

Dear Readers,

I can repeat myself from last year: "We are now well into the new century and the world problems do not seem to have decreased since last year." How nice it would be one day to be able to write that it seems as if the world is getting its acts together in a proper way, but this I shall probably not experience in my lifetime, unfortunately not.

We have had this fatal Iraq war with all its negative consequences. Many have lost their lives on both sides - hardly understandable that in the year 2003 people still have to kill each other from various reasons.

We had the collapse of the WTO conference in Cancun in Mexico. I wonder when the rich part of the world learns that there are other people than us - in the richer part of the world - who must have a decent living. I am 110 percent against all the subsidies which the rich countries grant their farmers, thus preventing the poorer countries from getting access to the various markets.

This financial support from the EU to our farmers cannot last forever, especially not because there is an overproduction of agricultural products, which in their turn are sent to the developing countries and sold at prices lower than those the same products can be produced at by the poorer farmers in the developing countries whereby the poor nations have no income from their own agricultural productions. It is probably unnecessary to say that at least in the EU this overproduction of foodstuffs is again export subsidised to encourage the European farmers to get rid of their surplus production outside Europe. In Ghana, the Ghanians can buy tomato juice produced in Italy in cans CHEAPER than they can buy tomatoes produced by their own farmers. Can you imagine ?

In that respect as well the EU as the Americans are untrustworthy WTO-partners, and I hope that some day the world society can make these 2 heavy partners of the WTO brought to the understanding that things cannot go on like this in the future.

Subsidies must disappear. In any western country, if a company cannot survive on its own it will disappear from the market. That is the capitalistic system, which obviously does not apply to our farmers, but the same conditions should be valid for the farmers as well. Then we could make sure that only those, who are able to produce without subsidies, would survive. This would give stability to the international markets, and a lot of non-productive and non-profitable farms in Europe could be closed down, which is about time.

Unfortunately, these farmers can be very violent, especially in certain southern European countries, and as at the same time these farmers each have a vote, it is also a question for the politicians to keep the farmers happy and to keep their own seats without giving worrying about the rest of the world.

What a shame. But do we really have the politicians we deserve ? If yes, we are not too good either, judged by the way the politicians in the EU behave.

Also the import duties levied on farm products from developing countries are absolutely ridiculous. How can a country like ours have less import duty on for instance certain American agricultural products than African countries/suppliers are facing, producing exactly the same products ?

Swiss Television some months ago sent a TV team to Senegal. They learned and showed on Swiss TV that a farmer in Senegal no longer can sell his chickens and make a profit. The Senegal Chickens are these chickens, you know, that go around on their own in the countryside and eat whatever they find, really tasty animals.

The reason for the Senegal farmers getting out of business is that they cannot compete with imported deep frozen chickens from Belgium that arrive in freezer containers. These deep frozen chickens are guaranteed kept in and brought up in small cages, which is normal in Europe (what a shame), and are being fed artificially. When big enough, they are taken out of the cages and slaughtered. Definitely the farmers breeding these chickens get subventions from the EU and then they get export compensation for helping get rid of the chicken-mountain in Europe by exporting at ridiculously low prices to among other countries Senegal. Is that a way for the EU to treat fellow human beings in Africa ? I don't think so, and I am often ashamed of being a citizen of the European community.

We belong to the rich men's club, but some day the rich countries must realise that it is not only a question of making money for ourselves. We must always think of our fellow human beings, especially those in the developing countries.

May this situation change as soon as possible, because as long as most of the world's population doesn't have a decent income, poverty, crime and the like will always exist at a high degree and become part of the daily life.

### **NEW ACTIVITY IN CHINA**

We have recently decided to start-up a new trading company in Shanghai, China. This company will be operating from the first or second quarter of 2004.

The intention is to let this company source various products needed by the aluminium industry outside China from respectable, well reputed Chinese companies.

We only want to join forces with companies with the same standard as LIRR, our silicon carbide blocks supplier, guaranteeing the supply of high quality products to be delivered in time.

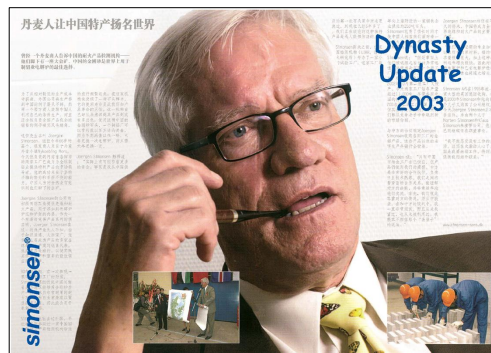
Our business concept will always remain the same so that our worldwide clients can maintain their faith in us, our products and our services.

Name, date for start-up and an explanation of the various products this company will supply will be informed by circular letter early 2004, when all details have been clarified.

## The Front Page

The cover of our Dynasty Update this year shows a photo of me plus an article in Chinese from FOCUS DENMARK, a publication issued and distributed by the Danish Foreign Ministry to many companies in China, promoting and explaining about the activities of various Danish companies in this rapidly growing country industry-wise and living-standard-wise.

I was interviewed for this publication, and thus we are part of the contents of the FOCUS DENMARK publication issued in September 2003.



I am telling about our activities in China, especially about our long-time cooperation with LIRR, our suppliers of silicon carbide bricks/blocks, how it all started and how positively this cooperation has been developing over the years.

Translation on page 32.

## Our Envelope



This year's envelope shows a colony of Gannots in Lamberts Bay, Eastern Cape, South Africa, which Tove and I visited during a trip to South Africa in September this year.

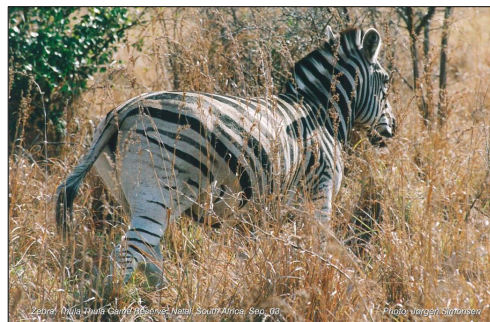
The Gannot is a medium size white bird with a yellowish head. These Gannots produce the very fertile Guano fertilizer.

Standing next to this flock of Gannots was a very special and exiting experience. South Africa is always good for a lot of nature experiences.

## Our Christmas Card

The motive of our Christmas card is a zebra from the Thula Thula Game Reserve, Natal, South Africa.

The zebra is a fascinating animal, and there are various species of this animal. But did you know that the zebra, which is the only one animal wearing the pyjamas 24 hours a day, has no equivalent in terms of pattern. There are no 2 zebras with the same stripes. Each one is individual. How they have checked, I don't know, but that is what "they say ..."



## Our 2003 Neck-tie

Our annual neck-tie designed by myself and produced by our long-time neck-tie associate in Bangkok in the usual length, width and thickness and not least same quality also has the zebra as motive. The neck-tie is made from the finest Thai silk as usual.

## **DS/EN ISO 9001:2000**

For several years it has been a strong wish for our company to become an ISO-approved organisation.

Till now we "only" had a company manual, which we were asked to prepare some years ago, to become a qualified supplier for various aluminium smelters as an intermediate replacement for a real ISO-approval.

Earlier this year we decided to go ahead with the ISO-project, and we are happy and proud to announce that as from November 12, 2003 we are a fully approved **DS/EN ISO 9001:2000** company.

It has taken a lot of efforts, but thanks to especially our ladies in the shipping department, Hanne Christensen and Susanne Simonsen, we have successfully been approved within relatively short time.

It was obvious for us that when the company grows the need for more standardized procedures in all aspect of our business was an absolutely must, and I can tell you that we have been improving in many areas in order to become even more efficient and to avoid mistakes, which seldom took place in the past.

Of course, the ISO approval also necessitates changes in some of the procedures already existing between our suppliers and us, but such changes have all been brought into correct place.

All in all we can guarantee you now that we can also - even if the company keeps growing - maintain our high level of service and efficiency, what is absolutely necessary in order to remain a first-class supplier.

