

**Coface Holding 2007 Results:**  
**36% rise in net income boosted by factoring and international expansion.**

*Paris – March 18, 2008 – In 2007, Coface Holding experienced a 36% rise in net income boosted by its factoring business line and international expansion activities. Coface Holding was created in July 2007 as the Trade Receivables division of banking group Natixis. The 2007 financial results presented here represent the activities of both Coface and Natixis Factor. The Coface results presented in July 2007 related only to Coface.*

**Highlights**

- ⇒ Revenue up 7.5% (7.8% when comparing similar activities over the last two years excluding removals from scope, acquisitions and exchange rate effects.)
- ⇒ Net income increased 36% and operating income 15%.
- ⇒ International expansion for Coface's four business lines: direct presence in 64 countries at the end of 2007.
- ⇒ Strong growth of 22.4% for factoring. With a presence in 20 countries, Coface operates the first integrated worldwide network by geographical cover.

<i>(in millions of euros)</i>	2006	2007	Change (at constant scope <sup>1</sup> )	Change (at current scope)
<b>Consolidated revenue</b>	<b>1,461</b>	<b>1,571</b>	<b>7,8%</b>	<b>7.5%</b>
⇒ Insurance	1,069	1,111	6,3%	3.9%
⇒ Company information	124.9	145	3,7%	16%
⇒ Receivables management	36.4	44	8,1%	21%
⇒ Factoring	172	210	22,4%	22.3%
⇒ Public procedures management	58	61	4,1%	4.1%
<b>Operating income</b>	<b>242</b>	<b>279</b>		<b>+15.3%</b>
<b>Net income</b>	<b>150</b>	<b>204</b>		<b>+36.3%</b>

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## Activity is increasing, especially in factoring.

In 2007, Coface Holding showed increased revenue of 7.5% compared to 2006. The accelerated rollout of the factoring activity continues, with direct presence in 16 countries at the end of 2007 compared to eight at the end of 2006. Four more have been added since the beginning of 2008. Coface Holding is in the process of becoming the world's leading integrated factoring network by its geographical cover.

- \*The **company information line** reported growth of 16%, partly due to the March 2007 acquisition of Kompass France and Belgium along with their sub-offices. This business line was rolled out in four new countries in 2007.
- \*Revenue from **the receivables management line** rose by 21% compared with 2006. This performance was accompanied by a rapid expansion of this line in many parts of the world. In 2007 this product became available in eight additional countries.
- \*The **credit insurance line** (both domestic and export credit insurance) saw its revenue increase by 3.9% compared to 2006 with two new countries (Romania and Morocco) now offering these services. Revenue from export credit insurance was up 7.4%, driven by the solid performances of German and Austrian exports, the dynamic climate of the Asian market and a strong showing in Italy. Domestic credit insurance grew more modestly, finishing the year up 1.1%. The operating income took advantage of an excellent loss ratio of 49%, the same level as the previous year.
- \*Also on the rise was the **factoring line's** revenue, climbing by 22.3% with growth in factored receivables of 40%. In France, activity is supported by Natixis Factor, which consolidated its number three position in domestic factoring in 2007 with a revenue increase of 16% and growth of factored receivables volume of 18.3%. On an international scale, the division continued its speedy rollout. Starting in Germany in 2000, where Coface Finanz is the market leader, the network has gone from eight countries at the end of 2006 to 16 in 2007 and 20 today.

In 2007, Coface Holding earned nearly 60% of its consolidated revenue outside of France. All geographical areas are experiencing growth except for Great Britain. Growth in the main markets (France, Germany, Italy and the United States) was 8.9%. This figure reached 30% in Spain and 11% in South America.

The €37 million increase in **current operating income** was carried by the financial profit (+ €6 million) and factoring profit (+ €11 million).

Coface Holding's **net income** increased by 36.3% compared with 2006 aided by the lowering of the corporate tax rate in Germany as well as the first consolidation for Cerved, an Italian information provider taken over in December 2007 and equity-accounted.

The **shareholders' equity** stood at €1,253 million at the end of 2007 compared to €1,085 million one year earlier. The return attained 16%, taking into account the impact of the tax rate in Germany.

The **loss ratio** was 42%, combining an excellent loss ratio in factoring (7%) with a very good one in credit insurance (49%).

### **Best worldwide coverage for each of its four business lines**

With a direct presence in 64 countries at the end of 2007, Coface Holding is the worldwide leader for each of its four business lines in terms of geographical presence. The company intends to strengthen and reinforce this lead. The aim of the international rollout is to satisfy customers needs, especially big companies that require trade receivables management tools all over the world. In 2007, Coface opened offices in Luxembourg, Serbia, Morocco and the Emirates. Coface will establish a direct presence in Egypt, its 65th country, in 2008.

Because of the Coface CreditAlliance network, created in 1992, Coface can provide its customers with service in 38 countries in Europe, 17 in Asia, 33 in Africa and Middle East and 14 in North and South America.

### **Coface strengthens its rating expertise.**

In 2007 Coface received approval for its status as an ECAI (External Credit Assessment Institution) from the Banking Commission for its company solvency rating activities in France. In January 2008, Coface also announced its news "Business Climate" rating, making available to everyone its longstanding and thorough experience with the reality of the business climate (financial transparency, legal environment) to improve the approach to credit risk on companies. The BusinessClimate@rating, draws on Coface's experience in risk underwriting, company information, and receivables management gained through its worldwide network of local operations. Like Country@ratings, the new ratings fall on a scale with seven levels in increasing order of risk, A1, A2, A3, A4, B, C, and D, where A1 represents least risk.

### **Outlook for 2008**

*"The loss ratio in 2007 is fine for the fifth year in a row,"* explains Jérôme Cazes, CEO of Coface Holding. *"However, we foresee an increase for 2008, more moderate than during the 2001 crisis as companies are much stronger today on average: if a slowdown affects the United States (but no recession), payment defaults should increase by 10% in the world in 2008, one-third of the total rise that occurred in 2001."*

Since January 2008, Coface has observed a clear increase in payment defaults in North America beyond sectors directly connected to real estate: difficulties are already affecting real economy. Outside North America, the impact of the crisis is still weak, but harder credit granted conditions

and a growth decline is expected. It is already possible to note harder business relations (payment delays, rise in litigations).

Preventive measures have already been implemented within Coface since the second half of 2007. Risk monitoring has been significantly reinforced, in connection with the company information activity. Additionally, rates for new credit insurance contracts have been trending up in markets where Coface has a direct presence. Coface considers that these measures are necessary but sufficient to carry on supporting its customer operations while limiting the disadvantageous impact on its accounts.

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**About Coface Holding**

Coface Holding, Natixis' Trade Receivables line, brings together Coface and Natixis Factor. Coface Holding offers its 120.000 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. Abroad, Coface Holding is present through Coface's network of specialized brokers and local partners within the CreditAlliance Network. Thanks to the worldwide local service delivered by 6,000 staff in 65 countries, over 45% of the world's 500 largest corporate groups are already customers of Coface.