 innovation centers across Asia, in Europe and the Americas, where we generate product ideas, develop and customize them, work on new ingredients and

technology applications, provide hands-on training, and run acceptance tests. In short: we cut time-to-market by actively researching and formulating solutions for the evolving needs of our business partners.

As a highly competent development partner we help to cut costs significantly. With the market insight gained from 4,000 suppliers and 20,000 customers worldwide, we have the expertise to know exactly what matters in a specific application or product. We proactively put insights, expert knowledge and our networks to use to obtain tangible business results for our partners.



Performance Materials – value chain

Performance Materials’ five Business Lines offer Market Expansion Services out of one hand to a broad range of 17 distinct Industry Clusters. Our specialists understand the needs of our business partners and bring deep vertical expertise to the industries they serve, helping our business partners to constantly stay a step ahead of the competition.

Business Lines and Industry Clusters

Animal Care Industry

- Animal Health
- Animal Nutrition
- Pet Care

Food & Beverage Industry

- Beverage & Dairy
- Confectionary & Bakery
- Food Supplement & Nutrition
- Processed Food
- Food Services

Personal Care & Household Industry

- Personal Care & Cosmetics
- Household Care

Pharmaceutical Industry

- Pharmaceutical Synthesis
- Pharmaceutical Formulation
- Pharmaceutical Distribution

Specialty Chemicals Industry

- Graphics & Electronics
- Paints & Coatings
- Polymers, Fibers & Adhesives
- Other Industries



Insight drives business

We offer both total supply chain management and individual services, while always feeding back the information gained in the market to our business partners, thus helping to optimize processes, generate new business, access new products and accelerate innovation cycles. Our clients benefit from our global IT platform that sets industry standards and generates transparent analysis and tailor-made reporting, as well as from our technical support and training. DKSH Performance Materials shares knowledge as a results-oriented open collaborator, while always respecting the confidentiality of proprietary information. We seek long-term relationships – an attitude that earns us the

trust of our many business partners and results in strong repeat business.

In-house quality management

In seamlessly managing the value chain for our clients and customers we have made safety, the protection of the environment, quality and regulatory compliance our top priorities. To do this we have established a dedicated global SEQRA (Safety, Environment, Quality and Regulatory Affairs) team of experts for risk assessments, supplier auditing and certification, and product registrations. We have in-house quality control capabilities, a REACH team, registration experts and specialized safety officers who support our business partners and guarantee full compliance with current regulations.

Knowledge and coverage

DKSH Performance Materials provides value from idea to market. We actively accompany our business partners, be it through supply chain management or in the development of future product generations from concept to commercialization. Based on our detailed customer feedback and our own research, we create business trends instead of following them. With our over 140 years of experience and solid relationships, we offer deep industry knowledge and broad supply chain coverage, turning expertise into high value-added results.

Services for customers



Services for suppliers



Business Line Animal Care Industry



Photograph by Paul Dodds, courtesy of the Royal (Dick) School of Veterinary Studies

As part of the DKSH Business Unit Performance Materials, Business Line Animal Care Industry (ACI) provides Market Expansion Services for the animal health, animal nutrition and pet care industries. Our main products are vaccines, antibiotics, feed additives, macro ingredients, premixes and pet foods.

We have excellent knowledge of the markets, the needs of our customer base, and the applications of the products we sell. To create added value for our business partners we leverage our vast networks of relationships and market insights. With a focus on marketing and sales we act as an extension of our business partners in the marketplace. We also provide distribution and logistics services across the entire industry, including livestock and aquaculture farms and pet food producers.

Our specialist staff, overwhelmingly veterinarians, animal nutritionists and animal husbandry experts, have the ability to cover the total supply chain of the industry. We share our knowledge and insights with our partners through seminars, workshops and on-site consulting, enabling market access and helping to develop business plans.

