



THEY CHOSE

FRANCE

A collection
of interviews
with international
business leaders

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ANAQUA INC.

FRANCE: AN EASY PLACE TO DO BUSINESS!

Anaqua Inc. is an SME that provides intellectual asset management software and maintenance services to patent and trademark holders worldwide. Anaqua has offices in the United States, the United Kingdom and, since 2010, France. Priya Iyer, the CEO of Anaqua explains what makes France attractive to her company.

PRIYA IYER
CEO, ANAQUA INC.



WHY DID YOUR COMPANY CHOOSE TO INVEST IN FRANCE?

We represent small and medium businesses and we operate primarily in intellectual property; France and Germany are two huge markets for us. We found that we could do business in English in Germany, but we really needed the language skills in France. So we decided that we were going to invest in France and set up shop here, and we found to our great satisfaction that once we came here it was so easy to do business. The culture was so similar to the US, whereas even though Germany had the language, it was much more difficult for us to do business there: the sales cycles were longer and the way and culture of doing business was very different from the US. So we have been very pleasantly surprised by investing in France. Since then, we have merged with a company in France and we intend to grow more; we are very excited about this.

WHAT MAKES FRANCE ATTRACTIVE TO YOU AS AN INVESTOR?

First of all, I think that the culture in this country is fantastic. Secondly, there is the talent; the people here are really incredible. We are a very entrepreneurial company and we've found it easy to find very entrepreneurial-minded people in France. They have ideas and they want to take action on their ideas; they are passionate about their ideas, which is just excellent for us. The third thing I would say about France that is really great for us is the city of Paris. When you come to Paris, you have access to so many businesses in one place, which is great.

WHAT ARE YOUR COMPANY'S FUTURE INVESTMENT PLANS IN FRANCE?

We are finding that several of our competitors have actually exited France while we on the other hand have entered the market. Consequently, many more businesses in France seem to want to do business with us because we are located here. Also, with the education system and the talent pool in France, we really hope and intend to increase our R&D presence here and, of course, the tax laws are just fantastic for doing that.

WE'VE
FOUND IT EASY
TO FIND VERY
ENTREPRENEURIAL-
MINDED PEOPLE
IN FRANCE.

ANAQUA IN FIGURES

FOUNDED IN 2004

TURNOVER: €7-€11 MILLION

80 EMPLOYEES WORLDWIDE

ASTRA ZENECA

FRANCE: THE PLACE TO BE FOR R&D CENTERS

Improving health is one of the toughest challenges facing the world today. As a global biopharmaceutical company, Astra Zeneca has a key contribution to make through the discovery, development, manufacturing and marketing of innovative medicines for some of the world's most serious diseases.

AstraZeneca is the fifth largest pharmaceutical company in France, where since 1975 it has had an R&D center in the city of Reims. Laurent Hennequin, Research Director France, explains Astra Zeneca's choice.

LAURENT HENNEQUIN

RESEARCH DIRECTOR
FRANCE
FOR ASTRA ZENECA



WHAT KIND OF WORK DO YOU DO AT THIS SITE?

The type of work that Astra Zeneca does here in Reims is mainly drug design. The role of scientists here is to innovate and create new molecules that will interact with biological targets to try to provide solutions to diseases. Our work involves creating agonists or inhibitors of biological targets. We then optimize them to get all the required properties in order to proceed at some stage to clinical trials where we can help patients to find solutions to their disease.

WHAT KIND OF RESEARCH ARE YOU DEVELOPING HERE?

The group here in Reims, which actually originated in 1975, used to work in infectious and inflammatory diseases. Since 1995, it has focused its research in oncology. The main aim of our work is to try and work in certain segments of oncology, particularly vascularization of tumors as well as invasion and proliferation of cancer cells.

WHY DID ASTRA ZENECA DECIDE TO SET UP ITS R&D CENTER IN FRANCE?

The beauty of France, I think, is the potential for strong interaction between academic centers like INSERM (French National Institute for Health and Medical Research) and the CNRS (French National Center for Scientific Research), universities and private companies. There are a lot of excellent scientists in France, and that was the case in 1975 when the company decided to invest in an R&D center here in Reims. Since 1975, the company has often

THE BEAUTY OF FRANCE IS THE POTENTIAL FOR STRONG INTERACTION BETWEEN ACADEMIC CENTERS, UNIVERSITIES AND PRIVATE COMPANIES.

asked itself whether it should continue or stop doing research in France and we have always continued. We continued because of the ability to recruit good scientists here in France, while collaborations with key centers in oncology (for example the Curie Institutes) are extremely easy to set up. So for a company like Astra Zeneca, I think having a discovery unit in France is good value.

WHAT HELP DID YOU RECEIVE FROM THE GOVERNMENT FOR YOUR RESEARCH ACTIVITIES?

It is clear that France is attractive from a tax benefit perspective. The French authorities have realized that health and businesses like drug discovery are fundamental. It is a key strategic domain in which you want to have R&D in France. In that sense the government has been helpful by providing incentives to companies setting up research or continuing to do research in France instead of going elsewhere. This is clearly beneficial to us and it is clearly a strong argument that we can make within the company to argue for discovery investment in France.

ASTRA ZENECA IN FIGURES

FOUNDED IN 1863

TURNOVER: €7.1 BILLION

16,800 EMPLOYEES WORLDWIDE,
INCLUDING 2,300 IN FRANCE

FRANCE: AN INNOVATION HUB

China National BlueStar, a global leader in synthetic materials, is centered on the chemical industry but focuses on new chemical materials and special-purpose chemicals. They have expanded rapidly and have grown into one of China's most successful chemical companies through constant innovations and mergers and acquisitions. BlueStar has bought a number of international companies since 2006, including Adisseo Group in 2006 and French Rhodia's silicone subsidiary in 2007. They now have 45 factories and 17 R&D centers around the world, in 150 countries and regions.

ROBERT LU

PRESIDENT OF CHINA
NATIONAL BLUESTAR
GROUP LTD.



WHY DID YOUR COMPANY CHOOSE TO INVEST IN FRANCE?

The main reason why we invested in France is because of the amount of business that we do here since our major acquisitions (Adisseo Nutrition Animale in 2006, Rhodia Silicones in 2007). The first of our two business activities is in the nutritional science sector, specifically animal nutritional products which are produced by our company Adisseo. Our other company is in the silicone sector, formerly known as Rhodia Silicones it has now been renamed Bluestar Silicones International. Both of these two businesses are very important for China, because in China we have a huge population and therefore have to improve food safety and food quality. In this respect, animal nutrition products are perfect to improve and develop the Chinese food business. Silicone, on the other hand, is a very important high-performance material, and is also a very important material for the future to make more efficient energy-saving and quality materials for use in people's daily lives. So that is why we have these two businesses in France, why we keep investing in France to support their growth and why we expect accelerated growth in China as well.

WHAT MAKES FRANCE ATTRACTIVE TO YOU AS AN INVESTOR?

