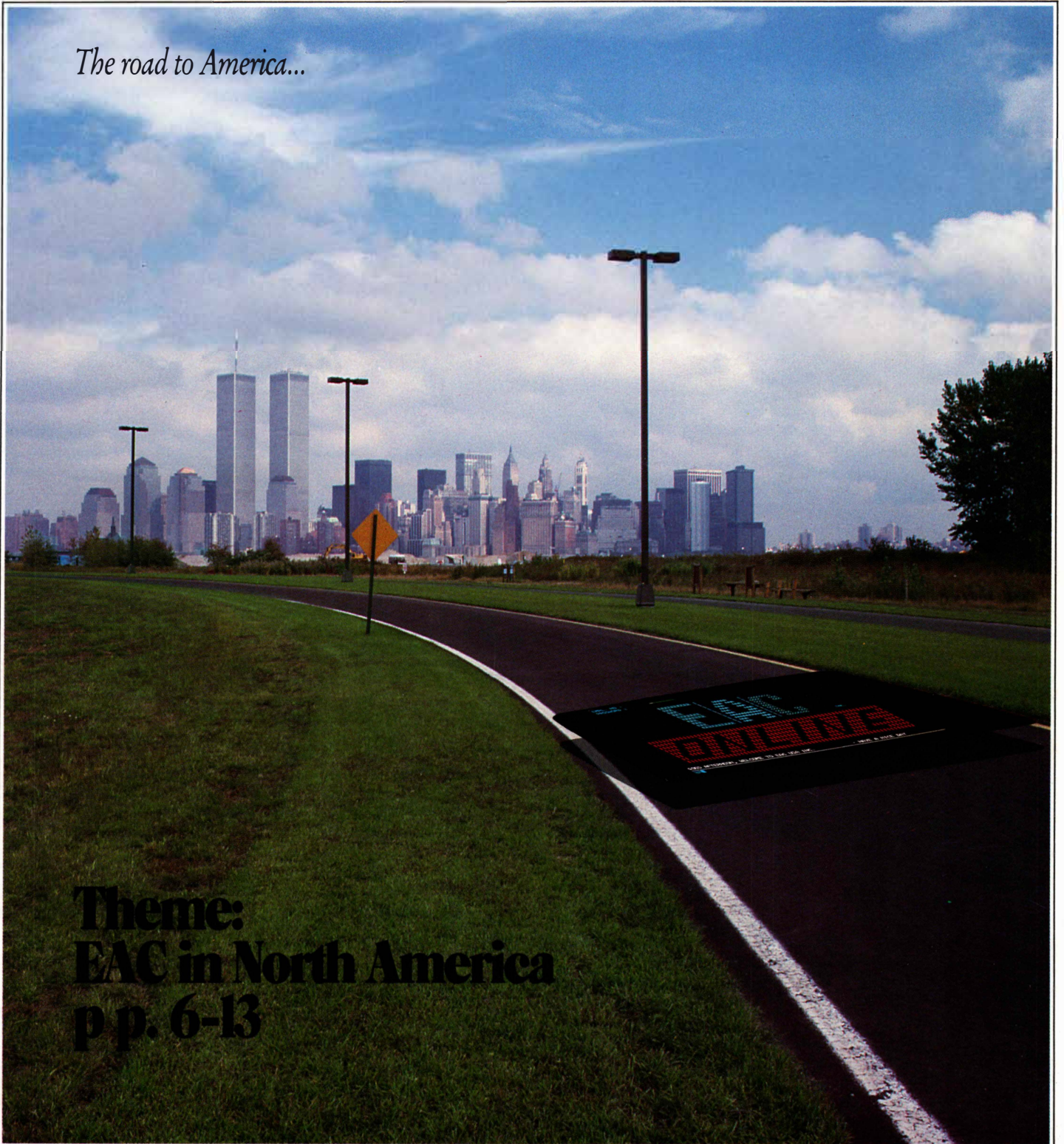


EAC MAGAZINE

1/FEBRUARY 1988

The road to America...



**Theme:
EAC in North America
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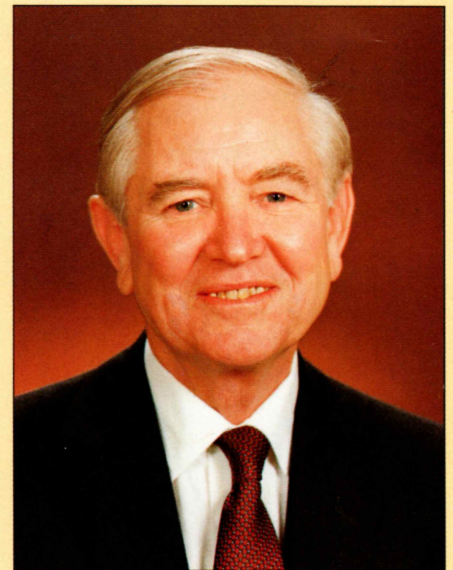
FRONT COVER:

The road to America might well be the title of this photograph, which is an unusual view of the city's skyline. As an extra technical touch, the picture was scanned in by a sophisticated Crosfield Scanner. The theme of this issue of EAC Magazine is EAC in North America. Pages 6-13.

The Chairman's New Year's message

Nineteen eighty-seven was an unusual year. While the first three quarters of the year were noted for their optimism, and the trend in international stock markets was positive, in the fourth quarter share prices plummeted and there was a drastic decline in the value of the dollar and related currencies in terms of certain other currencies, including the Danish krone. EAC has done everything in its power to take advantage of these fluctuations, and we have reason to be pleased with the continued reduction in the cost of financing the Group's activities. The 1987 result, as previously forecast, will be satisfactory, and I am confident that we shall continue to improve both our sales and our earnings in 1988.

I want to take this opportunity of thanking our employees in Denmark and abroad for a fine and loyal job of work during 1987, and I wish you all a happy and prosperous New Year.



T. W. Schmith

Annual accounts and general meeting

Our many subsidiaries and affiliated companies have been working feverishly since the new year preparing their accounts for 1987 in order to enable the Corporate Accounts Department in Copenhagen to compile its overall picture of the old year. The annual report and accounts are expected to be published two weeks before the annual general meeting, which will be held in Falkoner Centre, Copenhagen, on March 25, at 10 a.m. As in the past, admission cards and voting slips will be forwarded to holders of share certificates, while holders of shares registered by name should either personally contact the Shareholders' Secretariat at Holbergsgade 2 or phone us at 01 11 83 00 (ext. 659) and request an admission card and voting slips.

DANISH SECURITIES CENTRE

One major event in 1988 will be transfer of sha-

res to the electronic Danish Securities Centre ("Værdipapircentralen") at Easter. We recommend all our shareholders who actually possess their own shares to deposit them with their bank during February and March (any bank will be able to handle them).

Banks will not charge a deposit fee for the short period involved. Once shares have been deposited with the Securities Centre, registration will be automatic and free of charge for the holder. EAC will pay the cost of administering the deposit account. The same applies to any charges payable, for instance, in connection with dividend payments, notices of capital increases, etc.

Only transactions executed at the request of the owner of the deposit will be payable by him. For example, purchase and sale of shares (the charge for notifying changes has been fixed at D.kr. 16.80).

EAC is people

The EAC strategy for personnel relations is based on recognition of a simple fact: that EAC is people.

Achieving quality is an important part of our objective – and we insist upon quality in our human resources, in their opportunities for development, and in their ability to derive mutual benefit from all inter-personal situations. The Company's relationship to its employees, relationships among employees themselves and open communication have high priority in EAC action plans. EAC will be able to act with the necessary strength only if it displays the right team spirit and can rely on smooth relations across all borders.

IN-SERVICE TRAINING

In-service training forms a natural part of our policy of improving quality. EAC works clo-



sely with some of the world's finest training establishments with the aim of offering the individual employee the most relevant type of in-service training.

GREAT DEMANDS

High productivity – in conjunction with quality – is the best possible way of exploiting our resources and securing our jobs. Clearly, great demands are imposed upon the individual – managers and employees alike – and these demands should be seen as a challenge, a source of enjoyment in our everyday work.



EAC bridges east and west

The two largest and most important market areas for EAC are the Far East and North America. The former has been part of the Company's history right from the outset, and North America became 'EAC country' during later

development of the Company. Appropriately, EAC Head Office in Copenhagen – situated as it is roughly mid way between these two trading areas – is able to throw a bridge between east and west. The bulk of the company's sales are

centred on the two areas, and there is every indication that growth will continue. It is worth bearing in mind, at a time when large sections of the Danish business community are finding it difficult to make their way in the export market, that EAC has long since taken the plunge and set up activities in several continents.

In this issue EAC Magazine turns the spotlight on one of the two major growth areas: North America. Opportunity abounds, and many paths have yet to be trod. There are opportunities for earnings, expansion and test-marketing – areas in which the EACgraphics Division and the Plumrose Division have been successful.

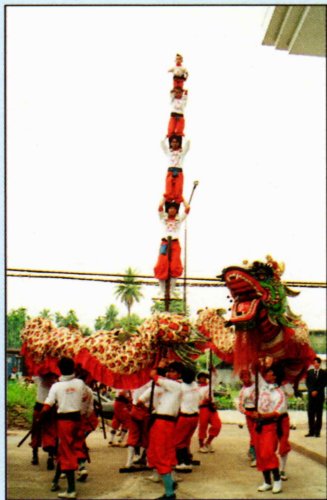
EAC derived almost 30% of its 1987 turnover from North America. When the final figures become available, it is expected that total sales in 1987 will have passed the \$650m mark. By 1990 it is hoped to boost this figure to \$1,000m. In the past couple of years EAC has invested approx. \$50m in North America, including Plumrose's acquisition of the DAK food organisation and EACgraphics purchase of Baumfolder.



SPOT

Festive opening of new SKF offices

It was a happy occasion when the Thai Minister of Industry, Khun Pramual Sabhavasv opened the new office and warehouse complex of SKF, the Swedish ball-bearing manufacturer, in Thailand. SKF and EAC Thailand entered into a joint-venture agreement with effect from January 1, 1987. As SKF's customers are frequently of Chinese origin, a typical traditional Chinese dragon and lion parade had been specially arranged for the occasion.



A scene from the dragon and lion parade.

