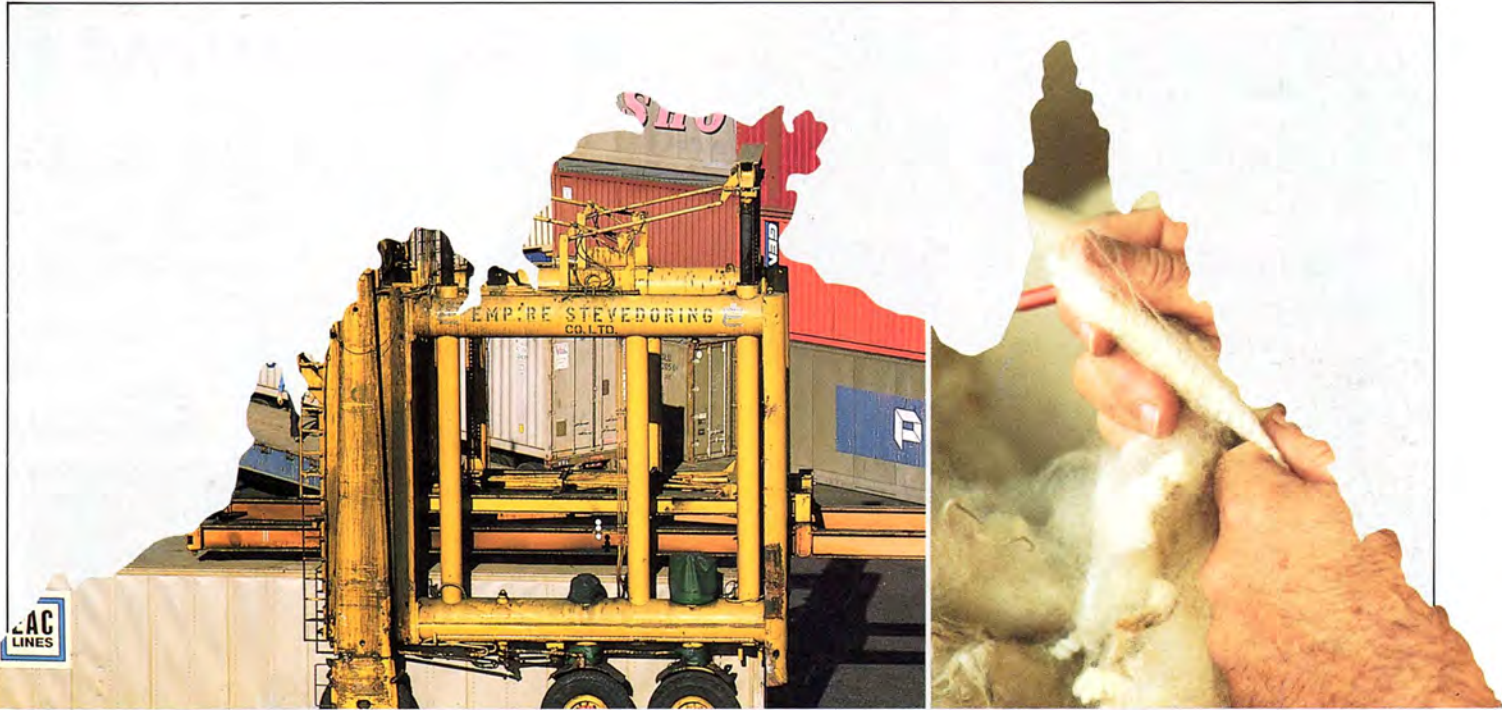


EAC MAGAZINE

1/FEBRUARY 1989



THEME:
EAC in Australia
and
New Zealand

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FRONT COVER:
Australia and New Zealand are tomorrow's growth areas. Three EAC divisions are already represented there. The special theme of this issue is EAC in Australia and New Zealand. Pages 8-17. Editorial deadline January 20, 1989.

BOARD OF DIRECTORS

Chairman's New Year's message



The Company succeeded in increasing its sales and earnings in 1988. Substantial investments were made in Denmark and abroad, and we are now well equipped to face the challenge the future will bring – especially once the internal market becomes a reality. I am convinced that 1989, too, will be a good year, and in thanking all EAC employees at home and abroad for good and faithful service during 1988, I take this opportunity of wishing them all a Happy and Prosperous New Year.

T.W. Schmith

EDITORIAL

EAC is well-known 'down under'

Three-quarters of a century ago an EAC ship, the ANNAM, made her first call in Australia. Since then EAC has secured and consolidated its foothold 'down under' through three of its seven divisions.

That first sailing in 1914 led to the establishment of a cargo service. Initially it carried wool, later it transported timber and other products for which the region was famous.

Through a subsidiary, Bloch & Behrens, a trading company now 133 years old and steeped in tradition and specialised in wool, EAC developed its activities through a process of synergy, moving into wool buying, scouring and the compacting of wool bales.

The most recent move in this direction is Greenfields, a wool-scouring joint-venture project with Chinese and Australian partners. Bloch & Behrens handles annual sales of more than DKK 1,700m in wool obtained primarily from Australia and New Zealand.

CENTENARY CELEBRATION

Another subsidiary, Kauri Timber Company Ltd., celebrated its centenary on January 1. In addition to sawmills, the company operates laminating factories, which produce structural beams, tabletops, etc. A new laminating plant will open later this year.

REMARKABLE PLUMROSE EXPANSION

The EAC Plumrose Division is perhaps the unit that has expanded most remarkably. In the course of just 25 years, Plumrose – with four Australian companies and one in New Zealand – has a strong position in the markets for yoghurt, canned meats and tomato paste, of which EAC Plumrose has captured some 40%.

Australia celebrated its bicentenary in 1988. EAC has had a presence in the country for almost half its 200-year history as a nation. That presence will be maintained. Read more about EAC's Australian activities in our special-feature pages.

INFORMATION DEPARTMENT

EAC Data and CompuDan to share premises

With effect from this summer two of EAC's Danish subsidiaries, EAC Data and CompuDan, will share the same address and office facilities. The two companies – both organised as part of the EAC Informatics Division – will, however, continue to have their separate identities. Sharing the same roof has an obvious advantage: the two companies will be able to pool their know-how and experience in the edp field. So in the future there will be ample opportunity to exchange skills and ideas.

SHARE MANY INTERESTS

Although EAC Data and CompuDan are different, they nevertheless share many interests. For example, both sell IBM personal computers and for a number of years they have marketed these products independently.

There has been no conflict in this fact because the companies direct their efforts towards two separate client categories. But better use can be made of experience and know-how. This will be one of the aims of the move.

STRONG PARTNERSHIP

The two will form a strong partnership, achieving results together that would have been impossible individually.

CompuDan has a young, eager sales team. The organisation is outgoing and market-oriented, possessing extensive knowledge of personal computers, data communication, local area networks, text and information processing systems, and computer systems catering for specific trade sectors. EAC Data has a larger organisation, with a profound knowledge of programming, data communication, all types of computers, and systems development involving large mainframe computers.

By uniting these qualities, the new team of



EAC Data and CompuDan will move into these premises

EAC Data/CompuDan will be able to accommodate the customer's growing need for a package computer solution.

Karl-Henrik Bang has been managing director of both companies since April 1988, when he was recalled after a four-year stint in the United States. Since then a good deal of time and effort has gone into the formulation of a new business concept. Three-year strategy plans and individual business plans for 1989 have been compiled for both companies. And it is on the basis of these plans that the two companies will 'move in together' this summer.



