INVEST IN MADRID

A BUSINESS-FRIENDLY ECONOMY
A BUSINESS FRIENDLY ECONOMY
**KEY FIGURES**

**SIZE**
8,028 Km² (1.6% of Spain)

**POPULATION 2018**
6.5 million (14% of Spain),
*Most densely populated region in Spain* (810 inhab/Km²)

**NOMINAL GDP 2018**: 229,228 M.€ / 18.9% of Spain, *1st region in Spain*

**REAL GDP GROWTH 2018 (y-o-y)***: +3.7% (vs +3.1% in Spain)
(*adjusted for seasonal and calendar effects)

**PER CAPITA GDP 2017**
• 33,809€, *1st region in Spain*
• 35% higher than the national average

**GDP BY SECTOR 2018**

- Services: 8%
- Industry: 5%
- Construction: 0%
- Agro: 87%

*Source: CRE (INE)*
Despite the global economic slowdown, in the coming years Spain is going to be the fastest growing of the big and advanced European economies, only the US will slightly perform better.

...Madrid region leads this trend.
Invest in Madrid

2019 REAL GDP GROWTH FORECASTS

% annual variation

MADRID AN “ISLAND” OF GROWTH. Madrid is the economic locomotive, the main financial hub and the decision-making centre in Spain. Two of the most important Spanish Research Institutions predict above average growth for Madrid Region.

+3.1% (2018)
+2.8% (2019)
65% of the largest companies in Spain are in Madrid.

4th city in the European Union (after London, Paris and Amsterdam) with the most operational head offices of multinational companies, according to the 2018 FORTUNE 500 list (Santander, Telefonica, Repsol, ACS and Mapfre). (1)

Madrid is home to the head offices of the majority of the leading Spanish companies: 2 out of every 3 Spanish companies on the latest Forbes 2000 Global companies list are based in Madrid. (2)

Sources: (1) Fortune Global 500; (2) Forbes Global 2000
40% of all foreign businesses in Spain are in Madrid… Do you want to know why?

- Efficient and market-oriented economy
- The lowest fiscal pressure among the Spanish regions
- A Regional Government in tune with investor’s needs and committed to reducing red tape
- Legislative & regulatory decision-making centre
- First financial hub in Spain, home of the main national and international financial institutions

Source: FILINT (INE)
Investments have more than doubled in last year.

Our share in total of Spain is...

Source: Datainvex, Ministry of Economy and Enterprise
Tax rates in Madrid are competitive at a European level. Taxation is attractive for both businesses and employees.

Madrid is Spain’s region with the lowest rate of black economy, according to Funcas.

Stable fiscal framework and high legal certainty:

In recent years, the European Commission has been especially active in the area of state tax benefits, starting numerous procedures and investigations in the fight against base erosion and profit shifting (BEPS).

These investigations into dubious national practices in the area of tax rulings have not affected Spain.
TAX BURDEN

This figure presents recent data on tax burden, meaning tax revenue and its relationship to gross domestic product (GDP), in the European Union (EU) and other selected economies.

Total tax burden reflects collected income by the inland revenue authorities. Thus it takes into account not only tax bases and tax rates but also deductions and other allowances.

This total tax burden includes taxes on income of individuals and corporates, value added tax, social contributions and other direct and indirect taxes.

Source: EUROSTAT
PERSONAL TAXES IN MADRID ARE AMONG THE LOWEST WITHIN EUROPEAN CITY CAPITALS

The tax model for individuals contains favourable regulations for residents (marginal rate lower than major European neighbouring countries), equity (100% tax exemption for equities under 2M€ only in Madrid region), inheritance and donations (99% benefit for family members only in Madrid region).

Source: OECD
CORPORATE TAX (CT)

This includes provisions and regimes which favour multinational companies; highlights include its dividend and capital gains (derived from participation on other Spanish or foreign companies) regime:

- It is respectful towards Region Law, containing the principles of the BEPS project and is in line with the CT in the main European countries.
- PE and VC firms have a 99% tax exemption on received dividends and capital gains (stemming from the sale of shares).

TAX BURDEN ON INCOME OF CORPORATES 2017

Source: OECD
HIGHLY QUALIFIED PEOPLE & AVAILABILITY

COMPETITIVE AND DIVERSE WORK FORCE

• Workforce of over **3.3 million people**. (1)

• Diversity: **13% of the total population is foreign-born**, representing over 180 different nationalities. (2)

• **47% of the workforce has a university degree** (31.4% in the EU-28, according to Eurostat in 2017). (3)

**Sources:** (1) [INE](#), (2) [Comunidad Madrid](#) and (3) [Eurostat](#)
The moderation of wages has made it possible for Spain to maintain its competitiveness, while costs continue to increase significantly throughout the rest of the European Union.
These rates from 2018 show that Spain is one of the European countries where the employees are more engaged with their jobs.
The Region of Madrid has 6 public and 8 private universities, plus some of the most prestigious private higher education centres, and it holds the headquarters of the official long distance universities (UNED and UDIMA).

