



ViewPick 11/12

Responsible Resources & Roots Engagement Zurich – Helsinki – Toronto

John Lewis managers were surprised indeed.

They have found and thanked a little girl who wrote them a letter of apology for breaking a Christmas bauble. The department store launched an internet appeal for help tracking down five-year-old Faith, who sent a touching note with two pound coins stuck to it after accidentally smashing the festive decoration on a visit to the chain's Cambridge branch last advent weeks. This true story might remind us at the end of this business year that small things can turn to major impacts.

Dear Reader

Every now and then we need some good news. So in these remaining days of 2013, I'd like to share our newest insights.

The recovery of the world economy is expected to strengthen in 2014-2015. But this recovery would be a very slow one, as the global environment is still dominated by major problems that need to be overcome. On one hand, the long period of public and private deleveraging in developed countries is still far from over. On the other hand, emerging market economies are beginning a new step in their development process marked by structural challenges.

Scandinavia and Finland will keep focussing on extractive industries. Norwegian Sea may hold vast mineral and metal deposits. New research suggests that the seafloor between Jan Mayen and Svalbard likely holds great quantities of mineral and metallic resources like gold, silver and copper.

Commodities' Market shapes new challenges for investors. Some of the economic conditions that prompted investors to buy mining shares over the past few years no longer exist. Many investors losing faith in gold as a preserver of wealth after inflation failed to accelerate and the Federal Reserve definitively signalled it will curb stimulus. **Mine output** may also drop. On the other hand, **investments in agricultural resources** find new fields in **Eastern Europe and Africa**. Agriculture could be a catalyst for economic growth in Africa, but lack of funding for strategic investments risks is undermining progress. **Emerging Market** economies had proved resilient players in the global economy since 2008. But the situation has been recently disrupted by financial turbulence; not yet strong signals from developed economies while their levels of activity remains low. The global growth presents much more uncertainties than spots of confidence with slightly growing in 2014. The consequences of the exit from unconventional monetary policies will continue to be among the main sources of uncertainty. **"Innovations for sustainability"** is a real guideline for many companies we focus on.

I thank you for all of your support and excellent relationship during 2013, and I look forward to an even bigger 2014.

Best Season's greetings,



Eleni Regli

Economy challenged by Fragility

"Growth remains deeply unpleasant." Klaus Wellershoff

Emerging Market economies had proved resilient players in the global economy since 2008. But the situation has been recently disrupted by financial turbulence. Not yet strong signals from developed economies while their levels of activity remains low. All in all the global growth presents much more uncertainties than spots of confidence with slightly growing in 2014. The consequences of the exit from unconventional monetary policies will continue to be among the main sources of uncertainty.

The volatility recently observed on certain markets underscores the fragility of the economic recovery, and uncomfortably, the risks have shifted to the emerging markets. Anticipations of the Fed's reduction in its assets purchase program provoked bond yields higher in developed countries and drove some emerging currencies markedly lower.

Due to their grater vulnerability to foreign capital outflows, the emerging markets with the biggest current account deficits suffer the greatest currency depreciations, forcing their monetary authorities to increase their key rates. The situation became severe because it came simultaneous when growth in emerging markets presented signs of slowing, including in China and Russia.

Despite better economic data, the developed countries continue to challenge with a fragile growth. They would remain hindered by ingoing private and public deleveraging process. In the United States, growth may remain moderate and be waiting only a slow improvement of the employment situation. As for the fiscal policy, the expectations are driving to a less restrictive harbour.

In the euro area, improving economic indicators are a positive sign. Business activity is still markedly below its 2008 level and substantial adjustments still appear necessary. Therefore, although yields continue to tighten between core and countries with high debts problems, resurgence of tensions in the Euro zone remains an Achilles' heel.

Large Emerging Economies looking for Balance

The turbulence affecting the emerging markets that are most dependent on foreign capital is not likely to end soon. Emerging market economies seem less vulnerable than in the 1990s. Their currency regimes became more flexible. China and Russia are facing a structural growth slowdown for 2014. **In China**, investment is likely to slow, particularly as regulation on grey banking is tightened, at a time when the debt of non-financial corporate sector has reached record levels. The rebalancing towards a consumption-driven growth does not seem to be progressing to the point where it can relay investment. **In India** the growth expectation remains below potential, hurt by high public debt and persistently-high inflation. In Russia, consumption, the main growth driver over the recent period, is expected to be weaker. In 2014, growth will only be sustained by increased public spending.

