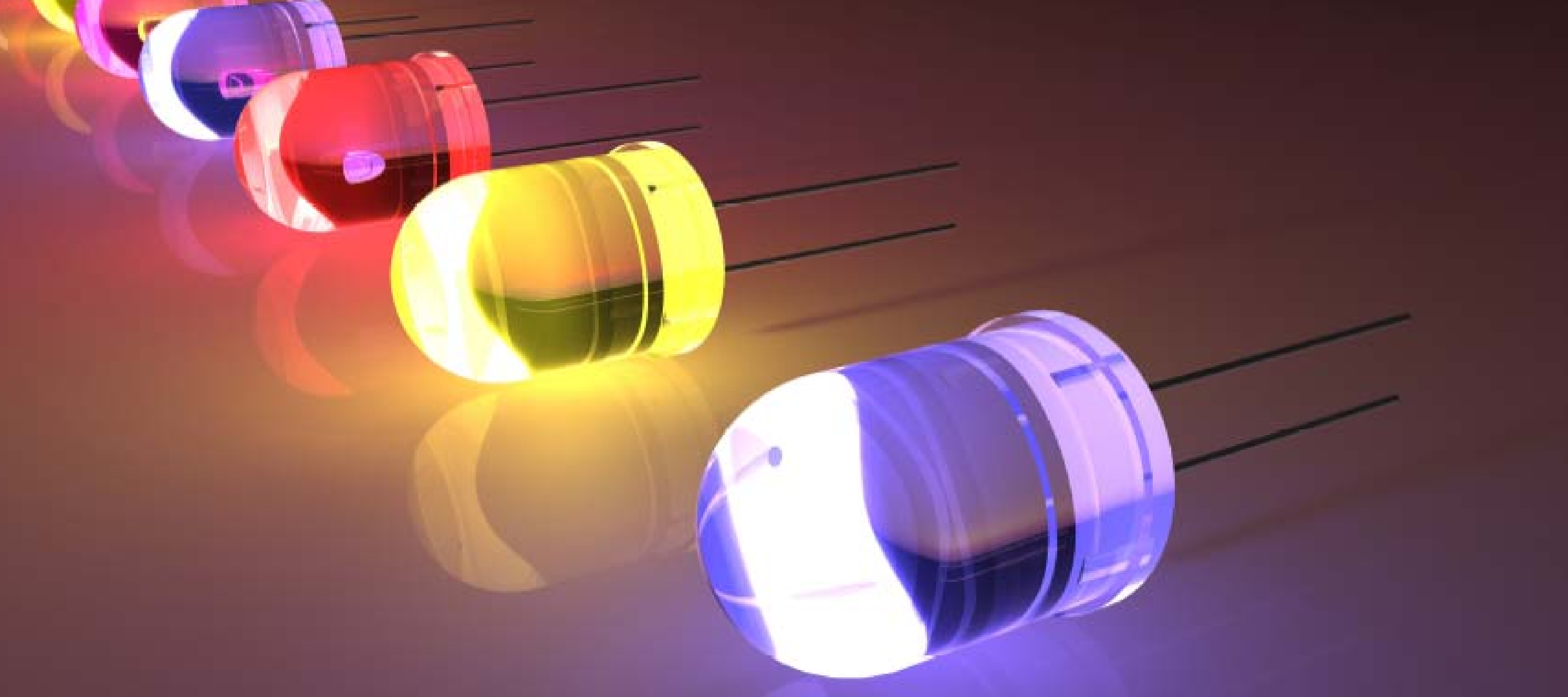


Despite the threats, the economic recovery should succeed

Press Conference, Paris, 15 December 2010

A company of Allianz

EULER HERMES
Business insured. Success ensured.

Despite the threats, the economic recovery should succeed

1 Recovery confirmed by 2012

2 Imposition of budgetary controls: the greatest austerity is not in the countries expected

3 The French economy is recovering unevenly across its sectors

4 The fall in insolvencies triggered in 2010 should continue in 2011

EULER HERMES
Business insured. Success ensured.

World recovery remains very mixed...

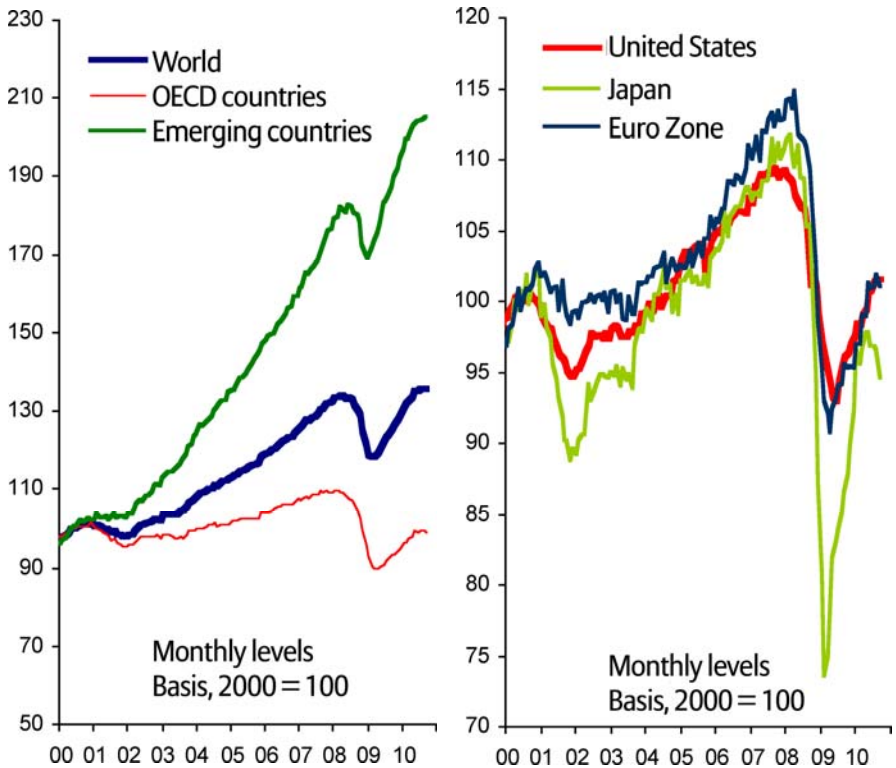
A far less pronounced recovery in the OECD countries (Asia is the only region of the world that has erased the crisis)…

