

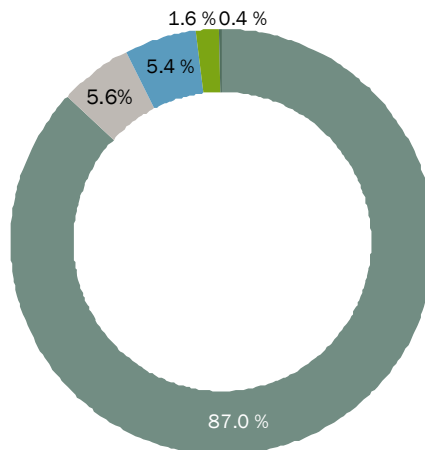
With an annual turnover of up to EUR 500 million, the 3.67 million small and medium-sized enterprises form the backbone of the German economy

- They represent 99.95 per cent of all companies. Around 1,800 companies are large-scale companies.
- They invest EUR 158 billion in new buildings and facilities, representing a share of 27 per cent of the total gross fixed capital formation and 45 per cent of total corporate investment.
- They employ 29.1 million people, or 68 per cent of the working population.
- They provide training for more than 1.2 million young people – that is 89 per cent of all trainees.
- Micro enterprises with less than 10 employees provide a good third (34%) of workplaces in the German SME sector.

Scale distribution in the SME sector by turnover
in per cent

Annual turnover

- up to EUR 1 million
- over EUR 1 million up to EUR 2 million
- over EUR 2 million up to EUR 10 million
- over EUR 10 million up to EUR 50 million
- over EUR 50 million



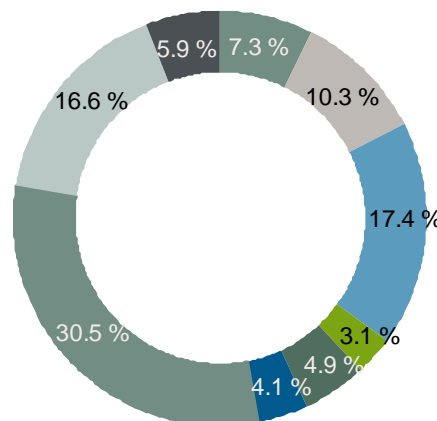
The vast majority of the enterprises are small ...

- 87 per cent have an annual turnover of less than EUR 1 million.
- Less than 1 per cent of the SMEs have a turnover of greater than EUR 50 million.

Sectoral distribution in the SME sector
in per cent

Industry

- Manufacturing
- Construction
- Trade
- Catering and hospitality
- Transportation, information transmission
- Financial services
- Business services
- Other services
- Other industries



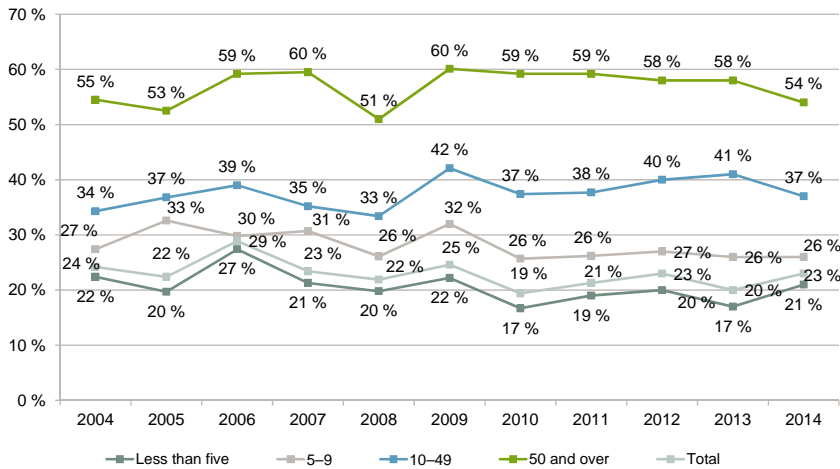
... and service-oriented

- Three quarters of small and medium-sized enterprises operate in service industries.
- Business services account for the greatest share at nearly 31 per cent.
- Only about 7 per cent of the SMEs operate in the manufacturing industry.

