

NEWS from Switzerland Trade and Investment Promotion Volume 14, No. 3 Spring 2011

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Top of the News

US medical conglomerate Johnson & Johnson is to buy Swiss medical devices maker Synthes, Inc. The acquisition, which is likely to close in the first half of 2012, is valued at over \$21 billion and represents the American companies largest buy ever and for the time being the largest M & A transaction of the year to date. J & J already has a very substantial presence in various regions of Switzerland and almost 3,000 persons work for Synthes in Switzerland, with the company's European HQ being based in Canton Solothurn. Once approved by the relevant regulatory authorities, the acquisition will help further solidify Switzerland's leadership position in medical technology and innovation.

Wins and Updates

Solar system manufacturer Solyndra, headquartered in Fremont, CA, is increasing its worldwide presence by founding Solyndra International AG in Baar.

Amphora, a Houston-based software and services provider for energy trading, logistics and risk management (ETRM) solutions in the global crude oil, refined products and energy derivatives marketplace, has chosen Zug for its European headquarters.

Liquidware Labs, a provider of desktop transformation solutions headquartered in Atlanta, has formed a European subsidiary Liquidware Labs, SA to keep up with growing demand for its products as well as increase the company's focus, support, and presence in EMEA. The new office will be located in Vich, canton Vaud.

Also from Atlanta, Recall, a provider of document storage, digital solutions and data protection services, has opened its Swiss headquarters in Zurich.

Amyris, Inc., situated in Emeryville, CA, has entered into an agreement with Givaudan under which Givaudan will develop a derivative of Biofene™ to be used as a building block for one of the most important proprietary fragrance ingredients in Givaudan's palette.

Cytori Therapeutics, Inc., based in San Diego, has opened Cytori GmbH, its new sales and marketing center in Zug to handle most of the company's activities in Europe and the Middle East.

California-based Internet giant Google is renting an additional building in Zurich for 300 employees in its development center there. Currently Zurich is Google's largest campus outside the US, where the staff exceeds 700.

Delta BC-based AirTest Technologies announced it has executed a Letter of Intent with Jaquet Technology Group based in Basel regarding AirTest's patent pending zero drift, infrared gas sensor technology. Jaquet is a global engineering and manufacturing company with a strong foundation in manufacturing durable, high quality sensors that are used in automotive, marine, power generation and a variety of other applications.

Fletcher/CSI, a Jeffersonville VT-based provider of high impact, competitive intelligence and strategy consulting services to Fortune 1000 companies, has opened its European operations center in Basel. According to the company the Basel location gives Fletcher/CSI a central presence in the growing European Competitive Strategy market.

Staples, Inc. announced a new strategic alliance with one of the leading Swiss office products companies, Büro Schoch Direct AG. Within Switzerland, Staples and Büro Schoch Direct will work exclusively on international accounts and collaborate to exchange best practices.

Expanding its European presence, Yola, the San-Francisco-based website builder has established a partnership with Zurich-headquartered switchplus Swiss ISP to provide website creation and hosting services to its individual users and commercial customers in Switzerland.

Allied World Assurance Company has located its world headquarters in Zug from which it offers reinsurance products throughout Europe and beyond. Zug is also the headquarters of Allied World Assurance Company Holding AG.

Cincinnati based Procter & Gamble with its about 3,000 senior staff in Geneva at the company's European HQ has announced the formation of a new partnership and joint venture with Israel based Teva Pharmaceuticals. The joint venture, to be based in Geneva, will be focused on OTC health care medicines, which currently generate over one billion dollars in sales for the two companies.

Executive search firm Korn/Ferry, which is already active in Zurich, has announced that it will expand its presence in that Swiss megalopolis into its European HQ over the course of the next two years.

Forrest, IL-based Delig Sealing Products, a manufacturer of cap and closure lining materials, has acquired Isco Jacques Schindler & Co. AG, a Swiss maker of specialty laminated films for container sealing. The Swiss company is privately owned and based in Niederglatt, canton of Zurich. Selig is owned by Behrman Capital, a New York based private equity firm.

Reverse Investments

Eye care manufacturer Alcon, owned 75% by Novartis, recently celebrated the opening of an expanded production facility near Huntington, West Virginia. Switzerland's Ambassador to the US, H.E. Manuel Sager, Alcon CEO Kevin Buehler, Novartis CEO Joe Jimenez, and West Virginia's Governor Earl Ray Tomblin participated in the "ribbon cutting" ceremonies. The plant, which is expected to create 300 new jobs, will make devices to support cataract surgery.

