PRESS RELEASE

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Coface's results for the first half of 2012

Sustained growth in turnover and in net profit

- Solid growth in worldwide turnover of 5.8%, including 7.2% in the core business of insurance
- Strong increase in turnover in high-potential emerging markets(*): +21%
- Control over the net combined ratio at 81.6%
- Sharp rise in current operating profit: +25.8%, +13.1% excluding 2011 restructuring costs
- Increase in net profit: +22.5%, +7.0% excluding 2011 restructuring costs
- Strengthening of financial autonomy

"In a deteriorated economic context, Coface has been able both to pursue its growth and support its clients through refined management of risk. Our performance in the first half of 2012 confirms the relevancy of our strategy to refocus on credit insurance," declared Jean-Marc Pillu, Chief Executive Officer of Coface.

1- Key figures

	HY1 2011	HY1 2012	Change €M	Change %
Total turnover	**764**	**808**	**+ 44**	**5.8%**
Insurance	715	766	+ 51	7.2%
Factoring	50	43	- 7	-14.3%
Net loss ratio	55.4%	56.8%	+1.4 pt	
Net cost ratio	24.9%	24.8%	-0.1 pt	
Net combined ratio	80.3%	81.6%	+1.3 pt	
Current operating profit	77	97	+ 20	25.8%
Current operating profit excluding 2011 restructuring costs	*86*	*97*	*+ 11*	*13.1%*
Net profit	**55**	**68**	**+ 12**	**22.5%**
Net profit excluding 2011 restructuring costs	*63*	*68*	*+5*	*7.0%*

(*) Asia and Pacific, Latin America, Central Europe

2. Turnover

The Group's turnover in the first half of 2012 reached €808 million. This increase of 5.8% compared with the same period during the previous year is again due to the sharp increase (7.2%) in turnover from the core business of insurance. The increased financial autonomy of factoring results in a deliberate temporary reduction in financing in relation to this business, explaining the 14.3% fall in net banking profit.

Coface confirmed its expansion in high-potential markets, with double-digit growth in Asia and Pacific (+22.7%), Latin America (+29.6%), North America (+24.7%) and Central Europe (+14.4%). In total, these four regions now account for more than 30% of its premiums, compared with 27% in the first half of 2011. In its traditional markets, essentially European, the increase in turnover was less pronounced due to a slowdown in activity among insured parties, particularly in Northern Europe but also in Western Europe.

In €M	June 2011	June 2012	Change in %
Western Europe	263	267	1.6%
Northern Europe	219	209	-4.8%
Central Europe	52	59	14.4%
Mediterranean and Africa	96	106	10.3%
North America	48	59	24.7%
Latin America	35	45	29.6%
Asia and Pacific	50	62	22.7%
Consolidated turnover	**764**	**808**	**5.8%**

3. Results

The combined ratio for reinsurance is under control. It was 81.6% in the first half of 2012, compared with 80.3% in the first half of 2011 and 85.4% in the second half of 2011.

To achieve this result in a context of a higher claims rate, Coface continued its refined management of risk, stabilising its loss ratio net of reinsurance. This stood at 56.8% in the first half of 2012, compared with 55.4% in the first half of 2011 and 58.8% in the second half of 2011.

Despite this, overall insured receivables increased 3% between 30 June 2011 and 30 June 2012, reflecting the Group's continuing support for the development of its insured parties.

At the same time, Coface strictly controlled its costs and improved its operational efficiency, key areas of its 'Strong Commitment' plan. The cost ratio fell to 24.8% in the first half of 2012, compared with 24.9% in the first half of 2011 and 26.6% in the second half of 2011.

In an environment marked by the eurozone debt crisis, the investment policy remained defensive. The investment portfolio nevertheless generated a financial profit of €23 million, representing a discounted rate of return on assets of 3.8%.

Current operating profit stands at €97 million, up 25.8% (13.1% excluding restructuring costs from the first half of 2011).

Net profit stands at €68 million in the first half of 2012, up 22.5% (7.0% excluding restructuring costs from the first half of 2011).

4. Financial autonomy

During the first half of 2012, a securitisation program was launched in Germany. This €1.1 billion project significantly increased the market financing contribution from factoring, which rose from 13% at 31 December 2011 to 48% at 30 June 2012. Coface will pursue its plan to increase its financial autonomy during the second half of 2012.

5. Financial solidity

The increase in net profit helped strengthen Coface shareholders' equity, which reached €1.537 billion at 30 June 2012 – up 5% compared to 31 December 2011. The debt ratio remained almost zero at 30 June 2012 (0.1%).

The ratings assigned to Coface by Fitch (AA- with a stable outlook) and by Moody's (A2 with a stable outlook) have been confirmed, reflecting the Group's solid financial profile.

6. Outlook

The Group continues to meet its commitments to profitable and autonomous growth, as demonstrated by the solid performance in the first half of the year, despite the difficult economic climate. Although the crisis threatens to continue in Europe, Coface's new model will maintain financial solidity and commercial dynamism for the benefit of its clients.

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