

News Release

MARKET SENSITIVE INFORMATION
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Euler Hermes UK Exporters' Report

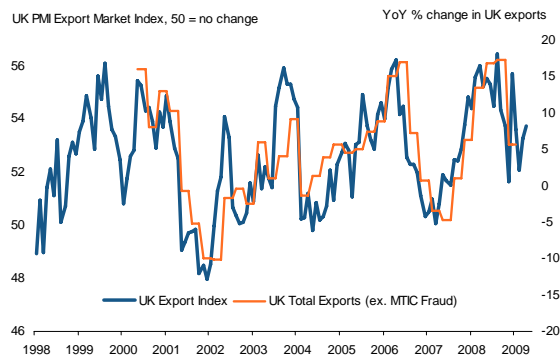
Global demand continued to fall, but at a slower pace

Key points:

- Further sharp decline in global demand.
- Sterling remained relatively weak, providing some support for exporters.
- Relative strength in BRIC economies had limited positive impact.

Historical overview:

Euler Hermes UK Exporters' Index



Summary:

April data signalled that trading conditions for UK exporters remained difficult. Global activity continued to fall sharply, despite some small signs of improvement in underlying trends among the UK's main trading partners. However, the continued weakness of sterling leaves exporters well placed to benefit from a recovery when it materialises.

The Euler Hermes UK Exporters Index, compiled by Markit, was broadly stable in April, posting 53.8 after registering 53.3 in March. Slower rates of decline in business activity were generally recorded across the globe, with major trading partners such as the US and Eurozone both contracting at slower rates. The value of sterling increased slightly during the month, but remained weak overall, providing a

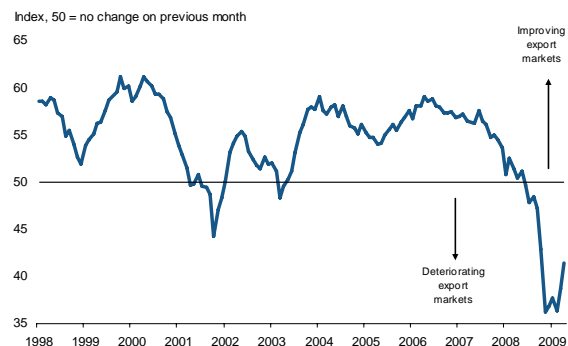
continuing boost to UK export competitiveness.

The Euler Hermes UK Export Climate Index continued to point to a sharp decrease in underlying demand for UK goods and services in overseas markets in April, despite signs that the pace of decline has eased. The index rose for the second consecutive month to its highest level since last October. However, it remained well short of the 50.0 no-change mark which separates expansion from contraction.

The pace of reduction in the UK's primary trading partner – the United States – eased in April, according to latest data from the Institute for Supply Management (ISM). Although activity still fell markedly, the decrease was much weaker than the monthly declines seen at the end of 2008.

All surveyed nations in the single currency area posted declines in activity, with the majority posting slower declines. France, Germany, Italy and Spain all registered weaker contractions in activity in April compared with March. However, Ireland – which is a key trading partner within the Eurozone – actually saw an acceleration in the rate of contraction at the start of Q2.

Euler Hermes UK Export Climate Index



All the BRIC nations saw relative improvements in underlying trends in April. However, the direct boost to UK exporters from any recovery in emerging markets remains limited as these countries currently account for just 4% of UK shipments.

Although the pound rose slightly in value during April, it remained historically weak. On a trade-weighted basis, sterling was 16% lower compared with one year ago. This continues to provide a boost to UK trade competitiveness, and leaves companies well positioned to take advantage of any future recovery in global activity.

For further information, please contact:

Markit Press Office

Caroline Lumley
Telephone +44-20-7260-2047
Email caroline.lumley@markit.com

Comment:

Commenting, Andrew Harker, Economist at Markit Economics said:

“Although this is undeniably a very difficult time for UK exporters, there is some light at the end of the tunnel. Smaller declines in activity combined with the weak pound provide some hope that conditions will improve in the near future.”

-Ends-

Euler Hermes UK Press Office

Helen Taylor
Telephone +44-20-7860-2546
Email helen.taylor@eulerhermes.com

Notes to Editors:

The Euler Hermes UK Exporters' Index combines PMI-based data on the underlying health of demand in all of the UK's major trade partners together with figures on recent trends in the UK currency. By weighting together these two separate constituents an accurate measure of official UK export trade can be produced.

The Euler Hermes UK Export Climate Index (formerly the UK Exporters' PMI) is derived from the renowned monthly Purchasing Managers' Index® (PMI®) surveys conducted by Markit and other organisations around the world covering 9,000 companies in 25 countries.

About Euler Hermes

Euler Hermes is the worldwide leader in credit insurance and one of the leaders in the areas of bonding, guarantees and collections. With 6,200 employees in over 50 countries, Euler Hermes offers a complete range of services for the management of B-to-B trade receivables and **posted a consolidated turnover of €2.2 billion in 2008.**

Euler Hermes has developed a credit intelligence network that enables it to analyse the financial stability of 40 million businesses across the globe. The group protects worldwide business transactions totalling €800 billion.

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

About Markit

Markit is a financial information services company with more than 1,000 employees in Europe, North America and Asia. Over 1,000 financial institutions use our independent services to manage risk, improve operational efficiency and meet regulatory requirements.

About Markit Economics

Markit Economics is a specialist compiler of business surveys and economic indices, including the Purchasing Managers' Index (PMI) series, which is now available for 26 countries and key regions including the Eurozone and BRIC. The PMIs have become the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

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