



CONCEPTION | INTEGRATION | SERVICES

> E-Letter n°25 - October 2012

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NSE Group has more than 800 employees dedicated to customer service in the Electronic, Computer and Telecom domains, in the sectors of civil aircraft, defence, industry.



▶ EDITORIAL- WILL CELEBRATE 30 YEARS

Hello,

 will celebrate its 30 years in business in 2013.

It is wonderful to experience a range of products we now see within the electronics industry, covering the fields of aerospace, rail and defense, and integration services particularly in the field of IT and big industry, where the group NSE internationally supports its clients.

After Brazil last year, we are finalizing in 2012 the creation of a new subsidiary HICAL-NSE in Bangalore, India, in a joint venture with our partner HICAL (see article below).



NSE Industries, our operational holding company resulting from the merger between ECT Industries and NSE Holding, is now listed on the Alternext exchange.

We clearly rely on our international development to respond to markets and customers, whilst keeping the recurring but difficult aim of improving our offer.

Design, Integration and Services are the 3 pillars of our activities, each complementing the other

You can read within this new e-letter :

- For the Services Support activity, an interview with PANTUM, a new customer 2012,
- For the Integration activity, of EADS CASSIDIAN,
- And of course our Quality information.

All the NSE teams remain at your service.
Thank you for attention.



François LACOSTE
CEO

▶ INTERVIEW WITH CASSIDIAN - FRANCOIS DOOM



Interview with François DOOM, Project sourcing manager of CASSIDIAN by Jean-Jacques RAFFENNE.

Jean-Jacques Raffenne - Can you please present CASSIDIAN and its activities ?

François Doom - CASSIDIAN is a division of the group EADS, world leader in solutions and integrated security systems and integration of large systems. We offer to our worldwide commercial and military customers, products and services with high added value, including :

- Air systems (assemblies and sub-assemblies for aircraft and unmanned aerial systems),
- Land and naval systems, as well as "inter-army" for intelligence and surveillance, cyber security, secure communications, test systems, missiles, services and support.

Cassidian's mission, whether civil or military, is "to defend global security."

What are the market specifics and the customer needs ?

The products we offer our defense and security customers are products at the cutting-edge of technology.

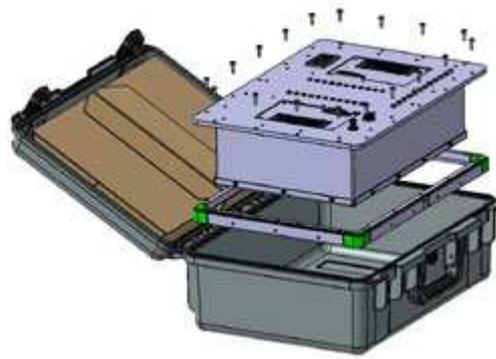
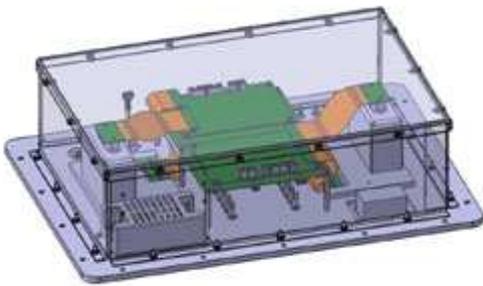
It is essential to differentiate ourselves from our competitors "always to be at least one step ahead."

Our customers are seeking reliable, efficient and low-cost solutions that integrate COTS solutions.

Our strategy is to customize our product base for the specific needs of our clients. This allows us to have solutions for rapid development with short cycles, also using technological components off the shelf. Finally, our customers expect "cost efficiency".

NSE is an established historical partner of EADS group, which offers have you entrusted to NSE ?

Up until the end of 2011, NSE provided product integration with high added value. In 2012, we decided to give more responsibility to NSE, including design, development and prototyping testing. NSE designs for us naval racks using the PASS rack solution developed by its R&D department. Functional tests on computers of course remain a speciality of NSE.



What are the differentiating advantages that you could highlight at NSE ?

It is clear that NSE is at the top of certification and approval for both defense and aviation. It is a guarantor of success.

Also, NSE's abilities provide us :

- Solutions "full package",
- Solutions for tests and development,
- Solutions for qualifying products with total confidentiality.

The latter is a major element of our relationship.

Also, due to its history, NSE (RIOM site, formerly ex- EADS site until January 2002) has a good knowledge of products and processes implemented within CASSIDIAN.

How do you see the market evolving ? What will be the impact on your suppliers ?

In a word "export" ...

In terms of impact, we will have to choose suppliers who can bring us business solutions related to the problem constraints "offset" .. in short, to accompany us on offset markets. NSE is expanding internationally and can help in supporting us in several regions of the world, including India, Morocco and Brazil.

Canada is also a real opportunity on the American continent. The strategy of international expansion led by NSE is truly a differentiating asset to CASSIDIAN.

What are your expectations from your supplier / partner ?