On the next page of this Dynasty Update you will find a complete copy of the certificate:

**"Sales and marketing of insulating and refractory materials  
to the worldwide primary aluminium industry"**



THE INTERNATIONAL CERTIFICATION NETWORK

# *CERTIFICATE*

IQNet and DS  
hereby certify that the organization

**simonsen a/s**  
**Møgelvangs Plads 7**  
**7900 Nykøbing Mors**  
**Danmark**

for the following field of activities

**Sales and marketing of insulating and refractory materials  
to the worldwide primary aluminium industry**

Has implemented and maintains a Management System  
which fulfils the requirements of the following standard

**ISO 9001:2000**

<b>Issued on:</b>	<b>2003-11-13</b>
<b>Validity date:</b>	<b>2006-11-13</b>
<b>DS certified since:</b>	<b>2003-11-13</b>

*Registration Number : DK 1116*



*Dr. Fabio Roversi*  
*President of IQNet*

*Niels-Christian Dalstrup*  
*Management representative*



CERTIFICATION

Members of IQNet (registered association):

AENOR Spain AIB-Vinçotte International Belgium APCER CISQ Italy CQS Czech Republic  
DQS Germany DS Denmark ELOT Greece FCAV Brazil FONDONORMA Venezuela HKQAA Hong Kong  
ICONTEC Colombia IRAM Argentina JQA Japan KEMA Netherlands KFQ Korea MSZT Hungary NCS Norway  
NSAI Ireland ÖQS Austria PCBC Poland PSB Singapore SFS Finland SII Israel SIQ Slovenia SQS Switzerland  
IQNet is represented in the USA by the following members: AIB Vinçotte International, CISQ, DQS, KEMA and NSAI

## OUR STAFF

People come and people go. Our Finance Manager Henrik Lavesen left our company officially as of 1 October 2003 according to mutual agreement. Henrik felt that he needed to go back to his original business as an auditor, and honestly his skills didn't comply with our needs in all respects. Henrik will be replaced by a bookkeeper soonest possible.

In the meantime our long-time associates Brandt and Sigsten Pedersen, Mr. Anders Borg, will see to it that our mon(k)ey business will continue as usual.

As of 1 September 2003 we employed an ex-Skamol staff member, **Axel Reinhardt**. Axel is our Sales Coordinator and will especially work together with Klaus, who needs some assistance with all his quotations, calculations, control of calculations, control of invoices etc.

Axel will mostly be working in our office, but also be in close contact with all our suppliers, whom he shall be visiting within the next months to get a better knowledge of our products, our suppliers, packing, production possibilities etc.



By the way, we are now 5 ex-Skamol persons working in our company including myself. We have not asked anyone from our competitors to join us, everyone has contacted us and applied for a job (except me ...), and fortunately they are all first-class persons (except me ...).

**Marianna Simonsen** is now a supervisor of the shipping department and will no longer be directly involved in shipping of goods, issuing invoices etc., as we have re-organised the shipping department, which now consists of **Hanne Christensen**, **Helle Skov**, **Mette Sørensen**, and **Susanne Simonsen**.

Marianna will especially concentrate on obtaining lowest possible sea-freights so that we can stay competitive. She will also make sure that all procedures according to the new ISO manual are strictly followed on a day-to-day basis by everyone in our organisation. She is also responsible for all our IT-systems and procedures.

Our staff in Nykøbing counts 13 persons. In Hong Kong we have Neal Wai-Poi and his wife Waihan, being Neal's secretary. Neal and Waihan are **expecting a son** on the very last day of this year, so they are quite happy.

Neal is travelling more and more and getting more and more involved in the commercial aspects of our company. He participates in autopsies and gives advice regarding pot constructions. It is obvious that Neal will always recommend our products for any pot design, but I don't think that any harm is done by doing so, as we have the best products available in the market for any technology, so bear with us and Neal - it is all done to make sure that you get the optimal performance, production and energy-wise, from your pots based upon Neal's experiences with our products in many different smelters in the world.

Neal has given presentations on many continents during this past year and will continue his efforts also in the years to come.

Neal has also become a shareholder in our company.

As for the rest of our Nykøbing staff, nothing has changed.



## CHANGE OF COMPANY NAME

Earlier this year we decided to change our company name to

***simonsen a/s***

instead of *simonsen & sons*. We have seen that all our business contacts are slowly using the new name, which we appreciate.

We found it easier with a short name, and as I am gradually moving backwards out of the business it must be correct to call the company ***simonsen a/s***.

## NEW E-MAIL ADDRESSES

Since we changed our company name earlier this year to ***simonsen a/s*** I have been annoyed by the fact that our e-mail addresses were still [xxx@simonsen-sons.dk](mailto:xxx@simonsen-sons.dk). Therefore we have now changed to addresses equivalent to our new company name. Our company e-mail address is now

[simonsen@simonsen-as.dk](mailto:simonsen@simonsen-as.dk)

To contact any employee by e-mail you just have to type the first name of the person in question followed by @simonsen-as.dk - e.g.

Morten Simonsen:	<a href="mailto:morten@simonsen-as.dk">morten@simonsen-as.dk</a>
Klaus Simonsen:	<a href="mailto:klaus@simonsen-as.dk">klaus@simonsen-as.dk</a>
Karen Jensen:	<a href="mailto:karen@simonsen-as.dk">karen@simonsen-as.dk</a>

- and so on.

For some time to come, our old e-mail addresses will still be valid. However, for the sake of good order, we ask you kindly to change any simonsen e-mail address you are using according to the mentioned changes.

## OUR HOMEPAGE

With certain intervals we are changing the appearance of our homepage, and lately we have made a complete update, so now you can get all relevant information about our company, our products, our suppliers and our staff from the [www.simonsen-as.dk](http://www.simonsen-as.dk) (same change of name as mentioned above).

The tiger has been changed to a jogging elephant, and the photos from the LIRR inauguration have been replaced by a photo of the **octopus** lifter.

If wanted, you can watch a short **octopus** video. Just follow the instructions on the homepage.

## THE FAMILY (AND OUR DOGS)

Not much has changed, fortunately. Tove and I have sold our "old" house which was a 3-level building. All these stairs slowly became too much for Tove and me, and we have now bought a 1-level house, next to Morten and Marianna.

The house has a wonderful view to the fjord in the wintertime, when there are no leaves on the trees in the small forest between our house and the fjord. We really love and enjoy this house every day.

Being neighbours to Morten and Marianna and living only 500 metres from Klaus and Susanne means that we have a lively traffic of our 5 grandchildren, who very often - nearly daily - come to see especially their grandmother, which is understandable. She always has sweets, juice, coke and last but not least always takes her time to talk with them and read to them. They love her. Me too ....

End December Tove and I can celebrate our 45 years' anniversary.

Tove and I have got a new dog - Sally II. We have had a Sally-dog before, which was a lovable creature, and Tove therefore hoped that when the new dog got the same name, this one might also turn out to be a good dog. And she definitely is. She is our good and close friend, and as usual I walk her every morning along the water and through the woods. Sally II loves it, and as I need it to keep fit we both have fun doing it, so it can't be better.

Living next to Morten and Marianna means that their dog Monik, which is a long-haired dachshund, and Sally II, our black Labrador, play together constantly and practically can't do without each other. They spend a good and often very noisy time together. Susanne and Klaus' dog, Mille, also a black Labrador, comes to see us frequently, and when these 3 dogs play together, things get out of hands.

5 photos showing our grandchildren as they look today:



*Sara*



*Frederik*



*Nikolaj*



*Laura*



*Olivia*

Sara is now 13 years old and is a young lady. She still takes good care of her horse, Cheval, which she loves above everything. Frederik has started in the 4th class and still plays football and a lot of game-boy. Nikolaj is 6 years old, and has started in the pre-school class.

Laura has started school in the first class, and she takes special drawing lessons, as she is very good at and interested in drawing. Olivia, 5 years old and still in kindergarten, is very, very feminine. She has started in a dancing school, because then she can really dress up, which she loves. Beautiful dresses and lovely shoes, she cannot get dressed up enough, and now at least once a week she has the chance. Life can be wonderful for a little girl.

As Tove has said: "Had I known it was so wonderful to have grandchildren I would have had them first".



## OUR SUPPLIERS

### CALSITHERM, Germany

For some years now we have been cooperating exclusively with **Calsitherm**, producer of calcium silicate boards, handling the sales of their **insulite 1900** boards for the worldwide primary aluminium industry.

This close cooperation has been reinforced, because we (and our clients) need a high quality supplier as **Calsitherm**, but also because we honestly find that this producer in Germany really makes the best calcium silicate boards available in the market place today.

### TECHNO-PHYSIK, Germany

This company in Essen is our new partner when it comes to the supply of vermiculite boards, being it the light or the heavy quality. As from end November 2003 **Techno-Physik** has acquired our former suppliers of light vermiculite boards, Thermax in Greinsfurth, Austria. **Mineralka** as mentioned below also belongs to the Thermax Group, so now **Techno-Physik** has the sole ownership of as well the heavy boards production in Bavaria as the light boards production in Slovenia. Through this acquisition **Techno-Physik** is the world's largest producer of vermiculite boards, a very strong partner.

