



BAVARIA IN THE NEWS

Record rates of job creation and company foundings

Bavaria sweeps rankings of Germany's bound-to-succeed regions

Amazing laser technologies from Bavaria

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Stunningly beautiful new showcase for Bavaria's successful automobile industry

GfK's Klaus Wübbenhorst: the master of market research

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What's inside

Bavaria's economy: off to a roaring start

A very hard act to beat: Bavaria's economy in 2006. It was a year in which the state, after all, registered an across-the-board sweep of records (GDP, exports, industrial production and others).

But 2007 looks likely to accomplish this unlikely feat. In January industrial production rose a smashing 16% – with exports climbing an amazing 23%.

	Total 2006	Change / 2005	January 2007
Industrial production	€312 billion	+ 7.6%	+ 15.5%
Exports	€141 billion	+ 10.5%	+ 23.0%
GDP	€409 billion	+ 2.8%	

And the Oscar goes to ... Bavaria

"The Life of Others" received the 2007 Academy Award for Best Foreign Film. In winning the Oscar, the film extended an unusual winning streak.

Bayerischer Rundfunk, which is well on its way to turning itself into Germany's answer to the UK's Channel Four, and by the state's fund for film and television.

Rather than being by a long-established director working with a major studio, the "Life of Others" was created by a student, Florian Henckel von Donnersmarck, at Munich's University of Television and Film.

The Oscar for "Life of Others" was not the only one conferred upon Bavaria's film industry this year. The camera technologies developed by the Munich-based Arnold & Richter Cine Technik (ARRI) were given a Technical Oscar. Also a major producer of lighting and digital systems and film projection and medical scanning equipment, ARRI is the state's most prolific Oscar-winner. The Academy Award was its eleventh in the company's 90 years old history which is celebrated this very year.

In nabbing an Oscar, the "Life of Others" joined such other UTF student/graduate productions as "Nowhere in Africa" (Best Foreign Film 2003), the "Tale of the Crying Camel" (Best Documentary in 2005) and "Quiero Ser" (Best Short Film 2001).

Key fact: some 80% of the world's movies – including "Others" – are filmed by ARRI cameras.

Helping Henckel von Donnersmarck realize every director's ultimate dream of winning an Oscar for one's first film were producers Max Wiedemann and Quirin Berg and other UTF classmates. The recipient of 16 other major prizes, "Others", was in fact planned and shot during the classmates' years at the UTF, which was founded in 1967.

ARRI, in turn, heads a nearly 2000 company-strong film and TV industry that is by far the largest in Germany. Responsible for 40% of the country's output of movies and programs, the industry includes Bavaria Film, whose large-sized studios (356,000 square meters) are located in the southern Munich suburb of Grünwald.

The funding for "Others" was also pretty much a local affair. It was largely provided by local public sector broadcaster

Inside technology

Bavaria's amazing laser technologies

Lasers which manufacture complex prototypes and products in a few hours only, lasers which get companies going full speed down data highways: the new technologies coming out of Bavaria's optronics community are going to change the world of technology.

Months, even years used to elapse between the designing and manufacturing of a product. That these times have been cut to a day or even a few hours is due to **Eos GmbH**. Founded in 1989 and headquartered in the southern Munich suburb of Krailing, the E-manufacturing specialist is today the world's leading producer of laser-sintering systems. These systems take computer-fed data and turn it into mock ups, cast forms or even end products in different plastics or metal materials. www.eos.info

Information travels down the world's community highways at unimaginable speeds. Many of the world's SMEs (small and medium-sized enterprises) and public-service entities (by way of an example: hospitals) have, however, to travel down these highways at reduced speeds. The problem: they have no ramps getting and keeping them going full speed down the highways.

The solution to this pressing problem has been developed by the Munich-based, prize-winning ADVA **Optical Networking**. ADVA Optical Networking's "Optical+Ethernet" technology increases customer speed and capacity of data transfer by up to 80-fold. The customers parlay these increases into new services, new, remote-access ways of working and selling, lower costs and a new and better security and recovery of data. www.advaoptical.com

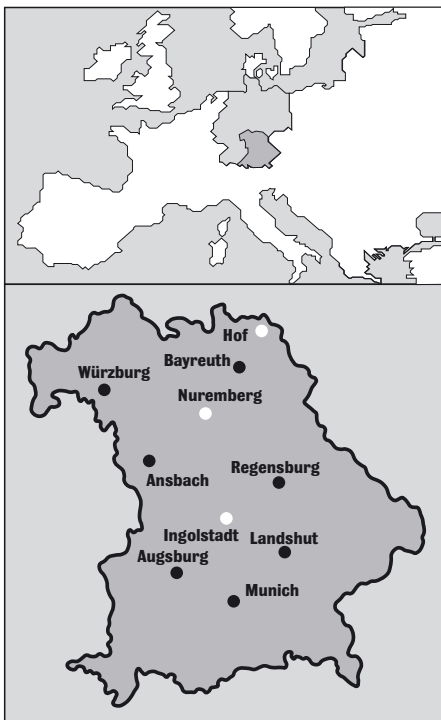
The success of its technology is yielding further explosive growth for ADVA, which has risen to become the world's second largest producer of hardware setting up and maintaining metropolitan-level optical networking grids.