Swiss-German biotech firm EMD Serono recently opened its new research facility in the Boston suburb of Billerica. Early in 2009 the drug firm opened a research facility in Cambridge as a precursor to moving to the new site. That team is now moving to the Billerica location.

3i-MIND, a privately held company headquartered in Zurich with U.S. headquarters in Fort Lee, NJ, has signed a definitive agreement to acquire Annapolis MD-based iJET[®] International, Inc., an operational risk management provider delivering predictive intelligence, technology and response services.

Chocolatier Lindt & Sprugli USA, headquartered in Stratham, NH, for more than 20 years, is expanding with a new corporate building on the current site. When completed, its products will be marketed across the United States, Canada, Mexico, England and Australia.

The Swiss based Liebherr Group will be expanding its existing production facilities in Laval, Canada, where the Canadian division will plan to assemble landing gear components for Bombardier's new C Series commercial aircraft. The C Series is a range of commercial aircraft seating between 100 and 149 and is scheduled to come into service in 2013.

Switzerland headquartered GPS company Garmin Ltd. Is planning to open an office in the Detroit area to support existing automotive OEM customers and develop new international business opportunities. The new office will be located in Novi, MI and is scheduled to open this month.

From The Foreign Desk

Azerbaijan-based Pasha Bank has commenced preparations for establishing a representative office in Switzerland as part of its program of opening its representations in developed countries. The Swiss location has yet to be determined.

Russia-based bank Vnesheconombank has opened a representative office in Zurich to raise financial resources for the Russian economy and attract direct investments in high-technology sectors to modernize Russian industry.

A *Swiss Info* article on April 20th profiled the new global holding company recently established by UK based Ineos group in Rolle, Canton Vaud. Ineos, founded in 1998 and since grown through a series of strategic acquisitions, today is the fourth largest petrochemicals group in the world with a turnover of about \$40 billion. The senior staff in Switzerland is projected to reach about 60 by end of next year.

Five Projects from India

Dorf Ketal Chemicals, a manufacturer of formulations based specialty chemicals, has established a trading company, Dorf Ketal Chemicals AG in Schaffhausen to trade in Active Pharmaceutical Ingredients (APIs) and chemicals.

Also in Schaffhausen Jubilant Life Sciences (Switzerland) AG will trade in APIs and chemicals.

United Phosphorous Limited, a generic crop protection, chemicals and seeds company headquartered in Mumbai, reactivated its dormant Swiss company United Phosphorus Switzerland AG to look after product registrations for the European market.

As a means to enter the lucrative Swiss real estate market and expand its presence in Europe. Hindustan Construction Company (HCC) acquired Swiss real estate development company Karl Steiner AG (KSAG).

Prem Durai Exports acquired a controlling and strategic stake in Switcher Holdings. The Indian company had been the Swiss company's manufacturer for nearly three decades. Switcher Holdings has a strong brand value and presence in the European market.

Other News from our Worldwide Sources

Switzerland ranks 2nd after the US in China's National Innovation Index made public for the first time in March. The survey by the Chinese Academy of Science and Technology for Development (CASTED) ranks China at 21st globally in technological innovation and research capability. The survey includes innovation indices such as resources, performance and environment, value creation and corporate innovation. <http://www.sciencebusiness.net/news/74827/US-1st-Switzerland-2nd-in-first-national-innovation-index-published-by-China>

The 2010-2011 Global Information Technology Report published by the World Economic Forum ranks Switzerland 4th behind Sweden, Singapore and Finland. Rankings are made for 138 countries and are based on an index of 71 economic and social indicators including new patents, mobile phone subscriptions and availability of venture capital.

Swiss rail company CFF and the French SNCF will spend CHF100 million to buy 19 new TGV high speed trains that will be put into service in December 2012. This will enable 27 daily high-speed connections between Paris and various Swiss cities.

Thought-controlled devices, such as wheelchairs, artificial arms and even cars are perhaps a step closer to reality thanks to research being carried out at EPFL. Traditionally, brain-computer interfaces require the user to concentrate on constantly maintaining a mental command of either turn left, turn right, or no-command (go straight). According to EPFL, most users can't sustain more than about an hour of the necessary mental effort. The school is developing a new system that allows thought-controlled devices to operate on their own.

The Times Higher Education World University Rankings 2010-2011 for Europe lists the Federal Institute of Technology Zurich as 4th and Lausanne as 11th. Oxford and Cambridge tied at 1st. Göttingen (Germany) and the Karolinska Institute (Sweden) tied at 9th

At the seventh annual Facility of the Year Awards (FOYA) program sponsored by ISPE, INTERPHEX, and *Pharmaceutical Processing* magazine F. Hoffmann – La Roche Ltd, won the Process Innovation award for its "MyDose" Clinical Supply facility in Kaiseraugst, Switzerland. The Awards program recognizes state-of-the-art pharmaceutical manufacturing projects that utilize new and innovative technologies to enhance the delivery of a quality project, as well as reduce the cost of producing high-quality medicines.

