

20 Years of Success and Growing: Analytik Jena Approaches Future with Strength and Optimism

Analytik Jena proud developers of leading spectroscopy systems and instruments for the analytical and life sciences markets celebrates its twentieth anniversary this year, following two decades which have seen it rise from small supplier to a substantial innovative group with international market presence. Rooted with a strong focus on early stage R&D partnerships, a powerful belief in the quality of its products and skills of its employees and encompassing technology based on the vast experience of the former Carl Zeiss (Jena) spectroscopy division, Analytik Jena today comprises of three intertwined business units consisting of manufacturing outlets in Germany and focussed centres of excellence worldwide. The core Analytical Group which supplies high end research instruments has also been the foundation for provision of technological capability and support to the Life Science and Optics Business Units: together all three businesses have firmly established the company's German brand products alongside those of leading competitors.

Systematically Adapting to New Tasks

Founded jointly by Klaus Berka and Jens Adomat in 1990, the company formed during a period of significant historical importance following the 'peaceful revolution' of 1989 which resulted in the breakdown of the barriers dividing East and West Germany. The social and political upheaval following the reunification of Germany presented huge challenges to industry based in the Eastern sector as Torsten Olschewski - Vice President Sales/ Support/ Marketing and one of the longest serving employees recalls:

"Twenty years of distribution at Analytik Jena means hard work... and a persistent hope and an uncompromising belief of being able to tackle it. We started by selling our products in East Germany exclusively, with initially a strong focus on environmental analysis. We successfully expanded to the western part of Germany, a difficult market for East German companies. We were able to win many customers especially in the beginning and they have remained loyal and are still with us today. Our staff had also to adapt slowly and systematically to their new tasks. They had to get familiar with new areas then."



Klaus Berka, CEO and Torsten Olschewski, Vice President Sales, Support & Marketing.

Although the distribution structure had to grow slowly over many years, in 1995 the impetus for growth was accelerated when the company were able to acquire the analytical instruments division of Carl Zeiss (Jena), which with a history dating back to 1846 and development of its first spectroscopy system in 1874, immediately expanded Analytik Jena's production capacity, brought in additional highly skilled staff and enhanced R&D resources. The company concentrated at this time on manufacture of high-end systems for analysing liquids, solids and gases in environmental, foodstuffs, pharmaceutical, medical and agricultural sectors.

"A change was brought about with the purchase of the Zeiss analytical measuring technology since it was the first time that the company's own products could now be sold," continued Mr Olschewski

With markets already established in the east through former CZ contacts the company was now able to turn attention to growing the company's product offerings and establishing footholds in the wider international arena. In 1997 the DOCTER® Brand manufacturing and optical solutions business was acquired and in 1999 the company became a stock corporation before going public in 2000. This generated EUR 20 million in cash which financed the initial expansion. A further opportunity for the company came in 2002, when PerkinElmer decided to withdraw its operations from Germany; Analytik Jena were able to take over the former company's existing facility at Lake Constance, adding further production capacity to help to meet the requirements of the now expanding business. From 2004 the focus was firmly on global markets and the foundation of subsidiaries in USA, Japan, UK and Romania followed.

"The actual internationalisation of the distribution started with the initial public offering and the related means. Again, it was a time which brought many new challenges - communication channels, multilingualism, traveling, specific mentalities, altered decision processes and legal conditions. Thanks to our Zeiss roots, we entered the international market with a known brand with high reputation.

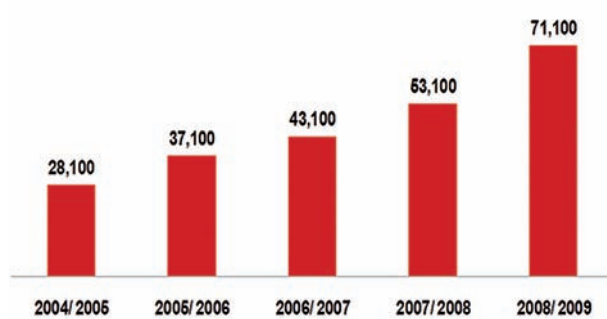
This was important especially on the Eastern European market. Over the past years, we have particularly grown in Asia where China is an important market; As a small company, we have achieved a lot through flexibility, flat hierarchies and a high level of communication amongst each of the businesses," Mr Olschewski added.