The total number of registered university students in the Region of Madrid was 310,433 in 2017-2018. (1)

### BUSINESS SCHOOLS

Madrid is home to some of the most internationally renowned business schools, according to the main international rankings (Financial Times, Forbes, etc.): IE, IESE, ESADE

### UNIVERSITY RANKINGS

**2018 FT EUROPEAN MBA RANKING (2)**

<table>
<thead>
<tr>
<th>Position</th>
<th>Institution</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>London Business School</td>
<td>UK</td>
</tr>
<tr>
<td>2</td>
<td>HEC Paris</td>
<td>France</td>
</tr>
<tr>
<td>3</td>
<td>Insead</td>
<td>France</td>
</tr>
<tr>
<td>4</td>
<td>St. Gallen University</td>
<td>Switzerland</td>
</tr>
<tr>
<td>5</td>
<td>IESE Business School</td>
<td>Spain</td>
</tr>
<tr>
<td>6</td>
<td>Bocconi</td>
<td>Italy</td>
</tr>
<tr>
<td>7</td>
<td>IMD</td>
<td>Switzerland</td>
</tr>
<tr>
<td>8</td>
<td>Essec</td>
<td>France</td>
</tr>
<tr>
<td>9</td>
<td>Rotterdam School of Management</td>
<td>Netherlands</td>
</tr>
<tr>
<td>10</td>
<td>University of Oxford: Said</td>
<td>UK</td>
</tr>
<tr>
<td>11</td>
<td>ESCP</td>
<td>France</td>
</tr>
<tr>
<td>12</td>
<td>Warwick Business School</td>
<td>UK</td>
</tr>
<tr>
<td>13</td>
<td>University of Cambridge: Judge</td>
<td>UK</td>
</tr>
<tr>
<td>14</td>
<td>Edhec</td>
<td>France</td>
</tr>
<tr>
<td>15</td>
<td>ESADE Business School</td>
<td>Spain</td>
</tr>
</tbody>
</table>

Sources: (1) Comunidad de Madrid; (2) FT MBA Rankings
The business schools present in the Region of Madrid are a point of professional projection, both nationally and internationally.

Four of them have obtained the so-called "triple crown".

- **IESE Business School**, which has campuses in Madrid, Barcelona and New York
- **IE Business School**, in Madrid
- **ESADE Business School**, with facilities in Barcelona and Madrid

The Triple Crown is the recognition of the three main accreditation bodies of the graduate programs of business schools, of which there are only 88 schools worldwide.

- The European **EQUIS** (European Quality Improvement System), of the EFMD (European Foundation for Management Development, Brussels), one of the leading international accreditations
- The American **AACSB** (Association to Advance Collegiate Schools of Business, Florida)
- The British **AMBA** (Association of MBAs, London)

**Source:** Comunidad de Madrid
Madrid is the only European region in the top 10 ranking of English-medium international schools. (1)

Madrid offers one of the best educational systems among the Spanish regions, with high levels of quality in both public and private schools.

755 schools and institutes have launched bilingual educational plans in Spanish and English. (2)

38 of the 100 best schools in Spain are in Madrid. (4)

Madrid has some of the most important international schools (British Council, Hastings School, International College Spain, King’s College, Lycée Français, The English Montessori School, Scuola Italiana, American School or Deutsche Schule)

**Top 10 Countries for International Schools 2018** (3)

**Sources:** (1) Global Education Magazine, (2) Comunidad de Madrid (3) ISC and (4) El Mundo
GEOSTRATEGIC LOCATION AND WORLD CLASS INFRASTRUCTURE
Madrid offers access to +1.6B Customers

Madrid offers a privileged position to access key markets in Europe, Latin America and the North of Africa.

Source: UN World Population
LEADING AIRPORT IN THE SOUTH OF EUROPE

- 1st Spanish airport and 5th in Europe for passenger and cargo traffic.

- Capacity for 70 million passengers a year
  Large margin for additional traffic with no risk of congestion.

- Exceptional intermodal connectivity: the airport is 12 km from the city center (20mins). The Metro and Suburban trains and the bus network connect the airport to the city of Madrid and the surrounding metropolitan area.

EUROPEAN AIRPORTS BY TRAFFIC
Passengers in 2017 (in millions)

<table>
<thead>
<tr>
<th>Airport</th>
<th>Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>LONDON HEATHROW</td>
<td>78</td>
</tr>
<tr>
<td>PARIS-CHARLES DE GAULLE</td>
<td>69</td>
</tr>
<tr>
<td>AMSTERDAM-SCHIPOL</td>
<td>68</td>
</tr>
<tr>
<td>FRANKFURT</td>
<td>64</td>
</tr>
<tr>
<td>ADOLFO SUAREZ MADRID-BARAJAS</td>
<td>52</td>
</tr>
<tr>
<td>BARCELONA-EL PRAT</td>
<td>47</td>
</tr>
<tr>
<td>LONDON-GATWICK</td>
<td>46</td>
</tr>
<tr>
<td>MUNICH</td>
<td>45</td>
</tr>
<tr>
<td>ROMA LEONARDO DA VINCI-FIUMICINO</td>
<td>41</td>
</tr>
<tr>
<td>PARIS-ORLY</td>
<td>32</td>
</tr>
</tbody>
</table>

Source: Eurostat
• In 2019, Barajas was chosen as the **best airport** in the category of 50-60 million passengers according to Skytrax, and furthermore its Terminal 4 ranks in the Top 10 of **best terminals in the world**.

