

DACC NEWS BULLETIN

DACC NO. 2

JUNE 1999

Danish Subsidiaries in the USA

The Consulate General of Denmark in New York has for many years maintained a list of Danish subsidiaries in the United States. The list is a useful source of information for many American companies and individuals who wish to buy Danish products or establish contact with Danish companies. It also provides an opportunity for the subsidiaries to identify themselves separately from their general marketing activities where the term "Danish" seldom is used.

The list of subsidiaries has now been introduced on the Consulate's website which has over 200,000 hits a month and is an obvious meeting place in "Cyberspace" for Danes and Danish related issues.

Subsidiaries who wish to have their company profiles included on the "list" are welcome to contact Morten Landrock, Lars Hejlskov or Niels Bach at the Consulate General of Denmark at telephone No. 212-223-4545 or e-mail information to "information@denmark.org". Information about subsidiaries or general information about the Commercial Section of the Consulate can be viewed on the following website: www.denmark.org/business.
NB

Maersk Stays in New Jersey

After a dramatic bidding war between five harbors on the US East Coast, the world's largest container line, Maersk Line and its American partner, Sea-land, decided to keep its American North East hub in Newark, New Jersey for at least 20 more years. The two shippers' lease were up for renewal, but when the Port Authority of New York and New Jersey offered unacceptable conditions for Maersk/Sea-Land, the two lines decided to ask for bids from other major harbors on the East Coast, most notably Baltimore and Halifax, which evolved into the most fierce competitors. Following a dramatic political battle between the governors Christine

Todd Whitman of NJ and George Pataki of NY about putting together an attractive offer (NJ ended up offering 120 million in state funds), Maersk and Sea-land decided to stay. However, the decision is dependant on final approval of the conditions by the two combative governors, who are fighting over the future of the Port Authority and its revenues and investments.
EK

SAS Marks 10 Years at Newark

On May 1st, SAS celebrated its 10th anniversary at Newark International Airport. SAS was the first major European carrier to move its total operations from JFK to Newark.

In that time SAS has logged nearly 4 million passengers and 225,000 tons cargo and mail.

Last year they opened a \$35 million cargo terminal, complete with office space.

Their 6,200 square feet state-of-the-art lounge, located in Terminal B, features amenities from business center to café and bars and comfortable seating.

SAS operates four daily, non-stop flights out of Newark to Copenhagen, Oslo and Stockholm.
EN

Changes in Danish Tax Law

On May 6, 1999, the members were informed by Niels Mou Jakobsen, Sr. Tax Partner in KPMG Copenhagen and Charles Cope, a principal in KPMG on the recent changes in Danish tax laws, which have resulted in essentially a tax free status for Danish holding companies. From January 1, 1999, onwards holding companies can receive dividends tax free from their foreign subsidiaries, even if these are located in tax havens, as long as the subsidiaries are not considered "financial companies" (i.e. deriving at least 25% of their income from passive investments).

PHJ

DANISH AMERICAN CHAMBER OF COMMERCE

DACC & DAS Office Closed for the Summer

The office of the Danish American Chamber of Commerce and the Danish American Society will be closed for the summer from Monday July 5th through Tuesday August 31st.

New Executive Director at DACC

Jeanette Hemstad started on May 1, 1999, as Executive Director of the Danish American Chamber of Commerce. Jeanette Hemstad previously held a position as Assistant to the Director/School Administrator at the Martha Graham School of Contemporary Dance in New York City.

Thanks Hanne

DACC and DAS would like to thank Hanne Hochheim for the splendid job she performed for the Chamber as the previous Executive Director of DACC. Hanne decided to leave her position for personal reasons, and we wish her and her family all the best in the future.

Welcome to New Members:

Mr. Flemming Hansen
Copenhagen Bakery
75 Woodbine Avenue
Northport, CA 11768
Tel: 516-754-3256

Mr. Søren Lindstrøm
Sullivan & Cromwell
125 Broad Street
New York, NY 10004-2498
Tel: 212-558-4972

Mr. Søren D. Muller
Scandinavian Distribution &
Postal Service, Inc.
570 Berick Street
Elizabeth, NJ 07201
Tel: 908-289-0703

Mr. Leon Standly
Columbus IT Partner USA, Inc.
333 Ludlow Street
Stamford, CT 06902
Tel: 203-705-4000

New Board Members

At the Annual Membership Meeting of the DACC on May 6, 1999, the following new Board members were elected:

Dorthe Hansen, Danish Tourist Board
Claus Jepsen, Shipco
Bent Orlík, M&R International
Oyvind Saetre, Royal Scandinavia
Anne Steffensen, Royal Danish Consulate
General in New York
Soren Svenningsen, Majesty, Inc.
Peter Hesselund-Jensen was re-elected to serve another term

Rasmus Andersen had previously declined to stand for re-election
Henry Greenebaum and Werner Valeur-Jensen retired from the Board
The Board and Chamber members thanked the outgoing Board members for their many years of dedicated service to the DACC.
Both Henry Greenebaum and Werner Valeur-Jensen will continue to serve on the Board as Honorary Board members ex officio with no voting rights.

