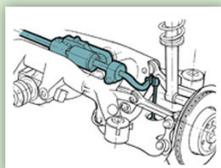


In 2002, BMW chose to invest \$10 million in South Carolina's SmartState™ Program, partnering with the Center of Economic Excellence in Automotive Manufacturing and the Center of Economic Excellence in Automotive Systems Integration, both located in the Campbell Graduate Engineering Center on the Clemson University International Center for Automotive Research (CU-ICAR) campus.



BMW's investment allowed Clemson to recruit two of the world's leading automotive experts, Dr. Tom Kurfess and Dr. Paul Venhovens. At CU-ICAR, Dr. Kurfess is helping the automotive industry increase its leadership in the areas of precision systems, controls, automation, and robotics.



Why would one of the world's top companies invest millions in South Carolina research? Because an investment in the SmartState Program offers compelling benefits, including R&D savings, access to the work of world-class researchers, and long-term workforce development advantages.

Below, a BMW executive explains why BMW made a strategic decision to invest in the SmartState Program.

Why did BMW invest in the SmartState Program?

BMW: For companies like us, the SmartState Program represents a remarkable investment opportunity. The dollar-for-dollar, 100 percent match the state of South Carolina provides makes it one of the smartest investments our company could make. How many investments guarantee a 100 percent return?

How is BMW benefiting from its investment in SmartState?

BMW: First, it has allowed us to improve our products and processes. Constant innovation is the only way that companies can stay competitive today, and the partnership with South Carolina's research universities is a big part of our efforts to continuously improve what we make and the way we do things.

By investing in SmartState, we're also improving education quality in South Carolina. As a leading company in the Dow Jones Sustainability Index, BMW is committed to developing an educated workforce focused on innovation and continuous learning, which are essential ingredients for success.

Now, SmartState is increasing South Carolina students' access to advanced degrees in auto-related fields and the world-class automotive engineering and design fac-

ulty who have been recruited through the program. On a related note, our investment in SmartState is helping BMW build its future talent pipeline. To be successful in the long-term, the key is to recruit a workforce that is highly skilled and committed to continuous improvement. Our investment in SmartState is helping to identify the best and brightest students at Clemson and other educational institutions and to prepare them for careers in South Carolina's automotive industry.

Also, by supporting the SmartState Program, BMW is giving back to South Carolina in a way that builds the state's economy and makes it a better business destination. As SmartState helps cultivate knowledge-economy industries in the Palmetto State, expanding companies are choosing the state as a business location because of its research and innovation capabilities. And what's good for South Carolina is good for BMW.

What does BMW see as the potential long-term advantages of being involved with the SmartState Program?

BMW: In a decade, I believe South Carolina will consistently compete against top-tier locations across the globe for knowledge-based jobs and corporate investment—and win. This state has long been renowned for its

continued on back



Investor Spotlight: **BMW**

continued from front

technical colleges and workforce training. With the help of SmartState, the state's research institutions can also become world leaders. Prioritizing education and research makes a statement to the world and can change the course of South Carolina.

I would encourage all corporate leaders to take a look at an investment in the SmartState Program. It's a remarkable opportunity to develop a "joint venture" with one or more of South Carolina's research universities. [The three South Carolina research universities are Clemson University, University of South Carolina, and Medical University of South Carolina.] The

benefits to a company are compelling—access to innovation, talent development, and so on.

The SmartState Program is truly a win-win proposition. The state of South Carolina is saying to industry, "If you invest in South Carolina research, we'll match that investment dollar for dollar, and we'll help you get the business outcomes you want." At the same time, South Carolina becomes a better business destination, increases the status and productivity of its research programs, and offers more opportunities for success and professional fulfillment to its citizens. That's a smart investment.

About the SmartState Program

The SmartState Program (formerly known as the Centers of Economic Excellence or CoEE Program) was created by the South Carolina legislature in 2002 and is funded through South Carolina Education Lottery proceeds. The legislation authorizes the state's three public research institutions, Medical University of South Carolina, Clemson University and the University of South Carolina, to use state funds to create Centers of Economic Excellence in research areas that will

advance South Carolina's economy. Each Center is awarded from \$2 million to \$5 million in State Lottery funds, which must be matched on a dollar-for-dollar basis with non-state investment. To date, the SmartState Program has resulted in more than \$400 million dollars in non-state investment in the South Carolina economy—more than a two-to-one return on the state's investment. The SmartState Program is also responsible for the creation of more than 5,000 jobs.

For details on how your company can benefit by investing in the SmartState Program, please use the following contact information:

Clemson University

Dr. Gerald Sonnenfeld

Clemson University Vice President for Research

www.clemson.edu/research/

University of South Carolina

Dr. Christine Curtis

University of South Carolina Senior Vice Provost

for Faculty Development

www.sc.edu/research/

The Medical University of South Carolina

Dr. Stephen Lanier

Associate Provost for Research

<http://research.musc.edu/>

www.SmartState.org