EAC interest in new oil well

The EAC Energy Division, represented by Denerco K/S, is engaged in drilling the first well sunk by the Norsk Hydro consortium. Work began on December 9.

The well has been named Jeppe-1 after a character in a play by the 18th century Danish dramatist, Ludvig Holberg. It is in the Central depression in immediate continuation of the Gert structure, which extends south east from the Norwegian sector into the Danish sector. In the Norwegian sector oil has been localised a few kilometres north west of Jeppe-1, at a depth of about 5 km. Three wells have been made in the Danish part of the structure: one has definitely struck oil, the two others have produced traces of other carbohydrates. It is expected that Jeppe-1 will be drilled to a depth of about 5 km.



EAC features in Rambo movie

Hey, isn't that ...? Yes, it's EAC's head office in Bangkok. The building is flying the Stars and Stripes in honour of no less a person than ... Rambo!

In case you're wondering, Rambo is the hard-hitting, quick-shooting, let-'em-have-it American film character played by Sylvester Stallone, who has just completed his third Rambo movie. Some of the action takes place in Bangkok, where EAC's office building was transformed into the US embassy for a few hours. In our picture a US marine salutes two of the actors on the entrance steps.

EAC helps race ace play trump card

At the end of 1987 EAC Engineering USA signed a 12-month promotion contract with Richard Petty, America's leading stock-car driver. Under the agreement, Petty and his vehicle designer, Ken Wilson, will put their signatures on EAC's 1988 advertising campaign.

Says Mr. Wilson: 'I needed a line boring machine and contacted EAC because I wanted the best - which in my opinion is the AMC L1500, the

Cadillac of line boring machines. 'The accuracy, precision and simple handling of the AMC L1500 just can't be beaten,' says Ken Wilson. And there's no doubt that only the best is good enough for 'King' Richard's car. He's something of an institution in the United States and considered the country's best stock-car driver. He has 10 consecutive championships under his belt and no fewer than 27 victories in a single season.

Richard Petty and his favourite car in front of the spacecraft 'Enterprise'.



EAC accounting people meet in Copenhagen



Many EAC accounting staffers from all over the world meet in late October for an accounting conference at Hotel Scandinavia, Copenhagen, to discuss EAC's new accounting

and budget system, which has been introduced this year. In addition to the professional aspects of the programme, participants also enjoyed meeting fellow

Conference participants pose for a picture outside Hotel Scandinavia.

colleagues at a social level.

SPOT

Fionia 10 years old

On December 1 the MS FIONIA celebrated the 10th anniversary of its joining EAC's West Africa service. To mark the occasion, EAC held a reception aboard the vessel at her berth in Århus Harbour.

A large number of guests from Århus Municipal Council and the Århus Port Authority, headed by the city mayor Mr. Thorkild Simonsen,

were there to express their congratulations. There was something else to celebrate, too: the FIONIA had just completed her 100th voyage. Henning H. Sparsø, EAC managing director, presented the city of Århus with the original ship's bell from the MS AROSIA (Århus in Latin).



Århus Mayor Thorkild Simonsen sounds the ship's bell, watched by Henning H. Sparsø and Capt. Rytter.

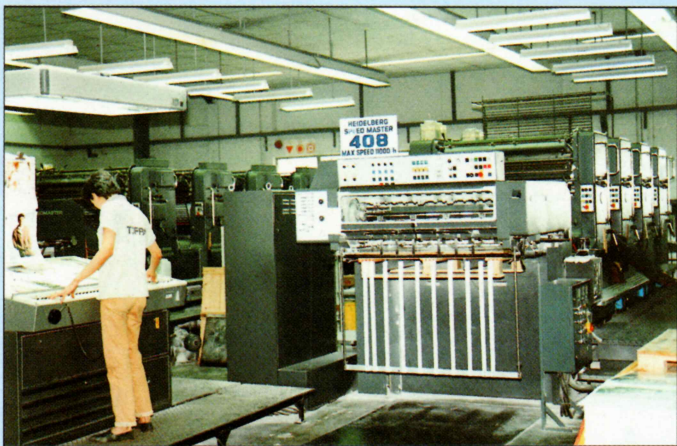
Large order delivered to Toppan Printing

At the close of the year Toppan Printing Singapore took delivery of machinery under a large order it had placed with EACgraphics Singapore: printing equipment worth no less than \$4m. Toppan Printing is a subsidiary of Toppan Printing Japan, one of that country's leading printing establishments. The order was for two Heidelberg

Speedmaster presses — one four-colour and one five-colour. Both are equipped with the latest Heidelberg technology, such as Alcolor, alcohol evaporation and computer print control (CPC1-02).

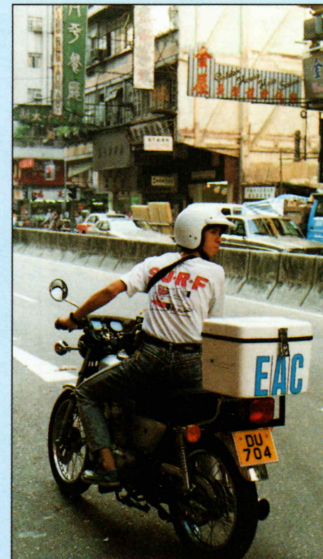
Also in the order was a Stahl high speed folding machine, model KC78, and a Müller Martini 'Star-binder'.

One of the new presses, a Heidelberg Speedmaster.



Express service in Hongkong

It can be something of a hair-raising trip to drive a motor car during the day in Hongkong. The traffic jams are legendary. Moving just a mile or two can take anything up to an hour. The two-wheeled traveller on the other hand can weave much more rapidly through the traffic. The Metro Express messenger service has acknowledged this, and now uses handy motorbikes to get around town. Metro Express is a subsidiary of EAC Hongkong.

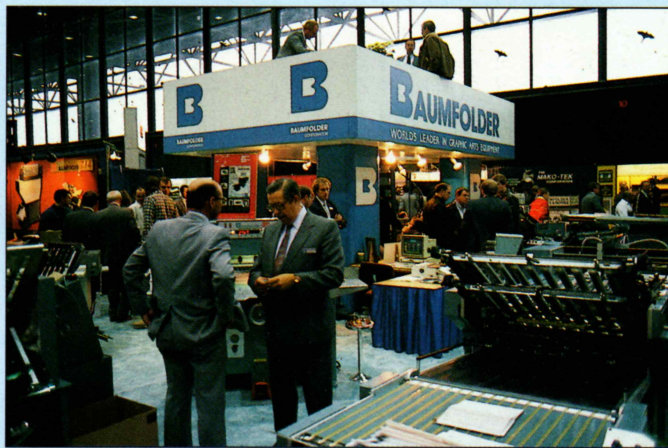


Graph Expo biggest yet

The biggest-ever Graph Expo to be arranged in Chicago was held in the city from November 15 to 18. More than 550 exhibitors occupied the huge McCormick Place exhibition centre — and 48,000 customers turned up to see what they had to offer. EAC USA/Heidelberg Eastern recorded some splendid sales results:

total turnover was \$21m (not including the expected boost in after-show sales).

EAC Heidelberg Eastern had the largest stand at the show — virtually a hall to itself!



A section of the Baumfolder stand.

EAC wins diploma for annual accounts

EAC received a diploma in December for its annual accounts 1986. The award is made each year by 'Børsen', Denmark's business daily, at a special Annual Accounts Conference.

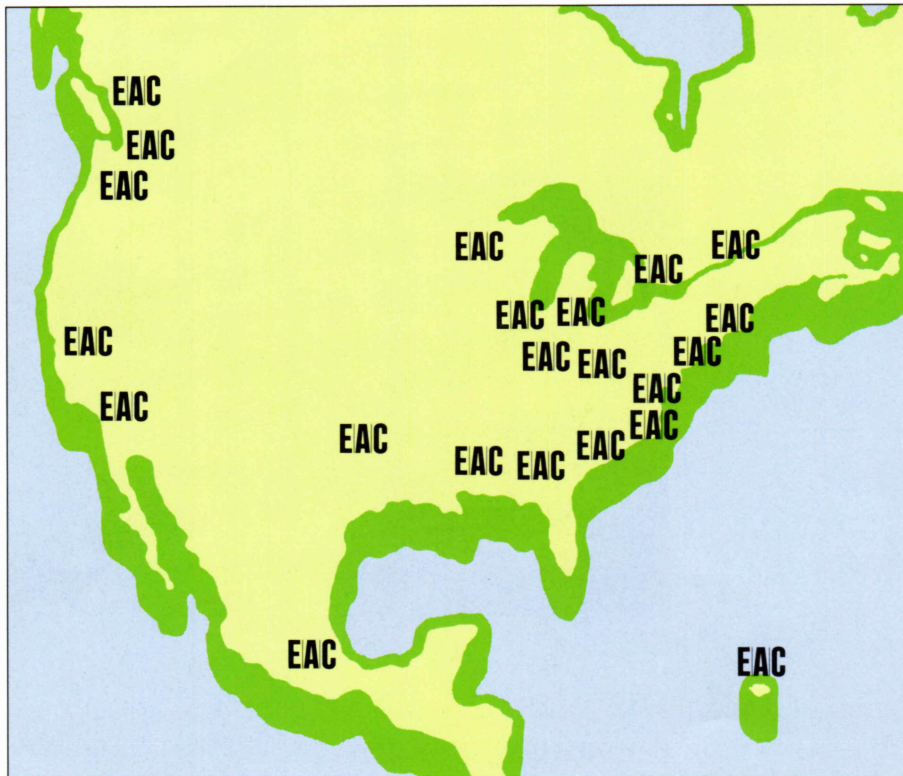
The diploma, presented to Svend Aage Larsen, general manager, by the Danish Minister of Industry, Nils Wilhjelm, was awarded because in

its accounts EAC had succeeded in presenting the Group's 114 subsidiaries and 41 affiliates in a clear and attractive manner.

In its motivation the jury noted that although shipping companies are exempt from certain sections of the Annual Accounts Act, EAC's annual report and accounts can compete with the best from other companies.

EAC in North America

As indicated here and on the following pages, EAC is extremely active in North America – particularly in the United States, where the bulk of EAC activities are conducted, but also in Canada, where Plumrose, EACgraphics and the Transport and Trading Divisions are making a name for themselves. EAC also has a smaller-scale presence in Mexico and the West Indies.



The head of EAC's overall activities in the North American continent is Hans Peetz-Larsen (see p. 8-9).

