

The Pharmaceutical Industry in Germany

Issue 2011

Industry Overview



GERMANY
TRADE & INVEST

Germany: The Perfect Location for Research, Production and Sales

Our health is the most precious thing we have. In this respect, innovative and effective pharmaceuticals are of particular importance. Germany offers the perfect location for research, production and sales of world-class pharmaceuticals. It benefits from internationally renowned scientists, world-class research and immediate market access to pharmaceuticals.

Thanks to a growing world population and the demographic developments this brings with it, demand for pharmaceuticals continues to grow. Together with significant research progress in the fields of medical biotechnology and nanotechnology, these developments are providing a spur to the pharmaceutical industry worldwide.

The health care industry has evolved to become one of the most important global growth markets, while the pharmaceutical industry in Germany is already a significant global industry player.



The Industry in Numbers

The Pharmaceutical Market

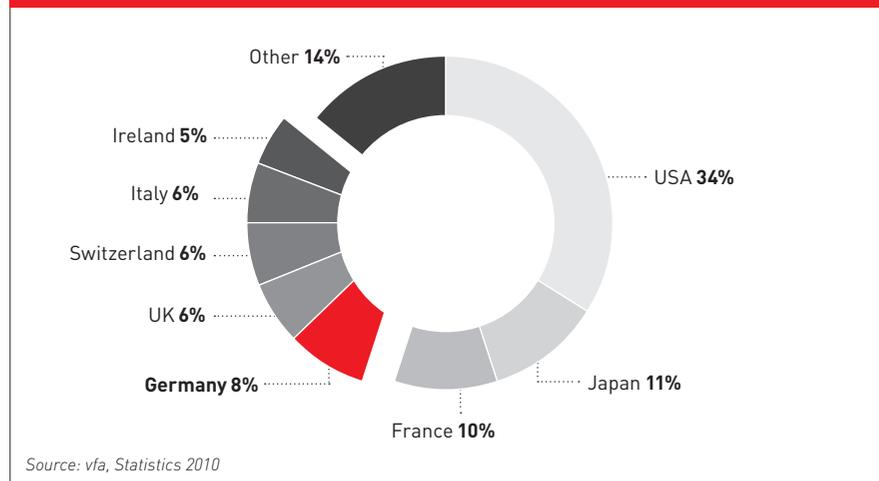
In 2008, the pharmaceutical industry in Germany comprised 243 companies, employing a workforce of 126,000 who helped generate turnover of EUR 41.5 billion. In sales terms, Germany is the world's third largest pharmaceutical market.

Pharmaceutical companies in Germany produced drugs with a market value of EUR 27.1 billion in 2008. This represents an almost four percent increase on 2007 production levels. Germany is the fourth largest producer of pharmaceuticals in the triad area and accounted for approximately eight percent of triad drug production in 2008.

With the largest fermenter capacity internationally behind the US, Germany is Europe's largest biopharmaceuticals producer. The proportion of genetically engineered drugs is steadily increasing: In 2009, the German biopharmaceutical market recorded sales of EUR 4.7 billion – a 5.4 percent increase on the previous year. Today, biopharmaceutical sales account for 16 percent of the whole German pharmaceutical market. Since 2000, this level has doubled. Approximately a third of sales generated in biopharmaceuticals are insulin and vaccine related.

Europe's share of the world market (as measured by sales in the pharmacy market) grew to 31 percent in 2009 – compared to 26 percent in 2003. Germany's share of the global market remained at around five percent.

Pharmaceutical Production (Europe, Japan and the USA) 2008



Germany is the second largest European pharmaceuticals market in sales terms. After deduction of legally mandated discounts, net sales were EUR 22.5 billion in 2008 – equivalent to 4.4 percent more than in the previous year. The number of packages sold in the German pharmacy market increased from 1.59 billion in 2007 to 1.61 billion in 2008. The annual increase observable in the German pharmacy market was largely achieved through prescription drugs and pharmacy medicine (both in euro and unit transaction volumes).

More than 20 percent of the pharmaceutical workforce has a university degree. In the research-based pharmaceutical sector this figure is 30 percent. There were approximately 156,000 medical-technical and pharmaceutical-technical assistants in 2008. With an added value of EUR 122,000 per employee, the pharmaceutical industry is one of the best-performing industries in Germany.

The pharmaceutical industry in Germany is a significant R&D force. Within research-based pharmaceutical companies, one out of every five employees is engaged in research. Around EUR 5 billion was invested in R&D in 2008.

The pharmaceutical industry in Germany generated foreign sales of EUR 24.1 billion in 2008, and reached an export ratio of around 56 percent.

Academic Excellence

Excellent University Landscape

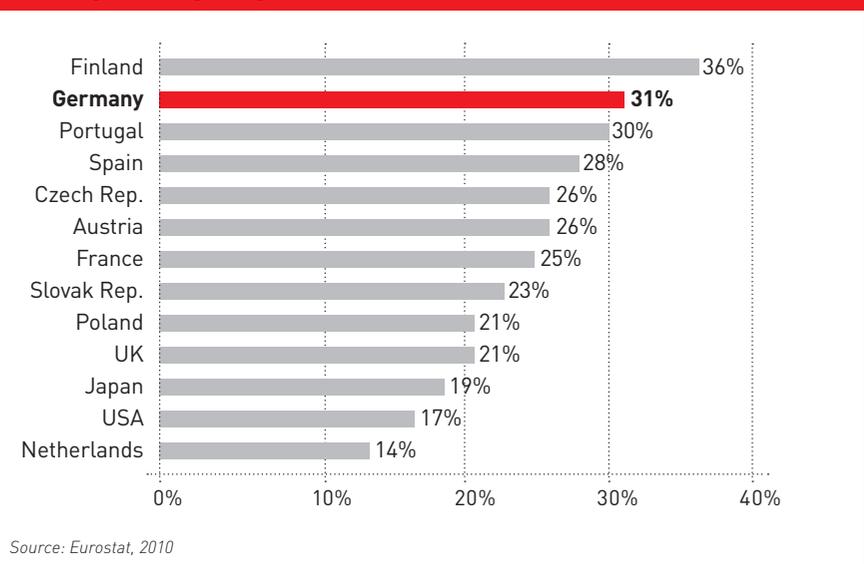
The pharmaceutical industry in Germany benefits from internationally renowned scientists and world-class research, with the next generation of top scientists already waiting in the wings. German universities enjoy an excellent research and teaching reputation; a fact borne out by the excellent quality of German graduates. Students from all around the world attend German universities to benefit from excellent education and study conditions.

