



Established 1947

NASDAQ:ACET

*Global Leader in the Sourcing, Quality Assurance, Regulatory Support,
Marketing and Distribution of Chemically Derived Pharmaceuticals,
Biopharmaceuticals, Specialty Chemicals and Crop Protection Products*

60th
ANNIVERSARY

Investor Day Presentation

Introduction

Leonard Schwartz, Chairman, CEO & President

September 18, 2008

This presentation contains “forward-looking statements,” as defined by the Private Securities Litigation Reform Act of 1995, that can be identified by words such as “believes”, “expects”, “anticipates”, “plans”, “projects”, “seeks” and similar expressions and involve numerous risks and uncertainties. The forward looking statements contained in this presentation relate to, but are not limited to, selling finished dosage form generic drugs, providing vaccines for companion animals, entering into the Japanese pharmaceutical market, and the globalization of our nutraceutical business. The Company’s actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including those set forth in the Company’s filings with the Securities and Exchange Commission.

Company Profile

- ❑ Established in 1947, publicly traded on NASDAQ under the symbol “ACET” since 1962
- ❑ Global leader in the sourcing, quality assurance, regulatory support, marketing and distribution of chemically derived pharmaceuticals, biopharmaceuticals, specialty chemicals and crop protection products
- ❑ Physical presence in ten countries
- ❑ Distribute over 1,000 chemicals used principally as raw materials in the pharmaceutical, agrochemical, color, surface coating/ink and general chemical consuming industries
- ❑ Business organized along product lines into three segments; Health Sciences, Chemicals & Colorants and Crop Protection

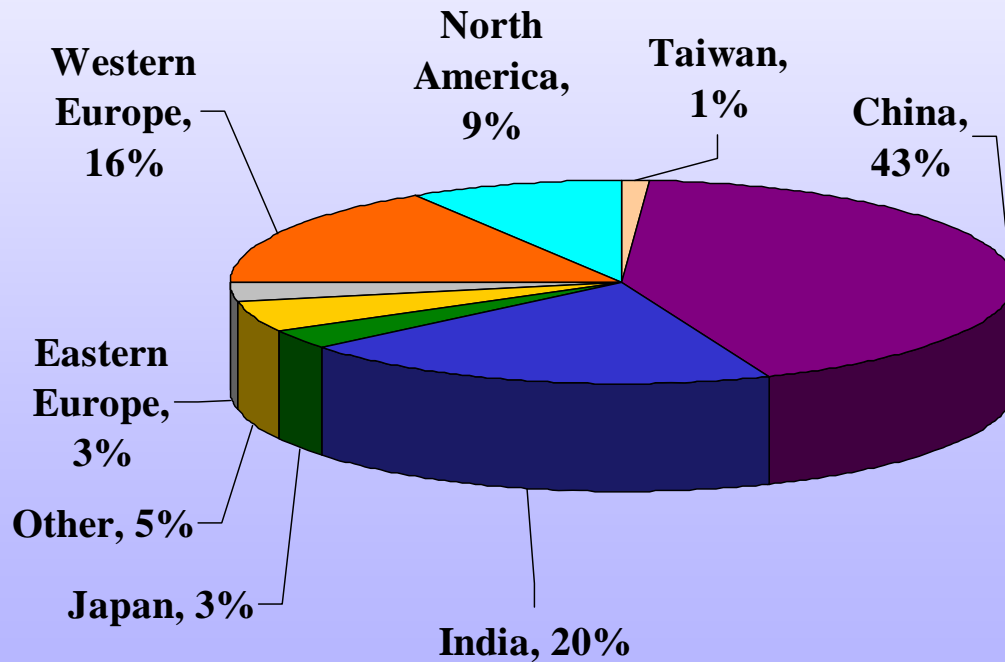
Unique Business Model

- ❑ Function as a virtual manufacturing firm
- ❑ Unparalleled, worldwide sourcing capabilities (China and India) combined with quality assurance, regulatory support
 - 226 worldwide employees
 - 28 full-time technical employees, 26 specializing in pharmaceutical business development activities
- ❑ Highly skilled sales and distribution organization
- ❑ Competitive pricing – strive to be the lowest cost, highly qualified, quality supplier in the market

Worldwide Business

Sources

(Fiscal 2008)



Operations

Business operations:

- US
- Germany
- France
- Singapore
- Netherlands
- Poland
- Japan
- UK
- Vietnam*

Sourcing:

- China
- India

* We are currently in the process of opening a representative office in Vietnam

Our Core Business Competencies

- Growth of our business is achieved by utilizing our core competencies:
 - Sourcing
 - Distribution
 - Quality assurance
 - Regulatory support

Our Employees

- ❑ Employees are highly efficient – Staff of 226 employees generated \$360 million in sales in fiscal 2008

- ❑ Longevity of senior management:
 - Leonard Schwartz – Chairman, CEO & President – 40 years
 - Douglas Roth – CFO – 7 years
 - Frank DeBenedittis – Senior Vice President – 30 years
 - Mike Feinman – President, Aceto Agricultural Chemicals Co. – 35 years
 - Vince Miata – Senior Vice President – 30 years
 - Andreas Muends – Managing Director, Aceto Holding GmbH – 20 years



ACETO Quality Assurance & Regulatory Support

- ❑ A KEY differentiator between Aceto and other companies
- ❑ Global Technical Network that provides:
 - Global Quality Assurance
 - Global Regulatory Support
- ❑ Aceto is unique in this capability

Global Quality Assurance

- ❑ Global Quality Assurance Network with regional managers in the United States, Germany, China and India
- ❑ Global sourcing capability gives us the unique ability to find the lowest cost, qualified source for quality products
- ❑ Global Network ensures that quality of product meets both specifications and intended use

Global Regulatory Support

- ❑ Global Technical Network consists of 28 employees with managers in the United States, Germany, China and India
- ❑ Perform a unique service that allows us to source, and qualify, the lowest cost APIs, pharmaceutical intermediates, chemicals and nutritionals from China and India
- ❑ Provides substantial regulatory support and technical assistance to manufacturers worldwide, enabling them to bring products to market that they would not otherwise be able to

Growing Our Business

- We look to grow our business in several ways:
 - Expand core businesses
 - Strategic initiatives for growth
 - Acquisitions

