

Press release

Date : Novembre 13 2003

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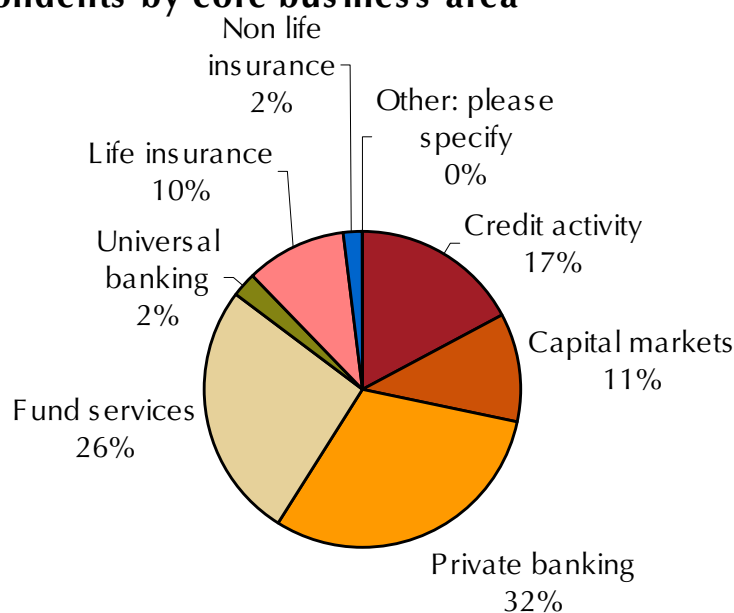
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PwC launches confidence barometer of the Luxembourg financial centre:

Strong confidence, high but declining attractiveness

The « Luxembourg Financial Place Barometer », the first launched by PricewaterhouseCoopers Luxembourg, aims at assessing the latest trends in the financial services industry while measuring the attractiveness of the financial centre. The initiative, which will be undertaken on a bi-annual basis, focuses both on the strategic choices of the company itself and on the developments of the centre as a whole. The first edition was a great success : about 100 CEOs of financial services players - representative of the Luxembourg financial centre, both by core business area, company status and size - have agreed to participate. Participants are drawn from the banking, investment fund and insurance industries.

Respondents by core business area

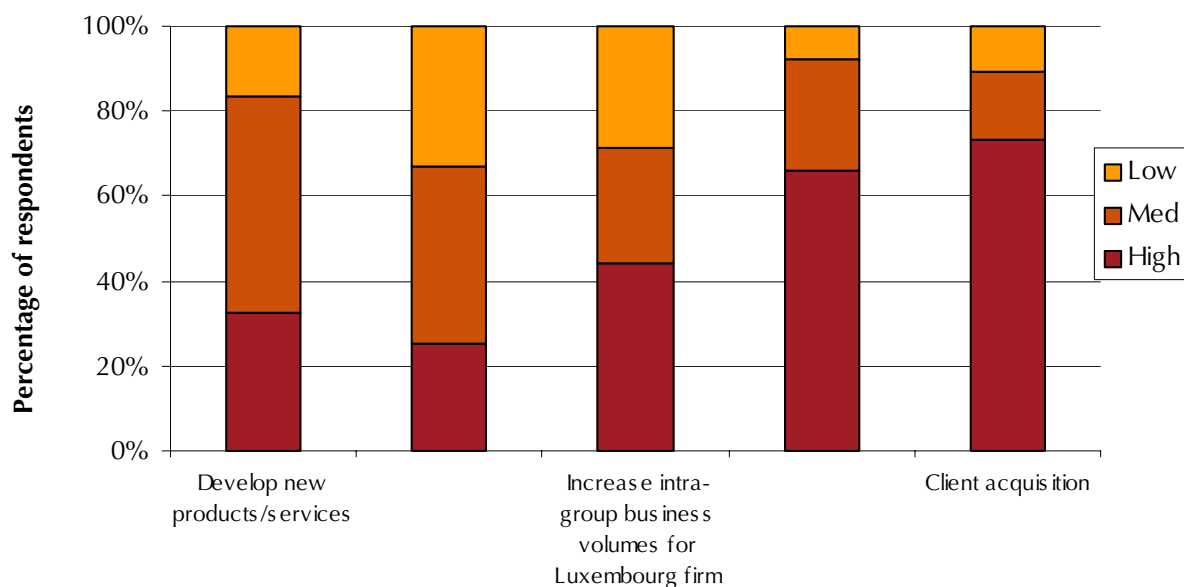


Net result 2002 Number of employees	>€50 million	€50-10 million	€10-0 million	€0-(10) million	<€(10) million	Total
+ 200 employees	12%	3%	4%			19%
Between 200 and 100 employees	1%	7%	3%	1%	1%	14%
Between 100 and 50 employees		3%	4%	3%	2%	13%
Between 50 and 25 employees	1%	1%	9%	2%	1%	15%
Between 25 and 10 employees	1%	3%	9%	3%	5%	22%
Less than 10 employees			8%	4%	5%	18%
Total	15%	18%	39%	14%	15%	100%