Monthly data, by volume, 2000 = 100	Sep 2010	12-month change	Compared to July 2008
WORLD			
Industrial output	135.5	8.5%	1.8%
Trade	158.0	13.0%	-0.9%
OECD (*)			
Industrial output	98.8	4.3%	-7.9%
Trade	121.7	7.8%	-6.4%
Emerging countries			
Industrial output	204.8	12.6%	12.6%
Trade	228.1	19.1%	5.4%
Asia			
Industrial output	285.2	16.3%	22.3%
Trade	257.4	24.7%	10.8%
Eastern & Central Europe			
Industrial output	154.5	7.9%	-2.7%
Trade	231.3	8.4%	-9.3%
Latin America			
Industrial output	129.2	8.1%	-0.9%
Trade	165.5	16.4%	11.8%

(*) OECD excluding Turkey, Mexico, South Korea and Central European countries
Sources: CPB, Euler Hermes

… with, for example, industrial output levels that are still very much below pre-crisis levels in the developed countries

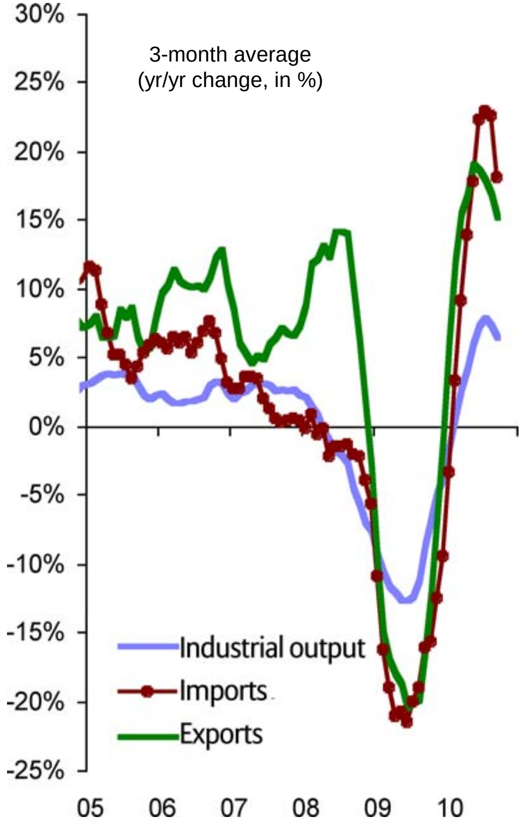
Industrial output
(volume)



EULER HERMES
Business insured. Success ensured.

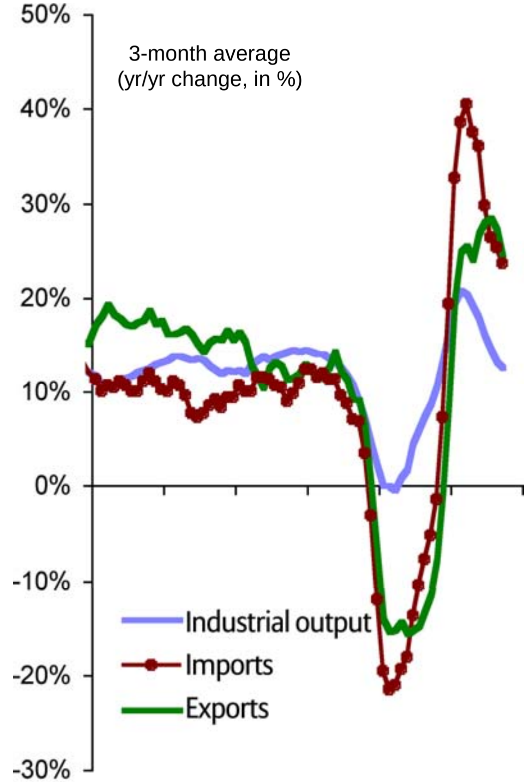
...and acceleration has already peaked in the major regions of the world

United States



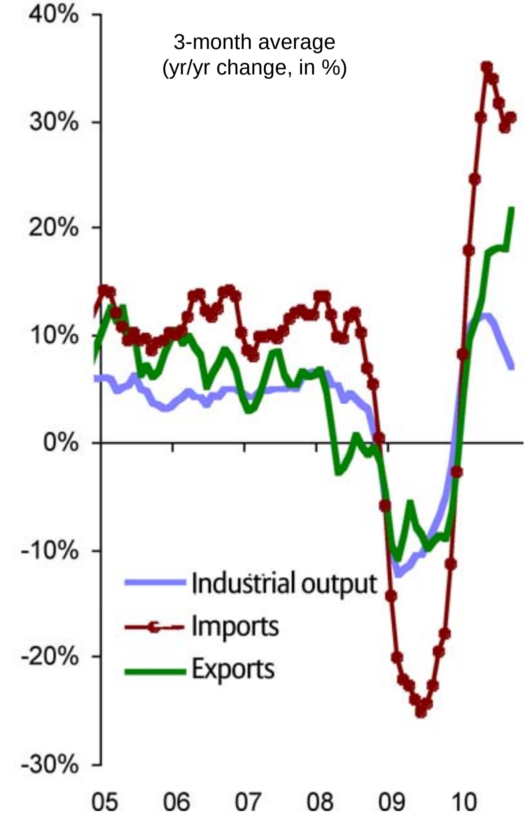
Sources: CPB, Euler Hermes

Asia (excl. Japan)