Today manufacturing continues to reside in Germany and despite several relocations in the past decade, the headquarters remain firmly based in Jena, where it has always been an important local employer and developer of strong research partnerships with academic institutions. Any visitor to the premises can sense an air of pride in the workplace, noticeable when viewing either the prized early instruments collection - including the first flame photometer and first AAS instrument from Carl Zeiss - or the company's own modern products.

Corina Steidl, Head of Marketing, comments: "The road to success is based on a clear philosophy - "Made in Germany" and Analytik Jena is proud of its history. The company consciously decided upon the location in Germany because of outstanding expertise and motivated employees. Facing market leaders with regard to financial power, huge sales and service organisations and market experience, the company has succeeded in growing every year. "Made in Germany" is an image advantage in some regions, often associated with outstanding technology. Customers trust in us as a notable high-quality instrument supplier and compare Analytik Jena with other well known German brands. Of course sometimes it's quite hard to face up to competitive products with respect to the price, but at the end we are happy with the decision to stay located in Germany. The success is shown in sales figures."

"Customers are always the focus of development at Analytik Jena. They benefit from application-oriented total solutions. These include not only laboratory technology such as analysers and software solutions, but also optical consumer products and laboratory consumables as well as comprehensive services," Ms Steidl added.

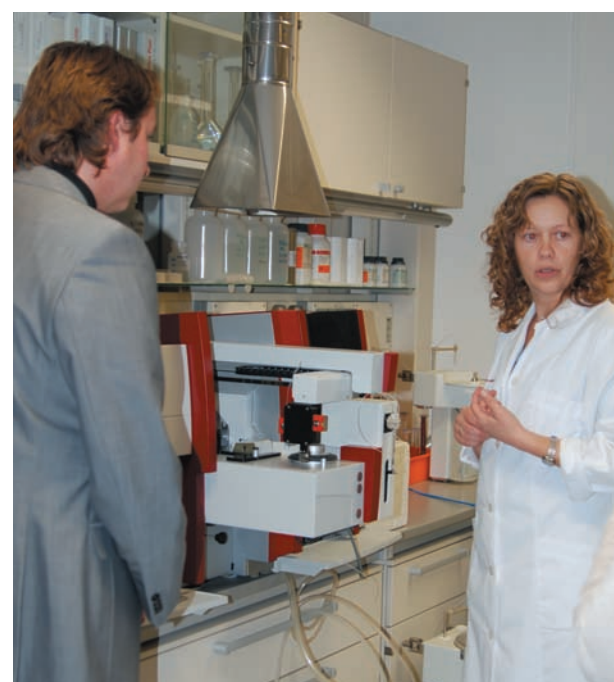
With products ranging from spectroscopy instruments, sample preparation systems, and elemental analysers to bioanalytical instruments, kits for clinical and molecular diagnostics and consumer products like binoculars it was the launch of a particular AAS system in 2004 that has been the most significant in firmly establishing Analytik Jena as an important competitor within the analytical instrument business.



Sales Development Instruments Business: Analytik Jena.

"The High-resolution Continuum Source AAS - contrAA - exceeds the performance of conventional AA spectrometers in all parameters. This new technology represents previously unattained effectiveness and quality of measurement results. This innovative instrument closes the gap between ICP-OES and AAS. The use of a xenon lamp as a continuous source of radiation opens up the entire wavelength range relevant for AAS for the customer in just one step. Now the sequential multi-element analysis has become standard providing enormous savings in time and cost of materials," Ms Steidl said.

Following this innovation, a new generation of elemental analysers, the multi EA 5000 was launched in 2008 Suited to modern petrochemical application requirements, its modular principle means that the system can be constructed individually.

