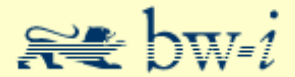


Biotechnology in Europe



Baden-Württemberg

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The Biotechnology Sector in Europe

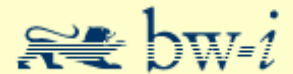
The purpose of this presentation is to:

- Demonstrate the importance of the European Union – the world's largest single market
- Outline its future dimensions as it expands towards the east
- Describe the present status and future prospects for the biotechnology sector within this market
- Explain why Baden-Württemberg is the ideal location from which to serve the biotechnolgy market – Europe wide

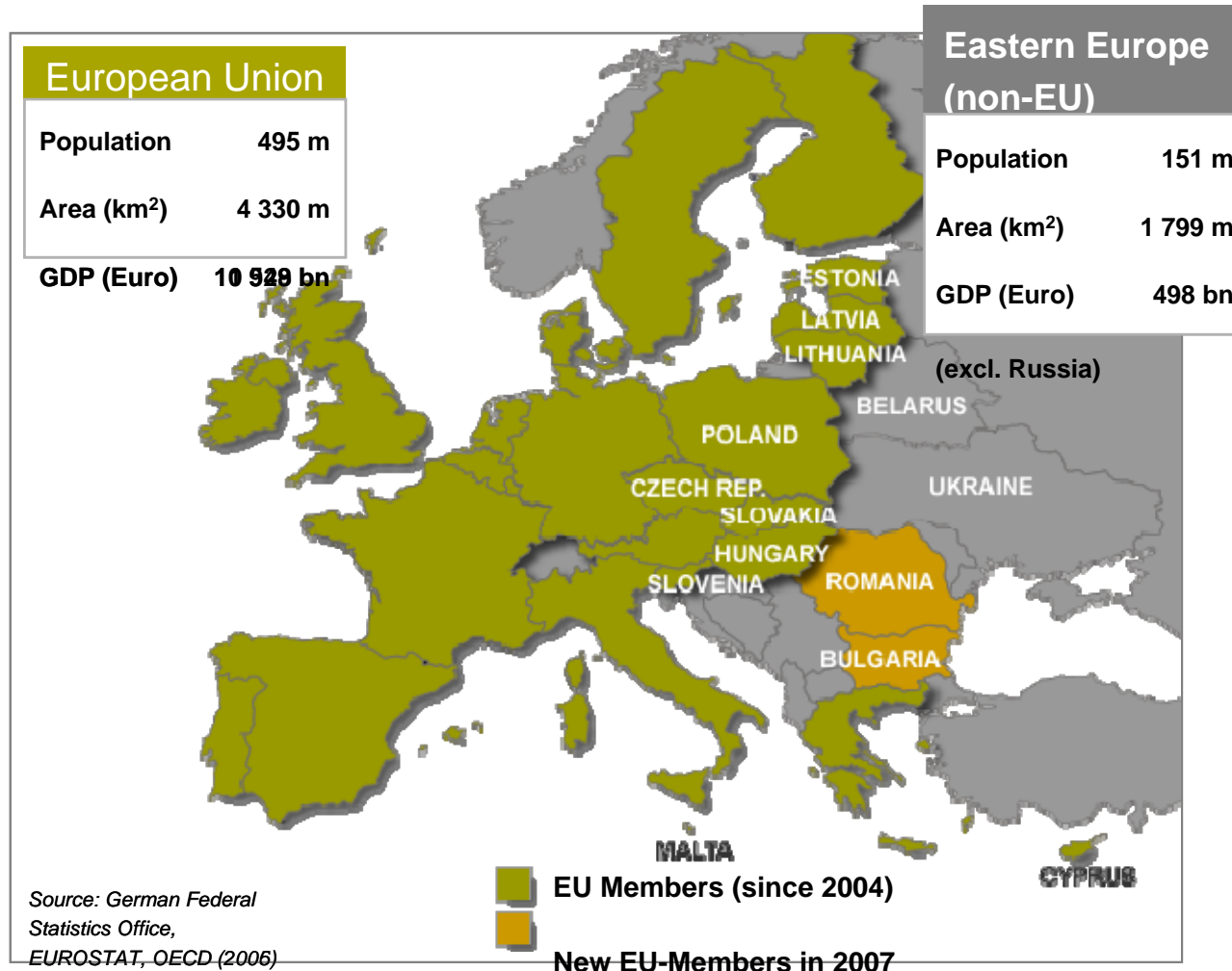


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Europe is expanding towards the East



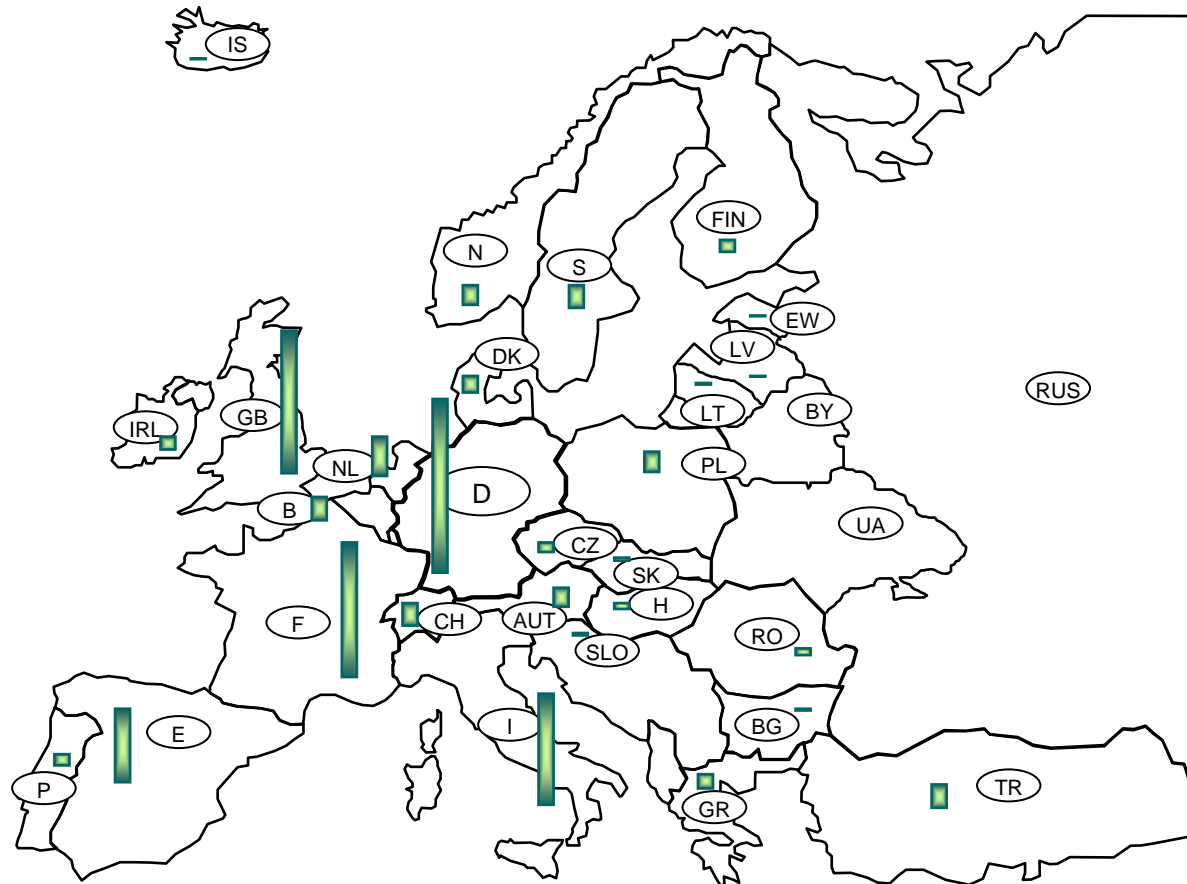
In the last two decades, the sharp contrasts between the Western and the Eastern European countries have been fading and the European Union is the major driver for Europe's integration.