Sources: CPB, Euler Hermes

Latin America



Sources: CPB, Euler Hermes

Quarterly world GDP growth slowed from 6.3% in Q1 2010 to 3.3% in Q3 2010

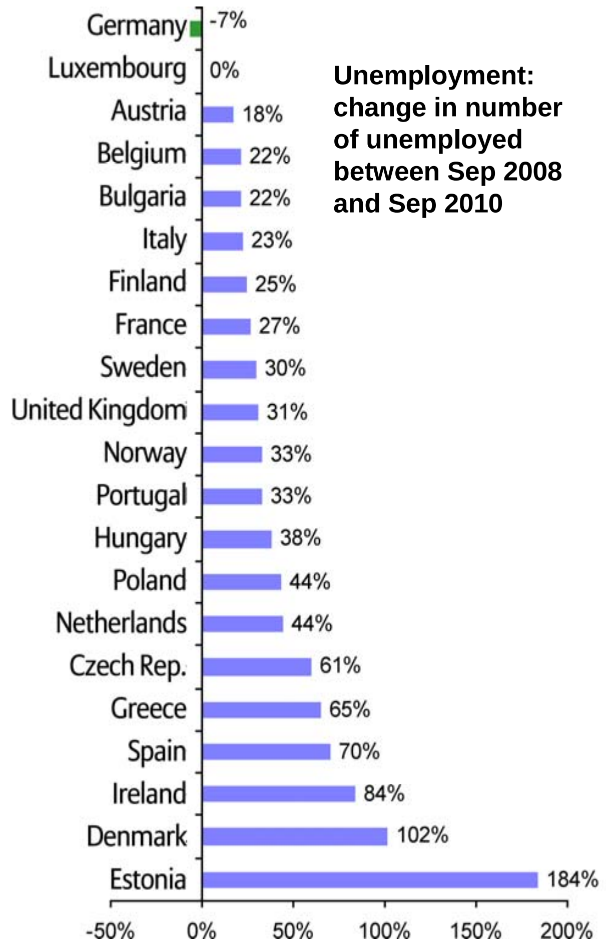
The weakness in global demand is still the principal problem in Europe

Still under-utilised capacities

Q3/2010 (% change)	**Industrial output** / Q2-2008	**Capacity util. rates** / long-term average
Austria	-8	2
Germany	-9	0
Belgium	-10	-1
UK	-10	-2
Sweden	-13	-2
Denmark	-16	-4
Netherlands	-4	-5
Portugal	-9	-6
Finland	-15	-6
Italy	-17	-6
Spain	-22	-7
France	-11	-8
Greece	-17	-11
Japan	-14	-12
United States	-6	-6

Sources: IHS Global Insight, Eurostat, Euler Hermes

Mass unemployment



Sources: IHS Global Insight, Eurostat, Euler Hermes

France – Germany: same position in the cycle

- The difference in terms of unemployment counterbalanced by the active workforce
- The difference in productive capacity utilisation rates counterbalanced by the contraction in investment

EULER HERMES
Business insured. Success ensured.

World economic growth promises to be weaker from 2011, particularly in the developed countries

Change, in %	2009	2010	2011	2012
GDP				
United States	-2.6	2.8	2.2	2.4
Japan	- 6.3	4.2	0.9	1.3
Euro zone	- 4.0	1.7	1.3	1.5
Germany	-4.7	3.6	2.1	1.6
United Kingdom	- 5.0	1.7	1.7	1.7
East & Central Europe	- 6.0	3.5	3.1	3.5
Asia (excl. Japan)	5.8	8.5	7.1	7.4
China	9.1	10.0	8.8	8.8
India	7.4	8.8	8.5	9.0
Latin America	- 2.0	5.7	3.6	3.8
Brazil	-0.6	7.5	4.3	4.5
Africa & Mid-East	1.4	4.2	4.3	4.7
WORLD	**- 2.1**	**4.0**	**3.0**	**3.3**
of which, OECD	- 3.8	2.6	1.7	1.9
non-OECD	1.5	6.7	5.5	5.8
Trade in goods and services (volume)				
WORLD	-12.4	14	8	9

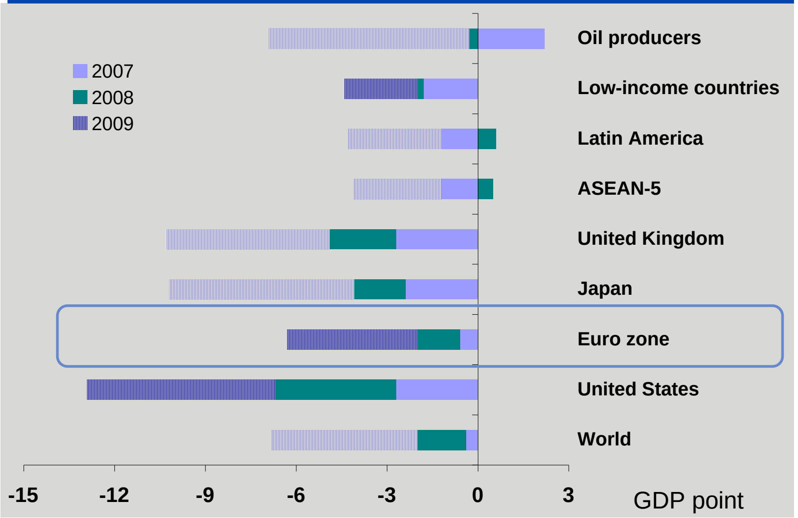
Sources: IHS Global Insight, Euler Hermes