The latest generation of lasers exhibits unimaginable precision of output and tuning control. Armed with them, scientists such as Professor Theodor Hänsch, winner of the 2005 Nobel Prize for Physics and director of the **Max Planck Institute for Quantum Optics** in Garching, have achieved mind-bending, worldwide firsts. Hänsch and his colleagues have taken "snapshots" of oscillating light (visible light oscillates one hundred trillion times a sec-

ond). They have "trapped" and laser manipulated antimatter in order to measure change in gravity over time. They have produced a novel precision measurement laser system, that would allow not only to measure the value of the continental drift between Europe and America (few cm/year) at a new level of accuracy, but even the Doppler shift associated with this drift.

Bavarian excellence in research finds its way also into commercial success made in Bavaria. Hänsch and eleven other Nobel prize winners – plus thousands of inspired scientists in their footsteps – employ today tunable diode and femtosecond fiber lasers developed and manufactured by **TOPTICA Photonics**, a high tech company that was founded in 1995 with Hänsch's support. Over the last more than ten years, the company has sold over 4,000 of its cutting-edge lasers and can be considered today as a world leader in scientific laser instrumentation. www.toptica.de

For further information: www.bayern-photonics.de
This portal puts you in touch with Bavaria's optical technologies sector, its companies and research institutes, and their research projects and events.



Bavaria in Europe

Inside the state

Now and in the years to come: Germany's best is Bavaria

At the beginning of 2007, Prognos, the authoritative Swiss economic research organization, took a searching look at Germany's 439 communities and counties, to see which of them are most likely to be the winners during the next few years and decades.

To compile its evaluations, Prognos, which conducted the first installment of its study in 2004, employed no less than 29 individual

criteria, with their including productivity, public and private sector investments, labor market, demographics and economic growth.

In an unprecedented display of economic pre-eminence, communities and counties in Bavaria nabbed all of the top five and seven of the top eight spots. This enabled the state to improve upon its dominance of 2004's rankings.

Community/county	Ranking 2007/2004	Location in Bavaria
Munich County	1/1	south
Munich	2/2	south
Starnberg County	3/3	south
Erlangen	4/7	central
Regensburg	5/10	central-eastern
Freising County	7/5	south
Ingolstadt	8/14	south-central

Powerhouse industry gets a striking showcase

Bavaria is about to get another world-class tourist attraction. The €100 million BMW-Welt ("BMW World") is scheduled to be commissioned in mid-summer. The complex is expected to attract up to a million visitors a year. They will primarily be:

- BMW lovers and owners, many of whom will pick up their recently-manufactured darlings at the complex,
- car fans of all ages and descriptions, who will flock to view the in-house displays and to visit the adjoining BMW museum, which will reopen in 2008 and
- architecture fans, who will come to marvel at BMW-Welt's striking design.

BMW-World is just one of many major investments being made by the company in "BMW Country", as the company's spread in northern Munich is colloquially referred to. Located next to or near BMW-World is one of the company's production facilities as well as a R&D Center. It employs more than 10,000 engineers and scientists and was recently the venue for a futuristic, €200 million addition.

Along with the Audi Forum in Ingolstadt, BMW-Welt will serve as a showcase for Bavaria's automobile industry, which continued to roar ahead in 2006.

Setting forth one of the business world's longest strings of annual all-time highs, the industry registered sales of €75 billion, up 4% over 2005. Detailing the worldwide appeal of Bavarian-made cars, exports accounted for nearly two thirds of the total, amounting to €48 billion, up 8.5% over 2005.

As you might expect, Bavaria's Big Three motor vehicle manufacturers were busy wracking up records of their own during the year.

In 2006, BMW realized revenues of €49 billion (+5% over 2005) and a net income of €2.9 billion (+28%) on the delivery of 1.5 million cars (+3.4%).

In the midst of a €11.8 billion, Bavaria-centered investment program, Audi increased its sales by 17% to €31 billion, with profits surging a spectacular 49%.

With sales of €13 billion and net profits of €925 million, the Munich-headquartered MAN Group, one of the world's largest producers of commercial vehicles and Diesel engines, also turned in an all-time best year.

It was also a very good year for the more than 1,000 Bavarian companies supplying the components and services making the Big Three (and other manufacturers) so sustainably successful. At €14.5 billion, the suppliers' collective sales also set a new all-time high.

Of these 1,000 companies, 250 maintain operations in Upper Franconia, Bavaria's northernmost region and itself the object of a major investment: Hof's 156 hectare-large PolePosition Automotive Suppliers' Park. In addition to offering fully-developed plots, the Park is home to the Automotive Center Bavaria. The Center serves as a platform for the joint development and testing of technologies and components by resident companies and institutes.

