



Media Release

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CHINA OFFERS SECURE FUTURE FOR GALLAGHER GROUP

Gallagher Security, the security division of Hamilton based Gallagher Group, is the Supreme Winner of the Cathay Pacific NZCTA China Trade Awards for 2011.

The Cathay Pacific NZCTA Trade Awards, held every two years, were established in 2004 by the New Zealand China Trade Association to recognise companies that have launched successful business relationships between New Zealand and China, or have created successful investment in China. The awards were announced at a dinner at the Langham Hotel, Auckland tonight (Thursday, May 12, 2011).

Gallagher Security successfully markets its state of the art electronic security systems to more than 130 countries, and has achieved success in a relatively short time in China. Its products, developed by the Group's 90 strong R & D team, include electronic access control, intruder alarms systems and electric perimeter security systems.

In 2007 Gallagher Security began setting up relationships with key business partners in China and then in 2010 Peter Francis, Gallagher Security Regional Manager, Asia Pacific who is now based in Hong Kong, visited China on two New Zealand Trade & Enterprise trade missions. At the end of last year he signed an exclusive distributor partnership with Chinese firm, Joosee Smart Technologies.

In the past year Gallagher perimeter security systems have been installed in more than 150 electrical substations, military sites, hydro power stations, and manufacturing and residential zones in China. Gallagher Security has also celebrated the installation of its first Trophy FT PowerFence™ system to secure the Chinese Government's Research and Development Centre for fighter aircraft.

Other sites secured by Gallagher in China and Hong Kong include Beijing Airport, Guangzhou Baiyan Airport, Bank of China, University of Macau and Quanzhou Telecom.

Peter Francis says the secret to the company's rapid success in China has been working with reliable and skilled local partners. Gallagher Security has six key distributors in the region, including Joosee Smart Technologies. In turn, Joosee Managing Director, Leaf Hong praises the quality of Gallagher's systems and adds "Gallagher's technology is better than any other company in China."

NZCTA Chairman, Stuart Ferguson, says the awards provide the opportunity for people and businesses that “have put their toes into China” to be rewarded for their success.”

Ferguson said Gallagher, which also won the Ports of Auckland category prize for best logistics and or technology in China, had fought off strong competition from the other category winners to win the Supreme Award.

“Gallagher have a truly remarkable list of accomplishments in terms of installations already made in the security sector. A good number of their contracts are Government related, so that makes their success even stronger in the knowledge of the competition they have warded off to secure their contracts.”

Gallagher Security wins \$10,000 cash from NZCTA, two business class tickets to China with Cathay Pacific, and its partner airline, Dragonair and the opportunity to meet a senior executive in China with HSBC. The prize was presented by the Prime Minister, the Right Hon John Key at a celebratory dinner attended by 350 members and guests.

David Figgins, country manager for Cathay Pacific in New Zealand, said that Cathay Pacific was honoured to be naming sponsor of the awards.

Said Mr Figgins: “Cathay Pacific is proud to be the major sponsor of tonight’s awards. The awards highlight the very important place China has as a trading partner with New Zealand. It is great to be able acknowledge the increasing number of New Zealand companies doing business in China.

“China is of strategic importance to Cathay Pacific, and we are able to offer excellent connectivity and comprehensive schedules to China from New Zealand via our hub, Hong Kong, which has again been voted as the number one airport in the world. We are delighted to assist New Zealand companies to succeed in China.”

The other category winners in the 2011 Cathay Pacific NZCTA Trade Awards are:

Cosco Business Excellence Award: NHNZ Ltd

NHNZ (Natural History New Zealand), based in Dunedin, is the most prolific foreign factual television producer in China and in June this year will deliver its 48th hour of factual programming out of China. Since 1999 the company’s documentaries about China’s rich history, culture, and engineering achievements have been broadcast on some of the world’s most prestigious channels, such as *Discovery*, *National Geographic*, *ZDF Germany* and *ARTE France*.

This year NHNZ made history with its first 3D documentary, *China Revealed: The Great Wall of China* on one of the world’s first 3D networks -3Net.

Not only has NHNZ shown China to the world, it has also shown New Zealand to China with a five part series, *New Zealand Journeys: the Chinese in New Zealand*, produced for CCTV10 in 2006. This aired nine times to a total audience of 300 million.

NHNZ CEO Michael Stedman says it took six visits to China to earn the respect of local officials (a typical experience among entrants, one of whom said it took 25 visits). Over 12 years the company has fostered close relationships with state radio and television offices and in 2010 Kyle Murdoch, senior producer in charge of China products relocated to Beijing.

