

STRATEGIC POSITIONING

FOR THE NORD-PAS DE CALAIS
REGION AND ITS CAPITAL, LILLE,

IN FRANCE, IN EUROPE AND IN
THE WORLD

WITH RESPECT TO
CONSUMPTION POTENTIAL

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Lille, May 18, 2011

SUMMARY

Nord-Pas de Calais and its capital, Lille, are at the heart of the richest consumer area in Europe

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At a time when companies around the world are using current geo-marketing strategies to define the locations for their future developments, the Nord-Pas de Calais Regional Council and the APIM (Lille Metropole Development Agency) wanted to have a solid rationale and up to date information available on the Nord-Pas de Calais region and its capital.

In France:

The potential for the Nord-Pas de Calais and Lille, within a radius of 300 km, is far superior to that of all of the regional capitals in France!

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In Europe:

The Nord-Pas de Calais and its capital, Lille, are at the heart of the richest consumer area in all of Europe.

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Reactions...

*Pierre de Saintignon - Vice-President of the Nord-Pas de Calais Regional Council
Luc Doublet - President of the APIM*

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And in the world?

To further its positioning, the Nord-Pas de Calais Region and APIM wanted to put the region and its capital in perspective globally. This is not a scientific study, such as those produced for France and Europe, but an empirical documentary approach.

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THE NORD-PAS DE CALAIS AND ITS CAPITAL, LILLE,
ARE AT THE HEART OF THE RICHEST CONSUMER AREA IN EUROPE

At a time when companies around the world are using current geo-marketing strategies to define the locations for their future developments, the Nord-Pas de Calais Regional Council and the APIM (Lille Metropole Development Agency) wanted to have a solid rationale and up to date information on the positioning of the Nord-Pas de Calais region and its capital.

They entrusted Experian pH, a global leader in information processing, analysis and marketing services, with the task of studying the strategic positioning in relation to the consumption potential of the Lille region and metropolis compared to metropolitan areas in France, Europe and even worldwide ...
The Experian Group has 15,000 employees in 40 countries.

To construct a "solid" rationale

"The Nord-Pas de Calais, at the heart of a basin of 100 million consumers", is a statement often heard ... It is much more than that...

This first study, carried out for the Project Centre, confirms the potential attractiveness of **the Nord-Pas de Calais and its capital, Lille, as the heart of the richest consumer area in Europe.**

