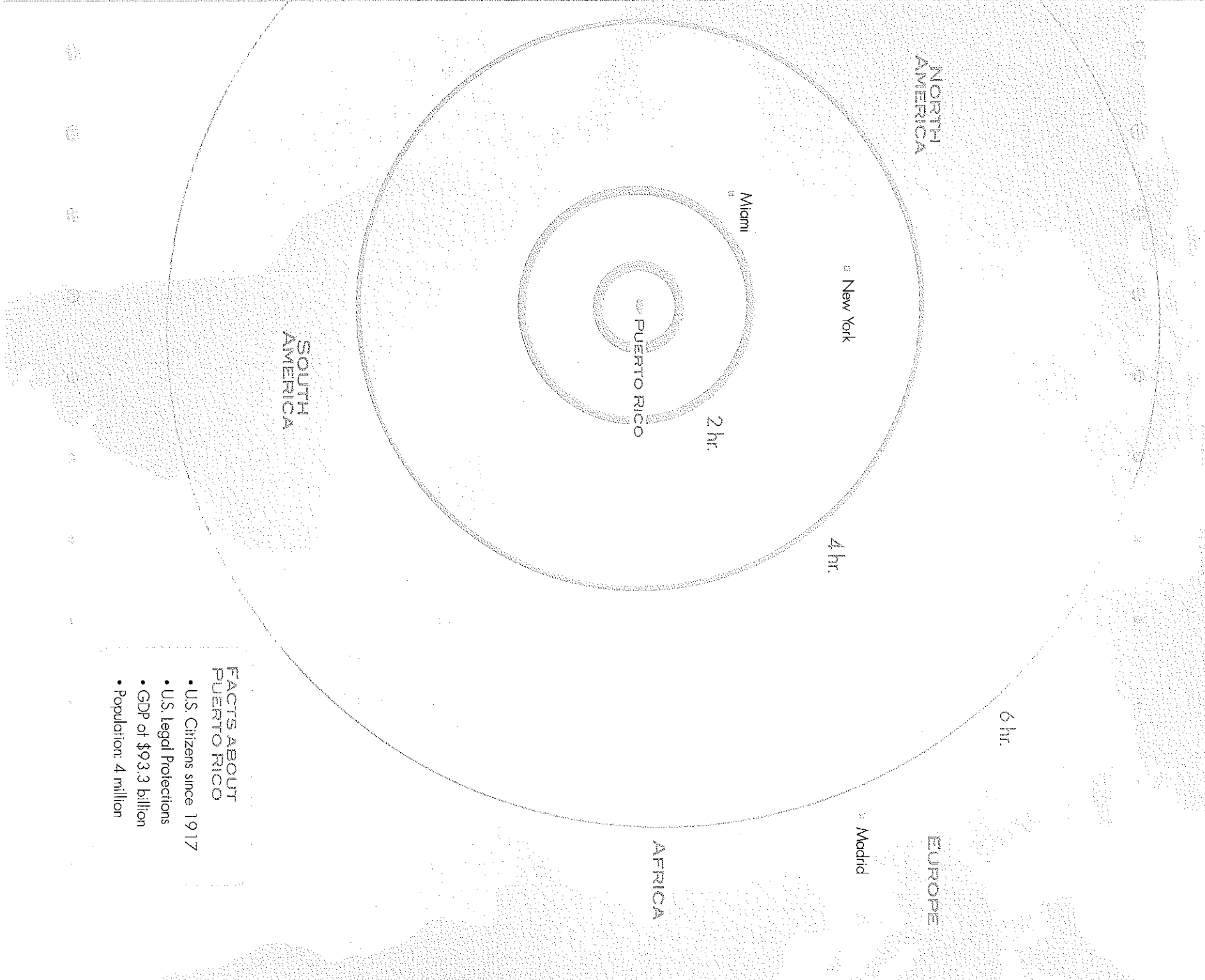


The Location of Choice for
the Medical Device Industry



**FACTS ABOUT
PUERTO RICO**

- U.S. Citizens since 1917
- U.S. Legal Protections
- GDP of \$93.3 billion
- Population: 4 million

THE WORLD'S MOST SUCCESSFUL MEDICAL DEVICE COMPANIES ARE LOCATED IN PUERTO RICO.

