

Austria: At the heart of European innovation

An ongoing Industry 4.0 revolution in Austria's advanced manufacturing

Austria's tech-savvy hidden champions are catapulting global advanced manufacturing into the next decade.

"Austrian industry made remarkable progress in 2018, creating 25,000 new jobs and growing at a rate of 2-3 percent," says Christoph Neumayer, director general of the Federation of Austrian Industries (IV), a trade body with over 4,400 members. He puts this success down to the fact that "Our companies share the characteristic of being innovative and Austria spends 3.19 percent of its gross domestic product on research and development (R&D)—the second-highest amount in Europe." Austria also benefits from an established ecosystem for innovation. For instance, IV is a founder of a platform set up to ensure the country remains at the vanguard of manufacturing technologies: the Association Industry 4.0 Austria (PI4.0). "Austria has a tradition of research institutions, industry and the public sector working together, and PI4.0's unique structure includes employees' and employers' associations, industries, scientists, regional and local governments, and others. The country is well positioned for

"Austria spends 3.19 percent of its gross domestic product on research and development."

Christoph Neumayer, Director General
Federation of Austrian Industries

Industry 4.0 and there are certain technologies where a lot of our companies are already quite advanced," says PI4.0's managing director, Roland Sommer. Helping that advance is the Austrian Institute of Technology, says its managing director, Wolfgang Knoll: "We specialize in everything that goes into advanced manufacturing, in combination with artificial intelligence, and our mandate is to translate knowledge into business cases for industry partners."

Companies within Austria's innovation ecosystem range from startups to subsidiaries of global players, including semi-conductor and microelectronics manufacturer Infineon Technologies Austria. "In 2018, we announced a €1.6 billion investment in a fully automated factory in Austria. It is the largest investment of its type in Europe," says CEO Sabine Herlitschka, who—reflecting the international reputation of the country's innovators—is also a member of the European Commission's Horizon 2020 high-level strategy group on industrial



IMAGE: © SHUTTERSTOCK/AUMM GRAPHIXPHOTO

technologies, and its CONNECT advisory forum for research and innovation in information and communication technologies. Another major investor is voestalpine, which is currently building the world's most advanced steel plant in Austria. "Our clear focus is on creating new, lighter, stronger and better-applicable steel grades, as well as completely new concepts," says Wolfgang Eder, CEO and chairman of its management board until July 2019.

So high is worldwide demand for Austria's innovations that Infineon and voestalpine are just two of its estimated 160 hidden champions—market leaders in niche sectors. In Upper Austria, the country's third-largest state, "It is really extraordinary. Our base is metal and lightweight industries, followed by mechatronics, and we have many important companies investing a lot in R&D," says Governor of Upper Austria Thomas Stelzer.

Illustrating the diversity of Austria's hidden champions is Starlinger, a family business founded in 1835, which creates pioneering machines that produce strong and stable woven plastic packaging for bulk goods like cement, chemicals and foods. "We are known throughout the world. We supply over 130 countries, and have 10 sales and service centers across four continents, so our customers can always reach us," says managing partner Angelika Huemer. With 100 R&D staff, Starlinger invests heavily in innovation and the future, which has led it to setting up divisions for the recycling and refinement of plastics, she says: "We now produce recycling machinery for woven fabric and other applications such as turning used bottles into new bottles, tapes for woven bags and sheets for thermoformed packaging. Plastics are not the enemy, we just need to use them intelligently, and Starlinger wants to be part of the solution."

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Harald Neumann
CEO
NOVOMATIC



Marcus Fasching
Managing Director
Ögussa



Angelika Huemer
Managing Partner
Starlinger



Gerhard Christiner and Thomas Karall
Chief Technical and Financial Officers
Austrian Power Grid



Peter Zeman and Andreas Hofer
General Manager and Managing Director, Zeman Bauelemente



Gerhard Luftensteiner
CEO, KEBA



Thomas Ziegler
Managing Director
Design Center Linz



Gerald Schatz
CEO, Linz Center of Mechatronics



Wolfgang Knoll
Managing Director
Austrian Institute of Technology

Technology is the root of success

Research and development powers up Austrian companies

Austria is home to advanced manufacturing businesses that have been international leaders in their sectors for decades.

Harald Neumann, CEO of gaming-technology company NOVOMATIC, speaks for many when he explains what keeps his firm at the top: “We have to be at the highest level of technology. Innovation and technology are the root of our success.” That success is impressive. Part of the NOVOMATIC Group (which employs 30,000 people and saw turnover grow by 10 percent in 2018 to €5 billion), the producer of high-tech gaming equipment also operates “about 2,100 gaming facilities around the globe, including regular and electronic casinos, and sports-betting facilities. We are the market leader in Europe,” he says. Success like this “can only be reached through huge investments. In the last three years, we have invested more than €1 billion in acquisitions and €300 million in research and development (R&D),” he states.

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This has put NOVOMATIC at the forefront of biometric access systems that could act as biometric payment systems, sports-betting technologies and online gaming, for example. Investment in innovation is also helping it to expand in the U.S., where games need to be completely different, he says.

NOVOMATIC is headquartered near the country’s capital Vienna, well known as a hotspot for innovative companies. To the north of the capital, however, is probably Austria’s most successful and well-established innovation hub: the state of Upper Austria (UA). Bordering Germany and the Czech Republic, UA is home to 1.45 million people and is the country’s economic engine, generating about 28 percent of Austria’s industrial added value along with 27 percent of its exports.

“It is a state of opportunities. We have very innovative, export-focused companies and in 2018 our economic growth surpassed 3.5 percent,” says Governor Thomas Stelzer. State capital Linz, for example, “has transformed from a traditional city based on steel and chemistry into a modern city of digitalization and industry,” says Mayor Klaus Luger.

Supplying this modern industry with exclusive, flexible convention facilities is Design Center Linz, says its managing director, Thomas Ziegler: “We are second in Austria’s meeting sector. It’s an impressive, future-oriented building and we invest a lot in being technically up to date.”

The Linz Center of Mechatronics, on the other hand, supports the hub and wider industry through R&D. “We provide our industrial partners with R&D solutions, and have built a bridge between science and the economy,” says CEO Gerald Schatz.

Space for UA’s innovative businesses comes from developments like Linz’s Johannes Kepler University’s science park, home to FerRobotics Compliant Robot Technology. “We are a world leader in the manufacture of contact-sensitive automatic robots for operational use. We provide the robots with sensors, granting them the sense of vision,” explains CEO Ronald Naderer. The development and manufacture of innovative industrial automation solutions is also one specialism of KEBA, another globally renowned UA company. “We employ nearly 1,800 people and will reach €300 million in sales this year. There is such a strong innovation-oriented culture here that makes it an excellent location for businesses like ours,” says the company’s CEO, Gerhard Luftensteiner.

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CEO, KEBA



Thomas Ziegler
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Gerald Schatz
CEO, Linz Center of Mechatronics



Wolfgang Knoll
Managing Director
Austrian Institute of Technology

Build to innovate

Key innovators and real estate drive surge in new economic growth

“We are going through the longest real estate boom in history and I believe that it may continue for the foreseeable future,” says Thomas Winkler, CEO of UBM Development.

UBM is Europe’s leading hotel developer, and a major player in high-quality office and residential projects. Headquartered in Vienna, its core markets are Austria and neighboring Germany and Poland. “We are also active in the Czech Republic and the Netherlands, and we consider other countries because we build for the big international hotel operators,” he states. 2018 was the best year in the stock-listed company’s 145-year history: pre-tax profit was €55 million and it made investments of over €500 million. Winkler believes UBM’s strengths are technical competence, reliability, transparency and, having built the ecologically acclaimed 5-star Hyatt Regency in Amsterdam, being at the forefront of trends like sustainability and digitalization, he says: “These trends have nothing to do with sacrificing luxury and we have embraced them.”

Another innovator in construction is Zeman Bauelemente, says general manager Peter Zeman: “We are involved in the building and machinery business, focused on steel. We launched robotic assembly systems about 20 years ago and it’s a niche in which we are very successful.” Technology is also vital to a new innovative hub, aspern Vienna’s Urban Lakeside Seestadt, says Gerhard Schuster, chairman of the board of its developer, Wien 3420: “With over 20,000 inhabitants and thousands of workplaces, it’s one of the greatest European urban development projects and an urban lab for smart-city solutions.”

Technology is also causing a boom in metal, says Christian Knill, chairman of MetalTechnology Austria, the national association representing businesses in mechanical and plant engineering, steel construction and metalware production. “We believe we are the most important sector in Austria: we have 1,200 companies with an annual production value of roughly €40 billion that produce one quarter of Austria’s total exports and over 30 percent of research and development (R&D) expenditure comes from our members,” he notes. That R&D benefits from government support and close connections with universities, which FMTI plays a crucial role in helping its members to access.

One market and export leader in metals is Ögussa, which converts and recycles precious metals like gold, silver, platinum, palladium, iridium and rhodium and is part of global materials technology and recycling group, Umicore,

ranked the world’s seventh most sustainable company by Corporate Knights. “We take materials containing precious metals and make high-quality precious metal products from them,” says its managing director, Marcus Fasching. Ögussa specializes in adding tailor-made value for private, automotive and medical-product clients, he says: “We can do that because we invest millions in the best available technology. We have to be on top of technical developments and quality.”

Powering up these innovative companies, and currently investing heavily in helping Austria transition to 100-percent renewables by 2030, is national grid operator Austrian Power Grid. “We create the basis for Austria as a location of industry and commerce,” says its chief financial officer Thomas Karall. Part of the European Interconnected Grid, the country is “the electricity hub of Europe,” adds chief technical officer Gerhard Christiner.

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Winning Technology

Quality workforce and innovative spirit are key for Austria's future

IMAGE © Kurt Pinz



Mr. Christoph Neumayer, Director General of IV Federation of Austrian Industries, describes the future paths lying in front of the Austrian industry.

How is the Federation challenging its members to lead the way in changes in the global market place, advocating innovation in Austria and anticipating what changes in the industry in the future?

Over the last few years a lot of changes took place in the industry. On the one hand, larger companies are investing a lot in order to help or train their workforce for the era of digitalization. On the other hand, small and medium-sized companies have many more challenges to face. Our role is to help those small and medium-sized companies through the bigger ones and their respective supply chains, bringing them on a level that they could value the opportunities coming along with digitalization. We, as Federation, founded a platform dedicated to Industry 4.0, alongside the Ministry of Infrastructure and Innovation, as well as the trade unions and major companies. In order to implement this strategy, we are using a lot of instruments, including workshops and private training.

What are some of the key growth areas you have identified that foreign investors should look into Austria?

The automotive industry appears quite robust, even though we have some challenges ahead. Furthermore, we have multiple companies that are involved in machinery, pharmaceuticals and IT. We are very proud that we have two big industrial investments in Austria now. The first one was a 750-million-euro investment and the second one, Infineon, with a 1.6-billion-euro investment, being one of the greatest industrial investments in Europe last year. We are very proud to have them here and they are important, as some leading competence unit for the other companies.

“The European market is still primordial for a lot of Austrian companies. From our point of view, it is fundamental to delve deeper into a single market and establish ourselves.”

Mr. Christoph Neumayer
Director General of IV Federation of Austrian Industries

In terms of expansion, how and where is the Federation enhancing the reach of Austrian industries abroad?

The structure of the Austrian economy is dominated by the ‘Mittelstand’. We have a lot of small and medium-sized companies communicating through international relations with big companies. However, this situation forms the backbone of our economy. Small companies have taken the first step to go into Germany, Switzerland or other neighbor countries. Their second step was their

expansion into the Central and Eastern Europe region. The third step includes companies going to the US or China and Southeastern Asia. The European market is still primordial for a lot of Austrian companies. From our point of view, it is fundamental to delve deeper into a single market and establish ourselves. We, as a Federation, work closely with our partners in Central and Eastern Europe, all those other federations for over a decade.

How is the Federation spearheading talent development and integration of “new blood” on the economy, particularly advocating an entrepreneurial spirit?

We need young startups and entrepreneurs carrying this revitalizing spirit for our industry. The youth organizations of our Federation, ‘young industrie’, organize once a year a pitching event, in which we bring together startups with the established companies. These big companies scale up through innovation and the small startups through exposure. The benefits flow both ways. Bringing these companies together provides an innovation boost to the established companies but also boosts the Austrian economy in its entirety.

In a competitive and rapidly changing international market, where competence proceeds origin, how is the Federation assisting in addressing certain matters concerning the integration of foreigners, the elderly and the women into the workforce?

We are in lack of trained workforce. Including the social groups, you mentioned has been a challenge on its own and a lot of companies are doing great efforts to achieve that. From our point of view, we need qualified migration. The last ten to twenty years were not focused on qualified migration. We need to do more about the trademark of Austria in order to bring people that are well-educated and can contribute not just on the lower levels of labor force. The government has understood this concept and we hope that the current situation will become better in the near future.

In 2018, the Industry created 25.000 new jobs, representing 70% of the country's respective growth



For 2019, a GDP growth of 1.75% is expected, with an industry growth of 3%



Austrian SMEs have invested more than EUR 60 billion into the Central Europe



A Federation paving the way for Austria's leading companies

Axel Greiner, President, IV Federation of Upper Austria, unveils the true importance of Upper Austria in the overall success of Austria.



What are your projections for 2019 for the performance of the Austrian market economy? What challenges should be addressed?

We expect that the economy in 2019 will have a little decrease in terms of growth, even though it is still growing. The well-known problems we have around like Trade Wars, Brexit or the Italian Banking Crisis are expected to play a factor in this.

How is the Federation challenging its members to lead the way in changes in the global market place, advocating innovation in Austria and anticipating what changes in the industry in the future?

The main question is how we can transform our industry into Industry 4.0. This process is on the way for several years and we see real use of opportunities for our industry, given that we are strong in mechanical engineering as well as assembling different vehicles. This way, we have to make some changes in our educational system, research system as well as universities as well.

I think that the main challenge is to focus more on the application of the internet at the university. For us, that fiber backbone for the data transmission is much needed at this point. We see it as a job engine and not as a job killer. In the 80s it was the Mechatronics, the combination of electronics and mechanical engineering. Nowadays the term Informatics is used more and more. Computers can help us to do these things better.

“For us, that fiber backbone for the data transmission is much needed at this point. We see it as a job engine and not as a job killer.”

Axel Greiner, President, IV Federation of Upper Austria

How are companies keeping ahead of the competition? What makes these companies special?

The answer to that question will always involve the educational system and especially our universities and R&D institutions. These are the engines of change, technology and innovation in a process that has been the same for years now. Our task is to consult politicians to invest more here in Upper Austria, focusing in R&D institutions and the University of Linz.

Our main topic revolves around S.T.E.M., which stands for Science, Technology, Engineering and Mathematics. On another note, we have a huge gap in terms of employees and skilled workers. This is the main issue for us. We are getting talent from across the borders, especially in IT, regardless of the competition in the area.

Investment in youth development, in house training and advocating an entrepreneurial spirit here in Upper Austria is one of the prerogatives of the Federation. How do you develop the talent of tomorrow?

Traditionally, education in Austria does not include much, especially in terms of economy. We are working on the issue with politicians. We also take up in-house schooling here, telling people about the industry in Upper Austria. We try to get more education into the process for the teachers at school, adapting the curriculum. Mediocre education for an industrialized country is a critical error. For that reason, we are working on changing this situation.

How do you attract talent pool for these highly technological industries?

We have a campaign, mostly on the internet, for young candidates from 14 to 18 years old. While focusing on S.T.E.M., we are trying to change the mentality of the whole population, in a way, in order to keep up with today's world. We have the apprentice system, also known as the Dual Education System. The second strength in that regard is our Higher Technological School. This is the backbone of the success of the Upper Austrian industry.

Last but not least, what would be your final message for our readers at Newsweek?

We, as Austria, the southern part of Germany, Switzerland and Northern Italy, are the ‘Silicon Valley’ in terms of vehicle manufacturing and mechanical engineering. This is our key competence. We are gradually progressing in terms of software and social media. Besides, for mechanical engineering you have to be present here. We talked a lot about the problems in the education system.

Nevertheless, we have many good and skilled people here. That is why we have a lot of industry. We should not be pessimistic, but we should be able to focus on our flaws and treat them. We may not find enough skilled people, but the people we have here are skilled and hardworking. Upper Austria is truly a great place to live and work in.

EUR 1 of value added in Upper Austria generates EUR 2.4 in value added in Austria



In Upper Austria, 80% of research expenditure depends on the servo-industrial sector



Upper Austria generates 28% of Austria's industrial added value



Growth on old and new foundations for Austria's industrial backbone

Mr. Thomas Stelzer, Governor of Upper Austria, explains what makes his region special for investments and how he sees the years to come.



Upper Austria is a culturally rich country that always had a strong industry, recently showing even more commercial success. Could you provide an introduction to the developments under your tenure?

2018 was one of the most successful years for us, especially in terms of employment and economic growth. We managed to surpass 3.5% of economic growth, which is over the Austrian average in that regard. It has been really well-received and we will put all the effort to keep this momentum going in the years to follow. Of course, this would not be possible without our basis, which is metal and lightweight industries, followed by mechatronics. We have many important and strong companies in these industries, not only in the center of our country, meaning Linz, but also in other regions.

What is the strategic importance of Upper Austria for the entire country, and what are the main growth drivers in the region?

Exports have been one of the strongest focuses for us. Of all of Austria's exports globally, the automotive and the aircraft industries represent the Generally speaking, we have a strategically crucial good geographical position. Furthermore, our companies invest a lot in R&D. We, as the State, try to fund the majority of those efforts, but they do so much more on their own, sometimes in cooperation with universities. In terms of tourism, we are growing gradually, year by year, so in the near future we even expect more guests in this regard. In Upper Austria everything is close, either lakes or mountains, forming a great mixture for a various number of tourists with different interests.

“Everybody here should have perspectives and possibilities that he would not have anywhere else. We usually say that ‘if you want to find success, you have to come to Upper Austria’.”

Mr. Thomas Stelzer, Governor of Upper Austria

You are quite a proactive, dynamic leader, regularly visiting local businesses that are making waves in Upper Austria. As a hands-on governor, what is the importance of visits to businesses across Upper Austria?

It is one thing to read or hear what is important and a completely other thing to see things for yourself, in-person. It is really fundamental being to be able to hear what the entrepreneurs and the employees have to say, alongside to what are the needs and challenges in the industry. I ought to know, especially when it comes to digitalization, which is the ‘buzzword’ of our time.

Multiple companies could not produce nor be successful if it were not for digitalization. This has also been a challenge for us in terms of infrastructure

and how we get there, hence the quality internet lines, in which we are going to invest more in the years to come.

Given Upper Austria's proximity to powerful neighbors Germany and the Czech Republic, what ways does Austria collaborate with European entities? Do you have concrete examples?

We and our neighbors have a lot of regional projects crossing the borders. These projects are sponsored and funded by the European Union, allowing us to aid companies and boost the local economy, even in regions that had suffered in the past due to historic reasons. Everything we have achieved there can be traced back to the fact that we are a part of the European Union.

Another note worth mentioning, the noteworthy rates in exports can take place and provide substantial growth from year to year because we are part of the European Union. Another important topic that we need to underline is our agriculture. This has been a great responsibility for us, it is directly related with our landscape and is driven by small units owned by families.

Upper Austria is experiencing positive economic growth, making its presence known in Europe and is actively promoting the circular economy. If Newsweek were to come back to Upper Austria in 5 years' time, what would we see?

My message when I became Governor was that I wanted to see Upper Austria to be seen as a state of opportunities. Everybody here should have perspectives and possibilities that he would not have anywhere else. We usually say that ‘if you want to find success, you have to come to Upper Austria’. Our young talents are attending universities throughout the world. They should have in mind that if they want to achieve a great career and work in prospective companies, Upper Austria is a great place to come back and bring that international experience with them. This is the vision; to be a very vibrant state and a second center next to our capital, Vienna.

-  In 2017, Upper Austria was the largest exporter in Austria with **EUR 36.5 billion** in exports
-  Services and industry represent **95.2%** of the Upper Austrian regional gross product
-  Upper Austria is Austria's third largest state by population, with **1.45 million** people



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An inside view in the city of Linz, Austria's industrial backbone

Mr. Klaus Luger, Mayor of Linz, highlights the road of digitalization towards a revamped future for the living city of Linz.



Linz has come a long way since its 'involuntary' industrial beginnings in 1945. As Austria's third city, Linz has a thriving arts scene and Linzers have built up a reputation as being very patriotic. How would you describe your role as Mayor and what are your priorities for 2019?

Linz is connected to transformation, turning from a traditional city of steel into a modern city of digitalization and industry. Followed by a climate change towards an open-minded society, thanks to our universities, migration promoted this transformation even further.

Personally, I would focus on three parameters. First, our focus is the construction of the necessary infrastructure for our public transport system. Second point would be our social infrastructure. Our economy would not operate without the labor force of women and Linz has a long history in enabling them women with remarkable skills. This also applies for people with immigrant background, given that social integration is fundamental in our agenda. The third goal for Linz is to become a champion regarding digitalization. We are on a higher level than the rest of the Republic, hence we consider digitalization our competitive edge. Vienna is oriented towards finance and security, while our strength lies in industry players.

For that purpose, we are working on a digital agenda with the help of experts from the private sector. We abide from bureaucracy and formalities, promoting fluidity and innovation. Even though some people seem intimidated, digitalization and R&D promote our society as a whole.

"The goal for Linz is to become a champion regarding digitalization. We are on a higher level than the rest of the Republic, hence we consider digitalization our competitive edge."

Mr. Klaus Luger, Mayor of Linz

It is now 10 years since Linz was crowned European capital for Culture which it shared with Vilnius and it is five years since Linz became a member of the UNESCO Creative Cities. What is the relative importance of culture in Linz, and how do you promote its status as a cultural hub in Upper Austria?

As many industrial cities, Linz found difficult forming its aspects apart from the industrial sector. For years we represented the economic backbone of Austria. 2009 changed us in terms of mindset and we gained publicity. Arts have been the means that allowed our people to feel pride and re-forged our identity, tackling the narrow-minded mentality of the past.

Linz is now strongly diversifying its economy to collaborate with business and promote competition. How is the city changing its narrative to become an industrial success?