Despite the threats, the economic recovery should succeed

1. Recovery confirmed by 2012
2. Imposition of budgetary controls: the greatest austerity is not in the countries expected
3. The French economy is recovering unevenly across its sectors
4. The fall in insolvencies triggered in 2010 should continue in 2011

Public finances have severely deteriorated…

Growth in deficit, by region



Deterioration in public finances around the world…

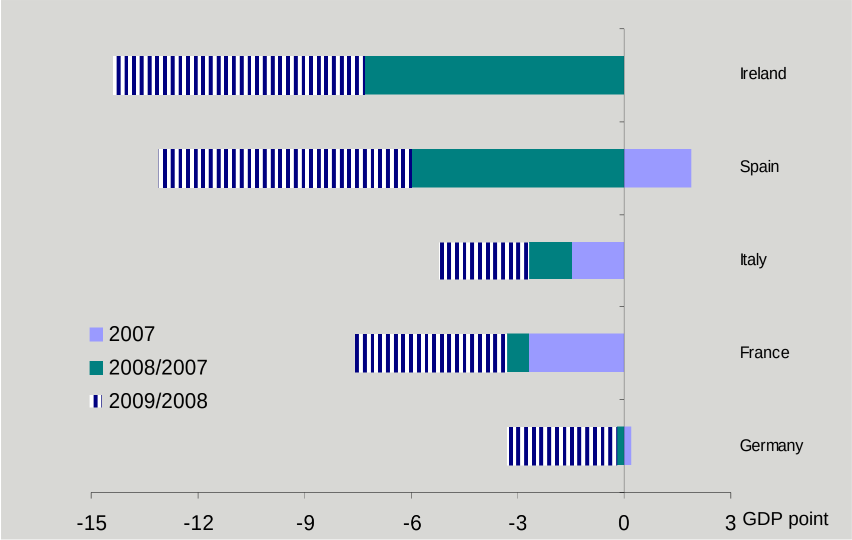
Sources: IMF, Euler Hermes

Oil producing countries: Algeria, Angola, Azerbaijan, Cameroon, Chad, Congo, Ecuador, Equatorial Guinea, Gabon, Indonesia, Iran, Kazakhstan, Mexico, Nigeria, Russia, Sudan, Syria, East Timor, Venezuela, Vietnam, Yemen

