

DACC NEWS BULLETIN

NO. 3

OCTOBER 1996

Danish High-Tech Companies in the US

The Danish venture capital company Bridge Ventures is in the process of establishing the "Scandinavian Technology Park" (STP) in California. The project is aimed at Internet related Danish companies wanting to enter the US market. The Egyptian-born entrepreneur Samir LéHaff has taken the initiative to establish this venture stating that early access to the US market, technology, and capital is critical for new information technology companies.

The STP is to be an incubator for small companies to help them through the demanding process of establishing a subsidiary in the US. The first company to move in is The Vision Factory, a young company formed by former CRI International staff. The company specializes in software-solutions for electronic commerce on the Internet.

VH

Superfos Buys American - Successfully

During the past six months Superfos has taken over about ten US companies with total revenues of about \$67 million. The largest is Constructions Materials in Miami with 250 employees and revenues of \$25 million. The expansion has contributed to a solid growth in profits for Superfos, whose interim result showed an increase from 80 to 126 million DKK. which is close to a record high. Today Superfos Construction is by far the biggest Superfos division in the US, and the Danish company is now the 6th biggest producer of asphalt in the US with 60 production plants.

In the 1980's Superfos was close to a collapse after the unfortunate acquisition of Royser in the US. Peter Højland, CEO of Superfos, states that now the strategy is to buy smaller companies because of the lesser risk. Besides, we have acknowledged that we are better at integrating smaller companies in the organization, says Peter Højland - adding that he still would not say no if a larger company of perhaps \$100 million should be within Superfos' reach.

VH

Golden Anniversary for SAS

On September 18 members of the three Scandinavian American Chambers of Commerce celebrated Scandinavian Airlines System's 50 years of flying to New York with a special luncheon at the Waldorf Astoria.

The festivities began with a former SAS airline hostess narrating the SAS story using airline hostesses dressed in uniforms used over the decades from 1946.

Jan Steenberg, CEO of SAS, delivered a speech on the airlines history, its potential and future. After all SAS was the first European airline to establish a route to New York which at that time was La Guardia Field.

After a number of very difficult years the company has bounced back and now shows a profit. We congratulate SAS on the Golden Anniversary and wish them success in the next fifty years.

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DEMKO Bought by US Company

The state owned DEMKO, Danmarks Elektriske Materielkontrol, has been privatized and sold to Underwriters Laboratories of the US. The Danish government had planned the sale for the past three years which had caused concern for the 110 employees of DEMKO. According to Henning Østerbye, CEO of DEMKO, nobody will lose their jobs in connection with the take-over. Underwriters Laboratories is a 102 year old non-profit organization with 4000 employees and seven test labs in the US and Asia. Underwriters Laboratories bought DEMKO to enter the EU market.

VH

Hold the Date. The Chamber Christmas luncheon will be held on Friday, December 13, at the University Club. Invitation will follow by mail.

DANISH AMERICAN CHAMBER OF COMMERCE

DACC's regular office hours are from 9 am to 1 pm - Monday to Friday.

New Members:

Mr. Allan Nielsen
Union Carbide
39 Old Ridgebury Road, D-3-234
Danbury, CT 06817

Position in Chamber Secretariat

Executive Director needed to manage the Secretariat of the Danish American Chamber of Commerce (DACC) and the Danish American Society. Please send resumes to DACC.

Sail Race - No Wind

On Sunday morning September 15, the 31st annual Stamford Denmark Friendship Race started on Long Island Sound. 190 sailboats were in position but the most important ingredient for a successful race was missing - the wind! However, it was a beautiful day with sunny skies.

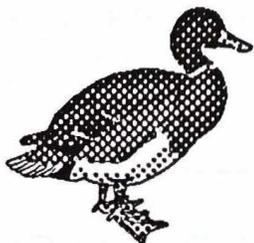
With hopes for the wind to get going, without substantial results, the race committee fired three guns at 1:53 pm signaling the cancellation of this year's sail race.

When all the boats were back on their moorings, the sailors met and had a grand time on the lawn in front of Stamford Yacht Club. As one sailor commented: "It was a great day, we didn't make any mistakes out there, and nobody beat us!".