In short:

Euro Area: In the second quarter of 2013, the euro area put an end to six quarters of economic contraction in arrow. The figures should not optimise the fact that the adjustment process will be very slow and will be considerable on growth in the long run. Therefore, euro area growth is projected to be negative once again in 3013 and the slightly positive in 2014.

The German economy recorded growth of +0.7% in second quarter of this year, mainly driven by domestic demand. The solid labour market should continue to underpin private consumption and real estate investment. However, the economy will remain impeded by an uncertain external environment until the end of 2013. The export trend should pick up in 2014 with growing business activity.

French economic activity rebounded sharply in second quarter of 2013. But it is too early to assume an earnest recovery is back again. The business climate has brightened considerably in the past few months. The rebound was partly due to non-recurring events, including higher household energy consumption due to seasonably cold temperatures. True is that crisis is not over and is still encumber the economy. Public finances adjustment measures drag down purchasing power. The labour market continues to be poor form and, as a result, household purchasing power would stagnate, after the sharp drop in 2012, thus weighing heavily on consumption. The weak and uncertain outlook for domestic and foreign demand, as well as tighter credit, is expected to affect demand for corporate development. The financial situation of companies would therefore remain tense.

In Italy, the economic outlook is mixed and uncertain, investment has struggled to regain its footing and is projected to drop again sharply in 2013, like in 2012, and then stabilise in 2014. Under the effects of the recession and austerity measures, household purchasing power is expected to decrease in 2013 and 2014, after contracting in the past five years. Drops will gradually become less severe as the economy slowly heals. On the public finance side, the political situation will complicate the measures that have to be taken to bring public finance to improve sustainably. The deficit would not be reduced significantly and the public debt, which is already high, would continue its ravages. The risk is that these factors will overshadow markets again, which would result in tougher lending conditions for Italian debt.

The Spanish GDP has stabilised after falling sharply since mid-2011. However, the economy is still facing a host of major challenges including the clean-up of banking sector and an adjustment of public finances' and external accounts. The contraction in the Spanish economy is projected to be only slightly less in 2013 versus 2012, before stabilising in 2014.

The Bank of England announced a shift in monetary strategy: it will not increase its key rate as long as the unemployment rate stays above 7%. Consequently, its ultra-accommodative monetary policy is expected to be maintained over the next months. Public programs to prop up credit should continue to underpin the property market. The expansion of this market would help private consumption somewhat, which continues to be weighed down by high inflation and slow increase in the labour market. Lending to non-financial companies continues to decline, but at a slower pace. The "Funding for lending" scheme should increase SME funding, especially since investment intentions by industrial companies has increased the most for the six years, as tension have eased in the euro area. In England, growth is expected to come out to 1% in 2013 and 1.3% in 2014 amid a soft international environment.

In the United States, the economic activity is expected to recover over the coming quarters, encouraging the Federal Reserve to gradually scale back its asset purchase program. Growth should however remain moderate; unemployment rate will consequently only reduce slightly. The gradual fiscal adjustment is not likely to be jeopardised by political discussions in the next few weeks.

Large sentiment consensus from both entrepreneurs and households pleads in favour of ongoing improvement in growth. In response to anticipation of shift of the monetary policy stance, mortgage rates have risen and would dampen activity on real estate market. American households would continue to benefit from positive wealth effects produces by the bullish stock market. Exceptional decrease in the public deficit should not prevent political debate from intensifying over the coming weeks on topics such as finalising the budget and increasing the debt ceiling. Fiscal tightening should stay in place, which would keep the lid on growth. With inflation under 2% and unemployment above the 6.5% threshold, the Fed is not expected to increase its key rate before 2015. The ongoing improvement in jobs is likely to encourage the bank to slowly reduce, before the end of this year, the size of its monthly asset purchases. Uncertainty surrounding the date of these announcements will continue to weigh on changes in long-term interest rates and risk premiums throughout the year.

