

# Half-Year Financial Report

as at June 30<sup>th</sup>, 2013

# SUMMARY

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# Report of the Group Management Board

For the 1<sup>st</sup> half ended June 30, 2013

## Key events of the period

The following significant events occurred in the first half 2013:

### **Changes in the share capital and in share ownership**

As at June 30<sup>th</sup>, 2013, the Allianz Group owned 30,744,048 shares out of a total of 45,342,177 shares, corresponding to 68% of the share capital of Euler Hermes. Consequently, Euler Hermes is integrated into the Allianz consolidation scope.

During the year 2013, 129,450 new shares have been created by the exercise of options. As at June 30<sup>th</sup>, 2013, Euler Hermes' share capital was composed of 45,342,177 shares, including 1,208,500 shares held in treasury stock.

### **Solunion official launch**

Solunion Seguros de Crédito, Compañía Internacional de Seguros y Reaseguros S.A. became an official entity on January 28<sup>th</sup>, 2013, with the signing of the shareholders' agreement and official nomination of the Board of Management members. Solunion, jointly created by Euler Hermes and MAPFRE to offer trade credit insurance solutions in Spain and Latin America, began operations in Spain and Argentina. The company expects to launch operations in Chile, Colombia and Mexico end of September. Solunion offers comprehensive trade-related credit insurance solutions and services for companies of all sizes in a wide range of trade sectors.

### **Follow-up on "Excellence" Project**

Euler Hermes initiated the Excellence Project, introduced in 2010, to increase business efficiency. At the end of December 2012, restructuring provision balance reached € 30.1 million. At the end of June 2013, restructuring provision balance reached € 21 million.

### **Euler Hermes increases shareholding in Israeli credit insurer ICIC to 50 percent**

In the second quarter of 2013, Euler Hermes increased its participation in Israel's leading credit insurer ICIC from the original 33% acquired in 2007 to 50%. The remaining 50% of shares are held by Euler Hermes' local partner Harel Insurance Investment & Financial Services Ltd.

### **Euler Hermes increases shareholding in its Greek subsidiary Euler Hermes Hellas SA**

On June 14<sup>th</sup> 2013, Euler Hermes has increased from 60% to 80.31% its stake in its Greek subsidiary Euler Hermes Hellas SA.

### **Creation of Euler Hermes Services South Africa**

On January 1<sup>st</sup>, 2013 Euler Hermes as created the company Euler Hermes Services South Africa, a company located in South Africa which has not started its activity during the first half of 2013.

**Cooperation agreement between Euler Hermes and Allianz General Insurance Company (Malaysia) Berhad**

On May 6<sup>th</sup> 2013, Malaysian businesses which are active in domestic and export markets can now access Euler Hermes trade credit insurance products and services more easily, following a cooperation agreement signed between Euler Hermes and Allianz General Insurance Company (Malaysia) Berhad, who will act as a distributor throughout the country.

**Subsequent events**

No significant change in the financial or trading position of the Group which could impact the assumption of the half closing has occurred since June 30<sup>th</sup>, 2013.

## Activity report

### Turnover

<i>€ millior.</i>	<i>Turnover</i>		<i>H1 2013</i>	<i>H1 2012</i>	<i>Variation %</i>	<i>H1 2012</i>	<i>Variation %</i>
			<i>(1)</i>	<i>(2)</i>	<i>(1)/(2)</i>	<i>(3)</i>	<i>(1)/(3)</i>
<b>Regions</b>							
Germany, Switzeland, Austria			399.5	387.2	3.2%	386.7	3.3%
France			206.5	212.1	-2.6%	212.1	-2.6%
Northern Europe			273.6	258.6	5.8%	256.1	6.9%
Med. countries, Middle East and Africa			152.0	161.4	-5.9%	142.7	6.5%
Americas			139.0	127.4	9.1%	123.2	12.9%
Asia Pacific			47.5	38.2	24.1%	36.8	29.0%
EH Reinsurance + others (4)			34.6	4.9	N/A	23.4	N/A
<b>Euler Hermes Group</b>			<b>1,252.7</b>	<b>1,189.8</b>	<b>5.3%</b>	<b>1,180.9</b>	<b>6.1%</b>

Area contribution : After intra-region eliminations & before inter-region eliminations

(1) Turnover with geographical reclassification (average rate June 2013)

(2) Turnover with geographical reclassification (average rate June 2012)

(3) Turnover with geographical reclassification at constant exchange rate

(4) EH Reinsurance + Corporate entities + inter-region eliminations

In H1 2013, Euler Hermes' turnover amounts to €1 252.7 million. The increase by 5.3% compared to €1 189.8 million in H1 2012 is driven by growth markets and by the Solunion joint venture. At constant exchange rate turnover growth is 6.1%.

The dynamic top line growth is driven by strong new production (+10% from H1 2012 to H1 2013) and a customer retention that remains at the record level of 92%. Prices were flat in the first waves of renewals of 2013: rates have increased where technically necessary (Mediterranean countries, Northern Europe) but have been under pressure in growing markets and segments.

Americas and Asia are still the growth engines of the Group with 12.9% and 29.0% growth respectively, at constant scope and exchange rates.

Growth is picking up in mature markets, namely in Germany. France and Italy which suffer from declining insured turnover volumes are the exception.

<i>In € million</i>	<b>H1 2013</b>	<b>H1 2012</b>	<b>Variation in</b>	<b>Variation %</b>
		<b>published</b>	<b>amount</b>	
Premiums	1,044.6	990.1	54.5	5.5%
Service revenues	208.2	199.8	8.4	4.2%
<b>Total Turnover</b>	<b>1,252.7</b>	<b>1,189.8</b>	<b>62.9</b>	<b>5.3%</b>

Service revenues increased by 4.2% in H1 2013 compared to H1 2012. Service revenues at constant perimeter and constant exchange rate increased by 5.5% in line with the growth of premiums.

<b>Earned premiums</b>	<b>H1 2013</b>	<b>H1 2012 published</b>	<b>Variation %</b>
<i>In € thousand</i>			
Gross earned premiums	1,044,554	990,076	5.5%
Ceded premiums	-323,373	-328,612	-1.6%
<b>Net earned premiums</b>	<b>721,181</b>	<b>661,464</b>	<b>9.0%</b>
Cession rate	31.0%	33.2%	

Net earned premiums rose by as much as 9% to €721.2 million in H1 2013 compared to H1 2012. The increase is stronger than in gross terms, as the retention rate is higher on the quota-share treaty.

## Claims costs

<i>In € thousand</i>	<b>H1 2013</b>	<b>H1 2012 published</b>	<b>Variation %</b>
Gross claims costs current attachment year	-610,416	-692,726	-11.9%
Ceded claims costs current attachment year	155,155	217,477	-28.7%
<b>Net claims costs current attachment year</b>	<b>-455,261</b>	<b>-475,249</b>	<b>-4.2%</b>

<i>In € thousand</i>	<b>H1 2013</b>	<b>H1 2012 published</b>	<b>Variation %</b>
Gross claims costs previous attachment years	100,244	173,848	-42.3%
Ceded claims costs previous attachment years	-23,617	-37,724	-37.4%
<b>Net claims costs previous attachment years</b>	<b>76,627</b>	<b>136,124</b>	<b>-43.7%</b>

	<b>H1 2013</b>	<b>H1 2012</b>
<b>Net claims ratio, current year</b>	<b>-63.1%</b>	<b>-71.8%</b>
<b>Net claims ratio, previous years (run-off)</b>	<b>10.6%</b>	<b>20.6%</b>
<b>Net claims ratio</b>	<b>-52.5%</b>	<b>-51.3%</b>

Gross claims costs current year are at €610.4 million, lower by 11.9% (€82.3 million) compared to the first half of 2012. H1 2012 was impacted by three large claims (Schlecker, Game Plc and Centrotherm) where there was only one mid-size claim on the current attachment year in H1 2013, Alpine Bau, a German construction company. Hence the gross claims ratio current year decreased by 11.5 points.

The net claims ratio on the current attachment year improved by 8.7 points between H1 2012 and H1 2013, of which 7.7 points are linked to the 2012 large claims.

Gross run-offs amount to €100.2 million. Compared to last year they are negatively impacted by additional reserves on Centrotherm and by reserves on Pescanova. All regions posted positive run-offs again with the highest contributors being France and Americas.

Overall the net claims ratio all attachment years is only slightly deteriorating, by 1.2 point, compared to last year, which is good achievement against the current economic backdrop.

## Technical expenses

<i>In € thousand</i>	H1 2013	H1 2012 IAS 19 proforma	H1 2012 published	Variation % vs proforma
Contract acquisition expenses	215,024	182,825	182,825	17.6%
Administration expenses	107,576	121,132	122,721	-11.2%
Service expenses & Other ordinary income and charges	176,930	177,147	177,178	-0.1%
<b>Total Gross operating expenses</b>	<b>499,530</b>	<b>481,104</b>	<b>482,724</b>	<b>3.8%</b>
of which non technical expenses	3,384	5,543	5,543	-39.0%
<b>Total gross technical expenses</b>	<b>496,146</b>	<b>475,561</b>	<b>477,181</b>	<b>4.3%</b>

Increase in gross technical expenses is 4.3% to be compared with an increase in turnover of 5.3%.

In 2013, Spanish and Argentinean entities were legally transferred to the Solunion joint venture with MAPFRE. Consequently, operating expenses of these entities, whose activities are partially reinsured by Euler Hermes, are fully booked in inward acquisition costs, whereas they were in both acquisition expenses and administration expenses last year. The evolution of acquisition and administration expenses should therefore be considered globally.

Acquisition and administration expenses increased by 6.1% (+€18.6 million) from H1 2012 to H1 2013, and total gross technical expenses increased by 4.3%, which is less than the pace of top line growth. Indeed the gross technical expense ratio is 27.6% lower than last year (27.9%) as shown in the table below.

<i>In € thousand</i>	H1 2013	H1 2012 IAS 19 proforma	H1 2012 published	Variation % vs proforma
<b>Net technical expenses</b>				
Gross technical expenses	-496,146	-475,561	-477,181	4.3%
Service fees	208,188	199,764	199,764	4.2%
Expenses net of fees	-287,958	-275,797	-277,417	4.4%
Gross earned premiums	1,044,554	990,076	990,076	5.5%
Reinsurance commission	115,717	133,218	133,218	-13.1%
Premiums ceded	-323,373	-328,612	-328,612	-1.6%
Net technical expenses	-172,241	-142,579	-144,199	20.8%
Net premiums	721,181	661,464	661,464	9.0%
<b>Gross technical expenses ratio</b>	<b>27.6%</b>	<b>27.9%</b>	<b>28.0%</b>	
<b>Net technical expenses ratio</b>	<b>23.9%</b>	<b>21.6%</b>	<b>21.8%</b>	

Reinsurance commission is down €17.5 million between June 2012 and June 2013. In 2012, the reinsurance commission included most remaining positive run-offs on commissions linked to previous attachment years.

Consequently, the net technical expense ratio is up 2.3 points whereas gross technical expense ratio is lower by 0.3 points.

## Net technical result

<i>In € thousand</i>	H1 2013	H1 2012 IAS 19 proforma	H1 2012 published	Variation % vs proforma
Net earned premiums	721,181	661,464	661,464	9.0%
Net claims costs	-378,634	-339,125	-339,125	11.7%
Net technical expenses	-172,241	-142,579	-144,199	20.8%
Other non technical charges	-3,384	-5,543	-5,543	-39.0%
<b>Net technical result (1)</b>	<b>166,921</b>	<b>174,217</b>	<b>172,598</b>	<b>-4.2%</b>
<b>Net combined ratio</b>	<b>76.4%</b>	<b>72.9%</b>	<b>73.1%</b>	

(1) Net technical result = current operating income before net investment income

The net technical result decreased by 4.2% to €166.9 million.

The net combined ratio stands at 76.4% against 72.9% last year. Compared to last year we have a lower loss ratio on the current attachment year and a lower run-off. The total loss ratio is hardly deteriorating and includes 4.0 points on the Pescanova claim. The net expense ratio increases by 2.3 points against last year where we booked most remaining run-offs on commission linked to previous attachment years.

