



WORLD EYE REPORTS

DENMARK



Message from Danish PM Anders Fogh Rasmussen

My visit to Japan in November last year was an important source of inspiration for the work my government is doing in preparing Danish society for the challenges of the future.

The Danish economy is one of the strongest in the European Union. And future prospects are good. Economic growth was more than 3 percent last year — well above the European average. More Danes are working than ever before.

We have substantial surpluses in public finances and the public debt is falling rapidly. We have solid trade and current account surpluses, and our foreign debt is decreasing. International surveys consequently label Denmark as one of the most competitive countries in the world.

These encouraging results are based on Denmark's well-developed public sector, an efficient private sector, a well-educated labor force, and a sound and stable macroeconomic policy. And last but not least, the unique Danish model of flexibility and security in the labor market, which is known as "flexicurity."

But we need to prepare ourselves for future challenges and to keep ahead of the international competition. During my time in office, we have initiated a number of far-reaching reforms. We have introduced welfare reform, globalization reform, and reform of the public sector and local governments.

We have undertaken these reforms to address the challenges of the future. We want to ensure Danish citizens a continued high level of welfare; we want to ensure a sufficient labor force in general; and we need to ensure future supplies of energy.

The aim is to further improve our position as one of the most competitive countries in the world while maintaining our socio-economic aims and ideals. Education, knowledge, innovation and entrepreneurship are the keys to Denmark's future.

Many have predicted the 21st century to be the century of Asia. And there can be little doubt that many of the Asian countries are benefiting tremendously from globalization.

But Asian economies face the same challenges as we do: that is, how to deal with an aging population and ensure clean energy. Therefore, we have a lot to learn from each other, and increased cooperation and the free exchange of goods, services and ideas will allow us all to benefit from globalization.



Danish Prime Minister Anders Fogh Rasmussen

OFFICE OF THE PRIME MINISTER

Balancing the past and the future

While widely famous as the birthplace of Hans Christian Andersen and his fairy tales, Denmark has transcended its storybook image to become one of the leading investment locations in all of Europe. In fact, the Economist Intelligence Unit ranked Denmark as the world's top investment country in 2005.

With its economy running at full capacity, Denmark is undoubtedly a country that is on a roll. It has proven itself as a center of excellence in design, technology and innovation while continuing to evolve and remain globally competitive.

"In Denmark, every light is now green. We have the lowest level of unemployment in 32 years and the highest level of employment of all time," explains Minister of Finance Thor Pedersen.

"Denmark has a balanced import/export level with a high surplus in trade. We've had a very dramatic decrease in the level of public debt, which has led to a great public budget surplus," he adds.

As many great countries have a center, the engine of Denmark is its world-renowned capital Copenhagen, a modern European city that hasn't lost its identity.

As a gateway to Northern Europe, Denmark remains a business hub where many foreign companies choose to locate their regional headquarters, including Japanese companies such as Astellas, Panasonic and Brother International.

Because of its centralized location, companies have a transport network with 24-hour access to 100 million people. With increasing business coming from Russia and the Baltic States, Denmark has a lot of potential to expand its exceptional logistics network.

Aside from its great location for logistics, the "Medicon Valley" region between Southern Sweden and Eastern Denmark has quickly become a prime hub for a vast number of pharmaceutical companies that are pushing the envelope of biotechnology. Japanese companies are building investment partners in this region.

Denmark's success in a number of industries from shipping to pharmaceuticals can be attributed to its talented people. "We have a highly skilled, well-educated and motivated labor force," says Foreign Minister Per Stig Møller.

The Danes are getting the most out of their workforce by employing the "flexicurity" sys-



Visitors from around the globe come to the Danish capital Copenhagen to experience its magical atmosphere.

tem (a combination of flexibility and security). Flexicurity makes it easy for companies to hire and fire employees but also gives un-



Danish Foreign Minister Per Stig Møller

employed workers first-rate benefits and security. In fact, many EU countries are studying the system.

Internationally minded companies have embraced Denmark as a test market for new products because Danes have proven to be early adapters and are among the most technologically savvy in the world.

Japan-Denmark relations

2007 is a special year as it marks the 140th anniversary of bilateral relations between Denmark and Japan. As Asia becomes increasingly important to the world's economy, Japan's position as Denmark's biggest trading partner cannot be underestimated.

"Japan imports about three times more than it exports to Denmark. In fact, if you look at the exports from Denmark to Japan, you'll find that they are ap-

proximately twice as large as Danish exports to China," says Japanese Ambassador to Denmark Masaki Okada.

Some areas of particularly strong collaboration are pharmaceuticals, energy, health care, medical equipment and luxury goods.