Thanks to our city branding, we shall be the industrial center of Austria for the years to come. In order to attract the necessary people, we need to promote startups and modernize our universities, forming networks between the two.

A way to achieve that is Tabakfabrik, which is entirely owned by the municipality. It is an old tobacco factory that we have purchased and turned into an innovation hub. We developed some products, with the help of the university and other people, from various paths and backgrounds. At the moment, this is our focus, alongside the ÖSWAG shipyards. We had to modernize this traditional harbor. Beside all the technical infrastructure, we plan on allowing inhabitants as well as creating installations there. We try to merge IT companies with artists as well, creating a unique mixture of culture and infrastructure in that area.

In comparison with other European and Austrian cities, what is Linz' value proposition?

We firmly believe that Linz is one of the best places to live, offering a unique combination of nature, with rivers and forests, with industrial infrastructure.

Furthremore, we need to improve our image as an open-minded society. Re-branding may be difficult, due to different strategies from federal governments.

Coming from different political parties forms vague disparities. From our point of view, a city has to offer mobility, accessibility and security. Linz has to enhance its branding and promote the profile of an international city that embraces people, regardless of their ethnicity, religion, sex or sexuality. On a general note, we, as people, should not focus on the differences that set us apart. The pivotal step towards a better world relies on the foundation of equality. Everyone should take into consideration the common well and the supreme values of humanity.



Riding mega-trends and staying sober

Thomas G. Winkler, CEO, UBM Development, underlines the importance of competence, reliability and transparency for every competitive company.



UBM Development is the leading hotel developer in Europe: the strategic focus covers three asset classes – hotel, office and residential – and three core markets – Germany, Austria and Poland. What is the health state of this sector in your principal markets and in the EU?

We have gone through the longest boom in the history of real estate. Everybody is expecting this boom to come to an end. With the lack of room for maneuver in Europe in terms of interest rates I believe that the boom may continue for the foreseeable future. There is always the danger of thinking that you are better than you really are and that is a trap the industry could fall into.

UBM Development AG headquarters are located in Vienna. What are your landmark projects in this part of the world?

I believe that everybody who has traveled to Warsaw, has stayed overnight in the InterContinental Hotel. That is definitely the landmark hotel we have developed in Warsaw. However, our focus of business, with 50% of our future projects being there, is now Germany. We have 25% in Austria and the remaining 25% in other countries, like Poland. Similar to Germany, Poland is a decentralized country, with the population being spread over a number of cities.

For the rest, we are also active in the Netherlands, where we are currently developing a hotel in The Hague. We are also considering other countries on an opportunistic basis, because we build for the big international and global hotel operators, such as IHG, Marriot and Hyatt. Currently, the breakdown of our pipeline is 40% in hotel, 40% in residential and 20% in office.

"Here we have the advantage of coming out of a construction company. Half of our more than 300 employees have a technical background"

Thomas G. Winkler, CEO, UBM Development AG

What makes UBM Development AG different from other competitors?

I think that the first characteristic for us is our competence. Here we have the advantage of coming out of a construction company. Half of our more than 300 employees have a technical background. The second fact is that we are reliable. We care about being on time. We maintain delivery schedule and budget, fixing whatever flaws there might be. Finally, we are transparent. To me, that is a differentiating factor, given that many of our peers are not listed.

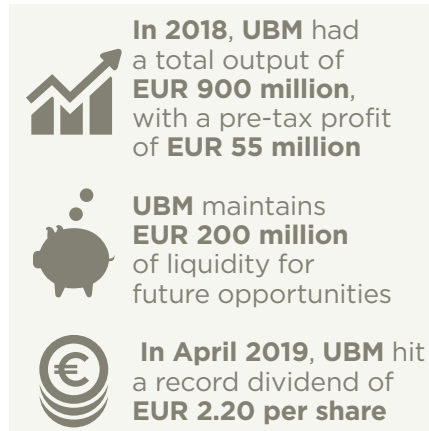
Part of your strategy is to expand as a hotel developer. Could you give us some examples regarding your opportunities in that regard?

There is still plenty of room left, simply because we have two mega-trends that we have been riding for a while. The first trend is city tourism, which is a phenomenon that is not going to go away, unless companies like EasyJet, Ryanair and Eurowings move out of business.

People got very used to visiting cities and this is something that they do not want to give up. The other trend is the fact that the private hotel operators are squeezed out of the market. They are slowly removed by the top reservation engines of those global operators as well as services like Airbnb. 30% across Europe of the hotels are still in private hands.

How do you assess UBM's financial and business results in 2017 and 2018 and what are the expectations in 2019?

In 2018, we had the best year throughout our 145-year history. Our total output is EUR 900 million. We have a 35% equity ratio, which is pretty high for our industry and financially we are sounder than we have ever been. We could afford more than half a billion in investments last year. When I joined UBM 3 years ago, one of the first things I established was an executive committee. We have the top 20 managers comprised of the local management teams, not only Austria, Germany, Poland and the Czech Republic.



How do you match your previous industry experience with your present responsibility at UBM?

Now, that I am sitting almost at the end of my useful professional life, I see that previous experience helps a lot. We have a risk mitigation strategy, selling our projects before they are completed. We are happy about our sales, given that for us they make perfect sense. The connection we have to make revolves around the question of what if we are wrong in the scenario of interest rates and future economic development. In other words, you can never rule out to be wrong, so forward selling projects is the perfect hedge.

Solidifying dominance is key for Europe's leader in the gaming sector

Mr. Harald Neumann, CEO, NOVOMATIC AG, describes the vision of one of the renowned giants in the world of gaming technology.



How is innovation changing the sector and, in particular, NOVOMATIC business?

NOVOMATIC is one of the biggest companies in the world regarding gaming technology. We are by far the market leader in Europe. We are operating about 2,100 gaming facilities around the globe, including casinos and sports betting facilities mainly in Europe. As a result, innovation and technology are key for our industry. The most important high-tech area where one has to be strong in our industry is the online space. We have founded the NOVOMATIC Biometric Systems company, where we are currently replacing the player card by biometric systems, like face recognition and fingerprints. The final objective is to have a biometric access system that can act as a biometric payment system. This industry has managed to keep up with the trends, making innovation a core element for its development.

“Our obligation is to keep these rules and support them through the latest player protection technologies, in order to create an environment where people feel comfortable.”

Mr. Harald Neumann, CEO, NOVOMATIC AG

What is your agenda in terms of growth, partnerships, business and social responsibility for the next years?

Prof. Johann F. Graf owns additional companies, amounting to more than 30,000 employees and a turnover of roughly EUR 5 billion in 2018. As a result, it was a successful year for us, regardless of the challenges we faced. We had some very intense regulatory changes in Germany and we had to invest millions of Euros to replace all our gaming machines. We wanted to become strong in various markets, due to the fact that we previously were depending a lot on the Austrian and German markets. Our biggest markets in Europe are the U.K., Germany, Italy and Spain, moving later onto the Eastern Europe. In all those markets, with the exception of Spain, we are the market leader.

In terms of legislation, government is responsible for the regulatory and legal framework and we participate in many open discussions with them. The regulatory framework, with a special focus on the player protection acts, is the main objective of the government in relation with our sector. Our obligation is to keep these rules, which are clear, and, on the other side, to support them through the latest player protection technologies, in order to create an environment where people feel comfortable. That is our application, besides providing the best gaming technology. We are always saying that we are a content company, given that the games are crucial for us.

Given the regulatory framework in the E.U., do you expect to grow more in places like Asia, the US or any other part of the world?

Our main objective here is to maintain our market share and provide our customers with the best technologies. Our first target is the U.S. market, which, in terms of player behavior, is completely different in comparison with the European market. The typical European player is male, between e.g. 40 and 50 years old, and is willing to risk more on the game machines. For example the typical U.S. gambler is female above 60 years old, spending 3 to 4 hours on the gaming machine without losing too much money. We have invested into our game studio in Chicago, through the acquisition of about 53% of the Australian gaming company Ainsworth Game Technology. With their support we are developing casino games for the U.S. market. Asia is a very difficult market, given that big countries in Asia, like China and Japan, have prohibited gambling. Africa is an interesting market for us and South America is highly dependent on the North American market.

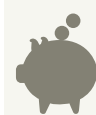
What would you highlight as the major trends and challenges in the industry in terms of public opinion?

Especially in Middle Europe, there would be room for improvement in the gaming sector in comparison to the U.S., where we see much more enthusiastic reception. The only way to act against money laundering, illegal gaming and player addiction is by having a strong player protection framework. The U.S. trend comes more and more towards Europe with those regulatory frameworks focusing on player protection and anti-money laundering policies. We are investing into that area given that it secures our business, helping us support a differentiation from our competitors.

In terms of online sports betting we are the current market leader in Europe, holding out platforms in Italy, Spain, also considering Germany and the U.S. We are talking about quite a regulated market, but it is worth investing given the everchanging nature of our environment in terms of policies and trends.



NOVOMATIC AG Group had a total turnover surpassing **EUR 2.6 billion** in 2018



Since 2017, NOVOMATIC AG Group has invested **EUR 750 million** in acquisitions and R&D



In 2018, the company increased revenue from sold gaming machines by **86.8%**

WINNING



TOGETHER

With more than 30,000 employees worldwide and 29 technology centers, we get performance to the point and create innovative gaming technologies for an unforgettable experience.

THIS IS THE WORLD OF NOVOMATIC.



Versatility is the key for Austria's ambassador of manufacturing

Mr. Wolfgang Eder, Chairman of voestalpine, explains how the geopolitical aspect of Austria will support its growth in the future.



What are some of the key differentiating factors that your company has in a competitive global market place?

First of all, the fact that we have extremely motivated and skilled employees here has been one of the key values of Austria. We have many well-educated people, sustaining our deep tradition in the European industry. We, as voestalpine, are much more focused on high-tech products, compared to our competitors, and not only in the steel industry. We are also involved heavily in the automotive components business, in railway infrastructure as well as high tech materials and special parts for aircrafts. These are besides oil and gas the main fields we are in. We have developed a long value chain over the past 15 years, offering not only high-tech products, but also forming fruitful long-term relationships with our customers.

Research and development are central to the continual success of any modern enterprise. In what way does voestalpine prioritize innovation and how does this concept influence your decision-making?

We are continuously working on completely new products for our core customers. This is mainly the European automotive industry, but we are not limited only to Europe. We are running plants in the United States, China and South Africa as well. Our clear focus is on creating new, lighter, stronger and better applicable steel grades as well as parts and components made from steel but also aluminium for the industries we are in. Furthermore, we are focusing on completely new concepts for railway infrastructure, high-speed rail tracks, underground systems, heavy haul systems and track solutions including safety measures. A great example is the fact that we have delivered the railway infrastructure including the safety measures for the new St. Gotthard tunnel of around 70 km in Switzerland. Another example could be the delivery of all the high-speed turnouts for the Beijing – Shanghai high-speed railway.

“On the one hand we have the political and social stability of the country. On the other hand, we have the solid basis for long-term growth through our high-skilled workforce.”

Mr. Wolfgang Eder, Chairman of voestalpine

As voestalpine, we have two long-term strategic markets, East of Europe, China and South East Asia and on the Western side North America. China is the driving force, allowing us to heavily engage in the fast growth of their markets. In the US, the situation is similar but more focused. In both markets we are one of the main suppliers for railway infrastructure. North America has to be respected

for its strength in the oil and gas industry. A smaller yet attractive niche of our concern is the aircraft business. In both regions, Asia and North America, we see prospects for a long-term growth in our respective segments.

What are your projections for the future of the global steel industry and what do manufacturers need to do in order to maintain a competitive edge? What is the particular vision for your company?

For us, the steel industry should underline intensively the advantages of the material. Thanks to its recyclability, steel is the best product in terms of sustainability. I have a lot of hope for the ones following me. There will be some further additions, but with all the high-tech products in place and the successful implementation of our downstream strategy, voestalpine will focus even more on the most attractive business areas in the future.

New aspects in the automotive industry must be integrated in our strategic configurations. Then, we have a very intense focus on the aircraft industry. We will certainly build further on our leading position in the railway infrastructure segment. Additionally, we have multiple activities in metal additive manufacturing, known as 3D printing. We are also delivering to the aircraft industry and ESA. We are related to every sector that needs to develop high-tech tools. One cannot be competitive enough when it comes to producing special products here in Europe.

As a true ambassador of the Austrian private sector manufacturing community, what would be your final message to the readers of Newsweek, as a vote of confidence to the Austrian economy?

Austria is a great destination for vacation, but also an extremely interesting option for business purposes. On the one hand we have the political and social stability of the country. On the other hand, we have the solid basis for long-term growth through our high-skilled workforce. In geopolitical terms, Austria is the center of Europe, hence it is not limited to one area of the globe. When one thinks of doing business in Europe, there should be an immediate focus on Austria.



During 2017/18, voestalpine's annual revenue reached **EUR 13 billion**



The same year, the company invested **EUR 173 million** in R&D activities



63% of voestalpine's annual revenue is originated from the **mobility and energy industries**

Steady progress for one of the most renowned industries in history

Mag. Marcus Fasching, Managing Director, Ögussa, explains current and potential phenomena within the precious metal industry.



Based on your experience, what are the major trends, the challenges and the latest opportunities in this sector?

One of the major trends that we see is the price decrease in platinum and a price increase in palladium. One of the reasons is the 'Dieselgate', given that there is an increase in the demand for palladium in the automotive industry, which is used more for gasoline motors, and less for platinum that is used in Diesel karts. We are a part of Umicore N.V., which is one of the major players in the field of automotive catalysts.

Changes in metals prices have no impact on our P&L, but we are interested in how prices evolve. We are the biggest precious metal recycler in Austria. We do everything here in this location in Vienna. Many years ago, we moved here due to the lack of space from our former location. We are recycling besides gold and silver, also palladium, platinum and other precious metals in that particular site.

How has Ögussa and the market changed in the past few decades?

When we were sold over to Umicore, we were again at the core business of a company. Umicore can offer the whole precious metals cycle. Most of our customers deliver the residues and get the end-products. Umicore now sold many of their non-precious metals businesses and completely concentrated on 'closing the loop'. The business of the Umicore sites in Belgium and the sites in Germany and Austria is complementary. Umicore in Hoboken is specialized in the 'long loop' of recycling, being involved even into the business of recycling electronic scrap through mobile phones and other appliances.

“Recycling has always been a part of our business. We are always investing millions, trying to use the best available technology. Nothing leaves our facilities without testing.”

Mag. Marcus Fasching, Managing Director, Ögussa

Ögussa is focused on the so-called 'short loop'. We take materials that contain a higher portion of precious metals and make high precious metals products out of those. One of the other major changes, that was to be foreseen, was the change in terms of consumer behavior. Decades ago everybody possessed luxury items, but now that value has transcended towards technological advancements.

Ögussa represents about 1-2 % of Umicore. Our major market is Europe including countries like Austria, Germany, France and U.K. We have also some customers in Asia, U.S. and Canada.

What is sustainability for a company of your type, considering the materials and products you work with and how do you achieve it?

Recycling has always been a part of our business. We are always investing millions, trying to use the best available technology. Nothing leaves our facilities without testing. We have 100% of all the waste waters analyzed before we pump it in batches to the sewer system. The annual output in the sewage systems in terms of metals is less than 5 kilos, including common metals. In addition, we are part of the Responsible Jewelry Council, an organization with more than 1000 members.

However, including Ögussa, there are only 35 refineries worldwide in that organization that are on par with the most stringent 'Chain of Custody' Standard. Umicore worldwide does a lot in that regard and not only for precious metals, but especially regarding the Cobalt supply chain. This becomes all the more important, as committed citizens and consumers increasingly ask where are all those materials come from. We stick to our plan in any case. Especially small mines without certifications can cause this type of trouble. The bigger mines are independently audited, which is always better in every type of operation.

Where do you see your organization in the next 10 years?

Ögussa is known throughout its vast history in the Austrian public for two main reasons. The first one is the gold bars and the second is the recycling process for precious metals for private customers. We are completely transparent, allowing people to see the purchase prices and the sales at any given point. We are a household name in Austria, but very few people know that we are also in the automotive industry, the chemical industry and the medical products industry, among many others. For medical products, we deliver semi-finished products, like tubes and wires, but we also do parts for in-ear implants and contacts. For the next 10 years, we want to keep on following this path. Producing in Austria is not cheap so we need to be on top of technical developments and quality.



Ögussa is Austria's market leader in precious metal processing and recycling



Ögussa's tradition in the precious metals industry began in **1862**



In 2019, Umicore, was listed **7th** out of the **100 most sustainable companies** worldwide

Flexibility is key for Austria's market leaders in the robotics niche

Dr. Ronald Naderer, CEO, FerRobotics, explains how automation can become a greater market entity than it is today.



One of the interesting achievements of FerRobotics, is equipping robots with sensitivity. Can you explain the comparison made between robots and humans and how do you see the robotics industry evolving in the near future?

Here, at FerRobotics, we manufacture contact-sensitive automatic robots for operational use. In other words, we provide robots with actuators, granting them tactile sense. This way, they can do multiple applications in the market that are currently done manually. These tasks are usually really repetitive and redundant for humans and, in many cases, provide an unhealthy work environment. We can automate those jobs and allow those people to work in posts where they can exercise their mental abilities.

You personally lead the company in many areas. How challenging is that for you?

FerRobotics is distinguished by a very modern structure. We aim for flexibility in terms of structure because we believe that this allows us to make quick, yet effective, decisions. On the other hand, this is also challenging as it means we need self-driven and highly skilled employees to staff our flexible structure—and they are not that easy to find. However, in our open work culture qualified people benefit from their excellence creating vital value for mutual success.

Where do you find your talent and what attracts them to you?

Undoubtedly, a major source for our company has been the Johannes Kepler University of Linz. There we are able to find many talented people, interested in working for an attractive company, like ours. We are really innovative, providing quality products. Furthermore, we are very future-oriented regarding our progress in the market of robotics. All the above are major advantages for our company for the purpose of attracting people.

What have been the keys to making your ideas successful in the market?

First of all, we offer high functionality, in the way that the customers value the utility and benefit more than the cost. User friendly automation

“Our strongest clients are original equipment manufacturers in Germany, France, Czech Republic, U.S., China and Japan. We cooperate with the largest OEMs in the world.”

Dr. Ronald Naderer, CEO, FerRobotics

of burdened handwork convinces, especially in an era where time and quality count. Alongside the perfect performance of a fine product appearance is indispensable.

Perfection is our mantra, thus we are considered a partner, not just a supplier, offering high quality products. On that basis, our strongest clients are original equipment manufacturers in Germany, France, Czech Republic, US, China and Japan. We cooperate with the largest OEMs in the world such as VW Group, Ford, PSA Group, etc. We consider Germany our home market, due to its size and proximity. From there we managed to reach all those international customers, with robotics for the automotive industry, as our starting point.

How do you see the robotics industry evolving in the near future?

Robots lack intelligence and are unable to communicate nor sense. This has been the status for years, even when FerRobotics started. We develop contact-intelligence alongside the robot, through tactile sense. Innovative breakthroughs are very important for our company and we aim for them in all of our fields. We are able to help our partners raise their income of be part of fruitful partnerships.

Are there any exciting projects in the pipeline?

Our vision is to optimize every single aspect of automated physical contact between machine, product and human. Thus, attaining better results in terms of both quality and productivity, as well as to create the optimal conditions for everyone involved in the process. However, we have some promising projects in the aerospace industry, which has become our second most important market. In addition, there is huge potential for us in the U.S. but also in Europe and Asia, especially in China. We provide optimized end-of-arm solutions based on innovative know-how including peripheral accessory, respective services, consumables. Enhancing each customer's production is our main goal.

Inside Success USA named **FerRobotics** one of the **10 Most Innovative Robotics Companies** in 2017

FerRobotics has facilities in **Linz** for Europe and **Illinois** for the U.S.

By 2017, **FerRobotics** had accumulated a 3-year growth of **489%**

A PERFECT FINISH

CREATES THE VALUE

When the perfect surface becomes a passion, FerRobotics offers as a world leader in flexible automation superior solutions for grinding, polishing, deburring and handling. International users like the VW Group, Ford or PSA Group rely on our solutions because they strive for perfection. ferrobotics.com



Innovation, inspiration and organization through sheer automation

Mr. Gerhard Luftensteiner, CEO, KEBA AG, counts the three main business areas acting as core pillars for KEBA's international success



What are the biggest challenges you expect to face as a company in the next 5 to 10 years? Could you provide us an overview of your company?

We are part of this world of volatility, complexity, uncertainty and ambiguity, given that we are within a market of technologies, under the umbrella of the KEBA Group. We employ nearly 1.800 people in total, being active in three main business areas. First, we have industrial automation, providing controller systems, human-machine interfaces and drive systems for machines and robots. We are the world market leader in metal bending machine control systems. We are also one of the two leading companies for our plastic injection molding machines. We are continuously developing the product range for robotic solutions. For every new customer interested in building up their own robots, through HMI and drive systems, KEBA offers an all in one package. We are one of the great companies in the market of mobile operating panels. Last year we bought LTI Motion Germany, which will be branded as KEBA Drive Solutions by the end of this year, integrating their server drive solutions, which constitutes a great addition to KEBA's industrial strategy.

“The spirit of our company is innovation. Unless we provide our customers with new ideas, we will be out of the market in short time.”
Mr. Gerhard Luftensteiner, CEO, KEBA AG

The second pillar is the handover division, where we focus on transmitting the physical work to the digital world, being also active in the banking automation area, producing cash recycling machines. Having the 7th generation of systems into the market, we are strong in Austria, Germany and several other markets. For some clients every cash-in and cash-out machine is coming from the KEBA brand. On another note, we are also present in the market through intelligent parcel lockers. We have developed a solution that allows you to get your parcels in the locker and pick it up anytime.

Our third major pillar is energy, where we are doing mainly the charging solutions for electric and hybrid cars. We have more than 130.000 stations already in the market and we deliver around 6.000 stations per month.

Could you explain to us how do you translate the motto “innovation by automation” for the development of industry solutions?

The spirit of our company is innovation. Unless we provide our customers with new ideas, we will be out of the market in short time. We get inspiration from our customers on a daily basis, thinking about what innovative ideas

could be offered as solutions to their problems. Inside the company we have a small team dedicated for ‘Business Innovation’. This business innovation think-tank is not only meant to be theoretical. They are continuously discussing about innovative concepts that are to be applied either on our company or our products for our clients. They are also really crucial during our strategic process, suggesting potential future steps.

