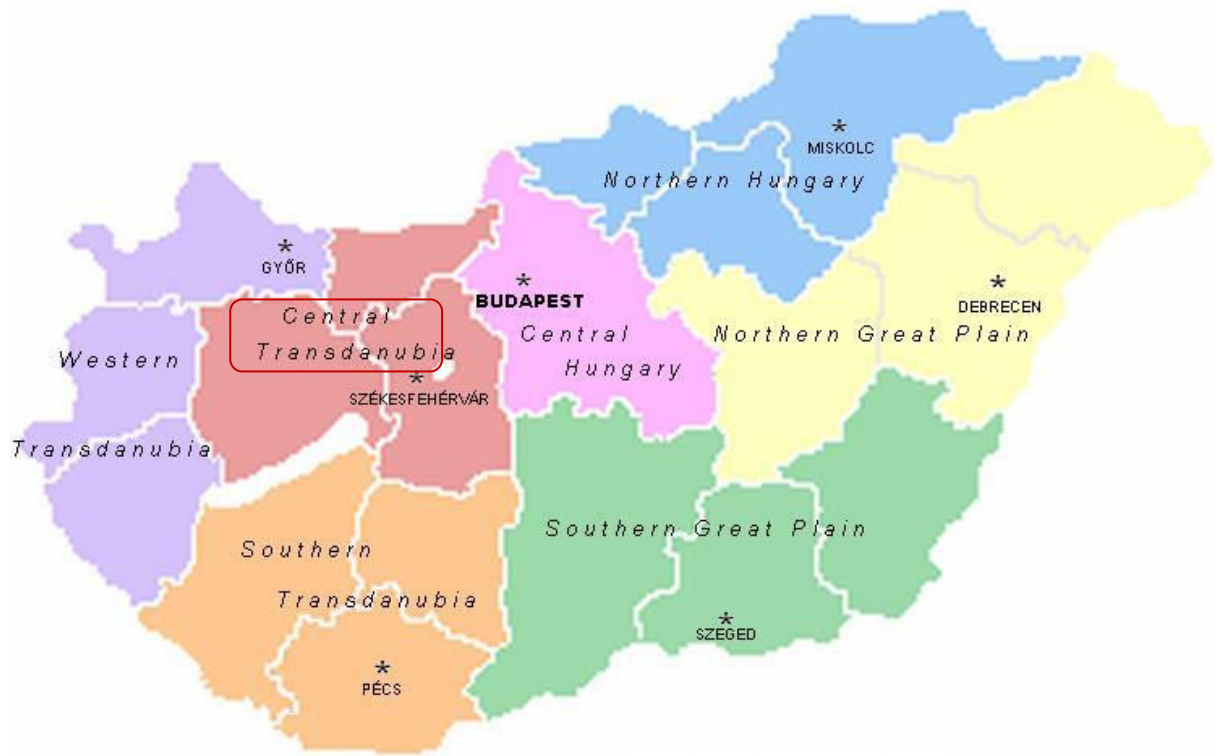


Central Transdanubia



Budapest, November 2008

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1. Central Transdanubia – the region of innovation

The Central Transdanubian Region is situated in North-Eastern Transdanubia, in the vicinity of Budapest, the country's economic, commercial and cultural center. A link is created with Slovakia to the North through two bridges over the Danube at Komárom and Esztergom.

Hungary is comprised of seven statistical and administrative regions (NUTS II). One of these is the Central Transdanubian Region. The region consists of three counties, these are Fejér, Veszprém and Komárom-Esztergom county and accounts for 11.9% of the country's territory. In Fejér county there are 10, in Veszprém county 9 and in Komárom-Esztergom 7 micro-regions. The three counties have 401 settlements altogether.

The Central Transdanubian Region has a highly varied topography with extensive wooded areas, the home of diverse wildlife and winemaking traditions dating back to the Roman times. The region has many "faces": in the Bakony, Vértes and Gerecse Hills forestry and tourism are the main activities, while Mezőség and the eastern part of the western lowlands are significant cereal-growing areas. Almost the entire northern coastline of Central Europe's largest lake, Balaton can be found here together with Lake Velence, which is situated a little over 40 km from the capital and surrounded by nature reserves. In the past decade Central Transdanubia has benefited from net inwards migration, which clearly shows that the region has gained in reputation.