Danish luxury brands such as George Jensen and Royal Copenhagen enjoy huge popularity in Japan. Danish brands designed for discerning, high-end consumers are greatly appreciated by Japanese consumers.

Around 30,000 Japanese visit Denmark a year while 13,000 Danes travel to Japan. Five pairs of cities have established friendship ties.

"For further development of our friendly relations we need more direct contacts between people. I'd like to increase tourism and cultural exchanges. 2005 was the EU-Japan peo-



Masaki Okada, ambassador of Japan to Denmark

ple's exchange year. I'd like to maintain the new relations and I'd like to expand the people-to-people exchanges," says Oka-

da. People exchanges from Japan to learn about the highly regarded Danish elderly care and social



Danish Finance Minister Thor Pedersen

welfare system are becoming increasingly popular. With an aging population similar to that of Japan's, there are many opportunities for mutual collaboration.

"We think that people in Europe pay close attention to East Asia, especially from a business viewpoint. We hope that they also pay attention to the humanitarian side and to the political side. Therefore, we hope that we can intensify our dialogue not only on business topics but also on political issues. We have been doing that quite well in recent years. We are very happy that the Danish side has been very supportive of our U.N. issues," Okada also says.

As Denmark continues its transformation into a modern-classic nation, it hasn't forgotten its roots. It will undoubtedly continue to blaze new trails while building on its storied background. ◆

Hoya Lens Denmark, a subsidiary of the Japan-based global leader in lens technology, manufactures revolutionary products like its Super Hi Vision coating, which is three times more scratch resistant than traditional antireflective or AR coatings. The Hoyalux iD line remains a highly popular product for its unparalleled precision and comfort. www.hoya.dk

Denmark Tourist Information provides comprehensive information on Denmark in general, attractions, travel information, photo and video galleries, tour suggestions, site maps and accommodations, etc. In Japanese and English. www.visitscandinavia.or.jp/en/denmark/home.aspx

Copenhagen Capacity, the official investment agency of greater Copenhagen, has a Web site filled with information on international commerce and economic growth in Denmark. It also assists potential corporate investors in establishing footholds in the region. www.copcap.dk

Confederation of Danish Industries has information on all the competition-oriented companies in Denmark and the current trends in the industrial sector. The organization promotes the best possible conditions for knowledge-intensive companies to freely run their manufacturing and service-oriented activities in Denmark. www.di.dk

Wonderful Copenhagen has great information on events, accommodations and sightseeing in Denmark's capital city. Visit its comprehensive Web site for detailed information on traveling or living in the Copenhagen area. www.woco.dk

It's nearer than you think

Fifty years ago, Scandinavian Airlines System (SAS) became the first airline to fly to Tokyo via what was then the North Pole shortcut (Copenhagen to Tokyo via Anchorage, Alaska). It was a breakthrough that cut traveling time from 52 to 32 hours.



Copenhagen has been attracting a growing number of tourists by the year.

"Wonderfully user-friendly," said The Times of London online. "Small but perfectly formed, Copenhagen is Europe's most user-friendly capital. An enticing smorgasbord of 18th century housing, sea, design shops and polite, bicycle-minded residents speaking flawless English."

"A city of the right size, which offers its guest the best quality of life. Attractive places, a nearly perfect airport, a new harbor front, a new metro system and good shopping possibilities" said one review in the Financial Times.

Less than an hour outside Copenhagen by car, tourists can see Hans Christian Andersen's house, the cathedral of Roskilde and Kronborg Castle (the setting for Shakespeare's Hamlet).

Another reason to visit must be the people. According to an extensive survey of 90 countries by Professor Ruut Veenhoven of Erasmus University in Rotterdam, Danes are the happiest people in the world. This is also mirrored in the way life is lived. There is a good balance between work and free time, a relaxed, cozy and unpretentious atmosphere wherein the quality of life is prioritized.

This is what visitors can look forward to when visiting Denmark. ◆

'Education, knowledge, innovation and entrepreneurship are the keys to Denmark's future'

GET YOUR HANDS ON THE PERFECT BAKERY SOLUTION

If your customer asks for quality

- Flexible production
- Less down-time
- High weight and shape accuracy



DFE Meincke is a global manufacturer of processing plants for the baking industry. We supply everything from complete processing plants and lines to machines and units for biscuits, Swiss rolls, cup cakes, snack and granola bars just to name a few.

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INNOVATING BAKING INDUSTRY

Bringing Scandinavian baking technology to the world

Denmark has had a long tradition of baking biscuits, pastries and breads. But with increased competition that comes from economic globalization, companies in this small country face serious challenges that must be surmounted if they are to survive.