• From Madrid-Barajas, **Spain is connected** to all of its main European economic partners **in less than 3 hours**.

• Furthermore, it acts as an **important HUB between Europe and Latin America**.
Barajas is the leading European airport for flights to Latin America: 25% of all connections between Europe and Latin America. (1)

FLIGHT DESTINATIONS FROM MADRID TO LATIN AMERICA (2)

- Argentina (Buenos Aires, Cordoba)
- Perú (Lima)
- Guatemala (Guatemala)
- El Salvador (San Salvador)
- Venezuela (Caracas)
- Brazil (Sao Paulo, Rio, Salvador, Recife)
- Bolivia (Cochabamba, Santa Cruz)
- Panama (Panamá)
- Paraguay (Asuncion)
- Costa Rica (San José)
- Chile (Santiago de Chile)

Cuba
(La Habana, Santiago, Varadero)
Dominican Rep.
(Samana, Santo Domingo, Punta Cana)
Ecuador (Quito, Guayaquil)
Honduras (San Pedro Sula)
Mexico (México DF, Cancún)
Puerto Rico (San Juan)
Uruguay (Montevideo)
Colombia (Bogotá, Cali, Medellín)

Sources: (1) Report AENA; (2) AENA
Spain is the 2nd world investor in Latin America, after the US. Madrid hosts the headquarters of most Latin American institutions and multinationals with interests in the EU, as well as those of European companies that do business with Latin America.

**MADRID IS THE MAIN HUB FOR FINANCIAL AND MULTILATERAL LATIN AMERICAN INSTITUTIONS IN EUROPE**

• Inter-American Development Bank (IADB)
• Andean Development Corporation (CAF)
• LATIBEX, international market for Latin American securities
• Miami Club in Madrid
• Ibero-America Europe Foundation
• Carolina Foundation
• America House
• SEGIB (Ibero-American General Secretary)
• Organisation of Ibero-American States
• Ibero-American Institute of Securities Markets

Source: UNCTAD
Spain and Latin America have signed 18 Agreements to Avoid Double Taxation and 20 Agreements for Protection and Promotion of Reciprocal Investments.

MAXIMUM BUSINESS PROTECTION IN LATIN AMERICA

- 18 Agreements to Avoid Double Taxation between Spain and Central and South America: Argentina, Bolivia, Brazil, Barbados, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, El Salvador, Ecuador, Mexico, Panama, Peru, Jamaica, Trinidad & Tobago, Uruguay and Venezuela. (1)

- 20 Agreements for Reciprocal Protection and Promotion of Investments: Argentina, Bolivia*, Colombia, Costa Rica, Cuba, Chile, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Trinidad & Tobago, Uruguay and Venezuela. (2)

* The agreement with Bolivia is in a period of remnination until 09/07/22

Sources: (1) Ministry of Industry; (2) Treasury Department
Spanish is a significant instrument in internationalisation.

**3rd**

Spanish is the third most used language on the internet by number of users.

**2nd**

Spanish is the second most spoken language in the world by number of people who can claim it as a mother tongue, with 450 million speakers.

**576**

576 million people speak Spanish as either their first or second language and another 500 million plus can be included as those who have learned it as a foreign language. Forecasts point to 754 million native Spanish speakers by 2050. (1)

**†**

According to an economic model by García Delgado on the economic value of the language, the fact of sharing Spanish can increase trade flows by 4 times and FDI flows (Foreign Direct Investment) by 7 times. (2)

Sources: (1) Cervantes Institute; (2) The Economic Value of Spanish
• Madrid is the main hub of the most extensive high-speed rail system in the world (covering 3,100 km), second only to China. Madrid is a maximum of 3 hours by high-speed train from the main cities in Spain (Barcelona, Valencia, Malaga, Seville). (1)

• An extensive regional network of motorways connects the towns in the Region of Madrid to the national network, forming the backbone of the territory and ensuring access to the rest of the peninsula from anywhere in the region. (2)

• Madrid is the origin and center of the national transport network. Madrid is a maximum of 6 hours by road from all other major cities and towns in Spain. Two high-capacity roads cross the border with France and there are high-speed rail connections with the rest of Europe. (3)
• **Spain is a link** between Ibero-America, Europe, Africa and the Middle East, carrying out the role through efficient connections between airports, ports, railways and roads.

• **Madrid is connected to Europe through the Mediterranean Corridor and the Atlantic Corridor** that are part of the Trans-European Networks (RTE) whose purpose is to unite the European regions.

• **Madrid is a key player in the Corridors** due to its position as a financial centre and Hub of international and national heavy goods operators.

**Sources:** JLL Logistics, Crónica Global
Invest in Madrid

The Region of Madrid has one of the most advanced modern underground systems in Europe:
- 294 km tracks
- 13 lines and 301 stations
- Multi card: 2.50€ / Single trip: 1.50€
- 626 million users in 2017

The Madrid ‘Empresa Municipal de Transportes’ runs the city bus system, one of the largest networks in Europe:
- 430 million users in 2016
- Over 2,000 buses
- 208 lines (182 daytime and 26 night-time working 365 days a year)
- Express connection to the airport
- 10,367 stops in a 3,705 km network
- Single ticket: €1.50

The Region of Madrid has a transport network comprised of suburban trains and middle distance buses to link downtown Madrid with all the municipalities and towns in the region:
- 391 km local trains
- 324 intercity lines

Other means of public transport
Madrid, like other European regions, is a pioneer in alternative transport services: car-sharing, bike hire, electric motorbikes, car hire, etc.

