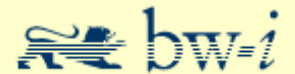


Information and Communication Technology in Europe



Baden-Württemberg

Baden-Württemberg International



Information and Communication Technology in Europe

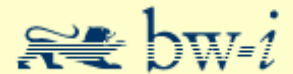
The purpose of this presentation is to:

- 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 information and communication technology within this market
- Explain why Baden-Württemberg is the ideal location from which to serve the Information and Communication Technology (ICT) market – Europe wide

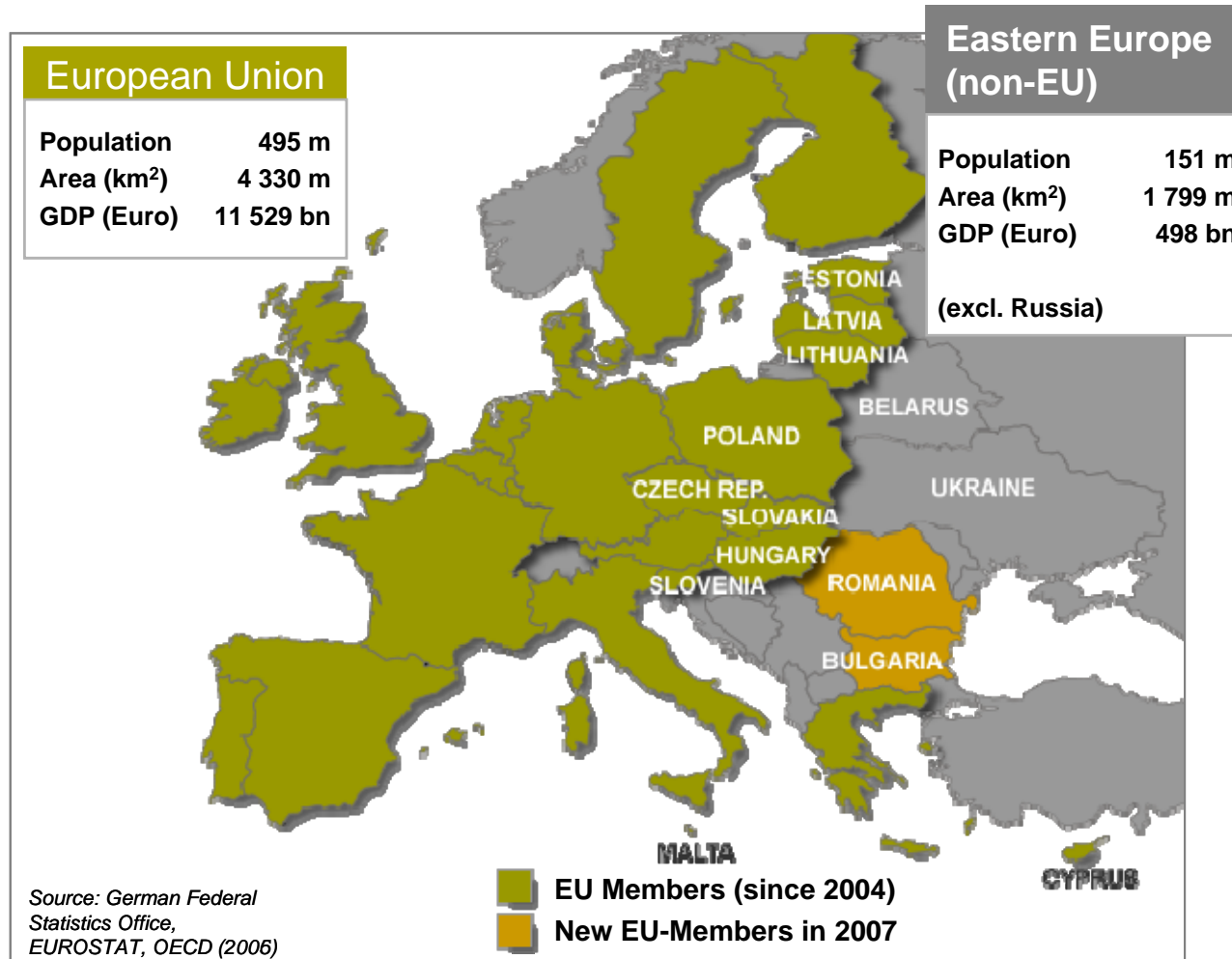


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Europe is expanding towards the East



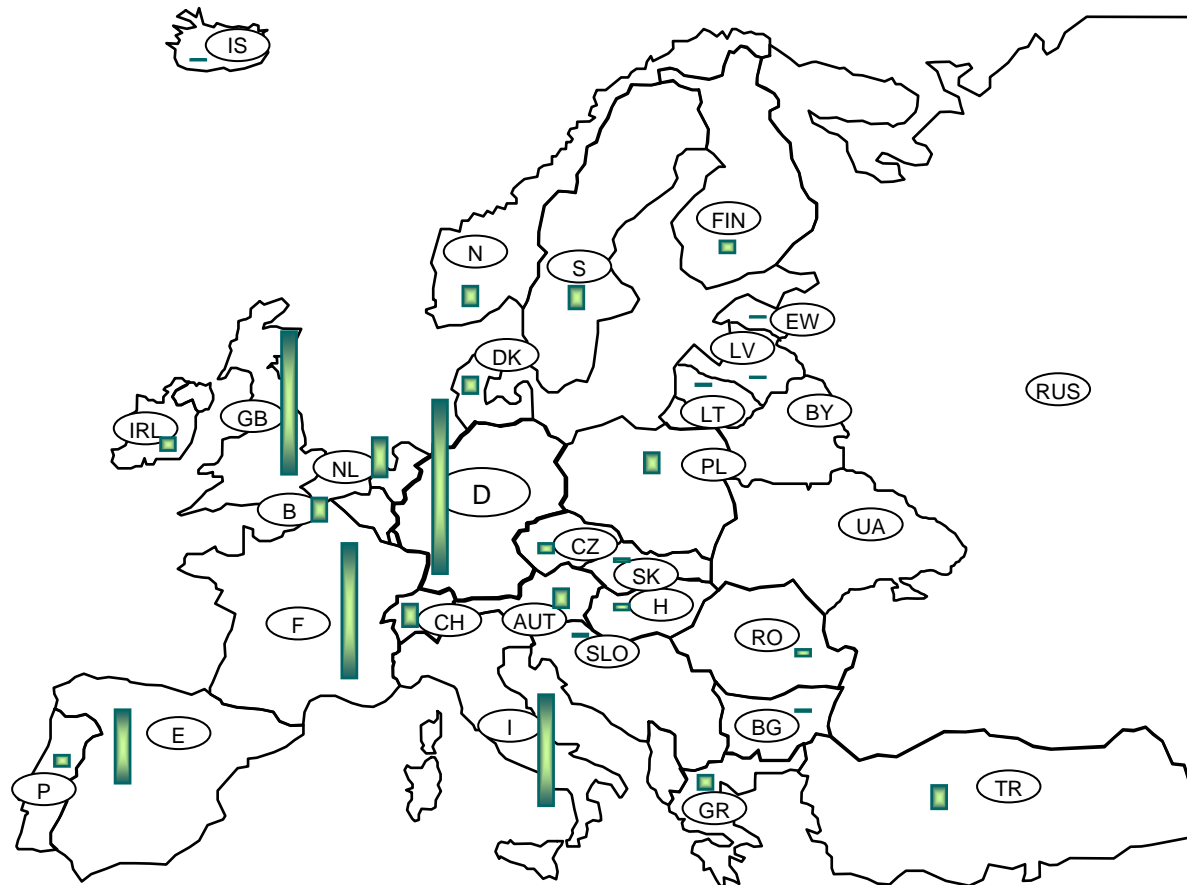
In the last two decades, the sharp contrasts between the Western and the Eastern European countries have been fading and the European Union is the major driver for Europe's integration.