Industry leader DFE Meincke, whose product line ranges from bakery equipment and units to complete turnkey processing plants for baked goods and confectionery, has grown over the years because of an openness to adapt to a fast-changing world economy.

The company, founded by two brothers in 1953, had a very auspicious start. From producing equipment for small bakeries in Denmark, it began catering to industrial-size factories and exporting products to Asia, Great Britain and the rest of Scandinavia just five years later.

In 2005, a group of Danish investors bought the company, eager to revitalize the Meincke brand and take the company in a new direction. CEO Frank Müntzberg has put the company back on track and aims to transform DFE Meincke into a 50 million euro company by 2010.

As part of its growth strategy, the company cut labor costs by largely automating its production process, and developing new equipment that caters to high-end and specialty baked goods. This allowed DFE Meincke to take the lead within a niche market.

With more than a thousand production lines around the world in operation, DFE Meincke has proven itself as one of the key players in its industry.

"We are represented in more than 60 countries and

have a free 24-hour service hotline for our customers. My vision is to further develop our global sales and service network, and bring new solutions to the market to fulfill the needs of our customers so they can remain focused on their own business," says Müntzberg.

DFE Meincke, which views itself as a partner more than just an equipment supplier, provides equipment to some of the biggest names in the industry, including General Mills and Kraft.

"Our in-house applications center has a full-scale production line equipped with forming equipment and ovens where our customers can develop and test new recipes. This dramatically reduces our customers' installation time and the time it takes them to bring new products to the market," says Müntzberg.

While the United States, Russia and Western Europe remain top markets for DFE Meincke, it is pushing to expand its business in Asia and South America.

"We are making great inroads in Asia, and Japan has become a strategic focus area for us. We have developed new systems for encrusted and encapsulated baked products that are very popular in Japan. We feel there is a lot of potential for us to work with Japanese companies," says Müntzberg. ◆

www.dfemeincke.com



DFE Meincke CEO Frank Müntzberg

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Brother International: Always at your side

The rapid pace of technological advancements and their effects on consumer preferences present a massive challenge for many companies, particularly for those brands that have become synonymous with certain products. So, film companies strengthen digital products and newspapers promote their online editions continually, for instance.

Japan-based Brother faced a similar dilemma after establishing a strong reputation as a maker of top-of-the-line typewriters in the 1980s. "The word processor came out, which was very tough for typewriters because this had a negative impact on demand. So, prices and profitability went down," recounts Niels Clausen, managing director of Brother International Denmark. "At the same time, an independent office (of Brother International) was set up in Sweden. Sweden until that point had been under Denmark and in one swift stroke, Denmark's turnover was

cut by a third. That was the beginning of some very hard times for the company, which turnover-wise lasted until we started to grow again in 1996. Profitwise it took a couple of years more," Clausen adds. Thankfully, Brother was also selling printers and label makers, which kept the company strong and would later launch the company into a new phase of success. From the mid-1990s, its technologically advanced printers and multifunction products formed the backbone of its new line. The company also developed a laser engine around this time.



Brother International Denmark Managing Director Niels Clausen

Since then, Brother's growth has been unstoppable. "2005 was a fantastic year for us — the best ever. We came out in 2005 with a turnover of approximately 20 million euros. Our

business strategy finally paid off in 2005. It is best illustrated by our company motto — 'At your side.' That means, for instance, if you have bought a Brother product, we will never let you down. There is a help desk that you can call free of charge for the entire lifetime of the product," says Clausen. That year, Brother Denmark won the prestigious 8th President's Award for best business performance, which is given every year to one Brother subsidiary around the world. To celebrate the achievement, senior Brother executives from Europe and Japan traveled to Denmark to celebrate with the entire staff.

During the first half of 2007, the company is expected to launch its long-awaited color laser engine. "The most important thing for us is to grow without losing the way we do business. I feel that many people who become big also become arrogant and forget how they got there. Maybe they used to offer much better service than they do now. We want to grow but stick to our roots. In other words, Brother's 'At your side' philosophy should remain embedded in the way we are running our business," Clausen says. ♦ www.brother.dk

Danish biotechnology firm breaks old limits

As the only company in the world to have a patent on a unique antibody technology, the Danish biotechnology company Symphogen is attracting tremendous attention from the scientific community around the globe.