Since May 2004, Poland, the Czech Republic, Slovakia, Hungary, Slovenia, the Baltic States, Cyprus and Malta are members of the European Union. In 2007, Romania and Bulgaria are have joined the EU.

European integration opens up a vast market for your company with untold market opportunities.



The leading Markets in Europe



In 2006, the 27 member states of the European Union had a total Gross Domestic Product of Euro 11 529 bn, exceeding the GDP of the USA (Euro 10 550 bn) and Japan (Euro 3 478 bn).

Four of the member states – Germany, Italy, France and the UK – are among the six largest economies of the world. Of these, Germany has the highest GDP, the largest population, and the highest purchasing power.

Within Germany, the State of Baden-Württemberg, Germany's southwest, is one of the most prosperous and innovative regions.

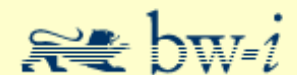
Source: German Federal Statistics Office, EUROSTAT, OECD (2006)

■ Dimension of total GDP

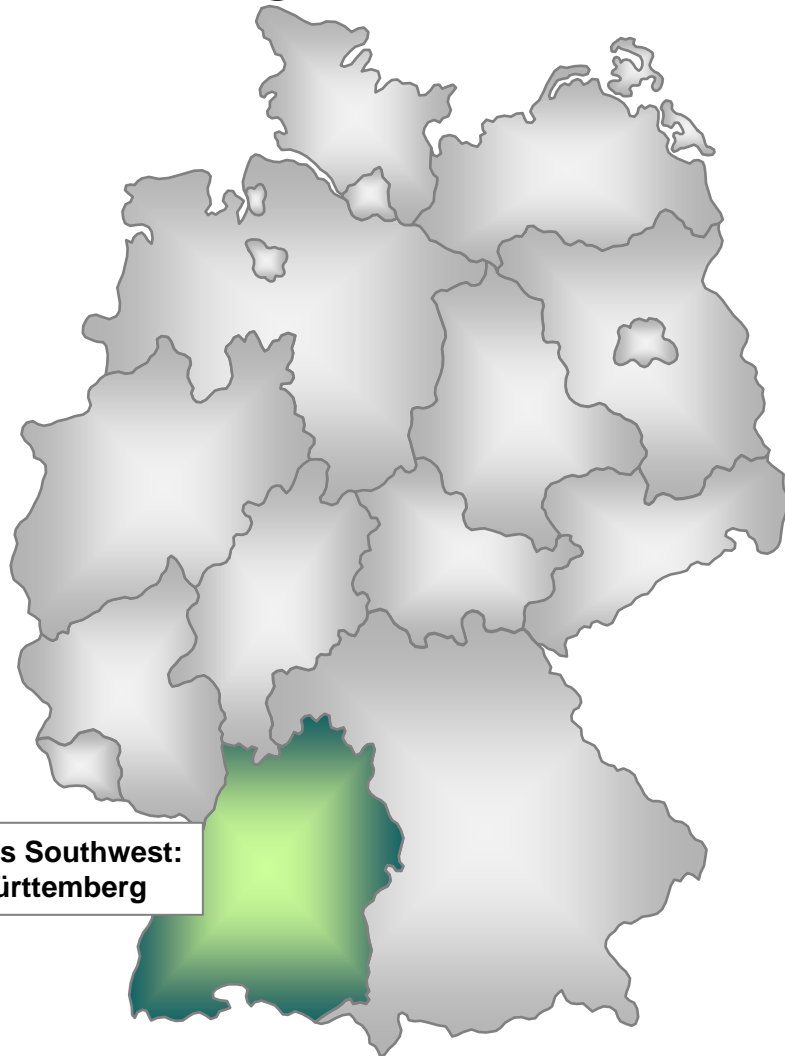


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The right Location for Growth and Prosperity



Baden-Württemberg is already the most highly industrialized and one of the most prosperous regions in Germany.

Its proximity to important markets – east and west – makes it an ideal location for pan-European activities.

And it has further merits:

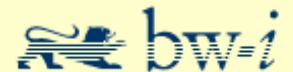
- It has a highly developed infrastructure – suppliers, R&D facilities, business services.
- Its workforce is well trained, innovative and productive.
- Its companies have an established export orientation and know how to penetrate new markets.

It is set to succeed in the 21st Century.



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Europe offers a high potential for Business Ventures

The Biotechnology Sector in Europe compared to the US

The European Biotechnology is characterised by a very large number of companies – even more than in the US. This is the reason, why Europe is seen as the most attractive region worldwide for business ventures with small innovative Biotech companies.



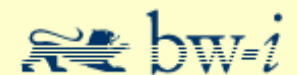
No. of Companies	1 621	1 452
Employees	75 810	180 800
Sales	€13.3 billion	€38:0 billion

Source: Ernst & Young, figures from 2006



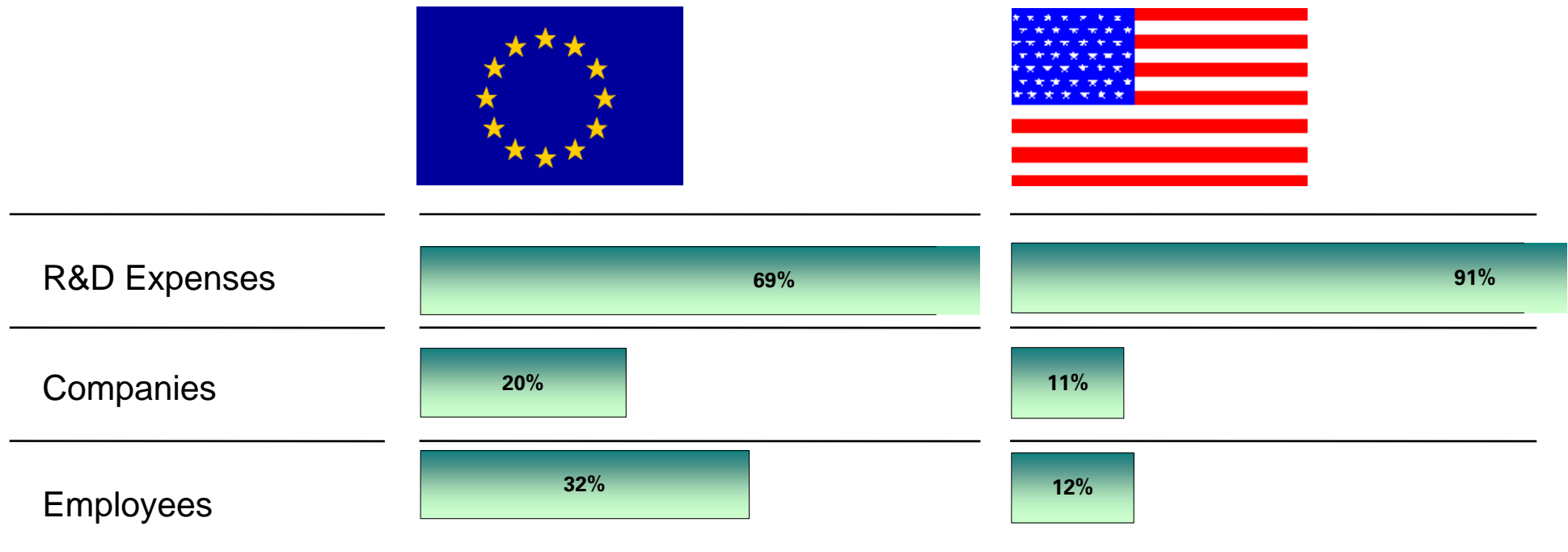
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Europe's Biotech Industry is growing rapidly