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.

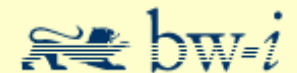
Source: German Federal Statistics Office, EUROSTAT, OECD (2006)

■ Dimension of total GDP

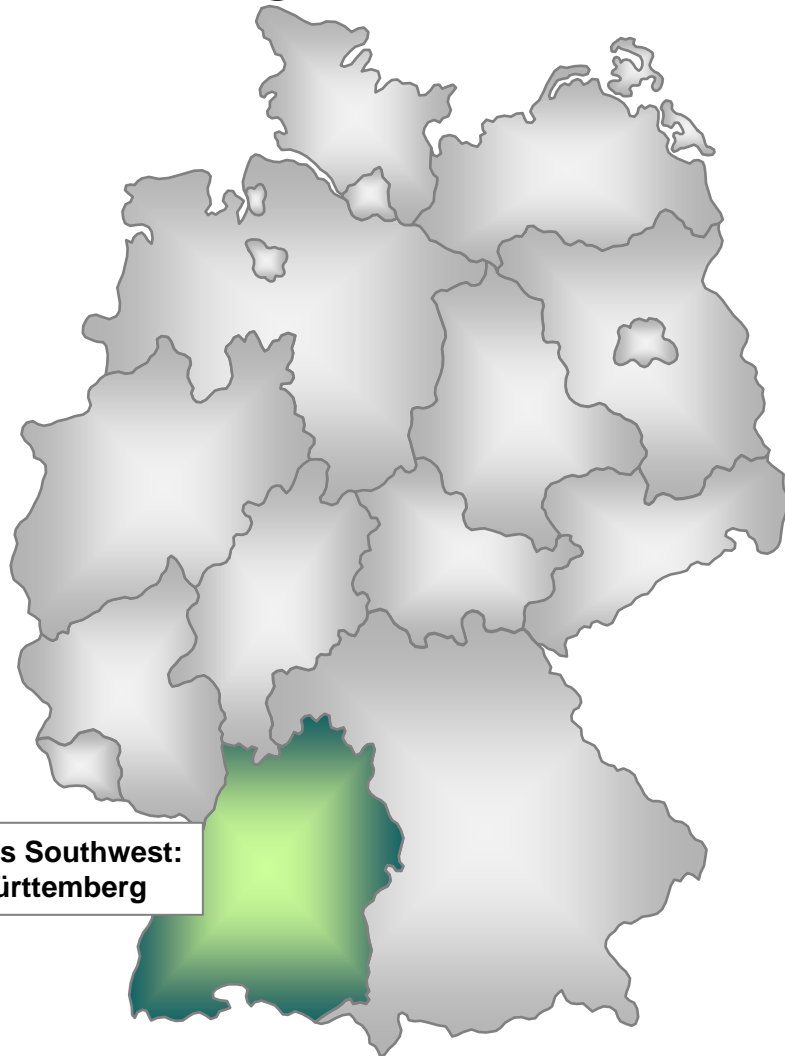


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The right Location for Growth and Prosperity



Germany's Southwest:
Baden-Württemberg

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:

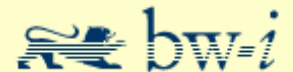
- It has a highly developed infrastructure – suppliers, R&D facilities, business services.
- Its workforce is well trained, innovative and productive.
- Its companies have an established export orientation and know how to penetrate new markets.

It is set to succeed in the 21st Century.



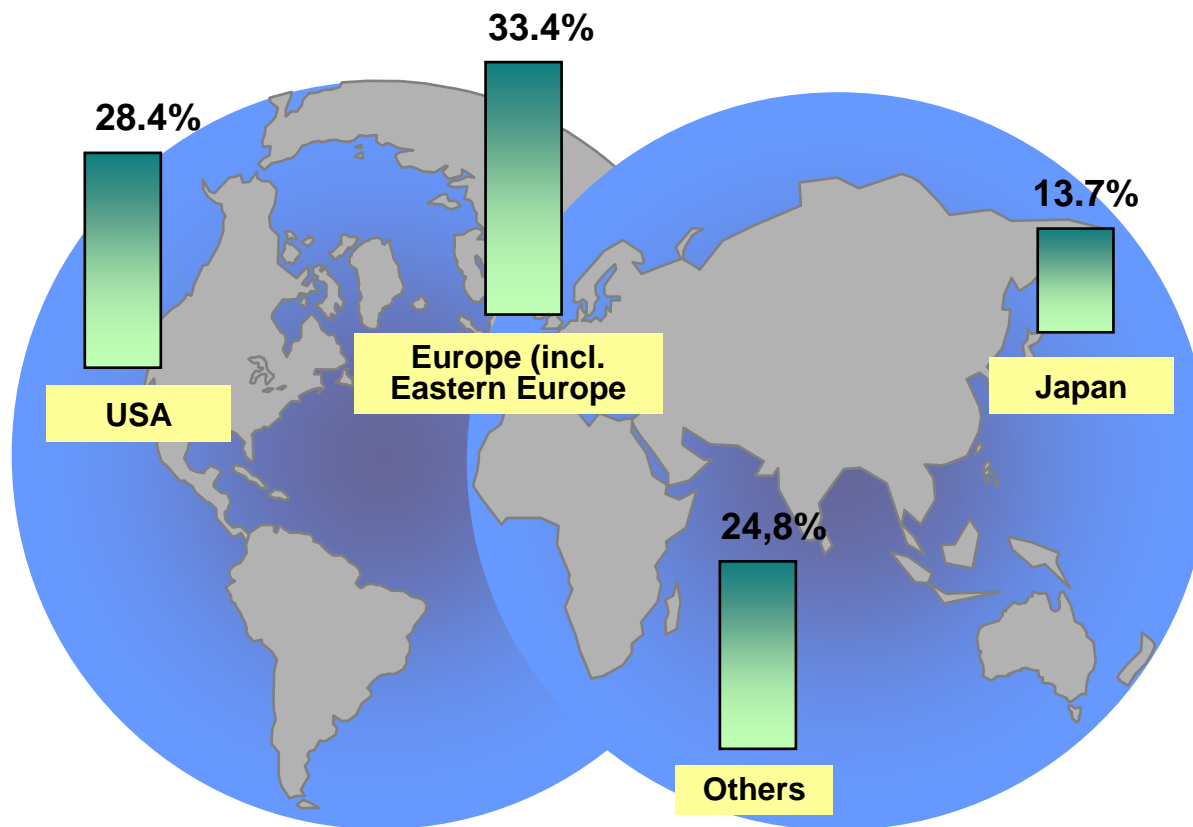
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Europe accounts for more than one quarter of the World ICT Market

World Information and Communication Technology Market by Region



The world information and communications technology market has a total value of € 2033 billion.