**Techno-Physik** is handling all sales from the plant in Slovenia producing the light boards:

**MINERALKA d.o.o.**  
Cesta pod Slivnico 24  
Cerknica  
Slovenia

and from the plant in Bavaria, Germany producing the heavy boards:

**SANBLOC GMBH**  
Am Weidenbach 3  
Weilheim i. OB  
Germany

There have always been a lot of suppliers of vermiculite of better or worse qualities. It all depends on the production facilities, as the raw material always comes from South Africa. This means that all suppliers more or less pay the same (high) price for the raw vermiculite.

It is a pleasure to announce that we have now made an agreement with some really reliable producers. One is **Mineralka** situated in Slovenia in a fantastic area with forest and bears, with very famous caves, so **Mineralka** is worth a visit not only for the **vermilite 2000** production, but also for what you can experience after working hours.



Another one, **Sanbloc**, is for the time being situated in Weilheim in Bavaria close to lake Starnberger in a very picturesque nature with a lot of beauty and wonderful Bavarian beer. You may know I'm a beer-man.

The question about the heavy boards, which so far have also caused some headache, has now been finally settled. These boards are produced in Bavaria, and we have had their products tested by an independent institute in Germany in August.

However, for economical reasons this production might be moved from Weilheim to Thermax' plant in Greinsfurth in Austria. The quality of the products will of course remain the same.

The boards are outstanding and are produced by only a very few persons in a brand new plant, meaning that the production is very economical, so also with this product we seem to be very competitive.

Before the end of 2003 we shall send circular letters to all our vermiculite clients to inform further about this new situation, so everything should be settled now regarding the concern some of our clients had in the past about **simonsen's** vermiculite sources, which was fully understandable.

But we finally managed to solve the problems in such a way that we have one of the best packages of vermiculite boards.

May I also point out that **Dr. Daniel Leberger**, who invented our **prolite super** heavy vermiculite boards when working for Kramer-Progetha in Düsseldorf, is now responsible for all technical issues in connection with the productions in **Weilheim** and **Slovenia**.

## **MOSCONI, Italy**

**Mosconi** has been our supplier of insulating bricks since the start of our company. They are very close and loyal friends not only of the company, but also on a private basis as friends of "la famiglia".

**Mosconi** is constantly improving their production, installing improved grinding machines plus they installed new tunnel kilns a few years ago, meaning that **Mosconi** has achieved a very homogeneous production without previous quality variations.

Everything is really under control, and their production capacity is not surpassed by any producer, neither when it comes to quantity nor quality.

We have lately secured very large orders for the **msb** bricks and have today a backlog that we never had before. Why? - Because the **Mosconi** bricks ARE the best available - I do not speak only as a salesman for **Mosconi**, but I speak as a kind of specialist in this particular field.

This is also proved by the bi-annual tests made on bricks by SINTEF of Trondheim, Norway. If you compare the values of the **Mosconi** bricks over several years, the quality is constant, and if any changes they are always for the better.

**Mosconi** has another strength: They are today the only supplier who can make large blocks like for instance 500 x 250 x 125 mm in a good quality. No one else beats us in this field.

**Paolo Mosconi** and his wife, Maria Teresa, got their third child. The newcomer and the addition to the Mosconi family is called **Rocco**.

It may not be the last news in that respect in the future. I seem to recall that Paolo has mentioned something about 5 children being an appropriate number.

By the way, Antonio and his wife Giovanna also have 5 children. These Italians .....



*Rocco Mosconi*

## **BURTON, Germany**

**Burton** and their barrier bricks is a fairy tale of its own. This year we have sold approx. 25,000 metric tonnes of the **alubar** qualities exclusively for the primary aluminium industry worldwide. Why? - Because again no one beats us on **quality, product conformity**, maintaining promised **delivery times, packing** and **technical back-up**, and furthermore the pricing seems to be quite competitive.

**Burton** is THE supplier of barrier bricks, and the business is still growing.

It is also typical that not only **Burton's** bricks but all products in our package of refractories are developed WITH and FOR the aluminium industry only. This means that any product you buy from us meets any demand you might have regarding quality and strict specification.

The **Burton/simonsen perial** bricks for fluwalls are probably not the cheapest in this world. They may be slightly more expensive than competitive products, but the quality is second to none. I guarantee you that it will be difficult if not impossible to get a similar constant quality from any other producer.

Therefore we also see an increase in the sales of **Burton's perial** fluwall bricks.

Finally, everybody visiting the **Burton** plant in Buer is more than impressed by the efficiency and the cleanliness of the plant, which is unsurpassed in this industry.

## **ATA, Italy**



**Ata**, Bientina in Toscana, is our supplier of the still more popular **octopus** lifter, which is now in use in many, many smelters all over the world.

Everyone seems to realise that a fast installation of refractories - large barrier blocks and silicon carbide blocks - is essential.

An **octopus** lifter "installed" for usage in laying large **alubar** and **sicattec** blocks in a pot

However, it is also obvious that the larger the blocks are - and we can produce both products in very large dimensions - an increasing need for an equipment to facilitate the installation and at same time prevent a lot of sour/bad backs of those who make the manual installation to-day, is absolutely necessary.

Therefore, the **octopus** lifter solves 2 problems at a very reasonable price.

Have a look at our homepage for more information about this lifter, which is a must in all modern smelters to-day.

## **LIRR, China**

**LIRR** extended their production end last year as already informed and is still successively installing new presses and furnaces to reach the max. capacity at the end of this year/beginning of 2004.

As mentioned below, we have initiated cooperation with UOA of New Zealand.

The production is running smoothly, and we never have or have had any problems with this supplier of ours. We are improving the stacking method of pallets in our containers in the port of Qingdao to make completely sure that all pallets support each other during transportation to their destination to avoid any transport damages. It is better to prevent than to compensate for damages.

Test results made by independent labs are up to our required standard.

Lately LIRR has installed a new press, meaning that probably as the only suppliers in the world we can produce blocks with a length of 900 mm. The max. size of the blocks produced by LIRR are:

Length:	<b>900 mm</b>
Width:	<b>650 mm</b>
Thickness:	<b>25 to 130 mm</b>

The strengths of this supplier is:

- the large production capacity
- that the blocks are the same irrespective which of the 2 plants they are produced in
- the high, constant quality.

Also over the years we have proved that the geographical situation of this plant is not a problem for being able to deliver in time to any destination worldwide.

The cooperation with LIRR is constantly being extended, and we work hard on being the largest producers of silicon carbide blocks in the world, but not only that - we also make sure that the high quality is assured at any time for any clients.

Together with several large clients of ours we have developed extended and highly professional test procedures, led by our Dr. Neal Wai-Poi and Professor Zhao Junguo.

## NEW COOPERATION

For a long time "I had a dream" like Martin Luther King. Not the same as him, but a dream about improving - if possible - our present **sicatec 75** quality and to get a more reliable test procedure, as it has always been a problem to copy the working conditions in a pot into small laboratory equipment.

This issue has been discussed with LIRR for quite a while.

Now, finally we have got where I wanted us to be. We have namely established a close cooperation between **LIRR**, **UOA** (University of Auckland) and **simonsen**.

This is a 3 years' agreement, during which time seminars will be held in China especially for the Chinese aluminium industry, but also it will be a close technical cooperation between UOA, **LIRR** and Neal Wai-Poi.

It is our advantage that **LIRR** probably has one of the largest productions in the world in one geographical place, and that **LIRR** has so many qualified, highly educated people, who will be excellent partners for the aluminium smelting specialist from New Zealand, namely

**Professor Barry J. Welch**  
**Professor Mark P. Taylor**, and  
**Associate Professor James Metson**

We have informed all clients worldwide about this cooperation by circular letter and also included a CD with a video showing the **LIRR** production facilities and the inauguration in October 2002 of the newest plant LIRR II, enabling **LIRR** to produce up to 11,000 metric tonnes of silicon carbide blocks of the best quality.

We really look forward to seeing the results of this cooperation, which hopefully also shows all our clients that not only do we sell a silicon carbide block, we also try to be the market leaders and bring a new dimension into the cooperation between **LIRR** and us by establishing a close cooperation with so many technical people as possible from the smelters using **sicatec 75**, on a worldwide basis.

## NEW PRODUCTS

### Cathode Blocks

For a long time it has been another dream of mine to be able to introduce a good cathode block to the world market. It is difficult to find new suppliers, but we have established contacts in China to really first class suppliers of such blocks. We must of course make sure that they live up to not only our - but for sure even more important to your specifications and requests in all respects.

We hope to be able to market or at least give preliminary indications of the properties and the production possibilities within the coming 4 - 6 months. As usual this information shall be provided via our direct mailing system to all relevant smelters.