Questions & Answers

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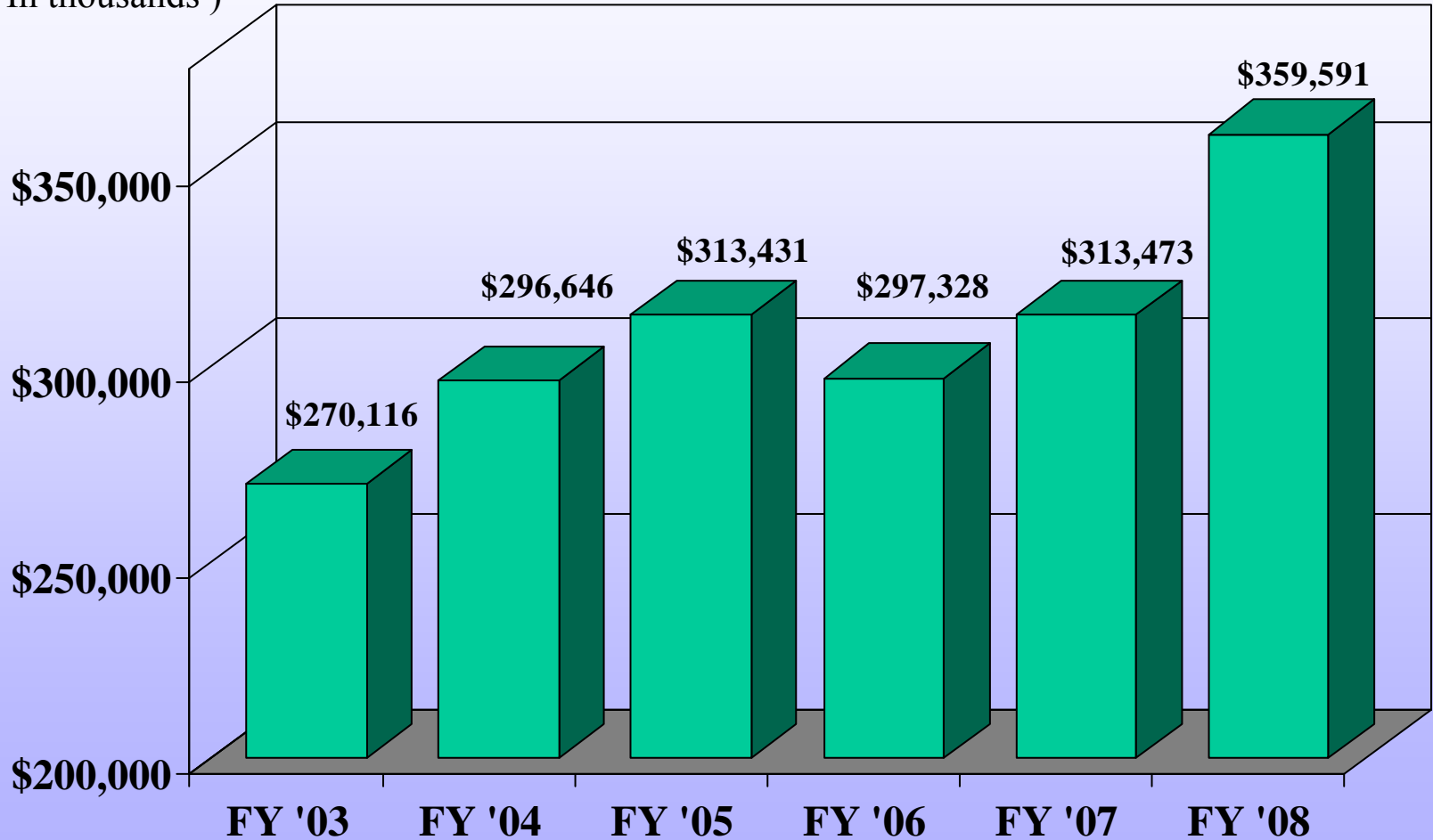
Financial Highlights