Karl-Henrik Bang, managing director of EAC Data and CompuDan: 'The closer relationship between the two companies will generate a synergy effect from which our customers will benefit'

New electronics speed up morning paper

When the EACgraphics Division in Singapore completed the installation a couple of months ago of a Crosfield Pagefax facsimile system, it was the start of a new era for Singapore Newspaper Services.

Readers now receive The Straits Times even earlier in the morning than ever. The Crosfield system, installed at a cost of more than DKK 21m, can flash the finished pages electronically from the head office at Times House in Kim Seng Road to their printing works in Jurong and Genting Lane. This saves about two hours' production time. Not only is there time to print more copies of The Straits Times – but readers also receive their paper much earlier than they used to.

NO WAITING TIME

Previously, the finished master pages were photographed in Times House. The negatives were then sent to the printing plant by messenger – in all kinds of weather. Delays were inevitable from time to time. Now no time is wasted waiting for the negatives. The Pagefax system transfers text and pictures electronically via optical-fibre ca-



Singapore Newspaper Services head office

bles to the printing plant, where negatives are produced by a special laser technique. In addition to cutting production time, the system produces a greatly enhanced finished print quality.

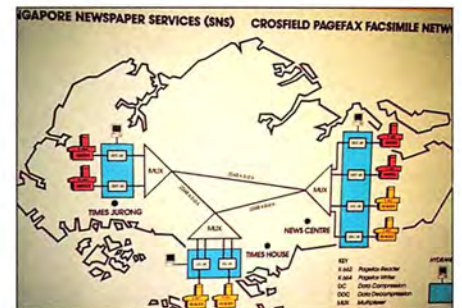


Diagram showing the installation of the Pagefax system in Singapore



Bent Mortensen, EACgraphics in Singapore (left), and Roland Lan, Singapore Newspaper Services, receive an electronically transmitted newspaper page

INTERNATIONAL VISIT

In 1988 IFRA, the international organisation for newspaper and media technology, held a conference in Singapore. The organisation has 830 members and 150 of these newspaper people took the opportunity to visit Singapore Newspaper Services and the international specialists were able to see the immense benefits of the Crosfield equipment. Also they were able to inspect the special film-developing machinery that is made by the Danish firm of Glunz & Jensen and linked on-line to the Pagefax system. All this equipment is marketed and serviced in Singapore by EACgraphics Division.



Plumrose is Miguel's life

Miguel Millirn has worked almost 25 years for Plumrose in Cagua, Venezuela

15 years' work, he was made a supervisor. Mr. Millirn was later employed in other parts of the factory, including the spice and transport departments. He is now in charge of cleaning the large Plumrose abattoir in Cagua, and has a staff of 51 employees.

PROBLEM-SOLVER

'We have often placed Mr. Millirn in departments which were experiencing problems – and he has always solved the problem and got things moving smoothly,' says his immediate superior, Jørgen Holm Hansen.

What makes a man want to spend close to 25 years in the same company? Mr. Millirn says simply: job satisfaction. He has felt at home working for Plumrose and he enjoys going to work.

'I am happy working for a Danish company because Danes – as distinct from certain other nations – seem to respect the native worker. So I shall stay as long as Plumrose needs me!'

TRAINING

When Miguel Millirn came to work for Plumrose he could neither read nor write. He can today – thanks to a series of training courses that Plumrose has held over the years for its employees. Mr. Millirn actually learned to read and write in the company's canteen! He has since continued studying, taking courses in management and public speaking. Some time ago he was judged the best student at an external course on personnel management.

RECREATION

Working hours have been considerably reduced since Miguel Millirn first began working for Plumrose. Today he 'only' works from 6 a.m. to 7 or 8 in the evening. Plus Saturdays and Sundays. He has to check that everything is properly clean before the factory starts a new week.

He spends his precious recreation with his wife and their five children, aged 21, 18, 16, 13 and 12 years. All the children live at home – except for one son, who is a soldier.

Miguel Millirn is 43 years old and has worked for Plumrose in Cagua, Venezuela, since the age of 19. That's 24 years. Asked whether he would do it again if given the chance, his reply is immediate: yes!

Miguel Millirn was born on the island of Margarita, off the north coast of Venezuela.

STARTED AT SEA

'My father was a fisherman, and at the age of 12 I lost interest in school – so I joined him as a general hand aboard his boat. I

stayed with my father for seven years,' says Mr. Millirn.

Returning to shore life briefly in Margarita, he found that there was little living to be made – and moved to the mainland, headed for Cagua.

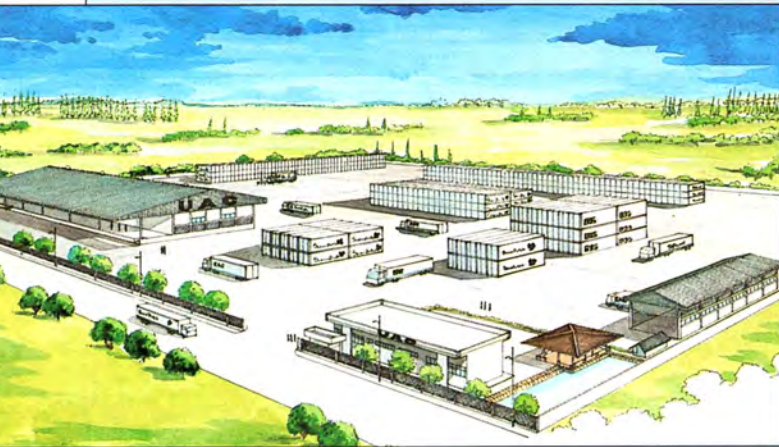
BEGINNING A PLUMROSE CAREER

Miguel Millirn quickly got a job with Plumrose, where he operated a meat-grinding machine. He worked almost all his waking hours. The company had 300 employees in those days – today it has about 1,000. After

New container terminal in Bangkok

United Asiatic Company, Ltd., a subsidiary of EAC (Thailand) Ltd., will open a new container terminal at Kingkaev Road near Bangkok. The terminal has been designed to handle up to 40,000 TEUs a year. It meets Thai authorities' standards for

office buildings. As many as 1,000 containers can be stored in the enclosure, and there are electrical facilities for powering refrigerated containers as well as other facilities for maintenance and repairs.



Artist's impression of the new container terminal near Bangkok

Drying out wet books



An EAC subsidiary, Danish Freeze-Drying ApS, is the only company in Denmark equipped to successfully dehydrate to material in a freezer as soon as the damage is discovered. DF-D can then remove ice crystals and water vapour from the paper,

and after a special finishing process the damage is unnoticeable. Recently, the company helped the municipal library in Århus to salvage and preserve 5,000 books which had been damaged by water. They included a couple of copies of an aptly-named novel by a Danish writer, Anders Bodelsen: 'Freezing Point'.

Pig farm in Ecuador

As an experimental venture, Plumrose in Ecuador – Ecuadasa – has begun rearing pigs with a view to supplying the meat-packing plant at Guayaquil with Plumrose's own pigmeat. Pig production in Ecuador has been declining, and it is Ecuadasa's intention to secure a degree of self-sufficiency. At present Ecuadasa is accumulating ex-

perience of pig production. If the venture is a success, the company has secured an option on the farm at which the project is being conducted.