I would say that one of the main things in France is that the people are very loyal to the company. Whether the company is Adisseo or Bluestar Silicones International, most of the people spend almost the whole of their career, maybe 30 or 40 years or even longer, putting their efforts and their skills into the company. So I would say that they are very loyal. The second thing is that French people are very creative

and innovative. People follow procedure but they will also think independently in order to make things more efficient. So I would say that the French people are really positive-thinking, loyal to the business, but also creative and innovative. All of that, plus great infrastructure, good training etc. makes France attractive to an investor.

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FRENCH
PEOPLE ARE
REALLY POSITIVE-
THINKING, LOYAL
TO THE BUSINESS,
BUT ALSO
CREATIVE AND
INNOVATIVE.
”

WHAT ARE YOUR COMPANY'S FUTURE INVESTMENT PLANS IN FRANCE?

Well, over the last four years we have invested over €200 million in our French facilities, mostly in upgrading and increasing capacity. In terms of future plans, as from 2011, we will be investing over €130 million in France especially for Adisseo but also in new specialty silicones like resins. Also, as far as we know, Bluestar is the biggest Chinese employer here with over 1,000 employees in the country. We intend to make our number one nutritional business in France grow even stronger and keep growing specialty silicones as well. We will increase competitiveness by improving R&D capabilities within France, with the support of the French government's regional development policies. For example, in terms of performance materials, our silicone business has been very deeply involved with the local university in Lyon and the innovation clusters in developing many new types of products with applications in new materials, textiles and energy sectors.

CHINA NATIONAL BLUESTAR
GROUP LTD. IN FIGURES

FOUNDED IN 1984

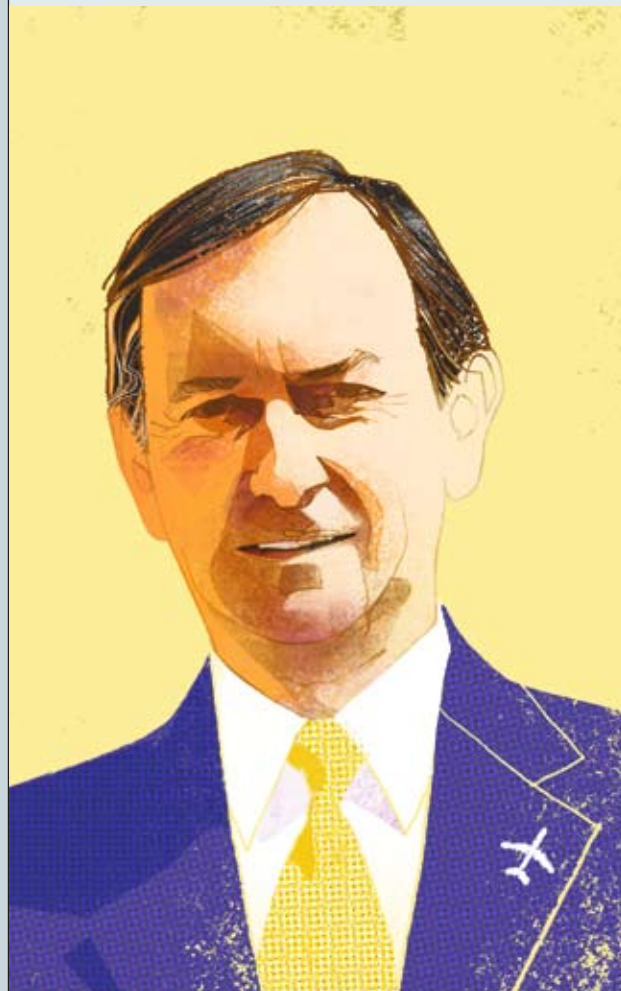
TURNOVER: OVER US\$6.0 BILLION
IN 2010

OVER 40,000 EMPLOYEES
WORLDWIDE, INCLUDING OVER
1,000 EMPLOYEES IN FRANCE

EMBRAER

FRANCE: A PLATFORM IN EUROPE

Embraer S.A. is the world's largest manufacturer of commercial jets of up to 120 seats and is one of Brazil's leading exporters. After first arriving in France 28 years ago, today the company is keen to maintain its presence in the country and to build upon its strengths. Luiz Fuchs, President of Embraer Aviation Europe, gives us his point of view.



LUIZ FUCHS

PRESIDENT OF EMBRAER
AVIATION EUROPE

WHY DID YOUR COMPANY FIRST CHOOSE TO INVEST IN FRANCE?

Well, we have been here for 28 years now. We first started in 1983, when we sold more than 100 aircraft to the French Air Force and they still fly our planes today. After that, of course, the second main reason why we chose to invest here is logistical. We are responsible for Africa, the Middle East and all of Europe and so Charles de Gaulle airport is extremely important in that it enables us to deliver the parts and provide support to all the airlines in these three regions.

WHAT MAKES FRANCE ATTRACTIVE TO YOU AS AN INVESTOR?

As I mentioned previously, the main reason that we are here is to provide technical support to all the airlines in three regions: Africa, the Middle East and Europe. So in terms of investment, we felt that this was the location to be, because of the availability of flights and accessibility to these areas; one day we can go to the Middle East, the next day we can go to Africa. It really is a perfect place for us to be able to support all the airlines in these three regions.

WHAT ARE THE ADVANTAGES OF A FRENCH WORKFORCE?

Well, I think they are very well educated. There is a natural proximity between Brazilian and French culture. There are close historical ties between the two countries, so I think that most of our Brazilian employees who are posted in France find it an easy place to live. We have a good relationship with our French workforce.

HAVE ANY RECENT CHANGES IN FRENCH REGULATIONS MADE IT EASIER FOR EMBRAER TO DO BUSINESS HERE?

Yes, I would mention the improvement in immigration procedures, which are easier and more flexible today; new laws exempting certain additional incomes; the changes to the local business tax which are underway; VAT credits paid on a monthly basis; and new openings for agreements in cases of personal dismissal.

”
PARIS-CHARLES
DE GAULLE
AIRPORT IS A
PERFECT PLACE
FOR US TO BE
ABLE TO SUPPORT
ALL THE AIRLINES
IN THE EMEA
REGION.
“

WHAT ARE YOUR COMPANY'S FUTURE INVESTMENT PLANS IN FRANCE?

So far we have been here in France for 28 years and we are growing. We began this year with around 220 employees and we hope to finish the year close to 300. Our business is growing substantially here and we are now providing parts and support for close to 1,000 aircraft in the three regions I mentioned earlier. Consequently we want to maintain our operations here and build on our strengths.

EMBRAER IN FIGURES

FOUNDED IN 1969

TURNOVER: €5.5 BILLION

17,200 EMPLOYEES WORLDWIDE,
INCLUDING 300 IN FRANCE

HUAWEI

INNOVATION IS A PRIORITY IN FRANCE

Huawei is a leading global information and communications technology (ICT) solutions provider. The company is the largest Chinese producer and the fourth largest producer in the world of telecommunication materials. Leo Sun, CEO France of Huawei, explains why they chose to invest in France.