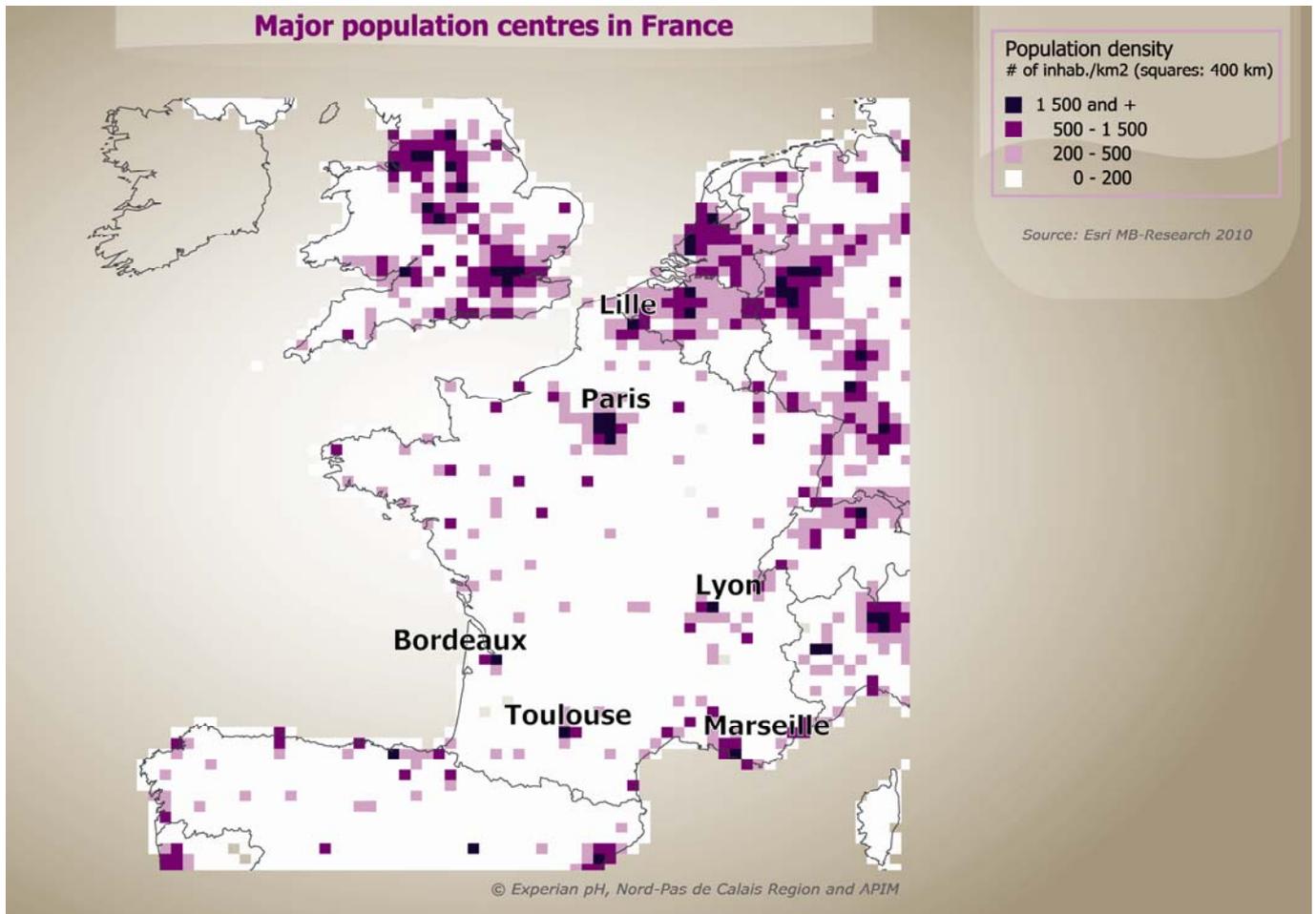
Opened in October 2010, the Project Centre, a unique territorial marketing and international promotion tool in France, provides regional economic development for stakeholders with turnkey marketing products on the competitive advantages of the region. It thus contributes to a strengthening of the region's economic reputation abroad as well as to the welcoming of new investors.

It was thus that as part of the Project Centre, in the spring of 2010, the Nord-Pas de Calais Region, in partnership with the APIM, conferred to Experian pH the task of measuring, accurately and in a reasoned manner, the attractiveness of the Lille region.

THE METHODOLOGY USED: FRANCE AND EUROPE APPROACH

To conduct this study on the strategic positioning of the Nord-Pas de Calais region, Experian pH mapped the population densities in Europe using a grid consisting of 400 km² squares; thus making it possible to select the cities with more than 225,000 residents in areas with population density greater than 1,500 inhabitants per km².

Major population centres in France



From the candidate cities found (within the epicentres represented in bold on the map: population density greater than 1,500 inhabitants/km²), Experian pH calculated, for each of them, their population potential and purchasing power within a radius of 300 km by using the **exhaustive MB Research database***.

This was then used to position the "catchment area" for the Nord-Pas de Calais and its capital with respect to the epicentres for potential implantation in France and in Europe.

*MB Research:

Sources Esri – MB Research:

- the "population" data is based on national statistics at the postal code level
- "income" includes earned income and capital, after expenses and taxes, as well as pensions, unemployment and other social transfers.

Within a radius of 300 km?

Within a radius of 300 km, the travel time (highway/TGV) is estimated to be approximately 3 hours, representing a catchment area and an area for the movement of goods and people relevant to potential investors.

Population of more than 225,000 inhabitants?

Lille being the densest city in the Nord-Pas de Calais region, we wanted to put it into perspective with the other French and European regional capitals of comparable size.



