

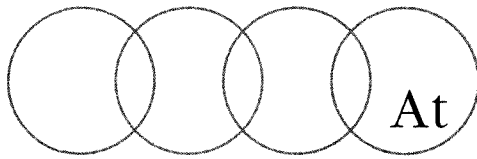
Made in India

Re-engineering our way to success.

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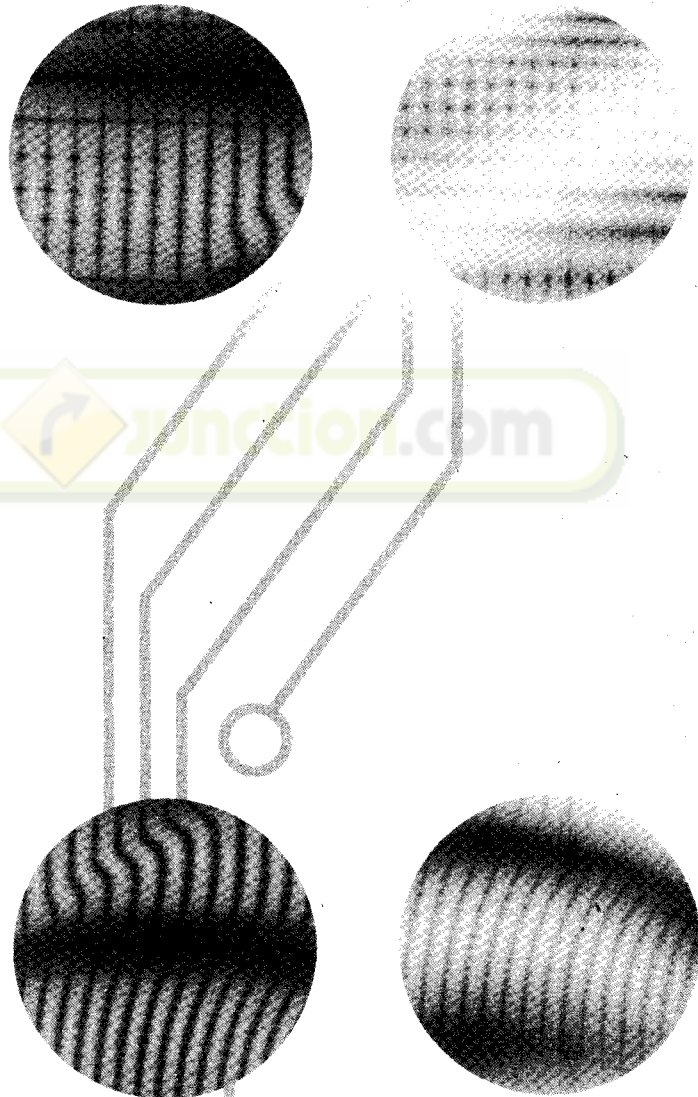


At Moser Baer,

we make world-class optical media products. We operate at the cutting edge of technology in an industry that is highly complex and highly competitive. Needless to say, we are proud of the three words embossed on each and every product of ours:

Made
in India.

We are proud that at
Moser Baer,
revenues & earnings
have grown every
single year, since the
company's inception.
This has been made
possible by a global
vision supported by a
series of systematic,
sustained and focused
initiatives:



1

A commitment to efficient manufacturing that has led to the lowest production costs in the world.

2

A strong R&D focus that has helped develop innovative products on a continuing basis.

3

The highest quality standards that has consistently delivered world-class products.

4

A strong customer focus that has resulted in high customer retention and acquisition.

5

A marketing focus that has kept products contemporary and relevant to emerging needs.

6

A systems-driven approach that has stimulated growth in keeping with institutionalised protocols and practices.

7

Financial discipline that has led to enhanced shareholder value.

8

A professional approach that translates knowledge and data into better interpretation of market needs.