We have some experience in selling cathode blocks to the smelters, as some years ago we were quite successful in selling cathode blocks from **Polgraph** in Poland. Obviously we were too successful in selling these Polish blocks, as a bid to acquire Polgraph was made by a large European company, and that was the end of that story for us so far, but our idea has only been "stowed away" for some years. We still have the same intentions, i.e. to be the main suppliers of any refractory material, including cathode blocks for any technology for any pot design.

## Ceramic Fibres

During a recent visit to China to see the above producer of cathode blocks, we also paid a visit to the largest producer of ceramic fibres in Asia. This company in the north-eastern part of China has an excellent production - their blankets for example are produced in a brand new plant - they have a very high production capacity and they can produce soluble fibres. Also this company we represent on a worldwide exclusive basis.

Further news about the fibres will follow at the beginning of 2004 by circular letter to all smelters.

## SILICON CARBIDE PRODUCTS

When successful in a certain area selling a certain product, several companies try to copy you. We have lately seen this trend with silicon carbide blocks produced in China, but be aware of the qualities offered by various companies around the world.

All silicon carbide blocks are definitely not good blocks. It takes a lot of skill, competence and highly qualified people to produce a good, well controlled product, and only a few of the companies offering silicon carbide blocks are able to offer that.

With my knowledge of this market I think that there are 4 to 5 companies worldwide that stand out from the rest and who supply good, well accepted qualities. But even among these 4 - 5 producers there are some standing out, and I believe there are only 2 front runners quality-wise. Needless to say that LIRR ([simonsen](#)) is one of them.

A product is not absolutely the best because it is the cheapest. Seldomly. Normally you get what you pay for. I never heard of anyone paying the price for a Volkswagen who got himself a Rolls Royce. Therefore, consider the quality above all. It might be an expensive lesson to buy cheap, as the pots may most certainly perform accordingly, and that goes by the way for any product installed in a pot.

Some suppliers of the so-called combi blocks are not always considering the quality aspects and only glue ordinary carbon blocks together with a low quality silicon carbide block to be competitive and make probably a heap of money. This is NOT our policy. When we supply these combi blocks we guarantee that as well the silicon carbide blocks as the carbon blocks are of the highest qualities.

Therefore: **BE AWARE** of newcomers and make sure that they present products manufactured by **ISO** approved companies only; that they have test and works certificates from international test institutes

### "The Lowest Tenderer"

"It's unwise to pay too much, but it's worse to pay too little. When you pay too much, you lose a little money - that's all. When you pay too little you sometimes lose everything, because the thing you bought was incapable of doing the thing it was bought for. The common law of business prohibits paying a little and getting a lot - it can't be done. If you deal with the lowest tenderer it is well to add something for the risk you run, and if you do that, you will have enough to pay for something better."

*John Ruskin (1819 - 1900)*



available, and also make sure that you deal with reliable companies only, who have the sufficient technical experience and who can give you a top-class technical back-up in all respects. Also make sure that the suppliers have good R & D departments that work on improving the existing quality.

There are too many silicon carbide pirates out there. We - LIRR / [simonsen](#) - are doing well, for your information, selling our blocks, but I see several frightening examples of companies introducing themselves with Chinese bricks that I would never dream of including in our package of refractories.

I have had the chance to include practically any Chinese silicon carbide product in our package, but I didn't, as I remained very selective and remained loyal to LIRR, as they are **simply the best**, not only in China but probably in the whole world.

## COMPETITION

Unfortunately, we have seen a very fierce competition from our "worst" competitors in many areas. However, we don't think this competitive situation will last forever. This competitor of ours has made losses over the last 2 - 3 years, and that day must come when also such a producer must make money or get out of the market.

If the situation doesn't change rapidly in the market, the supply situation could be really critical, as you can only supply products without making profit - but losses - for a certain period. It then might happen that some players disappear from the market, which could land the consumers in a delicate situation.

So, gentlemen, it is not always a question of getting the cheapest products right now, everyone must be forward-looking, because if there is no insulation available it will be real hard to produce aluminium.

It should also be remembered that insulating products and refractories for a pot only makes up some 5 - 10 percent of the costs for an entire pot-construction. So if we assume that the insulation is approx. 2 percent of the total costs for a pot, you would save - maybe - some 10 - 15 percent by buying from a very low-priced producer, meaning that you could save say 15 percent of 2 percent, which is approx. 0.3 percent, equal to some - roughly indicated - USD 2 - 300 per pot, with the risk that the source of supply dries out some day.

I think it is a frightening perspective, and what I am saying it is not unrealistic. I have known this market for more than 40 years now, and the number of producers of insulation and refractories we have seen disappear from the market over the past 10 - 15 years is absolutely scaring.

So please think twice when you are negotiating with your suppliers. A good supplier of good products, who makes and must make money, will exist for many, many years and thus be your guarantee to get first-class products when needed for your production, which is also very vital for the smelters to make money, not just now, but also in the future, as without refractories no pots can be built.

May I finally under this heading mention that neither we nor our suppliers are in any economical difficulties at all. We don't make as much money as necessary to improve and extend the productions, but we keep all the wheels moving and we shall stay in the market, but also pretty soon we must realise that we **MUST** make more money, from the above reasons.

We really hope for your understanding.

## ALUMINIUM

The aluminium price has been rather stable for quite a while and on a pretty acceptable level I assume, around US\$1,500 per MT on a 3-month basis, but of course the price should be that high considering that the US\$ for some time has been quite weak.

According to Financial Times, 5 November 2003, the aluminium companies were hoping that 2003 would see an upturn in prices on the world's metal exchanges. This obviously happened as prices have gone up from US\$ 1,315 in April to above US\$ 1,500 towards the end of this year.

The general view that signals of economic growth are getting stronger means that there is more speculative interest in the commodity market.

Most aluminium company chief executives have been predicting that the worst is over for prices, as there are some signs of sustained growth in demand. Metal analysts foresee a rise of 5 percent in average aluminium prices for 2003. Sluggish economic growth in North America and Western Europe has meant that demand for aluminium in many of the main markets - construction, the aerospace industry and vehicle manufacturing - has been depressed for several years. The economic outlook still seems somewhat unclear, but innovation in aluminium use mean that the metal is gaining ground on its heavy rival, steel.

The metal market is expecting the aluminium price to peak towards the end of next year, and some analysts are forecasting a high of approx. US\$ 1,700 per tonne.

Cutbacks in production have been made in North America due to high electricity prices which has helped to reduce excess capacity in the market, and some now predict that the high rate of Chinese production might now be slowing. However, smelting capacity is being added in other parts of the world from Russia to the Middle East and Africa.

It is also stated in the same article that Alcan's 4 billion Euro takeover of Pechiney has been approved by shareholders and regulators and will be completed later in November. This deal will create the world's largest producers by revenues, overtaking Alcoa of the US. But the small group of integrated western aluminium companies that soon comprise Alcan, Alcoa and Hydro will face a challenge. Rusal and Sual, the Russian aluminium producers along with Chinese metal companies are expanding fast and are setting their sights on western markets. Rusal for instance, is able to produce aluminium cheaper than its western rivals thanks to its relatively low labour and energy costs. The main shareholder of Rusal, Mr. Deripaska, has said that he wants Rusal to be the world's number one aluminium company and is planning to make changes - such as a stock market listing - to help his group become a credible international operator.

We are indeed facing - as usual - interesting and challenging times, both as producers and suppliers to this exiting industry, and one thing is for sure: It's never boring but always challenging.

## CHINA - GROWTH WITH POTENTIALS

For the inauguration of LIRR II we invited the Danish ambassador to China, Mr. Ole Lønsmann Poulsen, who has now become a good friend of mine.

The ambassador obviously found that what we had done in China was extraordinary as most Danish companies either buy cheaper products in china, let Chinese companies produce their products, or larger companies simply build a new plant for production in China.

We have done something else. We went to China and made a Chinese company develop an existing product so that it improved to match the general international standards, and then we sold this improved Chinese product outside China on an exclusive basis.

This obviously never happened before.

Therefore I was requested to give a paper on our experiences in China during a conference arranged by the Danish Foreign Ministry in Copenhagen in May this year - "China - Growth with potentials".

I gave a paper about my experiences trading with China and the audience of more than 100 people apparently liked what a said.

Following this seminar I have been asked by other organisations to give the same presentation, which of course I am glad to do (free of charge). We must all stick together, and what we can do individually to support Danish companies in their export efforts should be done.



*During the conference in Copenhagen Klaus - who was also participating - took this photo of our Danish Ambassador in Beijing, Ole Lønsmann Poulsen, me (ambassador of LIRR) and the Chinese ambassador to Denmark his Excellency Mr. Zhen Jianguo.*



With our increasing activities in China it is important for us to maintain excellent contact to the Danish embassy as many things get easier when the Danish government backs you up, and back up we definitely have.

