

CORPORATE GIVING

Aid for Africa

When Lukas Lundin, chairman, **LUNDIN MINING CORP.** (LMC), went on a four-week motorcycle trek from Cairo to Cape Town in January 2006, he wasn't sightseeing, he says. The journey, he explains, raised his awareness of the economic hardships faced by people in parts of the African continent. Following that endeavor, he says, he established Lundin for Africa, a not-for-profit foundation that develops economically sustainable projects in the African countries where the company has most of its mining operations.

"The entire Lundin family believes strongly in giving back to the communities in which they operate," says Stephen Nairne, managing director of the foundation, which says in 2007 it pledged \$100 million to the Clinton Giustra Sustainable Growth Initiative (CGSGI), an international effort targeting developing countries. The foundation will support such projects as bringing water to schools in Ethiopia and Uganda; financing community wells in the Democratic Republic of the Congo, Ghana and Sudan; preparing local people for the workforce through education and training; and providing financing for farms or small businesses, explains Nairne.

"We believe in empowering communities and individuals to improve their lives," Nairne says. "We want our projects to live and breathe for generations to come." — RM



LUNDIN FOR AFRICA ESTABLISHES PROJECTS IN AFRICAN VILLAGES SUCH AS THIS ONE IN THE DEMOCRATIC REPUBLIC OF THE CONGO.

COURTESY RESPECTIVE COMPANIES



THE CHILLER PLANT AT DUPONT FABROS' ACC4 DATA CENTER CAN COOL 240,000 SERVERS.

DATA STORAGE

Tech Center Packs Power

DUPONT FABROS TECHNOLOGY INC. (DFT), which owns, develops, operates and manages wholesale data centers, reports that its new breed of centers are as cutting-edge as the technology they house. Its newest center in Northern Virginia, called ACC4, has a seven-acre footprint, the company reports. While tenants in traditional data centers may have up to 50 server racks, DuPont's typical tenant has 500, explains Executive Chairman Lamot J. du Pont. He adds that ACC4 can direct up to 36.4 megawatts of critical load (power going directly into the server) compared with the five- to seven-megawatt capacity typically available at other centers.

The center can be divided into 20 separate computer rooms, each with its own redundant electrical backup system, says du Pont.

The company explains that this design allows greater flexibility to structure leases around the specific demands of each tenant. "Nothing is shared with other tenants," du Pont says. "Each tenant may have its own entrance with its own security."

du Pont says ACC4 will increase the success of outsourcing data processing. He reports that it offers large users — companies that need at least one megawatt of power — a facility to house, power and cool computer servers used for business processes. "Outsourced processing is critical for companies' bottom lines," he explains. The company says it has five more centers across the U.S. in the pipeline, each with a price tag of approximately \$375 million.

— Rebecca McReynolds





A MYLAN SENIOR LEAD SCIENTIST PERFORMS SOLID-DOSE PRODUCT DEVELOPMENT.

PHARMACEUTICALS

Scale in Generics

In the generics industry, scale equals profits, says **MYLAN INC.** (MYL) Vice Chairman and CEO Robert J. Coury. That, Mylan says, is why it purchased Merck KGaA's generics business in October 2007 for \$2.5 billion, thereby tripling the number of products in Mylan's portfolio to 570. The move solidified Mylan's top position in the global generics market, where it says it ranks No. 3.

Coury says deep discounts on generic drugs create tight margins for manufacturers such as Mylan, which sells narcotic agonist analgesics and other drugs. "You have to guess when a judge will rule on a patent or when the U.S. Food and Drug Administration (FDA) will approve a new drug," he says. In 2007, generics made up 65 percent of all prescriptions dispensed in the U.S., reports the Generic Pharmaceutical Association, but accounted for just 20.5 cents of every dollar spent on prescriptions.