LEO SUN

CEO FRANCE OF HUAWEI

WHAT MADE HUAWEI COME TO FRANCE?

Our key value, today, is our innovation ability. And the French market is very dynamic, very innovative: it requires very strong technologies and quality. If you want to be a leading player in the telecom industry, you cannot ignore France. For us, France is the really top strategic country for all Western Europe.

YOU CREATED A RESEARCH CENTER IN ILE-DE-FRANCE (PARIS REGION). YOU ARE THE FIRST CHINESE COMPANY TO BE INVESTING IN AN ADVANCED R&D CENTER IN FRANCE. IS FRANCE THE RIGHT PLACE FOR R&D?

In the telecom industry, yes definitely. In Europe, France is one of the countries that has the most talented people in the field of research and development, they are very competent and the supply of human resources is very satisfactory, because France has a long telecom industry history. In France, we plan to develop centers organized as "open platforms" where in future we will be able to implement different targets and new projects. We know we can find people who can develop products, follow up the technologies, and who can look forward to the future.

WHAT IS IT LIKE DOING BUSINESS WITH THE FRENCH?

It's very challenging, because the market is very demanding. But once you're really in, you can show the whole industry around the world that you are qualified and you are really a leading vendor, just because you are successful in France – as well as in Europe. Huawei grew up in France by adapting itself to the social, legal and economic environment. We follow the rules very strictly. Now, we are targeting a leading position in France.

HUAWEI IN FIGURES

FOUNDED IN 1988

MARKET CAPITALIZATION IN 2010:
US\$28.2 BILLION

110,000 EMPLOYEES IN OVER
140 COUNTRIES, INCLUDING 46%
WORKING IN R&D

OVER 400 EMPLOYEES IN FRANCE

IF YOU WANT TO BE A LEADING PLAYER IN THE TELECOM INDUSTRY, YOU CANNOT IGNORE FRANCE.

France has many assets to attract Chinese investors: the market, the image of France in the world, all the mature "business ecosystems", a very healthy industry, and a lot of facilities, including good quality transport networks. France is like a hub with links to the UK, Germany, the center of Europe, ports to North Africa and Latin America. France's location at the heart of Europe is very convenient.

ARE YOU AWARE OF FRENCH INITIATIVES WHICH COULD BE INTERESTING FOR YOUR COMPANY AND FACILITATE YOUR BUSINESS, LIKE THE RESEARCH TAX CREDIT?

We're aware of that and we have a department who follow up those questions. Actually, we have several exchanges with different organizations like the IFA. They give us a lot of information about new policies, how the French government encourages foreign companies to invest, especially in R&D. New financial policies and reforms such as the research tax credit contributed to our high motivation for choosing France. Let's say our number one criteria for choosing France was expertise and our second one was financial considerations.

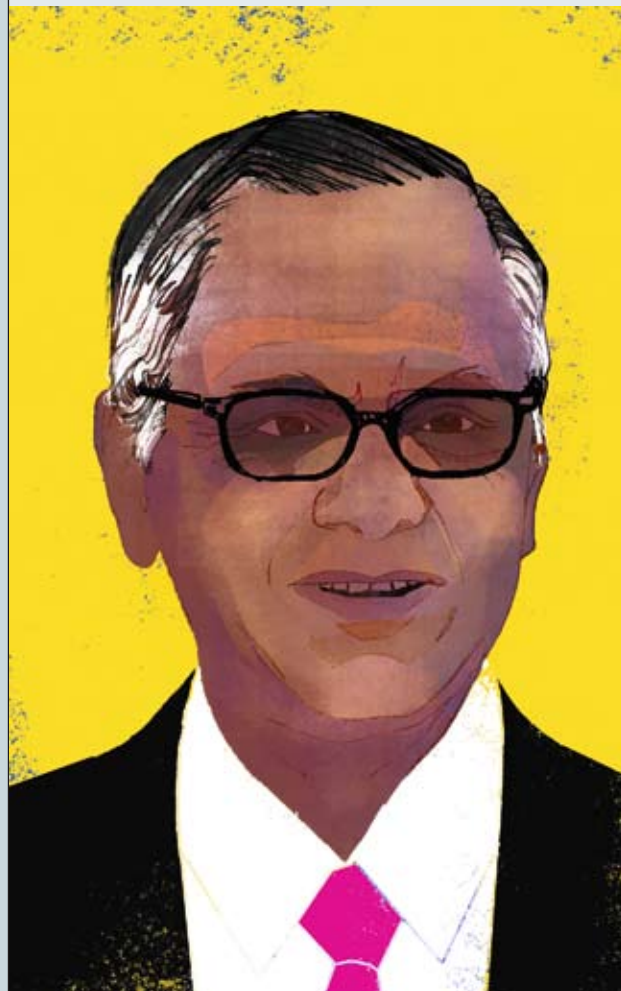
WERE YOU PLEASANTLY SURPRISED BY ANYTHING WHEN YOU CAME TO FRANCE?

The big surprise, in particular, is the openness of the market. We thought that it was a very high-end market which would be extremely difficult to enter and that French people might be prejudiced against Chinese companies in general and Huawei in particular. But we now think that it's a very open market. Once you've found the way to prove yourself, demonstrate your credible high-quality technology, then the market opens up for you very easily. That's the really positive surprise we had.

INFOSYS

TO SUCCEED IN THE EUROPEAN UNION YOU HAVE TO FOCUS ON **FRANCE**

Infosys is a global leader in the “next generation” of IT and consulting. The company defines, designs and delivers technology-enabled business solutions for Global 2000 companies. Established in France since 1989, the Chairman, N. R. Narayana Murthy, explains why the company is expanding its presence here.



NARAYANA MURTHY

CHAIRMAN OF INFOSYS

INFOSYS IS LOOKING TO EXPAND ITS PRESENCE IN FRANCE. WHAT MAKES FRANCE SUCH AN ATTRACTIVE INVESTMENT?

France has lots of good things in its favor. It is the fifth-largest IT market in the world. It is known for its excellent talent pool - particularly in high-tech sectors, thanks to its Grandes Ecoles and its focus on advanced industries. And of course it also has a strong base of Global 2000 customers. Therefore France is clearly an important market and any company that intends to grow globally has to have its focus on France.

HOW DOES BEING IN FRANCE HELP YOUR BUSINESS?

France is one of the G7 countries. It has tremendous influence in Africa and in parts of Asia. And France is a premier member of the EU. Therefore succeeding in the EU and in Francophone countries becomes easier if we succeed in France.

WHAT CHANGES HAVE YOU NOTICED IN FRANCE SINCE YOU FIRST CAME HERE IN 1989?

There have been a lot of positive changes. France has become more and more globally integrated. It has a vibrant economy and there is much greater cooperation between France and Asia, particularly China and India. France has also become much more open in the last 10 years or so. There is a greater focus on inviting companies to invest in France, there is a greater focus on integrating with the global economy.

IS FRANCE A MORE ATTRACTIVE PLACE TO INVEST TODAY THAN IT WAS BEFORE?