Douglas Roth, CFO

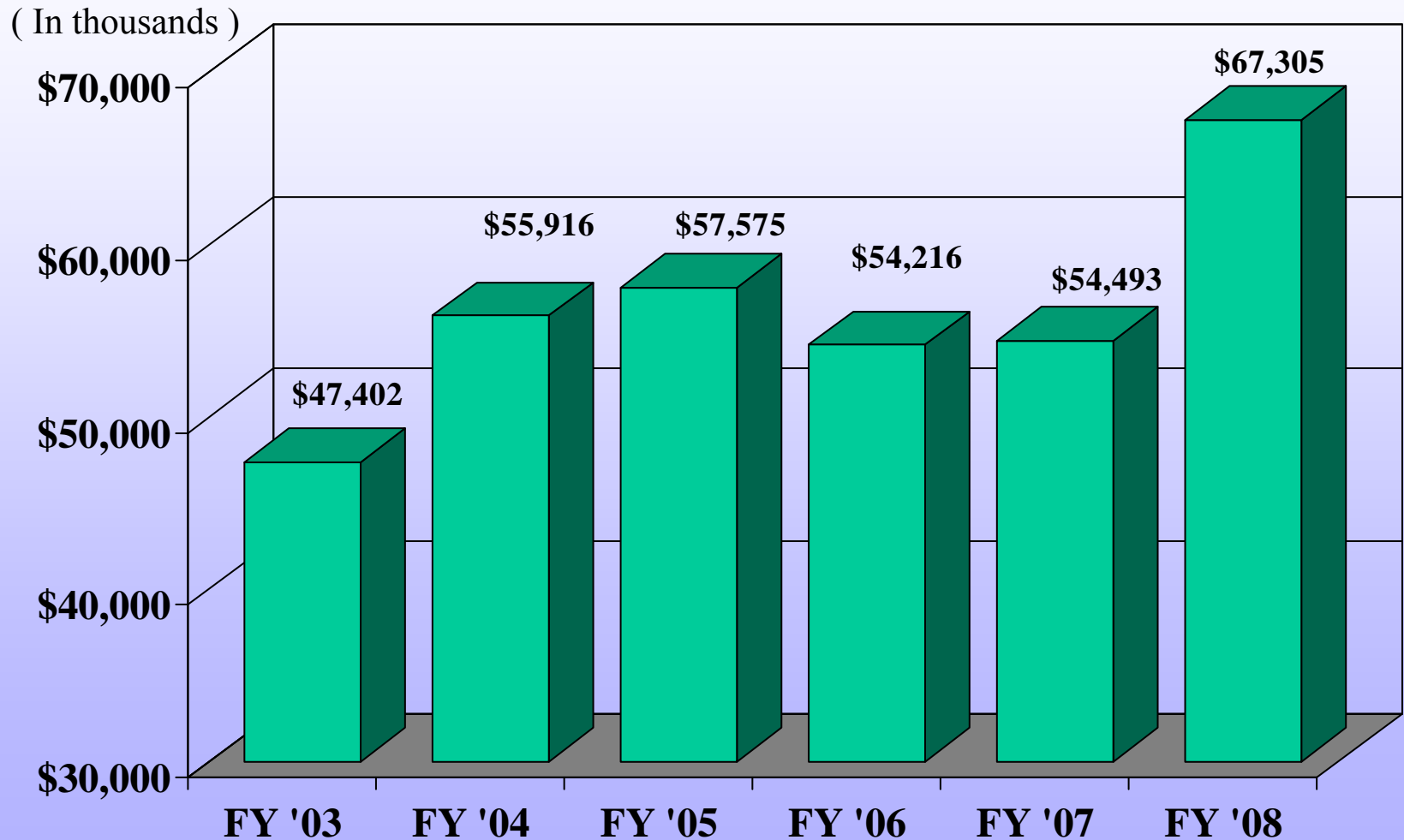
September 18, 2008

Net Sales

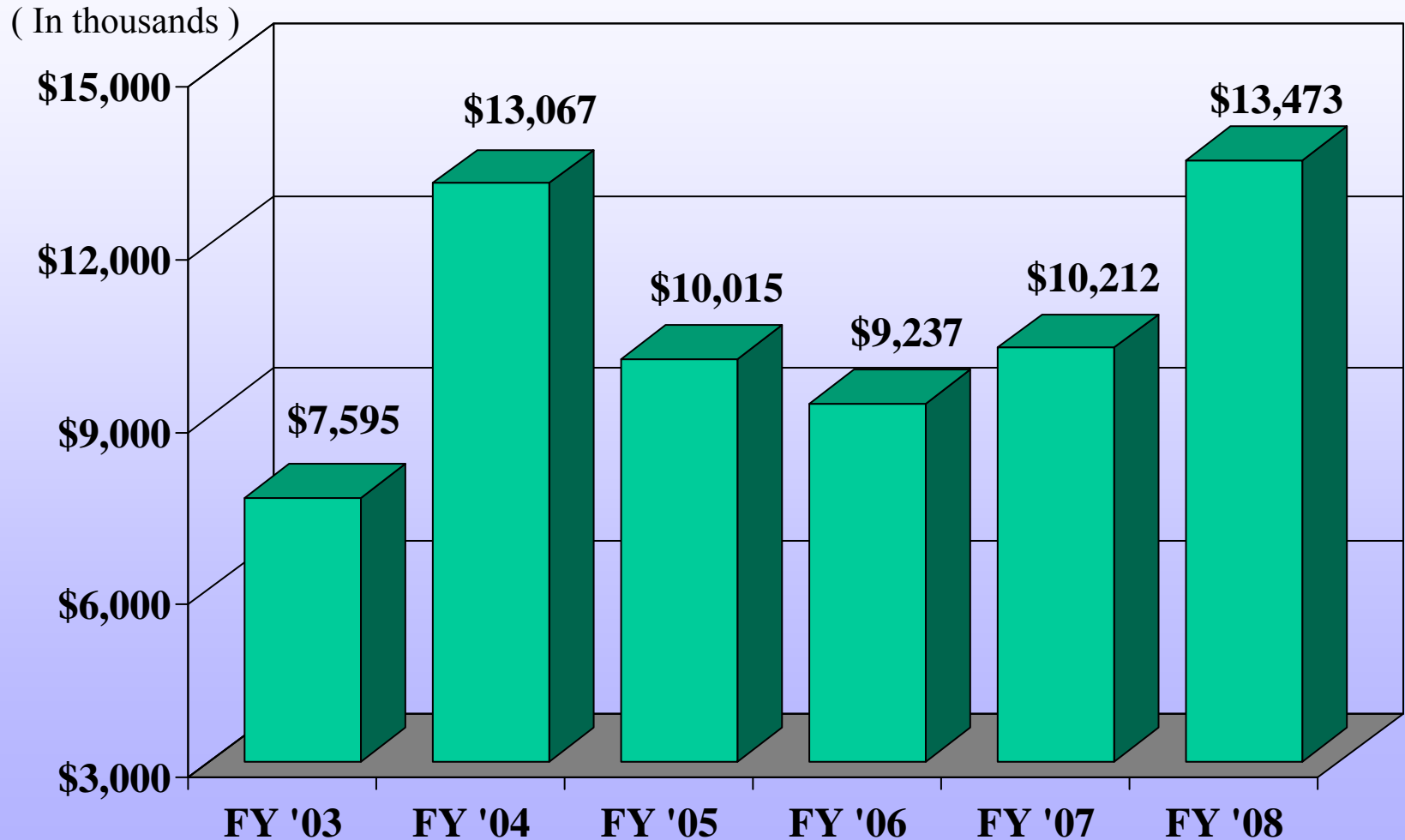
(In thousands)