With the development of recombinant human polyclonal antibodies (a composition of different antibodies), Symphogen is exploring new ways to treat a wide range of health problems from infectious diseases to cancer. Polyclonal antibodies are able to target all the components of complex antigens at once. As Symphogen's new technology generates worldwide interest, the company is in the process of forging new partnerships for development projects. In its first collaboration (with Biovitrum of Sweden), Symphogen reports that a treatment for certain blood disorders under development has been progressing well and confirms the huge potential of the groundbreaking technology. Symphogen is now expanding its U.S. operations in Pennsylvania and has its sights set on going public in the next two to three years. Japan has stood out as an area of strategic focus for Symphogen because of its outstanding reputation in biotechnology. The company is looking into several partnership possibilities and since December 2005, it has received funding from Takeda Research Investment Inc. Symphogen has also entered into an agreement with Meiji Seika Kaisha for the research, development and marketing of a fully human recombinant polyclonal antibody (pAb) product. "We've enjoyed some very good meetings with Japanese companies. I like the



Symphogen CEO Dr. Kirsten Drejer

wisdom and manner of Japanese culture. The Japanese demonstrate many fine qualities that fit well with our Danish business culture. Trust, mutual respect and loyalty form the basis of our partnerships," says Dr. Kirsten Drejer, CEO of Symphogen. "Our primary goal since the company was founded in 2000 has been to create innovative safe and effective drugs to help people suffering from serious illnesses," elaborates Drejer. "Our scientists have done a great job. They've invented several new 'wheels' during the past six years." It comes as no surprise that internally the company refers to its 75 employees as "Symphogeniuses." By harnessing the potential of human polyclonal antibodies, treatment for an array of diseases will someday be attainable. "Our ultimate goal is to create a superior antibody therapy by decoding the wisdom of nature," Drejer says. ♦ www.symphogen.com

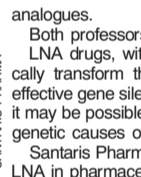


(From left to right) Meiji Seika Kaisha Executive Vice President Akinobu Otsubo, Danish ambassador to Japan Freddy Svane, Symphogen CEO Kirsten Drejer, and Meiji Seika Kaisha President Naotada Sato commemorate a partnership between the two companies in Tokyo in January of this year.

Santaris Pharma develops 21st century medicines based on Japanese technology

Denmark-based biopharmaceutical company Santaris Pharma has been at the forefront of developing effective drugs to treat cancer and metabolic disorders. Called RNA Antagonists, these drugs "switch off" the manifestation of harmful genes associated with diseases.

Initially formed by the merger of two smaller companies in May 2003, Santaris Pharma has since acquired the backing of 10 leading venture capital companies focused in the life-science sector and received last year a second round of equity financing amounting to 40 million euros. Last July, Santaris Pharma entered into a global partnership with Enzon Pharmaceuticals of New Jersey to co-develop and market a series of Santaris RNA Antagonists that would improve cancer treatment. Six months later, Enzon filed and received U.S. FDA approval for an IND (investigational new drug) application for an RNA Antagonist of HIF-1 (hypoxia-inducible factor 1 alpha). Clinical trials are expected in the first half of 2007. With the successful development of its drug pipeline, the company expects to enter further partnerships with Japanese-, American-, European-based companies in 2007. Santaris Pharma's RNA Antagonist drug pipeline is based on a proprietary chemical technology known as locked nucleic acid (LNA), which was first discovered by Professor Takeshi Imanishi and his colleagues at the University of Osaka in 1997. That same year, Professor Jesper Wengel and his team at the University of Copenhagen independently discovered LNA and a series of closely related



A spiral staircase at the head office of Santaris Pharma clearly evokes the nature of the company's business.

LNA oligonucleotide hybridizes an RNA strand to form a double helix.

analogues. Both professors now collaborate closely with Santaris Pharma. LNA drugs, with their high potency and biostability, could dramatically transform the field of RNA medicine by making specific and effective gene silencing a reality. If this potential is realized, even partly, it may be possible to design new drugs that would treat the underlying genetic causes of disease rather than just the physical symptoms. Santaris Pharma holds the global patent rights to the exploitation of LNA in pharmaceuticals and has a rapidly expanding pipeline of new potential drugs in preclinical or clinical development. Santaris Pharma's most advanced product candidate, SPC2996, is an RNA Antagonist of Bcl-2, a cancer-associated gene in white blood cells, and is being developed to treat chronic lymphocytic leukemia (CLL), a cancer of the blood characterized by a progressive accumulation of abnormal lymphocytes. CLL is the most common type of leukemia among adults in Europe and the United States, although it is less common in Japan. SPC2996 is being evaluated in international Phase I/II multicenter clinical studies at hematology centers in Denmark, France, Britain and the U.S. ♦ www.santaris.com

The Nordic star of pharmaceuticals

The managing director of Astellas Pharma Nordic is a staunch believer in his company's mission, which is to contribute to the improvement of the health of people around the world through innovative and reliable pharmaceutical products.



