



Clip-Lok SimPak[®]

Key Markets

General outlook

The world is still in a shaky form and have not fully regained confidence across the board.

The economic climate in the western world seems to be improving and the financial markets appears to have gained confidence in the Southern European economies

This will hopefully create the basis for future sustainable growth

Dark clouds on the sky could be the speed of rolling back the quantitative easing in the US and what happens in the Middle East

Key Markets

Our 2 main markets are:

- Automotive industry and automotive components suppliers
- Defense and defense contractors

Both sectors are more or less of equal size and constitute 80% in total of our total business.

The balance is split on various industry segments: Relief/emergency units, alternative energy and various

We still need to develop a 3rd leg to stand at to create an even better balance.

Key Markets - Automotive

Car manufacturing:

The market is split into 2 leagues:

- The premier league consists of the high-end brands such as BMW, Audi, Mercedes, Jaguar, Ford, Chrysler, GM, Toyota, Hyundai, Kia, Daimler, Volvo, PACCAR, Navistar and Range Rover. All these brands benefit from the increasing market in especially China
- The secondary league consists of brands such as Renault, Citroen, Peugeot, Fiat. These brands are seriously affected by the economic crisis in Southern Europe

Seek out tier 1 and tier 2 suppliers to the premier league brands, as assembly lines are being added around the world to meet demand in a growing market.

The electrical vehicle is there to stay. Find the batteries.

Key Markets - Automotive

Truck manufacturing:

- The truck manufacturers have all experienced a drop in output since 2008 and the start of the crisis
- Mercedes, MAN, Volvo and Renault have introduced new truck models during the last 2 years and are now ready for the up-swing and the "Ketchup Effect". Others will have to follow.
- Volvo and Mercedes will manufacture their new vehicles in the US and South America during the next couple of years.

Establish contact with the local manufacturing facilities to identify opportunities for local supplies and import from Europe. Support will be provided in Europe

Key Markets - Automotive

Heavy earth moving equipment

- Ideal segment for Clip-Lok as the parts are large
- New emission requirements may dictate a revised design of the engine and thus also the vacuum modeled plastic parts used for the side panels and the bonnet for many of these vehicles

Establish contact with JCB, Caterpillar and the likes to generate opportunities. We have excellent references from Volvo CE for transport of transmissions and vacuum moulded side panels and bonnet

Key Markets - Automotive

Tractors and agricultural equipment

- Ideal segment for Clip-Lok as the parts are large and to reduce emission the side panels and bonnet can be made in vacuum moulded plastic
- We have excellent references from Valtra (AGCO) in Finland for transport of steel parts and vacuum moulded side panels and bonnet in a lean, JIT manufacturing environment

Establish contact with the high-end manufacturers in your respective market – they will be furthest ahead when it comes to emission reductions and lean, JIT manufacturing

Key Markets - Defense

- Defense forces in the western world are suffering from budget cuts caused by the economic crises and the fact that the engagement in Afghanistan is being reduced.
- Governments continues to invest in equipment with focus on reducing the risk for soldiers lives. For example: RWS (Remote Weapon Systems), MRAP (mine-resistant ambush protected) Vehicles, Turrets, Body Armour, Drones and other types of robots. New camp equipment to replace worn-out equipment used in Afghanistan etc

Keep presenting Clip-Lok to the Schools and the Material commands – hire a retired Colonel to open doors

Key Markets – Defense contractors

- The general reduction in defense budgets also has a negative impact at the activity level for defense contractors.
- This negative impact is to a certain extent being offset by the rapidly increasing defense spending in especially Asia. The great military build-up in China has forced neighbouring countries to react to try to maintain the balance of power.

Defense contractors are most probably the most interesting industry for us to grow. Imagine if all tents supplied to the UK or the US armed forces were packed in Clip-Lok boxes

Key Markets – Defense contractors

We shall seek to convince defense contractors also to offer their products to the defense forces around the world packed in re-usable Clip-Lok boxes. Today, many defense contractors pack their products cheapest possible to achieve the lowest possible price in Government tenders. Through this they are not solving the problems of the customer – they are creating a problem of packaging!

Key Markets – Defense contractors

As an OEM (Original Equipment Manufacturer) customer, the full sales force of the defense contractor is the Clip-Lok sales force

Production of defense material will NOT be transferred to China – it is strategic as well as a technology driver

Our new clip development will assist in building this OEM base

Key Markets—Relief organisations / emergency units

The relief organisations / emergency units have more or less the same requirements for camp equipment as the defense forces. It can be the door opener for the defense.

In recent years flooding has become an increasing threat and all national emergency units are investing in flood protection equipment. Equipment which is ideal for Clip-Lok as it needs to be logistically optimized to and from the disastrous areas.

Present Clip-Lok as a solution – both to emergency units as well as the manufacturers. We have a great reference from Aquafence.

Key Markets – Alternative energy

Alternative energy has come to stay – despite higher costs at present.

Wind and solar energy are the winners at the moment, but a lot of research are made in other sources. Keep your eyes open for the new winners – it will require large installations equal to a need for returnable packaging.

Establish contact to the actual owners of the large alternative energy parks – often being the large utility companies. They will know the layout, equipment needed and who are supplying equipment where returnable packaging could be used – and they are all environmental conscious!

Key Markets – Aeronautical industry

The key segment we love, but we never seem to get married to it.

As the products are ideal for Clip-Lok and it is a growing market, we shall not give up.

Look at the small airplane manufacturers – such as Cessna

In the commercial jet sector I recommend that we look for:

- Seats
- Luggage compartments
- Interior cabin liners

Key Markets – other trends

Trends, which could constitute large opportunities for a reusable packaging system:

- Renovation of sewerage systems
 - The sewerage system throughout Europe and the US needs replacement or secure renovation. Standardized methods of secure renovation are being developed in all countries
- Flooding equipment
 - With the change in climate and an increase in floods focus from governments as well as large industries will push investments into mobile flood preventions equipment