



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 second-largest manufacturer of optical storage media. The hi-tech Indian giant, headquartered in the Indian capital of New Delhi and having its four 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. The company continues to maintain the cost leadership and according to industry estimates is around 10%-15% less expensive than its nearest rival. 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 have enabled the company to grab a nearly 18.5% share of the global optical media storage market (Source: internal estimates).

The company employs nearly 8000 people at its four manufacturing facilities, with the marketing arm working out of six international offices, 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 all twelve of the leading optical storage media brands in the world.

In 2003, the company 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

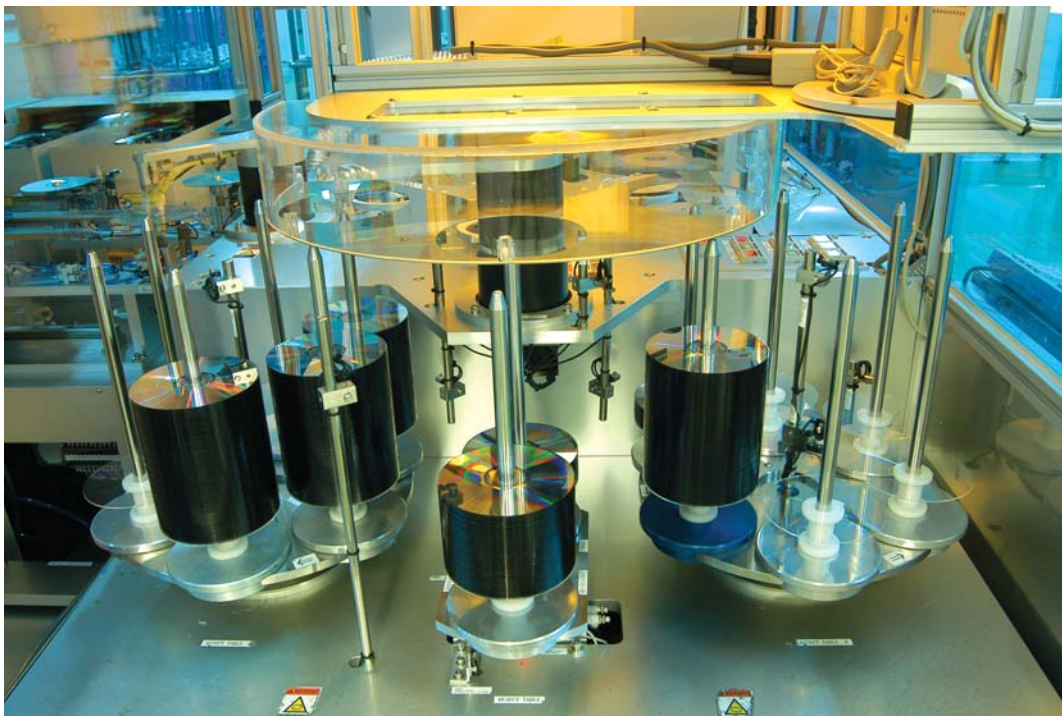
Optical Disc Systems, the world's leading magazine on optical media manufacturing technology, recently conferred the Global Industry Leader award for Year 2005 on Deepak Puri, Chairman and Managing Director of Moser Baer India. This is just one of several top-notch accolades. The company has bagged the prestigious World Environment Foundation

Golden Peacock Environment Management award for the year 2005.

The company has also been honoured with the Rajiv Gandhi National Quality Award in the prestigious Best of All category conferred by the Bureau of Indian Standards.

Moser Baer has laid special emphasis on following and maintaining eco-friendly processes and practices at its units. The certifications authenticate its efforts to provide employees a safe and healthy work environment and customers a safe and world-class product. Little wonder then that Moser Baer is the first company in India to receive the Phytosanitary Certificate with permanent code number IN-001-HT for elimination of methyl bromide and development of in-house heat treatment process, recognised by the Ministry of Forests & Environment Government of India and IPPC Rome. This is apart from other achievements from global corporations like Sony.

The company's recent financial records show optimism and growth. Gross revenues for the year 2005/06 increased by over 28% to Rs. 1730 crore (US\$ 384.4 million) over the previous year. 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 management's vision and strength have seen the company through even as companies the world over are facing business upheavals. Moreover, going forward, Moser Baer has announced plans to invest an additional Rs. 392 crore (US\$ 87 million) in



fiscal 2007, to increase production capacity to over 3.2 billion discs.

The company has been championing the industry-academia relationship and now has MoUs with two of the foremost institutes of repute – Indian Institute of Technology, Delhi and more recently with Institute of Technology, Banaras Hindu University.

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. Recently, the company added another feather to its cap by becoming the first company in the world to commence shipments of the next generation high density optical media format –



HD DVD-Rs. The company expects to continue its technology leadership position in the coming months with the launch of a series of next-generation formats, in conjunction with drive and recorder availability. It expects to be first to market in a majority of these formats.

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.

Product

In its sphere of manufacture – recordable compact discs (CD-Rs), rewritable compact

discs (CDR-Ws), pre-recorded CDs/DVDs, mini-CDs and DVDs, digital versatile discs (DVD-Rs), rewritable digital versatile discs (DVD-RWs) and now rewritable high density digital versatile discs (HD DVD-Rs) – 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 (DATs).

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 second-largest manufacturer of optical storage media products in the world, the company has announced investments of over Rs. 392 crore (US\$ 87.1 million) to substantially increase production to 3.2 billion discs.

It was in appreciation of the company's high decibel business planning that Optical Disc Systems (ODS) recognised Moser Baer as the Best Optical Media Developer for 2005 and the Electronics Organization of the Year, 2005 award by the EFY Group.

In line with leveraging its existing competencies, the company has diversified into another high growth segment – Photo Voltaics (PV). The company plans to make an aggressive entry into the PV business by manufacturing solar cells and modules and is targeting a capacity of 80 MW by 2007. The initial project cost is estimated to be Rs. 260 crore (US\$57.8 million). The project will be executed by a new wholly-owned subsidiary company, with Moser Baer investing Rs. 112 crore (US\$ 24.9 million) in the new venture.

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.

Close to 100 people work 24 hours a day



seven days a week on process design. The company invests nearly 2% 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 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.
- The first company to produce the 15 GB HD DVD-R, the next generation format optical media is Moser Baer.
- Moser Baer is the world's second largest manufacturer of optical storage devices.
- The top twelve leading optical storage media brands all 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 has MoU with two institutes of repute – Indian Institute of Technology, Delhi and Institute of Technology, Banaras Hindu University.
- Moser Baer's in-house developed and patented technology has been considered as one of the four standard media to be included in the Blu-ray disc specifications by the Blu-ray Disc Association.

