

BUSINESS RELATIONS WITH ASIA

Denmark



Reports by C. Lawrence and M. McKeown

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Danfoss: Making China its second home market

Think big. That's how Danfoss is approaching the vast Chinese market. The 73-year-old family-run manufacturer of refrigeration, heating and motion control systems is already Denmark's biggest industrial company and the market leader in Europe. Now it wants to make China its second home market. "The products we make are what you typically need in a modern society," says Danfoss president and CEO Jørgen Clausen. "Therefore, China is a huge opportunity for us."

Danfoss entered China in 1993 and has grown 50 percent annually. Revenues in 2005 were 1 billion RMB. The company has been quickly establishing production in China and today has 1,000 mainland employees. Half of its China output is sold domestically and the rest is exported.

That's just the beginning. Danfoss wants to have a 4 billion RMB turnover and 3,000 employees in China by 2008, and hopes to be number one or two in each of its product lines within 10 years. The aim is to match its European success. "We want to have the same high market share as in Europe," says Clausen. "We need to do it now when the competition is small and young."

Danfoss recently bought a Chinese

company that specializes in low-end motion control systems, which complement Danfoss's high-end product. With the acquisition Danfoss gained a large plant in Wuqing.

Jørgen Clausen



The company is also building more of its own factory space. One new facility should be completed this spring. "When that is finished, the question is whether we should break ground on the next factory," says Clausen.

To supplement its growing production in China, Danfoss is building its research and development capacity too. In 2005, Danfoss established an

R&D center and plans to ramp up quickly to meet the needs of customers who are also growing their Chinese R&D facilities.

Danfoss has a formal training pro-

gram to develop Chinese managers as they look to create their own leaders. Hiring local employees is a key to the company's strategy. "Everybody knows that we are of Danish origin but we would like to have a Chinese face," says Clausen. For example, when Danfoss hired 15 local Chinese engineers they were brought to Denmark for six months of training. While there, they worked with Danish engi-

neers on developing a new kind of inverter. Now the Chinese engineers are back in China and working on their own.

At its hometown in Nordborg, the company created Danfoss Universe, a new science amusement park designed to develop engineers of the future. "The park is intended for young kids to come and see how technical things work so it is demystified," says Clausen. He hopes that young people and families from around the world will come to Denmark to experience the 150 attractions that explain how even the most complicated scientific concepts can be simple. Another goal is to encourage the youth to enter a technical or scientific profession.

While China is Danfoss's main Asian focus today, the company has been active in Japan for a long time. Danfoss Japan launched in 1960 and is an established refrigeration valve supplier. The company recently created a joint venture in Europe with a Japanese firm called Saginomiya. The JV produces products for both companies. Saginomiya has taken over Danfoss's Japanese operations, and now markets Danfoss products in Japan. Similarly, Danfoss markets Saginomiya's products in Europe and North America. Danfoss predicts the arrangement will help to triple its Japan sales.

BE > THINK > INNOVATE >

Innovation is the essence

It is innovation that makes Grundfos unique. We stand out because of our ability to constantly create new solutions to the ever-changing demands of the pump business. We meet every challenge and we are never afraid of taking the initiative – remaining true to our ideals calls for renewal.

Innovation is the soul of Grundfos.



Ferrosan's vitamin-fortified growth strategy in China

The company best known for promoting beautiful skin from within is now working on battling vitamin deficiencies in Chinese children. Ferrosan, the maker of skin-care supplement Imedeon, has formulated a chewable kids' vitamin to sell to Chinese parents, whose rising disposable incomes allow them to spend more on their children's health. "Vitamin deficiencies in kids are a real issue in China," says Niels de Coninck-Smith, CEO of Ferrosan. "We are keenly looking to find a way of intelligent access into the Chinese market."

The Danish firm seeks a local partner with vitamin supplement expertise, or a large Asian organization interested in forming a joint venture in China. Skin-care products formulated for different Asian markets are



Niels de Coninck-Smith

already in the offering. With the help of good partners, Ferrosan hopes Asia can provide 20 percent of total sales. "We are a progressive, growth-oriented company looking for an interesting collaboration partner within our space," says de Coninck-Smith.

"We are developing a number of business options

for cooperating with companies in Asia on a broader scale, as well as looking at different entry strategies for China," says Jan Vistisen, managing director of Ferrosan Asia-Pacific.

To get closer to the market, Ferrosan bought its Singapore-based distributor Bionax in 2003, thereby complementing own operations in Singapore, Malay-

sia, Hong Kong and China with strong partners in Japan, Australia and New Zealand.

