

simonsen®



Dynasty Update 2005

December 2005

Dear Readers !

2005 is getting close to its end. Still the world is pretty much in a big mess. The problems in the Middle East, the problems with North Korea, EU stopping the import of textiles from China, the flooding in New Orleans and in Central America, the earthquakes – especially in Pakistan, the global warming, heavy rain-falls in certain countries and severe draught in European and African countries.

Definitely, things can only get better.

There are certain things the human being can influence maybe also the weather, as we should control our fuel consumption to avoid too much pollution and the following obvious severe weather conditions creating homelessness and famine for millions of people as a result of the global warming. This has to come to an end.

Let us all contribute to a cleaner environment to make the world also a good place to live in for the coming generations. We have an enormous responsibility.

However, life is still great for many of us – and let us enjoy it as long as we can but of course also try to help all those who are not so well off.



The 2005 ENVELOPE

Our envelope shows the newest member of our family/company, the small baby panda Sica photographed when I went to adopt her in May this year.

She is wonderful – isn't she?



The FRONT PAGE

The front page shows a *Pied King Fisher*. Not the most colourful King Fisher bird – there are many variations – but still a beautiful bird.



The 2005 CHRISTMAS CARD

During a trip to Changchun, China in July we decided to spend a week-end in the North Eastern part of China, close to North Korea, to watch one of several Tiger Reserves in that part of China.

We visited a Game Reserve called *Amur Tiger Park* where they had 45 BIG Siberian tigers and some Asian lions + what we should call either a “*tion*” or a “*liger*”, as this beautiful animal we saw was a mixture between a tiger and a lion. Quite interesting!

The tigers are very frightening (like lions) and I have the deepest respect for especially these 2 big cats. They are absolutely dangerous to humans. During that visit I took “a few” shots of the tigers in the park and therefore, this different photo of a tiger.

I am impressed by how well the Chinese take care of their endangered wildlife. It is simply excellent.



The 2005 Thai-Tie (say it quickly...)

This tie is different from what you have seen before from our hand, but stripes are “in” these days and of course it is obvious for us to print our new “baby” on the tie, the panda bear **Sica**.

We hope you like it.

The tie is as usual made from the best Thai-silk available.

Our STAFF

A few persons have left our company. As I have said before: “People come and people go...” However, I must say that I believe that we have never before had such an efficient and qualified staff as we have today; they are “simply the best” !

We have re-organized our organisation and as per enclosed separate letter you will see who is handling what.

The new employees are:



Connie Høstgaard Møller
Shipping Assistant

connie@simonsen-as.dk
Dir. phone: +45 9669 1322



Margit Møller Pedersen
Export Assistant

margit@simonsen-as.dk
Dir. phone: +45 9669 1317



Christina Henriksen
Temp. in our shipping dept.

christina@simonsen-as.dk
Dir. phone: +45 9669 1329



The FAMILY

Fortunately, I can keep writing that our family life in- and outside business is first class.

We get together frequently in private, and so do our dogs who are always making sure to be in focus of any get-together we have.

About our grandchildren I can brief you as follows:

Olivia is still a small princess and is now attending first class in school.

Nikolaj is in second class and he has become member of a band where he is playing the drums, which he

is quite good at (- and noisy when he rehearses).

Laura is in third class and she is the artist of the family. She has started playing the violin.

Frederik is in fifth class and plays football (soccer) and he has also started learning sailing this summer.

Finally, **Sara** is in ninth class and she is still mainly concentrating on "Cheval", her horse, but also slowly seems to get an interest in the opposite sex.

BURTON, Germany

Burton's production of **alubar 1100** has really been under pressure the past year. Obviously, the **alubar 1100** quality is an outstanding barrier brick which also reflects in all the orders we get for this product.

The Burton production is fully occupied for the rest of 2005. Therefore, Burton had to do something drastic to increase the production to keep the delivery times down to a reasonable level, and now Burton has invested in 1 more completely new and very large hydraulic press, which will be fully operating as from early 2006.

This means that the total Burton production of the popular **alubar 1100** and **alubar 2000** barrier brick qualities will be around **30,000 Metric Tonnes** per year.

From early next year Burton will have 5 large similar presses producing only **alubar** bricks.

Burton was audited by a large international aluminium group this spring and out of max. 100 points, Burton got 96.2% and qualified as an "A" supplier.



MOSCONI Italy



Mosconi also keeps expanding and improving their production of their excellent perlite bricks which Mosconi – as the only producer of such a light, highly insulating product – can produce in large sizes up to 500 x 250 x 125 mm.

Mosconi has the most modern and most rationalised plant producing insulating bricks in the world and therefore, we also have the pleasure of getting many, many orders for the various Mosconi qualities for various technologies as insulation for the bottom of the electrolytic cells.