The Central Transdanubian Region encompasses one of Hungary's most highly developed, most varied regions, richest in historic relics of the past. Its territory is 11,116 square kilometers, its population exceeds 1.1 million.

Central Transdanubia is situated at the meeting point of two large European development zones, so it is directly affected by Europe's economic development. This is partly why the region is in the forefront in economic terms. The Central Transdanubian Region has excellent communication, transportation features. The region is intersected with important railways, public roads and motorways: M1, M7 and M6, M8 (both under construction). 2 Helsinki corridors pass through Central Transdanubia.

Foreign direct investment received by Hungary in the past 15 years amounts to EUR 31.5 billion. 8% of this was directed to Central Transdanubia. Central Transdanubia boasts one of the highest per capita industrial productions in the country; Tatabánya and its surroundings and Székesfehérvár show particularly dynamic growth. The most relevant industries include the automotive industry (both Suzuki, Rába Mór, AFL Hungary, Lear Corporation, Continental, Denso, Valeo, Visteon, are based in the region), electronics and information technology (Albacomp, Nokia, Sanyo, Philips, Videoton, Foxconn, Sanmina SCI) and the aluminium industry (Inotal, Suoftec). Substantial

businesses operate in mechanical engineering, steel industry (Dunaferr, Alcoa-Köfém, Le Belier), food industry and chemical industry. Ajka crystal and Herend china are brands recognised all over the world.

The Region is bordered to the North and to the East by the waterways of the River Danube, extending to 140 kilometers, with several significant river harbors. In the three counties belonging to the Region there are several minor civil, and some major, now mostly unused military airports, providing an important opportunity for the large-scale expansion, fair traffic and transportation. The region has a better-developed infrastructure than the national average. 31 industrial parks can be found in the region.

There are more colleges and one university in Central Transdanubia, and several other higher education institutions have "satellite" divisions and faculties here. Demand for higher education has especially intensified since the 1990's: the number of the region's higher education institutions has doubled and their student numbers have quadrupled since 1990. The Pannon University (in Veszprém) has several faculties where some 11,000 students can study information technology, economics, business, management, agriculture and tourism. Besides the traditional disciplines, the institutions are introducing an increasing number of marketable and up-to-date programs in business management, computer technology, environmental protection and social thinking.

Thanks to natural endowments, scenic beauty, the multitude of historic and cultural values, tourism has an outstanding role in the Region. Water-side holidays, relaxation and aquatic tourism possibilities are excellent in the vicinity of Lake Balaton, Lake Velence and Danube. Health spas and thermal baths also attract a lot of visitors. The medieval historic monuments, protected ancient buildings, museums of the royal cities also offer a lot of sights. Considerable sacrifices have been made in recent years to renovate the stately old aristocratic palaces protected as historic monument. Due to this, more and more Central Transdanubian settlements are involved in the so-called castle-tourism.

2. Regional Characteristics

2.1 General indicators and figures

			Central Transdanubia
General indicators and figures	Area*, km ²		11,237
	Population, thousand persons*	thousand persons	1,105
	<i>Thereof:</i> age of 0-14 years, %	%	14.8
	age of 15-64 years, %	%	69.8
	age of 65-x years, %	%	15.4
	GDP**	million EUR	9,524
	<i>Thereof:</i> Agriculture, %	%	4.8
	Industry and construction, %	%	47.9
Services, %	%	47.4	
GDP per capita**	thousand EUR	8.6	

*2008

*2006

2.2 Industry, construction

			Central Transdanubia
Industry, construction	Industrial production, volume index*	%	101.3
	Industrial sales*	%	101.7
	<i>Thereof:</i>		
	Domestic sales, volume index	%	98.6
	Export sales, volume index	%	102.5
Production of construction, volume index**	%	94.9	

*2008 Q1-3

*2008 Q1

2.3 Enterprises

			Central Transdanubia
Enterprises	Number of registered enterprises*		121,689
	<i>Thereof:</i>		
	in manufacturing		8,402
	in construction		11,869
	in trade		18,932
	providing real estate/business services		41,716
	others (%)		40,770
	Number of enterprises per 1 000 inhabitants*		127
	Number of foreign-owned enterprises**		1,652
	Number of 100% foreign owned companies**		1,135