The high-end Imedeon product has been sold successfully over the past 14 years in Asia, particularly in China, which could dominate Ferrosan's regional sales by year end. The product is backed by scientific evidence and supported with personalized marketing tactics that range from personal events to specialized department store counters.

Says Vistisen: "We are driving our business by getting right in the face of the consumer. It's not just about buying a box of pills for your skin. It's about providing a consumer experience and generating loyalty so they get the best possible value from our products."

Norden's long horizon for Chinese shipping industry

Norden's first steamship began trading between Nagasaki and Shanghai and along the coasts of China in 1875 and 1876. Today, the oldest international shipping organization in Denmark runs approximately 135 tankers and dry cargo ships that carry bulk commodities like iron ore, sugar, steel and refined oil products across the world.

The 'new' Norden has grown over the past ten years from a single office of 25, to a global network. Its capitalization soared from \$30 million to \$1 billion over the period. Norden still seeks out partners who share its long-held values of flexibility, safety, empathy and respect for local cultures. Customers benefit from the firm's cost efficient transportation and deep-rooted commitment.

"Clients come back to us



Carsten Mortensen

over and over," says Carsten Mortensen, president and CEO of Norden. "We take great pride in our punctuality and reliability."

With cycles of overcapacity regularly pressuring freight rates, the main challenge for the shipping industry is market volatility. Norden's risk management system measures its

total risk exposure daily. "It's a religion for us," says Mortensen.

Whether it owns or charters its vessels, quality is what matters. Norden's ultra modern fleet of double haul tankers is environmentally friendly and fuel-efficient.

Its long perspective and belief in developing people

to their best capacities inspired Norden to sponsor annual scholarships for students and professors over the next five years at prestigious multi-disciplined Shanghai Maritime University. It hopes to raise its brand awareness among the decision makers of tomorrow, and encourage faculty progress in academic research. This patient commitment to China, which currently represents 15 to 20 percent of total operations, is one aspect of an extensive process.

Norden views its scholarship program as a long-term investment for both education and training. "Education is a priority for Norden," says Mortensen. "We believe in the unmatched talent and potential of China's shipping industry." Norden entered into a similar arrangement with Singapore Centre for Maritime Studies.

Grundfos pumped about Asia after more than 20 years

After more than 20 years in Asia, Grundfos continues to gain momentum in the region. The company, a world leader in pump manufacturing, has built new factories in China and India in recent years. It expects annual growth rates of 15 to 20 percent going forward. "Asia is one of our most important regions in terms of growth," says Jens Jørgen Madsen, group president and CEO of Grundfos Group.

The expansion draws on a 60-year international track record. Grundfos has never had a year without profits or growth. Madsen attributes that to Grundfos' basic philosophy: "Be. Think. Innovate."

"Be" means be a responsible corporate citizen. Grundfos does that first and foremost through continuous improvements in its products' energy efficiency. "We never introduce a new product that is not considerably more energy efficient than the old one," says Madsen. "A big part of the world's electricity consumption comes from pumps, and it means a lot to energy savings and CO2 emissions

Jens Jørgen Madsen



if we can reduce the energy consumption of our products."

"Think" in the company's slogan refers to think ahead. Grundfos' unusual ownership structure allows it to look beyond short-term results and invest for the long-term. The company is 85 percent owned by the Poul Due Jensen Foundation, which plows profits back into the company's development. The remainder of Grundfos is owned by the founding Jensen family and by employees.

The third, and perhaps most important, pillar of Grundfos' philosophy is

"Innovate." With 85 percent organic growth, inventing new products is critical. Research and development expenditures, totaling 4.5 percent of turnover, are the industry's highest. "We have been known through the years as a technological leader," says Madsen. "But we strive to be innovative not only in our products but in the way we run the business." That way of thinking, along with an emphasis on local hiring, should help Grundfos satisfy an increasing number of customers in Asia.

COWI
www.cowi.com

Did you know that during the summer evenings in Denmark the sun doesn't set before 9 pm?

Danfoss is an industry leader within refrigeration, heating and motion controls. We therefore respond to energy efficiency, environmental concerns and legislative pressures by developing components and solutions for applications through engineering innovation.

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Solutions to improve customer performance and profitability.

Energy efficiency

Emission and energy-saving solutions to meet higher standards and to lower operating costs for end-users.

Environment responsibility

Investments in energy efficiency and natural resource friendly production and products.