The organizer of the race for these many years, Werner Valeur-Jensen, said: "The last time we cancelled was 27 years ago, and at that time it was worse. We had no wind and on top of that it rained".

EN

Scandia Deli wishes everybody
"en god Mortens aften"



All Christmas orders for "kranselage" must be made before December 1.

Scandia Deli
46 N. Suxxes Street, Dover, NJ 07801
Tel: 201-361-7890, Fax: 201-361-0626

Silver Swan

A cozy German restaurant called Silver Swan at 41 East 20th Street, NYC, serves a special Danish menu every Tuesday - from frikadeller and smørrebrød to Rødgrød med fløde for dessert. Danish chef Elsebeth Petersen, well-known for her delicious pastries, runs the kitchen.
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Useful Danish Web-sites:

- Copenhagen, the Competitive Capital
(<http://www.copcap.dk>)
- Copenhagen 96, Cultural Capital of Europe 1996
(<http://www.teledanmark.dk/copenhagen96>)
- Copenhagen Business School (<http://www.cbs.dk>)
- Copenhagen Now, Guide to the Danish Capital
(<http://copenhagen.now.dk>)
- Danish Research Councils
(<http://www.fsk.dk/forskraad/index-uk.html>)
- Danish Tourist Board in New York
(<http://www.deninfo.com>)
- Denmark Hotel List (<http://www.dkhotellist.dk>)
- Greenland Guide (<http://www.greenland-guide.dk>)
- GrundtvigNet (<http://www.grundtvig.dk>)
- HotelNet DK (<http://www..dk>)
- International Health Insurance Danmark
(<http://www.ihl.dk>)
- Jubii, Danish Internet Database
(<http://www.jubii.dk>)
- Royal Danish Consulate General, New York
(<http://www.denmark.org>)
- Royal Danish Embassy, Washington
(<http://www.globescope.com/denmark>)
- Trade Directory for Denmark (<http://www.uhk.dk>)

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ISS Inc. Majority Sold

The Danish Cleaning company ISS has agreed to sell 75 pct. of its debt- and scandal-ridden US subsidiary ISS Inc. to the British entrepreneur and billionaire Michael Ashcroft. ISS Inc. will be taken over by Ashcroft's Canadian company Axxis Ltd., and ISS A/S will own 25% of the company, which is expected to be listed on the Montreal stock exchange.

The parties have not disclosed the financial details of the deal, but analysts estimate the maximum price to be 600 million DKK, considering that Michael Ashcroft also has taken over the 1.2 billion DKK debt of ISS Inc. whose goodwill has also been written off. ISS A/S may have to put up 2-300 million DKK to cover part of the debt, analysts say. The sale of the US subsidiary has reduced the value of ISS from 15 billion DKK to 10 billion DKK., but investors praise the fact that a major part of the debt has been lifted and that ISS is now a company with great growth potential. CEO Valdemar Schmidt says that the American adventure has cost ISS 1 billion DKK in cash since 1989 plus the goodwill worth 1.2 billion. Also, many Danish investors have sold their ISS shares because of the crisis so that 65 pct. are now held by foreign investors - 40 pct. of which are US investors.

The secretive billionaire Michael Ashcroft is a former business contact of ISS via his service company ADT. Earlier this year he sold his share of ADT to the well-known US entrepreneur Wayne Huizenga for an estimated \$300 million. Ashcroft is the former boss of the present British CEO of ISS Inc., Martin O'Halloran. Some sources