Industry Cluster Animal Health

Our Industry Cluster Animal Health caters to integrated poultry, swine, fish and shrimp producers, as well as to commercial farms, providing products such as vaccines, antibiotics, anti-inflammatory drugs, diagnostic aids and disinfectants, with related services. Our proven track record includes such big names as Pfizer, Intervet Scher-

ing-Plough and Bayer as long-standing business partners who greatly add to our global network of relationships.

Industry Cluster Animal Nutrition

Industry Cluster Animal Nutrition offers feed additives such as mycotoxin binders, acidifiers and premixes, as well as macro ingredients such as lysine, di-calcium phosphate and protein meals. Large and well-reputed partners include, among others, Cheil Jedang, Alpharma and Nutreco. We also maintain long-term partnerships with leading livestock and poultry producers.

To strengthen our position as the preferred one-stop-shop supplier of animal nutrition products we are continuously enlarging our product portfolio. Venturing recently into aquaculture, we bring the same expertise and industry know-how to this segment as to all our businesses, by employing specialist staff with years of experience in the field.

Industry Cluster Pet Care

In addition to medicated pet food, sold to the professional companion animal segment such as specialized pet clinics and veterinarians, we also offer pet vaccines, diagnostics and medical disposables. Along with this we provide broad sourcing, marketing and sales, logistics and distribution capabilities.

Relationships and market insight

As an extended arm of our business partners we drive business through our

relationship-based marketing and sales networks, building trust and reducing complexity. By combining our market insight and our long-standing relationships, we play an important role in modern farm animal husbandry and the care of com-

panion animals, bringing the broad scope of Market Expansion Services to an equally diverse industry.

Sharing success

Proactive research in biosecurity and other areas to learn more about the details of markets, and passing on this knowledge to business partners, is a key part of the DKSH Animal Care Industry service offering.

Challenge

Biosecurity encompasses the policy and regulatory frameworks that analyze and manage risks in the sectors of food safety, animal life and health, plant life and health, sustainability of agriculture, and protection of the environment. Biosecurity problems require an extremely cautious approach. Aside from the efficacy of the disinfectants used to improve biosecurity status, a significant concern is the safety of these disinfectants when in contact with humans, animals and the environment. A systematic and expert approach is therefore needed.

Approach

Recently, the DKSH Business Line ACI in Thailand made a biosecurity status assessment of several key farms during which samples were taken in different areas of the farms. After analyzing the samples it

was clear that in many cases biosecurity needed improvement. After sharing the test results with the farm management, ACI launched the DKSH-developed Biosecurity System and Program Planning (BSPP) package, accompanied by product recommendations and technical support.

Result

Thanks to ACI's know-how and the specialized disinfectants we recommended, the biosecurity status of our customers arms significantly improved, enabling farmers to better manage potential disease hazards and the transmission of pathogens. Naturally, in addition to the efficacy of the proposed products, our focus was on the safety of the disinfectants when in contact with people, animals and the environment.

Market Expansion Services: an integrated approach

Integrating our market insight with expert research and the broad range of services we provide is the key to what we do: creating win-win situations for our clients and customers while also contributing our knowledge in order to improve overall conditions in particular areas.

Business Line Food & Beverage Industry

As part of the DKSH Business Unit Performance Materials, Business Line Food & Beverage Industry offers concepts and ingredients to the procurement as well as to the research and development departments of manufacturers in the food and beverage industry. Products range from food raw materials to health ingredients and catering items. Our comprehensive global network, market insight and broad overview enable us to scout for trends in products and technology beyond short-lived fashions, and to identify long-term trends. Our concepts and ideas help our business partners develop new products and applications for ingredients.

We provide responsible and traceable global sourcing for ingredients such as fruit juice concentrates, IP soy derivatives, amino acids and sweeteners, plant and marine

extracts, natural fiber and frozen and dried foods, among others.

We deal with all sizes of business partners at all corporate levels, contributing superior applications know-how that is recognized throughout the industry. Covering all technological and legal expertise and all industry quality management issues, our staff comprises chemists, food technologists, nutritionists, marketing experts and even chefs de cuisine. Their expertise is the basis for the high degree of customization provided by our services and products.