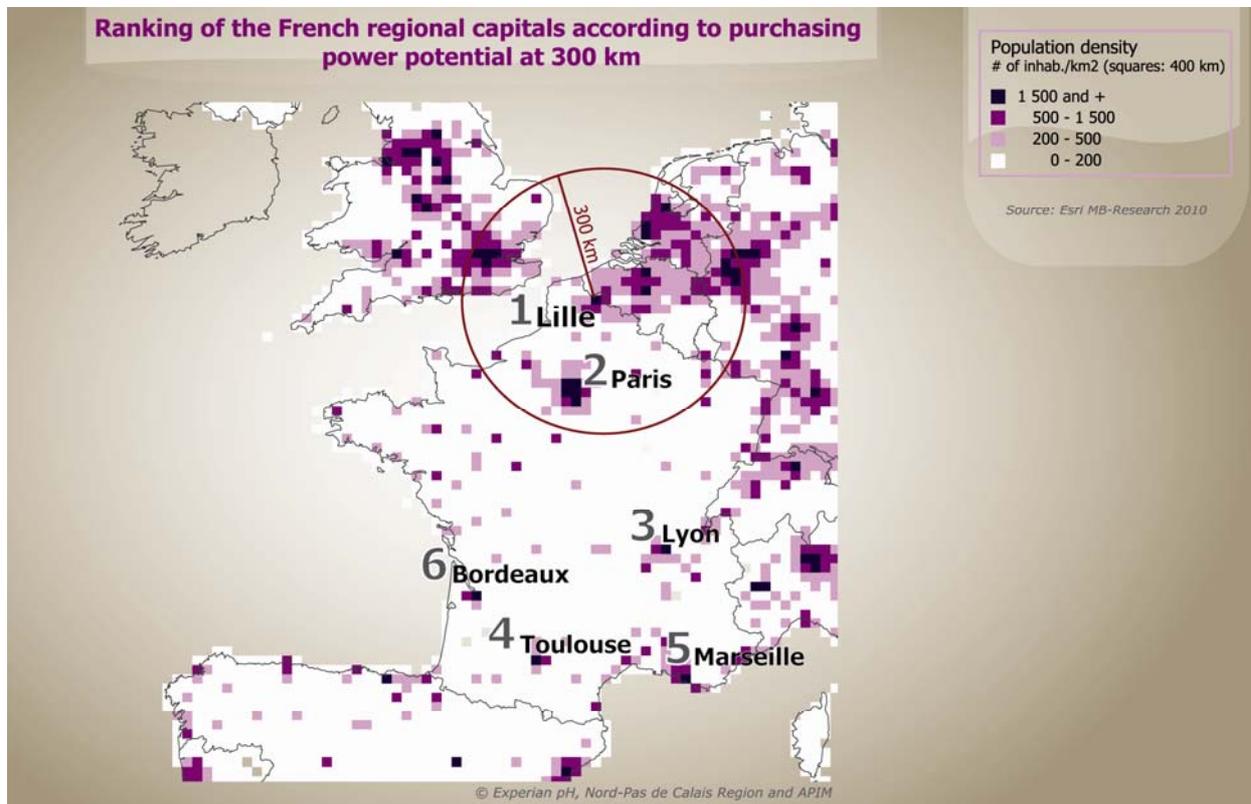
FRANCE

THE POTENTIAL OF THE NORD-PAS DE CALAIS AND ITS CAPITAL, LILLE,
WITHIN A RADIUS OF 300 KM,
IS FAR GREATER THAN THAT
OF ALL OTHER REGIONAL FRENCH CAPITALS!

Based on the above criteria (cities of more than 225,000 inhabitants and population density greater than 1,500 inhabitants per km² in an area of 400 km²), Experian pH identified 6 French epicenters: Bordeaux, Lille, Lyon, Marseille, Paris and Toulouse.

Experian pH then exhaustively calculated the potential population and purchasing power for these 6 regional capitals within a radius of 300 km around these epicenters.