## Net investment income

<i>In € thousand</i>	H1 2013	H1 2012 published	Variation %
<b>Income from investment property</b>	<b>1,345</b>	<b>392</b>	<b>242.8%</b>
<b>Income from securities</b>	<b>32,751</b>	<b>38,839</b>	<b>-15.7%</b>
Income from securities-Bonds	30,522	35,997	-15.2%
Income from securities-equities	2,229	2,842	-21.6%
<b>Other financial income</b>	<b>10,685</b>	<b>12,190</b>	<b>-12.3%</b>
<b>Current investments income</b>	<b>44,780</b>	<b>51,421</b>	<b>-12.9%</b>
<b>Investment expenses</b>	<b>(3,730)</b>	<b>(5,112)</b>	<b>27.0%</b>
<b>Net FX result</b>	<b>2,141</b>	<b>4,417</b>	<b>-51.5%</b>
<b>Net gains and losses on sales of investments less impairment and amortisation</b>	<b>14,153</b>	<b>16,833</b>	<b>-15.9%</b>
<b>Net investment income (excluding financing expense)</b>	<b>57,345</b>	<b>67,559</b>	<b>-15.1%</b>

The net investment income is down by 15.1% compared to last year.

The current investment income is decreasing by €6.6 million to €44.8 million, linked to lower yields on bonds.

Investment expenses are down €1.4 million as they were impacted last year by the remaining amortization of the former headquarter building.

The foreign exchange result shows a profit of €2.1 million at the end of June 2013, lower than H1 2012 by €2.3 million.

Realized gains are lower by €2.7 million compared to half year 2012. They amount to €14.2 million at June 2013 and mainly come from sales on the bond portfolio.

At end of June 2013, the market value of the Group's investment portfolio decreased by €73.4 million compared to end of 2012, to €4 161.3 million, after payment of €176 million of dividends in June.



In € million	June 30th, 2013					December 31st, 2012				
	Amortized cost	Unrealized gain reserve	Net book value	Market value	Unrealized gains and losses	Amortized cost	Unrealized gain reserve	Net book value	Market value	Unrealized gains and losses
- Shares	154.4	7.3	161.8	161.8	-	69.4	12.7	82.2	82.2	-
- Bonds	2,657.1	72.9	2,730.0	2,730.0	-	2,759.2	117.4	2,876.6	2,876.6	-
- Loans and other investments	702.8	-	702.8	702.8	-	808.7	-	808.7	808.7	-
<b>Total financial investments</b>	<b>3,514.4</b>	<b>80.3</b>	<b>3,594.7</b>	<b>3,594.7</b>	<b>-</b>	<b>3,637.4</b>	<b>130.2</b>	<b>3,767.5</b>	<b>3,767.5</b>	<b>-</b>
Buildings third party use			55.5	165.4	109.9			53.7	158.8	105.2
Cash			401.3	401.3				308.4	308.4	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,051.4</b>	<b>4,161.3</b>	<b>109.9</b>	<b>-</b>	<b>-</b>	<b>4,129.6</b>	<b>4,234.7</b>	<b>105.2</b>

## Operating income

<i>In € thousand</i>	H1 2013	H1 2012 IAS 19 proforma	H1 2012 published	Variation % vs proforma
Net technical result	166,921	174,217	172,598	-4.2%
Net investment income (excluding financing expenses)	57,345	67,559	67,559	-15.1%
<b>Ordinary operating income</b>	<b>224,266</b>	<b>241,775</b>	<b>240,155</b>	<b>-7.2%</b>
Other non ordinary operating income and expense	29,128	-3,105	-3,105	
<b>Operating income</b>	<b>253,394</b>	<b>238,670</b>	<b>237,050</b>	<b>6.2%</b>

The operating income amounts to €253.4 million, higher by 6.2% compared to H1 2012. This includes a one-shot gain of €31.7 million on the legal contribution of Spanish and Argentinean entities to the Solunion joint-venture with MAPFRE.

## Net Income

<i>In € thousand</i>	H1 2013	H1 2012 IAS 19 proforma	H1 2012 published	Variation % vs proforma
<b>Operating income</b>	<b>253,394</b>	<b>238,670</b>	<b>237,050</b>	<b>6.2%</b>
Financing expenses	-5,683	-7,071	-7,071	-19.6%
Income from companies at equity	2,342	6,022	6,022	-61.1%
Corporation tax	-80,736	-72,819	-72,317	10.9%
Minority interest	-2,945	-2,309	-2,309	27.5%
<b>Net income, Group share</b>	<b>166,372</b>	<b>162,493</b>	<b>161,375</b>	<b>2.4%</b>

At end of June 2013, financing expenses are lower by 19.6% compared to one year ago due to the renegotiation of the interest rate with banks mid-year 2012.

## Euler Hermes SA net result

Statutory net income of the entity Euler Hermes SA amounts to €220.6 million at 30 June 2013, versus €218.0 million as at 30 June 2012. This result is closely driven by the dividend upstream from the operational entities, main source of revenues of Euler Hermes SA.

## Consolidated shareholders' equity

Consolidated shareholders' equity at 30 June 2013 amounts to €2 366.6 million, compared to €2 413.5 million at 31 December 2012, decreasing by €46.9 million. The main changes during the period are shown below.

<i>In € thousand</i>	Capital stock	Additional paid-in capital	Retained earnings	Revaluation reserve	Pension provision reserve	Other		Shareholders' equity, Group share	Minority interests	Total shareholders' equity
						Translation reserve	Treasury stock			
<b>Shareholders' equity as at December 31, 2012 - IFRS - IAS 19 proforma</b>	<b>14,468</b>	<b>456,883</b>	<b>1,986,367</b>	<b>92,777</b>	<b>(121,498)</b>	<b>(21,821)</b>	<b>(61,935)</b>	<b>2,345,241</b>	<b>68,261</b>	<b>2,413,502</b>
Available-for-sale assets (AFS)	-	-	-	-	-	-	-	-	-	-
Measurement gain/(loss) taken to shareholders' equity	-	-	-	(27,323)	-	-	-	(27,323)	(25)	(27,348)
Impact of transferring realised gains and losses to income statement	-	-	-	(8,900)	-	-	-	(8,900)	-	(8,900)
Other variations	-	-	-	10	32	-	-	42	(17)	25
IAS 19 revised impact	-	-	-	-	(3,550)	-	-	(3,550)	(26)	(3,576)
Impact of translation differences	-	-	-	(30)	1,846	(12,792)	-	(10,976)	12	(10,964)
<b>Net income recognised in shareholders' equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,243)</b>	<b>(1,672)</b>	<b>(12,792)</b>	<b>-</b>	<b>(50,707)</b>	<b>(56)</b>	<b>(50,763)</b>
Net income for the year	-	-	166,372	-	-	-	-	166,372	2,945	169,317
<b>Total revenues and losses recognised for the period</b>	<b>-</b>	<b>-</b>	<b>166,372</b>	<b>(36,243)</b>	<b>(1,672)</b>	<b>(12,792)</b>	<b>-</b>	<b>115,665</b>	<b>2,889</b>	<b>118,554</b>
Capital movements	42	8,125	-	-	-	-	2,808	10,975	-	10,975
Dividend distributions	-	-	(176,004)	-	-	-	-	(176,004)	(388)	(176,392)
Shareholders' equity component of share-based payment plans	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	(300)	-	-	88	176	(36)	14	(22)
<b>Shareholders' equity as at June 30th, 2013 - IFRS</b>	<b>14,510</b>	<b>465,008</b>	<b>1,976,435</b>	<b>56,534</b>	<b>(123,170)</b>	<b>(34,525)</b>	<b>(58,951)</b>	<b>2,295,841</b>	<b>70,776</b>	<b>2,366,617</b>

The decrease in the consolidated shareholders' equity is due to:

- positive impact of the net result generated over the period (+€169.3 million, Group share and minority interests),
- negative impact of the dividends paid (-€176.4 million, Group share and minority interests),
- negative impact of the transfer of realized gains & losses to P&L (- €8.9 million, Group share and minority interests),
- negative impact of the translation differences of -€10.9 million (Group share and minority interests),
- negative impact of revaluation of AFS for -€27.3 million (Group share and minority interests),
- positive impact of the capital movements (+€10.9 million Group share),
- and negative impact of IAS 19 revised (-€3.6 million, Group share and minority interests).

# Condensed Consolidated Financial Statements

## Consolidated statement of financial position

(in € thousand)	Notes	June 30, 2013	December 31, 2012
Goodwill	3	99 856	104 347
Other intangible assets		80 557	76 566
<b>Intangible assets</b>		<b>180 413</b>	<b>180 913</b>
Investment property	4	55 464	53 663
Financial investments	5	3 594 657	3 767 514
Derivatives		11 929	9 526
<b>Investments- insurance businesses</b>		<b>3 662 050</b>	<b>3 830 703</b>
<b>Investments accounted for by the equity method</b>	6	<b>172 197</b>	<b>115 500</b>
<b>Share of assignees and reinsurers in the technical reserves and financial liabilities</b>	8	<b>528 239</b>	<b>498 950</b>
Operating property and other property, plant and equipment		140 071	142 688
Acquisition costs capitalised		66 868	60 969
Deferred tax assets		26 569	67 451
Inwards insurance and reinsurance receivables		628 876	507 877
Outwards reinsurance receivables		4 786	95 077
Corporation tax receivables		21 197	25 581
Other receivables		235 100	242 992
<b>Other assets</b>		<b>1 123 467</b>	<b>1 142 635</b>
Cash	7	401 264	308 380
<b>TOTAL ASSETS</b>		<b>6 067 630</b>	<b>6 077 081</b>
Capital stock		14 510	14 468
Additional paid-in capital		465 008	456 883
Reserves		1 627 942	1 497 434
Net income, group share		166 372	305 500
Revaluation reserve		56 534	92 777
Foreign exchange translation		(34 525)	(21 821)
<b>Shareholders' equity, Group share</b>		<b>2 295 841</b>	<b>2 345 241</b>
Non controlling interests		70 776	68 261
<b>Total shareholders' equity</b>		<b>2 366 617</b>	<b>2 413 502</b>
<b>Provisions for risks and charges</b>		<b>399 973</b>	<b>388 056</b>
Bank borrowings		251 306	251 506
Other borrowings		135 457	138 230
<b>Borrowings</b>		<b>386 763</b>	<b>389 736</b>
Non-life technical reserves	8	2 034 547	1 930 646
<b>Liabilities related to contracts</b>		<b>2 034 547</b>	<b>1 930 646</b>
Deferred tax liabilities		253 892	312 262
Inwards insurance and reinsurance liabilities		187 754	183 909
Outwards reinsurance liabilities		134 650	148 097
Corporation tax payables		20 664	20 363
Other payables		282 770	290 510
<b>Other liabilities</b>		<b>879 730</b>	<b>955 141</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>6 067 630</b>	<b>6 077 082</b>

## Consolidated income statement

(in € thousand excepted for the earnings per share)

