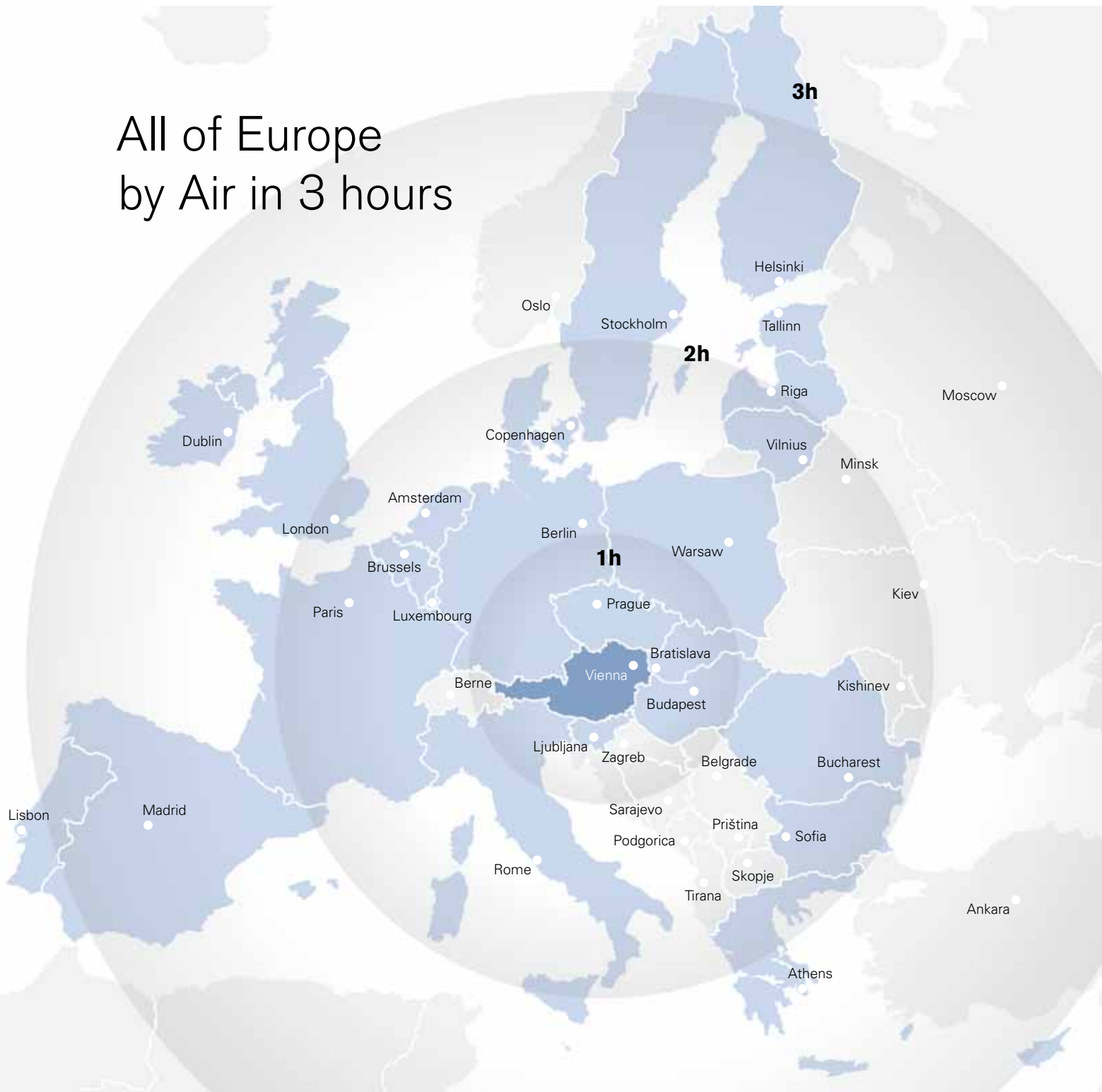




Austria*

*What Makes Austria Strong:
Research and Development

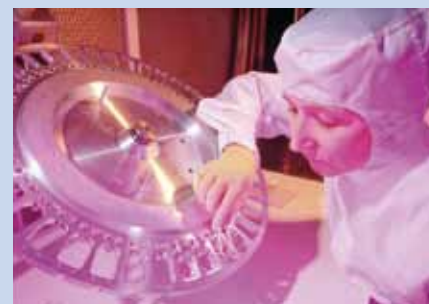
All of Europe by Air in 3 hours



Austria's central location in Europe makes the country the ideal hub for East-West business relations

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Imprint
 Status: September 2010
 Published by:
 Austrian Business Agency,
 Opernring 3, A-1010 Vienna, Austria
 Contents: René Siegl
 Editors: Eva-Maria Gruber,
 Karin Schwind-Derdak
 Design: www.november.at
 Photos: page 22: Mahle, page 9 and 28:
www.foto-julius.at, page 30: WWFF,
 others: APA
 Printed by: Piacek



TTTech

“Austria is a top location for research and development in the field of embedded computing, and provides valuable economic impetus due to its efficient funding and research promotion schemes. The proximity to key educational facilities enables us to attract highly qualified staff for TTTech and deploy them internationally.”

Stefan Poledna, Member of the Management Board of the high-tech firm TTTech

Whoever Does Research Wins Out

Austria has emerged as a strong business location with a high level of innovative strength, thanks to R&D serving as a growth driver.

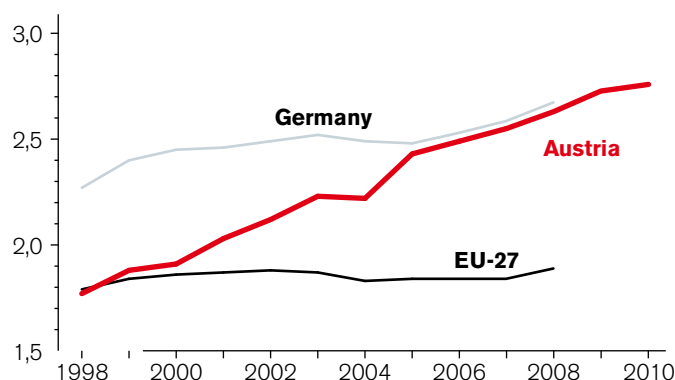
Major economic factor. Austria boasts 22 public universities, 12 private universities, 20 universities of applied sciences, more than 30 specific research promotion programs, close to 2000 projects annually targeting corporate research, more than 1,000 non-university research facilities and numerous R&D headquarters. As a result, research and development is an important economic factor in Austria. Since the year 1998, research expenditures have climbed by an average of 8%. The country is in the top ranks of Europe’s research landscape, featuring a research quota of 2.76%, which corresponds to investments of about EUR 7.65 billion. Moreover, Austria has even more ambitious plans for the future. It intends to raise its R&D quota to four percent by the year 2020.

The transformation of Austria into a research and technology-based location was initiated in the middle of the 1980s. This process has been supported by a national research policy exploiting and focusing on existing strengths, providing tax incentives for research and promoting the cooperation of the scientific and business communities in a targeted manner based on the implementation of competence and excellence programs.

