

Numbers & Facts

Business Location Potsdam

1. Potsdam at a glance

(updated 06/2005)

| Area <i>(including the 7 new parts of town)</i> | 31.12.2003 | Percent |
|--|-------------------|----------------|
| Entire Area | 18.729 ha | 100 % |
| incl. forest-, water- and recreation area | 7.412 ha | 39,6 % |
| traffic area | 1.299 ha | 6,9 % |
| built up areas | 3.254 ha | 17,4 % |
| agriculture area | 6.109 ha | 32,6 % |

| Inhabitants with their main place of residence <i>(including the 7 new parts of town)</i> | 31.12.2003 | 31.12.2004 |
|--|-------------------|-------------------|
| Total population | 143.811 | 144.544 |
| incl. Potsdam North | 15.881 | 16.005 |
| Northern Suburbs | 6.462 | 6.602 |
| Western Suburbs | 17.636 | 17.544 |
| Inner City | 16.333 | 16.506 |
| Babelsberg | 18.958 | 19.690 |
| Potsdam South | 29.353 | 29.210 |
| Stern/Drewitz | 29.142 | 28.892 |
| Northern Districts | 10.046 | 10.095 |

| Inhabitants according to age groups | 31.12.2004 | Percent |
|--|-------------------|----------------|
| incl. under 18 years of age | 21.341 | 14,8 % |
| 18 to under 65 years of age | 97.545 | 67,5 % |
| 65 years of age and older | 25.658 | 17,7 % |

| Inhabitants according to qualification | 01.05.2003 |
|---|-------------------|
| incl. skilled and semi-skilled workers | 46.500 |
| college degree | 39.600 |
| university degree | 22.900 |

| Households | 31.12.2001 |
|----------------------------|-------------------|
| Total number of households | 68.931 |

| Housing stock | 31.12.2003 | 31.12.2004 |
|-----------------------|-------------------|-------------------|
| Total number of flats | 77.888 | 78.768 |

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2. Potsdam – a modern economic location with a tradition

Potsdam's economic development is influenced by the immediate proximity of Berlin. On the other hand, Potsdam is distinguishing itself more and more as an independent economic location, whose main pillar is made up of the administrative and diversified service sector, including the media, information and communication, trade, banks and insurance companies as well as tourism.

| Employment | 31.12.2002 | Percent |
|-----------------------------------|-------------------|----------------|
| Labour force in Potsdam (approx.) | 88.800 | 100,0 % |
| incl. gainfully employed | 82.400 | 92,3 % |

| Employees paying into social security | 31.12.2004 | Percent |
|--|-------------------|----------------|
| Total (in persons) | 67.878 | 100,0 % |
| incl. Females | 37.196 | 54,8 % |
| Males | 30.682 | 45,2 % |
| part-time employees | 9.860 | 14,5 % |
| full-time employees | 57.926 | 85,3 % |
| Agriculture, forestry and fishery | 255 | 0,4 % |
| Manufacturing and construction industry | 6.218 | 9,2 % |
| Trade, Catering, Transport | 11.604 | 17,1 % |
| Other services | 49.795 | 73,4 % |

| Number of unemployed | 30.09.2005 |
|---|-------------------|
| Unemployed rate (in %) relating to all: | |
| Civilian labour force | 12,2 % |
| Dependent civilian labour force | 13,5 % |

| Commuting | 30.06.2004 | Percent |
|-----------------------------|-------------------|----------------|
| Number of commuters (total) | 61.914 | 100,0 % |
| incl. Incoming commuters | 38.248 | 61,8 % |
| Outgoing commuters | 23.666 | 38,2 % |

| Business development | 2001 | 2002 | 2003¹ | 2004 |
|-----------------------------|-------------|-------------|-------------------------|-------------|
| Business registrations | 720 | 928 | 1.291 | 1.824 |
| Business de-registrations | 823 | 695 | 629 | 388 |
| Stock of businesses | 6.314 | 7.242 | 8.533 | 10.387 |

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| Businesses in the City of Potsdam | 2001 | 2002 | 2003¹ | 2004 |
|--|-------------|-------------|-------------------------|-------------|
| Total number of businesses | 8.915 | 9.010 | 9.501 | |
| incl. Industry | 331 | 321 | 323 | |
| Construction | 919 | 833 | 878 | |
| Trade | 2.617 | 2.600 | 2.706 | |
| Catering | 587 | 618 | 636 | |
| Credit and insurance | 686 | 699 | 725 | |
| Real estate and housing, services for companies | 2.012 | 2.177 | 2.397 | |
| Public and private services | 949 | 965 | 1.016 | |
| Others | 814 | 797 | 820 | |