Germany is home to a wide range of universities known for their teaching and research excellence in the fields of natural sciences. The Albert-Ludwigs-Universität Freiburg and the Goethe-Universität Frankfurt am Main are especially known for their excellent studies in pharmaceuticals. According to the Times Higher World University Rankings, both universities rank among the world's best 200 universities. The Ludwig-Maximilians-Universität Munich is one of the best 100 universities worldwide. It enjoys an excellent reputation for academic research and teaching in chemistry, while the RWTH Aachen is internationally renowned for its tradition in outstanding education – both in engineering and chemistry.

Research Institutes

All of the internationally established German research associations are highly active in the field of life sciences. The Max Planck Society currently maintains 80 research institutes dedicated to a wide range of fundamental research in the fields of “biology and medicine,” “chemistry, physics, and technology” as well as “humanities.”

University Students in Maths, Sciences, IT, and Engineering Programs 2008



Since being founded in 1948, the Max Planck Society can boast 17 Nobel Prize winners among its ranks, mostly in the disciplines of chemistry and medicine. The Fraunhofer Association is Europe's largest applied research association. Both the Fraunhofer Group for Life Sciences and other Fraunhofer institutes are making significant research advances in medical technology.

With an annual research budget of EUR 2.7 billion and a workforce of 26,500, the Helmholtz Association is the biggest research association in Germany. It maintains 16 scientific-technical and biological-medical research centers nationwide.

The Leibniz Association is an interdisciplinary scientific community of 86 German research institutes. Twenty-five of these are specialized in life sciences.

All of these research institutes closely cooperate with universities and industry in order to advance basic and applied research and to discover and bring new products to market. Thanks to these and other research institutions, the German research landscape represents a highly vibrant environment for cutting-edge business research in the field of life sciences.

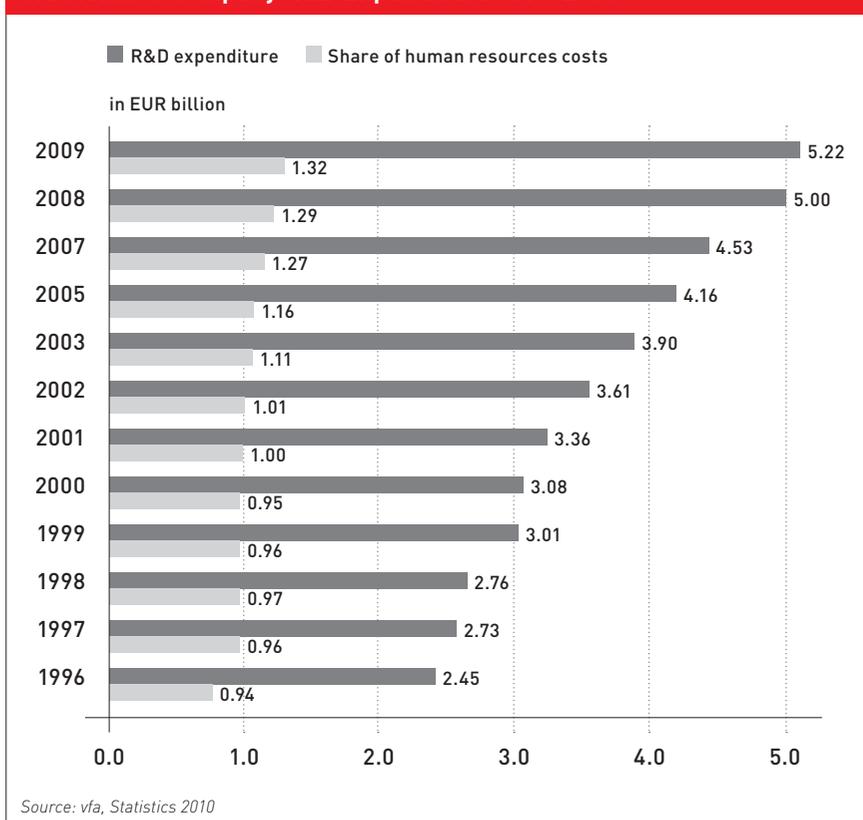
Innovative Landscape

The innovation work done in companies located in Germany is reflected in impressive patent figures. In 2007, Germany was the European number one with 581 resident patent filings per million inhabitants – way ahead of countries like Finland, Denmark and the UK. With around 12,000 patents granted at the European Patent Office in the same year, Germany's share is twice as large as that of France and the UK combined. Germany is also the leading nation within the EU in triadic patents (patents registered at the European Patent Office, the United States Patent and Trademark Office, and the Japanese Patent Office). With 75 triadic patents per million inhabitants in 2007, Germany ranks third after Switzerland and Japan. In 2008, some 11,425 pharmaceutical patents were registered in Germany – equivalent to an almost nine percent increase on 2004 patent levels.

