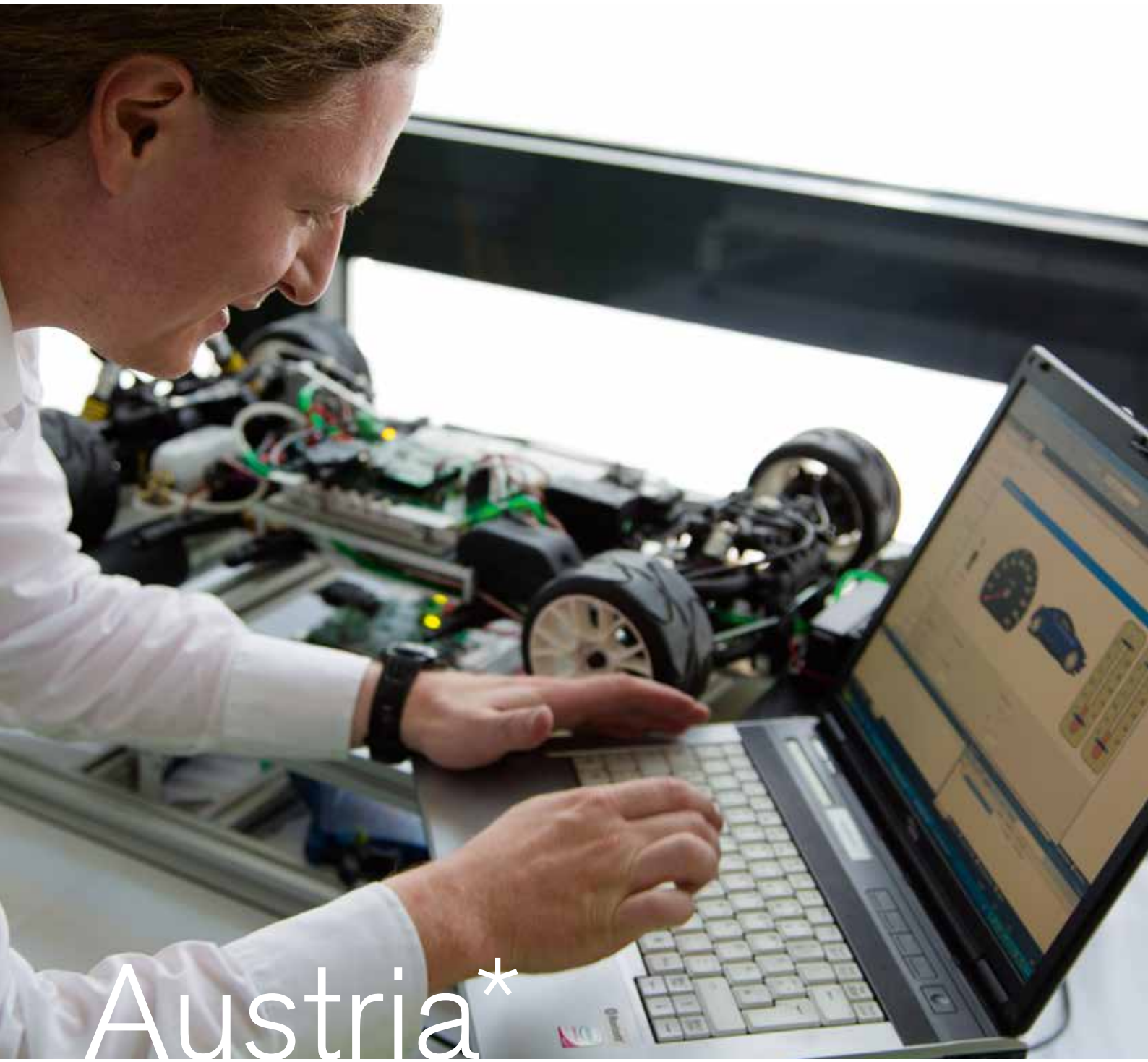
RESEARCH LOCATION AUSTRIA



Austria*

*Powerful Engine for the Automobile Industry

All of Europe by Air in Just 3 Hours

Austria's central geographic location in Europe
makes it a business interface between East and West

Dynamic Business Location

As a business location, Austria offers companies attractive conditions, qualified specialized staff and a modern infrastructure.

Austria ranks among the most prosperous and innovative countries in the European Union. According to Eurostat's prosperity indicator, Austria is ranked second in the EU behind Luxembourg. The dynamic business location scores points thanks to its modern infrastructure, top-notch technologies, well-educated and highly-motivated employees. It also offers a high reliability of energy supplies in addition to political, social and economic stability. Moreover, Austria is the ideal East-West business interface with a central geographical location in Europe.

The automobile and automotive supply industries rank among the leading industrial sectors in Austria, securing every ninth job in the country. In terms of labor productivity Austria ranks among the top five in the EU, a competitive advantage which 700 companies in the sector already exploit. As a highly sought-after research and development location for an international clientele, Austria is considered to be an important driving force propelling the European automotive industry. In spite of this good positioning, we are continually working on creating an even more favorable business environment for companies. In this spirit we would like to sincerely welcome you to Austria.

Reinhold Mitterlehner
Vice-Chancellor of the Republic of Austria and
Federal Minister of Science, Research and Economy

Contents

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Global competence

Engine technology
- Diesel engines
- Engines for renewable fuels
- Drive systems

Lightweight construction
- Specially hardened steel
- High-performance plastics

Clean mobility
- Hydrogen-hybrid systems
- Eco design
- High energy storage systems

Smart e-mobility
- Connected car

Component supplier industry
- Nanotechnology
- Mechanical components
- Electronic assemblies
- Roof systems

The biggest players

Companies
- voestalpine
- BMW
- Magna
- Kapsch
- AVL List
- Infineon

Research institutes
- AIT – Austrian Institute of Technology
- Carinthian Tech Research
- Joanneum Research
- Virtual Vehicle
- PCCL – Polymer Competence Center Leoben
- RISC – Research Institute for Symbolic Computation
- RECENDT – Research Center for Non Destructive Testing

Austrian Automobile Sector in the Fast Lane

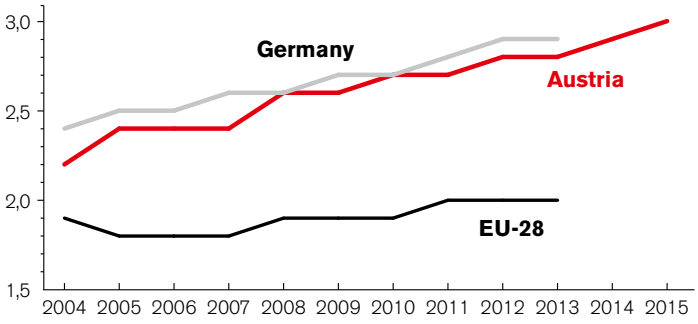
International companies develop engines and rely on the competence in lightweight construction and clean mobility.