The Danish embassy in Beijing is not just a place where they move a lot of paper around. No, the embassy staff is really engaged in the Danish sales efforts in China, establishing of companies, giving legal advice and making market research, so we as a Danish company have really got a potent partner on the highest diplomatic level.

What a pleasure to deal with people from the public sector who act as businessmen and NOT as bureaucrats, which seems to be quite normal in many countries, including Denmark.

## CONFERENCES

As usual we participated in the TMS Conference in the US in March and also in the Refractory Seminar in Molde, Norway, in November.

We shall continue to participate in conferences, but we shall never be exhibitors. Exhibitors must have staff enough to man the stands, and we think it is a waste of good time. In our opinion it is better spending our time with the relevant persons, with whom we have got something to discuss.

It is not everything to be discussed with our clients that can be discussed at a stand, as there might always be someone listening, and not all we discuss with our individual clients should be known by others.

## VISIT FROM NORWAY

ALILAB is a technical organisation with participants from all Norwegian smelters, and they exchange their experiences about among other things production and raw materials.

This organisation has an annual meeting, and this year the board of ALILAB decided to go to Denmark, where they paid a visit to some of Skamol's plants.

The next day they visited our offices.

We had also arranged participation in the "meeting" from our suppliers Burton, Calsitherm and Mosconi.

The list of participants were:

*Allilab:* Maryanne and Alf Harry Bådsvik, Hydro Karmøy  
Torhild and Odd Einar Bøe, Sørå  
Christian Schønning, Sintef  
Ole-Jacob Siljan, Hydro Porsgrunn  
Jørn Rutlin, Hydro Aardal  
Sigurd Aaram, Hydro Sunndalsøra

*Mosconi:* Paolo Mosconi  
Agostino Almasio  
Antonio Bodini

*Calsitherm:* Wolf Hüttner and Mrs. Hüttner  
*Burton:* Gerold Friedrich



We have no plan for the Norwegians to visit, so instead we arranged coffee and a discussion in our offices, and later we went to the harbour where a schooner was waiting for all of us to take us on a trip on the Limfjord.



*Some of the participants in the boat ride: Christian Schønning, Antonio Bodini, Sigurd Aaram, Wolf Hüttner, Paolo Mosconi, Ole-Jacob Siljan, Mrs. Hüttner, Alf Harry Bådsvik, Odd Einar Bøe, Klaus Simonsen, and Gerold Friedrich.*

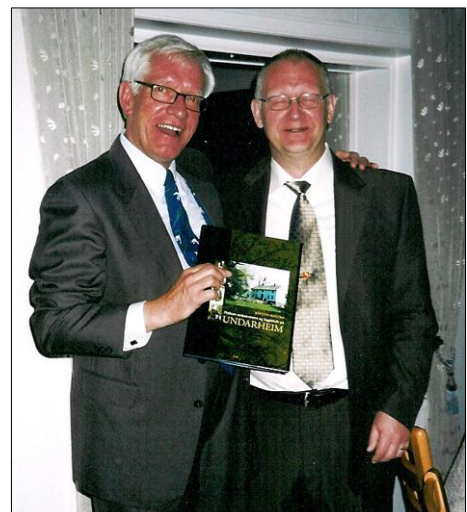
After this trip we had arranged a candlelight dinner with only candles and flower decorations at Sallingsund Færgekro. It is obvious that we had a fantastic evening, where everybody seemed to have a good time, but of course also a good place for ALILAB to discuss various topics with our suppliers.

It is always nice to see our clients and friends of our company in Nykøbing.

During the dinner our guests from Norway presented a set consisting of 12 lobster forks to Tove and myself. A beautiful present.



*Morten, Alf Harry Bådsvik and Klaus*



*Jørgen and Odd Einar Bøe, Sørø*

## SLOVALCO, Slovakia

Slovalco is a very good client of ours, and it is a special pleasure to be visiting this smelter. By the way, I shall mention that irrespective whom you visit in the former East Block, people are very kind, open, hospitable, quick to laugh, so it is never boring to go to this part of the world.

Sometimes we make special arrangements or participate in special arrangements with some smelters. This year we were invited to participate in a so-called **Goulash Tournament**. This was a nice blend of football, drinks, dinners, wine, laughs etc. etc.



*The Slovalco/Simonsen football team:*

*Back row: Axel Reinhardt, S. Ciz, R. Majer, P. Kovac, L. Hrmo, M. Certasky, Morten and Klaus Simonsen*

*Front row: Neal Wai-Poi, J. Solga, J. Pilnik, S. Luptak, M. Koniar, V. Olajec, R. Knapp*

We were represented by 4 persons: Morten, Klaus, Neal and Axel. These fine gentlemen, of whom only Klaus is a good football player, participated in the tournament.

They played against a very good team of Slovakian female football players, and that was quite an experience ! But obviously a very pleasant one.

Morten seems to have forgotten all about the rules, as he was offside all the time. Probably because he wasn't as fit as he should be and therefore permanently stood waiting for the ball at the end of the field at the opponents' goal.

Klaus, however, who plays weekly in his own local club, FLUIF, made 2 goals and assisted a third one. We now call him the "gunner".

This mixed team of Slovaks/Danes/Germans and a New Zealander versus the ladies "won" 6 - 6.



There was also a professional referee, but I have been told that that the referee had to go and fetch the players in the bar before the second half should start. This is very unusual and not at all a custom in for instance the champions League !!! But maybe it was also not quite Champion League football that was performed, but (according to Klaus) it should have been quite close !

I would have liked to participate in this event, not by playing football, but all the other nice things that happened.



The **simonsen** participants in the football tournament:  
Axel, Morten, Neal and Klaus

Finally, you should know that we are being rated as suppliers by Slovalco every year, and as a non-approved ISO supplier you can max. achieve 90 points, I think. We got 86.6 and that puts us in the category - the best - as "excellent suppliers".

Dear Slovalco, we hope for an even better rating now that we have become ISO-approved, but thanks anyway for the outstanding cooperation between our 2 companies in the past. May that continue for many years, and may we have some more football matches !

## VISIT TO ELKEM LISTA, Norway

During the first days of May a "delegation" of 7 people from simonsen went to Norway to visit Elkem Aluminium in Farsund. Marianne Mondrup was one of them, and below Marianne shares her experiences from this visit:

In the Morning of Tuesday, 06 May we were welcomed at Elkem's main office by Jac Salvesen, Britt Torp, Bjørk Kristiansen, Karl Johansen and Karl Forslund. Jac Salvesen gave us an introduction to Elkem in general and Karl Forslund told us more specifically about the production of aluminium, etc.

For the next couple of hours we had a very fine tour of the plant and warehouse facilities, and for those of us who had never visited an aluminium plant before, it was quite interesting to see how our products are installed in the pots, as Elkem was in the midst of relining several pots with **alubar 1100** barrier bricks and **sicatec 75** silicon carbide blocks - perfect timing!



The **simonsen** delegation watching pot relining.

After a nice lunch we were taken on a tour of the Farsund area and the scenery there is beautiful; very old fishing villages with small wooden houses, mountains and rivers and large grass fields with thousands of sheep. We were told to bring warm clothes and these were absolutely needed, as we were taken on a boat trip on the fjord. To see the mountains and fields from the “sea-side” was a breath-taking experience and we all enjoyed it very much. What we enjoyed just as much were the delicious fjord shrimps - though they gave us a fierce fight! I am sure that none of us will ever become “world shrimp peeling champion” but we had much fun watching each other battle the shrimps.

In the evening we were invited for dinner in Elkem’s guest house. This guest house is an old fishing house which has been gently restored and it is absolutely beautiful. We enjoyed a wonderful dinner of fish and Norwegian spring lamb (and fine wines picked by Jac), and we all had a very good time with a lot of laughter – our hosts had gone out of their way to make this visit special, and it was indeed a very nice experience to come as a supplier to Elkem and feel that everybody had done everything possible to make our stay an unforgettable one!

## VISIT TO KUBAL, Sweden



Thomas Petterson, Peter Joneström, Stig Handå, Leif Rönquist and Hans Bertlin

During a visit to KUBAL early September 2003 I showed our friends from Sundsvall our new LIRR/simonsen CD. The photo shows the interested viewers.

It should be mentioned that we had a fantastic evening too, where we had a royal meal consisting of crayfish, crayfish and crayfish plus the kind of drinks that goes with such animals in Sweden (brännvin). Very amusing .....