We have chosen in these pages to present EAC's main North American activities by grouping them by divisions.



Plumrose

Plumrose USA markets imported and locally produced ham and bacon products under the Plumrose, DAK and Danola brand names, the latter primarily on the west coast.

Other products include such specialties as cookies. The company has factories in New Jersey, Mississippi, Georgia, Indiana and California.

Plumrose is also gaining ground in Canada, and conducts its activities in that country from its Canadian head office in Toronto. One of the successes there has been the marketing of the danish cheese-brand, Havarti.



EACgraphics

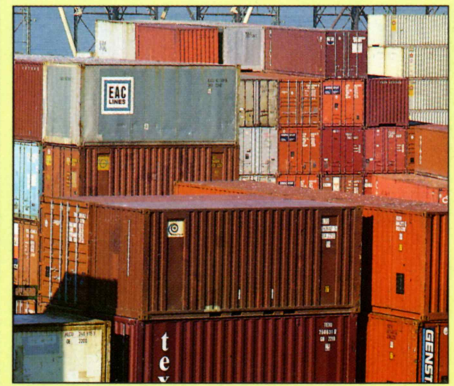
Heidelberg Eastern, Inc., is the mainstay of EAC operations in the United States. It is the largest distributor of graphic-arts equipment in North America. Its head office is in Glendale east of Manhattan, in the borough of Queens. The company has regional offices and service centres in New York City, Chicago, Boston, Dallas, Atlanta, Minneapolis, Washington D.C., and Detroit – where there is also a large training and equipment centre. Heidelberg Eastern has a national spare-parts warehouse in New York and a large distribution centre for printing equipment in a free-trade zone in New Jersey. The company has a workforce of almost 700 people, 500 of them engaged in sales and service.

EACgraphics USA, Inc., markets sophisti-

cated printing and bookbinding equipment throughout the US. Offices in New York, Chicago, Los Angeles and Atlanta. Also operates in Canada and – on a smaller scale – in Mexico.

Profit Control System (PCS) markets computer systems for the graphic-arts industry. Its products include those of IBM. PCS has offices with Heidelberg Eastern in Los Angeles and in Toronto, Canada.

Baumfolder Corporation manufactures post-press equipment for the printing industry in its 12,000-m² factory premises in Ohio. Baum USA, a newly-established company derived from Baumfolder Corporation, handles marketing, sales and service and occupies part of EAC USA's head office in Glendale.



EAC Transport

EAC Transport activities in North America include liner services, the transport of forest products, and agency representation.

Liner services are represented by Johnson Scanstar, which leads the market in container transport between the west coast of North America and Europe, and by EAC Transport Trans Pacific Services (EAC TPS) and EAC-PNSL, which ship containers across the Pacific and between the Far East and the Australian west coast. EAC TPS and EAC-PNSL are both managed and marketed by EAC Pasadena. The agencies in Los Angeles, Oakland, Portland, Seattle and Vancouver serving the three aforementioned lines are also responsible to Pasadena.

EAC Transport's dry-cargo activities are handled by Dry Bulk, Vancouver, and are centred on Forest Product Carriers (International) Ltd. (FPCI), in which the Japanese shipping company, Mitsui OSK Lines, is a partner. FPCI ships forest products from the west coast of Canada to Europe.

EAC Trading

EAC Trading USA specialises primarily in trading with the People's Republic of China. Activities were moved recently from New York to Vancouver, Canada, and include the import of a broad range of merchandise for the North American wholesale trade. The company also exports raw materials from North America.

EAC Timber Americas was established in 1984 and imports hardwoods, mouldings and compo-



nents via its head office in Greensboro, North Carolina, and an office in Los Angeles. EAC Timber Americas also exports small quantities of American hardwood. The subsidiary has warehouse facilities in South Carolina.

EAC Engineering USA imports and markets equipment for materials handling, mills for grinding timber and pulp, and dust filters, fire alarms and fire-extinguishing equipment for the woodworking industry. Also machinery for engine reconditioning. The company has its head office in Greensboro plus an office in Los Angeles. An increasing proportion of plant sold is manufactured and assembled in the United States.

The East Asiatic Company de Mexico S.A. also has activities within the Trading Division, chiefly the marketing of equipment for engine reconditioning.

It pays well to invest in the USA

John Arthur Hansen, managing director, looks at the structure of EAC's financing in the USA.



A foreign-exchange expert, asked recently for his professional view, summed up his opinion of the fluctuating value of the dollar (USD) with these words: The dollar will inevitably rise – or fall – until mid year, after which it can fall or rise – unless, of course, it stays put. Amusing, certainly. But at the same time clearly expressing the uncertainty that has permeated the foreign-exchange market and caused people to ask us: How can you have the courage? every time the subject comes around to EAC's continued investment in the United States.

If the assessment of our investments in the US were exclusively based on a cursory glimpse at our annual accounts, one would be inclined to understand the questioner's suggestion of rashness. A closer examination, however, reveals that in fact the suggestion is not so well-founded after all.

THE INVESTMENT

For example, the Group's annual accounts for 1984 included an investment in our US organisation of USD 42m, which by the end of 1986 had been increased by USD 17m (or approx. 40%) to USD 59m.

As can be seen from the exchange-rate tables in our annual accounts, the value of USD in 1984 in terms of DKK was 53% above its level in 1986 – from which it can be concluded that from 1984 to 1986 the book value of our US investment in DKK terms declined by more than DKK 44m despite the said addition of USD 17m. In other words, if the USD rate had remained unchanged at its

1984 level, our investment in the United States at the end of 1986 would have been worth DKK 230m more than indicated in the annual accounts.

FINANCING WITH DEBT

What one does not, however, see from the accounts with the same clarity (although it is something we have stressed in our reports on several occasions) is the result we achieve by financing our USD assets with USD liabilities.

When our US assets are reduced by DKK 230m, on the other side of the balance sheet there is a corresponding cut in our liabilities – and while it is never a happy state of affairs to see our US investment lose its value by such a large amount, this is nevertheless offset by satisfaction over the corresponding reduction in our USD liabilities in terms of DKK.

SYMMETRY

This simple fact is part of a vastly more complex foreign-exchange picture in establishing the symmetry of EAC's complex foreign-exchange position. It is for this reason that investment in the United States can be evaluated without reference to the extent that foreign-exchange fluctuation might otherwise influence the company's balance sheet.

Establishing and maintaining symmetry is one of the things the Financial Department does – and does well.

That's one reason we have the courage to invest!

One of the key figures behind EAC's success in North America over the last few years is Hans Peetz-Larsen (47), who has been in charge of all EAC activities in North America since 1983. Mr. Peetz-Larsen's evaluation of EAC's future prospects there is highly positive:

'Growth is likely to be strongest in our two "heavyweights", EACgraphics and Plumrose, because we are well entrenched as leaders in these markets. For example, EAC is the largest distributor of graphic-arts equipment in the US.'

NO COUNTRY STORE

'What counts is that we are extremely dedicated in what we do. Under no circumstances must we become a "country store", a jack-of-all-trades and master-of-none. The American market is so large and specialised and the competition so strong that we simply must concentrate on what we are best at.

'Specifically, this means that our goal at all times is to be among the three best and preferably the two best, if it is a niche business. If we cannot achieve this quickly or within two years at the most, we are not interested. says Mr. Peetz-Larsen.

INTERESTING SIZE

Although EAC USA's turnover of \$650m does not make the company a giant in the American market (the really large companies measure their turnover in figures of many billions of dollars), EAC nevertheless has an 'interesting size', says Hans Peetz-Larsen – large enough to attract the best staff in competition with American companies.

But as Mr. Peetz-Larsen says: 'I usually take the view that sales figures in themselves are not the most important thing about a company – it is the market share and the influence that a substantial share gives us in the market place which are of primary importance. Obviously though a certain size and volume are necessary to establish your reputation – and make you attractive to others who may, for example, be looking for a joint-venture partner.

'And size and versatility are also strong factors in such areas as personnel administration, legal assistance, real estate, financial services and other fields in which we feel we can offer our high-level staff interesting challenges and employment conditions in line with larger companies.'

Many will probably ask themselves how it is possible for EAC from 'Little Denmark' to make an impression on the large American market, which is the most competitive in the world.

Hans Peetz-Larsen: 'The answer is, of course, first and foremost to work hard and conscientiously and do a professional job. But at the same time don't let yourself be mesmerised by the size and competitiveness of the American market. With the right constellation of finance,

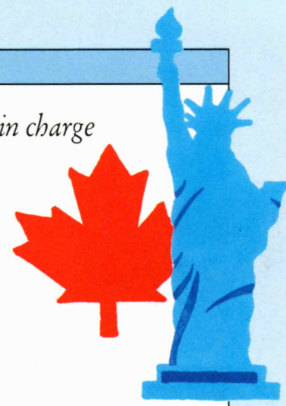


Our aim is to be second to none

products and human resources it is definitely possible to make your mark in North America. 'It is no secret that the excellent degree of cooperation that EAC has cultivated for many years with one of the major flagships of the graphic-arts industry, Heidelberger Druckmaschinen of West Germany, has helped create a strong foundation on which to build our success. An additional factor has been that Plumrose was one of the

very first to enter the ham market in the US, and the acquisition of DAK in 1986 further strengthened the company's position in the overall consumer-meat market as well as adding certain new product lines.' Mr. Peetz-Larsen envisages fine expansion prospects primarily in the graphic-arts equipment and systems business and the Plumrose sector – but he also predicts growth in the Trading,

Hans Peetz-Larsen is in charge of all of EAC's activities in North America. He sees excellent possibilities for EAC's future on the continent



Transport and Consumer Products Divisions. 'We are already heavily engaged in the Trading Division primarily in the timber business but we also trade in machinery and other goods, and in 1988 we shall be starting a project business from our Toronto office. The Transport Division has several promising projects in the pipeline. And the Consumer Products Division can look forward to some exciting developments in collaboration with Plumrose.

But Hans Peetz-Larsen has a word of caution: 'Our success hinges entirely on our awareness of the EAC slogan: "EAC is people". One of my tasks is, therefore, to secure a work climate which is inspiring and fertile for new ideas, to motivate my colleagues and to provide them with the opportunity to achieve their best results – all the while setting exciting and challenging goals for the future.