Growth rates in the Biotech Industry – Europe vs. USA (2000-2006)

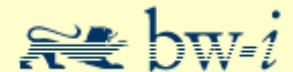


Source: Ernst & Young, Bio, figures from 2006



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The Biotechnology Sector in the EU offers exciting potential

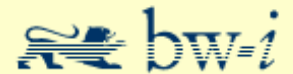


- The market is young and growing and will increase considerably
- Innovative products are constantly in demand
- There is room for new market entrants among the specialized producers
- European producers welcome the possibilities of strategic alliances and joint ventures
- EU norms and standards are not a hurdle, but an opportunity to serve an ever-expanding market



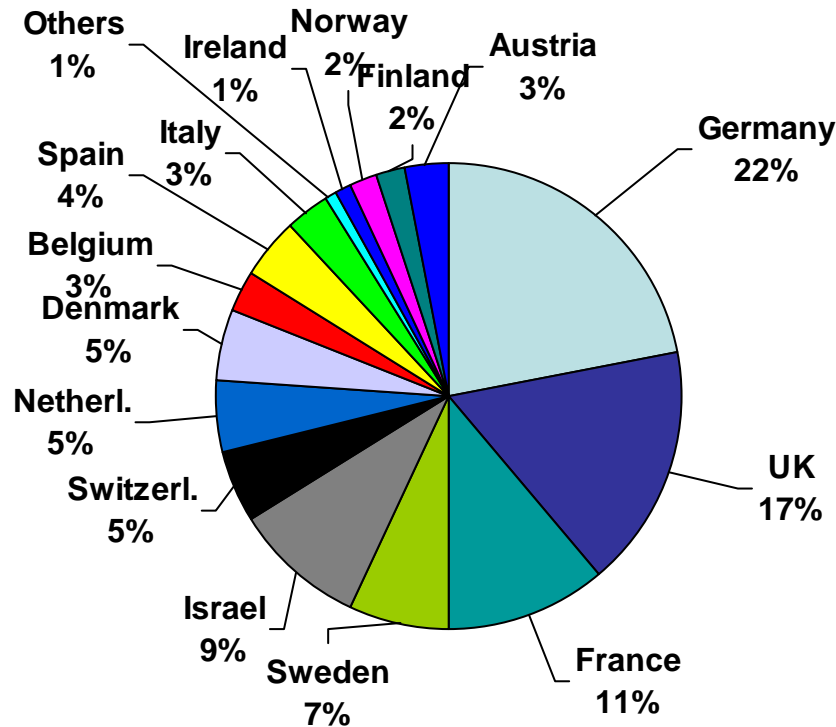
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Germany – on Top of the European Biotech League

The European Biotechnology Industry by company type



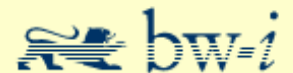
22% of the European Biotechnology companies are located in Germany.

Source: Ernst & Young, figures from 2006



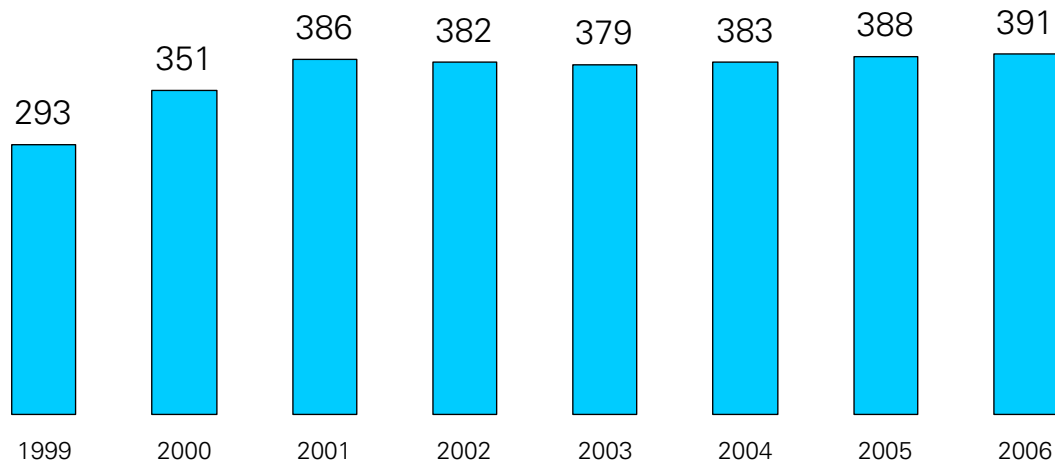
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Germany is leading the European Biotech Boom

**The German Biotechnology Industry –
No. of Biotech Companies**



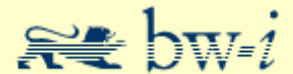
Between 2000 and 2006 the amount of companies increased by 11% inspite of a consilidation period.