Partnership

Engaged to foster trust, reliability, and technological superiority.

Making modern living possible for our stakeholders is the Group's primary aim, based on our Core Values: Trust, Passion for Technology, Reliability, Global Perspective and Local Commitment and Environmental and Social Responsibility.

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Copenhagen Malmö Port: Gateway to the Baltic

For the first time in history, two ports in two countries have joined their operations in a unique cross-border alliance. Six months after the Oresund Bridge opened in July 2000, connecting Sweden and Denmark, the port operations of Copenhagen and Malmö merged into one entity.

As the second largest port and terminal operator in Scandinavia, it operates five businesses in equal proportions: containers, passenger cruises, cars, oil and bulk, and roll-on roll-off ships. The majority of its Asian business is derived from the car market, thanks to a 25-year contract with Toyota.

"When you work with the Toyota distribution system, you become a partner, building up trust in a long-term relationship," says Lars Karlsson,



Lars Karlsson

son, managing director. "We are very proud of that."

Toyota was looking for a Nordic distribution and logistical center as a portal to the Baltic countries and Russia. It also required a large terminal of approximately 250,000 square meters, which Copenhagen Malmö Port could provide. Toyota expects to be able to sell about 85,000 cars in the Scandinavian markets alone.

But the Japanese manufacturer is aiming farther east, toward the growing demand of 100 million consumers in Western

Russia. While that market may take decades to develop fully, Toyota

other smaller companies from its distribution chain. The port and terminal operator is now in discussion with all the major Asian car makers, such as Honda, Mitsubishi and Suzuki. Having handled 350,000 automobiles last year, it could increase that total to 500,000.

"Our goal is to grow by 50 percent in income and volume over the next



The Copenhagen Malmö Port

has identified the Scandinavian port's geographical advantage as a natural hub for supplying it.

With Toyota came

five years," says Karlsson. "That is tough to do in a mature market, but we think it's possible to achieve."

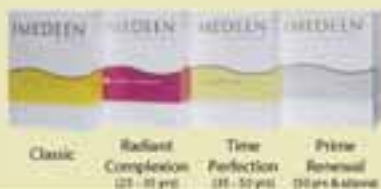
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Hydro-X keeps corrosion at bay in Asian market

When it comes to saving energy and money on heating or cooling, corrosion and scaling are the enemies. One millimeter of deposit on a boiler or cooling system can increase costs by 10 percent. The Danish company Hydro-X makes chemicals that protect the boilers, district heating plants and cooling systems.

Hydro-X is a family business with more than 65 years of experience. Through its global network of partners, the company has more than 250 employees. But it has not lost its friendly feeling. Managing director Ole Kristensen makes a point of developing strong personal relationships with partners. "I would never like to be so

big that I don't know the person I'm dealing with," he says.

China figures big in the company's strategy.

competitors were giving up after a few years.

This year the company is opening new offices in Shanghai and

only around 10 percent of what the customer gains," says Kristensen.

Hydro-X products also help ensure that the steam produced in heating processes is pure. That's important not only for food and pharmaceutical manufacturers, but also for industries like textiles, where impure steam can destroy printed patterns. Hydro-X is even Kosher certified.

As it looks to other Asian markets like Vietnam and India for new opportunities, Hydro-X has high hopes for China. "Our plans will pay off because we have a purely Chinese operation with an international link that can assist in the transfer of technology," says Kristensen.



Ole Kristensen

Hydro-X opened a factory in Tianjin in 1995. Over the past decade Hydro-X has stayed through tough times, training Chinese staff and winning Chinese customers, while large

Chongqing. It especially sees great potential for China's district heating systems, where currently pipes only last eight years. "We can make them last for 50 years and the treatment cost is

Semco Maritime's new strategy for China waters

Semco Maritime has for decades built its reputation as a top engineering and contracting firm by delivering

technology that can be provided at affordable prices," says Jan Hansen, president of Semco. "However in the future local competition will be

Jan Hansen



excellent technical on-board systems for the global shipping industry.

With the growth of the European oil and gas industry over the last 30 years, few companies in the market have been able to provide the required level of high quality services for offshore rigs like Semco.

Today the company has completely reorganized. Its main businesses comprise of offshore oil production and drilling rigs. With Chinese oil exploration and drilling companies poised to enter international waters, Semco plans to transform its representative office in Singapore, the center of worldwide rig-building, to a full-fledged operation within this year.