'We have set ourselves the goal of reaching a turnover of \$1,000m by 1990. The figure itself is not the important factor; we draw our inspiration from the challenge and the goal.'

Minimum imports for maximum independence

Karsten Hess is vice president of EAC USA Inc. His primary responsibilities include economy. In this article he reviews the EAC presence in North America in economic terms.

Perhaps the most important single factor behind EAC's growth in North America is its declining dependence on imported products – rendering it less vulnerable to frequent exchange-rate fluctuations. Karsten Hess is the man behind the theory.

'Plumrose, for instance, has boosted its local production considerably, and the acquisition of Baumfolder Corporation has also improved the local production potential of our graphic-arts activities.'

Acquisition of DAK Foods Inc. in mid 1986 gave Plumrose five meat-processing plants in the United States. Work is also pushing ahead on the expansion of the Plumrose plant in Booneville, Mississippi. When the project is completed in 1989, the factory will be twice its present size.



Karsten Hess: We aim to strike a balance between imports and local sources of supply.

TRADING ACTIVITIES

EAC USA's Engineering division in Greensboro, North Carolina, is also engaged in local production and assembly, although on a smaller scale. The division is primarily involved in the production of waste-wood grinders, based on a patent

model cutter imported from West Germany. Greensboro is also the home of EAC Timber Americas, which handles international timber imports. Although only three years old, the division is already one of the largest importers of timber in the US.

While imported timber accounts for the lion's share of business at present, there are also moves to expand trading in locally produced timber. If EAC USA is to continue expanding, there will have to be an even greater emphasis on local production, especially in the way of food products.

With this in mind, Plumrose has set up a Special Food division which will focus on other varieties of food which could lend themselves to marketing through Plumrose's existing distribution channels.

IN CANADA, TOO

Activities are stepping up in Canada, too. EAC-graphics, Engineering and Plumrose all have head offices in the growing urban area in and around Toronto, where new premises were opened last spring. EACgraphics has also opened an office in Montreal in the French-speaking part of Canada.

The Heidelberg Eastern regional office in Chicago.



Our growth will come from remaining small

In the summer of 1984 EAC's graphic-arts flagship in the US, Heidelberg Easter Inc., began full-scale expansion of its sales and service organisation.

Over the next few years the company opened new offices, existing ones were extended, a new structure was developed, and the country was divided into regions.

In short, Heidelberg Eastern underwent something of a revolution – which is now, five years later, bearing fruit.

EXPANSION

Heidelberg Eastern has increased its size 10-fold since EAC acquired the company in December 1970. The company has more than 55,000 m² of facilities at its disposal, including eight regional offices.

In addition to the head office in Glendale, there are regional offices in Minneapolis, Washington DC, Chicago, Boston, Detroit, Dallas and Atlanta. The company's showrooms alone extend to

7,000 m². No fewer than 700 people are employed, 500 of them in sales and after-sales service.

Hans Peetz-Larsen, president of Heidelberg Eastern, stresses an important part of his business philosophy:

'Our growth will come from remaining small. Our real challenge lies in improving customer service to the maximum.'

CUSTOMER SERVICE

Service department employees in each region handle more than a thousand inquiries a month. Many of these are phoned in on the company's free 'hot line'. Inquiries can be about everything under the sun: from accounting questions and orders to all manner of technical problems. As Carole Forglone, manager of the customer service, says:

'We have to deal with all kinds of questions on the hot line. We even had a call from a lady whose son sails aboard an EAC ship - she wanted

to know when his ship was docking so that he could visit her...

'We got in touch with EAC Steamship Agencies and obtained the exact time of the vessel's arrival - whereupon we were able to phone the lady back and tell her when her son would be ashore!' Another example of service offered by Heidelberg Eastern is a long list of technical seminars designed to keep the printing industry informed about the latest technological developments marketed by Heidelberg.

EXCELLENT SERVICE

During the 17 years Heidelberg Eastern has been a member of the EAC family, it has established itself as the leader in the graphic-arts field in North America.

Heidelberg Eastern offers printing and bookbinding equipment of the highest quality to customers of all sizes – and follows up with the largest after-sales service organisation offered by anyone in the industry in the US.

Baumfolder was a good buy



David Gunnell, general manager.

Last year's acquisition of Baumfolder Corporation added yet another first-class name to the list of EAC activities in the US. It puts EAC in an even stronger position in the huge US market for graphic-arts equipment.

Baumfolder makes post-press equipment and has been on the market for 70 years.

The purchase of Baumfolder enables EAC to add other products to those already manufactured in the 13,000-m² production buildings in Sidney, Ohio. There is also plenty of room for expansion (the company has about 10 hectares of land in the adjoining site).

Some of EAC's partners have already expressed an interest in manufacturing or assembling in Sidney to reduce costs.

The newly-established Baum USA, set up as a separate entity from Baumfolder Corp., will concentrate on marketing, sales and service and will develop Baum's large customer base – it is estimated that 70,000 Baum folders are in daily use throughout the United States. Another new company is Baum International, which will handle exports, including K.S. Macey's Omni and Omega binders. Baumfolder Corp. will thus be able to concentrate full attention on product development and manufacturing.

Secret of Plumrose success in USA

Ole Nielsen took over at the helm of Plumrose USA in December 1987. In this article he describes Plumrose's present and future marketing strategy



Ole Nielsen

Sliced ham is Plumrose's most important product in the United States. The company holds 35% of the total US market, spread over three famous and distinct brand names: Plumrose, DAK and Danola. Danola is sold on the West Coast, and in southern California, the nation's second-largest food products market, the product has a 42% share of the market.

Ole Nielsen, who took over as head of Plumrose USA in December 1987, says:

'We carried out a study of sliced-ham consumption in the United States and found that Plumrose consumers are a more health-oriented group than DAK consumers who, according to the same study, show more of what is known in the trade as "masculine profile", i.e. they prefer the larger packages. Perhaps this statistical virility is a result of the Viking picture on the DAK label ...!'

HEALTH CAMPAIGN

In any event, the company chose the health angle for its Plumrose campaign:

'Our big message in 1988 is "Plumrose — the healthy ham". We are emphasising that our lean ham has low cholesterol, low salt, a low fat content and fewer calories.

'The American consumer is more health-conscious than the Danish consumer. The awareness of eating right is part of a trend that has spread across the United States from southern Califor-

nia, where maintaining a healthy body has become a life style.

'When it comes to ham, the typical Danish consumer might like a little fat around the edges. The American consumer prefers lean ham. She is more conscious when it comes to calories (of course, I should be saying "he or she" but in fact it is mostly women who purchase our products in the store).

'There is a notion in America that sliced ham is high in calories. But actually there are only 25 calories in a slice of ham. We are drawing the notice of the consumer to this fact in TV commercials and other media,' says Mr. Nielsen.

BACON

Plumrose USA's second-biggest product group is bacon. The company sells close to 12m kg of bacon a year and has a 1.2% share of the US market. The market leader only has a 7% share — which shows how large and fragmented the US bacon market is.

'We believe we have the finest bacon in America' says Ole Nielsen 'and in fact we are no. 1 in such regions as New England, Miami and Florida.

'Four years ago we were making 20 different products at our Indiana factory — but no profit. So we

asked ourselves: which of the 20 is our best? The answer was bacon. Today bacon is the factory's main product. And it's a success ...! The secret, says Mr. Nielsen, is to stick to just a few things but to do them well.

ROOM FOR GROWTH

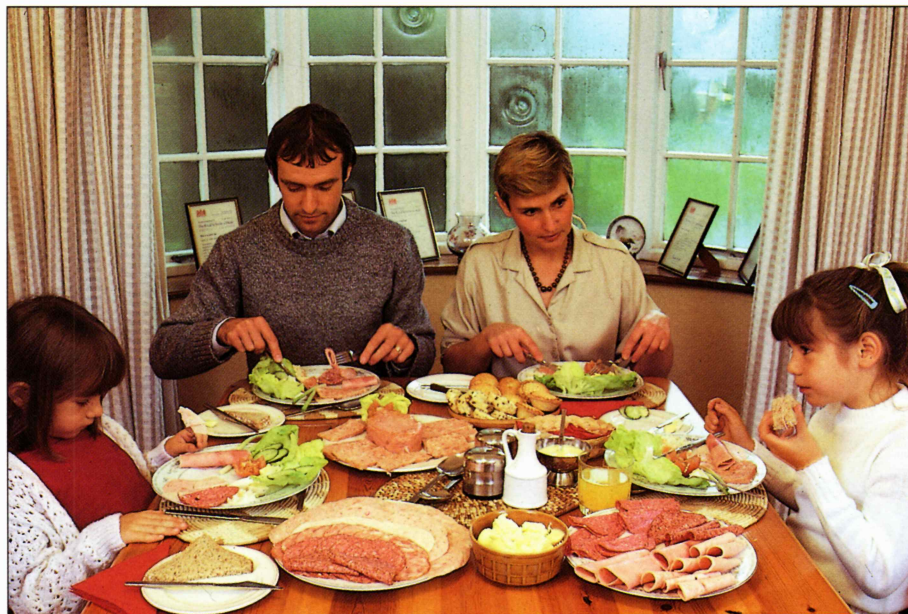
Danish salami has been very successful, too. Plumrose USA sells more than 4.5m kg of stick salami a year and has decided to come out with product extensions. This year, for example, it will launch sliced salami.

Plumrose USA is also keeping a look-out for acquisitions for its meat group. This could be a small plant producing a high-quality product but selling only locally. Plumrose could take that product, put its name on it and distribute it through its national channels.

PASSION FOR EXCELLENCE

'Our theme for 1988' says Ole Nielsen 'is a passion for excellence — which we have taken from the book of the same name by Nancy Austin and Tom Peters. In "Passion for Excellence" the authors stress that the most successful companies are those which cater to the needs of their customers and provide excellent service.

'Our goal at Plumrose USA is to improve service still further. We must never forget that only one group of people pays our salary: the consumer.'



In general the American consumer is very health conscious.