Leading Innovators

Research-based pharmaceutical companies bring a number of forward-looking new and novel pharmaceuticals to market every year. Besides 40 preparations that have been transformed into new pharmaceutical forms such as tablets or patches, a total of 31 pharmaceuticals based on new active ingredients were brought to market in 2008. The lion's share of these were aimed at improving the medical treatment of cancer (23 percent), cardiovascular diseases (19 percent), and infectious diseases (16 percent). Around 50 percent of the new and novel pharmaceuticals are attributed to one of these segments every year. In 2009 the research-based pharmaceutical industry brought 37 new molecular entities to market.

vfa Member Company R&D Expenditure 1996-2009



Of these, eight were genetically engineered – the highest level since 1997. There is no end in sight to the innovative power of the pharmaceutical industry. Research-based pharmaceutical companies are currently working on over 400 new drugs that have a realistic chance of approval being granted before 2013. More than 90 percent of these research projects focus on serious or even life-threatening diseases. The most important segments are directed at combating cancer (31 percent), infectious diseases (14 percent), cardiovascular diseases (13 percent), and inflammatory diseases (10 percent).

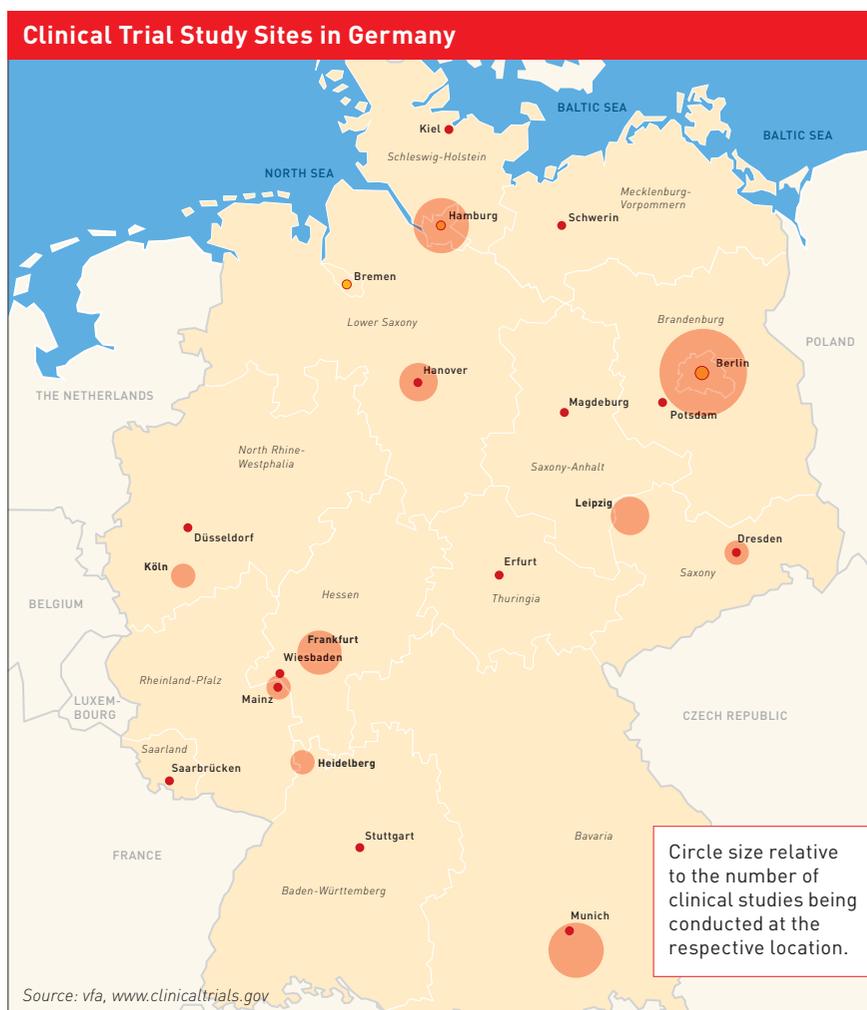
Healthy R&D Investment

Research-based pharmaceutical R&D expenditures in Germany were up to EUR 5 billion in 2008 – the following year this figure reached the EUR 5.2 billion mark. This sector is the most research-intensive German industry. In a survey of all German R&D-conducting industries, pharmaceutical sector research-intensity was three times as high – and the number of people employed in R&D twice as high – as in other industries. In 2009, the industry invested 13.7 percent of sales in R&D activities – a 0.5 percent increase compared to 2008. R&D employee share of total employees at research-based pharmaceutical companies increased from 19.4 percent in 2008 to 20.1 percent in 2009.

High Clinical Trial Competencies

Germany places first in clinical trials conducted in Europe and second worldwide. While data quality is on a par with the US, costs are up to 50 percent lower in Germany. The country's key competitive advantage lies in the combination of lower costs for enhanced levels of expertise and quality. Such services are located, for example, in one of the 45 university hospitals and 118 clinical institutes involved in clinical trials. The Charité in Berlin is Europe's largest university hospital. Most of the clinical trials conducted in Germany are located in the Berlin region, followed by Hamburg, Munich and the Rhine-Main area. University hospitals located in these areas enjoy excellent national and international reputations. German hospitals are renowned for their consistent and reliable collection of data in clinical test series.

The conditions and infrastructure for conducting clinical trials in Germany are second to none. This is not only due to the high quality of R&D conducted at German universities, but to research institutes and the reputation of German university hospitals. The country's high population density facilitates swift recruitment of eligible participants, while the dense network of health care facilities, doctors in own practice, and universities offers optimal clinical trial conditions. Germany can boast 34 physicians and 83 hospital beds per 10,000 inhabitants (in comparison, the US has 26 physicians and 32 hospital beds per 10,000 inhabitants). Cooperation between universities and pharmaceutical companies ranks high on the agenda.