Recently Mosconi was audited by a very large aluminium group and out of 100 points Mosconi was awarded: 94.3%, meaning that also for this large group Mosconi has become a qualified “A” supplier, which is the best.

*Aerial photo of the
Mosconi plant,
July 2005*

**Agostino Almasio,
Paolo Mosconi,
Antonio Bodini
and Lilli
(the company dog)**





One of Mosconi's 2 new rolling-kiln furnaces for firing the bricks.



A pallet with Mosconi's newly developed **msb AW-500** insulating brick. A brick developed especially for pot insulation.



A line of pressed bricks on their way to be dried, fired and machined.

CALSITHERM, Germany

Calsitherm has become one of our important suppliers as we are supplying many, many cubic metres of their **insulite 1900** boards as well as flat boards as pot-sets for smelters all over the world using calcium silicate boards in their pots.

Calsitherm's quality is high and their prices competitive and also we are now fully approved suppliers for any aluminium group using this product in their pots. A great achievement.



TECHNO- PHYSIK, Germany

Techno-Physik is also improving their production and fortunately we are getting more and more orders for the **vermilite 2000** insulating vermiculite boards and also for the semi-insulating, heavy vermiculite boards **prolite super**.

It is, you know, very good for any client always to have an alternative supplier of high class products and I can guarantee you that Techno-Physik's boards match any other producer's boards as well quality as price wise.

These vermiculite boards are produced in Slovenia



LIRR, China

LIRR is fantastic. This government owned company operates as if it were a private enterprise. The management is energetic, efficient, and highly skilled and many other superlatives you can add to a company that produces what is probably the best silicon carbide blocks available in the world today.

LIRR has been expanding their production with regular intervals and as we have informed before – latest in our Sica News from the month of June – the new plant LIRR III will start operating end this year bringing LIRR's total capacity up to some 16-18,000 metric tonnes per year.

Small and large orders can be delivered FOB Qingdao with a very short notice and many smelters take advantage of our very short delivery times which I guarantee you will be even shorter as from January 2006.

LIRR has also developed their own cryolite resistance test so that LIRR themselves regularly can supply the newest cryolite test results, which we intend to make part of our works certificates from LIRR for each single delivery as from early next year. The test will of course not be made for each single order but will be made regularly. Further information in that respect will be given later.

We can also inform you that Prof. Zhao Junguo will present a paper at the TMS Conference in San Antonio, Texas, USA in March 2006 about LIRR's new cryolite test method.

LIRR is continuously working on improving their **sicatec 75** quality in a close cooperation with the University of Auckland and also in a close cooperation with SINTEF, Trondheim, Norway. All in all, another outstanding partner of ours.

JILIN CARBON CO., China

As we have advised before we have made an agreement with Jilin Carbon Co.'s affiliate in Changchun, who have been producing carbon cathode blocks for more than 20 years, about an exclusive representation of the Changchun Cathode blocks for sales in and outside China.

All start-up of a new and improved product takes time but we are close to being where we want to be, i.e. being able to supply a high quality and competitive 30% graphitic cathode block.

The first trial orders have left the plant and as from latest 1st January 2006 we are able to supply, but of course we are already now preparing quotations for small and large enquiries from smelters very interested in this new Chinese product.

The quality produced is regularly supervised by Mr. Koichiro Mashio, Mashio ASCS Ltd. in Tokyo and Prof. Mark Taylor from the University of Auckland.

So as usual nothing is left to circumstances. We do everything properly as we only want to market the absolute best products to maintain our reputation as a first-class supplier to the worldwide primary aluminium industry.

On the reverse side you will see a photo showing the people signing the agreement between LISIM, LIRR, Jilin Carbon and **simonsen®** regarding the future cooperation for sales of the Changchun cathode blocks. Jilin Carbon was acquired by Sinosteel a few months ago. This means that the Changchun plant is now part of our family as Sinosteel is also the "mother company" of LIRR.

SINOSTEEL, Beijing

*Myself
Li Hongxia
Ruanbo
Mr. Yang
Mr. Zhao*



One of our Chinese partners, SINOSTEEL, Beijing - one of China's largest companies - has recently purchased the entire Jilin Carbon Co., as mentioned earlier.

We therefore believe that a substantial sum of Renminbi will be invested in an upgrading and expansion of the Changchun Cathode Plant, making this plant a real strong alternative to among others the present European cathode block producers.

We are working very hard to make an impact on the cathode block market like we did some 8 years ago with the Chinese silicon carbide blocks in which area LIRR has now become the world's largest producer.

Just wait - give us until 2006 and you will be surprised!!