EAC Transport keeps things moving

Service and softball at EAC Steam

EAC Steamship Agencies – known to its friends simply as EAC Steam – is one of the largest ‘independent’ agencies on the US west coast, with offices in Seattle, Portland, San Francisco and Los Angeles. The name was adopted in 1981, when EAC acquired Bakke Steamship Agency. Today EAC Steam – plus Johnson, Walton Steamships – has a total staff of 150 people. EAC Steam is agent for Johnson ScanStar, EAC

Lines Trans Pacific Services, EAC-PNSL Service, and P&OCL. The company also handles the agency for shipowners in the non-liner sector. EAC Steam has a reputation for fine service – thanks to the efforts of its team of professional employees. But there’s more to life than hard work: EAC Steam also has a successful softball team, which has made a name for itself in shipping/sporting circles in southern California.

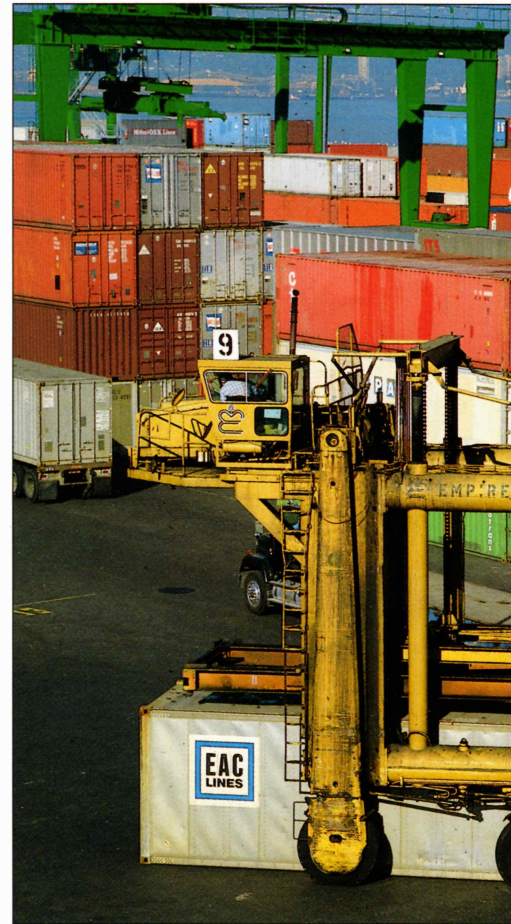
EAC Transport big in the Pacific

The Los Angeles area is the base for some of EAC Transport’s most complex activities in international container traffic. All Pacific traffic, for example, is controlled from LA. EAC Transport has two offices in Los Angeles, each with a staff of about 50 employees. Head office in Pasadena manages the activities of the two liner services in the Pacific/Indian Oceans: EAC Lines Trans Pacific Services Ltd. (EAC TPS) and EAC-PNSL Service Ltd. (EAC-PNSL). EAC TPS has two weekly container departures from the west coast of the US to the Far East, one from California and one from the north-western

part of the Pacific coast. EAC-PNSL operates a weekly service between Hongkong/Taiwan and South-east Asia plus a fortnightly service between the Far East and Western Australia.

PACIFIC SERVICES

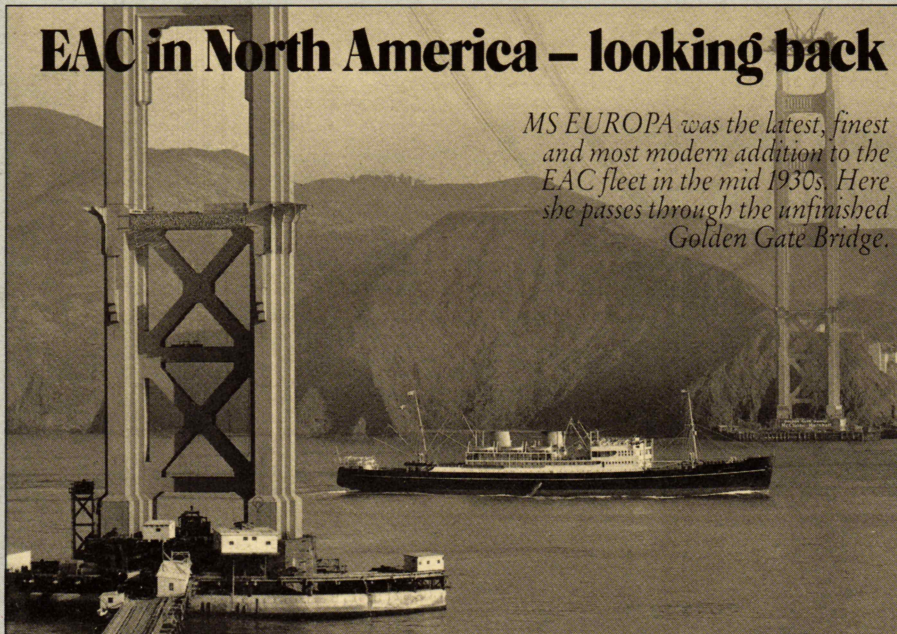
EAC TPS is registered in the Bahamas. The California service links Los Angeles and Oakland (San Francisco) with Taiwan, Hongkong and South Korea. The north-western service links Seattle, Washington, Portland and Vancouver (Canada) with the same ports in the Far East. The service operates a total of 12 ships in the



1800-2500 teu range (teu = 20-ft. container) in collaboration with Mitsui OSK Line and Kawasaki

EAC HISTORY

EAC in North America – looking back



MS EUROPA was the latest, finest and most modern addition to the EAC fleet in the mid 1930s. Here she passes through the unfinished Golden Gate Bridge.

Today the North American continent is one of the most important geographical areas for EAC.

It is a market for many of our products, some manufactured by our factories in the United States, others imported. And at the same time North

America is important to us as a supplier: many of our companies throughout the world sell products ‘Made in the USA’.

Our ships regularly link North America with other continents.

But how did the whole thing start?

Our earliest activities were in shipping – but the story actually began in another part of the world entirely.

Twice in the long history of EAC its board of directors has met at sea. Both of these meetings were in 1898 – the year after the company was formed.

Capt. H.N. Andersen, EAC founder, and his board voyaged in the company’s first steamship, SS SIAM, to St. Petersburg (Leningrad). And the board held a meeting in the Baltic Sea both on the way to Russia and on the way back.

Negotiations led to the formation of the company’s first subsidiary, EAC Russia, in 1899. The primary aim of the company was to provide a shipping service between Russia and the Far East.

At the beginning of the century there was a heavy flow of emigrants from Russia to the United States. EAC Russia decided in 1905 to start a pas-



Ki Line, Tokyo. At present EAC TPS ships about 650 teus per week in each direction.

Dry-bulk now in Vancouver

With effect from September 1, 1987, EAC Transport transferred its Dry-bulk Department from Copenhagen to Vancouver, Canada. The object was to move 'closer to the customer'. The Dry-cargo Department is responsible for day-to-day management of Forest Product Carriers (International) Ltd., FPCI, a leading shipper of timber from British Columbia to Britain and Northern Europe.

PURPOSE-BUILT SHIPS

Modern dry-bulk ships totalling more than

300,000 tons dw are used to ship sawn timber, wood pulp and plywood. FPCI uses a combination of its own purpose-built timber cargo ships and the vessels of its two partners: Mitsui OSK Lines, Tokyo, and EAC, Copenhagen. In addition to handling FPCI, the Dry-bulk Department looks after our activities in the open dry-cargo market.

EAC, Copenhagen, owns 50% of EAC TPS, Harrison Line, London, has 20%, PNSL, Kuala Lumpur 10%, and the remainder is distributed among other interests. Harrison Line, one of the oldest shipping companies in Britain, is involved in several lines. The same applies to PNSL, which is owned by the Malaysian state.

AUSTRALIA AND THE FAR EAST

EAC-PNSL, which is registered in London, operates two container services with three ships. One specialises in refrigerated transport, running a fortnightly service between Fremantle, Western Australia, and Port Kelang (Malaysia), Singapore, Hongkong and Kaohsiung (Taiwan). EAC-PNSL is the leading container transporter on this service and uses two vessels specially equipped to transport refrigerated containers (each ship with a capacity of 250 20-ft units).

EAC-PNSL also ships meat from Western Australia to the west coast of the United States, transshipping with EAC TPS. When you eat a Mac-Donalds' or a Burger King hamburger on the US west coast, chances are the meat was shipped by EAC-PNSL! Another interesting fact is that in connection with the America's Cup EAC-PNSL transported many of the participating sailboats to and from Australia.

The other line operated by EAC-PNSL provides a weekly feeder service between Hongkong, Kaohsiung and Singapore and Port Kelang. The two services are operated jointly, every second ship continuing its voyage to Western Australia.

senger service between Libau in Russia and New York.

After the First World War EAC took direct charge of the service. We called it the Baltic America Line. By then, emigration was mainly from Poland.

The SS TRANSVAAL was our first ship through the Panama Canal (on August 30, 1914) en route from San Francisco to Europe.

Our first branch office was opened in San Francisco in 1914. In addition to looking after the Pacific service, it began taking part in trading activities.

On November 14, 1938, the US organisation was converted into a local company, The East Asiatic Co. Inc., with head office in San Francisco.

An office was opened in New York during the Second World War. One of its projects – in conjunction with the Danish ambassador in Washington – was to co-ordinate supplies to Greenland and exports from Greenland during the war years.

After the war, activities in the United States were centred on EAC Inc., with its head office in San Francisco and offices in New York, Los Angeles and Portland.

INFORMATICS

PCS a specialist data supplier in USA

Profit Control Systems (PCS) is a department of Heidelberg Eastern and part of EAC's Informatics Division.

PCS has successfully added certain IBM products to its product range.

Acquisition of Stewart Systems has proved to have been a positive step, and integration of Stewart Systems in the PCS line is proceeding according to schedule. Some of the credit for PCS's success can be attributed to the close relationship with Heidelberg Eastern.

SYSTEM FOR THE GRAPHIC INDUSTRY

Today PCS is a leading supplier of turnkey data management systems to the graphic-arts industry in North America.

New, exciting products were launched at the end of the year and displayed at Graph Collector.

PCS has begun a project designed to examine,

develop and produce a Direct Factory Data Collection System.

FULL CONTROL

This system will enable printing houses to have full control over production, while collecting data from the production unit, e.g. a Speedmaster press, and transmitting it to a central computer. The system will be marketed as soon as it has completed its field tests.

Another indication of PCS's success is the fact that IBM has included PCS in its group of top distributors of IBM products.

PCS was in the winning group of distributors in the north-eastern USA for the second time in 1987.

PCS has opened an office in Los Angeles.