R&D – Motor of change. Austria has developed a high level of internationally acclaimed innovative prowess in the fields of environmental technology, ICT, medical engineering, life sciences and biotechnology – benefitting from its geographical location, its educational system and last but not least, its high quality of life. All these sectors boast a longstanding tradition in science and industry. They have emerged as dynamic forces driving the country’s emergence as one of Europe’s most attractive research and technology locations.

Development of R&D Expenditures in Austria, Germany and the EU

As a percentage of GDP

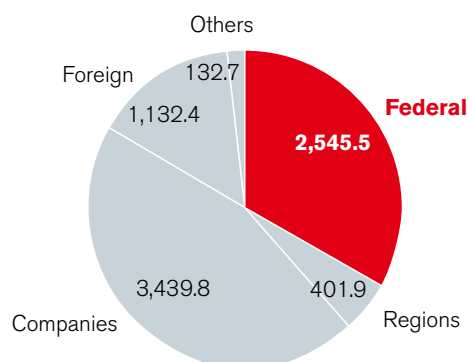


Source: Eurostat

Austrian Expenditures for R&D

In million euros, 2009

Total: 7,652.3 million Euro



Source: Statistik Austria



A COMET-like Career

With its funding initiative COMET, Austria has succeeded in creating a unique bridgehead in Europe between science and industry.

The cooperation between research and industry is considered to be the guarantee for a successful innovation system and competitive economy. Austria has realized the importance of expanding this cooperation in cutting-edge technological fields. Based on its funding initiative “COMET – Competence Centers for Excellent Technologies”, Austria’s research and technology policy is sending a unique message to Europe focusing on the links established between science and industry. The aim of the COMET program, as well as its predecessors Kplus and K_ind/K_net, is to strengthen the cooperation between companies and the scientific community, bundle research competencies in high-value research and technology fields, and promote the commercial realization of the resultant findings. COMET explicitly focuses on expanding scientific excellence within the context of the specific research strengths of a country, integrating international research know-how in the process. The success has proven the country right. In several sectors, Austria has emerged as one of the most sought-after research locations throughout Europe.

Profit across the board. Today more than 1,500 people from science and industry work on jointly defined research programs at an internationally competitive level at 46 competence centers throughout Austria. Companies, colleges and universities of applied sciences, research facilities and transfer institutions devote their efforts to cutting-edge issues such as tailor-made, individualized cancer therapy, the optimization of environmental technologies in the field of renewable energies or the research and development of technologies for future communications systems. On balance, the COMET program financed by the Federal Ministry for Transport, Innovation and Technology and the Federal Ministry of Economy, Family and Youth and coordinated by the Austrian Research Promotion Agency FFG will make a total of EUR 500 million in public grants available during the duration of the initiative (2006-2019).

→ www.ffg.at

“The Austrian networks linking industry and science are unique. This is the way things are done!”

Harald Katzmair, network researcher

Strong Duo

Johannes Khinast, CEO of the K1 competence center “Research Center Pharmaceutical Engineering” (RCPE), speaks about the synergy effects arising from the cooperation of science and business.



Johannes Khinast,
CEO of the K1 competence
center “Research Center Phar-
maceutical Engineering” (RCPE)

How do companies benefit from university and non-university research?

The universities provide valuable know-how and excellent research personnel. The scientific facilities carry out basic research work which many companies can simply not afford in the same scientific breadth and depth. For these reason, it is much more cost-effective and efficient for companies to cooperate with scientific facilities, and entails far less risk. This partnership opens up the possibility to increase innovative strength in an effective manner, but should also open up new opportunities and benefits for the universities as well.

What do competence centers offer companies?

Competence centers such as RCPE provide an excellent breeding ground in which the cooperation between science and business can thrive in a pre-defined area of focus. Moreover, these competence hubs offer the required scientific excellence in the respective field. RCPE operates in an international niche market, boasting internationally sought-after know-how in pharmaceutical process and product development. We are the only facility of this kind in all of Europe, and there are only two other such comparable institutions in the world. Accordingly, we attract companies which require precisely this type of expertise. In turn, this provides an immense stimulus to Austria as a research location.

Why are clusters important?

Clusters are the basis for creating successful networks between companies and research institutions as well as for intelligent location development and positioning. On the basis of their special capabilities, they provide support to the strategic processes of competence centers by penetrating new markets, exploiting and expanding synergy effects and serving as the driving force behind a suitable positioning of the location.

What qualities do corporate partners such as Baxter, Roche or Merck value in competence centers such as RCPE?

In addition to the scientific excellence and the bundled know-how, they primarily value the professionalism of project development, the flexibility of the employees and the solution-oriented research work. This has led to valuable synergies and sustainable partnerships in recent years.

→ www.rcpe.at



Knut Consemüller,
Chairman of the Council for
Research and Technology
Development

On the Verge of Being the Innovation Leader

Austria is well on its way to meeting the
Lisbon research target.

Austria boasts a research quota of 2.73 percent of GDP in 2009, and is thus one of the countries in a position to achieve the Lisbon target of devoting three percent of GDP to R&D in 2010. What has Austria done right?

It is a fact that Austria has witnessed an impressive development in international comparison over the last decade. Mobilizing the required financial resources is only one important step. It is important to realize that industrial research in particular has expanded disproportionately. This dynamic development in the level of corporate research has turned out to be the driving force behind increasing R&D expenditures and Austria's getting close to the three percent target.

What steps should Austria take on its path to join the top elite of research locations?

A stronger and above all optimized cooperation between science and industry is required in order to continue the dynamic development witnessed over the past years. It will be particularly necessary to target small and medium-term enterprises as a means of further increasing the intensity of research and development carried out by private sector companies. The potential of these SMEs has come nowhere near to being fully exploited.

RFTE has completed "Research Strategy 2020", an important catalogue of recommendations for Austria's RDI policies. What are the key cornerstones underlying the country's emergence as a recognized innovation nation?

In this regard, there is no doubt that the most important component is human resources. In knowledge-based economies, the future of a particular location primarily depends on the level of qualifications, commitment, creativity and motivation of the people. For this reason, Austria needs even better qualified and more creative employees, including people with tertiary degrees as well as highly qualified specialists.

Where will Austria be ten years down the road?

I envision Austria as being a successful and internationally recognized innovation nation. This will be achieved by means of excellent research and radical innovations on the basis of holistic thinking and a successful cooperation between science, industry, society and political decision makers, promoting a culture of openness, flexibility and creativity.

→ www.rat-fte.at

Fund, Finance and Consult: Support from the Very Beginning

Austria offers a series of tailor-made funding and financing models for innovative projects, start-ups and growth processes.



Austrian Research Promotion Agency (FFG)

The Austrian Research Promotion Agency (FFG) serves as the central funding institution for application-oriented research in Austria. All firms with a registered office in Austria, including subsidiaries of foreign companies, are generally entitled to apply for grants. The “headquarters program” initiated by FFG supports R&D projects of internationally operating companies, inasmuch as these projects are designed to establish or sustainably expand independent research and development facilities in Austria, for example within the framework of the structural program COMET – Competence Centers for Excellent Technologies. A large share of FFG funding is comprised of “bottom up” grants. These are general and structural programs which are not linked to specific contents stipulated by FFG but provide financial assistance on the basis of ideas developed by the innovators.