The taxi system in Madrid comprises a fleet of nearly 16,000 vehicles working 24/7 for the city.

Sources: MadridUnderground, EMT, CRMT and esmadrid
OFFICES AVAILABLE AT VERY COMPETITIVE PRICES

RENTAL PRICE COMPARISON FOR PRIME OFFICE SPACE PER CITY

(Q3 2018; €/sqm/year)

Source: KNIGHT FRANK
LEADERSHIP IN INNOVATION
ADVANCED BUSINESS ENVIRONMENT

Madrid is the 2nd region in Spain in terms of industrial production and the 4th in terms of exports volume, leading the Spanish region for technological exports. (1)

Madrid is the national leader in engineering in 2018:

- 39% of companies,
- 75% of revenue,
- 47% of total employment in this sector.

2nd region in the EU-28 for technology-related employment: 254,100 professionals working in high-tech industrial and services sectors in 2017 (2)

Sources: (1) Databinvex; (2) Eurostat
80% of the world’s largest biomedical and pharmaceutical companies are in Madrid.

Madrid has been particularly successful in recent years in attracting and creating a healthcare ecosystem:

**MAIN FOREIGN BIOPHARMA COMPANIES**

- GlaxoSmithKline
- Johnson & Johnson
- Allergan
- Bristol-Myers Squibb
- Merck
- Roche
- Lilly
- Cardinal Health
- AbbVie
- AstraZeneca
- Astellas
- Pfizer
- Novo Nordisk
- Abbott
- Sanofi
- TEVA
- Biogen
- Gilead

**MAIN FOREIGN MEDICAL DEVICES COMPANIES**

- Toshiba Medical
- Siemens Healthcare
- Philips
- Medtronic
- GE Healthcare
- 3M
- Hitachi Medical Systems

Source: Own elaboration based on figures from Orbis
LEADER FOR ICT & AEROSPACE COMPANIES

Madrid has been particularly successful in recent years in attracting and creating a business ecosystem in both the ICT & Aerospace sectors:

**MAIN ICT COMPANIES**
- INTX
- facebook
- Google
- CISCO
- INTEL
- IBM
- Telefonica
- USTGlobal
- SIEMENS
- EA
- HP
- Alibaba Group
- Indra
- Vodafone
- Amazon
- BT
- Orange
- Huawei
- Microsoft

**MAIN AEROSPACE COMPANIES**
- Elecnor
- Indra
- ALESTIS
- gmv
- Bombardier Aerospace
- BAE Systems
- Boeing
- Altran
- ITP
- MBDA
- AERinnova
- Crisa
- HEXCEL
- ThalesAlenia Space
- Airbus

The headquarters of all the big telecommunications companies operating in Spain and nearly 50% of all IT firms are housed in Madrid.

One of the largest aeronautical clusters in Europe, accounting for 49.4% of sector turnover in Spain, in 2016.

Madrid is the leader in aeronautical clusters employment with 42.7% of the total in Spain.

Sources: Own elaboration based on figures from Orbis and Invest In Spain
LEADER FOR BUSINESS

REPRESENTATIVE PLAYERS IN MADRID

Carrefour  CEPSA  IDEASA  Roche  ERICSSON  endesa  DSV  DAIMLER  BARDAGGI  BERGÉ

AIRBUS  REPSOL  MAPFRE  Telefónica  IBM  SIEMENS  ALSTOM

MICHELIN  ferrovial  gasNatural  IBERIA  Microsoft  everis  HUAWEI  Grupo Eulen  bp

ACS  DHL  CORREOS  orange  PROSEGUR  IKEA  SECUITAS  ALTADIS  DECATHLON
1st region in Spain for R&D spending: (1)

- R&D spending: 3.7 billion euros (26.3% of total in Spain), 1.68% of regional GDP (Spain: 1.20%).
- Leader in R&D employment: 23.9% of total in Spain.
- Leading spender in innovation: 5.1 bill. € 37% of national total.

Madrid is home to 41 of the 132 National R&D Centres (Consejo Superior de Investigaciones Científicas). CSIC ranks 32th out of 5,637 ranked institutions in the world according to the SCImago-Institutions Ranking (SIR) 2018. (2)

Sources: (1) INE, ICONO (Observatorio Español I&D) and (2) CSIC
Madrid has been particularly successful in recent years in attracting and growing centres for R&D excellence:
## Structure for Entrepreneurship, Development and Innovation