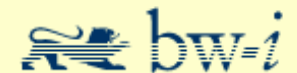
With € 680 billion, Europe is the world's second largest ICT market.

Source: European Information Technology Observatory, figures from 2007



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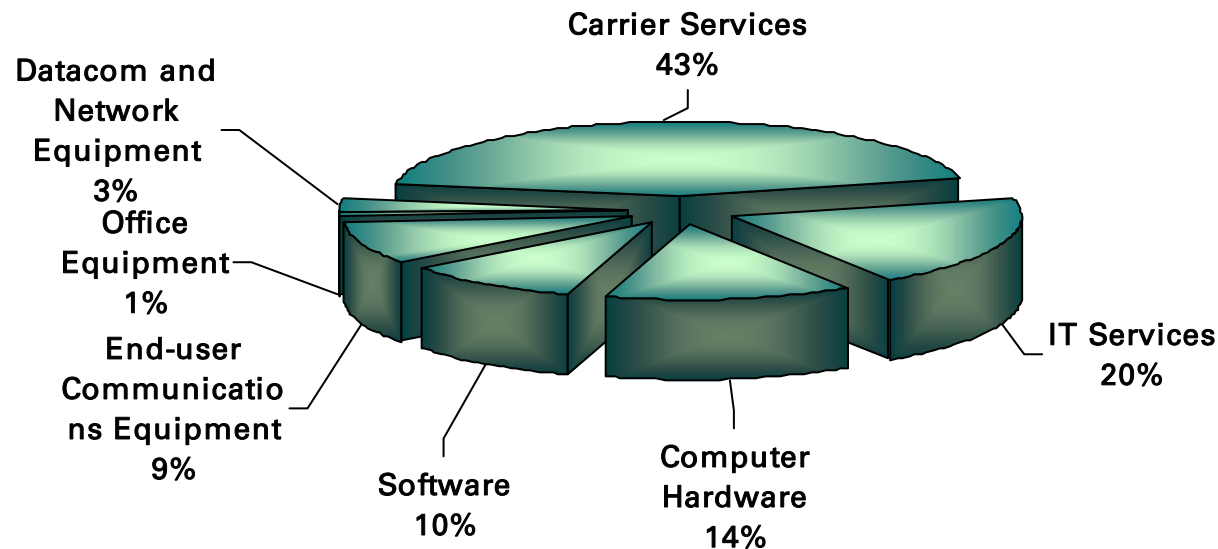
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The ICT Market comprises Seven Sectors

Breakdown of Information and Communication Technology Market by Product

The ICT market sectors vary in size and growth rates. Some are approaching maturity and growth is slowing. Others are dynamic. These include network equipment, software related to the Internet, telecommunications services and mobile telephony.

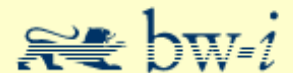


Source: European Information Technology Observatory, figures from 2007



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The EU strongly promotes the ICT Industry



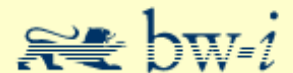
The European Commission has adopted an action plan with four priority areas, designed to:

1. Improve the business environment by encouraging electronic commerce.
2. Put the Information Society in a global context by (a) Setting the rules for global cooperation and (b) facilitating global market access.
3. Invest in technology in (a) R&D in the ICT field, (b) Early training in ICT activities.
4. Promote industrial competitiveness.



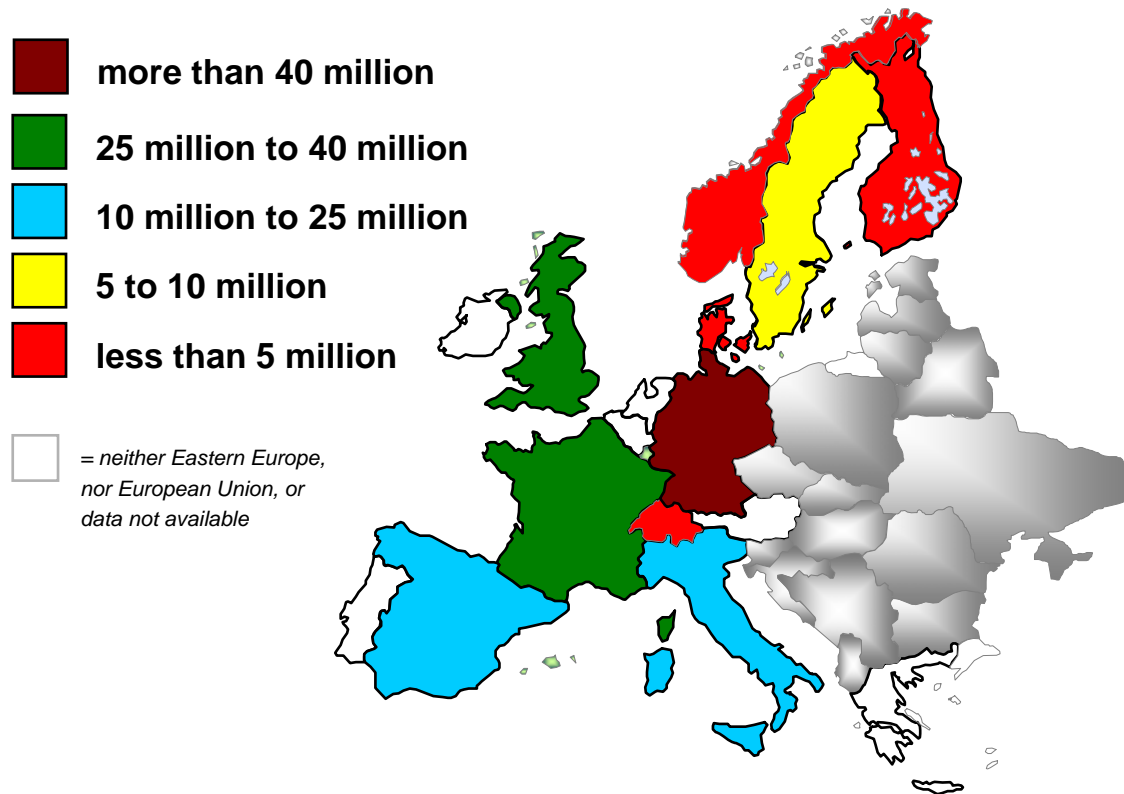
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Telecom Infrastructures are well developed in the EU

Number of ISDN-lines* in the European Union



Source: European Information Technology Observatory, figures from 2007

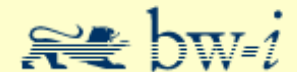
There are 236 million main lines in Western Europe – 18 % of the world's total. More than 25% of the world's ISDN lines are in Europe with digitalization growing fast. Germany is by far the leader in ISDN-infrastructure with more than 55 million lines, ahead of United Kingdom with 33 million lines.

