

BUSINESS RELATIONS WITH ASIA

Switzerland

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Swiss Post International Delivers Punctuality and Exactness in Asia

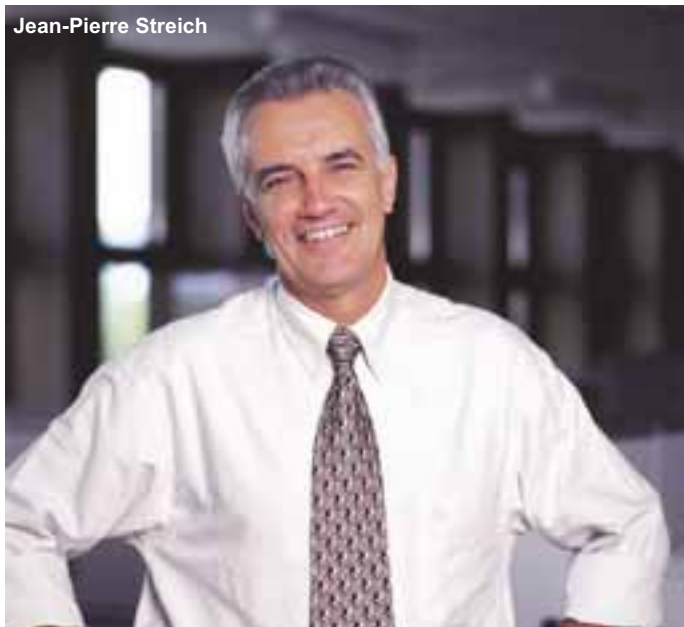
In just 10 years, Swiss Post International (SPI) has become the fifth-largest player in the cross-border letters market. The company, which is a division of Swiss Post, was launched in 1996 and has earned the loyalty of international customers by embodying those most Swiss of traits: punctuality and exactness.

SPI specializes in services for niche markets, such as business-to-business and business-to-consumer, and it even offers individual solutions. “We always work in quality niches,” says Jean-Pierre Streich, head of SPI. “We do not fight on prices.”

Comprising about 13 percent of Swiss Post’s business, SPI is the organization’s main growth engine. It is expanding at a rate of about 10 percent a year, partly through a franchise model that it pioneered for the postal business. The model allows both SPI and the local franchisee to test out the relationship to see if it’s a good fit. It has been so successful that other postal organizations are now setting up franchise arrangements too.

Asia is helping to fuel the company’s continued growth. SPI established a franchise in Singapore in 2003, which it made into a subsidiary in April of this year. The subsidiary, SPI Singapore, serves as the company’s Asian headquarters. SPI also bought up subsidiaries in Hong Kong and Ma-

Jean-Pierre Streich



laysia in April, and it is working on a deal with a sales agent to represent the company in mainland China.

So far, SPI has offered services for business mail and direct marketing mail in Asia. Now it is launching a service aimed at publishers and other distributors of printed materials. “The printing industry is really shifting to China, so we have to go where our customers go,” says Daniel Bättig,

SPI’s chief financial officer.

Wherever it goes, SPI always tries to have a local face. That’s another reason the franchise idea has worked so well, it provides SPI with people who know the area. “Our philosophy is to have local market know-how with local people who know the culture, who know the customers, who have business relations,” says Streich. “What we provide from Bern is a

global network.”

That network covers 200 countries, and includes partnerships with distribution services worldwide. SPI works solely on the delivery between countries, and leaves in-country delivery to its partners. In Asia-Pacific, SPI has good relations with Indonesia Post, Hong Kong Post, New Zealand Post and China Post. It is working on building agreements with Malaysia Post and Singapore Post as well. “We strongly believe in good partnerships with other postal organizations,” says Bättig.

All of SPI’s growth has been self-financed by moderate investments, which have never exceeded earnings. “Every year we actually contributed to the domestic business, so we have a history of free cash flows,” says Streich.

Going forward, Asia will remain a key focus. The company has built a strong Swiss customer base in the region but sees potential for many new non-Swiss customers there. While China is the number one target market, SPI is also considering establishing a presence in Australia, Thailand and the Philippines. Its approach is very delicate. “We are not going to these countries as a conqueror,” says Bättig. “We don’t go in there with a checkbook and ask how much. We try to build a partnership so that it is really a win-win situation.”

Oerlikon is in Bollywood

Oerlikon is actually the name of a neighborhood in Zurich. Since the Schweizerische Werkzeugmaschinenfabrik Oerlikon was founded there 100 years ago, the name became a synonym for high-technology made in Switzerland. With a strong commitment to our roots we have become a global player – this is why Oerlikon is now in India. Our innovative data storage systems multiply the capacity of modern storage media – making it possible to fit more entertainment and great films on a single DVD. But this isn't the only place where we feel at home. The Oerlikon Group stands for premium solutions in the high-tech segments of thin film coating and vacuum technology, components and semiconductor systems. After all, tradition means commitment – especially in Switzerland. www.oerlikon.com

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Oerlikon: Swiss Innovation for Coating, Vacuum and Precision Components

What do high-speed drills, Formula One engines, vacuum pumps, solar panels, bio chips, and hard disk drives have in common? The answer is easy: Oerlikon. As the worldwide leader in its field, it specializes in surface coating, vacuum pumps and precision technology. With 82 sites in 25 countries, the firm provides complete solutions, ranging from equipment production and technology development to servicing.

"Even the latest common rail diesel technology could not operate without us," says Thomas Limberger, CEO of Oerlikon. "We are the only company in the world who can coat the injection valves necessary for the newest diesel technology."

Since taking the helm at Oerlikon, formerly Unaxis, in August 2005, Limberger has overseen a remarkable turnaround, making it one of the outstanding restructuring stories in Europe. Compared with the first half of 2005, EBIT grew to US\$101 million this year, from a loss of US\$90.2 million, significantly beating expectations. This corresponds to a net profit margin of 15 percent, while sales rose by 12 percent over the period. This clearly set industry standards.