France is an important IT market. It is a place where it has become much easier to do business. It is a pivot in the EU. It has enormous influence in terms of other

Francophone countries. It has a very productive and very advanced talent force. If you look at all these things, France has definitely become a lot more attractive today than it was before.

HOW WOULD YOU CHARACTERIZE THE FRENCH LABOR FORCE?

It's probably one of the most productive workforces that we have. They bring an extraordinary amount of talent and innovative thinking. Our strategic objective is to have an increased percentage of non-Indian workers. Bringing French employees into the global fold enables us to learn and to revitalize our own thinking.

SUCCESSING
IN THE EU AND
IN FRANCOPHONE
COUNTRIES
BECOMES EASIER
IF WE SUCCEED
IN FRANCE.

YOU HAVE DESCRIBED FRANCE AS BEING AT THE CUTTING EDGE OF TECHNOLOGICAL INNOVATION IN EUROPE. WHAT MAKES FRENCH TECHNOLOGY SPECIAL?

France is a leader in transportation, particularly in train technology. It's a leader in airplane technology. It's a leader in high energy physics. It's a leader in nuclear physics. It's a leader in nuclear energy. It's a leader in satellites. It's a leader in numerical control.

There are many areas in which France is clearly the leader. That provides us with a great opportunity to make French companies even more efficient and productive than they already are and to add value for their customers, not just in France but throughout the world.

INFOSYS IN FIGURES

FOUNDED IN 1981

**MARKET CAPITALIZATION IN 2010:
US\$44.2 BILLION**

**133,560 EMPLOYEES IN OVER
31 COUNTRIES**

FRANCE: A VALUABLE TEST MARKET

LG Corp. is South Korea's second-largest conglomerate.

LG produces electronic, chemical and telecommunications products through subsidiaries such as LG Electronics, LG Display, LG Telecom and LG Chem in over 80 countries, including France.

The President of LG Electronics in France, Eric Surdej, explains why France is a valuable market for his company.

ERIC SURDEJ

PRESIDENT,
LG ELECTRONICS FRANCE



WHY DID YOUR COMPANY CHOOSE FRANCE? WHAT QUALITIES DOES FRANCE HAVE TO OFFER?

LG established its operations in France 20 years ago for four major reasons. The first was the location of France at the heart of Europe. The second reason was transport, with easy access by plane, train and road via the local infrastructure. The third point was competency; in France you can find people that are highly skilled in high-tech fields, like telecoms and other technical engineers. The fourth reason was the French market, while not the biggest in Europe, is renowned in terms of testing directions for the end user. Early adoption ratios in France are very high compared with other countries, so the first six months are very significant in measuring the impact of new trends, new technology or new products. For these four reasons LG chose to invest in its French operations.

FRANCE IS VERY TRADITIONAL. WHY HAS YOUR COMPANY DONE SO WELL IN FRANCE?

France is an old country and is very traditional, but it is also a large country with over 63 million people, of whom about 15 million come from a non-French background. This makes a kind of patchwork of nationalities, associating traditional ways and new ways in a global center at the heart of Europe. With 63 million people it creates a significant market with varying attitudes that provides a test market for LG products.

WHAT MAKES FRANCE DIFFERENT?

We work in the high-tech business and in Europe you have two leading countries for the high-tech industry and telecoms, which are the UK and France. France invented the GSM standard around 30 years ago and therefore there is a lot of expertise due to the fact that you have universities of a very high standard.

WITH “
63 MILLION PEOPLE
IT CREATES A
SIGNIFICANT
MARKET WITH
VARYING ATTITUDES
THAT PROVIDES A
TEST MARKET FOR
LG PRODUCTS.”

WHAT ARE YOUR COMPANY'S FUTURE PLANS IN FRANCE?

As you know, we opened an R&D center in 2005 and in terms of future projects this year we intend to build and set up a new organization for lighting and solar power. The European headquarters for this activity will be based in France. In addition to that, we plan to set up our European learning center here. As of today, we have a total headcount of about 500 employees, but we plan to increase this to approximately 900 over the next three years.

LG ELECTRONICS IN FIGURES

FOUNDED IN 1958

TURNOVER: US\$48.2 BILLION

PRESENCE IN OVER 80 COUNTRIES

93,000 EMPLOYEES WORLDWIDE

MCKINSEY

FRANCE: A POOL OF TALENT

McKinsey & Company is a global management consulting firm. They are the trusted advisor to the world's leading businesses, governments, and institutions. James O. McKinsey founded McKinsey in 1926, and 85 years later the firm has grown into a global partnership serving two-thirds of the Fortune 1000. Dominique Barton, Managing Director of McKinsey, gives us his point of view about France.

DOMINIC BARTON
MANAGING DIRECTOR OF
MCKINSEY & COMPANY



WHY DID YOUR COMPANY CHOOSE TO INVEST IN FRANCE?

There is a whole range of factors for why we like France. I think one is simply the superb talent in the schools here. The *Grandes Ecoles* and the other universities just deliver fantastic people, so the talent side is very important. Another is the location: France is in the center of Europe. Literally, within a two and a half hour train ride, you have access to a large chunk of the market, and that makes things very convenient. It is also an extremely attractive place to get people to move to. So these are probably the three primary elements.

WHAT MAKES FRANCE ATTRACTIVE TO YOU AS AN INVESTOR?

We like the fact that R&D is being emphasized. This focus is quite important and we have a lot of our clients from other parts of the world that are now doing more business here and we advise them on that. We have a lot of Asian companies for example, and we think that there will be about 2,000 of them in the next 10 years that will be setting up some version of a headquarters or a base R&D center in Europe. A large number of them are looking at France and Paris, and other parts of the country given the innovation clusters that have been set up. And we like to be close to our clients, so that's another factor that comes into play.

WHAT ARE YOUR COMPANY'S FUTURE INVESTMENT PLANS IN FRANCE?

Well we have been in France for quite a few decades and it's a very important office for us given that it's the fifth largest economy in the world. We have got about 450 people in Paris and Lyon and our plan is to keep growing. We have also just announced today that we are going to center our global research and information base in Paris. As a firm we spend about US\$400 to 450 million a year on knowledge development and that too will be based in France. This, I hope, is a testament to how strongly we feel about this country.

WE LIKE “
THE FACT THAT
R&D IS BEING
EMPHASIZED
IN FRANCE.
”

Aside from our knowledge development, which will be growing significantly, I also hope we will open more offices. At the moment we are in Paris and Lyon, but there are other parts of the country where there is interesting work going on: in the chemicals industry for example, in biotech, and a whole range of different areas. So our view is that we would hope to have very healthy growth in this economy, in the order of 10 to 15% a year, and then we will look to establish this center of competence in the headquarters. One other area, of course, is our operations center for Europe which is in Lyon. We are doing a lot of lean manufacturing work and Lyon has become a center for that, with clients coming to the city from around Europe.