The March 1 edition of *swissinfo* carried an article describing reasons why foreign companies set up operations in the country. Taxes ranked last in a study compiled by Osec Business Network Switzerland. Political stability and legal security, quality of life, social climate, purchasing power, and transport and logistics are listed as the first five.
http://www.swissinfo.ch/eng/specials/switzerland_magnet/Foreign_firms_look_beyond_low_Swiss_taxes.html?cid=29612364&ref=nl

Cambridge, MA- based Genzyme Corp. completed the sale of its pharmaceutical intermediates business which will be run under the name Corden Pharma Switzerland LLC with 120 employees based there.

The World Economic Forum in Geneva launched the Global Health Data Charter, a project designed to improve global health by leveraging the collection and management of data.

For a year when most people still weren't sure what to expect from business travel, Switzerland Tourism announced that the country remained popular in 2010 with American travelers. Overnight rates spent in Swiss hotels showed a growth of 8.9% and an increase in arrivals by 11.5%.

Along the same lines The World Economic Forum (WEF) released the Travel and Tourism Competitiveness Report on March 07 at the Global Tourism Forum 2011 in Andorra. It shows Switzerland as the most competitive in the world among 139 countries in terms of tourism.

As a direct result of her comprehensive article in *Today's Medical Developments* based on our fall 2010 media tour, Elizabeth Modic was invited to make an introductory presentation for Medical Cluster Switzerland's Medical Manufacturing Conference in September.

Fusion Media's *Forex Pros* reported in mid-March that industrial production in Switzerland rose significantly more than expected in the fourth quarter. The report was issued by Switzerland's Federal Statistics Office, which said industrial production rose by a seasonally adjusted 7.4%. Analysts expected a rise of 4.6% after rising by 1.4% in the third quarter, a figure revised down from 1.8%.

Switzerland's spending on clean technologies research is relatively high according to the Swiss Cleantech Report, which argues that Switzerland is a leader in innovation in the field. The report notes that on average Swiss companies channel between 5 and 7 percent of their total investment into energy-efficient technologies and that the proportion of investment in energy-efficient technologies is particularly high in the paper and electrical engineering industries at over 12

percent. Power supply companies allocate some 48 percent of their entire investment to such technologies. http://www.eurekaalert.org/pub_releases/2011-03/sflf-pot032911.php

Did you know? Swiss-born engineer Othmar Ammann designed the Verrazano Narrows, George Washington and Bayonne Bridges among others in the US.

Coming Events To register for these and other events click the “Event” icon at www.locationswitzerland.com

May 25 – Webcast “International Growth Strategies”
June 8-10 – Financial Executives International Conference, Ottawa
June 13-16 – Nanotech Conference and Expo, Boston
June 27-30 – BIO International, Washington

Publicity and Promotion

A summary of recent Swiss biotech and medtech industry activity was submitted to *Site Selection* magazine for their May issue which will have coverage on life science centers.

A press release was issued to Southern California media outlets announcing Seminars on Faster Market Entry for Life Science and High-Technology Firms held in San Diego March 30 and Santa Clara on March 31.

Releases distributed since our last newsletter:

March 30 - Cytori Therapeutics Selects Switzerland for European Sales Headquarters
April 20 - Liquidware Labs Sites EMEA Headquarters in Switzerland
April 26 - Fletcher/CSI Establishes European Operations Center in Switzerland
May 4 - Solyndra Sites EMEA Headquarters in Switzerland

SwissInk (Note that links were “live” at publication of this newsletter)

Aviation Week & Space Technology carried an article on the Marenco Swiss Helicopter debut at Heli-Expo – a full-scale mockup of its radical looking SKYe SHO9. The helicopter maker is based in Niederurnen, canton Glarus www.marenco-swisshelicopter.com

The release on the Southern California market entry seminars was picked up by 264 online publications with daily visitors ranging from a low of 1,000 to a high of 65.5 million.

Our Cytori release was picked up by *Nano Business News* and the *Site Selection* Life Sciences Report for April, which also covered the new Sigma-Aldrich European headquarters in St. Gallen.

The March 25 issue of the *Financial Times* contained a Special Report on Watches and Jewelry, with a specific focus on BaselWorld, the leading annual celebration of what is new and exciting in the worlds of gems, jewelry and watches.

May 5, 2011