Initiatives included massive cost restructuring, technology developments, and a uniform group rebranding. Growth in all segments has resulted from an innovation offensive, centralized management and measurably controlled business processes

As part of the restructuring the firm has streamlined its eight former divisions to exploit potential synergies and make cost structures more efficient. It has reorganized them into three core businesses to correspond to market demands: Oerlikon Balzers Coating, Oerlikon Leybold Vacuum and Oerlikon Components. A fourth unit, Oerlikon ESEC Semiconductor is a possible candidate for divestiture.

Oerlikon Balzers Coating develops equipment and



Thomas Limberger

processes for tool and precision component coating. Over the first six months of 2005, orders climbed 44 percent, primarily driven by the Solar Unit for thin film cells. Currently Oerlikon is the only supplier for thin film solar modules production systems worldwide which are around one year ahead in technology.

Oerlikon Leybold Vacuum, the second main division, is growing twice as fast as the market because of major improvements on the products themselves, the completion of the portfolio and a focused sales approach. Lastly, Oerlikon Components encompasses optics, space and specialty machinery and tooling. The optics division serves data and video projection, optical sensors, and the lighting and biotechnology industries. As a major application,



Oerlikon manufactures direct light projection (DLP) displays for Texas Instruments. "We consider ourselves a global high tech company," says Limberger. Some R&D currently takes place in the US, Singapore and India; Europe, however, is the main region for development. The

company plans to invest in a new state of the art facility for fundamental research in Germany. By hiring another 200 scientists and experts "we will ensure our leading technological position in the long run," says Limberger.

Oerlikon has been inter-linked with its partners and customers, like Philips, Intel, Infineon and Toshiba from an early stage, innovating new technologies together with them. For example, Sony's Playstation 3 will incorporate a Blu-Ray DVD, for which Oerlikon has developed the production equipment. Blu-Ray promises a quantum leap in storage capacity. "That could be a kick-off for the next generation of DVD's," says Limberger.

The drive for innovation derives from the company's core competencies in thin

film, vacuum and precision technologies. Oerlikon excels in its ability to deliver top notch products that rely on the coating process, as well as building vacuum pumps at the lowest cost.

Among recent achievements, the company has distinguished itself by its ability to

supply equipment for producing thin film solar modules requiring significantly less silicon. This next generation of solar cells costs one quarter the price of silicon-based classical solar cells, thanks to increased efficiency.

The name, "Oerlikon",



which dates back to a hundred year-old heritage, still stands for innovation and inventiveness. It serves as a symbol of a long industrial tradition, as well as Swiss quality, reliability and precision. From 2001, the firm was known as "Unaxis" for five years. The readoption of its original name was triggered by Asian customers, who appreciate a history of long-term associations. "Why don't you go back to the old name?" they suggested to Limberger. "It means something important to us."

While 30 percent of the present revenue base derives from Asia, Limberger estimates that in five years, the region may account for two thirds of the entire portfolio.

Large semi-conductor companies in Taiwan, Korea, Singapore and China make up much of the customer base for coating. It is more fragmented on the vacuum side, which extends from high end coating processes, like Intel's, to the local butcher, who takes the air out of packaged meat.

Meanwhile, some production has moved to sites in Asia. Die and wire bonding has been transferred to Singapore, and DLP manufacturing to Shanghai. The firm opened a new plant in May 2005 in Tianjin to increase production capacity on the vacuum side.

It also maintains close contact with the Academy of Science and CAS Group in China.

"We move where customer demand is, to be near their production facilities," Limberger says. "It is important to manufacture in Asia, which has a lower cost structure and very well-trained people."

India is also likely to play a larger role in the future, especially as a production site. Having started at zero revenue, Oerlikon is now growing by almost 60 percent a year there. The country's stable legal system, its language compatibility and culture all represent key advantages.

Oerlikon's own future looks promising. Having already seen the company return to profitability so swiftly, Limberger is confident that it will be able to execute on its strategies and targets to grow in its current sectors. "My goal is to be the most profitable in those sectors." Oerlikon has already achieved its goal in the Oerlikon Balzers Coating Segment and is well on its way for the two others.

Sulzer Extends Long-Term Asia View

Swiss industrial firm Sulzer has a long and successful history, of which Asia has played a major part. The company has been doing business for more than 100 years in China.

Sulzer president and CEO, Ulf Berg credits similarities in the way Swiss and Asian business people operate. "Both are cautious and look at the long-term," Berg says. "The Chinese society does not want to make quick fixes. They are looking for the long haul. Those elements are shared by the Swiss."

The company's foundation dates back to 1834 when Jacob Sulzer-Neuffert and his sons started making cast iron and pumps for firefighting and other purposes. Eventually, Sulzer became one of the prime forces behind the development of the diesel engine, although it has since moved to other activities.

Today, Sulzer is a global industrial firm with approximately 10,000 employees and US\$ 2 billion in annual sales in 2005. It leads the world in the production and maintenance of centrifugal pumps used in oil and gas

pipelines, water treatment and distribution, pulp and paper manufacturing and power plants. Sulzer Pumps account for about half of Sulzer's turnover. The further three divisions are: Sulzer Chemtech, Sulzer Metco and Sulzer Turbo Services.

Sulzer Chemtech is the world market leader in separation column and static mixing technologies for the petrochemical, chemical, plastics and oil and gas industries. It develops solutions that optimize plant and process performance through greater energy efficiency, higher production quality and increased capacity.

Sulzer Metco makes coatings for jet engine blades as well as auto engine blocks and car parts. Sulzer Turbo Services specializes in maintenance and repair of gas and steam turbines, compressors and refinery equipment. "Although we have different points of purchase for the four divisions, we have a lot of common knowledge about our respective markets," says Berg. "That is one of the biggest values of the four divisions."

All of those divisions are supported by Sulzer Innotec, a world-class re-



Ulf Berg

search and development company. Sulzer Innotec also serves as a contract R&D provider for renowned industrial companies.