Highly innovative automotive component supplier industry. The automobile industry is one of the most important industrial sectors in Austria. In particular, it features a strong component supplier industry with global competence in the fields of engine development, lightweight construction and clean mobility. International companies such as Magna, Samsung SDI and Bosch rely on Austria as a R&D location. BMW is investing a further EUR 100 million up until 2018 in its diesel competence center in Upper Austria. Well-networked big players carry out research on new solutions for smart mobility, more efficient vehicle development and environmentally compatible drive systems in cooperation with highly specialized hidden champions and research institutions.

All advantages at a glance. Companies benefit from favorable conditions:

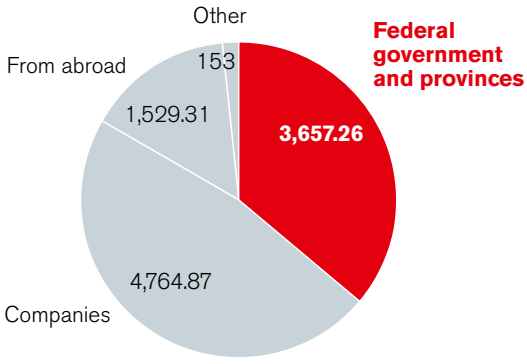
- Customized funding, twelve percent research premium and attractive tax advantages
- Central location in close proximity to large automobile production facilities
- A dense network linking the scientific and business communities in the form of competence centers and industry clusters
- An international research elite and specialists for mobility and traffic
- Proximity to South East and Eastern Europe
- Excellent living and working conditions

Development of R&D spending in Austria, Germany and the EU-28
% of GDP



Sources: Eurostat, Austrian Statistical Office

Austrian investments in R&D
EUR million, estimates for 2015
Total R&D spending: EUR 10,104.44 million



Source: Austrian Statistical Office, 2015

Strong Driving Force for the Economy

A pioneer spirit and strong differentiation characterize the export-oriented automotive industry.

Innovation from the very beginning. Austria is an important player in the European automotive industry. The country with a long tradition in the automobile sector – front wheel drive, streamlined car and passenger safety cell – has convincing arguments thanks to its pioneer spirit. Ferdinand Porsche already developed an electric and hybrid car around the year 1900. Jaguar and Apple are currently talking with Austrian companies about developing their own specially designed electric-powered vehicles.

Top three. The automotive sector is the third largest industry in Austria. In addition to manufacturing complete vehicles, Austria also stands out with its highly specialized component supplier industry. The export rate of the automotive sector in Austria is 90 percent, three times higher than the value of passenger car imports.

Red-white-red automobile stronghold in figures:

2.6 million cars …
have been produced in Austria since 1980.

247,500 motor vehicles …
leave Austrian assembly lines each year, including 124,000 passenger cars, 89,000 motorcycles, 19,500 trucks and 15,000 tractors.

2.2 million engines and transmissions …
are manufactured annually in Austria.

EUR 43 billion in revenue …
is generated annually by Austria's entire automobile sector.

EUR 19,500 in research for every job …
is spent each year in Austria's automotive industry.

The automotive sector steps on the gas
Industry production in 2014, in EUR billion

Source: Austrian Federal Economic Chamber, 2015

Auto Made in Austria

Many suppliers are involved in the production and the equipment of a car. This page shows a selection.

Chassis

e.g. axles, brakes, springs, steering, suspensions, wheels, shock absorbers etc.

AL-KO Fahrzeugtechnik
BORBET Austria
Frauenthal Automotive Group
Georg Fischer Automotive
Hammer Aluminium Industries
Hirtenberger Automotive Safety
MAGNA STEYR
Miba
Pankl Racing Systems
Präzisionsfedernfabrik Nowak &Tobisch
SAG (Salzburger Aluminium AG)
VENTREX Automotive
ZF

Transmissions and engines

e.g. exhausts, gear boxes, engines, catalytic convertors, fuel etc.

AVL LIST
BMW Motoren
Collini
Delphi Automotive Systems Vienna
ELB Form
Georg Fischer Automotive
Hirtenberger
Karl Fink
Knorr-Bremse
MAGNA Powertrain
MAGNA Steyr Fahrzeugtechnik
MAHLE Aftermarket
MARK Metallwarenfabrik
Miba
Nemak Linz
Neuman Aluminium
Opel Wien GmbH
Pankl Racing Systems
Präzisionsfedernfabrik Nowak & Tobisch
REMUS
Robert Bosch
RTA (ROTH-TECHNIK AUSTRIA)
Rupert Fertinger
SAG (Salzburger Aluminium AG)
Samsung SDI
Schaeffler Austria
SEBRING Technology
TCG UNITECH
WP Radiator
Zoerkler Gears

Car bodies

e.g. external mirrors, sheet metal, varnishes, surface technologies, pressed parts, doors etc.

Austria Metall
BENDA-LUTZ WERKE
Carbo Tech Industries
DuPont CoatingSolutions
Hammer Aluminium Industries
MAGNA STEYR Fahrzeugtechnik
Pollmann Austria
POLYTEC GROUP
REHAU
SAG (Salzburger Aluminium AG)
Thöni Industriebetriebe
voestalpine
Welser Profile Austria

Electrics and electronics

e.g. acoustics, lighting, cables, wires, automatic controllers, locking devices, safety electronics etc.