Pig evaluation in Ecuador: (l. to r.) Jørgen Erik Nielsen, Fernando Fernández, Gabriel Gonzáles and Raul Acaturri



Port plaque for the ship

The management of Kelang Container Terminal in Port Kelang, Malaysia, attaches great importance to maintaining good relations with terminal users – in particular to preserve good relations with the ships' officers who regularly use the container facilities. After a guided tour and refreshments, offi-

cers receive a plaque as a memento of the visit. In the picture First Officer Palle Vejby Nielsen and Capt. Jens Rytter are presented with their memento by Andrew Burgess, general manager, Kelang Container Terminal. The event took place when the ms SELANDIA called at Port Kelang in late 1988.



SPOT

100 scanners sold in just four years

In just four short years EACgraphics in Hong Kong has sold no fewer than 100 electronic scanners, an event celebrated in style at the Aberdeen Marine Club on November 11, attended by 220 specially invited guests. To mark the occasion EACgraphics presented a Crosfield scanner to the local trade school run by the Hong Kong Vocational Training Council, enabling the school to teach its graphics stu-

dents the latest techniques in the field of digital scanning. The Far East is a growing market for EACgraphics, and in 1988 – for the first time in any single calendar year – the company installed a total of 100 scanners. In our picture Steen Andersen, EACgraphics Hong Kong, and Bent K. Kierkegaard, EACgraphics Division, Copenhagen, look pleased with the handsome result.



Danish days in Solvang

Plumrose and Carlsberg in the United States were invited in late 1988 to participate in one of the major events in Solvang, California: 'Danish Days', arranged by The Danish American Chamber of Commerce. Solvang is a small town in California with strong Danish roots. Carlsberg Breweries served

their products in a specially organised beer garden, and in a mock traditional Danish farm cottage adjacent to the garden Plumrose presented most of the products it sells in the American market. 'Danish Days' attracted more than 30,000 people. Bob Hollimann (left) and Søren Borre are photographed in the farm cottage, together with two members of staff dressed in Danish national costume.

New premises blessed by monk

On December 9 EAC Transport Division in Thailand moved into new premises on the 8th floor of the modern Sathorn Thani complex in Bangkok. In keeping with tradition, the new facilities were consecrated by a monk before the official opening ceremony and house-warming reception for customers, business associates and colleagues from other EAC offices. In the picture the monk sprinkles holy water on some Transport employees.



Growth potential 'down under'



Werner Hansen, general manager of Plumrose (Australia) Ltd., has been one of the driving forces behind EAC's vigorous expansion in Australia and New Zealand

Australia and New Zealand are the growth markets of the future, says Werner Hansen, who has studied EAC's expansion in the southern hemisphere over the past 20 years. The past couple of decades have been challenging and expansive – especially for EAC Plumrose Division.

FIRST CALL IN 1914

An EAC vessel, ANNAM, one of the world's earliest motor ships, first called at an Australian port 75 years ago. New Zealand was soon to follow. Over the past three-quarters of a century EAC has been very much alive to the need for proper marketing 'down under'; three of the EAC Group's seven divisions are represented in Australia.

BICENTENARY CELEBRATIONS

Modern Australia celebrated its bicentenary last year – 200 years of exciting history for a population of only 15m people.

The very first inhabitants arrived in the continent, however, 3,000 years earlier from South-east Asia: the people now known as the aboriginals. The Portuguese and Dutch came on the scene later but it was not until 1770 that Capt. James Cook 'discovered' Australia on behalf of his native Britain – laying the foundation for the modern nation-state.

In 1938 EAC's branch manager in Singapore, E. Koch, was authorised to open an office in Sydney but on account of the Second World War official registration as a local joint-stock company was not completed until 1946.

20 YEARS OF EXPANSION

A second office was opened later in Melbourne, and in 1956 – when EAC acquired Bloch & Behrens – activities were stepped up still further. In 1968 Plumrose entered the Australian market, when Werner Hansen arrived as the company's new marketing manager. Mr. Hansen, who is now general manager of Plumrose (Australia) Ltd., began his career as a Plumrose trainee. He has worked in Britain, held responsibility for Plumrose's Far East section, and became manager of Harvest Food in Melbourne, a company taken over by EAC.

DANISH QUALITY

This company produced beef products and Leggo's tomato products. But Mr. Hansen introduced new products, manufactured to Danish quality standards and marketed as 'made to Danish perfection'.

Today – 20 years later – Werner Hansen presides over many more activities from the new Plumrose headquarters in Cheltenham, Victoria: four Australian and one New Zealand company as well as technical cooperation with a processing plant in Papua New Guinea. Plumrose (Australia) Ltd. had sales of DKK 560m in 1988.

EAC Division activities in Australia and New Zealand

EAC PLUMROSE DIVISION AUSTRALIA

Plumrose Pty. Ltd.

Cheltenham, Victoria
Marketing, sale and
distribution of food products
30 employees
Member of the EAC Group since
1966

Yoplait Factory

Echuca, Victoria
Manufacture of yoghurt products
23 employees
Built 1982

Tomato factory

Echuca, Victoria
Production of tomato and
vegetable products,
processing of fruit and berries
120 employees
Built 1982