| Active members of the Chamber of Industry and Commerce (IHK), Potsdam | 2001 | 2002 | 2003¹ | 2004 |
|--|-------------|-------------|-------------------------|-------------|
| Total companies | 6.802 | 6.860 | 8.223 | 8.729 |
| Agriculture and forestry | 50 | 56 | 84 | 69 |
| Manufacturing | 177 | 176 | 202 | 222 |
| Construction | 221 | 202 | 265 | 288 |
| Trade, maintenance/repairs of automobiles and consumer durables | 2.010 | 2.021 | 2.295 | 2.389 |
| <i>incl. retail trade</i> | 1.324 | 1.363 | 1.521 | 1.597 |
| Catering | 518 | 514 | 604 | 609 |
| Transport and communication | 467 | 454 | 517 | 514 |
| Credit and insurance | 612 | 618 | 720 | 741 |
| Real estate, housing, rental | 1.834 | 1.907 | 2.431 | 2.499 |
| <i>incl. services for companies</i> | 1.116 | 1.150 | 1.529 | 1.594 |
| Other public and private services | 698 | 673 | 764 | 735 |
| Others | 215 | 239 | 341 | 663 |

| Members of the Chamber of Crafts (Handwerkskammer) Potsdam | 2001 | 2002 | 2003¹ | 2004 |
|---|-------------|-------------|-------------------------|-------------|
| Total businesses | 1.206 | 1.180 | 1.255 | 1.584 |
| incl. Craft businesses | 856 | 817 | 837 | 1.095 |
| Craft-similar businesses | 350 | 363 | 418 | 485 |
| Construction and fitting-out trade | 395 | 371 | 405 | 536 |
| Electrical and metal trade | 357 | 344 | 350 | 391 |
| Wood trade | 118 | 122 | 138 | 187 |
| Clothing, textile and leather trade | 47 | 45 | 53 | 79 |
| Food trade | 18 | 17 | 21 | 23 |
| Health and body care, chem. cleaners | 218 | 226 | 234 | 302 |
| Glass, paper, ceramic & similar crafts | 35 | 37 | 37 | 43 |
| Other crafts | 18 | 17 | 17 | 19 |

¹ All data for 2003 inclusive the 7 new parts of town

3. Development of selected economic sectors in the city of Potsdam

3.1 Media

Potsdam is a traditional media location, both for the print as well as the audio-visual media. Film history has been written here since 1911. At that point in time, the company Bioscop built its first film studio in Babelsberg. Ever since, great films have been produced here by renown directors with famous stars. The media location of Potsdam-Babelsberg has built its reputation on famous films such as 'Metropolis' by Fritz Lang and 'The Blue Angel' with Marlene Dietrich.

Today, Potsdam is developing into a modern media location. More than 5,000 people are working in the media industry. Especially the area of audio-visual media, including multimedia, has turned out one of the most innovative growth sectors in Potsdam.

The development of audio-visual media concentrates on the UFA/DEFA studio premises, 46 hectares in size, at Grossbeerenstrasse / August-Bebel-Strasse. Thanks to the modernisation of the existing film studios and extensive new investments, the premises are being turned into a media town of international significance. Apart from the classic film production, the development is determined by TV productions and the multimedia sector.

Selected companies:

- Studio Babelsberg GmbH
- Rundfunk Berlin Brandenburg (Berlin Brandenburg Broadcasting Corporation) with its broadcasting centre and the ARD (1st National TV Channel) Play Out Centre and the Radio Building housing the stations: Antenne Brandenburg, Fritz, Radio Eins, Radio 3, Inforadio and Radio Kultur
- Ufa-Film and TV Production
- Park Studios GmbH
- 'Konrad Wolf' Film and TV Academy
- ZDF (2nd National TV Channel) Brandenburg Studio

Furthermore, a great number of new small and medium-sized media companies have settled in the media town as well as in the other areas of the city.

Selected infrastructural facilities in the media town of Babelsberg:

- Centre for Film and TV Producers with Media House
- fx.centre
- German Radio Archives
- Film Park Babelsberg

The ARD Play Out Centre is a shared facility of all broadcasting corporations of the federal German states and is located at the ORB in the media town of Babelsberg. Since its foundation in 1997, it has made available the most modern technology for the digital recording, editing and transmitting of ARD programmes (EinsMuXx, EinsExtra, EinsFestival, EPG electronic programme guide, ARD online channel).

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3.2 Information and communication technologies, software development

This is one of the most important innovative areas of the economy with growth potential. Due to the excellently developed telecommunication structure, it is an attractive location also for call centres, for instance, with the settling of:

- Deutsche Telekom AG
- SNT
- Oracle Internet Sales Division
- Toll Collect
- CC Welcome

3.3 Biotechnology

A centre for companies of biotechnology has been set up on the peninsula of Hermannswerder – the Biotech Campus. This is where a number of young and innovative companies, specialising in pharmacy and chemical services, medicine / diagnostics and bio material production, have settled down:

- AnalytiCon Discovery GmbH
- BioteCon Diagnostics GmbH
- BioteCon Therapeutics GmbH
- Bayer BioScience GmbH
- biotix GmbH
- Chelona GmbH
- Solavista GmbH & Co. KG
- Chromophor Technologies GmbH

At the moment, there are some 200 people employed in this area. Meanwhile, the Biotech Campus had been extended by a new building of some 3,000 sq.m of useful space.

