

Market

With technologies changing almost as rapidly as processing speeds, the world of computing is witnessing a boom in manufacturing equipment. With the advent of mega-storage CDs, CD-ROMs, rewritable CDs and DVDs, other, more historical storage devices like floppy discs and cassettes are well and truly on their way out. Clearly, today, tomorrow and the day after belong to the shiny 12-cm discs that go under the tech-classification of 'optical storage media'.

Moser Baer India Limited is acknowledged worldwide as India's largest and the world's third-largest manufacturer of optical storage media. The hi-tech Indian giant, headquartered in the Indian Capital of New Delhi and having its five manufacturing facilities in the city's suburbs, has a cutting-edge lead in the manufacture of pre-recorded, recordable and re-writable optical storage media devices.

Known for its path-breaking achievements in innovation and product development, Moser Baer has set global benchmarks and introduced new programmes and processes to improve efficiencies, enhance yields and control costs. By this simple expedient it has established itself as one of the most competitive



manufacturers in its industry space. A slew of quality products and services has enabled the company to grab a nearly 18.5% share of the global optical media storage market (Source: Industry estimates).

The company employs nearly 7,500 people at its five manufacturing facilities, with the marketing arm working out of six offices and subsidiaries, servicing the company's customers in India, the US, Europe, Japan and the rest of the world. Approximately 80% of the company's production is exported to 82 countries across all the six continents. Today, Moser Baer is the original equipment manufacturer for 11 of the 12 leading optical storage media brands in the world.

As part of its endeavour to enhance its global reach, the company has signed a strategic long-term sourcing deal with Imation Corporation, one of the largest data storage media companies in the world. The companies have also entered into a strategic joint venture in which Imation will hold 51% of the equity. The venture will focus on customer servicing, long-term technology transfer and joint R&D. The collaboration aims to dramatically improve Moser Baer's market share in the US — one of the largest and most lucrative markets for optical storage media products, worldwide. Additionally, the JV will effectively and efficiently target new high-growth markets like Africa, the Middle East and South America. This development has

substantially mitigated geographic risks for Moser Baer, giving the company a more balanced regional mix of revenue streams.

Achievements

Optical Disc Systems, the world's leading magazine on optical media manufacturing technology, recently conferred the 'Global Industry Leader Award' for Year 2005 on Deepak Puri, Chairman and Managing Director of Moser Baer India. But this is only one of several top-notch accolades. The company received the prestigious ISO 14001 and OHSAS 18001 certification for its two largest plants in Noida and Greater Noida in January 2005. The systems were analysed and audited by a team from Det Norske Veritas (DNV), prior to the award of the certification on

Environmental Management System (ISO 14001:1996) and Occupational Health and Safety Management System (OHSAS 18001:1999).

The DNV team put both plants through the rigorous evaluation procedures and eligibility criteria. Moser Baer has laid special emphasis on following and maintaining eco-friendly processes and practices at its units and the certifications authenticate its efforts to provide employees a safe and healthy work environment, and customers a safe and world-class product.

The company's recent financial records show optimism and growth. It has adopted innovative strategies to ward off the rising costs of inputs in a volatile market. Gross revenues for the fourth quarter of fiscal year 2005 were a very healthy Rs. 4,221 million (US\$ 95.93 million), an increase of 10.2% over the fourth quarter of the financial year 2004 and 14.3% sequentially over the third quarter of 2005. For the full fiscal year, the company showed net earnings of Rs. 584 million (US\$ 13.27 million) on gross revenues of Rs. 13.55 billion (US\$ 307.95 million). The numbers are creditable, especially as they have been achieved in perhaps the harshest environment witnessed by the optical media industry in the recent past. Clearly, in a tough year, the company saw an opportunity for aggressive planning. Going forward,



Moser Baer has announced plans to invest an additional Rs. 4.65 billion (US\$ 105.68 million) in fiscal 2006, to increase production capacity by 25% to over 3 billion discs.