To do this, Semco will probably acquire a company with local expertise and contacts into the Chinese oil and gas market. "We currently have a competitive edge because we have newer and better

harder. To stay in the market we need to be out there and be local ahead of everybody else."

Semco has already upgraded the electrical systems of two Chinese-owned rigs destined for Australian waters. Semco was chosen due to its experience and know-how. Semco's goal this year is to establish contacts with Chinese rig owners and operators. These contacts could initiate in Egypt, where Semco has a strong presence. "When the Chinese are in Egypt to operate, they will need someone to help them very quickly," says Hansen.

The Singapore operation will help launch a three-year plan, starting in 2007, to re-brand the Semco name. Its goal is to be an international engineering and contracting company, specializing in the design and delivery of fully integrated technical systems to the oil and gas industry.

Expansion is afoot for Junckers

Walk into almost any school gym in Hong Kong and chances are you'll be standing on a solid wood Junckers floor. Junckers leads the world in sport flooring, and its quality has earned favor among Hong Kong's educational facilities.

Sports floors are only part of Junckers' game. The Danish company has been creating all kinds of beautiful wood flooring for more than 75 years. Its ambitious expansion plans mean more of its products will soon be under foot in Asia.

Flemming Juncker started the company in 1930 as a way to put



Lars Hermansen

Denmark's beech wood resources to use. He pioneered pre-lacquered flooring products and built a reputation for top quality work. Junckers' close collaboration with architects and builders made it Europe's leading supplier of solid hardwood floors. "Today Junckers is one of the best known wooden floor

brands in the world, even though we are not the biggest," says Lars Hermansen, CEO of Junckers.

Although the company recently began supplying a high-end multi-layer floor, its heritage is in solid beech. Junckers' unique press-drying method protects even a 1200 square meter floor against humidity.

"None of our competitors can actually lay down solid floors in such a large area because the wood would expand," says Hermansen.

After experiencing financial trouble in 2004, Junckers is back on its feet and aiming high. It is aiming for an overall growth of five to 10 percent in the next three years, with even higher expectations for Asia. Junckers has partners in South Korea, Hong Kong, Taiwan, Singapore, New Zealand and India. To strengthen its position in China, Junckers is on the lookout for new distributors. Hermansen says, "In China there is a tradition for wood floors. Everything is booming now in Asia."

Think global, act local

We strive to extend our global presence with competent people close to our customers. Shipping is global, but growing a sustainable business demands local presence in mutual respect with business partners, people and society. To us EMPATHY means to balance our global scope with local cultures and traditions in the communities where we do business.



Based on a foundation of strong core values "NORDEN" has become one of the world's leading dry cargo operators with a substantial, emerging position within liquid cargoes. We operate a modern fleet of 125 bulkers and tankers with approx. 40 more vessels for delivery. All around the world, all around the clock, on every port our employees are committed to fast, reliable and cost efficient transportation.

NORDEN

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 for additional information and contact details
 for our offices in Denmark, Singapore, China,
 India, the US and Brazil.

COWI consultants crave challenging projects

The Sutong Bridge, spanning 1,088 meters, will be the longest of its kind in the world, and completed in time for the Beijing Olympics in 2008. COWI, the engineering consultants who assisted the Jiangsu Provincial Sutong Bridge Construction Commanding Department with the project, specializes among others in large bridges, tunnels and marine structures.

The consulting group packages complete solutions that combine the 'three E's': engineering, economics and environmental sciences. The international organization can access knowledge and expertise from its 20 subsidiaries and 3,300 consultants. With 65 percent of business volume generated outside Denmark in 100 countries, and strong multicultural values, COWI unites a global and a local focus.

Among many landmark



Klaus Ostenfeld

achievements, its Great Belt suspension bridge to Jutland spans 1600 meters, and its two-mile Messina Bridge will break all records. The Pusan Bridge in Korea will be finished in 2010, and the Stonecutter's Bridge in Hong Kong in a couple of years.

The firm embraces challenges. "If we have the best people, we get the best clients and they in turn give us the best and most exciting projects," says Klaus Ostenfeld, president and CEO of COWI. "Having the most challenging projects attracts the best peo-

ple."

Soon, many bridges will be constructed across the Yangtze River, and "we want to be in the right spot for that," Ostenfeld says. To pursue consultancies for bridges, tunnels and infrastructure, his company has opened an office in Shanghai and also maintains offices near the Sutong Bridge and in Namchong.

