

## **PRESS RELEASE**

September 20, 2007

# **Coface shows strong profitability and sustained growth in the first half of 2007**

Paris – September 20, 2007 – Coface, the global provider of trade receivables management and protection services, announced strong financial results for the first half of 2007. The period was marked by a significant increase in net income (+26.2%) and sustained revenue growth (+8.3% compared with the first half of 2006). These results are in line with the Coface objective of achieving a higher growth rate than its main competitors.

Other Coface news was also announced:

- Creation of Coface Holding, a Coface and Natixis Factor holding company
- Opening of new offices in Luxembourg, Serbia, Morocco and the Emirates, bringing the number of countries in which Coface has a direct presence to 64
- Creation of Global Deals Team to improve service provided to multinational groups
- External Credit Assessment Institution status awarded to Coface by the banking commission in France
- EASYNUMBERS, based on a universal company identification system, have been assigned to 21 million companies
- A new soccer stadium in Mainz, Germany, will be named Coface Arena

### **FIRST HALF RESULTS**

**Revenue** for the half-year period reached €725m, up 8.3% at current consolidation scope. At constant consolidation scope and exchange rates, revenue increased by 8.2%, with the negative deconsolidation effects due to the upward revision of the consolidation thresholds being offset by the positive effects generated by acquisitions. At current scope, and not including disintegrations, growth is +10.8%.

All the business lines have reported growth:

- The insurance line has reported growth of 5.5% at €574m (+7.8% excluding consolidation withdrawals).
- Revenue in the credit management services line (company information and receivables management) total €90m (+21.1%). This line has benefited from the recent acquisitions of Kompass (company information database) in France, Belgium and Spain and Dafsaliens (corporate hierarchies).
- Factoring continues to show very strong growth at +32.9% at €33m.
- Revenue generated by the public procedures managed by Coface on behalf of the French State has reached €29m (+6.8%).

All the geographical zones have reported growth, with the exception of the English market, where the portfolio of credit insurance contracts has been streamlined after a poor year in 2006. Coface's traditional

markets (France, Germany and Austria) reported an increase of +8.9% (excluding the de-consolidation effect). The growth rate in Spain reached +32.5% and North America posted growth of +26.7%.

**Operating income** was €128m, an increase of 16.5% compared to June 30, 2006. The following performances are worth noting:

- Operating income in the insurance line is stable at €65m. This stability, however, conceals a 10% improvement, in view of the exceptional favorable VAT effect in 2006. This result reflects a 1-point improvement in the loss ratio (at 46%) compared to the first half of 2006 (which was already historically low).
- The operating income generated by the credit management services line showed growth of 30.8% (at €12m) at the end of June 2007.
- The factoring line's operating income increased by 20% (at €12m) at the end of June 2007.
- Non-operating revenues and expenses (excluding financing charges) totalled €37m on June 30, 2007, representing an increase of 49.7% compared with June 30, 2006, due to favorable market conditions.

**Net income** totaled €86.1m, representing an increase of 26.2% compared with June 30, 2006.

### **COFACE HOLDING CREATED**

July 2007 saw the creation of Coface Holding, a Coface and Natixis Factor (Natixis' factoring subsidiary) holding company. Owned 100% by Natixis, the company brings together all the resources of the bank's Trade Receivables line -- credit-insurance, factoring, company information and receivables management.

Operationally, Coface Holding will facilitate certain acquisition or debt operations carried out by Coface, by making a clearer distinction between its operational insurance company activity and its holding operations, now that the group includes more than 190 companies in 64 countries.

Strategically, the creation of the holding company achieves the following:

- It reflects the consolidated strength of the offer. With revenue of €792 million and pro forma earnings of €107 million in the first half of the year, Coface Holding is among the world leaders in each of its four business lines, the leader in the French market and the only company capable of providing its clients with such a broad offer.
- Coface Holding is re-asserting the multi-network strategy developed by Coface. Products and services are made available under the Coface brand-name or via white labelling. This enables Coface partners, both in France and throughout the world, to provide their own clients with better service.

### **WORLDWIDE ROLL-OUT CONTINUES WITH NEW OFFICES**

Coface opened new offices in Luxembourg, Serbia, Morocco and the Emirates, bringing the number of countries in which it has a direct presence to 64. The second half of the year should also see the inclusion of Egypt. This international development strategy enables the company to provide direct service in 30 countries in Europe, 10 in Asia, 12 in Africa and the Middle East, and 12 in North America and Latin America.

In the first half of 2007, Coface continued with the implementation of its four business lines in the countries where it has a presence. As a result, Coface has brought its factoring network up to 12 countries, now covering Poland, Austria, the United States and Canada. The credit-insurance line has also been extended to Morocco, Bahrain, Vietnam, and Romania. It consequently now covers 75 countries.

## **GLOBAL DEALS TEAM CREATED**

More than 45% of the world's 500 largest corporations are already Coface customers. In order to improve the services provided to multinational groups, Coface recently created a "Global Deals" team, specifically dedicated to these major accounts.

## **COFACE APPROVED AS A RATING AGENCY FOR THE BANKS**

Because of its Score@rating product, Coface has received approval for status as an ECAI (External Credit Assessment Institution) by the Banking Commission for its rating activity in France. The Score@rating provides financial establishments with probabilities of default.

## **MORE THAN 21 MILLION COMPANIES ALREADY REFERENCED WITHIN EASYNUMBER**

EASYNUMBER is a universal company identification system that functions via a single number. The system has been jointly developed by Coface and CreditReform, the two European leaders in the Credit Management services sector in Europe (company information and receivables management). EASYNUMBERS have been assigned to more than 21 million companies in more than 100 countries, with an objective of reaching 50 million companies by 2008.

## **GERMAN SOCCER STADIUM NAMED "COFACE ARENA"**

Coface Deutschland has recently signed an agreement with soccer club "Mainz 05 to christen their new stadium "Coface Arena". The inauguration is schedule for 2009.

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### **About Coface**

Coface, rated AA+ by Fitch Ratings, AA by S&P and Aa3 by Moody's, is a subsidiary of Natixis whose share capital (Tier 1) was 11.6 billion euros at the end of 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. Due 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.

[www.coface.com](http://www.coface.com)