With the growing importance of technology, materials, blockchain, robotics, big data, internet of things and more, how are you adapting?


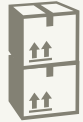

We are doing a vision plan every 5 years, trying to predict what we should expect in the future. We are working on multiple solutions in terms of Industry 4.0. Moreover, we are a part of the world of robotics, continuously evolving our robotics solutions. In our second pillar, we are working towards enabling our customers to bring solutions for the transfer from the physical to the digital world. Last but not least, we are part of the energy revolution in terms of electric cars, providing stable charging solutions.

How is to run a business in Linz comparatively with other places in Austria and in nearby Europe?

In Linz there is such a strong innovation-oriented culture that make excellent circumstances for us. The University of Linz has also provided us with much help in terms of digitalization, electronics, AI and in many other fields. Here everything is safe and clean, compared to the past. There are very good business networks here and many professionals.

Where do you see you and your organization in 10 years in regards to products and services, internationalization and markets?

We wish to be number one in the hearts of our customers and our own people. We want to be performing well for the success of our customers but also for the progress of our people within a modern developing company, which is very important for me but also the organization in general.

-  In 2018, KEBA Group achieved a sales growth of **20%**, with a turnover of **EUR 304 million**
-  In recent years, KEBA Group's export quota reaches up to **87%**
-  Each year, KEBA Group invests nearly **20%** of their turnover in **R&D**



KEBA – Automation by innovation.

KEBA is constantly working on new developments and industry solutions in the business sectors of industrial automation, banking and logistics automation, and energy automation. The goal of the company is to provide customers with sustainable competitive advantages. Optimized systems for target markets are developed through intensive cooperation with customers. A comprehensive understanding of markets, processes and requirements down to the smallest detail is KEBA's top priority and forms the basis for successful long-term partnerships.

Technology from KEBA helps people make their private and work life easier.

www.keba.com

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Automation by innovation.

Austria's electricity future to be intertwined with renewables

Gerhard Christiner, CTO, & Thomas Karall, CFO, Austrian Power Grid AG, provide a preview on Austria's challenges and opportunities



Austrian Power Grid AG operates the high and extra-high voltage grid in Austria with the voltage levels 380- 220- and partially 110-kV. Can you explain what this means in terms of market share, leadership and contribution to the Austrian economy?

We are the Transmission System Operator (TSO) in Austria, managing the transmission grid and all electricity flows. We create the basis for the Austrian society and Austria as a location of industry and commerce. Within Austria, we are operating the horizontal grid to which all the distribution companies and customers are connected to. With our strong interconnectors to our neighbouring countries we are managing cross border physical electricity imports and exports alongside other European TSOs. Our role is a technical one, keeping the lights on, so to speak, and assuring security of electricity supply. Furthermore, we also play a central role in further improving electricity markets in order to provide a level-playing field for market participants.



What would you say about the electricity market and infrastructure in Austria? What are the challenges your company faces?

Over the last few years, we have gradually developed the electricity market in Austria, starting with the liberalization and now we have the transition towards renewables. The Austrian government released a climate and energy policy, #mission 2030, which we absolutely support. This plan leads to having 100% renewables in the electricity sector by 2030 in Austria. To achieve this we still have a long way to go - we need to expand our wind and solar capacities. Consequently, the future will provide us with a new situation that, depending on wind and solar production, over certain periods there will be too much electricity. However, there will be times when we are still not going to have enough production. This need for flexibility is the biggest challenge that the future holds for us.

I would say that we have three main tasks. First, we have to focus on the system operation, given that all we do relates to security of supply. Then, we have the whole issue of the asset management, which means planning, con-

struction and expansion of the grid. We have an investment of roughly EUR 2.5 billion and EUR 300 million annually on this task. We need to expand the grid for the integration and transportation of renewables. At the same time there is an urgent need to develop technologies regarding ways to store energy. However, over the next years the most efficient way for the system is still expanding the grid.

Lastly, we are acting as market facilitator. The transmission grid is a platform for the market and we are looking for ways to develop it even further. We need to work on these three tasks in order to succeed with integrating renewables in the electricity system. In any case, this has been a global challenge, not affecting Austria solely.


Is there a new solution or technology that you are putting into practice, which you could share with us?

We continuously optimize our existing grid. In that respect, we are measuring many parameters, such as wind speed, temperature and radiation. Based on those information we can calculate how much can be transported over our lines. In the system foreseeable in the future, dominated by volatile generation patterns flexibility is key. Therefore we are also assessing different new technologies. For example we have a research project analysing the potential of batteries in providing future services for TSOs. Besides we constantly strive to access new sources of flexibility. Our vision is to involve new customers from different voltage levels in order to support the grid. To achieve this we are currently planning to develop a respective platform called "FlexHub". We see this as a necessary step to ensure that the system works in the most efficient manner.

Another important topic of the future will be sector coupling, i.e. combining the electricity with the gas grid. In general, our role is not just to operate the grid, but develop the whole system accordingly. This is what we are very eager in achieving and bringing the APG network development plan to reality.

 APG transports more than **47.000 GWh** of electricity through their grid

 The overall system length of the grid of **Austrian Power Grid AG** is over **6.700 km**

 Based on their **10-year** strategy, **APG AG** will invest more than **EUR 2.5 billion**

ENERGY SECURITY FOR THE AUSTRIAN ECONOMY AND SOCIETY

Austrian Power Grid is responsible for guaranteeing the supply of electricity in Austria and ensuring the country's optimum integration into the European electricity market.



IMAGE: © Lukas Dostal/APG

APG's Power Grid Control center: the heart of the Austrian electricity supply system. This is where all data pertaining to the domestic transmission grid is collected and processed.

APG operates Austria's supra-national power grid. The APG team of 500 specialists see to it that Austria has reliable access to the vital resource of electricity 24/7, 365 days a year. Energy security also forms the basis for doing business successfully in Austria. As part of the integrated European energy system, APG plays a pivotal role as an importer and exporter of electricity via the APG power hub located in the heart of Europe. In this capacity, APG is actively involved in developing a marketplace for European electricity trading and is therefore making an essential contribution to maintaining a stable and efficient energy system in Europe.

where the supply of electricity for Austria and electricity interchanges with Austria's European neighbors are coordinated. The APG infrastructure is essential to this process. With a corridor length of 3,500 km, the domestic grid transverses all of Austria and connects to the rest of the European electricity system. To ensure that all Austrians and Europeans continue to enjoy a secure and affordable supply of electricity going forward, APG will be investing around €2.5 billion in expanding and optimizing its grid infrastructure over the next ten years.

Providing energy security 24/7: now and in future

APG's Power Grid Control center forms the heart of the Austrian electricity supply system. The control center collects and processes all data and information pertaining to the Austrian electricity system. This is



A decisive step towards Upper Austria's promotion to the public

Mr. Thomas Ziegler, Managing Director, Design Center Linz, illustrates how the convention organization sector can boost the image of Linz.

MAG. THOMAS ZIEGLER © REINHARD WINKLER



What is the state of the MICE sector in Austria?

Meetings industry in Austria is quite important for our tourism. We have the Austrian Convention Bureau, as well as the local convention bureaus in each country, which all have their own office. In the city of Linz, we have the Linz City Tourism Board, with the additional mandate to create services for the organization of several events. Both units, Upper Austria Convention Bureau and Linz City Tourism Board, are non-profit organizations. Their main purpose is to support the industry in general. We see our branch as a way to provide services supporting other organizing companies in every kind of event, from congresses and meetings to shows, fairs and other presentations.

Our topic in the Design Center is going away from rental fees of m². You can book and experience these events without a price, including the m². That is the reason why we are investing in a lot of technical equipment, over the last 15 years. We do not only offer the building, the m² and the capacities. We are selling Linz in general, through our venue.

“The symbolism of our building, alongside its unique structure, are timeless and often used by many, even in groups with the landmarks like the Eiffel Tower.”

Mr. Thomas Ziegler, Managing Director, Design Center Linz

Another thing that we are in charge of is technologic support. Cyber meetings can sometimes be used instead of personal meetings, but the latter is always the superior option. The branch should have more destination manager company factions, given that they are good for the cities and the regions.

In our business networking is extremely important, given that we need to attract clients to come. Alongside Mayor of Linz, Mr. Klaus Luger, we are trying to connect the activities of Design Center, LIVA and the museums together, with myself being the head of all three institutions.

What is the position of Linz within the Austrian MICE sector?

We are in the top 3 in the meeting industry, concerning how many congresses and delegates we have held in Austria, after Vienna and Salzburg, our region is rich, thanks to the industry and its geographic location.

How would you define the Design Center Linz? What is your main business and what makes you special?

90% of our business is B2B. We take part in conferences, meetings and presentations. As a result, getting people closer is part of our mandate, but

not in a public manner. As the Design Center, we have a very multifunctional room concept, based on flexibility given that nothing fixed. When a space has been adapted for the event, we can create a big assembly.

We also take consideration the architecture and the daylight illumination. The symbolism of our building, alongside its unique structure, are timeless and often used by many, even in groups with landmarks like the Eiffel Tower.

Is Austria one of Europe's best places to invest and to grow a business?

Austria stands for nature in combination with all possibilities to make sports, in water and mountains, through running or even cars. Then, Austria is very clean and safe. The population of Austria is very friendly. We also have great infrastructure for the event and meeting industry. In every capital in each county, we have very good and modern convention centers. We may be competitors, but we maintain a friendly spirit.

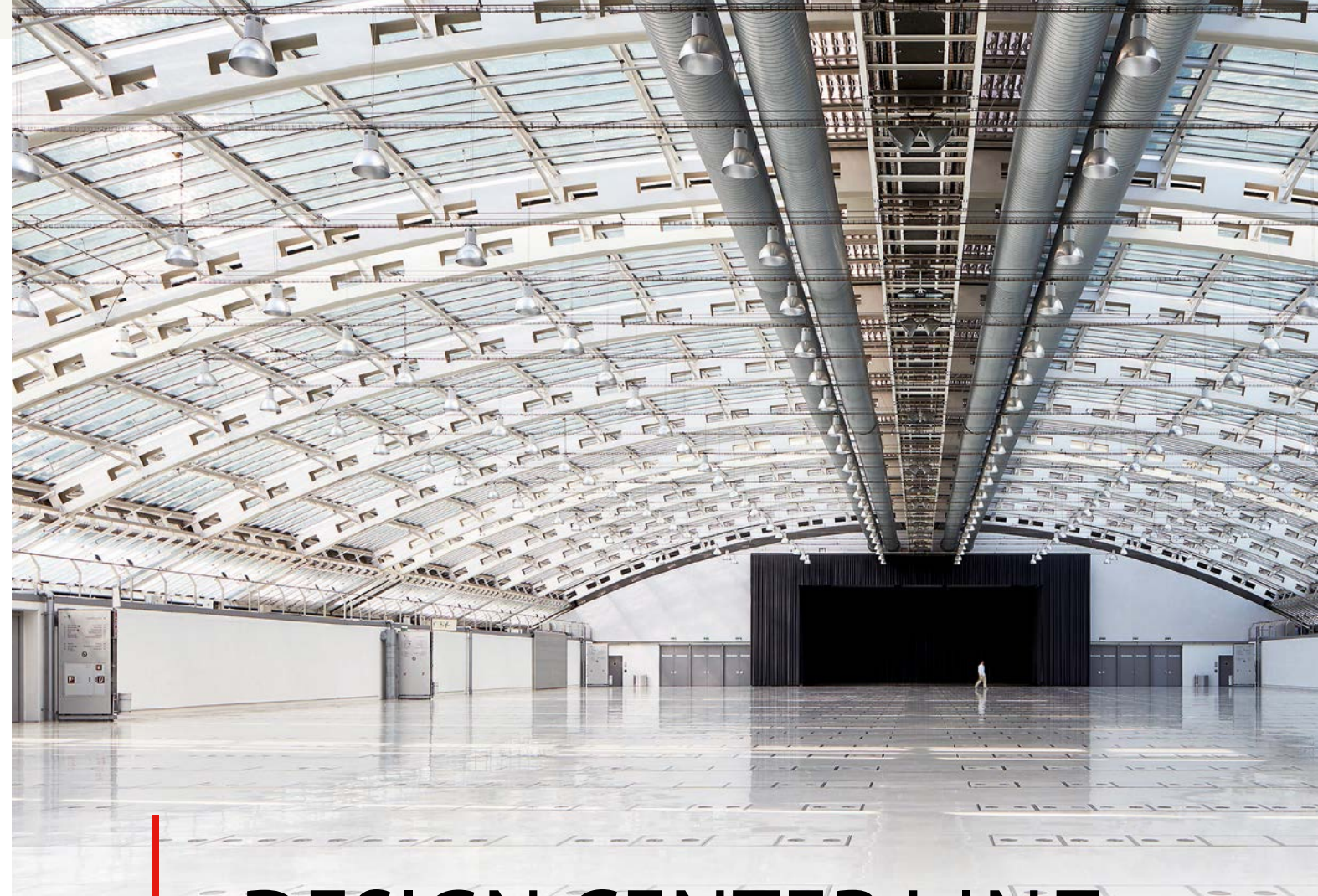
The size of Austria and the distances amongst the cities are not that big. This is one of the advantages Austria can offer, especially in our area. The river Danube is also an element of nature and connection for Austria, given that you also have the chance to Vienna by ship.

Where do you see the Design Center Linz in the next 5 years?

I think that the position of this company is very promising for the future. We are the first in the market with location management. With just one partner, us, the customer can have access to the majority of services for a successful event.

We are using this package selling method, because, if you are organizing a congress, we know what you need. We are going more into the world of production of event facilities around the main content. I hope that we are in the right way and we become number one at some point in this branch. In 5 years, I know for sure that we will have done the best possible effort for Design Center and Austria.

-  The facilities of **Design Center Linz** cover a total area of **10.000 m²**
-  **Design Center Linz** can support congresses with up to **2.000 participants**
-  The three levels of **Design Center Linz** provide also rooms for **3.000 people** in total



DESIGN CENTER LINZ

MORE THAN A LOCATION

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Innovative equipment transcending physical limitations made in Linz

Mr. Gerald Schatz, CEO, Linz Center of Mechatronics, explains how digitalization and innovation have driven the industry into a new era.



How would you define the scope and business of Linz Center of Mechatronics (LCM)?

Founded in 2001, we have been lucky enough to cherish a fairly good economic situation, while we are focused on sustainability. We have currently around 170 employees, with 120 being fixed employees at LCM and 50 working on projects in the scope of our respective business and research portfolio supported by our scientific partner. We strive to earn a good profit and exist as a research company, hopefully for a long time. We wish to provide our partners with R&D solutions. Our mission is to transfer the scientific results into the economic sector.

In addition, we cooperate with scientific entities, like universities and other research networks, building a network of over 50 universities. We have built a bridge between the scientific part and the economical part, giving the customers the chance to introduce their projects in terms of scientific ideas or value chain. The scope of our 300 customers, as of today, is mainly in Germany, Austria and Switzerland. We have two types of customers. The first one is international companies and the second is SMEs. The Austrian economic structure consists of about 95% SMEs. Out of our 300 clients, about 200 are SMEs.

What is the COMET K2 Center and how important is its work for the LCM?

In the COMET Center, we are deepening our scientific knowledge, through cooperation with scientific organizations. Symbiotic mechatronics are the headline of this center, where we cooperate with our partners, making publication alongside companies with scientific background, including Diploma Thesis and PHDs in the frame of long-term cooperation on research projects.

“Linz is rather small compared to the other international cities, but its possibilities are immense. It has focused more on innovation, enjoying the benefits of that decision.”

Mr. Gerald Schatz, CEO, Linz Center of Mechatronics

How long does it normally take for a product to get to the market?

We have different technology cycles. A traditional cycle may last more than 4 to 5 years, while the software and electronics usually have a cycle of 1 year. We have developed a software called SyMSpace. In that platform, we have a toolset that can be used to develop digital twins from a physical device. This virtual platform that could be of use for any customer of our area. We

have developed this software, optimizing the creation process of the machine. In the same spirit, we have created another tool, which helps in making the software needed in order to control those machines. We have shown this in the Hannover Fair and it has been nominated for the Hermes Award. In digital form, you can scale up or down the product and optimize it, even allocating the energy consumption that is needed. This is the future of the development given that it can be adapted to any sector.

What is the position of Linz in Austria as an innovation hub?

There are a lot of research organizations and companies here. The biggest comparative advantages of Linz are the high concentration of SMEs and the international companies with a particular focus on family ownership. Another reason for Linz's success is the importance of research and education facilities. Our vision is for international companies to reach further down the road more international customers, getting a prominent position in the supply chain. Linz is rather small compared to the other international cities, but its possibilities are immense. It cannot become larger than Vienna in terms of size, but it has focused more on innovation, enjoying the benefits of that decision.

Where do you see the LCM in the next 5 to 10 years?

One focus will be without a doubt autonomous connected systems. The connection of these devices, machines and robots will be with the internet of 5G. Another pillar is the Industrial Internet of Things. One big advantage of this Internet of Things is that it is independent of time and place. Today's platform models will be the business models of the future. Last but not least, we have opened up a marketplace designated for emerging technologies. These emerging technologies is a business segment which provides the customers with workshops for about 6 to 8 months. On the one hand, you need to know how the market will develop and on the other hand you need to know the impact of the technologies to possible new business models of companies.

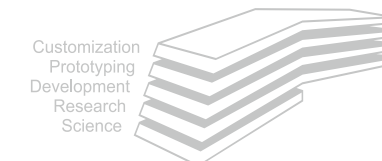
-  **LCM has received more than 20 business and technology awards**
-  All 4 of **LCM's** shareholders are fundamental players in the **Upper Austria** region
-  Nearly **1/3** out of the relevant **top 500** companies in **Austria** are **LCM** customers



We are being considered as a reliable partner for research and development for our national and international customers since more than 15 years. We support our customers from idea generation, research and development to the introduction of series production. Our infrastructure allows for the production of prototypes as well as the verification of your systems and components. By integrating the required technologies, we develop our customers' systems and solutions of the next generation. The demands that products and production processes must meet are constantly on the rise. Challenges include the growing flexibility of production processes, elevated process quality, increasing miniaturisation and customisation of products and systems versus shorter development times, resource-saving production, and significantly more efficient integration of development and production processes.

Our main technology service

- *Electronic drive technology and power electronics*
- *Hydraulic drive technology, digital control valves*
- *Simulation of processes and systems*
- *Control engineering*
- *Active and passive absorption of vibration and sound*
- *Localisation, positioning, tracking, virtual sensors, wireless communication*
- *Predictive Systems*
- *System integration*
- *Technology Radar*



Constant growth and global alertness for one of Austria's giants

Mag. Christian Knill, Chairman of MetalTechnology Austria, explains how the integration of digitalization comes first through education.



Could you give us a glimpse into the sector including challenges and opportunities, main trends, the exports and its economic impact on the Austrian economy?

Within our metal technology and machinery business we have 1.200 companies in Austria. We have about 135.000 employees. The production value we have per year is roughly around EUR 40 billion. As Austria is a small country, you can imagine that most of our production has to go outside. Most of our businesses are family-owned, a very typical attribute for Austrian and German companies. In our case, it is more than 85% of family-owned businesses. Out of that, we are mostly composed of small and medium enterprises. We are talking about 80% ratio of SMEs. 40% of the total number of apprentices in the industry are within our members. Furthermore, more than 30% of the R&D expenditure is also coming from our members.

What would be the main challenges and opportunities for this sector?

The major challenge at the moment is getting the right people. In the areas of mathematics, informatics and technical work there is great need for skilled workforce, especially when we also take digitalization into account. This is also not so easy because all the labor countries are lacking in skilled workforce. If we compare with the Eastern Europe, we are higher, but compared to Asia, the labor costs are still quite high. This is mainly due to the social security system we have in Austria, which is good, but most of the social security expenses are added to the labor costs.

“I think that a lot of the companies need time to understand well what digitalization entails. We need the proper education as well as information behind this.”

Mag. Christian Knill, Chairman of MetalTechnology Austria

We have a lot of very good hidden champions. We may have higher costs, but still the education is very good in Austria. In addition, the skilled personnel we get from our universities is respectable. Education of apprentices in Austria is quite thorough and a major asset for our industry. There is a strong connection between technical education and the market itself, facilitating a smooth transition from the first towards the second.

Could you list the top priorities at a domestic and an international level?




Besides people, another significant factor is the support we have been receiving from R&D, either tax-wise or support-wise from the government. We have a

close connection to the universities and other sources of education. The important thing for us, but all industry in general, is how can we use digitalization in the best way possible in the future. As we are mostly composed of SMEs, I think that a lot of the companies need time to understand well what digitalization entails. We need the proper education as well as information behind this. In any case, there is no way out of that, so everybody, regardless of their size, has to think about the future within the industry. We could be talking about a new business model or new interconnected pieces of machinery. We have several supporting systems in Austria. Our association provides this type of services. Companies can become members of ours or just use this vessel in terms of information. We want to be able to support every SME, so that they know where to target their questions.

You co-own the Knill Group, which is made up by the Knill Energy Holding GmbH and the Rosendahl Nextrom GmbH. What would you highlight of the Knill Group in 2018 and 2019?

In principal, we are split into two groups. The one is the Knill Energy Holding and the other one is in the special machinery business, through the Rosendahl Nextrom. There, we produce machines for cable and wire production. We are also making machines that produce batteries. Each and every battery within the Harley Davidson in the U.S. is assembled by machines from our group. In the energy sector, we are a supplier of parts within the power transmission business worldwide. Many companies believe that, but only a few achieve it. In Knill Group, we try our best to hear the customers' opinions and sell them solutions, instead of trying to force them with products that we would like to sell regardless of their needs.

In terms of future goals, we would like to enter the rail business. We have already started with India on this topic and I believe that we are in a good way. We are trying to look into countries within the general Southeast Asia market. An expansion in Africa is currently uncertain.