Concentrating its efforts on these competencies helps give Sulzer an edge over its competition. "If you focus the business you usually fair better than if you're too distributed," says Berg.

While Sulzer's business focus is razor-sharp, its geographic reach is expansive. The company is active at over 120 locations worldwide. Asia

comprises approximately a quarter of its turnover, with clients that include China's national oil companies, Japan Gas Corp and India's Reliance. They have all tapped into Sulzer's global expertise and deep local market knowledge.

Beyond selling in the region, Sulzer also manufactures in Asia. The company has production and engineering plants in China, India, Singapore, Indonesia, and Japan accounting for the largest block of Sulzer's production.

Now Sulzer is intensifying its Asian efforts further. It will open a new Sulzer Chemtech plant in Shanghai by the end of the year and is expanding its facilities in India. The company will continue to invest in those countries.

Within five years Berg expects all of Sulzer's divisions to be larger and even more localized in Asia. While China and India remain the most important countries in the region because of their size, he also sees interesting opportunities in Vietnam, Malaysia and Indonesia. "Our main objective is to serve our Asian customers better," says Berg. "But we'll also export from Asia to the rest of the world."

Looking for thin-film coating services for cutting tools, forming tools and components in Asia?



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- Long term experience to tailor cost-efficient processes
- Support from our global network of over 55 coating centers
- Environmentally friendly processes and products

Ionbond Coatings Cover Asia

As the automotive industry shifts into high gear in Asia, it will require Ionbond. The Swiss company, which also serves the medical devices and packaging industries, helps manufacturers improve productivity and cut costs through state-of-the-art metal coating technology.

Ionbond specializes in premium thin-film PVD, PaCVD and CVD coatings. The coatings are commonly used on various components that are subject to abrasive or corrosive environments. The company has one of the most diversified lines of coatings and coating technologies in the world. Customers can either buy the coating equipment or send their tools to one of Ionbond's centers to have the coating done for them.

Convincing customers of the value of Ionbond technology is an easy task. Ionbond coated tools are 80 to 90

percent more efficient and generally last two to ten times longer than uncoated tools. Yet the company continues to invest 6 percent in R&D to improve the technology. It comes out with new applications on a regular basis, and recently launched a new range of coatings designed for high speed and hard machining applications. "Our customers are constantly looking for new performance," says Marco Marchetti, CEO of Ionbond.

Those kinds of results are particularly important now, when the rising cost of metal is spurring producers to buy lower-grade raw materials. Coating helps make up for the difference in quality. "We transform cheap metal into very high tech performance parts," says Marchetti.

The trend toward cheaper metals is helping the coating industry grow about seven percent a year. But Ionbond is outpacing that, with an expan-



Marco Marchetti

sion rate of around 10 percent a year. Since a management buy-out two years ago, revenues have nearly tripled from \$56 million a year to \$140 million. Staff count has increased from 300 to 1,000, and the number of coating centers has grown from 12 to 57.

Ionbond has achieved the impressive numbers through a double-pronged strategy of acquisitions and organic growth. It buys small, local companies, and then brings in

new technologies and builds new plants.

Asia has been a major contributor to the company's growth in the past year. Ionbond now has four operations in China, four in India, and one each in South Korea, Singapore and Thailand. It is opening new facilities in Malaysia, China, India and Japan, as part of a plan to add 20 to 25 centers worldwide by June of 2007. Within three years Asia is expected to move from being Ionbond's

third biggest market to its second, behind only Europe.

To fuel the growth, Marchetti wants to diversify even further. Ionbond is always developing new applications for its high-end products, but he wants to also add some medium to low-end coatings. He sees opportunity in that market while the company educates Asian customers on the benefits of the higher quality products.

As Ionbond grows in the region, it will hire local workers, whom it trains in Switzerland. Ionbond employees are regarded as partners. "We treat our employees like shareholders," says Marchetti. "We usually give them shares of the local company."

Within three to five years, Marchetti predicts that two-thirds of the company's equipment sales will come from Asia. It's a prospect he looks forward to. "What I like the most are the people," he says. "They are hungry to work and to learn. It is a pleasure every time I go."



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Newly-Enlarged **Crédit Agricole (Suisse)** Expands in Asia

In the past six years Crédit Agricole (Suisse) has seen its employee numbers triple and revenues increase five-fold through a series of successful mergers. The French bank, which is a subsidiary of Calyon, has been in Switzerland for 130 years and today is the third largest foreign bank operating there. It now plans to bring its unique expertise to Asia.

Like many institutions, Crédit Agricole (Suisse) provides private banking, treasury and foreign exchange services, but it stands out from the other 355 Swiss banks in several important ways. For one, it is among the few banks that handles commodity and trade finance. It is also unique in offering mort-

gage financing to individuals in Switzerland for property in Switzerland, France or Germany. And it excels in innovative structured products. "We get an idea, then tender it to bidders and choose the best in terms of service, price and liquidity," says Alain Massiera, Crédit Agricole (Suisse) CEO. "We add value by coming up with new ideas all the time."

The bank has further distinguished itself through its rare expertise in financial software and logistics, which helps it control costs and quality. Its reputation in this area is so strong that smaller banks subcontract their logistics to Crédit Agricole (Suisse).

After undergoing four mergers in the past six years, the bank enjoys a stability that is



Alain Massiera

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atypical for the industry. "Most of the time, mergers in private banks lead to the departure of teams," says Massiera. "We lost nobody in our latest merger. That's unique."

The enlarged Crédit Agricole (Suisse) is now expanding in Asia, with the intention of achieving a critical mass of clients without losing its personal touch. The bank already has a booking center in Singapore and by year end hopes to have a restricted license for a new branch in Hong Kong. By beefing up its presence in the region, Crédit Agricole (Suisse) hopes to develop products tailored to local needs in private banking, as well as commodity financing through Calyon local entities. "We are not in Asia just for the good times," says Massiera. "We have a long-term approach."