Industry Cluster Beverage & Dairy

Our Industry Cluster Beverage & Dairy offers customized ideas and concepts developed by our in-house innovation centers, as well as a toolbox of ingredients. We

provide Market Expansion Services for ingredients for any kind of beverage or dairy formulation, such as health ingredients, ingredients for fruit juice concentrate, sweeteners and natural colors, flavors and milk constituents. We manage the sourcing of processed raw materials while also actively scouting for trends around the globe.

Industry Cluster Confectionary & Bakery

Confectionary & Bakery provides new product concepts and ingredient technology with full technical, quality, regulatory and scientific backup. These services are supplemented with formulation, manufacturing and technical applications services.

Our portfolio of Market Expansion Services also includes global monitoring to identify long-term trends in the markets, covering health and other ingredients such as flavors and colors, enzymes, emulsifiers and stabilizers, preservatives and processing aids, glazes, bakery fillings and sweeteners. We have a strong track record of introducing successful new products while supporting our business partners with a broad range of training programs, toll manufacturing, and logistics.

Industry Cluster Food Supplements & Nutrition

The Industry Cluster Food Supplements & Nutrition serves the health ingredients, sports nutrition, food supplements and infant formulae industries. We offer concepts and applications for products such



as antioxidants, immune boosters, weight management and intestinal ingredients, as well as amino acids, sweeteners and vitamins. Our Industry Cluster specializes in concepts and ideas backed by scientific research and clinical trials, and suggests the right ingredients for the right developments. Applying global trends locally, we help create innovative products and ingredient applications.

Industry Cluster Processed Food

The frozen foods, seafood, processed meat, prepared meals and snack foods industries are the main focus of Industry Cluster Processed Food. We offer product and application concepts, and globally sourced ingredients such as flavors, seasoning blends, frozen and dried foods, condiments and other ingredients. We provide supply chain and project management capabilities that range from global sourcing to quality control, and from distribution and logistics to sales and marketing. Through our deep network of relationships and industry expertise we understand what the local markets need and make them accessible to our business partners.

Industry Cluster Food Services

Food Services offers semi-finished and finished products, such as coating systems, sauces, dips, wines, olive oils, chocolate couverture, toppings, fillings, glazes, marinades and spices. We are also a leading importer of frozen seafood from South East Asia. In this segment we develop new products and ways of packaging while exercising strict quality control. Application

and formulation services, along with consumer market research, training seminars, food styling and presentation of products, round off our range of offerings for hotels, restaurants, supermarkets, convenience stores and the airline catering industry, among others.

Long-term business results

Food & Beverage Industry's strong links with leading food institutions, universities and research organizations allow us to detect

the latest changes in the markets and to anticipate trends. With our market insight and global overview we know how to deliver innovative and imaginative concepts for long-term business results. Deep access to markets combined with the synergies of a big group make us a proven long-term partner for those who seek success in the food and beverage industry.

Sharing success

Food & Beverage Industry is an active partner that supplies the concepts and the substances to make business ideas successful.

Challenge

A short while ago, the Food & Beverage Industry business in Great Britain approached an entrepreneur who was about to break into the market with a new brand of functional drinks. The challenge was to enlarge and supplement the product portfolio of this company with new concepts, while developing the right ingredients and guaranteeing stable sourcing.

Approach

Analyzing the markets for beverages with functional and health ingredients, we spotted several health trends that new products could capitalize on. Now it was up to Food & Beverage Industry to design concepts for these products and to de-

velop or source the necessary ingredients. Custom-made ingredients as well as ingredients sourced from our large network of suppliers were used in the creation of several new products.

Result

The venture quickly became a success, and as well as gaining top industry recognition, the new products joined the portfolios of some of the largest retailing chains in Great Britain, with more listings pending.

Market Expansion Services: ideas and insight

Developing concepts for new products is one thing. Having the market insight and overview to judge the right time to develop an idea is another. Successfully bringing together ingredient innovation, technical expertise and the entrepreneur's idea is what we call Market Expansion Services par excellence.