MCKINSEY IN FIGURES

FOUNDED IN 1926

TURNOVER: €6.6 BILLION (2009)

9,000 EMPLOYEES WORLDWIDE
(2009), INCLUDING 450 IN
FRANCE

NATURA

JUST BEING IN **FRANCE** ENCOURAGES US TO INNOVATE

Natura is the leading Brazilian manufacturer and marketer of skin care, sun lotion, cosmetics, perfume and hair care products. Founded in 1969, it has operated in France since 2005. Alexandro Giuseppe Carlucci, Natura's CEO, explains why they chose to invest in the country.

ALEXANDRO GIUSEPPE
CARLUCCI
CEO NATURA



HAS BEING IN FRANCE HELPED YOUR BUSINESS?

Absolutely. It has been a great learning experience for our company. France is a sophisticated market where you have to innovate to succeed. At Natura we believe that innovation is the key to sustainable development, and France is where we've tested many new approaches to our business. We're definitely a more effective company now than we were before we came here.

IS SUSTAINABLE DEVELOPMENT SOMETHING THAT THE FRENCH TAKE SERIOUSLY?

It certainly is. They are passionate about protecting the environment. It's a place where everyone is willing to take positive action towards sustainable development. Of course, this is a fantastic opportunity for Natura. Moreover we are proud to see our brand proposal, beliefs and central mission – making sustainability a 'pillar' of our approach – being valued by the French.

COSMETICS ARE TYPICALLY FRENCH. IS FRANCE A PLACE WHERE NATURA SIMPLY HAS TO BE?

Definitely. Cosmetics are a well-established tradition in France and its companies are the biggest global players in the cosmetics market, so having our brand performing successfully here would be a major achievement. And being here has already taught us a lot of valuable lessons which we can apply to other markets across the world.

WHY DID YOU CHOOSE FRANCE AS THE SITE FOR YOUR FIRST RETAIL OUTLET?

It gives us a strategic advantage, because France is the gateway to the European market. The French economy is fully integrated with the other big countries in Europe. And as the leading player in fashion and luxury goods, France is a trendsetter in cosmetics for the rest of Europe, a continent of over 500 million consumers with strong purchasing power. A company like Natura can't afford to ignore France.

FRANCE IS “
A SOPHISTICATED
MARKET WHERE
YOU HAVE TO
INNOVATE TO
SUCCEED.”

YOUR INVESTMENT IN FRANCE INCLUDES AN AMBITIOUS INTERNET STRATEGY. IS FRANCE RECEPTIVE TO DIGITAL MARKETING?

Internet penetration in France is close to 100 percent. It's also the country with the highest number of bloggers relative to population. We wanted to go beyond e-commerce and leverage the full potential of Web 2.0 to create a genuine social network. France is the ideal place for that. Indeed, our internet platform is generating more traffic than we ever expected.

What do you think of French employees? At any place in the world where Natura is present, we look for employees who share our values and beliefs. In addition to a highly skilled workforce, we have found a favorable environment in France for building a team that is committed to our central mission to build a better world.

NATURA IN FIGURES

FOUNDED IN 1969 IN SÃO PAULO

TURNOVER:
US\$3.2 BILLION (2010)

6,260 EMPLOYEES WORLDWIDE

FRANCE: THE RIGHT BALANCE BETWEEN STABILITY AND INVENTIVENESS

Novo Nordisk A/S is a world leader in diabetes care. The firm also has a dominant position in the fields of hemophilia, growth hormones and hormone replacement therapy. Today, France is one of the company's most important markets. Lars Rebien Sorensen, President and CEO of Novo Nordisk A/S, gives us his point of view.

LARS
REBIEN SORENSEN
PRESIDENT AND CEO OF
NOVO NORDISK A/S



WHAT MAKES FRANCE AN ATTRACTIVE PLACE TO INVEST IN?

France offers a workforce that's capable of manufacturing products of the highest quality. It's given us total confidence that we can implement a large-scale project without jeopardizing our supply chain. For us, it's one of the markets that matters the most.

The French have responded brilliantly to our way of doing things. We have been very impressed by the quality of the labor force that we've recruited in France and by the relationships we've established with the local authorities. In addition, in the field of research and innovation, and compared with other countries, French businesses are well in line with the average with a good standing in terms of non-technological innovations.

HOW WOULD YOU SUM UP THE EXPERIENCE OF INVESTING IN FRANCE?

Our customers, the people with diabetes, depend on the insulin we produce. We can't afford to make mistakes. In France, we can rely on stable production and products of the highest quality. This is the reason why we consider the manufacturing plant in Chartres to be a real production hub. Seventy percent of the output from our Chartres plant is exported to the European market.

Regarding investment aspects, France is very attractive because it is a leading country for technology, with technical skills and effective education and efficient healthcare systems.

WHAT CHANGES HAVE YOU NOTICED IN FRANCE?

Personally, I think that thanks to the research tax credit reform in 2008, France is one of the countries that offers the most generous tax treatment of research and development.

France has radically altered its legislative and regulatory framework, introducing new flexibility into the labor market with, for example, tax exemption of overtime hours and procedures to terminate employment contracts.

THE FRENCH
ARE AMONG THE
MOST INVENTIVE
PEOPLE IN THE
WORLD.

IS FRANCE BUSINESS-FRIENDLY?

France has very high standards of healthcare. It's one of the few European countries with a strong local pharmaceutical industry and it's also got a strong tradition in biotechnology. For us and from a Danish perspective, France appeared like an attractive investment location in Europe, thanks to its quality of life, the excellent infrastructure and the highly qualified workforce. There's no doubt that France is business-friendly, in addition to having the skills in pharmaceutical manufacturing that are essential for the job we do. Personally, I think that the French are among the most inventive people in the world.

WHAT WILL NOVO FRANCE'S STRATEGIC DIRECTION BE IN THE NEXT TWO YEARS? WHAT ACTIVITIES DOES IT INTEND TO EXPAND IN THIS TIME?

Whatever we do in the future, it's important that we continue to invest. In 2012, we will be investing €10 million in more land and a training center at our Chartres production facility.

NOVO NORDISK A/S IN FIGURES

FOUNDED IN 1989

TURNOVER: €8.1 BILLION

30,500 EMPLOYEES WORLDWIDE,
INCLUDING 1,000 IN FRANCE

OTIS

FRANCE: A REAL HUB FOR EUROPE

Otis Elevator Company is the world's leading manufacturer, installer and maintainer of elevators, escalators and moving walkways – a constant, reliable name for more than 150 years.

Otis markets its products in more than 200 countries and territories and has operated in France since 1888. Today Otis has three sites in France. Didier Marchaud-Daniel, CEO of Otis Elevator Company, shares his experiences in the country.

**DIDIER
MARCHAUD-DANIEL**
CEO OF OTIS ELEVATOR
COMPANY



WHEN DID YOUR COMPANY FIRST CHOOSE TO INVEST IN FRANCE?