-  **MetalTechnology Austria** exports roughly **EUR 35 billion**, representing **1/4** of the total Austrian exports
-  **In 2019, MetalTechnology Austria** increased their exports by **4.3%**
-  **Knill Group** currently operates **29** companies in **17** countries around the globe



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**INGENIOUS ENGINEERING
IDEALLY SUITED TO THE
INTERNATIONAL MARKET**

Long-lasting success through innovative and globalized work

Peter Zeman & Andreas Hofer, General Manager & Managing Director, Zeman Bauelemente, share the elements of a world leader.



Could you introduce us to Zeman Bauelemente, your business, products and services, the company historic landmarks and your current market position?

We are focused on steel but not limited just there. We are acting as a general contractor in many markets, even for projects that do not have any steel built in. The most experience we have is with steel materials. We know how to handle it, design it, produce and improve it. I believe that we are quite creative and maybe this is what separates us from the other companies in our market. We are among the big steel construction producers in Europe. A share of 78% of our turnover is created outside of Austria.

Could you give us a glimpse into your understanding on the current state of the steel industry in Europe and globally?

Our business has been affected very much over the last years by political changes. Consequently, at times we were forced to search for new places where we can put our services in. This has worked quite well over the last few years, but it was not easy at all. We have our native markets, especially in Austria, Germany and Czech Republic within the Central Europe. Poland may be the biggest single market we are present in. On the other side, Turkey is also another native market for us. Turkey is also not so easy now; it could be doing quite well, but politically it may produce some serious issues. I have to say that the whole business is very good, given that we still have great profits and margins, even though we are heavily affected by the abovementioned problems.

“We believe that everyone has to follow the rules of the transformation due to digitalization these days. When we stop doing that we are left behind.”

Andreas Hofer, Managing Director, Zeman Bauelemente

Zeman’s innovative Steel Beam Assembler technology was presented for the first time about ten years ago in 2009. How has this technology changed over time?

SBA could be described as a revolutionary initiative, given that it was never done before. We have been successful, but it was an extensive procedure to get here. I would describe it as evolution, that being a result of hard work. It was presented on the market 10 years ago, but I have to say that this technology was not expected all over the world. As a company, we have gained a vast knowledge of this industry that we have tried to transfer it into a machine. In that context, there are thousands of parameters one has to take into account,

which make you feel immense respect for the people that do it by hand. We are well-experienced and we are working all together in the group to improve in any way possible. Working with computers puts us on another level, being much more experienced with machines.

How is technology changing the way you run the business?

On the one hand, we are trying to use all those available means in the market and we integrate as much as possible. On the other hand, we have to integrate the new demands, such as clean energy, into our business. We do not want to buy everything from our own companies. Instead we try to find local partners, under our supervision. The sector, in the case where it is available, should be convinced about the importance of the way of transportation of building materials around the world.

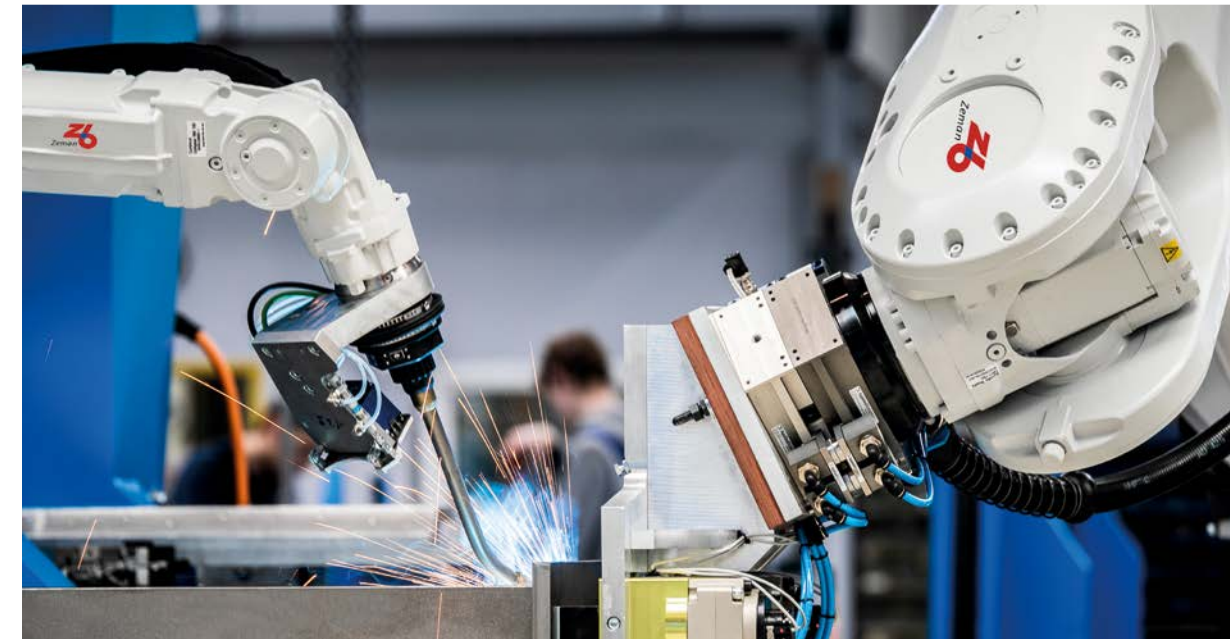
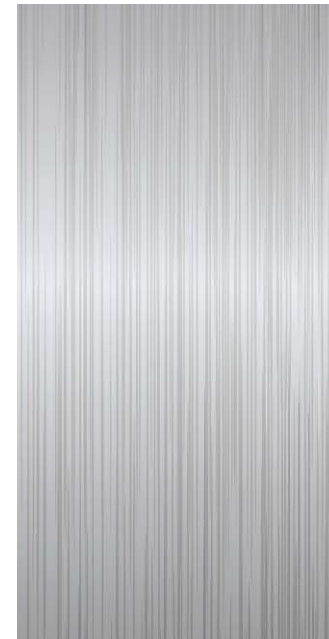
What is your assessment on the group performance in 2018? Could you highlight your strategic priorities for 2019?

2018 was a great year for us and in 2019 we are going to be much better. In terms of strategic priorities, we would like to continue with our developments, which is the fixed part within our business. We want to stay on the top level of our industry. We should also focus a bit more into better internal organization as well as efficiency. We have a thorough expansion plan that is not linear. In total, thus far we have sold 72 Robotic Assembling Lines. The growth is amazing over the last two to three years, alongside all that we have managed to achieve. We hit a certain niche on the market, given that we know that automation is kicking off in the structural steel industries. There is lack of qualified people. As a result, this is a niche in which we are very successful.

We believe that everyone has to follow the rules of the transformation due to digitalization these days. When we stop doing that we are left behind. We believe that we have to follow this way and this is what we are currently doing, setting up our company’s pace.

-  **Zeman Group** is active worldwide with more than **20 subsidiaries** and more than **600 employees**
-  **Zeman Group** achieves an annual turnover of more than **EUR 130 million**
-  **Zeman** has received several **European Steel Construction Awards**

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A future filled with challenges and opportunities in Austria

Prof. Wolfgang Knoll, Managing Director, AIT Austrian Institute of Technology, breaks down their mindset of actions 'Tomorrow Today'.



The AIT Austrian Institute of Technology is Austria's largest research and technology organization. Could you quantify the socio-economic impact of the institute and offer some examples of the research and solutions the institute has developed?

We are working on solutions for the grand challenges. In certain areas, solutions are of pressing need, like in the field of mobility concepts. This is something we need to be fast with in terms of generating solutions that are more economic, environmentally sustainable and affordable. This is where we position ourselves, more on the holistic approach to generate an understanding of a complete system. Urban development is another multifaceted direction, where energy is one aspect. We have to consider the fact that also an aging population has to lead a comfortable life. Vienna is a good example. There are other cities in the world that would love to have a similar infrastructure, similar access to healthcare and transportation. We are more about long-term impact. On the other hand, we have a clear mandate to translate this systemic knowledge into business cases for our partners from the industry. Around 240 PhD students are working with us. This is a lot of return to society, by training people in top-notch projects. We have worked on gaining visibility and we have positioned ourselves according to our mandate from ten years ago, to play a role in Europe.

“We are fully aware of the challenges that we are facing with digitalization. But we should not forget that it also offers a lot of opportunities.”

Prof. Wolfgang Knoll, Managing Director, AIT Austrian Institute of Technology

What is the level of cooperation and the synergies between public and private sector in Austria and how does this translate into effective and efficient research?

Austria is largely an SME country. We have only a few big players, some of which are not completely independent, but subsidiaries of their mother operations in Germany. There are many others that have developed very strong partnerships with us. Clearly what we have to offer now is a lot more attractive for their increasingly competitive situation worldwide. This is something which is impressive from our country's point of view. When you look at who recovered from the 2008-2009 economic crisis, it was essentially three countries; Germany, Switzerland and Austria. Many others are idling on a very moderate level. Some never really fully recovered. That probably reflects in

some of the political situations in Europe. In that sense, we are helping to make Austria a competitive partner in Europe.




How is technology transforming research and from your privileged viewpoint, what will be the most disruptive technologies in the next 5 years?

We on the technical side are fully aware of the challenges and opportunities that we are facing with digitalization. It is all about realizing what opportunities there will be. We have an expert group on blockchain. They observe the whole blockchain traffic in the Bitcoin area. We need to understand what our customers will face. It is not that we develop tools ourselves. We have to think for our customers.

We work a lot on the energy grid. If there are new business models based on blockchain technology, we need to understand that. This is what I meant by systemic competence that our customers expect us to provide. You have to get this done according to their business model. Having the meta-level of understanding the system, then breaking it down to individual cases for industry partners. This is an important contribution of AIT, reflected in the expectation of our two owners, the Ministry for Transport, Innovation and Technology as well as the Federation of Austrian Industries, expressed in the early stage of the four-year cycle of our current strategy. On the one hand, we have decarbonization and, on the other one, digitalization. This has not been a major redirection of what we are doing and is naturally the next upcoming step.

Where do you see yourselves in ten years' time?

I think we are on a good way to having a major role as a trusted technology developer, which is independent from political bias. Our way of offering solutions is only based on scientific and technological competence. A lot of these things need political decisions, but that is not our business. We can offer what is doable and affordable, what is acceptable.

-  AIT's current revenue reaches **EUR 159 million**
-  In 2018, AIT had net gain of **EUR 3.6 million**
-  **1.370 employees** work at AIT, **44%** of the PhD students at AIT come from an **international** background.

THE BEST WAY TO PREDICT THE FUTURE IS TO SHAPE IT.



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For further information please look here:



Groundbreaking plans within the market of recyclable products

Mrs. Angelika Huemer, Managing Partner, Starlinger, takes on sustainability from the perspective of a global player in the sector.



Based on your experience, could you review and explain Starlinger's landmarks?

Starlinger is a private and family-owned company with more than 180 years expertise in the business of textile machinery. We started at a small scale in Vienna but we moved to Weissenbach, Lower Austria, where we own two factories now. We are one of the market leaders in our business. Our machinery produces woven plastic bags, starting with tape extrusion lines, weaving machines, coating machines, printing machines, and conversion lines for the production of finished bags. Woven plastic bags made by our machines save raw material and they are robust in comparison to plastic film.

Can you identify the main challenges and opportunities for Starlinger and the sector as a whole?

The big challenge for us is to make woven bags a standard for the industry. For example in industrial countries paper bags are used for cement packaging, and when they are filled they are handled with automatic equipment. In developing countries people have to carry the filled bags manually. We are addressing these challenges with our brick-shaped valve AD*STAR bag and we have succeeded in doing this in China, where they are considered as a standard packaging for cement.

“As a machine producer, it makes sense to be in Austria, in order to realise ideas of our customers and design machines to suit their specifications.”

Mrs. Angelika Huemer, Managing Partner, Starlinger

The second big challenge that we are facing is the problematics of plastics itself. However the great thing about plastic is that it can be recycled; with our divisions Starlinger recycling technology and Starlinger viscotec we have managed to recycle used bottles to turn them into new bottles. We have already more than 60 installations worldwide for bottle-to-bottle recycling. Under the food safety agencies like EFSA in Europe and the FDA in the US, big brands have to meet even higher restrictions. We are reciprocating to the trend of turning bottles into packaging through one of our new product range that allows us to make tapes out of the old bottles for woven bags.

What are some of your opportunities in the sector?

Whenever there arises an opportunity, we must seize it. One such opportunity that lies in the field of bottle-to-bottle recycling is a line for sheets for

thermoforming, processed through recycled bottle pellets. Our machine can produce a thick film, a sheet that can be used for trays or cups, and so on. As they are decontaminated they can be used for food packaging.

Can you give us a glimpse into your international operations and your most important markets?

We are present in 130 countries worldwide however Asia is our main market that makes up 35-40% of our exports. Our other major markets are Africa, South America and Middle East. Now, with our recycling machinery, we are penetrating into European and North American market as well. In 2005 we have opened a factory in China to manufacture for the Asian market. We have 10 sales and service centres across four continents. Provision of service operation to our customer is very important to us. Our local employees help us to overcome the language barriers. Our customers can speak to our local engineers, who offer them immediate technical support. We invest heavily in R&D too. Recently we have founded a new subsidiary in plant monitoring systems, which provides our customers with data about their workshops on their mobiles.

Has Austria been a centre of opportunity for your organisation?

We are proud of our Austrian as well as of our European heritage. It is a stable and safe country and we have a high level of education, even if getting skilled people can be challenging. This part of the world has a long tradition and reputation of building fine machineries, so as a machine producer, it makes sense to be in Austria, in order to realise ideas of our customers and design machines to suit their specifications. We have a lot of competitors in China and in India, who often copy our machinery. We have patents, but it is not easy to stop them. However, we want to focus on our strengths, promoting that the woven plastic has an advantage over other plastics used in packaging. It is strong, requires less raw material and can be recycled better.

-  **Starlinger** is present in more than **130 countries** in **4 continents**
-  **2017** was the best year for **Starlinger**, with a revenue of more than **EUR 250 million** in **Austria**
-  **Starlinger** employs **750 people** globally, **100** of which are on the **R&D** department

FROM BOTTLE RECYCLING TO WOVEN FLEXIBLE PACKAGING



First a PET bottle, then a big bag with a load capacity of 2 tons?

With Starlinger technology, flakes from collected PET bottles are used for producing heavy-duty FIBC fabric. The use of up to 100% recycled PET is possible.

This is only one of numerous innovations to reduce CO₂ emissions with environmentally-friendly packaging solutions from Starlinger.

Let our experience work for you!

Starlinger, an innovative European engineering company, world market leader, and A-Z supplier, specialises in machinery and process technology for

- the production of woven plastic packaging,
- the recycling and refinement of a wide scope of plastics,
- and the conversion of r-PET flakes to sheet and fabric.



Starlinger

Turning Seestadt into a sustainable and modern business hub in Vienna

Gerhard Schuster, CEO, Wien 3420 aspern Development AG, describes the thought process behind this project as it comes to fruition.

The property market has changed over the years and so have the consumers' needs and requirements. Based on your experience, what are the main trends and challenges the sector is facing?

Current developments are very different in the diverse sectors of economy and the real estate market. The population is growing and this has a lot of impact, for instance, on the price level of land, which is limited. This dynamic development is in some areas limiting the business and economic development. Fortunately, this is not the case in Vienna. Housing is still affordable and the city of Vienna does a lot to safeguard that basis for development. One of our most important aims is that we provide a very diverse mix of housing opportunities to people which is also important for the economic development.

So we provide this variety of high-quality housing, as well as a very good research and development network, mainly in the energy supply area, the digital production area and in the field of digital building solutions. This is of growing importance for the development, so that we invest in this digital support for businesses. We see ourselves as an urban lab for smart city solutions, in these three very important economic areas. The other aspect is that most research work shows that development is still very dynamic in the middle of Europe. There is a growing need for modern office buildings, modern commercial buildings, as flexible as possible. In any case, we see a very disruptive and unforeseeable development, partly triggered by digitalisation.

“All these new solutions should be very resource-saving, environmentally sound, without producing the emissions that the traditional forms of production and construction did in the past.”

Gerhard Schuster, CEO, Wien 3420 aspern Development

Are you harnessing new technologies for your development?

We have the possibility here to develop that multifunctional sub-center of a very attractive European capital, which gives the opportunity to go with those new needs and provide buildings that keep up with the new technologies. All these new solutions should be very resource-saving, environmentally sound, without producing the emissions that the traditional forms of production and construction did in the past. We have developed very sophisticated systems of construction management and logistic solutions. These solutions can be also rolled out in other development areas in Vienna and they would also be a perfect blueprint to be emulated. We are a public-private partnership



company. The city of Vienna and the Federal State of Austria are the public shareholders, our two private shareholders are based in the financial industry. On that structure we could base a promise that all investors will receive a return on their investments.

Is aspern Seestadt going to change the landscape of Vienna and become a reference for the years to come?

We understand that smart city solutions are very close to the needs of the people that live, work, have their leisure time in their neighborhood. Also, we already have a wide range of enterprises. The last figures list about 150 different enterprises from very large ones to small start-ups. Just in the neighborhood there is HOERBIGER, an extremely successful globally acting technical enterprise. They concentrated their Austrian headquarters, R&D and production, here in aspern Seestadt.

Quite important is also one of the biggest training enterprises, where more than 10 different professions are being taught, counting a staff of more than 600 people, from all branches of production industries. The timeline is more or less 20 years from the very beginning of the project in 2007, when the City Council of Vienna adopted that masterplan unanimously. We want to finish the development work and the sales activities by the end of 2020s. In the meantime, we have here more than 7.000 inhabitants and more than 2.000 workplaces, primary and secondary schools. We also have a private university campus here, as well as 3 very important and continuously growing R&D centers in the digital production area and in the energy efficiency area. ASCR (Aspern Smart City Research) company, for example is a partnership of one of the worldwide biggest technology enterprises, Siemens, and the Vienna utilities company's energy sector as well as the city of Vienna. In 2016, Aspern Smart City Research were elected as the world's best smart city project. They work on smart buildings, smart grids, smart ICT and smart users.



aspern Seestadt will have a capacity of more than **20.000** residents by **2030**



The total investment in aspern Seestadt is estimated to reach **EUR 5 billion**



More than **2.000** people currently work at Seestadt, construction crews excluded

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14 innovative projects, including **5** high-rises

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20,000 sqm pedestrian zone

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Success through the international aspect of a family-owned business

Mr. F. Peter Mitterbauer, CEO of Miba AG, delves into the 91-year strategy that forged a global manufacturer out of a simple shop.



Miba AG was founded in 1927 by your grandfather Mr. Franz Mitterbauer. What would be the secrets behind your successful story?

The basis of our philosophy revolves around the idea of local to local. This means that we manufacture and engineer our components in the region, for that region. If our customers need something, we want to be close to them. This is how we have managed to develop over the last 91 years. We cherish an export-oriented country like Austria, because it allows us to be strong as long as we are able to use these global opportunities. Our location, Austria, and our workforce act like an insurance for our international success.

A key aspect for us has been our Dual Education Program, which guarantees that our workforce possesses the know-how to run highly sophisticated equipment. My father, as the second generation, internationalized the company. Following him, I want to hand it over to the next generation. This model of family ownership is the very backbone for the Austrian economy, giving them long-term perspective, especially during turbulent and geopolitically uncertain times.

According to Mr. Klaus Luger, Mayor of Linz, a major problem in Upper Austria is lack of talent. How do you find this issue within Miba?

Living in Upper Austria, the unemployment rates are extremely low. The answer, besides convincing the market to work with Miba, is to train our own people. In our case, this is achieved through our Dual Education Program. A key aspect is that everybody who starts this program in Miba gets a job afterwards. Second, education requires continuous training. Lifelong learning is one of our four core values and we offer a lot of programs in order to upgrade our know-how. On the other hand, we also have to attract more talent even coming from outside of Austria, in Europe and other countries in the world.

“This model of family ownership is the very backbone for the Austrian economy, giving them long-term perspective, especially during turbulent and geopolitically uncertain times.”

Mr. F. Peter Mitterbauer, CEO of Miba AG

How would you describe Miba’s 2020 strategy in terms of goals, focusing on innovation, especially in the e-mobility sector?

Our way of being financed is quite conservative. We want to remain quite independent of banks, having more cash than liabilities. We have an equity

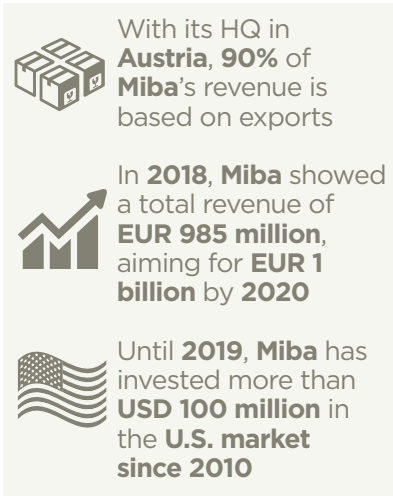
share of more than 50%, which provides us with some substantial financial solidity and independence. This has always been the situation over generations and also going forward, being a key pillar of Miba’s policy. This frees up opportunities that we can consider for the long-term, leading us to future growth. We need to keep on growing in order to keep opportunities for our workforce.

In terms of technology, we are capable of working in order to offer ‘Technologies for a Cleaner Planet’. This has been our mission for many years, showing immense social conscience. E-mobility is an important factor, but we also have to consider mobility in general. In fact, every second wind turbine in the world breaks on Miba break pads. Around 50% of our businesses are automotive businesses and the rest 50% spread across the wind turbine industry, shipping industry, agriculture and constructions.

We have not been only in one industry by choice, preferring the natural safety in terms of risk management that comes with diversification. Caring about the environment is worth investing on and our car manufacturing customers continue on doing so. In our fields, we have three pillars, meaning the improvement in combustion engines, hybrid technologies and pure electric vehicles. It is crucial to understand new demands and evolve alongside customers.

How strong are the relations between the U.S. and Miba AG and how important are they for your international growth strategy?

I would say that they are quite strong. We have been in the U.S. market since the 1980s. Today we have seven plants there, supplying the U.S. market with products produced there. This has been a successful move, adding three new production sites in Wisconsin, Nebraska and Texas. For the time being we are focusing on building new sites. We are building a new one in India and two in China. We are expanding some of our sites in Europe followed by another important site in Brazil. In any case, we are always looking actively for acquisition opportunities. We are open to chances that allow us to strengthen our market footprint worldwide.