In Japan, growth is expecting to be underpinned in 2013 by domestic demand and will be lifted by a brightening international environment in 2014. Therefore, GDP growth is projected to be around 1.5% in 2013 and 2014. For

the recovery, the government could announce a temporary fiscal stimulus plan in order to compensate the restrictive impact of the consumption tax hike planned in 2014.

A slight recovery continued in the second quarter, with a growth rate of 0.9% QoQ, due to a strong public and private consumption and rebounding productive investment. Benefiting from an improvement in the labour market, private consumption is expected to remain relatively strong until the planned increase in the consumption tax goes into effect in April 2014. In July, the unemployment rate reached its lowest level since 2008 and the summer bonuses were higher.

Despite all, nominal cash earnings continue to fall slightly. Inflation increased to 0.7% per year in July but was largely due to the energy prices increase. The property market is expected to continue to rebound in 2013, driven by the increase in bank loans, Non residential investment is only slated to growth slightly. Japan has to decide whether or not to go ahead with consumption tax hike in 2014, which would help the recovery but could jeopardise its fiscal credibility. RLU

FINNWAVES

The first Russian pharmaceutical company starting production in Finland

Cytomed, the Russian pharmaceutical company, has gained a permission to build a new pharmaceutical plant in Lappeenranta in Finland, close to the Russian border. It is the first Russian pharmaceutical company to start a production in Finland. The company's products will be marketed and sold primarily in Russia. According to YLE, the Finnish Medicines Agency Fimea has given green light to the company, and the Lappeenranta plant is expected to begin its operations next spring.



The company was founded in Russia in 1989. It has registered and implemented drugs to treat immunity-deficient conditions, prostate glands, hormonal imbalance and influenza and respiratory diseases.

For more than 20 years, Cytomed has been creating medical products by using the experience and knowledge of the best researchers, pharmacists and physicians. We are confident in the effectiveness and safety of our products, as we subject our medications to the most rigorous clinical testing trials. This process ensures our current and potential customers that trusting our products is the right choice.

Cytomed pays great attention to the quality control of the raw materials used in manufacturing and production.
www.cytomed.fi

Oncos Therapeutics Ltd - developing next generation cancer therapies

The United States Food and Drug Administration (FDA) and European Medicines Agency (EMA) have granted orphan drug status to a treatment for soft tissue sarcoma developed by Finnish biotech **Oncos Therapeutics**. These designations confirm the need for developing novel therapies for rare cancers and are an important step in the development of CGTG-102. Soft tissue sarcoma is estimated to affect three to four people in 10,000 in the EU and US.



Orphan drug designation applies to drugs that seek to treat rare diseases or conditions for which there may be few adequate therapies. The designation offers years of market exclusivity, tax credits and fee reductions.

A Phase I study with CGTG-102, the company's lead product, will be completed this year and Phase II studies are scheduled to start in 2014.

Oncos Therapeutics Ltd is an innovative Finnish company developing next generation cancer therapies based on oncolytic viruses. A staunch knowledge of oncology and a network of diversified collaborators have laid the basis for a completely new kind of cancer therapy. The company was established to commercialise the results of a research group at the University of Helsinki.

Oncos Therapeutics Ltd is a privately owned, clinical-stage biotechnology company focused on the development and commercialization of targeted oncolytic immunotherapy products for solid tumors. The company's **lead investor is HealthCap**, one of the largest specialized providers of venture capital within life sciences in Europe. Oncos is headquartered in Helsinki, Finland and has an office in Switzerland.

www.oncos.com.

Biohit launches a new quick test for celiac disease

Biohit, the Finnish biotechnology company, has launched a diagnostic quick test which allows the diagnosis of celiac disease from fingertip blood sample. The test is targeted to healthcare professionals. According to the Finnish company, the new test differs from other currently available in its ability it to test all the antibodies in a human body. Biohit confirms that the diagnosis from a fingertip blood sample will only take ten minutes.



Quick test is an efficient method to diagnose celiac disease. The test measures gluten antibodies in serum and negative results exclude celiac disease. According Professor **Kari Syrjänen**, Medical Director of Biohit, compared to endoscopy, fingertip blood test is a much more pleasant way to make the diagnosis.

