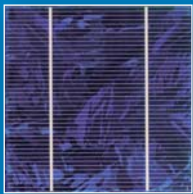


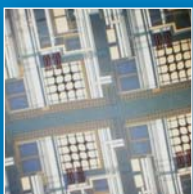
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Ikea moves to Grenoble-Isère

France's largest Ikea store in France ⁽¹⁾ opened in October at Saint Martin d'Hères at the heart of the Grenoble urban area.

Djamel Meziani, the store manager, explains why the Swedish home furnishings chain decided to start trading here.

What made you choose Grenoble-Isère?

Grenoble is one of France's 10 largest conurbations and its retail catchment area encompasses half a million households, located less than one hour's drive from the store. So it really made sense for Ikea to have an outlet in Grenoble. This is a very dynamic region with a buoyant economy and big potential: the population is increasingly steadily, at a higher rate than the national average and unemployment is among the lowest in the country. The quality of the applicants we have seen during our campaign to recruit 297 employees, at all levels of qualifications, is also a positive sign in a city that's on the move!

We are now located on an easily accessible site, close to the city centre, and we expect to attract about two million shoppers during our first year.

What are the particular features of Grenoble customers?

We see the diversity of the local population as a definite asset. Parts of Grenoble-Isère are very highly developed economically, but there are working-class districts too. The purchasing power of the first category is well above the national average, whereas those living in the more modest

neighbourhoods give us good reason to stick to our business strategy of targeting the largest possible number of consumers with product ranges to suit all tastes.

We shall also be adapting the layout and decoration of the Saint Martin d'Hères store to suit local characteristics. Grenoble-Isère has more big families than elsewhere in France, more single people, and more single-parent families. We are fitting out the shop to suit local requirements.

How do you see the future?

The initial figures have boosted our confidence and we can already call this a success, though I am still cautious after less than one month's trading. We are well above our targets for the number of shoppers and the value of purchases, with the average shopping cart at an encouraging level.

For example, the day before the official opening we invited our most loyal customers, attracting the largest number of visitors in France for the last five years. To cater for demand we will need to recruit more staff and our organization is already looking slightly undersized in view of the numbers. And that is very good news!

⁽¹⁾ Outside the Paris area.

> UPDATES <

Fast growth at Tronics

Tronics Microsystems is one of the first producers of specific microelectromechanical systems (MEMS) to achieve and maintain long-term profitability. The Grenoble-Isère-based firm (60 employees) has reported net profits for five consecutive quarters. Revenue for 2007 is set to exceed last year's figure by more than 50%. For the second year running Deloitte and Touche has awarded it the prize for the French company with the highest growth in electronics and hardware over the previous five years. These good results confirm the validity of the business model adopted by Tronics, which develops and produces complete MEMS-based solutions for specific applications. Volume production for customers in Europe, the US and Japan targeting high added-value markets currently accounts for 80% of Tronics sales.

Vicat turns over a new leaf in Montalieu

Vicat has invested €51m to update its cement works at Montalieu, one of its oldest production plants located on the banks of the Rhône. The annual production capacity of the facility, which started operations in 1922, now stands at 2m tonnes making it one of the largest cement works in Europe.

The recently installed equipment, in particular a conveyor belt almost two kilometres long and a blending hall 97 metres in diameter, enable France's leading cement manufacturer to meet the growing demand of the Rhône-Alpes construction industry. Vicat, with operations in seven countries (US, Italy, Senegal, Turkey, Switzerland and Egypt) reports €2.08bn sales, evenly split between concretes and granulates (40.3%) and cement (45.3%). It employs more than 6,600 people, with net profits of €314m.

Caterpillar opens its first Simulated Work Environment in Europe

The senior management of Caterpillar has chosen Grenoble to set up its first Simulated Work Environment (SWE) outside the United States. It was officially opened by Mike J. Baunton, vice-president of Caterpillar Europe, and Tom Bluth, president of Caterpillar France SAS. The aim of the SWE is to apply the standardized principles of the new Caterpillar Production System (CPS), a move that directly concerns the company's 3,000 strong workforce in Grenoble-Isère. The SWE covers 800 square metres and consists of a conveyor belt with 17 ergonomically designed work stations, monitored by the Andon warning system. Initially it will concern the whole workforce at Caterpillar France SAS, ultimately being extended to all the other units in Europe.

> FEATURE <

The US Ambassador to France visits Grenoble

The United States Ambassador in France, Craig Roberts Stapleton, opened the exhibition entitled "L'impressionnisme, de France et d'Amérique" featuring works by Renoir, Monet, Cassatt, Cézanne and Degas at Musée de Grenoble on 19 October. In his speech His Excellency confirmed that Grenoble-Isère continues to exert a growing attraction on US investors.

In 2007 128 US-owned firms moved into the area, accounting for 15,400 jobs. The US is still well ahead of Germany (64 companies), Italy (46), the United Kingdom (40) and Switzerland (20).