Austria Wirtschaftsservice GmbH (aws)

austria wirtschaftsservice (aws) provides financial assistance for the setting up or further development of a R&D-oriented company as well as the commercial exploitation of research findings. As the national promotional bank in Austria, aws is the central contact point for company-related business promotion. Moreover, in its role as a supporter of value creation, aws offers an optimal funding and financing mix to startup founders and publicly listed companies in order to promote their economic development.

The service offering of aws ranges from offering grants and low-interest loans to assuming guarantees and providing support and consulting in the case of start-up, development and growth processes. Special offers developed by aws promote corporate projects in selected areas such as creative industries, environmental technologies or life sciences.

Austrian Science Fund (FWF)

The Austrian Science Fund (FWF) is the counterpart to industrial and commercial research. The FWF is Austria’s central funding organization for basic research. It is equally committed to all disciplines, and exclusively orients its activities to accepted standards of the international scientific community.

Research more, pay less

The Austrian tax system is extremely attractive to companies. From 2011, it grants a „research premium“ of 10 percent of all R&D expenditures.

Funding:

- www.ffg.at
- www.awsg.at
- www.fwf.ac.at
- www.erp-fonds.at

Federal Ministry Finance:

- www.bmwf.gv.at



Karl Strobel,
sole Managing Director of
Robert Bosch AG Vienna

Optimal Research Promotion in Austria

Karl Strobel, sole Managing Director of Robert Bosch AG Vienna, talks about the funding landscape and the basic conditions for R&D in Austria.

Robert Bosch AG carries out research in Austria. What do you particularly value about Austria as a research location?

The Austrian business location offers important features serving as the basis for successful development work, including the availability of highly-qualified specialists due to the high educational level at Austria's polytechnic schools and universities of technology, indirect tax benefits and direct research funding, as well as proximity to our customers. As a result, the research and development areas of Bosch located in Austria have become international competence centers for automotive engineering.

What role does research funding play in Austria?

Indirect tax benefits and the direct funding of research play a crucial role, especially when it comes to competition among different locations within a corporate group. In addition to the available financial resources, two other aspects are important, namely planning reliability for companies and reasonable administrative costs to be borne by the funding recipient.

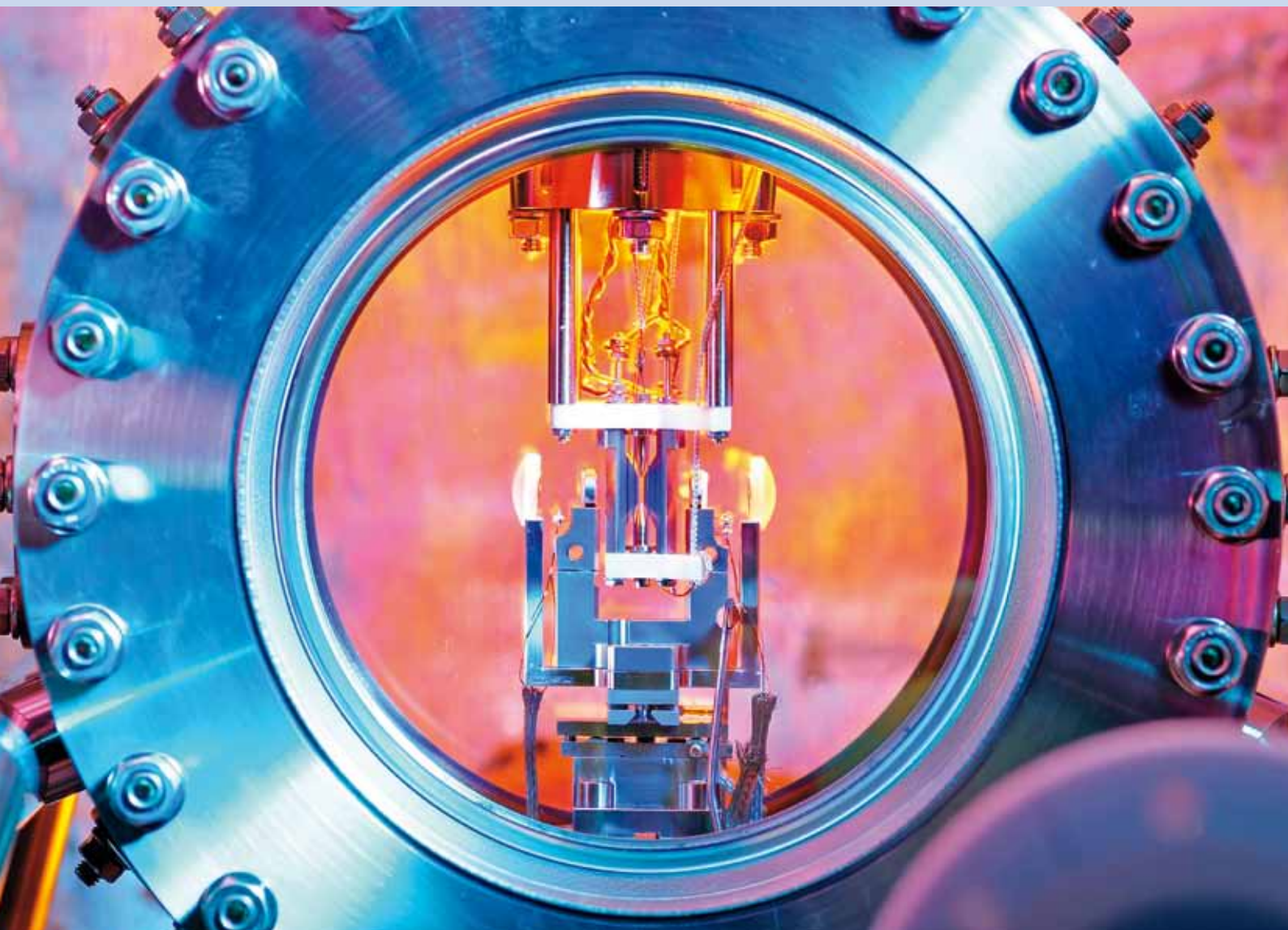
Which funding programs have you profited from the most up until now?

The general programs offered by the Austrian Research Promotion Agency FFG. These funding structures provide optimal support to our research and development projects.

In which areas does Robert Bosch AG conduct research in Austria?

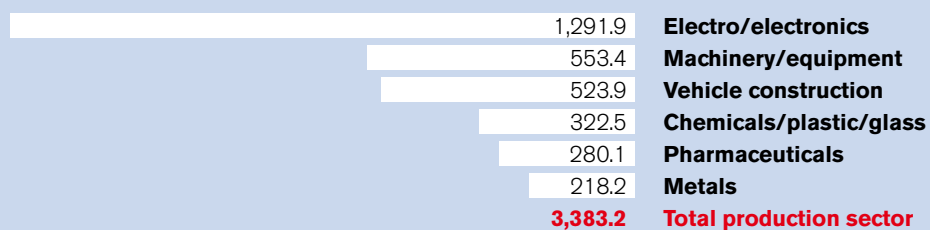
Robert Bosch AG, Austria spearheads research in several core business areas on behalf of the globally operating Bosch Group. Examples include electronic control systems for gas and diesel engines, common rail injectors for motor vehicles or exhaust gas after-treatment systems for heavy duty trucks. Development hubs and in some cases production centers for the Bosch Group worldwide are located at three facilities in Vienna, Linz and Hallein. R&D expenditures as a share of total revenues are correspondingly high. The company invested EUR 72.1 million in R&D in the 2009 fiscal year, compared to total revenues of EUR 351.3 million. 470 employees out of the total workforce of 1769 people are involved in research and development.