WORLDWIDE

\$30,000 for EAC scholarship

The manager of The West Indian Company Ltd. in St. Thomas, Hans F. Jahn, presented a cheque for US \$30,000 to Dr. Arthur Richards, president of the University of the Virgin Islands, in December. The occasion was the 75th anniversary of the founding of The West Indian Company, and the money will be used to provide an annual scholarship. Recipients must be inhabitants of the Islands, students of the university engaged in commercial studies, and in need of financial assistance to complete their course.



Dr. Arthur Richards, university president, receives the \$30,000 cheque from Hans F. Jahn.

Cheerful chocolate smiles



It was smiles all round from the many girls who sell M&M chocolate for EAC in Seoul, South Korea, when EAC Magazine visited them in November. There's plenty for the girls to be cheery about: they keep breaking their own record for sales of the popular chocolate brands. Bjarne Uhde Nielsen, branch manager

in Seoul, has introduced a bonus scheme which naturally encourages the sales girls to make an extra effort when they are at supermarkets presenting M&M products – and many other products distributed by EAC in South Korea.

Keeping fit on the company's time



Keeping in good physical shape is said to have a positive influence on a person's mental health. Few of us would disagree with that. At The Printing Machine Trading Co. Ltd. (PMT) in Tokyo, however, they do more than just talk about it. A modern gymnasium has been in-

stalled on the top floor of PMT's head office in the Japanese capital, where employees can take turns at exercising their muscles and getting into shape. In our picture a team of employees is hard 'at work' exercising – at work.

Didn't even get her bikini wet

A cargo ship is often asked to transport the strangest things. A ship that carries another ship must undoubtedly be considered unusual. The crew of the EAC-PNSL vessel MV KLANG REEFER looked again when

they saw what they were supposed to ship from Western Australia to Singapore: a 31-metre ferry, the KITA EKSPRES, built in Australia and waiting to go into service. The KITA EKSPRES will ply between Penang, Alor Star and Langkawi in northern Malaysia. After crossing from Australia without even getting her feet wet, she had to do the last stretch from Singapore to Penang under her own steam.



The KITA EKSPRES safely aboard the KLANG REEFER. Also in picture (right) Søren Søgaard, charter manager at EAC-PNSL, and Peter Rasmussen, general manager of Beaufort Shipping Agency.

Customer buys 100th Heidelberg press

The Printing Machine Trading Co. Ltd. (PMT) of Japan through which the EACgraphics Division distributes many products for the graphics arts industry has sold a Heidelberg model SORD press to the Japanese printing firm of Hirakawa Kogyosha – the customer's 100th Heidelberg press! The sale took place at IGAS, the large Japanese trade fair in autumn 1987.

IGAS is a major event both for the Japanese market and for neighbouring countries. PMT's leading position as one of the largest exhibitors

emphasises the company's status in the Japanese market. PMT markets EACgraphics agencies for Heidelberg, Polar, Stahl and Compugraphic.

Jakob Kettenmann, managing director, Heidelberger Druckmaschinen, was on hand with a short speech, when Hirakawa Kogyosha took delivery of press no. 100. On the right is Yoshikazu Shimizu, managing director of PMT.



Sawmill at Tucuman, Amazonas.

Latter-day odyssey to fetch mahogany

Timber trading is a valuable asset in EAC's international activities, and to exploit opportunities to the full EAC Trading Division has set up shop in some exotic spots around the globe. In order to see mahogany wood at its source, EAC Magazine embarked upon a modern odyssey deep into the Amazon jungle – gaining the richness of an astonishing experience and an understanding of the punishingly tough life of the timber people.

INHOSPITABLE JUNGLE

Tucuman is a microscopic spot on a map of the

*Exploradores*

world about 1,000 km into the Amazon jungle in Brazil. But the town has strategic importance: the rough-hewn mahogany logs are hauled to Tucuman after they have been found and felled in the inhospitable jungle. Even before they fall, they undergo the first phase of EAC's quality-control procedure: selection of the best trunks. EAC does not operate its own forestry concession, choosing instead to buy from local suppliers.

EXPLORADORES FIND THE MAHOGANY

A special type of local workers, exploradores, strike out into the jungle on their own to find and mark individual mahogany trees before lumberjack teams literally hack their way to the site. All traces of felling are quickly erased by rapidly growing vegetation, which gives life in the lumber camp the flavour of a Robinson Crusoe existence.

*Green life in the fertile jungle.*

FOCUS ON QUALITY

Once in Tucuman, the logs are again graded for quality before being sawn into ordered sizes. The timber is then transported by truck 1,000 km to the port of Belem, where the final quality selection is made in the timber yard.

Working with timber is a specialist task, whether it is Brazilian mahogany, merantien from Malaysia and Indonesia or oak from Tasmania. In all of these places EAC is known for its quality.

Kiln-drying, cutting and packing complete the service. The pictures on this page provide an impression of the raw, immense beauty of the mahogany wood's incredible journey from the heart of the Amazon to the port of shipment.

Japanese are good – at making wine, too

In November EAC Magazine visited Yamanashi Winery, the wine-making flagship of Japan's leading beverage producer, Suntory. EAC Japan distributes the machinery supplied by Andersen & Bruun and Otto Sick and used in wine production.



The vineyards stretch gently towards the horizon. Here and there people can be seen working in the fields.

The observer might be excused for thinking, at first glance, that the scene is somewhere in the Bourgogne district of France. But we are thousands of kilometres from Europe – we're in Japan. At Suntory Yamanashi Winery's 150-hectare vineyard near the foot of Mount Fuji.

While the skills of the Japanese in many fields – perhaps especially industrial – are universally familiar, very few people outside Japan are aware that the country also produces some very fine wines.

DECISIVE FACTORS

In order to be able to produce a successful wine it is essential, of course, to have the right soil conditions, temperature, precipitation, etc. But it is also decisive that the producer has a profound knowledge and experience of wine production. And this is where the Japanese demonstrate their fabled skills.

Suntory's combined production of beverages makes the company one of the world's largest producers. In 1984 sales of whisky, brandy, beer, soft drinks, wine, etc., totalled approx. D.kr. 20,000m. A growing proportion of production – especially beer and whisky – is exported.

'Today most of our wine is made from the superior, well-known European grapes: Cabernet Sauvignon, Semillon and Riesling,' Otoyto Kimoto, an engineer with Suntory Winery, told EAC Magazine.

The winery museum houses the finest vintages from all over the world. Here are a few samples of Chateau Lafite Rothschild 1874 and Chateau Latour 1937.



Erik Trock-Jansen from EAC, Japan, chats to Otoyto Kimoto under the vines. Mr. Kimoto has made several visits to Denmark on study tours of leading breweries.

'But good results are not achieved merely by having the right grapes,' he said.

'Our laboratory is continuously researching the fields of viticulture, soil analysis, seed cultivation, pathology (studying such things as diseases in the grape), and insect control.

'The laboratory is the only one of its kind in Ja-



Women from the neighbouring village harvest the special, sweet Japanese grapes. They are a costly variety, and for this reason the grapes are separated from the stalks by hand.

pan, and our facilities have enabled us to develop several new grapes – of which Cabernet Suntory, Riesling Lyon and Riesling Fortes have been registered by the Ministry of Agriculture as quality types.'

BIG WINE DRINKERS

The Japanese have become a nation of big wine drinkers – both at home and when they eat in restaurants. They appreciate being able to choose between several types.

In addition to its success in the home market, Suntory has gone to great lengths to develop an international wine strategy.

It is obvious that Suntory keeps a close eye on wine production throughout the world when you visit the cavernous cellars under the Yamanashi Winery production facility. As well as a full collection of Suntory's own wines, the museum has an excellent selection of the world's best wines from their finest vintages.

In addition to importing more than 600 different wines from 25 companies in 13 countries, Suntory has its own quality estates abroad.

The finest of these is Chateau Lagrange, a distinguished Grand Cru classé estate in France, in the Bordeaux district of Medoc. In 1980 Suntory also acquired Chateau St. Jean, which produces some of the finest Californian wines.

'We have also contracted sales and cultural exchange with, Chateau Lafite Rothschild in France,' said Mr. Kimoto, adding:

'Good wines comes from good grapes – and that has been the prime factor in our global wine-strategy philosophy.'

There was no shortage of dramatic headlines in the media when a sharp drop in share prices hit the world's stock markets on October 19, 1987 – a date quickly christened 'Black Monday'.

'Stock-market crash', 'panic', 'calamity', 'chaos' – these were some of the expressions used.

There is no doubt that fluctuation of the type witnessed in 1987 must have imposed losses – especially on investors who bought shares prior to October 19, while prices were rising, in the belief that the good times would go on for ever. But what about the investor who has held his shares over a longer period of time?

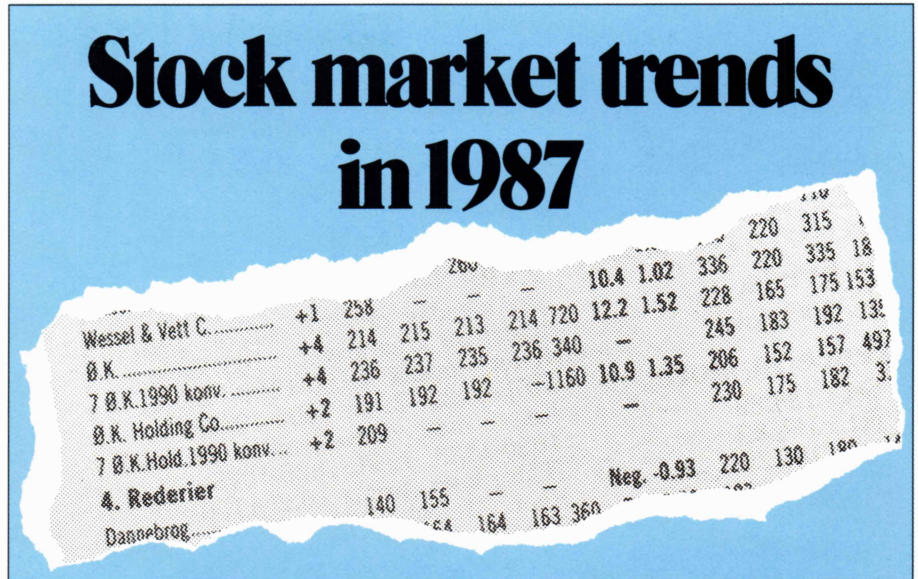
We have been examining the trend over a period of several years, and it is interesting to see that the position has none of the gloom that surrounds 'Black Monday'.