		June 30,		2d Quarter ended June 30	
	Notes	2013	2012	2013	2012
Premiums written		1 194 327	1 152 867	564 620	532 556
Premiums refunded		(59 077)	(60 815)	(28 140)	(29 917)
Change in unearned premiums		(90 696)	(101 976)	(7 471)	(4 288)
<b>Earned premiums</b>		<b>1 044 554</b>	<b>990 076</b>	<b>529 009</b>	<b>498 351</b>
Premium - related revenues		208 188	199 764	104 392	101 606
<b>Turnover</b>	9	<b>1 252 742</b>	<b>1 189 840</b>	<b>633 401</b>	<b>599 957</b>
Investment income		44 780	51 417	22 534	26 217
Investment management charges		(3 730)	(5 109)	(2 288)	(2 066)
Net gain (loss) on sales of investments less impairment and depreciation writebacks		15 780	18 510	8 345	13 809
Change in fair value of investments recognised at fair value through profit or loss		(1 564)	(685)	(1 314)	(1 346)
Change in investment impairment provisions		(63)	(992)	(63)	(1)
Net change in foreign currency		2 141	4 417	(2 747)	6 675
<b>Net investment income</b>		<b>57 344</b>	<b>67 558</b>	<b>24 467</b>	<b>43 288</b>
<b>Insurance services expenses</b>		<b>(510 172)</b>	<b>(518 878)</b>	<b>(234 821)</b>	<b>(301 751)</b>
Outwards reinsurance income		247 255	312 971	107 106	194 644
Outwards reinsurance expenses		(323 373)	(328 612)	(151 596)	(158 770)
<b>Net outwards reinsurance income or expenses</b>	9	<b>(76 118)</b>	<b>(15 641)</b>	<b>(44 490)</b>	<b>35 874</b>
<b>Contract acquisition expenses</b>		<b>(215 024)</b>	<b>(182 825)</b>	<b>(111 279)</b>	<b>(92 838)</b>
<b>Administration expenses</b>		<b>(107 576)</b>	<b>(121 132)</b>	<b>(55 089)</b>	<b>(62 216)</b>
<b>Other ordinary operating income</b>		<b>11 129</b>	<b>6 685</b>	<b>4 885</b>	<b>1 022</b>
<b>Other ordinary operating expenses</b>		<b>(188 059)</b>	<b>(183 832)</b>	<b>(90 322)</b>	<b>(87 651)</b>
<b>CURRENT OPERATING INCOME</b>		<b>224 266</b>	<b>241 775</b>	<b>126 752</b>	<b>135 685</b>
<b>Other non ordinary operating expenses</b>		<b>(3 963)</b>	<b>(9 566)</b>	<b>194</b>	<b>(6 004)</b>
<b>Other non ordinary operating income</b>		<b>33 091</b>	<b>6 461</b>	<b>(888)</b>	<b>2 298</b>
<b>OPERATING INCOME</b>	9	<b>253 394</b>	<b>238 670</b>	<b>126 058</b>	<b>131 979</b>
Financing expenses		(5 683)	(7 071)	(2 866)	(3 428)
Share of Income from companies accounted by the equity method	6	2 342	6 022	(488)	5 213
Corporation tax		(80 736)	(72 819)	(40 244)	(36 752)
<b>CONSOLIDATED NET INCOME</b>		<b>169 317</b>	<b>164 802</b>	<b>82 460</b>	<b>97 012</b>
<b>o/w</b>					
<b>NET INCOME, GROUP SHARE</b>		<b>166 372</b>	<b>162 493</b>	<b>81 044</b>	<b>95 581</b>
Non controlling interests		2 945	2 309	1 416	1 431
<b>Earnings per share (in euros)</b>	10	<b>3,78</b>	<b>3,71</b>		
<b>Diluted earnings per share (in euros)</b>	10	<b>3,78</b>	<b>3,70</b>		
<b>Earnings per share of continuing activities (in euros)</b>		<b>3,78</b>	<b>3,71</b>		
<b>Diluted earnings per share of continuing activities (in euros)</b>		<b>3,78</b>	<b>3,70</b>		

(in € thousand)

		June 30,		2d Quarter ended June 30	
		2013	2012	2013	2012
<b>NET INCOME, GROUP SHARE</b>		<b>166 372</b>	<b>162 493</b>	<b>81 044</b>	<b>95 581</b>
Non controlling interests		2 945	2 309	1 416	1 431
<b>Other comprehensive income elements</b>					
Change in fair market value of asset held for sale transferred through profits & losses (Gross amount)		(12 841)	(13 555)	(5 696)	(11 498)
Change in fair market value of asset held for sale transferred through profits & losses (Tax amount)		3 941	3 969	1 798	2 926
Change in fair market value of asset held for sale booked through equity (Gross amount)		(36 884)	51 529	(33 724)	9 731
Change in fair market value of asset held for sale booked through equity (Tax amount)		9 561	(11 655)	8 680	(466)
Other change in fair market value of asset held for sale booked through equity		42	431	42	11
Impact of IAS 19 amendment		(3 550)	7 958	(3 550)	(1 233)
Change in translation reserve (included impact on revaluation reserve) booked through equity (Gross amount)		(14 990)	4 898	(11 471)	6 166
Change in translation reserve (included impact on revaluation reserve) booked through equity (Tax amount)		4 014	(1 312)	3 348	(2 258)
Other comprehensive income - minority interests share net of corporation tax		(56)	36	(57)	25
<b>Total other comprehensive income net of taxes</b>		<b>(50 763)</b>	<b>42 299</b>	<b>(40 630)</b>	<b>3 404</b>
<b>Total comprehensive income</b>		<b>118 554</b>	<b>207 101</b>	<b>41 830</b>	<b>100 416</b>
Total comprehensive income, Group share		115 665	204 756	40 471	98 960
Total comprehensive income, minority interests		2 889	2 345	1 359	1 456

## Consolidated statement of cash flows

June 30,

(in € thousand)	Notes	2013	2012
<b>Net income, Group share</b>		<b>166 372</b>	<b>162 493</b>
Corporation tax		80 736	72 318
Financing expense		5 683	7 073
<b>Operating income before tax</b>		<b>252 791</b>	<b>241 884</b>
Minority interests		2 945	2 309
Allocation to and writebacks of depreciation, amortisation and reserves		15 623	25 674
Change in technical reserves		95 255	93 277
Change in deferred acquisition costs		(7 399)	(13 095)
Change in fair value of financial instruments recognised at fair value through the income statement (excluding cash and cash equivalents)		(915)	141
Realised capital gains/(losses) net of writebacks		(49 832)	(18 624)
Unrealised foreign exchange gain (loss) in company accounts		(4 503)	4 606
Revenues and expenses linked to stock options and similar		-	0
Interest revenues received accrued		3 752	4 617
<b>Adjustment for elements included in operating income that do not correspond to cash flows and reclassification of financing and investment flows</b>		<b>54 926</b>	<b>98 907</b>
Income (loss) of companies accounted for by the equity method		(2 342)	(6 022)
Dividends received from companies accounted for by the equity method		19 127	6 245
Change in liabilities and receivables relating to insurance and reinsurance transactions		(49 256)	(24 857)
Change in operating receivables and liabilities		865	(6 754)
Change in other assets and liabilities		(4 522)	(33 581)
Corporation tax		(54 494)	(74 756)
<b>Cash flow related to operating activities</b>		<b>(90 621)</b>	<b>(139 726)</b>
<b>Cash flow from operating activities</b>		<b>217 096</b>	<b>201 065</b>
Acquisitions of subsidiaries and joint ventures, net of acquired cash		(0)	(1 396)
Disposals of subsidiaries and joint ventures, net of ceded cash		38 412	1 789
Acquisitions of equity interests in companies accounted for by the equity method		(73 467)	(0)
Disposals of equity method investments		-	-
Merger		(10)	-
<b>Cash flow linked to changes in the consolidation scope</b>		<b>(35 066)</b>	<b>393</b>
Disposals of AFS securities		492 427	837 773
Matured HTM securities		-	-
Disposals of investment properties		409	5 398
Disposals of securities held for trading		2 158	1 318
<b>Cash flow linked to disposals and redemptions of investments</b>		<b>494 995</b>	<b>844 490</b>
Acquisitions of AFS securities		(503 417)	(699 074)
Acquisitions of HTM securities		-	-
Acquisitions of investment and operating properties		(2 951)	-
Acquisitions of trading securities		(3 643)	(3 629)
<b>Cash flow linked to acquisitions of investments</b>		<b>(510 011)</b>	<b>(702 703)</b>
Disposals of other investments and intangible assets <sup>(1)</sup>		1 880 923	624 456
Acquisitions of other investments and intangible assets <sup>(1)</sup>		(1 792 152)	(507 881)
<b>Cash flow linked to acquisitions and disposals of other investments and intangible assets</b>		<b>88 771</b>	<b>116 574</b>
<b>Cash flow from investing activities</b>		<b>38 690</b>	<b>258 754</b>

(1) These amounts are mainly composed of short-term cash operations.

(in € thousand)	Notes	2013	2012
Increases and decreases in capital		8 166	1 896
<i>Increases in capital</i>		8 167	1 936
<i>Decreases in capital</i>		(1)	(39)
Change in treasury stock		2 984	8 315
Dividends paid		(176 393)	(195 050)
<b>Cash flow linked to transactions with the shareholders</b>		<b>(165 243)</b>	<b>(184 839)</b>
Change in non voting shares		-	-
Changes in loans and subordinated securities		986	862
<i>Issue</i>		4 490	882
<i>Repayment</i>		(3 504)	(20)
Interest paid		(9 675)	(13 854)
<b>Cash flow from Group financing</b>		<b>(8 689)</b>	<b>(12 992)</b>
<b>Cash flow from financing activities</b>		<b>(173 932)</b>	<b>(197 831)</b>
Impact of foreign exchange differences on cash and cash equivalents		(283)	(2 120)
Reclassification		11 300	(16)
<b>Other net changes in cash</b>		<b>€ 11 017</b>	<b>€ (2 137)</b>
<b>Change in cash flows</b>		<b>92 870</b>	<b>259 851</b>
<b>Change in cash and cash equivalents</b>		<b>92 870</b>	<b>259 852</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>7</b>	<b>308 030</b>	<b>346 988</b>
<b>Cash and cash equivalents at end of period (*)</b>	<b>7</b>	<b>400 900</b>	<b>606 840</b>

## Consolidated statement of changes in equity

1st Half 2013

(in € thousand)	Capital Stock	Additional paid-in-capital	Retained earnings	Revaluation reserve	Pension provision reserve	Translation reserve	Treasury shares	Shareholders' equity, group share	Non controlling interests	Total shareholders' equity
<b>Opening Shareholders' equity, Group share</b>	<b>14 468</b>	<b>456 883</b>	<b>1 986 267</b>	<b>92 777</b>	<b>(121 498)</b>	<b>(21 821)</b>	<b>(61 935)</b>	<b>2 345 241</b>	<b>68 261</b>	<b>2 413 502</b>
Available-for-sale assets (AFS)	-	-	-	-	-	-	-	-	-	-
Measurement gain / (loss) taken to shareholders' equity	-	-	-	(27 323)	-	-	-	(27 323)	(25)	(27 348)
Impact of transferring realised gains and losses to income statement	-	-	-	(8 900)	-	-	-	(8 900)	-	(8 900)
Other changes	-	-	-	10	32	-	-	42	(17)	25
Cash flow hedges	-	-	-	-	-	-	-	-	-	-
Gain / (loss) taken to shareholders' equity	-	-	-	-	-	-	-	-	-	-
Impact of transferring realised profits and losses in the year to income statement	-	-	-	-	-	-	-	-	-	-
Impact of transfers on the initial amount of hedges	-	-	-	-	-	-	-	-	-	-
IAS19 revised impact	-	-	-	-	(3 550)	-	-	(3 550)	(26)	(3 576)
Impact of translation differences	-	-	-	(30)	1 846	(12 792)	-	(10 976)	12	(10 964)
<b>Components of other comprehensive income net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36 243)</b>	<b>(1 672)</b>	<b>(12 792)</b>	<b>-</b>	<b>(50 707)</b>	<b>(56)</b>	<b>(50 763)</b>
<b>Net income for the year</b>	<b>-</b>	<b>-</b>	<b>166 372</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>166 372</b>	<b>2 945</b>	<b>169 317</b>
<b>Comprehensive income of the period</b>	<b>-</b>	<b>-</b>	<b>166 372</b>	<b>(36 243)</b>	<b>(1 672)</b>	<b>(12 792)</b>	<b>-</b>	<b>115 665</b>	<b>2 889</b>	<b>118 554</b>
Capital movements	42	8 125	-	-	-	-	2 808	10 975	-	10 975
Dividend distributions	-	-	(176 004)	-	-	-	-	(176 004)	(388)	(176 392)
Shareholders' equity component of share-based payment plans	-	-	-	-	-	-	-	-	-	-
Cancellation of gains/losses on treasury shares	-	-	-	-	-	-	176	176	-	176
Other movements	-	-	(300)	-	-	-	88	(212)	14	(198)
<b>Closing Shareholders' equity, Group share</b>	<b>14 510</b>	<b>465 008</b>	<b>1 976 435</b>	<b>56 534</b>	<b>(123 170)</b>	<b>(34 525)</b>	<b>(58 951)</b>	<b>2 295 841</b>	<b>70 776</b>	<b>2 366 617</b>