Using Merck KGaA's generics business, Mylan will create scale in manufacturing, R&D and products, Coury says. Prior to the acquisition, for example, Mylan would invest in R&D and wait for FDA approval on a product before generating returns, the company reports. With a global reach, Mylan says it can move across a variety of geographic markets simultaneously, generating more sales dollars against the same R&D expense. "Now," Coury adds, "it's down to a simple execution plan to capitalize on these synergies." — RM

COURTESY RESPECTIVE COMPANIES

239 DEGREES THE HIGHEST TEMPERATURE (IN FAHRENHEIT) AT WHICH METHODE ELECTRONICS INC.'S TOUCHSENSOR SWITCHES STILL FUNCTION, ACCORDING TO THE COMPANY.

FACTOID

TECHNOLOGY

Acquisitions Target Innovations

When Chicago-based electronic-components manufacturer **METHODE ELECTRONICS INC.** (MEI) seeks acquisition targets, it looks for companies with products and technologies that cross markets, says President and CEO Donald Duda. He explains that it acquired TouchSensor Technologies LLC in early 2007 because that company's innovative switch technologies allow Methode to reach beyond automotive components and bring a new level of innovation to its own manufacturing lines.

TouchSensor reports that it makes switches for more than 100 applications and, since 1997, has shipped nearly 8 million touch-panel units encompassing 120 million individual TouchCell™ switches. The company says its switches can be found in the user interfaces for **WHIRLPOOL CORP.**'s (WHR) KitchenAid and Whirlpool brand ovens, refrigerators and dishwashers; **BRUNSWICK CORP.**'s (BC) Life Fitness treadmills; and **THE COCA-COLA CO.**'s (KO) soft-drink dispensing machines.



WHIRLPOOL'S KITCHENAID REFRIGERATORS UTILIZE TOUCH-SENSOR USER INTERFACES.

TouchSensor's switches in ovens and electronic shower controls are built to survive extreme temperatures and moisture, Duda adds. These "field effect" switches are used in place of traditional membrane or mechanical switches, the company reports. "When you place your finger, a conductive mass, over the decorative glass or plastic substrate covering the circuitry, you interrupt the field and cause the switch to activate," explains Duda.

Duda says Methode was impressed by the TouchCell™ switches' solid-state circuitry design. No moving parts mean less wear and tear on the switch, says Gregg Schreiber, vice president of Technologies. "The TouchCell™ switches will outlive the end applications," he adds. TouchSensor says its customers love the reliability of the solid-state technology. Schreiber adds: "We don't have switch failures because there's nothing to break." — Brian T. Horowitz

WHAT CEOS ARE SAYING. VISIT www.nyse.com/CEOvideos



The NYSE's 4 On The Floor® CEO interview series delivers exclusive insights from global leaders. During live Q&A sessions, the following CEOs discuss the issues facing their companies:

- > ENRIQUE OSTALÉ, CEO, DISTRIBUCIÓN Y SERVICIO D&S SA (DYS)
- > JIM MCCLUNEY, president and CEO, EMULEX CORP. (ELX)

- > THOMAS O'NEILL, president, HARRY WINSTON DIAMOND CORP. (HWD)
- > PAUL PANTOZZI, chairman and CEO, PROVIDENT FINANCIAL SERVICES INC. (PFS)

ONE BUSHEL OF CORN MAKES 456 OUNCES, OR 19 PACKAGES (24-OZ. SIZE), OF KELLOGG CO.'S (K) CORN FLAKES.



EACH CAN OF CAMPBELL SOUP CO.'S (CPB) CHICKEN NOODLE SOUP CONTAINS MORE THAN 32 FEET OF NOODLES.

CORPORATE ID
[NAME THIS COMPANY]



SEE ANSWER IN RIGHT MARGIN. ALL CLUES PROVIDED BY THE COMPANY.

- In 1972 this company's staple was the first foreign product sold in the U.S.S.R. This company was also given exclusive rights to import Stolichnaya Russian vodka to the U.S.
- In 1987 a commercial for one of this company's goods became the first ad ever to appear in a home video cassette (*Top Gun*).
- In 1996 this company filmed the world's first commercial in space.
- In 2007 this company teamed up with Cold Stone Creamery to create a new smoothie based on one of its products.