*New
production
facilities in
Changchun.*



*Inauguration
in
Changchun
October
2004*



*First
overseas
shipment
of **CCB-3**
is being
stowed into
a container
in Dalian,
September
2005.*



LISIM, Shanghai

For a long time we wanted to establish a trading house in China to handle sales of Western products into China and to handle sales of various Chinese produced items for the worldwide primary aluminium industry.

End August the final documents were signed in Beijing between the 3 partners of this trading company which will get the following name:

Sinosteel Shanghai Lisim Co., Ltd.

The partners of this company are:

- **Sinosteel Scie-Tech Development Company (SCIE-TECH)**
17B Xi Changan Avenue,
Beijing 100031, P.R. China
- **Sinosteel Luoyang Institute of Refractories Research (LIRR)**
43 Xiyuan Road, Jianxi District, Luoyang,
Henan Province, P.R. China
- **simonsen® a/s**
Møgelvangs Plads 7, DK-7900 Nykøbing Mors

The company's managing director will be Mr. Ruanbo, whom many of you know, and his responsibilities at LIRR will at a high degree be taken over by others from the LIRR organisation, but Ruanbo will remain the Vice-President of LIRR.

Ruanbo is a highly technically educated person and he has been involved with **simonsen®** for so many years that we have an outstanding relationship, and as Ruanbo is also a good salesman, he will be involved in activities also outside China, but not only for the aluminium industry.

Some of our activities may also be handled by LISIM in the future but this has not yet been clarified.

But as you will see we try to become stronger and stronger in the worldwide market through various activities.

Li Hongxia – Wang

Shouye – Wang Weigang



Zhao Fazhong and Ruanbo

Visit from CHINA

This spring President Li Hongxia, LIRR, Vice-president Wang Weigang, Sinosteel and Vice-president Wang Shouye, LIRR, made a trip to Europe to visit some smelters in Norway, Germany and France.

On their way around in Europe the delegation also visited Nykøbing and our offices. We had arranged a reception with our Mayor who was kind enough to invite for a glass of wine and “kransekage” (almond cakes) in our old Town Hall.



*Morten Simonsen
Klaus Simonsen
Mayor Egon Pleidrup
Vice-President Wang Weigang*

*Marianna Simonsen
President Li Hongxia
Vice-President Wang Shouye
Myself*



Meeting with NORÐURÁL, Iceland

Klaus and Morten had a meeting with Magnús Valsson and his wife Heidi in Copenhagen on the 31st January 2005 to sign an agreement with Norðurál.

Magnús and Klaus

ALBA, Bahrain

In March Klaus, Morten and I visited ALBA in Bahrain to talk about certain orders for various products. During that visit I took a photo showing the entrance of the plant plus a photo from our meeting.

The ALBA plant is very impressive and I can say that our entire family is very proud to be one of the chosen suppliers for this big and efficient plant.

ALBA succeeded in having a complete pot-lining running in a world record breaking time of only 77 days.

*Klaus - Myself - Mohammed
Mahmood Morten & Avinash Mittal*



Visit from SINTEF, Norway

After the aluminium exhibition in Shanghai this spring also Egil Skybakmoen, our good friend, took his time to pay another visit to LIRR. I am not exaggerating when saying that Egil was quite impressed with all the improvements and extensions that have taken place in the LIRR production since Egil's last visit some years ago.

*Zhao Junguo and
Egil Skybakmoen
discussing at the plant.*



LIRR visitors from COMALCO, Australia and COMETALS, Russia

In June Comalco paid a visit to LIRR to inspect the production.

In this delegation our former employee *Neal Wai-Poi* participated whom it was good for me to meet again as I was so lucky to be the one representing **simonsen®** during this visit. That was absolutely great (Hope you enjoyed it too, Neal...)

Together with this delegation we were also visited by **Andrei Bezushenko** from Cometals, Russia, our Russian agents.

All the flags – the Danish, the Australian, the Chinese, the New Zealand, and the Russian – were hoisted. I think it is a good custom that LIRR is hoisting the flags of the nations visiting them.



Our BOARD

As you may know our board is a family board which until 30th November 2004 consisted of Morten, Klaus and I. However, on the day when we celebrated our 20 years in business, namely on the 1st December 2004, Tove – my wife and the mother of Klaus and Morten – joined our board which now consists of the core family mother, father and the 2 sons. What a pleasure.

We don't spend much time in the board-room as we meet occasionally in the office and also in Tove's and my home for a Saturday morning coffee and a chat, and that's where many of the issues are discussed. Very cosy and efficient.

This is NOT my job...

This is a story
about four people
named everybody,
somebody,
anybody and
nobody.

There was an
important job
to be done
and everybody
was sure that
somebody would
do it.

Anybody could
have done it, but
nobody did it.

Somebody got
angry about that,
because it was
everybody's job.

Everybody thought
anybody could
do it, but nobody
realised that
everybody wouldn't
do it.

