PRESS RELEASE

Paris, 5 May 2015

Coface begins 2015 with robust results: increased turnover and profitability in Q1

- Growth in turnover : +5.3% at current scope and exchange rates (+2.3% at constant scope and exchange rates)
- Client retention rate remains high at 91.8 %
- Improvement in combined ratio after reinsurance to 77.5% : -0.2 points vs. Q1 2014 and -2.2 points compared with FY 2014
- Operating income +6.1%[1] and net income group share +10.7%[2], at constant scope and exchange rates

Unless otherwise stated, changes are in comparison with results at 31 March 2014

Jean-Marc Pillu, CEO of the Coface Group, commented:

« We begin 2015 with robust results: the Group's growth and profitability are satisfactory and demonstrate the steadfastness with which the Group is implementing its strategy in a still mixed economic environment. The weaknesses seen in certain sectors across the world are affecting companies' financial solidity and are an invitation to remain watchful. The Group continues to accompany its customers through sound risk management, securing both their own results and those of Coface. »

Published results for 2014 have been restated to take into account the impact of IFRIC 21

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1 : Change at constant scope and exchange rates. Operating income includes financing costs (€0.6M for Q1-2014 and €4.6M for Q1-2015) and is restated to exclude the following items: interest charges for the hybrid debt (€0.2M), charges linked to the initial public offering (€1.3M) at 31 March 2014; interest charges for the hybrid debt (€4.0M) and portfolio buyout costs linked to the restructuring of the distribution network in the US & other operating costs (€2.1M - See note 18 of Q1-2015 financial statements) at 31 March 2015.
2 : Change at constant scope and exchange rates. Net income group share is restated to exclude the following items: interest charges for the hybrid debt (€0.2M), charges linked to the initial public offering (€1.3M) at 31 March 2014 ; interest charges for the hybrid debt (€4.0M) and operational costs linked to the restructuring of the distribution network in the US & other operating costs (€2.1M - See note 18 of Q1-2015 financial statements) at 31 March 2015. A normalised tax rate Q1-2014 has been applied to these items.

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Key figures as at 31 March 2015

The board of directors of Coface SA examined the consolidated financial statements for the period ending 31 March 2015 during its meeting on 5 May 2015. Data relating to the first three months of 2015 have been reviewed by the Audit Committee.

Income statement items - in €M	Q1-2014 published	Q1-2014 *restated IFRIC 21	Q1-2015	Change Q1-2014 restated IFRIC 21 vs. T1-2015	Change on a like-for-like basis[3]
Consolidated turnover	**370**	**370**	**389**	**5.3 %**	**2.3 %**
of which earned premiums	*287*	*287*	*307*	*6.8 %*	*2.9 %*
Underwriting income after reinsurance	46	45	50	10.6 %	
Investment income net of expenses	9	9	13	42.7 %	
Operating income	53	53	61	15.0 %	
Operating icome, excluding restated items[4]	**54**	**54**	**62**	**15.7 %**	**6.1 %**
Net income (group share)	37	36	40	11.3 %	-0.6 %
Net income (group share), excluding restated items[5]	**38**	**37**	**45**	**20.0 %**	**10.7 %**

Key ratios	Q1-2014	Q1-2014*	Q1-2015	Change Q1-2014 restated IFRIC 21 vs. T1-2015
Loss ratio before reinsurance	52.3%	52.3%	49.8%	-2.5 pts
Cost ratio after reinsurance	25.0%	25.4%	27.7%	+2.3 pts
Combined ratio after reinsurance	**77.3%**	**77.7%**	**77.5%**	**-0.2 pts**

Balance sheet items - in €M	31/12/2014	31/12/2014*	31/03/2015	Change Q1-2014 restated IFRIC 21 vs. T1-2015
Total equity (group share)	**1 724**	**1 725**	**1 819**	**+5.5%**

3 : At constant scope and exchange rates.
4 : Operating income includes financing costs (€0.6M for Q1-2014 and €4.6M for Q1-2015) and is restated to exclude the following items: interest charges for the hybrid debt (€0.2M), charges linked to the initial public offering (€1.3M) at 31 March 2014; interest charges for the hybrid debt (€4.0M) portfolio buyout costs linked to the restructuring of the distribution network in the US and other operating costs (€2.1M - See note 18 of Q1-2015 financial statements) at 31 March 2015.
5 : Net income group share is restated to exclude the following items: interest charges for the hybrid debt (€0.2M), charges linked to the initial public offering (€1.3M) at 31 March 2014 ; interest charges for the hybrid debt (€4.0M) and operational costs linked to the restructuring of the distribution network in the US & other operating costs (€2.1M - See note 18 of Q1-2015 financial statements) at 31 March 2015. A normalised tax rate Q1-2014 has been applied to these items.

1. Turnover

In the first quarter of 2015, Coface registered a turnover of 389.6 million euros, up 5.3% compared with the first quarter of 2014 (+2.3% at constant scope and exchange rates).