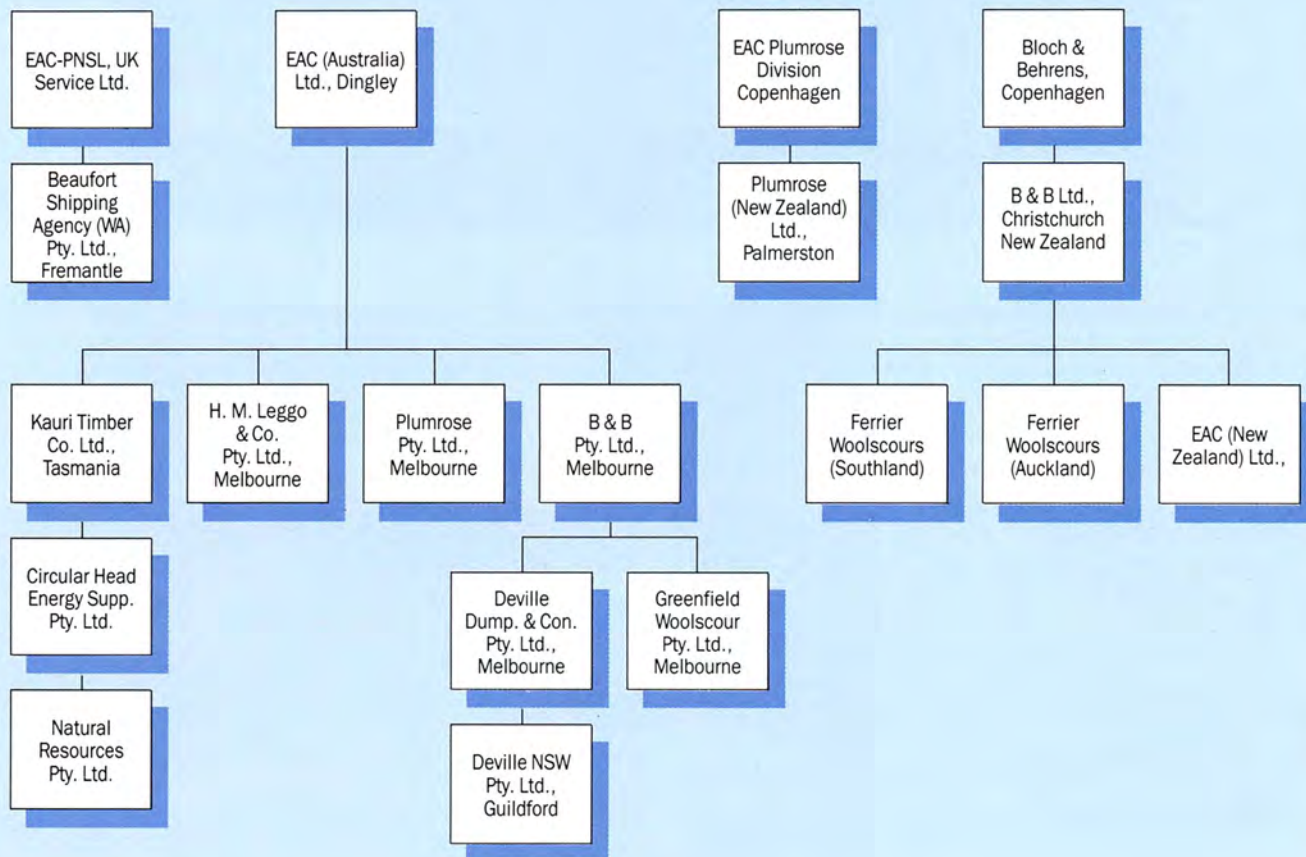
Meat-processing plant

Moorabbin, Victoria
Processing of meat products
80 employees
Member of the EAC Group since
1966

Napoli Pasta Products Pty. Ltd.

Dandenong, Victoria
Manufacture of pasta products
20 employees
Member of the EAC Group since
1966

EAC organisation in Australia and New Zealand



EAC PLUMROSE DIVISION NEW ZEALAND

Plumrose (New Zealand) Ltd.
Palmerston North, North Island
Production of yoghurt products
and sale and distribution of
Plumrose (Australia) products
24 employees
Member of the EAC Group since 1988

EAC TRANSPORT DIVISION AUSTRALIA

**Beaufort Shipping Agency
(W.A.) Pty. Ltd.**
Fremantle, Western Australia
Shipping agency, agent for
EAC-PNSL Services Ltd.
27 employees
Member of the EAC Group
since 1983

EAC TRADING DIVISION AUSTRALIA

Bloch & Behrens Pty. Ltd.
Melbourne
Purchase, sale and export of wool
20 employees
Member of the EAC Group since 1956

Greenfields Woollscour Pty. Ltd.
Melbourne
Wool scouring
15 employees
Member of the EAC Group since 1988

**Deville Dumping
and Containerisation Pty. Ltd.**
Melbourne
Wool compacting
15 employees
Member of the EAC Group since 1985

Deville N.S.W. Pty. Ltd.

Sydney
Wool compacting
15 employees
Member of the EAC Group since 1986

Bloch & Behrens Pty. Ltd.
Sydney
Purchase and export of wool
3 employees
Member of the EAC Group since 1956

Bloch & Behrens Pty. Ltd.
Fremantle, Western Australia
Purchase and export of wool
2 employees
Member of the EAC Group since 1986

Kauri Timber Company Ltd.
Smithton, Burnie, Melbourne,
Adelaide, Sydney, Brisbane
Processing of Australian softwood
Export and import of sawn timber
130 employees
Member of the EAC Group since 1972

EAC TRADING DIVISION NEW ZEALAND

Bloch & Behrens (N.Z.) Ltd.
Christchurch
Purchase, sale and export of wool
Member of the EAC Group since 1956

Ferrier Woollscours (Southland) Ltd.
Invercargill
Scouring, carding
and compacting of wool
55 employees
Member of the EAC Group since 1989

Ferrier Woollscours (Auckland) Ltd.
Auckland
Scouring and compacting of wool
35 employees
Member of the EAC Group since 1989

Kauri Timber Company Ltd.
Auckland
Import and export of timber
2 employees
Member of the EAC Group since 1987



An Australian specialty – growing wool

In 1988 EAC's Australian wool trade accounted for 0.5% of Australia's entire foreign trade, and the 133-year-old subsidiary, Bloch & Behrens, has annual wool sales of DKK 1,700m. Little wonder then that wool experience is a must for the company – which is among the 15 leading wool companies in the world.

From headquarters in Copenhagen, Jan E. Ditlevsen, general manager, controls Bloch & Behrens branches and subsidiaries in Italy, Britain, New Zealand, Australia, West Germany and France. Mr. Ditlevsen is also chairman of the Primary Processors Group, which is part of The International Wool-Textile Organisation. And based in Melbourne, Claus Gyrm, general manager, is responsible for the purchase, scouring, processing, distribution and sale of wool.

MAINLY MERINO

Australia has about 155m sheep, most of them Merino. Merino wool is used by the garment industry, and the wool trade is di-



Jan Ditlevsen, general manager,
Bloch & Behrens



Shearing sheep is physically hard work

vided into three sectors: greasy wool, scoured and carbonised wool, and carded and combed wool.

The wool trade is a complex business. There are thousands of varieties of wool, determined by such factors as the breed of

sheep, climate, grazing area, wool growers, etc. The market is very sensitive to supply and demand, and fluctuations in the value of international currencies also determine the success or otherwise of a wool transaction. Wool is a marginal commodity, i.e.

profits are affected by negotiating skills and quantity purchasing.

CULTIVATING WOOL

Australians don't rear sheep – they 'grow' wool. The farmer shears and packs wool in bales weighing about 175 kg. The wool is delivered to a broker for sale by auction. Samples of the many types of wool are laid out for inspection in large halls. Potential buyers are free to examine the thickness, strength and length of wool fibre and how much grease and dirt the wool contains.

HECTIC WOOL AUCTION

Once the Bloch & Behrens specialists have assessed the wool, they inform the European offices of the wools to be auctioned. Before the auction, these offices report how much they want to buy and at what price. After the auction Bloch & Behrens takes care of shipping procedures, and all wool which is to be scoured in Australia before shipping is transferred to Bloch & Behrens' new scouring establishment, Greenfields in Melbourne, which is run in collaboration with Australian and Chinese partners.

Brian Rain, head buyer for Bloch & Behrens in Australia, evaluates wool quality in the inspection hall



Three bales of wool compacted into one



When wool is ready for shipment to Europe, it is compacted to conserve space. One of the specialist compacting companies is Deville, a Bloch & Behrens subsidiary with facilities in Melbourne and Sydney.

PACKED INTO 20-FT. CONTAINERS

Three farm bales, each weighing 175 kg, are compacted to the size of a single bale. Freight costs are substantially reduced when 108 bales are squeezed into a 20-ft. container which would otherwise be able to hold only 50 bales. A wool tripack weighs about 525 kg. In Australia Claus Gyrn is general manager of Bloch & Behrens' activities, with head office in Melbourne and branches in Sydney and Fremantle. The man at the helm in New Zealand is Kai Tovgaard, with headquarters in Christchurch.

Three 175-kg bales are compacted into a single bale for shipment by container

Distribution a hard nut to crack



Australia is often described as the land of opportunity. It is also the land of hard work. The distribution of food products throughout the seven Australian states offers the contrasts of desert regions, snow-capped mountains, tropical jungles and golden sandy beaches. The job is not for beginners. Ninety per cent of all foods are sold through only four supermarket chains – which means that they buy enormous quantities.