Business Line Personal Care & Household Industry

Business Line Personal Care & Household Industry offers Market Expansion Services solutions for the personal care and cosmetics industry, with the focus on innovative specialty ingredients for skin, hair, body and oral care applications.

For the household care industry we provide raw materials for laundry, cleaning and fabric care applications. We develop prototype finished product formulations to support sales and marketing initiatives, and are a constant source of innovation

through introducing ingredients with new applications, functionalities and benefits to our customers. With our global reach and the expertise of our industry specialists – pharmacologists, chemists and chemical engineers with extensive industry experience – we deliver reliable sourcing and technical support through our innovation centers, while offering an established portfolio of ingredients in line with all quality and safety regulations.

Industry Cluster Personal Care & Cosmetics

Our Industry Cluster Personal Care & Cosmetics provides a wide variety of specialty ingredients from actives such as anti-aging, anti-acne, exfoliants, skin lightening and whitening, self-tanning agents, UV protection agents, botanicals and extracts, to colorants, liposomes and delivery systems. In terms of functional ingredients, we offer surfactants, conditioning agents, moisturizers and humectants, emollients,



emulsifiers, fragrances, rheology modifiers, and preservatives. Our consulting services include trouble-shooting for problematic formulations, efficacy and clinical testing, sensory evaluation and stability testing. Knowing the global trends allows us to share insights with our business partners, while our customized product development services shorten product cycles.

Industry Cluster Household Care

Industry Cluster Household Care offers Market Expansion Services for products such as surfactants, fragrances, fabric conditioner actives, rheology modifiers, preservatives, and fixative agents. As a sales and marketing partner we introduce new product concepts and stay on top of global trends. We provide a broad range of technical services through our innovation centers all over the world, including development of prototype finished formulations, new ingredients and applications, as well as consultation services and extensive testing.

Close collaboration with partners

With our strong global DKSH network and the synergies this produces, we have the ability to save costs for our partners by sourcing materials from all over the world, and especially Asia. Through our long-standing industry relationships we offer access to markets for our business partners, whether mass marketers, contract manufacturers, marketing or other companies.

By focusing on long-term success rather than short-term advantages, we accompany new products from idea to market for

as long as necessary, including plant trials and after-sales services. Logistics, distribution and cost-effective sourcing of raw materials with guaranteed quality and safety

Sharing success

Putting innovative solutions to work all over the world is a hallmark of the synergies that the DKSH global organization generates.

Challenge

Using its innovative technology, a Japanese company developed a specialty ingredient with many applications in the cosmetics industry. Introducing the innovative ingredient in a foreign market was a challenge in terms of language, culture, and more importantly, regulatory requirements. Marketing this innovative ingredient in Europe, one of the world's premium markets for cosmetics, required a perfect understanding of chemistry and dermatology, as well as detailed knowledge of the complex and highly-regulated European market.

Approach

DKSH Japan informed DKSH France about the company's intention to find a partner in Europe for the registration of the product as an EU-approved cosmetic ingredient. As a first step it was necessary to monitor the international regulatory environment and the legal situation in relation to cosmetic applications, including restrictive patent issues. Working closely together, DKSH Japan and DKSH France

are also part of our total supply chain management services across the personal care and household care industries.

dealt with all the challenges. In order to achieve sustainable growth, Performance Materials Innovation Centers developed prototype finished formulations using this ingredient in innovative applications geared towards prospective customers' applications.

Result

Having gained product acceptance in major cosmetic companies, we became a full-service provider for this ingredient, serving the supply requirements of our customers production sites in various parts of the world through our global network. This enabled DKSH to cooperate directly with some of the major players in the cosmetics industry. Our Market Expansion Services for the new substance were a complete success because they found solutions for all the parties involved: entering a complex market with a new product, providing innovative applications, and serving supply requirements at several production sites.

Market Expansion Services at work: networks and innovation

Being a global company doesn't mean you have to be slow to take action: DKSH's entrepreneurial spirit fosters collaboration and innovation, actively creating opportunities and delivering fast and effective results for our business partners.