PROFILE THE SME SECTOR IN GERMANY (SMALL AND MEDIUM-SIZED ENTERPRISES)



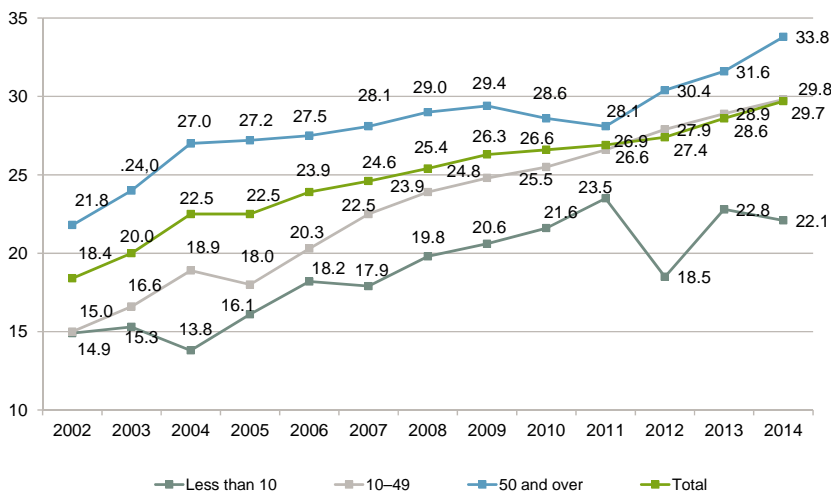
Share of SMEs with foreign sales by employment size class



Internationalisation depends on firm size

- The volume of foreign sales of the total SME sector is about EUR 534 billion
- SMEs active abroad generate on average 27 per cent of their total revenue abroad.
- SMEs in R&D-intensive manufacturing are most active abroad (65%)

Equity ratio in the SME sector by employment size class in per cent

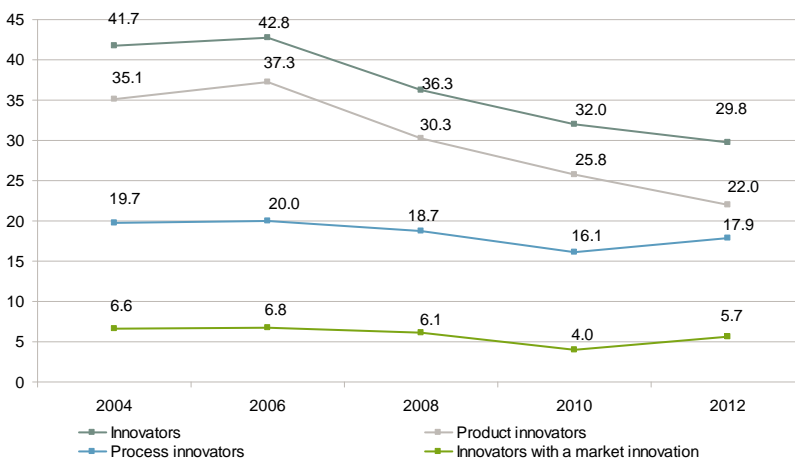


The values for 2014 are a preliminary estimate based on the records for October 2015.

The SME sector significantly improved its equity base between 2002 and 2014

- In 2014 the average equity ratio in the SME sector was 29.7 per cent.
- Between 2002 and 2014 the average equity ratio in the SME sector rose by more than 11 percentage points.
- Larger SMEs have a higher equity ratio compared to smaller enterprises.

Key innovation indicators for the SME sector in per cent



Innovative activities declined in the SME sector between 2004 and 2012

- Decline in innovators between 2004 and 2012.
- Product innovations declined considerably between 2006 and 2012.

Source: KfW SME Panel 2003 to 2015.