Source: Ernst & Young



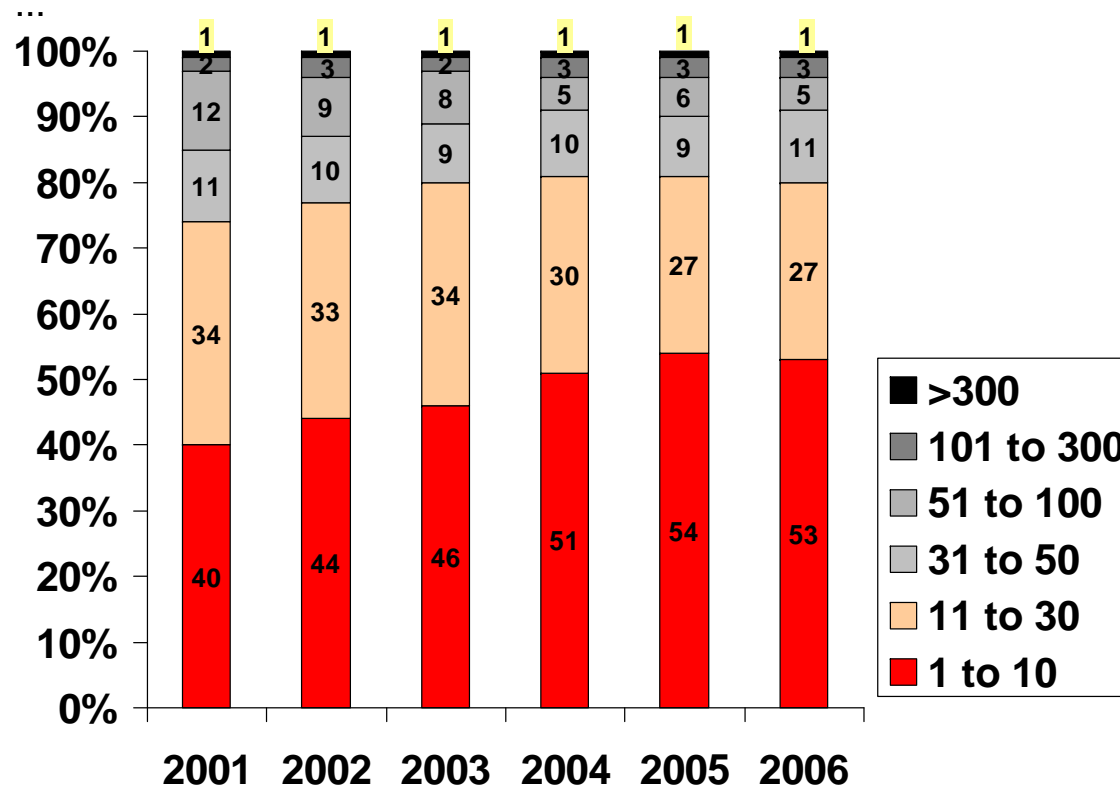
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Strong Base of SMEs in the German Biotech Industry

Year-on-year allocation of workforce in German Biotech companies



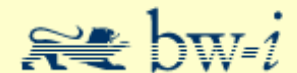
53% of all employees are employed in companies with a maximum workforce of 10 employees.

Source: Ernst & Young



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Germany is committed to Biotechnology

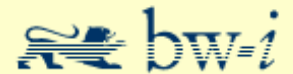
The Federal German Government is committed to biotechnology and is taking steps to promote its progress:

- Special promotional programs have been introduced to stimulate innovation and technology transfer („BioRegio“, „BioProfile“, „Biochance“, etc.)
- International cooperation at research level is being actively encouraged
- The legal and administrative regulatory framework for biotechnology is being streamlined in tune with EU standards
- By 2005, the German Government will have spend € 802.7 million on biotech research including biomedicine and molecular medicine, of which € 136.5 million will be devoted to projects in the field of human genome research.
- The human genome research is financed by an additional amount of € 176 million within the next years from the revenue of UMTS license auction.

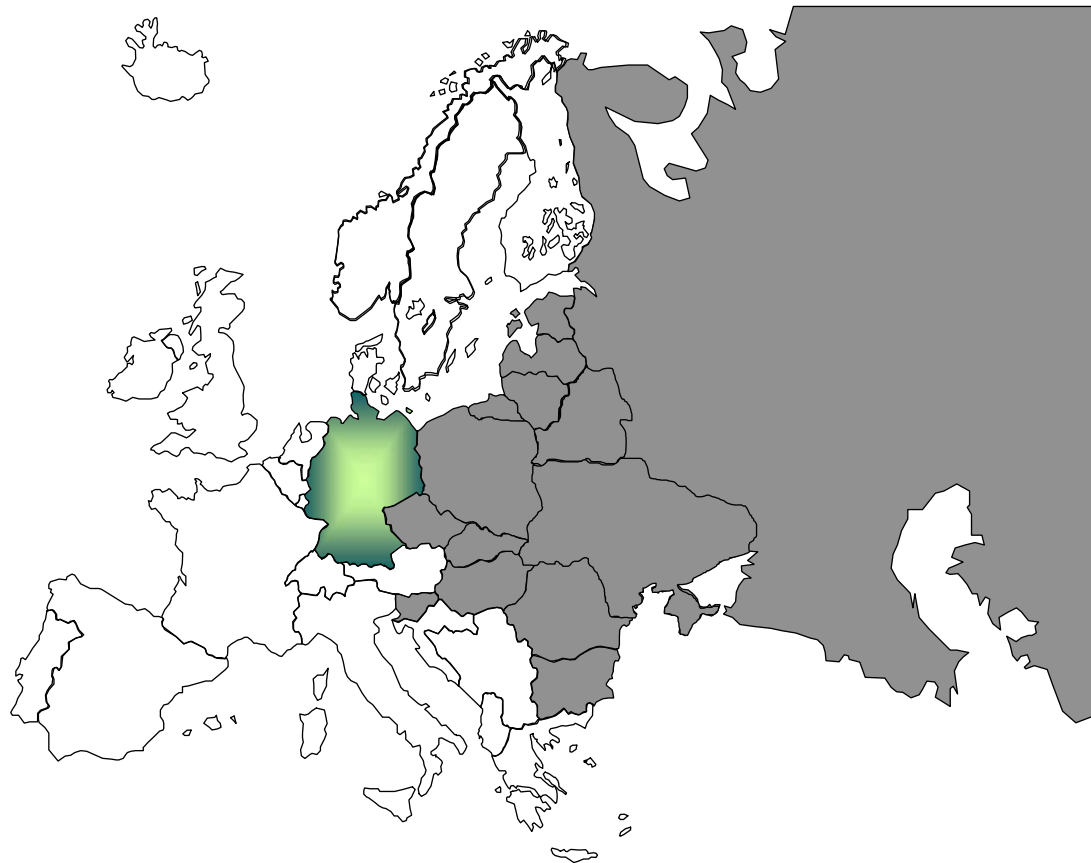


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Biotechnology – closing the gap between East and West



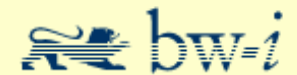
Biotechnology can bring great benefits to Eastern Europe and generate a large market potential:

- The availability of low-cost diagnostics and medicines - developed on a biotech basis - can speed the progress of Eastern European medicine.
- Biotech techniques can bring vast improvements to the environment - in water purification and air cleaning.
- Safe genetically engineered plants can improve agricultural yield and nutritional quality.