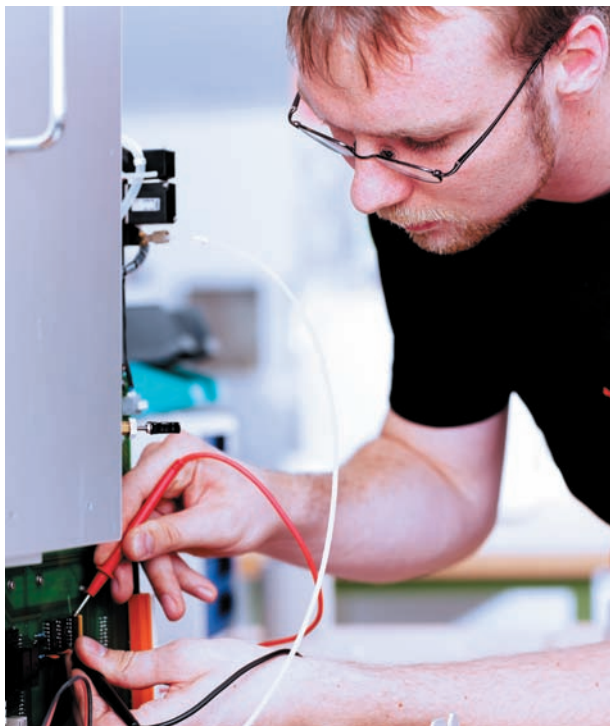


Heike Gleisner (Senior Application Specialist, Optical Spectroscopy) demonstrates the contrAA system to Twan Heesakkers from International Labmate

In the development laboratories, specialists working with these instruments are clearly enthusiastic about the capability of the products: "The introduction of High Resolution Continuum Source (HR-CS) Technique is undoubtedly the greatest innovation in AAS in the last 45 years," commented Heike Gleisner - Senior Application Specialist, Optical Spectroscopy. "Now it is possible to perform fast and sequential analysis using only one single radiation source for all detectable elements in AAS. HR-CS AAS provides the entire spectral wavelength range from near vacuum UV to the near infrared. The multi-element barrier of traditional AAS is overcome. Nowadays the determination of classical AAS elements can also expand to non-metals such as sulphur, phosphorus, fluorine and chlorine using diatomic molecular absorption (MAS). Last but not least HR-CS technique also offers a lot more advantages compared to classical AAS determination: easy handling, fast readiness and low operating costs. All background corrections are carried out simultaneously. High and fast background signals can be corrected as well as molecular line overlapping and opens therefore a new dimension in background correction.



Dr Angela Groebel - Product Specialist Elemental Analysis



Instrument testing in the manufacturing unit

The entire vicinity of the analysis line is rendered visible. This greatly simplifies the development and optimization of the method, especially for complex samples. Finally HR-CS AAS guarantees fast and correct analytical results.

Dr Angela Gröbel - Product Specialist Elemental Analysis also described the multi EA® 5000, as "the most flexible, user-friendly, and future-oriented series of organic elemental analysers ever developed. This analyser is able to cope with the most diverse sample matrices. The unique double furnace technology and the application optimised sample introduction systems enable a fast adaptation of the analysis system to the special requirements of each sample matrix and analysis standard. Benefiting from the revolutionary flame sensor technology even for most difficult and unknown samples combustion will be matrix-optimised and quantitative. The implemented Self Check System ensures highest operating safety and prevents faulty analysis results and downtime. To gain fast and reliable results have never been easier than with the multi EA® 5000 and you really can experience that."



Systems construction in the manufacturing unit

The Company readily acknowledges that the success of these and other products have been brought about through the longstanding partnerships that the company have developed with various research groups, as Klaus Berka - CEO of the company, explains:

"Our products often feature specific innovations. This pace of development would not have been possible without co-operations with research establishments such as ISAS Berlin, the University of Applied Sciences Jena, or The Center for Environmental Research in Leipzig. It is an integral component of our corporate philosophy to continue such intense collaboration with scientific establishments for the mutual benefit of everyone.