Celiac disease is relatively common autoimmune disease in which the rye, wheat and barley protein (gluten) causes inflammation and damage of intestinal mucosa, which interferes with the absorption of nutrients.

According to company's CEO **Semi Korpela**, the new test doesn't completely remove need to endoscopy, but reduces the costs because it cuts the number of unnecessary endoscopies. The quick test cost is a fraction compared to conventional diagnosis by endoscopic biopsy.

The new test is CE-IVD registered and at the time of market entry available in European countries. Biohit was established in 1998, the company is headquartered in Helsinki, Finland. Biohit's series B share (BIOBV) is quoted on NASDAQ OMX Helsinki, Small cap/Healthcare since 1999. The company has subsidiaries in China, Italy and United Kingdom.

Biohit pays particular attention to the environmental impact of its operations. We aim to develop and manufacture products that will cause as little environmental loading as possible throughout their entire life cycles.

Investments are made in state-of-the-art technology to make more effective use of raw material and generate less waste. The company uses the best possible manufacturing technology.

All package material is suitable for recycling as energy waste. Package sizes are made as small as possible in order to use less material and make logistics more efficient. The production uses environmentally friendly plastics since 1994 (no cadmium). Biotech pipette tips and boxes are 100 % recyclable.

The mLINE and Proline Plus mechanical pipettes are more than 90 % recyclable. In the electronic liquid handling devices Biotech uses environmentally friendly batteries since 1996 (no cadmium).

WEEE / RoHS compliant products - the recycling of its electronic pipettes is controlled by national authorities (SELT Association in Finland).

www.biohithealthcare.com

Wärtsilä powers pipe laying vessels for Brazil



Finnish engineering company Wärtsilä has received a major order to supply propulsion solutions for six new offshore pipe laying vessels to operate in Brazilian waters. The vessels are being built by IHC Merwede, headquartered in The Netherlands. Three of the ships are to be built for Subsea 7, the seabed-to-surface engineering, construction, and services contractor to the offshore energy industry. The other three vessels have been ordered by Seabras Sapura, the Sapura Kencana and Seadrill partnership entity. All six vessels are scheduled to be delivered during

the first half of 2015 and the second half of 2016. They will be deployed to serve the Brazilian offshore market by Petrobras, the multi-national energy corporation. Wärtsilä will begin deliveries in February 2014, with further deliveries following at four month intervals.

Wärtsilä enhances the business of its customers by providing solutions for the marine industry that are **environmentally sustainable, efficient, flexible, and economically sound**. Its solutions are based on customers' needs and include innovative products, systems and services. Being a technology leader in this field and through the experience, know-how and dedication of our personnel, **Wärtsilä** is able to customise optimised solutions for the benefit of clients around the world.

Serving customers where and when needed through its global network the group focuses on three elements for optimal lifecycle efficiency. **Performance**

optimisation: Longer-term efficiency increasing strategies improve business efficiency and reduce operational expenses. **Preventing the unexpected:** Guaranteed performance and risk management are identified as key needs of customers; it is vital to ensure cost efficiency and smooth operations. **Environmental efficiency:** Environmental legislation and the need for energy efficiency are main drivers to optimise environmental performance. The Wärtsilä **Dynamic Maintenance Planning (DMP)** system offers clear potential for reducing maintenance costs. DMP include planning and scheduling of engine maintenance, based on online monitoring of each engine's mechanical condition, performance, system efficiency data and other indicators.

www.wartsila.com



Finnish VTT makes CO2 advance

A consortium led by **VTT Technical Research Centre of Finland** has developed a new technology that captures the carbon dioxide emissions of power plants more economically and ecologically. The new technology, developed through the Flexiburn-CFB project, combines oxyfuel based carbon dioxide capture with the flexibility and financial benefits of circulating fluidized bed combustion. In addition, the same power plant can continue operation also when capture is impossible, for example during temporary outages of the CO2 transport and storage facilities, thus reducing the investment risk. The advantages of the process include high efficiency, fuel-flexibility and the option of using a large proportion of biomass in the fuel. The increased price of energy and exhaustion of good-quality fuel reserves mean it is currently more profitable to use lower-quality fuels. The fuel-flexibility enabled by this new technology will reduce dependency on imported coal and create cost savings, since cheaper options, including waste coal, can be used for fuel. The functionality of the technology was proven at a demonstration plant in Spain (30 MWth), the world's largest operational circulating fluidised bed oxyfuel combustion plant. The project also developed a commercial-scale concept for a 300MWe plant. Meeting global emission reduction targets means every year dozens of additional power plants will have to implement carbon dioxide capture systems. Until now, capture technologies have been



at the trial stage and their implementation slowed by the prohibitive cost of the available methods. Political decisions and legislative changes will be necessary before widespread implementation of this new technology.
www.vtt.fi