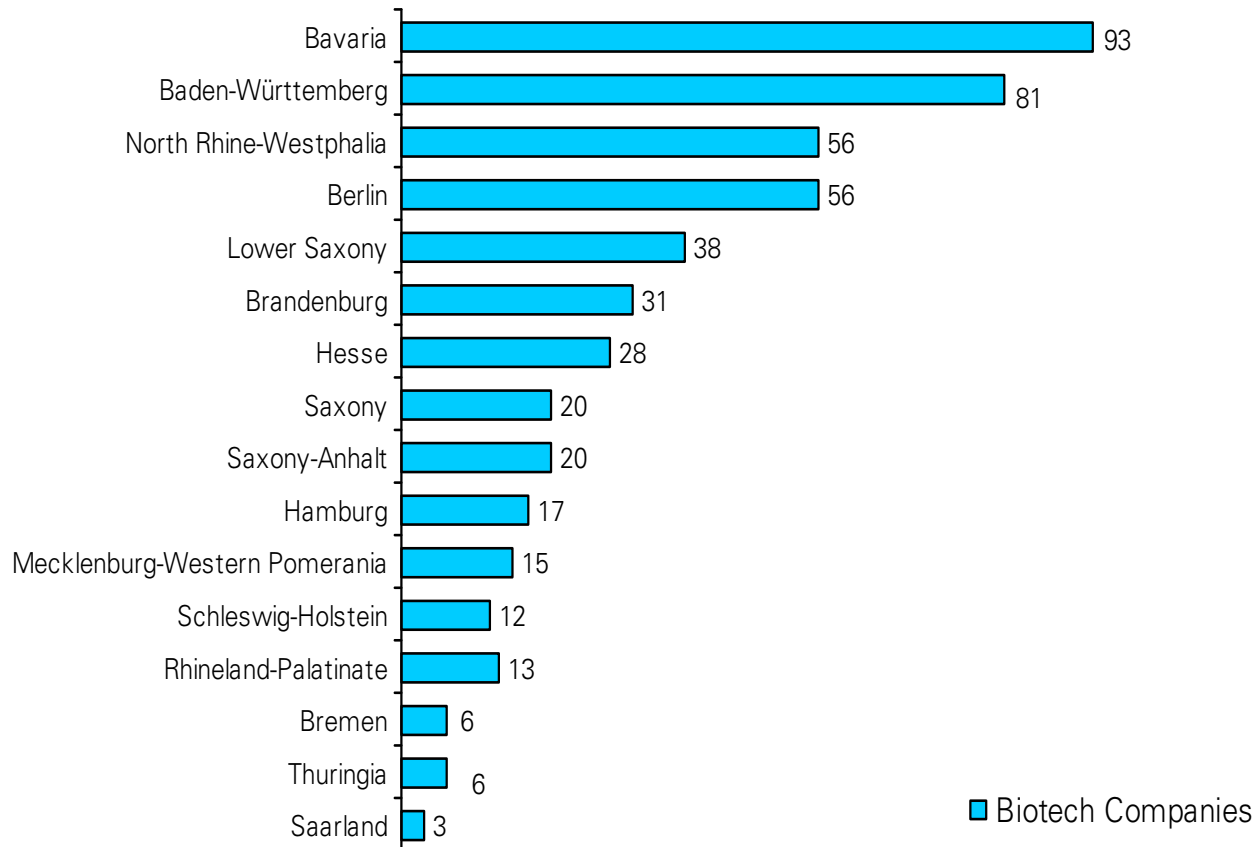
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Baden-Württemberg – A German Center of Biotechnology

The German Biotech Industry – Biotech Companies by State



About 81 Baden-Württemberg companies are active in the biotech sector.

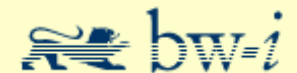
These include young, start-up companies dedicated exclusively to biotechnology and established enterprises that include biotechnology in their internal diversification programs.

Source: www.biotechnologie.de, figures from 2006



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BIOPRO Baden-Württemberg:



www.bio-pro.de

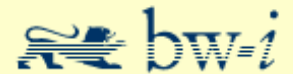
- BIOPRO Baden-Württemberg as the State-wide service and marketing agency pursues the targeted support of research institutions and companies of the biotechnology and life science sectors. The activities of the BIOPRO Baden-Württemberg GmbH strongly strengthen the science and business location Baden-Württemberg. The aim is to start a movement which will allow all members of the industry in the state to position themselves internationally and generate the best possible growth in synergetic surroundings.

-the focus of BIOPRO Baden-Württemberg are: Specific measures to promote economy, location marketing and broad public relations work.