1st Half 2012

(in € thousand)	Capital Stock	Additional paid-in-capital	Retained earnings	Revaluation reserve	Pension provision reserve	Translation reserve	Treasury shares	Shareholders' equity, group share	Non controlling interests	Total shareholders' equity
<b>Opening Shareholders' equity, Group share</b>	<b>14 451</b>	<b>464 536</b>	<b>1 879 323</b>	<b>32 666</b>	<b>(59 517)</b>	<b>(25 543)</b>	<b>(77 556)</b>	<b>2 218 360</b>	<b>17 991</b>	<b>2 236 351</b>
Available-for-sale assets (AFS)	-	-	-	-	-	-	-	-	-	-
Measurement gain / (loss) taken to shareholders' equity	-	-	-	39 874	-	-	-	39 874	(252)	39 622
Impact of transferring realised gains and losses to income statement	-	-	-	(9 586)	-	-	-	(9 586)	273	(9 313)
Other changes	-	-	-	431	-	-	-	431	-	431
Cash flow hedges	-	-	-	-	-	-	-	-	-	-
Gain / (loss) taken to shareholders' equity	-	-	-	-	-	-	-	-	-	-
Impact of transferring realised profits and losses in the year to income statement	-	-	-	-	-	-	-	-	-	-
Impact of transfers on the initial amount of hedges	-	-	-	-	-	-	-	-	-	-
IAS19 revised impact	-	-	-	-	(7 947)	-	-	(7 947)	(11)	(7 958)
Impact of translation differences	-	-	-	65	-	3 521	-	3 586	15	3 601
<b>Components of other comprehensive income net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30 784</b>	<b>(7 947)</b>	<b>3 521</b>	<b>-</b>	<b>26 358</b>	<b>26</b>	<b>26 384</b>
<b>Net income for the year</b>	<b>-</b>	<b>-</b>	<b>161 375</b>	<b>-</b>	<b>1 118</b>	<b>-</b>	<b>-</b>	<b>162 493</b>	<b>2 309</b>	<b>164 802</b>
<b>Comprehensive income of the period</b>	<b>-</b>	<b>-</b>	<b>161 375</b>	<b>30 784</b>	<b>(6 829)</b>	<b>3 521</b>	<b>-</b>	<b>188 851</b>	<b>2 335</b>	<b>191 186</b>
Capital movements	14	1 909	-	-	-	-	8 315	10 238	-	10 238
Dividend distributions	-	-	(193 054)	-	-	-	-	(193 054)	(1 996)	(195 050)
Shareholders' equity component of share-based payment plans	-	-	-	-	-	-	-	-	-	-
Cancellation of gains/losses on treasury shares	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	(206)	-	-	-	-	(206)	2	(204)
<b>Closing Shareholders' equity, Group share</b>	<b>14 465</b>	<b>456 445</b>	<b>1 847 438</b>	<b>63 450</b>	<b>(66 347)</b>	<b>(22 022)</b>	<b>(69 241)</b>	<b>2 224 188</b>	<b>18 332</b>	<b>2 242 521</b>

As of January 1<sup>st</sup>, 2013, the Group has applied retrospectively the revised IAS 19 standard. Therefore, opening balance has been displayed as if the standard has always been applied.

The impact of the new standard on the main aggregates of balance sheet as of December 31<sup>st</sup>, 2012 is as follows: Shareholders' equity decreased by 121,466 thousand euros, including 5,255 thousand euros impact on earnings in 2012. In return, the pension provisions increased by 132,022 thousand euros, and other receivables decreased by 41,131 thousand euros. On the other hand, the deferred tax assets increased to 54,055 thousand euros and deferred tax liabilities for 2,400 thousand euros.

The impact of the new standard on the main items of the comparative results to June 30<sup>th</sup>, 2013 is analyzed as follows: The net result as of June 30<sup>th</sup>, 2012 increased by 1,118 thousand euros. This improvement comprises on the one hand a decrease of administrative expenses and on the other ordinary operating expenses, respectively, for 1,589 thousand euros and 31 thousand euros. Furthermore the income tax expense increased by 502 thousand euros.

The impact of the new standard on the main items of the income statement at December 31<sup>st</sup>, 2012 is as follows: This is a positive impact of 5,255 thousand euros which comprises a decrease of administrative expenses for 1,565 thousand euros and other ordinary operating expenses for 5,611 thousand euros on the one hand and increase of income tax expenses for 1,921 thousand euros on the other hand.

## Notes to the consolidated financial statements

### Note 1 Significant events

The following significant events occurred in the first quarter 2013:

#### Changes in the share capital and in share ownership

As at June 30<sup>th</sup>, 2013, the Allianz Group owned 30,744,048 shares out of a total of 45,342,177 shares, corresponding to 68% of the share capital of Euler Hermes. Consequently, Euler Hermes is integrated into the Allianz consolidation scope.

During the year 2013, 129,450 new shares have been created by the exercise of options. As at June 30<sup>th</sup>, 2013, Euler Hermes' share capital was composed of 45,342,177 shares, including 1,208,500 shares held in treasury stock.

#### Solunion official launch

Solunion Seguros de Crédito, Compañía Internacional de Seguros y Reaseguros S.A. became an official entity on January 28<sup>th</sup>, 2013, with the signing of the shareholders' agreement and official nomination of the Board of Management members. Solunion, jointly created by Euler Hermes and MAPFRE to offer trade credit insurance solutions in Spain and Latin America, began operations in Spain and Argentina. The company expects to launch operations in Chile, Colombia and Mexico end of September. Solunion offers comprehensive trade-related credit insurance solutions and services for companies of all sizes in a wide range of trade sectors.

#### Follow-up on "Excellence" Project

Euler Hermes initiated the Excellence Project, introduced in 2010, to increase business efficiency. At the end of December 2012, restructuring provision balance reached € 30.1 million. At the end of June 2013, restructuring provision balance reached € 21 million.

#### Euler Hermes increases shareholding in Israeli credit insurer ICIC to 50 percent

In the second quarter of 2013, Euler Hermes increased its participation in Israel's leading credit insurer ICIC from the original 33% acquired in 2007 to 50%. The remaining 50% of shares are held by Euler Hermes' local partner Harel Insurance Investment & Financial Services Ltd.

#### Euler Hermes increases shareholding in its Greek subsidiary Euler Hermes Hellas SA

On June 14<sup>th</sup> 2013, Euler Hermes has increased from 60% to 80.31% its stake in its Greek subsidiary Euler Hermes Hellas SA.

#### Creation of Euler Hermes Services South Africa

On January 1<sup>st</sup>, 2013 Euler Hermes as created the company Euler Hermes Services South Africa, a company located in South Africa which has not started its activity during the first half of 2013.

#### Cooperation agreement between Euler Hermes and Allianz General Insurance Company (Malaysia) Berhad

On May 6<sup>th</sup> 2013, Malaysian businesses which are active in domestic and export markets can now access Euler Hermes trade credit insurance products and services more easily, following a cooperation agreement signed between Euler Hermes and Allianz General Insurance Company (Malaysia) Berhad, who will act as a distributor throughout the country.



## Note 2 IFRS accounting and valuation rules

Euler Hermes SA is a company domiciled in France. The Headquarters of Euler Hermes SA are located 1, Place des Saisons 92048 Paris - La Défense Cedex. The consolidated financial statements as at June 30<sup>th</sup>, 2013 include Euler Hermes SA and its subsidiaries (the whole designated as "the Group" and each subsidiary individually as "the entities of the Group") and the quota-share of the Group in its associated companies or joint ventures.

Euler Hermes SA is registered in RCS with the reference number 552 040 594.

The financial statements of the Euler Hermes Group as at June 30<sup>th</sup>, 2013 were approved by the Group Management Board of July 22<sup>nd</sup>, 2013 and presented to the Supervisory Board of July 24<sup>th</sup>, 2013.

### 2.1. General principles

In accordance with European regulation no. 1606/2002 of July 19<sup>th</sup>, 2002, the consolidated financial statements published as at June 30<sup>th</sup>, 2013 were prepared in accordance with IAS 34 as adopted by the European Union. International accounting standards comprise IFRS (International Financial Reporting Standards) and IAS (International Accounting Standards), together with their interpretative texts. These interim financial statements should be read in conjunction with the consolidated financial statements of the group as at December 31, 2012, prepared in accordance with IFRS standards as adopted by the European Union.

The standards and interpretations applied stem essentially from:

- IAS/IFRS and their interpretative texts whose application is mandatory at June 30<sup>th</sup>, 2013 as adopted by the European Union;
- guidance provided in CNC recommendation no. 2009-R05 relating to the format of financial statements prepared by insurance firms under international accounting guidelines.

The financial statements are presented in euros, the functional currency, rounded to the nearest thousand. They have been prepared on a historical cost basis except for asset and liability items relating to insurance policies, which are measured in accordance with the methods already applied by the Group and financial instruments measured at fair value (financial instruments at fair value through the consolidated income statement and available-for sale financial instruments). Non-current assets and groups of assets held with a view to being sold are measured at the lower of carrying amount and fair value less selling costs.

### 2.2. Consolidation scope

Following the start of Solunion Seguros de Crédito, Euler Hermes Crédito Sucursal en Espana of EH France SA, Euler Hermes Servicios de Credito SL and Euler Hermes SA Argentina were deconsolidated with effective date of January 1<sup>st</sup>, 2013. The company Solunion Seguros de Crédito is integrated at equity method for 50% in the consolidated statements of Euler Hermes group at the end of June 2013.

In addition, Euler Hermes created Euler Hermes North America Holding which has been consolidated since January 1<sup>st</sup> 2013.

During the 1<sup>st</sup> quarter 2013, Euro Gestion Fund was liquidated.

During the 2<sup>nd</sup> quarter 2013 Euler Hermes has increased from 60% to 80.31% its participation in its consolidated Greek subsidiary Euler Hermes Hellas SA and from 33% to 50% its participation in Israel's credit insurer ICIC integrated at equity method.

### 2.3. Use of estimates

The production of the consolidated financial statements of Euler Hermes is based on estimates for a part of assets and liabilities items. The management is susceptible to review these estimations in case of changes that can call into questions the circumstances on which they have been established or by the consideration of a new information or accrued experience.

The estimates concerning technical provisions are also detailed in the part Risk Management of the 2012 Registration Document.

The table below summarizes the methods of assessment of estimates for the main aggregates of the balance sheet:

Estimate		Communicated Information
Note 3	Impairment of goodwill	An impairment of goodwill is recognised when the higher of the Cash Generating Unit's value in use (present value of future cash flows) and fair value less any selling costs is less than its carrying amount (share of net assets and goodwill). The fair value of the Cash Generating Unit's is based on assumptions of capital costs, growth rate to infinity and loss ratio & standard retention rates used in the calculation of the final values.
Note 4	Fair value of real estate held for investments & for use	The fair value of buildings is estimated based on market prices, adjusted, where applicable, to take into account the nature, location or other specific features of the building concerned.
Note non published	Contingent liabilities	Contingent liabilities are measured in accordance with IAS 37 and are reviewed and adjusted at each balance sheet date to reflect the best estimate at this date.
Note 8	Earned but not recorded premiums reserves	This reserve is established based on the estimate of the amount of premiums expected on the period less the amount of premiums recorded on the period.
Note 8	Provisions for salvages & recoveries	This reserve represents the estimate of potential recoveries on settled claims by a statistical calculation based on the evolution of salvages & recoveries by year of attachment on previous exercises. They take into consideration a provision for administration charges determined in accordance with actual observed expenses.
Note 8	Bonus & profit commission reserve	This reserve is intended to cover the future cost corresponding to premium rebates to be granted to policyholders under the terms of policies giving policyholders a share in their technical positive results.
Note 8	Reserves for claims payable	This reserve corresponds to a statistical estimate of the cost of all outstanding claims, that is to say claims reported but not yet settled.
Note 8	IBNR reserve	In credit-insurance, the IBNR are calculated to cover: The claims which occurred before the closing and will be known only on the next period. The claims related to commercial receivables accounted before the closing and covered by a warranty which will occur and be known only on the next period  They are determined based on statistical models integrating historical data as well as future developments based on estimates.  Considering the current economic crisis and the methods of assessment of credit-insurance, the IBNR might be different from the ones calculated on statistical basis. Indeed, non anticipated assessments might occur and modify the assumptions previously retained for the determination of IBNR.
Note not published	Employee benefits	The related commitments are measured in accordance with revised IAS 19 and are reviewed yearly by independent actuaries. The commitment is recognized in the balance sheet using the projected unit credit method, based on the group actuarial assumptions.
Note not published	Stock options plans	The fair value of the liabilities resulting from the Allianz and Euler Hermes SAR (Stock Appreciation Rights) and RSU (Restricted Stocks Units) plans is reassessed at each balance sheet date based on the Allianz share price and Euler Hermes share price, until expiry of the obligation. The fair value from SAR and RSU is calculated using the Cox-Ross-Rubinstein binomial valuation model.

