

investment news

GREATER NANCY

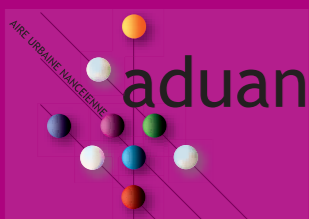
newsletter n°



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BANKING & INSURANCE

Nancy deploys its know-how throughout eastern France

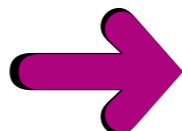
- With the introduction of ultra-specialised services and major investment, the finance sector, which is typically very dynamic in the greater Nancy area, has now launched a new growth-driven strategy, as revealed by our conversations with local professionals.
- **SNVB** (CIC group), the local flagship financial institution, employs more than 1,000 people in the greater Nancy area. The bank does business in ten counties in eastern France through a network of nearly 200 branches. Over the past few years, the payroll has grown consistently, due to the opening of an IT development platform and contact centre. "In 1998 we were one of the first banks to offer phone-based services for a number of simple transactions. At that time, we had eight qualified teleoperators available to our customers. Today, the number has

grown to 45 for a total of 250,000 calls in 2003 - a 32% increase. We hope to handle over one million calls by the end of 2005, with a staff of 100 manning the contact centre," states Regional Manager Jean-Charles Bernard.

- With the constant growth in the number of transactions performed remotely, SNVB is ramping up its Internet-based banking services with the recent opening of a new multimedia contact centre in Laxou (greater Nancy).



Jean-Charles Bernard, Regional Manager of the SNVB (CIC-Crédit Mutuel group), is optimistic about telephone and Internet banking growth.



Logistics Manager for GAN Assurance's north-eastern branch, Marie-Christine Rouard is currently testing the new organisation adopted by the group.



BANKING & INSURANCE



"We are pooling our know-how in much the same way as other businesses," explains André Bretin of BNP Paribas.

BNP Paribas is also offering a range of new services through the launch of its Corporate Business Centre, which is designed to meet the increasingly specialised needs of corporate customers. The centre, located at the Saint Jacques II facility in Maxéville (greater Nancy) is slated to open in September 2004 and will serve as the base of operations for specialist teams. "We are pooling our know-how in much the same way as other businesses. Project managers will put customers in touch with personal financial asset management, real estate, or international business specialists. The idea is to support companies as they grow," states Nancy Area Branch Manager André Bretin. The new centre, which will serve as a regional hub, is expected to employ approximately 40 people, about half of whom will be project managers, serving around 1,000 customers.

Nancy's influence on financial decision-making in eastern France is clear, and insurance companies are no exception. GAN Assurances, for example, set up its north-eastern regional headquarters in Laxou in 2000. "The facility covers 18 French counties, from Dunkirk to Besançon to Reims to Strasbourg. Several departments formerly located at national headquarters have also been moved to the region, such as the development and general business divisions," states Marie-Christine Rouard, Logistics Manager for GAN Assurance's regional branch. With turnover of 310 million euros and 400,000 customers (including 40,000 companies), GAN has confirmed its position as a major player on the region's insurance market. The company is currently implementing a restructuring plan including the launch of a new policy centre designed to respond to changes in the sector. Rouard concludes, "We are centralising the processing of policies in order to free our 220 agents from all of the back office work. They can now focus on policyholder relations. We are the first region to test this new organisation!"

The MAIF insurance company claims management centre has chosen Nancy as home to its highly-specialised know-how and expertise. The centre has been operational since 1998 and manages all situations in which policyholders are involved with third parties. "We were the first company to set up business in Nancy's new Rives de Meurthe neighbourhood. With 80 employees, including 63 claims managers, we offer a variety of services from legal to psychological in order to ensure that we provide our policyholders with the best possible support," states Christian Cottet, manager of the centre, which covers a geographical area that runs from the Ardennes to the county of Saône-et-Loire and includes Alsace and the Doubs region. MAIF also opened a new call centre at the same facility in May 2003. The call centre is manned by 42 representatives and is "a direct link available to policyholders for personalised advice or for recording certain policy or claim-related information. Around 90% of the centre's activity concerns incoming calls, but it is also used to make outgoing calls for specific campaigns," according to Nathalie Clair, who manages the call centre. Local offices are now free to focus on providing "quality service and increased responsiveness." The centre is inter-regional in nature, covering "some 30 local districts throughout north-eastern France," states Clair.



Nathalie Clair manages the new inter-regional call centre for the MAIF insurance group. The centre recently opened in Nancy.

Increased economic appeal...
In the 2003 business rankings published by the magazine *L'Entreprise*, Nancy was placed fourth among large French cities most likely to attract businesses.

THE TELECOM SECTOR



For Alexandra Berg, Branch Manager for 9 Telecom, greater Nancy's metropolitan area telecommunications network was a determining factor in the choice to set up a branch in the city.

It's unbundling time...

France Telecom's "local loop" monopoly is now a thing of the past. Telecom unbundling is already a reality in greater Nancy...but at what price?

"The 'local loop' links the end user's phone jack to the local France Telecom exchange. Alternative operators have not had access until now. Today, they can install their own equipment (distribution frames) in France Telecom exchanges and use the network. This is known as 'unbundling'," explains André Dupic of France Telecom, who manages the Lorraine region. This is a new opportunity for competing operators to enter the DSL market (partial unbundling) or the telecom market as a whole, including phone services (total unbundling). Whatever the case may be, France Telecom remains the owner of the network, states Dupic. "We rent the loop and continue to provide maintenance."