Micronas Semiconductors Lead in Innovation

The digitization of video is changing the way we view television for the future. Micronas is a leading independent supplier of innovative application-specific semiconductor solutions for consumer and automotive electronics.

In this fast paced industry with constant advances in technology, Micronas focuses on innovation and reinvests 16 percent of turnover in R&D to stay ahead of the competition.

"The key to our success is innovation and execution. The average lifetime per product is about two years," says Manfred Häner, CFO of Micronas. "There are always new products in the pipeline." Micronas recently introduced a technology for HDTV which eliminates motion blur for flat panel televisions with 120 images per second. It has also just launched a dual-tuner that enables HDTV content to be viewed on personal computers.

Aside from its extensive intellectual property (IP) portfolio, Micronas has overtaken competitors in



Manfred Häner

capabilities for integrating solutions onto a single package chip solution. Superior products include field application and engi-

neering support, all offered at attractive prices, and with better service.

About 80 percent of Micronas' business is directed

to television and video equipment firms like LG, Samsung, Sharp, Sony and Toshiba. The remaining 20 percent serves automotive customers, like Denso in Japan.

With television manufacturing shifting to Asia, Micronas is not only outsourcing over half of its semiconductor production to Asian foundries, test houses and packaging facilities, but will soon outsource all new technology there. The goal is to maintain and establish relationships with reliable technology business leaders in Asia, for long-term strategic co-operations.

The company currently maintains locally-staffed offices in Taipei, Singapore, Tokyo, Hong Kong and Shanghai and plans to open additional offices in the region.

"We have gradually been building up our IP portfolio on a daily, weekly and annual basis, with both in-house developments and acquisitions," says Häner. "We expect to remain the market leader and largest semi-conductor player for our industry in Asia."

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Vertime's New Luxury Boutique to Roll Out in 2007

What do you get when you merge luxury and elegance with technical expertise and 150 years of watch manufacturing experience? High-end timepieces which are taking the fashion world by storm, especially in a fast emerging and important consumer market like Asia.

Vertime is the result of the 2004 license agreement between Versace, the fashion company founded by the legendary Italian fashion designer Gianni Versace, and the US-based watch maker Timex. The two firms are among the easily-recognized global brands in consumer items – although each are identified with different market segments. Versace is a global brand known for high-end apparel and fashion accessories such as watches and jewelry, perfumes, leather goods, writing instruments, eyewear and home furniture. Timex manufactures excellent but affordable quality timepieces including the fast-selling Guess brand.

By combining the competencies of the two different companies, Vertime hit upon a golden formula that resulted in sales of its watches expanding by more than double on its first year of operations. More than half of the sales growth came from DV One, the high-tech ceramic watches, which are available in jet-black and ice-white and recently in pink.

“In September we launched into the market the lady version of the high-tech ceramic watch, the



Paolo Marai

DV One Glamour. This version is our star product for the fall and winter seasons. It will be talked about in the world of fashion,” Vertime president and CEO Paolo Marai says.

Buyers of the DV One watch are pleased with the use of high-tech ceramic as case and bracelet for the non-scratch, hypoallergenic shiny timepiece, aside from its identification with the Versace brand, which is its main selling point. The timepiece retails from US\$2,950 to US\$12,500 for the diamond-encrusted limited edition. In Asia, the familiar Versace logo of Medusa appears on the face of the timepiece.

At present, Asia represents 20 percent of Ver-

time's turnover, although Marai believes the region will account for up to 40 percent of the market share in the coming years. He identifies China and India as the two major sources of its sales growth, while Hong Kong will remain an important marketing hub because of its location as a travel and shopping paradise. In Japan it is set to relaunch the watch. Aside from the four countries, Vertime has dealers in Australia, Indonesia, Korea, Singapore, Taiwan and Thailand in the Asia-Pacific region.

“With the natural growth we have in China and India, in the next 10 years Asia will surely overshadow the sales growth in other continents,” Marai says.

As part of the firm's aggressive marketing thrust, 15 to 20 Versace Precious Items luxury boutiques will be opened all over the world in early 2007, starting first in Taiwan and India.

The Versace founder deliberately chose Lugano in Switzerland as the headquarters of the firm. “Being a Swiss company remains one of the key elements we offer. We strongly stress the Swiss competence in manufacturing timepieces,” Marai says.

This identification with Swiss proficiency in watch making, combined with the best elements of Versace and Timex surely is a formula for victory for Vertime. “Timex is here to support our growth and to give us ideas about new directions for technological development. Versace is here to support us with creative ideas, direction, and advertising. We are in an excellent position because we have two supporters, while remaining a fully independent company,” Marai says.



CTU Brings Waste Management Technology to the Asian Market

For a young company, Conzepte Technik Umwelt (CTU) possesses a large amount of technological know-how in waste management technology that it is ready to export to Asia. Incorporated in 2002, CTU was originally owned by Sulzer Group and later the Babcock Borsig Group, giving it a base of interna-



Martin Schaub

tional experience and contacts.

CTU is active in the incineration of hazardous wastes, gas scrubbing, residue treatment and biomass systems. It also has a heavy background in the chemical field. Research and development accounts for five to six percent of its annual turnover of more than 15 million euros.

CTU provides engineering, procurement and construction services to build waste management facilities. Having constructed more than

100 plants in Europe and several worldwide, it is now setting its sights on key Asian markets. "The environmental and energy business is a local business which needs proven technology from a company like CTU," says Martin Schaub, managing director of CTU.

CTU works together with general contractors to supply basic engineering and key equipment to private companies and municipalities. Its local partners take charge of civil works, non key equipment, piping, electrical jobs, erection and the remaining tasks. The delineation eliminates local bureaucracy and allows CTU greater flexibility in running the project.

The firm has successfully used this model in selected countries in Europe, South America and the Middle East and is replicating it in Asia. Schaub believes China needs renewable energy and looks for new business relationships there. He also sees India emerging as a key market in five to 10 years, and hopes to have an Indian partner by the end of 2007. In South Korea CTU has already built five plants, it is also searching for licensing partners in Japan.