### Note 3 Goodwill

In accordance with IFRS 3, goodwill is not amortized but is subject to impairment tests which are performed on a systematic annual basis and as soon as there is any indication of loss in value.

(in € thousand)	June 30, 2013						December 31, 2012
	Italy	United Kingdom	United States	Benelux countries	Other	Total	Total
<b>Opening balance</b>							
Gross value	6 229	64 796	32 160	8 242	8 847	120 274	121 688
Impairment losses	(409)	(12 256)	(3 262)	-	-	(15 927)	(12 281)
<b>Carrying amount</b>	<b>5 820</b>	<b>52 540</b>	<b>28 898</b>	<b>8 242</b>	<b>8 847</b>	<b>104 347</b>	<b>109 407</b>
<b>Change during the year</b>							
Opening carrying amount	5 820	52 540	28 898	8 242	8 847	104 347	109 407
Changes in gross value	-	-	-	-	-	-	-
Outgoing entities & Held for sale transfer	-	-	-	-	(1 867)	(1 867)	-
Other changes	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	(2 917)
Changes in foreign currency translation adjustments	-	(2 759)	412	-	(277)	(2 624)	1 202
Impairment losses	-	-	-	-	-	-	(3 345)
<b>Closing carrying amount</b>	<b>5 820</b>	<b>49 781</b>	<b>29 310</b>	<b>8 242</b>	<b>6 703</b>	<b>99 856</b>	<b>104 347</b>
<b>Closing Balance</b>							
Gross value	6 229	58 190	32 618	8 242	6 703	111 982	120 274
Impairment losses	(409)	(8 409)	(3 308)	-	-	(12 126)	(15 927)
<b>Carrying amount</b>	<b>5 820</b>	<b>49 781</b>	<b>29 310</b>	<b>8 242</b>	<b>6 703</b>	<b>99 856</b>	<b>104 347</b>



**Note 4 Investment and operating property**

(in € thousand)	June 30, 2013		December 31, 2012	
	Investment property	Operating property	Investment property	Operating property
<b>Balance at opening period</b>				
Gross value	69 526	138 526	6 144	187 356
Depreciation	(15 863)	(39 476)	(2 125)	(56 627)
Impairment losses	-	(6 797)	-	(6 797)
<b>Carrying amount</b>	<b>53 663</b>	<b>92 253</b>	<b>4 019</b>	<b>123 932</b>
<b>Change during the year</b>				
Carrying amount as opening period	53 663	92 253	4 019	123 932
Acquisitions	2 691	260	35 908	200
Change in consolidation scope	-	-	-	-
Disposals	(185)	-	(1 817)	(11 479)
Reclassifications	(13)	-	16 090	(16 090)
Changes in foreign currency translation adjustments	(142)	39	-	(53)
Net depreciation	(550)	(1 421)	(311)	(4 257)
Net provisions for impairment	-	-	-	-
Other changes	-	-	(226)	-
<b>Carrying amount at the end of the period</b>	<b>55 464</b>	<b>91 131</b>	<b>53 663</b>	<b>92 253</b>
<b>Balance at the end of the period</b>				
Gross value	71 825	138 833	69 526	138 526
Depreciation	(16 361)	(40 905)	(15 863)	(39 476)
Impairment losses	-	(6 797)	-	(6 797)
<b>Carrying amount</b>	<b>55 464</b>	<b>91 131</b>	<b>53 663</b>	<b>92 253</b>
<b>Fair value</b>	<b>165 397</b>	<b>118 493</b>	<b>158 836</b>	<b>118 711</b>

Amounts recorded in the income statement	June 30,	
	2013	2012
Rental revenues from investment property	1 345	392
Direct operating expenses relating to property	(30)	(35)

**Note 5 Financial investments**
Classification by accounting method

For an instrument that is listed on an active market, the fair value is the transaction price on the valuation date for an asset held or a liability to be issued and the offer price for an asset intended to be purchased or a liability intended to be held. If such prices are not available, the fair value is estimated based on the most recent transaction price.

If there is not any active market for a given financial instrument, the Group estimates the fair value by using a valuation method. Valuation methods include the use of recent transactions under normal competitive conditions between informed and consenting parties, where available, reference to the current fair value of another instrument that is identical in substance, the analysis of discounted cash flows and option valuation models.

### Classification by investment category

(in € thousand)	June 30, 2013						December 31, 2012					
	Historical value	Revaluation reserve	Net carrying amount	Fair value	Listed	Non listed	Historical value	Revaluation reserve	Net carrying amount	Fair value	Listed	Non listed
<b>Held-to-maturity assets</b>												
Bonds	491	-	491	491	-	491	491	-	491	491	-	491
<b>Total held-to-maturity assets</b>	<b>491</b>	<b>-</b>	<b>491</b>	<b>491</b>	<b>0</b>	<b>491</b>	<b>491</b>	<b>-</b>	<b>491</b>	<b>491</b>	<b>0</b>	<b>491</b>
<b>Available-for-sale assets</b>												
Equities	154 449	7 331	161 780	161 780	2 794 534	96 796	69 446	12 704	82 150	82 150	2 924 224	34 058
Bonds	2 656 626	72 924	2 729 550	2 729 550	-	-	2 756 684	117 448	2 876 132	2 876 132	-	-
<b>Total Available-for-sale assets</b>	<b>2 811 075</b>	<b>80 255</b>	<b>2 891 330</b>	<b>2 891 330</b>	<b>2 794 534</b>	<b>96 796</b>	<b>2 826 130</b>	<b>130 152</b>	<b>2 958 282</b>	<b>2 958 282</b>	<b>2 924 224</b>	<b>34 058</b>
<b>Loans, deposits and other financial investments</b>												
	702 836	-	702 836	702 836	-	-	808 741	-	808 741	808 741	-	-
<b>Total loans, deposits and other financial investments</b>	<b>702 836</b>	<b>-</b>	<b>702 836</b>	<b>702 836</b>	<b>-</b>	<b>-</b>	<b>808 741</b>	<b>-</b>	<b>808 741</b>	<b>808 741</b>	<b>-</b>	<b>-</b>
<b>Total Financial Investments (excluding investments in consolidated enterprise)</b>	<b>3 514 402</b>	<b>80 255</b>	<b>3 594 657</b>	<b>3 594 657</b>	<b>2 794 534</b>	<b>97 287</b>	<b>3 637 362</b>	<b>130 152</b>	<b>3 767 514</b>	<b>3 767 514</b>	<b>2 924 224</b>	<b>34 549</b>

(in € thousand)	December 31, 2011					
	Historical value	Revaluation reserve	Net carrying amount	Fair value	Listed	Non listed
<b>Held-to-maturity assets</b>						
Bonds	491	-	491	491	300	191
<b>Total held-to-maturity assets</b>	<b>491</b>	<b>-</b>	<b>491</b>	<b>491</b>	<b>300</b>	<b>191</b>
<b>Available-for-sale assets</b>						
Equities	120 226	10 195	130 421	130 421	2 756 938	57 277
Bonds	2 639 067	44 737	2 683 794	2 683 794	-	-
<b>Total Available-for-sale assets</b>	<b>2 759 293</b>	<b>54 932</b>	<b>2 814 215</b>	<b>2 814 215</b>	<b>2 756 938</b>	<b>57 277</b>
<b>Loans, deposits and other financial investments</b>						
	743 611	-	743 611	743 611	-	-
<b>Total loans, deposits and other financial investments</b>	<b>743 611</b>	<b>-</b>	<b>743 611</b>	<b>743 611</b>	<b>-</b>	<b>-</b>
<b>Total Financial Investments (excluding investments in consolidated enterprise)</b>	<b>3 503 385</b>	<b>54 932</b>	<b>3 558 317</b>	<b>3 558 317</b>	<b>2 757 238</b>	<b>57 468</b>

Concerning the non listed investments, the Group estimates the fair value by using a valuation method. Valuation methods include the use of recent transactions under normal competitive conditions between informed and consenting parties, where available, reference to the current fair value of another instrument that is identical in substance, the analysis of discounted cash flows and option valuation models. The non listed investments are mainly German mortgage bonds (Pfandbriefe).

(in € thousand)	June 30, 2013				December 31, 2012			
	Historical value	Revaluation reserve	Net carrying amount	Fair value	Historical value	Revaluation reserve	Net carrying amount	Fair value
- Equities:	154 449	7 331	161 780	161 780	69 446	12 704	82 150	82 150
- Bonds:	2 657 117	72 924	2 730 041	2 730 041	2 759 175	117 448	2 876 623	2 876 623
- Loans and other investments	702 836	-	702 836	702 836	808 741	-	808 741	808 741
<b>Total Financial Investments</b>	<b>3 514 402</b>	<b>80 255</b>	<b>3 594 657</b>	<b>3 594 657</b>	<b>3 637 362</b>	<b>130 152</b>	<b>3 767 514</b>	<b>3 767 514</b>

(in € thousand)	December 31, 2011			
	Historical value	Revaluation reserve	Net carrying amount	Fair value
- Equities:	120 226	10 195	130 421	130 421
- Bonds:	2 639 548	44 737	2 684 285	2 684 285
- Loans and other investments	743 611	-	743 611	743 611
<b>Total Financial Investments</b>	<b>3 503 385</b>	<b>54 932</b>	<b>3 558 317</b>	<b>3 558 317</b>

There was no significant impact of impairment on Euler Hermes Group portfolio as of June 30<sup>th</sup>, 2013. Euler Hermes Group does not hold any financial assets such as "dynamic treasury mutual funds" or "subprime investments".

### Fair value hierarchy

- Available-for-sale assets

(in € thousand)		June 30, 2013		
	Level 1	Level 2	Level 3	
Available-for-sale assets	2 698 636	160 000	32 694	

(in € thousand)		December 31, 2012		
	Level 1	Level 2	Level 3	
Available-for-sale assets	2 768 123	160 173	29 986	

(in € thousand)		December 31, 2011		
	Level 1	Level 2	Level 3	
Available-for-sale assets	2 599 346	177 703	37 166	

The level 1 is mainly composed of listed bonds and stocks on an active market.

The level 2 is composed of Allianz 3-year bond for an amount of €160 million reaching maturity during the 2012 year. This Allianz 3-year matured bond was renewed for one year for € 160 million.

The level 3 is mainly composed of participation in a private equity funds, non-consolidated shares and of Moroccan non-listed government bonds.

- Other financial investments

The HTM bonds, loans and other investments are valued at amortised cost. As a consequence their hierarchical ranking is level 1.

#### Exposure of the Group to the European sovereign debt

The Euler Hermes Group does not have any more exposure to the sovereign debts in the following countries: Greece, Ireland, Spain, Hungary and Italy.

#### **Portugal**

The Portuguese company COSEC, consolidated at equity method within Euler Hermes, has the following exposure to local government debt (in € thousand):

COUNTRY	MATURITY	EXPOSURE	MARKET VALUE	UNREALIZED GAIN or LOSS
Portugal	2 013	3 402	3 401	(1)
Portugal	2 014	641	641	(0)
Portugal	2 015	915	896	(19)
Portugal	2 016	2 916	2 852	(64)
<b>TOTAL:</b>		<b>7 874</b>	<b>7 790</b>	<b>(84)</b>

All investments mentioned above are recorded at fair value in investments available for sale (AFS).