Latin America: Argentina, Brazil, Chile, Colombia, Mexico, Peru

ASEAN: Indonesia, Malaysia, Philippines, Thailand, Vietnam

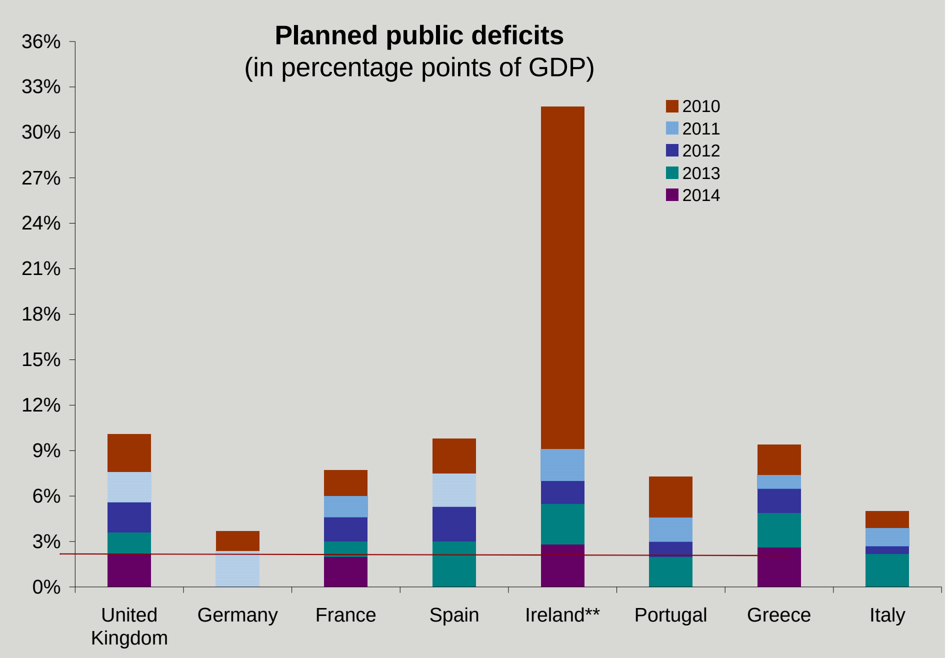
Deficit growth in the euro zone



… notably within the euro zone

It is now the time for imposing budgetary controls…

Deficit reduction plans



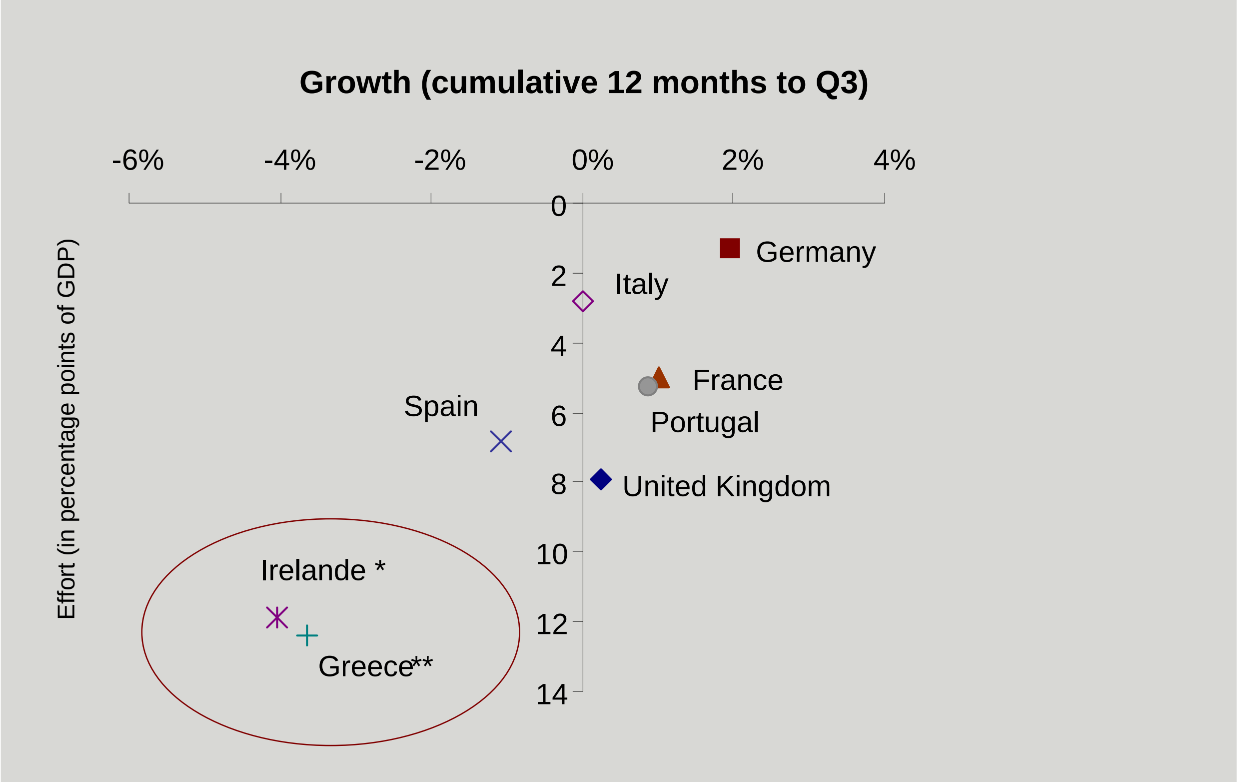
	Announced figure	Target date
United Kingdom	GBP 100 billion	2014
Ireland	EUR 15 billion	2014
France	EUR 100 billion	2013
Germany	EUR 80 billion	2013