DELIVERY TIME: FIVE MINUTES

Efficiency and planning are all-important factors when huge Plumrose trucks deliver their goods to the customer. Timing is essential. Supermarkets give Plumrose a 'time slot' – say, 08.00 to 08.05 on Wednesday morning – during which merchandise must be delivered. If the driver arrives late, his place has been taken by another supplier. Even though the Plumrose driver may have driven 3,500 km from Echuca in the east to Perth in the west with a full



The Yoplait truck loaded with Plumrose yoghurt is a familiar sight throughout Australia

load of refrigerated foods, he loses his place in the queue. At best, he will be given a new time slot a couple of days later – but in the meantime he has lost two days' sales of yoghurt or whatever products he is carrying.

42% SHARE OF YOGHURT MARKET

In 1982 Plumrose acquired the production and marketing rights for the yoghurt products of the French company SODIMA – and yoghurt has become one of Plumrose's all-time successes.

Order your own copy of Leggo's cookbook

Plumrose spends more than DKK 40m a year on advertising in Australia and New Zealand. One of the very popular advertising devices it uses is a cookbook by Leggo's containing lots of tomato and pasta recipes. Leggo's has published 150,000 copies of the book. Another cookbook contains yoghurt recipes. We give readers a sample recipe from the tomato/pasta book – and Peter J. Henshey, marketing director, tells us that readers of EAC Magazine are welcome to order the cookbook directly from Plumrose's marketing department: Plumrose (Australia) Ltd., Marketing Department, P.O. Box 177, Southland Centre, 3192 Cheltenham, Victoria, Australia. The price is AUD 12 (in-



cludes postage), and payment should be enclosed with your order.

CANNELLONI

You'll need:
15 tubes Leggo's Cannelloni, 1/2 cup grated parmesan cheese.

The filling:

1 tblsp. oil, 1 medium onion (finely chopped), 500 g finely minced steak, 1/2 tsp. each dried oregano and basil, 1 cup fresh breadcrumbs, 3 tblsp. chopped parsley, 1 tsp. salt, 1 egg, freshly ground pepper to taste.

The sauce:

2 tblsp. oil, 1 medium onion (finely chopped), 1/2 tsp. each dried oregano and basil, 240 g recipe-size Leggo's Tomato Paste, 1 cup water, 1/2 cup dry white wine or extra water, 1 beef stock cube.

In Echuca in the state of Victoria – famed for its gold mines – Plumrose has two ‘gold mines’ of its own: a Yoplait factory which produces yoghurt and a tomato factory for tomato puré and other tomato products sold under the Leggo’s label.

Echuca is situated in the middle of a dairy region, and milk tankers ferry 16.5m litres of concentrated milk a year to the Yoplait plant. The 5,000-m² plant produces 19,000 tons of yoghurt under 23 different brand names. Production also requires 2,250 tons of fruit – and all the plastic lids used to close the cups of yoghurt would cover half a square kilometre.

COMPUTER CONTROLS PRODUCTION

The factory works three shifts, using the most advanced computer technology. For example, the computer activates a cleaning procedure in the production plant before switching to a new yoghurt product. Everything is aseptic, wholesome and of the finest quality. These factors have helped Plumrose win 42% of the Australian yoghurt market. Products are distributed throughout the country by as many as 1,500 trucks, which cover more than 1,800,000 km a year – roughly the equivalent of two trips to the moon and back!



Heat oil in frying pan, sauté onions until soft, increase heat, add minced steak and herbs, stir constantly until steak changes colour. Remove, stir in remaining ingredients, then cool. Meanwhile cook cannelloni in plenty of boiling, lightly oiled water for approximately 5 minutes. Drain, rinse in cold water and place on absorbent paper. Stand cannelloni upright on bench, fill with meat mixture. Arrange in a single layer in a large (30×23 cm) ovenproof casserole dish. Heat the oil in a saucepan and sauté the onion. Stir in the Leggo’s Tomato Paste and remaining ingredients. Stir till the sauce boils. Pour over cannelloni. Cover casserole. Bake at 180° C for 25-30 minutes. Sprinkle with parmesan cheese and serve with hot garlic bread and red or white wine. For 4-6 persons. Note: As an alternative, fill raw cannelloni tubes with meat mixture, add extra 1/2 cup water to the sauce and bake extra 10-15 minutes.

Leggo’s is the second ‘gold mine’



Skinless cocktail sausages are made by producing ordinary sausages with skins – and then stripping the skins off

Right next door to the Yoplait factory you’ll find Plumrose’s second ‘gold mine’ in Echuca: the 10,000-m² factory that produces Leggo’s tomato products in aseptic packaging.

The area adjacent to the Murray River with its old-fashioned paddle steamers is typical farming country – so the tomato-processing factory is close to its supply of raw materials. More than half a million people in the state of Victoria are of Italian or Greek descent and Leggo’s has been able to establish a fine reputation, winning a 65% share of the overall Australian market for tomato and pasta products.

NEW TYPE OF RETAIL PACK

During the peak season (January to April) Plumrose purchases 30,000 tons of tomatoes from a couple of dozen market gardeners whom the company has helped achieve a superior quality harvest. The raw material is converted into 13,000 tons of finished product, which is sold in both Australia and New Zealand. The retail pack currently used was specially developed last year: it packs the product under sterile conditions, preserving completely unadulterated puré or other product suitable for such recipes as sauce bolognese.

The factory also purchases large quantities of potatoes, cauliflower, cucumbers, mushrooms and carrots – as well as fresh straw-

berries and raspberries, which are cleaned and processed and sold to the neighbouring Yoplait factory. Hitherto it has been necessary to purchase supplies of fruit from Europe but other EAC synergy methods are being considered: for example, fresh fruit from Malaysia.

PASTA VARIETIES

In Dandenong, a suburb of Melbourne, Plumrose has Napoli Pasta Products Pty. Ltd. Here, too, the customer base is Italian immigrants, and it is not by chance that Plumrose collaborates closely with one of Italy’s leading pasta manufacturers with a view to acquiring new know-how on the production of pasta and related products.

The products are spaghetti, macaroni and various types of noodles, lasagne, etc. Plumrose sells almost 3,000 tons a year under the Leggo’s label.

SKINS ON, SKINS OFF

In Moorabbin, not far from the tomato factory, Plumrose has a meat-processing factory, which was also the company’s first Australian operation.

Every year it produces 4,000 tons of sausages, hams and delicatessen products. One of its specialties is tinned, skinless cocktail sausages. They are first produced with their skins on (to preserve their shape) and then they have their skins removed.

Marketing pioneer behind Plumrose growth



Modern marketing methods have been part of the key to Plumrose's success in Australia. Integrated marketing strategies were introduced many years ago by Plumrose's sales and marketing manager, Maurice F. Ryding, and for more than 20 years he was one of the guiding lights behind Plumrose's growth. Mr. Ryding retired at the end of December 1988 at the age of 65 years.

CONSOLIDATED POSITION

In the special Australian market with its exceptionally keen competition it has been Mr. Ryding's basic knowledge of research and development and the build-up of a professional sales and marketing organisation that have consolidated Plumrose's position in the market for meat products, Leggo's tomato products and – especially – Yoplait yoghurt. Mr. Ryding has also helped strengthen the market position of Harvest and Boston products. The best measure of his influence is the fact that Plumrose is now market leader in all of these product groups.

