

PRESS RELEASE

Coface World Sector Ratings: Iron and steel, clothing/textile sectors boosted by emerging countries

Paris – December 11, 2007 – Coface’s latest sector-based analysis reveals that emerging countries are playing an increasingly significant role in certain sectors of activity. As a result, the excellent economic climate for the iron and steel and clothing/textile sectors in emerging Europe and Asia is contributing to their worldwide growth.

This observation has been reflected in Coface’s world sector ratings. The Asian iron and steel sector has been upgraded from B to B+. The world textile rating has been upgraded from C to C+ and the world clothing sector rating has risen from C- to C.

The iron and steel sector is seeing a soaring demand from the emerging countries.

In China, the demand for steel, which already represents a third of worldwide demand and is being driven by continued investment in infrastructures and the building sector (as well as by the growth of the automotive, naval mechanics and household electrical appliance industries), should see a further rise of 11% in 2008, having already reached 10% in 2007. We can see the same trend in India, Korea and Taiwan, where the sector’s excellent economic climate should continue into 2008. Production, however, is showing no signs of increasing in the developed countries, and even saw a decline in the United States in 2007. This sector’s rating remains excellent (A) due mainly to the contribution made by the emerging countries.

The emerging countries are asserting themselves in the clothing/textile sectors and raising the quality of their products.

Most of the world’s clothing production is concentrated in the emerging countries. The re-establishment of American and European quotas for certain Chinese articles has promoted Chinese and Euro-Med companies to raise the quality of their products. The former is being done in order to offset the loss in volume in terms of value, and the latter in order to take on a new long-term positioning in products with greater added-value. Textiles and clothing consequently show a low level of risk in emerging Asia and an acceptable level in emerging Europe. This low level of risk, combined with a stabilization of the economic situation of companies in western Europe, has impacted the world ratings for these two sectors, which have been upgraded from C to C+ and C- to C respectively.

“As a result of increased local demand and continuing relocations, production rates in the iron & steel-metallurgy and clothing/textile sectors will show further growth in the emerging zones, notably in Asia,” said Coface economist Dominique Fruchter. “Clothing/textile producers in the emerging regions are raising the quality of their output in order to conquer new markets (both export and import). Indian, Brazilian and Russian, etc, iron & steel-makers are extending their presence throughout the world, including in the developed countries.”

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About Coface

Coface, rated AA (stable outlook) by Fitch Ratings, AA (negative outlook) by S&P and Aa3 (stable outlook) by Moody’s, is a subsidiary of Natixis whose share capital (Tier 1) was 11.6 billion euros end June 2007. Coface’s mission is to facilitate global business-to-business trade by offering its 105,000 customers four product lines to fully or partly outsource trade relationship management and to finance and protect their receivables: credit insurance, company information and ratings, receivables management and factoring. Coface also offers, in France, management of government export guarantees. Thanks to the worldwide local service delivered by 6,000 staff in 64 countries, over 45% of the world’s 500 largest corporate groups are already customers of Coface.

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