It all ended up that
everybody blamed
somebody when
nobody did what
anybody could
have done.

Aluminium PRICES

For quite a while aluminium prices have been relatively high around dollar 1850 – dollar 1975 per metric ton on a 3-month basis. It is foreseen that this level will be maintained until at least the end of 2005.

We all cross our fingers and hope that the price will remain at that level also in 2006 (and hopefully higher), and it might be possible as the price has been very steady for a long time now.

However, there is probably not much chance that the Dollar will regain its old strength, so it is necessary to have a high aluminium price to compensate for the low Dollar which according to the experts could drop even further in a not too distant future (but you know – all these experts.....).



SPONSORSHIPS

As you know we like wild animals (the wilder the better), and therefore, we support several of these wonderful creatures which must be preserved for the future. The animals we provide funds for are:

The Pandas in China – The Black Bears in Eastern Europe (Russia, Romania, Greece, Turkey, etc.) – The Asian Elephants – The Asian Tigers – The Wild Dogs in Africa – The Wolves in Eastern Europe and The Rhinos in Africa.

Not only do we sponsor animals. We, the Simonsen family and our staff of course also sponsor several children around the world but mostly in under-developed countries. These are:

Børnefonden (Danish Childrens Fund Organisation): 5 children in Burkina Faso, Bénin, Bolivia and Thailand.

UNICEF: Supporting a small girl in Tanzania with food and education.

Apart from that we also support **The Danish Cancer Organization, The Ptuj Parachute Jumping Club in Slovenia**, as well as a number of **local sports clubs** and a **kindergarten**.

In that respect I refer to the below e-mail received on 14th January 2005 from Greig Stevens in Australia:

Dear Jorgen,

I returned from leave over Christmas and immediately asked if the latest edition of **Dynasty** had arrived. I very much enjoy reading through update, even more so now given the connection between our two countries through the marriage of prince Frederik and Mary.

I can lay claim to having received at least 8 of the ties, some of which I still wear today. It is on this front that I am writing to you to suggest that the money is directed to sponsoring a child, the environment or an animal as a Simonsen/aluminium industry co-op. As much as I value receiving the Simonsen tie, it would be very exciting to receive the **Dynasty** each year with an update on how that sponsorship is progressing.

I notice from your web-page that Simonsen is already very active in various areas; your community involvement in these areas is to be commended.

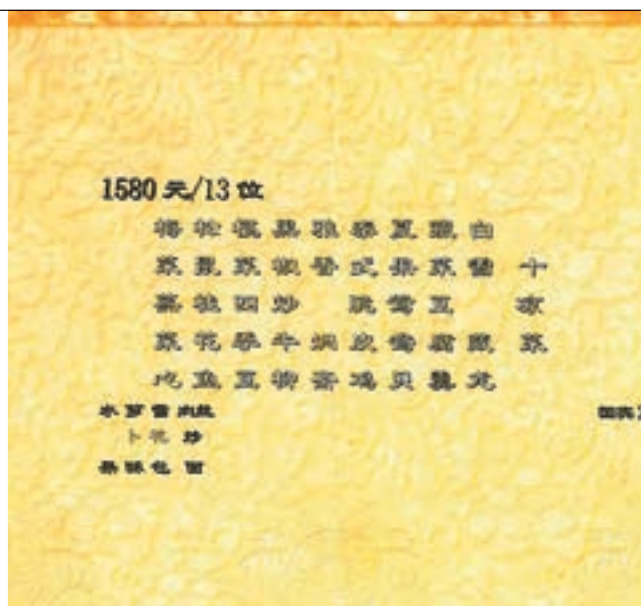
Wishing you an exciting and safe 2005!

We are of course considering Greig's suggestion.

CHINESE menu

This is a menu showing a complete dinner for 13 persons which I gave during one of many, many visits to LIRR this year - by the way I have been to China 52 times since 1996! 13 persons' complete dinner costs Renminbi 1,580.- which is equal to approx. \$ 17.- per person inclusive of beer, soft drinks, water and "Chinese wine" (firewater). Quite acceptable, isn't it.

