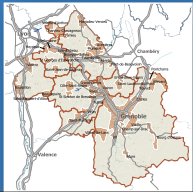




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André Vallini,
President of the Isère Departmental Council
Member of Parliament for Isère

> INTERVIEW <

Minalogic: why Grenoble-Isère needs a Competitvity Centre

Last autumn the government decided to issue a call for Competitvity Centre projects in a drive to rationalize and streamline France's science and technology offering. A total of 108 projects were submitted and 10 to 15 of them will receive official backing.

Grenoble-Isère is putting all its weight behind the Minalogic project. Its aim is to build an international centre for micro-smart-devices by pooling the micro and nanotechnology, and software resources available in its firms, research centres and universities.

Why is the Isère Departmental Council so involved in the project?

This initiative is an opportunity for the Isère Departmental Council to reaffirm its determination to play a leading role in all Grenoble-Isère's key projects. It is also an opportunity for the Departmental Council to implement a strategy in close collaboration with local firms, research centres, universities and training facilities, and other public bodies.

Why did you decide to support micro and nanotechnology through Minatec and the Crolles 2 Alliance and make innovation the driving force behind economic growth in Grenoble-Isère?

We are convinced that to counter increasingly fierce international competition we must give firms a competitive advantage based on a capacity for rapid innovation.

To do this we need to strengthen the potential of international-grade upstream research and develop technology transfer. Minatec, the European micro and nanotechnology centre, reflects this determination to develop scope for rapid innovation. The Minalogic project will further enhance this capacity.

Is there not a risk of Grenoble-Isère putting all its eggs in one basket?

Our strategy hinges on a three-pronged challenge. We must build up our assets in micro and nanotechnology which have already achieved an international dimension. This success must now be extended to micro-smart-devices. Lastly we want to disseminate these technological gains to more conventional forms of industry, which need such devices to boost the added value of their products.

Quiksilver takes over Rossignol

Quiksilver, the US surf apparel manufacturer (\$1.3bn revenue with 4,350 employees) is poised to become the world leader in outdoor sports, thanks to its takeover of Rossignol (€480m revenue with 2,900 employees). The merger should pave the way for many forms of synergy, as the two firms have so far targeted largely complementary markets (surfing and textile for Quiksilver, skiing for Rossignol). The takeover must be seen in the context of a buoyant market worth \$42bn and currently enjoying 7% annual growth.

Successful partnership between Soitec and Freescale

After a two year partnership Soitec and Freescale Semiconductor have demonstrated a 70% increase in the mobility of electrons in sub-65-nm nodes on strained silicon on insulator (sSOI) substrates, while retaining full compatibility with existing CMOS processes. This achievement is a major step forward in the development of sSOI for next-generation integrated circuits. It will enable Freescale to market faster, more powerful chips with lower power consumption.

Aldi in Rhône-Alpes

Aldi is an international group operating a chain of hard-discount retail outlets. On 1 July it will be opening a new logistics platform at Oytier Saint Oblas, in northern Isère. The centre will supply points of sale located in Rhône-Alpes and Auvergne. The 25,000 sq m development, implemented in close collaboration with local authorities, will lead to the creation of about 80 jobs initially. More staff will be recruited as the number of shops in the area increases.

New logistics centre for A.Raymond France

The world's second largest supplier of clip-fixing systems, and European market leader, has just invested €4.5m in a new logistics centre in Grenoble. The new facility will be large enough to handle the firm's growth until 2012, bringing together all inventory under one roof. The high-performance unit is specifically designed to handle just-in-time deliveries.

"In our business we have to stock about one month's production to be able to cater for customer orders and adjust deliveries, with a variation of plus or minus 20%," explains Bernard Houte, the CEO of A.Raymond France. "We looked at the options for subcontracting this department but decided it was preferable to keep control over it. This way we can keep track of logistics costs. But above all we can optimize an essential service for our customers. Although the unit value of our products is low they can be a real nuisance if they run short. We cannot allow ourselves stock shortages. The consequences for an assembly line are potentially disastrous. In addition, with manufactured parts becoming increasingly bulky, space is a crucial factor."