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3.4 Potsdam as a centre of administration and services in the region

Potsdam, as the capital of the Federal German State of Brandenburg and the seat of the Brandenburg Government, is a modern centre of administration and services and displays an over proportional growth in the service sector.

Administration

Public sector employees working in Potsdam

30.06.2003

| | |
|---------------------------|--------|
| Total number (in persons) | 23.082 |
| incl. Civil servants | 6.964 |
| White collar employees | 13.254 |
| Blue collar employees | 2.864 |

Selected administrative institutions:

- Parliament and Government of Brandenburg with their 9 ministries and further offices and institutions
- Brandenburg Audit Office
- Court of Brandenburg (Potsdam)
- District Court of Potsdam
- Industrial Tribunal of Brandenburg
- Social Welfare Court of Brandenburg
- Administrative Court of Potsdam
- Constitutional Court of Brandenburg
- City Administration of Potsdam

Banks and insurances

Overview

| | |
|---|------------------|
| Number of banks and financial institutions (without branches) | mehr als 25 |
| Number of insurances (without representatives) | mehr als 40 |
| Registrations with Chamber of Industry and Commerce in 2004 | 741 ³ |
| Gainfully employed persons (31.12.03) | 2.930 Pers. |

³ Data including the 7 new parts of town

Selected banks and insurance companies:

- Mittelbrandenburgische Sparkasse in Potsdam, main administration
- InvestitionsBank of Brandenburg
- LBS Ostdeutsche Landesbausparkasse AG, main administration
- Central Bank of Berlin and Brandenburg, main office in Potsdam
- Bürgschaftsbank Brandenburg GmbH

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Office market

| Office space | in m² |
|-------------------------------|-------------------------|
| Stock 1993 | 480.000 |
| Stock 6/2005* | ca. 950.000 |
| Planned or being implemented* | ca. 35.000 |

* Source: own projections of the Department for Economic Development

Trade

| Businesses and employees | Anzahl |
|---|---------------|
| Retail businesses registered with the Chamber of Industry and Commerce in 2004 ¹ | 1.597 |
| People gainfully employed in retail sector (31.12.2003) | 6.511 |

| Spending power | 2003 | 2004 | 2005 |
|---------------------------------------|-------------|-------------|-------------|
| Spending power (in Euro / Inhabitant) | 15.639 | 15.589 | 15.860 |
| Spending power indicator ² | 93,4 | 92,1 | 92,8 |

| Retail area and turnover ³ | |
|--|-------------|
| Shops operated (Stand 3/2001) | 883 |
| Retail space used in m ² (Stand 3/2001) | 165.500 |
| Retail space per inhabitant (in m ²) | 1,29 |
| Zentralität (indicator for regional buyer loyalty) | 0,92 |
| Retail turnover in 2000 (in billion DM) | 1,655 |
| Retail space 06/2005 ⁴ (in m ²) | ca. 190.000 |

Selected shopping areas and centres

Historical inner city with department store "Stadtpalais" (Karstadt)
 Zentrum Babelsberg
 Stern-Center
 Bahnhofspassagen
 Markt-Center, Breite Straße

¹ Data including the 7 new parts of town

² GfK Marktforschung GmbH

³ Junker & Kruse: Gutachten zu gesamtstädtischen Steuerungsleitlinien der Einzelhandels- und Zentrenentwicklung der Landeshauptstadt Potsdam, April 2001

⁴ own projections of the Department for Economic Development

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3.5 Tourism

Some 3 million tourists visit the city of Potsdam every year. The number of arrivals in the capital of Brandenburg has nearly quadrupled since 1991, and the number of foreign guests has doubled.

| Arrivals and accommodations | 2001 | 2002 | 2003 | 2004 |
|---------------------------------|---------|---------|---------|---------|
| Total Number of arrivals | 307.903 | 247.368 | 278.513 | 293.067 |
| Total Number of overnight stays | 668.944 | 551.446 | 666.189 | 671.524 |
| Stay in days (Mean) | 2,0 | 2,2 | 2,4 | 2,3 |

| Tourist accommodations (with 8 and more beds) | 2001 | 2002 | 2003 | 2004 |
|--|-------|-------|-------|-------|
| Total number of accommodations | 32 | 34 | 43 | 46 |
| incl. Hotels | 18 | 18 | 20 | 20 |
| Guest houses / pensions | 4 | 5 | 5 | 5 |
| Hotel garnis | 6 | 7 | 10 | 10 |
| Other | 4 | 4 | 8 | 11 |
| Offered beds in the end of the year | 3.934 | 4.009 | 4.673 | 4.930 |
| Capacity us of beds (%) | 47,2 | 38,0 | 39,4 | 38,5 |