Maurice F. Ryding played a major role in establishing Plumrose's success



PROFOUND KNOWLEDGE

Throughout his long career Maurice Ryding has given other companies in the EAC Plumrose Division the benefit of his profound knowledge. Thanks to his active participation in the division's international marketing conferences and membership of the special Business Development Committee, he has been able to communicate his message to every corner of the division. The marketing policy of every company in the division is more or less the same, regardless where it operates in the world – adjusted, of course, to the special needs of individual countries.

Although Mr. Ryding has left Plumrose, he has not departed the Australian business scene. He is now a consultant to one of Australia's leading advertising agencies, and as such will continue to be available to the EAC Plumrose Division – in Australia and elsewhere.



Two EAC shipping lines call at ports in Australia and New Zealand. One is EAC-PNSL, the other ScanCarriers. The Beaufort Shipping Agency (W.A.) Pty. Ltd. in Fremantle is the largest operator of refrigerated ships in Western Australia, and much of the port's activity is attributable to the container traffic maintained by EAC or its joint-venture partners.

WORKING WITH THE P&O LINE

The Beaufort Shipping Agency is a joint venture shared by the Australian agency network of the famous British P&O Line and EAC's Transport Division. Beaufort's principal activity is representation of EAC-PNSL-Services Ltd., a joint venture between the Malaysian state shipping line of PNSL, Seacontainers of the UK, and EAC. Overall management is exercised from EAC's Pacific Center in Pasadena, California.

REFRIGERATED CONTAINERS

Three 'reefers' (short for refrigerated vessels) are employed in the service – SWAN

75 years' sailing under EAC flag



The P&O building in Fremantle in which Beaufort Shipping Agency has its offices

REEFER, PEARL REEFER and KELANG REEFER – and all have been chartered by EAC-PNSL from Seacontainers.

'Offering as it does a regular 14-day service, EAC has become the largest operator moving containers of meat, fruit, lobsters, onions, potatoes, etc., and general cargo from Fremantle and the other 11 ports in Western Australia,' says Steen Mørch Petersen, Beaufort's development manager. When vessels call at Singapore and Port Kelang in Malaysia, the cargo is transhipped to other vessels and sent on its way to the Far East or the west coast of the United States.

SERVICING CRUISE LINERS

Beaufort can also provide such services as pilot, towage, moorings, the processing of customs documents, bunker oil, drinking water, chandlery, spares, etc. These services are not confined to EAC vessels. Cruise liners, for example, are regular customers. The best-known of these are LOVE BOAT and ISLAND PRINCESS.



A refrigerated container from EAC-PNSL keeps perishables fresh during the voyage

Kauri processes timber

More than 100 years old, Kauri Timber Company Ltd., now a wholly-owned subsidiary of the EAC Group, operates Australia's most sophisticated and productive hardwood sawmill and timber-processing industry. Kauri's products are sold throughout Australia and in many export markets.

METAL-REINFORCED TIMBER

The latest result of the company development work is a patented laminated timber beam which is fitted with a metal insert during the lamination process.

The beam is thus substantially strengthened, and the new product will enable Kauri to market special beams for factory buildings, sports halls, etc. The new timber/metal beam has the added advantage of combining strength and safety in the event of fire. A metal beam is strong – but buckles relatively quickly under the influence of intense heat. A laminated timber beam has a lower loadbearing capacity – but withstands the effect of fire for longer than steel. With its new patented product, Kauri offers the best of both beams.

NEW FACTORY

The new beam will be manufactured at a new factory in Melbourne. The factory will be completed in mid 1989 and will also



Tasmanian oak is one of the world's largest tree species. The diameter at the base is often as much as 3 meters

manufacture 'TasBeam', the market name of Kauri's hardwood laminated beams, a popular structural element among Australian architects. The Melbourne plant will also manufacture laminated beams of Oregon pine imported from the United States and Canada.

'TasBeams' are already being produced at the new laminating plant in Brisbane, which is operating at full capacity. At Smithton Kauri specialises in the production of laminated tabletops, especially for kitchens. They are sold under the 'Kitchen Kraft' name in Australia and abroad.

NEW ZEALAND, TOO

Kauri also has activities in New Zealand. This country imports Asian and Canadian timber as well as exporting New Zealand

pine, particularly to Australia. There are plans for exporting to Asia.

The organisation in New Zealand also arranges the export of timber from Fiji, Solomon Islands, and Papua New Guinea to other EAC Timber organisations throughout the world.

Kauri, New Zealand, is managed by Tom Whitefield, who is very optimistic about the future:

'Within the next three years we shall be a major factor in the timber trade from this country. We should probably consider having our own laminating plant in New Zealand.'

Kauri in Australia and New Zealand are organised under EAC Timber, which itself is part of the EAC Trading Division.

The general manager of EAC Trading Division, H.P. Holst, shares Tom Whitefield's optimism:

'In view of the positive development of Kauri's investment in laminating industries in Brisbane and Smithton, we have begun building another laminating plant – this time in Melbourne. Kauri will be maintaining and expanding its position as Australia's leading processor of hardwood. And there is every reason to believe that Kauri in New Zealand will also develop in a positive direction.'

At Smithton the day's production is planned each morning in the production manager's office





New Zealand a young country to work in

In 1974 EAC came to New Zealand and set up an office in Auckland – but EAC ships, of course, had been calling at New Zealand ports in both North and South Islands for many years. Today, two EAC divisions are represented in New Zealand: EAC Plumrose and EAC Trading. EAC Trading concentrates on wool and timber. In New Zealand wool production did not commence until about 1850. The country has many species of sheep, and New Zealand is a major supplier of wool for furnishing fabrics. Bloch & Behrens exports a total of about 12,000 tons a year.

Plumrose (New Zealand) Ltd. has produced a series of stickers in connection with the marketing of Yopi desserts. Examples are shown on this page

DATELINE THROUGH NEW ZEALAND

New Zealand has a young population history. A Polynesian race, the Maoris, arrived in the 9th century. In 1643 the Dutch explorer, Abel Tasman, called the islands 'Staten Landt'. In 1769 James Cook rediscovered the islands – and declared them British. The first European settlers arrived in 1790, and the discovery of gold in 1860-70 brought a new wave of immigrants. The population today is just over 3.5m. And the New Zealanders like to say about themselves that 'we're first with everything' – a reference to the fact that the international date-line passes through the country.

Last year Plumrose acquired a company – from the New Zealand Dairy Board – which has been renamed Plumrose (New Zealand) Ltd. Its main product is Yoplait yoghurt – but it also produces a yoghurt dessert which it markets under the name, Yopi.



SCOURING AND COMBING WOOL ON SOUTH ISLAND

At Invercargil on the southern tip of South Island Bloch & Behrens has a 20% share of a wool-scouring and carding plant. Carding arranges the wool fibres parallel with each other, producing long, soft webs instead of the tangled mass from the wool bale.



Plumrose produces the tasty yoghurt dessert, YOPi, in New Zealand



Group management in new brochure

WORLDWIDE



EAC introduced a series of new, eye-catching brochures in 1988 – made up of a main corporate brochure concerning EAC and the EAC philosophy and sub-brochures on each of EAC's seven product divisions. A new sub-brochure will be added to the series in 1989 concerning the Executive Board and EAC general managers. The day before Christmas our photographer managed to gather everyone for a group picture. The new sub-brochure is expected to be ready some time in spring.