9

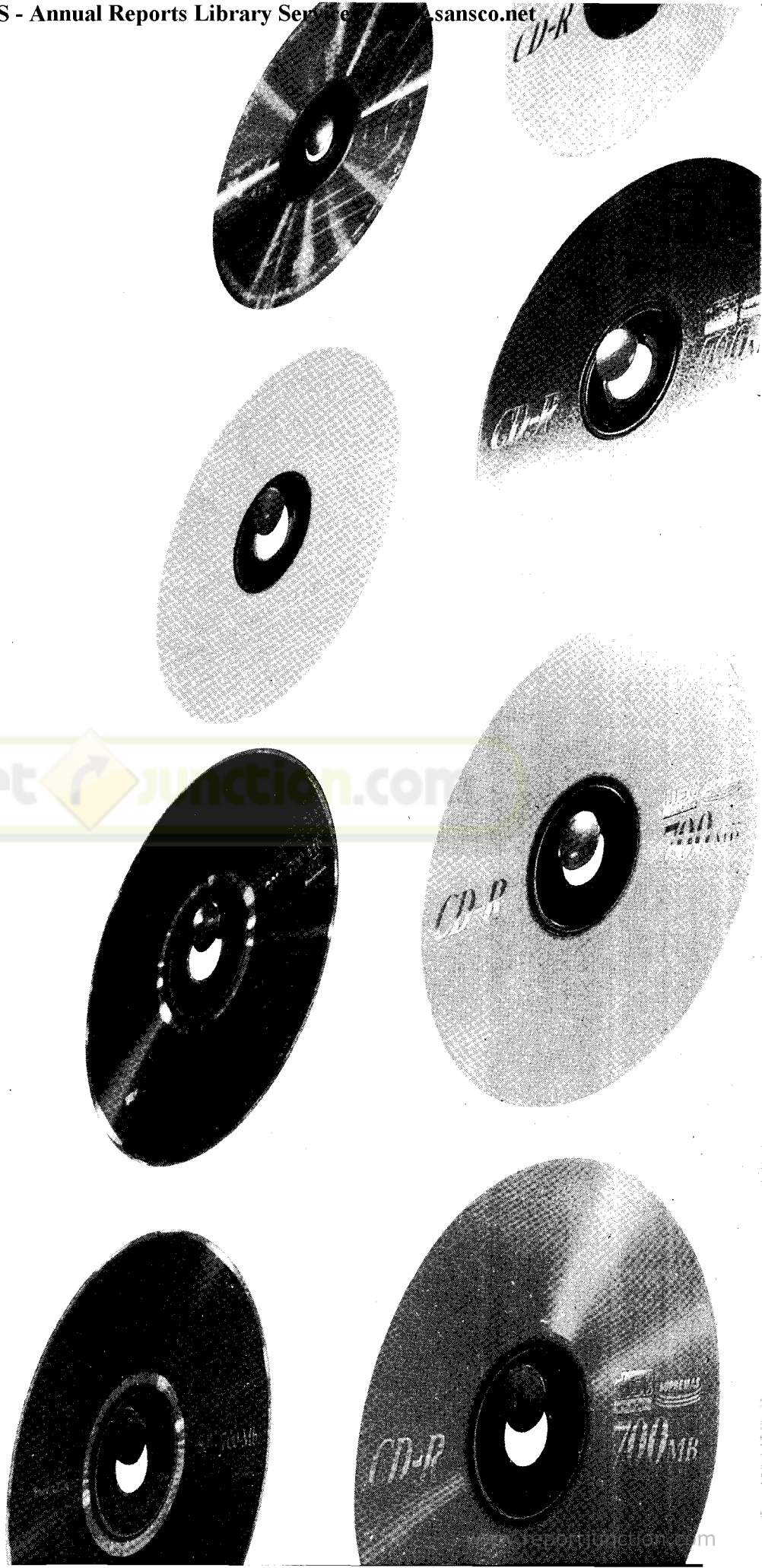
A proactive approach to current and future challenges.

Over the years,

We have evolved from a domestic focused manufacturer of floppy disk's into a truly global quality-led, technology-driven and customer-focused company. Today hundreds of millions of consumers world wide use our products and rely on us to provide them with their requirements of storage media. We are proud to say that in the process we have contributed to raising the value of "the made in India" label across the world.

We have aggressively and systematically grown in a highly competitive business and emerged as the third largest producer of optical media in the world. With world class manufacturing facilities, global distribution and logistics capabilities, deep rooted obsession for quality, we have captured a 11% share of the global market place.