GSM – the European standard in mobile telephony is gaining worldwide acceptance. European countries have already awarded third-generation Universal Mobile Telecommunications System (UMTS) licenses and networks have already started operation.



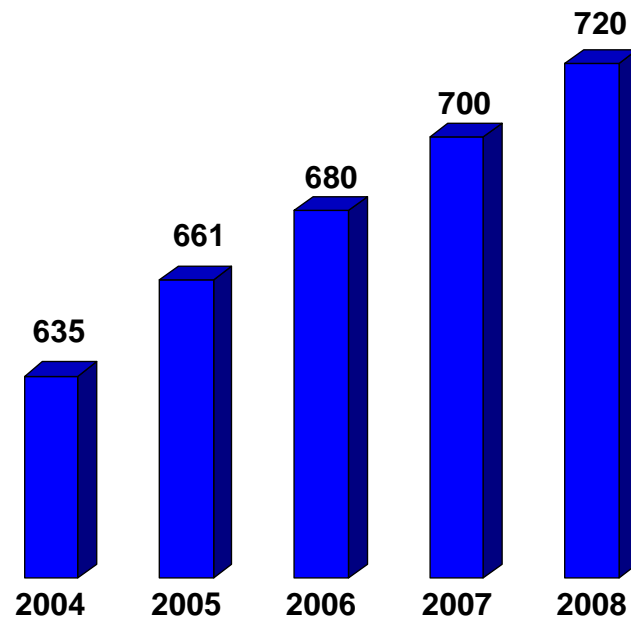
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In 2006, Europe's ICT Market will exceed Euro 680 billion

Value of the European ICT Market in billion €



The European ICT market grew by 2.9% in 2006.

The driving forces behind this growth are :

- Rapid rate of technological innovations
- Increasing development of mass-market products
- Growth in multi-media
- Trend towards uniform EU standards

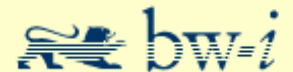
Source: European Information Technology Observatory, figures from 2006

2007 and 2008 = Forecast



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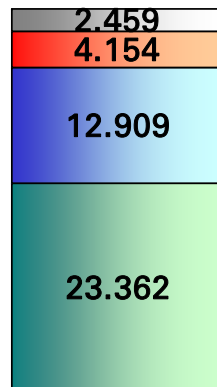
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The Eastern European ICT Market offers exciting Potential

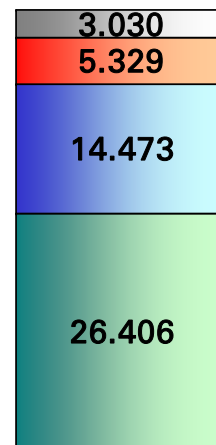
The Eastern European* ICT Market (2006/2008) in €billion

Total: Euro 42,9 billion



2006

Total: Euro 49,2 billion



2008

■ Carrier services ■ ICT equip. ■ IT services ■ Software

* includes Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia

Source: European Information Technology Observatory 2007

The Eastern European ICT Market reached a combined value of Euro 43 billion in 2006, followed by an expansion to Euro 49 billion in 2008.

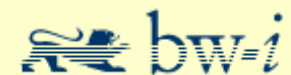
Driving forces are the need to restructure the public sector and encourage the development of the private sector. This has led to:

- Advance in the level of computerization
- Spread of IT education and training
- Growth of professional services
- Rising demand for more complex ICT solutions



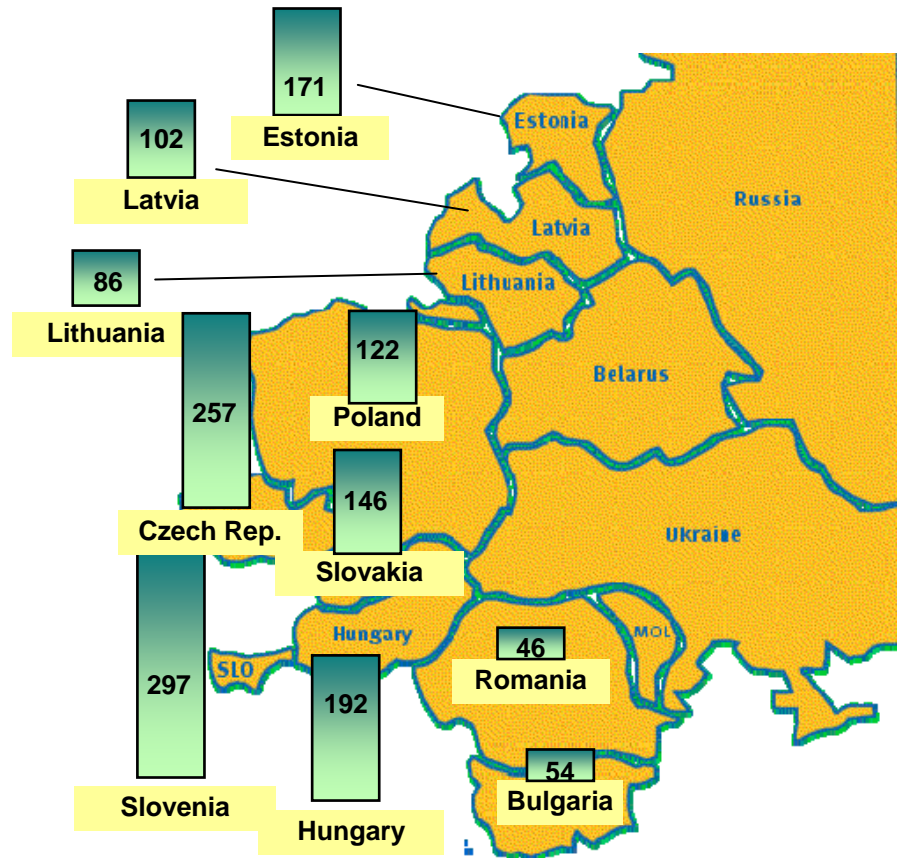
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The Eastern European ICT Market offers exciting Potential

Per capita IT spending in € in Eastern Europe



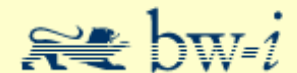
Economic developments in Eastern Europe indicate that an increasing share of GDP is being allocated for IT. IT investments as a percentage of GDP reached 3.2 % in the Czech Republic. Estonia had rates well above 2.8 %.