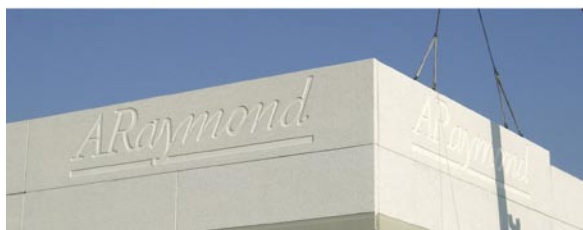
The logistics centre stands beside a motorway and just next to the firm's main production unit at Saint-Egrève, near Grenoble. It will employ 50 people, dispatching 7,000 to 10,000 packages daily to destinations in France (70%) and abroad (30%).

It will also act as a reception centre for products on their way to French customers from A.Raymond factories in Spain, Italy, Germany, the Czech Republic and China.

The new building is due for delivery at the end of July and will be operational a month later, with an official opening in November, to coincide with celebrations marking the 140th anniversary of the A.Raymond group.



The 10,000 sq m facility complies with new safety and environmental standards. It includes a 6,000 sq m storage area, a space for preparing dispatches, and offices.



© A.Raymond Communication 2005

A.Raymond in figures

- A.Raymond France
750 employees
Revenue in 2004: €104m
- A.Raymond Group
3,000 employees
15 subsidiaries in 12 countries
12 production units
10 design offices
800 new products every year

The changing face of Grenoble-Isère's population

Between 1990 and 1999 the Isère department attracted 21,000 new inhabitants every year, making a total of 188,000 in nine years. But who are they and where do they come from? AEPI, the Grenoble-Isère economic development agency, has carried out a study which provides the first overall picture of shifting population patterns in the 1990s and a profile of newcomers to the area, as well as those who have left. The study highlights the broad trends which will fuel debate by political and economic decision-makers on the future of Grenoble-Isère.

The Isère department has attracted a mobile, highly qualified population from other parts of France and from abroad, thanks to its major research facilities and international companies, the universities in Grenoble, and the proximity of Lyon.

The influx of new blood is beneficial to the entire community. Population movement boosts the level of qualification of the local labour market, enhances its ability to adapt and acts as an overall accelerator. Without the newcomers, population turnover would be slower, in line with the natural pace of succeeding generations.

Young, highly qualified recruits

The majority of people moving into Grenoble-Isère come from other parts of Rhône-Alpes, from the neighbouring Provence Alpes Côte d'Azur region, from the Paris area and of course abroad. Adults aged 25 to 40 years account for the largest share of demographic movement, followed by young people aged 15 to 25, most of whom are students. Newcomers are generally qualified workers, with a majority of senior management and intermediate professions, accompanied by children under 15. They contribute to keeping the population of Grenoble-Isère relatively youthful.

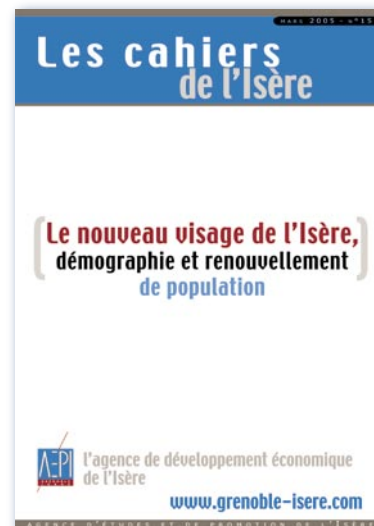
The newcomers are much higher qualified than the local population. Almost a quarter of the new arrivals have a graduate or postgraduate degree. They are a good illustration of the fact that a high level of education encourages geographic mobility.

The Grenoble area, with its cosmopolitan atmosphere, is particularly attractive

The drawing power of the Grenoble area owes a great deal to its dynamic economy, the reputation of its scientific research facilities and the quality of the teaching in its universities and training centres.

Well connected with other parts of France and further afield, Grenoble has benefited from the boom in advanced technology. It has numerous assets that help it to attract top grade personnel from all over the world. The availability of a well qualified active population is a key factor in the decision to locate and develop new business. However it is not enough to attract the right people. It is equally essential to win their loyalty, particularly as many other regions of France and Europe are keen to lure them away.

In the Grenoble area ageing of the working population, with baby-boomers reaching retirement, and the develop-



ment of key projects currently taking shape – notably Crolles 2 and Minatec – will generate a serious need for new talent, already catered for to some extent by the newcomers.