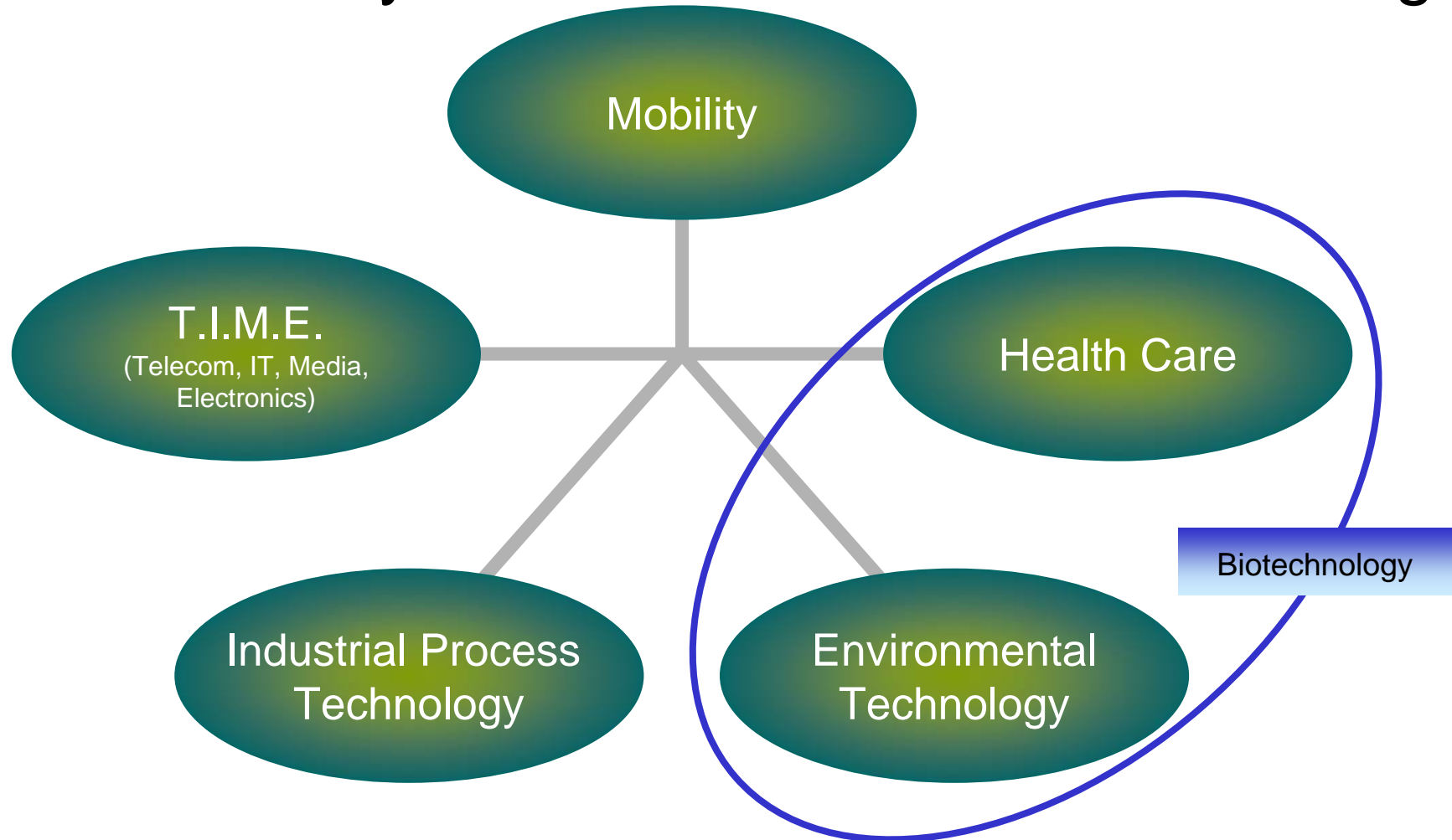


Baden-Württemberg

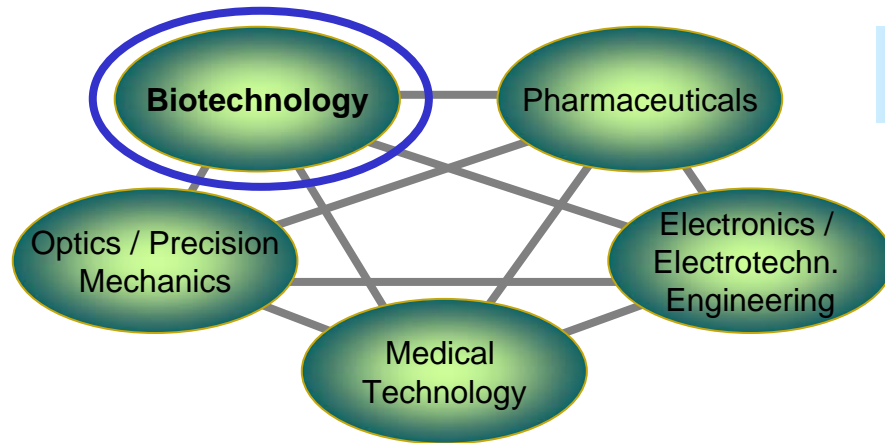
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Biotechnology – Part of two Key Clusters in Baden-Württemberg



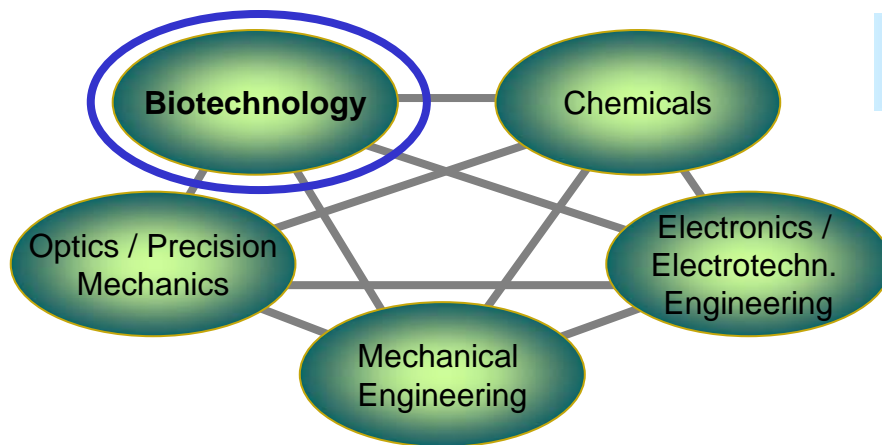
Baden-Württemberg's unique Biotechnology Cluster



Health Care
Sector

Both Health Care and Environmental Technology depend on a closely knit network of supplier industries.

Many important innovations are the result of close cooperation between these different industries.



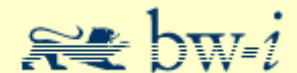
Environmental
Technology

In Baden-Württemberg, Biotech companies, as well as companies in all other relevant industries, are present in great density – one of the few regions worldwide that offers this advantage.

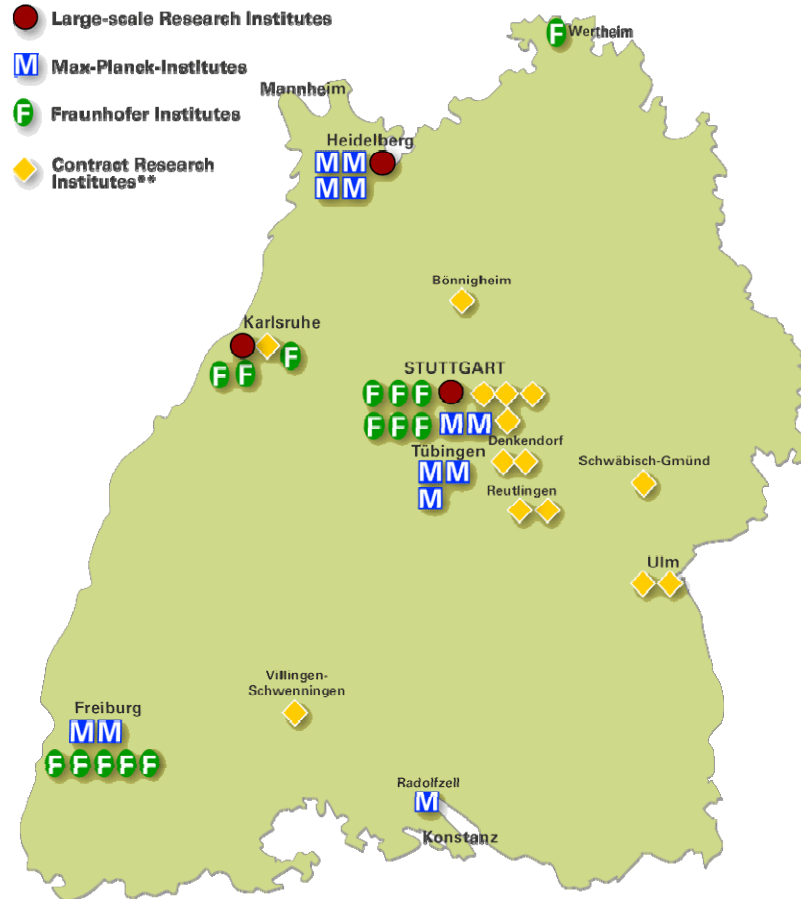


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Baden-Württemberg – A highly developed Research Infrastructure



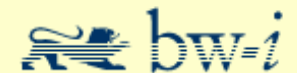
The State provides a unique research infrastructure consisting of

- 3 Large-scale research institutes
- 12 Max-Planck-Institutes
- 15 Fraunhofer Institutes
- 13 Contract research institutes