Business Line Pharmaceutical Industry

Our Business Line Pharmaceutical Industry provides Market Expansion Services for generic active ingredients, formulations and functional excipients, as well as coupling and protecting agents, intermediates and amino acids. We offer all related services such as pre-screening suppliers, cGMP audits and regulatory affairs, while meeting the highest standards required by the pharmaceutical industry. Our team of specialists consists of pharmacists, pharmacologists and chemists. SEQRA issues are handled by our in-house team of experts, which includes a dedicated REACH group. Our global customer and supplier networks offer integrated win-win solutions for our business partners, who profit from our profound in-house industry expertise and experience.

Industry Cluster Pharmaceutical Synthesis

Industry Cluster Pharmaceutical Synthesis offers instant global access to all types of substances for pharmaceutical manufacturers. Our experts have a deep understanding of the chemistry and production processes of performance materials, which enables us to manage the entire synthesis value chain, and to meet all quality requirements.

We also deliver special products under special conditions, such as dangerous goods and hazardous materials, as well as transportation in cool and top-ventilated containers, and we take care of niche products and markets. The quality of our customized solutions is shown by our substantial level of recurring business and our numerous long-term relationships.

Industry Cluster Pharmaceutical Formulation

Our Industry Cluster Pharmaceutical Formulation offers services to pharmaceutical manufacturers that encompass the entire value chain, from sourcing the Active Pharmaceutical Ingredients (APIs) to finding the right excipients. We have long-term partnerships with leading suppliers in Europe and Asia, and are continually enlarging our portfolio, to include, for example, injectables for oncology, antibiotics and anesthetics.

We offer quality management and regulatory affairs for Active Pharmaceutical Ingredients following the guidelines of ICHQ/A, DMF under CTD-format and others, and the manufacturing section of market authorization (CMC-Section).

Sharing success

We create added value for our business partners by becoming a strategic partner to them: it's our way of delivering results.

Challenge

Business Line Pharmaceutical Industry Switzerland was looking for a reliable DiBOC supplier in 2006, since the existing European supplier was no longer able to meet our specifications. The challenge was to find a supplier able to deliver the large amounts of the substance required while also meeting stringent quality requirements.

Approach

After auditing and evaluating several companies, DKSH decided to work with a medium-sized chemicals company in China, even though up to this point, it had never produced either the quality or the quantity of the substance in question. Business Line Pharmaceutical Industry experts then began to develop this new supplier by comprehensively advising them on how to produce the material under pharma conditions.

Result

The initial 500 kg of the substance sold per year in the EU has now become more than 200 metric tons annually. This means market

leadership in the EU, thanks to a combination of reliable supply and excellent marketing. Business Line Pharmaceutical Industry has developed a supplier from a niche producer of lower grade quality to one of the top ten producers of a pharma quality product, simultaneously penetrating the European market on an unprecedented scale.

Market Expansion Services at work: win-win experts

We meet the needs of our customers while developing the abilities of suppliers – and accessing new markets for both. It's a clear demonstration of how we use our industry expertise to create win-win solutions for all our business partners.

Industry Cluster Pharmaceutical Distribution

Catering to pharmaceutical distributors, we handle quality management and regulatory affairs for Finished Dosage Forms (FDF). Following guidelines such as the EU GMP Guide Annex 1 'Sterile Medicinal Products', we review and prepare regulatory documents required for submissions, make submissions, and establish and maintain relations with national and European authorities.

Single-contact responsibility

Pharmaceutical Industry is a reliable strategic partner to our business partners, and we work hard to develop win-win solutions that benefit everyone involved. Our experts take responsibility and offer a single point of contact. Supported by our well-established infrastructure and large and experienced sales force, our constant focus is on building stable partnerships.



Business Line Specialty Chemicals Industry

Business Line Specialty Chemicals Industry offers the entire range of DKSH Market Expansion Services to companies wishing to source or supply materials in the graphics and electronics, paints and coatings, polymers, fibers and adhesives industries, among others.