AKG Acoustics
ams AG
Aspöck Systems
Banner
BECOM Electronics
Carcoustics
Delphi Packard Austria
Gebauer & Griller Kabelwerke
Hirschmann Automotive
I&T
Infineon Technologies
iSi Automotive
Kromberg & Schubert Austria
Samsung SDI
TTTech Computertechnik
VDO (Continental Automotive Trading)
ZIZALA Lichtsysteme

Interiors

e.g. fittings, handles, interior mirrors, mats, seat belts, seats textiles, interior linings etc.

AKG Acoustics
BOXMARK Leather
Eybl Austria
Fasching Salzburg
Greiner Perfoam
HTI High Tech IndustriesIntier
iSi Automotive
Johnson Controls Austria
L&P Automotive Europe
Magna international
MAGNA STEYR Fahrzeugtechnik
POLYTEC GROUP
Schukra
Senoplast Klepsch & Co
Wollsdorf Leder Schmidt & Co

From SUVs to Trucks

International players have confidence in Austria for vehicle conception, development and production.

Approximately 250,000 high-quality vehicles on two and four wheels – from racing cars to trucks – are produced each year in Austria. However, niche products with a fun factor also originated or are manufactured in Austria. The 300 PS KTM X-Bow is one of the most extreme street legal sports cars in the world, and is built by the motorcycle specialist KTM in Graz.

Magna Steyr – vehicle development and production. The Canadian Magna International Group is one of the leading vehicle developers and producers in Austria through its subsidiary Magna Steyr. The group develops and builds up to 170,000 motor vehicles such as the Mini, Mercedes G and the Peugeot RCZ sports coupe each year on behalf of its customers. More than 350,000 speedy Mini Countryman cars have already been assembled in Graz since production began in 2010. The Mercedes G has been leaving the assembly lines in Austria for 35 years. Magna Steyr is also very active in the field of alternative drive systems and energy storage systems, and sees itself as being very well positioned in the market for electric-powered vehicles and plug-in hybrid cars. Magna Steyr has demonstrated the entire spectrum of its competencies, from conception and development to finished components, by developing the "Mila Plus" sports car, a two-seat, plug-in lightweight hybrid vehicle.

MAN – customized transport solutions. The development and production of utility vehicles in Steyr goes back about 100 years. MAN Truck & Bus Austria AG produces the entire light and medium-duty MAN truck series as well as close to half of the driver's cabins required by the MAN Group for all its truck types. The Steyr facility, embedded in the MAN development network, also carries out research and development work spanning all truck series and components. Experts from Steyr in the fields of R&D as well as project and cooperation management are also deployed to work on international Group projects, whether in Russia, China, India or Brazil.

→ www.magnasteyr.com
→ www.entry.man.eu/at

Know-How that Moves

The heart of the automobile originates in Austria. 80 percent of all Opel and Vauxhall vehicles in Europe run on an engine or transmission manufactured in Vienna.

Bundled expertise. Austria can point to its bundled expertise in the field of engine and transmission development and production with a good conscience. A globally leading technology provider, the engine developer AVL List, is based in Austria. Moreover, numerous research institutions and companies focus on the further development of engines and transmissions.

Power for BMW and Opel. Every second BMW in the world runs on an engine "Made in Austria" i.e. produced by BMW Motoren in Steyr, Upper Austria. Opel Vienna manufactures the engines or transmissions for 80 percent of all newly registered Opel or Vauxhall vehicles in Europe. On balance, more than 35 million engines and transmissions have been produced by Opel Vienna since its plant was put into operation in the year 1982.

Engines and transmissions

The major players	Areas of activity/Products
AVL List – world's largest independent company for the development, simulation and testing technology of drive systems for passenger cars, trucks and large engines	Hybrid, combustion engines, transmissions, electric engines, batteries and software
BMW Motoren – Diesel competence center of the BMW Group since 1980	Research & development of diesel engines, production of 3-, 4- and 6-cylinder diesel and gas engines for BMW and MINI
Opel Wien - General Motors Austria – largest powertrain plant operated by General Motors	1.5 million units annually, five-speed transmissions, six-speed transmissions and gas engines
Steyr Motors – "Know-how factory" for the Chinese owner Phoenix Tree HSC Investment (Wuhan)	Special engine developer – builds and develops powerful engines for special vehicles used in construction or by the military, as well as for boats

