

Paris, 04 May 2007

**A dynamic first quarter 2007 for Euler Hermes:
net profit up 29% at 111.5 million euros**

The Directoire presented the non-audited results for the first quarter of 2007 to the Euler Hermes Supervisory Board on May 4th, 2007.

Key figures

| in €million | Q1 2007 | Q1 2006 | Variation in amount | Variation in % |
|---|--------------|-------------|---------------------|----------------|
| Turnover | 512.8 | 498.5 | 14.3 | 2.9% |
| Technical income | 97.8 | 72.0 | 25.8 | 35.8% |
| Net financial income (excluding financial costs) | 80.1 | 66.0 | 14.1 | 21.4% |
| Operating income | 177.9 | 138.1 | 39.8 | 28.8% |
| Net consolidated result | 111.5 | 86.3 | 25.2 | 29.2% |
| Net combined ratio insurance activities | 76.2% | 80.4% | | |
| Net combined ratio global (including services margin) | 67.0% | 69.2% | | |

1. Turnover

At the end of March 2007, Euler Hermes' consolidated revenues amounted to 512.8 million euros, up **2.9%** compared to the first quarter of 2006. At constant consolidation and exchange rates, the commercial activity of the group increased by **4.4%** during the first quarter 2007.

In the Eurozone, turnover was buoyed by activity growth in France (6.6%), Italy (3.2%) and the Nordic countries (11.3%), while in Germany turnover was down 1.1% due to the strong competitive environment and decrease of inwards reinsurance contracts.

In the United Kingdom, activity was up slightly this quarter after two years of premium decrease.

In the United States, turnover growth remained very dynamic (up 21.9% at constant exchange rates) thanks to the extension of Euler Hermes' commercial network.

In the new markets (Central and Eastern Europe, Southern Europe, Latin America and Asia), revenue growth reached 16.7% (at constant consolidation and exchange rates) compared to the first quarter of 2006. These markets now account for 10.5% of the group's consolidated revenues.

Revenues by country (based on earned premiums):

| in €million | 31/03/2007 | 31/03/2006 (1) | 31/03/2006 (2) | Change 2007/2006 | Change 2007/2006 pro-forma |
|--------------------------------------|--------------|-------------------|-------------------|---------------------|----------------------------------|
| Germany | 169,9 | 173,7 | 171,9 | -2,2% | -1,1% |
| France | 96,6 | 90,6 | 90,6 | 6,6% | 6,6% |
| Italy | 58,0 | 56,2 | 56,2 | 3,2% | 3,2% |
| United Kingdom | 53,7 | 52,2 | 53,3 | 2,9% | 0,7% |
| United States | 38,5 | 34,6 | 31,6 | 11,5% | 21,9% |
| Belgium | 19,2 | 19,2 | 19,2 | -0,1% | -0,1% |
| Netherlands | 11,7 | 12,0 | 12,0 | -2,2% | -2,2% |
| Nordic countries | 10,9 | 9,6 | 9,8 | 13,1% | 11,3% |
| Sub-total for main countries | 458,5 | 448,0 | 444,5 | 2,3% | 3,1% |
| of which Euro zone share | 366,3 | 361,3 | 359,6 | 1,4% | 1,8% |
| Sub-total for new markets (3) | 54,3 | 50,4 | 46,6 | 7,7% | 16,7% |
| Euler Hermes | 512,8 | 498,5 | 491,1 | 2,9% | 4,4% |

Note: (1) IFRS turnover pro forma after deduction of premium rebates
(2) Pro forma figures after deduction of premium rebates from turnover, adjusted for currency translation differentials and changes in consolidation scope: Euler Hermes' consolidated revenues are calculated using average exchange parities for the first quarter 2007.
(3) In view of the expansion of the Polish insurance company, the methods for determining its revenues were revised in 2006. In order to provide a comparable basis, the data for the previous year have been restated pro forma.

2. Operating income

The **combined ratio for the first quarter 2007** came in at **67.0%** versus 69.2% in the first quarter of 2006. This improvement is mainly due to a lower claims rate. Net loss ratio decreased from 52.8% during the first quarter of 2006 to 48.5% during the first quarter of 2007. Net cost ratio was up slightly compared to the first quarter of 2006 due to some exceptional items.

The growth in Euler Hermes' operating income mainly benefited from a reinsurance optimization strategy, resulting in retention increase. The cession rate to reinsurance was close to 29% at the end of the first quarter of 2007 versus 37% for the same period in 2006. This resulted in net premium income growth above 16%.

Financial income in first quarter 2007 was 80 million euros, up 21%. This result mainly derived from net realised capital gains on the portfolio totalling 57 million euros versus 43 million euros in the first quarter of 2006.

The market value of the financial portfolio came to 3,462 million euros at the end of first quarter 2007, compared with 3,349 million euros at 31 December 2006, an increase of 113 million euros.

The good performance of both the underwriting result and the financial income produced an **operating income of 177.9 million euros**, up 28.9%.

3. Net income

After financial expenses and taxes, Euler Hermes' **net income** amounted to **111.5 million euros**, up 29.2% compared with first quarter 2006.

4. International development

Since the beginning of 2007, Euler Hermes has increased its international development:

- opening of commercial offices in Argentina and in Dubai
- acquisition of one-third of the net equity of ICIC, the leading credit insurer in Israel
- increase from 42% to 50% of its shareholding in COSEC, the leading Portuguese credit insurer
- acquisition of United Mercantile Agencies (UMA), one of the leading companies in commercial collections and trade receivable management in the United States
- the launch of a commercial collections office in Ireland

5. Management Board

The Euler Hermes' Supervisory Board renewed the mandates of the four members of the Management Board for a three years period. Members of the Management Board are CEO Clemens von Weichs, Gerd-Uwe Baden, Nicolas Hein, and Michel Mollard.

6. General Meeting

At Euler Hermes' general shareholders' meeting to be held on Wednesday, May 9th, the cash payment of a dividend of 4.00 euros for 2006 will be proposed. The dividend will be paid on May 11th, 2007.

Euler Hermes is the world-wide leader in credit insurance and one of the leaders in bonding and guarantees. With 5,500 employees in 49 countries, Euler Hermes offers a complete range of services for the management of customer receivables. The group **posted a consolidated turnover of 2.01 billion euros in 2006.**

Euler Hermes, subsidiary of AGF and a member of Allianz, is listed on Euronext Paris. The group and its principal credit insurance subsidiaries are rated AA- by Standard & Poor's.

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