Spain	EUR 50 billion	2013

Source: Euler Hermes

Sources: IMF, Euler Hermes
* Fiscal year data
** Data for 2010 include Ireland's bank rescue, without which the deficit would total 11.9%

Tougher budgetary efforts in the countries that are the most weakened

Growth and consolidation efforts



Sources: IMF, Euler Hermes

* The figure doesn't take into account the banking support measures.

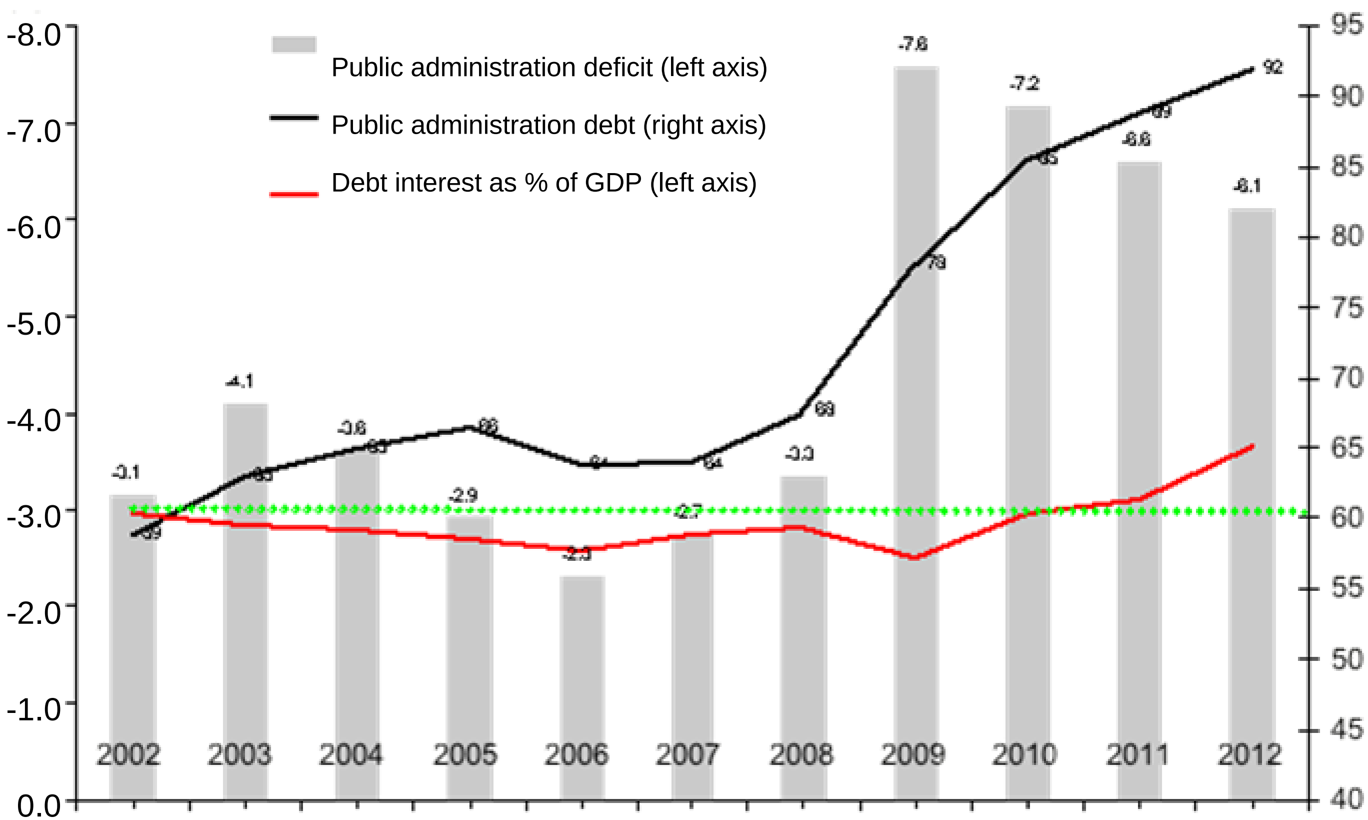
** The effort of fiscal consolidation is estimated since 2009.