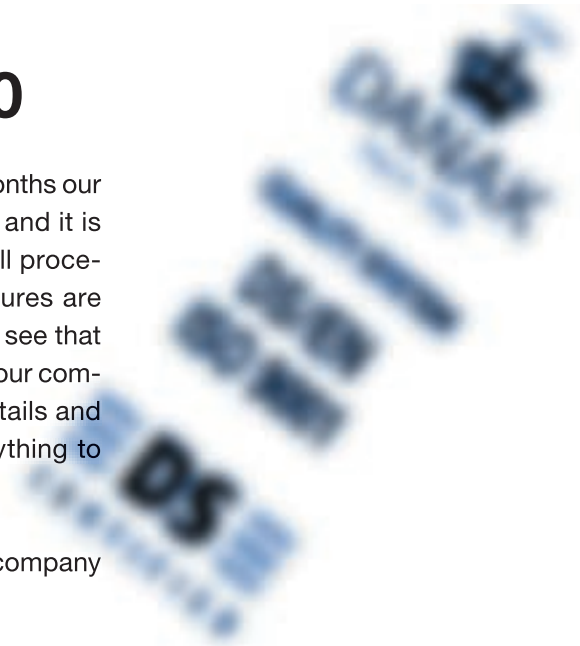
But there are cheaper meals to have. Close to LIRR's plant there is a small, simple but good lunch restaurant that can serve meals for 10 persons at approx. \$ 6.- Yes, only six US-Dollars for food for 10 persons!!!



ISO-9001:2000

Regularly, that means every three months our company's ISO-system is checked and it is also thoroughly checked whether all procedures laid down in our ISO procedures are being adhered to. It is a pleasure to see that these ISO-norms and standards for our company are followed carefully in all details and we seldom get a remark about anything to be corrected.

This is also your guarantee that our company works efficiently in all respects.



Aluminium production on ICELAND

As you probably all know the aluminium production on Iceland – which is ALCAN, ALCOA and NORÐURAL is booming these years. It is a great pleasure for us to continue supplying the 2 existing smelters on Iceland – as ALCAN and NORÐURAL, of which the latter is in a large expansion programme, are both generally using **simonsen®** insulating bricks, blocks, barrier bricks and silicon carbide blocks.

It is also with great pride that we have now secured substantial quantities of refractories for the new ALCOA smelter FJARÐAAL.

This all together means that our company is by far the largest supplier of refractories to the smelters on this fantastic island which is definitely worth a visit, both as a business man but definitely also as a tourist.



*The ALCAN
ISAL smelter
on Iceland*

TMS 2005, San Francisco

Like previous years we participated in this year's conference. Pres. Li Hongxia and Prof. Ruanbo of LIRR, Paolo Mosconi and Antonio Bodini of Mosconi, Klaus, Morten and I went to San Francisco and spent some very nice days there enjoying the company of good friends.



During the TMS **Dr. Li Hongxia**, President of LIRR, gave a computer presentation to **Mat Powell** (Technical Manager) **William Morgan** (Mgr. Manufacturing) **Mike Tanchuk**, (Vice-President) which was obviously very much appreciated by our business associates from Century Aluminum, Kentucky, USA.

During the conference we had the pleasure of having a lunch with **Wayne Hale** (Senior Vice President, SUAL Holding offices, Moscow).

Wayne is a long-time friend of the family, and we fortunately still have a lot of contact with him since his move to Russia.



This photo shows our delegation with members of Mosconi, Italy, LIRR, China and ourselves on our way to an important meeting with ALCOA during the TMS in San Francisco.



NEW Projects

Fortunately there are several new projects coming up the next few years. There is a new smelter to be built in Qatar by HYDRO but also in Oman a new smelter is planned by ALCAN.

So besides the smelters we supply on a day-to-day basis with our entire programme for general maintenance there is fortunately also new smelters popping up and that is why our suppliers are bringing themselves in a position production wise enabling us to cope with not only all the daily supplies to our many existing clients, but definitely also to the new projects **meaning that no one shall be let down in terms of delivery because of the projects.**

Everyone who buys from us will get the products they need when they need them. That is our guarantee and that of our suppliers to all of you.



A baby TIGER

During my stay in the Amur Tiger Park I was allowed to keep one of the tiger babies in my arms. This baby was strong and not happy to be in my arms so it was a short experience, but it is a wild animal and should always be treated as such.



ELEPHANTS

During our trip to Botswana last October I took a photo of a group of elephants of all sizes in the dusk on the river bank on their way to have a mud-bath. Interesting and intelligent animals.

Jørgen Simonsen and his PANDA daughter

I can tell you that even she was only 8 months old when I visited Chengdu to adopt her, SICA is not a quiet animal, but very playful, but it was fantastic to hold such a cute animal in my arms. This is not what happens to everyone, as the Chinese are very protective with their pandas.

I must also say that how the pandas are being treated is unbelievable.

The Chinese are very, very good at protecting their endangered wildlife what is also necessary as there is only approx. 1,300 pandas left in the world inclusive of our SICA.



These were the headlines in one of the local papers in Chengdu after our adoption of SICA who is now one year old.



Sica's name in Chinese.



As a baby she must still be with her mother for quite a while and they play very well together and the mother loves her daughter. Very funny and interesting animals!

BURTON visit

A photo was taken during HYDRO's visit to Burton showing the participants:

*Gerold Friedrich
Kai Helge Kjørnås
Alf Harry Bådsvik
Sigurd Aaram*



RATINGS

Each year our company is being rated in accordance with the smelters' own rating systems based upon supplier evaluations according to the ISO standard.

