

■ Market segment dynamics

Logistics covers more than one million companies with

5 million employees in Europe. There are more than

800,000 employees in France as well as 831,000 in the field of transportation, for a total of approximately

1.7 million employees (source: Ministère de l'Équipement et du Transport - French Ministry of Equipment and Transport). France has been one of the pioneers during the logistics revolution which started in 80s with the development of mass retail and automobiles. Logistics is a sector with ongoing growth, with an increase of roughly 10% of turnover. The growth of these operators should develop further due to the increased use of outsourcing. Today, the service-providers intend to consolidate their position with industrial companies and retailers on the global markets. In addition to a large number of specialized French companies such as Nobert Dentressangle, Stef-TFE, Géodis, FM Logistics, many foreign companies are present in France: Fedex, DHL, Kuehne + Nagel, Arvato services, Schenker, Ziegler, Kaoten Natie, Christian Salvesen, Wincanton, Nippon Express, NYK Logistics. Foreign companies represent 24% of the French market for logistics services.

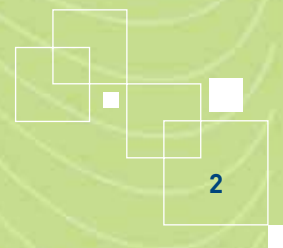
■ France's attractiveness

France has a number of advantages to provide development opportunities to companies in this sector:

- a very favorable geographical location, which offers a natural entry into Europe enabling access to the heart of a market with 450 million consumers;
- a modern, high-performance, and safe infrastructure network that is entirely interconnected with the main countries in Western Europe;
- a mature market that is open to competition and transparent for newcomers, with expertise of players who are present along the entire supply chain;
- real-estate space that is available and supervised by the local authorities, providing an attractive real-estate offering. Rental rates remain very attractive, with an average of 45 euros per m² per year (55 euros per m² per year in the Metropolitan Region of Paris), compared with 70 euros per m² in the Netherlands.

Many international companies have chosen to establish their distribution centers in France to serve their European market: Daimler Chrysler, Ikea, Columbia Sportswear, etc.

Prologis (USA), Gazeley (GB) and Eurinpro (Belgium) are making significant and recurring investments in creating logistics platforms throughout France. These specialized players structure the territory by creating modern platforms which respond to the demand for increased safety and environmental standards. Throughout the French territory, the authorities are supporting the creation of dedicated high quality zones. The creation of the Seine Normandie cluster is part of this effort to develop the logistics chain. This cluster which is based around the Ports of Le Havre and Rouen, should make it possible to position Normandy as the best-performing, multimodal platform in Western Europe.



■ International players in France

- A global supply chain operator with 23,800 employees and operations in 120 countries, Géodis is a European group of companies with a worldwide outlook. Ranked 5th in its industry in Europe, it is well-known for its multi-business and multi-industry service offer, its capacity to control all or a part of the supply chain: distribution (messenger and express delivery services), logistics, transportation of complete consignments and batches, commissioning of air and sea transport, reverse logistics. Initially established in France, where it generates 69% of its turnover, Géodis conducts operations in other countries in Europe, especially Western Europe, and on other continents, in particular Asia, with 9 sites in China. The group has more than 40 brands, each one specialized in a field of activity and/or is a country or regional leader. Géodis has more than 7,000 clients, among them Rhodia, for whom the company handles the European flow of liquid bulk material, Thomson and TLC Thomson Electronic, for whom Géodis is the sole service provider in Western Europe.

- Established in 1973, today, the US company FedEx (Federal Express) is the worldwide leader in the field of express transport with more than 275,000 employees throughout the world and sales of 32 billion US dollars. The company offers rapid and reliable delivery services

to more than 220 countries. FedEx employs 2,500 people throughout France. Started in 1999, the hub at

Roissy-Charles de Gaulle is the largest FedEx hub outside of the United States today (77,000 m²). The hub

at Roissy-Charles de Gaulle centralizes the transit and redistribution of packages across Europe and the entire world, i.e. to 215 countries. The 200 million US dollar investment that was necessary to construct the hub at Roissy-Charles de Gaulle was jointly funded by FedEx and Aéroports de Paris (ADP: Paris Airports). The choice of Roissy as the location for the European FedEx hub was guided by a number of criteria: stable meteorological conditions, a privileged geographical situation in the heart of one of the largest economic regions of Europe, and an airport served by large companies, that offers significant expansion possibilities.