*2007

**2006

2.4 Investment*

			Central Transdanubia
Investment	Foreign direct investment stock	million EUR	4,567
	Share in total FDI stock in Hungary	%	8.4

*2006

Main foreign companies present in the region

Company name	Location	Owner	Profile	Employees
Dunafer Plc.	Dunaújváros	Ukrainian	steel industry	8,200
Magyar Suzuki Plc.	Esztergom	Japanese	automotive industry	6,000
Denso Ltd.	Székesfehérvár	Japanese	automotive industry	5,100
Foxconn Ltd.	Komárom, Székesfehérvár	Taiwanese	precision industry	3,000+1,800
Nokia	Komárom	Finnish	mobile phone supplier	4,000
Philips Industries Ltd.	Székesfehérvár	Holland	electronics	3,000
AFL Hungary Ltd.	Mór	German	metal industry	3,000
Alcoa-Köfém Ltd.	Székesfehérvár	USA	aluminium industry	2,600
Sanmina SCI	Tatabánya	USA	electronics industry	2,100
Grundfos Magyarország Ltd.	Tatabánya, Székesfehérvár	Danish	engineering industry	900+700
SANYO Hungary Ltd.	Dorog	Japanese	electronics industry	1,600
Visteon	Székesfehérvár	USA	automotive industry	1,500
Tyco Electronics Ltd.	Mór, Bicske	USA	electronics industry	1,400
Hankook Tire Hungary Ltd.	Dunaújváros	South-Korean	production of tires	1,200
Continental Hungary Industrial Ltd.	Veszprém	German	automotive industry	1,100
Zoltek Magyarország Plc.	Nyergesújfalu	USA	chemical industry	1,050
Lear Corporation Ltd.	Mór	USA	automotive industry	1,000
Hammerstein Limited Partnership	Mór	German	automotive industry	1,000
Le Bélier Plc.	Ajka	French	processing industry	960
Coloplast Hungary Ltd.	Tatabánya	Danish	production of medical aid	950
Valeo Auto-Electric Hungary Ltd.	Veszprém	French	electronics, automotive industry	850
Sapa Profiles Ltd.	Székesfehérvár	USA-Swedish	processing industry (metal)	800
Payer Industries Ltd.	Ajka	Austrian	consumer electronics products	750
Perlos Ltd.	Komárom	Finnish	injection moulding	N/A
FCI Connectors Hungary Ltd.	Tatabánya	French	electronic industry	700
Wecast Hungary Plc.	Oroszlány	Canadian	automotive industry	700
MTD Hungária Ltd.	Nemesvámos	USA	machine industry	700
Balluff Electronics Ltd.	Veszprém	German	electronics	650
Borg Warner Turbo Systems Ltd.	Oroszlány	German	automotive industry	600
Bourns Ltd.	Ajka	USA	automotive industry (sensors)	500
Harman-Becker Gépkocsirendszer Gyártó Ltd.	Székesfehérvár	USA	automotive industry	500
General-Plastics Ltd.	Székesfehérvár	Austrian	processing industry (plastic)	500
Suoftec Ltd.	Tatabánya	USA	automotive industry	500
Sews Hungary Ltd.	Mór	Japanese	cables	500
AGC Hungary Ltd.	Tatabánya	Japanese	automotive industry	500
Benteler Autótechnika Kft.	Mór	German	automotive industry	420
Dunainjection Műanyaggyártó Ltd.	Székesfehérvár	French	processing industry (plastic)	400
Body Fashion Hungary Ltd.	Dunaújváros	Japanese	light industry - underwear	400
Musashi Hungary Ltd.	Ercsi	Japanese	automotive industry	370
Dikon Készülékgyártó Ltd.	Várpalota	German	electronics parts	360
Emerson Process Management Ltd.	Székesfehérvár	USA	electronics	400
Jost Hungária Bt.	Veszprém	German	metal processing	340
ESU Hungária Ltd.	Veszprém	German	metal processing	310
Pepperl&Fuchs Ltd.	Veszprém	German	electronics	300
Aikawa Hungária Electronics Ltd.	Dunaújváros	Japanese	electronics	300
Bridgestone Hungary Ltd.	Tatabánya	Japanese	automotive industry	200