It was a great pleasure when early this year SLOVALCO again rated our company as an "A" supplier, which means "Excellent supplier".

This is of course not the only smelter where we got a top rating, and it is nice to get these ratings, which definitely encourage our entire staff to keep performing well.

Fra: Pavol_Hercko@slovalco.sk [mailto:Pavol_Hercko@slovalco.sk]
Sendt: 1. marts 2005 11:01
Til: MORTEN.0004596691301.fax@slovalco.sk; Morten Simonsen
Emne: Evaluation of Supplier - SIMONSEN (Purchase Department)

Dear Supplier

SLOVALCO a.s. evaluates, once a year, its suppliers following a set given precise rules and results are used as a base to separate the supplier into three following groups:

"A" - excellent suppliers	80 - 100 points
"B" - good suppliers	50 - 79.99 points
"C" - unsatisfactory suppliers	0 - 49.99 points

We are pleased to let you know that in 2004 out of 100 of all possible points in our Suppliers evaluation system you gained 95.19 points, which placed you into the category "A" - Excellent Suppliers. Let us thank you for your correct approach to the SLOVALCO a.s. and let us, at the same time, express our conviction that our cooperation will continue in the same way.

Best regards

LIRR Expansions

Not only does LIRR at the present build LIRR III for producing **sicatec 75** blocks and bricks. No, they also build an entirely new plant for making among other things **sicabond** mortar, **sicacast** castable and **sicaram** ramming paste, etc.



An ALUMINIUM Car

I have a weakness for Jaguars. During a Jaguar exhibition this spring in Copenhagen which I visited with my two grand-sons, Frederik and Nikolaj (who are already now also car enthusiasts), I took a few photos of the new Jaguar XJ model made entirely from aluminium. Wonderful, isn't it ?



Packing of SICATEC 75 BLOCKS

If you think that packing is just a question of laying some blocks/bricks on a pallet, you are very wrong; at least when it comes to packing of **sicatec 75** blocks. I would go so far as to say that during my 44 years in the refractory business I have never seen any supplier putting so much importance into the packing as LIRR is doing.

LIRR has at least one person who for every new size/order makes a drawing and packing instruction for all the different sizes and orders. This serves more than one purpose. First it must be made sure that the pallets are fully packed and if this is not possible, LIRR makes small

“wooden cases” to be put between the **sicatec** blocks on the pallets to ensure that each and every layer of the pallet is full and the bricks/blocks cannot move during transportation.

Also, the **sicatec 75** blocks must stay within the surface of the pallet and also it must be made sure that we can have an optimal number of pallets in a container which must be loaded with net 20 tonnes to keep the freight charges as low as possible, to stay competitive.

So packing for LIRR is not only “left-hand” work, no, my friends – it is a science !

Studying and discussing the packing system



A student PROJECT

A language instructor was explaining to her class that in French, nouns, unlike their English counterparts, are grammatically designated as masculine or feminine.

“House”, in French, is feminine – la maison

“Pencil”, in French, is masculine – le crayon

One puzzled student asked, “What gender is computer”?

The teacher did not know, and the word wasn’t in her French dictionary. So for fun she split the class into two groups appropriately enough, by gender, and asked them to decide whether “computer” should be a masculine or feminine noun. Both groups were required to give four reasons for their recommendation.

The men’s group decided that computers should definitely be of the feminine gender (la computer), because:

- 1 No one but their creator understands their internal logic.
- 2 The native language they use to communicate with other computers is incomprehensible to everyone else.
- 3 Even the smallest mistakes are stored in long-term memory for possible later retrieval.
- 4 As soon as you make a commitment to one, you find yourself spending half your pay-check on accessories for it.

The women’s group, however, concluded that computers should be masculine (le computer), because:

- 1 To do anything with them, you have to turn them on.
- 2 They have a lot of data but still can’t think for themselves.
- 3 They are supposed to help you solve problems, but half the time they ARE the problem.
- 4 As soon as you commit to one, you realize that if you’d waited a little longer, you could have gotten a better model.

(Needless to say - the women won!)

This is to a smart woman who needs a laugh - and to the guys who think they can handle it!

How many honest, intelligent, caring men in the world does it take to do the dishes?

Both of them.

How does a man show that he is planning for the future?

He buys two cases of beer.

What is the difference between men and government bonds?

The bonds mature.

Why are blonde jokes so short?

So men can remember them.

Why is it difficult to find men who are sensitive, caring and good-looking?

They already have boyfriends.

Why are married women heavier than single women?

Single women come home, see what’s in the fridge and go to bed. Married women come home, see what’s in bed and go to the fridge.