- The budgetary consolidation efforts announced are the greatest in those countries benefiting the least from the economic recovery

Despite the threats, the economic recovery should succeed

1. Recovery confirmed by 2012
2. Imposition of budgetary controls: the greatest austerity is not in the countries expected
3. The French economy is recovering unevenly across its sectors
4. The fall in insolvencies triggered in 2010 should continue in 2011

France: reining in the deficit is being thwarted by the weakness of the recovery



Public debt heading to over 90% of GDP in 2012, despite the budgetary efforts

EULER HERMES
Business insured. Success ensured.

Overall, an economy slowed by domestic and external braking forces

Domestic demand still slow in 2011...

- Aggregate wages growing by only around half their pre-crisis rate (by a 2.2% forecast for 2010 and 2011, after an annual average of 3.8% between 2004 and 2008)
- Massive budgetary consolidation measures (an effort totalling EUR 20 billion per year)
- Investment, at its lowest since 2006, is struggling to accelerate, due to low capacity utilisation rates

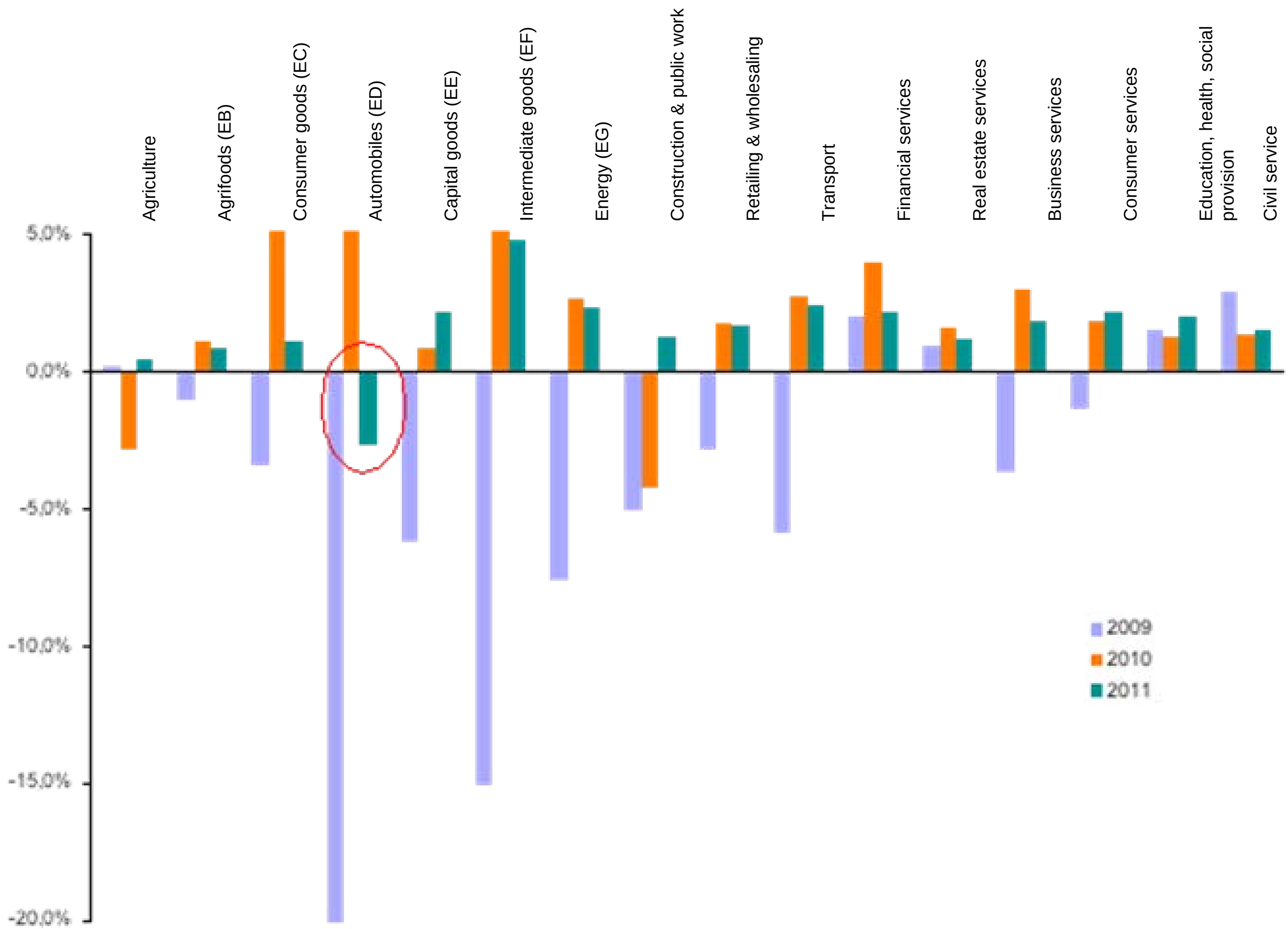
... and GDP with no real impetus

Change, in %	2009	2010	2011	2012
Consumption	0.6	1.6	1.7	1.9
Public consumption	2.0	1.4	0.7	0.4
Investment	-7.1	-1.6	2.4	3.2
Stocks (*)	-1.8	0.7	0.3	0.3
Exports	-12.2	9.6	6.6	6.8
Imports	-10.6	8.7	8.0	6.8
Foreign trade (*)	-0.1	0.0	-0.7	-0.3
GDP	**-2.5**	**1.5**	**1.3**	**1.8**

(*) contribution to growth
Sources: IHS Global Insight, Euler Hermes

A varying picture across the different sectors

Annual change in output
(based on quarterly data)



Sources: INSEE, Euler Hermes forecasts

Despite the threats, the economic recovery should succeed

1. Recovery confirmed by 2012
2. Imposition of budgetary controls: the greatest austerity is not in the countries expected
3. The French economy is recovering unevenly across its sectors
4. The fall in insolvencies triggered in 2010 should continue in 2011

EULER HERMES
Business insured. Success ensured.

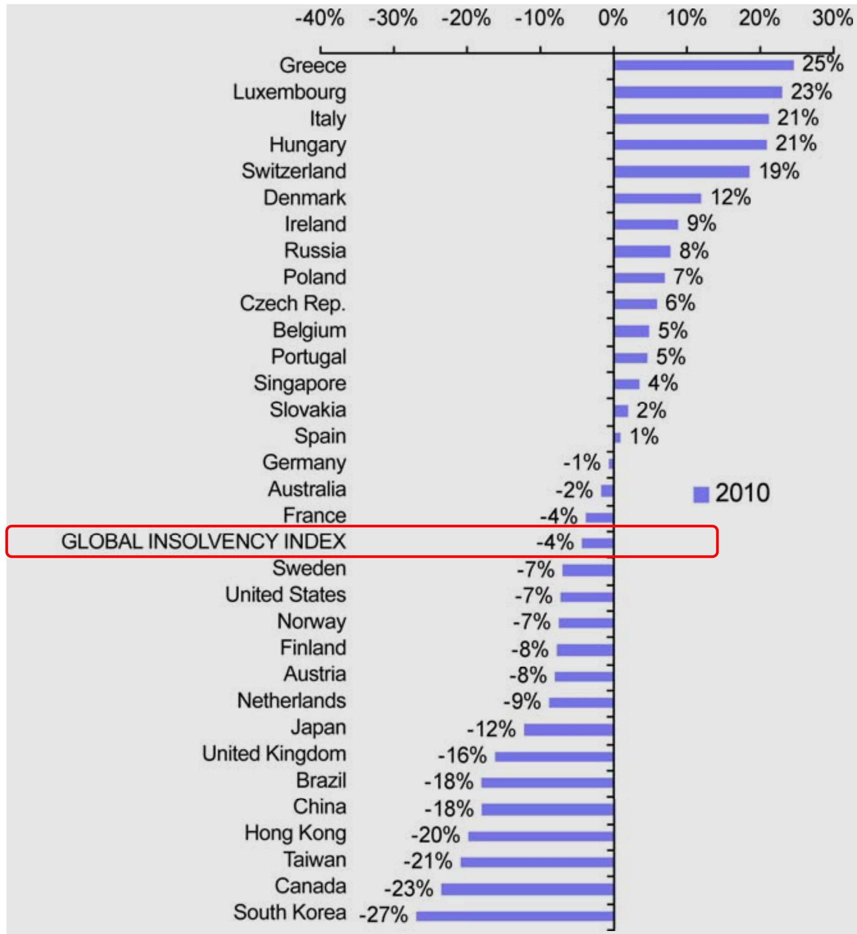
The fall in insolvencies was triggered in 2010 in a large number of countries

After soaring for two years…

Insolvencies (change, in %)	2008	2009
Germany	0	12
France	15	12
Spain	180	76
Netherlands	1	73
Belgium	10	11
Austria	0	9
Ireland	113	82
UK	31	17
Sweden	9	21
Denmark	54	54
Switzerland	-2	24
United States	54	40
Japan	11	-1
Australia	21	4

Sources: national statistics, Euler Hermes
(*) data to end September

… insolvencies have begun to fall: the Global Insolvency Index will fall by around 4% in 2010