Source: European Information Technology Observatory 2007



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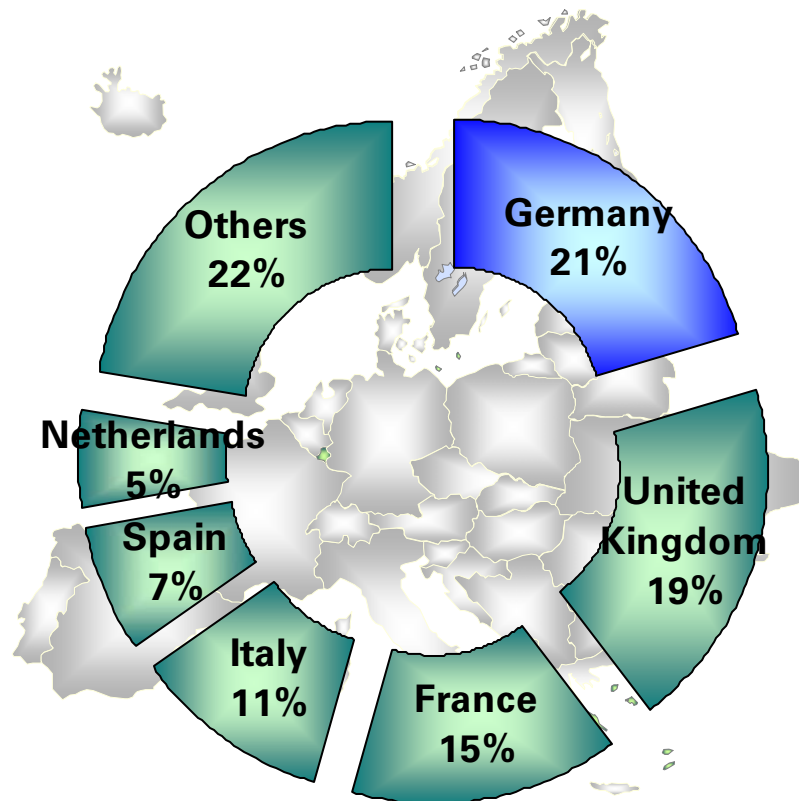
Opportunities in the European ICT Market

- 
- High-quality, high-tech products are increasingly in demand
 - The market is growing and will continue to increase
 - There is room for new market entrants among the wide range of producers
 - EU norms and standards are not a hurdle, but an opportunity to serve an ever-expanding market



Germany is the most important ICT Market in the EU

Value of the Western European ICT Market



The ICT market in Western Europe EU has a total value of Euro 649 billion. Of this, Germany accounts for 21%, UK for 19% and France for 15%.

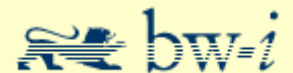
The ICT market is expected to increase by 3-4%. Growth in the software sector will be particularly important.

Source: European Information Technology Observatory 2007



Baden-Württemberg

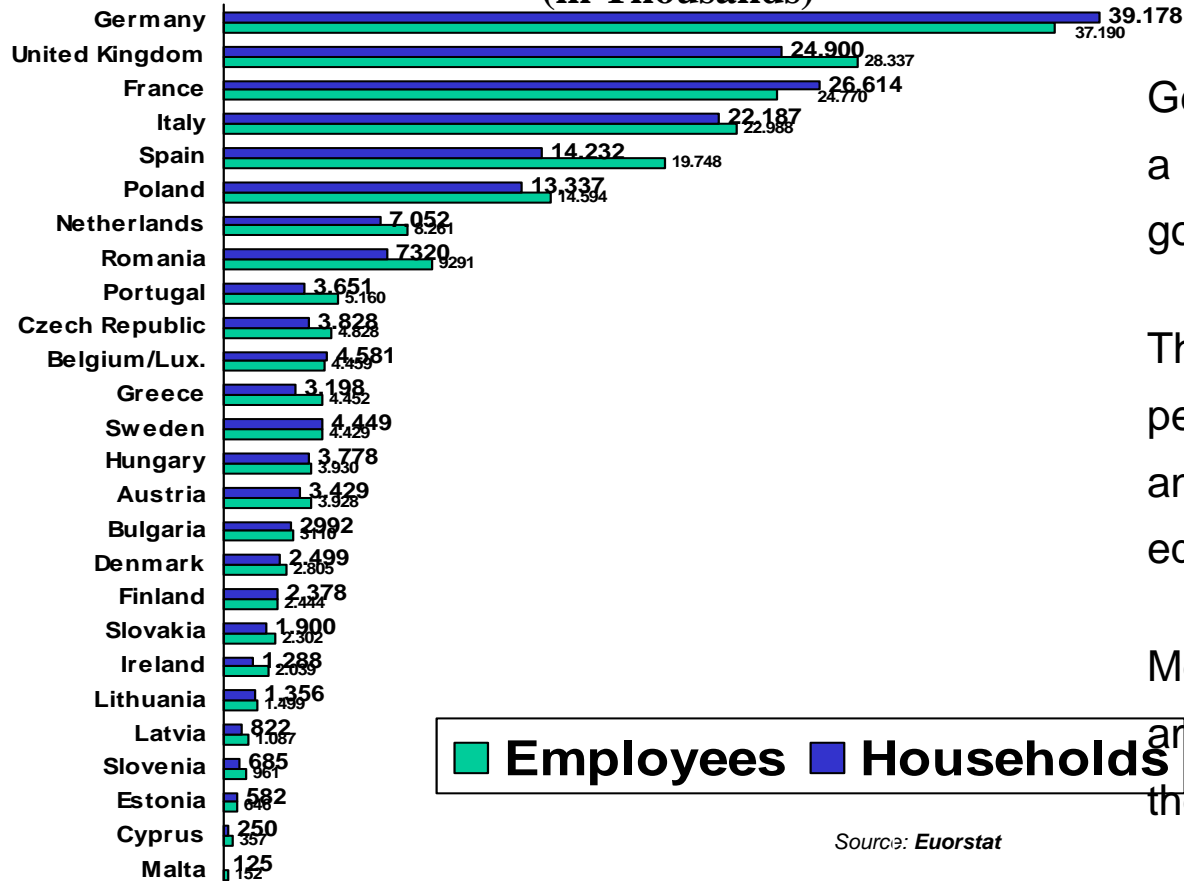
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Growth Prospects in the German ICT Market are promising

Number of Households and Employees in the European Union

(in Thousands)



■ Employees ■ Households

Source: Eurostat

Germany has around 40 million households – a large market for all kind of electronic goods.

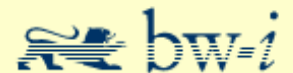
The German workforce totals over 37 million people with a growing need for computers and office equipment, for telecommunications equipment and electronic components.

Measures to increase business efficiency are among the major motors of market growth in the electronic field.