Earlier, in 2002, the firm took over Kampsax, the Danish engineering and high-resolution aerial mapping firm. Then, in January 2005, it opened an office in Beijing to advise on reducing energy consumption and conserving fossil fuels in the expanding economy.

"We want to build a strong local presence in selected cities and environments, for creating highly specialized solutions in close cooperation with our clients," says Ostenfeld.

Penta's long experience

When China joined the WTO in 1996, opening its doors to foreign forwarders and carriers, Penta Shipping had already been operating in the country for four years.



Jan Timmerman

As a member of the COSCO Group conglomerate, one of the largest global carriers with 80,000 employees, Penta offers door-to-door air and sea-freight, and local cargo transportation. It has even relocated entire factories, piece by piece, to remote regions in China.

"Most of us have worked with China for so long that we have built up 'learning by doing' knowledge, the hard way," says Jan Timmerman, managing direct and partner of Penta Shipping. "Of course we are still learning every day." Many of the Danish firm's 40 staff members in China have now been working there for 20 years or longer.

Penta combines its local experience and access to Chinese transportation, with a Scandinavian management style, emphasizing responsibility, open leader-

ship, freedom and teamwork. The company's employees, its strongest asset, are skilled and motivated, taking pride in their contribution.

Environmental awareness is a core value for the company in working with such clients as

Tetra Pak and Volvo. Other multinational clients include Carlsberg Breweries, Evan Smith and various cement manufacturers.

Today, Penta is primarily focused on China, whose economy shows no indication of slowing. The specialist firm currently operates offices in the airports of Beijing and Shanghai, and may be opening additional ones in southeast China later this year.

Over the past three years, the transportation of consumer products from China to Scandinavia has exploded. "We are hoping the Chinese locomotive will keep up its speed," says Timmerman. "We will be busy enough, just following that train."

While today China accounts for about 80 percent of turnover and the United States most of the remainder, India offers future potential to become another giant consumer market.

FACTS about Suzlon

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Asia is discovering Copenhagen Capacity

Asian companies expanding in Europe may not traditionally have considered Copenhagen. But that's changing, thanks to Copenhagen Capacity. Focusing on the biotech, telecommunications and IT sectors, the investment agency is helping companies in Japan, Greater China and South Korea learn about opportunities in Denmark's capital and open offices there.

Copenhagen's benefits are many. Located in the heart of Scandinavia, it has 125 direct flights – double the number of Stockholm – to cities around the world, including Beijing and Shanghai. In addition, Denmark's workers are skilled and largely English-speaking. "The salaries are higher than some countries, but the quality and effectiveness of the labor force is also much higher," says Jorgen Jessen, business



Rolf Larssen

development manager at Copenhagen Capacity.

Even more importantly, red tape is kept to a minimum. "Getting approval to do business here is easier than in most countries," says Rolf Larssen, Copenhagen Capacity's managing director.

A potential investor wanting to see how Copenhagen stacks up on numerous factors can use an IBM benchmarking tool developed for Copenhagen Capacity. "It's based on official statistics," says Jessen. "We put the company's criteria

into this model and they get a short list of European cities that fit their requirements." The agency can help them find everything from accountants to business partners in Copenhagen, acting as match-maker and free consultant.

Since Copenhagen Capacity's inception in 1994, the number of companies coming to Copenhagen, as well as the number of jobs imported, has grown steadily. Copenhagen, which ranks thirty sixth in size in Europe, now has the fourth most new investments. Copenhagen Capacity has also worked with partners in southern Sweden to create Medicion Valley, the third largest biotech cluster in Europe.

The organization is seeking corporate partners to help it grow its Asian presence.

"Copenhagen is the city of the future and Asia is the future market," says Larssen.

Business is blooming for Container Centralen

Mother's Day is a red-letter day for Container Centralen. Eighty percent of its 54 million euro annual turnover comes from this yearly holiday.

Container Centralen (CC), owned by Danish flower exporters and Dutch flower wholesalers, has a leading position in transportation equipment pooling systems within the European flowers and plant industry. CC also serves many customers in the retail food industry, including the biggest supermarket chains in Europe.

Blooms are shipped using standard CC equipment. Returnable transport items (RTIs) do not need to be shipped back as the ex-



Berno Jensen

porter can turn over the item to a depot. Another flower importing firm can rent the same trolleys from CC.

"It's like you give your property away and take somebody else's back," says Berno Holmgaard Jensen, Container Centralen's managing director and founder. "Our system operates on a rent to leasing system. You are free to exchange any unit all over the world with any of our units."