ACQUISITIONS

CEO Leverages M&A Experience

When he was general counsel for the U.S. operations of Messer Griesheim, an industrial gas supplier, Peter McCausland says he knew a good deal when he saw one. Soon after his employer didn't take his advice to acquire a tiny gas distribution company, McCausland explains, he started a law firm specializing in M&A, and in 1982, he bought the distributor himself. Some 25 years and 370 acquisitions later, **AIRGAS INC.** (ARG) reports that it is the largest distributor of industrial, medical and specialty gases in the U.S., with nearly 25 percent of the industry's revenues.

"When we started, 85 percent to 90 percent of the U.S. market was served by mom-and-pop shops," McCausland says. "I saw a big opportunity to roll up the industrial gas business." He explains that initially he chose new targets based on location, focusing on secondary markets

where there were fewer competitors and better deals. As Airgas grew, he says, he evaluated targets using cash-on-cash analysis, because if the cash flow is there, the earnings will come. After securing a foothold in an area, McCausland would buy other distributors; "density," he explains, "is the biggest factor in profitability."



AIRGAS INC. DISTRIBUTES INDUSTRIAL, MEDICAL AND SPECIALTY GASES.

With a solid distribution system in place, McCausland says, it was time to branch out, so Airgas began acquiring companies that distribute a variety of gases, safety supplies and other products that Airgas' clients use. Today Airgas, which reports that it has some 1,100 distribution locations across the U.S., is expanding its product lines. And with half of the U.S. packaged gas market still controlled by independents, McCausland says there's plenty of room for growth. — RM

FACTOID

50 PERCENT THE PROJECTED PERCENTAGE OF DATA CENTERS THAT WILL HAVE INSUFFICIENT POWER AND COOLING CAPACITIES BY THE END OF 2008, REPORTS GARTNER INC. (IT).

DATA CENTERS

Tiers Save Money

U.S. companies are running out of space in their data centers, according to **COMPELLENT TECHNOLOGIES INC.** (NYSE Arca: CML). Co-founder and CEO Phil Soran points to the prediction by IT research firm **GARTNER INC.** (IT), which reports that by this year half of data centers will have insufficient power and cooling capacity.

Soran advises companies to research expansion options. Compellent reports that its data-storage products lower a client's total cost of ownership by halving hardware- and software-storage expenditures, as well as reducing the costs of space, power and cooling. Compellent notes that the University of North Texas expects to save nearly \$2 million over two years by using the Compellent SAN and its automated tiered storage technology, which employs fewer disk drives than traditional storage systems. Compellent says its Data Progression software moves frequently accessed information to high-performance drives and rarely accessed data to larger, less expensive disks. "Selecting more economical disk drives for a second or third tier of storage cuts hardware acquisition costs and power consumption," Soran explains.

Compellent was founded five years ago by three pioneers in the storage industry: Larry Aszmann, John Guider and Soran, a storage specialist at **IBM CORP.** (IBM) in the 1980s. — BTH



COMPELLENT'S FOUNDERS (FROM LEFT): PHIL SORAN, JOHN GUIDER AND LARRY ASZMANN

CLOCKWISE FROM TOP LEFT: COURTESY NASA; COURTESY COMPELLENT TECHNOLOGIES INC.; JOSEPH SOHM/VISIONS OF AMERICA/CORBIS; COURTESY AIRGAS INC.; CORPORATE ID ANSWER: PEPSICO INC. (PEP)



CHILE RANKS FOURTH, AFTER MEXICO, ICELAND AND THE U.S., IN PER CAPITA CONSUMPTION OF THE COCA-COLA CO.'S (KO) BEVERAGES — 407 SERVINGS, PROVIDED BY EMBOTELLADORA ANDINA SA (AKO), PER YEAR.

All facts obtained from respective listed companies.