Movements in the periods

(in € thousand)

	June 30, 2013			December 31, 2012
	Held-to-maturity investments	Available-for-sale investments	Loans, deposits and other financial investments	Total
<b>Carrying amount as opening period</b>	<b>491</b>	<b>2 958 282</b>	<b>808 741</b>	<b>3 767 514</b>
Increase in gross value	-	503 337	1 777 227	<b>2 280 564</b>
Decrease in gross value	-	(495 996)	(1 868 780)	<b>(2 364 776)</b>
Revaluation	-	(50 478)	-	<b>(50 478)</b>
Impairment	-	(60)	-	<b>(60)</b>
Changes in foreign currency translation adjustments	-	(11 568)	(2 179)	<b>(13 747)</b>
Reclassifications	-	-	(11 793)	<b>(11 793)</b>
Other changes	-	(12 187)	(380)	<b>(12 567)</b>
<b>Carrying amount as closing period</b>	<b>491</b>	<b>2 891 330</b>	<b>702 836</b>	<b>3 594 657</b>

(in € thousand)

	December 31, 2012			
	Held-to-maturity investments	Available-for-sale investments	Loans, deposits and other financial investments	Total
<b>Opening carrying amount</b>	<b>491</b>	<b>2 814 215</b>	<b>743 611</b>	<b>3 558 317</b>
Increase in gross value	-	1 359 272	1 901 248	<b>3 260 520</b>
Decrease in gross value	-	(1 282 598)	(1 828 311)	<b>(3 110 909)</b>
Revaluation	-	86 561	-	<b>86 561</b>
Impairment	-	(1 062)	-	<b>(1 062)</b>
Changes in foreign currency translation adjustments	-	822	1 826	<b>2 648</b>
Reclassifications	-	969	(14)	<b>955</b>
Other changes	-	(19 897)	(9 619)	<b>(29 516)</b>
<b>Closing carrying amount</b>	<b>491</b>	<b>2 958 282</b>	<b>808 741</b>	<b>3 767 514</b>

(in € thousand)

	December 31, 2011			
	Held-to-maturity investments	Available-for-sale investments	Loans, deposits and other financial investments	Total
<b>Carrying amount as opening period</b>	<b>1 071</b>	<b>2 605 856</b>	<b>831 829</b>	<b>3 438 756</b>
Increase in gross value	-	1 215 044	1 264 288	<b>2 479 332</b>
Decrease in gross value	(580)	(980 326)	(1 350 971)	<b>(2 331 877)</b>
Revaluation	-	(12 186)	-	<b>(12 186)</b>
Impairment	-	(5 830)	-	<b>(5 830)</b>
Changes in foreign currency translation adjustments	-	9 016	(901)	<b>8 115</b>
Reclassifications	-	-	-	<b>-</b>
Other changes	-	(17 359)	(634)	<b>(17 993)</b>
<b>Carrying amount as closing period</b>	<b>491</b>	<b>2 814 215</b>	<b>743 611</b>	<b>3 558 317</b>

The other changes of available for sale investments are mainly composed of the amortisations of premiums / discounts of the bonds.

**Note 6 Investments accounted for by the equity method**
Information on equity-accounted investments

(in € thousand)		June 30, 2013			
Société	Assets (1)	Shareholders' equity (2)	Turnover (3)	Net income	
Credit Insurance contributors	834 232	334 780	151 966	1 414	
Other than Credit insurance contributors	57 758	13 640	33 417	6 131	
	<b>891 990</b>	<b>348 420</b>	<b>185 383</b>	<b>7 545</b>	

(1) Assets based on IFRS statements as at March 31, 2013, except for Solunion Seguros de Crédito, Compañía Internacional de Seguros y Reaseguros SA for which the asset are IFRS statements as at June 30, 2013.

(2) Equity is determined on the basis of IFRS statements as at March 31<sup>st</sup>, 2013 including goodwill, except for Solunion Seguros de Crédito, Compañía Internacional de Seguros y Reaseguros SA for which equity is determined on the basis of IFRS statements as at June 30, 2013.

(3) The turnover corresponds to the turnover in the IFRS statements as at March 31 2013 plus ¼ of 2012 total turnover, except for Solunion Seguros de Crédito, Compañía Internacional de Seguros y Reaseguros SA for which turnover is as at June 30, 2013.

(in € thousand)		December 31, 2012	June 30, 2012	
Société	Assets (4)	Shareholders' equity (5)	Turnover (6)	Net income
Credit Insurance contributors	381 376	209 555	75 708	10 735
Other than Credit insurance contributors	48 997	15 098	34 347	4 811
	<b>430 373</b>	<b>224 653</b>	<b>110 055</b>	<b>15 546</b>

(4) Assets based on IFRS statements as at September 30, 2012.

(5) Shareholders' equity based on IFRS statements as at September 30, 2012 including goodwill.

(6) The turnover corresponds to the turnover in the IFRS statements as at March 31, 2012 plus ¼ of total turnover of 2011.

Movements during the period

(in € thousand)	June 30, 2013	December 31, 2012
<b>Opening carrying amount</b>	<b>115 500</b>	<b>105 196</b>
Increases	73 467	-
Decreases	-	-
Reclassifications	-	-
Share of income for the period	2 342	14 038
Dividends paid	(19 127)	(6 245)
Impairment	-	-
Foreign exchange differences	(710)	18
Other changes	725	2 493
<b>Closing carrying amount</b>	<b>172 197</b>	<b>115 500</b>

The increase of 73,467 thousand euros of the post " Investments accounted for by the equity method" corresponds, on one hand in the participation of Euler Hermes Luxembourg Holding on Solunion for 60,903 thousand euros, and on the other hand by the increase of 16, 67 % of the participation of Euler Hermes France on the company ICIC during the second quarter 2013 for an amount of 12,564 thousand euros.



Contribution to shareholders' equity (without equity method income of 2013)

(in € thousand)	June 30, 2013	December 31, 2012
Credit Insurance contributors	166 104	97 310
Other than Credit insurance contributors	3 751	4 152
<b>Share of shareholders' equity</b>	<b>169 855</b>	<b>101 462</b>

Contribution to income

(in € thousand)	1st half ended June 30,	
	2013	2012
Credit Insurance contributors	656	4 699
Other than Credit insurance contributors	1 686	1 323
<b>Share of total income</b>	<b>2 342</b>	<b>6 022</b>

**Note 7 Cash and cash equivalents**

(in € thousand)	June 30, 2013	December 31, 2012
Cash in bank and at hand	349 810	274 451
Cash pooling	51 454	33 929
<b>Total cash</b>	<b>401 264</b>	<b>308 380</b>
<b>Total cash in balance sheet</b>	<b>401 264</b>	<b>308 380</b>
Cash equivalents reflected in the cash flow statement	-	-
Cash pooling creditor with Allianz	(364)	(350)
<b>Total cash and cash equivalents</b>	<b>400 900</b>	<b>308 030</b>

**Note 8 Technical reserves**

(in € thousand)	December 31, 2012	Allowance net of writebacks	Foreign exchange differences	Other changes	June 30, 2013
Reserve for unearned premiums	356 495	90 685	(5 159)	(6 744)	435 277
Reserve for claims net of forecasts of recoveries	1 403 193	39 762	(8 568)	(2 472)	1 431 915
Reserve for no-claims bonuses and rebates	170 958	(2 800)	(481)	(322)	167 355
<b>Gross technical reserves</b>	<b>1 930 646</b>	<b>127 647</b>	<b>(14 208)</b>	<b>(9 538)</b>	<b>2 034 547</b>
Reserve for unearned premiums	69 569	24 015	(1 085)	130	92 629
Reserve for claims net of forecasts of recoveries	393 219	7 081	(1 651)	1 149	399 798
Reserve for no-claims bonuses and rebates	36 162	(552)	112	90	35 812
<b>Reinsurers' share of technical reserves</b>	<b>498 950</b>	<b>30 544</b>	<b>(2 624)</b>	<b>1 369</b>	<b>528 239</b>
<b>Net technical reserves</b>	<b>1 431 696</b>	<b>97 103</b>	<b>(11 584)</b>	<b>(10 907)</b>	<b>1 506 308</b>

## Claims reserves

	June 30, 2013			December 31, 2012		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
<b>Claims reserves gross of recoveries</b>	<b>1 780 165</b>	<b>(549 381)</b>	<b>1 230 784</b>	<b>1 757 031</b>	<b>(560 522)</b>	<b>1 196 509</b>
Current period	596 106	(164 034)	432 072	1 016 286	(319 301)	696 985
Prior periods	1 184 059	(385 347)	798 712	740 745	(241 221)	499 524
<b>Recoveries to be received</b>	<b>(348 250)</b>	<b>149 583</b>	<b>(198 667)</b>	<b>(353 838)</b>	<b>167 303</b>	<b>(186 535)</b>
Current period	(62 797)	22 305	(40 492)	(214 763)	128 147	(86 616)
Prior periods	(285 453)	127 278	(158 175)	(139 075)	39 156	(99 919)
<b>Claims reserves</b>	<b>1 431 915</b>	<b>(399 798)</b>	<b>1 032 117</b>	<b>1 403 193</b>	<b>(393 219)</b>	<b>1 009 974</b>

## Breakdown by type of reserve

	June 30, 2013			December 31, 2012		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
<b>Reserves for unearned premiums</b>	<b>435 277</b>	<b>(92 629)</b>	<b>342 648</b>	<b>356 495</b>	<b>(69 569)</b>	<b>286 926</b>
<b>Claims reserves</b>	<b>1 431 915</b>	<b>(399 798)</b>	<b>1 032 117</b>	<b>1 403 193</b>	<b>(393 219)</b>	<b>1 009 974</b>
of which, reserves for known claims	1 152 578	(383 180)	769 398	1 125 604	(386 961)	738 643
of which, reserves for late claims	528 732	(153 299)	375 433	536 732	(161 720)	375 012
of which, reserves for claims handling expenses	98 153	(12 901)	85 252	94 902	(11 840)	83 062
of which, other technical reserves	702	(1)	701	(207)	(1)	(208)
of which, recoveries to be received	(348 250)	149 583	(198 667)	(353 838)	167 303	(186 535)
<b>No-claims bonuses and rebates</b>	<b>167 355</b>	<b>(35 812)</b>	<b>131 543</b>	<b>170 958</b>	<b>(36 162)</b>	<b>134 796</b>
<b>Technical reserves</b>	<b>2 034 547</b>	<b>(528 239)</b>	<b>1 506 308</b>	<b>1 930 646</b>	<b>(498 950)</b>	<b>1 431 696</b>

## Note 9 Breakdown of operating income

	June 30,					
	2013			2012		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Premiums and commissions	1 194 327	(361 986)	832 341	1 152 867	(387 554)	765 313
Premiums refunded	(59 077)	14 330	(44 747)	(60 815)	15 469	(45 346)
Gross premiums written - credit insurance	1 135 250	(347 656)	787 594	1 092 052	(372 085)	719 967
Change in unearned premiums	(90 696)	24 283	(66 413)	(101 976)	43 473	(58 503)
<b>Earned premiums</b>	<b>1 044 554</b>	<b>(323 373)</b>	<b>721 181</b>	<b>990 076</b>	<b>(328 612)</b>	<b>661 464</b>
Premium-Related	208 188	-	208 188	199 764	-	199 764
<b>Turnover</b>	<b>1 252 742</b>	<b>(323 373)</b>	<b>929 369</b>	<b>1 189 840</b>	<b>(328 612)</b>	<b>861 228</b>
<b>Net investment income</b>	<b>57 344</b>	<b>-</b>	<b>57 344</b>	<b>67 558</b>	<b>-</b>	<b>67 558</b>
Claims paid	(429 057)	123 437	(305 620)	(568 911)	308 932	(259 979)
Claims reserves expenses	(35 896)	6 020	(29 876)	91 609	(129 420)	(37 811)
Claims handling expenses	(45 219)	2 081	(43 138)	(41 576)	241	(41 335)
<b>Insurance services expenses</b>	<b>(510 172)</b>	<b>131 538</b>	<b>(378 634)</b>	<b>(518 878)</b>	<b>179 753</b>	<b>(339 125)</b>
Brokerage commissions	(104 660)	-	(104 660)	(104 075)	-	(104 075)
Other acquisition costs	(119 496)	-	(119 496)	(93 360)	-	(93 360)
Change in acquisition costs capitalised	9 132	-	9 132	14 610	-	14 610
<b>Contract acquisition expenses</b>	<b>(215 024)</b>	<b>-</b>	<b>(215 024)</b>	<b>(182 825)</b>	<b>-</b>	<b>(182 825)</b>
<b>Impairment of portfolio securities and similar</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administration expenses</b>	<b>(107 576)</b>	<b>-</b>	<b>(107 576)</b>	<b>(121 132)</b>	<b>-</b>	<b>(121 132)</b>
Commissions received from reinsurers	-	115 717	115 717	-	133 218	133 218
<b>Other ordinary operating income and expenses</b>	<b>(176 930)</b>	<b>-</b>	<b>(176 930)</b>	<b>(177 147)</b>	<b>-</b>	<b>(177 147)</b>
<b>Current operating income</b>	<b>300 384</b>	<b>(76 118)</b>	<b>224 266</b>	<b>257 416</b>	<b>(15 641)</b>	<b>241 775</b>

Due to the retrospective application of IAS 19 revised, items of the income statement at the end of June 2012 have been modified as follows: administration expenses decreased by 1,589 thousand euros and other ordinary operating income and expenses by 31 thousand euros, totalising a net impact on current operating profit of 1,620 thousand euros.