We provide an extensive range of raw materials for the development of innovative and competitive formulations for the industries we serve. Along with these we offer new product development services, technical assistance, custom manufacturing, quality assurance, logistics, warehousing and distribution, as well as financing and insurance. Operating on a global scale we are able to offer our business partners the same top quality services all around the world.

Experts and industry experience

We support our customers and suppliers by finding applications and creating ideas for products. Our expert staff of university-educated chemists and chemical engineers draw on their years of industry experience to understand the needs of our business partners, while their genuinely entrepreneurial mindset delivers fast and flexible solutions.

Industry Cluster Graphics & Electronics

In the graphics area we provide products and services for printing plates (including computer-to-plate), ink-jet receptive media for paper and plastic substrate, specialty inks, and products for photographic applications. For the electronics industry we

offer products and services for IC photo resists and color filter resists, printed circuit boards, liquid crystal intermediates for liquid crystal production, optical films for printed electronics and photovoltaic applications. Products for film coating applications such as technical film, packaging films and laminations are also part of our portfolio.

We help our business partners to find the right materials, while flexibly sourcing worldwide to capture the best value. We also act as the marketing and sales arm for medium-sized specialty chemicals producers that do not have their own sales force outside their home territories.

Industry Cluster Paints & Coatings

Our Paints & Coatings Industry team is a technical marketing and sales force that provides key raw materials and ideas to help drive technology forward. By sourcing new raw materials and low-cost alternatives we help our business partners to stay competitive. We are industry experts for products and services for adhesion promoters, high-performance resins and special-effect additives, and cater to the automotive and industrial paints, and decorative and architectural paints industries, among others.

Industry Cluster Polymers, Fibers & Adhesives

Polymers, Fibers & Adhesives offers a wide range of products and services for the formulation of adhesives and sealants, master batches, compounds, engineering plastics



and rubbers. In addition to this, we source and supply intermediates for resin manufacturing, and offer a range of materials for the production of artificial leather, fibers and textiles, as well as films for industry applications.

We expand markets by enlarging the chemical toolboxes of our business partners for faster development of their next-generation products. We also provide insights and relationships that open up new markets and create market presence, through our staff of technically savvy and experienced people, who globally procure the best quality chemicals at competitive market prices. With our long-standing partnerships and in-depth experience we are able to develop new and alternative sources for critical raw materials in an increasingly difficult market. In addition, we have the in-house capabilities to deal with all safety, environmental and quality-related issues.

Other industries

Other major industries our Business Line is involved in include the catalyst, petrochemical, fine chemical, construction, plant protection and pest control, water treatment and ceramics industries.

Global chemistry competency

Business Line Specialty Chemicals Industry is a worldwide organization with long-established business relationships, offering specialized technologies from a broad variety of global manufacturers. Our competence in chemistry and our experienced

technical sales and service staff allow our business partners to focus on their core expertise of manufacturing. We also help our partners gain access to new technolo-

gies and ideas, assisting them to improve their products and find new business opportunities.

Sharing success

We make it our business to bring about win-win solutions for our business partners – and as we are entrepreneurs at heart, we also go out and find that business.

Challenge

In 2007 an Italian customer of DKSH that produces high-tech chemistry for applications in the electronics field told us about their problems with expanding their business. While they were very successful in their home market, they had difficulties selling the same products to customers abroad.

Approach

DKSH offered to use its network around the world to sell the customer's final products, which were produced using raw materials also provided by DKSH. After months of intensive research, DKSH's experts identified particularly promising customers in the USA and in Korea. We began to discuss the products with these prospects – both already customers for other raw materials – and explained how they could potentially profit from the company's offerings. In follow-up meetings at the prospects' R&D centers, DKSH experts met with their technical service people, R&D chemists and general managers, to discuss

the products. Because we are part of this industry, we know that new developments can take several years. In fact, we accompanied both the supplier and the potential customers for an entire year during the development of a final formulation. By doing so we promoted the exchange of deep chemical experience and kept both the supplier and the customers updated on the status of developments.