Ranking of the French regional capitals according to purchasing power potential within a radius of 300 km



Thus, Experian pH was able to show that:

- **Lille's potential at 300 km is close to double that of Paris and is far superior to that of the 5 most significant French regional capitals!**
- **Lille shows in effect a potential purchasing power of 1,500 billion euros and a potential population of 78 million individuals.**

Ranking of French regional capitals according to potential purchasing power at 300 Km:

Ranking of French regional capitals according to potential purchasing power at 300 km:

Rank	City	Purchasing power within a radius of 300 km in Billion €	Population within a radius of 300 km	City population
1	Lille	1 524	78 162 401	228 328
2	Paris	816	40 607 661	2 138 551
3	Lyon	574	27 947 071	472 317
4	Toulouse	377	21 593 239	433 055
5	Marseille	351	18 306 945	794 811
6	Bordeaux	274	14 860 856	231 844

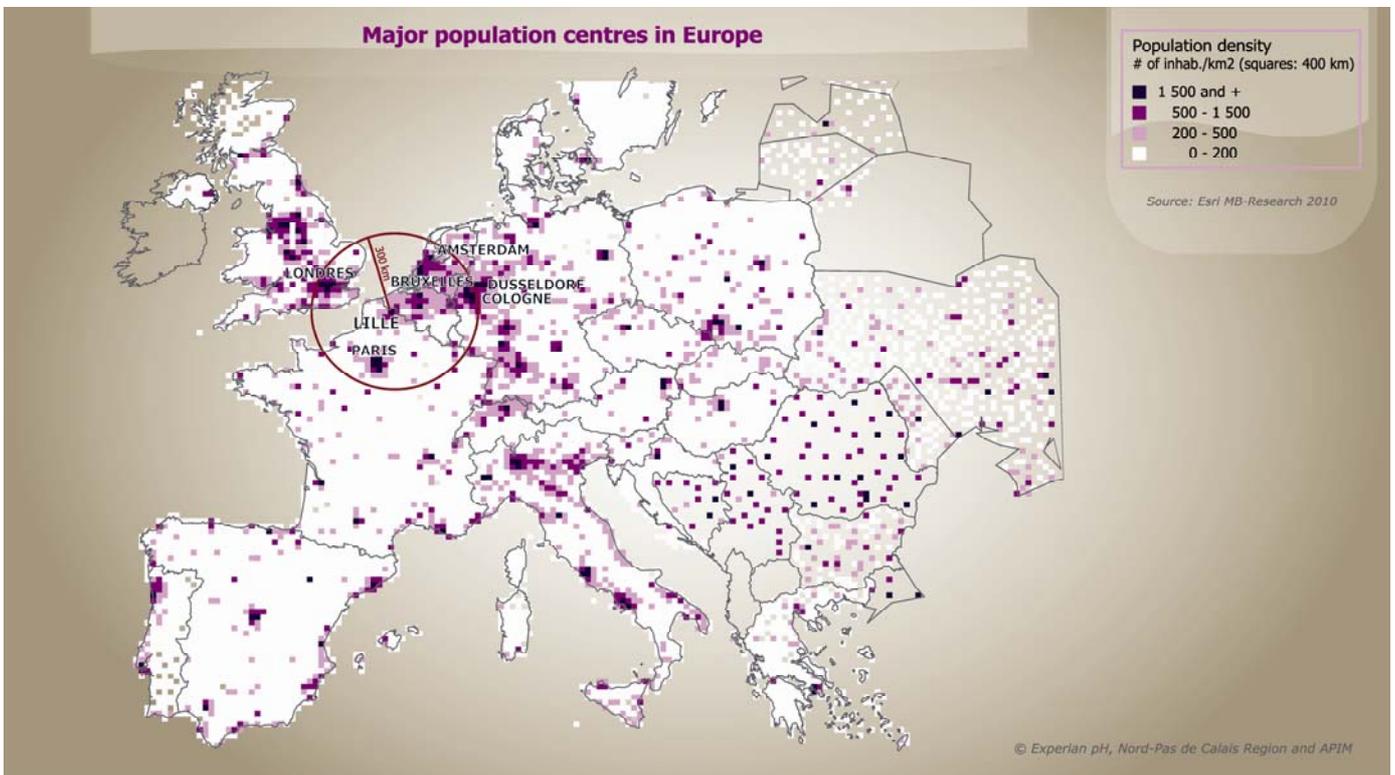
Source: MB Research 2010
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EUROPE