### Business Fabric
- Employer
- Start-ups

### Businesses with innovative potential

<table>
<thead>
<tr>
<th>17 Campuses of International Excellence (1)</th>
<th>18 Health Research Centres (2)</th>
<th>9 Unique Scientific &amp; Technical Infrastructures (3)</th>
<th>10 Research Centres (1)</th>
<th>6 Science &amp; Technology Parks (4)</th>
</tr>
</thead>
</table>
| **Campus Moncloa**  
The energy of diversity | • 10 foundations for hospital biomedical research | • Spanish Supercomputer Network Hub  
• UPM Institute of Opto-electronic Systems  
• National Electron Microscopy Centre  
• High Security Biological Laboratory  
• Advanced Three-Dimensional Image Infrastructure | • CSIC (Higher Council of Scientific Research)  
• CIEMAT (Energy, Environment and Technology Research Centre)  
• IGME (Spanish Mining & Geology Institute)  
• Instituto de Salud Carlos III (Health Institute)  
• CNIO (National Oncology Research Centre)  
• INTA (National Space Technology Institute)  
• CEDEX (Public Works Study & Experimentation Centre)  
• CEM (Spanish Meteorology Centre)  
• IGN (National Geographic Institute)  
• INIA (National Institute for Agricultural Research and Experimentation) | • Tecnoalcalá  
• Tecnogetafe  
• Leganés Tecnológico - Carlos III University  
• Móstoles Tecnológico  
• Scientific and Technological park (Universidad Politécnica de Madrid)  
• Madrid Scientific Park |
| **Campus of International Excellence** (Universidad Autónoma de Madrid) | • Campus of Knowledge (Universidad Carlos III) | **Campus of International Excellence** (Universidad Politécnica de Madrid) | **Campus of Intelligent Energy** (Universidad Rey Juan Carlos) | **Campus of Intelligent Energy** (Universidad Rey Juan Carlos) |
| **Campus of Knowledge** (Universidad Carlos III) | **12 TECH Campuses “tech” of International Excellence** (Universidad Politécnica) | **10 foundations for hospital biomedical research**  
• 8 health research institutes | **Campus of International Excellence** (Universidad de Alcalá de Henares)  
• **Campus of Intelligent Energy** (Universidad Rey Juan Carlos) | **10 foundations for hospital biomedical research**  
• 8 health research institutes | **12 TECH Campuses “tech” of International Excellence** (Universidad Politécnica) |

**Sources:** Own elaboration based on data from (1) Idi-A, (2) ISCIII, portal de Salud de Madrid, (3) MINECO and (4) MadridTech.
Madrid is home to 16% of all companies established in Spain in 2018. More businesses are established each year in the Region of Madrid than in the Region of Valencia and Baleares put together. (1)

Largest national concentration of high-growth, high-potential digital start-ups, in 2018: 30% of total. (2)

Madrid is one of the European cities with the highest number of business accelerator and incubator schemes for entrepreneurs.

Thanks to its innovation-friendly Environment, Google opened in 2015 an Entrepreneur Campus in Madrid, the 2nd in Europe after the London Campus.

Sources: (1) INE; (2) Digital Startup Ecosystem Overview
UNIQUE QUALITY OF LIFE
SECURITY, FIRST RATE PUBLIC SERVICES, AND AN UNBEATABLE CULTURAL AND GASTRONOMIC OFFER

MADRID: AN EXCEPTIONAL PLACE TO LIVE

ONE OF THE SAFEST CAPITAL CITIES
- Madrid is one of the safest cities in Europe, with a very low crime rate.

FIRST RATE PUBLIC SERVICES
- Bilingual education in over 650 public schools and education centres. Wide range of private international schools.

THE HEALTHCARE SYSTEM IN MADRID IS UNIVERSAL AND HIGHLY ADVANCED.
- Over 80 public and private hospitals across the region, boasting some of the highest quality standards in Europe.

WARM AND SUNNY CLIMATE AND GREAT CULTURAL, GASTRONOMIC AND SHOPPING ON OFFER
A SAFE PLACE: EVEN SAFER THAN THE EUROPEAN AVERAGE

Spain ranks 30th out of 163 countries in the 2018 Global Peace Index, higher than countries like UK, France or Italy.

- **34 police stations** in Madrid.
- **6,100 policemen** patrolling the region.
- **€100 million public budget** for security and public safety.

COMPARISON OF INDICTMENTS MADE PER 100,000 INHABITANTS (2016)

<table>
<thead>
<tr>
<th></th>
<th>Indictments for rape</th>
<th>Indictments for assault</th>
<th>Indictments for theft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>9.6</td>
<td>170</td>
<td>1,570</td>
</tr>
<tr>
<td>Ireland</td>
<td>10.8</td>
<td>76</td>
<td>1,371</td>
</tr>
<tr>
<td>Spain</td>
<td>2.7</td>
<td>37</td>
<td>351</td>
</tr>
<tr>
<td>Belgium</td>
<td>21</td>
<td>104</td>
<td>2,069</td>
</tr>
<tr>
<td>Italy</td>
<td>N/A</td>
<td>282</td>
<td>1,866</td>
</tr>
<tr>
<td>Netherlands</td>
<td>7</td>
<td>N/A</td>
<td>3,219</td>
</tr>
</tbody>
</table>

N.B. The figures for Netherlands are from 2015 as they are yet to release 2016 data.

Source: Eurostat
One of the safest cities in the World, ranked 12th safest out of 60 cities worldwide and the 4th safest out of 12 in Europe.