Result

Based on the expertise provided by DKSH, both customers succeeded in developing an innovative product for their respective markets. Every partner involved is now enjoying new business and is continuing to develop materials for the next product generation. Our customers were pleased to have their materials need filled to their exact specifications, while the supplier was delighted to gain two entirely new customers for its products.

Market Expansion Services: understanding delivers results

Becoming a trusted link between business partners, and understanding the needs of all concerned, requires diligence and deep industry expertise. Time and again this brings about tangible business results for all our partners.

REACH: transforming a challenge into an opportunity

REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) is the strongest set of regulations ever imposed on the chemical industry. REACH will change the competitive environment of the chemical industry not only in the European Union, but in all parts of the global chemical supply chain. Producers of chemicals, importers and downstream users

must all prepare for these new regulations, investing time and money to build the competencies to achieve full compliance with REACH. However, REACH is not just a challenge – it is also an opportunity.

DKSH is well-prepared for REACH and understands its implications. DKSH offers regulatory services for our business partners

that combine with our professional marketing and sales services to give full access to the European market. We help companies comply with REACH, acting as an importer on behalf of non-EU companies and supporting them with consulting services. We are ready and fully equipped to deal with REACH.

REACH overview

On June 1, 2007, new chemicals legislation took effect which fundamentally changes chemical control in the EU. The main aim of REACH is registration: 30,000 substances currently sold in the EU must now be registered with the new European Chemicals Agency (ECHA). Manufacturers and importers of chemicals have to submit dossiers on the properties of their substances, their uses, and safe ways of handling them. The burden of proof for demonstrating the safe use of chemicals has been transferred from member states to the industry.

Enterprises that manufacture or import more than one tonne of a substance per year now have to register. Responsibility for registration falls upon EU chemical producers and importers into the EU. Importers and distributors like DKSH are now legally

responsible for full compliance with the legislation. The changes aim to improve human health, increase environmental protection, and enhance the competitiveness of the EU chemicals industry.

REACH key facts

- Registration of chemicals manufactured or imported into the EU in quantities exceeding one tonne per year per manufacturer or importer
- Evaluation of registration dossiers by the ECHA in Helsinki
- Authorization for, and restriction of chemicals of high concern to, specific uses, where risks can be demonstrated to be controlled
- Transitional periods for so-called 'phase-in' substances will be granted in order to establish a registration dossier
- Pre-registration is required for 'phase-in' substances so that manufacturers

and importers can benefit from the transitional regime and continue with manufacture or import while preparing their registration

- Depending on substance volumes (per year and manufacturer or importer) and substance risks, transitional periods will last until 2010, 2013 or 2018



REACH and DKSH

DKSH is your No. 1 address for REACH and business services. REACH is a new regulatory challenge with serious implications for your current and future business decisions. Compliance with REACH is now mandatory for the sale of chemicals and products in the European Union. Registration strategies must be coordinated with sales and marketing strategies. This is vital for our business partners. Thanks to our regulatory expertise and in-depth market knowledge, DKSH offers a unique combination of competencies to take care of both your regulatory and your commercial needs.

DKSH's pre-registration service provides full support to complete the first step in REACH compliance. DKSH manages and organizes the required data, creates the necessary pre-registration (or late pre-registration) information packages for your

substances, and submits the pre-registration packages to the ECHA. With five legal entities operating in the European Union, we guarantee high flexibility and numerous options for any requirement related to REACH.

Our regulatory affairs team has in-depth REACH and registration knowledge and supports our partners at every stage, from REACH pre-registration and late pre-registration to the submission of a full REACH dossier.