An impressive talent pool

Between 1990 and 1999 the Greater Grenoble urban area welcomed 9,100 engineers and executives (occupying technical, administrative and marketing positions) and 3,000 technicians. In the urban area 60% of newcomers are executives or intermediate professionals, and half of them have a degree from higher education.

But it should be borne in mind that the increase in the number of executives or intermediate professionals at the end of the 1990s is above all due to changes in the local population, thanks to promotion, vocational training and changes in professional status, as well as young graduates settling here at the end of their studies.

* the full document *Le nouveau visage de l'Isère, démographie et renouvellement de population* (only in french) may be obtained from AEPI, 1 place Firmin Gautier, 38027 Grenoble cedex 1 or downloaded from www.grenoble-isere.com

Isère population in 2003

Isère is the 15th largest department in France and the second biggest in Rhône-Alpes, with 1,131,300 inhabitants*. Most of the population is concentrated in two places, in and around Grenoble and in the north of Isère, which has taken advantage of the spread of nearby Lyon.

With an annual gain of 9,400 people in 1999-2003, Isère registers a slight increase in its rate of population growth (up by 0.85%). The growth rate is substantially higher than the national average (annual growth of 0.5%).

* source INSEE, estimation AEPI

Summer brings the festival season

There are many festivals for your evening's entertainment in Grenoble-Isère, testimony to the area's rich cultural diversity. With classical music, jazz, country and western, French *chanson*, and lots more. There will be something for all musical tastes. Here is a brief preview, just to whet your appetite.

Jazz à Vienne

28 June to 13 July

The Vienne jazz festival has in its long career featured many of the world's top jazz performers. This year's programme includes a tribute to Charlie Parker, one of the creators of the bebop movement, with some of the leading international saxophone players such as Stephano Di Battista or Rosario Giuliani. Also in the line-up will be Pat Metheny, with his new group, and the legendary Gary Burton, on vibraphone. The festival will be opening its doors to other similar styles of music. In particular the theme of the 25th edition's final evening, on 13 July, will be Brazil and samba.

Coinciding with the main festival there are free concerts every night at the Théâtre Municipal, organized by Club de Minuit. This year brings an additional attraction, La Plateforme, moored just opposite the Tourist Board. For two weeks this old barge, which has been specially renovated and redesigned, will play host to jazz aficionados and night owls.

Enquiries: +33 (0)4 74 78 87 87
www.jazzavienne.com



Sur la Route de Tullins

12 to 17 July

This gathering is dedicated to blues music in general, but also electro-blues, rock and roll, Celtic and country music. Every year it stages a wide range of concerts and less formal events in the streets and cafés of the town. There is also an interesting choice of lessons for anyone wanting to improve their technique.

Enquiries: +33 (0)4 76 07 92 37
www.tullinsfestival.com



Les Rencontres Brel

Saint Pierre de Chartreuse

19 to 24 July



The Jacques Brel festival is a social event and a celebration of song in all its forms, with as a bonus the superb backdrop of the Chartreuse regional natural park. It features several concerts (Charlie Elie Couture, Dee Dee

Bridgewater, Les Ogres de Barback, etc.) in a marquee, for which an admission fee is charged, and a host of free attractions: sing-songs in local cafés, dances, lessons for young people (journalism, sculpture, barrel organs).

Enquiries: +33 (0)4 76 88 65 06
www.rencontresbrel.com



Festival Berlioz

La Côte Saint-André
19 to 28 August

The Berlioz festival is based at the composer's birthplace. This year it will bring together almost 1,500 musicians (Orchestre National de Lyon, Orchestre National de Lille, Orchestre de Toulouse, Ensemble Orchestral de Paris, etc.), directed by leading conductors (Krivine, Casadesus, Robertson, etc.). They will be performing 10 concerts of symphony music in the town's magnificent medieval covered market. But the festival also organizes chamber music concerts in the churches of La Côte Saint-André and nearby villages.

Enquiries: +33 (0)4 74 20 20 79
www.festivalberlioz.com



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AEPi is the Grenoble-Isère Economic Development Agency. It provides companies, free of charge, with all the information and assistance they require to set up business in Grenoble-Isère: economic data, offers of building land, offices and industrial premises, meetings with local decision-makers, help with overall project management, notably funding, available grants, etc. Do not hesitate to contact us.