The forging of such close relationships between automotive companies and institutes is the brief of BAIKA (Bavaria's Association of Automobile Suppliers), which is reportedly the largest of its kind in the world. To achieve this goal, BAIKA stages a

variety of technical congresses and workshops every year. The association also undertakes development projects and maintains a user-driven portal.

For further information:

BAIKA – the association of Bavaria's automotive suppliers

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Key figure

More than 100,000 jobs were created by Bavaria's roaring economy in 2006. This rise in net employment caused unemployment to stage its sharpest drop in the last 37 years. Growing equally strongly was the number of companies in the state: 11,019. This was by far the largest increase among Germany's 16 states. Bavaria alone accounted for more than a quarter of all start-ups in the country. 2006's net rise brought Bavaria's **three-year total** to an astounding **60,000** new companies.

A state of entrepreneurs

Klaus Wübbenhorst: the master of market research

Headquartered in Nuremberg, GfK AG is the one of the world's largest (current ranking: fourth) and fastest growing market research companies in the world. The company's revenues came to nearly €1.1 billion in 2006, up a surging 19% over 2005 – and 50% over 2001.

The architect of this growth has been Dr. Klaus Wübbenhorst, who was born in 1956 and joined GfK in 1992. At the time, the company was low on both capital and growth. As the company's CFO (chief financial officer), to take care of the first problem, Wübbenhorst instituted strict cash

flow and budgeting procedures. Named GfK's CEO seven years later, he implemented a "go international" strategy to handle the second problem.

The strategy's thrust: to meet the needs of the company's key accounts – multinationals – by offering dedicated services in all of the world's major markets. To achieve this worldwide coverage, Wübbenhorst has undertaken a series of acquisitions and expansions.

For further information:

www.gfk.de

Pleasures to be pursued

The call of the wild: Bavaria's zoos and wildlife preserves

Bavaria's communities and citizens have dedicated themselves to creating and maintaining preserves sheltering the world's ever-greater number of endangered species. These 25 preserves are great favorites with families.



Where wildlife finds shelter and where the young get acquainted with wildlife.

Among the communities are Munich, Nuremberg and Augsburg, whose zoos provide their charges with as-near-as-natural-as-possible habitats. Special attractions are Munich's newly-commissioned Jungle House and Nuremberg's capacious Delphinarium, whose shows have been attended by 11 million visitors! Recently commissioned in Munich and Nuremberg were Sea Life aquaria.

Predominating among the state's wildlife-saving citizens are castelans and farmers. Among the castles whose grounds have been turned into wildlife preserves are Tambach, Rosenburg, Thurn and Hundshaupten.

These wildlife preserves have a common approach: to give the animals room to roam! Fences are found only on the peripheries or whenever dictated by natural conditions.

The 40 hectare-large Hundshaupten wildlife preserve was opened to the public in 1971 by nature activist

Freifrau Gudila von Pölnitz, whose family had been in residence in the castle for more than three centuries. To ensure that the public would continue to have access to the preserve in the years to come, the Freifrau transferred ownership of the castle's grounds to the local community.

Other do-gooders include the Festl family, which in 1959 took a patch of their woods and agricultural land (located in Munich's eastern suburb of Poing) and began the eleven-year job of turning it into what has become one of Germany's largest wildlife preserves. Visited by 300,000 people every year, Wildpark Poing is a major hit with children, who also love its large-sized "playground of adventure".

If reptiles are your thing, head to the large-sized collections in Regensburg, Oberamergau and Straubing. To see butterflies, parrots and other denizens of the tropical rainforest, a visit to Neuenmarkt's idea Jungle Paradise is a must.

Our representative in ...

South Africa is Matthias Boddenberg. After being awarded a degree in jurisprudence in 1987, Boddenberg occupied senior positions in Germany, Africa and the Middle East. Since 2001, he has been managing director of Germany's Chamber of Industry and Commerce for Southern Africa.

Foundation stone

The global research-driven pharmaceutical US-based company **Merck & Co., Inc.**, establishes its EMEAC (Europe, Middle East, Africa and Canada) headquarters in Bavaria. Merck & Co., Inc., discovers, develops, manufactures and markets vaccines and medicines to address unmet medical needs. The company's headquarters will be set up in the eastern Munich suburb of Haar, the location of the company's German subsidiary MSD Sharp & Dohme since 1994. That subsidiary's flourishing in the region joined with the greater Munich area's pre-eminence in life sciences development in giving Bavaria the nod over London, Amsterdam and Zurich.

... in Munich ...

Laser 2007

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Laser technologies and applications

June 18 – 21, 2007

www.laser.de

Ispovision

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www.ispovision.com

... and Nuremberg

Eltec Nuremberg

Electronics for facilities, industrial controls and lighting equipment

June 20 – 22, 2007

www.eltec.info

Trade fairs ...



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