Bayer-Schering Pharma, for example, closely cooperates with the University of Cologne in the fields of preclinical research and clinical trials. The pharmaceutical industry in Germany is highly engaged in clinical trials: more than 70 percent of clinical trials in Germany are industry funded. The main focus of clinical test series in Germany is on verifying the effectiveness of new molecular entities and therapies for cancer (23 percent), cardiovascular diseases (18 percent), nervous system disorders including neurodegenerative diseases such as Alzheimer's dementia and Parkinson's disease (15 percent), and infectious

diseases (10 percent). Pharmaceutical companies in Germany are highly engaged in the research and testing of drugs improving medication in the fields of the most common causes of death (i.e. cardiovascular diseases and cancer) as well as in the field of geriatric disorders. The developing "e-clinical trial" trend is already present in Germany. Germany is already a hub for a number of budding biotechnology companies who form the potential target client base for e-clinical technology vendors. This makes Germany an optimum market for vendors bringing e-clinical trial products to market.

Public R&D Support

The German government has identified life sciences as a decisive economic factor in the 21st century. In line with this, a number of programs – financed through public resources at national and regional state levels – have been made available to the pharmaceutical industry.

Federal Government Support

The German federal government invests approximately EUR 4 billion in its “High-Tech Strategy” each year. It will provide EUR 1.2 billion for R&D projects within the health care and biotechnology industries through 2011.

Specific provision for the pharmaceutical and biotechnology industries is also made. The Federal Ministry of Education and Research has launched the “Pharmaceuticals Initiative for Germany” to give new impetus to Germany’s biotechnology and pharmaceuticals sectors. The “BioPharma” competition has also been set up to promote cutting-edge research partnerships. Business consortiums are encouraged to submit their best long-term concepts for the efficient design of the biopharmaceutical value-added chain.

The German government has identified clinical trials as being part and parcel of quality assurance in medicine. Accordingly, it aims at improving the conditions for clinical research in Germany with the help of the Interdisciplinary Centres for Clinical Research and Coordinating Centres for Clinical Trials funding initiatives. Beside these industry-specific programs there are a number of non-technology specific programs – such as the “Leading



Edge Cluster” competition – allocating R&D grants, interest-reduced loans and special partnership programs. In each of the three rounds of competition, up to EUR 200 million will be made available to up to five leading edge clusters over a period of five years. To date, consortia involving pharmaceutical and biotech companies have been successful – specifically in the Nuremberg Metropolitan Region and in Munich. All told, EUR 3 billion is provided by funding programs for projects with a non-specific technological focus.

Federal State Grants

The individual German federal states also have R&D grant programs in place. These are generally reserved for small and medium-sized enterprises (SMEs). Some states place particular focus on specific industry clusters, but programs which do not require a specific technological focus also exist. Cooperation between project partners is not always necessary.

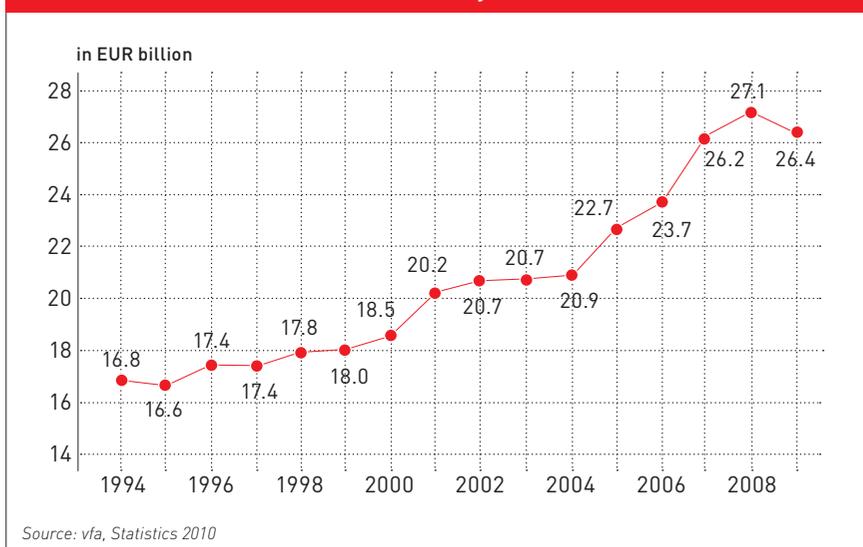
Germany: The Perfect Production Location

Pharmaceuticals production in Europe, Japan and the US amounted to a total of EUR 358 billion in 2008. Germany is the fourth largest producer of triad drugs in terms of European pharmaceutical production. And pharmaceutical production in Germany just keeps growing.

Infrastructural Benefits

Germany is located at the heart of Europe. It offers an extensive and comprehensive infrastructure that integrates state-of-the-art transportation networks with high-quality communication and energy infrastructure. Hundreds of thousands of employees skilled in medical-technical, pharmaceutical-technical and engineering areas enable companies to put efficient and complex production processes into effect. Pharmaceutical companies in Germany benefit from the close proximity of leading machine and equipment manufacturers. This guarantees continuous production and short down times. Germany accounts for approximately 37 percent of the European production in mechanical and plant engineering. Pharmaceutical companies also benefit from the strong international position of the German chemical industry. As a location for the production of chemicals, Germany places first in Europe – accounting for a quarter of the European production in chemicals in 2007. A number of outstanding chemical parks in Germany (e.g. Pharma- und Chemiepark Wuppertal and Industrieparks Wolfgang and Höchst near Frankfurt) offer specific benefits to potential pharmaceutical industry investors.