CASSIDIAN relies on long-term relationships.

This does not mean our suppliers are "preferred" in competition at the bidding stage. We strive for excellence, especially from suppliers capable of offering "full package" solutions for peripheral developments of CASSIDIAN systems, and at an objective cost.

François DOOM
Project Sourcing Manager
CASSIDIAN

Jean-Jacques RAFFENNE
Sales manager
NSE BU Integrations

INTERVIEW WITH PANTUM - XAVIER MENEBOODE



Interview with Xavier MENEBOODE, Customer Services Director PANTUM by Antoine LACOSTE.

质量方针：持续不断地创新与改进；以合理的成本、优良的品质和完美的服务使顾客满意！
Continuous innovation and improvement, at reasonable cost, with excellent quality and service for customer satisfaction

Brief Presentation of PANTUM

PANTUM International is a manufacturer of printing solutions from the group Seine Technology, one of the world's leading manufacturers of consumable laser-ink and inkjets based in Zhuhai, China.

With the support of Legend Capital and Lenovo, PANTUM embarked on the design of printers and MFPs in 2006. The first range, Series P2000, a robust and economical printer, was launched in the Chinese market in late 2010. Due to its success, PANTUM decided in October 2011 to set out to conquer the world market by establishing distribution partnerships. In parallel, the range has been expanded by the fastest multifunction models that will be launched later this year on the European market.

PANTUM



P2050



P2000

Antoine Lacoste - What is the strategy for PANTUM across Europe ?

Xavier Meneboode - In a rather mature market, we offer a new alternative to professional users looking for high calibre, durable and more cost efficient products for personal or small workgroup usage. By having an indirect selling structure, this PANTUM launch has this year seen the recruitment of experienced distributors at the European level and in some countries through partnerships with chains of retail stores. An initiative is taking to place to be catalogued within the large players of on-line sales as well as the largest networks of wholesalers.

What is the role of Service for PANTUM ?

PANTUM strategy is clearly to upwardly expand its range and develop products and services that will address the needs of users. Today, it is firstly to set up an After Sales Service which quickly brings trust and confidence in its distribution and potential customers, despite the likely poorer image of a newcomer, even more so, from China. The confidence we have in the quality of our products and experience in the Chinese domestic market where these products are marketed for the last twenty months, allows us to offer a two year warranty. The rise of these new models and new markets will allow us to diversify our offers and services. The challenge is to develop a pan European coverage over 40 countries in less than a year with a viable business model that can bring the highest level of business services while providing a significant reduction in usage costs of our products.

Why have you chosen NSE ?

When you start from a blank sheet, you need to find an experienced partner who can assist you in the implementation process while being flexible enough to adapt to an activity in its infancy. New to the market, our ability to improvise and guarantee a hassle-free service is essential to establish trust within the distribution network. After consultation with the major players in customer service, we preferred to secure the repair service, the "One Roof" concept, combined with the NSE Customer Care Centre which caught our attention, all within a single contact and the immediate availability of skills which would have needed to be trained elsewhere. The European dimension with the controlled logistics flow has enables us to focus the activity in one place in order to achieve critical mass quickly. Finally, the availability of another NSE platform in Central Europe allows us to complete the plan, when we decide to attack these markets.

Xavier MENEBOODE
Customer Services Director
PANTUM

Antoine LACOSTE
Commercial Manager
NSE BU Services

An Update on the Creation of the Subsidiary in Bangalore, INDIA : HICAL-NSE Electronics Private Limited

NSE Industries is setting up in India and creates a subsidiary at Bangalore. Due to the fact that our activity is in Defense sector, and in accordance to the Indian Law, we have to settle a minority partnership (Joint Venture) with an Indian Company: it will be **HICAL Technologies** located in Electronics City.



*Yashas JAIVEER-Hical's Director, Sunil BEHARA-NSE Project Manager,
Amandine ROUSSEAUX-NSE Project Coordinator, Sujaya Shashikiran-Hical's Managing Director,
Sashikiran MULLUR-Hical's CEO*

The subsidiary creation is in progress, and we are now waiting for the FIPB approval for NSE to invest in the JV and start the activities.

HICAL-NSE Electronics Private Limited will be eligible to offsets.

A large range of services will be supplied, as :

- **Activities of wiring and harness, integration of wired boxes, cabinets & racks, radar sub-assemblies, computers and avionics interfaces, test benches**
- **A customer repair and maintenance centre for NSE's products and/or for other customers' products, in particular electrical and avionics products**
- **The organization of a supply chain of ranges 1 & 2 notably in the field of mechanics (metal sheet, machining, surface treatment and painting)**
- **An activity of research and development on products mastered by NSE which will be outsourced to NSE in the electrical, electronics, Mechanics and software fields**

STRATEGY AND IMPLEMENTATION

For now, the current team is made of two people: **Sunil BEHARA**, Project Manager in charge of the **Business Development** of NSE Products in India and promoting the JV activities and me, **Project Coordinator**, in charge of the legal and administration coordination and the relations with HICAL. By the end of the year, we will settle the trainings of Hical's teams in order to transfer our knowledge in **Wiring** and for the **Repair** and **Support** of our products.