THE YIELD

Have shareholders lost several years of upward prices? Is the shareholder worse off? What has been his yield? We have chosen to follow the trend at four of the world's main stock exchanges over a four-year period from 1983 to 1987. Our information is based on data provided by the investment department of Den Danske Bank.

Very little can be learned about the trend from the share index itself. So we have taken as our point of departure the share index at December 31, 1983, which we have set at 100. Then we calculated the trend.

	1983	1984	1985	1986	1987
New York	100	96	123	151	154
London	100	123	141	168	171
Frankfurt	100	108	186	192	121
Tokyo	100	117	132	190	218



INDEX HIGHER THAN 1983

The trend is clear: despite 'Black Monday' the index for all four exchanges is higher than it was at the end of 1983. With the exception of Frankfurt, the share index at the end of 1987 was also higher than at end-1986 – again despite the sharp decline in prices in October 1987. In evaluating Frankfurt, it should be noted that this stock exchange experienced an extremely sharp upward swing in 1985 – a rise of as much as 72%, which was 4-6 times greater than that recorded at other stock exchanges. The strong dollar in 1985 was undoubtedly one of the reasons that large numbers of foreign investors began shifting their funds into European securities, especially German shares.

YIELD 11-12%

On average, the annual yield provided by the four share markets was between 11% and 22%, which should be compared with an effective bond rate of 6-10% during the same period. It is a fact of economic life that, over a period of years, shares tend to provide a yield which is greater than inflation and which is substantially above the yield obtained from bonds.

FASCINATING READING

The British investment research firm of de Zoete & Bevan publishes an updated version of the average yield on shares and bonds since 1918. The analysis makes fascinating reading, as it examines such factors as political events and their influence on the market.

Adjusted for inflation, the yield on shares since 1918 has been 7% p.a. before tax compared with 0.9% p.a. for bonds.

No corresponding long-range study has been made of the Danish market. The annual yield from Danish shares during the period 1965-86 was 6.1% compared with a bond yield of 4.9%. During the period 1979-1986 the share yield was 13.7% compared with the 6.6% available from bonds. An average dividend of 5% has been assumed for shares, and all figures are pre-tax but adjusted for inflation.

INCREASED INTEREST IN SHARES

The fact that over a period of time shares provide a higher yield should stimulate the investor's interest in shares, if these are looked upon as a long-term investment.

If the share index for Copenhagen Stock Exchange at end-1983 were to be fixed at 100, the index at end-1987 would be 91. EAC's shares have followed the general price trend and reflect the external factors playing upon the market despite the positive references in our quarterly reports and other sources.

General manager
Ib Henry Hansen



15,000 EAC Staff in 50 Countries

If a company like EAC is to maintain – and expand – its influence in the international business community, it must have efficient employees wherever it is represented. Internationally, the EAC employs 15,000 people. One of the persons at EAC Head Office with influence on staff policy is the manager of the Personnel Department, Gunnar Engelmann. He says:

THE FIELD WORK

Briefly, one could say that it is the quality of the “field work” that determines the success of an international company. Right now we have 255 persons working abroad, but to an increasing extent we use the national staff in the various countries in question to cover management positions.

BEST MAN FOR THE JOB

Another change in the staff policy is that an increasing number of our employees have only worked with EAC for a short period and not undergone the traditional EAC training. Previously, it was almost exclusively people who had spent many years with EAC who were promoted to top positions. Today, we use the principal “best man for the job”, says Gunnar Engelmann.



*Gunnar
Engelmann*

VISIT TO THE MANAGER OF PLUMROSE IN THE US

EAC Magazine has visited Vagn Askjær who is the manager of Plumrose in Los Angeles. He was employed in 1974 in the US and thus was tied to the EAC-group well into his career.

Hard work – but time for the family, too



The life of an EAC family in Los Angeles

Indonesia, Africa, USA... No one familiar with EAC's international day-to-day routine is ever bowled over by quick changes of scenery from one part of the world to another.

Take Vagn Askjær, for instance. Since August 1985 he has been head of Plumrose's branch in Los Angeles.

Before the family arrived in the United States, the first foreign posting had been Indonesia, the second was Africa. All the time with a hard working day in strange surroundings.

‘Our children, Barbara (14) and Michael (12), have been through the whole travel experience with my wife, Lizzie, and me’ says Mr. Askjær. ‘The children have had an upbringing which has taught them to be considerate towards foreign surroundings – and the routine has given us the opportunity for a healthy family life.’

‘It’s a hard slog all week but we’ve been very careful in Los Angeles to organise our lives so that we go to work/school Monday to Friday – and then devote the week-end to family life.’

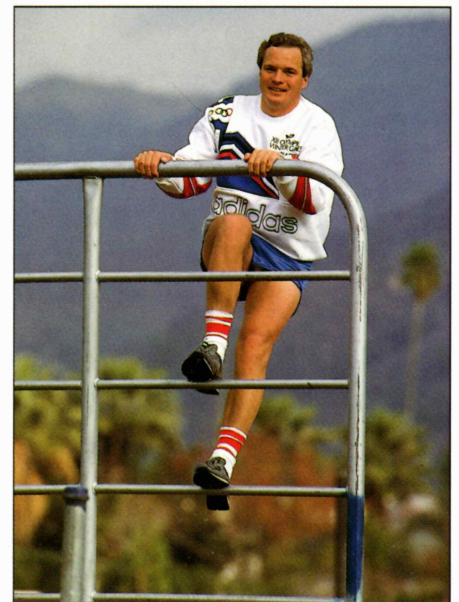
Mr. Askjær stresses the importance of the family joining in the local community and becoming part of its surroundings.

‘My wife has a job as an interior designer, and the children are engrossed in their school and hobbies. I try to keep in shape with half an hour’s hard training every morning at an obstacle course near where we live.’

SPEAK DANISH

‘Do you have time to remember that you’re Danish?’

‘We speak Danish among ourselves, and we try to spend almost every summer holiday in Denmark. Last year we had quite an exciting experience – we packed a rucksack each and went off on an Interrail trip round Europe!’



Keeping in shape



Eggs are a regular sight in every Philippine market place. The Filipinos consume 3,000m eggs a year (Photo: Helen Jensen).

EAC egg trays a hit in the Philippines

Selling moulded-pulp egg trays in a country where people eat about 3,000m eggs a year sounds like a surefire success. But when EAC set up Philmop, an egg-tray factory, south of the Philippines capital, Manila, 11 years ago the company was soon to discover that there were lots of problems. Filipino farmers were sceptical of the Danish project, which EAC conducted as a joint venture with Hartmann Bros (20%), a Danish aid organisation IFU (15%), and the Philippine firm of Marketing Conglomerates Inc. (10%). Eight years would pass before the plant started making a profit.

'When we set up business' says Renato Kapauan, Philmop's general manager, 'the traditional way of distributing eggs was in unpractical wicker baskets or plastic trays. One of the egg producer's major problems was that disease and infection could spread quickly between farms because the unhygienic trays were being used over and over.'

Plastic trays were expensive, and as high a proportion as 15% of the eggs were breaking in transit along bad roads.

Even so, local egg producers were initially unwilling to acknowledge the benefits of EAC's moulded-pulp trays.

Mr. Kapauan puts this down to a degree of conservatism and scepticism.

LOCAL GOODWILL

He and his sales manager, Elidio Laforteza jr., are careful to cultivate a personal relationship to the egg producers.

Mr. Kapauan: 'We make two visits a year to egg producers who buy Philmop's egg trays. We discuss the egg trade with them – and we also display an interest in their family lives. Direct contact is vital in the Philippines, where personal relationships are essential to good business.' To promote sales of eggs Philmop inserted a series of free food and cake recipes (featuring lots of eggs) in a number of newspapers and periodicals a couple of years back. The campaign was highly appreciated by egg producers. Philmop also enjoys extensive goodwill among its employees. In addition to paying a wage

which is 50% above the Philippine minimum, the company provides free dental treatment, medical treatment and a pension scheme. And under an internal loan scheme employees are able to borrow money in the event of any acute illness in the family.

'The effect of the system can be measured in terms of efficiency and the willingness of employees to do their jobs. The company has had no strikes or work stoppages, and labour turnover is minimal,' says Mr. Kapauan.

The local population is also well disposed towards the factory – thanks in part to the fact that waste water and smoke are very efficiently purified.

OPTIMISM

Philmop production in 1987 was approx. 15.5m egg trays, and the company is steadily attracting more and more customers. Moulded-pulp trays have established their popularity among local egg producers.

Philmop sells 90% of its egg-tray production in the Philippines, the remainder being exported to other ASEAN countries. Within the past few months the company began tentative exports to Indonesia and Taiwan, and there are plans to increase export sales.

At present, EAC holds a monopoly for the manufacture of moulded-pulp egg trays in the Philippines, and although local business interests have declared their intention of setting up a similar production, Renato Kapauan doubts whether they will be able to compete with Philmop.

At the moment the company utilises 40% of its factory capacity but by the end of the year this figure is expected to be considerably higher.



Carlos Mendoza, factory manager, and Renato Kapauan, company manager, prepare to dispatch yet another load of egg trays to the Philippine market (Photo: Helen Jensen).

PEOPLE

Visiting the Thai king



While in Bangkok for a meeting of EAC companies in the ASEAN region in November (see report elsewhere in this issue), **Henning H. Sparso**, EAC presiding managing director, was granted an audience by **H.M. King Bhumibol Adulyadej** of Thailand. His Majesty celebrated his

60th birthday in 1987, an event which was observed with great festivity throughout the country. EAC(T) presented the king with a range of the company's products and a cash donation. The gifts will be applied in several of His Majesty's projects, which are designed to aid the

Henning H. Sparso, presiding EAC managing director, was granted an audience by H.M. King Bhumibol Adulyadej at the magnificent palace.