→ www.bosch.at



Corporate R&D expenditures

By sector, in millions of euros



Source: Statistik Austria, 2010



Extraordinarily Good!

“Research and research even more, and always think about potential products“. This could be the slogan of numerous research institutions in Austria.

According to the Austrian Research and Technology Report 2009, the “cooperative sector” – non-university research – ranks among the fastest growing fields of Austria’s research landscape, with R&D expenditures quadrupling in less than 10 years. Close to 50% of direct public funding has been destined for the cooperative sector. One more statistic is quite striking: more than 5,000 people are employed in the 52 non-university research facilities. In short, Austria’s network of corporate and industrial research is successful and extraordinarily good.

Austrian Cooperative Research. Austrian Cooperative Research (ACR), the umbrella organization of all cooperative research facilities, specializes in meeting the needs of small and medium-sized companies. All ACR institutes are non-profit and have set themselves the task of carrying out research and development work as well as related services for individual SMEs or entire interest groups. One of the members is the Austrian Center for Electron Microscopy at the Graz University of Technology, where companies can enjoy the advantages of state-of-the-art electron microscopy services.

Austrian Institute of Technology. The Austrian Institute of Technology (AIT) is a research institute of truly European caliber, with five departments (Energy, Mobility, Health & Environment, Safety & Security as well as Foresight & Policy Development) specializing in key infrastructure issues of the future. International companies such as Siemens, Magna, OMV and AVL List have confidence in the core competencies of the research facility. AIT’s service offering ranges from contract research projects for individual customers to the implementation of large projects featuring university and industrial participation.

JOANNEUM RESEARCH. JOANNEUM RESEARCH is one of Austria’s largest non-university research institutions, bundling its competencies into five research units since the beginning of 2010, i.e. Materials, Health, Digital, Resources and Policies. As an innovation partner to the business community and the public sector, it carries out applied research and technological development in key technologies. In addition, JOHANNEUM RESEARCH offers demand-oriented, technical business consulting, always cooperating with university and other non-university facilities. It also boasts a broad customer base, with companies such as Kapsch, Roche or Volkswagen AG relying on the strengths of this internationally sought-after partner.

Christian Doppler Research Association (CDG). The Christian Doppler Research Association promotes application-oriented basic research, giving the business community effective access to new know-how. Some 60 Christian Doppler laboratories serve as a bridgehead linking fundamental research and industrial applications. These temporary facilities operating for a limited period of seven years focus on current R&D issues, covering almost all relevant areas of research, from mechanical engineering and genomics to nanotechnologies. Business partners include BMW, Henkel, Sandoz and VOEST alpine.

Ludwig Boltzmann Gesellschaft. The Ludwig Boltzmann Gesellschaft (LBG) is a private sponsor of research establishments in Austria. Its institutes deal with issues relating to medicine, humanities, social sciences and cultural sciences, and conduct world-class research work. Approximately 300 people are employed in its 20 institutes and seven clusters. On average, LBG coordinates the implementation of about 100 projects at any given time, including EU projects and projects carried out on behalf of the Austrian Science Fund (FWF) or the Austrian National Bank.

Other research facilities. Industrial companies also have other excellent non-university facilities at their disposal, such as arsenal research in Vienna, Salzburg research in Salzburg and Carinthian Tech Research in Carinthia.



→ www.acr.at

→ www.ait.ac.at

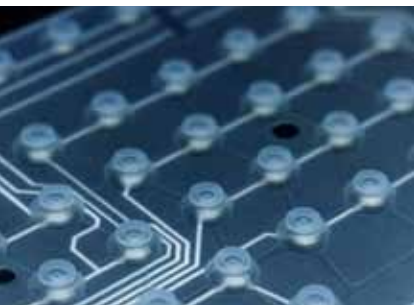
→ www.cdg.ac.at

→ www.ludwigboltzmann.at



“Austrian managers are disproportionately successful on an international basis. In my opinion, this can be attributed to the typical cultural sensitivity of Austrian managers.”

Georg Horacek



The Network to Success

Cooperation in clusters makes innovation easier.

LISA VR: Austria's life science pioneer. "Life Science Austria Vienna Region" is Austria's largest life sciences cluster and the flagship model of a successful network. It has positioned itself as one of the top 15 biotech regions in Europe. Big Pharma such as Baxter, Boehringer Ingelheim and GSK highly value the advantages of this top class cluster. In recent years, a lively start-up has emerged. Innovative companies such as Apeiron, AFFiRis and Intercell have successfully established themselves in the global biotech market.

Eco World Styria At the beginning of 2010, the U.S. investment network "Cleantech Group" ranked ECO WORLD STYRIA as the world's number one energy and environmental engineering cluster in the field of "clean technologies". The reason for this success is the more than 150 energy and environmental engineering firms as well as numerous research facilities which develop, produce and market national and international "clean technologies". All in all, there are about 13,000 "green" jobs in these Styrian technology enterprises at the present time. International technology and market leaders such as the recycling firm Binder+Co, the biomass specialist Komptech and Andritz Hydro, the specialist for hydropower plants and water treatment plants, exploit both the advantages of the cluster network and the region's potential.

Vienna IT Enterprises (VITE) Since 2004, this network of IT companies, R&D and educational institutions has been supporting IT firms and projects in identifying suitable sites and business partners, carrying out networking and lobbying activities as well as marketing products and technologies. The service offering of VITE is primarily being used by young firms. Upper Austria. Internationally established firms such as UBIMET, experts for weather forecasts on the basis of state-of-the-art computer models, are partners of VITE.

AC Styria AC Styria is also one of the cluster pioneers. As the very first automotive cluster in Austria, this network consisting of close to 200 industrial and research partners has been strengthening Austria's automotive sector since the year 1995. In addition to multinational companies such as MAGNA, Steyr Daimler Puch and AVL List, AC Styria also encompasses numerous SMEs, which are considered to be important component suppliers domestically and internationally.

Mechatronics Cluster (MC) Upper Austria The Upper Austrian cluster sees itself as a super-ordinated network for companies in the mechanical engineering and plant building sectors as well as in related industries such as equipment and apparatus construction. The cluster boasts close to 290 partners such as Artaker CAD Systems, Robert Bosch, Siemens and Zeiss Industrielle Messtechnik.

→ www.eco.at

→ www.vite.at

→ www.softwarepark.at

→ www.acstyria.at

→ www.mechatronik-cluster.at

The Formula for Success

Hans Loibner, CEO of Apeiron Biologics, explains the advantages of networking within the framework of national and international clusters.



Hans Loibner,
CEO Apeiron Biologics

What are advantages of clusters such as Life Science Austria Vienna Region (LISA VR)?