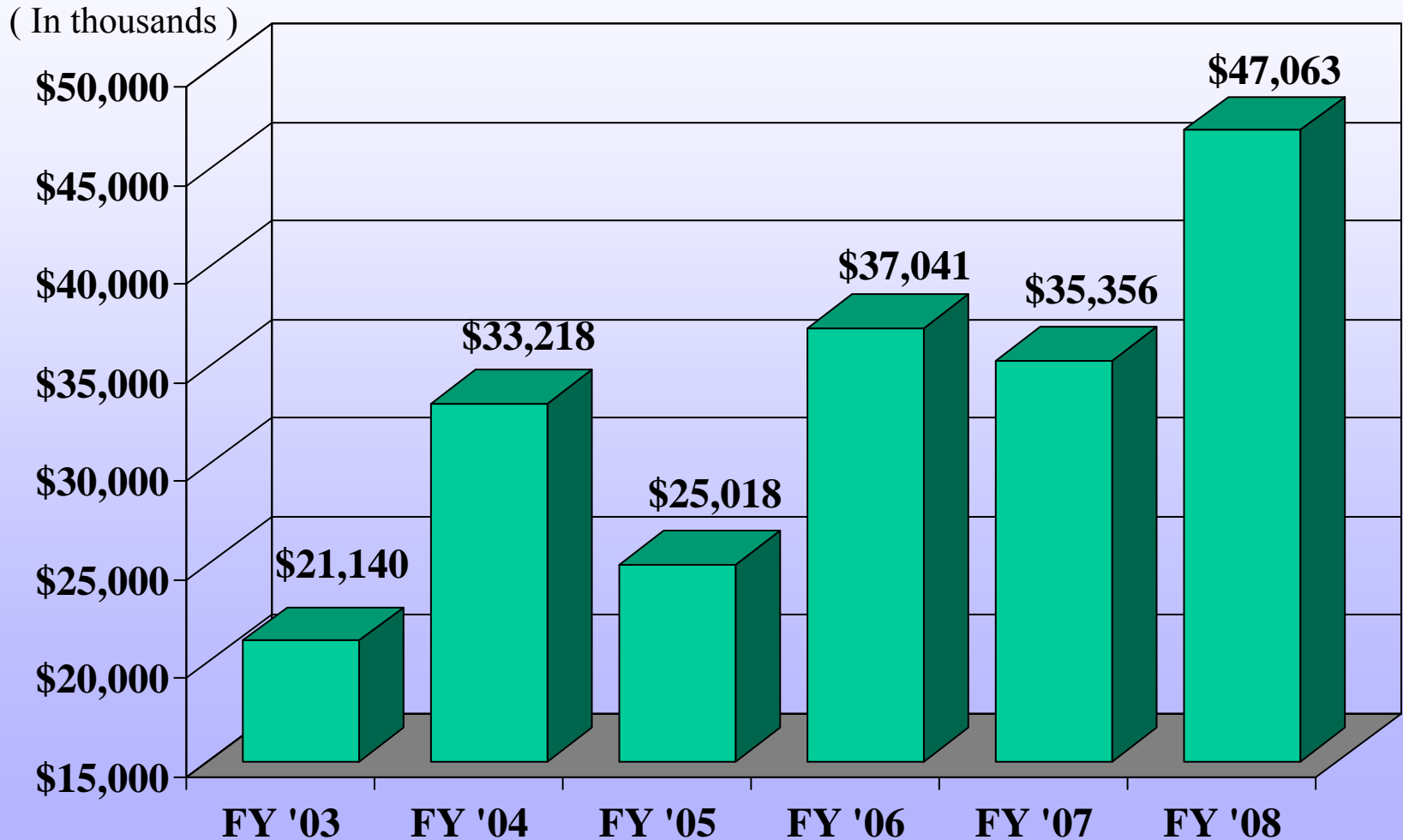
Gross Profit



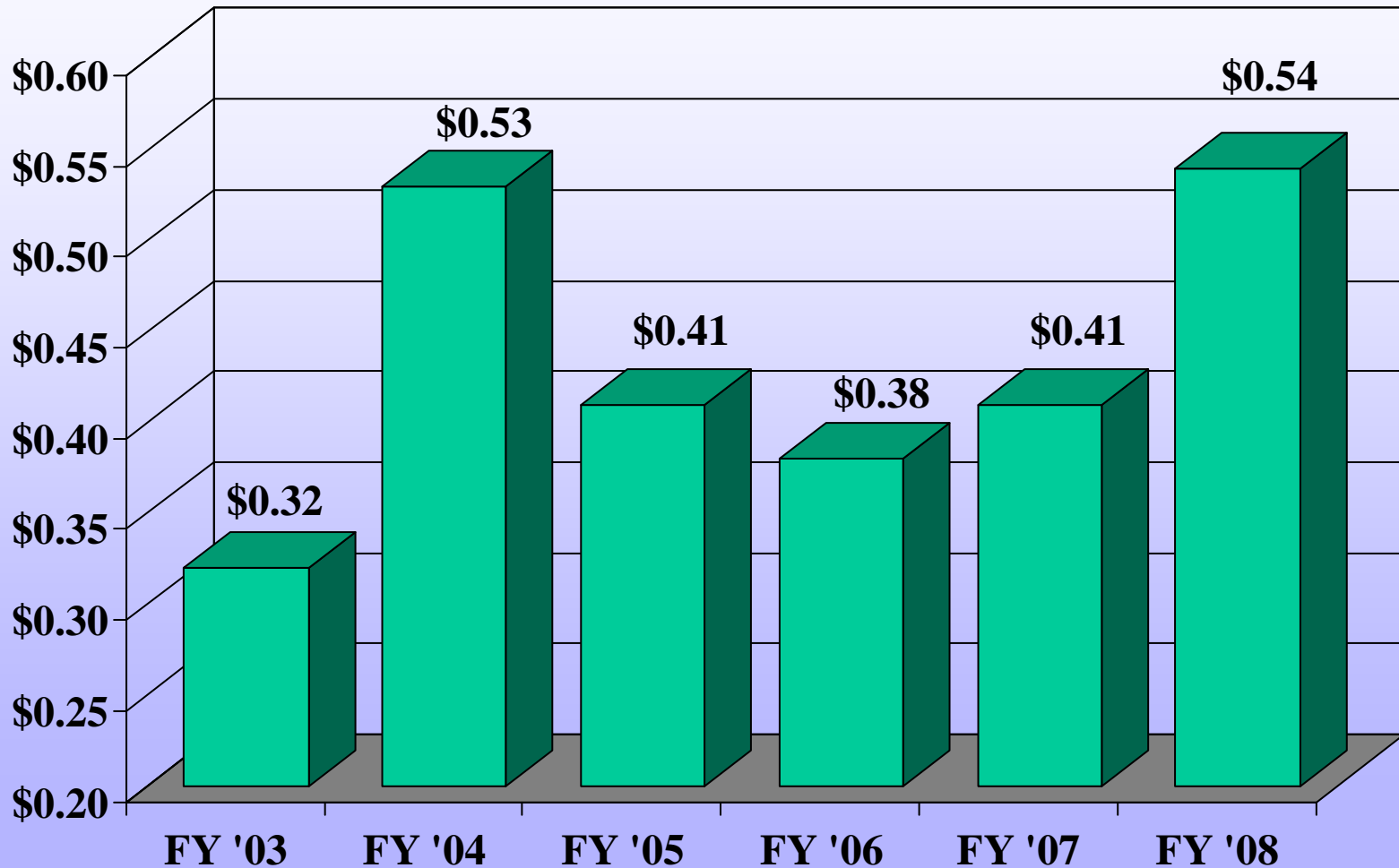
Net Income



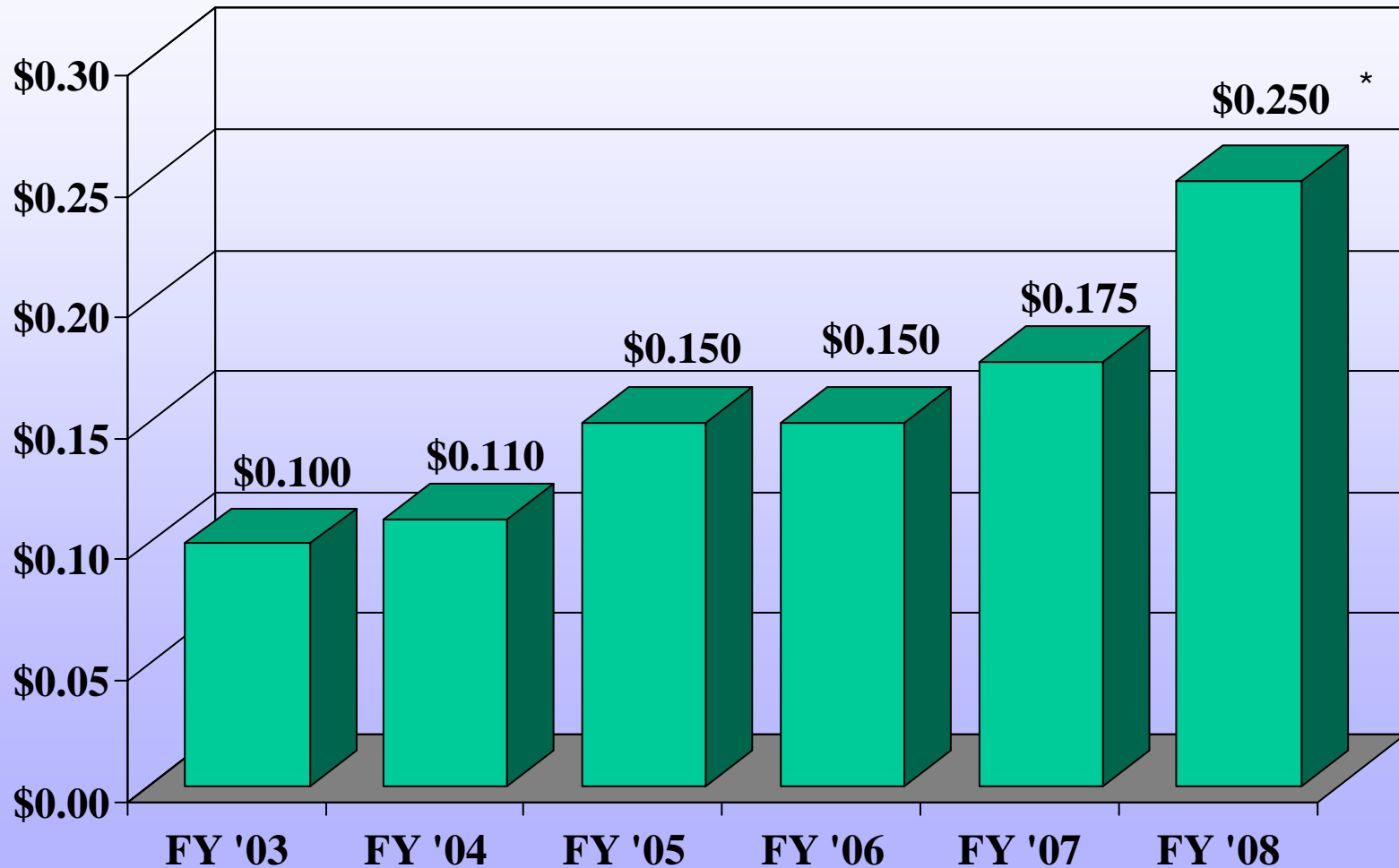
Cash & Short-Term Investments