→ www.avl.com
→ www.bmw-werk-steyr.at
→ www.opel-wien.at
→ www.steyr-motors.com

Smart and Clean

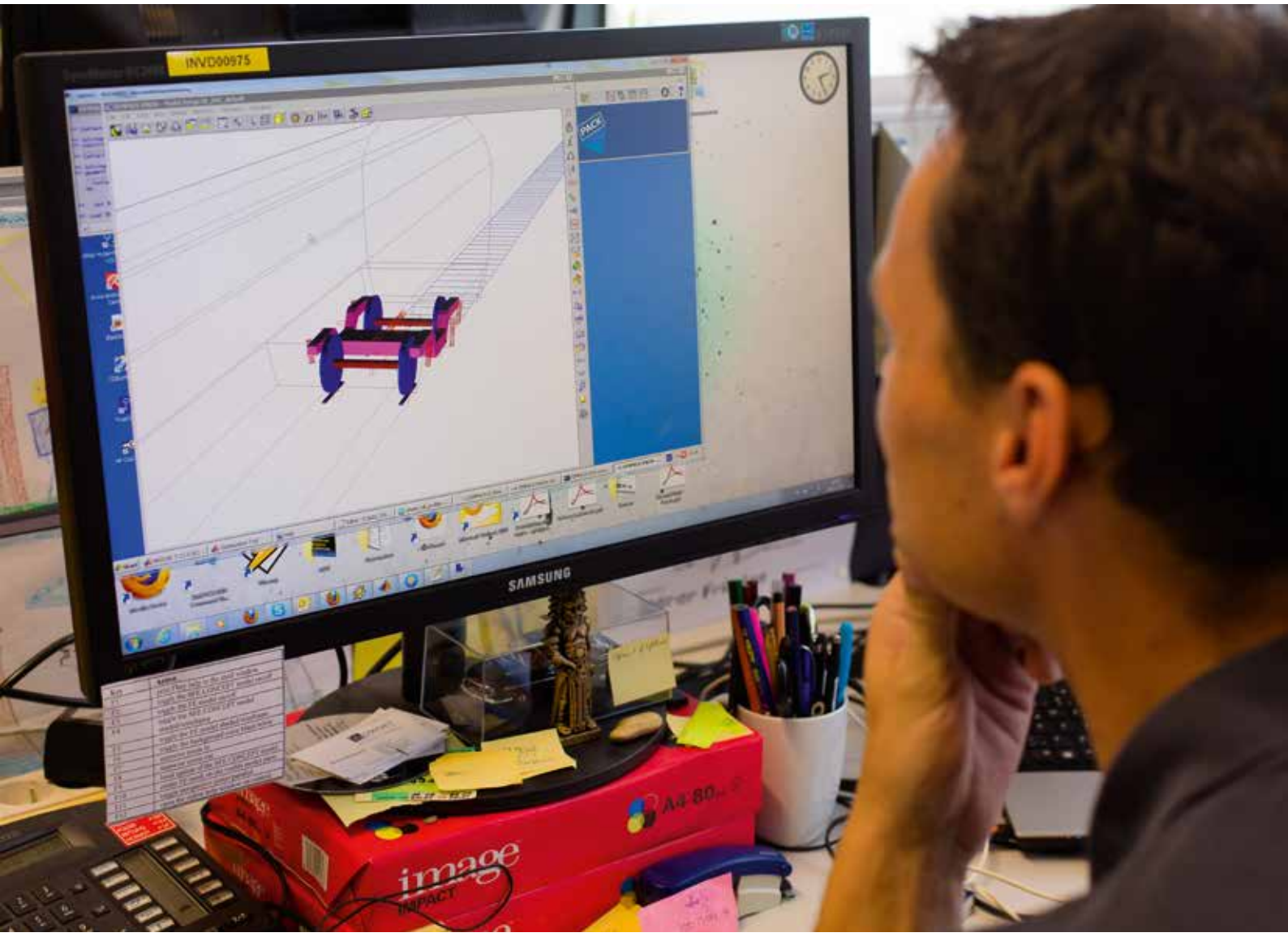
Alternative drive and traffic systems – intelligent solutions from Austria.

Smarter on the way. Austria plays in the premier league globally when it comes to burning issues of the future e.g. alternative drive systems, connected cars and intelligent traffic technology. International specialists such as Samsung SDI, Siemens, AT&S, Swarco, AstroTech, Efkon, Frequentis, Kapsch, Melecs and Alset Global have set up business operations in the red-white-red business location of Austria.

Living lab. Austria as an environmental role model is in the top ranks in the field of smart cities, and has created ideal conditions for companies thanks to projects such as Empora, E-Mobility on demand, Vibrate and Smile. The Seestadt Aspern, otherwise known as Vienna's Urban Lakeside, is a "living lab" where new technologies such as self-driving cars, last-mile concepts for delivery and automatic waste disposal can be integrated.

Alternative drive systems. Even if patchy progress is being made in new product development, all the wheels have been set in motion to move in the direction of "clean mobility", an area in which the Alpine Republic is clearly a frontrunner. The cluster ACStyria has defined mobility as one of its priorities. Siemens has located its competence center for battery powered buses. In 2015 the South Korean battery producer Samsung SDI acquired Magna Steyr Battery Systems, which manufactures battery systems for hybrid and electric vehicles. All engine producers are carrying out research on electric and hybrid engines, and focusing on propulsion system models for natural and liquid gas. Alset Global is developing hydrogen combustion engines.

European leadership in lightweight construction. Resource efficiency and energy savings are driving the highly dynamic growth in the field of lightweight construction. Austria is in the top European ranks thanks to its competence spanning different materials such as steel, light metals, plastics, wood and composites, and not least due to the focus of the country's research facilities on lightweight construction. In a comparison of 50 top European regions for lightweight construction, Upper Austria is ranked 19th, and third when it comes to metal composites.



Innovations from Austria

- Steyr Motors two-cylinder biodiesel range extender
- CULT – Cars Ultralight Technologies developed by Magna Steyr
- The SEM-Box communications system from Smart E-Mobility
- Flywheel energy storage systems from the Graz University of Technology
- System control of the High Energy Storage System Power Controller (HES-SPC) developed by Lightweight Energy

High-Tech Suppliers for the Global Market

Austrian component suppliers are major players with respect to innovation and quality.

From engine screws to sport seats, from safety systems to batteries: there is hardly any automobile in the world which leaves the assembly lines without products from red-white-red component suppliers. Austria secures a podium place when it comes to innovations and on-time delivery. The automotive sector in Austria is considered to be a reliable partner for contractors across the globe thanks to its product ideas, know-how and high quality standards.

- **Bosch Austria:** Four competence centers, large diesel and exhaust after-treatment systems → www.bosch.at
- **Ventrex Automotive:** Compressors, climate vents and special valves, for example for natural gas-driven vehicles. → www.ventrex.at
- **TTTech Computertechnik** (with stakes owned by Infineon and GE): Safety technologies with electronic networks → www.tttech.com
- **BRP Rotax:** High-tech premium drive systems for motorized recreational products → www.mr-automation.at
- **Eaton:** Drive technology → www.miba.com
- **Johnson Controls Austria:** Seating systems, dashboards and cockpits, door panels, overhead systems and overhead control units → www.secar.at
- **Borbet Austria:** Aluminum tires → www.melecs.com
- **M&R Automation:** Eco design and smart production, production and testing facilities → www.kendrion.com
- **Miba:** Sintered components, engine bearings, friction materials, power electronics components and coatings → www.benteler-sgl.de
- **Secar Technologie:** Components made of high-performance plastics → www.gfau.com
- **Melecs:** Control units for all-wheel drive systems → www.hirschmann-automotive.com
- **Kendrion:** Electromagnetic and mechatronic solutions → www.mahle.com
- **Georg Fischer Automotive:** Lightweight construction, cast metal parts for engines, body and structure parts, brakes, axles etc. → www.boxmark.at
- **Hirschmann:** Automotive connectors, for example for ABS sensors, keyless access control systems etc. → www.moeller.at
- **Mahle:** Filter systems → www.rotax.com
- **Boxmark Leather:** Automobile leather → www.johnsoncontrols.at
- **Salzburg Aluminum AG:** Aluminum components → www.borbet-austria.at → www.sag.at

Bosch Austria. Austria is an important product development location within the Bosch Group. Some 700 of the 2,600 employees are involved in R&D. Four major international competence centers in the field of automotive engineering are located in Austria:

- **Vienna:** Engine control devices for diesel and gas engines in passenger cars
- **Vienna:** Software and functional development for electric cars, hybrids and range extenders
- **Linz:** Common rail injectors for utility vehicles, development of injection valves for large gas engines
- **Hallein:** Injection systems for large diesel applications (e.g. locomotives and ships)

→ www.bosch.at

Success through Cooperation

Clusters and competence centers ensure the desired turbo effect.