"Our knowledge and high Swiss quality will help them. We want to help our partners develop themselves," says Schaub.

Hong Kong welcomes Banque Piguet

As Banque Piguet celebrates its 150th birthday it is forging into a new era by placing stakes firmly in Asia. The Swiss institution is opening an office in Hong Kong to better serve Asia's private banking needs.

Not that Banque Piguet is new to the region. The company already has a relationship manager and some clients in Hong Kong. The new office will expand that presence and serve as a platform for the Southeast Asian market and, eventually, the mainland.

The effort is being spearheaded by Banque Piguet's CEO, Charles de Boissezon. He was born in Hong Kong and helped pioneer private banking in the 1980's in the territory with HSBC, where he worked for 32 years. "Hong Kong is one of the most sophisticated private banking markets in the world," de Boissezon says. "I have a personal interest in developing China because both of my parents were born there."

Banque Piguet is not trying to compete with mega-institutions, but rather positions itself as a Swiss bank of human dimensions. It has a

high-performing institutional asset management division but its specialty is long-term investment management for families, a niche that is underserved by other banks.



Charles de Boissezon

Banque Piguet's ownership structure also sets it apart from the field. It is 79 percent indirectly government owned through a Swiss Cantonal Bank, with the remainder held by management. That keeps executives focused on the long-term value of the bank instead of short-term profits, and encourages staff continuity because employees are vested in the bank. "Those are very elusive and important qualities that are completely in line with the outlook and needs of private banking clients," says de Boissezon.

He looks forward to expanding the bank's non-European clientele, and sees tremendous potential for Asia. "The wealth creation in China is enormous, so we think that in the long term, Asia, and China in particular, could become our most important market."

Ivers Lee Delivers Speedy Packaging

As populations age, items like replacement hips and shoulders are growing in demand. These med-tech products require special logistics for packaging, including cleaning and sterilization. The packaging specialist, IL-MedTec, a subsidiary of the Ivers Lee Group, has its own huge clean room and state-of-the-art machinery and receives requests from many countries around the world.

As market leader in Switzerland, the company also packs products for major international pharmaceutical customers. Those organizations require the highest quality systems, operated under strict conditions in demanding environments. Total solutions range from primary and secondary packaging and labeling, to procurement, order management and supply chain management.

"We are very close to our customers, with long-lasting relationships," says Dr. Horst



Horst M. Sobek

Sobek, CEO of Ivers Lee Group. "This business is based on trust, as we often work under secrecy agreements for new products."

Management spends time brainstorming, to understand customer needs. For instance, co-packagers must find methods to prevent counterfeiting, the industry's main challenge. They also explore how to make pharmaceuticals child resistant, or offer

Braille for the blind. Ivers Lee reinvests 15 percent of turnover in R&D, to maintain its competitive edge in technology.

Five years ago, the Swiss firm entered Hong Kong, where it works on cosmetic products, especially for the Chinese market. Meanwhile, it is in discussion with various Japanese companies, who have special med-tech or pharmaceutical requirements. Its multinational customer base has already given Ivers Lee a foothold in Asia.

Customer focus is extremely important at the Swiss firm. Speed to market and a reputation for reliability really distinguish the company from its competitors. "People who work with us know we are absolutely reliable," says Dr. Sobek. "If we set a time frame for a project, we simply do it!"

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Uster Technologies Improves Quality in Asia's Textile Industry

Asia's textile industry is undergoing massive changes due to an explosion of production in China. That's good news for Uster Technologies, the world leader in textile quality control systems.

"In the last five years China has been focusing on increasing production capacity," says Dr. Geoffrey Scott, Uster's CEO. "But now the emphasis is on improving quality. As a provider of quality assistance, that's a good position for us to be in."

The 60-year-old Swiss company provides systems for monitoring quality throughout the manufacturing process, from fiber to fabric. Uster

experts help customers optimize their manufacturing efficiency and the quality of their finished products.

Beyond that, Uster provides two unique services. One is the Usterized seal of approval, which allows manufacturers to 'brand their products with quality'. This provides an assurance for their customers who source textile products in Asia for the international market. The other is a benchmarking database called Uster Statistics, recognized as the quality standard for the textile industry worldwide.

Those services, combined with Uster's engineering excellence, have made the company a hit in Asia. Although Uster has been in the region



Geoffrey Scott

for decades, its business has grown significantly in recent years so that 80 percent of turnover now comes from Asia.

A new manufacturing and develop-

ment facility in Suzhou, China is focusing on competencies for low-cost development and manufacturing. Uster plans to offer mid-range equipment with focused capabilities, alongside its traditional high-end instruments, without compromising the quality.

As part of its long-term plan to build its business in China, Uster is exhibiting at the CITME trade show in Beijing this month. It hopes to further grow the market and be known as an Asian supplier, within five years. "We don't just view Asia as the next gold rush," says Scott. "We've been there for many years and we intend to be there for the long-term."

Rothschild Brings a Wealth of Experience to Wealth Management

The bank that oversees the assets of the Edmond and Benjamin de Rothschild families can claim two centuries of experience in wealth preservation that it shares with clients. Specialists devise tailored strategies for each of these, within guidelines for prudent risk management across countries and currencies.

A flexible model utilizes at least two managers per client who take responsibility for portfolios. The relationship managers draw on a network of attorneys, fiduciary professionals and other experts. An integrated, global approach underlies all aspects of investment, tax, estate and domicile planning, insurance and real estate.



Bernard Schaub

"We are a boutique, a generalist bank with a large asset base," says Bernard Schaub, a senior vice president of Banque Privée Edmond de Rothschild. "We seek transgenera-

tional relationships with clients, and offer transparent fees for our personalized, discreet services."