Safe Cities Index 2017 overall results

<table>
<thead>
<tr>
<th>Rank</th>
<th>City</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tokyo</td>
<td>89.30</td>
</tr>
<tr>
<td>2</td>
<td>Singapore</td>
<td>89.44</td>
</tr>
<tr>
<td>3</td>
<td>Osaka</td>
<td>86.47</td>
</tr>
<tr>
<td>4</td>
<td>Toronto</td>
<td>87.16</td>
</tr>
<tr>
<td>5</td>
<td>Melbourne</td>
<td>87.10</td>
</tr>
<tr>
<td>6</td>
<td>Amsterdam</td>
<td>87.26</td>
</tr>
<tr>
<td>7</td>
<td>Sydney</td>
<td>86.74</td>
</tr>
<tr>
<td>8</td>
<td>Stockholm</td>
<td>86.72</td>
</tr>
<tr>
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<td>10</td>
<td>Zurich</td>
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</tr>
<tr>
<td>11</td>
<td>Frankfurt</td>
<td>84.86</td>
</tr>
<tr>
<td>12</td>
<td>Madrid</td>
<td>83.88</td>
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<tr>
<td>13</td>
<td>Barcelona</td>
<td>83.71</td>
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<tr>
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</tr>
<tr>
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</tr>
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<tr>
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<td>Abu Dhabi</td>
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<td>30</td>
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<td>31</td>
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</tr>
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<td>32</td>
<td>Beijing</td>
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<td>Athens*</td>
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<tr>
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<td>Shanghai</td>
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<tr>
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<tr>
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<td>47</td>
<td>Riyadh</td>
<td>61.23</td>
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<tr>
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<td>61.20</td>
</tr>
<tr>
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<tr>
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<td>Johannesberg</td>
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<tr>
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<td>Colim*</td>
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<tr>
<td>53</td>
<td>Ouled*</td>
<td>55.39</td>
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<tr>
<td>55</td>
<td>Manila*</td>
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</tr>
<tr>
<td>56</td>
<td>Ho Chi Minh City</td>
<td>54.23</td>
</tr>
<tr>
<td>57</td>
<td>Jakarta</td>
<td>53.39</td>
</tr>
<tr>
<td>58</td>
<td>Dhaka*</td>
<td>47.37</td>
</tr>
<tr>
<td>59</td>
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<td>45.47</td>
</tr>
<tr>
<td>60</td>
<td>Karachi*</td>
<td>38.77</td>
</tr>
</tbody>
</table>

* New cities

Source: EIU
AN EXCELLENT, PROFESSIONAL HEALTHCARE SYSTEM

The Region of Madrid has **36 public hospitals and 45 private healthcare facilities** with 14,728 and 6,750 beds, respectively. Foreigners who are not registered as residents in Spain will also receive healthcare under the criteria of the National Health System.

According to a 2018 ranking compiled by Bloomberg, **Spain is classified as having the 3rd most efficient health system in the world out of 55 countries** behind only Hong Kong and Singapore.

### FREE (WITHOUT CO-PAYMENT) HEALTHCARE SYSTEM (1)

<table>
<thead>
<tr>
<th>Service</th>
<th>Spain</th>
<th>Hong Kong</th>
<th>Japan</th>
<th>Italy</th>
<th>South Korea</th>
<th>Australia</th>
<th>UAE</th>
<th>Australia</th>
</tr>
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<tbody>
<tr>
<td>Primary Healthcare</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
</tr>
<tr>
<td>Specialised Outpatient Clinics</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
</tr>
<tr>
<td>Hospital Stays</td>
<td>✅</td>
<td>✅</td>
<td></td>
<td>✅</td>
<td>✅</td>
<td></td>
<td>✅</td>
<td>✅</td>
</tr>
<tr>
<td>ER</td>
<td>✅</td>
<td>✅</td>
<td></td>
<td>✅</td>
<td>✅</td>
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<td>✅</td>
<td>✅</td>
</tr>
<tr>
<td>Prescribed Drugs</td>
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<td>✅</td>
<td>✅</td>
<td></td>
<td>✅</td>
<td>✅</td>
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</tbody>
</table>

### MOST EFFICIENT HEALTHCARE SYSTEM (2)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Efficiency Score</th>
<th>Life Expectancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hong Kong</td>
<td>87.3</td>
<td>84.3</td>
</tr>
<tr>
<td>2</td>
<td>Singapore</td>
<td>85.6</td>
<td>82.7</td>
</tr>
<tr>
<td>3</td>
<td>Spain</td>
<td><strong>69.3</strong></td>
<td><strong>83.8</strong></td>
</tr>
<tr>
<td>4</td>
<td>Italy</td>
<td>67.6</td>
<td>82.8</td>
</tr>
<tr>
<td>5</td>
<td>South Korea</td>
<td>67.4</td>
<td>82.0</td>
</tr>
<tr>
<td>6</td>
<td>Israel</td>
<td>67.0</td>
<td>82.0</td>
</tr>
<tr>
<td>7</td>
<td>Japan</td>
<td>64.3</td>
<td>83.8</td>
</tr>
<tr>
<td>8</td>
<td>Australia</td>
<td>62.0</td>
<td>82.4</td>
</tr>
<tr>
<td>9</td>
<td>Taiwan</td>
<td>60.8</td>
<td>79.7</td>
</tr>
<tr>
<td>10</td>
<td>UAE</td>
<td>59.7</td>
<td>77.1</td>
</tr>
</tbody>
</table>

*Sources: (1) Ministry of Health; (2) Bloomberg*
EXCELLENT URBAN INFRASTRUCTURE

Madrid has a highly sophisticated, competitive and efficient transport system. The Madrid Metro (294 km and 301 stations) is modern, safe, clean and efficient providing fast and cost-effective transport across the city and its metropolitan area.