Almost three million CC Containers, 17 million CC returnable plastic crates and about one million other CC RTIs are circulating in more than 40 nations. This system reduces the horticulture industry's expenses, gives plants extra protection during shipment, and simplifies the supply chain.

The CC Container, crafted almost 30 years ago, has never changed design, but the firm has shifted manufacturing bases. The bulk is made in China, although it is open to other outsourcing providers in Asia that can manufacture its current lines and new ones like a foldable crate that collapses.

Container Centralen sees Asia as its next important market. Within the next two years it will introduce the full service concept in Japan, Thailand and China where it will open offices to be manned by local staff. Business promises to bloom more for Container Centralen as it delivers flowers to Asian mothers too.

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Gumlink explores new functions for chewing gum

The chewing gum industry is in transition. The business is expanding from candy into 'functional' concepts like energy and vitamin gums. Following this trend, Gumlink researchers study new applications at their Danish R&D center, Chew Tech.

Established as a confectionary company in 1915, Gumlink built strong regional brands in gum over the twentieth century. In 2002, the firm completed its strategic decision to divest its brands to Cadbury Schweppes, and become a pure business-to-business operation.

"We know clearly where in the value chain we want to excel: innovation and broad manufacturing capabilities," says Søren Birn, president and CEO of Gumlink. "We have converted a branded company to a non-traditional b2b model, focused on developing breakthrough concepts."

Asia, which contributes five to 10 percent of turnover, is highly developed, although fragmented. The company supplies both private label and private brand segments in the region. Major areas of focus include Australia, New Zealand, Japan and Korea, followed by China, Taiwan, Malaysia and the Philippines.

In China, the chewing gum



Søren Birn

market grew 29 percent from 2003 to 2004. Although consumers there still concentrate on taste and sugar, they are responsive to more functional capabilities. That starting point presents potential for Gumlink's innovative technologies. "In China, every product on store shelves seems to be good for something," says Birn.

His firm is open to partnerships to grow in Asia, based on its core values of honesty, openness, fairness and persistence. Relationships might encompass sourcing, manufacturing, sales and marketing, or partnership networking. The company would like to set up additional representative offices, like the one it opened in Shanghai last year.

"We learn a lot from our Asian partners about how to perceive functionality," says Birn. "As consumer needs are increasingly global, we are working on achieving our mission to be the world's first choice."

The East Asiatic Company creates shareholder value

The East Asiatic Company (EAC) has been trading internationally since 1887, when it commenced shipping operations from Thailand to Denmark. Over the next century, EAC expanded its activities worldwide including Asia within trading, shipping and industrial processing.

Its long history and experience in Asia have given EAC a unique position in the areas it operates. While the group has undergone several restructurings over the past century, its fundamental aim has always been to create a profitable business, opportunities for its employees and value for its shareholders.

Today, EAC runs two businesses in Asia. EAC Industrial Ingredients offers manufacturers of industrial ingredients an effective and cost-efficient route to selected industries through value-added supply-chain services. It has branches in Thailand, Vietnam, The Philippines, Indonesia, Malaysia and Singapore. In 2005 operations were expanded into India, a new and interesting growth market.



Niels Henrik Jensen

EAC Moving & Relocation Services, operating under the Santa Fe brand name, is another Asia-based business, which provides more than 19,000 domestic and international household moving services annually to private and corporate customers. The business offers a wide range of higher-margin, value-added relocation and delivery services and records management.

"Operating from 23 offices throughout Asia, Santa Fe is close to its Asian customers," says Niels Henrik Jensen, President and CEO of EAC. "As foreign investments flow into China the market represents great potential. After 120 years of operating in Asia, we are well-positioned to explore such opportunities," says Jensen.

EAC also runs EAC Foods, a fully-integrated manufacturer of processed meat operating from Venezuela. EAC Foods is the undisputed market leader in its field with a more than 40 percent market share, particularly driven by the Oscar Meyer and Plumrose trademarks.

"Over the coming years, we will continuously evaluate if time and conditions are optimal for a divestment of our businesses," says Jensen. "At EAC, we aim to achieve success, and contribute to shareholder value, be it through continued operations or divestiture."

Hamlet Protein feeds young animals globally

One day, more fish will be farmed through aquaculture than caught in the wild. Hamlet Protein, which manufactures animal feed ingredients based upon vegetable proteins, sells its products worldwide. The company also offers qualities for use in milk replacers for calves, in weaning feed for piglets, and in petfood for cats and dogs.