Major US corporations operating in Grenoble-Isère include the earth-moving equipment specialist Caterpillar, with a workforce of 2,930 people in Grenoble and Echirolles, and the information technology firm Hewlett-Packard, with 2,200 employees at Eybens and Isle-d'Abeau. BD (Becton Dickinson), one of the world's leading suppliers of medical devices employs 1,500 people at Pont-de-Claix, while Tecumseh Europe, a manufacturer of refrigerating equipment, has a workforce of 1,050 in



Guy Tosatto, director of Musée de Grenoble and M. Craig R. Stapleton, US Ambassador to France

Isère. Their numbers are set to rise in the coming weeks with the influx of IBM engineers at the STMicroelectronics facility at Crolles. Since the start of 2007 AEPI has handled some 30 location projects for US firms, often technology start-ups. They all say they are attracted by Grenoble-Isère's economic dynamism, its high-tech potential, the quality of the local labour force and its superb setting. All we can say is that they are all very welcome!

Soitec to chair the SOI consortium

Soitec, the world's leading manufacturer and supplier of silicon-on-insulator (SOI) wafers for the microelectronics industry, is one of the founding members of the SOI Industry Consortium. Soitec's CEO, André-Jacques Auberton-Hervé, has been elected to chair the consortium which brings together 19 companies in the microelectronics value-added chain including IBM, Samsung and STMicroelectronics. Its mission is to speed up SOI-based innovation, with a view to facilitating more widespread use of the material.

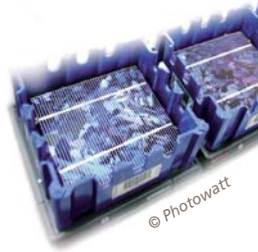
IBM has recently decided to use Soitec wafers for its CMOS 7RF SOI semiconductor technology which targets the mobile phone and wireless device market.

The new technology will enable phone manufacturers to simplify their devices, using a single chip integrating all radio-frequency functionality instead of five or six at present. This would also cut production costs. This contract marks yet another step forward for SOI in its drive to establish its position as the new standard for high-end microelectronics.

Soitec currently manufactures more than 80% of SOI wafers. Its Bernin headquarters, just outside Grenoble, is home to two high-volume production units. With a global workforce of 1,000 people the firm has offices in the United States, Japan and Taiwan, as well as a new production facility under construction in Singapore.

> SPOTLIGHT <

Grenoble-Isère, home to photovoltaic solar energy

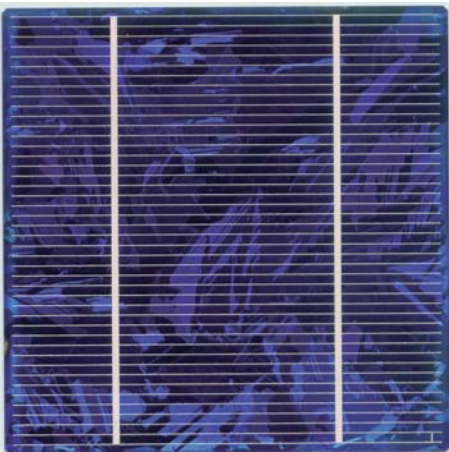


The continuous increase in the price of fossil fuels and growing concern for environmental issues is driving the development of renewable energy sources. At the top of the list comes photovoltaic technology which enables us to convert solar radiation into electrical power.

With the European market growing at the rate of 30% a year, solar power has developed a dynamic that can look forward to a promising future. German firms have pioneered this field and the city of Dresden has established itself as the leading centre in Europe. France, not wishing to miss the bus, decided in 2006 to offer one of the most attractive rates in Europe to individual consumers producing solar power, a most effective measure that boosted the national market by 115% within the year.

A promising technology

Under these favourable conditions, both at home and abroad, what was needed was a base from which to develop our potential. Grenoble-Isère already has a head start when it comes to cutting edge technology, so it seemed an ideal location to play host to a project that will mobilise all of Rhône-Alpes' high-tech skills. Following on from micro and nanotechnology the photovoltaic (PV) side of Grenoble-Isère is taking shape, with the ambition of rapidly building the framework for a whole new industry based on renewable energy technology.



© Photowatt

Grenoble-Isère has the necessary technological basis, which has proved its worth in the past and continues to do so. Research is based on laboratories such as CEA-Leti and CEA-Liten, giving Grenoble a firm lead in new materials and their industrial application. Furthermore France's only manufacturer of PV cells, Photowatt Technologies (see box), is located in Grenoble-Isère, which is certainly no coincidence.

Solutions in Grenoble-Isère

Not only does it benefit from direct contact with microelectronics equipment manufacturers, supplying local industry and research center, but also from the proximity of the Solar Energy Institute, in nearby Chambéry, with additional support from Tenerrdis, the regional competitiveness cluster specializing in renewable energy sources. All in all Grenoble-Isère is in the vanguard of solar energy in France and further afield.

