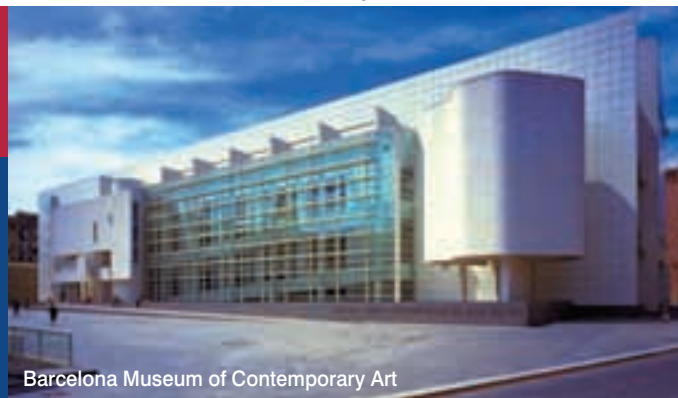


Barcelona

Europe's city of innovation flexes its creative muscle, paving the way for the business opportunities of a new economy



Barcelona Museum of Contemporary Art

Nestled on the shores of the Mediterranean, which gently washes the autonomous region of Catalonia in north-eastern Spain, the city of Barcelona is an outstanding example of history and innovation, quality of life and solid tradition of work ethics. Unique in many ways, Barcelona is a seamless mix of the old and the new, with ancient Gothic quarters only blocks away from some of the most technologically advanced urban areas in the world.

Where a century ago Catalan architect Antoni Gaudí created buildings the likes of which had never been seen, today the city continues in the tradition of innovation that has made it a prime destination for tourism and, now more than ever, for investment.

Its assets are not purely economical, of course. The temperate climate, the quality of life, the openness of its cosmopolitan citizens, the living history and the creative strength of the city round off the charms that have made

"Barcelona participates in the design of its own future."

Barcelona a household name for millions of travelers and investors throughout the globe.

Barcelona Mayor Joan Clos has always considered quality of life as a social and political issue of foremost priority. As the world becomes increasingly urbanized, Mr. Clos believes that all cities play a fundamental role in facing the challenges of social integration and sustainable growth. "Clearly, Barcelona is a city that participates in the design of its own future, and we want to continue being active in the international debate on the role of the city in these areas," says Mr. Clos.

As the Mayor of one of Europe's best-considered cities, Mr. Clos emphasizes the welcoming nature of Barcelona for

tourism and business alike, although rather than taking his word for it, he suggests that the best way to discover the "Pearl of the Mediterranean" is to come for a visit, and see for oneself.

For investors in search of business opportunities, Barcelona offers much more than entrepreneurial spirit and



Joan Clos, Mayor of Barcelona

inherent creativity. Miquel Valls, President of the city's Chamber of Commerce, calls it Barcelona's secret: the cooperation between the public and the private sectors, consolidated in the Barcelona Tourism Consortium. Born from the hugely successful Olympic Games in 1992, the Consortium has brought about economic growth by helping local companies become more competitive and facilitating foreign investment in the city. The success of the Consortium is due to the fact that it is presided over by businesspeople, not politicians. Innovation, productivity and added value are the keys of its vision.

In the past twenty-five years, Barcelona has become an agile and fast-moving economy. David English, President of the British Chamber of Commerce, stresses the support the local government gives to new industries and new technologies. "Barcelona has a very clear understanding of what it is and what it wants to become," says Mr. English. "It is first and foremost a commercial city with the depth and infrastructure to make commerce work." It is an opinion shared by Jaime Malet, Chairman of the American Chamber of Commerce in Spain. "What is most remarkable about Barcelona is that it's beautiful, livable and hard-working at the same time," says Mr. Malet, adding: "The city must take advantage of these attractive features to evolve from a city of tourism to a city of intelligence, continuing to emphasize

Quality certification

1st Spanish financial group to obtain the global ISO 9001 certification awarded by BVQI

www.bancosabadell.com

B S
Banco Sabadell
Thinking ahead

Image: Globo Foto / Barcelona Tourist Board



Barcelona's Port and World Trade Center

both market openness, meritocracy and private initiative." Among the industrial sectors with great growth potential, Mr. Malet cites foodstuff processing, life sciences, automotive design, aerospace engineering and, of course, tourism.