THE NORD-PAS DE CALAIS AND ITS CAPITAL, LILLE,
ARE AT THE HEART OF
THE RICHEST CONSUMER AREA IN EUROPE

Experian pH then used the same criteria to conduct their study at the European level and were thus able to identify the "candidate cities" in Europe, which included London, Amsterdam, Düsseldorf and Brussels.

Major population centres in Europe



THE NORD-PAS DE CALAIS AND ITS CAPITAL, LILLE,
ARE AT THE HEART OF THE SECOND
MAJOR POPULATION CENTRE
IN EUROPE AT 300 KM

With a potential population of 78 million people within a radius of 300 km, Lille ranks second amongst the "candidate cities" in Europe, just behind Cologne (80 million individuals) and before Düsseldorf (76 million individuals).

THE NORD-PAS DE CALAIS AND ITS CAPITAL, LILLE,
RANKS FIRST
IN TERMS OF PURCHASING POWER

With 1,500 billion euros in potential purchasing power within a radius of 300 km, Lille ranks in first place amongst the "candidate cities" in Europe, before Cologne, Brussels, Düsseldorf and even before London which ranks 18th and Paris which is in the 32nd place.

Ranking of European regional capitals according to potential purchasing power at 300 Km

Ranking of European regional capitals according to potential purchasing power at 300 km

Rank	City	Country	Purchasing power within a radius of 300 km in Billion €	Population within a radius of 300 km
1	Lille	FR	1 524	78 162 401
2	Cologne	DE	1 503	79 797 171
3	Brussels	BE	1 451	75 309 171
4	Dusseldorf	DE	1 427	76 154 106
5	Dortmund	DE	1 427	75 870 713
6	Frankfurt am Main	DE	1 410	72 473 179
7	Bochum	DE	1 404	74 862 845
8	Essen	DE	1 393	74 400 820
9	Krefeld	DE	1 393	74 474 649
10	Mannheim	DE	1 393	67 910 195
11	Gelsenkirchen	DE	1 387	74 048 189
12	Duisburg	DE	1 375	73 542 134
13	Antwerp	BE	1 295	69 458 110
14	Zurich	CH	1 210	56 094 099
15	Stuttgart	DE	1 138	53 829 808
16	Rotterdam	NL	1 105	60 560 622
17	Den Haag	NL	1 098	60 382 043
18	London	GB	1 050	60 321 901
19	Amsterdam	NL	1 045	57 357 015
20	Nuremburg	DE	1 025	53 801 067
21	Milano	IT	980	45 359 831
22	Torino	IT	941	43 609 929
23	Wolverhampton	GB	933	54 665 466
24	Birmingham	GB	932	54 550 308
25	Munich	DE	921	45 536 921
26	Nottingham	GB	921	53 879 816
27	Manchester	GB	915	53 749 149
28	Sheffield	GB	907	53 032 664
29	Bristol	GB	896	51 933 670
30	Liverpool	GB	874	51 562 404
31	Leeds	GB	873	51 392 300
32	Paris	FR	815	40 607 661
33	Hamburg	DE	734	40 130 239
34	Praha	CZ	609	44 091 015
35	Katowice	PL	270	42 112 044
36	Krakow	PL	231	41 968 330

Source: MB Research 2010
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Reactions...

Pierre de Saintignon - Vice-President Nord-Pas de Calais Regional Council -
Economic Development Action and Continuing Education

"The results of this study confirm the Nord-Pas de Calais as the centre of the best catchment area in France and in Europe. With the arrival of the Canal Seine-Nord, our territory will have an even greater lead in the competition between the territories by offering the best Territorial Mix to investors: the best positioning, within the heart of the best catchment area, with the best multimodal infrastructure and at the best price."