The institution, which requires no minimum threshold for accounts, successfully targets high net worth individuals with its competitive pricing. The network structure of the LCF Rothschild Group enables it to cater to a broader segment of this clientele than rival private banks and family offices.

The group has been active in funds of funds since the 1960s. Nowadays many of the world's top-performing hedge funds are closed to new investors, but clients can gain access through the group and enjoy added diversification through its proprietary

Luxembourg-based umbrella fund, LCF Edmond de Rothschild Prifund.

Building on its European roots, Banque Privée Edmond de Rothschild branched out into Asia with the acquisition of First Interstate in 1992. At the same time, it established offices in Hong Kong and Taipei that operate as platforms to serve China, India and other countries. These burgeoning markets are expected to bloom over the next 20 years, in line with the growing asset management requirements of local entrepreneurs.

"We are looking seriously in the region for the right structure and the right people on the spot, to develop a stable, top-quality business," says Schaub.

OEMB Introduces Steel Folding Machine to Asia

The machine's name, Origami, comes from Asia. The manufacturer, OEMB, comes from Switzerland. With 30 years of industrial equipment experience in Europe,

OEMB is introducing its steel folding machine to more Asian countries.

"Origami is actually a Japanese word that explains the art of folding, and this is what our machine does," says Diego Corbella, the managing director of OEMB.

OEMB's initial core business was to maintain steel plants and manufacture link bender machines until it took over a bankrupt firm that produced the Tensol folding machine 10 years ago. Since then, it has continued innovating. In the middle of 2007, OEMB will come out with a third series. The newer model will have an updated look and faster capabilities, folding up to four millimeters of steel.

One of OEMB's keys to success is the constant improvement of its machines, not only technically, but also

in appearance and reliability. Modern, robust and high precision equipment with a wide range of accessories that allow for the machines to be customized are just some advantages over its competitors.

Although the company has already sold 20 machines to Australia and Singapore in the past 10 and two years respectively, OEMB wants to enter other Asian countries, especially China, India and Malaysia.

It is seeking potential agents in Asia who are currently present in the sector, can provide technical support and will send their staff to Switzerland for training. This is in line with Corbella's vision to stabilize production of the machines and boost OEMB's share of Asian sales to 20 percent from its current fluctuating level.

OEMB will display the Origami at the EuroBLECH Exposition in Hannover, Germany this month. It anticipates many Asian visitors. "We hope to meet someone who can become our agent in Asia," says Corbella.



Origami Machine

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In the Sweden report published in the FORTUNE July 10, 2006 issue, the name corresponding to the photo of the article entitled "Netintact manages internet traffic" is Mr. Jon Linden.

Banque Amas: Switzerland's Gateway to India

Banque Amas is going full circle on its route to Asia. The bank was established in 1978 as a finance company by the Hinduja Group, one of the largest transnational conglomerates in the world. In 1994, it was inaugurated as the first and only Swiss bank with shareholders of Indian origin. Amas now aims to bring its Swiss tradition and experience to the Asian market.

Banque Amas' full range of banking services include portfolio management, investment banking, custodial services, structured and trade finance, trust and fiduciary services, forex, precious metal dealings and stock market transactions.

"Our goal is to deliver absolute positive return on any market situation," says François Bloch, Banque Amas' chief investment officer.

Rather than depending on quoted returns on the stock exchange, it tailors strategies according to the needs of the investor, whether they are high net worth individuals or small- to medium-sized investors.

One of its unique products is the *Locomotion*, which monitors the six month performance of the four main emerging markets: Brazil, Russia, India and China (BRIC). The best performing index gets a 40 percent weighting, while the remainders get a 30, 20 and 10 percent weighting by



Coenraad P. S. Noyon

their order of performance. This product enables the investor to follow the tide in emerging markets by overweighting stronger performing markets versus weaker ones.

Its Himalaya model uses the best

four funds in each BRIC country and locks-in the investment with a 125 percent value based on the original performance, reducing the basket each year by storing away the best performing fund.

With the global focus now on Asia, Banque Amas plans to set up an asset management company in India. "Twenty years ago India was not looked at very much. In the last four years the focus on India has dramatically increased," says Coenraad P.S. Noyon, Banque Amas' CEO. "The bank's board decided to change its strategy from being a purely Swiss bank to developing products and ideas for Asia, in particular for India." This will serve as a strong bridge between the Swiss tradition of security and Asia's booming success story today.

sia Abrasives Makes Surfaces Perfect

For 130 years, sia Abrasives has been manufacturing coated abrasives in Switzerland, where it serves 95 percent of the celebrated watch industry. With 90 percent of its products exported to 100 countries, the 'made in Switzerland' label represents much more: quality, consistency, and a long-term approach.

Coated abrasive grains are attached to a flexible backing, like cloth, paper or fiber, by an adhesive bond, and are used for finishing surfaces. sia Abrasives also makes foams or sponges for wood; non-woven abrasives for met-



Peter Schifferle

als; and microfinishing for the automotive industry.

"Markets, materials, machines and

procedures are changing every day," says Georg Vock, head of marketing and sales at sia Abrasives. The firm has recently introduced a diamond mineral coating for cars called *siacarat*, which can sand high scratch-resistance and hard surfaces. "We stay close to the customer to develop individual system solutions that provide the perfect surface finish at the end."

The firm hopes to double turnover in Asia by 2010, where it is growing organically by about 10 percent a year. It is meanwhile pursuing the metal market as well as distribution through body shops for automotive repairs. In China, the plan is to grow incrementally, building cooperation with serious partners who will commit

to long-term relationships to promote the sia brand.

Much of the company's success is due to the leadership of Peter Schifferle, who was awarded Entrepreneur of the Year in Switzerland in 2002. He will retire as CEO in December, after 15 years with sia and become the chairman of the sia-group. Schifferle has overseen a turnaround, a management buyout, and later a public offering in 1999. "He focused the company on its three main markets and to become number one in the panel industry worldwide," says Vock.

The step-by-step development of business will remain a key strategy for China under his successor, Roland Eberle.