Through fiscal 2005, Moser Baer marched forward and partnered with IT major Hewlett-Packard to introduce a new cutting-edge technology – LightScribe – enabling the labelling of discs in the drive itself. Moser Baer emerged as one of the pioneers in this industry space. Another development of significant ramifications includes a tie up with the Indian Institute of Technology, Delhi. These two proud names have joined hands to work on thin film coating and sputtering technology. The company was also at the

forefront as it continued to exert itself in the creation of the format for the next generation discs called 'Blu-ray'. As a contributing member of the Blu-ray Disc Association, Moser Baer is part of the exclusive club of media manufacturers, PC and laptop makers, drive manufacturers and content providers, all of them working jointly on the project. The company also has to its credit the membership of the HD DVD Association.

History

Established in 1983, Moser Baer India Limited has successfully put India on the global map. It has followed – and created – world-class technologies and manufacturing processes. In April 2003, Moser Baer launched its brand 'moserbaerPRO' in the Indian market, on the back of a dedicated promotional drive and campaign. The initial products to be introduced were aimed at both the consumer and professional markets, consisting of CD-Rs, DVD-Rs, CD-RWs and DVD-RWs. The company has signed an agreement with Tech Pacific one of the leading distributors of technology products in Asia, with a distribution network of 900 dealers in 32 Indian cities.



Product

In its sphere of manufacture — recordable compact discs (CD-Rs), rewritable compact discs (CD-RWs), pre-recorded CDs/DVDs, mini-CDs and DVDs, digital versatile disks (DVD-Rs) and rewritable digital versatile disks (DVD-RWs) — Moser Baer is a world leader. In the magnetic data storage category, the company offers compact cassettes, micro floppy diskettes (MFDs) and digital audio tapes (DAT). Moser Baer is also a leading distributor of data cartridges, as also computer and magnetic tapes.

Demand for LightScribe-enabled drives is escalating the world over. As more and more companies ship laptops and PCs with these new drives, the number of end-consumers taking to the exciting opportunities that this product offers is growing steadily. As one of the companies that worked with Hewlett-Packard through the creation of this technology, Moser Baer can be justifiably proud of offering this value-added solution to consumers.

Recent Developments

Market demand is increasing and orders from Moser Baer's OEM partners are on the rise. In keeping with its proud record of maintaining its position as the third-largest manufacturer of optical storage media products in the world, the company has announced plans to substantially increase production and shipments of LightScribe-enabled media. Moser Baer is currently one of only three optical media companies in the world to be licensed by Hewlett-Packard to manufacture these high-precision discs. Since commencing production of these discs, the company has seen a steady ramp-up in its order book position.

LightScribe is a direct disc labelling technology that gives consumers the ability to create labels

on their disks using LightScribe-enabled drives. The technology provides users a convenient and low-cost method to create professional labelling solutions, both in graphics and text. Till LightScribe was developed and hit the market, such a facility was not available to individual PC or consumer electronics users.

It was in appreciation of the company's adventurous marketing and business planning that Optical Disc Systems (ODS) recognised Moser Baer as the 'Best Optical Media Developer' for 2005. It lauded its "tremendous investment and commitment to international markets to meet global consumption of optical media, and its unparalleled dynamism". ODS is the world's leading technical magazine, covering optical disc manufacturing technologies and format development, standards and licensing, apart from analysing developments in the global optical storage media space.