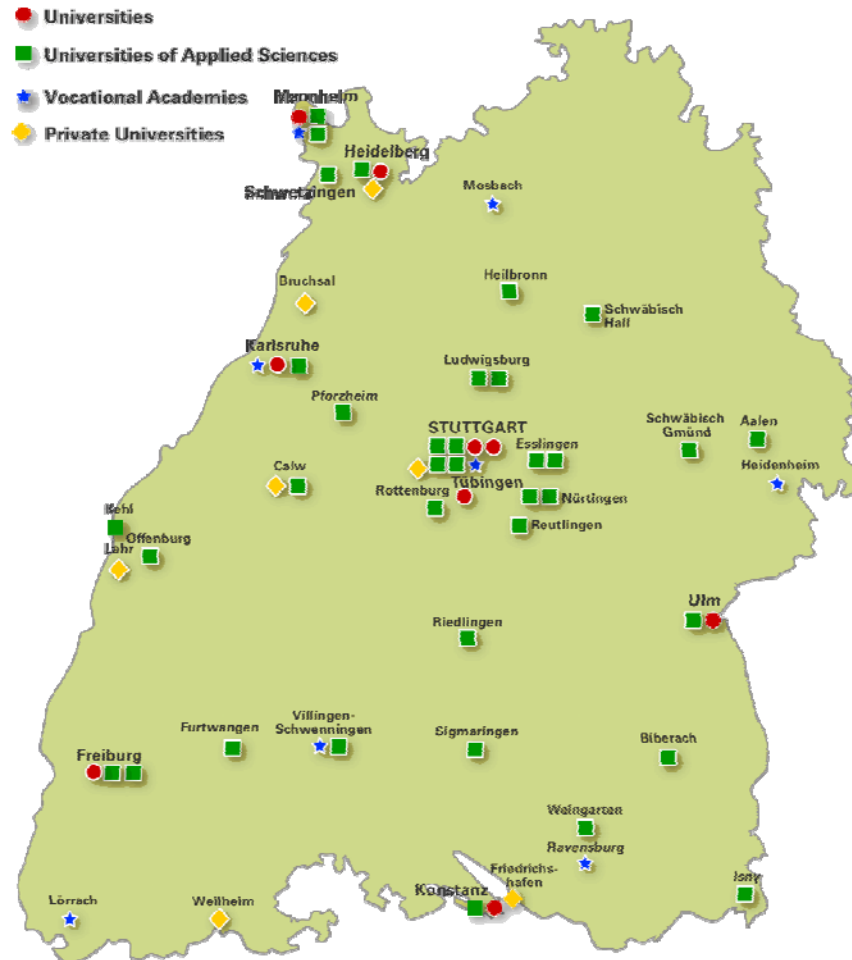


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Baden-Württemberg – An excellent structure for higher education



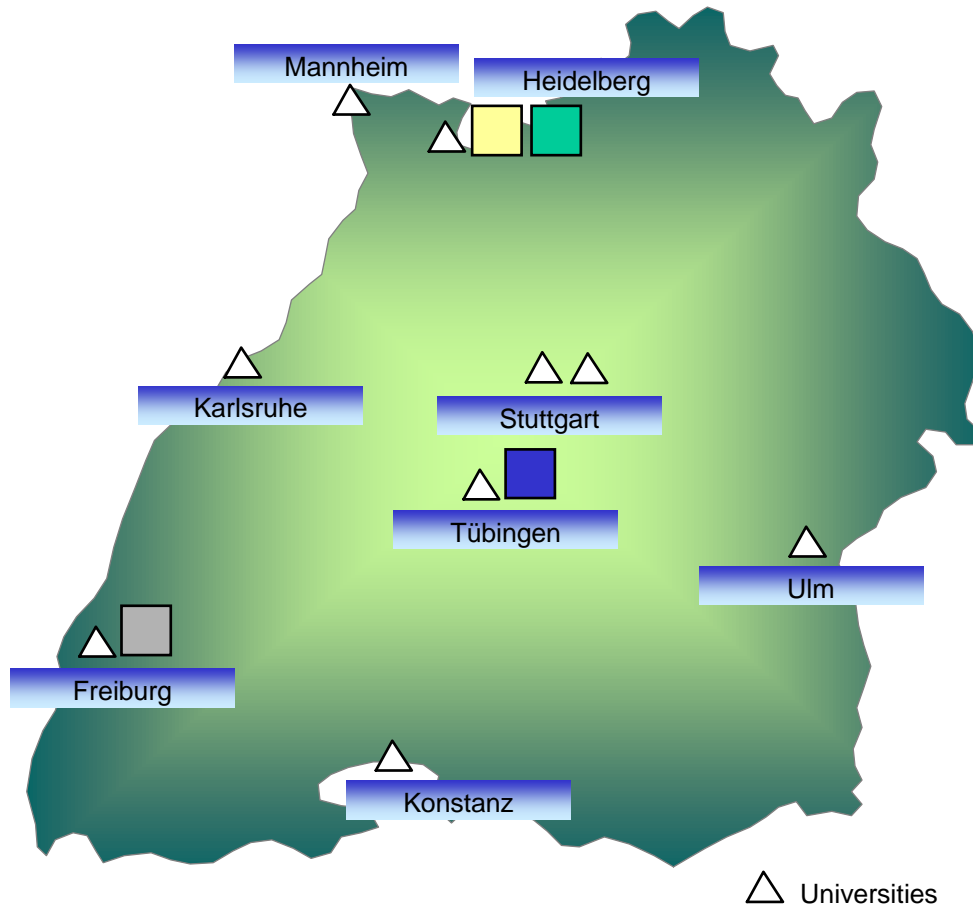
Baden-Württemberg has the most densest and the most modern structure of Universities and Academies for higher education, including

- 9 Universities
- 37 Universities of Applied Sciences
- 6 Universities of Education
- 9 Universities of Arts
- 9 Vocational Academies
- 7 Private Universities

A network of technology transfer centers provides the bridge between private industry and research institutes and guarantees rapid access to new results.





Baden-Württemberg – Excellent in Medical Research



The universities of Freiburg, Heidelberg, Tübingen, Ulm and Constance have an excellent reputation for their medical research.

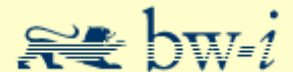
Other institutes of world renown include:

-  The Max Planck Institute for Immunology in Freiburg
-  The Max Planck Institute for Biology and Developmental Biology in Tübingen
-  The Cancer Research Center in Heidelberg
-  The European Molecular Laboratory in Heidelberg

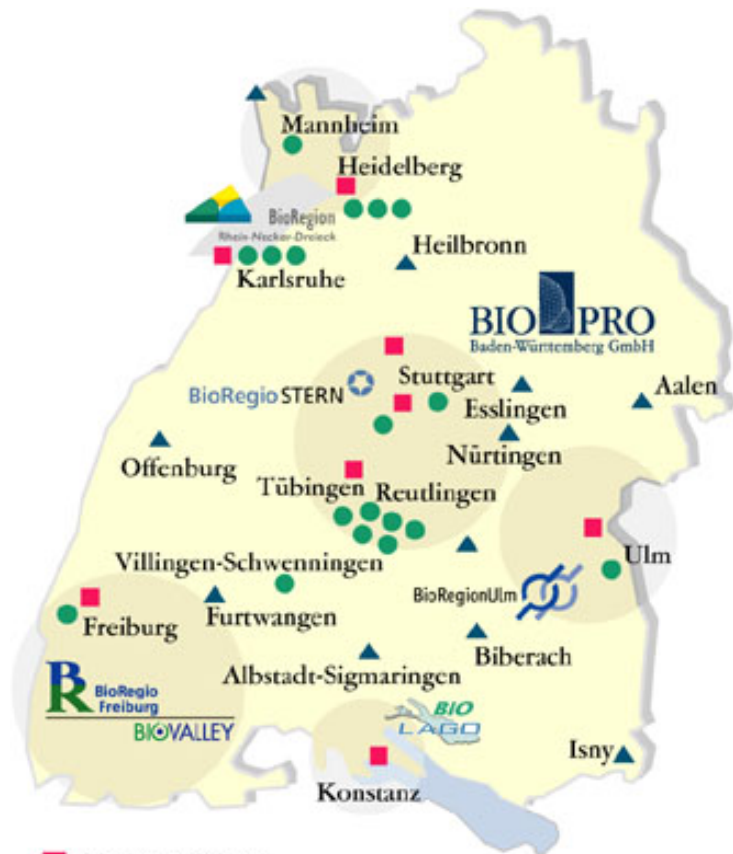


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Four Regions focus on Biotech and Genetic Engineering



■ Universities*
▲ Universities of applied sciences*
● Research Institutes*
 * with a focus on biotechnology



Five regions in Baden-Württemberg focus specifically on biotechnology and genetic engineering:

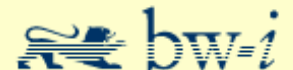
- 
 - BioRegion Freiburg
- 
 - BioRegion Rhein-Neckar-Dreieck
- 
 - BioRegion Stuttgart/ Neckar-Alb
- 
 - BioTechnologie Ulm
- 
 - BioLago Konstanz

In addition, the State's Biotechnology Agency offers support and information for start-ups and established Biotech companies.