MetGen Oy



The enzyme manufacturer based in Kaarina, Southwest Finland, has made it into the 2013 Global Cleantech 100, a list of the world's most promising cleantech companies. The list, compiled by the international consultancy company Cleantech Group, promotes companies that are expected to achieve significant performance in the environmental technology sector over the next five to ten years. The companies on the recently published list were selected from among almost 5,900 unlisted cleantech companies from 60 different countries.

The final selection of the 100 most promising companies was made by a jury of global experts in the sector. MetGen, which develops and manufactures enzymes for the pulp and paper industry and for the production of bioethanol, has recently shown dynamic development. The company received an equity investment of EUR 2.2 million at the beginning of the year.

The manufacturer completed an investment round with some of the leading investors in the industry; it improved the performance of the enzymes significantly and have completed industrial trials with various partners.

The Global Cleantech 100 announcement confirms that we address unmet industry needs and that we are on the right track. Companies from 18 different countries made the Global Cleantech 100 this year. MetGen was the only Finnish company.

<http://www.metgen.com/>www.cleantech.com

Lift technology reaches new heights

Finnish lift and escalator maker **Kone** says it has invented a new technology which means elevators can now travel to heights of one kilometre. That's twice the distance currently feasible and means new buildings can get taller. The company says its UltraRope system, comprising a carbon fibre core and a high-friction coating is extremely light saving energy and space. Operationally, the system is less vulnerable to building sway in high winds. Kone CEO **Matti Alahuhta** believes the technology will revolutionise the elevator industry for the tallest segment of buildings across the globe and gain widespread acceptance.

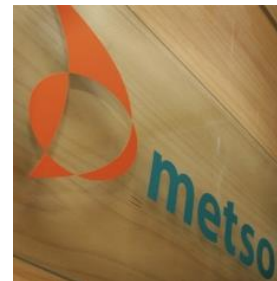


According to the Council on Tall Buildings and Urban Habitat, more than 20 buildings measuring 600 metres are being built around the world. The increased urbanisation of the world's population is likely to fuel this demand further. Kone UltraRope has been developed and tested in real elevators as well as in simulation laboratories at Kone's R&D facilities in Finland.

www.kone.com

Metso ready for plant rebuild to Sweden

Metso, the global technology and service company, will supply Swedish BillerudKorsnäs with a cooking plant rebuild, a brown stock washing plant and a screening plant for its mill in Gruvön in Sweden. The value of the order was not disclosed by the Finnish company. The rebuild will efficiently utilise the wood raw material and lower the chemical consumption in the pulping process. In addition it will substantially reduce the energy consumption within the process as presented by Alf Sondell, Production Manager at BillerudKorsnäs, Gruvön mill. BillerudKorsnäs was formed in 2012 and it has eight production facilities and sales offices in ten countries with about 4,400 employees. The Gruvön mill in Sweden has a production capacity of 685,000 tons per year and it produces kraft paper, sack paper, container board liquid carton board, cupstock and market pulp. BillerudKorsnäs is a leading provider of renewable packaging material.



Metso has introduced in December this year a new solution to optimise sludge dewatering at wastewater treatment plants. According to the company, this is “the world’s first advance solution”. It aids energy efficiency in wastewater treatment plants as well as reduces amount of chemicals used in the treatment processes. Through optimisation, wastewater treatment plants are able to improve sludge dewatering unit performance by up to 50 percent, and reduce the consumption of chemicals used in dewatering by 50 percent, Measurements, Automation. According to Metso, the solution reduces transportation costs when shipping to a landfill, and this leads to improved energy efficiency and environmental sustainability. The technology can be utilised by municipal and industrial wastewater treatment processes, for example in the pulp, paper and chemical industries, to optimise sludge dewatering.