Long-term orientation is a unique parameter for Upper Austria

Werner Pamminger, CEO, Business Upper Austria, describes the investment environment of Austria’s industrial backbone.



With Upper Austria boasting some impressive figures, could you please provide a brief introduction to the founding of the Biz Up group, your role and any standout projects you’ve had overseen?

Biz Up represents the business agency for the state of Upper Austria. Our role revolves around the promotion of investors in tandem with the endorsement of innovation inside Austria. We are trying to help companies that are based and invested here to differentiate from their international competitors through innovation and digitalization. Regarding our innovation activities, we are facilitating more than 300 projects in terms of helping companies with their innovation projects.

For 2019, we will focus on helping companies to find skilled labor, supporting their human resources departments. These are the main reasons why companies invest here instead of abroad. Our Talent Attraction program allows us to reach talent within Austria as well as the eastern European countries. As a region, we count for 25% of exports of the whole nation and 28% of its total industrial capabilities. We want to keep that high level of industrialization, high quality and high value-added jobs to that region, because we know that this is that single most important source of our prosperity.

Biz Up works as a one-stop-shop for tailor-made services to businesses that come to Upper Austria, reaching even to the startup community. Could you provide us with some examples, highlighting the necessary resources for Austria’s growth?

Two years ago, ABB acquired Bernecker and Rainer, making them their headquarters for their industrial automation activities. Another example is a startup from Quebec, LeddarTech, producing positioning systems for self-driving cars. In terms of startups, we have the most successful incubator in Austria, running separately from our business. They provide about 50 startups per year, serving as platform for business incubation, especially for high-tech startup companies, like Runtastic, an application that went through us to be acquired by Adidas, or Smartbow, which was acquired by Pfizer.

In this incubation and startup field we can provide an environment that neither Berlin, London or Silicon Valley can provide, namely when it comes

“We, as a business agency, provide services to 3,000 different companies per year. 85% of them are small and medium-sized. Most of them are international oriented and family-owned.”

Werner Pamminger, CEO, Biz Up

to interaction with manufacturing companies. We are very successful in interconnecting startups with our manufacturing industry and see this as a big source of innovation. This is our unique selling point, that we are trying to exploit on an international scale.

Broadband infrastructure is being developed in the region to deepen digital connection amongst businesses. How are you embracing 5G technologies and reading yourself for Industry 4.0?

We, as a business agency, provide services to 3,000 different companies per year. 85% of them are small and medium-sized. Most of them are international oriented and family-owned. Our main focus on Industry 4.0 is not for the sake of its own, but as a means of keeping productivity high. We have many companies that would consider Industry 4.0 companies nowadays.

In fact, we have our own company dealing with autonomous driving capabilities, named DigiTrans. DigiTrans is an own-entity industry-end company working in cooperation with universities and R&D centers, in order to develop autonomous driving technologies. We are not just an automotive hub, we are also a logistics hub. Those things go together nowadays, hand in hand, because modern production manufacturing concept rely on robust and stable logistics.

As a leader of Biz Up, what makes Upper Austria special for you and what is your vision moving forward?

Long-term orientation is a unique feature of our region, forming our way of doing business and setting the standards of long-term prosperity. We are large enough to maintain a differentiated value chain.

However, we are small enough, that we can reach out to different partners in these fields. We have been doing cluster-based policies for 20 years in Upper Austria, forming tightly-knit connections in those sectors, across all value chains through digitalization.



Heavy responsibility above all for the giant of the safety-critical area

Mr. Norbert Haslacher, CEO, Frequentis, analyzes how Austria has provided the environment to unlock their unique potential.



What is your core business today, why and to what extent are you a global leader and where do you operate?

Frequentis is a family-owned business that spreads its operations in 140 countries all over the world. For us, it is fundamental to address the global market as we are involved in the areas of air traffic control, defense, public safety, public transport and maritime. As a company, we have to go international and find proper client structures, asking for our services.

First and foremost, we are providing control center solutions. A control center for the aircrafts is critical for the purpose of avoiding a conflict between aircrafts, assuring their safe landing. Air defense or military air traffic control also need control centers for their respective aircrafts. In public safety, police forces and rescue centers need control centers that coordinate them in order to call them at the right time, as soon as possible for action. Same rules apply, more or less, for public transport, railroads and ships.

The vision of this company is to be number one on a worldwide scale in terms of control center solutions in the safety-critical industry. Our flagship is our secure and fail-safe voice communication system. With that being our heritage, we have managed to expand this portfolio with the vision on become leaders in this sector. We have expanded into data chains with aeronautic information management systems, where we are market leaders in terms of message handling systems for air navigation service providers.

“we make sure that our employees are healthy and interested in what they are doing. We want them convinced mentally that what they do potentially saves millions of lives.”

Mr. Norbert Haslacher, CEO, Frequentis

Is Austria one of Europe's best places to invest and to grow a business? How do you build your partnership and what is the final benefit for your customers?

Our customers need to choose a vendor that will be available in the foreseeable future. We are obliged to ensure total security and we cannot afford any slip-ups. For the clients, it is fundamental that they work with a company that has financial stability. Our usual client relationships last 25 to 35 years, with partners that have proven project responsibility. We feel comfortable in Austria, enjoying the flourishing economic climate, as well as the great international relations. Therefore, Austria is an amazing base for us, especially in terms of R&D and governmental support.

How is this fast-changing world affecting your sector and the business Frequentis is in?

Here, in Frequentis, we are very conservative. The safety-critical industry will never be in a situation of taking risks of failure. Therefore, they take already-tested technologies from the other industries, bringing them to the regulator, given that they need regulation and certification. We, as an organization, are part of various standardization councils, where we drive standardization and involve the regulators, in order to show that the software or the system is safe for the passengers of the aircrafts.

In this procedure, we learn from other industries, introducing new technologies like blockchain technologies and artificial intelligence, adding them to our research stages. We believe that A.I. will be able to support the decision of the air traffic controller, but it should be limited there. An A.I. will never decide instead of the air traffic controller, given that there is a personal liability aspect.

In our sector there is a lot of bureaucracy and paperwork, which will eventually be erased completely from an air or defense control center thanks to digitalization. Data will play a much more important role in the future. Big Data were in an incubator for the commercial industry about ten years ago; now they are in an incubator for the safety-critical area.

As a leader of one very important organization, what is your agenda in regards to your company, to its employees and to society?

Due to the fact that we are in the safety-critical area, our people have a strong sense of responsibility in their mindset. We make sure that they are healthy and interested in what they are doing. We want them convinced mentally that what they do potentially saves millions of lives. We have social responsibility programs according to international standards, which are very compliance driven, as we operate in 140 countries. We are also extremely vocal regarding our environmental responsibility, following only international standards in our production lines.



55.2% of Frequentis' order intake stems from Europe, followed by the U.S.



Frequentis relies a lot on export, thus serving more than 500 customers in about 140 countries



Order intake in 2018 broke the EUR 300 million sound barrier, rising 6.4% year-on-year to EUR 306.3 million

Energy efficient electronics: Market leading know-how from Austria

Dr. Sabine Herlitschka, CEO, Infineon Austria, explains why Austria has all the elements to sustain a globally successful business.



Infineon is one of Austria's most research-intensive companies. Is Austria one of Europe's best places to invest and to grow a business? What are the benefits for your company to be based in Austria?

Austria is certainly a place of opportunity and opportunity always depends on two elements. On the one hand, the right framework conditions. On the other hand, opportunity can be found in the sense of taking your faith into your hands and shaping it yourself. Both elements are here in Austria.

Finding the right talent does not come for free. Therefore, it is even more important to work intensively with the universities, research organizations and universities of applied sciences. We cooperate a lot with those, offering practical experiences for students. We opened the Infineon Hub last year at the Technical University Vienna to foster our interaction with students. We demonstrate that knowledge creates highly attractive job opportunities for young people.

“We have a significant contribution to the success of the Austrian economy. One job created at Infineon, initiates three additional jobs in Austria.”

Dr. Sabine Herlitschka, CEO, Infineon Technologies

Energy efficiency, mobility and security are the central global challenges that Infineon addresses with its semiconductor and system solutions. Could you give us some examples on how Infineon work affects our lives?

One of the most striking facts is that, even today, 80% of our energy supply still depends on fossil. But we do have inexpensive technologies available that unlock one of the biggest energy resources: efficiency. As Infineon Group we are the global market leader for power electronics. We develop, manufacture and globally market these energy-saving chips in Villach, covering energy efficient microelectronics in energy systems, cars, smart phones, battery-driven tools, in appliances and industrial applications. We provide a variety of solutions that find application in our everyday lives.

In our Development Center Graz we work on security solutions e.g. for contactless payment and modules to secure device hardware. Our team in Linz develops high frequency solutions for automotive applications, such

as radar chips for distance warning or autonomous driving. In this segment, we are the global market leader with 100 million units sold to date.

How did Infineon Technologies Austria perform in 2018 and what are the main points on your agenda?

In 2018, we were able to announce the 1.6 billion investment in a fully automated chip factory in Villach. Originally, we started as a cheap production site, 50 years ago in Carinthia, in the southern part of Austria. Nowadays, we are one of the most research-intensive companies with almost 3 billion euros of revenue. The Infineon Group has 40.000 employees worldwide, out of which 10% and some 25% of the total R&D staff are in Austria.

As for our strategical role in Austria, we are strong in R&D, manufacturing and global business responsibility. We have a significant contribution to the success of the Austrian economy. One job created at Infineon, initiates three additional jobs in Austria, through our intense interaction with partners and the service sector. Since the severe crisis in 2008, we have created 1.600 jobs at Infineon Austria out of which 50% were in R&D, which are the most sustainable jobs.

What are your personal objectives as CEO of Infineon Technologies Austria?

I want to make this current investment a success. This is a huge responsibility, because it has been the largest private industrial investment in Austria for the last decades and the largest investment of its type in Europe currently. In addition, one of my goals is also to look actively into the innovation ecosystem, making sure that we can use this opportunity to further strengthen the interaction with universities, startups, research organizations and SMEs. This is a once-in-a-life-time opportunity and I want to make sure that it turns out to be an opportunity that shapes the future for Austria and Europe.



As of 2018, Infineon Austria, alongside all its subsidiaries, reached revenue of EUR 2.96 billion



In 2018, Infineon Austria spent 17% of their revenue on R&D, which reflects to EUR 498 million



Infineon Group has a global market share of 19% in power electronics

Digitalization and innovative initiatives based on strong foundations

Reinhard Wolf, CEO RWA Raiffeisen Ware Austria AG, describes his vision regarding the future of the world's oldest industry.



How do you assess the current state of the agriculture sector in Europe and in Austria?

We see that there is a rapid change in terms of structure, especially in the smaller countries. Sustainability has to be supported by the European Union, through their rules and legislations. I see that in the Central Europe and especially in the so-called Eastern countries, there is a lot of growth potential in agriculture, given that for them that is still the main industry. Last but not least, we see a shift, even on a smaller scale, towards organic farming. The awareness has certainly risen, but there will always be the parameter of welfare.

Can you please give us a glimpse into the cooperative sector in Austria, especially in the sector your organization operates?

In Austria, the cooperative sector is very strong and traditional. We have about 80 "Lagerhaus" corps, counting 120 years of existence. Farms in Austria are the members and owners of this corps, either agricultural or dairy. The corps are very important to support the rural areas. Everybody is looking for those central regions, trying to invest or purchase assets. Austria's Lagerhaus corps have some noteworthy developments over the last few years and make a total turnover of more than EUR 4 billion.

"Agriculture is the oldest industry in human history. We have the potential to remain relevant and robust in the future, as we align ourselves with the new technologies"

Reinhard Wolf, CEO of RWA Raiffeisen Ware Austria AG

RWA is wholesaler, franchisor, service provider and developer. Could you introduce the group and the relative importance of each of the above-mentioned roles for the business?

RWA is at the center of Austria's agricultural activity. We are a supply chain manager for the food industry, which means that we are the bridge between the farmer and the processing industry. We collect f.e. grain for the mill industry or offer the right seed varieties for our climate area. In addition, we supply the farmers with technology. Being the general representative of John Deere in Austria, we have about 150 service stations for the farmers with John Deere as well as other technical products. Furthermore we are a franchisor for building materials as well as home & garden centres under the Lagerhaus brand, centres that are the number two in the Austrian market. In the energy business we are supplying the farmers and the rural people with fuels and lubricants. More and

more we are investing in alternative products, like wooden pellets, which have been very important for us, given they are being used for bio-energy.

How is technology transforming the industry and your organization in terms of business?

Information and communication are seen in this sector through the access to international data in terms of prices and demand. As a result, the farmers know as fast as we know, prices all around the world. This is transforming the industry, thanks to the quick exchange of information and the vast and direct access to that. We have to adapt our business model and how we communicate with our farmers, in terms of omnichannel services. We are looking towards modern tractors as well as drones.

Can you give us more information on the international expansion of RWA?

We are present in 8 other countries around Austria. We are still open for partnerships and acquisitions. Austria is a bit more difficult, because we have to grow behind our local crops. We are looking for small and special companies, that are specialized in niches. Due to climate change we will expand our activities in the field of water irrigation or in the promising photovoltaic sector.

Where do you see you and your organization in 10 years?

Undoubtedly, in Austria we will stay the number one partner in terms of agriculture and an important local supplier for people living in the rural area. In the internationalization, we will strengthen our efforts in the 8 countries around Austria, where we are already active. We want our affiliates in CEE/SEE-region to grow with us, offering them all our experts and the networking. Agriculture is the oldest industry in human history. We have the potential to remain relevant and robust in the future, as we align ourselves with the new technologies.

Long-term perspective is key for Austria's numerous 'hidden champions'

Michael Otter, CEO, Advantage Austria, underlines the fundamental inheritable elements of the Austrian family-owned companies.



What is your assessment of the economic performance and investment inflows in Austria?

2018 was a tremendous year for Austria, not only as an economy but as a whole. In terms of economic performance overall, we are still booming and pushing. We had an increase in exports of 5.7% after 6% in 2017, so it was another record year for us. However, due to the general world-wide economic situation, there is some anticipation of a coming slowdown. That said, when we look at the situation in terms of what it holds for us in 2019, we still expect 3.5 to 4% of growth. Of course we also have to pay attention to overall geopolitical situations such as Brexit or the U.S. and China relationship. That said, the majority, three fourths of our population to be exact, appear optimistic about 2019 and beyond.

What is your opinion of the overall fiscal system as well as all other factors that have an impact on a business?

First of all, we have a major geographic advantage. Austria represents a bridgehead between North, South, East and West of Europe. Second, we have a strong focus on Research and Development (R&D). Our tax incentives in this regard have resulted in a large number of companies locating their headquarters in Austria. Third, is our Dual Education System, which is connected with our workforce and is one of the key assets of the Federal Economic Chamber. This is one of our biggest strengths, having the companies train their own staff in a way that also incorporates their vast work experiences. The Chamber acts as the driver behind this Dual

"I have a strong belief that our business men and women, are the true ambassadors of Austria and represent the main pillars in this 'bridge-building' process with other nations."

Michael Otter, CEO, Advantage Austria

Education System. In fact we have multiple agreements with Balkan countries to export the System to other regions. This System is an important pillar that allows us to better address the challenges of finding skilled labor. We have about 106.000 apprentices per year receiving training from Austrian companies. Having a skilled labor force is definitely one of Austria's advantages and is going to get even better in the years to come.

Another significant Austrian advantage is the undoubtable quality of life it can provide which has a particular appeal to a skilled labor force.

Last, but not least, an element from my own personal experience, is the fact that people here appear appreciative towards this long-term perspective. Lots of the Austrian companies are still family-owned, acting as the 'hidden champion' of Austria.

What is the contribution of your organization member companies, what are the main factors that allow Austrian companies to be competitive as bridge builders?

Our role is that of a 'bridge builder' with many political, cultural, social and business dimensions. I have a strong belief that our business men and women are the true ambassadors of Austria and represent the main pillars in this 'bridge-building' process with other nations.

In 2018, Austria managed to break the threshold of EUR 150 billion in exports. In Vienna alone there are more than 400 international headquarters.

The Austrian Economic Chambers represent more than 517.000 member companies.

Could you explain us what you do and what your objectives are in the short, medium and long-term?

We want companies to come to us for the hands-on services we can provide. We will support all of them. In fact, we recently initiated a new field of operation in order to support subsidiaries of Austrian companies abroad. In order to bring them together we have established around 100 offices worldwide. With questions rising up in a world of globalization, people need to know how to deal with difficulties as well as opportunities.

Regarding our future objectives, we of course have to focus on a world that is changing. There are some major trends for which we have to modify our strategy. The first trend, which I mentioned earlier is globalization and constantly changing value chains. Another trend is the role of digitalization as new business models arise which impact our companies. The third trend I would like to highlight is the potent role of the emerging markets.



In 2018, RWA noted a total turnover of **EUR 2.5 billion** from markets



In the same period, RWA's turnover from **Austria** reached up to **EUR 1.8 billion**



For RWA, **Agriculture** and **Energy** cover more than **80%** of the company's business segments



In 2018, Austria managed to break the threshold of **EUR 150 billion** in exports



In Vienna only there are more than **400 international headquarters**



The **Austrian Economic Chambers** represent more than **517.000** member companies

A 'breeze' of tangible innovation in appliance and cloud services

Mr. Daniel Fallmann, Founder & CEO, Mindbreeze, explains how diversification set them aside from competitors leading them to success.



Could you introduce us to the world and business of Mindbreeze and to the services and products the company offers? What makes you stand out from other players and why?

Our customers get tons of information in various applications. Mindbreeze connects to all those data silos, analyzing the data and updating them in high frequency. Furthermore, we take care of all the excess information, judging who is allowed to see what, connecting the information collected from the various sources into one report. That has been really critical for our mission, given that it helps improve the business of our customers, which has been a major strategic goal for most of the organizations out there over the past decade. Our product constitutes a disruption itself, given that we do not sell it as software, but as appliance and cloud service. Mindbreeze is an easy-to-use, easy-to-run and easy-to-integrate product, which is the key aspect of what we offer.

"In most of the cases, when I meet the customer, they have already bought the product. That is how we have managed to be successful against some titans of the sector."

Mr. Daniel Fallmann, Founder & CEO, Mindbreeze

What is the state of the software market in the EU and in Austria as if compared with global competitors in the US or Asia? Where do you position Austria and Linz in such scenario?

Austria is a sensational place to do software programming and product development. The reason is that we have the Universities of Linz and Vienna, which are connected. We also have the Fachhochschule in Hagenberg and several schools, with a computer science background and focus. On another note, if we had to make a living out of Austrian customers only, we would not manage to survive or grow bigger, given that the market is way too small. Our main customers are in Germany, France and Netherlands. We also have a large customer base in the U.S., as well as Asia. In Asia, we are mainly working with partners, while in the U.S. we also have our own subsidiary. Our subsidiary is a delivery organization, helping our customers in the U.S. get the product up and running. As a headquarter position, Austria is great for software development. Resembling Silicon Valley, without the disturbance, Austria has been quite helpful for us.

Could you give us some examples of some of the most representative projects where your organization's software was instrumental?

A great example is the case of knowledge management for Lufthansa.

We also have Deutsche Telekom as customer, using our services for internal knowledge management. They had this challenge of providing to their users the information at the point where they needed it. Initially we deploy for the broad area of people and then we delve into specific departments, trying to help people from the customer service, the R&D or purchasing. Our main market is Europe and North America. The market that is growing very fast is North America for us and it is the most important market for us to this day. We also have some government organizations there.

We have transformed our own business especially in the direction of inside and online sales. Most of the deals are closed online. We typically see our customers from our Vienna or Chicago offices, but both offices take care of selling the products to customers online. In most of the cases, when I meet the customer, they have already bought the product. That is how we have managed to be successful against

some titans of the sector. At first, we tried to convince people for our product the same way that they do, but we realized that we had to diversify. From 2005 we stopped going through the traditional way and since 2009 we have launched our try-out programs. As Mindbreeze we are not offering anything else besides trying or buying. We are not going to delve into long presentations and discussions, like the others.

Where do you see the company in 10 years and why?

Not only we are a leader in our market, but we are the 'thought leader' in this area of knowledge management. I think that we want to have strong partners out there that use our sensational technology to understand structured and unstructured information to their meaning. Mindbreeze could easily be one of those billion players in the market. It is just a question of how fast and efficient can we be in finding really large partners in order to grow internationally. On the one hand, we will grow in an organic manner. On the other hand, we will grow through partnerships to expand internationally.



Mindbreeze is included in the **Top 100 Companies That Matter in Knowledge Management for 10 years in a row**



Mindbreeze GmbH is 76% owned by **Fabasoft AG**



Mindbreeze InSpire allows the customers link more than **450 data sources**

Constant progress and evolution on stable and balanced foundations

Markus Huemer, CEO, Polytec Group, goes in depth regarding their holistic approach in regards to digitalization and the market's future.



What is the state of the plastics sector, what are its principle challenges and opportunities globally as well as in the EU and Austria?

We work with plastics for the automotive industry. Here we face a double challenge, because the automotive industry is facing challenges as well just like the plastics industry. There is a big clamp down on diesel cars without much consideration of the consequences of these decisions. Banning diesel cars in cities is one thing, but promoting the reduction of CO2 emissions in the way that they are doing, is destroying the German automotive industry. The following ripple effect will impact employment, with a lot of value-addition industries switching to other markets. This has created uncertainty for the buyers, because nobody is certain about what the mid-term effect will be.

We are not seeing a slowdown in car sales, but the CO2 legislation brought in last year, has caused a significant shortening of our orders. There were more volumes before, but what we experienced was a total shift in product portfolio. Some of the engines were not certified by WLTP and they could not be produced. There was more demand for the engines that were certified, so we had to deliver more of one part and did not have the capacity to produce it at that level. We had shortages of the other parts, where we were confronted with empty capacity. This year we have WLTP 2 coming, and that is creating uncertainty.

"We focus heavily on digitalization for the sole purpose of empowering people to take decisions when they are necessary, without having to ask management."

Markus Huemer, CEO, Polytec Group

What is the role of a company like yours when it comes to sustainability?

One way, we can contribute is through weight saving, which significantly reduces CO2 emissions. On the other hand, by creating workplaces we contribute to social responsibility, retaining more employees. It is not just a matter of providing a workplace; it is about creating an environment that people want to work in with education opportunities. This year we started a talent management initiative to get young people between the ages of 25 and 40 that have ambitions to take over management functions. We have different education programs in leadership and line management to provide our staff with qualifications.