These clusters provide a fertile breeding ground for the development of productive networks between the scientific and business communities due to their outstanding research. Certain fields of competence can be promoted more intensively within such clusters because capacities and expertise are bundled, both with respect to the companies as well as research institutions and universities. Clusters are naturally linked to each other as well, and thus create completely new synergies. For example, we are not only active in the Viennese cluster LISA VR, but are also involved in the competence center ONCOTYROL via our Tyrolean facility.

How do corporate partners specifically benefit from a cluster?

These partnerships bundle the expertise of different institutions and areas of competence, which at best optimally complement each other. In turn, the basis for a valuable knowledge and technology transfer is created. By the way, this development not only applies to regional clusters such as LISA VR, but also on a supra-regional basis among different clusters within Austria as well as international networks.

Do companies proactively search for such networks?

I do not know if this is being done intentionally or not. But of course one advantage of such well positioned cluster structures such as those in Vienna is that excellent companies and research facilities sharing a core competence are located in geographical proximity to each other, and can thus complement one another in many R&D areas. In recent months the Viennese biotech sector has concluded several large deals with multinational companies. In addition to our firm one can mention Intercell, Affiris and Polymun. It is becoming less common for Big Pharma to carry out large, high risk development projects in-house. Instead, they are being increasingly outsourced. Multinationals are investing in innovative firms with promising development approaches and purchase stakes for relatively modest amounts of money – aiming to acquire an option in case the project turns out to be successful. This comprises a win-win situation for everyone. The small firms get urgently needed capital in order to carry on doing expensive R&D work. And in the best case scenario, the international companies gain access to a new innovative product.

→ www.apeiron-biologics.com

The Multinationals in Austria

Many international companies have selected Austria as their preferred business location to carry out research and development work. Three companies explain the underlying reasons for this decision.

Austria – an attractive research location. More than 15% of the financial resources committed to R&D in Austria are derived from foreign research contracts, a significantly higher level than in other countries. In particular, the subsidiaries of multinational companies provide impetus to this dynamic development. Why do they do research in Austria in the first place?



Evelyn Schödl, Vice President
and General Manager of
GlaxoSmithKline Austria

The Importance of Austria

Austria in its role as a research location is strongly represented at GlaxoSmithKline. In the last few months we have invested in 15 early stage research projects globally. Three of them are in Austria alone, comprising 20% of all the sought-after research partners worldwide. This demonstrates the importance attached to Austria's excellent R&D landscape. The level of research and development in the fields of life sciences and biotechnology is very high here. Moreover, the quality of the underlying conditions is also high – from productivity to the professionalism of the local management.

Recognized High-tech Location

Infineon Austria has earned an important position in the research and development efforts of the Infineon Group. The good conditions prevailing in Austria were decisive in the company's decision to set up competence centers for several segments here, such as for the development, production and business responsibility for energy-saving computer chips or for the development of contactless chip technologies.

Austria does not stand out on the basis of individual competitive advantages, but a balance among the different factors. R&D is supported by a pro-active and committed program of grants, the tax system is extremely attractive in international comparison, the quality of the training provided at universities of technology or applied sciences is very good, and finally, stable social conditions contribute to the attractiveness of Austria as a business location. In this way new innovations can evolve in the best possible manner.



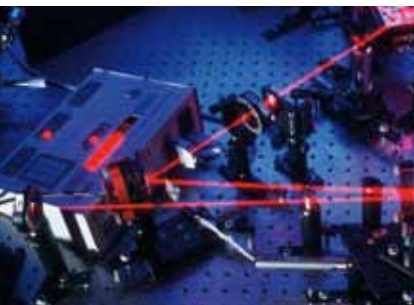
Monika Kircher-Kohl, Chief Executive Officer, Infineon Technologies Austria AG

Best Educated and Highly Motivated

Magna relies on Austria as a business location because the overall framework is just right, including high educational standards, motivated employees, creative and clever minds, a longstanding tradition in the automobile industry and a good research network structure. In particular, electromobility is an important issue for Magna. In this regard, good cooperation is an essential factor. Accordingly, we have established the consortium "Austrian Mobile Power" together with Verbund, Siemens, AVL, KTM and ARC, which aims to jointly develop the required infrastructure, but also to push ahead with vehicle development.



Peter Reif, President of Magna E-Car Systems



Non-stop Innovations

Companies in Austria successfully rely on the competitive strength of research and development driving the economy.

CarboTech: High-tech for McLaren. The Salzburg-based high-tech firm CarboTech ranks among the global specialists for innovation and series production of large components made of carbon fiber reinforced plastics for motor vehicles. Established in 1993, the company has primarily gained an international reputation for its lightweight carbon monocoque construction. As a result of this strength, CarboTech was awarded the biggest contract of its kind ever in the world at the beginning of 2010. The 330 employees of the company will manufacture passenger cabins as monocoques over the next eight years for the new McLaren sports car available on the market as of 2011. The contract volume amounts to EUR 150 million. The decisive factor underlying CarboTech's receiving this large order was not only series production but its own patented technology enabling monocoques to be offered at a significantly lower price. The McLaren order will increase CarboTech's annual revenues by EUR 20 million in addition to EUR 57 million generated in the year 2009.

voestalpine: Full steam ahead for more energy. The steel producer voestalpine located in Linz is considered to be the foremost traditional industrial company in Austria. It is one of the world's top players for customer-specific products and solutions involving steel. Research and development is a driving force behind the firm's success. voestalpine carries out up to 80% of its R&D in Austria, and also invests quite a lot. In 2010 alone it invested 10% more in its research activities, or EUR 112 million (2009 revenues: EUR 8.6 billion). The biggest part of it will be spent on the development of modern technologies for steam power plants. voestalpine is developing the project together with the German utility company E.ON. The technology, which is designed to increase the efficiency of steam power plants by 10%, is expected to be ready for the market starting in 2015. E.ON. will be the first buyer and operator of this innovation.

Zumtobel: Let there be efficient light! The lighting specialist Zumtobel based in the federal province of Vorarlberg is one of the few global players in the lighting industry. Founded in 1950, the Zumtobel Group emerged as Europe's leading producer of professional indoor and outdoor lighting, lighting management systems, lighting components and modules. In the year 2009, Zumtobel generated revenues of EUR 1.2 billion. Thanks to intensive R&D work, Zumtobel also succeeded in establishing itself on the LED and OLED market. Zumtobel offers an innovative alternative to conventional energy-saving lamps based on its novel "Ledon LED Retrofit Lamp" technology. The underlying technology is supplied by the Zumtobel subsidiary Ledon Lighting Jennersdorf in Burgenland, which develops and manufactures high-performance, energy-efficient LED light sources for lighting purposes.