DKSH key facts

Our strengths:

- Professional REACH organization
- European REACH competence center
- Five legal entities in Europe for a choice of sales and registration strategies
- State-of-the-art REACH database and ERP infrastructure (e.g. substance volume tracking)

We offer:

- Submission of pre-registration packages to the ECHA
- Support for non-EU companies through our comprehensive Importer or Only Representative service
- Legal and regulatory support and expert consulting
- Compliance and marketing strategies
- Solid regulatory experience of markets in Asia and the Americas

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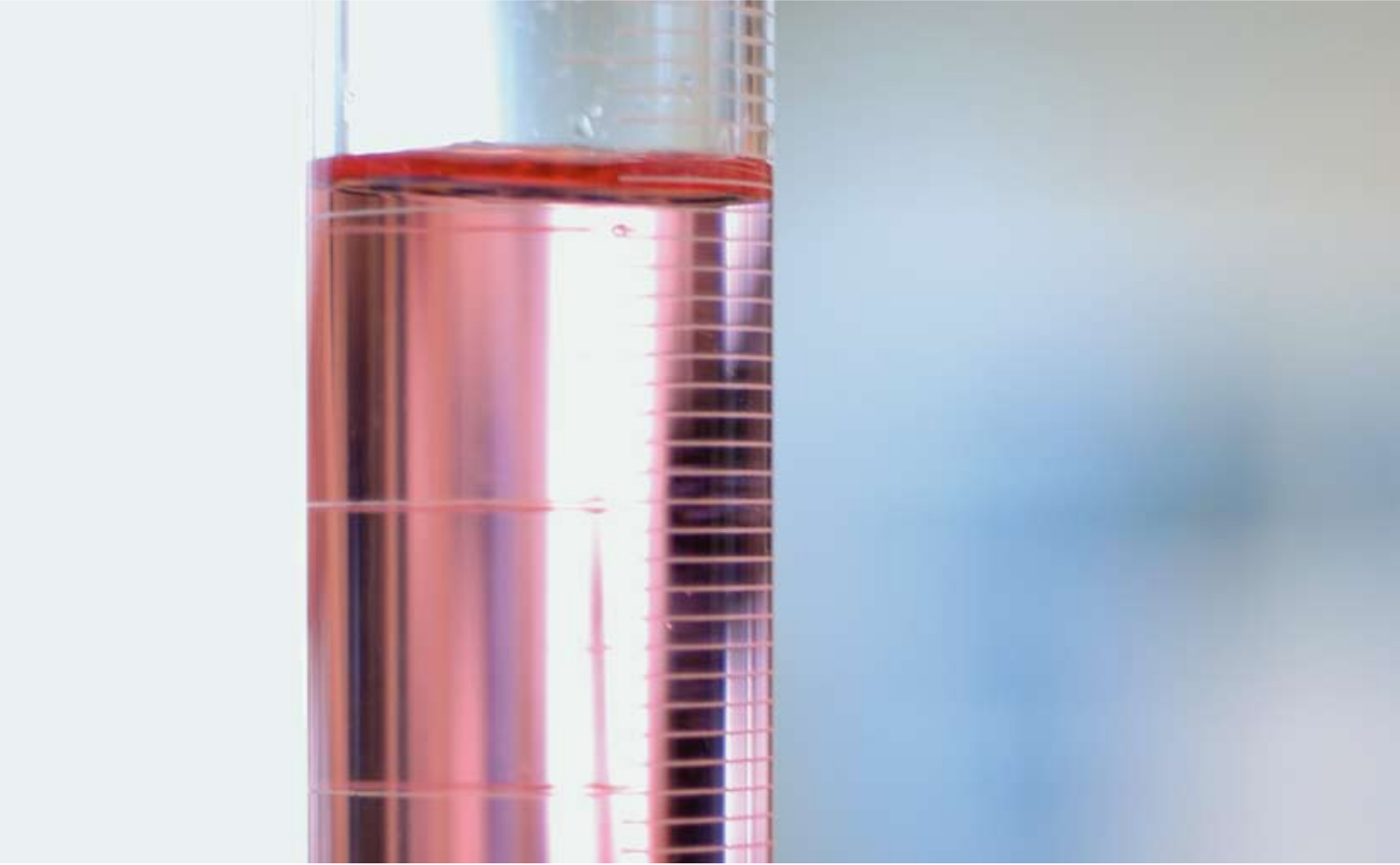
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