An accommodating city

As one of the foremost destinations in the world for tourists and convention visitors, the city of Barcelona has had to contend with the challenge of providing quality lodgings to absorb huge visitor influxes all year round. Nowadays, the city houses numerous five-star hotels that range from the simply luxurious to the ultimate quality standard of Grand Luxe. The Hilton hotel chain was among the first international lodging providers to arrive in the city, opening

its landmark 300-room hotel located on Avinguda Diagonal, in the noble part of the city.

Primo Muñoz, Area Director for Hilton Barcelona, explains that while the hotel's guests will find many similarities between the Barcelona Hiltons and those in other cities throughout the world, each hotel injects a measure of creativity that reflects its surroundings. Most importantly, the hotels invest time and money listening to their clients and determining their needs at present and in the future. Sociologists, demographers and futurologists analyze guest questionnaires and come up with innovative solutions to the client's needs, such as the "relaxation room" concept, designed to satisfy the customer of the year 2020. Recently, Hilton inaugurated a second hotel in Barcelona, with 433 rooms, located in the developing 22@ high-technology district and geared towards leisure visitors who wish to enjoy the city's numerous attractions in the best of styles.

The rise of Catalan banking

During the 19th Century, the Industrial Revolution reached Catalonia. A powerful textile industry turned the region into an economic powerhouse, and the capital city Barcelona, as well as other surrounding cities, blossomed under the auspices of the new industrial elite. This era, known as the "Catalan Renaissance", left an indelible mark both in form and content that has shaped the city's identity ever since.

The organic curves of Gaudí's amazing creations, most of which were commissioned by the city's wealthiest families,





Miquel Valls, President, Barcelona Chamber of Commerce

is the best-known legacy of that time. But the Industrial Revolution brought about other less visible changes of equal or even greater significance, one of which was the birth of a banking system befitting the growing local economy. In 1881, a group of businessmen from Sabadell, an industrial city not far from

Barcelona, founded the Banco Sabadell in order to ensure the supply of raw materials and energy to the local industry. At the start of the 20th Century, the bank divested its industrial assets to focus exclusively on commercial banking, and during the 1970s, it consolidated into Catalonia's most important bank.

It was from 1996 onwards, however, that Banco Sabadell began its "prodigious decade", in the words of Managing Director Juan M. Nin. Up to four Spanish banks were absorbed by the Sabadell, and in 2001 the bank went public to become one of the 35 companies that comprise Spain's IBEX stock exchange.

Today, Banco Sabadell is the fourth largest national bank and provides solid partnerships for investors wishing to locate in Barcelona. Its quality differential is sustained on a strong capitalization, which allows for growth without the need for further capital operations, the highest-rated quality of service in Spain, a leading position in risk quality and the best team of directors in the national panorama.

Mr. Nin heartily supports the development of Barcelona as the center of a world-class business network, although in his opinion there are several aspects that need to be addressed for this vision to become a reality. "Barcelona needs investment in Investigation & Development, both in the public and private sectors, as well as an educational system better adapted to the current business culture."

The foremost challenge, however, is the internationalization of Catalan industry in general, says Mr. Nin. He also calls upon the politicians to make an effort to improve historic infrastructure deficits that, in his opinion, are not quite up to par with the needs of certain sectors. Meanwhile, Banco Sabadell continues to work on consolidating its position as Spain's financial institution of reference while preparing the upcoming step into the global market, which will take it to even higher levels of demands and challenges. If time is the ultimate arbiter of commercial success, then Banco Sabadell's 125-year history will convince even the most hardened investor of its worth.