Soya has proved the most cost efficient raw material for Hamlet's unique bio-conversion method that removes harmful substances. Extensive testing on both farms and at universities has refined a proprietary process, which results in high nutritional standards and

excellent palatability. The economical products are primarily sold to large integrators and feed mills.

The firm has expanded to five lines since 1993, including one dedicated to non-genetically modified production. It has continually renovated its state-of-the-art, "green" facilities.

"Our fully-fledged modern production lines are up to date on quality control systems, automation, exhaust systems and risk analysis," says Ole Kaae Hansen, managing director of Hamlet Protein and 96 percent owner, since the recent management buyout from Oelmuhle Hamburg, a subsidiary of US-based Archer Daniels Midland.

Appetite keeps growing in Denmark and abroad. From an export share of 75 percent, one third goes to Asia. China Agriculture University was one of the first to test the

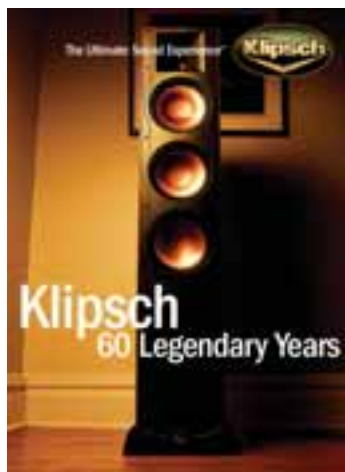


Ole Kaae Hansen

product, and the Chinese demand in piglet feed is increasing. Vietnam and Thailand are also major expanding markets.

As a small and nimble organization with 48 employees, the firm relies on its efficient sales network. Local sole distributors cover over 50 countries where Hamlet is active. With its market expanding globally, there is room for new relationships with both distributors and research partners.

Satellite production abroad can be added, acquisitions are possible, and Danish facilities may be enlarged to cater to demand. "We'll look for strategic partners to secure further expansion, and pursue new commercial ideas," says Hansen. "That's where I see an exciting future."



Lyngsø Marine: A long haul partner

To Lyngsø Marine, sales are less about securing purchase orders and more about forging decades-long partnerships. This has made

Lyngsø a leading supplier of marine automation systems in Asia and the world.

Lyngsø began making remote control systems for ship engines almost 50 years ago. Today, its Stella product range includes

everything from fully integrated ship control systems to small stand-alone alarm systems. Lyngsø's impressive references include world-scale customers in most trades including containers, tankers, bulkers and most special purpose ship types – like naval ships under different flags.

Stella systems are tailor-made for each customer. Lyngsø works directly with shipbuilders to meet their specifications. Lyngsø guarantees spare parts and onsite service to the ship for the vessel's lifetime, making sure the latest technology is always available, fit to form and also functional on existing installations.

With the industry's largest in-house research and development department, Lyngsø can quickly deliver state-of-the-art spare parts and install them while the ship is sailing, saving the owner expensive down time. "If I can deliver a spare, even though it can be quite expensive, it's still significantly cheaper than having the ship waylaid for two days," says Kjeld Dittmann, Lyngsø's managing director.

Delivering on time at an agreed price keeps Lyngsø ahead of the competition. "We have a great competence center, a great reference list, have been in the business many years and can match our competitors' price," says Dittmann. "But what really distinguishes us is our attitude towards dependability and long-term cooperation. In short, we stick to our word." Dependability has earned Lyngsø all of the contracts at one Chinese ship yard for the past five years.

Business in Asia shows no sign of slowing. Lyngsø has offices in Pusan and Shanghai and is considering expanding its presence into other Chinese ports or Vietnam.



Kjeld Dittmann

Krøll Cranes come in all sizes

Krøll's tower cranes reach even higher than the Statue of Liberty. In fact, the largest giant it has built to date took 1000 tons - or 75 truckloads - of steel. So its high capacity models are particularly suitable for construction projects like power plants, dams, tunnels, large buildings and shipyards.

The company, which targets the widest possible range of industries, tailors its products to each customer's individual order, and modifies its standard designs for particular applications. After 40 years' experience, the firm knows which people to approach when demand pops up. Sales managers then spend plenty of time with potential customers, to learn their specific needs, for purchases or hires on short or long-term contracts. "Our major advantage is that, as a small company, we customize our cranes and we do it one by one," says Mogens Nielsen, managing director of Krøll Cranes.