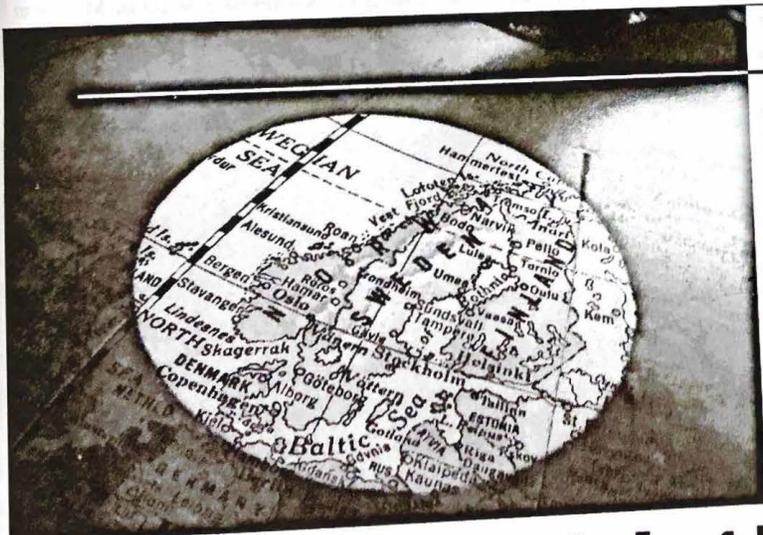
in the cleaning industry claim that the two are still very close and speculations are that what has happened is actually a well camouflaged management buy-out.

Earlier this year ISS revealed that the profits of the US subsidiary had been inflated for years and that insufficient funds had been set aside for the company's self-insurance program. The alleged irregularities within ISS Inc. are currently being investigated by both the Security and Exchange Commission and the General Attorney of New York.

Danes in US Software Alliance

Alliances with American software companies have made it possible for the highly specialized Danish software company CapaCity to compete directly with giants such as Microsoft and Symantec. In February CapaCity entered into a strategic partnership agreement with Computer Associates, the world's largest independent software concern, regarding global sales and distribution of its management software NetCon. CapaCity has similar European agreements with Digital and Banyan Systems.

Within the last 1-1/2 years a distributor agreement has developed into a US subsidiary for CapaCity with 10 employees in the Boston-area. The fast growing Danish company is also planning to open an office on the West Coast, which will eventually be used as a spring board to the Asian markets. Computer Associates has tried to buy the Danish company, but CapaCity said "no thanks".
VH



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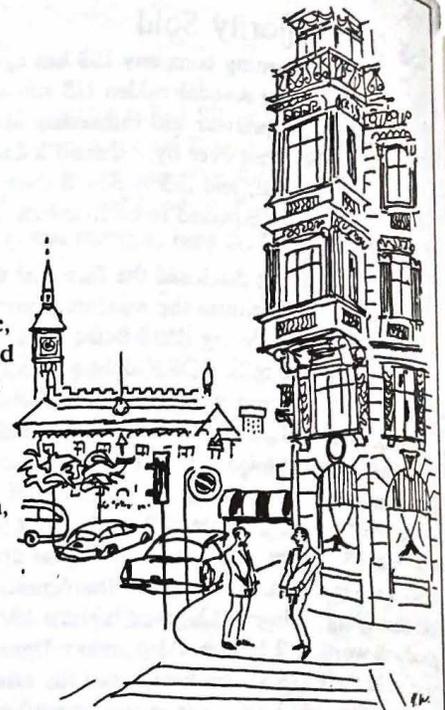
Facilities include 63 charming rooms, each with private bath, telephone, TV and a seemingly endless array of amenities. You find yourself surrounded in storied Danish elegance, from the classic architecture and furnishings to the breakfast restaurant that offers a tantalizing choice of homemade Danish specialties. And in every aspect, the service is characterized by a uniquely relaxed style.

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US Companies Leave Denmark

Several multi-national companies are fleeing Denmark. IBM will close its Danish disc production facilities in 1997, and Boston Scientific, which makes hospital equipment, is moving its factory by the end of the year. Both companies are moving to Ireland to take advantage of the special tax break for international companies. In Ireland the corporate tax rate is only 10% compared to the Danish tax rate of 34 pct.

Other companies are planning to follow the two US companies to the Irish tax heaven, which is made possible by annual EU subsidies to Ireland of 9 billion DKK. VH

Stig Bøgh Karlsen Moves to the US

The Danish business man Stig Bøgh Karlsen has been tapped to head the move of the British media giant Carat into the US market. Stig Bøgh Karlsen, who rose to fame as Chief of the Magasin department stores, has been in charge of the Danish subsidiary of Carat since 1992. Carat - owned by British Aegis Group - is taking a giant step into the US with the purchase of the New York based Media Buying Services International (MBS), that has estimated annual sales of approx. \$160 million and clients such as Benetton and Saks Fifth Avenue.