This further increase demonstrates the impact of initiatives undertaken to boost Coface's commercial performance over the last two years.

The Group continues to experience good growth in emerging markets and North America. The more mature economies are still subject to strong competitive pressures.

Client retention remains at a high 91.8%[6] level for the first quarter of 2015.

Turnover in €M	Q1-2014	Q1-2015	Change	Change on a like-for-like basis[7]
Western Europe	122.4	**119.9**	-2.1%	-3.9%
Northern Europe	93.6	**91.3**	-2.4%	-0.9%
Mediterranean & Africa	58.1	**65.9**	+13.4%	+11.3%
North America	27.0	**33.8**	+25.2%	+5.2%
Central Europe	28.6	**28.4**	-0.8%	-0.9%
Asia Pacific	20.7	**28.1**	+36.0%	+17.7%
Latin America	19.6	**22.2**	+13.0%	+15.1%
Consolidated turnover	**370.0**	**389.6**	**+5.3%**	**+2.3%**

2. Results and financial solidity

The Group is managing its combined ratio well: at 77.5%, this showed an improvement of 0.2 points compared with the first quarter of 2014 and of 2.2 points compared with the full year 2014.

Despite numerous areas of weakness affecting the macroeconomic environment, and in the emerging markets in particular, Coface's loss ratio before reinsurance remains under control at 49.8%, down by 2.5 points compared with the first quarter of 2014 and by 0.6 points compared with the ratio recorded for the full year 2014.

Published results for 2014 have been restated to take into account the impact of IFRIC 21

6 : Retention measured at 31 March 2015.
7 : At constant scope and exchange rates.

The Group's cost ratio after reinsurance was 27.7%, up 2.3 points compared with the first quarter of 2014 – an increase which correlates directly with the growth in turnover in emerging markets, where the majority of sales are handled through brokers or partners. The cost ratio, moreover, improved by 1.6 points compared with the full year 2014.

Operating income[8] rose by 6,1% to 62 million euros and net income (group share) by 10.7% to 45 million euros, excluding restated items[9].

The Group strengthened its equity. At 31 March 2015, total equity stood at 1 819.5 million euros[10]. The increase is mainly due to positive net income of 40.3 million euros and the increase in revaluation reserves for available-for-sale financial assets and in conversion reserves.

3. Outlook

The timid recovery observed in the world economy in 2014 was confirmed in the first quarter of 2015 and is expected to continue over the rest of the year. However, this recovery is subject to some head winds. While activity remains dynamic in the US and is accelerating in the Euro zone, growth in emerging markets is slowing, and a certain number of emerging countries are experiencing generalised or sector-specific difficulties. In this context, Coface will continue to implement its profitable growth model which combines commercial dynamism – based on innovation, multi-channel distribution and an extensive international presence – with prudent risk management, in order to help companies grow as safely as possible.

Published results for 2014 have been restated to take into account the impact of IFRIC 21

8 : Operating income includes financing costs (€0.6M for Q1-2014 and €4.6M for Q1-2015) and is restated to exclude the following items: interest charges for the hybrid debt (€0.2M), charges linked to the initial public offering (€1.3M) at 31 March 2014; interest charges for the hybrid debt (€4.0M) portfolio buyout costs linked to the restructuring of the distribution network in the US and other operating costs (€2.1M - See note 18 of Q1-2015 financial statements) at 31 March 2015.
9 : Net income group share is restated to exclude the following items: interest charges for the hybrid debt (€0.2M), charges linked to the initial public offering (€1.3M) at 31 March 2014 ; interest charges for the hybrid debt (€4.0M) and operational costs linked to the restructuring of the distribution network in the US & other operating costs (€2.1M - See note 18 of Q1-2015 financial statements) at 31 March 2015. A normalised tax rate Q1-2014 has been applied to these items.
10 : Total equity IFRS.

P R E S S   R E L E A S E

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FINANCIAL CALENDAR 2015

18 May 2015 : Annual General Meeting of Shareholders

29 July 2015 : publication of H1 2015 results

FINANCIAL INFORMATION

This press release, as well as Coface SA's integral regulatory information, consolidated accounts and Q1 analyst presentation, can be found on the Group's website: http://www.coface.com/Investors

About Coface

The Coface Group, a worldwide leader in credit insurance, offers companies around the globe solutions to protect them against the risk of financial default of their clients, both on the domestic market and for export. In 2014, the Group, supported by its 4,406 staff, posted a consolidated turnover of €1.441 billion. Present directly or indirectly in 98 countries, it secures transactions of 40,000 companies in more than 200 countries. Each quarter, Coface publishes its assessments of country risk for 160 countries, based on its unique knowledge of companies' payment behaviour and on the expertise of its 350 underwriters located close to clients and their debtors.
In France, Coface manages export public guarantees on behalf of the French State.

www.coface.com

Coface SA. is listed on Euronext Paris – Compartment A
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