Metso for the Slovak paper mills

The largest paper and pulp mill in the Slovak Republic has turned to Metso for a repeat order for automation technology. Mondi’s Ružomberok mill is building a new recovery boiler and a turbine, as well as extending its evaporation plant and lime kiln, which will be run with Metso's automation system. With better process control, the mill can improve its overall performance and decrease its environmental footprint. **The major part of Metso's automation system will be started up in the fall of 2014.** The mill’s production currently exceeds 474,000 tons of pulp and 535,000 tons of uncoated paper.

Separately Metso has announced a 30 million euro order for a complete grinding system for **Altay Polimetal’s new copper mine in Kazakhstan.**

www.metso.com

Vaisala gets Second Wind

Vaisala, the specialist in environmental and industrial measurement, has expanded its presence in wind energy through the acquisition of US company Second Wind Systems. Second Wind, located in Newton, Massachusetts, specialises in remote sensing technology and data services for the wind energy industry. The company's technology provides wind farm developers with dependable wind data they need to plan, finance and operate efficient wind generation facilities. The acquisition of Second Wind fits well our strategic goal to expand Vaisala's presence in the



renewable energy markets, according to **Richard Pyle**, Director of New Weather Markets customer group. The combination of the two companies brings unique and comprehensive measurement solutions that are needed to help take the industry to the next level of optimising and integrating wind energy. The wind energy industry needs to evolve to compete with traditional generation sources. Increasing the capability and accuracy of meteorological measurements is critical to keeping pace with advancements in turbine technology.

www.vaisala.com

Fortum builds the world's first bio-oil plant to Joensuu in Eastern Finland

Fortum, the Nordic and Baltic energy provider has confirmed that it builds its bio-oil plant to Eastern Finland. The plant, the first of the kind in the world on an industrial scale, will be commissioned in the city of Joensuu. The plant produces bio-oil from wood-based raw materials, and it is unique in the way it has been integrated with the company's local combined heat and power plant. Bio-oil is produced from forest residues, wood from first thinnings and other wood biomass, such as forest industry by-products, sourced locally. The produced bio-oil can be used at heat plants or in industrial steam production as a replacement for heavy and light fuel oil. According to Fortum, in future bio-oil can be used as a raw material for various biochemicals or traffic fuels.



The use of bio-oil has significant positive environmental impacts because energy produced with bio-oil reduces carbon dioxide emissions by as much as 90 percent or more compared to fossil fuels, says Fortum's chief financial officer Markus Rauramo. Fortum has invested about 30 million Euros in its bio-oil plant and in modification work to its heat plants, and the project has received about eight million Euros in government investment subsidies.

www.fortum.com

Kalmar receives a substantial order from Kenya

Kalmar, a cargo handling solutions and service provider, has received a 17 million Euros order from Kenya Ports Authority based in Mombasa, Kenya.

The company is delivering twelve hybrid rubber-tired gantry cranes for the port. **Kalmar**, which is **part of Cargotec**, provides cargo handling solutions to ports, terminals, distribution centres and to heavy industry.

The Port of Mombasa is undergoing significant expansion. Productivity, allied to low fuel costs, was therefore a critical factor in the selection process, said KPA Managing Director, **Gichiri Ndua**. According to Kalmar, the new cranes are set to boost container handling capacity at the port's new container handling berth. Port of Mombasa has seen recent increases in container traffic. They have made it number one port in East Africa.

Kalmar is part of Cargotec which had sales of 3.3 billion Euros in 2012. The company employs approximately 10,000 people.

www.cargotec.com

Saga to Experiment with Euglena

Saga City will begin conducting an experiment to cultivate Euglena using CO₂ from its garbage incinerator. Euglena are single-celled photosynthetic organisms that are used for health foods because they are rich in nutrients. Other research projects aim to commercialise them as fuel sources since they also contain lipids. This autumn, Saga City began tests using CO₂ emissions from its incinerator for horticulture, and it decided to begin cultivating Euglena since they can absorb



large amounts of CO₂. The experiments will begin in earnest next fiscal year with assistance from a **Tokyo-based venture company** called **euglena Corp.** The city hopes to reduce CO₂ emissions and attract businesses given the many potential uses for Euglena. This is a rare case of a local government getting involved in Euglena cultivation.