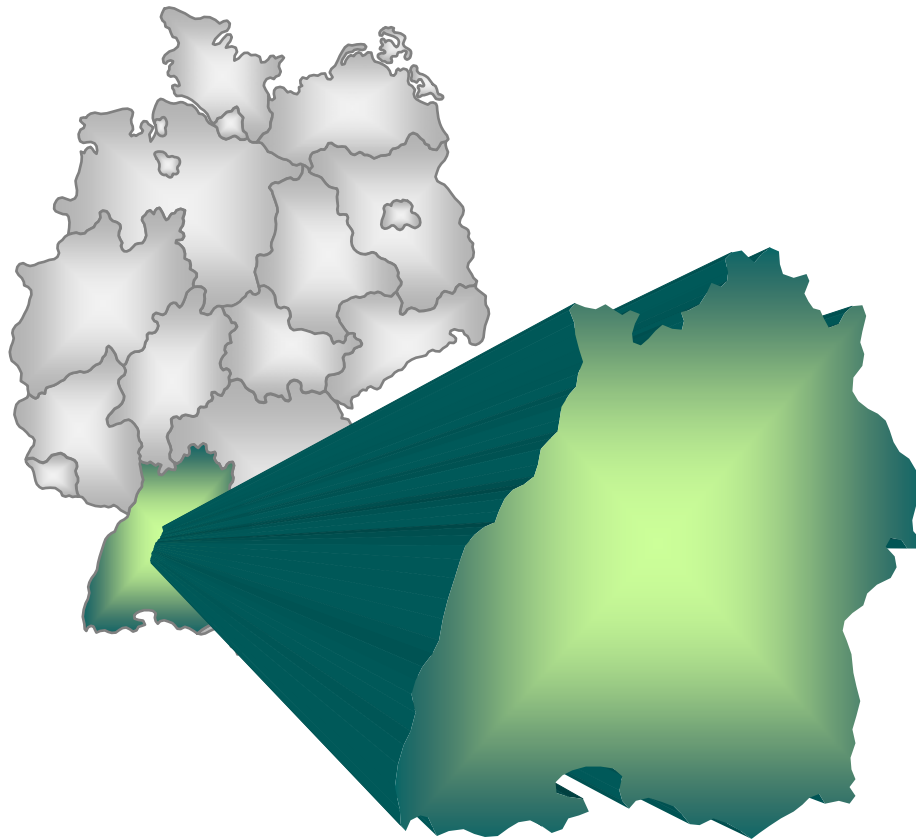


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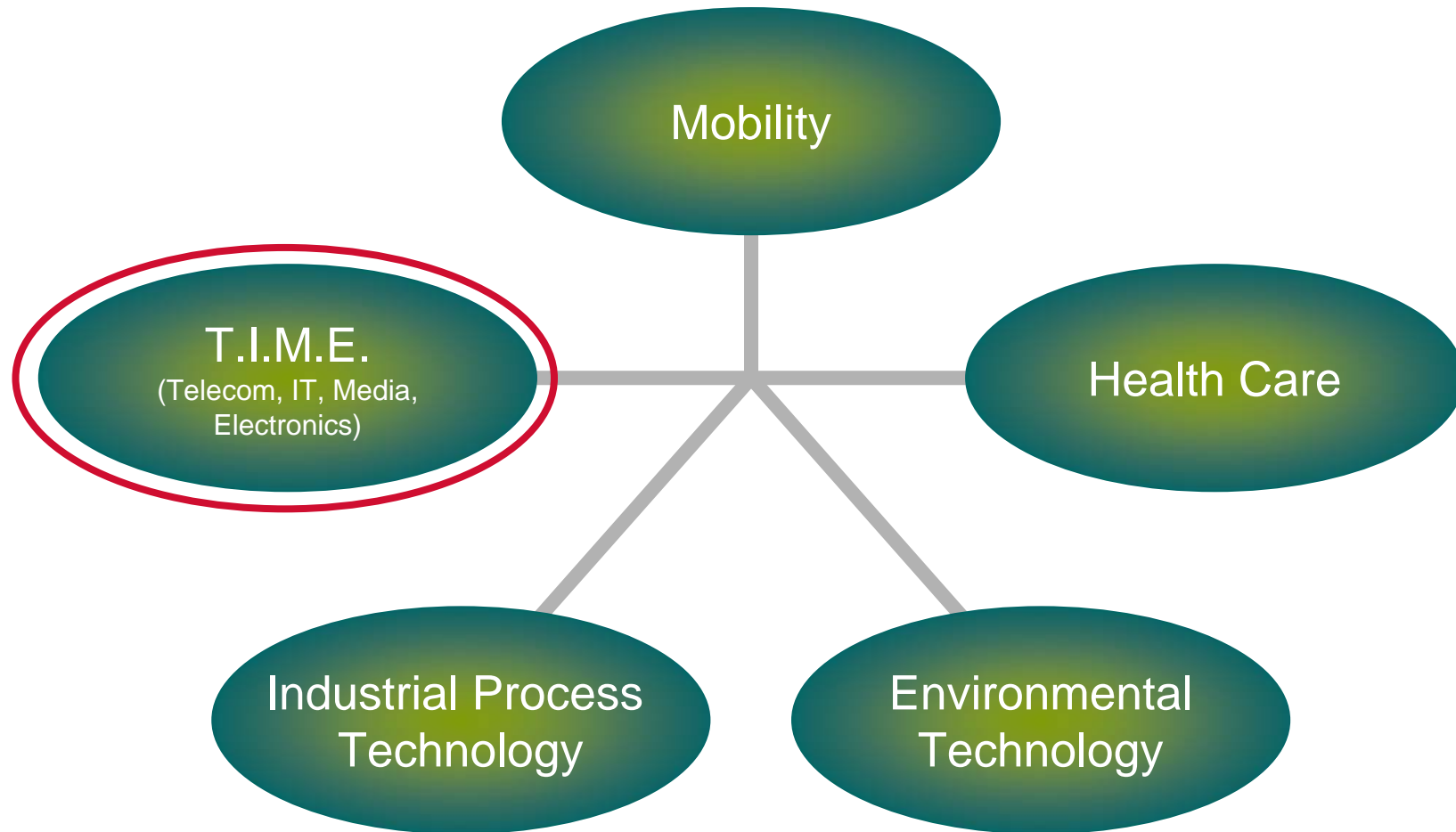
ICT – A dynamic Sector of Baden-Württemberg's Industry



- Renowned as the production and R&D site of some of the giants in ICT
- The home of a wide range of small and medium-sized companies, known for their technological superiority and export orientation
- A center for outstanding international newcomers

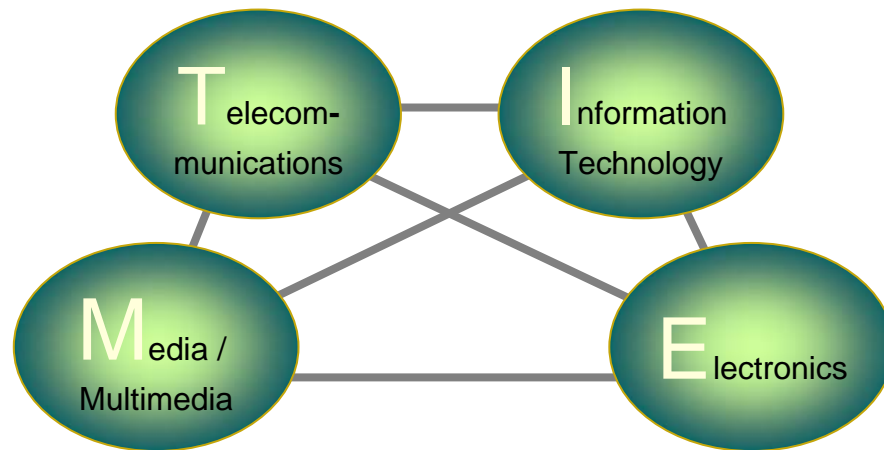


ICT – One of Baden-Württemberg's five Key Clusters



A dense network in Baden-Württemberg's T.I.M.E. Sector

Baden-Württemberg's T.I.M.E. Cluster



The T.I.M.E. sector is a closely knit network of industries.