Reinventing Barcelona

Barcelona has always been a business-friendly city. Located strategically between Africa and the rest of Europe, trade has been a historic mainstay of the local economy. The main port, currently undergoing an expansion program under the direction of Port Authority President Joaquim Coello, is well set up for international trading, as well as being a popular cruise stop destination.

22@BARCELONA—The Innovation District

22@Barcelona is the new productive heart of Barcelona. An area of over 500,000 m² has been allocated to a number of knowledge-intensive companies and organizations, and there are plans to extend it to more than 4.000 000 m² in the near future.

Microsoft, Yahoo, General Electric, Sara Lee, American Express, Ericsson, T-Systems and Telefónica are just a few of the 200 or so companies setting up shop in the Innovation District, the most innovative area of Spain and Southern Europe.

Notwithstanding Barcelona's reputation as a business-friendly city, the 22@Barcelona area also brings together elements that go a long way to explain its success in attracting innovative companies.

Its location, in the center of Barcelona, means more than 4.4 million people can travel to it in less than an hour on public transport, while the infrastructure, which has an established fiber optic network, allows for healthy competition between telecommunications service providers. 22@Barcelona also offers public facilities custom-designed for businesses, with elements of added value consisting of technology transfer centers, universities or incubation units. There is also a focus on the audiovisual sector, on information and communication technologies and biomedical and energy engineering.

Opportunities exist for companies to communicate, through channels such as the 'Asociacion de Empresas 22@Network' (the 22@Network Business Partnership) which hosts regular networking events.

The floor usage of 22@Barcelona is diverse, with areas set aside for residences, catering, hotels and public spaces.



Within the context of the Iberian Peninsula, Catalan people are considered the most business-oriented of all Spanish identities and work hard to earn the distinction.

Early on in the 20th century, Barcelona realized it needed to consolidate its industrial capacity, and, in 1916, the

Juan M. Nin, Managing Director, Banco Sabadell

city's Free Trade Zone (BFTZ) was inaugurated. Because the central government refused to give support to the enterprise, the city purchased the terrains from its own pocket, meaning that the ownership of the site belongs to Barcelona, not the Spanish state, with a managing consortium comprised of the public and private sectors.

In 1949, the Spanish automotive company SEAT chose the BFTZ to locate its factory, leading to an explosive growth in the local economy. Today, the Free Zone is home to 285 companies which generate 11% of Catalonia's GNP, and numerous projects led by the Consortium are shaping the industrial future of Barcelona and other nearby locations. Manuel Royes, President of the Executive Committee of the BFTZ Consortium, explains the special dynamics of the Free Zone's business vision and its profound social spirit.

"The Consortium is a public entity that manages its assets with the agility of a private company, always with the objective of reverting our benefits to the public. Our activity does not seek to maximize our economic results, as private



Jaime Malet, American Chamber of Commerce, meets Bill Clinton

companies do, but to undertake the economically dynamizing projects that society requires and which the private sector does not often assume," explains Mr. Royes.

Truly, the scope of the Consortium's current project catalog is breathtaking, in magnitude and social implications. Star projects include the already functional Parc de Recerca Biomedica, Southern Europe's most modern biomedical research facilities for cutting-edge, hi-tech development, the new Besos University campus, and the extraordinary Frank Gehry building commissioned to stand next to the new train station at La Sagrera, where the high-speed AVE train will soon arrive.

According to Mr. Royes, the city's capacity to undertake projects of this magnitude –following the successful

ESADE
Business School

Challenging Vision

MBA / Executive Education
Barcelona, Madrid, Buenos Aires
www.esade.edu/bschool

Barcelona: Tel. +34 934 952 088 - mba@esade.edu - exedBCN@esade.edu
Madrid: Tel. +34 913 597 714 - exedMAD@esade.edu
Buenos Aires: Tel. +54 11 4747 1307 - exedBA@esade.edu

4th IN BUSINESS WEEK MBA GLOBAL RANKING (October 2004).
 2nd IN THE WALL STREET JOURNAL MBA GLOBAL RANKING (September 2005).
 5th IN BUSINESS WEEK EXECUTIVE EDUCATION EUROPEAN RANKING (October 2005).