euglena Co., Ltd. engages in the research and development, production, and sale of euglena and related products. It develops Rejuna, a hydrolyzed extract of euglena that is used as a potential material for basic cosmetics and hair care agents; provides functional foods comprising tablets, hard and soft capsules, and granules; and other products, such as jellies, beverages, cookies, noodles, etc. The company also offers euglena for environmental business. In addition, it is involved in the development of bio fuel production technology; and invests in bio-tech related business. The company markets its euglena products through TV shopping, mail-order, and shops. euglena Co., Ltd. was founded in 2005 and is headquartered in Tokyo, Japan.

One of the causes of the red tides that occur a few times each year in Tokyo bay is the minerals (nitrogen, phosphorus) contained in the sewage. Since 2012, **euglena Co.** has been working with Tokyo Metropolitan Government Bureau of Sewage to remove nitrogen and phosphorus from the sewage to return cleaner water to the sea. The company is also jointly developing a technology with SHIMIZU Corporation in order to clean oil drilling water in the Sultanate of Oman.

Source: Nishinippon Shimbun, 11/7

Tesla to Open Dealership in Fukuoka



Based on its Northern Kyushu Automobile Industry Cluster Promotion Plan, **Fukuoka Prefecture** aims to not only attract automobile-related industries to the area, but to present a new kind of motorized society to the rest of Asia. As part of these efforts, **Tesla Motors Japan**, the Japanese subsidiary the American electric vehicle manufacturer, has announced it will open a dealership in Fukuoka City in early 2014. This will be the company's third outpost in Japan after Tokyo and Osaka.

One of the reasons Tesla chose Fukuoka is because, due to the large number of charging stations in and around the city, much of the groundwork for getting people to accept electric vehicles is already in place.

Source: www.fiba.jp

Novo Nordisk (NOVOB)

Der weltweit grösste Anbieter von Diabetes-Produkten, v.a. moderne Insuline und Antidiabetika gegen altersbedingten Typ 2 dieser Stoffwechselerkrankung, hat seit 2006 eine kontinuierlich steigende Kursperformance am Aktienmarkt von rund 500% hingelegt. Schon regelmässig wurden bei den Quartalsergebnissen die Erwartungen übertroffen und der Ausblick stetig nach oben verbessert, was konsequenterweise zu einer entsprechend hohen Bewertung mit einer Prämie von 30% bis 40% innerhalb des Pharmamarktes führte. Beim 3. Quartal 2013-Ergebnis wurden nun das erste Mal die Erwartungen auf Umsatz- und Gewinnstufe sowie beim Ausblick nicht erfüllt.

Es ist noch nicht erwiesen, ob dies eine vorübergehende Schwäche bedeutet. Das Management verlegt die Tatsache auf Einmaleffekte. Zu diesen Effekten zählen Rabattgewährungen auf die modernen Insuline und dem Hauptwachstumstreiber Victoza, ein Lagerabbau des genetisch gewordenen Pradin in China und die Erweiterung des Vertriebsteam in den USA um rund 400 Mitarbeitende. Als neuer Wachstumsimpuls fällt hingegen das neue lang-wirkende Insulin Tresiba nicht einmalig aus. Die in den USA überraschen geforderte Outcome-Studie zur



Abklärung des kardiovaskulären Risikos wird ca. 5 Jahre dauern, eine Zulassung auf Basis von Zwischenresultaten ist frühestens 2016/17 zu erwarten. Ausserhalb der USA geht die Lancierung des dort bereits zugelassenen Insulins nur langsam voran. Tresiba sollte dem USD 6.5 Mrd. Umsatz generierenden und 2015 genetisch werdenden Lantus von Sanofi zu grossen Teilen den Rang ablaufen. Der andere Wachstumstreiber Victoza, wofür zwar die möglichen Nebeneffekte einer Pankreatitis bzw. eines Pankreaskrebs durch GLP-1 Analoga ausgeschlossen werden konnten, dürfte aber weltweit nicht mehr ständige Preisanstiege durchgesetzt bekommen.