Pharmaceutical Production in Germany 1994-2009



Industry Clusters

Germany's pharmaceutical landscape possesses a number of industry-relevant clusters. The largest of these are settled around Munich, Berlin, the Rhine-Neckar triangle, and the Ruhr area. The well-developed logistical infrastructure, as well as the stimulating scientific environment of these economic and metropolitan areas, contribute to the clusters' national and international connectivity.

The BioRegion Ulm, home to Europe's biggest and very latest cell culture facilities, is one of Europe's major biotechnological production hotspots: most of the genetically manufactured drugs in Europe are produced by companies located here. This successful cluster is made up of 60 pharmaceutical, biotechnological and medical-technical companies, and includes companies with a proven international reputation and young innovative start-ups alike. The Munich Biotech Cluster is the leading biotechnology cluster

in Germany in terms of number of companies and number of drug candidates: companies in the Munich Biotech Cluster had around 130 new molecular entities in the pipeline in 2008. Some 205 life science companies employ around 16,000 people in the Munich Biotech Cluster as they work towards a shared goal of improving health, the environment and agriculture.

Germany is Europe's largest producer of biopharmaceuticals. With a capacity of 675,000 liters, Germany ranks second internationally behind the US (fermenter capacity of 1.2 million liters), and ahead of India and Japan (capacity of 130,000 and 105,000 liters respectively). Ninety-seven percent of German fermenter capacities are located in Penzberg (Roche), Frankfurt-Höchst (Sanofi-Aventis) and Biberach (Boehringer Ingelheim).

Europe's Largest Health Economy

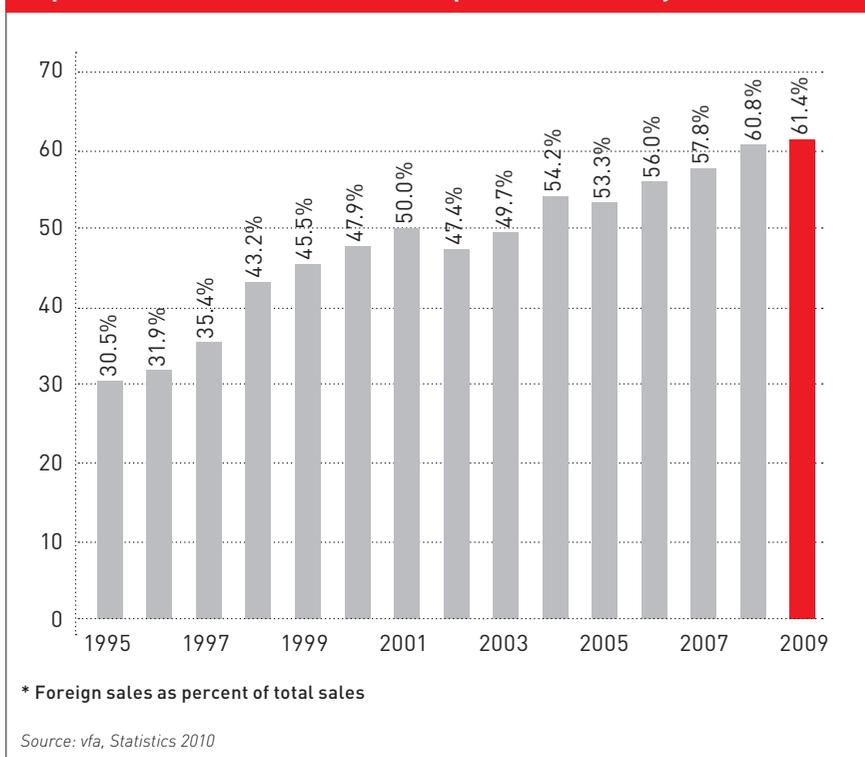
Germany's health care sector is a highly attractive market with significant growth opportunities. This is not only due to market size. To date, many diseases are unresponsive to therapy. Advances in medicine and pharmacy, particularly in molecular and cellular biology, generate novel innovation incentives.

With 82 million inhabitants, Germany has the largest population in Europe. A steady increase in life expectancy levels has resulted in a rise in chronic and age-related illnesses – in Germany the average life expectancy has increased by four years for women and five years for men over the past 20 years. The number of people aged 65 years or older is expected to reach the 17.5 million mark by 2015. Improved health awareness has further increased consumer demand for medical products and therapies. High income levels in Germany raise the demand for innovative and high quality pharmaceuticals for increased market growth potential.

Strong Export Markets

Since the 1990s, Germany has been able to maintain its position as an important global production location for pharmaceutical products. Germany is the ideal location for internationally operating players. The export ratio of the pharmaceutical companies in Germany has increased from around 36 percent in 1995 to more than 54 percent in 2009. Approximately 60 percent of total German pharmaceuticals exports make their way to the US, Belgium, the Netherlands, France, the UK, and Switzerland.

Export Ratio of Pharmaceutical Companies in Germany 1995-2009*



Growing Biopharmaceuticals Market

The importance of biopharmaceuticals continues to increase in Germany. A total of 188 biopharmaceuticals were approved on the German health market in 2009. Sales of biopharmaceuticals in the German pharmaceutical market grew by five percent on 2009 levels to EUR 4.7 billion – accounting for 16 percent of the total German pharmaceutical market. Growth in sales was primarily driven by drugs for the treatment of immune mediated diseases with a growth of 26 percent in 2009, cancer (17 percent), and disorders of the nervous system (8 percent). Around 80 percent of biopharmaceuticals sales fall into applications in metabolism (especially insulins for treating diabetes), immune-mediated diseases, cancer, and disorders of the nervous system.