To move up to the next stage Photowatt Technologies, EDF Energies Nouvelles and CEA have joined forces to set up PV Alliance, a company designed to organize the industry in France, reducing production costs through industrial production of a new silicon-based technology. PV Alliance is poised to build the Lab-Fab, to which the Isère Department Council will be contributing €15m. The pilot R&D unit, covering 9,000 sq m, will bring together at Bourgoin Jallieu a laboratory and a production line for prototypes and semi-industrial silicon wafers and PV cells using a new fabrication process currently under development as part of the Photosil project.

Solar energy is on the march in Grenoble-Isère!

Photowatt Technologies, the French market leader

Based at Bourgoin-Jallieu in Isère, Photowatt Technologies is one of the world's leading manufacturers of photovoltaic cells. It is the only French firm to have mastered the whole production process, from synthesizing silicon to the assembly of complete solar panels. According to a German magazine, Photon, Photowatt's PW1650 175W modules are ahead of the competition with an average yield of 91.34%, making them the top products worldwide in terms of quality.

Surfing on the growing interest in renewable energy, Photowatt, which reported €107m sales in 2006 with 700 workers, has doubled its workforce, production capacity and revenue in five years. A subsidiary of the Canadian firm, ATS, Photowatt exports 95% of its output, in particular to Germany. The company is currently extending its Bourgoin plant to boost production capacity from 60MW at present to 100MWc by 2009 and 135MWc in 2010.

The only shadow on this rosy picture is the cost of silicon and the efficiency of PV cells. Photowatt has mobilized its R&D resources, joining forces with CEA in Grenoble and France's Solar Energy Institute (Ines) to develop a specific silicon process for solar power. With this purified metallurgical silicon it is hoped to raise the PV efficiency of basic cells from 13% to between 15% and 17% within three years. Yet another challenge for a company whose future is synonymous with quality.



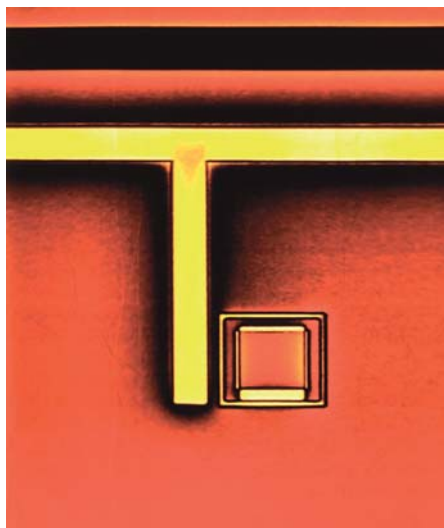
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> TIME OFF <

Artpuce: the aesthetics of silicon chips

For six months STMicroelectronics played host to an artist, Valérie Legembre. The result is a fascinating exhibition, entitled "Artpuce", currently on show at ST's premises at Crolles, near Grenoble.

Technology has an aesthetic appeal for Valérie Legembre, 41, who likes immersing herself as a "foreign visitor" in the world of industry, an encounter that gives rise to startling works of art. Thanks to STMicroelectronics's management and works committee Legembre was able to delve into the mysterious world of which



"Barette de test n°2",
Valérie Legembre, 2006, skins-photo, print

Grenoble is so proud and photograph silicon chips at various scales.

One of the merits of her photographs is to shed light on these high-tech objects destined to stay well out of sight for as long as they fulfil their original purpose. She also reminds us that though chips are manufactured using 21st century know-how they also sometimes require the same gold thread that jewellers employed in the Middle Ages.

In her own work the artist used a technique of almost surgical precision, that she calls "photo-skinning". She develops her pictures on photographic paper in the usual way, then separates the surface gel, which contains the picture from the paper base. She then superimposes the "skins", sometimes stacking as many as 20 layers, to create effects of movement, transparency and depth. Her "photo-skins", once scanned and enlarged, sublimate the aesthetic dimension almost always present in chip layout diagrams. They also help to familiarize the general public with the basic principles underpinning chip fabrication, which contribute to the artistic effect as well.



"Peau de photo Planete bleue n°2"
Valérie Legembre, 2006, skins of photo

With poetic names such as "Sand", "Orange planet" or "Incas" her works, in which a certain symmetry is always present, may recall patterns reminiscent of ancient civilizations, suggesting that some collective unconscious has been handed down from generation to generation, circulating freely all over the world.

At a simpler level her exhibition is a remarkable tribute to the men and women at ST, revealing them to us at their workplace.

Legembre hopes to continue her quest with a new project, focussing on life science this time. Perhaps more daringly she would like to achieve a parallel between her "photo-skin" process and human skin itself.

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AEPI is the Grenoble-Isère Economic Development Agency. It provides companies 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. Come and contact us.

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