## SARS

For some months we decided not to go to China due to the SARS epidemic. However, in August I went again, and there was still a lot of checking of passengers travelling by air, especially in Shanghai.

Below you will see a few photos from the check-in hall at the Shanghai Airport showing how seriously the Chinese were finally handling the SARS problem. They had a machine, in front of which you should stand approx. 3 meters away. Then you stood up on a special platform, and immediately it could tell "go" or "stop", depending on your body temperature.

How they can measure my temperature through my shoe soles I still don't understand until this very day, but it obviously worked perfectly.



The Chinese authorities have published a special set of stamps - see photo - to support all those who have been working so hard to fight against SARS. If one of you should be interested in getting this one set of stamps, please let me know. First comes first served (I have only got one set).



## VISIT FROM CHINA



In September this year **Mr. Ren**, **Mr. Chen Rui** and **Mrs. Wang Guimei**, and from LIRR's shipping department paid us a visit.

It was a big pleasure to see them here in Denmark, and for all of us it turned out to be some very profitable days. It gave us a unique mutual understanding of the working procedures of both our companies, and our meeting has definitely strengthened our future cooperation.

## AUSTRALIA

In October we had the fantastic opportunity to travel with Morten, Klaus and Neal to visit some of our good friends and customers in Australia. It was our very first personal visit to Australia and it was an experience we will never forget. We had the pleasure to visit **Comalco** and the main office in Brisbane, **Boyne Smelters**, **Hydro Kurri Kurri** and **Tomago Aluminium**, and we want to thank each and everyone for their great hospitality. We also want to thank Donna Hammet from Boyne for showing us for the first time live kangaroos, those beautiful and special animals.



*Mette, Donna Hammett and Hanne*

Working-wise it was also a very good and worthwhile experience, as it was very important for us to get to know personally our valued customers living so far away (or is it us living far away ?). This personal contact will definitely be very valuable for all parties for our future cooperation.

So all in all an experience we will never forget, and we can only say to Morten and Klaus: "Where are we going next time ?"

*Mette and Hanne*

## TECHNICAL MEETING HYDRO ALUMINIUM, Sunndal

Approximately once a year two specialists from LIRR, Dr. Neal Wai-Poi and I meet with Hydro Aluminium to discuss various technical issues in connection with our supplies of various refractory products to the Hydro smelters in and outside Norway.

Our last meeting took place end February this year. Below photos show the participants in the meeting:



*From left to right: Ruanbo, Stanislaw Jarek, Neal Wai-Poi, Alf Harry Bådsvik, Sverre Enger, Svein Kåre Sund, Zhao Junguo, Sigurd Aaram and Günter Berndt.*

After the meeting we visited the new Sunndal potlines. A very impressive smelter.



## ALUMINIUM SEMINAR IN LUOYANG

In close cooperation between The University of Auckland (UOA) and Luoyang Institute of Refractories Research (LIRR) a seminar took place from 26 to 30 October 2003. This seminar was the start of the coming years' close cooperation between UOA, LIRR and **simonsen** concerning a programme to further develop the present **sicatec 75** silicon carbide product to meet the challenges of the future, whatever they may be, but also to improve the test method for the **sicatec 75** bricks/blocks.



*In the front row Professor James Metson and Professor Barry Welch*

There were some 50 attendants in total. The participants came from the GAMI and SAMI institutes in Guiyang and Shenyang and from many smelters around China. Many excellent papers were given by Professor Barry Welch, Professor Mark Taylor, Professor James Metson (UOA), Professor Zhao Junguo (LIRR) and Dr. Neal Wai-Poi (**simonsen**). Again we wanted to prove that we are in the front line when initiating new actions to inform about the **simonsen** package of refractories for pots, but also in this case to discuss western smelter technology with our Chinese friends and associates.



*Mr. Zhang Yinpeng, Ex Vice President of SAMI, Mr. Yao Shihuan, "Super Designer" of GAMI, and Mr. Yang Ruixiang, "Super Designer" of SAMI. Super Designer is a title given by the government.*

Many interesting discussions took place between the participants and the lecturers. Especially Professor Welch's comments about barrier products in pots were intensively discussed, as the western technology prescribes quite different products like **alubar 1100** bricks than what is generally used in China today for that particular area of the pots. Very interesting, and I am very sure that many of our Chinese friends got a lot of food for thoughts. The Chinese aluminium industry is going through radical changes and expansions these years.



*Mr. Shen of CHINALCO and Professor Mark Taylor.*

In the morning on the last day of the seminar a visit was made to LIRR's new silicon carbide plants, which gave the participants in the seminar an impressive picture of what LIRR has to offer capacity-wise, product-wise and last but not least of the very strict quality and production control plus LIRR's extensive Research & Development. In the afternoon a visit was arranged at a brand new 200,000 MT aluminium production at a smelter outside Luoyang based upon SAMI's 300 KA technology. A fantastic smelter. The same smelter is by the way going to expand by another 200,000 MT next year ..... Yes, things do indeed happen in China these years.

## WASTE OF MONEY

Earlier this year we could read in the Danish newspaper "Berlingske Tidende" that NIKE - as a replacement for Michael Jordan - had invested 90 million dollars in a young basketball player, LeBron James, who is only eighteen years of age and still only playing high school basketball.

I find such a disposition absolutely crazy, depraving and, yes, I cannot put words on such things. Especially not when considering that the money is made by Nike partly because of the cheap labour in the Far East, producing among other things shoes and clothing for NIKE for next to nothing.

Shortly after I saw a TV programme about the absolutely poor conditions under which so many young girls work in Thailand. From early morning till after midnight, without any rest, not allowed to talk and definitely underpaid, but as there are no other jobs, so what can the poor girls do ?

What if Nike and similar companies spent some of the money they make on better working conditions for the young people producing the goods enabling Nike and the others to sell their products at sky-high prices in the West to those who are crazy enough to pay these overprices for what is in fact very cheap products, because of the brand name ?

I think this is a fantastic idea, and definitely more human than the policy that these big brand names have at the present.

Not that the European soccer clubs are less humble when spending money on football players. Funny thing, some of the biggest spenders are those who have the largest deficits. A young player can make Euro 135,000 A WEEK - if this isn't madness too, I don't know. How much good couldn't be done for just a fraction of these sums for the poor people in for instance Africa.

The formerly mentioned Danish ambassador also made a speech during the conference in Copenhagen, and among other things he told that the former Prime Minister of China, Mr. Zhu Rong Ji, visited New York, and he wanted to walk around to see the city on foot. It was sometime last year. To facilitate his walking, he



wanted to buy a pair of sneakers. He went into a NIKE shop and asked for the price (even though he obviously didn't need to ask such a question, as I assume that China would gladly pay a pair of shoes for him). He got the price: USD 136.00. He nearly fainted. He immediately asked a person in his party to contact the actual producer to learn directly from China what was paid by NIKE for such a pair of shoes in China. The price was USD 5 !!!!! This price is achieved, because NIKE - like similar companies selling similar products - squeezes their suppliers in Asia unbelievably, and then we are back to the WTO story again.

The difference of USD 131.- is used for marketing, profit etc. PLUS for a young man, who can make himself a 5-year contract for 90 (ninety) million dollars.

If this isn't madness I just don't know. I am upset, because someone takes such an advantage of countries and their populations, where the living standards are not all that high, and where many workers are paid a minimum for their efforts. That is one thing, but that one young guy then gets such a contract is unbelievable, unacceptable and should be illegal.

I really hope that this young guy realises where his money is coming from, but I don't think he will.

## NEWS TRAVEL FAST

I was in China in August, and Neal came from Hong Kong to meet me in Beijing. Upon his arrival Neal told me that on his way to Beijing on the plane he had read that there was this bid from Alcan to buy Pechiney.

Surprise. Surprise.

One hour later in my room I saw the same news on CNN, and I was then called by Morten, who told me that he had just read the same thing in the Herald Tribune, while he was in France to see Pechiney. Then I was called by Klaus from his office, who told me the same story. All this happened within approx. one hour.

It has definitely become a small world.

## THE SIMONSEN LORRY

For some years we have had a truck driving around in Europe with a tarpaulin painted with our company name. This lorry visited Nykøbing this spring, and of course I took a few photos during this Nykøbing visit.

The driver told us that we had a special assignment last winter. He and his "simonsen lorry" were sent to Tenerife (Canary Islands) with a special, expensive cargo. The Tenerifeans were quite surprised to see A LORRY FROM DENMARK of that size driving around on their island.

The driver enjoyed it, as Tenerife is one of the islands that are very often frequented by Europeans hungry for sun and beach life.