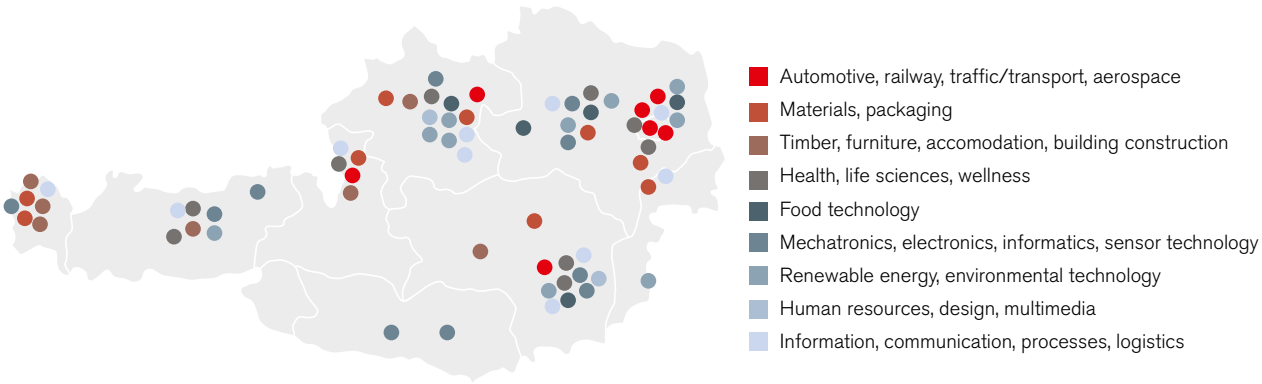
More than 60 industry clusters and about 50 competence centers promote innovation in a network of companies and research institutions. These cluster players are characterized by internationality and as high research ratio.

Clusters – profitable partnerships. Examples of excellence in the field of mobility are ACStyria and the Upper Austrian Automobile Cluster with its 420 members. At ACStyria, 220 highly innovative partners in the field of clean mobility focus on ECO powertrains, ECO materials and ECO design as well as smart production. The Upper Austrian Automobile Cluster concentrates on future-oriented lightweight construction. However, smaller initiatives such as A2LT – Austrian Advanced Lightweight Technology and the lightweight construction platform "ECO-Materials" rely on achieving strength through cooperation.

Excellent results. The competence centers of the COMET funding initiative (Competence Centers for Excellent Technologies) stand out due to their brilliant research results. In the automotive sector, Virtual Vehicle, the LKR Light Metals Competence Center Ranshofen and the K-AI Competence Center for Automobile and Industrial Electronics have become established partners of industry. The research activities carried out by Virtual Vehicle focus on integrated and efficient vehicle development with interdisciplinary methods and comprehensive system simulation, also encompassing the entire vehicle. The result should be a convincing vehicle featuring greater comfort and safety, lightweight construction and alternative drive systems. Some 200 experts at Virtual Vehicle from Europe, Africa and Asia are working to achieve this on behalf of premium automobile manufacturers such as Audi, BMW, Porsche, Daimler, Renault and VW.

→ www.clusterplattform.at
→ www.automobil-cluster.at
→ www.acstyria.com
→ www.vif.tugraz.at
→ www.lkr.at
→ ww.k-ai.at

Clusters and networks
in the Austrian provinces and supraregional initiatives



Source: Cluster Platform Austria 2014

Automobile production sites in the vicinity of Austria

BMW

Graz*	AT
Dingolfing	DE
Leipzig	DE
Munich	DE
Regensburg	DE

Daimler

Graz*	AT
Bremen	DE
Dusseldorf	DE
Ludwigsfelde	DE
Rastatt	DE
Sindelfingen	DE
Ulm	DE
Untertürkheim (Stuttgart)	DE
Hambach	FR
Kecskemet	HU

Fiat

Hordain	FR
Esztergom	HU
Cassino (Frosinone)	IT
Maranello	IT
Melfi (Potenza)	IT
Mirafiori (Turin)	IT
Modena	IT
Pomigliano d´Arco (Naples)	IT
San Giorgio Canavese*	IT
Suzzara	IT
Termini Imerese (Palermo)	IT
Grugliasco (Turin)	IT
Tychy*	PL
Jelabuga	RU
Sollers-Naberezhnye Chelny	RU

Ford

Genk	BE
Cologne	DE
Saarlouis	DE
Craiova	RO
Sankt Petersburg	RU

General Motors

Antwerp	BE
Bochum	DE
Eisenach	DE
Russelsheim	DE
Gliwice	PL
Szentgotthárd	HU

Hyundai Kia

Nosovice	CZ
Zilina	SK

KTM

Mattighofen	AT

PSA Peugeot

Graz	AT
Kolin	CZ
Mulhouse	FR
Poissy	FR
Rennes	FR
Sochaux	FR
Trnava	SK

Renault

Battily	FR
Maubeuge	FE
Dieppe	FR
Douai	FR
Flins	FR
Sandouville	FR
Novo Mesto	SL
Pitesti	RU