Stable Healthcare Consumer Market

In 2008, Germany ranked fourth internationally in terms of GDP health spending (11 percent). Around EUR 161 billion in funding was set aside for the statutory health insurance sector. From this budget, 15 percent was spent on medical treatment, 33 percent was allocated to hospital treatment, and 18 percent was spent on pharmaceuticals. With around 90 percent of the German population enrolled with a statutory health insurance provider, the statutory health insurance system plays a major role in the allocation of health care sector funds. The remaining 10 percent of the population opt for private health insurance. As such, Germany provides ready access to a stable market of health care consumers with a clear and adequately distributed expenditure system.

Dynamic Labor Market

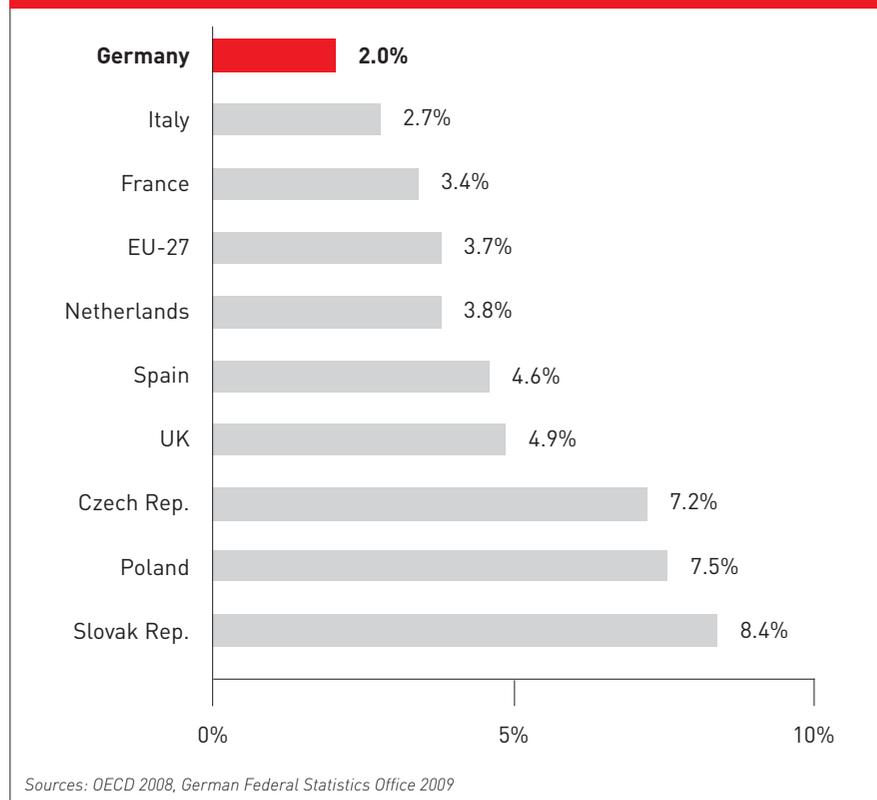
Highly Trained Labor Force

Highly skilled and specialized employees are a key feature of the German labor market and will remain so. Nearly 50 national universities offer life sciences and biomedical engineering programs. In 2008, approximately 98,000 young people matriculated on maths, natural sciences and engineering degree programs at the 104 universities in Germany. Thirty-five percent of the new students in maths and natural sciences are enrolled in chemistry, pharmacy and biology programs. A further 14,000 students embarked on their undergraduate degrees in medicine and health science. In the same year, around 53,000 maths, natural sciences and engineering students as well as 14,000 students in medicine and health care successfully graduated from German universities. Nearly 6,500 students obtained degrees in biology, 3,500 in chemistry, and 2,000 in pharmacy. Around 10,000 students completed doctoral studies in maths, natural sciences and engineering. Of these, 4,000 were in chemistry, pharmacy and biology. Germany has proportionally more natural sciences graduates than the US or Japan.

World-Class Education Standards

Germany's world-class education system ensures that the highest standards are always met. 84 percent of the German population have been trained to university entrance level or possess a recognized vocational qualification – above the OECD average of 67 percent. German universities have introduced masters and bachelor degrees for improved international acceptance and comparison.

Growth of Labor Costs 2000-2008 (annual average growth expressed as percentage of total economy)



Competitive Labor Costs

High productivity rates and steady wage levels make Germany an extremely attractive investment location. Labor cost increases have been the lowest in Europe in recent years, with a modest annual increase rate of around 2 percent. German productivity rates are almost 10 percent greater than the average of the EU's 15 core national economies, and almost one quarter higher than the OECD average. Highly flexible working practices such as fixed-term contracts, shift systems, and 24/7 operating permits contribute to enhance Germany's international competitiveness as a suitable investment location for internationally active businesses.

Creating Investment Stability

Sound and Secure Legal Framework

According to the World Economic Forum (WEF), Germany is one of the world's best locations in terms of planning and operating security. Germany is also one of the world's leading nations in terms of intellectual property protection and security from organized crime. German regulatory authorities are highly professional in their operations. The German legal system also counts as one of the world's most efficient and independent.

Social, economic, and political stability provides a solid base for corporate investment projects. Contractual agreements are secure and intellectual property is strictly protected in Germany.

Open and Transparent Markets

The German market is open for investment in practically all industry sectors, and business activities are free from regulations restricting day-to-day business. German law makes no distinction between Germans and foreign nationals regarding investments, available incentives or the establishment of companies. The legal framework for foreign direct investment (FDI) in Germany favors the principle of freedom of foreign trade and payment. There are no restrictions or barriers to capital transactions or currency transfers, real estate purchases, repatriation of profits, or access to foreign exchanges.