To what extent is innovation and new technological advancements changing the business, services, and industrial sector in Austria and Polytec Group?

For Polytec Group, we have focused on the use of digital tools and digital

efficiency. We do not develop digital technology ourselves, but we buy technologies that improve efficiency, and we use them. We focus on digital efficiency and connecting information to the point where we can have transparent information and information processes that have standards, which can be automated.

At the moment, we have done about 20 to 25 acquisitions, meaning that all of our plants look different. We have to introduce IT systems, automate them and have standard information across the whole group. We focus heavily on digitalization for the sole purpose of empowering people to take decisions when they are necessary, without having to ask management.

Are you planning to diversify from the automotive industry?

Digitalization will not change our business model. We have no internet sales to OEMs and in the short term, this business model will not change. We have diversity of technology and diversity of products. We have a very deep understanding of the technologies and this is a USP that not a lot of companies have. It creates complexity, that we want to overcome with digitalization, and it creates the possibility to use innovation and create new products that nobody else can develop.

Historically, things were isolated, but now we have combined everything together in-house to create a product that requires all of these technologies and services working together, so we can deliver the final product.

We want to transfer this to other industries, using the combination of our technologies because this is our USP. As the digitalization approach came along, it gave us the space to design a blueprint, and now people are motivated because they can design new things, they can create new solutions and new products. 2019 will be a very challenging year, with potentially more challenges than we faced last year, but at the same time, we see a lot of opportunities in this area. We have made ourselves agile enough to benefit from the chances we are given. We are transforming, dedicated and prepared.



In 2018, Polytec Group achieved sales of **EUR 636,4 million**



Polytec Group numbers **28 plants** across the world with some **4.500 employees** worldwide



In 2018, **56.4%** of Polytec Group's sales were in **Germany**

A vast industrial history behind a signature location for Linz

Mr. Chris Müller, Director of Development, Design and Artistic Agendas, Tabakfabrik Linz, goes back to the roots of this industrial complex.

How would you define the Tabakfabrik? What is your main business and what makes you so special?

We represent an architectural gem, originally designed by Peter Behrens. On this site, there has been industrial production for more than 350 years. It all began with textiles moving onto tobacco. We are still a factory, but we are more focused on creativity. We are and we will remain the first collaborative group of companies in the world.

We should think of the Tabakfabrik as a beehive. We work not just next to each other, but together. We cooperate with other companies, being in the middle. We work together, bringing in cooperation all the partners, who, at the moment, amount up to 1.600 workplaces. We plan on growing up to 3.000 by 2023. The software is very important and the real unique selling proposition that we have. We have multiple digital formats and tools, bringing people together and making business with them.

What is the complex's main business as well as contribution to the city?

We have to perceive Tabakfabrik as a workbench, a stage, a lab or a rehearsal room. It is a place with a protomodern essence. We have to fight together with all competences for our society. We are here and our society, meaning Linz and Upper Austria in general, finds a unique path towards the future. At first, this was a private land but then the government stepped in, buying Tabakfabrik back and developing further into what it is today. We are talking about the Municipality and not the National Government of Austria. Starting from EUR 7 million funding from the city council, we reached EUR 225 million through additional investors from the private sector.

“We are just a small city, with about 200.000 inhabitants. However, we are very fast, reaching the spotlight alongside some major centers.”

Chris Müller, Director of Development, Tabakfabrik Linz

What is the GRAND GARAGE? Could you give us a glimpse into the objectives of the ‘garage’?

A factory has different steps of creating a product, which is the main idea behind Tabakfabrik. First of all, we bring together art, research, science, education, formation and philosophy with these sectors, bringing innovation to the classic markets by the so-called creative industries. If you have an idea and access to capital, you can form it together with our colleagues and then build it on our site, given that we are a real factory. The place where you can build



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your product is the ‘GRAND GARAGE’. There you can do everything, from 3D printing to a grand scale production. We are the first collaborative group of companies and that is quite different from a hub. After 7 years of working together with the government and the city council, things have been going extremely well.

Is Austria one of Europe's best places to invest and to grow a business?

We are a democratic country with strong legislative framework and trustworthy security. We have a remarkable education system, as well as talent in the field of industrialization. We are very good in terms of adapting from the startup into the industrial sector, which, to me, is one of our greatest attributes. We are one of the most stable countries for decades now. People have all amenities and can do whatever they wish. When we think of all the qualities people get to cherish, they are everyday winners. In times where the world is complicated, I think this acts as a silver lining. People should invest into the Austrian real estate sector and health care, in order to enhance their security and stability.

What is the position of Linz in Austria as an innovation hub and in regards to creative industries?

We are just a small city, with about 200.000 inhabitants. However, we are very fast, reaching the spotlight alongside some major centers. We are well-connected with each other as well as the big and the small players. There is a spectacular collaboration between government and the private sector. Mr. Luger, Mayor of Linz, suggests that we have to be the innovation city of Austria and, why not, Europe. We trust him and work with him to reach this goal.

We wish to be an international reference for Linz and Austria. At the beginning we were only known by our neighbourhood, then the city and then Upper Austria. Now we are also well-known in Germany. We keep on growing, getting more and more international exposure.



The area of **Tabakfabrik Linz** has been used for industrial purposes since **1850**



In **2009**, the **City of Linz** purchased the complex with **80.000 m²** of roofed area, known as **Tabakfabrik Linz**



Tabakfabrik Linz is **100%** owned by the **Municipality of Linz**

The startup community from the perspective of a major facilitator

Mr. Georg Spiesberger, Managing Director, TechCenter Linz, describes his vision regarding Austria's upcoming startups and scaleups.

How would you define the TechCenter? What is your main business and what makes you so special?

Our business revolves around the support of young startups companies, concentrating on scaleups. These are companies that have already started their business, having also their first earnings. We help them get in contact with other companies, which is the most important aspect in our view. When a young startup or scaleup comes to us, they need some problems solved, we have a list of people that can help them. First of all, we help them in terms of infrastructure, like package and collection as well as telephone services. We search through our companies' needs and we try to offer them as much as possible. The experience we have is about 95% technology startups. We know how to make their ideas commercially successful providing solid marketing solutions. We try to educate them, proving that it is not only technology that sales. For a successful business, one would need more than this. We had a lot of startups that grew up here and stayed here. This was also the reason why we started a second project in 2014. There we have at the moment 24 companies, out of which 20 are technological scaleups. We also have an incubator that produces around ten startups every quarter.

“I believe that it is important for companies to get high quality personnel. Usually, high quality personnel will seek high quality life and I think that we offer that in Austria.”

Mr. Georg Spiesberger, Managing Director, TechCenter Linz

TechCenter prides itself for being the incubation center for innovative companies in Austria. What are the services you offer and sectors you are specialized?

On the tech sector, we do not have a real concentration. A lot of the companies start in the IT sector. Most of our companies are champions in their respective fields. The second biggest sub-sector would be that of mechatronics. This is a mixture of mechanical and electric, where we have special locations for these startups, called the ‘Tech Lab’. So far, we have supported around 120 companies. 60% of them are still in the market and I would say that half of them also operate internationally.

What is the TechCenter true contribution to the city of Linz and to Upper Austria as a whole?

I think that the contribution to the Austrian economic system can be described through two points. First, we provide a place to grow for these scaleups.



Furthermore, we provide a picture to the regions, showing the current state of startups in the country. We have here about 100 IT companies with over 2600 IT consultants, creating a local cluster. One of our problems in Linz is that we have very few IT specialists. This situation has led us into working together, given that we know that it is pointless not to share our people when they are lacking. This way we contribute to the city of Linz as well as Upper Austria as a whole by providing startups and scaleups, carrying young innovation. Besides, one of the major benefits of Upper Austria is successful startups.

Is Austria one of Europe's best places to invest and to grow a business?

I would say that Austria is one of the best places to live. I believe that economy has changed over the last years. I believe that it is important for companies to get high quality personnel. Usually, high quality personnel will seek high quality life and I think that we offer that in Austria. In Upper Austria we have a strong community with a robust industry. We are very good in terms of cooperation, with clusters that are running smoothly.

Are you targeting Austrian new companies only or do you expect to attract other entrepreneurs from elsewhere in the EU or the rest of the world?

My main focus is on startups and scaleups. However, I see beyond the TechCenter. In terms of the city of Linz, if someone is interested in that or the TechCenter, I would be glad to make things possible. If a company is interested, has a plan that can benefit both sides, I see no reason not to facilitate their introduction into our markets. I would say that our door is open.

Where do you see the Tech Center in the next 5 to 10 years?

Tech Center has been doing a great job with all those startups and scaleups. We are dealing with upcoming startups and people full of emotion. Those people are excited and convinced for the product they are putting out. I believe that when you have fun in what you do, success is somewhat easier.



TechCenter Linz provides a space of **13,700 m²**, in which **1000 people** are employed



TechCenter Linz has made investments reaching up to **EUR 27 million**



TechCenter Linz provides rentable areas up to **1000 m²** on a level

Relentless progress for one of Austria's eldest industrial frontrunners

Axel Kühner, CEO, Greiner AG, shares his thoughts regarding a proper incorporation of plastics within a sustainable environment.

© GREINER AG, SILVIA WITTMANN



Is Austria one of Europe's best places to invest and to grow a business?

Austria is a great place to be and start a business. Last year we had our 150th anniversary. This speaks for itself. Here there is a huge amount of very skilled people, which are really motivated. Thanks to the impeccable infrastructure people like to live here. The most important part is that we are located next to the huge market of Germany. They represent our biggest trading partner, helping us develop. Furthermore, we have the Eastern Europe at our threshold. We are linked in both directions. Austrians are really able to perfectly manage both worlds. They can be as tough and straightforward as the Germans, but also, they can be flexible and open-minded. That is a unique combination, which has a place in the global industry.

The continuous expansion in several countries has consolidated the group in other important markets. What is your assessment of 2018 and expectations for 2019?

There have been some difficult circumstances in 2018. First of all, there was the currency exchange situation we faced in Turkey. The second factor is that the availability of raw materials in our industry was decreasing dramatically in 2018. We had situations where it was difficult to get supplied at all. On the horizon there is the China - U.S. trade war that has had an impact already. Brexit is another issue that is not helping the situation. In general, companies like Greiner thrive amidst crisis, given that everything gets cheaper, including personnel, transportation and raw materials.

“Austrians are really able to perfectly manage both worlds. They can be as tough and straightforward as the Germans, but also, they can be flexible and open-minded.”

Axel Kühner, CEO, Greiner AG

How difficult is to be sustainable and at the same time an industrial conglomerate?

There is a great opportunity to change the way plastic products are being produced. Acknowledging that politics have been a huge part of this particular problem is treated as a different story. I believe that there is no life without plastic, given that it offers so many benefits. It is important to openly discuss the problems that plastics are causing, because we believe that, overall, it makes sense for our society to be using it. Wherever we can refrain from using it, we should. It is not about using as much plastic as possible. It is about using plastic where there are more benefits and it makes sense.

To what extent is innovation and new technological advancement changing the sectors the group operates, the industry, production and products?

First, there are some new business models and, second, we have the internet of things or the Industry 4.0. Innovation in combination with new business models form a huge challenge, given that we have to learn how an innovation is going to take place on our regular structure. We had to incorporate different structures, which, in our case, is called the ‘Greiner Technology and Innovation’. That small think tank is the place where we try to disrupt the business models of our divisions. I think that, if there is a possibility to disrupt that, then, we should find that out before someone else. In order to achieve that we need the structure, but innovation and digitalization are key. The biggest challenge for the organization is setting priorities and knowing where to begin. Digitalization and AI are everywhere, but you cannot tackle everything at once.

What are the other challenges Greiner AG is preparing to face in the near future?

Besides the challenges we already spoke about, the availability of professional people on the countryside of Austria is a challenge.

We need our people to be trained and it is easier to do this here rather than in Brazil, India or Turkey. Maintaining the strong workforce in Austria is a challenge that involves us all. Apart from that, the obstacles vary. In packaging, sustainability is the first challenge in the years to come. At the same time, it is one of our best opportunities. There, we are mainly focused in dairy out of food packaging, where we are also the market leader in Europe. For the packaging industry, it is all about globalization. It used to be a fragmented industry but nowadays it has consolidated heavily. In the medical market, we are in a good situation, given that health is becoming a more important issue and people appear more aware. In the foam industry, we are mainly focusing on Europe. We always want to focus on the top segment of every industry, regardless of the industry we are dealing with. This is why innovation is key for Greiner.



In 2018, Greiner AG reached EUR 1.6 billion in terms of consolidated sales revenues



In 2018, Greiner AG spent EUR 116 million on investments around the world



In 2018, 76% of Greiner's revenue came from Europe, translating to EUR 1.24 billion

A European design software much different than others

Dr. Wolfgang Stöger, CEO, XEOMETRIC, explains the mentality behind the promising motto of their company: ‘Future is our business’.



Could you provide us with an overview of your company?

We started with development of Computer-Aided Design software in the early 1980s. At first, our products were used in architecture, mechanics, design, facility management and manufacturing likewise. In 2001, we decided to focus on two main business areas, specializing on CAD software for architecture and for mechanics and industry. Our business fields have the parametric 3D model as the core element for subsequent processes in common. Another shared characteristic is the very fast and very intuitive creation of the 3D models in ELITECAD.

What kind of target group are your customers forming?

Our clients are architects, engineers, building contractors – anyone who works in building modelling, plant design or mechanical engineering. We support small owner-operated architecture studios with single workstations as well as big industrial players with numerous installations. Our customers appreciate the vast functionality of ELITECAD and its detailed implementation of country-specific regulations but also the innovative features we add in each new release such as the interactive Virtual Reality that we have directly integrated in our CAD software.

“The past decade has been all about digitalization and building information modeling (BIM). Still, the building sector has a lot of untapped potential compared to the manufacturing sector.”

Dr. Wolfgang Stöger, CEO, XEOMETRIC

Are there any new software developments that you are working on?

First of all, the ELITECAD core can be used as a software library by partners for different applications. For instance, a partner company in Germany develops software based on ELITECAD for designing railroad tracks. We have another partner company that does cost calculations based on the 3D building model. Our partners are constantly developing and enhancing their products together with us. Of course, we keep updating and upgrading our own products too. A vision for the future is a multi-visual VR environment for example. You have different people in different places loading the same building and they are walking with their controllers through the building and you see an avatar of the other person. We want to connect people from different places and update their position to the model that is loaded onto each computer.

Could you name some of your main markets?

We are selling our products worldwide, though we still focus on German-speaking countries. Our software is available in different languages, including English, French, German, Russian, Polish and Greek.

In your opinion, is Austria one of Europe's best places to grow a business?

We have a good education system in Austria, especially in technical fields and particularly here in Linz. We have the Johannes Kepler University as well as the University of Applied Sciences Hagenberg near our head office for example. Computer science has become a key focus in many educational institutions including high schools in Austria. From hardware and software design to software for media, the offer in and around Linz has grown a lot over the last years.

How do you assess your financial and business results in 2017 and 2018?

What are your expectations in 2019?

Well, the business is good, because we have high time in the building sector. We see a lot of opportunities thanks to digitalization and BIM, which is a method of collaborating in the creation of building models with intelligent information. The past decade has been all about building information modeling (BIM). Still, the building sector has a lot of untapped potential compared to the manufacturing sector.

In 3D modeling each component has a lot of information. As an example, a simple window has geometry and material information plus data for manufacturing, fire protection and a lot of other information from the manufacturer that could be added to a 3D model and transferred to other programs and involved parties for further processing. This is still a huge topic in the sector and small companies are afraid of that a little bit. We are supporting and mentoring them in this transition period. Only few companies do that in such a way. This is a continuously growing process and a new opportunity for us.

Where do you see your company in 10 years?

We will still have our focus on CAD software. We love being involved in that area and there are so many ideas to be implemented. Wherever 3D content is created or required, an opportunity for us emerges. Thus, we will be broader than we are now with more products and a wider network. A subject that is also very important to me is sustainability. We will integrate features and standards like the German DGNB system for sustainable buildings.



ELITECAD used on all continents with partners in 25 countries



Dr. Wolfgang Stöger is CEO of the company and has been leading the development from the very beginning



XEOMETRIC has its headquarters in the city of Linz

An upcoming Austrian headquartered CSEE bank at the forefront of changes

Razvan Munteanu, CEO, Addiko Bank AG, describes the aspirational and modern nature of their specialist approach in the CSEE.



What is your assessment on the state of the economy in the EU, the CSEE region and especially in the South-Eastern Europe region, which is where you have a stronger presence?

I think that we are confident in our region. There is this belief that growth will become significantly faster than in the rest of the EU region. We are privileged to work in one, or even the last, EU convergence region in Europe. We are headquartered in Austria and present with c. 70% of assets in the EU countries Croatia and Slovenia, and c. 30% in EU accession countries Serbia, Bosnia & Herzegovina and Montenegro.

The prospect of being part of a bigger structure like the EU, whether it happens or not, can generate considerable growth and convergence. We also see this benefiting particularly well our business model. We are a bank that decided not to operate like most of the others, as a universal bank. We decided that we wanted to specialize in certain areas, like consumer lending, payments and SME banking. The convergence process affects predominantly consumption and borrowing, which benefits in particular our target segments. In the region where we, in particular, are focused, there is a long way to go in terms of organic growth.

Austria, Montenegro, Serbia, Bosnia and Herzegovina, Croatia and Slovenia. Which of the 6 markets is your strongest and why?

We are headquartered in Austria, but there we have a very marginal business. Our main focus is the five countries in the Adriatic region, Slovenia, Croatia, Serbia, Bosnia and Herzegovina and Montenegro. Out of those, the largest one is Croatia. In Slovenia and Bosnia and Herzegovina, we have a very significant presence. We are growing in Serbia as well. We are a considerable player in Montenegro, even though this is a relatively small market.

“It is important that we do our job well, being a quality service provider and facilitator for our customers. We want them to have access to our standard banking products in a convenient manner”

Mr. Razvan Munteanu, CEO, Addiko Bank

What are the defining moments in the history of Addiko Bank and why?

As a bank organization in our current format we are less than 4 years old. Addiko resulted from the takeover of former Hypo Group Alpe Adria by funds advised by the international private equity firm Advent International and the EBRD. That is a very important landmark for us.

What are your unique selling points?

Our promise to our customers is that we will focus on essentials, deliver on efficiency and communicate simply. In essence, our value proposition is around two main aspects: convenience and speed. We focus on those banking products and services, which are part of what we call ‘daily banking’. We recognize the fact that there is a relatively low level of emotional engagement of the customers with the banks. Therefore, it is important that we do our job well, being a quality service provider and facilitator for them. We want them to have access to our standard banking products in a convenient manner. This gives us the opportunity to introduce practices, processes and products, that may be common in EU and other developed markets, into the markets we operate in, trying to move the entire financial services sector in those markets forward.

To what extent has Addiko Bank embraced innovation and technology?

First and foremost is that we have to be able to serve our customers’ digital channels. Being able to make payments by using digital platforms unlocks multiple possibilities. The second element is to anticipate the transformation of the regional environment, the society and the legal framework. The third pillar is the element of process automation, which is very important though less visible to the customers, and this is where we put in a lot of effort. It helps us in terms of delivering our value propositions in sense of convenience and speed, while also creating efficiency, which is also very important. To be both competitive in price and profitable, you need to be quite efficient.

Last but not least, we have the brand. I think that the banking industry is in considerable flux, given that there are influences that are, in certain ways, conflicting and we need to figure out how to navigate between all these societal changes. On the other hand, you also have the rightful interest of regulators, consumer protection and agencies focusing on data privacy. We are obliged to keep the deposits of our customers safe. We need to find the right balance in order to extract some of those exciting things technology has to offer, without creating risks or allowing customer data to be misused.



In 2018, Addiko Bank noted an increased net interest income of **EUR 173.2 million**



By 2018, Addiko Bank had established **198 branches** in their region of interest



Addiko Bank has around **0.8 million customers** in CSEE

The market leader of the refractory industry based in Austria

Stefan Borgas, CEO, RHI Magnesita N.V., showcases the group’s competitive edges, highlighting their adaptability against challenges.



Based on your understanding and experience, what is the state of the European refractory industry, in regards to global market share, R&D, innovation and investments?

The European refractory industry is probably more advanced than other respective industries around the world in terms of technology. However, it is a shrinking industry compared to the U.S. market and even more compared to the Chinese and Indian markets. As a result, it will become more of a niche industry. Overall the refractory industry, in every part of the world, is consolidating step by step, being also more modernized with multiple capabilities.

What are some of the biggest challenges and opportunities as of today?

The refractory industry is an industry that uses minerals that are available around the world. We need these natural and raw materials to convert them into ceramics, through a process that creates as much CO2 as it would be to create normal ceramics by chemistry of nature. As producing CO2 gets all the more expensive, this is also one of the biggest challenges for the industry, given that these costs need to be somehow absorbed by the value chain. In some parts of the world, CO2 taxes are more aggressive than others. We are not opposed to taxing CO2, but it should happen all around the world, more or less, on an equal basis. Another challenge is the need to become more and more efficient with the use of these raw materials and still improve the performance for our customers.

“We are one of the very few really global companies that maintain their headquarters in this country. We help people here, especially since we merged with Magnesita.”

Stefan Borgas, CEO, RHI Magnesita N.V.

Can you give us an overview of your business on the global level?

In North America, we have a little less than 25% of our sales. In addition, a little less than 20% goes to South America, while 30% goes to Europe and the Middle East. The rest 20% goes to Asia. There is an obvious strategic interest in China and India, trying to apply there what we have managed to achieve in all those other markets. This is where we need to build, whereas in the other parts of the globe we need to maintain our footprint.

Could you highlight the company’s socio-economic contribution to the Austrian economy?

We are one of the major exporters of Austria. We are one of the very few re-

ally global companies that maintain their headquarters in this country. We help people here, especially since we merged with Magnesita. We have managed to internationalize our headquarters, contributing to the socio-economic growth of the country. Besides that, we have a major R&D center in Austria that is also internationalized. Vienna does not come first on people’s minds, but whenever we invite someone here, we have no problem convincing him to stay.