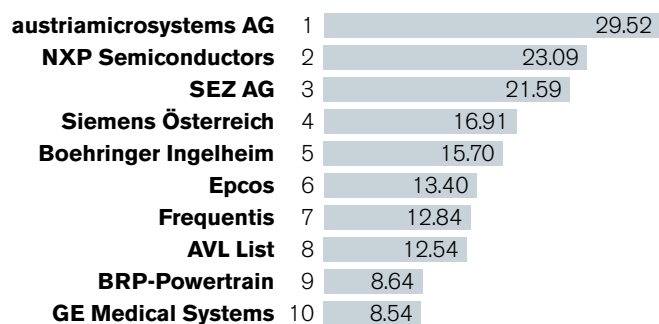
Underground_8 secure computing GmbH: Secure Internet surfing. The young company Underground_8 secure computing from Upper Austria is one of the promising upcomers in the ICT industry. Founded in 2005, the firm develops IT security solutions for networks, employs 25 people and most recently generated annual revenues of EUR 1.5 million. Its customers include the automobile producer Opel, which links its facilities with products made in Linz. The latest development of Underground_8 secure computing is a computer filter called "Limes Stealth", designed to prevent undesired access to networks. It fends off attacks by invisible viruses, worms, Trojans and spam without revealing utilized security internals in a particular network. For this reason, the security measures cannot be localized and subsequently attacked. The technology is suitable for small and medium-sized enterprises as well as for the educational and public sectors.



Thöni: Environmental Engineering – Made in Tyrol. The Tyrolean industrial company Thöni ranks among the leading aluminum and environmental engineering companies in Europe. In addition to its highly valued expertise in the processing and refinement of aluminum profiles, Thöni has been offering the highest level of competence in the fields of environmental engineering and energy management for the last few years. This innovation-oriented company has been supplying customers throughout Europe with state-of-the-art technologies for waste management and generating renewable energy. In recent months Thöni has focused its efforts on constructing facilities in Germany and Italy. The latest project is the construction of the first Kompogas fermentation plant in Italy on behalf of the municipality Santa Giustina (district of Belluno/Venetia), which was contracted by the Italian waste association Dolomiti Ambiente S.p.A. Starting at the end of 2010, the biogas plant will process 18,000 tons of source-segregated biowaste annually to generate bioenergy.

Research Champions in Austria

Companies with the highest R&D expenditures in percent of turnover



Source: Goldener Trend 2010

Good Things Come in Small Packages!

Firms with international links and subsidiaries of international companies speak about the advantages of Austria as a research and development location.



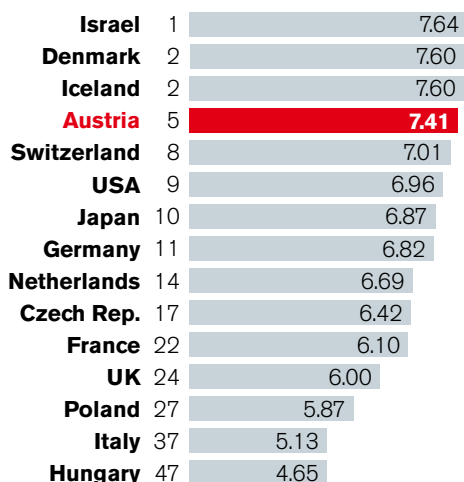
Ronald Naderer,
CEO of Ferrobotics

Intelligent Environment

Austria offers a top-class “intelligence” environment (excellent polytechnic schools, universities of technology and applied sciences) to our innovative high-tech company, in order to act as a trendsetter in international competition shaping the technological standards of tomorrow. In recent years, the political groundwork has been clearly laid to facilitate a positive high-tech and export-oriented climate. Moreover, the outstanding quality of life in Austria is a valuable and attractive pre-requisite for our highly qualified employees.

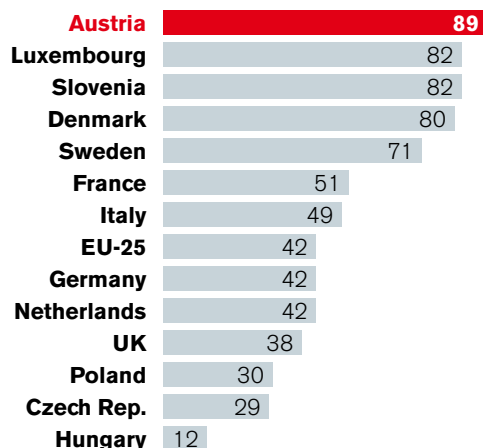
High Availability of Qualified Staff

10 = readily available



European Champion in Life-long Learning

Continuing education quota of the 25–64 year old age group, in percent



Source: World Competitiveness Yearbook, 2010

Source: Eurostat

Unique Expertise

Austria is one of the few countries in the world boasting several university chairs in pharmacognosy. Other countries, including Germany, have converted their academic facilities in this area to biotechnology institutes, which do not offer classical botany but only instruction and research on a molecular biological level. Accordingly, Austria possesses a unique expertise in the field of pharmacognosy, and is thus an ideal breeding ground for our company. Moreover, Innsbruck has excellently trained college graduates and specialists in this field, which we can directly draw upon for our pool of employees. Naturally we also appreciate the “delicacies” of the research location. Austria has an outstanding research promotion system and the best tax framework for R&D-intensive firms.



Michael Popp,
CEO of Bionorica Research

Perfect Network

The significance attached to research and development in Austria has been demonstrated not least because of the Austrian State Prize for Innovation, which has been granted for the last 30 years and which we were proud to have received this year. An important success factor for companies such as Binder+Co is certainly the good links to domestic universities, private research facilities and suppliers of special components. In addition, the funding provided by the national and provincial governments also plays a major role. In any case, the networks are available in Austria. One only has to take advantage of them.



Karl Grabner,
Member of the Management
Board of Binder+Co



Specialized Staff? No Problem at All!

The dense education network guarantees well trained specialized staff and researchers. R&D employees from abroad enjoy the best possible working conditions.

Considerable importance is attached to education in Austria. A differentiated school and university system offers everyone the opportunity to qualify for the right career choice, depending on the individual's talents and interests. Similar to Germany, Austria features a dual education system consisting of an apprenticeship and vocational school for young people who decide for vocational training directly after their compulsory education. Polytechnic schools serve as specialized, practice-oriented high schools offering a university entrance diploma at graduation. These institutions enable students to directly commence their professional careers or continue studying at one of the many universities.

Comprehensive educational offering. Austria boasts 22 public universities which have become increasingly popular among students from neighboring countries. 21 universities of applied sciences and 12 accredited private universities complement this comprehensive educational offering. The dense network of educational institutions ensures the ongoing supply of qualified employees in the field of research and development.

Moreover, Austria has a longstanding tradition of further education. Companies support their teams by organizing internal and external training programs. A broad range of adult education institutions ensure that some five million people take part in trainings and courses of instruction every year.

Austria places particular importance on awakening enthusiasm for science and research among the youngest of us by means of a diverse program of activities, already starting with elementary school-age children.

Extensive human potential. Companies which either conduct R&D in Austria or aim to set up business operations here enjoy the certainty that they can choose from an extensive pool of well-trained people. In addition, the country is making intensive efforts to attract international, scientific personnel to work in Austria. Accordingly, the government provides support with travel and relocation expenses or dealing with registration, tax and legal issues.

Thanks to the pleasant living conditions and favorable tax rates, qualified specialists and scientists will find a living and working environment which facilitates the development of new products and enables innovations to arise.

Effective Magnets

Outstanding, internationally recognized scientists comprise one but not the only important factor in the success of a research location.

How important are well-known names in research, in order to attract R&D companies and investments?