2.5 Labour market

			Central Transdanubia
Labour market	Number of employed people*	thousand persons	458.1
	Economically actives*	thousand persons	483
	Economically inactives*	thousand persons	372.3
	Participation rate**	%	57.6
	Employment rate**	%	54.7
	Unemployment rate***	%	5.5
	Number of unemployed***	thousand persons	24.9
	<i>Thereof:</i>		
	Man	thousand persons	11.6
	Woman	thousand persons	13.3
	Number of registered jobseekers***		
	<i>Thereof:</i>		
	younger than 19	thousand persons	1.05
	20-24	thousand persons	4.99
	25-34	thousand persons	9.09
	35-44	thousand persons	7.90
	45-54	thousand persons	8.79
55-	thousand persons	3.57	
<i>Thereof:</i>			
with high level education	%	5.22	
with secondary education	%	57.4	
with primary school or less than 8 grades	%	37.37	
Gross average monthly wages***	EUR	687.18	
Blue-collar***	EUR	543.27	
White-collar***	EUR	954.73	

*2008 Q2

**2007

***2008 Q3

2.6 Education*

			Central Transdanubia
Education	Number of secondary schools		186
	<i>Thereof:</i>		
	grammar schools		79
	specialized secondary schools		107
	Graduates / year		5,400
	Number of vocational schools		72
	Graduates / year		5,511
	Number of bilingual schools		6
	Number of universities or colleges		8
	Number of university - college graduates / year		3,075
<i>Thereof:</i>			
Engineer		192	
Business		939	
IT		281	
Others		1,663	

*2007/2008

2.7 Research and development*

			Central Transdanubia
R&D	Number of R&D units		186
	Number of R&D personnel		1,417
	R&D expenditure	million EUR	51.9

*2007

2.8 Infrastructure

			Central Transdanubia
Infrastructure	Public road network*	km	4,001
	Public road per 100 km ²	km	35.6
	Main telephone lines per 1 000 inhabitants**		297

*2006 **2007

3. Industrial Parks

3.1 List of industrial parks

Name	Location	Type
Air Park (under liquidation)	Veszprém	green field
Alba Industrial Zone	Székesfehérvár	green field
Almásfüzitő Industrial Park	Almásfüzitő	green field/brown field
„Ács Sugar” Industrial Park	Ács	green field/brown field
Bábolna Industrial Park	Bábolna	green field
Bicske-M1 Industrial Park and Logistics Centre	Bicske	green field/brown field
Déli Industrial Park	Székesfehérvár	green field
Dorog Industrial Park	Dorog	green field
Dunaújváros Industrial Park	Dunaújváros	green field
Ercsi Industrial Park (they gave back the industrial park title)	Ercsi	green field
Esztergom Industrial Park	Esztergom	green field
Fűzfő Industrial Park	Balatonfűzfő	green field
Ikarus Industrial Park	Székesfehérvár	green field
Kisbér Industrial Site	Kisbér	green field
Komárom Industrial Park	Komárom	green field
Mór North-western Industrial Park	Mór	green field
Nyergesújfalu Industrial Park	Nyergesújfalu	green field
Oroszlány Industrial Park	Oroszlány	green field
Palota Industrial Park	Várpalota	green field
Pápa Industrial Park	Pápa	green field
Sóstó Industrial Park	Székesfehérvár	green field
Sárbogárd Industrial Park (they gave back the industrial park title)	Sárbogárd	green field
Tapolca Industrial Park	Tapolca	green field
Tatabánya Industrial Park	Tatabánya	green field
Tata Industrial and Logistics Park	Tata	green field
Új Atlantisz Industrial Park (under liquidation)	Ajka	green field
Várpalota Industrial Park	Várpalota	green field
Videoton Industrial Park - Veszprém	Veszprém	brown field
Videoton Industrial Park - Székesfehérvár	Székesfehérvár	brown field
Visteon Innovation and Industrial Park	Székesfehérvár	green field
Zalahalápi Industrial Park	Zalahaláp	green field
Zirc Industrial Park	Zirc	green field