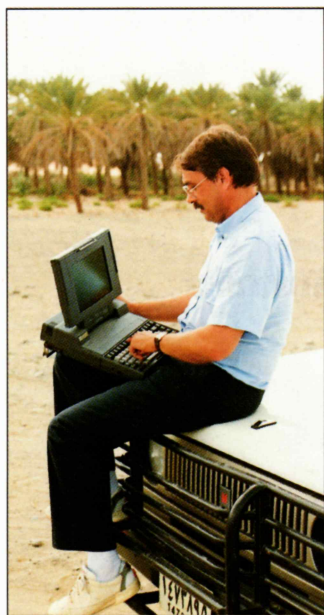
poorer section of the Thai population.

Dumex Road

Anders Normann, general manager of Dumex, the EAC subsidiary in Bangkok, rubbed his eyes in surprise when he arrived at work one morning. The road leading to the factory had suddenly changed its name to Soi Dumex – or Dumex Road in Thai. The local authorities had quite unexpectedly made the kind change as a tribute to EAC, whose Dumex subsidiary has been situated by the river across from EAC's Thai headquarters for the past 30 years.



Computing in the desert



John Madsen (42), manager of Intag, Jeddah, Saudi Arabia, is photographed on the bonnet of his off-roader way out in the Saudi desert – working on his computer. It is an Arabic version of the Toshiba P-3100 Laptop, for which Intag has been appointed distributor.

When EAC Magazine dropped past his office in January, Mr. Madsen proudly offered to show off the striking and magnificent local desert landscape.

A few days earlier rain had fallen in the area, an unusual occurrence. It made an interesting drive through the desert – with ponds and lakes scattered throughout the craggy scenery as far as the eye could see.



Thai processor

Nophadol Yingjajaval, general manager of the informatics company Innovation in Bangkok, tells us that his company, a joint venture between EAC and Thai investors, was the first on the market with a word

processor capable of generating Thai characters on the screen and on paper. The company also launched the Wang PC in Thailand in 1987. Other products include Case and Boe communications equipment.

PEOPLE



Jump on your bike ...

Beijing is a large city, and it can be difficult finding a taxi – so why not get around the Chinese capital the way most of the 10m local inhabitants do: by bicycle. And besides, the exercise is good for you. That's what **Henrik Lundsgaard Nielsen** (23) decided not long after arriving in the city last year.

The bicycle is still the most popular means of transport in Beijing – as is only too obvious from the bike traffic jams that occur in the rush hour!

Danish girl works for EAC in Beijing

The best place to study Chinese must be ... China. So 19-year-old **Yvonne Wellendorf** journeyed from her native Denmark last summer to the Chinese capital, Beijing, and began studying at the Beijing Languages Institute.

In order to earn a little money and to

learn more about everyday life in China, Ms. Wellendorf has also taken a part-time job with EAC in Beijing, assisting with the preparation of sales material for EAC's large building project.

Her studies at the Institute will last two years, after which Ms. Wellendorf will return to Denmark to study for an economics degree.

Yvonne Wellendorf on Tian-an Men (Square of Heavenly Peace).



Levison Prize for Arne Purup

The Levison Prize 1987, an award of D.kr. 50,000, was presented on December 1 to **Arne Purup**. He is chairman of the board of Purups Grafiske Hus A/S and chairman and founder of the electronics company, Purup Electronics A/S.

The Levison Prize Jury gave as its reasons for selecting Mr. Purup that he has been instrumental in leading a Danish industrial company into a specialised market and secu-

ring success for the company while at the same time generating a corporate environment which is unique in its aesthetic character and quality. The Levison Prize is awarded annually to an individual in the graphic-arts industry who has made a special contribution to his or her professional field. The prize jury comprises earlier prizewinners and Evan Overgaard, Levison managing director.

Solitary Dumex woman executive at EAC conference

Mrs. **Somchit**, controller with EAC subsidiary **Dumex** in Bangkok, was in good hands at EAC's accounting conference in October. As the only woman representative from abroad, she was the subject of extra consideration and assistance from her male colleagues.

Mrs. Somchit was actually one of the participants at the conference with the longest period of seniority: 27 years with Dumex.

She has visited Denmark on a number of previous occasions, visiting family.



Shrimp farm in Malaysia



Mr. Panchapakesan (47), manager of the Terluk Merbau oil-palm plantation in Malaysia, is a man full of ideas. In an area of the plantation where it was impossible to have palm trees growing he has had several lar-

ge dams excavated and filled with fresh sea water. The dams were stocked with young shrimp – and in the course of 105 days they grew to a length of more than 15 cm. The start of a culinary sea-food project.

Wool-scouring in Australia

Claus Gyrn, Bloch & Behrens' manager in Melbourne, stands on the site of the new wool-scouring facility, scheduled to be ready for operation in spring 1988.

The Australian Wool Corporation is a minority shareholder in the project, and it is planned to handle 85,000 bales of wool a year. In addition to Australia, Bloch & Behrens is also investing in New Zealand.



EAC steps up activities in ASEAN region

The managers of EAC companies in Malaysia, Thailand, Singapore and Hongkong met in Bangkok at the end of November to discuss with Henning H. Sparsø, EAC managing director, future activities in the ASEAN region.

For some time now ASEAN countries have enjoyed a relatively higher growth rate than other parts of the world, and there is every reason to believe that this trend will continue.

EAC has been active in the region for many years, and EAC companies are well equipped – on a joint basis – to harness the available opportunities.

JOINT EFFORT

During the meeting each company reported on its current activities and indicated areas in which opportunities could be exploited through a joint effort.

At the end of the meeting Mr. Sparsø said that many ideas and views had been expressed which gave food for thought. He outlined points to which companies should pay particular attention with a view to expanding EAC's involvement in the region through joint action and other means.

The managements of EAC organisations in the

region will reconvene during the first quarter of this year to continue their discussions, and a

number of new joint meetings have been planned.



The widely-attended meeting in Bangkok discussed future strategy for a renewed, joint effort in the ASEAN region.

PROJECTS



Workers are busy on the project.

Building progress

The large EAC office and residential building project in the Chinese capital, Beijing, is proceeding on schedule.

EAC's Beijing staff of about 100 employees are currently housed in the International Club but they are expected to be able to move into their new offices in October/November 1988.

The project involves the construction of an eight-storey office block, 128 flats and 37 individual houses. The project is a joint venture between EAC (25% ownership), IFU the Danish development aid organisation (5%), and the Chinese company Shoudu Iron & Steel Complex (Shougang). The construction budget is approx. D.kr. 226m.

Construction of the many flats and houses will alleviate the urgent housing shortage among the many foreign residents in Beijing.



There's always time for a smile.



Pictured in front of the EAC timepiece: John F. Crosfield, CBE, honorary president of Crosfield Electronics Ltd., and Mrs. Crosfield. Next to Mr. Crosfield: Bent K. Kierkegaard, general manager, Denmark; Dr. B.W. Malpass, managing director of The De La Rue Company (Crosfield's parent company); P.F. Orchard, chairman, The De La Rue Company. Extreme right: Ebbe Båhnsen, senior departmental manager, Denmark; L.B. Janneryd, deputy managing director, Crosfield; and J.D. Salmon, managing director, Crosfield.

Crosfield 40 years young

One of EACgraphics closest partners, the British firm of Crosfield Electronics, celebrated its 40th year of operation in November.

Among the guests at the celebrations in Hemel Hempstead were Bent K. Kierkegaard, general manager, and Ebbe Båhnsen, senior departmental manager. Mr. Kierkegaard handed over a gift of a wall clock, showing the times in Copenhagen, Hongkong, Bangkok and Seoul – cities in which EACgraphics has supplied large quantities of Crosfield equipment to local customers. John F. Crosfield began the company in 1947.

ScanDutch partners at EAC dinner party

EAC was host on November 20 at a special dinner party at Head Office for ScanDutch partners and their wives. The occasion was the retirement of Jacobus Groenendijk as chairman of the Nedlloyd Group, Rotterdam. The atmosphere was extremely cordial and hearty, undoubtedly giving all parties the opportunity to form even closer ties between ScanDutch partners.

The management representatives from our ScanDutch partners, almost all accompanied by their wives, were: Henk Rootliep, Willem Mulock Houwer and Hans Sinninghe-Damsté, Nedlloyd Group; Niels Werring jr. and Bjarne Robertsen, Wilh. Wilhelmsen; Bo Midander, Transocean, Gothenburg; Jacques Ribière and Benolt Bertrand, CGM, Paris; Finn Frandsen and Dirk Frikée. And from Head Office, Copenhagen: Henning H. Sparsø, presiding managing director; Flemming Hasle, managing director; Erik Petersen, general manager; Karsten Stock Andresen, general manager; and N.E. Lockenwitz, deputy manager.

Mr. Sparsø presents a gift – a fine silver dish – to Jacobus Groenendijk. Foreground, left: Mrs. Robertsen and Bo Midander.



The party danced into the early hours of the morning.

Royal visitors at EAC Bangkok

On September 30 EAC was honoured by a visit from Queen Ingrid the Danish Queen Mother, and Princess Benedikte, when the royal party called at EAC headquarters during a stop-over in Bangkok. The travellers were on their way back to Denmark after a visit to China.

Henrik de Jonquieres, managing director of EAC activities in Thailand, introduced his staff to the queen and the princess. The royal party was told something of EAC's history in Thailand and of the many visits by other Danish royalty to EAC headquarters in Bangkok.

As Queen Ingrid was signing the visitors' book, she noted that it contained the signatures of four generations of the Danish royal family. The most recent entries were those of Crown Prince Frederik and Prince Joachim, who visited EAC's Bangkok office in 1986.

The royal party is seen here leaving the EAC head office, left to right: Queen Ingrid, Henrik de Jonquieres and Princess Benedikte. And in the background: Mrs. Madsen, Countess K.C. Trampe and Lars P. Stærmosse in addition to security staff.



- and in Tokyo

Tokyo, too, was honoured with a royal visit in 1987: Crown Prince Frederik was making an official visit to Japan and in this connection opened the exhibition 'Denmark Design Fair' at Tokyo's large department store, Seibu. The exhibition was part of a cultural project marketed under the broader title of 'Scandinavia Today'.

Accompanied by their royal highnesses Prince and Princess Hitachi, the Crown Prince inspected the many interesting products. Klaus Krogh, general manager, EAC Tokyo, was on hand at the Ever-Fit stand to welcome the party.

Mr. Krogh informed Prince Frederik about the success of the EAC fibre tablet in the competitive but exhilarating Japanese market, and concluded by presenting the prince with a set of tennis rackets.