## THE ELEPHANT WHISPERER

During Tove's and my trip to South Africa to visit the Bayside and Hillside smelters, we stayed at a private Game Reserve called THULA THULA, situated approx. 1 hour's drive from Richards Bay.

The owner is Lawrence Anthony who is married to a French lady, Francoise from Montpellier, so you can imagine that the food we were served was absolutely out of this world and not just the common food which is more normal for game reserves.



The lodge we stayed in was situated approx. 150 metres from a waterhole that was frequented by various animals during day and night time. Some 100 metres from our lodge was the main building, where we were eating on the terrace in the evenings under the dark blue African skies and the million of stars. Very romantic.

The last night when we were having dinner, Lawrence came up to our table and told us that he had heard a herd of elephants not so far from the lodges. He said that he would try to bring the elephants up to the waterhole !

I wondered how this could be possible, as we are talking about a herd of wild elephants. He asked me to follow him, and off we went in a very old Toyota of his. The elephants know the sound of this Toyota car, because when the elephants were brought in from Zimbabwe and the Kruger National Park he spent night and day for one month together with the elephants in their booma (an area fenced with tall, very solid wood). Therefore the elephants know Lawrence's voice and as said, also the sound of the Toyota engine.

Lawrence told me not to be afraid if we should suddenly drive into the herd. The elephants obviously had the habit of bumping into the car without being fierce, but probably only to say hello. His car definitely looked as if he had met the elephants before.

We went into the bush and in the middle of nowhere Lawrence and I went, out and Lawrence started calling the elephants with a special wording and a special sound. Very, very fascinating.



We could hear the animals in the vicinity as we stopped at various places. You can easily hear them when they break the branches off the trees or simply eat the whole tree ....

When we got out of the car the last time Lawrence said: "Now they are coming". We immediately jumped into the car (you wouldn't have seen my door opening for my shoe soles ...), and Lawrence and I rushed towards the waterhole with the herd of elephants behind us.

When we reached the lodge area Lawrence turned away from the waterhole into safety behind an electric wire placed at a height of approx. 2 metres between the waterhole and the lodges, which the elephants would not go behind (Lawrence said) and they didn't, but the babies - in various sizes - as usual gave a show off with their flapping ears, but of course well protected by their mothers.

We stood fascinated, watching the elephants grazing and drinking water and also enjoying all the citrus fruits they were served by some of the THULA THULA staff, that should have been used for our breakfast the next morning!

Having the enormous, impressive and beautiful animals so close for such a long time was an experience I shall never forget.

I am puzzled that Lawrence could make the herd follow us, but I experienced it and saw it with my own eyes, and that's why I named Lawrence "The Elephant Whisperer".

By the way: No tele-lens was used for the photos of the nervous elephant shown in this article. She was very close !

It was also interesting for me to learn from Lawrence that he was the first civilian visiting Baghdad during the war in Iraq. He had been requested by the US government to go to Baghdad and see to it that as many of the animals as possible in the Baghdad Zoo were taken care of. When he came there, some of the animals had had no food or water for 14 days. Unfortunately, more than a hundred species had been killed, as much of the fighting in Baghdad also took place in the Zoo, and of course many animals were therefore killed during the fighting. It is very, very sad that the humans fighting always cost a lot of animals their lives. When does man ever grow out of the stone age ?

## **THE ALUMINIUM BOTTLE-CAN ON ITS WAY**

Not many changes have taken place with the aluminium cans for soft drinks etc. since the introduction of the opening mechanism was changed at the end of the 80'es, but now the Japanese have done something about it, and the new cans will probably also spread to the rest of the world.

The so-called bottle-can, a screw-capped aluminium case, has really gained foothold in Japan. Because it is a new invention, but also mainly because the aluminium can be closed after use in the same way as some bottles. Many clients in the US are interested in this new way of "packing", but also European companies have shown great interest, says Yoshiaki Adachi from Japans largest can producer Daiwa Can Company.

The new can was introduced at the end of 1999, and until last year sales of bottle-cans in Japan had grown to 1.7 billion units compared to the 240 million units sold in 2000. There is no doubt that the new screw-capped cans will become very popular also outside Japan. Mr Adachi claims that the new cans can increase the sales on the global market, which amounts to 235 billion normal cans a year. The new cans cost approx. twice as much as the cans we know to-day. The cans are available in sizes up to 500 millilitres. The new cans are more than just an aluminium can. You take a sip, close it again and put it back into your bag. Some younger clients say that if the choice was between a coke in a plastic bottle or a can with twist lid, they would

take the bottle-can - also because it looks smarter. The bottle-cans are better than plastic bottles when it comes to shutting out sunlight and oxygen. The bottle-cans are also lighter than the plastic bottles and are easier to recycle.

In 2002 the consumption in Japan was 8 percent of the entire sales of cans in Japan, and it is estimated that this will increase to 14 percent in 2003. The new cans were first used by The Kirin Brewery Co Ltd., but the big break-through came in June 2002 when The Coca Cola (Japan) Company started selling Coke, Fanta and Sprite in bottle-cans containing 275 ml. The Japanese producer expects that the bottle-cans will help to regain some of the market lost to the plastic bottles, which has increased considerably since 1996, when the bottle producers cancelled an environmental friendly gentleman agreement about not producing small bottles.

Let's hope this new invention can help the aluminium industry to sell more aluminium for this new type of cans (the editor).

## **INTERVIEW - FOCUS DENMARK**

Translation of the interview which was published in FOCUS DENMARK September 2003:

### **Dane has made Chinese Speciality world-famous**

QUALITY: It took a Danish businessman to tell the Chinese test institute for refractory products that they were sitting on a gold mine. Chinese silicon carbide bricks are simply the best in the world for the electrolytic furnaces of the aluminium industry.

The examples of foreign enterprises moving their production to China to benefit from the relatively low production costs are numerous. But for a western businessman to encourage the Chinese to start a production on their own terms and then to take over the entire production for sale in the rest of the world, that is rare.

That is what Jørgen Simonsen has done. Because of this 66 year old, tall, white-haired businessman from the small Danish country town of Nykøbing Mors two factories in Luoyang in the Henan province have now become market leaders of a very specialised product for the global aluminium industry. And it was sheer stubbornness and perseverance that created this success story. The Chinese themselves had no idea what a gold mine they were sitting on.

Jørgen Simonsen's enterprise sells insulating and refractory products used in the primary aluminium industry for lining the bottom and sides of electrolytic furnaces. As a supplier of a wide-ranging product programme Jørgen Simonsen is known by everybody within this very specialised industry. Due to his knowledge and network he really acts as a sales organisation for a number of the world's largest producers of these products. He often travels far and wide in order to constantly live up to his reputation as a supplier of the very best within both production and service.

During a visit to an Indian aluminium smelter in the mid 90s Simonsen accidentally heard about a special area in the Chinese Henan province where they produced some special, very dense refractory bricks of silicon carbide. They were bricks with an incredibly high density, corrosion, resistance, etc. and therefore very suitable as the inner lining of electrolytic furnaces.

Simonsen had been to China before, but a visit to the state-owned Chinese test institute for refractory products in Luoyang really expanded his travelling activities. At this institute he found samples of bricks that lasted three times longer than the products known so far. The institute itself was not quite aware of how outstanding their product really was. With the Chinese silicon carbide bricks an aluminium smelter could save millions of dollars. Instead of relining the furnaces every three years they would now only have to reline them every six years.

“And in reality perhaps at even longer intervals,” says Jørgen Simonsen. “The thing is that the first bricks I supplied from China have, as yet, not been replaced. And that was more than six years ago. This is simply a unique product that no one has yet been able to imitate.”

Until Simonsen appeared on the scene, the Chinese test institute (LIRR, Luoyang Institute of Refractories Research) ran a small pilot factory. The factory supplied some 250 tonnes of bricks to a steel works close to Shanghai. But it took Simonsen a quite long time to convince the Chinese that there was a market for a much bigger production.

“But when I finally succeeded, it really got going,” says Simonsen. “It was only three months from the day they made the decision until a new factory was ready. That was in September 2000. Already in October 2002 the next factory was ready.

And today the two factories produce more than 11,000 tonnes a year. Although for China the two factories with some 200 staff do not seem like a lot, the potential is extremely big. We are constantly closing in on our competitors and winning market shares every single day.”

The agreement with the Chinese means that Jørgen Simonsen simply buys the main part of the production from the factories in Luoyang. The bricks are being produced and are then sold all over the world under his own brand name.

“Except in China where the factory itself supplies the market. But with our name on the bricks,” says Simonsen. “And the Chinese are extremely good business partners. Responsible and competent. We have a very close relationship with them, we understand each other’s humour and we talk very directly to each other. Only if we respect each other on our own terms will the result be good. I have always been open and honest in negotiations with the Chinese and I have never been disappointed and never been exploited. I do not believe in the old story about ‘losing face’.”