Puerto Rico is one of the fastest growing medical device manufacturing locations worldwide, with over \$5 billion in shipments of medical devices during FY2008.

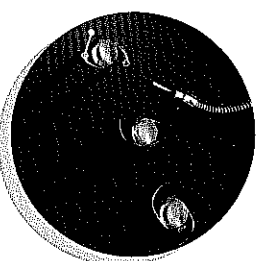
10 of the 15 top selling medical devices manufacturers are located in **Puerto Rico**.



Medical devices companies in **Puerto Rico** have invested **\$600 million** since 2007.

Puerto Rico is one of only four jurisdictions considered specialized in these three sub sectors:

- Drugs and Pharmaceuticals
- Medical Devices and Equipments
- Research



More than 40 years of medical devices manufacturing experience, coupled with the advantages of operating within a U.S. jurisdiction, the tax benefits of operating under a foreign tax structure and an unparalleled combination of financial and operational benefits, make **Puerto Rico** one of the most profitable medical devices manufacturing locations in the world.

PUERTO RICO'S UNIQUE OPERATIONAL ADVANTAGES

Puerto Rico grants access to the most lucrative life sciences market in the world. Here you can enjoy the benefits of operating within a U.S. jurisdiction, while taking advantage of a foreign tax structure.

Some of these benefits are:

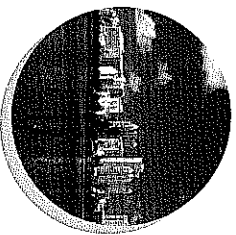
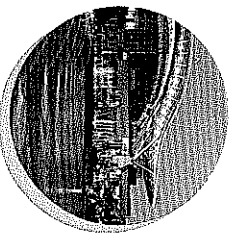
- The advantage of operating within U.S. Customs borders
- U.S. Intellectual Property Protection
- U.S. currency and banking system
- U.S. constitutional and legal protection
- Access to U.S. Federal Court system
- Part of the United States for U.S. Free Trade Zones
- Part of the United States for Bayh-Dole Act and federal procurement purposes

Puerto Rico boasts a

WORLD-CLASS INFRASTRUCTURE

- The port of San Juan is ranked 10th in container movement in the U.S. with **40 shipping lines and service to 80 domestic and international airports.**
- San Juan International Airport is the leading regional airlift, with **over 4,300 cargo flights** per month and over **1,800 weekly flights.**
- 24,000 mile highway network makes all points in **Puerto Rico** no more than two hours away from an airport or seaport.
- 100% digital switching telecommunications network
- Fiber optic cable available throughout the Island
- 92 satellites covering **Puerto Rico**

Puerto Rico's state-of-the-art infrastructure, transportation, utilities and telecommunications, combined with a highly skilled workforce, financial and tax incentives, offer medical devices companies a unique value proposition.



ACADEMIC & EDUCATION ADVANTAGES

Puerto Rico offers an educated and bilingual workforce with significant experience in medical devices manufacturing.

Puerto Rico grants an average of 9,000 degrees per year in Science, Engineering and Technical disciplines. Also, there are three medical schools accredited by the largest Medical Center in the Caribbean.

Over 90 public and private university and college campuses award over 30,000 degrees each year, including over 10,000 degrees in science, engineering and technology.

The University of Puerto Rico at Mayaguez and the Polytechnic University of Puerto Rico rank 10th and 17th respectively in the United States in engineering undergraduate enrollment***

Researchers at Puerto Rican universities and research centers have access to federal research funding from agencies such as NSF, NIH, NCI, NOAA, NASA, and programs include the Center for Organic Particulate Systems and the Specialized Neuroscience Research Program.

The commitment to education is such a priority that the University of Puerto Rico system currently offers 29 doctoral degrees, 17 of them in science, technology and engineering.