Suzuki

Esztergom	HU

Toyota

Kolin	CZ
Onnaing (Valenciennes)	FR

Volkswagen

Steyr	AT
Brüssel	BE
Sarajewo	BIH
Mlada Boleslav	CZ
Kvasiny	CZ
Vrchlabi	CZ
Dresden	DE
Emden	DE
Ingolstadt	DE
Leipzig	DE
Mosel	DE
Neckarsulm	DE
Osnabrück	DE
Wolfsburg	DE
Zuffenhausen	DE
Zwickau	DE
Molsheim	FR
Gyor	HU
Sant' Agata Bratislava	SK
München	DE
Angers	FR
Augsburg	DE
Berlin	DE
Porgo Panigale	IT
Degendorf	DE
Glogów	PL
Hamburg	DE
Hannover	DE
Kaluga	RU
Kassel	DE
Krakau	PL
Kvasiny	CZ
Martin	SK
Meppel	NL
Mladá Boleslav	CZ
Nürnberg	DE
Oberhausen	DE
Plauen	DE
Polkowice	PL
Poznan	PL
Rheine	DE
Salzgitter	DE
Saint-Nazaire	FR
St Petersburg	RU
Slupsk	PL
Starachowice	PL
Velká Bites	CZ
Winterthur	CH
Zwolle	NL
Zürich	CH

*Not owned but operated by manufacturer

Research at Full Speed

The mobility of tomorrow requires visionaries and imaginative researchers.

High research expenditures – many researchers. The automotive industry invests more in research and innovation – namely EUR 19,500 per employee – than the average of Austrian companies. The automotive sector is a leader in Austria with researchers comprising 13.7% of all its employees, more than double the industry average.

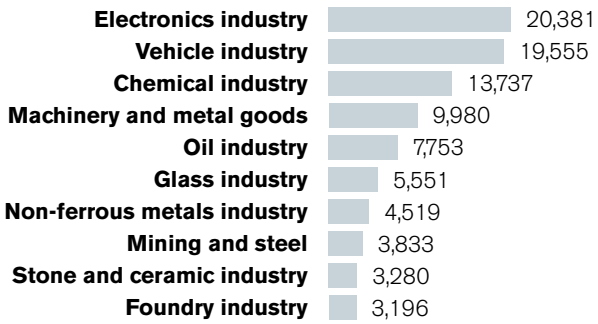
Universities as strong partners. In addition to universities, which deliver a top performance on behalf of the automotive industry, more than 50 non-university research institutions serve as cooperation partners to companies. International teams of researchers develop innovative solutions and ensure decisive competitive advantages.

Research institutions	Focal points of automotive research
AIT – Austrian Institute of Technology	Integrated vehicle concepts, electrical drive systems, lightweight construction, traffic infrastructure, co-modal transport systems
JOANNEUM RESEARCH	Smart technologies, automobile components, surface technology, traffic telematics, robotics
Carinthian Tech Research	Sensor technology, quality control, electronics, engine development, electromobility
PCCL – Polymer Competence Center Leoben	Fiber composites, plastics technology, elastomer and surface chemistry
RISC – Research Institute for Symbolic Computation	Industrial software applications, virtual product design, simulation of production processes, control systems
RECENDT – Research Center for Non Destructive Testing	Infrared spectroscopy, optical coherence tomography, laser-ultrasound, nanoidentation

→ www.ait.ac.at
→ www.ctr.at
→ www.joanneum.at
→ www.pccl.at
→ www.risc.jku.at
→ www.recendt.at
→ www.tugraz.at
→ www.tuwien.at

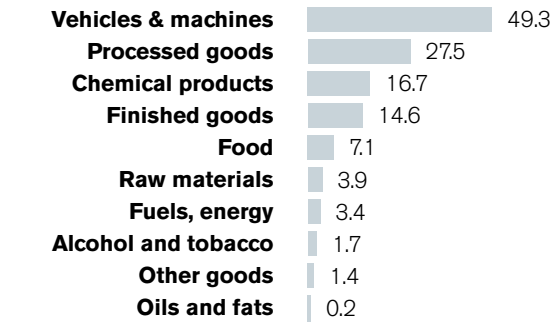
Reservoir of top-notch employees. Higher technical colleges as well as 34 universities and 32 academies of applied sciences with more than 556 courses of study ensure a sufficient pool of qualified employees. Moreover, the Professional MBA Automotive Industry of the Vienna and Bratislava Universities of Technology is unique in Europe.

Research is a priority
Annual per capita R&D expenditures



Source: Statistics Austria, 2011

Vehicles as an export hit
Share of total exports in billions of euros, 2013



Source: Statistics Austria, 2015

12 Percent Research Premium and Attractive Tax Advantages

Whoever carries out research in Austria pays lower taxes – and benefits from a twelve percent research premium as well as numerous funding programs.

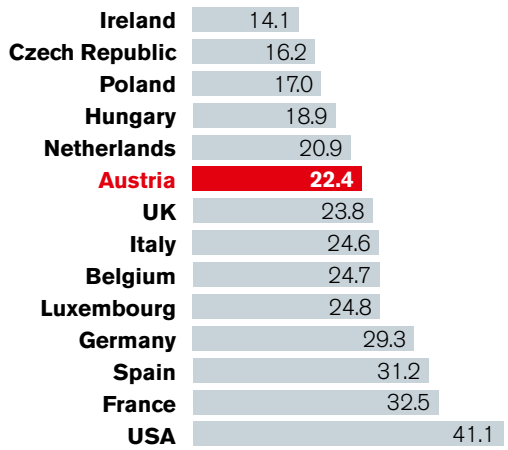
Research and even more research. Austria has established a research-friendly business environment thanks to tax advantages and funding programs. The research premium for a company's own R&D as well as contract research was raised from ten to twelve percent effective January 1, 2016, serving as an innovation turbocharger for companies in the research-intensive automotive sector.

Tax advantages and financing. Moreover, the Austrian tax system lures investors with the tax-exempt apprenticeship allowance, tax loss carryforwards and the possibility to transfer hidden reserves. The corporate income tax rate is a company-friendly 25 percent, whereas the net worth and trade taxes are not levied in Austria. Österreichische Kontrollbank (OeKB) and export funds also provide favorable financing opportunities.