Word-Class Logistics Infrastructure

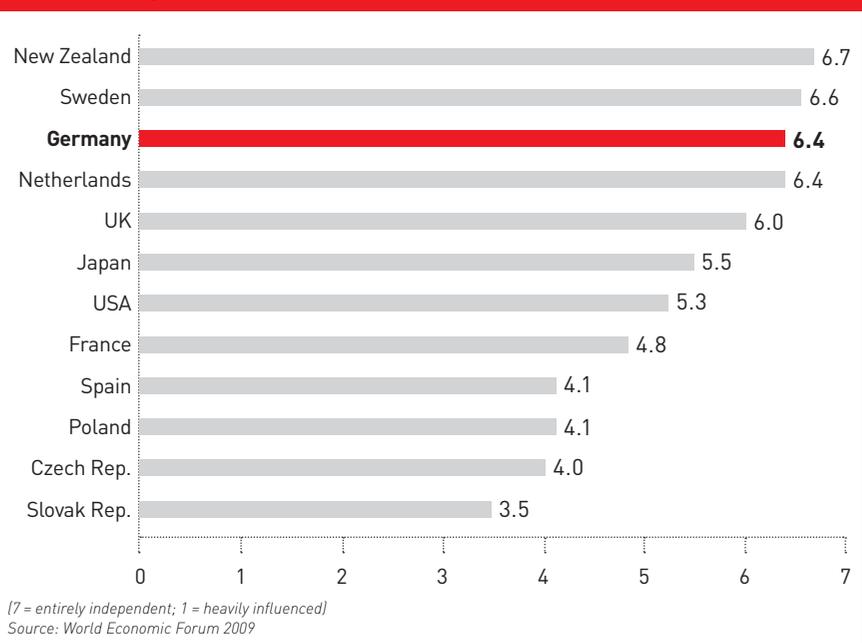
Germany's infrastructure excellence is confirmed by a number of recent studies including the Swiss IMD's World Competitiveness Yearbook and various UNCTAD investor surveys. The 2009-2010 Global Competitiveness Report of the WEF ranked Germany first for infrastructure, singling out Germany's extensive and efficient infrastructure for highly efficient transportation of goods and passengers for special praise. Accumulated in this score for Germany are high marks for quality of roads and air transport, excellent railroads and port infrastructure, as well as its communications and energy infrastructure.

Germany – The Most Attractive Business Location in Europe

The American Chamber of Commerce in Germany's "AmCham Business Barometer 2010" finds that US firms consider Germany to be the most attractive business location in Europe in terms of regional investment focus for the years ahead.

American interview partners singled out German R&D - and partnerships with German universities and research centers - for specific praise. German R&D excellence is held in such high esteem that a number of US companies have established their own research centers here - many of them with global reach.

Judicial Independence Assessment 2008



Internationally Competitive Tax Conditions

Germany offers a competitive tax system providing attractive tax rates for companies. In recent years, the German government has implemented root and branch reforms of the tax system to make the country a more attractive business location. The German tax system allows for differing tax rates in German municipalities.

On average, corporate companies face an overall tax burden of less than 30 percent. Significantly lower tax rates are available in certain German municipalities - up to eight percent less. The overall tax burden can therefore be as low as 22.83 percent. This makes Germany's corporate tax system one of the most competitive tax systems among the major industrialized countries.

Financing & Incentives

In Germany, investment projects can receive financial assistance through a number of different instruments. These instruments may come from private sources or consist of public incentives programs available to all companies – regardless of country of provenance. They fit the needs of diverse economic activities at different stages of the investment process.

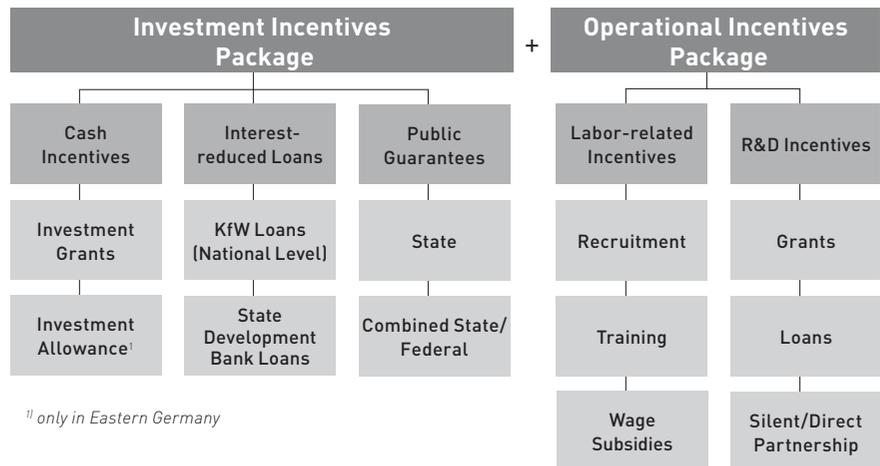
Early Stage Investment Project Financing

Technologically innovative start-ups in particular have to rely solely on financing through equity such as venture capital (VC). In Germany, appropriate VC partners can be found through the German Private Equity and Venture Capital Association (BVK). Special conferences like the German Equity Forum provide another opportunity for young enterprises to come into direct contact with potential VC partners. Public institutions such as development banks (publicly owned and organized banks which exist at the national and state level) and public VC companies may also offer partnership programs at this development stage.

Later Stage Investment Project Financing

Debt financing is a central financing resource and the classic supplement to equity financing in Germany. It is available to established companies with a continuous cash flow. Loans can be borrowed for day-to-day business (working capital loans), can help bridge temporary financial gaps (bridge loans) or finance long-term investments (investment loans). Besides offers from commercial banks, investors can access publicly subsidized loan

Types of Incentives in Germany



programs in Germany. These programs usually offer loans at attractive interest rates in combination with repayment-free start-up years, in particular for small and medium-sized companies. These loans are provided by the state-owned KfW development bank and also by regional development banks.