At the Board meeting following the Annual Meeting, the following officers were elected by the Board: Peter L. Hesselund-Jensen, President, Peter Caroe, Executive Vice President, James M. Stewart, Treasurer, Michael Q. Carey, Corporate Secretary.
PHJ

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The Danish Wave '99

On May 25th, "The Danish Wave '99" was set off by a grand press conference hosted by Victor Borge, who announced "The Danish Wave '99" as the largest Danish cultural event ever to take place outside of Denmark. The conference was covered by the Danish national broadcasting company, "Danmarks Radio" and was attended by journalists from the most prominent newspapers and magazines in New York.

"The Danish Wave '99" is a cultural festival beginning in September and bringing to the Big Apple top names in Danish literature, photography, theater, classical music and jazz.

There will be more than eighty events over the fifty days of the festival. In museums, galleries, concert halls and cinemas across the city, a diverse program of exhibitions, concerts and film screenings will culminate in the Carl Nielsen International Violin Competition under the patronage of Her Majesty Margrethe II, Queen of Denmark, who will be present at the competition's finale in the Alice Tully Hall of Lincoln Center.

In addition, "The Danish Wave '99" will include concerts of twentieth-century Danish chamber music starring the prominent Danish bass Aage Haugland, jazz music featuring some of the best-known Danish jazz ensembles, theater performances by Hotel Pro Forma, Odin Theater, and "Den Anden Opera", as well as three different Danish film festivals focusing on both contemporary and classic Danish film.


To learn more about "The Danish Wave '99" please visit the homepage www.danishwave.org.

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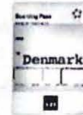


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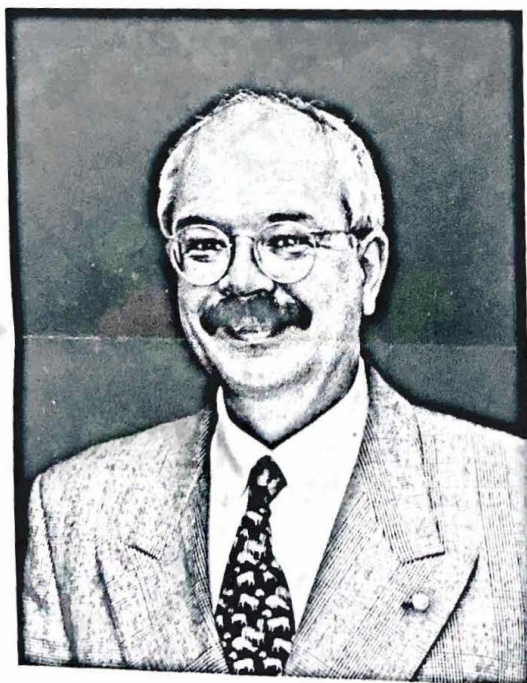
 STAR ALLIANCE

New Consul General

Ambassador Michael Metz Morch will take over the position as Consul General in New York as of September 1st, 1999.

Michael Metz Morch joined the Danish Ministry of Foreign Affairs in 1974, and his diplomatic career includes postings in Algiers, Brussels and latest Riga, where he has served as Danish Ambassador since 1995. It is worth mentioning that Michael Metz Morch also has held leading positions in business. He was Vice President in SAS from 1989-91 and Managing Director for Danish television, channel TV2 in 1993-95.

Michael Metz Morch is married to Pia Elisabeth and they have three children.



Mads P. Gede Leaves NY

After nearly four years at the Consulate General of Denmark in New York, Mads P. Gede, Commercial Attaché, is leaving New York to take up his new World Bank assignment at the Ministry of Foreign Affairs in Copenhagen. His main task in NY has been to assist Danish companies in their efforts to win contracts at the United Nations – a three billion US dollar market. From August 1999 Anne Steffensen will take over his duties at the Consulate.

Danish American Society's 40th Anniversary

A grey sky and slight drizzle could not dampen the spirit of 165 party goers, or dim the spectacular sights of New York harbor on the day of the Danish American Society's 40th anniversary onboard the yacht "Princess". The President of the Society, Flemming Heilmann, welcomed the guests as they settled at their tables, and praised the important roles played over the years by active members of the Danish community.

Consul General Hans Grunnet and his wife Edith were presented with a memento of the Big Apple in anticipation of their appointment to the Danish Embassy in Athens, Greece.