What is the one thing that all men at singles bars have in common?

They’re married.

“A BUYER’S LOT IS NOT A HAPPY ONE”

I found the below article by Anthony Lipmann in “Metal Life” and believe it would be interesting for you also.

Who would want to be a buyer these days? That is to say, who would sincerely want the job of purchasing manager for a large metal consumer such as a super alloy maker, steel works, catalyst maker, tube manufacturer or electronics plant? This occurred to me the other day when I received a note from the buyer of a leading UK engineering company on the open forum of our company website. His note read something like this: “Commodity price movements are a fact of life ...but this can make your working life a hell.”

Was there an intimation of self-harm in the note? Need I refer the author to the Samaritans? Were these deep inner-most frustrations those that can be more easily shared with a stranger (and the other viewers of our website forum)? Or was it perhaps rather a plea to share his frustration with others out there in the metal ether?

Who indeed would be a buyer? Rarely congratulated when he gets it right and saves the company money. Always noticed, castigated and brought to book when he gets it wrong.

The buyer is an invidious position and with the atmosphere of Harvard Business School economics invading all areas of corporate life, he will undoubtedly soon be replaced by a machine. The machine being an internet auction. For the trend in business life where all risk must be expunged must surely spell the end of the fallible human buyer.

One of the key foundation stones of current business is the commandment that “The buyer shall never under any circumstances hold stock”. I have to confess that I have not read the book in which this advice is contained – I have only seen its results as put into practice by the many willing foot soldiers of this theory – mainly accountants and finance directors. It is they, of course, who run our business world today – from metals to whole economies – trapped in a world where no decision could possibly be allowed unless backed off by a model, theory or business school dogma.

I must say I have to declare an interest here: I am not keen on accountants. And I have plenty of cogent, sane reasons for feeling this way. But let’s just assume for a moment that accountants did not exert the power they all do and see what the role of the buyer once was.

In the old-style economy, the buyer worked hand in hand with the boss to procure goods for upgrading and manufacture. The raw material for any manufacture is often to be found in inhospitable places far from the cradled world of a Western European producer. Let us take the example of the gas turbine engine alloys.

Into that engine go the metals that comprise some of the rarest materials mined and refined on God’s earth. Take for example hafnium. This is a metal that is only produced as a by-product of the almost equally rare zirconium. The total free market consumption in Europe per year could be less than 20 tonnes. There are two producers in the USA and one in Europe. In the whole of the CIS, there remains only one.

Both products are mainly used in the nuclear industry where their properties slow down and prevent reactions. But now, with the upsurge of nuclear power production promoted as the quickest way for some countries to meet carbon emissions targets, these metals are becoming harder to find.

The old fashioned buyer, in touch with the markets upon which he depends, is aware of these facts. His aircraft engine is a world away from the distant patch of earth from where he obtains supply, but he may have done some minor research that kept him in touch with developments. He may be aware that the element in question is rare and un-substitutable in his

engine alloy. If really allowed to do his job, he may even keep an eye on developments outside his particular demand area, which could threaten to skew the overall supply-demand picture.

Seeing such matters in the past would be the buyer’s role. To keep in touch with traders whose information was valuable and opinion forming, to go to conferences and meet the traders whose relationships in the producing countries with various political systems keeps supply lines open.

In such circumstances it would be appropriate at certain times to take some strategic stock bought at levels that can comfortably be absorbed into the overall manufacturing costs of the products. You could apply this theory to any metal where its absence would cause exposure.

In the turbine, it might be the highly pure forms of cobalt, tantalum, niobium, rhenium, hafnium, zirconium, tungsten, molybdenum and chrome. In a catalyst it might be cobalt or nickel. In an electronic product it might be gallium, indium or germanium. In batteries it might be cadmium or lithium.

Understanding where all these metals come from, their life cycle, the base metals from which they are derived and how they can be brought the market can occupy a lifetime – and often does. And yet today, just as special metals become ever more a feature of myriad applications in industry, the buyers are becoming even more limited in their room for manoeuvre. Indeed it could be said that of the two most recent fiascos of price spikes, in tantalum and palladium (the former reaching \$1,000 per kg and the latter \$1,000 per troy oz, before both fell into dark obscurity), they were actually caused by accountancy-led thinking and the just-in-time approach. Neither the mobile phone industry nor car manufacturers had made “strategic buying” a priority business. Instead, both these industries took the cavalier approach of “When we need it, the market will supply”. And supply we all did – at a price.

Let us make no mistake to be a buyer today is to undertake one of the most difficult and exacting tasks in the business environment. And at the moment most corporations value their buyers about as much as a paperclip.