Cash Incentives for Investment Projects

When it comes to setting up production or service facilities, investors can count on a number of different public funding programs. These programs complement the financing of an investment project. Most important are cash incentives provided in the form of non-repayable grants applicable to co-finance investment-related expenditures such as new buildings, equipment or machinery.

Labor-related Incentives and R&D Project Grants

After the location-based investment has been initiated, companies can receive further subsidies for building up a workforce or the implementation of R&D projects. Labor-related incentives play a significant

role in reducing the operational costs incurred by new businesses. The range of programs offered can be classified into three main groups: programs focusing on recruitment support, training support, and wage subsidies respectively.

R&D project funding is made available through a number of different incentives programs targeted at reducing the operating costs of R&D projects. Programs operate at the regional, national, and European level and are wholly independent from investment incentives. At the national level, all R&D project funding has been concentrated in the so-called High-Tech Strategy to push the development of cutting-edge technologies. Substantial annual funding budgets are available for diverse R&D projects.

Roche

Health Care Innovations from Germany

Roche, the international in-vitro diagnostics and cancer and transplantation drugs leader, has invested over half a billion euros in the expansion of its monoclonal antibody manufacturing facility in Penzberg, Upper Bavaria.

The investment, made over a three year time frame, has helped the company develop the Penzberg site into one of the world's leading genetic engineering and biotechnology R&D production centers. The facility is the only Roche site that combines the R&D and production operations of the company's pharmaceuticals and diagnostics divisions.

"The availability of a highly trained labor force, a secure legal framework, the company's own long tradition in Germany, and a proven record in biopharmaceutical production were determining factors for the site expansion."

Dr. Hagen Pfundner

CEO Roche Pharma AG and Managing Director Roche Deutschland Holding GmbH



The investment at the Penzberg site has proven to be a resounding success: approximately two thirds of global Herceptin® (Roche's leading personalized medicine product for the treatment of breast cancer) production takes place at the state-of-the-art facility.

Herceptin® gained extended approval for the treatment of stomach cancer in 2010. The company currently employs around 14,000 people in Germany.

Sanofi-Aventis

Addressing Major Health Care Needs

In recent years, global health care provider Sanofi-Aventis has spent more than EUR 1 billion in Germany – largely in the group's diabetes division.

The story of insulin already has its roots in Frankfurt-Höchst in 1923. This tradition, as well as the know-how and competence of the local workforce, proved to be decisive factors in the company's Frankfurt investment. With the biggest and most modern production location for insulin, Sanofi-Aventis is represented at all levels of the pharmaceutical value chain in Germany – on a scale unique in the pharmaceutical world.

"This new global strategic decision center sends out a trendsetting signal for our high-tech location in Frankfurt."

Dr. Martin Siewert

CEO Sanofi Aventis Germany



The company's flagship pharmaceutical product, Lantus® - the world's leading basal insulin - is an "innovation made in Germany." This long-acting insulin provides relief to patients in more than 100 countries. In 2008 the new manufacturing plant for insulin pens was inaugurated –

more than EUR 150 million was spent in total. The newly founded diabetes division has been headquartered in Frankfurt since January 2010.



GERMANY
TRADE & INVEST

Germany Trade & Invest Helps You

Germany Trade & Invest's teams of industry experts will assist you in setting up your operations in Germany. We support your project management activities from the earliest stages of your expansion strategy.

We provide you with all of the industry information you need – covering everything from key markets and related supply and application sectors to the R&D landscape. Foreign companies profit from our rich

experience in identifying the business locations which best meet their specific investment criteria. We help turn your requirements into concrete investment site proposals; providing consulting services to ensure you make the right location decision. We coordinate site visits, meetings with potential partners, universities, and other institutes active in the industry.

Our team of consultants is at hand to provide you with the relevant background information on Germany's tax and legal system, industry regulations, and the domestic labor market.

Germany Trade & Invest's experts help you create the appropriate financial package for your investment and put you in contact with suitable financial partners. Incentives specialists provide you with detailed information about available incentives, support you with the application process, and arrange contacts with local economic development corporations.

All of our investor-related services are treated with the utmost confidentiality and provided free of charge.

vfa. Die forschenden
Pharma-Unternehmen
Research-Based
Pharmaceutical Companies

About vfa

The vfa, the Association of Research-based Pharmaceutical Companies, is the trade organization of research-based pharmaceutical companies in Germany. 45 leading research-based pharmaceutical companies are organized in the vfa. Together with their more than 100 subsidiaries and affiliated companies, they employ nearly 90,000 people in Germany.

The vfa members represent more than two-thirds of the entire German pharmaceutical market. The vfa member companies are among the leading research-based pharmaceutical companies worldwide. They guarantee

therapeutic progress in pharmaceuticals and ensure high-quality pharmaceutical therapy. In Germany more than 17,500 of their employees work in the field of research and development of pharmaceuticals. Here, the research-based pharmaceutical companies invest EUR 5.2 billion per year in pharmaceutical research. The Association of Research-based Pharmaceutical Companies represents a German high-tech industry that is competitive in the international markets.

The vfa specifically promotes the industry interests and constitutes an active juncture between politics, economics, science and the media.

**vfa. Die forschenden
Pharma-Unternehmen**
(German Association of Research-based Pharmaceutical Companies)

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About Us

Germany Trade & Invest is the foreign trade and inward investment agency of the Federal Republic of Germany. The organization advises and supports foreign companies seeking to expand into the German market, and assists companies established in Germany looking to enter foreign markets.

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