One of the highlights of the evening was the voice of US jazz ambassador, Lenora Zenzalai Helm, whose voice got everybody out on the dance floor. Lenora's rendition of "America the Beautiful", as the yacht slipped by the illuminated Statue of Liberty, was particularly moving.

As the "Princess" docked at midnight a festive crowd gave the last "skål" to the next 40 years and many more parties along the way.

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Ambassador Swett Visits DACC

"Denmark is such a very productive country, but it appears to be undersold. If Denmark can characterize their tax system a bit more favorably there is basis for big successes, not least in the Øresund region. The words came from the US Ambassador to Denmark, Richard N. Swett, when he spoke at the the DACC luncheon on May 27th. He continued to point to the large investments being made in the Ørestad and his hope for partnerships between Danish and US companies there.

Match-making between Danish and American companies is one of the strategies Richard N. Swett is pursuing as an ambassador, a position he has now held for six months. At the meeting with DACC members he emphasized economics and trade as one of the cornerstones he is building his activities on.

- Denmark can be a little bit hard to sell, because it is not a really big market, so companies ask why they should try to develop that. But Denmark is interesting as a gateway to the EU and the Baltic region, and Danish companies are very interesting for partnerships in fields such as the biomedical and pharmaceutical industries and information technology. There is a basis for joint ventures, for working together and to do business with third parties in different markets, said the Ambassador, who also mentioned environmental technology as an area for potential Danish-American business co-operation.

His other cornerstones are regional security, human rights and what he calls "design diplomacy". The Ambassador, who is himself an architect by trade, is attempting to use the relationship between professionals – not least in the design community – to further Danish-American co-operation. And he revealed plans for a conference in this area in the coming year. The war over hormone treated beef was also commented on by the Ambassador. He emphasized his support for a solution by labeling the US beef, and revealed plans for a Danish-American conference on food security this fall or early next spring. Plans that have been hatched in conjunction with the Danish Minister for Food, Henrik Dam Kristensen, during his recent visit to the US.

VH

New Media Seminar in New York

It is no surprise that the Danish news media recently mentioned that the USA is still ahead of the rest of the world regarding new media and e-commerce development. Especially New York has seen an explosive growth in this area, and within the last year and a half the number of new media firms in New York has doubled. This means that Silicon Alley, located on south Manhattan along Broadway, has turned into one of the major centers in the United States within the software and internet information industries. To give Danish companies the opportunity to exchange information and experiences in this field and to network with the American companies, the Consulate General of Denmark in New York is planning several events including a seminar titled "New Media on the Global Market". The seminar will be held June 21, 1999, at the premises of Unibank, located at 54th Street. It is also the plan to open communication between Danish and American firms through a shared data base, where the companies can exchange information and set up links to their own websites.

The above events are free of charge for Danish and American companies. For further information and to sign up, please contact Morten Landrock or Niels Bach at the Danish Consulate General in New York, tel: 212-223-4545.

NB

Danish Giftware in New York

The Consulate General of Denmark will again participate with a pavillion at the New York International Gift Fair at the Jacob Javits Center on August 15-19, booth numbers 3087-3089. About 8 Danish companies will be represented in the Danish pavillion with products from glassware to jewelry.

In connection with the exhibition at the Javits Center the Consulate General will also host a reception on Tuesday, August 17, from 5:30 to 7:30 pm with a special presentation of the Danish products at their offices at 885 Second Avenue, 18th Floor, New York. All DACC members will receive an invitation at a later date.

BM

Leschly Jr. becomes Web Winner

Stig Leschly, the 29 year old son of former tennis champion and current CEO of Pharmaceutical giant Smith Kline Beecham Jan Leschly, has made his mark in the IT industry. Within just seven months Stig Leschly established the company Exchange.com and sold it to the successful e-commerce pioneer Amazon.com for a reported \$200 mio. Thanks to a display of considerable entrepreneur talent, Stig Leschly managed to secure venture capital of about \$13 mio. to get the company started from Silicon Valley companies such as Polaris Venture Partners and Accel Partners. Other contributors were the Washington Post and the founder of Lotus Development Corp., Mitch Kapor. However, the first \$75,000 necessary to put the business plans together, came from the family, Stig Leschly's father and brothers. The core activities of Leschly's company are concentrated in two web-sites, MusicFile.com and Bibliofile.com, that sell rare music and books. It started with MusicFile where Stig Leschly was inspired by his own interest in old jazz records that were hard to find. Later came Bibliofile.com that was taken over from a book store that specializes in rare books.

The idea emerged while Stig Leschly was finishing his dual degree, MBA and Law, at Harvard University from where he graduated last year. His tenacity is reflected by the fact that his business plans got very rough treatment after he entered it into a contest at Harvard Business School. He lost out in the first round and was told by the panel of judges, that he had too little business experience, that none of it was relevant to start an internet company, that his idea was not unique, and that the possibilities to finance the project were insufficient.