Last week I visited the buyer at a not insignificant company in Europe in the special metals consuming industry. On his desk was a questionnaire from the corporate management asking him to detail ten ways in which he was going to save the company money on its raw materials purchasing in the coming year. The answer they were looking for, I fear, was not to “speculate”, to “take informed positions”, to go to conferences, hob-nob with London traders, keep his ear close to the ground, watch geopolitical developments, analyse supply-demand patterns and store up metals of strategic importance to their products. No, the right answer was as follows: write a letter to all suppliers that starts something like “Dear Valued Customer” and continues “next year, due to the ever increasing competitive environment and downturn in global economies, all suppliers are required to reduce their prices by 10%. If you have any questions, please contact your procurement representative.” Only the dead hand of consultant accountants could possibly take that simplistic attitude to the world of commodity management. And yet so many metal users are thus run that these are the type of letters that we in the trade all too frequently see thudding onto our desk.

Happily for me, I am not a corporation and, in case, these communications, when shredded, make extraordinary good bedding for my daughter’s hamster.

And yet another JOKE to brighten your day:

A man in a hot air balloon realized he was lost. He reduced his altitude and spotted a woman below. He descended a bit more and shouted: "Excuse me, can you help me? I promised a friend I would meet him an hour ago, but I don't know where I am."

The woman below replied, "You're in a hot air balloon hovering approximately 30 feet above the ground. You're between 40 and 45 degrees north latitude and between 9 and 60 degrees west longitude."

"You must be in Information Technology," said the balloonist.

"I am," replied the woman, "How did you know?"

"Well," answered the balloonist, "everything you told me is technically correct, but I've

no idea what to make of your information, and the fact is I'm still lost. Frankly, you've not been much help at all. If anything, you've delayed my trip."

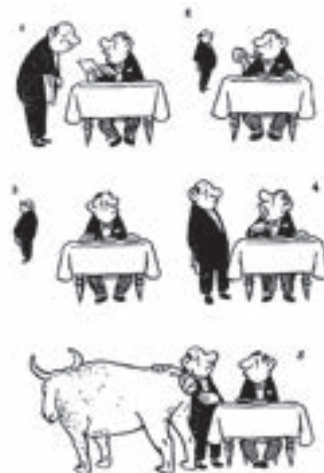
The woman responded, "You must be in Management."

"I am!" replied the balloonist, "but how did you know?"

"Well," said the woman, "you don't know where you are or where you're going. You have risen to where you are, due to a large quantity of hot air. You made a promise, which you've no idea how to keep, and you expect people beneath you to solve your problems. The fact is you are in exactly the same position you were in before we met, but now, somehow, it's my fault."



WOMEN AND CARS!



OXTAIL SOUP



Interesting WARNING from Africa when going into the wilderness of Mozambique!



Province of Inhambane
Ministry of Fish and Wildlife
MOZAMBIQUE

WARNING

Due to the rising frequency of human-lion encounters, the ministry of Fish and Wildlife, Inhambane Branch, Mozambique is advising hikers, fishermen and any motor-cyclists that use the out-of-doors in a recreational or work-related function to take extra precautions while in the bush.

We advise outdoorsmen to wear little noisy bells on clothing so as to give advanced warning to any lions that might be close by so you don't take them by surprise.

We also advise anyone using the out-of-doors to carry "Pepper Spray" with him or her in case of an encounter with a lion.

Outdoorsmen should also be on the watch for fresh lion activity, and be able to tell the difference between lion cub shit and big lion shit. Lion cub shit is smaller and contains lots of berries and dassie fur. Big lion shit has bells in it, and smells like pepper.

Enjoy your stay in
MOZAMBIQUE

Yes, my friends that was this year's Dynasty Update

I hope you have got an impression of our activities and that you are convinced that you are dealing with an efficient and progressive company run by Morten and Klaus + all the ladies and partly myself.

I have decided to reduce my workforce a little bit – turn 69 next year in April.

However, I am still chairman of the **simonsen®** company and I still get involved in important matters, marketing, new products, etc. but the daily business is no longer my business.

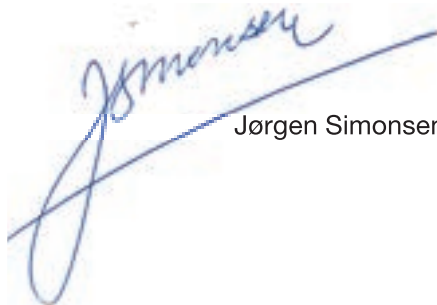
I have been working since I left school and that is totally 51 fantastic years, so I think I deserve to start enjoying a bit more, and sleeping a little longer in the morning, if I so wish.

We all wish you and your family a happy and prosperous 2006 and always remember – the shortest distance between 2 persons is a smile !

Also remember to treat anyone as you want to be treated yourself.

Then you won't be quite wrong!

Many warm regards,



Jørgen Simonsen