Jørgen Simonsen is convinced that it will not be many years before China has by far the majority of the production of insulating and refractory products in the entire world.

“They have the necessary know-how, and they have all the necessary raw materials. And the demand for aluminium is gigantic. The production of aluminium is constantly increasing. This means that there will also be an increase in the demand for both new electrolytic furnaces and servicing of existing furnaces.”

In 1993 Simonsen a/s was bought by a big British group, but in 2000 Simonsen and his two sons bought the shares back. Jørgen Simonsen is now about to retire and let his two sons, Morten and Klaus Simonsen, take the driving seat. He will himself continue as executive chairman.

“I don’t think that I could cope with not working. Working is simply too exciting, so I will continue, especially to maintain all my contacts abroad.”

## HU'S ON FIRST

(We take you now to the Oval Office. Condoleezza Rice just entered.)

George: Condi ! Nice to see you. What's happening?  
Condi: Sir, I have the report here about the new leader of China.  
George: Great. Lay it on me.  
Condi: Hu is the new leader of China.  
George: That's what I want to know.  
Condi: That's what I'm telling you.  
George: That's what I'm asking you. Whi is the new leader of China ?  
Condi: Yes.  
George: I mean the fellow's name.  
Condi: Hu.  
George: The guy in China.  
Condi: Hu.  
George: The new leader of China.  
Condi: Hu.  
George: The Chinaman !  
Condi: Hu is leading China.  
George: Now whaddya' asking me for ?  
Condi: I'm telling you Hu is leading China.  
George: Well, I'm asking you. Who is leading China ?  
Condi: That's the man's name.  
George: That's who's name ?  
Condi: Yes.  
George: Will you or will you not tell me the name of the new leader of China ?  
Condi: Yes, sir.  
George: Yassir ? Yassir Arafat is in China ? I thought he was in the Middle East.  
Condi: That's correct.  
George: Then who is in China ?  
Condi: Yes, sir.  
George: Yassir is in China ?  
Condi: No, Sir.  
George: Then who is ?  
Condi: Yes, sir.  
George: Yassir ?  
Condi: No, sir.  
George: Look, Condi. I need to know the name of the new leader of China. Get me the Secretary General of the U.N. on the phone.  
Condi: Kofi ?  
George: No, thanks.  
Condi: You want Kofi ?  
George: No.  
Condi: You don't want Kofi.  
George: No. But now that you mention it, I could use a glass of milk. And then get me the U.N.  
Condi: Yes, sir.  
George: Not Yassir ! The guy at the U.N.



Condi: Kofi ?  
George: Milk ! Will you please make the call ?  
Condi: And call who ?  
George: Who is the guy at the U.N. ?  
Condi: Hu is the guy in China.  
George: Will you stay out of China ?!  
Condi: Yes, sir.  
George: And stay out of the Middle East ! Just get me the guy at the U.N.  
Condi: Kofi.  
George: All right ! With cream and two sugars. Now get on the phone.

(Condi picks up the phone)

Condi: Rice, here.  
George: Rice ? Good idea. And a couple of egg rolls, too. Maybe we should send some to the guy in China. And the Middle East. Can you get Chinese food in the middle East ?

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One morning during our latest visit to the Thula Thula Game Reserve we met this "party" of kudu females.

Note the white circles around their tails. This is a guidance for other females and the babies so they can easily follow each other even when the light is getting dim.

"Just follow the white circle" .....

## SOUTH AFRICA

South Africa has a special place in our hearts. It is a marvellous country, and we try to go there as often as possible. Of course we – Tove and I – combine our business trips with visits to the game reserves where we watch the animals.

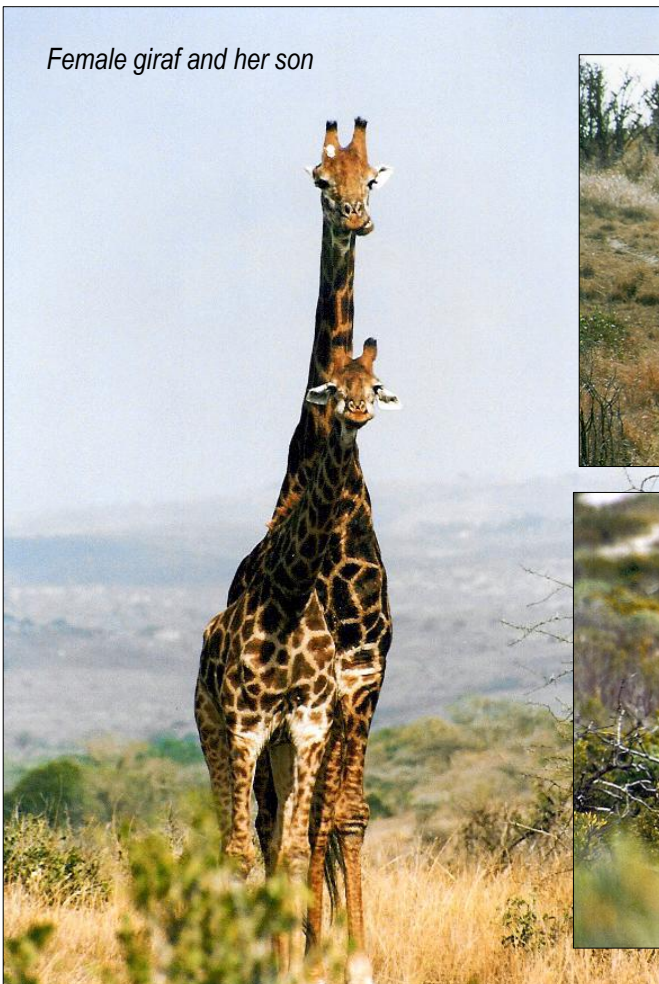
I visited the Hillside and Bayside smelters in September this year, and it is a wonderful feeling when you show up in the front of the Bayside headquarter that they have raised the Danish flag together with all the other flags.



It is a very kind gesture which our long-time friends at Bayside should know is very much appreciated.

### *Some of the animals from our recent trip to South Africa*

*Female giraf and her son*



*Blue wildebeests*



*Ostrich*





## THE DIVINER

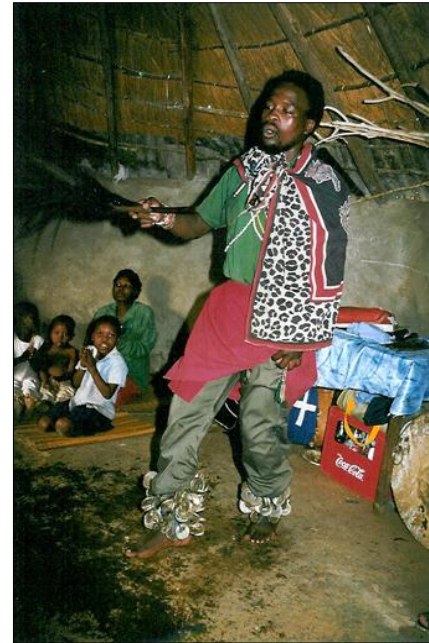
During Tove's and my latest trip to Natal, South Africa, some friends suggested us to pay a visit to the Sangoma, a diviner, living in a Zulu Village close to the Thula Thula Game Reserve. Quite an experience.



We were taken to the village by 2 rangers from Thula Thula. A diviner can tell your future, he claims, if you wish so. We didn't want it. We just wanted to listen to him and his dancing. His supernatural power obviously came from his late grandfather, who would talk to him when he was in a trance. He was asked some questions by one of the rangers in relation to a disappeared identity card. The Sangoma could explain what had

happened to the card. Being asked who had taken the card, he said: "Unfortunately I am not licenced to reveal any names ...." Well, we don't believe too much in people telling your future, and this statement confirmed to us that there was a limitation to the Sangoma's power, irrespective of his close contact to his late grandfather.

Anyway, it was an experience. Not least to watch the family - 2 women and several of his children - who participated in the event. One of the somewhat older boys was playing a drum, and the Sangoma was dancing some special dance. Fascinating. The photos show the diviner, Tove leaving the Sangoma's hut after the "event", and a photo showing the Sangoma and some of his children, whom we took to a local shop in our car after the visit to buy some sweets for them. As any other children in the world the small Sangomas loved the sweets. It doesn't always take a lot of effort or money to make people - read children - happy.



## SALLY II

12 weeks' old - *"Isn't she lovely ....."*



Finally, I wish you all a very happy Christmas and a prosperous New Year with a lot of health, fun and joy.

Sincerely yours,

  
Jørgen Simonsen