49-year old Stig Bøgh Karlsen is looking forward to the challenge. He and his family have settled in Connecticut. VH

Minister of Defense Visits New York

The Danish Minister of Defense Hans Hækkerup visited New York in connection with the 1996 Peace Keeping Conference, which was held on September 9-10 in Madison Square Garden. The conference consisted of both a seminar and an exhibition, where potential suppliers could show their products to UN procurement officers and other buyers. Due to Denmark's very active role in international peacekeeping through both the UN and NATO, Mr. Hækkerup was asked to speak about the Danish approach to peacekeeping.

The only Danish company exhibiting was Paul Klinge Corporation. The picture below shows the Minister (left) with Henrik Klinge and Tom Wren from the Danish producer of fresh water systems.

MPG





The popular Danish handball team after receiving their Gold medals

Denmark at the Olympics

For obvious reasons the American winnings at this summer's Olympic games in Atlanta were headlines in the Press. However, Denmark did indeed do very well and to boast, but statistically speaking and based on national populations, Denmark did 4 1/2 times as well as the Americans in winning gold medals.

The gold winners were Kristine Roug in sailing, Paul Erik Meyer-Larsen in men's badminton, the fabulous four in diving and the so-called "underdog" women's popular handball team.

Silver medal went to Rolf Sørensen in road cycling and Henning Hansen got Bronze in single sculls.

Danish participation in the Games was backed by generous donations from corporations and individuals in Denmark, as well as Danish-Americans in the USA.

The Danish Olympians did extremely well so did the Danish Paralympic athletes ten days later. The most outstanding winner was the blind Christian Bundgaard, who won a gold medal in 50 meter breast stroke. It is the eighth time Denmark has sent a team of physically challenged athletes to compete in the Paralympics. The first time was in 1968 in Tel Aviv. To quote Flemming Heilmann, the US representative for the Danish Olympic committee, "this courageous Paralympic team demonstrated the triumph of human spirit".

ASF Elects New President

The American Scandinavian Foundation (ASF) announced that Edward P. Gallagher has been elected its 14th president. Mr. Gallagher will succeed Lena Bjorck Kaplan who has served as president since 1989 and will continue to be a member of its Board of Trustees. He will take office on November 1, 1996.

Mr. Gallagher was selected to lead the Foundation into the next century and spearhead the establishment of a permanent Scandinavian cultural center in New York City. The center will increase the visibility of the Nordic countries in the US through exhibits, lectures and other cultural programs, information services, seminars, and conferences, as well as a Scandinavian book & gift shop and café.

Press release

Concert

The Danish Seamen's Church at 102 Willow Street in Brooklyn invites all DACC members to come, not only to the harvest service on Sunday, October 11 at 11 am, but also to a concert by Danish opera singer Kirsten Kuhle, who will perform after the service. Her repertoire stretches from Wagner to Richard Strauss as well as Mozart and Verdi.

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CULTURAL EVENTS

- Oct. 4
6:00 pm
&
Oct. 6
1:15 pm
- Danish filmmaker LARS VON TRIER's new movie *Breaking the Waves* is part of *New York Film Festival* at ALICE TULLY HALL, Lincoln Center Plaza, 132 W. 65th Street, NYC. For tickets call (212) 721 - 6500.
- Oct. 10
7:30 pm
- Danish trio FRIIS-ANKER-POULSEN in a concert of improvised music at the DANISH CONTEMPORARY ART GALLERY, 420 West Broadway, NYC. (212) 334 - 3331. A reception will follow the concert.
- Nov. 14, 15,
16 & 19
- THE NEW YORK PHILHARMONIC gives the *US premiere* of Danish composer POUL RUDERS' *Concerto in Pieces* at AVERY FISHER HALL, Lincoln Center, NYC. (212) 580 - 8700.
- Nov. 23
11:00 am
- CHRISTMAS BAZAR at the DANISH SEAMEN'S CHURCH, 102 Willow Street, Brooklyn, NY. (718) 875 - 0042.

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