FläktWoods' Fans Save Energy

As oil prices soar, firms are making every effort to contain energy costs.

FläktWoods is constantly improving energy efficiency for its fans, air units, air devices, ducts and other ventilation products.

The company, formed in a 2002 merger between two 90-year old firms, splits its sales between commercial buildings - such as hospitals, offices and shopping malls - and industrial processes like steel, cement, or mining. Its fans also ventilate tunnels, metro systems and other public areas.

"We see a demand for better quality air with a high level of energy efficiency," says Carl Sverdrup, senior vice president Asia+ of FläktWoods. "Our products can help people improve their internal climate, for a good working or living environment."

One advantage for weary travelers will be the firm's new range of



Carl Sverdrup

"Chilled Beams", which uses a water cooling system that can keep hotel rooms silent, undisturbed by fan coil noise. A blower for biological wastewater treatment is another recent innovation. The device employs a composite material impeller that is

efficient at very high pressure.

Asian customers, like Samsung, Larsen & Toubro, Mitsubishi and Australian mining companies, constitute 20 percent of FläktWoods' sales. The firm has been selling for decades in India, its largest Asian market. It is opening its first Chinese factory in Wuxi this summer. Ventilation products manufactured there will be sourced out to surrounding countries and the local Chinese market.

The new factory represents an initiative to develop a stronger local presence to target a wider part of the market. The firm aims to continuously transfer skills from Europe and back up that know-how with on the ground investment and local employees.

FläktWoods has developed specialist expertise over its long history. That experience is critical for developing energy efficiencies and other benefits. "A lot of knowledge goes into the application and the design system of the products," says Sverdrup.



In the Denmark report published in the FORTUNE June 26, 2006 issue, the name corresponding to the photo of the article entitled "Winds of change stir success for Suzlon Energy" is Mr. Erik Winter Pedersen.

Nubeo: Break-Through Design to Precision Watch-Making

Although they have only been available at a small group of exclusive locations since last year, Nubeo watches have already been snapped up by prominent people like Bill Clinton and professional European soccer players. That's because the unique designs embody traditional Swiss watch-making excellence but with a completely new and original look.

They appeal to people looking for something beyond brand prestige. "Our customers have enough courage and personality to buy something they like from the heart," says Michael Feldbausch, director of Nubeo.

The first Nubeo collection, the Jelly-



Michael Feldbausch

fish Project, represents the genesis of the company's philosophy: inspiration comes from the natural shapes of life's beginning. The watch casing's domed geometry is inspired by jelly-

fish and is a first in watch making. Crafted from stainless steel, pink gold and diamonds, the Jellyfish Project collection has one of the most complicated and delicate assemblies on the market. "Everybody said it's not possible to do this," says Feldbausch. "But it was our dream and it became reality."

Design is central to Nubeo, not only in its watches but in everything it does. The company's design team, known as 4D, is involved in creating the whole Nubeo sales environment, from showroom furniture to music. "We like to do the same thing with our partners – distributors and shops – within their environments," says Feldbausch. "If there's a shop that's

able to give us space to present our environment, it will be the perfect sales arrangement."

Nubeo has 10 new distribution points in Japan, and others in Europe and the United Arab Emirates. It is looking for other distributors in Asia and expects to cover the region within five years. "We want people to really understand our concept, because then the watches will sell," says Feldbausch.

PLATIT Innovates Coating Equipment for Global Market

At the beach, your foot sinks easily into soft, dry sand. Wet sand, which holds water between the grains, creates more resistance. A similar principle underlies PLATIT's unique nano-composite coatings, which incorporate silicon nitride.

These structures were launched in 2003 but PLATIT has been innovating with a steady stream of breakthroughs since its birth in 1992. After having produced watch coatings for half a century, the family-owned firm came up with new physical vapor deposition technology, used to coat cutting tools, such as drills or end mills, molds and dies.

"Our policy is to bring out fundamentally new products every year," says Dr. Tibor Cselle, CEO of PLATIT. "Our new technology is much faster, the coating is much harder, and the units are much more economical."

After the success of its first generation of compact and user-friendly equipment, in conjunction with its Czech Republic subsidiary, the firm developed Lateral Rotating Cathodes. The LARC coating technology relies on cylindrical, rather than planar cathodes. It can deposit very

smooth coating surfaces, and allows the creation of nano-composite structures.



Tibor Cselle

Trade shows, especially the European EMO every other year, introduce PLATIT's new machines. The company markets mainly through the Internet in 27 countries. Currently over 150 PLATIT coating systems work worldwide. Unlike its larger competitor, Balzers, PLATIT integrates the coating machines into the in-house mechanical production of its customers, mostly small and medium size tool manufacturers, grinders and mold and die makers.

Asian customers include South Korean toolmaker YG1, Surftech in Taiwan, Shanghai Tool Works and SimTec in Singapore. More than 30 PLATIT machines are currently installed in the region. This year PLATIT realizes 32 percent of its sales in Asia. Technology centers provide support in Hong Kong, Singapore and South Korea.

"Asian customers are very interested in the newest technologies," says Cselle. "At the moment, we are only limited by production and qualified personal capacity, not by the number of customers."

IMG Designs Global Business Models

As mid-sized companies go global, they need to build models supported by international alliances, mature processes and systems. For 17 years, IMG has structured integrated business engineering frameworks for them, in collaboration with the University of St. Gallen.



Alfred Ermer

The group provides 'one-stop shop' solutions that cover the entire value chain, from strategy, through processes, to a standardized IT methodology. Customized models are derived after a thorough analysis of each client's own requirements, processes, pay points, products, channels and geographical activity.

"We help our customers become more competitive by optimizing their business models and reducing complexity, which leads to increasing margins," says Alfred Ermer, CEO of IMG.

For over 15 years, the group has collaborated closely with SAP, the world's leading provider of management software systems, providing SAP ERP consulting to its clients. IMG also works with Supply Chain Consulting Asia to help its clients implement international business models in Southeast Asia.