Luc Doublet - APIM President (Lille Metropole Development Agency)

"As an ambassador for the territory, I can state that any territory communicates on its strategic location "within the heart of Europe." We wanted to carry out this study, conducted by an internationally renowned firm, with complete transparency for our investors, to position ourselves with respect to the national, European and global competition. Lille is thus playing "in the big leagues" by being the number 1 ranked catchment area in France and Europe!"

AND IN THE WORLD...

To go further, the Nord-Pas de Calais Region and APIM wanted to **position the region and its capital from the world perspective.**

In contrast to the France/Europe study for which Experian pH had certified and geo-localized databases, results at the world level result from an empirical documentary approach (information collected by Experian).

Indeed, at the world level, **there are no exhaustive and consolidated databases** on population and income.

In addition, there are numerous rankings for world metropolises, done on the basis of very different criteria and therefore displaying methodological limitations that must be taken into account.

A documentary approach

The Demographia World Urban Area rankings & Population Projections *2010 was selected for the identification of the 10 largest world metropolises: Tokyo, Shanghai, Bombay, Delhi, New York, Jakarta, Seoul, Sao Paulo, Mexico City, Manila.

The European analysis gave accurate results on the main European urban consumer areas from which Experian hP selected the top 5: Lille, Cologne, Brussels, Düsseldorf and Dortmund.

**► The objective was to compare them,
in terms of concentration of population and purchasing power within a
radius of 300 km,
to the 10 largest metropolises in the world.**

** To select the top 10 metropolises worldwide, the choice was based on the "Demographia World Urban Areas & Population Projections 2010" ranking. It refers to the concept of "urban area" (agglomeration of the urbanized area or urban centre), which is a continuous built-up area corresponding to the urban development. This is generally what is called the "urban footprint", or more specifically, the lit up areas that can be observed from an airplane on a clear night. Demographia uses maps and satellite photographs to estimate continuous urbanization and then refers to various population census sources.*

Population centres at 300 km at the world level

**COMPARED TO THE LARGEST WORLD AND EUROPEAN METROPOLISES,
THE NORD-PAS DE CALAIS AND ITS CAPITAL, LILLE, WOULD BE
WITHIN THE HEART OF THE FIRST THREE POPULATION CENTRES
IN THE WORLD**

For each of these 15 cities/metropolises, Experian pH used various data available on the Web to quantify the number of inhabitants within a radius of 300 km according to two approaches:

- a micro-demographic approach (in number of inhabitants of cities with more than 15,000 inhabitants, source: Geonames)
- a macro-demographic approach based on the average of several sources that included different levels of urban units: cities, agglomerations, metropolises (population of the 15 largest cities/metropolises in the area according to these sources: Wikipedia, Demographia World Urban Areas and Worldgazetteer)

Unlike the "France" and "Europe" studies, these two approaches do not cover all of the population at 300 km. However they do lead us to a hierarchisation of the 15 metropolises in volume of inhabitants as follows.

Whatever the sources, the Nord-Pas de Calais region and its capital, Lille, position themselves always at the heart of one of the most important centres of urban population in the world, compared to the largest world and European cities.

Lille ranks third behind Cologne and Tokyo
Micro-demographic approach (Geonames)

Lille ranks second after Tokyo.
Macro-demographic approach (average of sources)

Population centres at 300 km at the world level

City	Micro-demographic approach: cities with more than 15,000 inhabitants in millions of inhabitants (Source: Geonames 2010)		Macro-demographic approach: averages of sources* in millions of inhabitants	
	Rank		Rank	
Tokyo	1	56,4	1	47,7
Cologne	2	56,0	10	26,7
Lille	3	55,9	2	41,5
Dortmund	4	55,2	8	28,5
Brussels	5	53,7	14	23,1
Dusseldorf	6	53,1	13	25,5
Delhi	7	48,8	4	34,5
Mexico City	8	41,3	9	27,7
Shanghai	9	38,4	3	40,4
Bombay	10	37,1	5	34,0
Seoul	11	35,4	6	30,2
Sao Paulo	12	32,8	11	26,0
New-York	13	26,3	7	29,5
Manille	14	25,8	15	19,9
Jakarta	15	25,6	12	25,6

*Sources: Demographia World Urban Areas and Population, Worldgazetteer, Wikipedia 2010

It should be noted that Tokyo and Lille have comparable results according to the two approaches, which confirms to us the reliability of the results obtained.