Madrid is one of the capital cities with the least congestion in the world, with much less traffic than the majority of European cities. (1)

Madrid is ranked 13th out of 100 cities worldwide in the 2018 ADLlittle Urban Mobility Index for the efficiency and reliability of its mobility system to facilitate growth and support business. (2)

Sources: (1) Tomtom; (2) ADLlittle
UNIQUE QUALITY OF LIVE WITH AN AFFORDABLE COST

Madrid has consistently shown, year after year, a strong performance in cost and quality of living rankings:

- Spain as a country places 4th out of 36 countries in the 2017 OECD Work-life Balance Index.
- According to Internations, Spain is the 8th best destination for expats in 2018, and according to the latest UN World Tourism Outlook, the 2nd world’s most preferred destination for tourism.

COST OF LIVING – WORLD 2018

1. Hamilton, Bermuda
2. Zurich
29. Singapore
23. Paris
36. Dublin
40. Amsterdam
42. London
66. Milan
98. Frankfurt
185. Berlin
274. Madrid
400. Jakarta
463. Mexico DF
500. Delhi
525. Cairo

The Region of Madrid has an accessible cost of living – lower than the main European regions.

Sources: OECD, Internations and Numbeo
CULTURAL AND GASTRONOMIC OFFER

THE BEST GASTRONOMY & CULTURE

Madrid has one of the best-preserved historic quarters in Europe, with extensive pedestrianised areas complemented by a broad range of tourist attractions, cafes, bars, restaurants and shops.

Paseo del Arte: 3 of the most important museums in the world (Prado, Thyssen and Reina Sofía) are all within 10 minutes of each other in Madrid.

- The Prado Museum has an exceptional collection of work by Velázquez, Goya and El Greco.
- The Reina Sofía Museum is home to Guernica by Picasso and a wide selection of art from the 19th century to modern day (Miró, Kandinsky, Dalí).
- The Thyssen Museum has a fascinating collection ranging from Gothic and Renaissance masterpieces to Modern Art by artists such as Hopper or Bacon.

One of Madrid's biggest attractions is its abundance of bars, restaurants and terraces (+3,000, 23 of them with at least one Michelin star) always very busy from mid-morning to nightfall.

According to Forbes, in 2018, Spain was ranked as the 4th top country in the world for Michelin 3-Star Restaurants with 11 overall.

Source: Forbes
GUARANTEED LEISURE AND FUN

AVERAGE ATTENDANCE AT MATCHES 2017/18

<table>
<thead>
<tr>
<th>Team</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>BARCELONA</td>
<td>65,824</td>
</tr>
<tr>
<td>REAL MADRID</td>
<td>65,653</td>
</tr>
<tr>
<td>ATLÉTICO MADRID</td>
<td>55,476</td>
</tr>
<tr>
<td>REAL BETIS</td>
<td>46,387</td>
</tr>
<tr>
<td>VALENCIA CF</td>
<td>38,694</td>
</tr>
<tr>
<td>ATHLETIC BILBAO</td>
<td>37,371</td>
</tr>
<tr>
<td>SEVILLA FC</td>
<td>33,067</td>
</tr>
<tr>
<td>DEPORTIVO LA CORUNA</td>
<td>20,634</td>
</tr>
<tr>
<td>MALAGA CF</td>
<td>20,384</td>
</tr>
<tr>
<td>REAL SOCIEDAD</td>
<td>19,718</td>
</tr>
</tbody>
</table>

UNBEATABLE SPORTS

The Region of Madrid is one of the main European hotspots for sport, with events ranging from football to the Tennis Master Series (Each year the Mutua Madrid Open takes place in the capital).

The region has 4 first-division teams in the Spanish football league "La Liga": Real Madrid, Atlético de Madrid, Leganés and Getafe.

The locals are also passionate about basketball, thanks to the big first-division teams in the city such as Estudiantes, Real Madrid or Fuenlabrada.

The Region of Madrid offers ample opportunity to take part in any number of sports such as tennis, hiking, climbing, skiing, cycling and many more.

Madrid offers golf courses catering to all preferences and levels, where you can both improve your golfing skills or simply get yourself started with this relaxing sport.

Source: Weltfussball
ENJOYABLE ENVIRONMENT: SUSTAINABILITY & A VERY GOOD CLIMATE

The Region of Madrid supports sustainability and environmental friendliness:

• Over half of the land in the Region of Madrid is protected for environmental reasons.
• The region is home to 9 protected areas, including the Sierra de Guadarrama National Park.
• According to the 2018 Arcadis Sustainable Cities Index, Madrid was classified as the 21st out of 100 most sustainable city in the world, scoring even higher in the people’s (10th) and planet’s (15th) subindices.

