



ALTANA: THE NEW FACE OF FRENCH LAW

ALTANA, a full-service firm with 50 lawyers based in Paris, France, covers public and private M&A, private equity, restructuring, finance, employment, intellectual property, information technology, antitrust, real estate, environment, litigation and arbitration. When it was formed in 2009, Altana was the largest new law firm to emerge in France in almost 15 years, and it is now a serious competitor to some of the most established local and international firms in the French market. Altana prides itself on its partners' hands-on approach with clients over spending time on administrative tasks, which limits its operating expenses and enables Altana to offer competitive rates while maintaining first class service.

Jean-Nicolas Soret, a partner specializing in mergers and acquisitions with a particular focus on private cross-border transactions, group reorganizations and carve outs, took time to discuss Altana's current business and future opportunities.

HOW HAS THE GLOBAL RECESSION IMPACTED YOUR BUSINESS?

The economic downturn combined with increasingly difficult access to financing has created unexpected opportunities for us, such as our recent representation of a private equity fund in the acquisition of a distressed business previously held by a listed company which was facing financial difficulties. Values of profitable businesses are so low right now that opportunities can be found for strategic investors or private equity funds. Certain companies listed on Alternext, the mid-market stock exchange, are easy to identify thanks to the high level of mandatory public information and the strict control of the statutory auditors and the exchange regulator. For example, we recently represented international leading seeds producer Limagrain in its tender offer on and acquisition of Brossard, an industrial bakery listed on Alternext.

WHY SHOULD GLOBAL COMPANIES ENGAGE IN M&A IN EUROPE NOW?

Ernst & Young published a study in November 2012, Opportunities in a Downturn, showing that Europe is

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still very attractive, while France remained in the first semester of 2012 the #2 destination for foreign direct investments in Europe. We accompany our clients in their strategies to adapt to the recession, recently advising retail leader Auchan in the development of the "drive" collect-and-go drive-through concept at its grocery stores. For investors, Europe means certainty and visibility, steady returns and a clear, secured and efficient legal environment with no adverse surprises.

WHAT CLIENTS HAVE YOU HELPED COMPLETE M&AS?

Altana advises a good number of clients headquartered in the U.S., including Johnson Controls, Nike, Quintiles, WStore, Idexx Laboratories, Bank of America and Pfizer. Quintiles is a good example of a recent representation. Quintiles is a U.S.-based service provider to top pharmaceutical companies. It has a network of more than 27,000 professionals spread out in more than 80 countries. We advised Quintiles on the acquisition of a minority stake in a French listed biotech company, through warrants issued as a consideration for cooperation services. We have good contacts with many law firms in the U.S., which helps facilitate cross-border M&A for U.S. companies. We recently worked in cooperation with several firms in the U.S., such as Loeb & Loeb in New York, Smith Anderson in Raleigh or Bartlit Beck in Denver. Some of our partners have been partners of U.S.-based firms in



Jean-Nicolas Soret
at Altana in Paris

the past and we are still on good terms with these firms. We work with firms from all over the world.

WHERE IS ALTANA'S GREATEST OPPORTUNITY FOR GROWTH?

Our greatest opportunity is the globalization of the economy. Our French clients invest outside of France—for example, seed producer Limagrain-Vilmorin recently made a significant investment in India; construction

giants Bouygues and Vinci keep running infrastructure projects outside of France—and foreign investment comes from all over the world. We recently represented a Chinese distributor in its acquisition of a high-tech business in order to better meet its home market demand. Altana adapts to the specifics of each transaction. The range of our expertise and our ability to really cooperate—not just sit in adjacent offices!—enables us to be very agile on the transactions we are involved in.

WHAT UPCOMING LEGISLATION IS OF MOST INTEREST TO YOUR CLIENTS NOW, AND CAN YOU INFLUENCE POLICY?

The existing tax incentive for innovation, the credit d'impôt recherche, is probably one of the best legislations that was passed to help attract investment. All companies investing in innovation can benefit from significant corporate income tax exemptions in France. Outside of this popular tax incentive, Altana is active on the lobbying side: We helped a French senator draft a bill of law on corporate governance. We have close links with various associations, including Medef, the No.1 national association of French employers, with more than 700,000 member companies of all sizes. Altana is an official and active partner of the "Invest in France" agency, the Association Française des Investissements Internationaux, a French governmental organization dedicated to attracting foreign investment in France. In 2012, we spoke at seminars on Korean investment in France, as well as on the acquisition of distressed companies. Altana is also a member of the American Chamber of Commerce in Paris and our partners are members of the International Bar Association.

WHAT SPECIFIC CHALLENGES DO AMERICAN COMPANIES EXPERIENCE IN FRANCE?

The main challenge for all foreign investors is to overcome the common cultural clichés that stick to France's image, such as "France is only good for wine and vacation," or "France is a communist country!" Altana offers a full-scope and flexible M&A team: Our team comprises three partners and six associates and offers all services that U.S. groups would typically

need: public and private M&A, strategic alliances, private equity and distressed M&A. This includes, inter alia, transactions such as acquisitions and sales of assets or shares, tender offers, public to private transactions, carve outs and spin offs, joint ventures, mergers and group reorganizations. We also offer a U.S.-oriented M&A team, with former partners of U.S. firms, as well as lawyers who are either both French and U.S. nationals or who have lived in the U.S. for several years and lawyers who are admitted both to the Paris and to the New York bars.

HOW MUCH BUSINESS ARE YOU SEEING FROM EMERGING MARKETS?

Emerging markets play an increasingly significant role in global M&A, because our clients are investing there and France is viewed as a go-to investment destination for many of their decision makers. We represent clients from India, including Tata International, and China. We also advise clients located in other regions of the world, such as Samsung in Korea and Alrov in Israël. However, Europe and the U.S. remain preferred partners, because we have a common set of cultural and business roots.

WHERE DO YOU SEE ALTANA 10 YEARS FROM NOW?

We want Altana to be one of the top tier firms on the French market. We are already strong in certain industries, such as construction and infrastructure fashion and cosmetics, automotive, technology and entertainment. In the future, we want to become even stronger in other industries where France is expected to remain strong, such as hospitality and lodging, tourism, banking and personal care.

HOW DO YOU ANTICIPATE GLOBAL M&A TO EVOLVE?

We see two strategic ways for law firms to best serve their clients' needs: clients are now spread out in the entire world, which means that firms must be either truly global players, or well established local players with a global reach through a network of top-quality friend firms. Altana chose the second way. Additionally, investors are eager to invest in emerging markets for growth, but the risk is high, so they also need to invest in the U.S. and in Europe for geographical diversification and in order to own investments with a good visibility. I expect emerging markets players will also invest in Europe and in the U.S. for reputation purposes. ■

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