Mats Persson, managing director of Astellas Pharma's Nordic operations

Although his market may not be as large in terms of population compared to those of the company's other affiliates, Mats Persson oversees a territory that covers five countries in the Nordic region. That expanded responsibility not only stresses the importance of Astellas' mission but also entails a global outlook. From its headquarters in Glostrup, outside Copenhagen, Astellas Pharma Nordic occupies a huge position within the entire global structure. It was designated as one of the European centers for research and development. "R&D is really one of our strengths in the Nordic region. Out of 90 employees, the clinical research group has grown dra-

matically from eight people to 15 people. We are participating in around 20 projects from Phase II to Phase IV," Persson says. "The quality of the people we have means that Astellas Nordic plays an important role in the area of clinical development. We deliver what we are promising, both speed and quality. That is one of our strongest competitive advantages," he adds. Astellas, a result of a merger of Japanese drug giants Yamanouchi and Fujisawa, has specialized in urology, dermatology and transplantation. But it is involved in other fields, including cardiovascular. Nordic remains committed to carrying on Yamanouchi's proven track record in providing and developing effective dermatology products. Among the groundbreaking products pioneered in Denmark is Locobase LPL, an effective treatment for lamellar ichthyosis (scaling of the skin) that was made by Yamanouchi's staff in the Nordic region. It is an achievement that Persson is very proud of. "Japanese products are held in high regard in the Nordic region. Since we work in niche areas, the reputation and knowledge of Japanese competence is very high. Japanese companies plan for a longer horizon. This year, Astellas published its Vision 2015 strategy. The goal is

for Astellas to grow into top 10 pharma company by then," Persson says. ♦ www.astellas.com

Danish, anyone? Unibake makes Danish bakery products an international staple

From its modest beginnings importing bread from Sweden to Denmark in 1985, Lantmännen Unibake has grown into one of the largest baking industry companies in Europe, with a turnover of approximately 700 million euros a year.

"We export Scandinavian-style bread to businesses in 50 countries around the globe. We are the biggest in Europe and one of the biggest in the world for frozen bread. We specialize in the deep-frozen food market and we have the market's biggest assortment with over 600 products," CEO Bent Pultz Larsen said of his company's operations. Together with its customers, Unibake develops more than 150 new products a year. "Bread is our business," says Larsen. "The 'Unibake Way' is to find special solutions for each of our customers. We are very close to them and we can solve more or less any baking challenge." By producing innovative bread offerings that meet clients' exact specifications, Unibake produces bread that can go from the freezer to the oven and onto the table in just 18 minutes. Frozen bread has a major advantage over other types of baked products because it can be prepared as needed without producing any excess. Customers worldwide are increasingly turning to Unibake products and the company has grown organically and through mergers and acquisitions. It employs some 4,300 people in 16 countries around the world, with definite plans to expand. "We have an aggressive international growth strategy at Lantmännen Unibake," explains Larsen. "Every year, we establish at least two to three sales offices as well as one production facility."



Lantmännen Unibake CEO Bent Pultz Larsen

latest. Asia has been an area of particular interest ever since Unibake first started exporting its top-quality bread to Japan in 1996. "Business in Japan took off for us when we started working with Mitsubishi Corp. in 2000-2001," Larsen recalls. "They imported our products and helped us to gain a strong foothold in the Japanese market." Unibake's experience in this challenging environment has helped expand its global network by proving its products in one of the world's most demanding markets while helping the company to fine-tune its business practices. To be successful in Japan, Unibake had to develop new quality systems. The company has invested a huge amount of capital in new technologies to meet the market's exacting standards. These adaptations have enabled Unibake to excel in Japan. Its local customer base includes Mini Stop, Coop and Warner Bros. Japan. "We take care of all of our customers. Our No. 1 priority is to deliver on our promises. We are very thankful to be accepted in Japan," says Larsen. In November 2004, Larsen joined Her Majesty Queen Margrethe II on Denmark's Royal Trade Mission to Japan. The mission was a tremendous success and further improved excellent Danish-Japanese relations. "The royal trade delegation was really good for us," Larsen comments. "We invited our biggest customer to join us. It was a great opportunity to build bridges with our customers, and we would be happy to do it again. Since the royal delegation in 2004, our business has doubled. In the next three years we are looking to double up again. "We believe in Japan and the Asian market," he concludes. "We will continue to invest there in the future. We are ready to take on its new challenges." ♦ www.unibake.com



A sampler of Lantmännen Unibake's most famous products