With four offices in Japan, it is IMG's third largest market. Last year, IMG opened Chinese branches in Shanghai and Guangzhou. This was a crucial first step into the market. Plans include building and growing sales channels and strategic alliances there.

Among other things, IMG China serves as a consultant pool for global roll-out projects and provides premium SAP ERP consulting services to the AFS, IM&C, mechanical engineering and engineering industries.

In Asia, IMG clients include LORD in Japan, for whom it successfully implemented SAP Business One, to standardize LORD's global business processes. For Atotech, IMG harmonized processes and data globally including rollouts in Japan and China adapted to local needs. IMG China also assisted Andritz to update its ERP system.

IMG's professionals combine deep industry knowledge with an understanding of local conditions, multi-cultural experience and language skills, making its Asian projects successful.

While Asia contributes 25 percent to the group's turnover, Ermer expects this number to grow. "It is our objective to expand our business activities in Asia and to further increase the share of our Asian business in total sales. We would like to do this by not just accompanying clients from Europe and America on their journey to the Asian market but also by supporting and partnering with Asian companies in China and Japan as they perform international rollouts," says Ermer.

Osterwalder is Serious About Asia

The Swiss are known for their precision, whether in time or in machine manufacturing. Osterwalder, a press manufacturer since 1882, develops, manufactures and sells advanced technology and high quality presses for the powder metal industry.

Osterwalder offers three product lines for different pressing forces ranging from 120 kiloNewtons (kN) up to 10,000 kN. Flexibility and innovation sets it apart from competitors. "Our products are high in precision and flexibility, adding higher value for our customers' requirements," says chairman Rolf Graf. Customers also benefit from the company's unique offering of in-house software development.

The company has globalized with its customer base. Osterwalder operates after-sales service and spare parts centers in Switzerland, the US, Japan, China, South Korea and Brazil. "We want to be closer to the customer, to deal with their demands by offering after-sales service within 24 hours," says Graf.

In Asia, which accounts for 30 percent of the company's revenues, Osterwalder focuses on the automotive and mechanical cutting tools industries. Osterwalder operates in Asia in close cooperation with partners such as Goshu in Japan, Otra in Korea and Swisstec in China. Clients include Sinteron and Korloy in Korea and Sumitomo Electric Sintered Alloy, Hitachi Powdered Metals and Mitsubishi Materials PMG in Japan.



Rolf Graf

Graf took over the company and majority ownership in March 2006. His strategy for the future is threefold. First he plans to improve geographic presence, in particular in Asia. Second, to expand the service business and third to develop new and higher performing powder compacting presses.

Since Asia is the company's growth engine, Graf is committed to the market and plans to introduce a new line of lower-end presses tailored to suit developing markets like China. "The vision is to have more employees covering the Asian market," says Graf.



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KEYTRADE: Leading Fertilizer Trading Across the World

As world population grows and arable land shrinks, fertilizers are becoming an increasingly strategic commodity. KEY-TRADE, a fertilizer

trader, distributes over 3.5 million tons of fertilizer annually across the world. To increase agricultural production all soil requires three essential nutrients to produce healthy and disease-resistant plants: nitrogen, phosphates and potash. KEYTRADE, which specializes in the nitrogenous and compound fertilizers trade, also handles the whole range of fertilizer products.



Melih Keyman

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The main challenges of the fertilizer industry are energy markets, weather and government regulation, which lead to market fluctuations in pricing and tonnage. KEYTRADE tries to fend off these fluctuations for its customers. "We try to predict the changes to line up competitive supplies, taking into account the locations, quantities, transportation costs and the prices," says Melih Keyman, founder, president and CEO of KEY-TRADE.

When large Russian fertilizer producers such as JSC ACRON and JSC

Uralkali needed to set up new channels to export internationally they turned to KEYTRADE because of its established network in Asia. KEYTRADE is cooperating with them and many other suppliers,

sharing know-how under longer-term agreements. "We rely on repeat business and personal relationships," says Keyman. "We like people to come back to us satisfied."

In China, one of its largest markets since 1997, KEYTRADE is currently in discussions to acquire small fertilizer plants. The firm has also implemented a sophisticated branding initiative on the mainland, which is unique in the sector. KEYTRADE enjoys strong local recognition due to the advertising it uses in its packaging; high quality bags that farmers can later reuse.

The company has three offices in Asia; in Beijing, Ho Chi Minh City and Kuala Lumpur with over US\$ 300 million in sales. For its talented teams of traders, KEYTRADE prefers to hire locally wherever possible. With the region's huge population and focus on farming, China, India and Vietnam promise the best prospects.

Curtiss-Wright Antriebstechnik takes lead in ground defense market

The Curtiss-Wright Corporation has always taken the lead role for over a century – whether in the air, ground or the sea.

In 1903, the Wright brothers made history by designing a flying machine that revolutionized air travel. Today, one of its business segments, Flow Controls, designs and produces big flows for applications such as submarines, while its second segment, Metal Treatment, focuses on treatment of an aircraft's wing surface.

Continuing this tradition, the third segment Curtiss-Wright Controls, is the leading global manufacturer of control products. Based in Neuhausen, Switzerland, it produces electromechanical, hydraulic and complex electronic components and subsystems, as well as actuation components used in various fields like defense and industrial markets.

"Every ground vehicle you see in world armies probably has one of our products in it," says



Uwe Dopf

Uwe Dopf, the firm's director for sales and marketing.

To achieve its bold sales target, the firm will expand its presence in Asia, principally in China and India. Curtiss Wright Antriebstechnik initially entered the region, which accounts for 50 percent of its sales, by setting up representative offices in Singapore, Taiwan and South Korea over a long period of time. To acquire a bigger share of the Asian ground defense market, the company is scouting for local, but

exclusive partners, who will help it open sales offices in the two countries.

Eventually it will venture into manufacturing, tapping on its vast experience in diversified high technology to come up with new products needed by Asia.

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