The main highlights of the survey are :

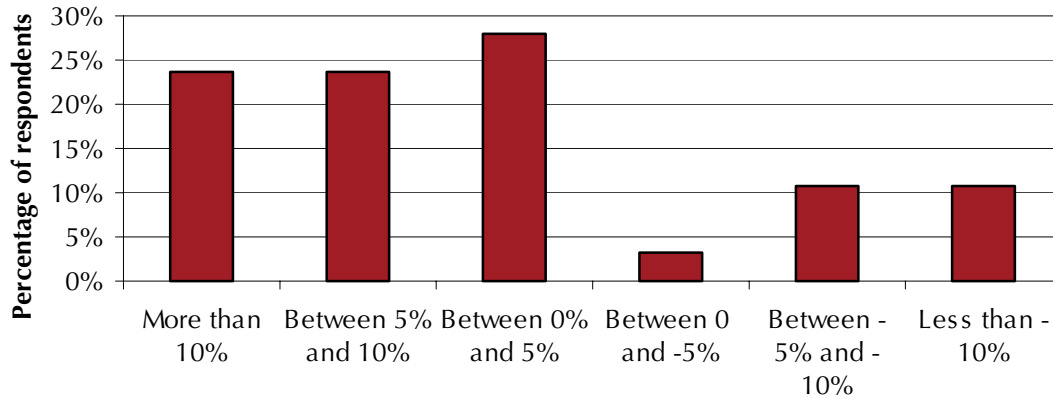
- Clients are centre stage.** Client acquisition and client retention remain the top business priorities of our respondents. With relatively low levels of investment in new products, financial services players chiefly focus on adapting their existing products and services to current market requirements. Though marketing expenses are slowly picking up, IT investments remain the key priority: 60% of our sample reckon they will be drawn to spend more on IT to adapt to changing market conditions and to new regulatory requirements. To the majority of participants, group policy has a positive effect on the Luxembourg based subsidiaries.

Business Priorities



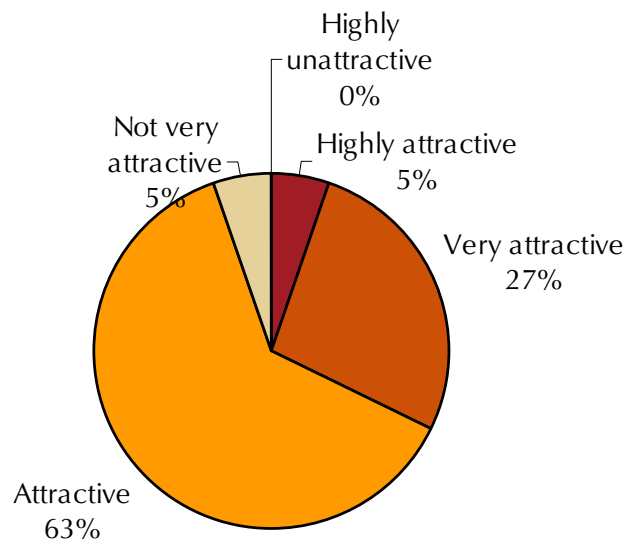
- **First signs of economic recovery.** Though our participants are adapting to lower growth prospects than in the past, they are confident in the developments in the year to come. 75% expect an increase in their net revenues, which they intend to couple with a tight control on costs to preserve competitive cost/income ratios.

Net revenue growth rate forecast



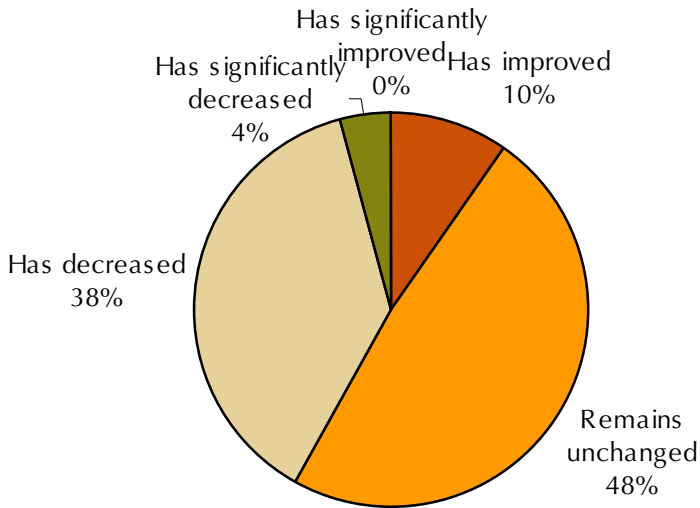
- **Luxembourg's attractiveness remains high, though it has declined over the last 12 months.** The vast majority of our participants regard the Luxembourg financial place as attractive (63%), or even very attractive (27%).