Otis has actually been operating in France since 1888. We installed our first elevator in the Eiffel Tower, so it's been a long history between France and Otis, which is an American company as you know. We have 5,500 people working here in France. We have three factories: one in Gien, in the center of France; one in Argenteuil, outside Paris, which is a modernization center; and another just outside Paris which is the European parts center in Roissy. So we already have a nice footprint here in France. We continue to invest in France because France is a very central part of Europe. Our factory in the center of the country makes exports for the whole continent, so it is a real hub for Europe. By the way, we are about to celebrate the 50th anniversary of the Gien factory in two or three weeks. We have been running this factory for 50 years, so it is quite a long story really.

WHAT MAKES FRANCE ATTRACTIVE TO YOU AS AN INVESTOR?

There are several reasons, let me give you an example: Otis operates in around 200 countries, where we install and maintain elevators. Eighty-five percent of our business is outside the United States, which means that we are everywhere in the world. As we do the same business everywhere, we can easily compare productivity from one country to another. When I look at the numbers, productivity in France is clearly very good. This is probably one of the main points. The second one is the excellence of the education

WHEN I LOOK
AT THE NUMBERS,
PRODUCTIVITY
IN FRANCE IS
CLEARLY
VERY GOOD.

system. People in universities or *Grandes Ecoles* in France are extremely talented. And the third point, I would say, is the infrastructure. Paris is a great hub, Paris-Charles de Gaulle is a fantastic airport, so we really have all the infrastructure here we need to develop our business.

WHAT ARE YOUR COMPANY'S FUTURE INVESTMENT PLANS IN FRANCE?

Good question. Clearly today we have three sites in France and we export to Europe from our site in Gien. We need the construction business to restart in Europe following the downturn in 2008, but when it picks up, we will invest again for sure. We are the best company in terms of technology, innovation and quality, and even in terms of cost. We are really ready to invest again as soon as the market improves.

OTIS ELEVATOR COMPANY IN FIGURES

FOUNDED IN 1853

TURNOVER: US\$ 11 BILLION

60,000 EMPLOYEES WORLDWIDE,
INCLUDING 5,500 IN FRANCE

PROLOGIS

FRANCE: AN IDEAL PLACE TO CREATE A EUROPEAN LOGISTICS NETWORK

Founded in 1991 in the United States, ProLogis is the leading owner, operator and developer of industrial real estate.

France is one of the company's priority markets.

Walter K. Rakowich, CEO of ProLogis, explains why.



WALTER K. RAKOWICH

CEO OF PROLOGIS

WHY DID YOUR COMPANY CHOOSE TO INVEST IN FRANCE?

Our company invests in and builds distribution centers which we then lease to major multinational companies. One of the reasons that we have invested in France is because it is such a center for logistics. We decided to set up in Aulnay-sous-Bois in Ile de France (Paris region) in 1997 because we were about to create an initial pan-European logistics network. Clearly, we needed to be in France and, clearly, we needed near to the center of France, and this region between Roissy and downtown Paris was the right place to start. Within France you can serve over 200 million people within roughly a one-day truck drive. As such, many companies want to be in France because it is right in the center of where the population is within Europe. I think it is interesting to note that we have invested more in terms of square meters in France than in any other country throughout Europe, so we are very big on pan-European distribution here.

WHAT MAKES FRANCE ATTRACTIVE TO YOU AS AN INVESTOR?

Well there are two reasons. The first is that we are a long-term investor. What we build, we like to hold, and in our view France is a very stable country to own real estate in. The second reason is that our customers also want to be here, because there are probably very few better places out of

which to run a pan-European distribution network. So if our customers want to be here and our investment will be stable in the long term, it's definitely the kind of place we want to invest in.

Clearly, logistics is all about transport and the fluidity of moving goods. What we like about this area are the excellent transport alternatives. We have the airport, public transport, the motorways, the excellent high-speed rail system, and we can also transport goods by rail. As such, this was once again a key strategic decision for us.

WHAT ARE YOUR COMPANY'S FUTURE INVESTMENT PLANS IN FRANCE?

Over the last ten years, we have invested somewhere in the neighborhood of €2 billion in France and I don't see any reason why we won't continue to grow as the economy here grows. It is certainly in our plans to continue to invest here.

“
WITHIN
FRANCE YOU CAN
SERVE OVER 200
MILLION PEOPLE.
”

PROLOGIS IN FIGURES

FOUNDED IN 1991 IN THE UNITED STATES

TOTAL EARNINGS: €1.622 BILLION

1,100 EMPLOYEES WORLDWIDE,
INCLUDING 60 IN FRANCE

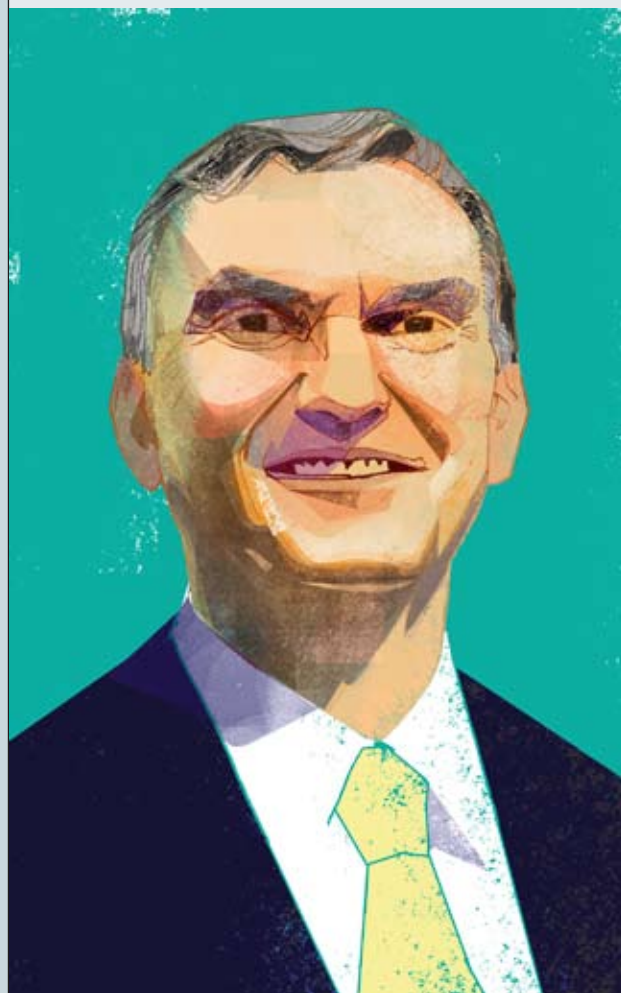
FRANCE: A REWARDING INVESTMENT PLATFORM

Smart Technologies Inc. is a leading provider of collaboration solutions that transform the way the world works and learns.

Created in 1987, the company supplies easy-to-use integrated products and services that are changing how we teach and work worldwide. SMART Technologies opened an office in Puteaux in the Paris area in late 2008. Patrick Lelorieux, explains why.

PATRICK LELORIEUX

VICE PRESIDENT AND
GENERAL MANAGER,
EMEA, SMART TECHNOLOGIES



WHY DID YOUR COMPANY CHOOSE TO INVEST IN FRANCE?