Help for flood victims

EAC (Thailand) Ltd. and its employees made a joint contribution to help the victims of a violent flood which caused substantial damage in southern Thailand in late 1988. Powdered milk, clothing and tinned foods were collected to the value of

THB 258,280 for flood-relief victims. These items were presented to Thailand's minister of health, Chuan Leekpai (right). Also in the picture, two representatives of EAC (Thailand) Ltd.: Lars P. Stærmosse (centre) and Prakit Viriyothai (left).



Family-day songbirds

When EAC in Malaysia holds its annual family day, it is a well-established tradition that the children entertain with songs. This year the event was held at Air Keroh Country Resort, Malacca. Pictured is Pei Hui, daughter of Gan Ba Li, who sang beautifully for the assembled company. The plaster on her knee was necessary after the excitement of such competitions as treasure hunting and tug-of-war.

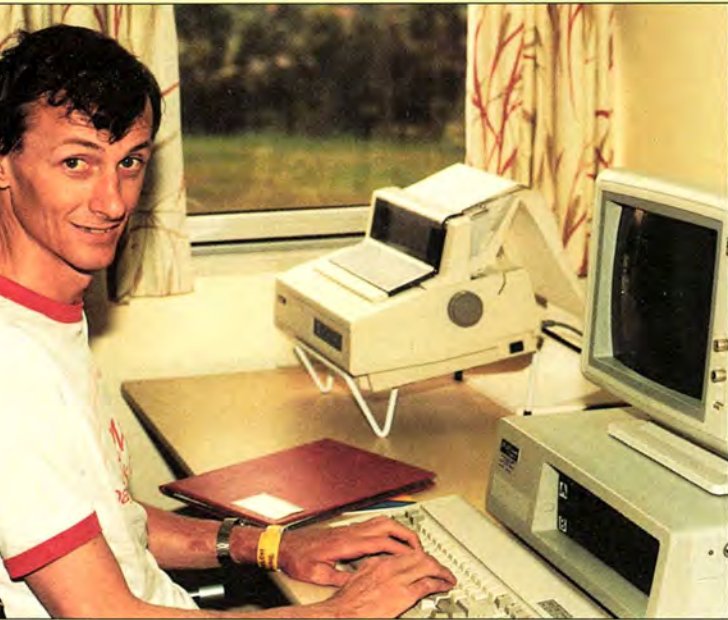
Temporary change of name

The EAC container vessel ms MEONIA has been chartered for a period by Johnson ScanStar, which has passed on the charter to P&O Lines. The vessel returns to EAC in May. In the meantime she sails under the name BENCAIRN. Her name was changed in January during a stop-over in dock in Southampton on January 4. Our picture was taken in Hamburg a few days later.



WORLDWIDE

Sportsman survived



Australian doctors gave 28-year-old Mark Dorrity very little chance of survival when he collapsed a year ago, suffering from acute dehydration during a long-distance race near Sydney. Mark, a Bloch & Behrens employee, bruised a leg when he fell. Gangrene developed – and it became necessary to amputate Mark's leg at the hip. His state of acute dehydration caused severe internal injuries. Doctors did not expect him to

survive. But he did. Thanks to his otherwise excellent physique and determination and an eight-month spell in hospital, Mark has now resumed his work at Bloch & Behrens, slowly returning to a near-normal way of life. There is no Australian precedent for survival in similar circumstances. Mark is pictured here retraining his skills in the use of a personal computer.

Ship's bell for Hong Kong

Tradition demands that the original ship's bell stays with the shipping company when a vessel is sold. This was also the case with the ms LALANDIA, which was sold to the US Coast-guard. But the bell has now been given a new home: EAC has gifted it to the organisation

Danish Mariners' Churches in Foreign Ports. The bell has been installed alongside portraits of the Danish royal couple in The Danish Room of the Mariner's Club in Kwai Chung, Hong Kong.

Hans Vestergaard Jensen (left), minister of The Danish Mariners' Church in Hong Kong, receives the former ms LALANDIA's ship's bell from Knud Erik Hansen, EAC Transport Agencies, Hong Kong



Dumex moves south of Bangkok

In mid 1990 Dumex will move to new headquarters in an industrial estate, Bang Plee New Town, in Samutprakarn 23 km south of Bangkok, where the company has purchased a 47,000 m² site. The new complex comprises four buildings: an office block and three production buildings. Pictured here is a model of the project, which is estimated to cost DKK 70m.



EAC develops own machinery for rubber gloves

When the first series of rubber gloves leaves the factory at Petaling Jaya in Malaysia this month, they will have been manufactured on machinery developed by EAC Malaysia. In setting up production of rubber gloves, EAC is accommodating the Malaysian government's wish to see the nation's own raw materials processed domestically instead of being exported. The machines that EAC has developed for

the job are each 65 metres long and as high as a four-storey building. Two have already been built, and in the factory complex (EAC's former Vespa scooter plant, converted for the purpose) there is room for an additional six machines.

QUALITY DEMAND

The machines have been built locally to EAC specifications, although it was necessary to import highly specialised computer sys-

tems for production control. The gloves will be manufactured to conform with the strictest hygiene and quality standards. As no existing machinery could satisfy EAC's requirements, it was necessary to develop machinery specially for the purpose.

SYNERGY

One of the most interesting aspects of the new project is that it is the result of a combined effort: Dumex Division contributed know-how from its pharmaceutical production, Plantation Division advised on the processing of latex, Finance Division analysed the economic costing structure, and Export Division will handle marketing – all adding up to the synergy effect that EAC considers so important.

INTERNATIONAL SALES

Considerable interest has already been expressed by health authorities in the American and European markets for rubber gloves from Malaysia, and long-term agreements are expected to be concluded later this year for sale of the entire production – which will reach 200m gloves a year by 1990.

The new company, which from the outset will have a staff of 120 people, is called EAC Rubber Industries Sdn. Bhd. The general manager will be Sherman Wong, who is also head of the neighbouring company, Dumex.



Poul B. Petersen, manager of Export Division in Malaysia, and Sherman Wong, the new general manager of the rubber-glove factory, discuss pre-production details

EAC is also railway transport



Transport takes many forms. Historically, EAC has a long tradition of sea transport – but the company also makes use of rail, road and air transport when it moves its cargoes around. And it also arranges business travel. All of these activities are handled under the umbrella of EAC Transport Agencies. EAC Transport Agencies traded formerly under the name of Allfreight A/S, with EAC as its main shareholder. But on January 1, 1988, the company changed its name and became a wholly-owned EAC subsidiary.

COMBINATIONS

It is EAC Transport Agencies' goal to ensure that customers have optimum transport at the most competitive price. The most suitable form of transport is selected according to the type of cargo being moved. And as EAC Transport Agencies is very willing to deliver the cargo to the customer's door, the order frequently requires a combination of several forms of transport.

For example, a container can be shipped from Iceland to Copenhagen, transported by rail to Barcelona, and on by road to the recipient in San Sebastian on the Spanish

north coast – all planned and monitored by EAC Transport Agencies in conjunction with its comprehensive network of agents and other connections in Denmark and abroad.