HICAL will also organize the rework of an aisle of the facility in order to settle the future offices for the JV **HICAL-NSE Electronics Private Limited**.



Outside view of the future JV offices



Inside view of the future JV offices

Eventually, a Mechanical Engineer will join the team. He will manage the supply chain and will be in charge of the mechanics sub-contractors follow-up.

By next year we have several goals :

- Identify new business opportunities with HICAL
- Develop the activities with NSE France

Amandine ROUSSEAU
Project Coordinator for HICAL- NSE
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▶ NSE CERTIFICATES AND APPROVALS

Since our origin, customer satisfaction, security of personnel, facilities and environmental protection are at the heart of our concerns.

It is in this spirit that NSE is committed to maintain an evolving progression, in developing an efficient Integrated Management System (Quality, Safety, Environment).

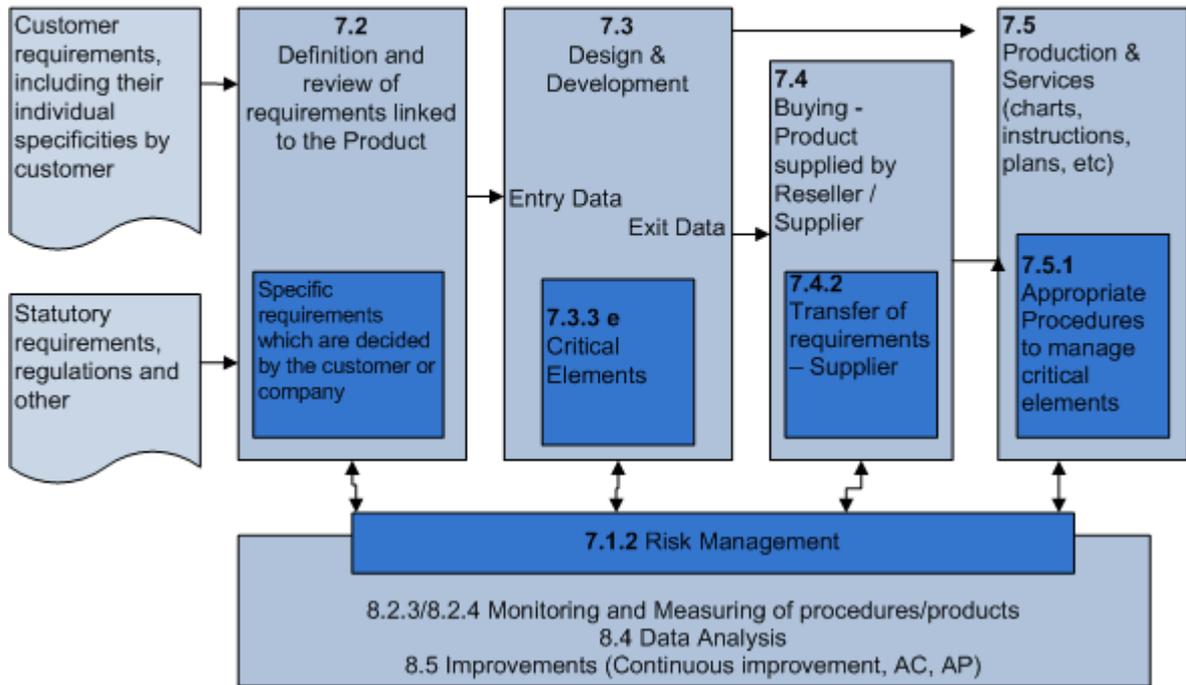
Our organization is recognized through various certificates and approvals :

The Riom site complies with the norms :

- EN 9100: Requirements for Quality Management Companies in aeronautics, space and defense
- AQAP2110 : NATO Requirements for Quality Management
- PART21G : Requirements for the production of materials for civil aviation
- PART145 : Requirements for the wiring maintenance for civil aviation
- APDOA : Requirements for changes to the design materials in civil aviation

The evolution of the Standard EN9100 version 2009 was built during the follow-up audit in July 2012. The main change concerns risk management that must be integrated into all business processes according to the diagram below :

7.1 Planning for Product realization



The Nizerolles site complies with the norms :

- ISO9001 : Requirements for Quality Management

The Abrest site complies with the norms :

- ISO9001 : Requirements for Quality Management
- ISO14001 : Requirements for Environment Management

To validate our approach to harmonizing our management systems, a joint audit will be conducted at the three sites in 2013.

Laurent FAVIER
 Quality Manager
 NSE BU Services

Yannick RIGAUD
 Quality Manager
 NSE BU Integrations



PLEDGE OF QUALITY

NSE Services sites are certified by l'AFAQ under reference QUAL/2003/19690. Certification ISO 9001 and ISO 14001.

Declaration CNIL # 853153

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