4. Infrastructure close to the economy

Telecommunications

- comprehensive supply of all customers with telephone connections, including ISDN
- T-DSL broadband communication in the city
- wide pipelines for the Internet traffic with band widths of up to 155 Mbit/s
- high-speed data networks, reliable networking of locations through optical fibre lines
- radio connection and wireless customer lines (Wireless Local Loop-WLL)

Transport links

- several links with the Berlin Ring Motorway (A10/E30), direct link with the A 115 Federal Motorway
- IC and ICE rail links (partly via Berlin), regional rail, regional express trains
- city railway (S-Bahn) link with Berlin, at 10 minute intervals
- good accessibility of the airports of Berlin-Schönefeld and Berlin-Tegel
- well developed tram and bus network, 10 – 20 minute intervals

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5. Collection rates, prices, fees

(updated 01/2006)

Collection rates ¹

| | |
|----------------|----------|
| Business tax | 450 p.c. |
| Property Tax A | 250 p.c. |
| Property Tax B | 490 p.c. |

Fees for the utilities of Potsdam ²

| | |
|--|----------------------------|
| Drinking water | 1,90 Euro/m ³ |
| Waste water | 3,02 Euro/m ³ |
| Rain water | 0,94 Euro/m ³ |
| Cesspit disposal | 8,18 Euro/m ³ |
| Electricity, working price (use-dependent) | 19,652 – 34,778 Cent / kWh |
| Natural gas, working price (use-dependent) | 5,881 – 8,168 Cent / kWh |
| District heating, working price | 43,104 Euro/ kWh |
| Public transport ticket (regular fee) | 1,60 Euro |

¹ In the new parts of town partly different rates.

² All prices and fees are gross values, including 16% VAT and eco-tax. Last update: 1.01.2006. All pricings are noncommittal. Detailed and explicit informations under: www.stadtwerke-potsdam.de.

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6. Commercial rents 2005

| Potsdam – inner city (in Euro/m²) | | | |
|--|--------------|-----------------------|-----------------------------|
| Retail (sales space) | | | 10,00 – 45,00 |
| Catering (useful space) | | | 7,50 – 13,00 |
| Storage space | | | 2,50 – 5,00 |
| Offices | | | 6,50 – 12,25 |
| Potsdam – Babelsberg (in Euro/m²) | | Location / use | |
| | <i>plain</i> | <i>medium</i> | <i>excellent</i> |
| Retail (sales space) | 5,00 – 8,00 | 6,00 – 10,00 | 7,00 – 16,00 |
| Catering (useful space) | 4,00 – 8,00 | 6,00 – 10,00 | 6,00 – 15,00 |
| Storage space | | 1,00 – 4,00 | |
| Offices | 4,00 – 6,00 | 5,00 – 7,00 | bis 10,00 |
| Potsdam – Stadtgebiet (in Euro/m²) | | Location / use | |
| <i>Brandenburger Vorstadt, Waldstadt, Schlaatz, Stern, Drewitz, Bornstedt, Berliner Vorstadt</i> | | <i>plain</i> | <i>medium</i> |
| | | <i>excellent</i> | |
| Retail (sales space) | 4,00 – 8,00 | 5,00 – 11,00 | bis 12,50 |
| Catering (useful space) | 4,00 – 8,00 | 8,00 – 10,00 | bis 12,50 |
| Storage space | | 1,00 – 3,50 | |
| Offices | 4,00 – 6,00 | 5,00 – 7,50 | bis 9,00 |
| Real estate prices | | | Euro / m² |
| <i>1.01.2005</i> | | | |
| Brandenburger Straße | | | 600 |
| Holländischer Viertel | | | 420 |
| Sonstige Innenstadt | | | 330 – 410 |
| Babelsberg | | | 170 – 300 |
| Brandenburger Vorstadt | | | 290 |
| Jägervorstadt, Am Neuen Garten | | | 250 – 260 |
| Nauener Vorstadt | | | 260 |
| Berliner Vorstadt | | | 330 |
| Bornim, Bornstedt, Eiche | | | 120 – 140 |
| Golm (Ortskern) | | | 100 |
| Groß Glienicke (Ortskern) | | | 140 |
| Fahrland, Neu Fahrland, Krampnitz | | | 70 – 130 |
| Satzkorn, Marquardt | | | 65 – 100 |

¹ Source: Gewerbemieten 2005, Verzeichnis der Orientierungswerte der IHK Potsdam, Stand November 2004