Activities program

PRIMAVERA SOUND

Music Festival
1st-3rd June, 2006 Forum Park

PICASSO 2006 BCN

The Antibes Picassos
From 06.07.2006 to 15.10.2006
Picasso Museum
Montcada, 15-23. 08003 Barcelona

Picasso & the Circus
From 16.11.2006 to 18.02.2007
Picasso Museum
Montcada, 15-23. 08003 Barcelona

Museu Picasso Collection.
A New Look
From 21.03.2006 to 09.2006
Picasso Museum
Montcada, 15-23. 08003 Barcelona

Picasso,
the man in the thousand masks
From 06.04.2006 to 03.10.2006
Barbier-Mueller Precolombian Art Museum of Barcelona
Montcada, 12-14. 08003 Barcelona

Parade,
Ícar, El sombrero de tres picos
(El tricorn) (ballets)
22nd and 23rd October, 2006
Performed by the Bordeaux National Opera Ballet Company. Ícar's guest ballet dancer: Igor Yebra
Gran Teatre del Liceu,
La Rambla, 51-59. 08002 Barcelona.

implantation of an entirely new city district for the Forum of Cultures in 2004—is the result of the cooperation between the private and public sectors, as well as the constructive political climate currently in place and the historic business tradition of the city.

“It is no accident that Barcelona has two business schools of international reputation,” Mr. Royes says: “The Consortium is the most prepared entity to ensure the success of investment and industrial implantation in this part of the Mediterranean. We have the experience, the prestige and the public support to provide an essential partnership for the technological or industrial placement of foreign companies.”

However, Barcelona is more than just a city to do business: it is also a city where one can learn to do business. The ESADE business school is one of the best in Europe and a major added value to the city’s business potential. Aside from the standard MBA curriculum, ESADE adds a focus on interpersonal dynamics, an issue which most business schools skirt, despite the value of such knowledge to executive officers. Companies in search of innovation find in ESADE the ideal place to polish and perfect their managerial skills, with doctorate courses offered entirely in English that have multiplied the number of students from all over the world that come to Barcelona to study at the center.

For hi-tech industries ranging from the IT to the life sciences sectors, and everything in between that falls in the category of “clean industries”, 22@Barcelona The Innovation District (www.bcn.es/22@bcn) is perhaps the most exciting development of Barcelona’s urban project.

“The Consortium has the agility of a private company.”

Two hundred hectares of the city’s old industrial district have been completely revamped to create an area for knowledge-intensive activities along the lines of New York’s “Silicon Alley”.

Miquel Barceló, Chairman of the Project 22@Barcelona, explains: “We saw that urban districts with universities and infrastructures became centers of intense knowledge-based activities, and 22@ was designed with this in mind. However, we wanted a district that did not close down at 6pm; we wanted there to be residences, restaurants, hotels... everything that is found in any normal city.”

The project, which includes 35 kilometers of new streets with fiber optic cabling, power resources and all necessary



Casa Milà - one of architect Antoni Gaudí’s masterpieces

infrastructure, is based on the concept of the Mediterranean city with smooth mobility and a self-sustainable societal model. “22@ is designed to connect with the investor and at the same time with the urban model of Barcelona,” explains Mr. Barceló. The profits of the city’s public sector are used to finance the project and offer incentives to potential investors, who in turn are expected to conform to the larger urban plan which reflects the city’s dense areas of social interaction and creativity.