Every documentary the company has made in China has been in partnership with a Chinese company or broadcaster and Michael Stedman attributes NHNZ's success to a willingness to move out of its comfort zone.

"Our business dealings in China are based on mutual respect and a willingness to spend time forming long lasting relationships. "

www.nhnz.tv

HSBC Best Importer or Exporter with China: Tru-Test Group

Auckland based Tru-Test Group is the world's leading manufacturer of livestock weighing, milk metering and electric fence products. The company was founded in 1963 and now has 375 staff worldwide.

In 1985 Tru-Test began supplying a limited amount of milk meters to Shanghai, but it was not until 2009 that the company made a strategic decision to invest in China as a growth market. In China Tru-Test now specialises in milk meters (used to manage individual cow production); electric fencing and scales for live animal weighing. The company has developed a completely new market for their WOW (Walk over Weighing) scales which can weigh 150 cattle per hour.

Tru-Test Group has achieved business growth of 315% over the last two years in China and the company puts its success down to having established reliable distributors; to positive brand and product recognition, and to having developed a new market segment for Walk Over Weighing in the emerging dairy industry in China.

www.trutest.co.nz

Mondiale Doing Business in China/Investor in China: Teknatool International Ltd

Albany based power tool company Teknatool International is a manufacturer of advanced 'smart' and efficient power tool solutions.

The winner of the Supreme award at the Cathay Pacific NZCTA China Awards in 2009, Teknatool started in 1955 as a general engineering company and in the late 1970s began making its own NOVA branded DIY woodturning machines, which are now available in 15 countries. In the stationary power tool market for consumer/home workshop use, it has been the market innovator and leader since 1988, when it released its first ever 4 Jaw Self Centering chuck for wood turning. This revolutionised the way wood turners held and worked with wood.

In 2001 the Teknatool R & D team developed a DVR motor, a flexible motor that could handle a wide variety of voltages, and which has now been proven in more than 6000 machines.

In 2006 the company decided to move its manufacturing facility to be closer to its markets. It set up the Qingdao Teknatool Machinery Company, a six acre manufacturing base with 78 staff, 100% owned by NZ Teknatool. Qingdao is a port city in eastern Shandong province, which has been dubbed China's most livable city. This facility has recently become an accredited supplier for brands like Black and Decker.

In 2009 Teknatool opened its second facility in Qingdao, a business and R & D facility separate from its manufacturing facility.

This year with its proprietary DVR technology, a new generator motor that does not require the same waveforms as traditional electro motors, Teknatool is doubling turnover and dramatically increasing profits.

Teknatool CEO Peter Baker says that one of the most important factors in the company's success was the time the company spent to try to understand the different cultural and legal dimensions of Chinese society. In late 2010, the company did an audit which looked at traditional operations and systems, and also at the values of Chinese culture, such as the traditional Confucian philosophy. As a result local staff have evolved manufacturing skills, systems and processes to the extent that there are no longer New Zealand staff on site.

www.teknatool.com

Ports of Auckland Best Supply Chain and/or Technology Strategy for China: Gallagher Security

www.gallaghersms.com/

Cathay Pacific HKNZBA/ Best Use of Hong Kong by a New Zealand Company for its Business 2011: Comvita New Zealand Limited

The Puke company Comvita has been selling its high quality functional food and healthcare products in China for almost two decades. The company is the world's largest producer of high grade manuka honey from which it manufactures its skincare range, Huni and woundcare products, such as Medihoney.

Initially, Comvita worked through a Hong Kong distributor, Greenlife, and its first major success came in 2004 when pharmacy giant, Watsons began selling Comvita products in Hong Kong. That year Comvita also made a concerted foray into mainland China.

In 2007 Comvita acquired Greenlife. Today there are over 50 Comvita retail outlets (stand-alone stores and stores-in-stores) selling natural health products in Hong Kong, with annual sales in excess of NZ\$15 million and growing at 15% per annum. Comvita's Hong Kong office employs more than 100 staff.

Hong Kong is also the hub for Comvita's wider activities in the Asian region and is regional Head Office for Comvita's subsidiaries in Japan, Taiwan, South Korea and its distribution partner in China. Asia accounts for 33% of total group sales.

China has developed into Comvita's fastest growing market with 400 stores across more than 40 cities.

www.comvita.com

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