Cost of claims

(in € thousand)

June 30,

	2013			2012		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
<b>Cost of claims for the current period</b>	<b>674 417</b>	<b>(177 953)</b>	<b>496 464</b>	<b>959 774</b>	<b>(441 393)</b>	<b>518 381</b>
of which, claims paid	57 753	(13 862)	43 891	308 667	(245 437)	63 230
of which, claims reserves	571 797	(161 880)	409 917	610 774	(193 886)	416 888
of which, claims handling expenses	44 867	(2 211)	42 656	40 333	(2 070)	38 263
<b>Recoveries for the current period</b>	<b>(64 001)</b>	<b>22 798</b>	<b>(41 203)</b>	<b>(267 048)</b>	<b>223 916</b>	<b>(43 132)</b>
Recoveries received	(1 073)	252	(821)	(51 837)	51 792	(45)
Change in reserves for recoveries	(62 928)	22 546	(40 382)	(215 211)	172 124	(43 087)
<b>Cost of claims from prior periods</b>	<b>(97 857)</b>	<b>36 904</b>	<b>(60 953)</b>	<b>(134 060)</b>	<b>29 569</b>	<b>(104 491)</b>
of which, claims paid	441 222	(136 756)	304 466	374 084	(129 802)	244 282
of which, claims reserves	(539 431)	173 530	(365 901)	(509 387)	157 542	(351 845)
of which, claims handling expenses	352	130	482	1 243	1 829	3 072
<b>Recoveries from prior periods</b>	<b>(2 387)</b>	<b>(13 287)</b>	<b>(15 674)</b>	<b>(39 788)</b>	<b>8 155</b>	<b>(31 633)</b>
Recoveries received	(68 845)	26 929	(41 916)	(62 002)	14 515	(47 487)
Change in reserves for recoveries	66 458	(40 216)	26 242	22 214	(6 360)	15 854
<b>Cost of claims</b>	<b>510 172</b>	<b>(131 538)</b>	<b>378 634</b>	<b>518 878</b>	<b>(179 753)</b>	<b>339 125</b>

**Note 10 Earnings per share and dividend per share**
Earnings per share

June 30,

	2013	2012
Distributable net income (in thousand of euros)	166 372	162 493
Weighted average number of ordinary shares before dilution	43 990 596	43 856 077
<b>Earnings per share (in euros)</b>	<b>3,78</b>	<b>3,71</b>
Distributable net income (in thousand of euros)	166 372	162 493
Weighted average number of ordinary shares after dilution	44 061 203	43 866 416
<b>Diluted earnings per share (in euros)</b>	<b>3,78</b>	<b>3,70</b>

The dilution impact takes into account the exercise of options.

The average number of shares resulting from dilution is 70,608 in June 2013 (10,339 in June 2012).

The Group share of net income is used as the basis for this calculation.

Dividend per share

The Shareholder's Meeting approved on May 24<sup>th</sup>, 2013 the payment of a dividend of € 4 by share concerning the 2012 fiscal year.

**Note 11 Segment data**

Segment assets are operating assets that can be directly attributed or reasonably allocated to a given segment. Segment liabilities are liabilities arising from operations that can be directly attributed or reasonably allocated to a given segment.

Segment profit and loss comprises income and expense resulting from operating activities that are directly attributable to a given segment and the relevant portion of income and expense that can reasonably be assigned to the segment, notably income and expense relating to sales to external customers and income and expense relating to transactions with other segments of the same company.

For the Euler Hermes Group the primary segment is the geographical segment as it corresponds to the information presented to the Group's management.

**Profit & loss by segment**

(in € thousand)											1st half ended June 30, 2013
	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group	
Premiums written	365 528	185 898	261 132	138 183	143 476	37 494	773 103	-	(710 487)	1 194 327	
Premiums refunded	(29 861)	(15 164)	(9 493)	500	(2 093)	(707)	(38 807)	-	36 548	(59 077)	
Change in unearned premiums	(26 397)	(1 739)	(22 725)	(16 464)	(22 366)	(202)	(41 068)	-	40 265	(90 696)	
<b>Earned premiums - non-Group</b>	<b>309 270</b>	<b>168 995</b>	<b>228 914</b>	<b>122 219</b>	<b>119 017</b>	<b>36 585</b>	<b>693 228</b>	-	<b>(633 674)</b>	<b>1 044 554</b>	
Premium - related revenues - non-Group	90 241	37 540	44 732	29 749	20 022	10 871	-	82 238	(107 205)	208 188	
<b>Turnover - intra-sectoral</b>	<b>399 511</b>	<b>206 535</b>	<b>273 646</b>	<b>151 968</b>	<b>139 039</b>	<b>47 456</b>	<b>693 228</b>	<b>82 238</b>	<b>(740 879)</b>	<b>1 252 742</b>	
Investment income	16 764	19 350	8 810	3 024	2 772	(64)	13 659	244 920	(251 891)	57 345	
<i>Of which, dividends</i>	<i>(2 874)</i>	<i>(739)</i>	<i>(62)</i>	-	-	-	<i>(863)</i>	<i>(2 46 268)</i>	<i>250 806</i>	-	
<b>Total ordinary income</b>	<b>416 275</b>	<b>225 885</b>	<b>282 456</b>	<b>154 992</b>	<b>141 811</b>	<b>47 392</b>	<b>706 887</b>	<b>327 158</b>	<b>(992 770)</b>	<b>1 310 087</b>	
Insurance services expenses	(142 965)	(59 804)	(132 172)	(64 160)	(23 223)	(16 478)	(338 333)	200	266 763	(510 172)	
Outwards reinsurance expense	(202 552)	(113 568)	(163 862)	(87 256)	(87 138)	(26 905)	(275 769)	-	633 677	(323 373)	
Outwards reinsurance income	148 621	81 220	142 921	70 893	46 202	19 503	205 475	-	(467 580)	247 255	
Other income and expenses	(155 676)	(79 235)	(110 990)	(59 171)	(61 322)	(26 456)	(220 004)	(94 697)	308 021	(499 530)	
<b>Total other income and expenses</b>	<b>(352 572)</b>	<b>(171 387)</b>	<b>(264 103)</b>	<b>(139 694)</b>	<b>(125 481)</b>	<b>(50 336)</b>	<b>(628 631)</b>	<b>(94 497)</b>	<b>740 881</b>	<b>(1 085 820)</b>	
<b>Ordinary operating income</b>	<b>63 703</b>	<b>54 498</b>	<b>18 353</b>	<b>15 298</b>	<b>16 330</b>	<b>(2 944)</b>	<b>78 256</b>	<b>232 661</b>	<b>(251 889)</b>	<b>224 266</b>	
Other operating income and expenses	654	24 726	(32)	(143)	4 932	-	-	(1 009)	-	29 128	
<b>Operating income</b>	<b>64 357</b>	<b>79 224</b>	<b>18 321</b>	<b>15 155</b>	<b>21 262</b>	<b>(2 944)</b>	<b>78 256</b>	<b>231 652</b>	<b>(251 889)</b>	<b>253 394</b>	
Financing expenses	(83)	(82)	(56)	(77)	(6)	-	(244)	(6 771)	1 636	(5 683)	
Income from companies accounted for by the equity method	4 162	(1 821)	-	-	(406)	-	292	-	115	2 342	
Corporation tax	(19 280)	(28 861)	(2 986)	(5 568)	(7 691)	(1 159)	(15 058)	(132)	(1)	(80 736)	
<b>Consolidated net income</b>	<b>49 156</b>	<b>48 460</b>	<b>15 279</b>	<b>9 510</b>	<b>13 159</b>	<b>(4 103)</b>	<b>63 246</b>	<b>224 749</b>	<b>(250 139)</b>	<b>169 317</b>	
<i>o/w</i>	-	-	-	-	-	-	-	-	-	-	
<b>Net income, Group share</b>	<b>47 305</b>	<b>48 092</b>	<b>15 280</b>	<b>8 784</b>	<b>13 159</b>	<b>(4 103)</b>	<b>63 246</b>	<b>224 749</b>	<b>(250 139)</b>	<b>166 372</b>	
Non controlling interests	1 851	368	-	726	-	-	-	-	-	2 945	

(in € thousand)											1st half ended June 30, 2012
	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group	
Premiums written	360 605	193 202	257 247	158 443	124 887	33 277	709 372	-	(684 166)	1 152 867	
Premiums refunded	(29 680)	(15 665)	(10 672)	(1 332)	(2 059)	(660)	(42 375)	-	41 628	(60 815)	
Change in unearned premiums	(30 957)	(3 386)	(23 024)	(27 326)	(13 537)	(2 232)	(31 921)	-	30 407	(101 976)	
<b>Earned premiums - non-Group</b>	<b>299 968</b>	<b>174 151</b>	<b>223 551</b>	<b>129 785</b>	<b>109 291</b>	<b>30 385</b>	<b>635 076</b>	-	<b>(612 131)</b>	<b>990 076</b>	
Premium - related revenues - non-Group	87 268	37 948	35 007	31 652	18 106	7 844	-	18 267	(36 328)	199 764	
<b>Turnover - intra-sectoral</b>	<b>387 236</b>	<b>212 099</b>	<b>258 558</b>	<b>161 437</b>	<b>127 397</b>	<b>38 229</b>	<b>635 076</b>	<b>18 267</b>	<b>(648 459)</b>	<b>1 189 840</b>	
Investment income	21 032	18 853	5 612	3 352	6 213	1 632	12 038	229 307	(230 481)	67 558	
<i>Of which, dividends</i>	<i>(581)</i>	<i>(575)</i>	<i>(48)</i>	-	-	-	<i>(671)</i>	<i>(228 654)</i>	<i>230 529</i>	-	
<b>Total ordinary income</b>	<b>408 268</b>	<b>230 952</b>	<b>264 170</b>	<b>164 789</b>	<b>133 610</b>	<b>39 861</b>	<b>647 114</b>	<b>247 574</b>	<b>(878 940)</b>	<b>1 257 398</b>	
Insurance services expenses	(223 584)	(76 170)	(98 773)	(54 738)	(28 696)	(32 258)	(351 623)	-	346 964	(518 878)	
Outwards reinsurance expense	(194 411)	(118 999)	(163 386)	(94 976)	(79 031)	(22 340)	(283 302)	-	627 833	(328 612)	
Outwards reinsurance income	229 656	99 022	127 218	72 603	55 388	34 112	268 798	(4 000)	(569 826)	312 971	
Other income and expenses	(150 874)	(81 258)	(105 227)	(63 285)	(51 794)	(20 336)	(214 652)	(37 165)	243 487	(481 104)	
<b>Total other income and expenses</b>	<b>(339 213)</b>	<b>(177 405)</b>	<b>(240 168)</b>	<b>(140 396)</b>	<b>(104 133)</b>	<b>(40 822)</b>	<b>(580 779)</b>	<b>(41 165)</b>	<b>648 458</b>	<b>(1 015 623)</b>	
<b>Ordinary operating income</b>	<b>69 055</b>	<b>53 547</b>	<b>24 002</b>	<b>24 393</b>	<b>29 477</b>	<b>(961)</b>	<b>66 335</b>	<b>206 409</b>	<b>(230 482)</b>	<b>241 775</b>	
Other operating income and expenses	(2 387)	219	(301)	(136)	-	-	-	(500)	-	(3 105)	
<b>Operating income</b>	<b>66 668</b>	<b>53 766</b>	<b>23 701</b>	<b>24 257</b>	<b>29 477</b>	<b>(961)</b>	<b>66 335</b>	<b>205 909</b>	<b>(230 482)</b>	<b>238 670</b>	
Financing expenses	(115)	(69)	(1)	(175)	(2)	(3)	(306)	(8 789)	2 389	(7 071)	
Income from companies accounted for by the equity method	4 067	1 955	-	-	-	-	-	-	-	6 022	
Corporation tax	(21 439)	(20 546)	(6 632)	(8 154)	(9 977)	1 008	(14 170)	7 116	(25)	(72 819)	
<b>Consolidated net income</b>	<b>49 181</b>	<b>35 106</b>	<b>17 068</b>	<b>15 928</b>	<b>19 498</b>	<b>44</b>	<b>51 859</b>	<b>204 236</b>	<b>(228 118)</b>	<b>164 802</b>	
<i>o/w</i>	0	0	0	0	0	0	0	0	0	0	
<b>Net income, Group share</b>	<b>47 536</b>	<b>34 756</b>	<b>17 068</b>	<b>15 614</b>	<b>19 498</b>	<b>44</b>	<b>51 859</b>	<b>204 236</b>	<b>(228 118)</b>	<b>162 493</b>	
Non controlling interests	1 645	350	-	314	-	-	-	-	-	2 309	