Small but global, it sells everywhere, from Greenland to New Zealand. Asia,

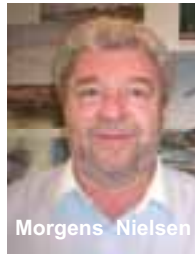
which accounts for 75 percent of turnover, has been the site of some major projects, like the Three Gorges hydropower dam and the Daewoo shipyard in Korea. The company's next plan is to enter the oil platform business.

With manufacturing offices in Malaysia and Korea, Krøll is constantly alert for new joint ventures with competitive sub suppliers. It is also open to additional

agent relationships, in countries like Vietnam and India. Meanwhile, its distribution network already extends across Korea, Taiwan, Hong Kong, Singapore, Malaysia and Thailand.

European crane manufacturers, who make quality models designed for special requests, command an edge over Chinese mass producers. And the flexibility to move swiftly, from small standard cranes to mega sizes, distinguishes Krøll from its European competitors.

"Krøll is very much alive, and ready to supply the same caliber and quality that we have always delivered," says Nielsen.



Mogens Nielsen

Did you know Denmark's hills are shaped by glaciers?

Klipsch and Jamo growing in harmony

America's Klipsch and Denmark's Jamo are making beautiful music together in the audio speaker market. Klipsch acquired Jamo in 2005, but rather than absorbing one brand, they have decided to remain separate, complementary lines of business. "A big retailer can put the two brands together in their product assortment because they are so different," says Niels Jespersen, managing director of Klipsch Group Europe.

Klipsch stands for specialized technology. Sixty years ago, Klipsch pioneered home speakers based on the "corner horn" speakers used in concert halls. The patented Klipschorn technology is



Niels Jespersen

still recognized by audiophiles as one of the best. Jamo also offers superior sound quality but it is best known for its streamlined Danish design. That is particularly important today when women, who tend to be design-conscious, are buying more speakers.

Well-known in Europe, Jamo has also been in

China for 20 years and in Australia even longer. Klipsch, on the other hand, is a leader in the US but less recognized abroad. The company's strategy is to use Jamo's distribution channels to help Klipsch expand in Asia and Europe, and leverage Klipsch's contacts to grow Jamo in the US.

A road show in May with stops in Beijing, Shanghai, Guangzhou and Shenzhen generated buzz and helped Chinese distributors and media better understand the Klipsch and Jamo brands. The company is talking to potential retailers and distributors while also seeking Chinese joint venture partners.

Both Jamo and Klipsch products are "future-matched" with forward-looking features such as digital technology and wireless capabilities soon to come. The products are mid- to high-end and are internationally recognized as a great value.

Jespersen believes that their future oriented technologies will be much appreciated in the Asian market. "Asia has big potential for us," he says. "We want to be a major player there."

Let the games begin

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Winds of change stir success for Suzlon Energy

In just 10 years, Suzlon Energy has become a leading wind power company in Asia.

Founded by India's Tanti family, Suzlon is becoming truly global. A subsidiary in Germany handles technology development of nacelles, a Dutch facility handles technology development for rotor blades, Indian plants manufacture wind turbines and rotor blades and Denmark is the global headquarter of Suzlon's international marketing and sales organization. Suzlon also has offices in the US, Australia, New Zealand, Beijing and more to come.

Denmark is the cradle of the wind industry. Two-thirds of the world's wind turbines contain at least some Danish components. "The Western European know-how of wind, combined with Indian engineering skills and the low cost base in India creates quite a



Per Hornung Pedersen

competitive cocktail," says Per Hornung Pedersen, CEO of Suzlon's international operations.

With rising oil prices, wind energy is now com-

petitive with conventional energy. A wind park offers stable costs, allowing the cost of the lifecycle of the turbine to be calculated upfront. Wind energy is also

clean. It creates no emissions and it lacks the dangers and disposal costs inherent to nuclear energy.

China and Korea hold great promise for the company. Contracts are coming in from China, where Suzlon has a Beijing office and is setting up a manufacturing plant. Northern parts of the country, as well as North and South Korea, are ideal for wind energy because their far distance from the equator means they are windy much of the time.

Institutional investors, which are the main buyers of Suzlon's integrated products and services, appreciate Suzlon's stability. They know the company will be around years from now when their investments pay off.

Suzlon already commands more than half of the market in India. Its vision now is to gain a similar market share in all of Asia.



Suzlon has commissioned Asia's largest wind park of 201 MW in India

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Did you know that the Little Mermaid lives in Denmark and was made famous by Hans Christian Andersen?

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