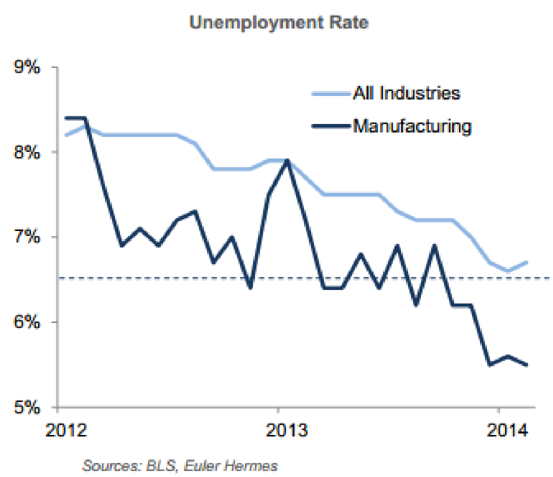
Press release

Euler Hermes: U.S. manufacturing reindustrialization should continue;
Recent employment gains are final piece of the equation

BALTIMORE, MD. – April 16, 2014 – There is significant evidence that the resurgence of United States manufacturing will continue, according to Euler Hermes, the world's leading provider of trade credit insurance. Many factors contributing to the industry's performance have improved as detailed in the company's new economic report, *The Reindustrialization of the U.S. – A 2014 Update.*

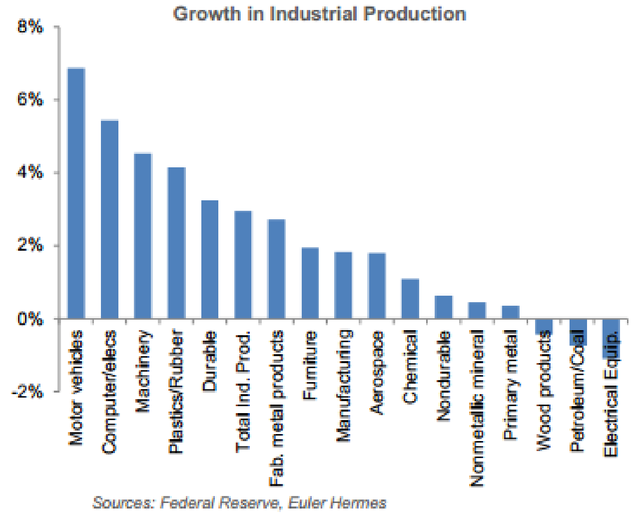
The U.S. has among the lowest labor costs in the industrialized world and is awash in cheap energy, making it attractive for businesses to re-shore by bringing their operations back to the U.S. In addition, recent Institute of Supply Management (ISM) surveys confirm that the last piece of the manufacturing renaissance is falling into place: employment. Total manufacturing employment has grown for seven consecutive months ending in February, more than erasing job losses suffered April-July 2013. While the overall U.S. unemployment rate has fallen to 6.7%, it has plunged to 5.5% within the manufacturing industry, well below 7.9% recorded at the beginning of 2013 and the 2000-2009 average of 6.6%.



"The U.S. manufacturing rebound is advancing even faster than we previously expected," said Dan North, Euler Hermes North America Chief Economist. "Businesses are expected to invest $500 billion in U.S. manufacturing in 2014, and a recent survey indicated that 54% of executives are planning to re-shore or are seriously considering it. Labor costs and skill, proximity to customers, lower transportation costs and supply chain efficiencies are making the U.S. an increasingly desirable place for manufacturers to expand their businesses."

Manufacturing output measures are also rebounding strongly from a soft patch in 2013.

- Manufacturing industrial production has risen for five consecutive months, with a temporary weather-related setback in January, followed by a sharp recovery in February.
- The auto manufacturing subsector is expected to continue its strong performance with sales growth of 4% in 2014, while chemical production will rebound from 2013 weakness to grow 3% in 2014.
- Manufacturers' new orders for durable goods have risen 5.6% over the last 12 months, well above the long-term average of 3.4%.
- The total manufacturing and new orders subcomponent of the ISM surveys rebounded to 53.7 in February and 55.1 in March, a sign of increasing sector expansion when the index is over 50.



The Next Steps for Reindustrialization

While a firming economy has caused the federal government to start tapering its quantitative easing (QE) program, it is likely to only have limited effects on the manufacturing resurgence. Monetary policy will remain very loose and is expected to contribute to growth in manufacturing, along with other sectors. In addition, as QE tapering drives up the spread between long-term and short-term rates, credit conditions may ease further boosting the industry. On the downside, QE tapering has driven up interest rates, which has in turn temporarily slowed the housing recovery. A strengthening dollar can also make exports more expensive and imports cheaper.

“Manufacturing could also receive a substantial boost from tax reform,” said North. “The U.S. has one of the world’s highest corporate tax rates, while also using a worldwide tax system – taxing profits both where they are made and back in the U.S. This has caused companies to keep $2 trillion locked up overseas. Lowering and flattening rates, reducing deductions, and switching to a territorial tax system – which only taxes profits where they are made – could unleash that cash for productive manufacturing investment.”

\# # #

Media Contacts

Euler Hermes Americas Media Relations
Morgan Salinger – +1-212-931-6158
msalinger@peppercomm.com

Laura Crovo – +1-410-753-0862
Laura.Crovo@eulerhermes.com

Euler Hermes Group Media Relations
Remi Calvet – +33 (0) 1 84 11 61 41
remi.calvet@eulerhermes.com

Euler Hermes North America Insurance Company's regional headquarters for the United States, Canada and Brazil is located in Owings Mills, Md. Founded in 1893, Euler Hermes is North America's largest and longest-established provider of trade credit insurance and accounts receivable management solutions. The company protects and insures around $150 billion of regional trade transactions annually, serving small, medium and multinational clients across a range of sectors. The company employs 430 people regionally and serves clients from more than 50 locations in North America and Brazil.

Euler Hermes is the global leader in trade credit insurance and a recognized specialist in the areas of bonding, guarantees and collections. With more than 100 years of experience, the company offers business-to-business (B2B) clients financial services to support cash and trade receivables management. Its proprietary intelligence network tracks and analyzes daily changes in corporate solvency among small, medium and multinational companies active in markets representing 92% of global GDP. Headquartered in Paris, the company is present in over 50 countries with 6,000+ employees. Euler Hermes is a subsidiary of Allianz, listed on Euronext Paris (ELE.PA) and rated AA- by Standard & Poor's and Dagong. The company posted a consolidated turnover of €2.5 billion in 2013 and insured global business transactions for €789 billion in exposure at the end of 2013. Further information: www.eulerhermes.com, LinkedIn or Twitter @eulerhermes.

Cautionary note regarding forward-looking statements: The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Euler Hermes Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) persistency levels, (v) the extent of credit defaults, (vi) interest rate levels, (vii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (viii) changing levels of competition, (ix) changes in laws and regulations, including monetary convergence and the European Monetary Union, (x) changes in the policies of central banks and/or foreign governments, (xi) the impact of acquisitions, including related integration issues, (xii) reorganization measures, and (xiii) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.
The company assumes no obligation to update any forward-looking statement.