→ www.ffg.at
→ www.awsg.at
→ www.fwf.ac.at
→ www.foerderkompass.at

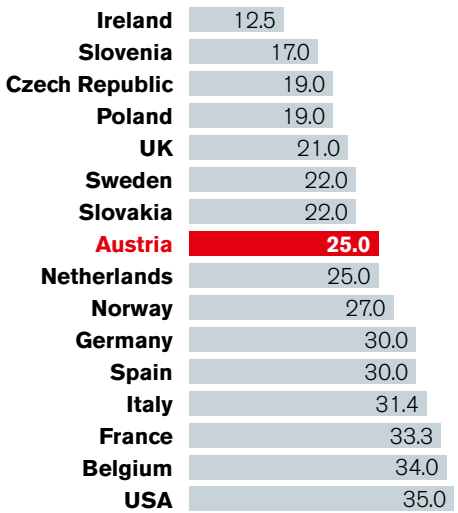
Central contact point. Companies interested in conducting research can turn to a central point of contact, namely the Austrian Research Promotion Agency (FFG). Funding is available to all companies based in Austria, thus also to subsidiaries of foreign companies.

BAK Corporate Taxation Index
Effective average tax burden in percent

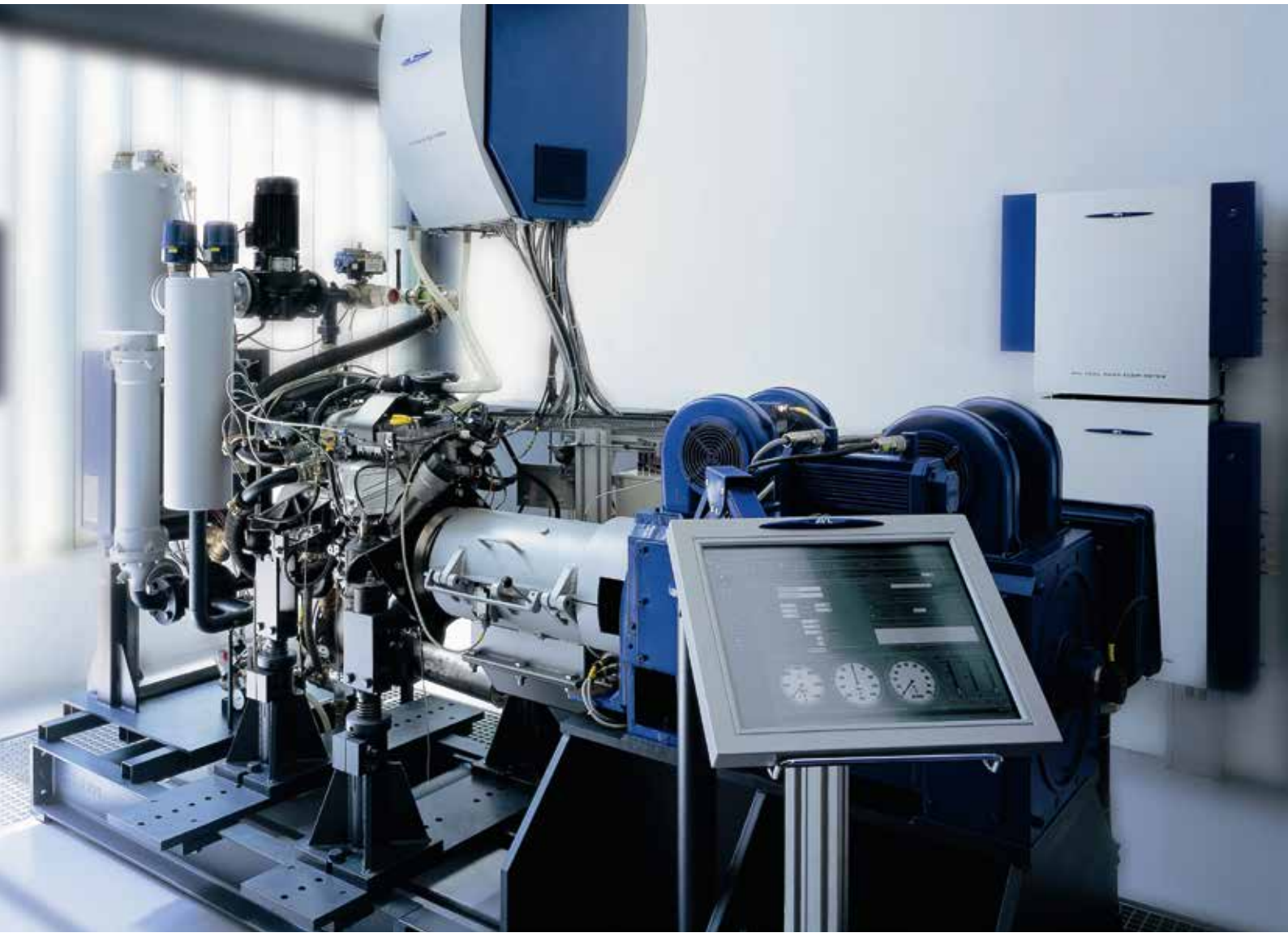


Source: BAK Basel Economics and ZEW, 2014

Corporate tax rates in 2015 *)
Taxes on undistributed profits in percent



Source: Deloitte Resources, Corporate Tax Rates 2015
*) incl. surcharges and local/national taxes



"The Austrian research premium is an extremely attractive funding instrument in international comparison. The research premium is tax-free and is distributed regardless of the company's business results. In this way, companies also benefit from a cash advantage during a loss-making phase."

Natascha Stornig, LeitnerLeitner Tax Audit Advisory

Gerhard Wölfel, Managing Director, BMW Motoren GmbH

Diesel Competence from Austria

Every second BMW and almost every third MINI in the world run on engines "Made in Austria".

The plant in Steyr is considered to be the flagship facility for diesel engines within the BMW Group. What prerequisites for research and development do you find in Austria?

"BMW in Austria intentionally and proactively plays a leading role in many areas i.e. when it comes to developing new diesel engine technologies, or technical and logistics know-how or innovative working time models or mastering demographic changes. In 2014, as the largest engine plant in the BMW Group, we produced more than one million engines and will invest another EUR 100 million by 2018 to expand our diesel engine development center. The good conditions underlying research activities in the business location Austria play an important role. After all, BMW invested EUR 233 million in R&D in Austria in 2014, the second highest research expenditures of any company in the country."

Does BMW rely on quality "Made in Austria"?