Fully Diluted EPS



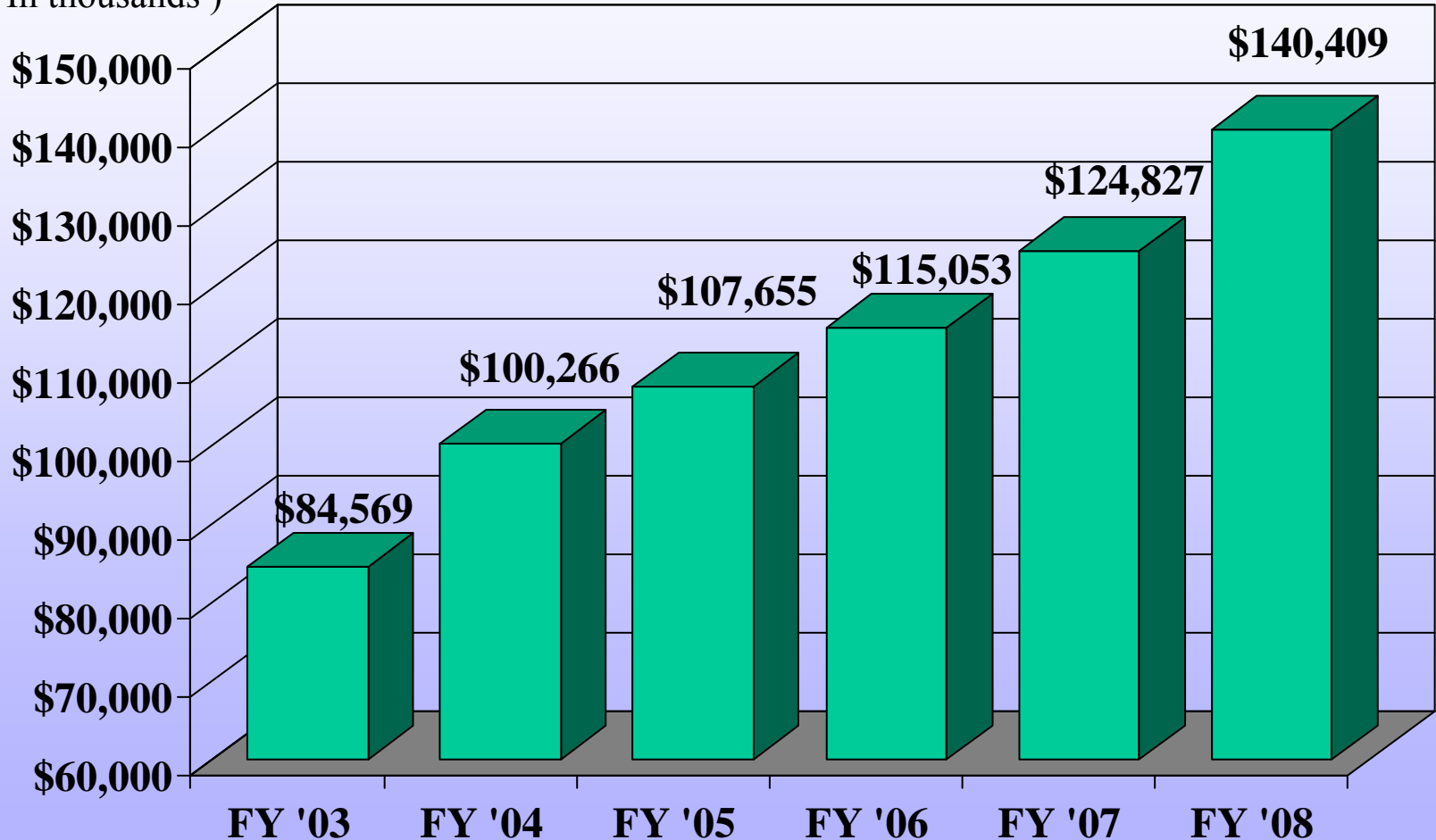
Cash Dividends Per Share



* Includes \$0.05 special dividend paid in February 2008

Shareholders' Equity

(In thousands)