• The School of Engineering of the University of Puerto Rico, Mayaguez Campus ranks**

- # 1 in U.S. in graduating Chemical Engineers
- # 1 in U.S. in graduating Hispanic Engineers
- # 2 in U.S. in graduating Women Engineers
- # 1 1 in undergraduate enrollment among engineering schools in the U.S.

• Polytechnic University ranks 19th in the U.S. in undergraduate engineering enrollment; 32nd in the U.S. in Industrial/Manufacturing Engineering degrees and 26th in the U.S. in Electrical Engineering degrees awarded**

The government of **Puerto Rico** has taken the lead to support the life sciences in all its dimensions by defining the Puerto Rico Knowledge Corridor, a nearly 2,000 acre district within San Juan. The Corridor will be a state-of-the-art enclave that integrates educational and research campuses with commercial laboratories, vibrant mixed used urban neighborhoods, efficient transportation networks and dynamic open spaces.



Puerto Rico offers a wide array of tax incentives and credits that enable local and foreign companies to operate successfully, enjoying the benefits of operating within a US jurisdiction, while taking advantage of a foreign tax structure.

Some of our tax and economic incentives include:

- 4% fixed income tax rate
- 0% or 1% income tax rate for pioneer industries
- Combined floor of 3% for local business
- Credit of up to \$5,000 per job created during the first year of operation, if the operation is located in the municipalities of Vieques and Culebra.
 - Up to 50% credit of qualified R & D expenses
 - Credit for purchase of locally manufactured products
 - Up to 10% credit of industrial energy consumption
 - Special deductions for investment in structures, machinery and equipment infrastructure incentives
- Statutory relief for personal and real property tax, as well as municipal excise tax
 - Training Incentives
 - Competitive financing options



PUERTO RICO'S UNIQUE TAX INCENTIVES PROGRAM

Eligible activities for tax incentives include:

Manufacturing Services:

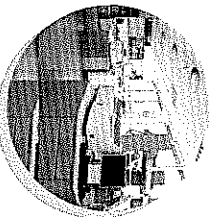
- Export Services
- Cluster Services
- Key Supplier
- Research & Development
- Energy Generation
- Software Development
- Educational and training services
- Medical and hospital services, including reference laboratories
- Strategic and organizational planning of processes, distribution, and logistics
- Shared services center
- Engineering and architectural design
- Regional or global corporate headquarters
- Distribution
- Financial services
- Selected consulting services

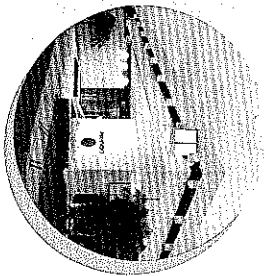
Key suppliers of life sciences industries are also eligible in the following areas:

- Specialized storage
- Inventory management, logistics and capacity management
- Insertion and distribution of printed material
- Project engineering
- Quality control, process validations and equipment calibration

Other Incentives:

- Job Creation Incentives: Cash grants based on the number of jobs
- R & D Incentives: cash grants based on increased corporate spending on R & D activities in Puerto Rico or on R & D collaborations with academic researchers on the Island
- Infrastructure Incentives: Reimbursement of permanent leasehold improvements to PRIDCO buildings and competitive rental rates at PRIDCO buildings
- Special Fund Incentives: Cash grants for projects of strategic importance





Puerto Rico Industrial Development Company (PRIDCO)

-Your business partner in PR-

PRIDCO is Puerto Rico's official investment promotion agency since 1942. Our mission is to:

- foster economic development by attracting investment and creating jobs within the life sciences, information technology, aerospace, export services and energy generation sectors;
- promote unique tax incentives for companies seeking to establish or expand operations on the Island;
- provide business intelligence, facility selection, project management support, assistance with regulations and permits through a one-stop customer service support;
- identify the most appropriate facility that meets your company's needs within a 25 million sq. feet inventory of industrial space;
- provide support to over 1,400 companies operating in Puerto Rico, responsible for over 10% of Puerto Rico's workforce.

Contact us at:
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(787) 754-9481 or call 1-888-5PRIDCO