Good researchers with an international reputation attract other good researchers. Nevertheless, it does not make much sense to use specific individuals as “teasers” for institutions. Researchers are very mobile. Therefore there is always a high fluctuation rate. What is important is the continuously high quality of research, along with an excellent infrastructure and conditions conducive to doing research, including financial incentives. The level which is reached and a certain degree of reliability are factors which attract companies.

How important is the internationality of researchers?

Top class research and internationality are inseparable. Today the scientific community spans the world, and research has become a global undertaking. Joint research interests connect us much more than physical proximity. All our group leaders have experience abroad, and only one of them actually comes from Austria.

What do you consider to be the strengths of Austria as a research location and what do international companies profit from?

The strengths of Austria are its broad range of educational opportunities, well trained researchers, social and political stability, central geographical location and meanwhile quite a dense research infrastructure



Barry Dickson,
Leiter des Forschungsinstituts
für Molekulare Pathologie (IMP)

→ www.imp.ac.at



Alfred Stern,
Senior Vice President Innovation
& Technology at the chemical
company Borealis

Ample Human Capital

Borealis, praises Austria's strength in generating human resources for the future.

Excellently trained researchers are a pre-requisite for a research-intensive company such as Borealis. Does Austria offer a good pool of employees?

Austria understands how to generate the required human resources. In recent years, a critical mass has emerged in the field of plastics technology in Austria. More and more, a Silicon Valley for plastics is being formed. Upper Austrian political decision makers have recognized the opportunity and pulled out all the stops to set up a full-fledged course of studies in plastics engineering and technology at the University of Linz. Thus the federal province has created the optimal foundation to ensure the future supply of qualified employees. Moreover, competencies in the field of polymer chemistry have been decisively expanded due to the founding of the Center for Catalyst and Process Technology at Johannes Kepler University. This comprises a major asset for the Borealis research center in Linz. It ensures the required human potential and thus the future of the research location. Ultimately the business community will benefit from this clever move.

What is the significance of Austria's plastics engineering industry in international comparison?

In addition to Borealis as an international industrial group, a broad range of flagship companies operate here which are European and even global market leaders in various niche markets in the field of plastics. Upper Austria is a step ahead, accounting for half of Austria's total polymer industry revenues in 2009. The targeted expansion of a separate training program in the field of plastics engineering makes Austria even more attractive for companies in this field, and will certainly help attract other firms as well.

What are Austria's strengths in recruiting international junior researchers?

Austria is a very attractive country. This applies to companies which value the funding landscape and the good network between science and industry as well as to employees. Austria boasts a high quality of life, social and political stability as well as an unmatched infrastructure. All in all, there are a broad spectrum of solid incentives to attract young and creative scientists to come here.

Good Reasons to Stay

Top international researchers explain why they came to Austria in the first place.

My family and I originally came to Austria because I was hired by Baxter. And after we had been searching for a new place to live, we decided to accept this offer. It was an experiment which ended up lasting longer than expected. Our main reason for staying in Austria is quite simple: we love Vienna.

I personally found here what every research manager desires: an excellent research environment, very good cooperation of the business and scientific communities, and a country with the best possible quality of life. Austria has an innovation system which ranks among the best in Europe. One can quickly and effectively move from basic research to commercial exploitation. Thus companies have an outstanding basis to achieve cutting edge advantages in technology and international competition.

In the year 2000, I was appointed to hold a chair for experimental physics at the University of Innsbruck. I left Heidelberg and the Max Planck Institute for Nuclear Physics and came to Tyrol with my family. I have never regretted this move. At that time quantum physics was beginning to take root in Innsbruck. In recent years, a critical mass of internationally renowned top researchers has been established here, not least thanks to the shared commitment with my colleagues Rainer Blatt, Hans Briegel and Peter Zoller. As a result, Innsbruck has emerged as one of the world's best places for quantum research. At the Institute for Quantum Optics and Quantum Information (IQOQI), we offer one of the internationally leading research facilities located in Innsbruck and Vienna, together with the team led by Anton Zeilinger. It lures students and researchers from across the globe. One more thing: I have long felt at home in Tyrol, and very comfortable about living here.



Andy Bailey,
CEO of ViruSure



Wolrad Rommel,
CEO and Managing Director of the
Telecommunications Research Center
Vienna (FTW)



Rudolf Grimm,
Scientific Director of the Institute
for Quantum Optics and Quantum
Information (IQOQI) in Innsbruck

Simply the Best Place

International junior researchers describe what they like best about Austria.



Thorsten Schumm

Top Address in International Competition

In my field, namely quantum physics and quantum technology, Vienna and Innsbruck ranks among the world's top locations. Personally, at a relatively early stage in my professional career, I was offered the opportunity in the summer of 2006 to become a group leader assuming responsibility for and continually expanding a specific area of scientific research. In particular, the targeted competitive promotion of young researchers in accordance with transparent international standards makes Austria an attractive science location, and thus secures its long-term position in European competition.

The quantum physicist Thorsten Schumm works at the Institute of Atomic and Subatomic Physics at the Vienna University of Technology. The Berlin-born researcher focuses on quantum phenomena in the radioisotope ²²⁹Thorium.

Motivated Workforce

10 = Employees' motivation is high

Switzerland	1	7.82
Denmark	2	7.80
Austria	3	7.77
Netherlands	9	6.94
Japan	11	6.82
Germany	16	6.65
USA	22	6.14
Belgium	24	6.06
UK	37	5.22
Czech Rep.	38	5.21
Hungary	39	5.16
Poland	40	5.15
France	44	4.71
Italy	45	4.69

Excellent University Education

10 = meets the needs of the economy

Finland	1	8.41
Iceland	2	8.09
Singapore	3	8.08
Switzerland	4	8.05
Austria	9	7.15
Netherlands	11	6.99
Germany	13	6.73
France	17	6.38
USA	24	5.66
Czech Rep.	25	5.58
UK	26	5.56
Japan	28	5.35
Poland	30	5.05
Italy	33	4.65
Hungary	48	3.46

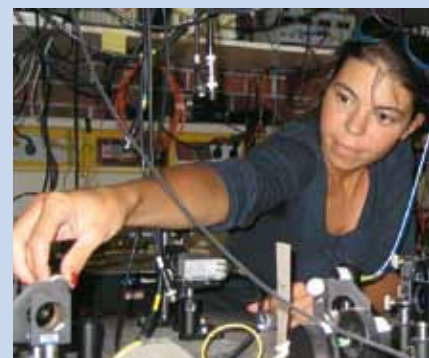
Source: World Competitiveness Yearbook 2010

Source: World Competitiveness Yearbook 2010

Unique Promotion System for Young Researchers

I was attracted to the high quality research being done in Innsbruck. I wanted to learn at all costs about the latest methods to manipulate and control ultra-cold quantum gases of atoms and molecules. For this purpose, Innsbruck was simply the best place in the world. Actually, as an exchange student I only wanted to stay in Innsbruck for a few months. But the work in the group led by Rudolf Grimm, one of the world's best quantum physicists, exceeded my expectations by far. For this reason, I decided to remain here. Until today I have benefitted very much from a lively research environment along with extensive international and local partnerships. Here top researchers and junior scientists work together in an incredible synergy. In addition, Austria has a unique promotion system which optimally supports young researchers.