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Health Sciences

Frank DeBenedittis, Senior Vice President

September 18, 2008

Health Science Segment Overview

- Health Science is a major supplier to the generic pharmaceutical and nutritional industries
 - Active Pharmaceutical Ingredients (APIs) – Supply APIs to the generic pharmaceutical manufacturers
 - Nutraceuticals - Supply dietary supplement ingredients to manufacturers of dietary supplements

Health Sciences Financial Highlights

- Represents 59% of Aceto's fiscal 2008 sales
- For the fiscal year ended June 30, 2008:
 - Net sales of \$211.5 million
 - Gross profit of \$44.6 million
 - Gross profit margin of 21.1%

Generic API's

- Two strategies:
 - Market entry point is patent expiration
 - Market entry point is to manufacturers of existing generic drugs (we call this our “second source strategy”)

Patent Expiration

- Market entry point at patent expiration
- Focus on small/mid-sized products with a limited number of market participants
- Development starts minimum of 4 years prior to patent expiration

Existing Generic Drug (Second Source Strategy)

- Second source opportunities are:
 - Economically driven
 - Regulatory driven
 - Capacity driven
- Marketing products with existing Abbreviated New Drug Application's (ANDA's)
- Development requires 3-4 years prior to approval

The ANDA Process

- In the United States, an ANDA defines the terms and conditions regarding the production of a finished dosage form generic drug
- ANDA is both site and supplier specific
- An ANDA is submitted to the FDA for review and approval

Comparison Of U.S. & European Regulatory Mechanisms

- ❑ Responsible Agencies: 1 in U.S. (FDA) vs 27 in EU
- ❑ Guidelines in U.S and Europe differ in showing bioequivalence of generic drug vs. originator
- ❑ Qualities and testing methods: USP vs PhEur
- ❑ Duration from Application to Authorization is 18 – 24 months in U.S. vs 1-4 years in EU

Nutraceuticals

- ❑ Expand existing product line:
 - Amino acids
 - Vitamins
 - Minerals
 - Specialty items – ie. Chondroitin
- ❑ Significant changes occurring in nutritional market offering opportunities of growth for years to come
 - Market trend (Aging population)
 - Regulatory trend (Good Manufacturing Practice)
 - Scientific studies supporting usage
 - Changing European attitudes towards nutritional supplements
- ❑ Created a global operating business unit
- ❑ Expand customer base in United States and Europe



Global Regulatory Support – How It Impacts Our Health Sciences Business

- ❑ Global Technical Network consists of 28 employees with managers in the United States, Germany, China and India
- ❑ Perform a unique service that allows us to source, and qualify, the lowest cost APIs, and nutritionals from China and India
- ❑ Provides substantial regulatory support and technical assistance to manufacturers worldwide, enabling them to bring products to market that they would not otherwise be able to

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Aceto's European Business

Andreas Meunds, Managing Director Aceto Holding GmbH

September 18, 2008

Aceto Operations In Europe

Germany

- Aceto Pharma GmbH (Hamburg)
- Aceto FineChem GmbH (Hamburg)
- Pharma Waldhof GmbH (Düsseldorf)
- Aceto Health Ingredients GmbH (Hamburg)

France

- Aceto France S.A.S. (Lyon, APIs)
- Aceto France S.A.S. (Paris, Specialty Chemicals)

Amsterdam, The Netherlands

- Aceto B.V.

Aceto Operations - Germany

- 58 employees
- For the fiscal year ended June 30, 2008 net sales of \$72.1 million (U.S)
- Principal activities include the distribution of:
 - Finished dosage form generic drugs
 - APIs and biopharmaceuticals
 - Health ingredients
 - Intermediates and specialty chemicals

Aceto Operations - France

- 11 employees
- For the fiscal year ended June 30, 2008 net sales of \$26.3 million (U.S)
- Principal activities include the distribution of:
 - APIs and health ingredients
 - Intermediates
 - Specialty chemicals

Aceto Operations - The Netherlands

- 8 employees
- For the fiscal year ended June 30, 2008 net sales of \$12.2 million (U.S)
- Principal activities include distribution of:
 - APIs and health ingredients

Nutraceutical Business In Europe

- ❑ Created a new European business strategy regarding nutraceuticals and health ingredients
- ❑ Created an operating company, Aceto Health Ingredients GmbH, headed by a Director - European Nutraceuticals
- ❑ Aceto's first pan European business
- ❑ European market growing rapidly as a result of changing European attitudes towards nutritional supplements

ANDAs vs Dossiers

- ❑ In the United States, an ANDA defines the terms and conditions regarding the production of a finished dosage form generic drug
 - ANDA is site specific, supplier specific
- ❑ In Europe, a dossier also identifies the terms and conditions regarding the production of a finished form generic drug however it is not site nor supplier specific

Cultural Differences Between the US and European Pharmaceutical Markets

- European pharmaceutical market much less price competitive than in the United States
- In Europe, relationships between suppliers and customers much stronger than in the United States
- More reluctance in Europe to change/replace existing API suppliers

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Crop Protection

Michael Feinman, President Aceto Agricultural Chemicals Co.