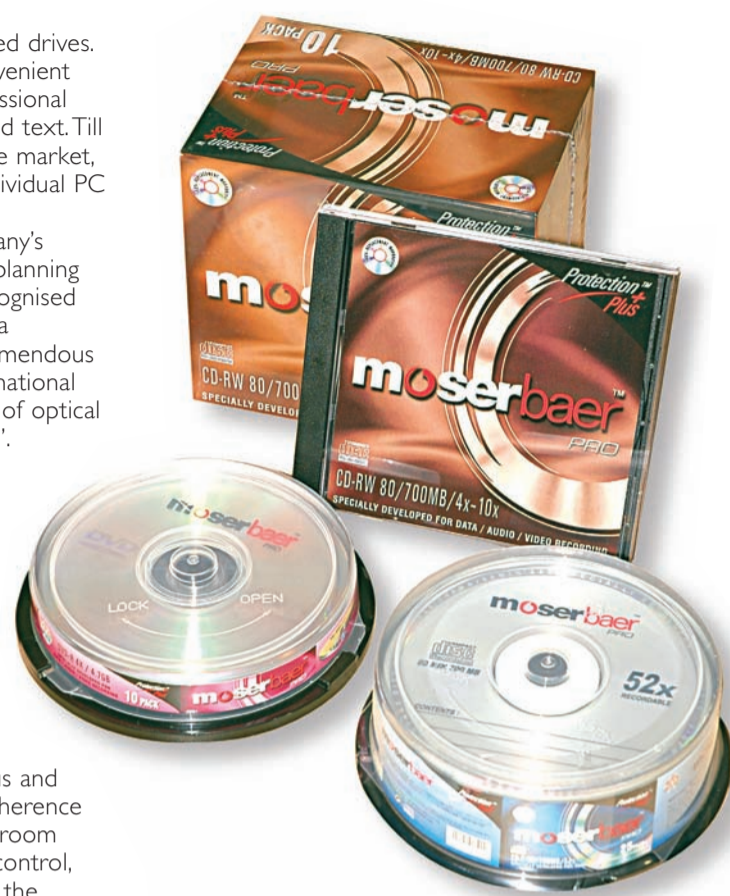
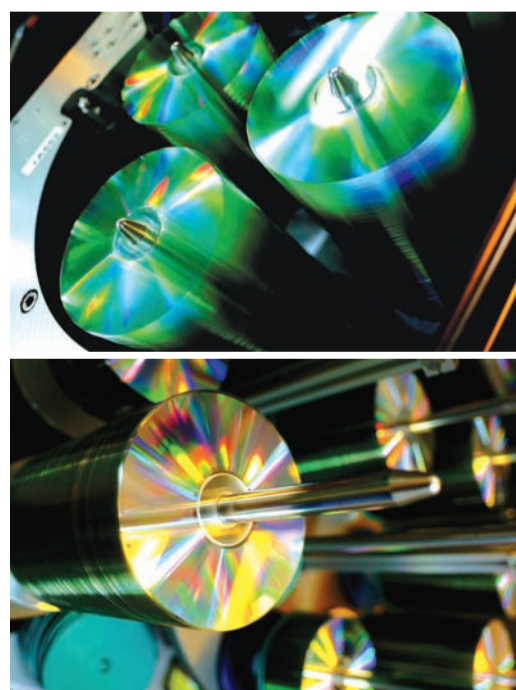
Promotion

In all its public pronouncements and dealings with top customers, the company emphasises that its tenacious and uncompromising adherence to 'Class 100' clean-room conditions, climate control, superior machinery, the finest raw materials and the spirit of 'zero error' manufacturing is what drives Moser Baer forward. "The company is supported by a strong and well-established in-house R&D department, developing process technologies and innovating in manufacturing systems, thereby enabling Moser Baer to beat back the global competition in product

quality and price," says ODS. Close to 100 people work 24 hours a day seven days a week on process design. The company invests nearly 3% of its annual revenues on R&D, being committed to value engineering, improving product quality, yields and lowering the cost of production. Thanks to its continuous focus on technology and R&D, Moser Baer has been able to position itself in the global market as one of the largest producers of data storage media with stringent quality standards.

Brand Values

The company has successfully put India on the global map, following world-class technologies



and manufacturing processes. The ISO 14001 and OHSAS 18001 certifications, among others, are a telling testament to the power of the Moser Baer brand and a recognition of the consistently high standards of quality.

www.moserbaer.in



THINGS YOU DIDN'T KNOW ABOUT

Moser Baer

- Moser Baer is certified by Sony Japan as a Green Partner for product environment systems, scoring 95.3%. This is the highest score ever for any company audited by Sony, worldwide.
- Moser Baer is the world's third largest manufacturer of optical storage devices.
- 11 of the world's 12 leading optical storage media brands source from Moser Baer.
- Moser Baer is the first Indian company to receive the Phytosanitary Certificate of Competency from the Ministry of Forests & Environment for "eco-friendly wood heat treatment process (as per ISPM-15)" and "for phasing out the methyl bromide fumigation process", to protect vital human resources and the ecology.
- Moser Baer has technology collaborations with top global companies like Imation Corporation and Mitsubishi Corporation.
- Moser Baer is a contributing member of the Blu-Ray Disc Association working on the development of the next-gen Blu-Ray disc.