## Depreciation, amortisation and provisions by segment

(in € thousand)

1st half ended June 30, 2013

	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group
Provisions for loans and receivables	45	(209)	(384)	(3)	7	5	5	(1 643)	-	(2 177)

(in € thousand)

1st half ended June 30, 2012

	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group
Provisions for loans and receivables	46	(1 795)	(123)	3	8	(23)	1	151	-	€ (1 732)

## Balance sheet by segment

(in € thousand)

June 30, 2013

	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group
Goodwill	-	-	61 480	5 936	29 310	3 133	-	-	(3)	99 856
Other intangible assets	41 669	16 864	7 476	5 997	1 335	1 327	762	7 161	(2 034)	80 557
Investments - insurance businesses	537 320	749 924	160 633	46 179	64 944	39 971	671 156	1 657 566	(265 643)	3 662 050
Investments accounted for by the equity method	70 942	56 725	-	-	1 132	-	17 564	43 398	(17 564)	172 197
Share of assignees and reinsurers in the technical reserves and financial liabilities	260 451	119 459	265 424	190 147	85 107	58 186	276 463	110	(727 108)	528 239
Insurance and reinsurance receivables	52 411	66 904	239 531	49 667	110 997	35 475	342 374	(45)	(263 652)	633 662
Other assets	345 282	136 834	240 068	263 220	84 394	(42 491)	74 350	205 373	(415 961)	891 069
<b>Total assets</b>	<b>1 308 075</b>	<b>1 146 710</b>	<b>974 612</b>	<b>561 146</b>	<b>377 219</b>	<b>95 601</b>	<b>1 382 669</b>	<b>1 913 563</b>	<b>(1 691 965)</b>	<b>6 067 630</b>
Technical reserves	554 949	244 695	493 918	310 299	242 438	85 860	832 237	48	(729 897)	2 034 547
Liabilities related to inward insurance and reinsurance transactions	20 407	64 896	48 230	22 780	9 391	9 212	86 774	1 351	(75 287)	187 754
Liabilities related to outward reinsurance transactions	47 299	14 721	81 611	45 892	26 613	925	111 600	43	(194 054)	134 650
Other liabilities	486 554	259 539	269 855	163 756	49 769	11 557	43 995	646 914	(587 877)	1 344 062
<b>Total liabilities</b>	<b>1 109 209</b>	<b>583 851</b>	<b>893 614</b>	<b>542 727</b>	<b>328 211</b>	<b>107 554</b>	<b>1 074 606</b>	<b>648 356</b>	<b>(1 587 115)</b>	<b>3 701 013</b>

(in € thousand)

December 31, 2012

	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group
Goodwill	-	-	64 360	7 803	28 898	3 288	-	(2)	-	104 347
Other intangible assets	38 141	15 991	8 596	6 840	1 648	1 072	919	7 028	(3 669)	76 566
Investments - insurance businesses	622 449	831 376	188 533	49 215	84 557	36 060	740 944	1 722 514	(444 945)	3 830 703
Investments accounted for by the equity method	76 001	39 500	-	-	-	-	17 564	(1)	(17 564)	115 500
Share of assignees and reinsurers in the technical reserves and financial liabilities	225 261	131 553	252 847	194 339	96 734	50 814	241 249	110	(693 957)	498 950
Insurance and reinsurance receivables	58 751	70 307	234 324	71 454	72 982	17 801	285 725	(39)	(208 351)	602 954
Other assets	343 097	151 192	234 814	257 106	80 547	(31 729)	58 225	126 534	(371 723)	848 064
<b>Total assets</b>	<b>1 363 700</b>	<b>1 239 918</b>	<b>983 474</b>	<b>586 757</b>	<b>365 366</b>	<b>77 306</b>	<b>1 344 627</b>	<b>1 856 144</b>	<b>(1 740 209)</b>	<b>6 077 081</b>
Technical reserves	507 113	270 543	476 228	345 946	236 501	71 384	722 857	48	(699 974)	1 930 646
Liabilities related to inward insurance and reinsurance transactions	11 319	66 927	53 271	23 426	7 172	3 361	82 665	1 772	(66 004)	183 909
Liabilities related to outward reinsurance transactions	25 276	7 882	70 362	36 626	21 795	450	131 123	-	(145 417)	148 097
Other liabilities	508 645	267 889	283 216	156 435	44 512	9 154	36 374	637 500	(542 798)	1 400 933
<b>Total liabilities</b>	<b>1 052 353</b>	<b>613 241</b>	<b>883 077</b>	<b>562 433</b>	<b>309 980</b>	<b>84 349</b>	<b>973 019</b>	<b>639 320</b>	<b>(1 454 193)</b>	<b>3 663 582</b>

## Note 12 Related parties

Euler Hermes is owned mainly by the Allianz SA Group, which in turn is 100%-owned by the Allianz Group. The breakdown of the Euler Hermes Group shareholding is as follows:

	Number of shares	%
Allianz SA	26 864 230	59,25%
Allianz Vie	3 879 818	8,56%
Treasury shares	1 208 500	2,67%
<b>Sub-total</b>	<b>31 952 548</b>	<b>70,47%</b>
Public (bearer securities)	13 389 629	29,53%
<b>Total</b>	<b>45 342 177</b>	<b>100,00%</b>

## Transactions

(in € thousand)	June 30,				2012			
	Allianz SE & other Allianz companies	Allianz Belgium	Allianz France SA	Related companies and joint ventures	Allianz SE & other Allianz companies	Allianz Belgium	Allianz France SA	Related companies and joint ventures
Operating income	24 983	-	-	33 518	28 187	-	-	8 210
Insurance services expenses	(11 332)	-	-	(70 709)	(11 565)	-	-	(7 005)
Net income or expense on reinsurance	(31 383)	-	-	(535)	(13 422)	-	-	6
Financing expenses	-	(2 742)	-	-	-	(2 757)	-	-
Other financial net incomes	(7 333)	-	-	(7 831)	(5 261)	-	-	(2 842)

## Receivables and liabilities

(in € thousand)	June 30, 2013				December 31, 2012			
	Allianz SE & other Allianz companies	Allianz Belgium	Allianz France SA	Related companies and joint ventures	Allianz SE & other Allianz companies	Allianz Belgium	Allianz France SA	Related companies and joint ventures
Financial Investments (Allianz SE bond)	160 000	-	-	-	160 000	-	-	-
Current accounts (accrued interests included)	51 151	-	-	4	33 930	-	-	3
Net operating receivables	4 602	-	-	4 909	841	-	-	669
Borrowings (accrued interests included)	-	135 091	-	-	-	137 879	-	-
Operating liabilities	(4 348)	-	-	2 820	(6 552)	-	(216)	355

The following entities invested in Allianz SE 14-month corporate bonds for a total amount of €160 million:

- Euler Hermes Reinsurance AG;
- Euler Hermes Deutschland AG;
- Euler Hermes France.

The current account with Allianz SE corresponds to part of the Group's cash position, which is centralised by Allianz SE under a cash pooling arrangement.

Borrowings mainly correspond to a loan contracted in 2010 with Allianz Belgium for €135 million with maturity planned for June 24<sup>th</sup>, 2020, at a fixed annual interest rate of 4,04 %.

## Note 13 Commitments given and received

(in € thousand)	June 30, 2013	December 31, 2012
<b>Commitments received</b>	<b>9 254</b>	<b>8 825</b>
* Deposits, sureties and other guarantees	9 254	8 825
<b>Commitments given</b>	<b>103 014</b>	<b>102 810</b>
* Deposits, sureties and other guarantees	103 014	102 810
<i>o/w</i>		
- Commitments to Citibank	50 000	50 000
- Commitments to Société Générale	38 466	37 925
- Commitments to InvestitionsBank Landes Brandenburg	1 857	1 857
- Commitments associated with membership of an EIG	159	180
- Securities buyback agreement	-	-

The given commitment of € 50 million is aimed to cover Citibank's customers having signed a credit insurance policy with an Euler Hermes subsidiary in the event that the latter fails to meet its credit insurance policy obligations.

The € 38.5 million commitment is a guarantee to Romanian bank, BRD, a subsidiary of Société Générale Group, in relation to the issuance of bond policies by Euler Hermes Europe S.A. Nederland.

Within the framework agreement, Euler Hermes and MAPFRE gave and receive to each other a commitment.

**Note 14      Subsequent events as at June 30<sup>th</sup>, 2013**

No significant change in the financial or trading position of the Group which could impact the assumption of the half closing has occurred since June 30<sup>th</sup>, 2013.

## Statutory Auditors' Report on the 2013 half-year financial information

*This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.*

### **Euler Hermes – S.A.**

Registered office: 1, place des Saisons – F-92048 Paris La Défense Cedex  
Share capital: € 14 509 496,64

### **Statutory Auditors' Review Report on the half-yearly consolidated financial statements**

For the six-month period ended 30 June 2013

To the Shareholders,

Following our appointment as statutory auditors by your Shareholders' General Meeting and in accordance with article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Euler Hermes SA for the six-month period ended 30 June, 2013,
- the verification of information contained in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Group Management Board in a context of high market volatility, economic and financial crisis characterized by a certain difficulty in assessing the future prospects that already existed at the end of the year to December 31<sup>st</sup> 2012. Our role is to express a conclusion on these financial statements based on our review.

### **I. Conclusion on the financial statements**

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements.



## II. Specific verification

We have also verified information given in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, on the 29 July 2013

Paris, on the 29 July 2013

KPMG Audit FS II

ACE – Auditeurs Et Conseils d'Entreprise

French original signed by  
Xavier Dupuy  
Partner

French original signed by  
François Shoukry  
Partner

## **Declaration by the person responsible for the half-year financial Report**

I declare that, to the best of my knowledge, the condensed financial statements for the ending semester have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss of the Company and all the other companies included in the scope of consolidation, and that the half-year activity report includes a fair review of the important events which occurred during the first six months of the year, their impact on the half-year financial statements, and the main transactions between related parties, together with a description of the principal risks and uncertainties that they face in the remaining six months of the year.

Paris, July 24<sup>th</sup>, 2013

Wilfried VERSTRAETE,  
Chairman of the Group Management Board