September 18, 2008



Crop Protection Segment Overview

- ❑ Aceto has been in the crop protection business, selling herbicides, insecticides, fungicides and other agricultural chemicals to customers, primarily located in the US and Western Europe, for over 40 years
- ❑ Our goal is to provide a quality, generic source alternative for our agricultural customers, principally with mature products which are usually less competitive
- ❑ A relationship business where our customers and suppliers work with us because they have developed confidence in Aceto over the years
- ❑ We supply all of the large nationwide agrochemical distributors in the United States



Crop Protection Financial Highlights

- Represents 5% of Aceto's fiscal 2008 sales
- For the fiscal year ended June 30, 2008:
 - Net sales of \$18.4 million
 - Gross profit of \$3.9 million
 - Gross profit margin of 21.2%

Crop Protection – Model for Growth

- To secure entry into the marketplace, Aceto does one of the following:
 - Partner with distributor
 - Asulam was the first successful launch under this model
 - Partner with supplier
 - Entered into a joint venture with a large agrochemical company to launch our second product under this model which we believe we will be selling beginning with the 2009 growing season
 - Act as sole principal

Model for Growth – How We Do It

- ❑ Utilize our global sourcing, quality assurance and regulatory capabilities to bring products to market
- ❑ Achieve the lawful right to sell by acquiring or developing intellectual property leading to EPA label (official license to sell)

How We Add Products to Our Product Line

- Evaluate products to identify those that have market potential
- Utilizing our sourcing, quality assurance and regulatory support capabilities in China and India, we identify at least two quality sources for the product
- Evaluate the market size and our potential share
- Do a data compensation search and assessment to understand our capital investment
- Typically we look for products where capital expenses can be recouped in 24 months

Our Product Pipeline

- Our pipeline includes the following
 - Two products already introduced
 - Asulam
 - Dads
 - Two products pending EPA registration approval
 - Two more products expected to file with EPA within 90 days

Crop Protection Summary

- ❑ The generic agrochemical business is experiencing strong growth
- ❑ Aceto is utilizing its global reach and unparalleled sourcing and technical capabilities to grow this business

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Chemicals & Colorants

Vincent Miata, Senior Vice President

September 18, 2008

Chemicals & Colorants Segment Overview

- ❑ The Chemicals & Colorants (“C&C”) segment is a supplier of chemical raw materials and additives to industry
- ❑ Products:
 - Intermediates for dyes & pigments, and agrochemicals. Intermediates are chemicals used to make other chemicals and pharmaceuticals.
 - Chemicals for coatings, inks, plastics, food, aroma & flavor, electronics & other
- ❑ Very diversified business:
 - More than 900 products
 - More than 1500 customers
 - No product more than 3% sales
 - No customer more than 2.5% sales
- ❑ Very sustainable business less subject to normal business cycles

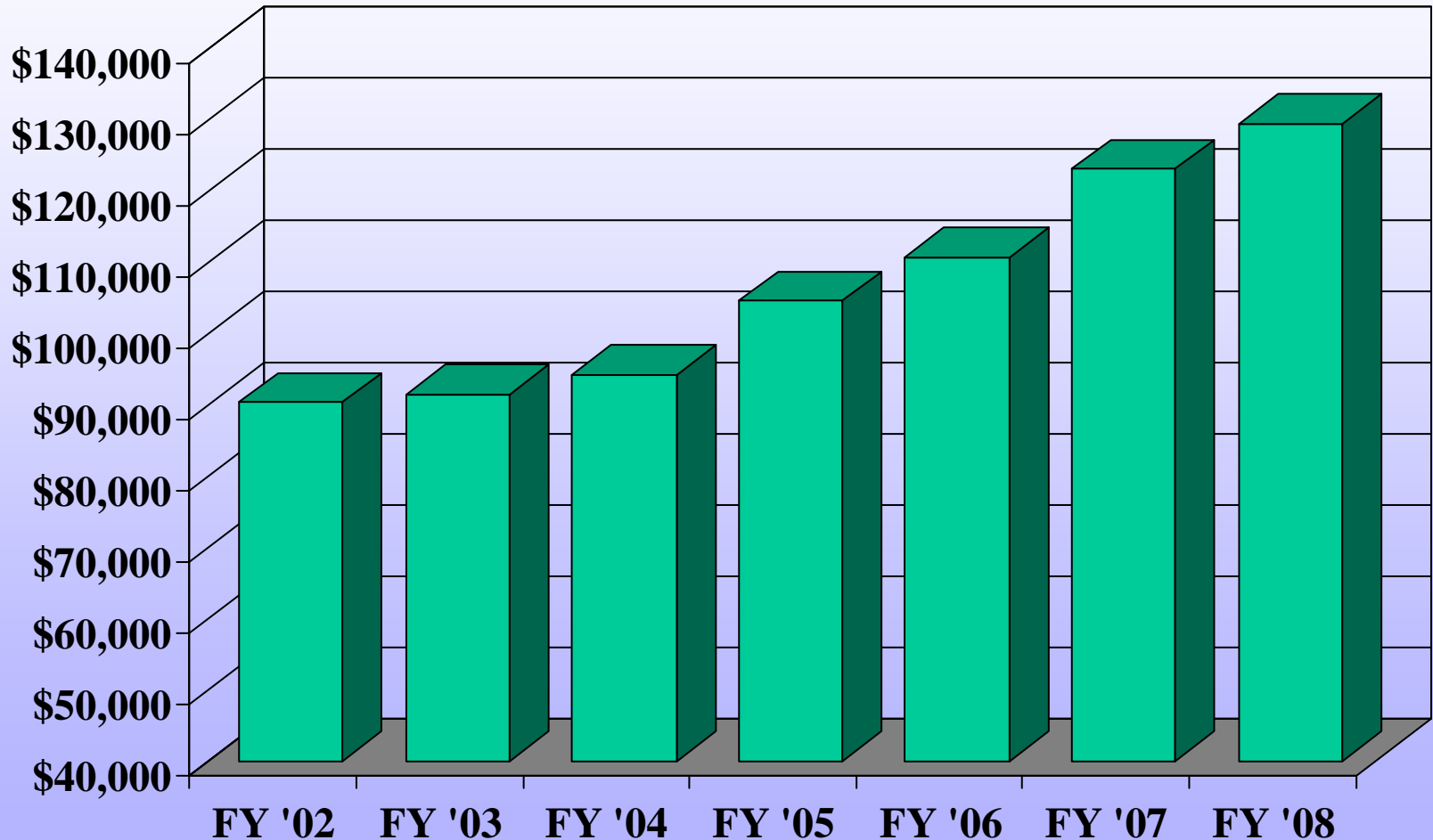
Chemicals & Colorants Financial Highlights

- Represents 36% of Aceto's fiscal 2008 sales
- For the fiscal year ended June 30, 2008:
 - Net sales of \$129.7 million
 - Gross profit of \$18.8 million
 - Gross profit margin of 14.5%
 - Profit margins much higher than traditional chemical distribution businesses