Smart Technologies is a technology company and we decided to pick France for our Europe, Middle East and Africa (EMEA) headquarters, mainly because we were looking for a place where people can move to and also relocate their family. We wanted to be sure to attract people with different nationalities.

WHAT MAKES FRANCE ATTRACTIVE TO YOU AS AN INVESTOR?

If you consider what we were looking for in our headquarters, we basically had two criteria. We wanted to be able to attract the best people for all the different roles, in sales and marketing and services positions, together with their families. So the choice of location needed to be a place where people wanted to come and live, with the necessary infrastructures like schools and a pleasant environment for families. The second point related to our executive briefing centers, where we aim to attract education ministers and CEOs to come and spend time at a seminar in our headquarters. Obviously it is easier to persuade people to come to Paris for two days than to go to many other places.

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FOR A PLACE
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THEIR FAMILY.
WE WANTED
TO BE ABLE TO
ATTRACT THE
BEST PEOPLE.

WHAT ARE YOUR COMPANY'S FUTURE INVESTMENT PLANS IN FRANCE?

Well right now, for the first time, the company is looking to build some research and development facilities outside of Canada so obviously France is a possible location. Today's event was actually very interesting in showing that there is a strong focus in France on really doing what it takes to attract a company like ours to build research and development sites here. We learned about interesting programs that can help our investments to reach a critical mass more quickly. So our next step is to confirm that France is the right place for these new projects.

SMART TECHNOLOGIES IN FIGURES

FOUNDED IN 1987

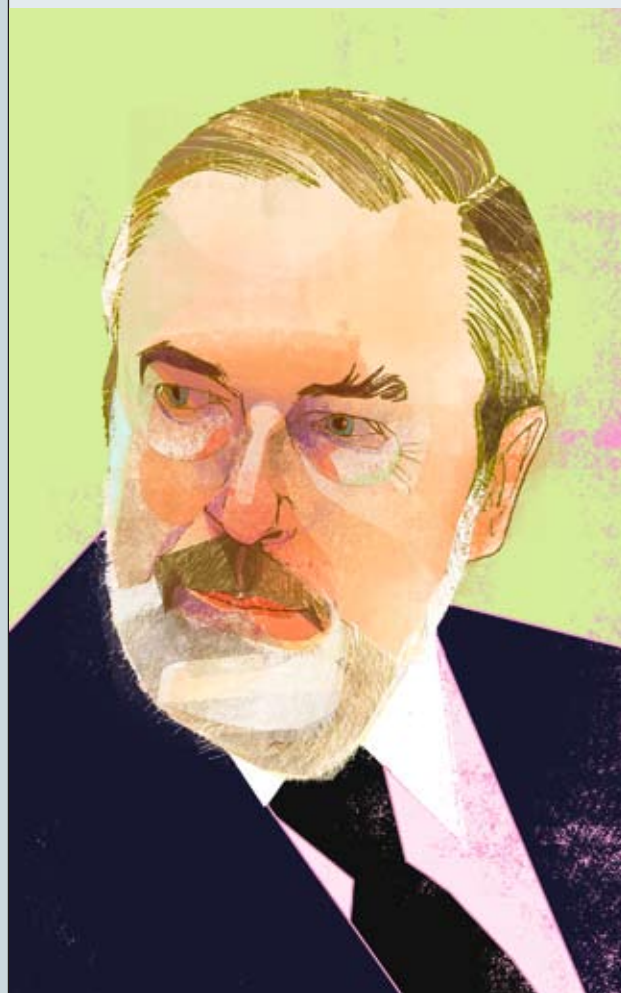
TURNOVER: €465 MILLION

1,600 EMPLOYEES WORLDWIDE

SOLVAY

FRANCE: AN IDEAL PLACE FOR FURTHER INVESTMENT

Solvay is a Belgian multinational founded in 1863 and listed on the Brussels Stock Exchange. It operates in the chemicals sector, developing a wide range of chemical and plastic products and solutions that contribute to improving quality of life and the environment. Historically, the company has been established in France since 1873, longer than any other country outside Belgium. Christian Jourquin explains why Solvay keeps investing in the country.



CHRISTIAN JOURQUIN

CEO OF SOLVAY

WHAT MAKES FRANCE AN ATTRACTIVE PLACE TO INVEST IN?

I believe that in France there are several aspects to the country's political approach to industry which are extremely important. First of all, you have a very clear policy on energy, probably the best energy policy in Europe. I would say that the second very positive aspect is the attention paid to research; the tax credits for research that have been developed lately are really a very positive point. The third aspect is the quality of universities, the quality of the workforce and the quality of civil servants; when you have a problem you can always discuss it with very capable government organizations.

HOW WOULD YOU SUM UP YOUR EXPERIENCE IN FRANCE?

Our experience in France is a very longstanding one. We have been here for 140 years and so we feel at home. We feel very comfortable and that is the reason why we keep investing in the country. As such, we have decided to move our central "Essential Chemicals" decision-making department for Europe to Paris; this is really a very major move and a major move for France too. We have just announced recently that we will be investing, over the space of one year, €100 million into specific areas. You have to consider that over the last five years we will have invested practically half a billion euros in France.

WHAT CHANGES HAVE YOU NOTICED IN FRANCE OVER THE PAST FEW YEARS?

I believe that there has been more attention paid to industry certainly and we see a clear indication of that in the research tax credit, which is extremely important for industry. Also I would mention the intention to reduce the administrative burden on companies; there is a specific study which is underway with recommendations and we hope that these recommendations will be implemented.

FRANCE
PROBABLY
HAS THE BEST
ENERGY POLICY
IN EUROPE.

WHAT MAKES FRENCH ENGINEERS DIFFERENT FROM THEIR COUNTERPARTS ELSEWHERE?

I don't think that it is just engineers, I believe that there is a system of education in France which is excellent with high schools, universities, and a whole scheme of education which I believe is quite exceptional. However, we have to support this and be sure that the stream of new students is coming through, and here promotion of industry is essential.

ARE THERE ANY FIELDS IN WHICH YOU BELIEVE FRANCE IS A WORLD LEADER?

Yes actually there are a number of fields: aerospace, pharmaceuticals, energy and so on. I believe that the advantage of France is that you have a broad scope of activities that are really pulling in talent, and that is what is extremely important today: centers of competence and excellence, innovation clusters, etc.

SOLVAY IN FIGURES

FOUNDED IN 1863

TURNOVER: €7.1 BILLION

16,800 EMPLOYEES WORLDWIDE,
INCLUDING 2,300 IN FRANCE

UPM

UPM AND FRANCE: A LONG-STANDING COLLABORATION

UPM is a world leader in the forest industry. It comprises three business groups: energy and pulp, papers and engineered materials. In France, UPM employs about 1,200 people and has a turnover of about €1 billion. In the last five years, the company has invested a total of €215 million in France.

Hans Sohlström explains why.



HANS SOHLSTRÖM

EXECUTIVE VICE PRESIDENT,
UPM

WHEN AND WHY DID YOUR COMPANY CHOOSE TO INVEST IN FRANCE?