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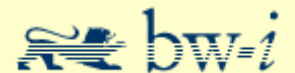


Companies

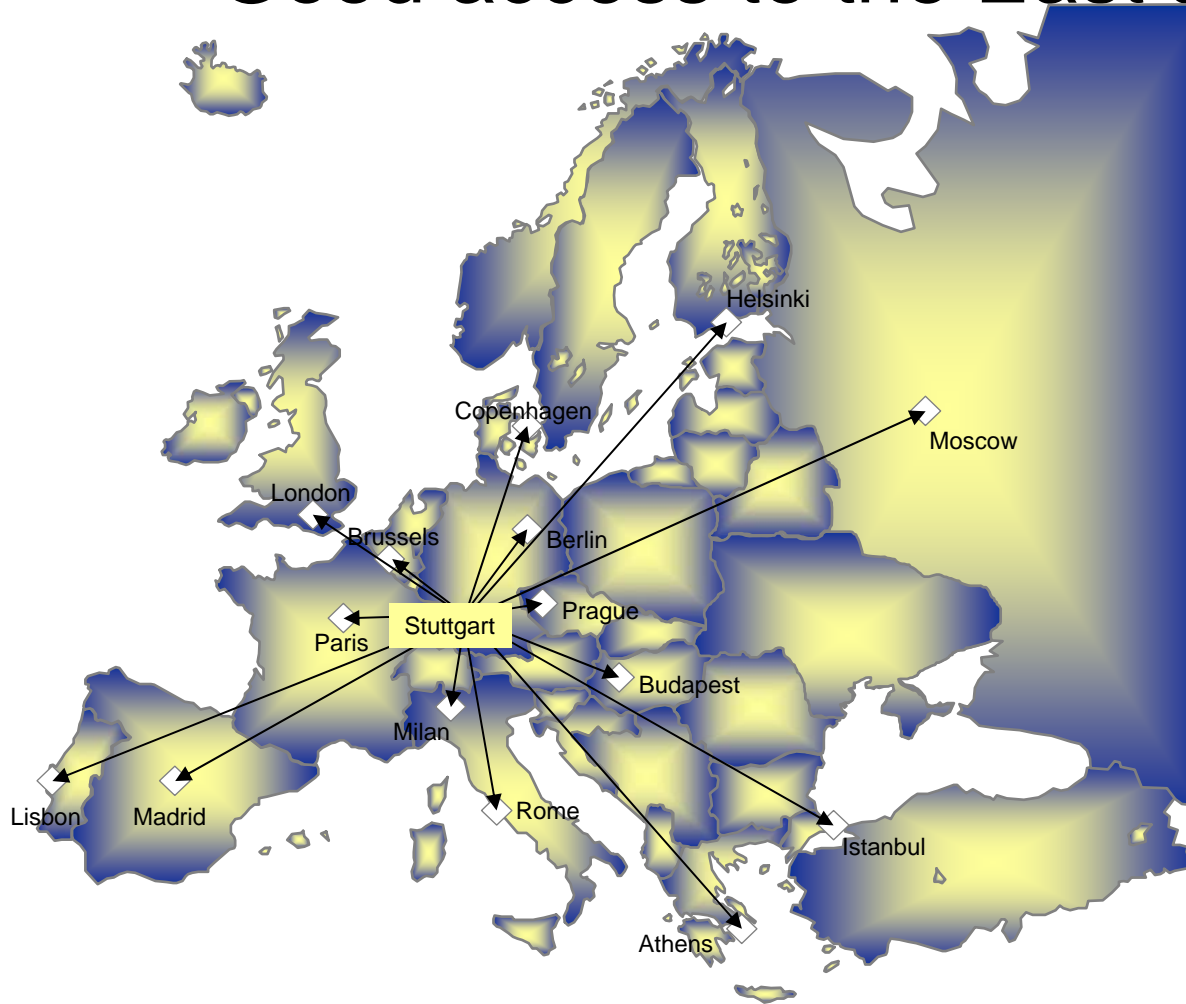


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Baden-Württemberg – Good access to the East and the West

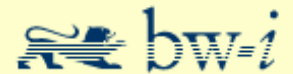


Distance	in km	flight time
Athens	1677	3hrs/40
Berlin	512	1hr/10
Brussels	416	1hr/5
Budapest	749	1hr/20
Copenhagen	802	1hr/40
Helsinki	1621	2hrs/40
Istanbul	1776	4hrs
Lisbon	1841	2hrs/10
London	727	1hr/50
Madrid	1378	2hrs/20
Milan	369	1hr/5
Moscow	2067	5hrs/10
Paris	502	1hr/20
Prague	408	1hr
Rome	808	1hr/35



Baden-Württemberg

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Baden-Württemberg Facts & Figures

Population	10.7 million inhabitants
Gross domestic product (GDP)	Euro 353 billion
Expenditure on R&D	Euro 13.7 billion = 4,2% of the State's GDP
Patent applications per year	> 13 638 = 28,5% of German total
Number of manufacturing plants (with more than 50 employees)	4 500
Export quota (manufactured products)	51 %
Value of exports	Euro 150 billion = 1.8 % of the World's exports
Research facilities	> 100 major research institutes
University, technical and vocational college students	242 938



Baden-Württemberg

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Services provided by Baden-Württemberg International

Baden-Württemberg International is your central port of call if you are looking for a location or a Baden-Württemberg partner with whom to establish fruitful business relations. Our range of services includes:

When you are looking for an industrial location:

- Information on Baden-Württemberg and on individual industrial sites.
- Consulting on government subsidies and programs.
- Assistance with all contacts to authorities, including permit procedures.
- Support in the search for suppliers and the selection of service companies.

When you are looking for cooperation partners:

- Information on market potential and market specifics.
- Planning of information visits, including appointment scheduling.
- Identification of potential partners that meet your specific demands.
- Assistance with trade fair activities in Baden-Württemberg.

Baden-Württemberg International
Willi Bleicher Strasse 19, D -70174 Stuttgart
Phone: ++49-711-2 27 870 • Fax: ++49 711 2 27 87 22
Internet: www.bw-invest.de • E-Mail: info@bw-i.de



Baden-Württemberg

Baden-Württemberg International The logo for Baden-Württemberg International, consisting of a stylized blue and white graphic followed by the lowercase letters 'bw-i'.