Chemicals & Colorants Sales

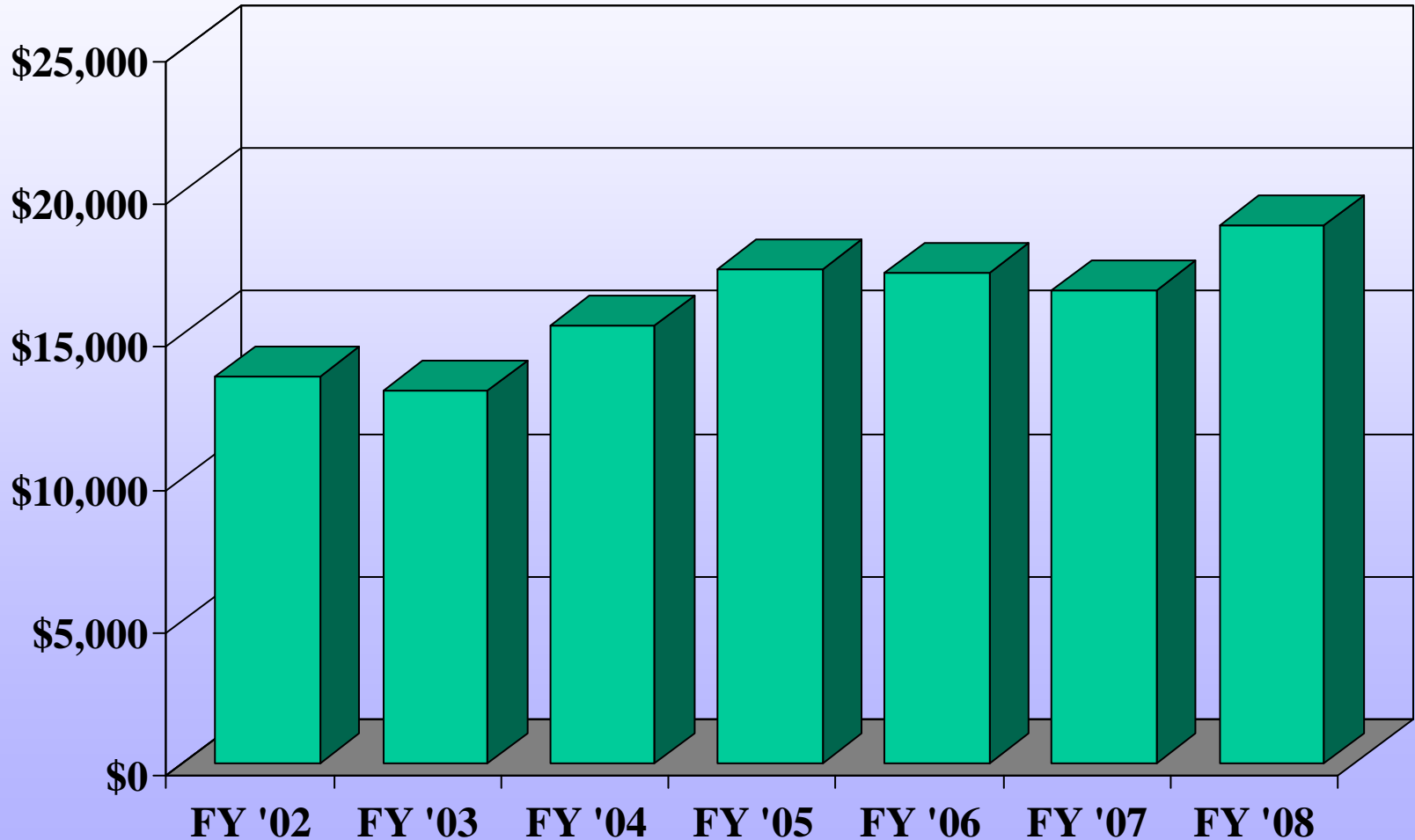
Sustainable and Dependable





Chemicals & Colorants Gross Profit

Sustainable and Dependable



Chemicals & Colorants – Model for Growth

- New products for existing customers
- New customers for existing products
- New supplier development
- Globalization of our product offerings

Pharmaceutical Intermediates

- ❑ Rapidly growing market
- ❑ Pharmaceutical manufacturers traditionally have one source for the pharmaceutical intermediates needed to produce their products, principally high priced U.S., European and Japanese suppliers
- ❑ Margins for pharmaceutical manufacturers have been squeezed due to patent expiration resulting in increased competition from generic drugs
- ❑ This drives them to reduce costs
- ❑ Same model that Aceto employs in both its Crop Protection and Health Sciences business segments

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Strategic Initiatives for Growth

Leonard Schwartz, Chairman, CEO & President

September 18, 2008

Growing Our Business

- We look to grow our business in several ways:
 - Expand core businesses
 - Strategic initiatives for growth
 - Acquisitions

Completed Strategic Initiatives

- ❑ Globalizing our Chemicals & Colorants business
 - Have increased non-US sales in this business from 4% in fiscal 2004 to 13% in fiscal 2008
- ❑ Organic (color) pigments business
 - Organic pigment sales have grown to approximately \$11.5 million in fiscal 2008 and are expected to grow more in the future
- ❑ Enhance our Crop Protection business
 - Successful launch of Asulam, Dads and a robust pipeline of near-term additional products
- ❑ Moving into Central Europe
 - We opened an office in Poland and expanded our business in Central Europe

Current Strategic Initiatives

- ❑ Vaccines for Companion Animals
 - Entering \$1.5 billion vaccines for companion animals market; initial product is a 4-way vaccine for canines with a US market of \$400 million
- ❑ Entering the Japanese Pharmaceutical Market
 - Aceto Japan, Inc. was formed to serve as our operating company in Japan, the second largest pharmaceutical market in the world. The focus of our efforts initially will be pharmaceutical intermediates
- ❑ Globalizing our Nutraceutical Business
 - In fiscal 2008 Aceto had total worldwide nutraceutical sales of approximately \$38 million with \$12 million in Europe and \$3 million through our Singapore office. We believe there is a huge growth potential in Europe as a result of changing European attitudes towards nutritional supplements
- ❑ Finished Dosage Form Generic Drugs
 - Aceto's unique business model provides access to the US generic pharmaceutical market for mid-size foreign pharmaceutical companies

Research & Development

- Taking place in Europe
- Have commenced dosage form research and development of two generic drugs that require unique and innovative delivery systems

Acquisition Business Model

- Must be parallel or complementary to our core business
- Must be structured to be accretive immediately after the acquisition
- Culture of the acquired company **must be** compatible with that of Aceto

Investment Summary

- Unique business model
- Strategically positioned for growth in several market segments
- Experienced senior management team averages more than 28 years with Aceto
- Strong financial position provides a solid foundation for future growth

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