Die langfristigen Perspektiven des grössten Insulin-Herstellers der Welt sind im stark wachsenden Diabetesmarkt nach wie vor intakt.

CANADAWAVES

Canadian Mining Companies

TORONTO - After successful years of rising metal prices and investing on takeover deals and massive new projects, Canadian mining companies were forced to tailor shortly their expectations in 2013 as the cycle changed the winning play cards.

The mining industry took billions USD in **write downs** as companies re-evaluated projects that they believed were worth far more just a couple of years ago and **downsized spending** as falling commodity prices put pressure on margins. In fact, it was not just financial problems for the mining companies, as **political and environmental issues** brought negative headlines around the world for several Canadian mining companies.

The largest company to face problems was **Barrick Gold**, which suspended nearly all of the work at its massive Pascua-Lama project high in the Andes mountain range.

The operation followed massive cost overruns and protests from an indigenous community living below the project who tried to have Barrick's licence revoked and **impose a new environmental impact study**. The Supreme Court of Chile stopped short of ordering a new review and upheld the environmental permit, but put construction on hold until **Barrick's environmental commitments and work to protect the water systems** is completed. Thoroughly, these are not the optimum premises of an efficient and profitable mining operation development.

Mining Watch Canada (MWC) believes that new technology has made it easier for social groups opposing mining projects to organise and disseminate information, even in remote areas around the globe. According to MWC **the level of awareness and information** has been much greater than it has ever been. **Many countries that didn't have mining industries before**, like Mali and Senegal and Burkina Faso are facing new challenges under new social and environmental paradigm.

Companies are now looking to develop projects in new, less accessible areas where indigenous people can be more protective of their culture and environment. The **rises of social and environmental concerns** have emerged at a time of volatile commodity prices. The price of gold, which broke USD 1,900 an ounce in 2011, fell to around USD 1,200 this year, while the price of silver, which started the year around USD 32 per ounce, fell below USD 19. Copper, which traded for about USD 3.70 per pound at the start of 2013, was down about 40 cents for the year.

In Mongolia, Turquoise Hill suspended work on development of the underground copper mine at its Oyu Tolgoi project after the Mongolian government said financing for **the project would require parliamentary approval**. **Gabriel Resources** also faced a significant setback at its **Romanian Rosia Montana** project after a draft bill that specifically would have allowed what would be one of **Europe's biggest gold mining projects** go ahead

was rejected after years of negotiations by a Romanian parliamentary commission. The final rejection followed long and large protests in Romania, mainly over environmental concerns and reproaches that Romania would earn too little from the deal.

Mining companies are learning and implementing new sustainable operational procedures

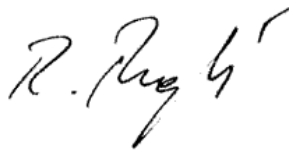
In a recent report, **Deloitte noted a trend of intensifying local community demands and government relations** marked by **rising hostility and zero tolerance regulatory environments**.

Many years ago **mining companies** took a more adversarial approach to environmental and social issues. Now **they are learning and implementing new sustainable operational procedures**. They have actually realised that it is a better way of seeing governments and local market players as partners from the very beginning of a mining project.

Gabriel Resources management has not fully lost hopes for the Romanian project as there is still place for talks about the possibility of **a broader legal framework for sustainable mining development**. The other key now is how to keep shareholders any longer on waiting. Without progress by the Romanian government, Gabriel Resources will be forced to do something "radically different."

The Gabriel's management conceded that the downturn in the market for the mining industry has opened up an opportunity for some non-governmental organisations seeking improvements. Striving to make mining less harmful and invasive arise successful chances for responsible environmentally and socially proactive companies rather in a "offering" market because there is not that large demand for metals.

As a conclusion, one must admit that the **mining industry is on "learning modus" for a while**.



Disclaimer

© 2013 Responsible Resources & Roots Engagement

3RViewPick: Responsible Resources & Roots Engagement's Newsletter

is published bimonthly as a copyright publication of Responsible

Resources & Resources Engagement (3R Engagement). No Guarantee as to Content: Although 3R Engagement attempts to research thoroughly and present information based on sources, we consider being reliable, there are no guarantees as to the accuracy or completeness of the information contained. Any statements expressed are subject to change without notice.