The physicist Francesca Ferlino is part of the Ultracold Atoms and Quantum Gases Group at the University of Innsbruck. Born in Naples, she deals with the rare metal erbium and its many promising features as a quantum gas.



Francesca Ferlino

Broad Spectrum, High Standards

I have been living and working in a small village in the Mühlviertel region of Austria since 2002. The reason is that there is no other institute in the world which matches or so ideally combines the breadth of the topics being dealt with, the level of scientific achievement, the depth of international relations and the expanse of the surrounding landscape as the RISC in Hagenberg.

The mathematician Manuel Knauers works at the Research Institute for Symbolic Computation (RISC) of the University of Linz. Born in Lahnstein, Germany, he is searching for alternative computer processes able to solve complex mathematical problems with fewer computer operations.



Manuel Knauers



In the Center of the Heart

Whoever does research and works in Austria is in the very heart of Europe, in direct proximity to dynamic growth regions.

Austria is considered to be the ideal springboard for lucrative business in Eastern and South East Europe. Despite the economic crisis, Eastern Europe will once again be an interesting market in the foreseeable future. The Vienna Institute for International Economic Studies (WIIF) and the EBRD conclude that the recession already bottomed out in Eastern Europe at the beginning of 2009. According to the latest forecasts, GDP growth in Eastern Europe will reach a level of 3.3% again in 2011, and the economy will even expand by 5.5% in some regions. In contrast, EU economic growth is anticipated to be only 1.6%.

Austria: the investment champion. Historical relations and current business ties have made Austria the undisputed specialist in the EU for Eastern and South East Europe. In 2008, Austria remained the biggest direct investor in Bosnia-Herzegovina, Bulgaria, Slovenia, Romania, Serbia and Croatia, as well as one of the top three investors in the Czech Republic, Slovakia and Hungary. Global players such as Henkel, McDonald's, Beiersdorf and FedEx have set up business operations here. Some 1000 international companies coordinate their CEE business activities from Austria.

No longer a one-way street. Growth-oriented Eastern European companies are increasingly selecting Austria to be their EU foothold. In choosing a suitable location, Eastern European entrepreneurs are looking for a reliable partner boasting the required know-how and competent service providers. Austria ranks first. The number of companies established by Eastern European firms in Austria has quadrupled between 2001 and 2008.

Infrastructure and competence. Geographical proximity alone is not the only factor. Austria offers a good logistics and telecommunications infrastructure, not to mention contacts and competencies in CEE business, for example on the part of banks and consultants.

Thus Vienna has emerged as a center for the Central and Eastern Europe labor market. Many top qualified managers and experts from countries such as the Czech Republic and Romania are already working today in Austria, and students from the CEE region are studying at Austrian universities. Vienna is once again living up to its reputation as the pre-eminent Danube metropolis.

Geography is One Thing ...

Vienna is the ideal business interface to Eastern and South East Europe.

The business unit “Corporate Technology CEE” which was newly established at the beginning of 2009 made Siemens Vienna the Group’s headquarters for Eastern European research and development. Why was Austria selected?

Austria has been an important player in the research landscape of Siemens for quite a long time. The high technological competence of Siemens Austria is highly valued, particularly with respect to future areas of focus such as smart grids or electromobility. Naturally, research is not confined within a country’s borders. It is always a question of having the best minds. This is the only guarantee for being able to survive amidst global competition. Our concepts explaining how to best raise the considerable potential in Central Eastern Europe were the most convincing. The underlying idea is based on “open innovation”. This means that we conclude a series of cooperation agreements with scientific institutions. This cultural transformation originates from the firm conviction that people can perform best within the context of structures they are most familiar with – for example at universities. “Forced” integration in a company is not always conducive to creativity. And nobody would profit any more in this case.

In the last few months Siemens transferred its headquarters for six R&D areas to Austria. What goal is Siemens pursuing here?

We have a clearly-defined goal. We have chosen Austria to bundle competence centers for the entire Group in selected technological fields with high business potential. In a high cost country, the strategy must be to build up “defensible knowledge”, i.e. which can be sustained against countries with lower wage costs. This not only applies to production but also relates to research and development today. Competition within the Siemens Group for research competences has increased enormously in recent years, particularly as a result of the growing strength of Asia. Siemens operates 150 R&D locations across the globe. One can imagine how high the costs are and how much competence is required to be successful. The basis for this success is technological know-how. In this regard companies and the government must invest sufficiently in order to sustainably safeguard Austria’s position as a business location. There is no other alternative.

How important is Vienna as a business location for the Siemens Group?

For Siemens, Vienna serves as an international business interface for its operations in the CEE region. The competencies located here could be further expanded in recent years. Today Vienna is also responsible for Turkey and Israel. On balance, Siemens Austria has management responsibility for coordinating business activities in 19 countries.



Edeltraud Stifflinger,
Leiterin Corporate
Technology CEE Siemens



ABA-Invest in Austria offers you comprehensive service – from investment subsidies and market opportunities to tax issues. A team of 29 qualified employees provides you with unbureaucratic support, putting its know-how at your disposal. And it does so at no cost to you.

The Best Contact Partner for Business Location Issues

As a consulting company set up by the Republic of Austria, ABA-Invest in Austria (ABA) is the top choice of international investors.

- **Personalized advisory services.** ABA-Invest in Austria is staffed by long-standing, experienced **investment consultants**. ABA offers you competent employees who will personally take care of you, and provide all the necessary contacts you require in Austria.
- **Comprehensive information pool.** ABA-Invest in Austria can provide you with all the up-to-date data on **Austria as a business location**. ABA supplies information about branches, technologies and market developments, as well as the overall political and economic environment.
- **Competent consulting.** ABA-Invest in Austria advises you on the **choice of an optimal site**. ABA provides information on labor and tax issues, informs you about the best possible investment subsidies, researches current real estate costs or assists you in solving different problems which may arise when setting up business operations in Austria.
- **Vigorous support.** ABA-Invest in Austria helps you in **handling formalities** and dealing with public authorities. Together with you, ABA will complete applications for investment grants or operating licenses, and supports you working in close cooperation with the respective regional investment promotion agency.
- **Long-term service.** ABA-Invest in Austria offers long-term consulting services and investor support. Even after the project has been completed, ABA is available to provide support services for further investments and developmental steps.
- **International links.** ABA-Invest in Austria operates a **global network**. ABA puts its offices in New York and Tokyo at your disposal to serve as cooperation partners, and also identifies the right contacts at the foreign trade offices of the Austrian Federal Chamber of Commerce.
- **Additional areas of competence.** In addition to comprehensive, personal consulting services, ABA-Invest in Austria has developed specialized brochures designed to provide additional information on the following topics:



- Business Location Austria
- Springboard to Eastern Europe
- Automotive Industry
- Information Technology
- Life Sciences
- Environmental Technologies & Renewable Energies
- Tourism
- Private Equity & Real Estate
- Chemicals / Plastics
- Machine Construction / Mechatronics / Electronics
- Logistics
- Starting a Business in Austria
- Tax Aspects of Industrial Investments in Austria

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