Purchasing power within a radius of 300 km for the world metropolises

**COMPARED TO THE LARGEST WORLD AND EUROPEAN METROPOLISES
THE NORD PAS DE CALAIS AND ITS CAPITAL, LILLE, WOULD BE AT THE
HEART OF THE THIRD RICHEST CONSUMER AREA,
IN THE WORLD**

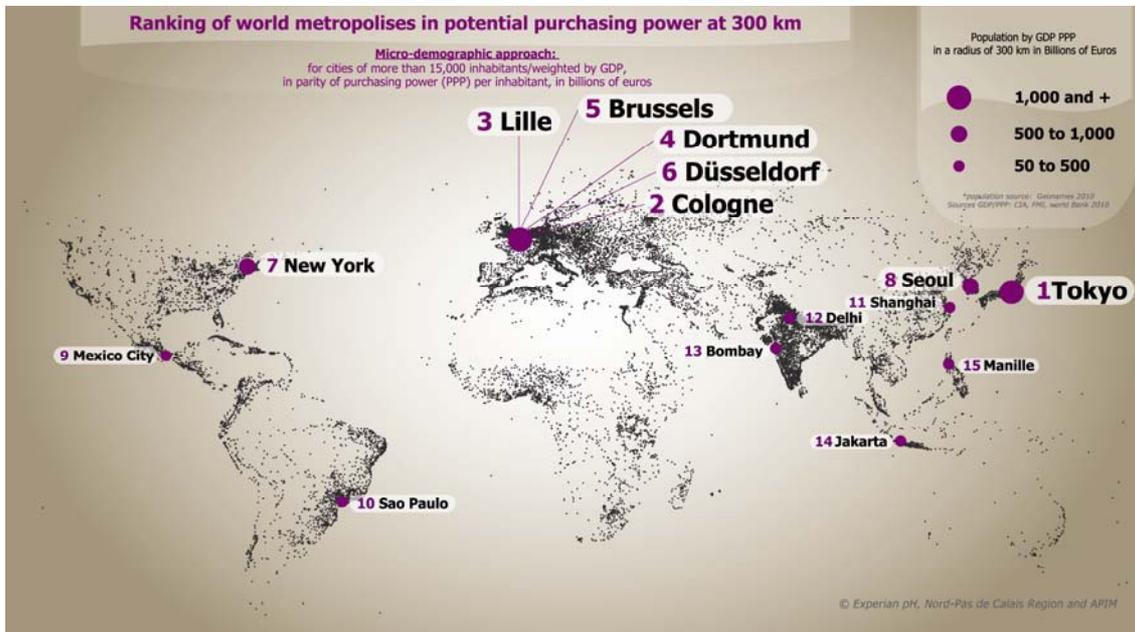
Experian pH then weighted these population centres by the per capita GDP, in parity of purchasing power (PPP), with respect to each of their host countries (for European cities the value of the European GDP, in parity of purchasing power (PPP)*, was used preferentially) and according to the two approaches described above.

*Purchasing power parity (PPP) is a currency conversion rate that allows expression of the purchasing power of different currencies in a common unit. This rate expresses the ratio between the quality of currency units required in the different countries to get the same "basket" of goods and services. (Source: INSEE)

Whatever the sources, the Nord-Pas de Calais region and its capital, Lille, are still positioned among the top 3 richest consumption hypercentres in the world, compared to the largest world and European metropolises

Here again, it should be noted that Tokyo and Lille have comparable results according to two approaches, which confirms to us the reliability of the results obtained.

Lille in 3rd position, very closely at the heels of Cologne and behind Tokyo
Micro-demographic approach (Geonames)



Lille in 3rd position, very closely at the heels of New York and behind Tokyo
Macro-demographic approach (average of sources)