"This is definitely the case. Every second BMW and close to every third MINI in the world run on engines produced at our production plant in Steyr, Upper Austria. Almost all diesel engines, more specifically the three-cylinder, four-cylinder and six-cylinder diesel engines, are manufactured here. This is complemented by 250,000 six-cylinder gas engines and more than 12 million engine components such as crankcases or crankshafts for the global BMW production network."

Is there a sufficient supply of qualified employees in Austria?"

"One of the major advantages Austria offers is its dual education system, which does not exist in other large economies in this form. Essentially employees make the difference, along with the interaction of development and production. Here important process benefits and synergies can be leveraged. A modern education and professional development system is an indispensable success factor. In this regard we will have to resolutely work on ensuring continuous improvement, similar to the efforts aimed at increasing the country's competitiveness."

→ www.bmw-werk-steyr.at

Top-10 R&D companies
R&D expenditures in 2014

Company	R&D in EUR million	R&D in %
Infineon Technologies Austria AG (DE)	**320**	24.6
BMW Motoren GmbH (DE)	**233**	6.4
Siemens AG Austria (DE)	**182**	9.2
Voestalpine AG (AT)	**130**	1.2
AVL List GmbH (AT)	**105**	10.0
Kapsch Group Bet.GmbH (AT)	**96**	10.3
Bosch Robert AG (DE)	**94**	16.7
Andritz AG (AT)	**93**	1.6
Zumtobel Group AG (AT)	**72**	5.8
Bernecker + Rainer Industrie-Elektronik GmbH (AT)	**70**	13.9

Source: Trend/News, February 2015

Sabine Herlitschka, CEO of Infineon Technologies Austria AG

Strong Research for Global Success

Semiconductors manufactured in Austria are found in hybrid and electric-powered vehicles, tire sensors and driver assistance systems.

Infineon is one of the most important automobile component suppliers in Austria. What is the importance of research for Infineon Technologies Austria?

"Innovation is a major basis for the success of Infineon Austria as well as for Austria as a technology location and knowledge hub. Infineon was the most research-intensive company in the country in 2014, with R&D comprising 25 percent of total revenue. The automotive sector is a clear priority of our Austrian research and development activities. With the innovations developed in Austria at our R&D facilities in Villach, Graz and Linz, we make important contributions to the global success of the Infineon Group in the automobile industry. Examples are power semiconductors for hybrid and electric-powered vehicles, sensors to monitor tire pressure and radar chips for driver assistance systems."

Industry meets science

Strategic partnerships are crucial for Infineon Technologies Austria. For example, the company carries out research in cooperation with the Austrian Institute of Technology (AIT) in the fields of e-mobility, ambient assisted living as well as innovation management and IT security. Among Infineon's numerous cooperation partners are the Vienna and Graz University of Technology, Johannes Kepler University Linz, University of Vienna, Alpen Adria University Klagenfurt, University of Innsbruck, Austrian Institute of Technology, Joanneum Research, Christian Doppler Research Association and Carinthian Tech Research.

Control technology for automobile generators. A prime example of Infineon's successful R&D activities in Graz is its control technology for automobile generators. An innovative chip regulates the voltage in the vehicle via the excitation current of the alternator. This technology began with a research project implemented in cooperation with the Institute of Automation and Control at the Graz University of Technology. This result was the construction of an alternator model designed to simulate how dynamically the system would react to different control parameters. Today every seventh car in the world is equipped with an alternator regulator produced by Infineon Austria, and the number is growing.

→ www.infineon.com

"I am confronted with new practice-oriented tasks thanks to joint projects carried out with industrial partners. This is also very beneficial for apprenticeships. In this way I can more effectively prepare students for the demands they must fulfill when they enter professional life."

Anton Hofer, Graz University of Technology

Sebastian Grasser, Managing Director of Benteler-SGL Composite Technology GmbH

Qualified Employees as a Business Location Advantage

Competence in lightweight construction, good networks and focused funding programs create a good investment climate.

Austria stands out internationally on the basis of its strong automotive component supplier industry, especially when it comes to lightweight construction. What pre-requisites does Austria offer a company such as Benteler-SGL?

"Extensive expertise exists in lightweight construction, particularly in Upper Austria. As a result, employees who have already gained experience with this material can be recruited. Generally speaking, employees in Austria have a very good theoretical and practical level of education. The Austrian business location strongly supports innovative technologies with various focused funding programs, which are proactively presented to companies through extremely professional agencies and authorities. Last but not least, we profit from a network for fiber composite technologies. A positive perception exists in Austria with respect to research, new technologies and even specifics such as plastics for lightweight automobiles, ensuring a good investment climate. Moreover, the Austrian business location stands out thanks to its outstanding infrastructure. Logistics and communications are top-notch here."

Industry meets science

BENTELER-SGL cooperates with various research facilities such as the Graz University of Technology, Montan University Leoben, AIT, Profactor or various universities of applies sciences and other research institutions. Benteler-SGL is a German joint venture for the development, production and marketing of fiber composite components for the automobile industry, and has also been operating in Austria since 2009. Due to the special challenges it faces, the company has extraordinarily high R&D expenditures compared with a site specializing in large series production.

Leaf springs bring weight advantages. The weight reduction which can be generated from modern lightweight construction technologies is becoming increasingly important for the automobile industry. To give one example, Benteler-SGL collaborates with Professor Vasiliki-Maria Archodoulaki of the Vienna University of Technology on the research project DYNALEAF, focusing on the refined parameters of leaf springs.

→ www.benteler-sgl.com

"The cooperation with a company expands the research issues by adding new aspects and perspectives. Thanks to the implementation of research projects, science becomes hands-on, and students can actively be included in the projects."

Vasiliki-Maria Archodoulaki, Vienna University of Technology

ABA – Invest in Austria offers comprehensive services – competent consulting in selecting an optimal business location, support in dealing with public authorities and funding bodies, on tax and labor issues or in identifying cooperation partners – all free of charge.

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- ABA – Invest in Austria offers **customized information** on Austria as a business location – sectors, technologies and markets, political and economic conditions.
- We are happy to advise you on important issues relating to **site selection** such as labor and tax regulations, incentives or real estate prices.
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- ABA – Invest in Austria also provides extensive services to support expansion investments **after project completion.**
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