We have to become more efficient, or move our operations elsewhere. Now we are planning on building a technical vocational training center in one of our plants in the west of Austria. We want to attract young talent, bring them there, teach them German and then provide them with a 3-year vocational education. Later on, we want them to move onto our other European sites. Last but not least we go to structurally weaker countries like Romania, Bulgaria or Turkey, where young people are looking for opportunities.

To what extent is innovation and technological advancements shaping your future?

There are two major parts where digitalization affects us. The first is the production costs. We bring robotics, data analytics, trace ability of a product all the way from the mine to its use by the customer. The second area would be the value on the customers’ side. The problem we have is that our operating environment is very hostile to all these technological advancements.

Where do you see the company in the 10 years?

When we look at destinations for expansions, we are focusing on China, India and Turkey. These are three markets in which we are still very under-represented. Later on, we could also move onto Korea, Japan and Russia. We also want to modernize our production network of 35 plants around the world with the new technology that we have, in order for it to become more flexible but also cheaper. The refractory industry may be small and not very well-known, even having a little antiquated image by those who know less, is a sexy place to be.



In 2018, RHI Magnesita reached more than **EUR 3.1 billion** in terms of revenue



RHI Magnesita invests **EUR 70 million** per year on **R&D and Technology**



In 2018, RHI Magnesita noted significant growth in **China, 36%**, and **India, 21%**

Innovative steps towards a secure automotive sector from Austria

Mr. Dietmar Schaefer, CEO, iSi Automotive, sees a bright future ahead for Austria, thanks to innovation and new technologies.



Could you introduce us to the business of iSi Automotive and give us a glimpse into the Austrian automotive sector? What makes it important for the country's economy and for the EU automotive industry?

That particular industry is very important for Germany. If you look into the macroeconomic data between Germany and Austria, you will find that the exposure is the same. The industry-related jobs to costs are more or less the same ratio as in Germany. We have the same importance in this industry, even though it is not as recognized. In Germany, a lot of things are logical in terms of awareness for the industry. Governmental awareness of the situation is not given to a good extent. We do not put the importance on this part of the industry in this country. We should get a different mindset in public opinion in order to get more recognition and support from the government.

What are your company main markets and why?

We are working on safety. Everything connected with airbags is our business. We export everything we sell. Our main markets today are in Europe. Every airbag in every car is dedicated and developed, based on the structure, the interiors and the dynamics applied to the human body in a car. We need an extraordinarily high workforce, especially for R&D and education development. For that reason, we need an intense engineering interchange between us and the car manufacturer. For example, for us to develop an airbag system for a new car together with a Japanese car manufacturer, it is impossible to operate out of Europe. We have very high legal and governmental licensing matters to validate the products. German manufacturers, like the Volkswagen Group, is our main customer group. To cater for our customers, we are located in China, as well as Mexico for North American market. We are growing very quickly in China, setting up our own R&D facility.

"Austria's location is a valuable asset. We are at the border of Eastern Europe, right in the middle. Logistically, this is a very nice place to be."

Mr. Dietmar Schaefer, CEO, iSi Automotive

What is your competitive advantage in regards to R&D, services and products, ownership and market penetration?

We are the smallest safety providers. Our competitors are multiple times bigger than us and have been established in the market much longer. In 2009, we acquired the European Delphi projects and capabilities when they stepped out of the market. Our competitive edge is that we have a good technology

in hand with our inflation systems, working with compressed gas. We are working on our portfolio with a lot of other airbags today. Some applications ask for different solutions. We need to have extraordinarily good functionality, reliability and sustainability.

What are the major trends and transformations you are experiencing at industrial level?

We produce safety products and we need full traceability on every step, every piece and every operation in our products. Every machine is equipped with a controller and connected with our network, working on plausibility schemes with SAP and other systems. We integrate more and more in our processes and product life cycle management. I am very happy that we, as iSi Automotive, do not depend on an electric or combustion engine. Electric cars behave differently but still need airbags. There are some challenges if we talk about autonomy in driving. If I look at the marketplace, I see a lot of volatility and insecurity. Consumers are somewhat irritated about what to buy. The whole electric discussion makes people hesitate about mobility investments. The whole political discussion and the readiness of e-mobility is currently making our customers hesitate. The market is a bit more hesitant and volatile.

-  **iSi Automotive** provides protection to their clients, according to the **EURO NCAP** requirements
-  **iSi Automotive** has **8** dedicated departments worldwide
-  The company's **niche** are **cold gas inflators**, as part of the airbag technology

What is your assessment on the R&D environment in Austria?

Austria's location is a valuable asset. We are at the border of Eastern Europe, right in the middle. Logistically, this is a very nice place to be. We have limited R&D exposure here, compared to countries like Germany. We are not in a big alliance with the universities or the government. Getting inspired engineers to improve and make their careers with us here is essential for our growth path. We are very close to Eastern European countries, where it is a little easier to allocate value creation. You really have to find a good balance between what you do in Austria and what you do close to Austria, in the neighboring countries.

Austria as one of the frontrunners in terms of new technology incorporation

Roland Sommer, Managing Director, Association Industry 4.0 Austria, delves into the world of digitalization and the future of the industry.



Is Industry 4.0 a reality or is it still on the making?

It is still in the making. These companies that started quite early and invested a lot in Industry 4.0 technology claim themselves that they are just at the start of the process and that gives an indication that we will never reach a final target. The journey is the target, meaning improving continuously all the processes. New business models are becoming more and more important, while the initial idea, the definition of Industry 4.0, has been expanded over time.

To my mind, there is a strong facet of a political term and the initial idea was a sort of re-industrialization in terms of the German Industry 4.0. Industry 4.0 is rather vague in itself, because it encompasses a lot of different technologies. It could be among others Internet of Things, Machine-to-Machine communication, AI or Blockchain among others. There are certain technologies where a lot of companies are already quite advanced, like in Internet of Things. Now, the big question is on 5G, which would be one of the backbones of efficient production.

"I am always asked where is Austria's position when it comes to industry 4.0. I tend to say that we are well-positioned. In general, I think the notion of industry 4.0 is well-established."

Roland Sommer, Managing Director, Association Industry 4.0

Why did Austria feel the need to create an association of this type? What are your objectives and how are you contributing to the implementation and development of industry 4.0 in the country?



The basic idea was that we saw there are a couple of topics which are far beyond the possibilities of one institution, one company or one university. Platforms, like ours are very good tools, given that you have different interest groups and they level out. What is unique about the Austrian platform of Industry 4.0 is that, one ministry, 3 employers associations and 2 employees associations are founding members. From the very beginning, the trade unions and the federal chamber of labor are involved who represent employees. We have chosen a structure that is unique in the world, including employees' associations, industries, scientists, regional and national governments, employers' associations and others. We have a couple of big companies, like Microsoft, Siemens, Magna, but also a couple of Austrian ones like Rosenbauer, Fronius, and AVL.

The association, Industry 4.0, was established in 2015. What is your assessment on the achievements so far?

We managed to set up good structures and an atmosphere of trust. We published a couple of strategy papers in a very transparent process. We attributed to a much better awareness of what is going on with Industry 4.0 technologically, but also on the non-technological aspects of industry 4.0. With all these kinds of new ideas, but also disruptive data-driven new business models, I think we came up with quite interesting ideas and solutions. Informally, I think we managed to create a good understanding among members. Scientists and employees' associations came closer to each other and I think we contributed also to a science and fact-based policy making idea.

With technologies such as 5G, AI and blockchain will Industry 4.0 accelerate even further? If so, why?

We see a huge amount of data that is being generated, which means you need more capacity and also 5G and AI. Then, you need IoT, you need the platforms and the communication between machines. The key ingredient is data and around that a couple of different technologies are being established or will be established further. Technologies like high-performance computing and quantum-computing will come further, but it is always around data. Data is key - the one who has access to data and who has a lot of data available, that is who will be more successful.

-  **Association Industry 4.0 Austria** has more than **50** members
-  **Association Industry 4.0 Austria** involves more than **500** experts in the work
-  **Association Industry 4.0 Austria** was founded in **2015**

Is there any final message you would like to deliver?

I am always asked where is Austria's position when it comes to industry 4.0. I tend to say that we are well-positioned. In general, I think the notion of industry 4.0 is well-established. We have the technologies and the understanding. If the organizational work does not comply with the technology, the new technology will simply fail. We are thinking about these non-technological effects. In this context, the trade unions are very helpful, because they know very well what is going on in the companies and that is very important for me to say: trade unions are part of the solution; not part of the problem.

A globally-established construction giant headquartered in Vienna

Thomas Birtel, CEO, Strabag SE, describes how their special business model works, including what are its strengths as well as weaknesses.



What is your assessment on the current state of the construction industrial sector in Europe and in Austria?

If you had looked at our key figures during and immediately after the financial crisis, you would not have seen any significant effect, due to our special business model which we have been pursuing for many years now. We have a strategy of double diversification, alongside a very strong focus on Europe. For us it is a tradition, given that we have more than 90% of our sales in Europe but in many different countries. The second line is the segmental diversification. We are not focusing on building construction or civil engineering, road construction or rail construction; we are doing everything. Those various segments in our industry tend to behave very differently even in the same geographic market. Hence, we have that double effect which is stabilizing and taking volatility out of our industry. 2018 was a very good year for all of our markets and we project the same for 2019 as well. There are many rumors around regarding the export-oriented industry, suggesting that Brexit or the China Trade Wars might harm some industries. It has to be admitted that the construction industry is an indicator, but not one of the first ones.

“We have a strategy of double diversification, alongside a very strong focus on Europe. For us it is a tradition, given that we have more than 90% of our sales in Europe.”

Thomas Birtel, CEO, Strabag SE

Could you assess the business evolution and outlook and identify for us the best areas and those with greater opportunities in the coming years?

We have still the right focus, given that we are concentrating on Central European markets. On the other hand, CEE countries have a huge need for additional infrastructure. Countries that did a lot in the past decade are still far behind Austria when it comes to their overall infrastructure. In addition, we also have some exotic markets. This refers to less than 10% outside of Europe. We have a very strong business in South America, especially in Chile. We are among the biggest Chilean construction companies. The biggest single project which we currently have in our portfolio is a Chilean hydro power plant, which is worth about EUR 1.5 billion. The other business in Chile is with the copper industry. We are the biggest mining service provider to the copper industry.

How is technology transforming your industry and your company business?

For us digitalization is an interdisciplinary project with multiple aspects, including IT, personnel, technological and operational. It has been a huge project for us that is being executed by the three involved parties: our central technical department, our IT department and our operational units. For building construction and civil engineering, the huge keyword is building information modelling, through the creation of virtual twins. That allows us to better master the design of the construction project, as well as master redesign, which we see very often in our industry. Opportunities for optimization in our industry are somewhat limited, compared to normal manufactory industries. When it comes to infrastructure, it is more about logistics. Hence, we have two big interdisciplinary projects. The first one is in building construction and civil engineering and the other one is in transportation infrastructure. They are both under the roof of ‘smart construction’, but they are two different projects.

Why Austria is one of Europe’s best investment destinations?

Vienna represents at least 20% of the Austrian economy and is the fastest growing German speaking city in the world. This is thanks to the quality of life, the security, the economic and political stability.

Where do you see the group in 10 years and why?

I hope we will be maintaining our leading position in the European construction industry. We have about 80% of our output in construction, but we are also investing in services closely related to the value chain. Another activity is facility management and we could play a more important role in that regard. We are also a leading player in Germany. We have a focus in telecommunications companies. Until today, we are, for instance, managing the whole mobile firm network for Deutsche Telekom in Germany. Unfortunately, this will be switching to another service provider by the middle of this year. Still, we will be remaining a major player in that field of interest in Germany. We do have activities of that kind also in Austria and Czech Republic.



Based on all major figures, **Strabag SE** is the largest construction company in **Austria**



In 2018, **Strabag SE** generated a record output volume of **EUR 16.3 billion**



In 2018, **Strabag SE** earnings before interest, taxes and depreciation (EBITDA) is **EUR 952.6 million**

A balanced life is key to success for real estate leader in Vienna

Dr. Eugen Otto, Managing Director, Otto Immobilien, provides an insight to Vienna’s real estate sector from his vast and long experience.



Based on your experience, what are the main trends and challenges the sector is facing, in Austria and the rest of the EU?

In Vienna we can observe an increase in residential Investment. There is a high demand since it provides stable yields. Student housing is also on the rise as an investment product. Since Vienna is the largest German speaking Student City in the world it has a large market to offer and very few private property developers. In the case of office spaces we note the demand in A-Class objects in central locations of Vienna. Since it cannot be satisfied, because there are hardly any development areas in the inner city except the central station („Hauptbahnhof“) high rents are accepted in these almost central locations (17-19€/sqm).

How important is your business in Vienna, Austria and internationally?

Since 2011, we have an exclusive partnership with Knight Frank, the world’s largest private real estate consultant who specializes in upscale residential properties.

Headquartered in London, Knight Frank has 523 offices in 60 territories and more than 18,170 employees. Austrian customers thus have access to global markets, their real estate is given an international presence in Knight Frank publications and is also incorporated into a comprehensive global real estate platform.

“For me it is also primordial to further develop the well-deserved reputation that the company has had for 60 years and be a trusted advisor for all of our clients.”

Dr. Eugen Otto, Managing Director, Otto Immobilien

How is technology changing the way Otto Immobilien operates?

About 20 years ago there was in the real estate sector minimal digitalization. But in the last 10 years we have seen changes, especially in our research work. Since then, most data has been digitally collected and is now easily accessed. The residential market has seen the most change. More and more aspects of an agent’s work can be done electronically and digitally accessed. I think that in the residential sector when you look for an apartment most information can be accessed digitally. The commercial sector is not that far advanced, because clients of large investment still want answers in a face-to-face manner packed with the experience from experts supported by technology and data.

Could you assess the company performance in 2018? Where do you see your organization in the next 10 years and what are you doing in order to fulfil this vision?

For us 2018 was an excellent year. Profits went up between 15% to 20%. And 2019 has also started really well. The current climate for investments and buying real estate has never been better. The only downside currently is that prices have risen and most real estate became more expensive during the last 12 to 18 months.

The residential sector is certainly booming the most. Something that has had an incredible renaissance in Vienna in recent years are historical buildings, those built between 1870 and 1916. These have a special appeal and many have been refurbished as apartment buildings. The amount of capital investment in this sector has been approximately 10% over the last years and we don’t see this trend ending any time soon.

What is success for Otto Immobilien and for its leader?

What we are striving for is to have a balanced and happy life, both professionally and personally. This has always been extremely important to me here in Vienna and for more than 90 people who come to work in our offices

every morning. It is critical that our employees like what they do and that having a good education, training and leadership will allow them to do their work well and professionally.

For me it is also important to further develop the well-deserved reputation our company has had for the past 60 years and to remain a trusted advisor for all of our clients. The best compliment for us is to have repeat customers. We are at times consulting and working with third and fourth generation families who have used our services. properties. Our aim is to connect people and properties perfectly. People come to us because they look for experienced experts in real estate who will guide them in a trustworthy manner to reach their goals.



In 2018, **Otto Immobilien** had a turnover of more than **EURO 11 Million**



Rents for office spaces in inner Vienna are **EURO 17-19/sqm**



Student housing is on the rise as an investment product

Support throughout the entire enterprise life cycle is fundamental

DI. Bernhard Sagmeister, Managing Director, aws Austria Wirtschaftsservice, breaks down the means of support towards Austria's enterprises.



Why is aws a strategically important institution? Can you help us navigate into the organizations three main areas? Who do you help and how?

We promote innovative enterprises and rapidly growth-driven companies. This has been our history for 65 years in Austria. aws is the federal promotional bank, which is fully-owned by the government. It is quite important to share some risk in different stages of the enterprise life cycle. That is during the pre-funding stage, but also during the funding as well as later on.

We provide our services via four plus one financial instruments. The first financial instrument is through grants. We have some programs where we see that they end up very successful. The second is soft loans. We provide soft loans with a long-term maturity as well as a fixed interest rate. We also provide guarantees. They have a huge leverage effect to mobilize especially commercial financing for the enterprises. The fourth instrument is equity. The last one is coaching, where we cater to various entrepreneur challenges.

When it comes to our three main business areas, we provide programs before

“The Austrian scene has developed very well over the last years. This has also to do with the strong focus and persistence of our own activities.”

DI. Bernhard Sagmeister, Managing Director, aws

the establishment of a company, in order to create a kind of entrepreneurial spirit. We have some youth programs where we try to create awareness, for youth between 15 and 18 years old. We accompany outstanding projects through the program aws First, providing coaching and mentoring for one year, in addition to a fixed monthly fee.

The second area of focus for us is startups. If you think about an innovative startup, you have multiple criteria. They have to have a scalable business model or innovative products and services. In total, we have around 430.000 companies in Austria, but just 25.000 of them belong to our clientele. Those are the really-innovative ones and the high risk-takers. The third area is for already established companies, with a maturity of more than 5 years. When they undertake major growth steps or internationalizing, we provide them with financing, soft loans and guarantees.

What is your assessment of aws' socio-economic impact as well as overall financial, operational and non-financial results in 2018? What are the prospects in 2019?

It is always about the contribution of the development of an enterprise

which is economically sufficient and successful. The aws has a strong focus on innovative companies to make a positive impact on the Austrian economy. They need much more contribution than other business models, because they have to invest very strongly in advance to become self-sustaining but have problems to get the right funding. Therefore, the State contribution has to be higher in order to support them. 2018 was a very strong year for us, thanks to some extraordinary grant programs. On an average year, we provide around EUR 1.2 billion. We support about 6.000 programs each year.

Based on your knowledge, how is the startup scene in Austria? How easy is it to launch a startup and find all the necessary help to grow?

The Austrian scene has developed very well over the last years. This has also to do with the strong focus and persistence of our own activities. There has been a lot of attention on Vienna as a startup hub here in Europe. However, the competition is increasing. We are moving in the right direction, but it is a question of speed. Therefore, the effort that we have to undertake has to increase as well.

What is your vision for the next 10 years?

The most important thing today is digitalization. It may bring a lot of challenges, but it also brings together many parts of the market. We have to merge it with our financing programs and our clients' challenges. For us, our processes have to be much more digitalized. We have to be a leading example, taking swift decisions. In addition, the upcoming FinTechs are quite significant. We have to make major steps forward in order to collaborate with the FinTech market in the best manner. Last but not least, we have to show our best practices and learn about others, thanks to internationalization. We have to be very open-minded and share our knowledge with others, in order to receive equal knowledge for the business location of Austria and our tasks.



Austria is placed 5th, out of 70, on the Global Entrepreneurship Monitor System



In 2018, aws provided EUR 2.2 billion in the market, supporting 16.000 projects



Each year in Austria are founded 35.000 to 50.000 companies

Technical universities in Austria bring new dynamic in higher education

Dr. Fritz Schmöllebeck, Rector, FH Technikum Wien, gives us an inside view of one of Austria's main incubators for qualified personnel.



Could you give us a glimpse into Fachhochschule Technikum Wien, the strong points of the university, its top research fields and some other key performance indicators, such as students, employability after study, international network and partnerships?

We focus purely on natural sciences and studies in engineering technology, and that will remain our focus. We are small compared to international universities. We have about 4.500 students in 30 programs. Compared to competitors in Austria we are strong in research. Funding is a special situation in Vienna, due to the vast competition. In principle competition is not bad, but other universities have basic funding from their own federal states.

We have no big influence from politics. I think we are the only university of applied sciences whose maintainer organization is completely driven by industry and companies. There is no political agenda and that gives us a lot of freedom. On our boards we have respected industry leaders and we maintain a good relationship with industry. We have partnerships with the industry and we do a lot of research together. One interesting cooperative research area is in renewable energy systems, which we do with Finland, in association with the Lapland University. Additionally, we focus on urban systems and photovoltaics and building infrastructure, combined with smart cities.

“Many of our students come here because they want to study in Vienna. This lifestyle is significant, allowing them to get out of their small towns.”

Dr. Fritz Schmöllebeck, Rector, FH Technikum Wien

How is a 'technical university of applied sciences' perceived within the system of higher education in Austria?

The perception is changing and interest from prospective students is high. If you look at the number of students studying in the universities of applied sciences, you have 280.000 in the university sector and 50.000 in the universities of applied sciences. The universities had 35.000 graduates from the universities in 2016 and 2017, and 13.000 were from the universities of applied sciences. The impact on the labor market is comparable. Students finish their studies on time for the most part. At other universities people take longer to finish.

Could you highlight the main targets of FH Technikum Wien development plan?

In research we want to further develop cooperative PhD degrees. We have

two parts in this organization. The older one is teaching and education, and the newer one is research and development. We need to focus on balancing them. In development in terms of students and new programs we have a lot of ideas with the industry, but we depend heavily on public funding. Currently we are lucky, because the political world wants to support engineering and telecommunications.

Do you think Wien has the potential and the capacity to figure among the best university towns globally?

Many of our students come here because they want to study in Vienna. This lifestyle is significant, allowing them to get out of their small towns. Upper Austria has elaborate funding for corporations and universities. In the automotive class there was more going on in terms of science. We have a lot of small and medium enterprises

with a lot of variety in Vienna, but there are some challenges to working with them. Our maintainer organization can help us get in touch with large companies, but it is harder to manage the huge numbers of SMEs. Vienna is also safe, so that is attractive for international students. I think we have some time before our Austrian universities of applied sciences are in the top ranks.

Where do you see the FH Technikum Wien in 10 years?

In ten years in terms of students we will have doubled their number. That is in line with government goals for universities of applied sciences. It also has to do with shifting some areas of studies from other universities to universities of applied sciences. There are a lot of possibilities, through a combination of technology with healthcare. I see us with three to five PhD studies in cooperation with universities, so we can have more people on staff, developing from juniors to seniors and becoming more competitive. 15% of our budget comes from research and development and I think we can double that in ten years.



FH Technikum Wien maintains more than 80 international partnerships across Europe and Asia



For FH Technikum Wien, 80% of the budget comes from public funding



FH Technikum Wien offers 12 Bachelor's and 18 Master's programs

Optimism and creativity to turn potential into profitability

Mr. Eduard Berger and Dr. Helmut Hardt, Board Members at Wiener Privatbank SE, give us a glimpse of their position in a demanding market.



What is your assessment on the state of the economy in the EU and especially in Austria?