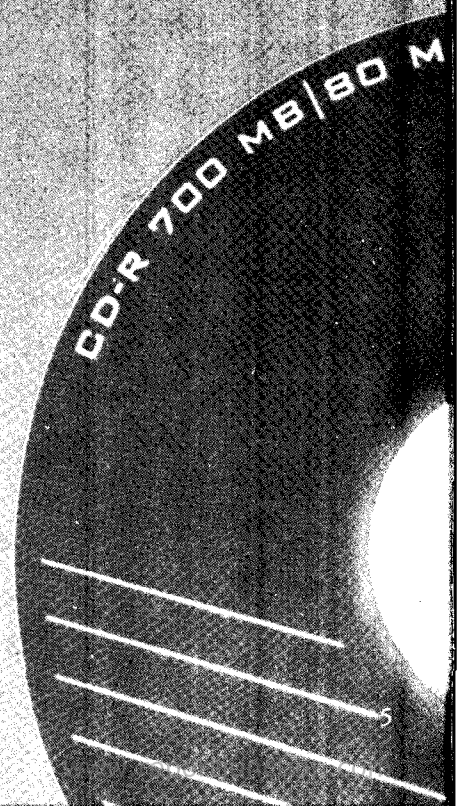
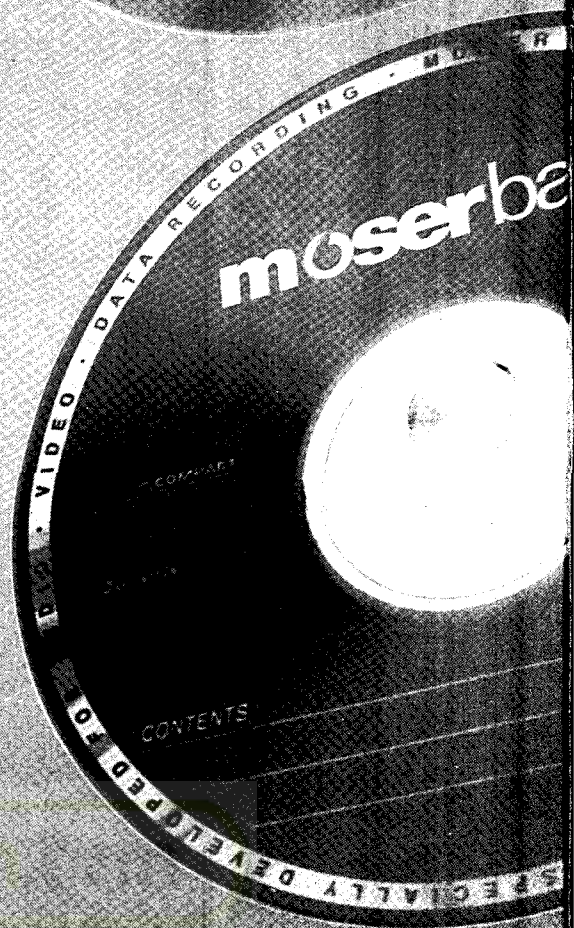
This achievement assumes greater importance, as we entered the optical media market place relatively late and rapidly grew and captured share during a highly competitive and fast evolving phase of the product's life cycle. We have done this by leveraging the advantages that India has to offer and maximizing the returns from our human resource base. With a strong "can do attitude" we believe we have demonstrated that the "made in India" label can be synonymous with quality, reliability, efficiency and speed.



Moser Baer's revenues in 2002-03 (FY03) was Rs. 10,855.2 million, representing a growth of 59.5 per cent over 2001-02 (FY02).