Particularly in the T.I.M.E. sector innovation depends on close cooperation between these sectors of industry.

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



Baden-Württemberg – Chosen Location of World Leaders in ICT



www.ibm.com/de/

The world's largest producer of IT equipment – core activities established in Baden-Württemberg in 1927. It's development center in Böblingen employs more than 1 750 specialists



invent

www.hewlett-packard.de

The second largest IT company worldwide – largest subsidiary outside USA founded in Baden-Württemberg in 1959.



www.alcatel.de

ALCATEL is one of the four largest producers of communications systems – SEL AG founded in Baden-Württemberg in 1958, integrated into Alcatel in 1987, Alcatel Germany founded in 1996.

Headquartered in Walldorf, Baden-Württemberg, SAP is the world's largest inter-enterprise software company, and the world's third-largest independent software supplier overall.

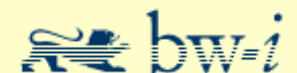


www.sap.com/germany/



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Companies



Alcatel-Lucent



versatel



SIEMENS

SHURE

Marconi

SATLYNX

TENOVIS
Business Communications.

debitel

NOKIA

NORTEL
NETWORKS

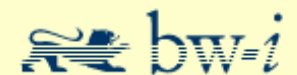


WEB.DE



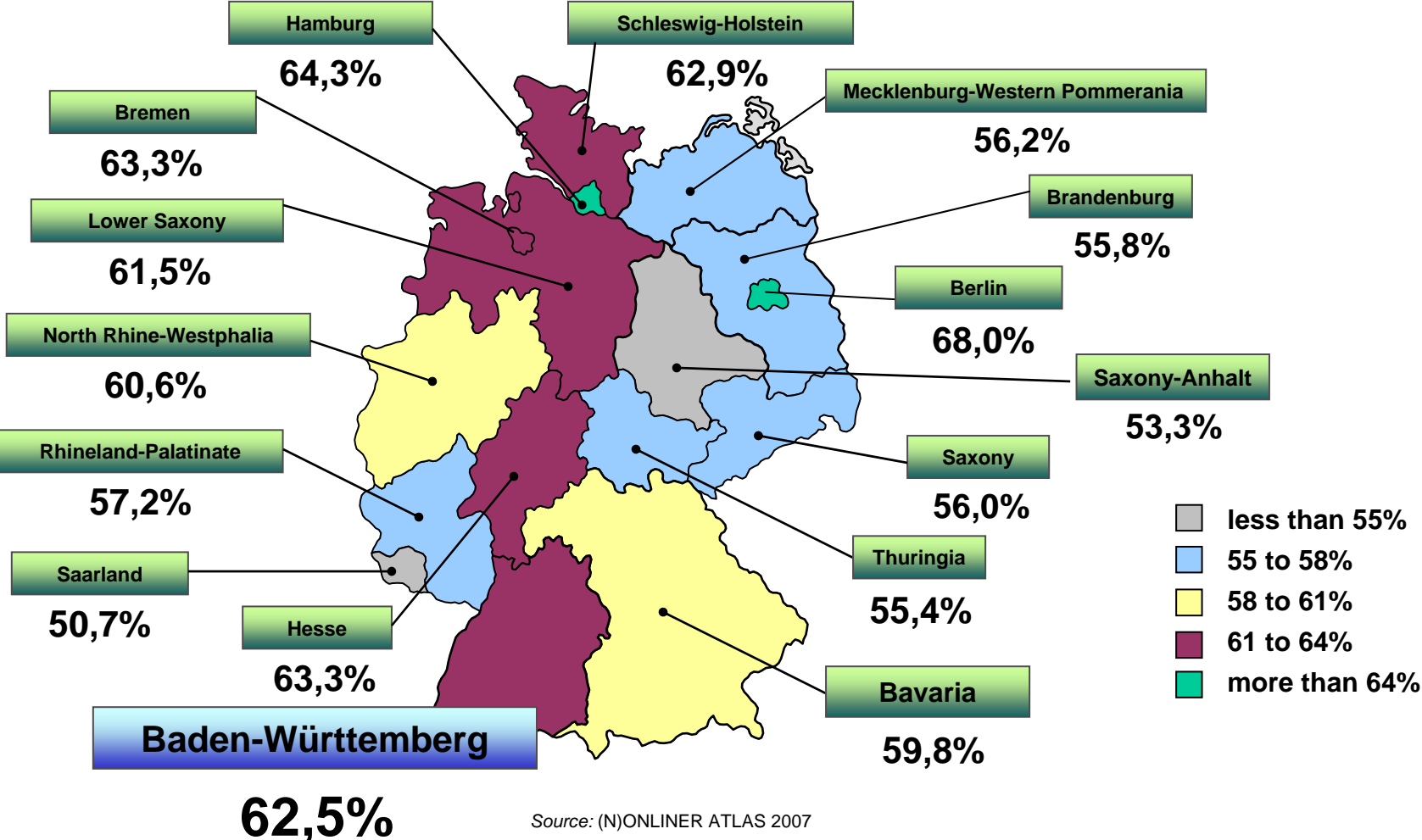
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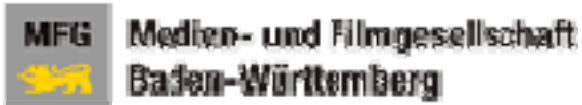


Baden-Württemberg is leading in Internet Usage

Usage of the Internet by Region



The MFG Baden-Württemberg



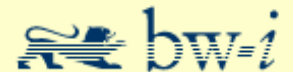
www.mfg.de

- **MFG Baden-Württemberg** develops and promotes Baden-Württemberg as a location for media IT high-tech and film. A 50-strong team in the MFG Agency for media IT high-tech and MFG Film Funding divisions acts as the industry's contact. The two Divisions are:
 - **MFG Agency for Media IT HighTech:** As the state competence center for media IT high-tech, we offer: Consulting/promotion, Project management, Events/professional trainings, Communication/marketing, IT and media campaign: **doIT** and more.
 - **MFG Film Funding:** We fund film productions for cinema and television: scriptwriting, pre-production, production, incentive funding digital content funding, events and location tours and more.