MORE TRADE

Spain and Portugal are two areas to which EAC Transport Agencies will be giving special attention in the years ahead. As the economies of the Iberian Peninsula expand, trade between southern and northern Europe will increase. There will be a corresponding need for transport services.

WIDE RANGE

EAC Transport Agencies, in conjunction with a Spanish agent, Detrans Internacional S.A., already offers the market a wide range of transport services to and from Spain. These include weekly road services between Madrid/Barcelona and the company's own terminals in Copenhagen and Århus, a direct weekly container service by sea to Bilbao and Barcelona, a daily combined service (road/rail) for containers between Spain and Denmark, and combined shared-container services to and from Madrid and Barcelona. And for rush jobs EAC

A load of containers from the ScanDutch partnership – of which EAC is a member – is discharged on to railway wagons at a terminal

Transport Agencies offers day-to-day air-freight services Denmark/Spain.

NEW OPPORTUNITIES

Over the next few months EAC Transport Agencies will be examining the opportunities for extending its services to northern Italy and France – using rail and road services and combinations of these.

Contact is being made with possible agents in the new areas, and negotiations are under way with other European transport companies.

These activities do not conflict with the shipping interests in which EAC is involved. On the contrary, it is often necessary – in order to accommodate the customer's requirements – to offer competitive prices for a combined transport project by sea and land.

It is EAC Transport Agencies' view that in many cases it wins the battle for sea-going cargo in the land-based transport sector.

SMS cuts marine costs

Through the intensive use of computers, EAC has achieved sharp reductions in the cost of ship management. The specialised branch of EAC Transport Division known as Ship Management Services (SMS), in conjunction with the EAC subsidiary, EAC Data, has developed a complete planning and control system for running ships. The system is a kind of checklist which reminds the ship's owners and master when it is necessary to do such things as essential maintenance. Another part of the system ensures an appropriate manning schedule for sea-going personnel. For example, it has been possible to reduce the number of crew members on 20 ships from 650 to 550 over a period – chiefly on account of the efficiency and control provided by the SMS system.

HALF A MILLION COMPONENTS

On average a ship may incorporate as many as half a million individual components which require maintenance or replacement at specific intervals to ensure that the vessel operates with a minimum of service interruptions. These intervals are determined by time and/or wear-and-tear factors.

A shipowner has his hands full remembering all these components and dates – unless he has the right maintenance programme. It is difficult to keep an eye on every small component, and there is a risk that certain items are forgotten. If that happens, the condition of the vessel deteriorates. Faulty maintenance can also cause operational delays for shorter or longer periods – the ship earns no money, the shipowner gains a dubious reputation for unreliability, and the customer switches to another shipping company.

The SMS computer system recommends when it is time to replace components, and spare parts are ordered in good time so that they are available when required.

OPTIMUM FUEL PURCHASING

SMS can also monitor where and when it is



most advantageous to purchase fuel for vessels within a specified sailing schedule. Prices and delivery terms change globally from day to day; information from suppliers is fed into the computer – and SMS makes the optimum order.

EVEN GREATER RESPONSIBILITY

Although computer systems have gradually taken over most of the administrative tasks aboard ship, it does not mean that sea-going personnel have forfeited any responsibility.

On the contrary, responsibility for such things as budgets and cost control has to an even greater extent been delegated to the ship's officers, who collaborate with SMS headquarters in Copenhagen to keep the vessel in operation.

The SMS system should be seen – and indeed is seen – as a fast, accurate aid in running a ship. The goal is to enable individual crew members to achieve a greater degree of efficiency and productivity – which in the final analysis will determine whether a ship runs at a profit or a loss.

Working on the pistons of the ms BORINGIA in accordance with the SMS maintenance programme

FOR RAILWAYS, TOO

SMS sells its systems to external users – and the systems are applicable to more than ships. They are ideal, for maintaining buildings, building estates, rolling stock, etc. Danish State Railways (DSB) uses the EAC maintenance system for the bulk of its ferry fleet, and, under a special agreement with EAC, DSB will market the computer system in a railway context.

EAC is not content to develop answers to current problems. It is also involved in solving ship-management problems of the future. This is done as an active partner in the European Community's Esprit programme in which practitioners, researchers and theoreticians work towards the development of new integrated computer systems for ships which can operate even more efficiently. In this context, EAC's practical experts act as sparring partners for the theoretical developers.

Majority chose to convert their bonds

Holders of most of the outstanding 7% 1983/90 convertible bonds in EAC and EAC Holding chose to have their bonds converted to shares during the penultimate conversion round from November 18 to December 19, 1988. Advertisements, leaflets and the December issue of EAC Magazine described and illustrated the benefits of conversion from the investor's point of view.

Less than 7% of the original issue of DKK 382.5m in EAC and DKK 105m in EAC Holding now remains outstanding. The last opportunity for holders of these bonds to have them converted to shares will be during the period November 18 to December 18, 1989, and bonds which are not converted by this latter date will be redeemed on November 18, 1990, at 170% of par value. On January 13, 1989, EAC and EAC Holding convertible bonds were quoted at 335 and 305 points.

BEST INVESTMENT ON THE MARKET

When they were issued in 1983 the convertible bonds were considered the best investment on the market.

Let's imagine the investor purchased convertible bonds to the nominal value of DKK 50,000 when they were issued in 1983 and that these bonds were converted to shares in 1988; the market value of these new shares at December 31, 1988, would have been DKK 151,750. Allowing for inflation and a 7% rate of interest on the bonds during the period 1983-88, the yield after (Danish) tax would have been 140% of the original investment or an average of 28% p.a.

GENERAL MEETING

EAC's annual general meeting will be held

on Friday, March 17, at 10 a.m. at Falkonercentret, Copenhagen. The date is earlier this year in order to hold the meeting before Easter.

Shareholders registered by name will receive advance notice of the meeting together with a reply card; the latter may be used to order an admittance card. Shareholders who are not registered by name can

obtain an admission card from the Shareholders' Secretariat. The Company's report and accounts for 1988 will be published on March 9.

Now that shares are registered with the Danish Securities Centre (VP) all dividends are paid directly via VP. The dividend for 1988 will be credited to shareholders' accounts immediately after Easter.

RELATIVE SHARE-PRICE DEVELOPMENT 31.12.87-31.12.88



On January 2, 1988, EAC shares were quoted at a price of DKK 165 (per 100-krone share). On December 31 the price was DKK 268. In relative terms the appreciation of EAC shares was substantially stronger than that of the index - as the graph illustrates



Omnibinder and Omegabinder equipment being demonstrated at the Graph Expo '88

EAC continues buying in US

With the recent purchase of K.S. Macey Machine Company, Inc., EAC added yet another company to its extensive graphic activities in the United States. A couple of years ago EAC acquired Baumfolder Corporation, which primarily manufactures folding machinery for the printing trade. K.S. Macey is located in Cleveland, Ohio. Baumfolder Corporation is situated in the same state, in the city of Sidney. Macey manufactures bookbinding machinery for small-to-medium printing establishments under the names Omnibinder

and Omegabinder. EAC has long been familiar with these products, as Heidelberg Eastern Inc., a wholly-owned EAC subsidiary, has been sole distributor since 1981. Heidelberg Eastern will continue to sell and service Macey's products in North America. Export rights have been delegated to Baum International, a subsidiary of Baumfolder Corporation.

K. S. Macey Machine Company's office and plant facilities in Cleveland, Ohio