The atomic absorption spectrometer contraAA – for example – is the fruit of many years of intense research cooperation with the Institute for Analytical Sciences (ISAS) in Berlin. After several years of preliminary work by the ISAS, a research team of Analytik Jena joined the ongoing project and along with the ISAS team created the technological foundations for the most efficient, high performance AAS currently available in the world."

Like all businesses, the success of Jena owes much to its competent and loyal workforce which also includes a high percentage of skilled technical staff – it currently has a roadmap of around 30 R&D projects involving more than 100 R&D employees. The company has been always keen to adopt measures that nurture good employer/employee relationships and encourage development and training while recognising the importance of family commitments as well as its standing in the community.

"Analytik Jena is a family friendly company that helps its employees to manage the demands of both work and home. The creativity, competence, and entrepreneurial spirit of 800 highly qualified employees are matched by a transparent, social, and flexible company. An award received in 2007 for being a particularly family-friendly company underscores this self-image.

From childcare resources, telecommuting, flex time to compressed workweeks – the company recognized the concerns of its employees. We are working with employees to find solutions that address individual issues. Our emphasis rather lies on results than on time spent in the office. As a result, the company employs a high percentage of working moms.



Open day 2008

Wider social commitments

Analytik Jena is serious about its social responsibility, not only as a reliable employer but also in the wider community and as an internship site for many young people in the region. It supports social associations and is strengthening its commitment to promoting young talent providing targeted support to the University of Applied Sciences Jena and encouraging schoolchildren to learn about the life sciences.

"It is part of the corporate philosophy to identify with the region and support the quality of life in the area around Jena. It has a developed sponsorship strategy and supports various sport, entertainment and educational events in accordance with the strategy, always retaining balance between all fields," Mr Berka added.

The company has also been recognised by the business community and has received SME Awards and other entrepreneurial accolades since 1990, Innovation awards from the City of Jena and State of Thuringia and has been a member of the Board of Trustees promoting Jena as the 'City of Science 2008'.



Analytik Jena headquarters in Jena, Germany



Kindergarten visits Analytik Jena

Important strategic acquisitions

Summarising the important strategic acquisitions that have over the years helped accelerate Analytik Jena's expansion of global sales Mr Berka further outlined the company's capability in also meeting demands of current growth markets:

"The market for advanced technologies in bio-analysis is growing at a high rate. The Analytik Jena Group profits from this development through the system solutions of this unit and its subsidiaries. We have transferred core competencies from the field of classical analytical solutions into this unit and enlarged it through integration of specialised companies. In collaboration with its subsidiaries Analytik Jena has developed an extensive product portfolio.

With ongoing high R&D investment in pharma, food, petro industry and hazards investigations, the company decided to restructure the Life Science unit in 2005 to accommodate increasing demand and the pursuit of new innovative solutions. Important to this unit's structure Perhaps the most important developments underlying the life science group structure has been the incorporation of Biometra (100% owned) and also of CyBio which came under the umbrella of Analytik Jena AG.

Building up effective sales units is at the heart of Analytik Jena extended Group structure. Acquisitions result in positive synergies for integrating the broad product portfolio optimally into existing and future sales networks," he added



Production hall for optical components and UV VIS spectrophotometers

Established and future markets

The company continues to follow its success model 'Growing through market knowledge' with organic growth based on "a carefully developed symbiosis between the various fields of business" which has seen it cement its position in the international arena.

"The strategic expansion in the international markets creates enormous growth potential for Analytik Jena. About 70% of sales is generated abroad. Increasing sensitivity to sustainable environmental protection in Central and Eastern Europe is opening up new markets for Analytik Jena's products. In addition to successful order acquisition in Eastern Europe, Asia is moving more and more into the foreground. Consistent with the trend in the sector, in which export growth in the emerging markets increasingly surpasses export growth in the EU, China appears the first place in Analytik Jena's order list.

The entry into the Japanese market back in 2006 conforms the company's commitment to the Asian continent. Analytik Jena's organic growth is based on the symbiosis of the three business units," concludes Mr Berka.

In May the company is inviting all partners, sales organisations and staff to join in celebrating the success of the Analytik Jena together.