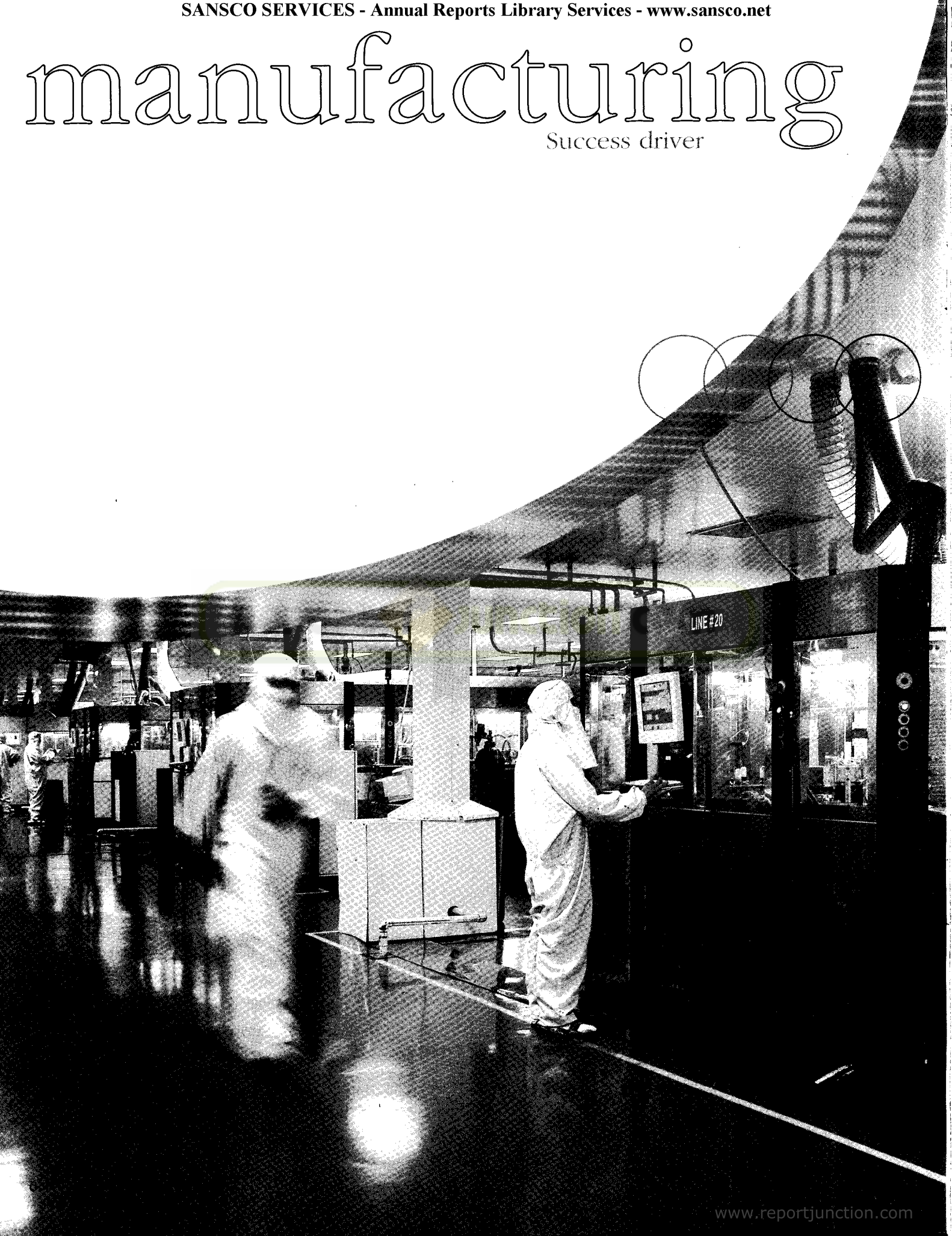
Exports at Rs. 9,269.4 million in FY03 were a 57.6 per cent improvement over the previous year.

Profit after tax at Rs. 2,372.7 million in FY03 rose 9.95% over FY02.



manufacturing

Success driver



At Moser Baer,

We are sensitive to the fact that efficient manufacturing is vital to our ability to sustain our presence in the fast evolving optical media market place. We realize that to manage mass manufacturing, we would need highly evolved processes and systems, and continuous bench marking and improvement of all aspects of our manufacturing.

We have driven costs down by using innovative solutions and by creating a cost focused culture within our organization.

Engineering and product execution.

- We have built up capability of engineering and designing production lines, processes and manufacturing facilities in a short period of time thereby enabling us to rapidly move from a concept to finished product stage. We believe, our project management and commercialization skills are unparalleled and provide us with the ability to quickly implement at low cost, large scale facilities in the shortest period of time.

Facilities:

- We engineer and design our production systems in close collaboration with our equipment vendors to maximize throughput, quality and reliability. By using

domestic vendor bases and in-house fabrication of production systems and utilities we significantly reduce our capital investment costs. We believe that the capital investments we make to create capacity are 20 to 25% below global benchmarks.

Human Resources:

- We have leveraged our high quality and low cost human resource base to create one of the highest ratios of technically qualified personnel within the industry. We believe that the large availability of technically skilled manpower in India provides us with a 10 to 15% cost advantage over our global competitors and most importantly the ability to rapidly scale our operations in the shortest possible time.

Vertical integration:

- We have vertically integrated our manufacturing operations to

produce key raw materials, packaging materials and process inputs including energy. This enables us to maintain quality whilst minimizing costs

Value added

- Our manufacturing facilities are configured to deliver hundreds of products and packaging variations to customers with the shortest possible lead times with minimal incremental cost.

Flexible manufacturing:

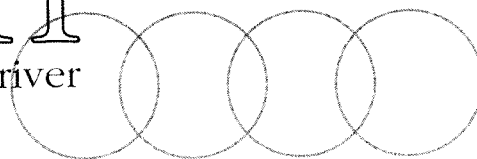
- Our manufacturing facilities are highly flexible. This fact enables us to minimize risks and reduce time to market. Production equipment is format flexible which allows us to switch rapidly between different formats with minimum incremental investments. This greatly reduces obsolescence risks and enables us to react quickly to changes in the market place.

"Reengineering means reinventing the way you work."

Michael Hammer

research

Success driver



At Moser Baer,

we have rapidly built up our research and engineering base, to enable us to rapidly introduce products in the marketplace. We believe that our

R&D capabilities are vital to our ability to continuously evolve our basket of products and to lead the market with new product introductions.