In 2017, Spain has been said to have for the second year in a row the most competitive tourism sector in the world, according to the World Economic Forum.

Spain received 82 million tourists in 2017 (2nd country by number of visitors and income generated by tourists) according to the 2018 UNWTO Tourism Highlights.

Average temperature: 15º C

Max. average monthly temperature 2018: 31º C (August)

Min. average monthly temperature 2018: 5º C (February)

Over 100 days of completely clear skies per year

Sources: Arcadis and Government of Spain
SUMMING UP
5 REASONS FOR CHOOSING MADRID

1. ECONOMIC POWERHOUSE AND MAIN DECISION CENTRE IN SPAIN
   - National leadership in foreign investment.
   - Competitive tax regulation.
   - 65% of the largest companies in Spain are in Madrid.

2. ACCESS TO MARKETS: STRATEGIC LOCATION AND EXCELLENT INFRASTRUCTURE
   - Latinamerican business and air hub.
   - Top notch communications.
   - Prime offices and housing at competitive costs.

3. QUALIFIED AND COST-EFFICIENT LABOUR FORCE
   - Among the European regions with higher number of tech employees.
   - 3 business schools among the top ten in Europe.

4. INNOVATIVE AND DYNAMIC BUSINESS ECOSYSTEM
   - Leader in private and public centres for R&D excellence.
   - Largest national concentration of high-growth, high-potential start-ups: 30% of total.

5. HIGH QUALITY OF LIFE AND AFFORDABLE COST OF LIVING
   - Unique quality of life.
   - Security, public services, climate, culture, gastronomy, leisure, sports & shopping.
INVEST IN MADRID
SERVICES PORTFOLIO

- Identification of investment opportunities
- Information on the applicable regulatory framework
- Guidance on applicable aid and incentives
- Scouting for office space and industrial locations
- Brokering with the public administration
- Help in seeking funds from international donors
- Support in recruiting, hiring and retaining qualified staff
- Facilitating relations with local partners

SECTORS OF INTEREST

- Aeronautics
- R&D & Applied Science Centres
- Biotech, medical devices & Pharma Industry
- Healthcare
- Motor & Car parts Industry
- International customer support and shared services centres
- Electronics & nanotechnology
- Space Technology
- ICT
“Quality of life in Spain is not just sun and the beach. It goes beyond that and represents a factor of undeniable appeal, facilitating the expatriation of foreign senior personnel.”
Benoît Carpentier, Saint Gobain Managing Director for Iberia and Morocco

“Spain’s differentiating factor is its workforce, whose performance and creativity in the pharma industry contributes to the company’s competitiveness.”
Yves Billiet, Chief Operations Manager at Sanofi-Aventis

“Spain is the fifth European economy … the second tourist destination in the world … And Madrid is an operative centre of excellence for providing services through other companies.”
Juan Orti, CEO Country Manager

The choice of Madrid is due to its strategic location in Europe, the availability of highly competitive professional talent and also has the advantage of sharing language with Latin America.
COMPANIES’ EXPERIENCES

“Madrid is the headquarters of most European and American companies operating in the Iberian peninsula, southern Europe and the Maghreb. We have a big R&D centre with about 400 people working in the latest technology.”
Jurgen Arts, VP & CFO Region North America

“It stands out for its proximity to the political and economic decision centre.”
Eduardo Montenegro, General Manager

“We asked ourselves where we could find talent, and we realised that in Spain there are lots of developers with experience that started during the 90s, in companies like Pyro Studios, who have continued to grow. The presence of universities dedicated to Videogame development has also been an important factor … We saw this talent which made it the right place. That’s all without mentioning that Madrid is a fantastic city and that, furthermore, it has a close cultural affinity to sport.”
Daryl Holt, Vice President and COO
“We believe Madrid region has a solid economy for the future.”
Satoshi Sozuka, President

“Madrid is at the centre of Spain’s business links with Latin and South American countries. My family and I came to Madrid on a two-year contract, and that was 12 years ago. We really enjoy the place.”
John Claverley, Head of Business Development

“Many of the IT initiatives are piloted in Spain before they get deployed worldwide, thereby presenting a natural bridge for the IT services companies from India to Latin America. Madrid is very diverse, lively and vibrant to lead a very high quality life.”
Kannan Balamurugan, Country Operations & Delivery Head

“Madrid has a great number of universities with very specialised R&D centres. After many years as an expert in other cities in the world, I have discovered that I am very happy to live and work in Madrid.”
Álvaro Alcina, A & C Compliance Officer
“The labour framework is also very important to us and is not very different from what we are used to in Latin America. In addition to everything it offers for businesses, it is really a privilege to be able to live in Madrid.”
Ricardo Mattos, CFO

“The nature of our business demands a lot of high qualified employees. We have 1,300 people working for us in Spain.”
Javier Ellena Aramburu, President & General Manager

“Madrid is one of those cities that has a truly global dimension and therefore it is really one of the best options for locating a multinational company. The best infrastructures in terms of IT, education, talent… Everything is accessible in Madrid. Those are precisely the reasons why the Boeing company chose Madrid as a place to locate its first R&D centre in the world.”
Pedro Argüelles, Country President
THANK YOU
VERY MUCH