With its significant population base and good university potential, the greater Nancy area has become a key centre for growth for Free, according to Assistant General Manager Michaël Boukobza.

For Pascal Caumont, General Manager of the computer firm RMI based in Laxou (Nancy area), unbundling enables telecom companies to achieve significant savings: "They have access to a complete network and no longer need to make heavy, technically complex investments."

In the greater Nancy area, several operators have already staked out their positions. This was facilitated by the metropolitan area fibre-optic telecommunications network built by the greater Nancy Metropolitan District Council. "The network was a determining factor for us," states Alexandra Berg, a Branch Manager for 9 Telecom. "The network is fully operational and complements the other existing networks well."

Michaël Boukobza, Assistant General Manager for Free, also highlighted the importance of the network. "The metropolitan area network, and, more generally, the Metropolitan District Council, played a key role in the dynamics needed for unbundling to happen. With a significant population base and good university potential, Nancy and the greater metropolitan area form a key centre for growth for us." Nancy, incidentally, was also one of the first cities to see its exchanges unbundled (just behind Paris, Lyon and Marseille).

As for the advantages of unbundling, all agree that customers—both corporate and individual users—will be the first to benefit. "Operating costs are much lower, which allows savings to be passed on to users," states Caumont. "Up to 50% savings with guaranteed DSL connections. Total unbundling will provide customers with the opportunity to use a unique service provider and benefit from the associated simplification of services and advice," states Berg. "Users in Nancy will also be able to take advantage of new services," adds Boukobza. Our "Freebox" service is already available and includes access to TV channels and phone services at no cost or at very attractive rates to certain destinations: just three euro cents per minute to Japan, for example."

Faster connections...

From 2007, Nancy's main-line train station will be on eastern France's high-speed rail network. The station is located in downtown Nancy and will be just one and a half hours from Paris.

SERVICES

Photostation expands far from the hustle and bustle of Paris

- Specialising in the sale of film and photo services, Photostation (with turnover of 110 million euros) has been headquartered in Laxou, in the greater Nancy area, since the company was founded in the 1980s. Today, Photostation employs nearly 2,000 people in 300 stores throughout France, as well as in Switzerland and Luxemburg.
- The company's expansion and international business have not made Photostation any less true to its roots in France's Lorraine region; on the contrary, "Staying in Laxou has been a plus for Photostation. This is where the company started out and most of our employees are based here, especially

those who work in the back office. This is a nice area to live -far from the hustle and bustle of Paris- even if we do have mobility problems from time to time," states Chairman of the Board of Directors Jacques Baud. In addition to these emotional ties to the region, Nancy also provides Photostation with a number of other benefits. The company has taken advantage of Nancy's academic base by regularly hiring young graduates from the area and more particularly those from the ICN (Nancy's business school).

- The region's proximity to Germany, the number one supplier in the highly-specialised photography business, is another added benefit. More generally speaking, Jacques Baud highlights the importance of living in a border region. "In an age when Europe -and Lorraine to an even greater extent- are experiencing growth, the borders tend to disappear. This new openness is essential to a company like ours."



Jacques Baud, Chairman of the Photostation Board of Directors, is ready for the challenges of digital photography.

- In 2004, Photostation will have to rise to a new challenge: the digital photography boom. "The change has been relatively sudden and has happened more quickly than anticipated; the very way we take and use pictures is now changing. It is up to us to keep up with market changes, especially on the Internet. We will need to keep our customers informed and offer them new services that suit their changing needs. Our mission will be to educate!"
... and Photostation will tackle this new challenge right from home in Laxou.

INTERNATIONAL INVESTMENT

- Nothing can stop **Baliston**. Now that the company has conquered the French market (the company is headquartered in Heillecourt), North America is next. In order to reach this goal, Chairman and Managing Director Karim Oumnia would like to invest in certain market segments that have been ignored by the major sector players. Baliston plans to launch production of a line of paintball shoes. The sport is extremely popular in North America and the company is slated to become the official partner of the American Indoor Paintball League. In order to ensure the long-term health of this new business project, Karim Oumnia has also decided to open a store in California.

- The VDO plant in Jarville (in the Nancy area), which specialises in the assembly of automobile dashboards and which employs 231 people, has found a buyer. The American firm **Cignet** recently acquired the plant from German group Siemens, which decided to sell the plant as part of a new corporate strategy. With 678 employees and 75 million dollars in turnover, Cignet is expanding its automotive electronics recycling and reconditioning activities. The company, which is setting up business in Europe for the first time, hopes to create some 50 new jobs in the medium-term by expanding its activities to include additional automotive parts. The Invest in France Agency (AFII) awarded Cignet its 2004 investment prize at the Detroit automotive equipment fair.

- The German firm **B. Braun Médical** has decided to transform its Ludres (Greater Nancy) plant into a logistics and after-sales service centre, serving France and its overseas territories, for orthopaedic instruments manufactured for use in operating theatres. The plant specialises in the production of injectable solutions and has seen some major changes with the construction of the warehouse needed for the new centre. The group, which counts 138 employees in Ludres, plans to transfer production staff to new positions created within the company.

Professional assistance

The Greater Nancy Development Agency (ADUAN) can provide expert assistance for your business projects. The ADUAN team can advise you on:

- all issues related to your business project
- the search for appropriate locations for your project
- making contact with various partners (technical, financial and business specialists)



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