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Baden-Württemberg provides Support for young IT Start-ups



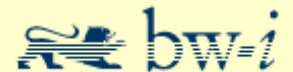
www.mfg.de

- The IT and media campaign **doIT** is the state initiative for promoting information technology and new media in Baden-Württemberg. With this effort, the State of Baden-Württemberg provides 430 million euros altogether during the current legislative period for building up information society. **doIT** unites all the IT and media projects of Baden-Württemberg that are directed to companies, startups, researchers, students, pupils, administration and to the general public. The emphasis is on creativity, education and medium-sized enterprises.
- The central point of contact for **doIT** is the MFG Baden-Württemberg, Agency for Media, IT and High-Tech in Stuttgart. As the state's competence center for IT and media, the team of Managing Director Klaus Haasis has been working successfully in the fields of consulting/ promotion, project management, events/professional trainings and communication/marketing since 1995.

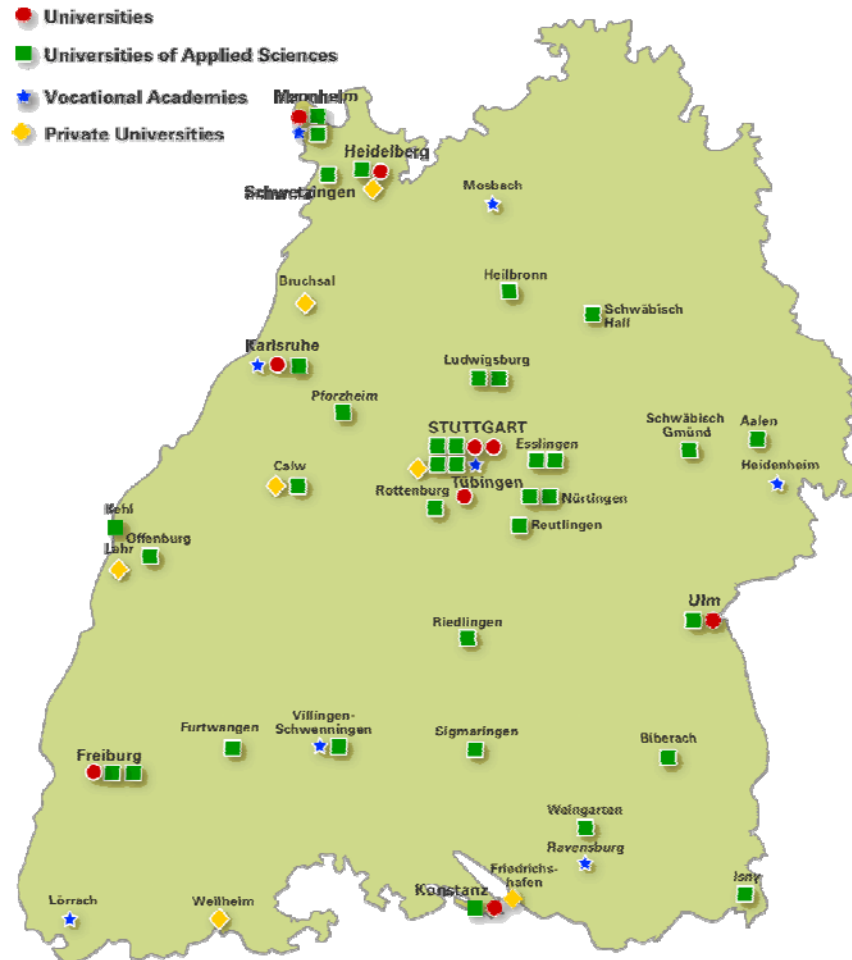


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Baden-Württemberg – An excellent structure for higher education



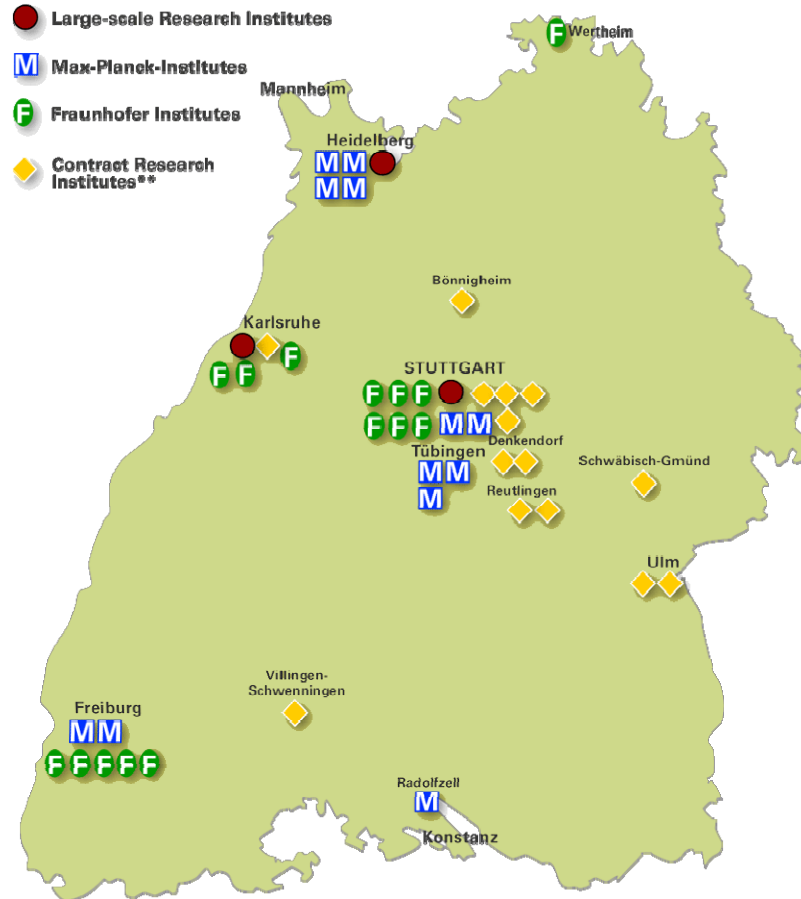
Baden-Württemberg has the most densest and the most modern structure of Universities and Academies for higher education, including

- 9 Universities
- 36 Universities of Applied Sciences
- 6 Universities of Education
- 8 Universities of Arts
- 8 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 – A highly developed Research Infrastructure



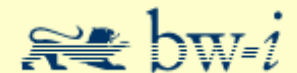
The State provides a unique research infrastructure consisting of

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



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

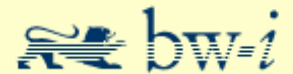


Distance	in km	flight time
Athens	1677	3hrs/40
Berlin	512	1hr/10
Brussels	416	1hr/5
Budapest	749	1hr/20
Copenhagen	802	1hr/40
Helsinki	1621	2hrs/40
Istanbul	1776	4hrs
Lisbon	1841	2hrs/10
London	727	1hr/50
Madrid	1378	2hrs/20
Milan	369	1hr/5
Moscow	2067	5hrs/10
Paris	502	1hr/20
Prague	408	1hr
Rome	808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



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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'.