Attractiveness of Luxembourg financial place



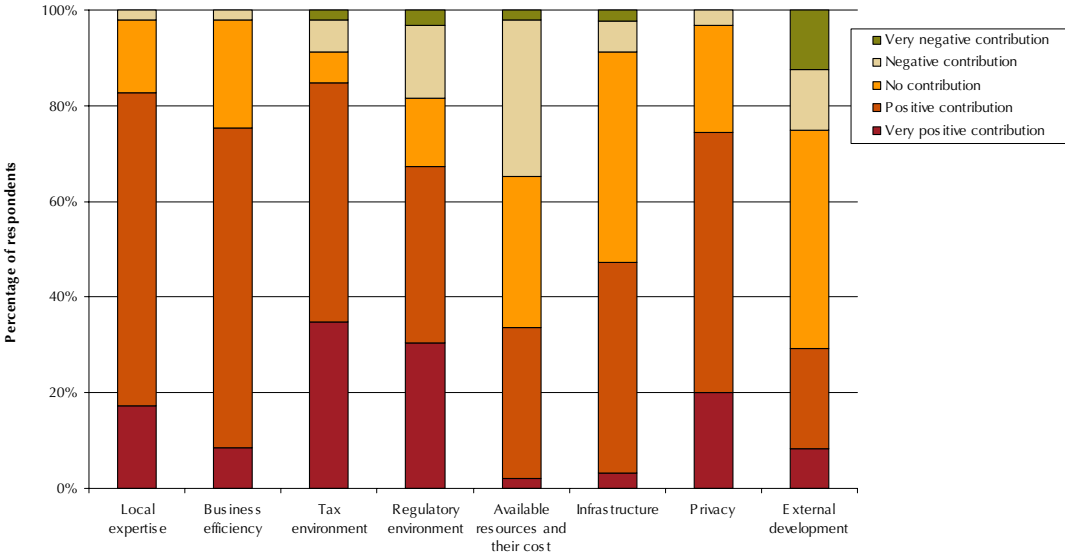
The favourable tax environment, combined with the expertise built over the last decades, are Luxembourg’s key assets. Although about half of the participants believe Luxembourg’s attractiveness has not changed over the last 12 months, a worrying 38% think it has decreased.

Evolution of attractiveness of Luxembourg financial place over last 12 months



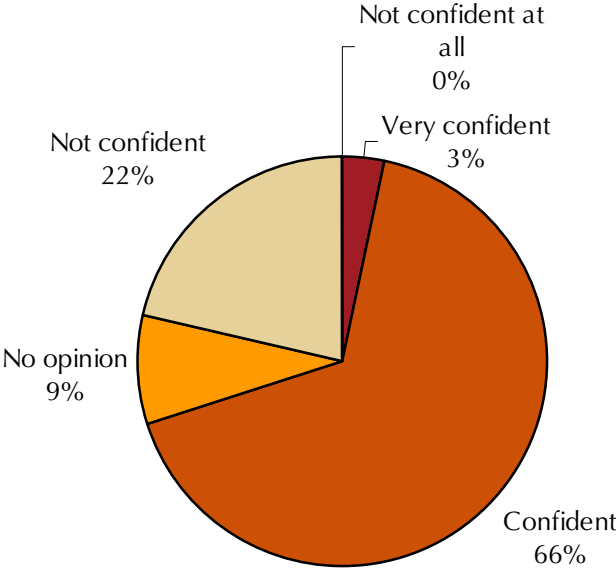
The reasons most often mentioned to explain this drop are: available resources and their cost, the existing infrastructure and other external developments. In the latter category, tax initiatives, e.g. the Savings Directive, but also proposed tax amnesties, are most often cited. The regulatory environment ranks only 5th. This appears to be a new element reflecting the concern expressed by a number of players in the market in connection with the rising cost of regulation. It will be interesting to monitor this indicator closely in the future.

Contribution to attractiveness of the Luxembourg financial place



The confidence in the centre’s development remains high with about 70% expressing high or very high confidence.

Degree of confidence in development of Luxembourg financial place



Confidence in the development of the financial centre is high and net revenues expectations are promising for the year to come. But, this positive outlook needs to be put in perspective with the decline in Luxembourg’s attractiveness over the last 12 months.

The tax environment remains the key component of the attractiveness of the financial centre. Although the regulatory environment has an overall positive effect on Luxembourg’s attractiveness, about 20% of the participants consider it to have a negative or very negative effect; this indicator will need to be monitored more closely in the future.

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Notes à l’éditeur :

1. PricewaterhouseCoopers (www.pwc.com) est la plus grande organisation mondiale de services professionnels. Grâce aux connaissances et aux compétences de plus de 125 000 collaborateurs répartis dans 142 pays, nous établissons des relations en offrant des services fondés sur la qualité et l’intégrité. Au Luxembourg, PricewaterhouseCoopers (www.pwc.com/lu) rassemble près de 900 personnes et offre des services dans le domaine de l’audit, du conseil et de la fiscalité. (« PricewaterhouseCoopers » désigne les entreprises membres de l’organisation mondiale PricewaterhouseCoopers International Limited, dont chacune est une entité légale séparée et indépendante.)

2. Le nom PricewaterhouseCoopers s'écrit en un seul mot, avec les lettres P et C en majuscules et les autres en minuscules.