Presentation Overview

- Where We Have Come
  How did we get there

- Where We Are Now

- Chamber’s Targeted Cluster Initiatives
  - 1997-2001
  - 2002 and into the Future
Where We Have Come

Phenomenal Growth in the 1990s

Atlanta Topped the Nation in Jobs in the Last Decade

1,506,200

2,200,500

Technology Job Growth in the Lead

Tech Jobs Doubled

106,097

205,361
The heaviest concentrations of technology companies in Georgia are in metro Atlanta.
How Did We Get There?
Atlanta Remains Top Area For In-Migration

Foreign and Domestic Newcomers to Metro Atlanta

Talent is Growth Accelerator in a Boom Economy
Colleges & Universities Deliver Talent

High Tech Enrollment

FY 1998: 14,000
FY 1999: 15,000
FY 2000: 16,000

High Tech Graduates

FY 1999: 2200
FY 2000: 2400

Source: Colleges & Board of Regents
Georgia Remains in the Top 10

Total Venture Capital, State of GA Totals

Source: PriceWaterhouseCoopers Money Tree Survey

3rd biggest year in VC
Where are We Now?

- Expecting Job Gains for '01 but not '02
  2001 (10-21,000), 2002 (-10 to -50), 2003 (40-86,000)

- Best Year Ever for Housing Permits – Atlanta leads the Nation again with 65,483

- Highest Number of Layoffs – doubling since 1997, most seen in mfg & travel-related

- 14 % Drop in New Business Activity
Real Estate Market Suffers in 2001

Source: CoStar
## Georgia Better off Than Competitors

### Total Unemployed in Selected States

<table>
<thead>
<tr>
<th>State</th>
<th>Total Unemployed Nov 2000</th>
<th>Total Unemployed November 2001</th>
<th>Net Change in Unemployed Nov 00-Nov 01</th>
<th>November Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>GA</td>
<td>142,400</td>
<td>185,100</td>
<td>- 42,700</td>
<td>4.4 %</td>
</tr>
<tr>
<td>FL</td>
<td>273,800</td>
<td>390,600</td>
<td>- 116,000</td>
<td>5.2 %</td>
</tr>
<tr>
<td>IL</td>
<td>290,500</td>
<td>367,300</td>
<td>- 76,800</td>
<td>5.8 %</td>
</tr>
<tr>
<td>TX</td>
<td>413,900</td>
<td>579,600</td>
<td>- 165,700</td>
<td>5.5 %</td>
</tr>
<tr>
<td>CA</td>
<td>833,100</td>
<td>1,046,900</td>
<td>- 213,800</td>
<td>6.1 %</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics
# Atlanta Better off Than Competitors

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Total Unemployed November 2000</th>
<th>Total Unemployed November 2001</th>
<th>Net Change in Unemployed Nov 00-Nov 01</th>
<th>November Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta</td>
<td>56,600</td>
<td>90,400</td>
<td>- 33,800</td>
<td>3.9 %</td>
</tr>
<tr>
<td>Miami- Ft. Laud.</td>
<td>87,800</td>
<td>128,900</td>
<td>- 41,100</td>
<td>7.5 %</td>
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<tr>
<td>New York City</td>
<td>193,200</td>
<td>239,300</td>
<td>- 46,100</td>
<td>6.8 %</td>
</tr>
<tr>
<td>Chicago</td>
<td>173,100</td>
<td>237,800</td>
<td>- 64,700</td>
<td>5.6 %</td>
</tr>
<tr>
<td>Los Angeles-Long Beach</td>
<td>238,700</td>
<td>290,700</td>
<td>- 52,000</td>
<td>6.0 %</td>
</tr>
<tr>
<td>Dallas- Ft. Worth</td>
<td>83,000</td>
<td>167,100</td>
<td>- 84,100</td>
<td>5.8 %</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics
New Companies Still Coming

- 167 New Companies in 2001, 48 International
- Merial North America, now World -1,000 jobs
- GE Power Systems World HQ – 1,500 jobs
- Glenayre Technologies – World HQ – 230 jobs
- Domtar Fine Papers Division – 200 jobs
- ORIX Financial Services- National HQ, 225 jobs
Traffic Activity Encouraging

"Delta is likely to be profitable in the 2nd half of 2002,” said Leo Mullin. He also said ridership & revenue are rebounding after the 11th.

According to Delta Airlines President Fred Reid “advance bookings are slightly up for February [2002] versus last year”

Airtran set an all-time single day record for traffic on December 21, 2001. In December 2001 the airline posted a 3.6 percent increase in passengers.

Consumer Confidence Rose for the 2nd Month

Layoffs are Tapering Off
Leaders are Planning for Future Growth

- **Capital of the Southeast**

- **Construction**
  - Accelerated $621 million K-12 school facilities project means public dollars going in to industry
  - $36 B transportation improvement plan accelerating time frame from 25 to 15 years
  - $5 billion 5th runway project will ensure future growth

- Governor’s $400 million Cancer Coalition investment by state to attract research, training, etc.

- Chamber of Commerce IOM Program
Chamber’s Industries of the Mind Initiative

Chamber’s IOM Initiative, 1998-2001
- Software/Computer Services
- Telecommunications
- Biotechnology (very small emphasis)

Chamber’s IOM Program, 2002 New Cluster Focus
- Life Sciences
- Logistics
- Software
- Telecommunications
WE ARE WELL POSITIONED FOR FUTURE GROWTH IN METRO ATLANTA

- GA is positioned well and growing fast – we are already 11th in the country in biotech companies, and in the 90s we were the sixth fastest growing state for biotech! Major local companies include Atherogenics, Cryolife, Merial, Novoste, Serologicals, Solvay, Theragenics, etc.

- Metro Atlanta has a very strong life sciences and technology research base from which to grow new biotech companies, thanks to a decade of investment from the GRA (over $145 million) and activity at our research institutions (over $3 billion of research since 1995)

- The highly educated talent necessary for this industry values the quality of life and diversity advantages that metro Atlanta offers to any person looking to relocate – biotech firms already located here have been able to recruit talent as they have grown

- We have a Governor who is supportive of the industry and understands the challenges biotech firms face – a fact not unnoticed by the national life sciences community

GEORGIA IS ONE OF THE TOP 12 BIOTECH STATES IN THE U.S. – AND CLEARLY A CONTENDER FOR FUTURE SUCCESS

Once you get beyond the top regions, the gap between #3 and #12 is not as large as you might think

Number of biotech companies*

* Defined as U.S. based companies applying biotech to new drug development or technologies that support it. Does not include medical devices cos., pharma cos., contract research cos., or foreign subs. No minimum revenue is required.

Source: Ernst & Young 2001 Annual Report
THE 1993-2000 NUMBERS TELL THE GROWTH STORY – METRO ATLANTA IS WELL POSITIONED ON THE PATH TO BIOTECH SUCCESS

Key Fact: Metro Atlanta today has ~75% of the state’s bioscience companies and jobs

Source: Atlanta Biotech Network research 2001