After the record period for the economy we see some slow down this year. Overall the European as well as the Austrian economy are in better shape than people might think and we are optimistic, despite the reduced forecast. Austria benefits from the growth in Eastern Europe and the high growth in the Central Europe. Regarding banks, we wish interest rates would go up. Banks are operating in a difficult environment due to interest rates and heavy regulations. For the real estate sector, the interest rates provide significant help. You can get ten years financing at very low rates for a fixed ten-year period. This gives investors the opportunity to work with equity and banking loans.

What are the defining moments in the history of your organization?

We are an equity and private banking player in the Austrian sector. We have been on the market for fourteen years but we have a clear vision and mission. We focus on real estate services and investment advice. Consequently, our major shareholders are real estate investors. We have deep knowledge in the Austrian and especially the Viennese real estate market. We see ourselves as experts in the financial market, especially the stock market. We have strong expertise in investment funds and in the small capital markets niche, which is unique in the private banking sector. We combine the two worlds of the real estate sector with capital markets products focused on real estate products and wealth management.

“Europe is a good investment destination, even though it was underestimated in the past. With the start of the boom in Austria, the country’s position is brilliant as a door to Europe.”

Mr. Eduard Berger, Board Member, Wiener Privatbank SE

What is your assessment of the bank business in 2018 and what are the expectations in 2019?

The environment remains challenging. In 2018 we focused on successfully implementing MiFID II, changing the kind of service we can provide in a very cost intensive manner. This year, interest rates remain a problem and the regulatory demand is still high. On the other hand, our products work well continuing with new ones. Investors buy condominiums not to live in but to rent out, and there are positive tax results for those investors. The market in Vienna is booming, with 19th century houses being refurbished constantly.

Is Austria one of Europe’s best places to invest and to grow a business?

Europe is a good investment destination, even though it was underestimated in the past. With the start of the boom in Austria, the country’s position is brilliant as a door to Europe. We have a great airport and a lot of energy coming out of a small country, which was forced to move quickly to compete with its bigger peers, managing to become successful. The question now is whether the state can provide the right environment for foreign investors. Austria provides a stable environment and we do not see that changing. Vienna has a strong position for Russian and CIS citizens. We have a strong Russian community here and we see people coming here to invest and live. We are starting to see Chinese investors as well. In the high-level real estate market 10 to 20% of our investors are foreign.

What are the challenges of a bank of the type of Wiener Privatbank SE?

Digitalization is on everyone’s mind. The challenge for a private bank is to optimize workflows in the back office as much as possible, without losing the personal touch. We cannot compete on the technical side, but we compete on the personal side. We do not handle their day-to-day life needs; we are their second bank handling their specialized real estate and wealth management needs. We are working to digitalize our client onboarding behind the scenes in the infrastructure. Our business is face-to-face, we cannot compete with electronic banking tools and we think our high-level customers pursue face-to-face interaction.

Where do you see the bank in 10 years and why?

We will be in a strong market position with private clients and market shares in CIS and CEE. We will have a strong position on the balance sheet with about a 20% tier one ratio, which shows a stable and profitable bank. We are well prepared for new clients, and with the partnerships and cooperation we have in place we are happy to do face-to-face business.



In 2018, the total assets of Wiener Privatbank amounted to EUR 411.04 million



In 2018, the core capital ratio increased to 19.71%, compared to 17.7% in 2017



In 2018, Wiener Privatbank reduced all administrative expenses to EUR 16.48 million

Digitalization as the main vehicle for superior connectivity

Dr. Andreas Bierwirth, CEO, Magenta Telekom, describes the future of the telecommunications sector within Austria and beyond.



Besides your well-mastered managerial skills, you have also had a vast experience in the airline industry. Which of your past professional experiences have you found useful in your current business and why?

I think the main similarity between the two industries, airline and telecoms, is that we are dealing with infrastructure. The problem with telecoms is that, once your infrastructure is in place, it is not movable. On the other side, the aviation market is much more dynamic and dependent on economic cycles, while the market for telecoms infrastructure is much more stable, independent from typical economic cycles, but even more dependent on local competition. The key differences between aviation and telecoms is that the rules governing how you do business are aligned throughout Europe. In the telecoms industry, these rules are not aligned, because this spectrum auctions are set up country by country.

Could you give us a glimpse into your understanding on the current state of the sector both in Europe and especially in Austria?

Digital infrastructure will be a critical element of a country, promoting multiple political discussions. The awareness about our work is increasing all over Europe and Austria. We have a good relationship with the government in examining what kind of environment we need to be able to invest, enabling us to create one of the two best mobile networks in Europe. Our network is the best one in Austria, which we are pretty proud of. A lot of things that we are doing are things like cleaning up national roaming and aligning it with the understanding that we are one market.

“Digital infrastructure will be a critical element of a country, promoting multiple political discussions. The awareness about our work is increasing all over Europe and Austria”

Dr. Andreas Bierwirth, CEO, Magenta Telekom

There has been a lot of negative press about 5G and about its damaging effects. What’s your view on that?

We have not had this kind of press over the last 10 years. However, this discussion about radiation is looming large in the public interest. You can say there are five levels of 5G and one of the possible layers of 5G is super-high spectrum, but is still not dangerous.

Could you first assess Magenta Telekom’s, formerly known as T-Mobile Austria, results and competitive position in Austria?

We are only responsible for Austria and not for other countries. If you compare us with U.S. players, we are a drop in the ocean. But even a drop in the ocean can mean a lot. More interestingly, a lot of developments that happened in Austria are spreading to other countries too.

What is your assessment on the R&D environment and framework in Austria? How competitive is Austria and therefore its companies and industries?

Austria is small enough that people know each other, know how to manage laws and regulations to allow us to explore any opportunities that present themselves. We are very flexible but simultaneously process-oriented.

How is technology changing the business in the telecom sector?

We are at the heart of digitalization. We have to produce the networks and keep up with them, doubling in size each year. We have to digitalize ourselves which requires clear thinking and access to people in IT.



On May 2019, T-Mobile Austria rebranded as Magenta Telekom, following the merger with UPC Austria



Magenta Telekom has more than 5.7 million customers



The network of Magenta Telekom claims to reach 98.5% of Austrian households

As a marketing expert, how important is branding today telecoms sector?

We are an industry where retaining loyal customers requires a lot of marketing. On the other hand, you really have to make sure that your technical performance is good. Without performance the branding will have no effect. For me, first comes technical performance and then customer service.

Based on your previous answers, could you please highlight your strategic priorities for 2019 and beyond?

We are going to become a converged company. That means that we understand our customers, not only in terms of a single customer. That is strategic priority number one. Number two is B2B. We feel responsible for the Internet of things, not only in terms of setting up networks, but also in terms of offering solutions and exploiting opportunities, no matter what is their sector of origin.

Mitigating climate change - how an Austrian niche player enables weather-driven decision making



IMAGE © MIRJAGEH

Michael Fassnauer & Manfred Spatzierer, founders & CEOs, UBIMET, explain to us how our future is heavily dependent on the skies.

Can you give us a glimpse into your products and services?

We represent a company that addresses digitalization as well as a major topic of this century, which is the climate change. We focus on taking huge amounts of data, correlating them and produce what we call 'nowcasting', meaning what is the weather's situation currently. These data packs can be used by a private person but also a company. For example, our services can be helping an airport reduce downtime due to storms by a percentage up to 50%.

How did you find Vienna as a base for your company?

Vienna is a great place to start your business or keep it going. On the one hand, you have this really special geographical position. On the other hand, Austria provides an extremely stable economic environment. An advantage we have seen from the American companies we have got in contact with in the past is that they also have a relative stability, due to their market size. Taxes are adequate and the workforce is quite skilled.

"We are not going into quantification of success. We just want to make an impact in the world. We aim for challenges, even when they lack the big capital behind it."

Dr. Michael Fassnauer, CEO, UBIMET

How are new technologies going to impact your company and overall the industry?

The eruption of those new technologies influences our daily business at least in two ways. First, we are highlighting the internal aspect and the way these technologies affect our business. Big Data and anything that comes along with that is a big topic. We are working in several projects where we correlate weather conditions with demand analysis in the retail sector. Second, we see that our customers take advantage of all these new communication technologies too. Over the past three years companies have really embraced this effort towards digitalization. In the past, companies were admitting that they were not able to process this information. Now, they are starting to use cloud services. There are some small and early steps but they are towards the right direction.

Which are the most important growing markets for you and why?

Europe is our first priority as a region. Europe does not have one language or one culture, but it is one market. That is a challenge for us but it is quite interesting. We would be also interested in the market of the U.S. Asia and Africa would be huge markets as well, given that the demand is everywhere.

We always try to target down areas on the basis of our impact, while taking into account our mid and long-term view. For example, we have been building a lightning detection network in Thailand, because we found a partner there. However, it is a very interesting region to deal with all the meteorological phenomena that have been happening in Asia. Asia has a bright future in terms of infrastructure and logistics. I think that in a few years' time, every country of the sub-Saharan area will become very interesting as well.

What are the risks for our lives and our companies' fates in the short-term due to global warming? How can you mitigate such risks?

The climate models predict that the process of warming up will continue. We have certain forecast scenarios for certain areas in the world. Amongst extreme weather phenomena, we will have to brace for what we call the 'silent killers'. Those do not describe something happening, but instead the absence of a phenomenon. That will be for instance the lack of precipitation during the spring and summer periods, in the Central Europe and the Mediterranean Sea. A lot of people have their opinions, but facts are not bent by opinions. Mitigation in such events can be a part of a discussion, in parallel with efforts like ours. We give them the information on how to react or at least expect what is going to happen.

What does success mean to you as people and UBIMET?

On the business side that would be having a healthy growth and satisfied customers and partners. We find incredibly fulfilling to do something that actually makes sense. There are so many things that are being produced and practically waste people's time. With our services we can make people understand more about our world. We are not going into quantification of success. We just want to make an impact in the world. We aim for challenges, even when they lack the big capital behind it. Solving real problems and delivering viable solutions is the foundation of what we do.



UBIMET is considered by many the **'first fully digital global weather service provider'**



According to UBIMET, the company manages **90 TB** of global weather data per day



In 2018, UBIMET received the **Insurance Service Quality Award**

An Austrian company specially 'designed for precision'

Wolfgang Grumeth, CEO, Airborne Technologies, explains the meaning behind their slogan: 'Innovation with responsibility'.



What are the company unique selling points and why are your products and services successful? Among the services and products offered, what is your core business and where do you see the greatest opportunities?

Our core business is the cutting-edge surveillance equipment for fixed and rotary wing aircraft, specifically for the police and military sector. What makes us stand out from our competitors is our combination of aviation and sensor expertise united under one roof. As an approved Design and Production organisation, our scope of work involves the whole process from aircraft operation to design and modification.

The world's current state of safety creates an increasing need for general security, which in turn leads to a growing demand of airborne surveillance – that's where we come in.

Could you give us a glimpse into the group international operations and markets?

We are all over the globe, except North America and China. With business partners in many different countries, we see ourselves as an expanding international company. Currently we are developing a steady foothold in the Middle and Far East, as well as in several Asian countries. In any case, our core market and home base remains in Europe.

"Important reasons for choosing Austria were and still are the good infrastructure, low crime rate, stability in the legal system highly educated technicians and an overall good reputation of the country."

Wolfgang Grumeth, CEO, Airborne Technologies

How is technology, sustainability, the use of efficient energy and shaping your future?

Considering the fact that our work consists of complex technical projects in an ever-changing market, we need to be flexible and adapt to various customer requirements. Today's surveillance systems are transmitting more and more data to both the crew in the air and on the ground. We see it as our mission to optimize this data in a way to make it more accessible to someone who is not necessarily a "tech-nerd".

Our in-house development "Airborne LINX" for instance leads the field in simplifying the management of all sensor and communication systems on a simple-to-use touch screen, reducing the daily workload of

pilots and operators.

Was Austria a center of opportunity for your organization? If so, why and how?

When we founded this company eleven years ago, we also had the possibility to do it somewhere else. Staying here was a focused decision, because I was aware of the fact that we have a very good aviation know how here in Austria, especially in this area.

Other important reasons for choosing Austria were - and still are - the good infrastructure, low crime rate, stability in the legal system, highly educated technicians and an overall good reputation of the country.

Where do you see your organization in the next 10 years and what are you doing in order to fulfil this vision?

In the future, I am confident that we will be serving the same markets, though possibly more in the unmanned sector. This sector specifically is growing, although it will not completely substitute the manned sector just yet.

In 10 years, our company plans to double its current size as well as triple the turnover. Our main goal though remains to become the first choice for ambitious and sophisticated airborne surveillance solutions.

Is there anything else you would like to add for our readers?

Airborne Technologies' field of work is anything but simple. The complexity of the customer's project requirements can seem overwhelming at first glance. We are a one-stop-shop for airborne surveillance solutions. Our customers enjoy the benefits of having one single point of contact compared to the hassle of running around and coordinating with various suppliers. Due to our operating experience, we have a leg-up on understanding our customers and supporting their needs.



After several good years, Airborne Technologies aspires to reach **EUR 50 million** in terms of turnover



Airborne Technologies was founded in **2008** and is based at **Wiener Neustadt Airport**



Airborne Technologies is currently employing more than **45 people**

Groundbreaking technologies forming a niche transcending industries

Lukas Silberbauer, Managing Director & Co-Founder, taurob, guides us through the company's early yet successful steps in the industry.



Could you give us a glimpse into the products and solutions the company has developed?

Originally, my co-founder, Matthias Biegl, and I founded a company to build fire-fighting robots. Firefighters have three very distinguishing requirements. One, the robots must be ATEX-certified. That means the robot can go into an explosive atmosphere. Second, it needs to be very easy to operate, very intuitive, because they do not have specialists like the military or the police forces. Third, it must fit into their budget. Eventually, the oil & gas company Total wanted ATEX-certified robots on their oil and gas sites. Now we are serving the firefighting market and the security market. By that I mean CBRN (Chemical, Bacterial, Radiation, Nuclear), police forces, civil defense, but predominantly, the oil and gas market. They wanted those robots to conduct autonomous routine operation rounds across offshore platforms.

“We cannot see ourselves as a company with a global footprint. The plan is not to establish a global presence, but to grow together with our international partners who offer our robots to their clients.”

Mr. Lukas Silberbauer, Managing Director & Co-Founder, taurob

The company offers its proficiency in mechatronic systems, especially in mechanics, electronics and software. What is the importance of this segment in your business?

First and foremost, it is very challenging to have a good expertise in all three separate fields. We needed to build up knowledge in mechanics, lightweight design and every single aspect in regards to preventing explosions on the mechanical side. We needed to build up on electronics and very efficient motor controls as well as on the software side. A robot must be really robust. It has to withstand unfavorable conditions like ice, salt and the maritime environment in general, twelve months on the go without somebody to go there. Therefore, we are very happy to have our partners in Total. We are also looking at extending this relationship to other big players in the oil and gas industry.

You are a SME in Austria. Is the company actively engaging with new potential investors to grow? How do you plan to grow further?

We want to grow rapidly and we need to grow rapidly because the competition is catching up. I think we are much more flexible than others. We managed to accomplish all that in a time span of nine years and a team of only eight people, up until last year. I think that the unique advantage of an SME is that you can be very efficient if you are doing development. We can do very rapid and fast decision-making.

We are not caught up in meaningless reporting and other procedures.

What is the importance of partnerships?

As we set out our company initially in the firefighting segment, it was clear to us that we cannot be successful alone. We could either focus on the development of unique and innovative products or the sales' side. Our choice was to focus on the development side and we would manage our sales side through partnerships. As an SME in Austria we simply could not provide a presence to Africa, or perform maintenance to offshore sites. Therefore, we are very happy to have signed a strategic partnership with Dietsmann, the leading independent Operations & Maintenance provider in Oil & Gas and Power industry last month.

Could you identify the two most disruptive technologies that will transform our lives in the next 10 years?

For me, it is all about machine learning and AI. This is a big topic for us, given that, in the end, our robots are supposed to do what a human does. A human relies on his or her intelligence to perform those tasks.

As a result, we promote AI-driven algorithms already today in order to figure out multiple crucial parameters. Everything keeps getting smarter and interconnected. Our robots are embedded in this Internet of Things reality. Personally, I hope that blockchain is setting up. This technology is very exciting and it fascinates me. Unfortunately, like many others, I do not see a business need for the Blockchain as of now.

Where do you see yourselves in the next 10 years?

We see ourselves as a robot design company that designs specialized robust robots for various industries. There are a lot of interesting industries that could make good use of our robots. We see ourselves as a company that can offer its service through its partnered companies. We cannot see ourselves as a company with a global footprint. The plan is not to establish a global presence, but to grow together with our international partners who offer our robots to their clients..



In 2013, taurob was the **first** company worldwide to produce an **ATEX-certified robot**



Since 2011, all processes at taurob are **ISO 9001** certified, by **TÜV Austria**



taurob was officially founded in **2010** and is based in Austria

Data mining and analytical tools never seen before made in Austria

Christoph Prinz, CEO, SAIL LABS Technology, introduces us to the next generation of professional analysis and research tools.



Could you give us a glimpse into your company's products, technology and services?

We were founded in 1999. We have AI at the core of our name SAIL LABS. SAIL primarily delivers a product called the 'Media Mining System', trying to analyze media in multiple languages and in all their fascinating ways of distribution. This provides an overview on what is going on in the media about a company, a product, directors, officers or even politicians. We ingest all formats (TV, Radio, Web, Social Media, Press Agency Reports) into a big database in multiple languages in an attempt to find the international footprint of a story. We allow analysts to spend their time doing what they do best, analyzing rather than finding. This allows journalists and everybody that has to do with media, including tourism, marketing and politics, understand a given situation.

How do you differentiate your offer from government to commercial and why?

We are distinguishing our services to governmental and non-governmental customers. Commercial customers are primarily interested in how their offices, organization or products are mentioned in the news. In the government sector we are in contact with the Ministry of Interior, Tourism, Defense and other agencies. We cater to people who need to understand what is happening in the news. We want them to gain awareness and make the right decision.

“The most groundbreaking part that we are working on is a truth engine, based on a combination of several technologies, allowing our customers to know whether something is trustworthy or not.”

Christoph Prinz, CEO, SAIL LABS Technology

Does your company help governments and companies overcoming the risk and impact of digital security and 'fake news'?

We are providing the tools so that our customers use them in their entire systems, in any way they see fit. It is the customer who decides which social media or channel is interesting to him. When it comes to 'fake news' and misinformation, it is something that many of our customers have asked us to deal with. There is a lot of misinformation, that sometimes is even well organized. We have software that helps us identify whether a photo has been 'photoshopped' or not. When it comes to tweets, we have built a technology that allows us to determine whether something comes from a bot or not. In order for us to tackle 'fake news' more effectively, we need to come with additional mechanisms and

technologies, such as a trust model, that allows us to slowly calculate whether you trust a source or not. We are in several EU projects and we do our own research as well in order to tackle 'fake news' in the international media.

Are technologies such as 5G, big data and blockchain going to shape and have a major impact on your company and the overall industry?

Coming to next generation technologies, we are a highly technological-driven company. We highly benefit from the advances of Big Data, collecting millions of documents every day that need to be processed and analyzed in multiple domains. A groundbreaking part that we are working on is a truth engine, based on a combination of several technologies, allowing our customers know whether something is trustworthy or not.

As an international company, what are your priority markets and why?

A large portion of our customers comes from Europe, Middle East and Africa. Interestingly, we found the whole region to be really receptive of our technologies, through press agencies and larger organizations that are using our tools. We sell all the way back to Asia and the Americas. We would like to do a bit more in North America, that is still an area that we have not found the best roads of entry. There is still a lot of potential in Europe.

What would you highlight about your story, the challenges you have faced but also the opportunities you have found as an entrepreneur in Austria?

I have always wanted to live an interesting life. I started this journey and certainly there were some quite difficult days. I tried to surround myself with people that I like and tried to have a climate of mutual respect in my company. For the company itself, we want to achieve reasonable growth, so that the investments that our shareholders have made prove to be worthwhile.



In 2019, SAIL LABS Technology announced the new version for their **Media Mining System**



SAIL LABS Technology provide their **natural language understanding tools** in **33 different languages**



SAIL LABS stands for **Speech Artificial Intelligence & Language Laboratories**

“We have more experience than others”

Thomas G. Winkler, CEO of UBM Development AG

City tourism is booming—and UBM is booming along with it. As the largest hotel developer in Europe, we have built up incredible expertise in this segment. It’s a fact: you can only do something really good when you are fully focused. That is why we focus on our core expertise—the development of real estate, with hotels as the central point. The interaction between experience, strict quality standards and the dedication to identify trends at an early stage have made us a reliable partner for the best-known international hotel operators and investors.

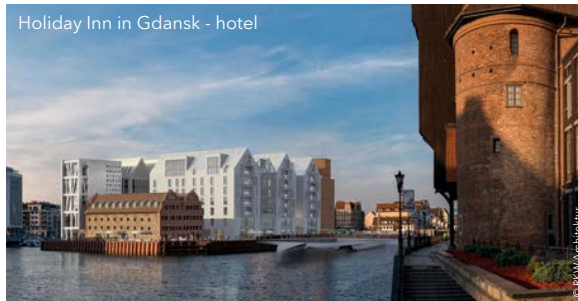
The current financials confirm our course: with the highest earnings in our company’s history, an equity ratio of 35 percent and a record dividend, 2018 was our best year ever.

City tourism is one of today’s megatrends. People have grown accustomed to regularly discovering new cities or revisiting their favorite destinations time and time again. If you want others to sleep well, you



© Piotr Krajewski

need to be wide awake. And that is just the state of mind at UBM. We invested in the future at the right time and acquired a range of attractive properties from Vienna to Prague, Gdansk, Berlin, Hamburg and The Hague. With a total of 16 hotel projects currently under development, UBM’s pipeline has reached an all-time high. Because the future belongs to the people who build it.



Holiday Inn in Gdansk - hotel

© RKM Architects



we develop. your investment.

competent.
reliable.
transparent.

UBM is the leading hotel developer in Europe and also internationally successful in the office and residential asset classes. In Germany, Austria and Poland we realize large-scale projects in the best locations. Our share scores in the prime market of Vienna Stock Exchange. By purchasing UBM real estate you win a renowned partner as well.