Now Stig Leschly will go West once again. He moved with his family from Denmark to Princeton in New Jersey when he was nine years old. This time he will move to Seattle where Amazon.com has its headquarters and where he will help the already successful internet company improve further.

VH

A Scientific Center in Europe

Viewed in a regional perspective, the highest concentration of scientific output from the Nordic countries is produced in the Øresund region, covering the area around Copenhagen in Denmark and Lund in Sweden.

The Øresund region is ranked as No. 5 after London, Paris, Moscow and the Netherlands as the most productive region in Europe in scientific research. This is measured by the number of published scientific papers in 1994-96.

The research competence of the Øresund region is particularly high in medicine and life sciences, biology, biochemistry, and the environment.

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Denmark's Digital Strengths

By Flemming Aggergaard, Director of Invest in Denmark



PHOTO: HANSEN & HANSEN

The digital revolution is rolling fast in Denmark. For many years we and the other Scandinavians have been at the cutting edge of information and communication technology. The IT/Tele/Electronics industry is growing faster than any other industrial sector in Denmark.

"New media" is a rapidly developing global growth area. "New media" covers the interaction between media, IT and telecommunications with the Internet as the hub. The technologically advanced infrastructure and business climate in Denmark offers many advantages for international new media companies, and Danish companies are industry leaders in several areas.

Danish competence in electronic trade, the development and design of web applications and digital media is among the foremost in the world.

At the Milia '99 multimedia exhibition in Cannes earlier this year, Denmark received specific attention for its digital strength. Invest in Denmark came back with several contacts to companies in Europe, the United States and Canada, which will now be looking into the possibilities of investing in Denmark or entering into strategic alliances with Danish companies.

IBM is also convinced that Denmark has the potential to become a leader in electronic trade. The US giant has chosen to focus its e-business in Scandinavia and has launched a pilot project here for its e-business campaign. IBM's choice of Scandinavia is, among other factors, based on the high penetration of PCs. With computers in 60% of households, Denmark holds the world record. Read more about IBM's choice on the next page.

The use of IT and the WWW is widespread within the Danish population. All international analyses on Internet penetration document that Scandinavia is further ahead in this than the rest of Europe. American Forbes recently concluded that Internet use in Denmark is the second cheapest in Europe, only surpassed by Finland. It is also less expensive than in the United States.

IT/Tele/Electronics is a focus area of Invest in Denmark thanks to all these arguments, and we are working hard to attract investors from North America, Asia and Europe.

Vital Platform to Scandinavia and Baltic States

Last January Schneider France bought the Danish company Lexel from Danish NKT and Finnish Ahlstrom. At US\$ 1 billion, the acquisition is one of the largest foreign investments in Denmark in several years.

Schneider is among the world's largest companies in electrical distribution, industrial control and electrical contracting. The company reported 1997 sales of US\$ 7.9 billion and has 61,500 employees.

The French company already has subsidiaries in the Scandinavian countries but the acquisition of Lexel - a specialist in electrical components - will provide Schneider with a vital platform to the Scandinavian and Baltic markets. Lexel has 5,000 employees in Europe and reported sales of US\$ 600 million in 1997.

Virtual Media

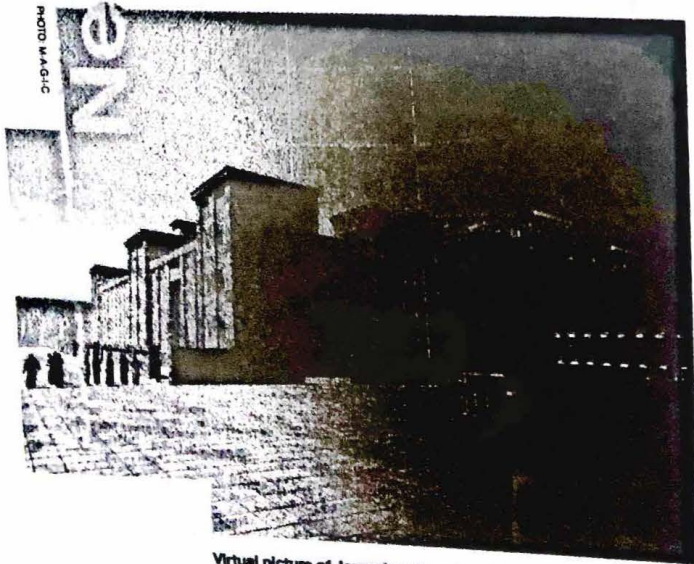


PHOTO: M-A-G-I-C

Virtual picture of Jerusalem from Danish company M-A-G-I-C's "Bible Journey 2000" multimedia project.

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