Well, UPM has been here for a long time. We operate five mills here in France, of which the oldest dates back to 1478 and is actually the oldest paper mill in France. Our company has been here for several decades and we feel above all that France is a large, central market. We also feel that, when it comes to our future projects, France is very dynamic. We have also appreciated the very good approach and support from the French authorities and from several ministries.

WHAT MAKES FRANCE ATTRACTIVE TO YOU AS AN INVESTOR?

We are currently planning to invest in completely new technology involving bio-diesel fuels produced from wooden biomass. Out of all of our sites in about 15 countries, we have identified the two most attractive: one in Strasbourg in France and one in Finland. We are currently in the process of applying for the required subsidy scheme from the EU in order to decide in which area to invest. We feel that the attitude of the whole French government has been very helpful and very supportive. In that respect, I think that France can be very proud of their approach. And of course The Invest in France Agency has also been very helpful.

“
WHEN IT
COMES TO
OUR FUTURE
PROJECTS,
FRANCE IS VERY
DYNAMIC.”

WHAT ARE YOUR COMPANY'S FUTURE INVESTMENT PLANS IN FRANCE?

Well we will certainly develop our activities here in the area of the new bio-forest industry. We have been researching and developing a lot of new businesses in the areas of liquid bio-fuels derived from biomass, bio-chemicals and bio-composites, and we can certainly see that there are many investment opportunities in this area in France.

UPM IN FIGURES

FOUNDED IN 1995

TURNOVER: €8.9 BILLION

70 PRODUCTION UNITS IN 15 COUNTRIES

22,000 EMPLOYEES WORLDWIDE, INCLUDING 1,200 IN FRANCE

VUELING

FRANCE: A PRIME MARKET FOR BUSINESS

Vueling is a Spanish budget airline founded in 2004. It has operated in France since 2007 (Paris-Charles de Gaulle) and opened a new base in Toulouse in April 2011. Linda Moreira, Country Manager France, explains what makes France attractive to her company.



LINDA MOREIRA
COUNTRY MANAGER
FRANCE, VUELING

WHY DID YOU CHOOSE FRANCE AS A DESTINATION IN EUROPE?

Well, France is a large country which offers major advantages for Vueling. It is a natural market after Spain, which is our main market; and also there is the potential that France offers in terms of tourism and business opportunities....

HOW DOES VUELING VIEW FRANCE, WHAT DO YOU THINK ARE FRANCE'S KEY STRENGTHS?

Well firstly the tourism sector, because Paris is after all one of the most visited capitals in the world; if you consider everything that the country has to offer whether in terms of culture, gastronomy or business, France just about has it all and for that reason Vueling can't help but "take advantage" by setting up business and investing here. Investing in France is a secure investment for Vueling. Hence our initial choice to invest in Paris and to consolidate our Paris investment, and now, as of April of this year, to expand our business in the rest of France.

WHAT WOULD BE YOUR INITIAL CONCLUSIONS REGARDING THESE INVESTMENT PROJECTS?

Our conclusions are, first of all, that we intend to remain in France, that we are in France to expand our business even further, either in Paris or in other cities around the country...
If we consider everything that France has to offer Vueling, it is a prime market for our business.

“
IF WE CONSIDER EVERYTHING THAT FRANCE HAS TO OFFER VUELING, IT IS A PRIME MARKET FOR OUR BUSINESS.
”

VUELING IN FIGURES

FOUNDED IN 2004

IN FRANCE SINCE 2007

50 AIRPORTS IN 23 COUNTRIES
IN EUROPE

ZTE

FRANCE BELIEVES IN INNOVATION

ZTE Corporation is a publicly-listed global provider of telecommunications equipment and network solutions operating in more than 140 countries. ZTE applied for 1,863 international patents in 2010, putting it in second place in the world for innovation. In France since 2004, Lin Cheng, ZTE's Western Europe CEO explains why France is a great place to develop innovation.

LIN CHENG

WESTERN EUROPE CEO
OF ZTE



WHY DID ZTE CHOOSE FRANCE AS THE SITE FOR ITS EUROPEAN HEADQUARTERS?

First of all, because France occupies a central position in Europe. Europe doesn't have many big cities like Paris, with great infrastructure and connecting flights to every destination in the world. Paris is also a very international city where you can find highly qualified employees.

In addition, you must remember that most of the world's top 500 companies have their regional headquarters in France. We are a global player in our industry and we have to stay in close touch with the other players. The fact that they all have their own regional headquarters in France, and particularly in Paris, makes it easier for us to develop our business in the region.

HOW DO YOU RATE FRENCH RESEARCH?

Innovation is a big part of our business. We work in a field where you have got to offer your customers a new application every day. All those applications have to satisfy customers' needs, which means they have to be developed locally. So doing R&D in Europe – and more specifically in France – is a logical consequence of our operations.

People in France are very innovative. They love innovation. They like having new ideas. France is a country that sets the trends for the rest of the world. So it's an ideal place to do R&D and it has contributed a lot to our business. We have launched a lot of new terminals from France.

WHAT DO YOU THINK OF FRENCH WORKERS?

They are usually highly qualified and very experienced. They are very easy to manage. And they are autonomous: once they understand their environment and the way the company works, they contribute value in quite an independent way.

WHAT ARE FRANCE'S ADVANTAGES AS A MARKET?

It is the second-biggest country in Europe in terms of population, which makes it the second-biggest market in the region for our business. And because of France's history, French companies have a lot of subsidiaries in other countries, particularly in francophone Africa. That gives another dimension to the French market and makes France much more important than other European countries. Because of France's relationships with other countries, being present on the French market is a way of accessing other markets, like Switzerland, Belgium and the North African countries.

FRANCE IS “
A COUNTRY THAT
SETS THE TRENDS
FOR THE REST OF
THE WORLD.”

IS FRANCE AN ATTRACTIVE PLACE TO INVEST?

That's not the right way of putting it. In Europe, you really don't have much choice. Paris is a place you simply have to be. And there are other cities in France too. We chose Poitiers as the location for our skills center. The University of Poitiers has established strong relationships with universities in China and now produces Chinese-speaking graduates who form a pool of potential employees. The local government there has done an incredible amount to help us settle in. Whenever we've had a problem, they have found the solution. The French authorities really do everything they can to make sure your investment is a success.

ZTE IN FIGURES

FOUNDED IN 1985

TURNOVER US\$8,820.7 MILLION

80,000 EMPLOYEES WORLDWIDE,
INCLUDING 30,000 RESEARCHERS

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THEY CHOSE FRANCE

A collection of interviews
with international business
leaders

The Invest in France Agency (IFA) is the national agency responsible for promoting and facilitating international investment in France. It also coordinates initiatives to promote France's investment attractiveness. The IFA network operates worldwide, with offices in France as well as in North and South America, Europe, the Middle East and Asia. In France, the IFA works in partnership with regional development agencies to offer international investors outstanding business opportunities and customized services.

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