Creating quality of life

As a throbbing, vital, dynamic and compact metropolis, Barcelona faces a great challenge in the area of urban mobility. Locked into an area of 100 square kilometers by the sea and two mountains, the city has a resident population of 1.6 million that grows to 4 million during the day, counting tourists and non-resident workers. In this geographic and demographic context, Barcelona has spent the last two decades at the forefront of traffic circulation technology and innovative solutions to keep the city in motion.

Aside from the proliferation of parking lots managed by the city, and a strict application of traffic laws, public transport plays a central role in the strategy of the city’s Municipal Services Department, dependant on the Mayor’s Office. Alfredo Morales, Managing Director of Barcelona Municipal Services, explains that Barcelona’s Public Transport Consortium is investing large sums in extending bus and subway routes within the city and also between cities.

“Years ago, traffic would spike mostly in summer with the tourist influx but nowadays, tourism is present all year round,” says Mr. Morales. “We seek to balance the needs of the citizens, tourists, workers, commerce and industry that make the city beat.” But the activity of the Municipal

WE TURN BIG PROJECTS INTO REALITY.

IGO finances Spanish enterprises' large-scale investment projects in sectors like infrastructures, telecommunications, transport, energy and the environment.

IGO
Instituto de Crédito Oficial
www.igo.es



The new Hilton in Barcelona, the perfect place to unwind. www.hilton.com

Services goes far beyond the mobility issue, encompassing areas as diverse as parking lots, the city zoo, the Tibidabo theme park, funeral services and Mercabarna, the central distribution point of practically all the food consumed in the city. All of these assets were consolidated into a single holding in 2002 for reasons of economic synergy.

"Instead of having 15 small companies, we now have one large holding with a single board, a single direction and the same objectives, so that the more viable areas can help



Manuel Royes, President of the Executive Committee, Barcelona Free Zone Consortium

the less viable ones. Altogether, we offer public services of maximum quality, with positive economic results," says Mr. Morales.

Last year, the Municipal Services holding earned \$223m and spent \$193m, leaving \$30m for reinvestment. The budget until 2007 is of \$301m, to be covered by cash-flow and external debt.

Mr. Morales is convinced that if the city keeps on the track of innovation, quality of life and business opportunities, it will continue to be on the frontline of global competitiveness for years to come. The beat of Barcelona is hard to beat; the Pearl of

the Mediterranean is ripe for the picking. So, what are you waiting for?



THE HILTON IN BARCELONA, A GREAT CHOICE

The Hilton brings you two distinct Barcelona experiences: the Hilton Diagonal Mar Barcelona next to the city beaches and the Hilton Barcelona overlooking the city from the uptown financial district. Both offer excellent facilities for meetings and incentive travel events.

Tel: +34 934 957 766 - events.barcelona@hilton.com
Tel: +34 935 070 070 - events.diagonalmarbarcelona@hilton.com



TAKE ME TO THE HILTON

For the best rates, visit hilton.com



4 more reasons + for enjoying Barcelona

Parc del Tibidabo

Entertaining attractions and surprising shows come together in the highest part of the city. Set in a unique area, surrounded by a singular natural setting, Tibidabo Amusement Park has become a "must" for visitors of all ages. A Park that has managed to combine strong emotions with the most exciting attractions.

Parc Zoològic

Barcelona Zoo, set practically in the middle of the city, receives almost one million visitors and around 55,000 schoolchildren a year. Dissemination, research and education are currently the three main areas of a modern zoological park that has adapted to new times.

Parc del Fòrum

A new area in Barcelona, which stands out thanks to its magnificent location and spectacular design. The 23 hectares of which this huge site consists are divided into five large areas. In addition to the emblematic, multi-purpose Forum building, the Auditorium Park, the Photovoltaic Panel, the Esplanade and the original Baths Area.

Parc de Montjuïc

With 450 hectares, it is one of the largest green areas in the city. Converted into a meeting point for a wide host of activities, it receives 15 million visits a year. The city's ring, where nature, sport and culture all come together.