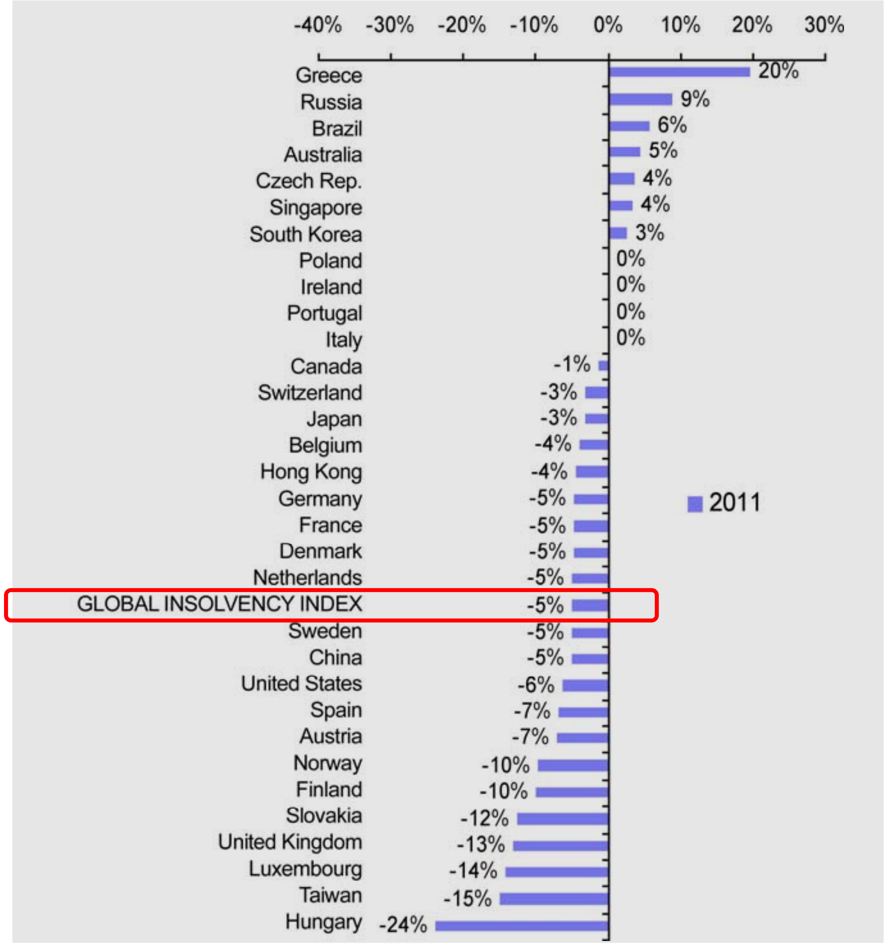
Sources: Sources: national statistics, Euler Hermes

EULER HERMES
Business insured. Success ensured.

This downtrend in insolvencies should continue in 2011 while remaining relatively moderate

- Some countries should still see an increase in the number of insolvencies
- The large majority of OECD countries should post falls of between 5% to 15% in the number of business insolvencies

The Global Insolvency Index will fall by around 5% over the full year

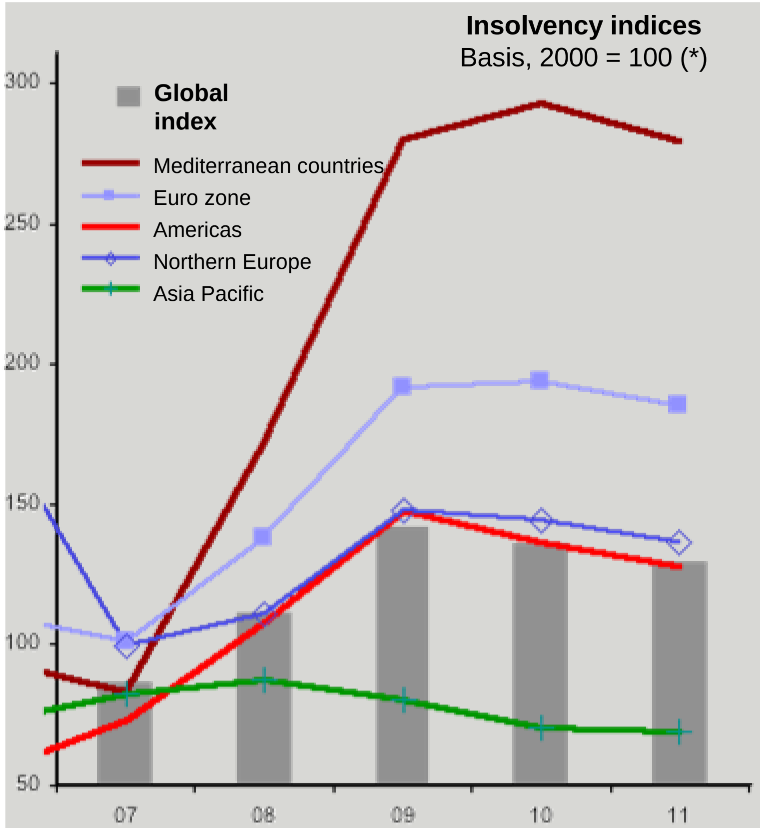


Sources: national statistics, Euler Hermes

EULER HERMES
Business insured. Success ensured.

Still a significant number of insolvencies in 2011, particularly in Europe

A less promising situation in Europe



Change in insolvencies

	2009	2010	2011
By number			
Germany	32 687	32 500	31 000
France	64 533	62 200	59 300
Italy	9 400	11 400	11 400
United Kingdom	35 185	29 560	25 710
United States	60 837	56 520	53 020
Change (in %)			
Global Index	+28	-4	-5
Sub-indices:			
Americas	+37	-8	-6
Asia Pacific	-8	-12	-2
Northern Europe	+33	- 3	-5
Mediter. countries	+63	+5	-5
Euro zone	+39	+1	-5

Sources: national statistics, Euler Hermes

Sources: national statistics, Euler Hermes
(*) Weighting: 2009 GDP at current exchange

Thank you for your attention.

www.eulerhermes.com